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21 March 2024

Ms. TERESITA C. GUEVARRA
State Auditor V, Supervising Auditor
Commission on Audit

Through : **Mr. FRANCIS S. MAYLED**
State Auditor III, OIC-Audit Team Leader (CIAC)

Reference : **AOM No. 2024-09(2023)-CIAC**

CIAC COMMISSION ON AUDIT	
RECEIVED BY	<i>[Signature]</i>
DATE & TIME	<i>March 26 / 10:30am</i>

Dear Auditor Guevarra:

This refers to the Audit Observation Memorandum [AOM 2024-09 (2023)] received by the Clark International Airport Corporation (CIAC) on 18 March 2024 with regard the observation made on the ongoing infrastructure development intended for the Clark International Airport (CIA), namely: *“Design and Build of the New Eighteen-Storey Clark Air Traffic Control Tower Building Facility at CIA” and “Supply, Installation, Testing, and Commissioning of Primary Surveillance Radar and Mono-Pulse Secondary Surveillance Radar for CIA.”*

We acknowledge the observations and details presented by the Commission on Audit (COA) on this AOM. We also wish to provide you with our comments on this matter.

MANAGEMENT COMMENTS:

In your memorandum, you mentioned that *“the delays in the completion of the two (2) projects can be attributed to the inadequate planning, supervision, and monitoring, particularly the failure to conduct comprehensive detailed engineering of feasibility studies to anticipate and address potential issue during project implementation.”*

In all objectivity, the CIAC Management has been exercising due diligence from the planning of the projects, their procurement, until the implementation of mitigating measures to minimize the risk entailed to their delays after the contract implementation. External factors, however, contribute to some delays which we at CIAC have been proactively addressing to the best that we can.

On your recommendation to *“properly verify and evaluate during post-qualification the operating conditions of equipment and other constructions equipment to ensure adequacy, availability and suitability of the contractor’s technical capability for the two projects”*, we wish to emphasize that based on our records (Annex “B”), the minimum tools and equipment were presented and certified by the contractor to be in good running condition. The same was also attested by the Special BAC Technical Working Group who conducted the post-qualification activities with members from the CIAC, BCDA, and CAAP.

In response to the lapses identified by your office, the Engineering Department has assertively undertaken a thorough review and subsequent update of our procedural processes concerning all future infrastructure projects since November 2023. This initiative has led to the identification and rectification of certain discrepancies previously present.



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Enclosed in this letter (Annex "A"), you will find a copy of the "Engineering Department Procedure for the Implementation of Projects and Contract Management Procedures." It is pertinent to note that these procedures have not only been ratified by our Management and Board of Directors but also conformed to our ISO compliance standards. Furthermore, these refined procedures have been submitted to and verified by the Governance Commission for Government-Owned and Controlled Corporations (GOCCs).

We express our sincerest gratitude for the guidance and recommendations provided by your office. Your insights are invaluable to us in our continuous pursuit of excellence and integrity.

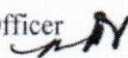
Way forward, this Corporation commits to undertake the courses of action enumerated in your observation and will implement measures to mitigate potential risks that may still arise while implementing the projects.

Should there be any further suggestions or recommendations from your office aimed at enhancing our department's processes and procedures for the future development of the CIAC-Civil Aviation Complex (CCAC), we are keen to receive them.

Thank you for your continued support to CIAC.

Very truly yours,


ARREY A. PEREZ

President and Chief Executive Officer 

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