EXPLANATORY NOTE

Infrastructure development plays a vital role in shaping our country's economy. Improved infrastructure in the country would help us attract more investors to invest in our country which would then lead to a more productive and prosperous economy. Annually, the government allocates a substantial portion of its monetary fund to public works projects. However, the huge amount of money earmarked for the same are often vulnerable to anomalous acts, such as substandard work and the use of substandard materials.

Presidential Decree 1759 was signed in 1981 to prevent construction of public facilities that are substandard, as well as the use of materials that have poor quality. PD 1759 also imposes sanctions on violations of its provisions.

This bill seeks to strengthen PD 1759 by increasing the penal sanctions on the violations of the provisions of this law from a minimum imprisonment of twelve (12) years to twenty (20) years. It also includes the use of premature deterioration of public works structure as prima facie evidence in determining the violation of the provisions of this law.

In view of the foregoing, immediate approval of this measure is earnestly sought.

MANUEL DG. CABOCHAN III
Representative
Magdalo Para sa Pilipino Party-List
REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session
House Bill No. 945

Introduced by MAGDALO Party-List Representative
HON. MANUEL DG. CABOCHAN III

AN ACT
INCREASING THE PENALTIES IMPOSED AGAINST CONTRACTORS AND SUBCONTRACTORS WHO VIOLATE ANY MATERIAL PROVISION OF CONTRACTS INVOLVING PUBLIC WORKS PROJECTS OF THE GOVERNMENT, AND PUBLIC OFFICIALS WHO ALLOW SUCH VIOLATIONS, AMENDING FOR THIS PURPOSE PRESIDENTIAL DECREE NO. 1759

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

SECTION 1. Section 1 of Presidential Decree No. 1759, is hereby amended to read as follows:

"Section 1. - Any provisions of the law contrary notwithstanding, contractors and sub-contractors who violate any material provision[s] of contracts involving public works projects, either as to materials, quality and quantity of work, resulting [to the] IN prejudice [of the] TO THE government, shall suffer the penalty of IMPRISONMENT RANGING from [twelve (12) TWENTY (20) years to life [imprisonment], A FINE RANGING FROM FIFTY PERCENT (50%) TO TWO HUNDRED PERCENT (200%) OF THE AMOUNT OF THE CONTRACT, [at the discretion of the Court,] and shall, in addition, suffer [perpetual disqualification from participating in any government contracts,] IPSO FACTO REVOcation OF THEIR CONTRACTOR'S LICENSES INCLUDING THE PROFESSIONAL LICENSES OF EXECUTIVES IN CHARGE OF THE DESIGN AND CONSTRUCTION OF THE PROJECT

The offending contractor or sub-contractor shall further be liable for the cost of reconstructing such public works project in accordance with the specifications agreed upon.

In case of corporations, partnerships or associations, the President, General Manager or any responsible chief executive officer/ officers shall be liable, ANY PROPRIETORSHIP, CORPORATION, PARTNERSHIP, ASSOCIATION, OR BUSINESS ORGANIZATION WHOSE PROPRIETOR, STOCKHOLDER, PARTNER, MEMBER OR OFFICER IS RELATED WITHIN THE FOURTH DEGREE OF CONSANGUINITY OR AFFINITY TO THE PERSON CONVICTED OF VIOLATION OF
ANY OF THE ACTS PUNISHABLE UNDER THIS ACT IS
PROHIBITED FROM PARTICIPATING IN SAID GOVERNMENT
CONTRACT THE PREMATURE Deterioration OF ANY PUBLIC
WORKS PROJECT SHALL CONSTITUTE PRIMA FACIE EVIDENCE
OF VIOLATION OF SHALL CONSTITUTE PRIMA FACIE EVIDENCE
OF VIOLATION OF THE ACTS PUNISHABLE UNDER THE FIRST
PARAGRAPH OF THIS SECTION, THE SECRETARY OF THE
DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS IS HEREBY
MANDATED TO PROMULGATE THE NECESSARY IMPLEMENTING
RULES AND 10 REGULATIONS TO EFFECTIVELY CARRY OUT THE
INTENT OF THE 11 PROVISIONS OF THIS PARAGRAPH."

SEC. 2. Section 2 is amended to read as follows:

"Any public official who, by reason of the duties of his office, shall
consent, or through abandonment or negligence, permit the contractor or
subcontractor to commit [the violations mentioned in Section I hereof,]
ANY OF THE ACTS PUNISHABLE UNDER THIS ACT shall suffer the
penalty of IMPRISONMENT RANGING from [twelve (12)] TWENTY (20)
years to life [imprisonment], A FINE EQUIVALENT TO THIRTY
PERCENT (30%) OF THE AMOUNT OF THE CONTRACT and perpetual
disqualification [to] FROM holding any public office, ANY
PROPRIETORSHIP, CORPORATION, PARTNERSHIP, ASSOCIATION,
OR BUSINESS ORGANIZATION WHOSE PROPRIETOR,
STOCKHOLDER, PARTNER, MEMBER OR OFFICER IS RELATED
WITHIN THE FOURTH DEGREE OF CONSANGUINITY OR
AFFINITY TO THE PUBLIC OFFICER IN OF OR ASSOCIATED IN
ANY MANNER WITH THE PROJECT BEING UNDERTAKEN IS
PROHIBITED FROM PARTICIPATING IN SAID GOVERNMENT
CONTRACT."

SEC. 3. Any provisions of law, degree, executive order or any issuance inconsistent
herewith are hereby repealed and/or modified accordingly.

SEC. 4. This Act shall take effect fifteen (15) days following completion of its
publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,