



Republika ng Pilipinas
Kagawaran ng Edukasyon
Tanggapan ng Pangalawang Kalihim

MEMORANDUM
1 August 2018

For: **Regional Directors (VI, VII, VIII)**
Schools Division Superintendents
(Iloilo, Bogu City, Cebu, Ormoc City, Leyte)
Regional and Division Engineers
Education Facilities Division

Subject: **PAGCOR SCHOOL BUILDING PROJECTS**
COMPLETED WITH DEFECTS AND YET TO BE COMPLETED

The Audit Observation Memorandum (AOM) No. 2018-39 (2017), dated 07 June 2018 and issued by the Commission of Audit-PAGCOR (COA PAGCOR) relative to the conduct of a performance audit, ocular inspection and technical inspection of the “*Matuwid Na Daan sa Silid Aralan*” Project of PAGCOR in various locations being implemented by DepEd and DPWH, shows that various PAGCOR school buildings, as seen in the attached letter from PAGCOR, are either completed with defects or yet to be completed as of to date.

With regards completed projects with defects, the concerned Regional/Division Engineers are hereby instructed to **review the structures and provide necessary actions and interventions** to ensure that the classrooms being used are in good condition and will not pose hazards to our school children.

With regards projects yet to be completed, the concerned Implementing Units (IUs) must **strictly implement the provisions of the contract, note violations and impose appropriate penalties.**

Email reports on actions undertaken on or before **06 August 2018** to as.efd@deped.gov.ph, cc uap@deped.gov.ph.

For immediate and appropriate action.


ALAIN DEL B. PASCUA
Undersecretary



Office of the Undersecretary for Administration

(Administrative Services, Information and Communications Technology, Disaster Risk Reduction and Management, Schools Health, Youth Formation, Baguio Teachers' Camp, Education Facilities/School Buildings)
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July 11, 2018

USEC. ALAIN DEL B. PASCUA

Undersecretary
Department of Education
DepEd Complex, Maralco Ave.
Pasig City

Dear **Undersecretary Pascua**,

This has reference to the Audit Observation dated June 7, 2018 issued by the Commission on Audit to its conduct of a performance audit, ocular and technical inspection under the project "Daan sa Silid Aralan" Project of PAGCOR, DepEd and DPWH.

General findings and observations are as follows:

- Ocular and technical inspection was conducted to verify the physical existence and condition of funded School Buildings in various locations. The following observations were noted as shown below:

Location	Name of School	No. of Classroom	Status of Inspection	Remarks/Observations
Madrilejos, Cebu	Malbago Elementary School	3	Construction not yet started	Coordination has been made between the school authorities and DepEd as to reserved areas of the school premise allocated for PAGCOR building. However, no assurance was given if the plan will push through. According to the management's monitoring, the project is under the process of contracting. Note that this project was part of the Yolanda Fund.
Madrilejos, Cebu	Madrilejos National High School	9	Construction not yet started	Construction of supposed 3-storey with nine (9) class rooms building was not yet started. Accordingly, bidding process was already done five to six months ago, but up to the date of inspection no clear information was given to us if the project will push through. The project was also part of Yolanda Fund.
Daanbantayan, Cebu	Logon Elementary School	4	Completed	Two classrooms were not yet occupied. The floorings of second classroom were already sunken and destroyed. Accordingly, the gravel and sand used in the construction were taken from the school premises.

ANNABELLE TETO



- DRAFT REPLY.
URGENT. IMMEDIATE
JULY 31, 2018

- FOR APPROPRIATE ACTION.

[Signature]
7/27

ALAIN DEL BUSTAMANTE PASCUA
Undersecretary for Administration

Bogo City, Cebu	Binabag National High School	2	Completed	The location of the School Building is at high risk because of eroding foundation. There are cracks in the flooring and walls. The flooring is 3 to 5 inches sunk due to weak foundation. Typhoon, earthquake or simple rain may aggravate its condition according to our Technical Inspector.
Carles, Iloilo	Barangcalan Elementary School	3	Completed	The contractor repaired the ceiling of the classroom that was destroyed by typhoon Marce, but the electrical wirings were not reinstalled.
Balasan, Iloilo	Tingui-an Elementary School	5	Completed	The Principal recounted a short circuit incident due to faulty electrical wirings and leakage on ceiling.
Concepcion, Iloilo	Polopiña Elementary School	3	Completed	One classroom is used as Principal and Teacher's Office
Concepcion, Iloilo	Macalbang Elementary School	3	Completed	Accordingly, there was an incident where the polycarbonate roofing of the canopy was removed and hit a child on his head. They shouldered the medical needs of the child
Sara, Iloilo	Sara National High School	20	Not yet started	Accordingly, there is already a winning bidder for the project but there are certain documents that the bidder needs to comply. The condemned building, where the proposed school building will be constructed, is still being used by the students.
Jaro, Iloilo	Jaro II Elementary School	10	Completed	Multiple cracks on walls and flooring were noted as well as vibrations on the structures were observed.
Jaro, Iloilo	San Isidro Uswag, Sr. PS Annex	6	Completed	Multiple cracks, chippings and scaling on flooring and walls. There was also possibility of falling cement blocks from the gutter.
Jones, Isabela	Jones Rural School	5	Completed	Huge cracks on walls which can be the primary reason for building to collapse anytime are observed. Ceiling is partially replaced. Huge stripping in the flooring is also noted. Ceiling paints were already scraped and missing horizontal window slats were replaced with wooden lawaners. Defective water pipe causes some traces of flooding of the building.
Ormoc City, Leyte	Luna Elementary School	2	Completed	The stage was completely separated from the building structure itself which is not in accordance with the design and plan made by PAGCOR. The school building was under renovation because it was previously damaged by earthquake.
Ormoc City, Leyte	Concepcion Elementary School	5	Completed	The school building was under renovation because it was severely damaged by earthquake.
Ormoc City, Leyte	Matica-a Elementary School	4	Completed	The ceiling is severely damaged and it was revealed that the woods used inside the ceiling are coconut lumbers which are already degraded.

Isabel, Leyte	Monte Alegre Elementary School	4	Completed	The ceiling, walls and foundation of the school building were severely damaged by earthquake. As of the date of inspection, no renovation was taken yet. The structure itself may create accident if not given attention based on our Technical Inspector.
Baganga, Davao Oriental	Baganga Elementary School	5	Completed	One classroom is used as Principal's Office (Constructed by DPWH)
Baganga, Davao Oriental	Dapnan Elementary School	5	Completed	One classroom is used as Guidance and Principal's Office (Constructed by DPWH)
Cateel, Davao Oriental	San Antonio Elementary School	5	Completed	One classroom is used as Principal's Office (Constructed by DPWH)
Cateel, Davao Oriental	San Isidro Elementary School	5	Completed	One classroom is used as Principal's Office (Constructed by DPWH)
Cateel, Davao Oriental	Cateel Agricultural High School	5	Completed	Three (3) out of the five (5) classrooms are used as Administration Office, Principal's Office and Library (Constructed by DPWH)
Cateel, Davao Oriental	Cateel Central Elementary School	5	Completed	Three (3) out of the five (5) classrooms are used as Clinic/Planning Section, Faculty Room and Principal's Office (Constructed by DPWH)
Cateel, Davao Oriental	Cateel Vocational High School	5	Completed	All five classrooms are used as Conference Hall, Head Teachers Office/Registrar, Principal's Office, Guidance Office and Education Management Education Section/Accounting Section (Constructed by DPWH)
Boston, Davao Oriental	Boston Central Elementary School	5	Completed	Two out of the five classrooms are used as Principal's Office/Faculty Room, WATCH Office/ Guidance Office (Constructed by DPWH)
Boston, Davao Oriental	Boston National High School	5	Completed	All five classrooms are used as Principal/School Planning Office, Record/Accounting, Guidance/Publication Office, WATCH/Faculty Office and Clinic/Disaster Risk reduction Office (Constructed by DPWH)

In the same AOM, COA-PAGCOR suggests a joint inspection of the projects, and for the implementing agencies to take immediate action, especially on those above-mentioned, which were found to have major defects (highlighted) that may endanger the lives of the occupants/students. Also, a justification on the use of the rooms other than for holding classes for students is being required. These concerns are being raised considering that continued occurrence of such, challenges the very objective of the project, which is to alleviate the shortages of classrooms in the entire country.

2. COA-PAGCOR further requires submission of accurate consolidated reports of each implementing agency to aid PAGCOR to come up with a precise and updated Status of Implementation Reports of the project. In this light, may we earnestly request DepEd's timely submission of a monthly report on the status of this project, as stated in the Memorandum of Agreement entered into by and between PAGCOR and DepEd;
3. In addition, submission of a summary school buildings, including its locations, that were already turned-over and accepted, and duly signed and verified by DepEd is required;
4. Moreover, COA-PAGCOR strongly enjoins PAGCOR to coordinate with the concerned implementing agencies to cause the return of the remaining fund, if not spent or earmarked for the construction of classrooms, if any. Relative to this and in connection to our letter addressed to Secretary Leonor M. Briones dated July 27, 2016 (copy attached), may we request for the return to PAGCOR of the unused fund remaining in DepEd's account (apart from the ₱31,513,771.41 refunded to PAGCOR last October 6, 2016, which we highly appreciate) for cancelled projects or those not yet awarded or bidded out, if there are any, once determined and finalized.

In view of the foregoing observations by COA-PAGCOR, we are respectfully forwarding this to your office for your information and appropriate action.

We shall appreciate receiving your reply on this matter **on or before July 31, 2018.**

Thank you for your usual kind support and assistance.

JAMES PATRICK R. BONDOC
Vice President
Corporate Social Responsibility Group

Cc: Commission On Audit-PAGCOR
Internal Audit Department