

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

Seventeenth Congress
Third Regular Session

HOUSE BILL NO. **7824**



Introduced by **Congressmen Romeo M. Acop, Amado T. Espino, Jr., Leopoldo N. Bataoil**

EXPLANATORY NOTE

Since its establishment, through Republic Act No. 6975, the Philippine National Police (PNP) has achieved major strides as the country's premier law enforcement agency. It has become true to its Constitutional and statutory mandate to maintain peace and order; protect life, liberty and property; promote general welfare; and maintain public safety.

However, despite its reform and reorganization under Republic Act No. 8551, there is still an imperative need for the PNP to implement a modernization program to ensure its transformation into a highly efficient, capable, and competent national police force.

Today, after almost thirty years in existence, the PNP continues to be beset by various peace and order and public safety concerns. However, with the advent of globalization and terrorism, to include serious threats to national security, the PNP is confronted with seemingly insurmountable challenges posed by emerging forms of criminality and transnational crimes, which do not distinguish territorial boundaries.

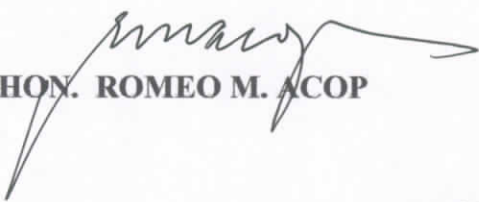
This proposed Bill is both relevant and timely as it seeks to guarantee the modernization of our national police force.

The PNP Modernization Program shall consist of two components, namely: the Infrastructure Development and Facilities Upgrade and the Equipment Upgrading and Acquisition Planning. The PNP Modernization Program will assure basic move-shoot-communicate-investigate equipment fill-up and plan for the procurement of mission-essential equipment and facilities. It will program the acquisition of information and communications technology (ICT) and automated systems for a genuine modernized PNP. It will plan for real estate acquisition, titling, and management to support the construction of police stations nationwide.

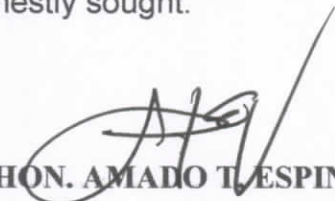
This Bill likewise aims to strengthen police procurement systems and procedures as regards contracts for the supply of military and police equipment including works and services related thereto.

Further, to sustain the PNP Modernization Program, this Bill shall establish an exclusive PNP Modernization Trust Fund which will be supported by identified fund sources and be used exclusively to implement the program.

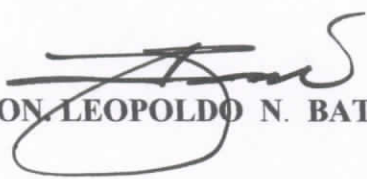
The immediate approval of this Bill is earnestly sought.



HON. ROMEO M. ACOP



HON. AMADO T. ESPINO, JR.



HON. LEOPOLDO N. BATAOIL

Republic of the Philippines
CONGRESS OF THE PHILIPPINES
Senate
Pasay City

SEVENTEENTH CONGRESS
Second Regular Session

7824
HOUSE BILL NO. _____

Introduced by Congressmen Romeo M. Acop, Amado T. Espino, Jr. Leopoldo N. Bataoil

**“AN ACT PROVIDING FOR THE MODERNIZATION
OF THE PHILIPPINE NATIONAL POLICE, APPROPRIATING FUNDS
THEREFOR,
AND FOR OTHER PURPOSES”**

*Be it enacted by the Senate and House of Representatives of the Philippines
in Congress assembled:*

SECTION 1. Short Title. – This Act shall be known as the “PNP
Modernization Act of 2017.”

Sec 2. Declaration of Policy. – It is hereby declared the policy of the State
to implement a modernization program for the Philippine National Police (PNP) with
the end view of transforming it into a highly efficient, capable, and competent
national police force.

Sec. 3. Components of the PNP Modernization Program. - The PNP
modernization program shall consist of the following components:

a. Infrastructure Development and Facilities Upgrading – The
objectives of this component are:

- 1) upgrading and continuing development of basic facilities like
camps, buildings, police stations and police community precincts
and support facilities for administrative, investigative, and
operational services such as but not limited to crime laboratory,
communications systems, research and development centers,
training institutions, medical and dental facilities, and quartering
facilities that are secure, sustainable, gender sensitive and
disaster resilient;
- 2) upgrading of facilities to support regulatory functions;

- 3) development, procurement, and management of information and communications technology systems and automated systems to ensure integration and effective coordination; and
- 4) real estate acquisition, titling, and management.

b. **Equipment Upgrading and Acquisition Planning** – The objectives of this component are upgrading and procurement planning and continuous acquisition of modern equipage for effective PNP capabilities such as but not limited to munitions and related items, transport, communication equipment, intelligence, investigative and forensic equipment, information and communications technology, and other mission-essential equipment.

Sec. 4. Submission of the PNP Modernization Program. – Within ninety (90) days from the effectivity of this Act, the Chief of the Philippine National Police, in consultation with the National Police Commission (NAPOLCOM), the Department of Budget and Management (DBM), and the Department of Finance (DOF) shall submit the PNP Modernization Program to the Congressional Oversight Committee, created under this Act, for its consideration, which shall indicate the following:

- a. The personnel strength and inventory of facilities and equipment of the PNP;
- b. The modernization projects and activities under the program to be undertaken and the particular component and corresponding objective to which such projects and activities relate to;
- c. The priorities, schedules, and phases of implementation of modernization projects and activities;
- d. The estimated average cost of each modernization project or activity to be undertaken.

Sec. 5. Procurement System. – In addition to the provisions of existing laws, rules and regulations governing the acquisition of real estate, buildings, facilities and equipment, the PNP shall strengthen its procurement system and procedures, taking into consideration the following policies and principles:

- a. The PNP shall give preference to qualified domestic entities that participated in the procurement activities of the PNP.
- b. The PNP Uniform and Equipment Standardization Board shall determine the specific standards for items, products, equipment, and technology to be submitted for approval of NAPOLCOM. Except for justifiable circumstances, all specifications submitted to NAPOLCOM shall be acted upon within thirty (30) days from receipt thereof. Otherwise, it shall be deemed as duly approved. All items, products, equipment, and technology standards must be responsive to the needs and requirements of the PNP.

The PNP may resort to direct contracting or any alternative mode of procurement in the following instances:

1) Contracts for the supply of military and police equipment including any part, component, or sub-assemblies thereof, and special tools and machines which are necessary for the production and maintenance of such equipment.

"Military and Police Equipment" refers to those specifically designed or adapted, developed, and produced for military and police purposes and intended for use of arms, munitions or combat or war materials. It includes investigative and surveillance equipment such as automated fingerprint identification system (AFIS), audio-visual transmitters, receivers, cameras, global positioning system (GPS) devices, polygraphs, and other similar, accessorial, or allied devices and equipment designed and produced for such purposes: *Provided*, That it shall also include products which, although initially designed for civilian use, are later adapted to military and police purposes to be used as arms, munitions or combat or war materials, such as but not limited to special suits, helmets, and vehicles, sea craft and aircraft with distinguishable military and police technical features that enable them to carry out missions that are clearly military and police work in nature.

2) Contracts for works and services directly related to military and police equipment such as, but not limited to, repair of equipment for firearms, armored personnel carriers, tanks, aircrafts and ships and construction of test facilities.

"Directly related" means a close connection between the works and services in question and the equipment, such that without which, the works and services may not be put to a meaningful use to the military or police equipment they are related to. It includes works and services not directly related to military and police equipment but are for specifically military and police purposes, such as but not limited to construction of runways, barracks, air raid and fall-out shelters and depots.

c. The PNP shall likewise ensure that in awarded contracts or agreements, provision are incorporated with respect to the transfer to the PNP of the principal technology involved including the training of the PNP personnel to operate and maintain the equipment and technology.

d. The Chief, PNP pursuant to the PNP Reorganization and Modernization Program Projects and Appropriations approved by Congress may, subject to the approval of the President and consistent with the provisions of existing laws and regulations, including those of the Commission on Audit's and under such terms and conditions most favorable to the government, enter into multi-year contracts and other contractual arrangements.

e. For multi-year contracts and other contractual arrangements, lease, lease-purchase agreements and similar agreement, Congress shall, upon issuance of a multi-year obligation authority by the Department of Budget and Management and certification by the President, make the corresponding appropriation for the ensuing fiscal year: *Provided*, That the Department of the Interior and Local Government and the Department of Budget and Management shall issue the implementing guidelines to ensure consistency with the PNP Modernization Program and existing guidelines in the contracting of multi-year projects. It shall only appropriate such funds as may be necessary to pay any unpaid amount where the funds appropriated for the current fiscal year are not sufficient or available to meet such payment in full or in part:

f. The Chief, PNP shall submit to the Congressional Oversight Committee created under this Act, the Secretary of Finance and the Secretary of Budget and Management, copies of these multi-year contracts and other agreements to enable Congress to appropriate funds. The funds to be appropriated for the PNP Reorganization and Modernization Program under this Act shall be treated by the Secretary of the Interior and Local Government and Chairperson of the NAPOLCOM as a distinct and separate budget item from the regular appropriations of the Department of the Interior and Local Government.

Sec. 6. PNP Modernization Act Trust Fund – The PNP shall institute reforms and promote responsible fiscal policies in line with the objectives of the PNP reorganization and modernization program. For this purpose, there shall be created a trust fund, to be known as the PNP Modernization Act Trust Fund, which shall not include salaries and allowances. It shall be used exclusively for the PNP reorganization and modernization program and shall be funded out from:

a. Appropriation for the PNP Reorganization and Modernization Program which is distinct and separate from the PNP appropriations with an initial fund of at least P10 Billion to be included in the modernization budget for the next year following the approval of this Act;

b. Minimum of P5 Billion modernization fund annually to be appropriated by Congress in the budget of the PNP within the duration of the PNP modernization;

c. Shares of the PNP from the proceeds of sale of Military Camps, lease, joint development, build-operate-transfer scheme and other schemes involving PNP real properties, including such immovable and other facilities as may be found therein;

d. Funds from budgetary surplus, if any, subject to the provision of Section 7 hereof;

e. Donations from local or foreign sources specifically earmarked for PNP Modernization;

f. Ninety (90%) percent of the total service fees generated from financial institutions which avail of the automatic salary and pension deduction system of the PNP; and

g. Trust receipts subject to the provision of Section 9 of this Act.

Sec. 7. Austerity and Use of Savings. – Upon the approval of this Act, the Secretary of the Interior and Local Government/Chairperson, NAPOLCOM shall submit to Congress, within the first quarter of the succeeding year, a report on:

a. The amount of all unused or undisbursed funds, other than unused appropriations for salaries and benefits of the PNP personnel, remaining from all previous PNP appropriations; and

b. The amount of savings from austerity measures which are hereafter to be pursued by all services and units of the PNP generated in the previous fiscal year;

The saving generated under this Section will be used to augment the funds for the PNP Reorganization and Modernization Program.

Sec. 8. Exemption from Value Added Tax And Customs Duties - The sale to the PNP of vehicles, weapon, equipment and ammunitions, to include the proceeds from lease, joint development, build-operate-transfer scheme and other schemes involving PNP real properties, which are directly and exclusively used for its projects, undertakings, activities and programs under the PNP Reorganization and Modernization Act, shall be exempted from the value-added tax.

Any importation by the PNP pertaining to modernization, shall likewise be exempted from the value-added tax and customs duties.

Local and foreign donations in support to the PNP Modernization program shall likewise be exempted from value-added tax, custom duties and donors tax

Sec. 9. PNP Trust Receipts. - The accrued income of the PNP from its operations and exercise of various regulatory functions is declared as PNP Trust Receipts and shall be exempted from Section 50 of Presidential Decree 1177, Executive Order 338, General Appropriations Acts and other pertinent laws. The full amount of the cited income shall be deposited in full in an authorized government depository bank. Increments of the whole amount thereof shall be made available to the Chief, PNP to augment PNP appropriations without complying with the requirements of a special budget per provisions of Section 5 of Presidential Decree 1177.

The PNP is authorized to collect payment for the direct cost of operation from the various government agencies and private entities requesting for the use of PNP equipment and facilities. The utilization of the income described herein shall be in accordance with the preceding paragraph.

The share of the AFP, Bureau of Fire Protection, and Bureau of Jail Management and Penology in the scholarship fund allotted from the twenty (20%) percent of the net proceeds of the firearms fees shall be redirected and utilized for the PNP Reorganization and Modernization Program.

Sec. 10. Fund Augmentation from Provincial, City, and Municipal Governments for Local Police Stations. - It shall be mandatory for the provincial, city, and municipal governments to automatically allocate five (5%) percent of its annual appropriations earmarked for local development projects, sourced from its internal revenue allocation (IRA), as its annual fund augmentation to support priority projects and activities of local police stations, embodied in their respective provincial public safety plans or integrated area/community public safety plan, as the case may be, which should be aligned with the objectives of the PNP modernization program under this Act.

Sec. 11. Prioritization of PNP Projects and Activities. - Within ninety (90) days from the effectivity of this Act, the PNP, through the NAPOLCOM, shall submit to Congress, for its consideration and approval, the schedule of priority projects and activities, as well as the yearly estimated average cost, by phases, to serve as basis for appropriate executive and legislative actions to enable immediate implementation until full realization. This schedule may include infrastructure and equipment acquisition and modernization and human resource development of NAPOLCOM.

Sec. 12. Appropriation for the PNP Modernization Program. - The amount necessary for the implementation of this Act shall be treated as a distinct and separate budget item from the regular appropriation of the Department of the Interior and Local Government (DILG) and the PNP.

Sec. 13. Period of Implementation. - The PNP Reorganization and Modernization Program shall be implemented over a period of ten (10) years. The payment for amortization of outstanding multi-year contract obligations incurred under this Act may extend beyond such period.

Sec. 14. Congressional Oversight Committee. - There is hereby created a Congressional Oversight Committee to monitor and oversee the implementation of the provisions of this Act. The committee shall be composed of six (6) members from the Senate and six (6) members from the House of Representatives with the Chairpersons of the Committee on Public Order and Illegal Drugs and the Committee on Public Order and Safety of both Houses as Joint Chairpersons. The five (5) other members from each Chamber shall be designated by the Senate President and the Speaker of the House of Representatives, respectively.

The Minority shall have at least two (2) representatives from both Chambers.

Sec. 15. Annual Reports. - Not later than the end of the first quarter of every year of implementation, the Chief, Philippine National Police shall:

- a. Submit to the President and Congress an annual report on the status of the PNP Modernization Act Trust Fund, as provided for in Section 6 of this Act;

b. Submit to the President and Congress, through the Secretary of the Interior and Local Government (SILG) and Chairman, NAPOLCOM, an annual report containing the progress of the implementation of the PNP modernization program under this Act.

Sec. 16. Review. – Within five (5) years after the effectivity of this Act, the Congressional Oversight shall conduct a review or systematic evaluation of the accomplishments and impact of the PNP Reorganization and Modernization Program, as well as the performance and organizational structure of the implementing agencies, for purposes of determining remedial legislations.

Sec. 17. Implementing Rules and Regulations. – The Chief, PNP, in coordination with the National Police Commission and the Secretary of Budget and Management, shall promulgate the necessary rules and regulations within one hundred eighty (180) days from the approval of this Act for its effective implementation.

Sec. 18. Separability Clause. – If any provision of this Act shall be held unconstitutional or invalid, the other provisions not otherwise affected shall remain in full force and effect.

Sec. 19. Repealing Clause. – All laws, executive orders, rules and regulations inconsistent with or contrary to this Act, are hereby deemed accordingly repealed or modified.

Sec. 20. Effectivity Clause. – This Act shall take effect after fifteen (15) days following its publication in the Official Gazette or in at least two (2) newspapers of national circulation.

Approved.