



NKTI, PHC in hot water over parking rental contract

By Charlie V. Manalo

Two government hospitals are in hot water for entering into a pay parking contract with a real estate giant.

In separate annual audit findings, the Commission on Audit (CoA) said the pay parking contracts that National Kidney and Transplant Institute (NKTI) and the Philippine Heart Center (PHC) entered into with the Ayala Parking Management Corp. (APMC) are unfair to the government.

Former and incumbent officials of the two medical institutions were also assailed by patients for demanding fees for parking areas that have already been paid for out of people's taxes.

The NKTI, then under current Health Secretary Enrique Ona, started the collection of parking fees late 2007. The move was followed by the PHC.

The parking areas for the two Quezon City-based hospitals are both being managed by APMC.

The 2010 audit findings made by CoA indicated similar observations that the provisions of the contracts are disadvantageous to the government.

The two contracts gave NKTI and PHC rental payments amounting to 60 percent of the net income derived from the pay parking operations.

Although conducted separately, the audit examinations noted that officials of the two hospitals failed to fully scrutinize the basis for

computing the net profit.

According to the auditors, NKTI receives payments based "solely on the payment advice prepared by APMC.

"Appropriate determination of the correctness of the amount being paid was never done," CoA said.

"We noted that other than the expenses enumerated under Section 3.3 of the herein contract, all other costs for the operation of the carpark on the leased premises shall be for the account of the lessee," the state auditors stated in their findings.

For the PHC contract, auditors said its provisions are "disadvantageous" to the hospital because government is tasked to pay for all costs for the

maintenance and operation of the pay parking area.

"It is also tasked to cover costs for capital expenditures, initial investments for improvements of basic amenities like booth, barrier, signages, parking equipment and costs of repair," CoA said.

"Not a single expense was for the account of APMC and yet, in effect, its share in the NOI was 40 percent," audit examiners further revealed.

CoA said the two hospitals must consider amending the lease contract into a management contract with a fixed monthly management fee regardless of the amount of revenue.

It also asked officials to conduct public biddings before awarding any contract for pay parking operations to private contractors.