

QC LGU streamlines budget, cancels improvident contracts

The Manila Times · 8 Jan 2021 · B13

FOLLOWING the Quezon City (QC) Council's approval of the city's 2021 budget, public departments such as the City Engineering Department, City Legal Department, and Internal Audit Service (IAS) recently reviewed all existing city projects and made recommendations to terminate non-performing, delinquent, or anomalous contracts, in order to prioritize more urgent projects.

"When the Internal Audit Service was formed in 2019, its main purpose was to ensure that funds are allocated properly and efficiently, towards the best use of taxpayers. This comprehensive review is an essential part of transparent governance, and assures accountability to every QCitizen," noted QC Mayor Joy Belmonte. "Moreover, given the expected downturn in our city's revenues due to Covid-19, the termination of these deficient contracts is the best solution to free up the necessary resources to address the effects of the pandemic," she added.

During the review, approximately 40 projects were flagged and endorsed for cancellation, including Phase II and Phase III of the construction of the QC Convention Center. Project No. 18-24004 (Phase II), officially began last March 1, 2019, and was supposed to be fully completed by August 27, 2019 (a span 180 days), as per the terms of the contract. Despite the unusually short timeframe to complete a large scale undertaking, the project was approved and awarded by the previous city administration.

As expected, the contractor requested for repeated extensions of the completion date, with the final date of the Phase II turnover set last February 17, 2020, or 174 days past the first deadline. Despite the considerable grace period — as well as significant alterations to the initial contract plans — this turnover date was once again bypassed. Moreover, the contractor requested the QC local government for an additional P35 million to cover for the "cost of delays and other circumstances".

Finally, upon inspection of the site by the City Engineering Department last month (more than 400 days past the initial contract deadline), the project was found to have been less than 75 percent completed, with negative slippage reported as 25.85 percent. This prompted the Office of the City Attorney to recommend the termination of the contract, in accordance with prevailing laws and regulations.

Project No. 19-13004 (Phase III), suffered similar delays and was likewise terminated. The project was expected to start on July 5, 2019, and finished before December 1, 2019. Due to a zero percent completion one month before this deadline, however, the project was suspended. As of this writing, the completion status of Phase III still remains at zero percent. "Apart from the questionable terms of these projects and the massive delays in their execution, the pandemic has pushed so many other initiatives ahead of the Convention Center," explained City Attorney Niño Casimiro. "It does not make fiscal or practical sense to continue funding a long-overdue structure that cannot be used anytime in the near future, and will most likely end up becoming a huge white elephant," he added.

The 2021 budget for Quezon City allotted P28.7 Billion for the year, with almost half of the entire budget going to social welfare and services. “The allocation of funds reflects the city’s objective to provide relevant and responsive social care and services for our QCiti-zens, in light of their most pressing needs. We have also put more emphasis on providing competitive salaries for our healthcare workers, as well as working towards improved healthcare services for all,” Belmonte concluded.