

where:

EBP, AMCCP, and PCCP are as defined above,
ABP is the actual bid price offered by
the bidder, and
RLD is the rate of liquidated damages stipulated
in the Tender Documents.

- e. The "Allowable Government Estimate" or AGE shall be the average of (i) the Approved Agency Estimate or AAE and (ii) the average of the EBP's.
- f. The comparison and evaluation of bids shall then be made with respect to the EBP's.

The actual Contract Agreement, however, shall be made on the basis of the ABP and PCCP, subject to such modifications as may be approved by appropriate officials.

To illustrate, the following example is presented:

Approved Agency Estimate = P1,000,000
 AMCCP - 100 calendar days (c.d.)
 RLD - 0.1% of contract price (or ABP) per
 calendar day beyond AMCCP
 Bids received:

	<u>Actual Bid Price (ABP)</u>	<u>PCCP (c.d.)</u>
A	P 1,100,000	100
B	1,110,000	60
C	1,254,400	100

Analysis

1. Responsive bids are those within 130% of AAE or P1,300,000.
2. All three bids are, therefore, responsive. (It is assumed, in this example, that all bids comply with other requirements)
3. Equivalent Bid Prices (EBP):

	<u>ABP</u>	<u>EBP</u>
A	P 1,100,000	P 1,100,000
B	1,110,000	1,065,600*
C	1,254,400	1,254,400

*For B, EBP is calculated as follows:

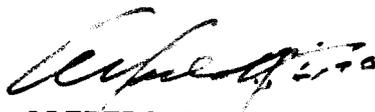
$$\begin{aligned} \text{EBP} &= \text{ABP} - (\text{AMCCP} - \text{PCCP}) (\text{RLD}) (\text{ABP}) \\ &= \text{P}1,110,000 - (100-60) (0.001) (\text{P}1,100,000) \\ &= \text{P}1,065,600 \end{aligned}$$

3. Allowable Government Estimate (AGE)

$$\begin{aligned} &= \frac{\text{P}1,000,000 + \frac{(1,100,000+1,065,600+1,254,400)}{3}}{2} \\ &= \frac{1,000,000 + 1,140,000}{2} \\ &= \text{P} 1,070,000 \end{aligned}$$

4. Bidder B has the lowest EBP which is lower than the AGE.
5. Therefore, award may be recommended in favor of Bidder B.
6. The Contract Agreement, however, shall be for the ABP of P1,110,000 and the PCCP of 60 days.

This Order takes effect immediately.


ALFREDO L. JUINIO
Minister

JLJ
11/13