



1 HOUSE OF REPRESENTATIVES
2 Quezon City

3
4 Eighteenth Congress
5 First Regular Session

6
7 HOUSE RESOLUTION NO. 263

8
9 Introduced by Rep. Bernadette Herrera-Dy

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11 **A RESOLUTION DIRECTING THE APPROPRIATE HOUSE COMMITTEE TO CONDUCT AN**
12 **INVESTIGATION, IN AID OF LEGISLATION ON THE DELAYED CONTRACTS AND**
13 **PROJECTS OF THE NATIONAL IRRIGATION ADMINISTRATION (NIA) AND TO DEMAND**
14 **THE AGENCY TO EFFECTIVELY PURSUE THE RECOMMENDATIONS MADE BY THE**
15 **COMMISSION ON AUDIT (COA) TO ADDRESS ITS INEFFECIENCIES**
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17 **WHEREAS**, the National Irrigation Administration (NIA) is a government-owned and controlled
18 corporation which is primarily responsible for the Philippines' irrigation development and
19 management.

20 **WHEREAS**, NIA is mandated to help the country's program on rice self-sufficiency by pursuing
21 infrastructure projects in line with irrigation and agricultural development.

22 **WHEREAS**, NIA's project implementation is crucial to the enhancement of the farming sector.
23 To further its objectives, the total appropriation in 2018 for the NIA Irrigation Development
24 Program is P41,669,162,000 billion.

25 **WHEREAS**, in 2017, it must be recalled that the Commission on Audit (COA) reported that 436
26 irrigation contracts and projects under NIA, with an aggregate cost of PHP11.94 billion were
27 delayed to be implemented.

28 **WHEREAS**, similarly in 2018, COA identified 299 irrigation contracts under NIA that are delayed
29 for up to 2,287 calendar days based on its 2018 annual audit. Generally, the delays range from a
30 day to about six years. The delay irrigation projects' total contract cost is P20,704,244,492 billion.

31 **WHEREAS**, those with most funding were initiated by NIA's Central Office (CO), with 55 contracts
32 worth P17.63 billion. These were delayed by around 15 to 2,287 days. The other projects were
33 Ilocos Region Office's ARISEP-Agno River Irrigation System Project (75 contracts, P870 million),
34 projects in the Davao Region (30 contracts, P818.4 million), Balog-Balog Multipurpose Project
35 (eight contracts, P392.9 million), and projects in Bicol Region (45 contracts, P366.3 million).

1 Projects in the Davao Region were delayed by 58 to 2,016 days, while those in Bicol Region were
2 delayed up to 288 days.

3 **WHEREAS**, other than delays by contractors, the audit showed that NIA granted 42
4 contracts/projects to contractors with a total cost of P544,000,184 million notwithstanding
5 inadequate evaluation and incomplete documentation.

6 **WHEREAS**, NIA's central office and seven regional offices awarded a total cost of P4.3 billion
7 contracts to contractors with the lowest bids. However, these contractors did not pass the eligibility
8 requirements due to incomplete documents and questionable availability of resources.

9 **WHEREAS**, NIA did not terminate or rescind 20 on-going contracts aggregating P9.39 billion that
10 have already incurred huge negative slippages ranging from 15 to 87.84%.

11 **WHEREAS**, NIA did not forfeit performance securities of P472,067,000 million for 42 terminated
12 contracts costing P2.207 billion.

13 **WHEREAS**, such irregularities pose doubts to NIA's capacity to effectively implement its projects
14 and to efficiently manage the irrigation systems of the country.

15 **WHEREAS**, COA stated in its report that the delay in the completion of the contracts unduly
16 deprived the farmer-beneficiaries of the immediate use of the said irrigation facilities. These
17 problems also led to the wastage of government resources as the projects' implementation
18 exceeded the planned date of completion.

19 **WHEREAS**, COA determined that NIA's inadequate planning, inefficient execution of surveys
20 and investigations, and the recurring issues on the acquisition of Right of Way (ROW) caused the
21 significant delays.

22 **WHEREAS**, COA instructed NIA to strictly follow Section 17.6 of RA 9184 or the Government
23 Procurement Reform Act which states that no bidding and award of contract for infrastructure
24 projects shall be made unless the detailed engineering investigations, surveys and designs,
25 including the acquisition of the ROW, for the project have been sufficiently carried out and duly
26 approved in accordance with the standards and specifications prescribed by the Head of the
27 Procuring Entity.

28 **WHEREAS**, COA further emphasized that RA 9184 also mandated that contractors who fail to
29 satisfactorily complete the work within the specified time in the contract despite the extension
30 granted, shall pay the procuring entity for liquidated damages equal to at least one tenth of one
31 percent of the cost of the unperformed portion of the works for every day of delay.

32 **WHEREAS**, COA directed NIA to require its legal department to conduct investigations and
33 possibly file charges against those who are liable for not issuing liquidation damages to erring
34 contractors, and those who issued Change Orders (ChOs)/Variation Orders (VOs) and Contract
35 Time Extensions (CTEs) without proper evaluation and documentation.

1 **WHEREAS**, NIA must also implement stricter measures in the evaluation of contractors and
2 bidders to ascertain the accomplishment of all projects. NIA is accountable for the delay of
3 projects despite the contractors' unsatisfactory performance, since the agency is responsible for
4 the scrutiny of the contractors' capabilities.

5 **NOW, THEREFORE, BE IT RESOLVED**, by the House of Representatives, directing the
6 appropriate House Committee to conduct an investigation, in aid of legislation on the delayed
7 contracts and projects of the National Irrigation Administration (NIA) and to demand the agency
8 to effectively pursue the recommendations made by the Commission on Audit (COA) to address
9 its inefficiencies. The mandate of the National Irrigation Administration (NIA) is vital to the
10 achievement of rural development. Delayed projects and contracts serve to be detrimental to
11 farmers's productivity and well-being. The development and maintenance of national irrigation
12 systems and water resources must be administered responsibly. NIA is accountable for the
13 problems caused by its contractors and the agency must provide maximum effort in addressing
14 these issues. To ensure the pursuit of the aforementioned, the House of Representatives shall
15 monitor developments of this concern and continuously direct all its efforts towards this end.

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17 Adopted,

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BERNADETTE HERRERA-DY