

Republika ng Pilipinas
KAGAWARAN NG PAGAWAIN AT LANSANGANG PAMBAYAN
TANGGAPAN NG KALIHIM
Maynila

097-13-PPWH
08-28-2000



AUG 28 2000

DEPARTMENT ORDER)

No. **152**)
Series of 2000 **48/28/2000**)
X-X-X-X-X-X-X-X-X-X-X-X

SUBJECT: Amendment to the IRR of P.D. No. 1594

Enclosed, for your guidance and compliance, is a copy of the Amendments to the Implementing Rules and Regulations (IRR) of P.D. No. 1594 which were approved by the Office of the President, as per letter dated 14 July 2000 of Executive Secretary Rolando B. Zamora, and transmitted to the DPWH by Secretary of Socio-Economic Planning Felipe M. Medalla, as Chairman, NEDA Board Committee on Infrastructure, thru his letter dated 02 August 2000. This set of amendments further modifies the earlier set of amendments to said IRR which became effective on 17 June 2000.

In accordance with Section V of the IRR, these amendments shall become effective 12 August 2000 (ten (10) days from the date of issuance of the NEDA transmittal letter).


GREGORIO R. VIGILAR
Secretary

7/28/00 K20



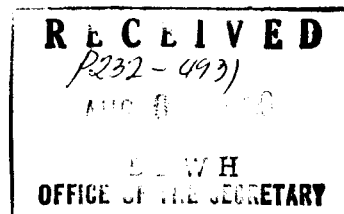
Republic of the Philippines
NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY

NEDA sa Pasig, 12 Amber Avenue, Pasig City
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02 August 2000

Hon. GREGORIO R. VIGILAR
Secretary
DEPARTMENT OF PUBLIC WORKS
AND HIGHWAYS
Rm. 202, DPWH Bldg., Bonifacio Drive
Port Area, Manila



Dear Secretary Vigilar,

We are providing your Office with a copy of the latest amendments to the Implementing Rules and Regulations (IRR) of Presidential Decree No. 1594, which were approved by the Economic Coordinating Council chaired by the President on 5 July 2000 (refer to the attached letter of Executive Secretary Ronaldo B. Zamora).

This set of amendments further modifies the earlier set of amendments to said IRR which became effective on 17 June 2000. The amendments are reflected in the second column of the matrix (refer to capitalized words, phrases, sentences and paragraphs). According to the IRR, the amendments shall become effective after ten (10) days from the date of dissemination/issuance of this letter.

We would like to request your Office to circulate the document to concerned offices/agencies/ organizations.

Best regards.

Very truly yours,

FELIPE M. MEDALLA
Secretary of Socio-Economic Planning and
Chairman, NEDA Board Committee
on Infrastructure (INFRACOM)

Office of the President
of the Philippines
Malacañang

14 July 2000

Hon. FELIPE M. MEDALLA

Secretary for Socio-Economic Planning
Chairman of the Infrastructure Committee
National Economic and Development Authority
NEDA sa Pasig
Pasig City

Dear Secretary Medalla:


In the July 5 meeting of the Economic Coordinating Council chaired by the President, where the members of the NEDA Infrastructure Committee were also present, the President and the body approved the attached set of amendments to the Implementing Rules and Regulations of Presidential Decree No. 1594, the major features of which are:

- the shift in emphasis from prequalification to eligibility screening and strengthened post-qualification;
- the shift from lowest evaluated responsive bid to Lowest Calculated Responsive Bid as criterion for Award; and
- the removal of bracketing in evaluating bid price; instead, the approved budget for the contract to be bid will be used as ceiling on bid price.

The approval of the same is hereby confirmed.

Very truly yours,

By authority of the President:



RONALDO B. ZAMORA
Executive Secretary

APPROVED AMENDMENTS TO THE IMPLEMENTING RULES AND REGULATIONS OF PRESIDENTIAL DECREE NO. 1594

	Existing Provisions (includes the approved amendments dated May 24, 2000)	Approved Amendments	Rationale
1.	<p>I. DETAILED ENGINEERING</p> <p>1...</p> <p>4 g. Agency Estimate – The Agency Estimate of construction cost shall be prepared by official(s) duly designated by the Head of office/agency/corporation concerned or by his duly authorized representative. It shall be approved by the Head of the office/agency/corporation or his duly designated representative.</p> <p>The head of office/agency/corporation may keep the Approved Agency Estimate (AAE) confidential until the opening of bids or publicly announce the AAE through advertisement or in the instructions to bidders. In cases where the approved agency estimate (AAE) is held confidential, it shall be finalized on the day of the bidding after all bids have been received and shall be held confidential and signed, sealed and ready for presentation on the day of the opening of bids/tenders.</p> <p>The estimate should show the local and foreign currency requirements, as the case may be.</p> <p>The estimate should show for each major work item, such as earthwork, roadwork, and massive concreting, the components for equipment rentals, fuel, labor, materials and overhead.</p>	<p>I. DETAILED ENGINEERING</p> <p>1...</p> <p>4 g. [Agency Estimate] BUDGET FOR THE CONTRACT – The [Agency Estimate] BUDGET FOR THE CONTRACT TO BE BID[of construction cost] shall be prepared by official(s) duly designated by the Head of office/agency/corporation concerned or by his duly authorized representative. It shall be approved by the Head of the office/agency/corporation or his duly designated representative.</p> <p>The head of office/agency/corporation [may keep the Approved Agency Estimate (AAE)] SHALL PUBLICLY ANNOUNCE THE BUDGET FOR THE CONTRACT TO BE BID [confidential until the opening of bids or publicly announce the AAE] through advertisement/S AND/or in the [i]Instructions to [b]Bidders. [In cases where the approved agency estimate (AAE) is held confidential, it shall be finalized on the day of the bidding after all bids have been received and shall be held confidential and signed, sealed and ready for presentation on the day of the opening of bids/tenders.]</p> <p>The [estimate] BUDGET FOR THE CONTRACT TO BE BID [should] SHALL show the local and</p>	<p>Bracketing (imposing a ceiling and floor on bid prices based on the Approved Agency Estimate/Allowable Government Estimate) on acceptable bids is eliminated and in lieu thereof, the Approved Budget for the Contract to be bid shall be the ceiling. The approved budget shall be announced publicly, leading to more transparency and competition for the bidding, as well as more accountability on the part of the concerned office/agency/corporation.</p> <p>The public announcement is for purposes of transparency and efficiency. The option to keep the approved budget for the contract confidential is deleted. Giving agencies the option to keep the budget for the contract confidential may just result to collusion between the agency and the contractor, or to a failed bidding if all bidders go beyond the budget.</p>

		foreign currency requirements, as the case may be. The [estimate] BUDGET FOR THE CONTRACT TO BE BID [should show] SHALL SPECIFY for each major work item, such as earthwork, roadwork, and massive concreting, the components for equipment rentals, fuel, labor, materials and overhead.	
2.	<p>IB-2 ORGANIZATION OF THE PBAC</p> <p>1. Each office/agency/corporation shall have in its head office or in its implementing offices a Prequalification, Bid and Award Committee (PBAC) which shall be responsible for the conduct of Prequalification, bidding, evaluation of bids and recommending award of contract. Each committee shall be composed of the following:</p> <p>a. ...</p> <p>b. Executive Officer and Secretary (regular) – Legal Officer of the office/agency/corporation. The administrative officer of the agency concerned may be the executive officer and secretary of the PBAC when the agency does not have a legal officer in its plantilla positions.</p>	<p>IB-2 ORGANIZATION OF THE [P]BAC</p> <p>1. Each office/agency/corporation shall have in its head office or in its implementing offices a [Prequalification,] Bid and Award Committee ([P]BAC) OR DESIGNATED PROCUREMENT UNIT which shall be responsible for the conduct of prequalification or ELIGIBILITY SCREENING, bidding evaluation of bids, POSTQUALIFICATION, and recommending award of contracts...</p> <p>a. ...</p> <p>b. Executive Officer and Secretary (regular) – Legal Officer of the office/agency/corporation. The administrative officer of the agency concerned may be the executive officer and secretary of the [P]BAC when the agency does not have a legal officer in its plantilla positions.</p>	This is in line with the shift in emphasis from prequalification to postqualification.
3.	All references to "PBAC"	Omnibus amendment: "PBAC" is changed to " BAC OR DESIGNATED PROCUREMENT UNIT "	-do-
4.	All references to "project" to be bid	Omnibus amendment: "project" to be bid is changed to " CONTRACT " to be bid	For clarification.
5.	<p>IB3 – INVITATION TO PREQUALIFY AND TO BID</p> <p>As a general policy, the secretary/agency head (for</p>	<p>IB3 – INVITATION TO PREQUALIFY/APPLY FOR ELIGIBILITY AND TO BID</p> <p>[As a general policy, the secretary/agency head (for</p>	

<p>those not attached to a department)/governing boards of goccs shall have the option as to the prequalification/ bidding procedure (i.e., simultaneous submission of prequalification statements and bid price proposals or traditional prequalification then bidding activities) to be adopted which shall be disclosed in the advertisement.</p> <p>For the simultaneous submission of prequalification statements and bid price proposals, the procedure is prescribed in Annex A.</p> <p>1. For locally funded projects, contractors shall be invited to prequalify and to bid through:</p> <p>a. the advertisement shall be made at least three (3) times within a reasonable period depending upon the size and complexity of the project but in no case less than two (2) weeks in at least two (2) newspapers of general nationwide circulation which have been regularly published for at least two (2) years before the date of issue of the advertisement and at the same time posting copies thereof at any conspicuous place in the office/agency/corporation concerned if the project cost is more than P5,000,000. However, for projects costing P5,000,000 and below or for projects authorized to be bid by the regional/district offices involving costs as may be delegated by the head of office/agency/corporation, the invitation to bid shall be advertised at least two (2) times within two (2) weeks in a newspaper of general local circulation in the region where the project is located, which newspaper has been regularly published for at least six (6) months before the date of issue of the advertisement, or through posting of notices in the premises of municipal/provincial offices, or through</p>	<p>those not attached to a department)/governing boards of goccs shall have the option as to the prequalification/ bidding procedure (i.e., simultaneous submission of prequalification statements and bid price proposals or traditional prequalification then bidding activities) to be adopted which shall be disclosed in the advertisement.</p> <p>For the simultaneous submission of prequalification statements and bid price proposals, the procedure is prescribed in Annex A.]</p> <p>1. For locally funded [project] CONTRACTS, contractors shall be invited to APPLY FOR ELIGIBILITY [prequalify] and to bid through:</p> <p>a. FOR CONTRACTS TO BE BID COSTING MORE THAN P5,000,000 [T]The advertisement shall be made at least three (3) times within a reasonable period depending upon the size and complexity of the [project] CONTRACT TO BE BID but in no case less than two (2) weeks in at least two (2) newspapers of general nationwide circulation which have been regularly published for at least two (2) years before the date of issue of the advertisement. DURING THE SAME PERIOD THAT THE ADVERTISEMENT IS POSTED IN THE NEWSPAPER OR FOR A LONGER PERIOD AS DETERMINED BY THE HEAD OF THE OFFICE/AGENCY/CORPORATION CONCERNED, THE SAME ADVERTISEMENT SHALL BE POSTED IN THE WEBSITE OF THE OFFICE/AGENCY/CORPORATION CONCERNED AND AT THE PLACE RESERVED FOR THIS PURPOSE IN THE PREMISES OF THE</p>	<p>This provision as well as Annex A is deleted, to give way to shift in emphasis from prequalification to postqualification. A new Annex A summarizing the proposed procurement procedures will replace the previous annex.</p> <p>This is to revert to the original language which does not mention "prequalify", to be consistent with the shift in emphasis from prequalification to postqualification.</p> <p>This is to make sure advertisement is as visible as possible, to comply with the principle of transparency.</p>
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<p>other forms of media such as radio and television, provided that based on the agency's shortlist of contractors or referral with the Philippine Contractors Accreditation Board, there are at least four contractors indigenous to the region duly classified and registered to undertake such projects. The advertisement may likewise be made in a newspaper of general nationwide circulation as defined in the foregoing when there is evident lack of interest to participate among the region-based contractors.</p>	<p>OFFICE/AGENCY/CORPORATION CONCERNED. [and at the same time posting copies thereof at any conspicuous place in the office/agency/corporation concerned if the project cost is more than P5,000,000.] However, for [projects] CONTRACTS TO BE BID costing P5,000,000 and below or for [projects] CONTRACTS authorized to be bid by the regional/district offices involving costs as may be delegated by the head of office/agency/corporation, the invitation to bid shall be advertised at least two (2) times within two (2) weeks in a newspaper of general local circulation in the region where the [project] CONTRACT TO BE BID is located, which newspaper has been regularly published for at least six (6) months before the date of issue of the advertisement. DURING THE SAME PERIOD THAT THE ADVERTISEMENT IS POSTED IN THE NEWSPAPER OR FOR A LONGER PERIOD AS DETERMINED BY THE HEAD OF THE OFFICE/AGENCY/CORPORATION CONCERNED, THE SAME ADVERTISEMENT SHALL BE POSTED IN THE WEBSITE OF THE OFFICE/AGENCY/CORPORATION CONCERNED AND AT THE PLACE RESERVED FOR THIS PURPOSE IN THE PREMISES OF THE OFFICE/AGENCY/CORPORATION CONCERNED. IN ADDITION TO THE FOREGOING, THE INVITATION MAY ALSO BE ADVERTISED[, or through posting of notices in the premises of municipal/provincial offices, or] through other forms of media such as radio and television, provided that based on the agency's shortlist of contractors or referral with the Philippine Contractors Accreditation Board, there are at least four contractors indigenous to the region duly</p>	<p>-do-</p>
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		classified and registered to undertake such [project] CONTRACTS . The advertisement may likewise be made in a newspaper of general nationwide circulation as defined in the foregoing when there is evident lack of interest to participate among the region-based contractors.	
6.	<p>IB4 – ISSUANCE OF QUALIFICATION STATEMENTS/FORMS</p> <p>1. The Prequalification, Bid and Award Committee (PBAC) or the Prequalification Committee, as the case may be, shall provide prospective bidders with the Notice to Prequalification to contain, among others, the following information to guide them in evaluating their capabilities and decide whether or not to participate in the bidding of a specific project.</p> <p>a...</p> <p>b...</p> <p>c. Estimated project cost and source of funding</p> <p>d. Required PCAB registration and classification and/or license</p> <p>e. Cost and place of issuance of Pre-C or Bid/Tender documents</p> <p>f. Date, time and place of:</p> <ul style="list-style-type: none"> - Submission of accomplished Pre-C forms - Pre-bid conference - Submission of bids - Opening of bids <p>2. The following...of interested contractors:</p> <p>a....</p> <p>b....</p>	<p>IB4 – ISSUANCE OF QUALIFICATION STATEMENTS/FORMS</p> <p>1. The [Prequalification, Bid and Award Committee (PBAC) or the Prequalification Committee, as the case may be,] BAC OR DESIGNATED PROCUREMENT UNIT shall provide prospective bidders with the Notice [to] FOR [p]Prequalification/ELIGIBILITY SCREENING, to contain, among others, the following informationspecific [project] CONTRACT.</p> <p>a...</p> <p>b...</p> <p>c. [Estimated project cost] APPROVED BUDGET FOR THE CONTRACT TO BE BID and source of funding</p> <p>d. [Required PCAB registration and classification and/or license] CRITERIA TO BE USED BY THE OFFICE/AGENCY/CORPORATION IN (1) THE PREQUALIFICATION OR ELIGIBILITY SCREENING OF CONTRACTORS, (2) THE EVALUATION OF BIDS, AND (3) THE POSTQUALIFICATION OF THE LOWEST CALCULATED BID.</p> <p>e. Cost and place of issuance of [Pre-C or] ELIGIBILITY FORMS AND Bid/Tender documents</p> <p>f. Date, time and place of:</p>	<p>For transparency, the criteria for eligibility screening, evaluation of bids and postqualification are disclosed upfront.</p>

<p>3. For foreign contractors/joint ventures/consortia of Filipino contractors/partners, a special PCAB contractor's license shall be required for purposes of prequalification.</p> <p>4. Pre-C shall be required by the contracting government office/agency/corporation for every project in which the contractor intends to bid. It shall be submitted not later than the deadline set in the published Invitation to Prequalify and to Bid, after which date no Pre-C shall be submitted and received.</p> <p>5. The following papers shall, among others, comprise Pre-C:</p> <ol style="list-style-type: none"> Credit line commitment in a form to be prescribed by the agency issued by an authorized bank in an amount equal to the average operating expenses of the project for two (2) months or ten percent (10%) of the estimated project cost, whichever is less, or a cash deposit certificate in the amount specified in the foregoing. Proposed organization chart pledged for the specific project to be bid. List of key personnel employed or to be employed in the project, including project manager and project engineer with qualification and experience sheets. Statement of all relevant completed construction projects in at least the last three years, government and private, as indicated in the invitation for prequalification. the statement shall include the nature and value of the project, 	<p>- Submission of accomplished [Pre-C] ELIGIBILITY forms</p> <ul style="list-style-type: none"> - Pre-bid conference - Submission of bids - Opening of bids <p>[2. The following...of interested contractors: a.... b....]</p> <p>[3. For foreign contractors/joint ventures/consortia of Filipino contractors/partners, a special PCAB contractor's license shall be required for purposes of prequalification.]</p> <p>[4] 2. [Pre-C] PREQUALIFICATION OR ELIGIBILITY STATEMENTS shall be required by the contracting government office/agency/corporation for every [project] CONTRACT in which the contractor intends to bid. It shall be submitted not later than the deadline set in the published Invitation to Prequalify OR APPLY FOR ELIGIBILITY and to Bid, after which date no [Pre-C] APPLICATION FOR PREQUALIFICATION OR ELIGIBILITY shall be submitted and received.</p> <p><i>The previous IB 4-5 is deleted and replaced with the following:</i></p> <p>[5] 3. THE FOLLOWING DOCUMENTS SHALL COMPRISE THE PREQUALIFICATION OR ELIGIBILITY STATEMENTS, TO BE SUBMITTED BY THE CONTRACTOR, WHICH SHALL CONSIST OF THE FOLLOWING DOCUMENTS WHICH EMBODY THE NON-DISCRETIONARY</p>	<p>Documents are limited to those required to determine the contractor's eligibility to submit bids for the contract to be bid.</p>
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	<p>original and actual project schedules, the location of the project, and the name and address of the owner. It shall be supported by the constructors performance evaluation system (CPES) rating sheets and/or certificates of completion and/or owner's acceptance.</p> <p>e. Detailed statement showing a list of all on-going construction projects, government and private, as well as awarded and/or approved contracts not yet started. This statement shall include the nature and value of the project, percentage of time elapsed, percentage of physical accomplishment, scheduled date of completion, percentage of planned and actual accomplishment, the location of the project and the name and address of the owner. It shall be supported by notices of awards, and/or notices to proceed issued by the owner, among others.</p> <p>6. Each office/agency/corporation... aforementioned requirements.</p> <p>7. All Prequalification documents shall be under oath... all of the documents submitted.</p>	<p>"PASS/FAIL" CRITERIA FOR PREQUALIFICATION OR ELIGIBILITY FOR THE CONTRACT TO BE BID, WHICH SHALL BE UNDER OATH AND DULY NOTARIZED:</p> <p>A. <u>LEGAL DOCUMENTS</u></p> <p>(1) CONTRACTOR'S VALID PCAB LICENSE FOR THE TYPE AND COST OF THE CONTRACT TO BE BID</p> <p>(2) VALID JOINT VENTURE AGREEMENT IN THE CASE OF A JOINT VENTURE</p> <p>(3) LETTER AUTHORIZING THE HEAD OF OFFICE/AGENCY/CORPORATION OR HIS DULY AUTHORIZED REPRESENTATIVES TO VERIFY ANY OR ALL OF THE DOCUMENTS SUBMITTED FOR ELIGIBILITY SCREENING</p> <p>(4) STATEMENT THAT HIS FIRM IS NOT INCLUDED IN THE "BLACKLIST" OF CONTRACTORS ISSUED BY THE CONSTRUCTION INDUSTRY AUTHORITY OF THE PHILIPPINES (CIAP)</p> <p>B. <u>TECHNICAL DOCUMENTS</u></p> <p>(1) A STATEMENT OF ALL GOVERNMENT AND PRIVATE CONSTRUCTION CONTRACTS, COMPLETED IN AT LEAST THE LAST THREE (3) YEARS AS SPECIFIED IN THE NOTICE FOR PREQUALIFICATION/ELIGIBILITY SCREENING, WHICH ARE SIMILAR IN NATURE AND COMPLEXITY TO THE CONTRACT TO BE BID. "SIMILAR" CONTRACTS SHALL BE DEFINED BY THE CONCERNED OFFICE/AGENCY/CORPORATION IN THE NOTICE FOR</p>	<p>To suit the requirements of the contract to be bid, the period for the experience record shall be specified in the Notice for Prequalification/Eligibility Screening. For transparency, "similar" shall be defined in the said Notice. Other revisions are refinements, e.g., contractor" role.</p>
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		<p>PREQUALIFICATION/ELIGIBILITY SCREENING. THE CONTRACTOR'S STATEMENT SHALL INCLUDE, FOR EACH CONTRACT, THE NAME OF THE CONTRACT, OWNER'S NAME AND ADDRESS, NATURE OF WORK, CONTRACTOR'S ROLE (SOLE CONTRACTOR, SUB-CONTRACTOR, OR PARTNER IN A JOINT VENTURE), TOTAL CONTRACT VALUE AT COMPLETION, DATE OF AWARD, DATE OF COMPLETION, AND CONTRACT DURATION. THE STATEMENT SHALL BE SUPPORTED BY THE CONTRACTOR'S PERFORMANCE EVALUATION SYSTEM (CPES) RATING SHEETS, AND/OR CERTIFICATES OF COMPLETION AND OWNER'S ACCEPTANCE.</p> <p>THE VALUE OF THE CONTRACTOR'S LARGEST SINGLE CONTRACT, ESCALATED TO PRESENT PRICES, COMPLETED WITHIN THE PERIOD SPECIFIED IN THE NOTICE FOR PREQUALIFICATION/ELIGIBILITY SCREENING, AND SIMILAR TO THE CONTRACT TO BE BID, MUST BE AT LEAST FIFTY PERCENT (50%) OF THE APPROVED BUDGET FOR THE CONTRACT TO BE BID.</p> <p>(2) A STATEMENT OF ALL ONGOING GOVERNMENT AND PRIVATE CONSTRUCTION CONTRACTS, INCLUDING CONTRACTS AWARDED BUT NOT YET STARTED. THIS SHALL</p>	<p>Same as existing provision, but with refinements, e.g., contractor's role.</p>
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		<p>INCLUDE, FOR EACH CONTRACT, THE NAME OF THE CONTRACT, OWNER'S NAME AND ADDRESS, NATURE OF WORK, CONTRACTOR'S ROLE, TOTAL CONTRACT VALUE AT AWARD, DATE OF AWARD, PERCENTAGES OF PLANNED AND ACTUAL ACCOMPLISHMENTS, VALUE OF OUTSTANDING WORKS, AND ESTIMATED COMPLETION TIME. THE STATEMENT SHALL BE SUPPORTED BY THE NOTICES OF AWARD AND/OR NOTICES TO PROCEED ISSUED BY THE OWNERS</p> <p>(3) A STATEMENT THAT THE CONTRACTOR HAS KEY PERSONNEL, SUCH AS PROJECT MANAGER, PROJECT ENGINEER, MATERIALS ENGINEER, AND FOREMAN, THAT MAY BE USED FOR CONSTRUCTION CONTRACTS</p> <p>(4) A STATEMENT THAT THE CONTRACTOR OWNS, AND/OR HAS UNDER LEASE, AND/OR HAS UNDER PURCHASE AGREEMENTS, EQUIPMENT THAT MAY BE USED FOR CONSTRUCTION CONTRACTS.</p> <p>C. <u>FINANCIAL DOCUMENTS</u> AUDITED FINANCIAL STATEMENTS, STAMPED "RECEIVED" BY THE BUREAU OF INTERNAL REVENUE, FOR AT LEAST THE PAST THREE (3) CALENDAR YEARS, SHOWING, AMONG OTHERS, THE CONTRACTOR'S TOTAL AND CURRENT ASSETS AND LIABILITIES.</p>	<p>Key personnel are those that may be used for construction contracts in general, not only for the contract to be bid.</p> <p>Equipment units are those for construction contracts in general, not only for the contract to be bid.</p> <p>To indicate the contractor's financial soundness.</p>
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		<p>THE CONTRACTOR'S NET FINANCIAL CONTRACTING CAPACITY (NFCC), BASED ON HIS NET WORKING CAPITAL (I.E., CURRENT ASSETS LESS CURRENT LIABILITIES) MUST BE AT LEAST EQUAL TO THE APPROVED BUDGET FOR THE CONTRACT TO BE BID, CALCULATED AS FOLLOWS:</p> <p>NFCC = K (CURRENT ASSETS MINUS CURRENT LIABILITIES) MINUS (VALUE OF ALL OUTSTANDING WORKS UNDER ONGOING CONTRACTS INCLUDING AWARDED CONTRACTS YET TO BE STARTED).</p> <p>K = 10 FOR A CONTRACT DURATION OF ONE YEAR OR LESS, 15 FOR A CONTRACT DURATION OF MORE THAN ONE YEAR UP TO TWO YEARS, AND 20 FOR A CONTRACT DURATION OF MORE THAN TWO YEARS</p> <p>[6. Each office/agency/corporation... aforementioned requirements. 7. All Prequalification documents shall be under oath... all of the documents submitted.]</p>	<p>Required NFCC, based on net working capital, indicates contractor's net liquid assets that can be used to sustain the cash flow requirements of the contract to be bid.</p>
7.	<p>IB 6 – PREQUALIFICATION OF CONTRACTORS FOR SPECIFIC CONTRACTS</p> <p>1. A bidder must be found to be prequalified to undertake the subject contract based on his prequalification statements as evaluated by the PBAC.</p> <p>2. Notwithstanding the prequalification of a</p>	<p>IB 6 – PREQUALIFICATION OR ELIGIBILITY SCREENING OF CONTRACTORS FOR SPECIFIC CONTRACTS</p> <p>1. A bidder must be found to be prequalified OR ELIGIBLE to [undertake] SUBMIT A BID FOR the [subject] contract TO BE BID based on his prequalification OR ELIGIBILITY statements as evaluated by the [P]BAC OR DESIGNATED PROCUREMENT UNIT OF</p>	<p>This is in line with the purpose of prequalification, which is to determine if the contractor is eligible to submit a bid for the contract to be bid.</p>

<p>contractor, the Government reserves the right to review his prequalification statements and other relevant information before the approval of the contract. Should such review uncover any misrepresentation made in the prequalification statements, or any change in the situation of the contractor, to downgrade the substance of his prequalification statements, the Government shall disqualify him from submitting a bid or from obtaining any award or contract.</p> <p>3. In the evaluation of the Pre-C statement, the PBAC shall review, among other things, the technical capability of the contractor to carry out the subject contract as gauged by the extent and quality of his relevant experience and performance and track record, the suitability of his relevant construction equipment and minimum testing equipment, and the adequacy of his proposed project organization and personnel. The CPES rating or its equivalent for each relevant project shall be used as basis in evaluating the quality of relevant experience and performance and track record of the contractor. Up-to-date information on these aspects shall be considered.</p> <p>4. To determine the financial capacity of the contractor, the PBAC shall determine if the contractor has submitted the required statement from a bank or a financing institution authorized/licensed by the Central Bank of the Philippines that the bank/financing institution commits to provide the contractor, if awarded the contract, a credit line in an amount specified by the agency which is equal to the average operating expenses of the project for two (2) months or ten percent (10%) of the estimated project cost, whichever is less, or a cash deposit</p>	<p>THE OFFICE/AGENCY/CORPORATION, BASED ON THE CRITERIA STATED IN THE NOTICE FOR PREQUALIFICATION/ELIGIBILITY SCREENING.</p> <p>2. Notwithstanding the prequalification OR ELIGIBILITY of a contractor, the Government reserves the right to review his prequalification OR ELIGIBILITY statements and other relevant information before the approval of the contract. Should such review uncover any misrepresentation made in the prequalification OR ELIGIBILITY statements, or any change in the situation of the contractor to downgrade the substance of his prequalification OR ELIGIBILITY statements, the Government shall disqualify him from submitting a bid or from obtaining any award or contract.</p> <p><i>Note: The previous IB 6-3, 6-4, 6-6, and 6-7 are deleted and replaced with the following new IB 6-3:</i></p> <p>3. THE BAC OR DESIGNATED PROCUREMENT UNIT SHALL DETERMINE IF EACH CONTRACTOR IS PREQUALIFIED OR ELIGIBLE TO SUBMIT BIDS FOR THE CONTRACT TO BE BID BY EVALUATING HIS PREQUALIFICATION OR ELIGIBILITY STATEMENTS, USING THE NON-DISCRETIONARY "PASS/FAIL" CRITERIA OR REQUIREMENTS STATED IN IB 4-3 AND IN THE NOTICE FOR PREQUALIFICATION/ELIGIBILITY SCREENING, BASED SOLELY AND EXCLUSIVELY ON HIS PREQUALIFICATION OR ELIGIBILITY STATEMENTS. IF THE CONTRACTOR</p>	<p>This is for purposes of transparency and objectivity, by removing discretionary or subjective factors in determining eligibility and limiting evaluation to "yes/no" or "pass/fail".</p>
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<p>certificate in the amount specified in the foregoing. Cash deposit pledged for a particular project cannot be withdrawn during contract effectivity without prior authorization from the concerned agency. Cash deposit certificate shall be released only when the cost of the remaining works is 10% of the total project cost or when the contract time remaining is less than two months before completion as certified by the implementing agency through the issuance of a statement of work accomplished.</p> <p>5. After undertaking the above processes, the PBAC (or the Postqualification Committee as the case may be) shall mark the prequalification documents "Prequalified," together with the classification of the contractor, or "Predisqualified," as the case may be, countersigned by the Chairman, for review and approval of the Head of office/agency/corporation concerned or his duly authorized representative. Accordingly, the PBAC (or the Prequalification Committee, as the case may be), shall duly inform the prospective bidders who have been prequalified within seven (7) calendar days after approval. Applicants predisqualified should likewise be informed stating therein the grounds for their predisqualification. Those predisqualified are given seven (7) calendar days upon receipt of notice within which to appeal for reconsideration.</p> <p>6. The proposed key personnel (duly qualified project manager and project engineer) must have managed or supervised at least a project of similar nature as to type and cost (escalated).</p> <p>7. The PBAC shall also check the bidder's performance in his on-going government and private projects. If there is a reported negative</p>	<p>PASSES ALL OF THE SAID CRITERIA, HE SHALL BE CONSIDERED ELIGIBLE TO SUBMIT A BID FOR THE CONTRACT TO BE BID. IF THE CONTRACTOR FAILS ANY OF THE SAID CRITERIA, HE SHALL BE CONSIDERED INELIGIBLE TO SUBMIT A BID FOR THE CONTRACT TO BE BID.</p> <p>[5] 4. After undertaking the above processes, the [P]BAC OR DESIGNATED PROCUREMENT UNIT [(or the Postqualification Committee as the case may be)] shall mark THE SET OF [the] prequalification OR ELIGIBILITY documents OF EACH CONTRACTOR "[Prequalified] ELIGIBLE", [together with the classification of the contractor] or "[Predisqualified] INELIGIBLE" as the case may be, AND THE SAME SHALL BE countersigned by the Chairman OR THE DULY DESIGNATED AUTHORITY.[, for review and approval of the Head of office/agency/corporation concerned or his duly authorized representative.] THE DOCUMENTS SHALL THEN BE SUBMITTED TO THE HEAD OF OFFICE/AGENCY/CORPORATION CONCERNED OR HIS DULY AUTHORIZED REPRESENTATIVE FOR REVIEW AND APPROVAL. Accordingly, the [P]BAC OR DESIGNATED PROCUREMENT UNIT [(or the Prequalification Committee, as the case may be),] shall [duly] inform IN WRITING the [prospective] ELIGIBLE bidders [who have prequalified] within seven (7) days after approval. Applicants [predisqualified] FOUND INELIGIBLE [should] SHALL likewise be informed ACCORDINGLY IN WRITING WITHIN THE SAME PERIOD BY THE BAC OR DESIGNATED PROCUREMENT</p>	
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	<p>slippage of more than 15%, unsatisfactory quality of work and/or performance of his obligations under his contracts in any of these projects, the PBAC shall verify the cause(s) of such reported negative slippage, unsatisfactory quality of work and/or performance of said obligations, and if these are found due to his fault or negligence, the bidder shall be predisqualified from the subject contract.</p>	<p>UNIT, stating [therein] the grounds for their disqualification OR INELIGIBILITY. Those [predisqualified] FOUND INELIGIBLE [are given] HAVE seven (7) calendar days upon receipt of notice within which to appeal TO THE HEAD OF THE OFFICE/AGENCY/CORPORATION for reconsideration.</p>	
8.	<p>IB 7 – ISSUANCE OF PLANS, SPECIFICATIONS, PROPOSAL BOOK FORM(S) AND DRAFT CONTRACT</p> <p>1. The PBAC (or the Prequalification Committee, as the case may be), shall issue the plans, specifications, proposal book form(s) for the project to be bid to contractor-applicants prequalified under Pre-C prequalification under the relevant classification, upon payment of the correspondence price thereof to the collecting/disbursing officer of the office/agency/corporation concerned in accordance with the following schedule:</p> <p>.....</p> <p>2....</p> <p>3....</p> <p>4. A Draft Contract shall be issued to the prospective bidders to form part of the bid documents.</p>	<p>IB 7 – ISSUANCE OF PLANS, SPECIFICATIONS, PROPOSAL BOOK FORM(S) AND DRAFT CONTRACT</p> <p>1. The [P]BAC [(or the Prequalification Committee, as the case may be)] OR DESIGNATED PROCUREMENT UNIT[,] shall issue the plans, specifications, proposal book form(s) for the [project] CONTRACT to be bid to [contractor-applicants prequalified under Pre-C prequalification] THE ELIGIBLE BIDDERS under the relevant classification, upon payment of the correspondence price thereof to the collecting/disbursing officer of the office/agency/corporation concerned in accordance with the following schedule:</p> <p>.....</p> <p>2....</p> <p>3....</p> <p>4. A Draft Contract shall be issued to the [prospective] ELIGIBLE bidders to form part of the bid documents.</p>	
9.	<p>IB 8 - INTERPRETATION OF BID/TENDER DOCUMENTS AND OTHER SUPPLEMENTAL NOTICES</p>	<p>IB 8 – INTERPRETATION OF BID/TENDER DOCUMENTS AND OTHER SUPPLEMENTAL NOTICES</p>	

<p>If a prospective bidder is in doubt as to the meaning of any part of the bid documents, he may submit a written request for an interpretation to the head of office/agency/corporation... Any substantive interpretation given will be issued by the Government in the form of a Supplemental Notice, furnishing copies thereof to all prospective bidders.</p> <p>2. The government may also issue to all prospective bidders Supplemental Notices at least seven (7) calendar days prior to the date of opening of bids for purposes of clarification or modification of the bid documents. Receipt of all Supplemental Notices shall be duly acknowledged by each prospective bidder ...not be binding.</p> <p>3. Pre-bid conference(s) may be conducted at the discretion of the Government or upon written request by any or all of the prospective bidders subject to the approval of the office/agency/corporation. For projects with an approximate cost of P20 million or more, at least one (1) pre-bid conference is required. Said pre-bid conference(s) shall be held at the place and time to be designated by the head of office/agency/corporation concerned which shall not be later than fourteen (14) calendar days prior to opening of bids. For this purpose, foreign prospective bidders shall be advised through their local representatives. In the absence of local representatives, cables shall be sent to contractors.</p>	<p>1. If aN [prospective] ELIGIBLE bidder is in doubt as to the meaning of any part of the bid documents, he may submit a written request for an interpretation to the head of office/agency/corporation... Any [substantive interpretation] RESPONSE given will be issued by the Government in the form of a Supplemental Notice, [furnishing] copies thereof SHALL BE MADE AVAILABLE to all [prospective] ELIGIBLE bidders AT THE SAME TIME.</p> <p>2. The government may also issue to all [prospective] ELIGIBLE bidders Supplemental Notices at least seven (7) calendar days prior to the date of opening of bids for purposes of clarification or modification of the bid documents. Receipt of all Supplemental Notices shall be duly acknowledged by each [prospective] ELIGIBLE bidder ...not be binding.</p> <p>3. [Pre-bid conference(s) may be conducted at the discretion of the Government or upon written request by any or all of the prospective bidders subject to the approval of the office/agency/corporation.] For [projects] CONTRACTS TO BE BID with an [approximate cost] APPROVED BUDGET of P[20] 5 million or more, at least one (1) pre-bid conference is required. THE PRE-BID CONFERENCE(S) SHALL COVER AMONG OTHERS THE LEGAL, TECHNICAL, AND FINANCIAL REQUIREMENTS OF THE CONTRACT TO BE BID. THE MINUTES OF THE CONFERENCE(S) SHALL BE RECORDED AND MADE AVAILABLE TO ALL BIDDERS. Said pre-bid conference(s) shall be held, ... (no change) ... sent to contractors.</p>	<p>For transparency</p> <p>Ceiling for pre-bid conference is lowered to P5M because of the importance of such conference in clarifying the bidding requirements. For transparency, minutes of the conference shall be recorded and made available to all bidders.</p>
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10.	<p>IB 9 – PROSPECTIVE BIDDER'S RESPONSIBILITY</p> <p>1...</p> <p>2...An affidavit of such site inspection from the prospective bidders shall therefore be required.</p> <p>3...</p>	<p>IB 9 – [PROSPECTIVE] ELIGIBLE BIDDER'S RESPONSIBILITY</p> <p><i>Note: For IB 9-1 to IB 9-4, "prospective" is changed to ELIGIBLE when referring to bidders.</i></p> <p>1...</p> <p>2...A[n affidavit] CERTIFICATE of such site inspection from the [prospective] ELIGIBLE bidders shall therefore be required.</p> <p>3...</p> <p>4...</p>	
11.	<p>IB 10.1 – PREPARATION OF BIDS, BID BONDS, AND PREQUALIFICATION STATEMENT</p> <p>1...</p> <p>2. The original copy of the bid shall be accompanied by a bid security in an amount equivalent to a percentage, in accordance with the schedule given below, of the total project cost, as published/advertised by the concerned agency, in the form of cash, certified check, manager's check, or bank draft/guarantee confirmed by a local bank (in the case of foreign contractor bonded by a foreign bank) against any reputable bank or letter of credit issued by a commercial bank or surety bond, callable on demand, issued by a surety or insurance company duly accredited by the Office of the Insurance Commission or any combination thereof, as may be required by the Head of office/agency/corporation concerned payable to the office/agency /corporation as guarantee that the successful bidder shall within thirty (30) calendar days or less at the discretion of the Head of office/agency/corporation concerned, from receipt of Notice of Award,</p>	<p>IB 10.1 – PREPARATION OF BIDS[,] AND BID BONDS, AND PREQUALIFICATION/ELIGIBILITY STATEMENT</p> <p>1. ...</p> <p>2. The original copy of the bid shall be accompanied by a bid security in an amount equivalent to a percentage, in accordance with the schedule given below, of the [total project cost] APPROVED BUDGET FOR THE CONTRACT TO BE BID, as published/advertised by the concerned agency, in the form of cash, certified check, manager's check, or bank draft/guarantee confirmed by a local bank (in the case of foreign contractor bonded by a foreign bank) against any reputable bank or letter of credit issued by a commercial bank or surety bond, callable on demand, issued by a surety or insurance company duly accredited by the Office of the Insurance Commission or any combination thereof, as may be required by the Head of office/agency/corporation concerned payable to</p>	

<p>enter into contract with the Government and furnish the performance security for the faithful and complete prosecution of the work specified in the contract documents. The schedule of amounts for the bid securities are as follows:</p> <ul style="list-style-type: none"> a. Cash, manager's check, cashier's check, irrevocable letter of credit, or bank draft – one percent (1%) of the total project cost, as published/advertised by the concerned agency b. Bank guarantee – one and a half percent (1 ½ %) of the total project cost, as published/advertised by the concerned agency c. Surety bond – two and a half percent (2 ½ %) of the total project cost, as published/ advertised by the concerned agency <p>Bids and bid securities shall be valid for a reasonable period to be determined by the Head of office/agency/corporation concerned as indicated in the Instruction to Bidders but in no case later than one hundred twenty (120) calendar days following the opening of the bids.</p> <p>3. No bid securities submitted in the form of sureties of all complying bidders shall be returned after the opening of bids. Bid securities...may be returned upon request of the bidder provided that he is not among the three lowest complying bidders and ...Instructions to Bidders.</p>	<p>the office/agency /corporation as guarantee that the successful bidder shall within thirty (30) calendar days or less at the discretion of the Head of office/agency/corporation concerned, from receipt of Notice of Award, enter into contract with the Government and furnish the performance security for the faithful and complete prosecution of the work specified in the contract documents. The schedule of amounts for the bid securities are as follows:</p> <ul style="list-style-type: none"> a. Cash, manager's check, cashier's check, irrevocable letter of credit, or bank draft – one percent (1%) of the [total project cost] APPROVED BUDGET FOR THE CONTRACT TO BE BID, as published/advertised by the concerned agency b. Bank guarantee – one and a half percent (1 ½ %) of the [total project cost] APPROVED BUDGET FOR THE CONTRACT TO BE BID, as published/advertised by the concerned agency c. Surety bond – two and a half percent (2 ½ %) of the [total project cost] APPROVED BUDGET FOR THE CONTRACT TO BE BID, as published/ advertised by the concerned agency <p>Bids and bid securities shall be valid for a reasonable period to be determined by the Head of office/agency/corporation concerned as indicated in the Instruction to Bidders but in no</p>	
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		<p>case later than one hundred twenty (120) calendar days following the opening of the bids.</p> <p>3. No bid securities submitted [in the form of sureties of] BY [all complying] ANY ELIGIBLE bidder[s] SHALL BE RETURNED AFTER THE OPENING OF BIDS, EXCEPT BY THOSE THAT FAILED TO COMPLY WITH ANY OF THE REQUIREMENTS TO BE SUBMITTED IN THE FIRST ENVELOPE OF THE BID AS HEREINAFTER PROVIDED. [shall be returned after the opening of bids. Bid securities submitted in form other than sureties...may be returned upon request of the bidder provided that he is not among the three lowest complying bidders and such withdrawal shall be construed as a waiver by the bidder for award of contract.] Bid securities [in the form of sureties] shall be returned only after the successful bidder has signed the contract and furnished the performance security but in any case not later than the expiration of the bid security validity period indicated in the Instructions to Bidders.</p>	
12.	<p>IB 10.2 -- SUBMISSION, OPENING AND ABSTRACTING OF BIDS/TENDERS</p> <p>1. Bids in the prescribed bid form including its annexes as specified under Section 10.7.1-h shall be submitted in two (2) sealed envelopes with the name of the project to be bid and the name of the bidder in capital letters addressed to the PBAC (or to the Bid and Award Committee as the case may be) of the office/agency/corporation concerned. They shall be marked "Do not open before (date and time of opening of bids)."</p> <p>2. The first envelope shall contain the following information/documents:</p>	<p>IB 10.2 -- SUBMISSION, OPENING AND ABSTRACTING OF BIDS/TENDERS</p> <p>1. Bids in the prescribed bid form including its annexes as specified under [Section] IB10.7-1-h shall be submitted in two (2) sealed envelopes with the name of the [project] CONTRACT to be bid and the name of the bidders in capital letters, addressed to the [P]BAC OR DESIGNATED PROCUREMENT UNIT [(or to the Bid and Award Committee as the case may be)] of the office/agency/corporation concerned. They shall be marked BY THE BIDDER "Do not open before (date and time of</p>	

<p>a. Authority of the Signing Official b. Construction Schedule and S-curve c. Construction Methods d. Project Organizational Chart e. Manpower Schedule f. Equipment Utilization Schedule and duly executed Contract of Lease of all equipment and machineries which shall be intended for use exclusively for the project, if any g. Affidavit of Site Inspection h. Bid Security i. Certification that the detailed estimates, Cash flow by quarter, and Payments Schedule are in the second envelope j. Construction Safety and Health Program by the Contractor based on Section IB 1.3.g as required by the Department of Labor and Employment (DOLE) Occupational Safety and Health Standards.</p> <p>It shall be opened first to determine the contractor's compliance with the above requirements.</p> <p>3. The second envelope shall contain the following information/documents:</p> <p>a. Bid prices in the bill of quantities b. Detailed estimates, including a summary sheet indicating the unit prices for construction materials, labor rates and equipment rental used in coming up with the bid. c. Cash flow by quarter and payments schedule</p> <p>It shall be opened immediately after the opening of the first envelope and only if the contractor has complied with the requirements of Section IB 10.2-2 above.</p>	<p>opening of bids)."</p> <p>2. The first envelope shall contain the following information/documents:</p> <p>a. Authority of the Signing Official b. Construction Schedule and S-curve c. Construction Methods d. [project] Organizational Chart FOR THE CONTRACT TO BE BID e. LIST OF CONTRACTOR'S PERSONNEL, (I.E., PROJECT MANAGER, PROJECT ENGINEER, MATERIALS ENGINEER AND FOREMAN), TO BE ASSIGNED TO THE CONTRACT TO BE BID, WITH THEIR COMPLETE QUALIFICATION AND EXPERIENCE DATA. [e] F. [Manpower] PERSONPOWER Schedule [f] G. LIST OF CONTRACTOR'S EQUIPMENT UNITS, OWNED AND/OR UNDER LEASE AND/OR UNDER PURCHASE AGREEMENTS, SUPPORTED BY duly executed Contracts THEREFOR, [of lease of all equipment and machineries which shall be] intended for use exclusively in the [project] CONTRACT TO BE BID [if any]. H. EQUIPMENT UTILIZATION SCHEDULE [g] I. [Affidavit] CERTIFICATE of Site Inspection [h] J. Bid Security [i] K. Certification that the Detailed Estimates, Cash Flow by Quarter and Payments Schedule are in the second envelope L. COMMITMENT FROM THE CONTRACTOR'S BANK TO EXTEND TO HIM A CREDIT LINE IF AWARDED THE CONTRACT TO BE BID, OR A CASH DEPOSIT CERTIFICATE, IN AN AMOUNT FIXED BY THE OFFICE/AGENCY/CORPORATION IN</p>	<p>Items e, f and g are needed as they indicate the key personnel and equipment units pledged to be used for the contract to be bid. Item I is the credit line commitment from a bank which indicates the contractor's financial capacity to support the project cash flow; the required credit line amount shall be specified by the agency in the Instructions to Bidders (ITB).</p>
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	<p>3. The second envelope shall contain the following information/ documents:</p> <p>a. ...</p> <p>b. Detailed estimates including a summary sheet indicating the unit prices of construction</p>	<p>THE INSTRUCTIONS TO BIDDERS, WHICH SHALL BE AT LEAST EQUAL TO THE OPERATING CASH FLOW REQUIREMENT OF THE CONTRACT TO BE BID (I.E., THE ESTIMATED AVERAGE OPERATING EXPENSES FOR TWO (2) MONTHS OF THE CONTRACT TO BE BID, OR TEN PERCENT (10%) OF THE APPROVED BUDGET FOR THE CONTRACT TO BE BID, WHICHEVER IS LESS).</p> <p>[j] M. Construction Safety and Health Program ...Health Standards.</p> <p>N. OTHER NON-DISCRETIONARY CRITERIA AS STATED IN THE INSTRUCTIONS TO BIDDERS</p> <p>[It] THE FIRST ENVELOPES shall be opened IN PUBLIC to determine the contractor's compliance with the above DOCUMENTS [requirements] REQUIRED TO BE SUBMITTED IN THE FIRST ENVELOPE. FOR THIS PURPOSE, A CHECKLIST OF THE REQUIRED DOCUMENTS SHALL BE MADE AND THE SUBMITTED DOCUMENTS SHALL BE CHECKED AGAINST THIS CHECKLIST TO ASCERTAIN IF THEY ARE ALL PRESENT IN THE FIRST ENVELOPE. IN CASE ONE OR MORE OF THE ABOVE REQUIRED DOCUMENTS IS MISSING IN THE FIRST ENVELOPE, THE BAC OR DESIGNATED PROCUREMENT UNIT SHALL DISQUALIFY THE CONCERNED CONTRACTOR OUTRIGHT AND IMMEDIATELY RETURN TO HIM HIS SECOND ENVELOPE UNOPENED.</p>	<p>Screening of the bidder's first envelope should be merely on presence or absence of the required documents, per checklist. Failure to completely submit any requirement in the checklist shall be a ground for disqualification.</p>
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<p>materials, labor rates and equipment rentals used in coming up with the bid</p> <p>c. ...</p> <p>4...</p> <p>5. In cases where the Approved Agency Estimate (AAE) is held confidential, it shall be ...the AAE may be read as provided in Section IB 10.3-2.</p> <p>8. After all bids have been received and opened, ...shall contain the following:</p> <p>a...</p> <p>b...</p> <p>c. Names of bidders and their corresponding bids arranged from the lowest to highest showing their respective variances in percent from the Approved Agency Estimate, the amount of security and name of the issuing entity.</p>	<p>3. The second envelope shall contain the following information/documents:</p> <p>a. Bid Prices in the Bill of Quantities</p> <p>b. Detailed estimates including a summary sheet indicating the unit prices of construction materials, labor rates and equipment rentals used in coming up with the bid</p> <p>c. Cash Flow by Quarter and Payments Schedule</p> <p>[It] THE SECOND ENVELOPES shall be opened IN PUBLIC immediately after the opening of the first envelopeS [and] BUT only [if] FOR the contractorS THAT [has] complied with the requirements [of] STATED IN Section IB 10.2-2 above.</p> <p><i>Note: The previous IB 10.2-4 to 10.2-6 are retained, except IB 10.2-5. Section numbers are adjusted accordingly.</i></p> <p>4.....</p> <p>[5. In cases where the Approved Agency Estimate (AAE) is held confidential, it shall be ...the AAE may be read as provided in Section IB 10.3-2.]</p> <p>[6. A bid which is not accompanied byoutright.]</p> <p>[7]5. Bids shall be opened at the place, date and time specified in the advertisement by the [P]BAC OR DESIGNATED PROCUREMENT UNIT...Every page of the original copies...all members of the [P]BAC OR DESIGNATED PROCUREMENT UNIT and the auditor's representative.</p> <p>6. BIDS WITH SUBMITTED BID PRICES THAT ARE HIGHER THAN THE APPROVED BUDGET FOR THE CONTRACT UNDER BIDDING SHALL BE REJECTED OUTRIGHT.</p>	
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		<p>[8]7. After all bids have been received and opened, ...shall contain the following: -</p> <p>a...</p> <p>b...</p> <p>c. Names of bidders and their corresponding bids arranged from the lowest to highest [showing their respective variances in percent from the Approved Agency estimate], the amount of security and name of the issuing entity.</p>	
13.		<p><i>Note: A new IB 10.3 is inserted as follows:</i></p> <p>IB 10.3 DETERMINATION OF THE LOWEST CALCULATED RESPONSIVE BID</p> <p>1. THE BAC OR PROCUREMENT UNIT SHALL DETERMINE THE "LOWEST CALCULATED RESPONSIVE BID," WHICH IS THE BID (A) WITH THE LOWEST PRICE AS CALCULATED BASED ON THE PROVISIONS OF IB 10.4 HEREOF, AND (B) WHICH COMPLIES WITH OR IS RESPONSIVE TO ALL THE REQUIREMENTS IN IB 10.5 HEREOF.</p> <p>2. THE LOWEST CALCULATED RESPONSIVE BID SHALL THEREFORE BE DETERMINED IN TWO STEPS:</p> <p>A. THE FIRST STEP IS THE DETAILED EVALUATION OF ALL BIDS, TO ESTABLISH THE CORRECT CALCULATED PRICES OF THE BIDS ACCORDING TO THE REQUIREMENTS OF CLAUSE 10.4 HEREOF, AND TO DETERMINE THE ORDER OR RANKING OF THE TOTAL BID PRICES AS SO CALCULATED FROM THE LOWEST, OTHERWISE</p>	<p>The lowest calculated bid is determined using objective, quantifiable (in pesos), non-discretionary criteria.</p>

		<p>KNOWN AS THE LOWEST CALCULATED BID, TO THE HIGHEST.</p> <p>B. THE SECOND STEP IS THE POSTQUALIFICATION OF THE BIDDER WITH THE LOWEST CALCULATED BID BASED ON THE RESULTS OF THE ABOVE EVALUATION. THIS SHALL BE DONE IN ACCORDANCE WITH THE PROVISIONS OF CLAUSE 10.5.</p>	
14.	<p>IB 10.3 - EVALUATION OF BIDS</p> <p>1. A bid which does not comply with the conditions or requirements of the bid documents shall be rejected by the PBAC (or the Bid and Award Committee as the case may be) giving the reason or reasons for its rejection. The government, however, in the evaluation of bids received, reserves the right to waive the consideration of minor deviations in the bids received which do not affect the substance and validity of the bids.</p> <p>2. The PBAC shall examine the bids to determine whether they are generally in order. arithmetical errors will be rectified on the following basis:</p> <p>a. if there is a discrepancy between the unit bid price and the extended total cost that is obtained by multiplying the unit bid price with the corresponding quantity, the unit bid price shall prevail and the extended total cost will be corrected accordingly.</p> <p>b. if there is a discrepancy between the total bid amount and the sum of total costs after rectification of the total cost in</p>	<p>IB 10.[3]4. DETAILED EVALUATION OF BIDS</p> <p>[1. A bid which does not comply with the conditions or requirements of the bid documents shall be rejected by the PBAC (or the Bid and Award Committee as the case may be) giving the reason or reasons for its rejection. The government, however, in the evaluation of bids received, reserves the right to waive the consideration of minor deviations in the bids received which do not affect the substance and validity of the bids.]</p> <p>1. AS THE FIRST STEP TO DETERMINE THE LOWEST CALCULATED RESPONSIVE BID, THE BAC OR DESIGNATED PROCUREMENT UNIT SHALL, WITHIN SEVEN (7) DAYS FROM THE DATE OF OPENING OF THE BIDS, CONDUCT A DETAILED EVALUATION OF ALL BIDS, USING NON-DISCRETIONARY CRITERIA STATED IN THE NOTICE FOR PREQUALIFICATION/ELIGIBILITY SCREENING AND THE INSTRUCTIONS TO BIDDERS, WHICH SHALL INCLUDE</p>	<p>For transparency, the criteria shall be objective (not discretionary) and must be disclosed before hand.</p>

	<p>accordance with paragraph (a) above, the sum of the total costs shall prevail and the total bid amount will be corrected.</p> <p>c. if there is a discrepancy between the amount written in words and its equivalent amount in figures, the amount written in words shall prevail.</p> <p>3. At the time of opening of bids, there shall be at least two (2) competing bidders. In case there is only one bidder, the PBAC has the option to either:</p> <p>a. In cases where it is held confidential, announce the AAE and open the bid (second envelope) and subsequently consider the lone bid for award provided that it complies with the requirements of Section IB 10.2-2 hereof, and provided further that it does not exceed the AAE; or</p> <p>b. Return the second envelope of the lone bidder unopened and conduct a rebidding thru sealed canvass of at least five (5) qualified contractors within fifteen (15) days from the date of the failed opening of bids. However, for projects costing P3.0 million and below, the number of qualified contractors to be invited may be reduced to at least three (3). The prospective bidders shall not be limited to those previously prequalified for the project, and may include those whose classification is higher than that corresponding to the subject project, with the lone complying bidder automatically participating.</p> <p>The bidders to be invited shall have shown</p>	<p>THE FOLLOWING:</p> <p>A. <u>BID SECURITY:</u> THE BID SECURITY MUST CONFORM TO THE REQUIREMENTS OF THE INSTRUCTIONS TO BIDDERS, AS TO TYPE, AMOUNT, FORM AND WORDING, AND VALIDITY PERIOD.</p> <p>B. <u>COMPLETENESS OF BID:</u> UNLESS THE INSTRUCTIONS TO BIDDERS SPECIFICALLY ALLOW PARTIAL BIDS, BIDS NOT OFFERING ALL OF THE REQUIRED ITEMS SHALL BE CONSIDERED NON-RESPONSIVE AND, THUS, AUTOMATICALLY DISQUALIFIED.</p> <p>C. <u>MAJOR DEVIATIONS:</u> MAJOR DEVIATIONS FROM THE INSTRUCTIONS TO BIDDERS AND BIDDING REQUIREMENTS SHALL BE A BASIS FOR REJECTION OF BIDS. MAJOR DEVIATIONS ARE THOSE THAT, IF ACCEPTED, WOULD NOT FULFILL THE PURPOSES FOR WHICH THE BID IS REQUESTED, OR WOULD PREVENT A FAIR COMPARISON WITH BIDS THAT COMPLY WITH THE BIDDING DOCUMENTS. EXAMPLES ARE:</p> <p>(1) STIPULATING PRICE ADJUSTMENT WHEN FIXED PRICE BIDS WERE CALLED FOR;</p> <p>(2) FAILING TO RESPOND TO THE SPECIFICATIONS BY OFFERING A DIFFERENT DESIGN OR WORK ITEM;</p> <p>(3) SUBCONTRACTING BEYOND ALLOWABLE LIMITS;</p> <p>(4) REFUSING TO BEAR CONTRACTUAL</p>	
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	<p>satisfactory performance in previous projects undertaken for the government as may be determined by the head of office/agency/corporation concerned and shall have not incurred any delays in all its on-going government and private projects.</p> <p>4. Should after undertaking the above processes, there is failure to award the contract within the limits prescribed under Section IB 10.4.1-1 hereof, the project shall be advertised anew for bidding after undertaking the procedure prescribed under Section IB 10.4-1-2 for failed bidding.</p> <p>5. The respective PBACs of concerned government offices/agencies/corporations should normally complete the evaluation of bids not later than thirty (30) calendar days from the date of the opening of bids.</p>	<p>RESPONSIBILITIES SPECIFIED IN THE BIDDING DOCUMENTS, SUCH AS PERFORMANCE GUARANTEES;</p> <p>(5) TAKING EXCEPTION TO CRITICAL PROVISIONS OR SETTING CONDITIONS TO HIS BID, SUCH AS APPLICABLE LAWS, TAXES AND DUTIES, AND DISPUTE RESOLUTION PROCEDURES.</p> <p>D. <u>CORRECTIONS FOR ERRORS, DISCOUNTS, AND OTHER MODIFICATIONS:</u> CORRECTIONS FOR ARITHMETICAL OR COMPUTATIONAL ERRORS, AS WELL AS FOR DISCREPANCIES BETWEEN TOTAL BID PRICES AND EXTENDED UNIT BID PRICES, BETWEEN STATED TOTAL PRICES AND ACTUAL SUMMATIONS, BETWEEN PRICES IN FIGURES AND IN WORDS, AND OTHER ERRORS/DISCREPANCIES, SHALL BE MADE, USING THE METHODOLOGY DESCRIBED IN THE INSTRUCTIONS TO BIDDERS. DISCOUNTS AND OTHER MODIFICATIONS IN THE BID AMOUNTS SHALL BE REFLECTED IN THE EVALUATION OF BIDS, IN ACCORDANCE WITH THE METHODOLOGY STATED IN THE INSTRUCTIONS TO BIDDERS.</p> <p>[2. The PBAC shall examine the bids to determine whether they are generally in order. Arithmetical errors will be rectified on the following basis:</p> <p>a) If there is a discrepancy between the unit bid price and the extended total cost that is obtained by multiplying the unit bid price with the corresponding</p>	<p>Corrections shall be based on rules set beforehand in the Instructions to Bidders.</p>
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	<p>quantity. The unit bid price shall prevail and the extended total cost will be corrected accordingly</p> <p>b) If there is a discrepancy between the total bid amount and the sum of total costs after rectification of the total cost in accordance with paragraph (a) above, the sum of the total costs shall prevail and the total bid amount will be corrected.</p> <p>c) If there is a discrepancy between the amount written in words and its equivalent amount in figures, the amount written in words shall prevail.]</p> <p><u>E. THE APPROVED BUDGET FOR THE CONTRACT UNDER BIDDING: AS APPROVED BY THE OFFICE/AGENCY/CORPORATION AND STATED IN THE INSTRUCTIONS TO BIDDERS, THE APPROVED BUDGET FOR THE CONTRACT UNDER BIDDING SHALL BE THE CEILING FOR ACCEPTABLE BIDS. THEREFORE, ALL BIDS, AS EVALUATED AND CALCULATED IN ACCORDANCE WITH THE ABOVE PROVISION, WHICH ARE HIGHER THAN THE APPROVED BUDGET FOR THE CONTRACT UNDER BIDDING, SHALL AUTOMATICALLY BE DISQUALIFIED.</u></p> <p>BASED ON THE DETAILED EVALUATION OF THE BIDS, THOSE THAT COMPLY WITH THE ABOVEMENTIONED REQUIREMENTS SHALL BE RANKED IN THE ASCENDING ORDER OF THEIR TOTAL CALCULATED BID PRICES, AS EVALUATED AND CORRECTED FOR ERRORS, DISCOUNTS, AND OTHER MODIFICATIONS.</p>	<p>These provisions were from the May 24-approved amendments. These are better placed in the Instructions to Bidders.</p> <p>To be removed is the present rule on "bracketing", i.e., where acceptable bids must be between a ceiling and above a floor based on the agency estimate of the contract cost. For practical reasons, however, the approved budget for the contract to be bid shall be the ceiling.</p>
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		<p><i>Note: The previous IB 10.3-1 and IB 10.3-2 are deleted. The above IB 10.4-1 shall be followed by the previous IB 10.3-3 to IB 10.3-5, which shall, however, be redesignated as IB 10.4-2 to IB 10.4-4, respectively.</i></p> <p>[3]2. At the time of opening of bids, there shall be at least two (2) competing bidders. In case there is only one bidder, the [P]BAC OR DESIGNATED PROCUREMENT UNIT has the option to either:</p> <ul style="list-style-type: none"> a. [In cases where it is held confidential, announce the AAE and o]Open the bid (second envelope) and subsequently consider the lone bid for award provided that it complies with the requirements of Section IB 10.2-2 hereof, and provided further that it does not exceed the [AAE] APPROVED BUDGET FOR THE CONTRACT UNDER BIDDING; or b. Return the second envelope of the lone bidder unopened and conduct a rebidding thru sealed canvass of at least five (5) qualified contractors within fifteen (15) days from the date of the failed opening of bids. However, for [projects] CONTRACTS TO BE BID costing P3.0 million and below, the number of qualified contractors to be invited may be reduced to at least three (3). The prospective bidders shall not be limited to those previously prequalified OR FOUND ELIGIBLE for the [project] CONTRACT TO BE BID, [and may include those whose classification is higher than that corresponding to the subject project,] with the lone complying bidder automatically participating. <p>The bidders to be invited shall [have shown Satisfactory performance in previous projects</p>	
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		<p>Undertaken for the government as may be Determined by the head of Office/agency/corporation concerned and shall Have not incurred any delays in all its on-going Government and private projects] UNDERGO AND PASS THE SAME PREQUALIFICATION OR ELIGIBILITY CRITERIA AS SPECIFIED IN IB 4-3 AND IB 6.</p> <p>[4]3. [Should] IF after undertaking the above processes, there is failure to award the contract within the limits prescribed under Section IB 10.[4] 6.1-1 hereof, the [project] CONTRACT shall be advertised anew for bidding after [undertaking] the procedureS prescribed under Section IB 10.[4]6.1[-1] [for failed bidding] HAS FAILED TO COME UP WITH THE LOWEST CALCULATED RESPONSIVE BID.</p> <p>[5]4. The respective [P]BACs OR DESIGNATED PROCUREMENT UNITS of concerned government offices/agencies/corporations should normally complete the evaluation of bids not later than thirty (30) calendar days from the date of the opening of bids.</p>	
15.		<p><i>Note: After the amended IB 10.4, a new IB 10.5 is inserted, as follows:</i></p> <p>IB 10.5 – POSTQUALIFICATION OF CONTRACTOR WITH THE LOWEST CALCULATED BID</p> <p>AS THE SECOND STEP TO DETERMINE THE LOWEST CALCULATED RESPONSIVE BID, THE BAC OR DESIGNATED PROCUREMENT</p>	<p>Postqualification is done only for the lowest calculated bid, vs present rules requiring prequalification of all bidders, which consumes substantial time, effort and resources.</p>

	<p>UNIT SHALL, WITHIN THIRTY (30) DAYS FROM THE COMPLETION OF THE FIRST STEP (CLAUSE 10.4), CONDUCT A POSTQUALIFICATION OF THE BIDDER WITH THE LOWEST CALCULATED BID. THE POSTQUALIFICATION SHALL VERIFY AND ASCERTAIN WHETHER THE BIDDER WITH THE LOWEST CALCULATED BID COMPLIES WITH OR IS RESPONSIVE TO ALL THE REQUIREMENTS OF THE CONTRACT UNDER BIDDING AS STATED IN IB4, IB 6, IB 10.2 AND IN THE INSTRUCTIONS TO BIDDERS, USING THE NON-DISCRETIONARY "PASS/FAIL" CRITERIA OR REQUIREMENTS STATED IN THE INSTRUCTIONS TO BIDDERS. THE BAC OR DESIGNATED PROCUREMENT UNIT SHALL ALSO VERIFY, ASCERTAIN AND EVALUATE THE PREQUALIFICATION OR ELIGIBILITY STATEMENTS OF THE LOWEST CALCULATED BIDDER TO BE CORRECT, RELEVANT AND ADEQUATE TO COMPLY, ACCORDING TO THE FOLLOWING CRITERIA:</p> <p>A. <u>LEGAL REQUIREMENTS</u> AS PROVIDED IN IB 4-3A</p> <p>B. <u>TECHNICAL REQUIREMENTS</u></p> <p>(1) THE CONTRACTOR'S STATED EXPERIENCE MUST BE VERIFIED AND VALIDATED BY THE BAC OR DESIGNATED PROCUREMENT UNIT TO BE CORRECT, RELEVANT, AND ADEQUATE TO COMPLY WITH THE FOLLOWING:</p> <p>(A) THE VALUE OF HIS SINGLE LARGEST CONTRACT, ESCALATED TO PRESENT PRICES, COMPLETED</p>	<p>Postqualification verifies and ascertains the quality of the bid as well as the quality of the bidder, using transparent and non-discretionary criteria.</p>
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		<p>WITHIN THE PERIOD SPECIFIED IN THE NOTICE FOR PREQUALIFICATION/ELIGIBILITY SCREENING, AND SIMILAR TO THE CONTRACT UNDER BIDDING, MUST BE AT LEAST FIFTY PERCENT (50%) OF THE APPROVED BUDGET FOR THE CONTRACT UNDER BIDDING. THE CONTRACTOR'S CPES RATING SHEETS AND/OR CERTIFICATE OF SATISFACTORY COMPLETION AND ACCEPTANCE ISSUED BY THE OWNER MUST BE VERIFIED.</p> <p>(B) THE CONTRACTOR MUST MEET THE SPECIFIC MINIMUM EXPERIENCE REQUIREMENTS IN THE INSTRUCTIONS TO BIDDERS FOR PARTICULAR MAJOR OPERATIONS OF THE CONTRACT UNDER BIDDING, SUCH AS HAVING DONE THE MINIMUM ANNUAL VOLUME OF EARTH MOVING, UNDERGROUND EXCAVATION, OR PLACING OF CONCRETE. THE BAC OR DESIGNATED PROCUREMENT UNIT SHALL HAVE THE AUTHORITY TO MAKE APPROPRIATE INQUIRIES WITH THE CONTRACTOR'S PREVIOUS CLIENTS AND CONDUCT CHECKS ON HIS PAST CONTRACTS.</p> <p>(2) THE EXPERIENCE OF THE CONTRACTOR'S KEY PERSONNEL MUST BE VERIFIED BY THE PBAC OR DESIGNATED PROCUREMENT UNIT TO BE CORRECT, RELEVANT, AND ADEQUATE TO COMPLY WITH THE</p>	
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		<p>REQUIREMENTS SPECIFIED IN THE INSTRUCTIONS TO BIDDERS IN TERMS OF THE FOLLOWING:</p> <p>(A) TOTAL EXPERIENCE IN YEARS</p> <p>(B) TOTAL EXPERIENCE IN THE PROPOSED POSITION</p> <p>(C) VALUE OF THE SINGLE LARGEST MANAGED/SUPERVISED CONTRACT SIMILAR TO THE CONTRACT UNDER BIDDING, ESCALATED TO PRESENT PRICES, WHICH MUST BE AT LEAST EQUAL TO FIFTY PERCENT (50%) OF THE APPROVED BUDGET FOR THE CONTRACT UNDER BIDDING</p> <p>THE BAC OR DESIGNATED PROCUREMENT UNIT SHALL MAKE APPROPRIATE INQUIRIES WITH THE PERSONNEL'S PREVIOUS EMPLOYERS AND CLIENTS AND CONDUCT CHECKS ON THEIR PAST CONTRACTS.</p> <p>(3) THE EQUIPMENT UNITS LISTED BY THE CONTRACTOR MUST BE VERIFIED BY THE BAC OR DESIGNATED PROCUREMENT UNIT TO BE OWNED AND/OR UNDER LEASE AND/OR UNDER PURCHASE AGREEMENTS BY HIM, AS SUPPORTED BY DOCUMENTED PROOFS OF OWNERSHIP AND/OR LEASE AND/OR PURCHASE AGREEMENTS. THE UNITS OF EQUIPMENT MUST BE IN FULL WORKING CONDITION, ADEQUATE AS TO NUMBER AND CAPACITIES COMPARED TO THE MINIMUM REQUIREMENTS SPECIFIED</p>	
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		<p>BY THE OFFICE/AGENCY/CORPORATION IN THE INSTRUCTIONS TO BIDDERS, AND, CONSIDERING OTHER KNOWN COMMITMENTS, SHALL BE AVAILABLE FOR USE IN THE CONTRACT UNDER BIDDING. THE BAC OR DESIGNATED PROCUREMENT UNIT SHALL HAVE THE AUTHORITY TO UNDERTAKE AN ACTUAL PHYSICAL INSPECTION OF THE EQUIPMENT UNITS AND MAKE APPROPRIATE INQUIRIES AND CHECKS WITH THE EQUIPMENT LESSORS AND SUPPLIERS CONCERNED.</p> <p>(4) THE BAC OR DESIGNATED PROCUREMENT UNIT SHALL CHECK THE PERFORMANCE OF THE CONTRACTOR IN HIS ONGOING GOVERNMENT AND PRIVATE CONTRACTS. IF THERE IS A REPORTED NEGATIVE SLIPPAGE OF MORE THAN FIFTEEN PERCENT (15%), IF THERE IS SUBSTANDARD QUALITY OF WORK AS PER CONTRACT PLANS AND SPECIFICATIONS, OR IF THERE IS UNSATISFACTORY PERFORMANCE OF HIS OBLIGATIONS AS PER TERMS AND CONDITIONS UNDER ANY OF HIS ONGOING CONTRACTS AND IF THE BAC OR DESIGNATED PROCUREMENT UNIT VERIFIES ANY OF THESE DEFICIENCIES TO BE DUE TO THE CONTRACTOR'S FAULT OR NEGLIGENCE, THE OFFICE/AGENCY/CORPORATION SHALL DISQUALIFY THE</p>	
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		<p>CONTRACTOR FROM THE AWARD.</p> <p>C. <u>FINANCIAL REQUIREMENTS</u></p> <p>(1) THE CONTRACTOR'S STATED NET WORKING CAPITAL (I.E., CURRENT ASSETS MINUS CURRENT LIABILITIES) MUST BE VERIFIED BY THE BAC OR DESIGNATED PROCUREMENT UNIT TO BE CORRECT, UP-TO-DATE, AND UNENCUMBERED.</p> <p>(2) THE VALUE OF ALL OUTSTANDING OR UNFINISHED WORKS UNDER ONGOING CONTRACTS INCLUDING AWARDED CONTRACTS YET TO BE STARTED MUST BE VERIFIED BY THE BAC OR DESIGNATED PROCUREMENT UNIT TO BE CORRECT AND UP-TO-DATE. THE BAC OR DESIGNATED PROCUREMENT UNIT SHALL MAKE APPROPRIATE INQUIRIES WITH THE CONTRACTOR'S CLIENTS AND EMPLOYERS AND CONDUCT CHECKS ON THE CONTRACTS.</p> <p>(3) THE CONTRACTOR'S NET FINANCIAL CONTRACTING CAPACITY (NFCC), AS COMPUTED USING THE FORMULA UNDER IB 4-3C, SHALL BE REVIEWED AND UPDATED BY THE BAC OR DESIGNATED PROCUREMENT UNIT TO ENSURE THAT IT IS AT LEAST EQUAL TO THE CONTRACTOR'S TOTAL BID, AS EVALUATED AND CALCULATED, FOR THE CONTRACT UNDER BIDDING.</p> <p>(4) THE CREDIT LINE COMMITMENT FROM THE CONTRACTOR'S BANK MUST BE VERIFIED BY THE BAC OR DESIGNATED PROCUREMENT UNIT TO BE VALID, ADEQUATE, AND</p>	
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		<p>EXCLUSIVELY DEDICATED TO THE CONTRACT UNDER BIDDING, TO SUSTAIN ITS OPERATING CASH FLOW REQUIREMENTS AS SPECIFIED IN THE INSTRUCTIONS TO BIDDERS, I.E., THE AVERAGE OPERATING EXPENSES FOR TWO (2) MONTHS OF THE CONTRACT UNDER BIDDING OR TEN PERCENT (10%) OF THE APPROVED BUDGET FOR THE CONTRACT UNDER BIDDING, WHICHEVER IS LESS. THE BAC OR DESIGNATED PROCUREMENT UNIT SHALL MAKE THE APPROPRIATE INQUIRIES WITH THE CONTRACTOR'S BANK.</p> <p>IF THE BIDDER PASSES ALL OF THE ABOVE CRITERIA, HE SHALL BE CONSIDERED POSTQUALIFIED. IF THE BIDDER FAILS ANY OF THE ABOVE CRITERIA, HE SHALL BE CONSIDERED POSTDISQUALIFIED.</p>	
16.	<p>IB 10.4 - AWARDING OF CONTRACT</p> <p>IB 10.4.1 - By Bid Contract</p> <p>1. No award of contracts shall be made to a bidder whose bid price is higher than the allowable government estimate (AGE) or the Approved Agency Estimate (AAE), whichever is higher, or lower than seventy percent (70%) of the AGE. For purposes of these implementing rules and regulations, the AGE shall be equal to one half of the sum of the AAE and the average of all responsive bids. For purposes of determining the average of all responsive bids, bids higher than one hundred twenty percent (120%) of the AAE</p>	<p>IB 10.[4]6 AWARDING OF CONTRACT</p> <p>IB 10.[4]6.1 By Bid Contract</p> <p><i>Note: The previous IB 10.4.1-4 is deleted from the new IB 10.6.1 and amended as IB 10.6.1-9. The previous IB 10.4.1-1 to IB 10.4.1-3 and IB 10.4.1-5 and IB 10.4.1-6 are deleted and replaced with the following:</i></p> <p>1. IF THE BAC OR DESIGNATED PROCUREMENT UNIT FINDS THAT THE CONTRACTOR WITH THE LOWEST CALCULATED TOTAL BID PRICE PASSES THE ABOVEMENTIONED</p>	

<p>or lower than sixty percent (60%) of the AAE shall not be considered. No negotiation will be allowed to bring down the bid to the level of the average.</p> <p>2. In the event that any of the following conditions should occur, the bidding shall be declared a failure and the office/ agency/corporation concerned shall undertake a review of the AAE and the tender/bid and other related documents such as Instructions to Bidders, plans and technical specifications, standards and completion schedule, etc.:</p> <ul style="list-style-type: none"> a. When no bids are received. b. When all bids received are higher than one hundred twenty percent (120%) of the AAE or lower than sixty percent (60%) of the AAE. c. Failure to award the contract within the limits prescribed under Section IB 10.4.1-1. <p>If found necessary, the AAE including other related tender documents, shall be revised and the project shall be advertised anew for bidding subject to the approval of the office/agency/corporation head concerned. Such review and/or revisions however, including the approval by the office/agency/corporation head concerned of the necessary modifications, if any, shall be made not later than twenty (20) calendar days from the date of opening of bids.</p> <p>3. All bidders who have been previously prequalified for the project shall automatically prequalify for the rebidding of the project.</p>	<p>POSTQUALIFICATION CRITERIA, HIS BID SHALL BE CONSIDERED AS THE "LOWEST CALCULATED RESPONSIVE BID", AND THE OFFICE/AGENCY/CORPORATION SHALL AWARD THE CONTRACT TO HIM, AT HIS BID PRICE AS CALCULATED BY THE BAC OR DESIGNATED PROCUREMENT UNIT, SUBJECT TO THE OTHER PROVISIONS OF THIS CLAUSE.</p> <p>2. IF , HOWEVER, THE BAC OR THE DESIGNATED PROCUREMENT UNIT FINDS THAT THE CONTRACTOR WITH THE LOWEST CALCULATED BID FAILS THE ABOVEMENTIONED POSTQUALIFICATION CRITERIA, THE OFFICE/AGENCY/CORPORATION SHALL IMMEDIATELY NOTIFY HIM IN WRITING THAT HE IS POSTDISQUALIFIED AND IN THE SAME NOTICE BE INFORMED OF THE GROUNDS FOR HIS POSTDISQUALIFICATION. THE POSTDISQUALIFIED BIDDER SHALL HAVE SEVEN (7) DAYS FROM RECEIPT OF THE SAID NOTIFICATION TO REQUEST FROM THE BAC OR DESIGNATED PROCUREMENT UNIT, IF HE SO WISHES, A RECONSIDERATION OF THIS DECISION. THE BAC OR DESIGNATED PROCUREMENT UNIT SHALL EVALUATE THE REQUEST FOR RECONSIDERATION, IF ANY, USING THE SAME NON-DISCRETIONARY "PASS/FAIL" POSTQUALIFICATION CRITERIA AS PROVIDED IN CLAUSE IB</p>	
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	<p>7. In the event of refusal or failure of the lowest complying bidder eligible for award to enter into contract within the stipulated time, the Government</p>	<p>10.5.</p> <p>3. AFTER THE OFFICE/AGENCY/CORPORATION HAS NOTIFIED THE FIRST CONTRACTOR OF HIS POSTDISQUALIFICATION, THE BAC OR DESIGNATED PROCUREMENT UNIT SHALL INITIATE AND, WITHIN SEVEN (7) DAYS, COMPLETE THE SAME POSTQUALIFICATION PROCESS (CLAUSE IB 10.5) ON THE CONTRACTOR WITH THE SECOND LOWEST CALCULATED BID. IF THE SECOND CONTRACTOR PASSES THE POSTQUALIFICATION CRITERIA, AND PROVIDED THAT THE REQUEST FOR RECONSIDERATION OF THE BIDDER WITH THE LOWEST CALCULATED BID IS DENIED, THE BID OF THE SECOND CONTRACTOR SHALL BE CONSIDERED AS THE LOWEST CALCULATED RESPONSIVE BID. THE OFFICE/AGENCY/CORPORATION SHALL ACCORDINGLY AWARD THE CONTRACT TO THE SECOND CONTRACTOR AT HIS CALCULATED BID, PURSUANT TO THE PERTINENT PROVISIONS OF THIS CLAUSE.</p> <p>4. IF THE SECOND CONTRACTOR, HOWEVER, FAILS THE POSTQUALIFICATION CRITERIA, THE PROCEDURE IN SECTIONS IB 10.6.1-1 TO IB 10.6.1-3 SHALL BE REPEATED FOR THE BIDDER(S) WITH THE NEXT LOWEST CALCULATED BID(S), UNTIL THE LOWEST CALCULATED RESPONSIVE BID IS OBTAINED FOR AWARD.</p>	
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<p>shall impose the appropriate sanctions provided in IB 10.5.</p> <p>8. In the event of refusal, inability or failure of the lowest complying bidder eligible for award to make good his bid by entering into contract and to post his performance security within the time provided therefor, the second lowest complying bidder eligible for award shall be considered for award at his bid price provided that his bid shall not exceed the limits prescribed under Section IB 10.41-1 hereof. This rule shall likewise apply to the third lowest complying bidder eligible for award in case the second lowest complying bidder eligible for award shall refuse. Otherwise, the project shall be advertised anew for bidding after undertaking the procedure prescribed under Section IB 10.4.1-2.</p> <p>9. If after rebidding, no bid still comes within the limits of award of contracts prescribed under Section IB 10.4.1-1 hereof, the project may be recommended...for approval.</p> <p>10. Normally within thirty (30) calendar days from the date the evaluation of bids shall have been completed, a decision on the results of the bid evaluation should be made. If the decision is to award the contract, the Notice of Award should be issued normally within seven (7) calendar days from the date ...Notice of the Award.</p>	<p>[7] 5. In the event of refusal or failure of the lowest [complying bidder eligible] CALCULATED RESPONSIVE BIDDER for award to enter into contract within the stipulated time, the Government shall impose the appropriate sanctions provided in [IB 10.5.] THE NEW SECTION V- ADMINISTRATIVE SANCTIONS</p> <p>[8.] 6. In the event of refusal, inability or failure of the lowest [complying bidder eligible for award] CALCULATED RESPONSIVE BIDDER to make good his bid by entering into contract and to post his performance security within the time provided therefor, the second lowest [complying] CALCULATED RESPONSIVE bidder [eligible for award] shall be considered for award at his CALCULATED bid price provided that his CALCULATED bid shall not exceed the [limits prescribed under Section IB 10.41-1] APPROVED BUDGET FOR THE CONTRACT hereof. This rule shall likewise apply to the third lowest [complying] CALCULATED RESPONSIVE bidder [eligible for award] in case the second lowest [complying] CALCULATED RESPONSIVE bidder [eligible for award] shall LIKEWISE refuse TO ENTER INTO CONTRACT WITH THE GOVERNMENT. Otherwise, the [project] CONTRACT shall be advertised anew for bidding [after undertaking the procedure prescribed under Section IB 10.4.1-2].</p> <p>[9.] 7. If after rebidding, no bid still comes within the limits of award of contracts prescribed under Section IB 10.[4]6.1-1 hereof, the [project] CONTRACT may be recommended...for approval.</p> <p>[10.] 8. Normally within thirty (30) calendar days from the date the evaluation of bids shall have been</p>	<p>Based on May 24-approved amendments.</p>
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		<p>completed, POSTQUALIFICATION OF THE LOWEST CALCULATED BIDDER TO DETERMINE ITS RESPONSIVENESS SHALL HAVE BEEN DONE AND a decision on the results of the [bid evaluation] POSTQUALIFICATION [should] SHALL be made. If the decision is to award the contract, the Notice of Award [should] SHALL be issued normally within seven (7) calendar days from the date ... Likewise, the Notice of Award [should] SHALL be issued by the concerned implementing agency... The successful bidder... or his duly authorized representative [should] SHALL execute the contract ... Notice of the Award.</p>	
17.	<p><i>From IB 10.4.1-4</i></p> <p>4. The Government, however, reserves the right to reject any or all bids; to declare a failure of bidding if there is, among others reason to suspect an evident collusion among contractors resulting in no competition; to waive any required formality in the bids received; and to disregard any bid which is obviously unbalanced, particularly in the major items. For purposes of these implementing rules and regulation, an unbalanced bid shall be defined as a bid containing one or more pay items that are thirty percent (30%) higher than the unit AGE in respect to major items whereas other pay items are priced lower than the unit AGE, major items being defined as pay items representing at least twenty percent (20%) of the AAE or the first two items having the highest percentage of the AAE or those indicated/specified in the Instructions to Bidders.</p>	<p><i>Note: IB 10.4.1-4 is amended into IB 10.6.1-9 as follows:</i></p> <p>[4] 9. The Government, however, reserves the right to reject any or all bids;] AND to declare a failure of bidding, OR NOT TO AWARD THE CONTRACT if there is, among others [reason to suspect an evident] EVIDENCE OF collusion among contractors AND OTHER PARTIES resulting in no competition.; to waive any required formality in the bids received; and to disregard any bid which is obviously unbalanced, particularly in the major items. For purposes of these implementing rules and regulation, an unbalanced bid shall be defined as a bid containing one or more pay items that are thirty percent (30%) higher than the unit AGE in respect to major items whereas other pay items are priced lower than the unit AGE, major items being defined as pay items representing at least twenty percent (20%) of the AAE or the first two items having the highest percentage of the AAE or those indicated/specified in the Instructions to</p>	

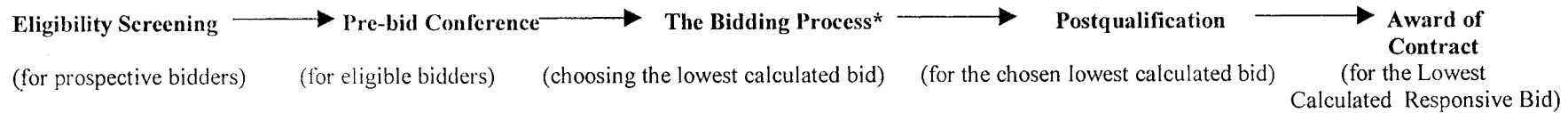
	<p>18. IB 10.7 – DOCUMENTS COMPRISING THE CONTRACT</p> <p>1. The following documents shall form part of the contract:</p> <p>a.</p> <p>.</p> <p>.</p> <p>.</p> <p>h. Bid Form including the following Annexes:</p> <p>(1) Authority of the Signing Official</p> <p>(2) Bid Prices in the Bill of Quantities</p> <p>(3) Detailed Estimates</p> <p>(4) Construction Schedule and S-Curve</p> <p>(5) Construction Methods</p> <p>(6) Project Organizational Chart</p> <p>(7) Manpower Schedule</p> <p>(8) Equipment Utilization Schedule and duly executed Contract of Lease of all equipment and machineries which shall be intended for use exclusively for the project, if any</p> <p>(9) Cash flow by quarter and Payments Schedule</p> <p>(10) Affidavit of Site Inspection</p> <p>i...</p> <p>j...</p>	<p>Bidders.]</p> <p>IB 10.7 – DOCUMENTS COMPRISING THE CONTRACT</p> <p>2. The following documents shall form part of the contract:</p> <p>a.</p> <p>.</p> <p>.</p> <p>.</p> <p>h. Bid Form including the following Annexes IN TWO (2) ENVELOPES</p> <p>THE FIRST ENVELOPE SHALL CONTAIN THE FOLLOWING:</p> <p>(1) Authority of the Signing Official</p> <p>(2) [Bid Prices in the Bill of Quantities] CONSTRUCTION SCHEDULE AND S-CURVE</p> <p>(3) [Detailed Estimates] CONSTRUCTION METHODS</p> <p>(4) [Construction Schedule and S-Curve] ORGANIZATIONAL CHART FOR THE CONTRACT TO BE BID</p> <p>(5) [Construction Methods] LIST OF CONTRACTOR'S PERSONNEL TO BE ASSIGNED TO THE CONTRACT TO BE BID, WITH THEIR COMPLETE QUALIFICATION AND EXPERIENCE DATA</p> <p>(6) [Project Organizational Chart] PERSONPOWER SCHEDULE</p> <p>(7) [Manpower Schedule] LIST OF CONTRACTOR'S EQUIPMENT UNITS, OWNED AND/OR UNDER LEASE AND/OR UNDER PURCHASE AGREEMENTS, SUPPORTED BY DULY EXECUTED CONTRACTS, INTENDED</p>	<p>For clarification and consistency.</p>
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		<p>FOR USE EXCLUSIVELY IN THE CONTRACT TO BE BID.</p> <p>(8) Equipment Utilization Schedule [and duly executed Contract of Lease of all equipment and machineries which shall be intended for use exclusively for the project, if any]</p> <p>(9) [Cash flow by quarter and Payments Schedule]</p> <p>CERTIFICATE OF SITE INSPECTION</p> <p>(10) [Affidavit of Site Inspection] BID SECURITY</p> <p>(11) CERTIFICATION THAT THE DETAILED ESTIMATES, CASH FLOW BY QUARTER AND PAYMENTS SCHEDULE ARE IN THE SECOND ENVELOPE</p> <p>(12) COMMITMENT FROM THE CONTRACTOR'S BANK TO EXTEND TO HIM A CREDIT LINE IF AWARDED THE CONTRACT TO BE BID, OR A CASH DEPOSIT CERTIFICATE, IN AN AMOUNT FIXED BY THE OFFICE/AGENCY/CORPORATION IN THE INSTRUCTIONS TO BIDDERS, WHICH SHALL BE AT LEAST EQUAL TO THE OPERATING CASH FLOW REQUIREMENT OF THE CONTRACT TO BE BID (I.E., THE ESTIMATED AVERAGE OPERATING EXPENSES FOR TWO (2) MONTHS OF THE CONTRACT TO BE BID, OR TEN PERCENT (10%) OF THE APPROVED BUDGET FOR THE CONTRACT TO BE BID, WHICHEVER IS LESS).</p> <p>(13) CONSTRUCTION SAFETY AND HEALTH PROGRAM ...HEALTH STANDARDS.</p> <p>(14) OTHER NON-DISCRETIONARY</p>	
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		<p>CRITERIA AS STATED IN THE INSTRUCTIONS TO BIDDERS</p> <p>THE SECOND ENVELOPE SHALL CONTAIN THE FOLLOWING:</p> <p>(1) BID PRICES IN THE BILL OF QUANTITIES</p> <p>(2) DETAILED ESTIMATES INCLUDING A SUMMARY SHEET INDICATING THE UNIT PRICES OF CONSTRUCTION MATERIALS, LABOR RATES AND EQUIPMENT RENTALS USED IN COMING UP WITH THE BID</p> <p>(3) CASH FLOW BY QUARTER AND PAYMENTS SCHEDULE</p> <p>i...</p> <p>j...</p>	
19.	ANNEX A. Procedure for Simultaneous Submission of Prequalification Statements and Bid Price Proposals	<p><i>Note: Previous ANNEX A is deleted and replaced with the following: (complete annex is attached)</i></p> <p>ANNEX A.</p> <p>THE PROCUREMENT PROCESS FOR GOVERNMENT INFRASTRUCTURE CONTRACTS</p> <p>MATRIX SHOWING THE DOCUMENTS USED IN THE PROCUREMENT PROCESS FOR GOVERNMENT INFRASTRUCTURE CONTRACTS</p>	

ANNEX A

THE PROCUREMENT PROCESS FOR GOVERNMENT INFRASTRUCTURE CONTRACTS



*The Bidding Process will use the 2-envelope system. The first envelopes shall be opened first to determine the contractors' compliance with specific requirements (see matrix), i.e., whether all of the required documents are present in the first envelope. In case one or more of the requirements is missing in the first envelope, the Bid and Award Committee or designated procurement unit shall disqualify the contractor concerned outright and immediately return to him his second envelope unopened. The second envelopes shall be opened after the opening of the first envelopes and only for contractors who have complied with the requirements in the first envelope.

Based on the detailed evaluation of the bids, those that comply with the requirements shall be ranked in the ascending order of their total calculated bid prices as evaluated and corrected for errors, discounts, and other minor modifications. The bid with the lowest total calculated price as so evaluated and corrected, provided it is not higher than the approved budget for the contract to be bid, shall be designated as the "lowest calculated bid" and the contractor concerned shall be subjected to post-qualification to determine the responsiveness of the bid. The contract shall be awarded to the Lowest Calculated Responsive Bid.

MATRIX SHOWING THE DOCUMENTS USED IN THE PROCUREMENT PROCESS FOR GOVERNMENT INFRASTRUCTURE CONTRACTS

Eligibility Screening	Bidding (sequential approach; choosing the LCB)		Post-qualification (verification/validation of all statements and requirements stated in the Notice for Prequalification/Eligibility Screening and in the Instructions to Bidders, to check for the responsiveness of the LCB)
	Envelope 1 (compliance, pass/fail)	Envelope 2 (detailed evaluation to choose LCB)	
1. legal documents	1. authority of signing official	1. bid prices in the bill of quantities	1. All requirements as stated in the Notice for Prequalification/Eligibility Screening
2. technical documents	2. construction schedule and S-curve	2. detailed estimates	2. All requirements as stated in the Instructions to Bidders
3. financial documents	3. construction methods	3. cash flow by quarter and payments schedule	
	4. organizational chart for the contract to be bid		
	5. list of contractor's personnel to be assigned to the contract to be bid, with their complete qualification and experience data		
	6. manpower schedule		
	7. list of contractor's equipment units, owned and/or under lease and/or under purchase agreements, supported by duly executed contracts, intended for use exclusively in the contract to be bid		
	8. equipment utilization schedule		
	9. certificate of site inspection		
	10. bid security		
	11. certification that the detailed estimates, cash flow by quarter and payments schedule are in the second envelope		
	12. commitment from the contractor's bank to extend to him a credit line if awarded the contract to be bid, or a cash deposit certificate, in an amount fixed by the office/agency/corporation in the Instructions to Bidders, which shall be at least equal to the operating cash flow requirement of the contract to be bid		
	13. construction safety and health program...health standards		
	14. other non-discretionary criteria as stated in the Instructions to Bidders		

Note: LCB – Lowest Calculated Bid
LCRB – Lowest Calculated Responsive Bid