

THE AUTOMATED ELECTION SYSTEM LOGISTICS ISSUE: Deployment of Machines

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The Request for Proposal¹ (RFP) issued by the Commission on Elections (COMELEC) for the Automated Election System (AES) Project required the provision of logistics services without additional cost to the COMELEC.²

During the bid evaluation, it was disclosed that Smartmatic's logistics services partner for the AES Project is 2Go, an Aboitiz company. 2Go subsequently withdrew as a partner. In its stead, Smartmatic engaged three logistics companies: (1) Germalin Enterprises, assigned to cover deliveries within the National Capital Region, (2) Ace Logistics, assigned to cover deliveries within the rest of Luzon, and (3) Argo International Forwarders, assigned to cover deliveries in the Visayas and Mindanao.

Background Research

In one of the meetings of the Joint Congressional Oversight Committee on Automated Elections (JCOC), Chairman Jose Melo said that the three logistics providers are seasoned companies. Neither COMELEC nor Smartmatic had disclosed background information about the three companies. The Center for People Empowerment in Governance (CenPEG) tried to set up appointments with the representatives of each company but the requests were denied. All three companies cited the need for clearance from either COMELEC or Smartmatic.

Research yielded the Financial Statements of the three companies. On review, it was found that the respective Financial Statements of the three companies did not reflect their capacity to handle the Comelec requirement.

Deployment Hubs

In the JCOC meeting, Smartmatic disclosed that the main warehouse is located in Bulacan. This was later transferred to Cabuyao, Laguna following massive flooding brought about by typhoons Ondoy and Pepeng.

Smartmatic also disclosed that delivery hubs (storage points) will be set up all over the country to ensure smooth delivery of the automated election to the final destinations as election day approached. The network of hubs, however, was not disclosed.

The challenge that the logistics providers faced was to ensure that the machines reached their final destinations. Already, delivery from the production plant had encountered delays. And, as has been the experience in past elections (for the delivery of election paraphernalia) that the equipment had to be delivered using various modes of transportation, including, but not limited to, trucks, jeepneys, tricycles, planes, various types of sea vessels plying interisland routes, motorcycles - popularly referred to as "habal-habal" in Mindanao - river boats, and animals. Some deliveries were made by men carrying the sensitive packages, walking through mountain and forest trails and crossing rivers and gorges.

Machine Deployment Schedule

The COMELEC calendar shows target deliveries for ARMM were set for March 2-5, 2010 and outside of the ARMM, from March 2, 2010 to April 8, 2010.

Actual deployment from the Cabuyao, Laguna warehouse to regional hubs started on April 9, 2010.

There were reports from the field that some of the machines did not arrive on scheduled date.

Manufacturing and Delivery

Manufacturing of the PCOS machines was earlier scheduled in Taiwan. Due to the typhoons Ondoy and Pepeng which caused flooding at manufacturing location, production was moved to Shanghai, China. Delay in the start of production was attributed by COMELEC and Smartmatic to the petition filed by the Concerned Citizens Movement with the Supreme Court which sought to enjoin the signing of the contract for the 2010 Elections Automation Project and/or the implementation of the contract for the 2010 Elections Automation Project.³

Delivery of machines was staggered and delayed.

Management Issues

The subcontracted firms, having been engaged by Smartmatic after the award of the contract, did not go through the stringent evaluation and review by COMELEC's Special Bids and Awards Committee unlike all participating bidders and their respective partners that went through the evaluation wringer.

The subcontracted firms were not directly accountable to the COMELEC.

There was no disclosure on the capability of the subcontracted logistics providers to handle sensitive cargo such as the PCOS, laptops, and other electronic equipment.

There was lack of information on road networks and mode of transportation. An application commonly referred to as Geographic Information System (GIS) could have been used for this purpose.

In terms of security, the Forensic Team⁴ identified a vulnerability, the console port on the PCOS, which exposed it to possible breach while in transit or in storage. Forensic Team reported that the shell of the operating system of the PCOS could be accessed by connecting a laptop to it and the operating system does not even ask for a username/password combination.

Conclusion

The COMELEC timetable is too tight as to allow reasonable adjustments to the schedule.

Deployment of the machines was affected by the delays in the delivery of the equipment from the production plant, which in turn was delayed by the transfer of production from Taiwan to Shanghai, China and, as COMELEC and Smartmatic aver, by the petition filed with the Supreme Court.

Even given that the PCOS machines went through quality assurance testing at the Shanghai, China plant, the PCOS machines should have been individually subjected to quality assurance testing at the Cabuyao, Laguna warehouse. The tightened schedule resulting from delays in delivery may have caused the poor quality assurance testing, resulting in, for example, the varying date and time settings of the PCOS machines.

EU-CenPEG Project 3030

End Notes

- 1 REQUEST FOR PROPOSAL for Solutions, Terms & Conditions for the Automation of the May 10, 2010 Synchronized National and Local Elections
- 2 See RFP V. Other Specifications Item (4)
- 3 See Supreme Court Case G.R. No. 188456
- 4 A Forensic Team was organized by the Joint Congressional Canvassing Panel to examine the controversial PCOS machines found in Antipolo City, Rizal.