



Republic of the Philippines
DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS
OFFICE OF THE SECRETARY
Manila

APR 23 2002

DEPARTMENT ORDER)

No. **113**)
Series of 2002 *4-27-02*)

**SUBJECT: Procurement Guidelines in the
Implementation of the CY 2002
Schoolbuilding Program**

The Government of the Philippines intends to apply for a Loan from the World Bank for the proposed Second Social Expenditure Management Project (SEMP II). The objective of this Project is to assist the Government in financing basic social services during a period of financial difficulties, including the financing of the Schoolbuilding Program of the Department of Education (DepEd)

As agreed with the DepEd and the Department of Budget and Management, in order for the contracts under the DepEd CY 2002 Schoolbuilding Program to be eligible for financing under the proposed SEMP II Loan, the regional and district offices of the DPWH as implementing agency of the said Program shall adopt the following procedures in contract procurement consistent with World Bank procurement guidelines:

1. All schoolbuilding projects programmed in a Congressional District, including construction, repair and rehabilitation works, shall be clustered into one contract package for bidding. The package shall provide or contain a complete schoolbuilding design that is functional, aesthetically sound, and conducive to learning. The schoolbuilding projects, aside from the classrooms and multipurpose buildings, may also include, depending on the available budget, water supply, electrical supply, toilet and other related facilities, as per approved plans and specifications. However, in a Congressional District with two or more district engineering offices, clustering shall be done for each contract package per engineering district.
2. The bidding for the contract package shall be advertised in at least two national newspapers giving the bidders a period of thirty (30) days from advertisement or issuance of bid documents (whichever is later) to bid opening.
3. Foreign contractors and/or suppliers, if any, from World Bank eligible countries shall be allowed to participate, if interested, without first being required to associate or enter into a joint venture with local firms.
4. Explicit bid evaluation criteria shall be set forth in the bid documents.
5. The procurement process shall follow the one-envelope system, and contents of: (a) receipt of bids from all bidders, (b) opening of the bids, (c) determination of lowest calculated bid, (d) postqualification of the lowest calculated bid based on pass/fail criteria defined in the bidding documents; and (e) award to the lowest calculated responsive bid, in accordance with the procedures under Executive Order No. 40, series of 2001.

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6. Bid opening shall be unrestricted to those who wish to attend. The deadline for submission of bids should be the same as that for bid opening or immediately thereafter.
7. Lone responsive bids shall not be rejected without prior concurrence of the DPWH Secretary and the World Bank. Rebidding will not be mandatorily required when fewer than three responsive bids are received. The lowest responsive bid exceeding the budget shall not be rejected without prior concurrence with the World Bank. Price negotiation shall not be allowed. However, in case of budget limitation, adjustment in quantities of schoolbuilding or minor scope of works may be agreed upon, subject to the concurrence of the World Bank.
8. If any bidder is denied access to the bidding process for reasons unrelated to its financial and technical qualifications to perform the contract, the World Bank shall be consulted prior to such denial.
9. Bid submission deadline, time and location specified in the bidding documents shall be strictly adhered to, and bids submitted after the specified date and time and location, shall be returned unopened to the bidder.
10. Works by administration shall not be eligible for World Bank financing.
11. Domestic or regional preferences shall not be applied in the evaluation of bids, and other preferences in effect in the Philippines shall not be used, except with the prior concurrence of the World Bank.
12. Bracketing or setting upper and lower limits on acceptable works shall not apply, unless specifically agreed with the World Bank in advance of bidding.
13. The projects in each contract package shall, as much as possible, be implemented simultaneously instead of separately.

For strict compliance.


SIMEON A. DATUMANONG
Secretary

COMPARISON OF D.O. 172, SERIES OF 2000 vs. NEW D.O. AS AMENDED BY WORLD BANK

SUBTITLES/ ISSUES	SGRV	SSAD
	<p>To accelerate project implementation, the Government wishes to proceed with the initial steps of procurement before signing the related World Bank loan. The procurement procedures shall be in accordance with the relevant Guidelines of the World Bank in order for the eventual contracts to be eligible for the World Bank financing.</p> <p>Consequently, in accordance with the World Bank Procurement Guidelines, for the Schoolbuilding Program to be eligible for financing under the proposed SEMP II Loan, the following procedures are hereby prescribed in the procurement of projects in the DECS CY 2000 Schoolbuilding Program to be implemented by the DPWH.</p>	<p>As agreed with the DepEd and the Department of Budget and Management, in order for the contracts under the DepEd CY 2002 Schoolbuilding Program to be eligible for financing under the proposed SEMP II Loan, the regional and district offices of the DPWH as implementing agency of the said Program shall adopt the following procedures in contract procurement consistent with World Bank procurement guidelines:</p>
Clustering of schoolbuildings	<p>1. All schoolbuilding projects programmed in a Congressional District, including construction, repair and rehabilitation works, shall be clustered into one contract package for bidding. The schoolbuilding projects, aside from the classrooms and multipurpose buildings, may also include water supply, electrical supply, toilet and other facilities, as per approved plans and specifications.</p>	<p>1. All schoolbuilding projects programmed in a Congressional District, including construction, repair and rehabilitation works, shall be clustered into one contract package for bidding. The package shall provide or contain a complete schoolbuilding design that is functional, aesthetically sound, and conducive to learning. The schoolbuilding projects, aside from the classrooms and multipurpose buildings, may also include, depending on the available budget, water supply, electrical supply, toilet and other related facilities, as per approved plans and specifications. However, in a Congressional District with two or more district engineering offices, clustering shall be done for each contract package per engineering district.</p>
Advertisement of Contract Packages	<p>2. The bidding for the contract package shall be advertised in the two national newspapers designated in the Department Order No. 79, series of 2000, giving the bidders a period of thirty (30) days from advertisement to bid opening.</p>	<p>2. The bidding for the contract package shall be advertised in at least two national newspapers giving the bidders a period of thirty (30) days from advertisement or issuance of bid documents (whichever is later) to bid opening.</p>
Participation of Foreign Contractors		<p>3. Foreign contractors and/or suppliers, if any, from World Bank eligible countries shall be allowed to participate, if interested, without first being required to associate or enter into a joint venture with local firms.</p>

SUBTITLES/ ISSUES	SGRV	SSAD
Bid Evaluation Criteria in the Bid Documents		4. Explicit bid evaluation criteria shall be set forth in the bid documents.
One Envelope System Procurement Process	3. The procurement process will follow the one-envelope system and include (a) eligibility screening for prequalified bidders based on the pass/fail criteria stated in the Notice for Eligibility Screening , (b) receipt of bids from eligible bidders, (c) opening of the bids, (d) determination of lowest calculated bid, (e) postqualification of the lowest calculated bid based on pass/fail criteria defined in the Bidding Documents; and (f) award to the lowest calculated responsive bid - in accordance with the procedures defined in the latest amendments, dated 12 August 2000, of the Implementing Rules and Regulations (IRR) of P.D. No. 1594, as circularized thru Department Order No. 152, series of 2000.	5. The procurement process shall follow the one-envelope system, and contents of: (a) receipt of bids from all bidders, (b) opening of the bids, (c) determination of lowest calculated bid, (d) postqualification of the lowest calculated bid based on pass/fail criteria defined in the bidding documents; and (e) award to the lowest calculated responsive bid, in accordance with the procedures under Executive Order No. 40, series of 2001 .
Bid Opening		6. Bid opening shall be unrestricted to those who wish to attend. The deadline for submission of bids should be the same as that for bid opening or immediately thereafter.
Rejection of Bids/Price Negotiation	4. Lone responsive bids will not be rejected without prior concurrence of the DPWH Secretary and the World Bank.	7. Lone responsive bids shall not be rejected without prior concurrence of the DPWH Secretary and the World Bank. Rebidding will not be mandatorily required when fewer than three responsive bids are received. The lowest responsive bid exceeding the budget shall not be rejected without prior concurrence with the World Bank. Price negotiation shall not be allowed. However, in case of budget limitation, adjustment in quantities of schoolbuilding or minor scope of works may be agreed upon, subject to the concurrence of the World Bank.
Access to the Bidding Process		8. If any bidder is denied access to the bidding process for reasons unrelated to its financial and technical qualifications to perform the contract, the World Bank shall be consulted prior to such denial.
Adherence to the Bidding Documents		9. Bid submission deadline, time and location specified in the bidding documents shall be strictly adhered to, and bids submitted after the specified date and time and location, shall be returned unopened to the bidder.

SUBTITLES/ ISSUES	SGRV	SSAD
<p>Works by Administration</p> <p>Preferences in the Evaluation of Bids</p> <p>Bracketting Upper and Lower Limits</p> <p>Implementation of Projects</p>	<p>5. The projects in each contract package shall, as much as possible be implemented simultaneously, and not one after the other.</p>	<p>10. Works by administration shall not be eligible for World Bank financing.</p> <p>11. Domestic or regional preferences shall not be applied in the evaluation of bids, and other preferences in effect in the Philippines shall not be used, except with the prior concurrence of the World Bank.</p> <p>12. Bracketing or setting upper and lower limits on acceptable works shall not apply, unless specifically agreed with the World Bank in advance of bidding.</p> <p>13. The projects in each contract package shall, as much as possible, be implemented simultaneously instead of separately.</p>