

Section II. Instructions to Bidders

Notes on the Instructions to Bidders

This Section of the Bidding Documents provides the information necessary for Bidders to prepare responsive bids, in accordance with the requirements of the Procuring Entity. It also provides information on bid submission, eligibility check, opening and evaluation of bids, post-qualification and on the award of contract.

This Section contains provisions that shall not be changed or modified. Any amendment shall be reflected on Section III. Bid Data Sheet which consists of provisions that supplement, amend, or specify in detail, information or requirements included in this Section.

Matters governing performance of the Supplier, payments under the contract, or those affecting the risks, rights, and obligations of the parties under the contract are not normally included in this Section, but rather under Section IV. GCC and/or Section V. SCC. If duplication of a subject is inevitable in other sections of the document prepared by the Procuring Entity, prudence must be exercised to avoid contradictions between clauses dealing with the same matter.

TABLE OF CONTENTS

| | |
|---|-----------|
| A. General..... | 17 |
| 1) Scope of Bid | 17 |
| 2) Source of Funds | 17 |
| 3) Corrupt, Fraudulent, Collusive, and Coercive Practices | 17 |
| 4) Conflict of Interest..... | 18 |
| 5) Eligible Bidders..... | 20 |
| 6) Bidder's Responsibilities | 21 |
| 7) Origin of Goods..... | 23 |
| 8) Subcontracts..... | 24 |
| B. Contents of Bidding Documents | 24 |
| 9) Pre-Bid Conference | 24 |
| 10) Clarification and Amendment of Bidding Documents | 24 |
| C. Preparation of Bids | 25 |
| 11) Language of Bids..... | 25 |
| 12) Documents Comprising the Bid: Technical and Financial Components..... | 25 |
| 13) Bid Prices | 27 |
| 14) Bid Currencies | 28 |
| 15) Bid Validity | 28 |
| 16) Bid Security | 29 |
| 17) Format and Signing of Bids..... | 31 |
| 18) Sealing and Marking of Bids | 31 |
| D. Submission and Opening of Bids | 32 |
| 19) Deadline for Submission of Bids | 32 |
| 20) Late Bids..... | 32 |
| 21) Modification and Withdrawal of Bids | 32 |
| 22) Opening and Preliminary Examination of Bids | 33 |
| E. Evaluation and Comparison of Bids | 34 |
| 23) Process to be Confidential | 34 |
| 24) Clarification of Bids | 34 |
| 25) Domestic Preference | 34 |
| 26) Detailed Evaluation and Comparison of Bids | 35 |
| 27) Post-Qualification..... | 37 |

| | | |
|-----------|--------------------------------|-----------|
| 28) | Reservation Clause | 39 |
| F. | Award of Contract | 39 |
| 29) | Contract Award..... | 39 |
| 30) | Signing of the Contract | 40 |
| 31) | Performance Security | 41 |
| 32) | Notice to Proceed | 42 |
| 33) | Protest Mechanism | 42 |

A. General

1) Scope of Bid

- 1.1 The Procuring Entity, named in the **BDS** invites bids for the Project with Identification Number which shall be specified in the **BDS**.
- 1.2 The Project is composed of number of lots or items as provided in the **BDS**, the details of which are described in Section VII. Technical Specifications.

2) Source of Funds

The Procuring Entity has a budget or has received funds from the Funding Source named in the **BDS**, and in the amount indicated in the **BDS**. It intends to apply part of the funds received for this Project to cover eligible payments under the contract.

3) Corrupt, Fraudulent, Collusive, and Coercive Practices

- 3.1 Unless otherwise specified in the **BDS**, the Procuring Entity, as well as the Bidders and Suppliers, shall observe the highest standard of ethics during the procurement and execution of the contract. In pursuance of this policy, the Procuring Entity:
 - a) defines, for purposes of this provision, the following terms under existing laws, rules, and regulations:
 - i) "corrupt practice" means an act by which officials in the public or private sectors improperly and unlawfully enrich themselves, others, or induce others to do so, by misusing the position in which they are placed, and includes the offering, giving, receiving, or soliciting of anything of value to influence the action of any such official in the procurement process or in contract execution; entering, on behalf of the government, into any contract or transaction manifestly and grossly disadvantageous to the same, whether or not the public officer profited or will profit thereby, and similar acts as provided in RA No. 3019.
 - ii) "fraudulent practice" means a misrepresentation of facts for purposes of influencing a procurement process or the execution of a contract to the detriment of the Procuring Entity, which includes collusive practices among Bidders (prior to or after bid submission) designed to establish bid prices at artificial, non-competitive levels and to deprive the Procuring Entity of the benefits of free and open competition.
 - iii) "collusive practices" means a scheme or arrangement between two or more Bidders, with or without the knowledge of the Procuring Entity, designed to establish bid prices at artificial, non-competitive levels.
 - iv) "coercive practices" means harming or threatening to harm, directly or indirectly, persons, or their property to influence their

participation in a procurement process, or affect the execution of a contract;

v) “obstructive practice” is

- a) deliberately destroying, falsifying, altering or concealing of evidence material to administrative proceedings or investigation or making false statements to investigators in order to materially impede administrative proceedings or investigation of the Procuring Entity or any foreign government/foreign or international financing institution relative to allegations of a corrupt, fraudulent, coercive, or collusive practice; and/or threatening, harassing, or intimidating any party to prevent the latter from disclosing its knowledge of matters relevant to the administrative proceedings or investigation or from pursuing such proceedings or investigation; or
- b) acts intended to materially impede the exercise of the inspection and audit rights of the Procuring Entity or any foreign government/foreign or international financing institution herein.

b) Undertakes to reject a proposal for award upon *prima facie* determination that the Bidder recommended for award has engaged in any of the prohibited practices mentioned in this Clause for purposes of competing for the contract.

3.2 Further, the Procuring Entity will seek to impose the maximum civil, administrative, and/or criminal penalties available under applicable laws on individuals and organizations deemed to be involved in any of the practices mentioned in ITB Clause 3.1(a).

3.3 Furthermore, the Funding Source and the Procuring Entity reserve the right to inspect and audit records and accounts of a Bidder or Supplier in the bidding for and performance of a contract themselves or through independent auditors as reflected in the **GCC** Clause 3.

4) Conflict of Interest

4.1 All Bidders found to have conflicting interests shall be disqualified to participate in the procurement at hand, without prejudice to the imposition of appropriate administrative, civil, and criminal sanctions. A Bidder may be considered to have conflicting interests with another Bidder in any of the events described in paragraphs (a) through (c) below and a general conflict of interest in any of the circumstances set out in paragraphs (d) and (f) below:

- a) A Bidder has controlling shareholders or beneficial owners in common with another Bidder;
- b) A Bidder receives or has received any direct or indirect subsidy from any other Bidder;
- c) A Bidder has the same legally authorized representative as that of another Bidder for purposes of this bid;

- d) A Bidder has a relationship, directly or through third parties, that puts them in a position to have access to information about or influence on the bid of another Bidder or influence the decisions of the Procuring Entity regarding this bidding process; This may include a firm or an organization that lends, or temporarily seconds, its personnel to firms or organizations that are engaged in consulting services for the preparation related to procurement for or implementation of the project, if the personnel would be involved in any capacity on the same project;
- e) A Bidder who participated as a consultant in the preparation of the design or technical specifications of the Goods and related services that are the subject of the bid.
- f) A Bidder who lends, or temporarily seconds, its personnel to firms or organizations which are engaged in consulting services for the preparation related to procurement for or implementation of the project, if the personnel would be involved in any capacity on the same project.

4.2 All Bidding Documents shall be accompanied by an omnibus sworn statement of the Bidder that it is not related, by consanguinity or affinity up to the third level, to the HoPE, Procurement Agent (if engaged), the head of the Project Management Office (PMO), the End-User or Implementing Unit or any members of the Bids and Awards Committee (BAC), Technical Working Group (TWG), and BAC Secretariat.

4.3 The Bidder shall also disclose the ultimate beneficial ownership of an entity. Failure to comply shall be a ground for the automatic disqualification of the bid in consonance with Section 59 of the IRR. For this reason, relation to the aforementioned persons within the third civil degree of consanguinity or affinity shall automatically disqualify the Bidder from participating in the procurement of contracts of the Procuring Entity notwithstanding the act of such persons inhibiting themselves from the procurement process. This Clause shall apply to the following persons and affiliates:

- a) In the case of individuals or sole proprietorships, to the Bidders and their spouses;
- b) In the case of partnerships, to the partnership itself and its partners;
- c) In the case of cooperatives, to the cooperative itself and members of the board of directors, general manager or chief executive officer;
- d) A partnership, joint venture or consortium which is blacklisted or which has blacklisted member/s or partner/s, as well as a person or entity who is a member of a blacklisted joint venture or consortium, are, likewise not allowed to participate in any government procurement during the period of suspension or blacklisting; and
- e) In the case of corporations, a single stockholder, together with their relatives up to the third civil degree of consanguinity or affinity, and their assignees, holding at least twenty percent (20%) of the shares therein, its chairperson and president, shall be blacklisted after they have been determined to hold the same controlling interest in a previously blacklisted corporation or in two corporations that have been blacklisted; the corporations of which they are part of shall also be blacklisted.

5) Eligible Bidders

- 5.1 Only Bids found to be legally, technically, and financially eligible will be evaluated. For procurement of Goods, the following persons shall be eligible to participate in this bidding:
 - a) Duly-licensed Filipino citizens or sole proprietorships;
 - b) Partnerships duly organized under the laws of the Philippines and of which at least sixty percent (60%) of the interest belongs to citizens of the Philippines;
 - c) Corporations duly organized under the laws of the Philippines, and of which at least sixty percent (60%) of the outstanding capital stock belongs to citizens of the Philippines;
 - d) Cooperatives duly organized under the laws of the Philippines; and
 - e) Persons or entities forming themselves into a Joint Venture (JV), i.e., a group of two (2) or more persons or entities that intend to be jointly and severally responsible or liable for a particular contract: Provided, however, that Filipino ownership or interest of the JV concerned shall be at least sixty percent (60%). For this purpose, Filipino ownership or interest shall be based on the contributions of each of the members of the joint venture as specified in their Joint Venture Agreement (JVA); Provided, further, that the primary purpose of each member of the JV must be similar to or related with the requirements of the project to be bid out.
- 5.2 Foreign Bidders may be eligible to participate when any of the following circumstances exist, as specified in the **BDS**:
 - a) When provided for under any treaty or international or executive agreement as provided in Section 4 of the IRR;
 - b) When the foreign supplier is a citizen, corporation, or association of a country, the laws or regulations of which grant reciprocal rights or privileges to citizens, corporations, or associations of the Philippines;
 - c) When the Goods sought to be procured are not available from local suppliers; or
 - d) When there is a need to prevent situations that defeat competition or restrain trade.
- 5.3 GOCCs may be eligible to participate only if they can establish that they (a) are legally and financially autonomous, (b) operate under commercial law, and (c) are not attached agencies of the Procuring Entity.
- 5.4 The Bidder must have completed, within a period of ten (10) years from the submission of the bid, unless a shorter period is indicated in the Invitation to Bid and **BDS**, a Single Largest Completed Contract (SLCC) that is similar to the procurement project to be bid, and whose value must be equivalent to at least fifty percent (50%) of the ABC, adjusted to current prices using the Philippine Statistics Authority (PSA) consumer price indices.

5.5 If the Procuring Entity determines that it is necessary to adopt a different SLCC requirement to ensure broader Bidder participation while establishing their technical capacity, it may allow Bidders to present a combination of contracts completed within the same period, provided their total value is at least fifty percent (50%) of the ABC, thus:

- The Bidder should have completed at least one (1) similar contract amounting to at least 25% of the ABC; and
- The Bidder should have completed other contracts, whether similar or not, with an aggregate amount of at least 25% of the ABC.

For this purpose, the Procuring Entity may clarify in the **BDS** the definition or description of what it considers to be a similar project, which must be germane to the kind, class, or genus of goods or services to be procured, guided by the principle of proportionality and fit-for-purpose approach.

5.6 The Bidder must submit a computation of its Net Financial Contracting Capacity (NFCC), which must be at least equal to the ABC to be bid, calculated as follows:

NFCC = [(Current assets minus current liabilities) (15)] minus the value of all outstanding or uncompleted portions of the projects under ongoing contracts, including awarded contracts yet to be started coinciding with the contract to be bid.

The values of the domestic Bidder's current assets and current liabilities shall be based on the latest Audited Financial Statements (AFS) submitted to the BIR not earlier than two (2) years prior to date of bid submission.

For purposes of computing the foreign Bidders' NFCC, the value of the current assets and current liabilities shall be based on their latest AFS prepared in accordance with International Financial Reporting Standards.

If the Bidder opts to submit a committed Line of Credit, it must be at least equal to ten percent (10%) of the ABC to be bid. Provided that, if issued by a foreign bank, it shall be confirmed or authenticated by a local bank.

6) Bidder's Responsibilities

- The Bidder or its duly authorized representative shall submit an omnibus sworn statement, in the form prescribed in Section VIII. Philippine Bidding Document Related Forms, as required in ITB Clause 12.1(viii).
- Before submitting their bids, the Bidder is deemed to be knowledgeable with all existing laws, decrees, ordinances, acts and regulations of the Philippines which may affect this Project in any way.
- The Bidder undertook the following responsibilities:
 - Took steps to carefully examine and ensure full understanding and comprehension of the Bidding Documents, its requirements, clauses, and provisions;

- b) Acknowledged all conditions, local, or otherwise, affecting the implementation of the contract;
- c) Made an estimate of the facilities available and needed for the contract to be bid, if any;
- d) Complied with the responsibility to inquire, or secure the Supplemental Bid Bulletin(s) as provided under ITB Clause 10.4;
- e) Ensured that it is not “blacklisted” or barred from bidding by the Government of the Philippines (GoP) or any of its agencies, offices, corporations, or LGUs, including foreign government, or foreign or international financing institutions whose blacklisting rules have been recognized by the GPPB; by itself or by reason of its relation, membership, association, affiliation, or controlling interest with another blacklisted person or entity;
- f) Ensured that each of the documents submitted in satisfaction with the bidding requirements is an authentic copy of the original, complete, and that all statements and information provided therein are true and correct;
- g) Authorized the HoPE or its duly authorized representative/s to verify all the documents submitted;
- h) Ensured that the signatory is the duly authorized representative of the Bidder, and granted full power and authority to do, execute, and perform any and all acts necessary to participate, submit the bid, to sign, and execute the ensuing contract, accompanied by the duly-notarized Special Power of Attorney, Board, or Partnership Resolution, or Secretary's Certificate, whichever is applicable;
- i) Complied with the disclosure provision under Section 81 and 82 of RA No. 12009 and its IRR, in relation to other provisions of RA 3019;
- j) Complied with existing labor laws and standards, in the case of procurement of services. Moreover, the Bidder undertakes to:
 - i) Ensure the entitlement of workers to wages, hours of work, safety and health and other prevailing conditions of work as established by national laws, rules and regulations; or Collective Bargaining Agreement (CBA); or arbitration award, if and when applicable.
 - In case there is a finding by the Procuring Entity or the Department of Labor and Employment (DOLE) of underpayment or non-payment of workers' wages and wage-related benefits, the Bidder agrees that the performance security or portion of the contract amount shall be withheld in favor of the complaining workers pursuant to appropriate provisions of RA No. 12009, without prejudice to the institution of appropriate actions under the Labor Code, as amended, and other social legislations.
 - ii) Comply with Occupational Safety and Health Standards (OSHS) and correct deficiencies, if any.

In case of imminent danger, injury, or death of the worker, the Bidder undertakes to suspend contract implementation pending clearance to resume from the DOLE Regional Office, in compliance with the Work Stoppage Order; and

- iii) Inform the workers of their conditions of work, labor clauses under the contract specifying wages, hours of work, and other benefits under prevailing national laws, rules and regulations; or CBA; or arbitration award, if and when applicable, through posting in two (2) conspicuous places in the establishment's premises.
- k) Ensured that it did not give or pay, directly or indirectly, any commission, amount, fee, or any form of consideration, pecuniary or otherwise, to any person or official, personnel, or representative of the government in relation to any procurement project or activity.
- l) Examined all instructions, forms, terms, and specifications in the Bidding Documents.
- m) Determined and complied with all matters pertaining to the contract to be bid, including but not limited to: (i) the location and the nature of this Project; (ii) climatic conditions; (iii) transportation facilities; and (iv) other factors that may affect the cost, duration, and execution or implementation of this Project.
- n) Ensured that all information in the Bidding Documents, including bid or supplemental bid bulletin/s issued, are correct and consistent. The Procuring Entity shall not assume any responsibility regarding erroneous interpretations or conclusions by the prospective or eligible Bidder out of the data furnished by the Procuring Entity.

Failure to observe any of the above responsibilities shall be at the risk of the Bidder concerned.

6.4 Further, the Bidder shall bear all costs associated with the preparation and submission of its Bid, and the Procuring Entity shall in no case be responsible or liable for those costs, regardless of the conduct or outcome of the bidding process.

In case of failure of bidding, the Bidding Documents fee may be applied in the re-bidding for the same Project.

6.5 Furthermore, the Bidder should be aware that the Procuring Entity will accept bids only from those that have paid the applicable fee for the Bidding Documents at the office indicated in the Invitation to Bid.

7) Origin of Goods

Unless otherwise indicated in the **BDS**, there is no restriction on the origin of Goods other than those prohibited by a decision of the United Nations (UN) Security Council taken under Chapter VII of the Charter of the UN.

8) Subcontracts

- 8.1 Unless otherwise specified in the **BDS**, the Bidder may subcontract portions of the Goods to an extent as may be approved by the HoPE and as stated in the **BDS**. However, the subcontracted portion shall not exceed twenty percent (20%), or a different percentage of the ABC, on a per project basis, as approved by the GPPB.
- 8.2 Subcontracting of any portion of this Project shall not relieve the Bidder from any liability or obligation that may arise from the contract.
- 8.3 Subcontractors must meet the eligibility criteria and submit the same eligibility documents as the general contractor. Failure of a subcontractor to meet the eligibility criteria does not affect the eligibility of the general contractor for the Project. In such case, the portion intended to be subcontracted to the ineligible subcontractor shall be assumed by the general contractor.
- 8.4 Subcontracting arrangement, if allowed, including the time of submission of the eligibility documents of the subcontractor, shall be disclosed in the **BDS**.

B. Contents of Bidding Documents

9) Pre-Bid Conference

- 9.1 If so specified in the **BDS**, a pre-bid conference shall be held either at the Procuring Entity's physical address and/or online through videoconferencing, webcasting, or similar technology, or a combination thereof, on the date indicated therein, to clarify and address the Bidders' questions on the technical and financial components of this Project.
- 9.2 The pre-bid conference shall be held at least twelve (12) calendar days before the deadline for the submission and receipt of bids, but not earlier than seven (7) calendar days from the posting of the invitation to bid and other bidding documents in the PhilGEPS.
- 9.3 Bidders are highly encouraged to attend the pre-bid conference to fully understand the Procuring Entity's requirements. While non-attendance of the Bidder will in no way prejudice its bid. The Bidder is deemed to know any changes and/or amendments to the Bidding Documents, as may be provided in the Supplemental Bid Bulletin.

The proceedings of the pre-bid conference shall be recorded, and the corresponding minutes shall be prepared not later than five (5) calendar days after the pre-bid conference. The minutes shall be made available to prospective Bidders not later than five (5) days upon written request.

- 9.4 Decisions of the BAC amending any provision of the Bidding Documents shall be issued in writing through a Supplemental Bid Bulletin at least seven (7) calendar days before the deadline for the submission and receipt of bids.

10) Clarification and Amendment of Bidding Documents

- 10.1 Prospective Bidders may request for clarification on and/or interpretation of any part of the Bidding Documents. Such request must be in writing and submitted to the BAC of the Procuring Entity at the address or electronic mail indicated in

the **BDS** or through the electronic bidding facility of PhilGEPS, as may be applicable, at least ten (10) calendar days before the deadline set for the submission and receipt of Bids.

- 10.2 The BAC shall respond to the said request by issuing a Supplemental Bid Bulletin duly signed by the BAC Chairperson. It shall be made available to all those who have properly secured the Bidding Documents, at least seven (7) calendar days before the deadline for the submission and receipt of Bids.
- 10.3 Supplemental Bid Bulletins may also be issued upon the Procuring Entity's initiative for purposes of clarifying or modifying any provision of the Bidding Documents not later than seven (7) calendar days before the deadline for submission and receipt of Bids. Any modification to the Bidding Documents shall be identified as an amendment.
- 10.4 Any Supplemental Bid Bulletin issued by the BAC shall also be posted in the PhilGEPS, in any conspicuous place in the premises of the Procuring Entity, and on the website or social media platforms of the Procuring Entity, if available, or such other channels as may be authorized by the GPPB. It shall be the responsibility of all prospective Bidders, including those who have properly secured the Bidding Documents, to inquire and secure Supplemental Bid Bulletins that may be issued by the BAC. However, Bidders who have submitted bids before the issuance of the Supplemental Bid Bulletin must be accordingly informed by the BAC and be allowed to modify or withdraw their bids prior to the deadline for the submission and receipt of bids in accordance with ITB Clause 21.

C. Preparation of Bids

11) Language of Bids

The eligibility requirements or statements, the bids, and all other documents to be submitted to the BAC must be in English. If the eligibility requirements or statements, the bids, and all other documents submitted to the BAC are in foreign language other than English, it must be accompanied by a translation of the documents in English. The documents shall be translated by the relevant foreign government agency, the foreign government agency authorized to translate documents, or a registered translator in the foreign Bidder's country. The Bidder shall cause the authentication of the translated documents and shall be authenticated by the appropriate Philippine foreign service establishment or post or the equivalent office having jurisdiction over the foreign Bidder's affairs in the Philippines. The English translation shall govern, for purposes of interpretation of the bid.

However, for Contracting Parties to the Apostille Convention, the documents shall be authenticated through an apostille by the Competent Authority, as defined in Section 20.9.2 of [the] IRR, except for countries identified by the DFA that will still require legalization (red ribbon) by the relevant Embassy or Consulate.

12) Documents Comprising the Bid: Technical and Financial Components

- 12.1 The first bid envelope shall contain the following technical documents, including the eligibility documents:
 - i) PhilGEPS Certificate of Registration (Platinum Membership);

- ii) Statement of SLCC;
- iii) NFCC Computation or committed Line of Credit (LoC);
- iv) Statement of all its ongoing government and private contracts, including contracts awarded but not yet started, if any, whether similar or not similar in nature and complexity to the contract to be bid;
- v) *[if applicable]* JVA) or in the absence of a JVA, duly notarized statements from all potential JV partners stating that they will enter into and abide by the provisions of the JVA in the event that the bid is successful;
- vi) Bid Security in the prescribed form and amount in accordance with ITB Clause 16, and validity period under ITB Clause 15;
- vii) Technical Specifications, which may include production or delivery schedule, manpower requirements, or after-sales service or parts, if applicable;
- viii) Omnibus Sworn Statement; and
- ix) For foreign Bidders claiming eligibility by reason of their country's extension of reciprocal rights to Filipinos, a certification from the relevant government office of their country stating that Filipinos are allowed to participate in their government procurement activities for the same item or product.

12.2 The second bid envelope shall contain the following financial documents:

- a) Bid Form which includes the Bid price;
- b) Price Schedules in accordance with ITB Clause 13.1; and
- c) *[if applicable]* Certificate of Domestic Preference, in accordance with ITB Clause 25.

12.3 Whenever necessary, modifications may be made to the foregoing components specifically for major and specialized procurement to suit the particular needs of the Procuring Entity, subject to the approval of the GPPB.

12.4 All bids that exceed the ABC shall not be accepted. Unless otherwise indicated in the **BDS**, for foreign-funded procurement, the ABC shall be applied as the ceiling to bid prices provided the following conditions are met:

- a) Bidding Documents are obtainable free of charge on a freely accessible website. If payment of Bidding Documents is required by the Procuring Entity, payment could be made upon the submission of bids.
- b) The Procuring Entity has procedures in place to ensure that the ABC is based on recent estimates made by the responsible unit of the Procuring Entity and that the estimates reflect the quality, supervision and risk, and inflationary factors, as well as prevailing market prices, associated with the types of works or goods to be procured.

- c) The Procuring Entity has trained cost estimators in estimating prices and analyzing bid variances.
- d) The Procuring Entity has established a system to monitor and report bid prices relative to ABC and engineer's/procuring entity's estimate.
- e) The Procuring Entity has established a monitoring and evaluation system for contract implementation to provide feedback on actual total costs of goods and works.

However, the GoP and the foreign government, or foreign or international financing institutions may agree to waive the foregoing conditions.

13) Bid Prices

- 13.1 The Bidder shall accomplish the Price Schedule Form as prescribed by the Procuring Entity, which may include the following details:
 - a) For Goods offered from within the Philippines:
 - i) The price of the Goods quoted EXW (ex works, ex factory, ex warehouse, ex showroom, or off-the-shelf, as applicable);
 - ii) The cost of all customs duties and sales and other taxes already paid or payable;
 - iii) The cost of transportation, insurance, and other costs incidental to delivery of the Goods to their final destination; and
 - iv) The price of other (incidental) services, if any, listed in the **BDS**.
 - b) For Goods offered from abroad:
 - i) Unless otherwise stated in the **BDS**, the price of the Goods shall be quoted Delivery Duty Paid (DDP) with the place of destination in the Philippines as specified in the **BDS**. In quoting the price, the Bidder shall be free to use transportation through carriers registered in any eligible country. Similarly, the Bidder may obtain insurance services from any eligible source country.
 - ii) The price of other (incidental) services, if any, listed in the **BDS**.
 - c) For Services, based on the form which may be prescribed by the Procuring Entity, in accordance with existing laws, rules and regulations.
- 13.2 The Bidder shall accomplish the appropriate Price Schedule included herein, stating the unit prices, total price per item, the total amount and the expected countries of origin of the Goods to be supplied under this Project. The Bidder shall fill in rates and prices for all items of the Goods described in the Price Schedule, which shall be presented and computed using up to two (2) decimal places, unless otherwise indicated in the **BDS**.
- 13.3 If the Instructions to Bidders specifically allow partial bids, bids not addressing or providing all of the required items in the Bidding Documents including, where applicable, the Price Schedule, shall be considered non-responsive and shall

be automatically disqualified. However, when no price or a zero (0) or a dash (-) is indicated in a required item in the bid form, the same shall be construed that it is being offered for free to the Government, except those required by law or regulations to be provided for.

The terms Ex Works (EXW), Cost, Insurance and Freight (CIF), Cost and Insurance Paid to (CIP), (DDP), and other trade terms used to describe the obligations of the parties, shall be governed by the rules prescribed in the current edition of the International Commercial Terms (INCOTERMS) published by the International Chamber of Commerce, Paris.

13.4 Prices quoted by the Bidder shall be fixed during the Bidder's performance of the contract and not subject to variation or price escalation on any account. A bid submitted with an adjustable price quotation shall be treated as non-responsive and shall be rejected.

14) Bid Currencies

14.1 Prices shall be quoted in the following currencies:

- a) For Goods that the Bidder will supply from within the Philippines, the prices shall be quoted in Philippine Peso.
- b) For Goods that the Bidder will supply from outside the Philippines, the prices may be quoted in the local or tradeable currency/ies accepted by the *Bangko Sentral ng Pilipinas* (BSP), as stated in the **BDS**. However, for purposes of bid evaluation, bids denominated in foreign currencies shall be converted to Philippine currency based on the exchange rate published in the BSP Daily Reference Exchange Rate Bulletin on the day of the bid opening.⁹

14.2 If so allowed in accordance with ITB Clause 14.1, the Procuring Entity, for purposes of bid evaluation and comparing the bid prices, will convert the amounts in various currencies in which the bid price is expressed to Philippine Peso at the foregoing exchange rates.

14.3 Unless otherwise specified in the **BDS**, payment of the contract price shall be made in Philippine Peso.

15) Bid Validity

15.1 Bids shall remain valid for the period specified in the **BDS** which shall not exceed one hundred twenty (120) calendar days from the date of the opening of bids.

15.2 Should it become necessary to extend the validity of the bids and the bid securities beyond one hundred twenty (120) calendar days, the Procuring Entity concerned shall request in writing all those who submitted bids for such extension before the expiration date therefor. Bidders, however, shall have the right to refuse to grant such extension without forfeiting their Bid Security.

⁹ RA No. 8183, Act to assure uniform value of Philippine coin and currency

16) Bid Security

16.1 The Bidder shall at its option, submit a Bid Security in the form and amount as stated in the **BDS**, which may include the following:

| Form of Bid Security | Amount of Bid Security (Not less than the required percentage of the ABC) |
|---|--|
| a) Cash or cashier's or manager's check issued by a bank. <i>For biddings conducted by LGUs, the Cashier's or Manager's check may be issued by other banks certified by the BSP as authorized to issue such financial instrument.</i> | Two Percent (2%) |
| b) Bank draft/guarantee or irrevocable LoC issued by a bank: Provided, however, that it shall be confirmed or authenticated by a local bank, if issued by a foreign bank. <i>For biddings conducted by LGUs, Bank Draft/Guarantee, or Irrevocable Letter of Credit may be issued by other banks certified by the BSP as authorized to issue such financial instrument.</i> | Five Percent (5%) |
| c) Surety bond callable upon demand issued by a surety or insurance company duly certified by the Insurance Commission as authorized to issue such security. | Five Percent (5%) |
| d) Bid Securing Declaration | Not Applicable |

The Bid Security shall be denominated in Philippine Peso and posted in favor of the Procuring Entity.

16.2 The Bid Security should be valid for the period specified in the **BDS**. Any bid not accompanied by an acceptable Bid Security shall be considered as non-responsive and rejected by the Procuring Entity.

16.3 In no case shall the Bid Security be returned later than the expiration of the bid validity period indicated in the **BDS**, unless it has been extended. In case the Bidder is required to extend its bid validity, the Bidder may, at its discretion, substitute a Bid Securing Declaration for the extended period as a replacement of its Bid Security; Provided, that the option to substitute is indicated in the **BDS**.

16.4 Upon signing and execution of the contract pursuant to ITB Clause 30, and the posting of the performance security pursuant to ITB Clause 31, the Bid Security of the successful Bidder will be discharged, but in no case later than its validity period as indicated in the ITB Clause 16.2.

16.5 The Bid Security may be forfeited based on any of the following grounds, as provided under Rule VIII, X, XI, and XXI of the IRR.

a) if a Bidder:

- i) Withdraws its bid during the period of bid validity specified in ITB Clause 15;
- ii) Does not accept the correction of errors pursuant to ITB Clause 26.5(b) (arithmetical error);
- iii) Has a finding against the veracity of any of the documents submitted as stated in ITB Clause 27.2;
- iv) Submits eligibility requirements containing false information or falsified documents;
- v) Submits bids that contain false information or falsified documents, or the concealment of such information in the bids to influence the outcome of eligibility screening or any other stage of the public bidding;
- vi) Allows the use of one's name, or uses the name of another for purposes of public bidding;
- vii) Refuses to accept an award or enter into contract with the Government without justifiable cause, after the Bidder had been adjudged as having submitted the Lowest Calculated Responsive Bid (LCRB), Most Economically Advantageous Responsive Bid (MEARB), or Most Advantageous Responsive Bid (MARB);
- viii) Refuses or fails to post the required performance security within the prescribed time;
- ix) Refuses to clarify or validate in writing its bid during post-qualification within a period of seven (7) calendar days from receipt of the request for clarification;
- x) Has any documented attempt by a Bidder to unduly influence the outcome of the bidding in its favor; or
- xi) Commits other acts that tend to defeat the purpose of the competitive bidding, Competitive Dialogue, Unsolicited Offer with Bid Matching and Limited Source Bidding, such as but not limited to habitually withdrawing from bidding, submitting late Bids or patently insufficient bid, for at least three (3) times within a year, except for valid reasons.

- b) If a winning Bidder:
 - i) Fails to sign the contract in accordance with ITB Clause 30;
 - ii) Fails to furnish performance security in accordance with ITB Clause 31; or
 - iii) Fails to enter into joint venture after the bid is declared successful, in the case of potential JV partners.

17) Format and Signing of Bids

- 17.1 Bidders shall submit their bids through their duly authorized representative using the appropriate forms provided in Section VIII. Philippine Bidding Document Related Forms on or before the deadline specified in ITB Clause 19 in two (2) separate sealed bid envelopes which shall be submitted simultaneously, whether through manual or online submission. The first shall contain the technical component of the bid, including the eligibility requirements under ITB Clause 12, and the second shall contain the financial component of the bid. This shall also be observed for each lot in the case of lot procurement.
- 17.2 Forms as mentioned in ITB Clause 17.1 must be completed without any alterations to their format. No substitute form shall be accepted.
- 17.3 Each and every page of the Bid Form, including the Price Schedule, under Section VIII hereof, shall be signed by the duly authorized representative/s of the Bidder. Failure to do so shall be a ground for the rejection of the bid.
- 17.4 Any insertions, erasures, or overwriting shall be valid only if they are signed or initialed by the duly authorized representative/s of the Bidder.

18) Sealing and Marking of Bids

- 18.1 Bidders shall enclose their technical documents described in ITB Clause 12 in one sealed envelope marked "TECHNICAL COMPONENT", and the financial component in another sealed envelope marked "FINANCIAL COMPONENT", sealing them all in an outer envelope marked "BID".
- 18.2 The Bid as indicated in the Bidding Documents shall be typed or written in ink and shall be signed by the Bidder or its duly authorized representative/s.
- 18.3 All envelopes shall:
 - a) contain the name of the contract to be bid in capital letters;
 - b) bear the name and address of the Bidder in capital letters;
 - c) be addressed to the Procuring Entity's BAC in accordance with ITB Clause 1.1;
 - d) bear the specific identification of this bidding process indicated in the ITB Clause 1.1; and
 - e) bear a warning "DO NOT OPEN BEFORE..." the date and time for the opening of bids, in accordance with ITB Clause 19.

18.4 For manually submitted bid envelopes that are not properly sealed and marked, as required in the Bidding Documents, the same shall be accepted; Provided, That the Bidder or its duly authorized representative shall acknowledge such condition of the bid as submitted. On the other hand, unsealed or unmarked bid envelopes, or bids that cannot be opened or corrupted in case of online submission, shall be rejected.

The BAC shall assume no responsibility for misplaced or lost contents of the improperly sealed or marked bid, or for its premature opening.

D. Submission and Opening of Bids

19) Deadline for Submission of Bids

Bids must be received by the Procuring Entity's BAC at the address indicated in the Invitation to bid, or through the e-bidding facility of the PhilGEPS on or before the date and time indicated in the BDS.

20) Late Bids

Bids, including the eligibility requirements, submitted after the deadline shall be rejected by the BAC. The BAC shall record in the Minutes of the Meeting the submission and opening of bids, the Bidder's name, its representative, and the time the late bid was submitted.

21) Modification and Withdrawal of Bids

21.1 Bidders may modify their bids before the deadline for the submission and receipt of bids.

- a) For manual submission and receipt of bids, the Bidders shall not be allowed to retrieve their original bid but shall only be allowed to submit the bid modification by sending another bid, equally sealed, properly identified, linked to their original bid, marked as a "modification," thereof, and stamped "received" by the BAC. Bid modifications received after the applicable deadline shall not be considered and shall be returned to the Bidder unopened.
- b) For online submission of bids, the Bidders shall not be allowed to retrieve their original Bid, but shall only be allowed to submit the bid modification, send another Bid equally secured, properly identified labelled as a "modification" of the one previously submitted. The time indicated in the latest bid receipt page generated shall be the official time of submission. Bids modification submitted after the applicable deadline shall not be accepted.

21.2 Bidders may withdraw their bids in writing before the deadline for submission and receipt of bids. Withdrawal of bids after the applicable deadline shall be subject to appropriate sanctions as prescribed in the IRR.

Bidders may also express their intention not to participate in the bidding in writing, which should be received by the BAC before the deadline for submission and receipt of bids. Bidders that withdraw their bids shall no longer be allowed to submit another bid for the same contract, directly or indirectly.

- 21.3 No bid may be modified after the deadline for submission and receipt of bids. Further, no bid may be withdrawn in the interval between the deadline for submission and receipt of bids, and the expiration of bid validity specified by the Bidder in the Financial Bid Form. Withdrawal of bid during this interval shall result in the forfeiture of the Bidder's Bid Security pursuant to ITB Clause 16.5, and the imposition of administrative sanctions as prescribed by RA No. 12009, and without prejudice to the imposition of civil and criminal sanctions as provided under applicable laws.
- 21.4 Alternative Bids shall be rejected. For this purpose, Alternative Bid shall pertain to an offer made by a Bidder in addition or as a substitute to its original bid, which may be included as part of its original bid or submitted separately. A bid with options shall likewise be considered an Alternative Bid regardless of whether said bid proposal is contained in a single envelope or submitted in two (2) or more separate bid envelopes.
- 21.5 Each Bidder shall submit only one Bid, either individually or as a partner in a JV. Bidder who submits or participates in more than one bid (other than as a subcontractor if a subcontractor is permitted to participate in more than one bid) will cause all the proposals with the Bidder's participation to be disqualified. This shall be without prejudice to any applicable criminal, civil, and administrative penalties that may be imposed upon the persons and entities concerned.

22) Opening and Preliminary Examination of Bids

- 22.1 The BAC shall open the bids in public, immediately after the deadline for submission and receipt of bids, as specified in the **BDS**. In case the Bids cannot be opened as scheduled due to justifiable reasons, the BAC shall take custody of the submitted Bids and reschedule the opening of Bids on the next working day or at the soonest possible time, through the issuance of a notice of postponement to be posted on the PhilGEPS website and the website of the Procuring Entity concerned.
- 22.2 The manner of opening of the bids for Goods shall depend on the award criterion to be adopted as follows:
 - a) For LCRB and MEARB, the BAC shall open the technical and financial proposals on the same day; and
 - b) For MARB, only the technical proposals shall be opened on the same day while the financial proposals shall remain unopened and shall be kept securely by the BAC until the specified time of their opening as indicated in the **BDS**. Only the financial proposals of the Bidders who have met the highest technical score for Most Advantageous Bid (MAB) shall be opened.
- 22.3 The Procuring Entity shall prepare the minutes of the proceedings of the bid opening that shall include, as a minimum: (a) names of Bidders, their bid price (per lot, if applicable, and/or including discount, if any), bid security, findings of

preliminary examination, and whether there is a withdrawal or modification; and (b) attendance sheet. The BAC members shall sign the abstract of bids as read.

22.4 The Bidders or their duly authorized representatives may attend the opening of bids. The BAC shall ensure the integrity, security, and confidentiality of all submitted bids. The Abstract of Bids, as read, and the minutes of the bid opening shall be made available to the public, upon written request and payment of a specified fee to recover the cost of materials.

22.5 To ensure transparency and accurate representation of the bid submission, the BAC Secretariat, shall notify in writing all Bidders whose bids it has received through its PhilGEPS-registered physical address or official e-mail address. The said notice shall be issued within seven (7) calendar days from the date of the bid opening.

E. Evaluation and Comparison of Bids

23) Process to be Confidential

23.1 Members of the BAC, its staff and personnel, Secretariat, and TWG, as well as Observers, are prohibited from making or accepting any communication with any Bidder regarding the evaluation of their bids until the issuance of the Notice of Award, unless otherwise allowed in ITB Clause 24.

23.2 Any effort by a Bidder to influence the Procuring Entity in its decision in respect of bid evaluation, bid comparison or contract award will result in the rejection of the bid.

24) Clarification of Bids

To assist in the evaluation, comparison, and post-qualification of the bids, the Procuring Entity may ask in writing any Bidder for a clarification of its bid. All responses to requests for clarification shall be in writing. Any clarification submitted by a Bidder in respect to its bid that is not in response to the request of the Procuring Entity shall not be considered.

25) Domestic Preference

25.1 The Procuring Entity shall give priority and preference to Philippine products and services. The preference and priority for Philippine products shall be guaranteed at all levels of the procurement process, including raw materials, ingredients, supplies, or fixtures.

25.2 For a period of ten (10) years from the effectivity of RA No. 11981 or the “*Tatak Pinoy* (Proudly Filipino) Act,” and for Philippine products and services in sectors and economic activities covered by the prevailing *Tatak Pinoy* Strategy, the Procuring Entity is mandated to award the contract to the domestic Bidder for Philippine products and services in sectors and economic activities covered by the prevailing *Tatak Pinoy* Strategy (TPS).

Domestic Bidder, for purposes of this provision, refers to any person or entity offering unmanufactured articles, materials, or supplies grown or produced in the Philippines, or manufactured articles, materials, or supplies manufactured or to be manufactured in the Philippines substantially from articles, materials,

or supplies that are or will be produced or manufactured in the Philippines, as the case may be.

- 25.3 After the said ten-year period, the domestic preference shall be subject to a margin of preference to be determined by the *Tatak Pinoy* Council which shall not be lower than fifteen percent (15%).
- 25.4 For products and services governed by the TPS, the domestic preference in procurement shall be in accordance with the IRR or guidelines issued for the *Tatak Pinoy Act*.
- 25.5 The Procuring Entity shall award the Project to the domestic Bidder if the bid is not more than twenty-five percent (25%) in excess of the lowest foreign bid. The margin of preference provided herein shall be subject to periodic review and adjustment by the GPPB, as may be necessary.
- 25.6 A Domestic Bidder can only claim preference if it secures from the appropriate agency a certification that the articles forming part of its bid are substantially composed of articles, materials, or supplies grown, produced, or manufactured in the Philippines.
- 25.7 The preference herein established may be waived should any of the following conditions be present as provided in the **BDS**:
 - a) Where domestic production is insufficient or unavailable in the required commercial quantities;
 - b) Where the specific or desired quality is not met;
 - c) Where domestic preference will result in inconsistencies with the Philippines' obligations under treaty or international or executive agreements; or
 - d) Other analogous circumstances.

26) Detailed Evaluation and Comparison of Bids

- 26.1 The Procuring Entity's evaluation of bids shall be based on the bid price quoted in the Bid Form, which includes the Price Schedule.
- 26.2 The Procuring Entity will undertake the detailed evaluation and comparison of the bids which have passed the opening and preliminary examination of bids, pursuant to ITB Clause 22, to determine the Lowest Calculated Bid (LCB), Most Economically Advantageous Bid (MEAB), and MAB.
- 26.3 The award criterion shall be determined as follows:
 - a) For LCB
 - i) The detailed evaluation of the financial component of the bids, to establish the correct calculated prices of the bids; and
 - ii) The ranking of the total bid prices as so calculated from the lowest to the highest, where the bid with the lowest price shall be identified as the LCB.

- b) For MEAB, the BAC shall evaluate the quality and price proposals to determine the Most Economically Advantageous Bid (MEAB) using the following steps:
 - i) The quality proposal together with the price proposal shall be considered in the evaluation of bids. The quality proposals shall be evaluated first using the criteria in the **BDS**. The price proposals of the bids that meet the minimum quality score shall then be opened.
 - ii) The price and quality proposals shall be given corresponding weights with the price proposal given a minimum weight of fifteen percent (15%) up to a maximum of forty percent (40%). The weight of the quality criteria shall be adjusted accordingly such that their total weight in percent together with the weight given to the price proposal shall be equal to one hundred percent (100%).
 - iii) To further promote green public procurement, the sustainability of products, or materials with green specifications shall be given greater weight in the evaluation of bids. As approved by the BAC, the exact weights shall be indicated in the **BDS**. The BAC shall rank the Bidders in descending order based on the combined numerical ratings of their quality and price proposals. The Bidder with the best overall score using the quality-price ratio shall be referred to as the MEAB.
 - iv) The HoPE shall approve or disapprove the recommendations of the BAC within two (2) calendar days after receipt of the results of the evaluation from the BAC.
- c) For MAB
 - i) BAC shall evaluate the quality proposals to determine the MAB using the quality components. The quality components shall be assessed on the basis of the criteria with corresponding numerical weights indicated in the **BDS** to determine the Bidder with the highest technical rating.
 - ii) The second bid envelope of the Bidder obtaining the highest technical rating shall be opened. If the financial proposal is equal to or lower than the ABC, the bid shall be accepted and determined as the MAB; otherwise, the same shall be rejected and the Bidder will be disqualified.

26.4 In order to eliminate bias in evaluating the quality proposals, it is recommended that the highest and lowest scores for each Bidder for each criterion shall not be considered in determining the average scores of the Bidders, except when the evaluation is conducted in a collegial manner.

26.5 The BAC shall immediately conduct a detailed evaluation of all bids using non-discretionary criteria in considering the following:

- a) Completeness of the bid. Unless the **BDS** allows partial bids, bids not addressing or providing all of the required items in the **BDS**, shall be considered non-responsive and, thus, automatically disqualified.

However, when no price or a zero (0) or a dash (-) is indicated in a required item in the bid form, the same shall be construed that it is being offered for free to the Government, except those required by law or regulations to be provided for; and

- b) Arithmetical corrections. The BAC shall apply arithmetical corrections on computational errors and omissions to enable proper comparison of all eligible bids. Bid corrections may also be considered if expressly allowed in the **BDS**. Any adjustment shall be calculated in monetary terms to determine the calculated prices.

26.6 Based on the detailed evaluation of bids, those that comply with the above-mentioned requirements shall be ranked in the ascending order of their total calculated bid prices, as evaluated and corrected for computational errors, discounts and other modifications, to identify the LCB, MEAB, or MAB. Total calculated bid prices, as evaluated and corrected for computational errors, discounts and other modifications, which exceed the ABC shall not be considered, unless otherwise indicated in the **BDS**.

26.7 The BAC shall evaluate all bids on an equal footing to ensure fair and competitive bid comparison. For this purpose, all Bidders shall be required to include in their bids the cost of all taxes, such as, but not limited to, value added tax (VAT), income tax, local taxes, and other fiscal levies and duties, whichever is applicable, as itemized in the bid form and reflected in the detailed estimates. Such bids, including said taxes, shall be the basis for bid evaluation and comparison.

26.8 If so indicated pursuant to ITB Clause 1.2, bids may be submitted for individual lots or for any combination thereof, provided that all bids and combinations of bids shall be received by the same deadline and opened and evaluated simultaneously so as to determine the Bid or combination of Bids offering the lowest calculated cost to the Procuring Entity. Bid prices quoted shall correspond to all items specified for each lot and to all quantities specified for each item of a lot. Bid Security as required by ITB Clause 16 shall be submitted for each contract (lot) separately. The basis for evaluation of lots is specified in **BDS** Clause 26.5.

26.9 In order to eliminate bias in evaluating the quality proposals, it is recommended that the highest and lowest scores for each Bidder for each criterion shall not be considered in determining the average scores of the Bidders, except when the evaluation is conducted in a collegial manner.

27) Post-Qualification

27.1 The BAC shall determine to its satisfaction whether the Bidder that is evaluated as having submitted the LCB, MEAB, or MAB as the case may be, complies with and is responsive to all the requirements and conditions specified in ITB Clauses 5, 12.1, and 12.2. The Bidder, within five (5) calendar days from receipt of notice from the BAC that it submitted the LCB, MEAB, or MAB shall submit all the eligibility documents supporting its PhilGEPS Certificate of Registration (Platinum Membership), its latest income and business tax returns filed for the preceding quarter which should not be earlier than two (2) quarters from the date of submission and receipt of bid, and other appropriate licenses and permits required by law and stated in the **BDS**.

- 27.2 Failure to submit any of the post-qualification requirements on time, or a finding against the veracity thereof, shall disqualify the Bidder for award; Provided, That in the event that a finding against the veracity of any of the documents submitted is made, it shall cause the forfeiture of the Bid Security.
- 27.3 The determination shall be based upon an examination of the documentary evidence of the Bidder's qualifications submitted pursuant to ITB Clauses 12.1 and 12.2, as well as other information as the Procuring Entity deems necessary and appropriate, using a non-discretionary "pass/fail" criterion, which shall be completed within a period of twelve (12) calendar days.
- 27.4 If the BAC determines that the Bidder with the LCB, MEAB, or MAB fails to meet the post-qualification criteria, it shall immediately notify the said Bidder in writing of its post-disqualification and the grounds for such determination.
- 27.5 Immediately after the BAC has notified the first Bidder of its post-disqualification, and notwithstanding any pending request for reconsideration thereof, the BAC shall initiate and complete the same post-qualification process on the Bidder with the second LCB, MEAB, or MAB. If the second Bidder passes the post-qualification and the request for reconsideration of the first Bidder has been denied, the second Bidder shall be post-qualified as the Bidder with the LCB, MEAB, or MAB.
- 27.6 If the second Bidder, however, fails the post-qualification, the procedure for post-qualification shall be repeated for the Bidder with the next LCB, MEAB, or MAB and so on, until the LCRB, MEARB, MARB, as the case may be, is determined for award, subject to the procedure of Notice and Execution of Award.
- 27.7 If the BAC determines that the Bidder with the LCB, MEAB, or MAB passes all the criteria for post-qualification, it shall declare the said bid as the LCRB, MEARB, MARB, Single Calculated Responsive Bid (SCRB), Single Economically Advantageous Responsive Bid (SEARB), or Single Advantageous Bid (SARB).
- 27.8 Within a period not exceeding ten (10) calendar days from the determination and declaration through a resolution by the BAC of the LCRB, MEARB, MARB, SCRB, SEARB, or SARB, as the case may be, and the recommendation of the award, the HoPE or its duly authorized representative shall approve or disapprove the said recommendation.
- 27.9 In case of approval, the HoPE or its duly authorized representative shall immediately issue the Notice of Award to the Bidder with the LCRB, MEARB, MARB, SCRB, SEARB, or SARB, as the case may be.

In the event that the approving authority shall disapprove the resolution on the award of the contract, such disapproval shall be based only on valid, reasonable, and justifiable grounds to be expressed in writing. A copy of the decision disapproving the resolution shall be furnished to the BAC and the Bidder.

28) Reservation Clause

28.1 Notwithstanding the eligibility or post-qualification of a Bidder and without incurring any liability, the HoPE or its duly authorized representative at any stage of the procurement, reserves the right to review its qualifications, reject any and all bids, declare a failure of bidding or not award the contract in the following situations:

- a) If it has reasonable grounds to believe that a misrepresentation has been made by the said Bidder, or that there has been a change in the Bidder's capability to undertake the project from the time it submitted its eligibility requirements.
- b) Should such review uncover any misrepresentation made in the eligibility and bidding requirements, statements or documents, or any changes in the situation of the Bidder which will adversely affect its capability to undertake the Project so that it no longer meets the prescribed eligibility or bid evaluation criteria, the Procuring Entity shall consider the said Bidder as ineligible and disqualify it from participating further in the bidding process or being awarded the contract.

28.2 Based on any of the following grounds, the Procuring Entity reserves the right to reject any and all bids, declare a Failure of Bidding at any time prior to the contract award, or not to award the contract, without thereby incurring any liability, and make no assurance that a contract shall be entered into as a result of the bidding:

- a) If there is *prima facie* evidence of collusion between appropriate public officers or employees of the Procuring Entity, or between the BAC and any of the Bidders, or if the collusion is between or among the Bidders themselves, or between a Bidder and a third party, including any act which restricts, suppresses or nullifies, or tends to restrict, suppress or nullify competition or influences or tends to influence the bidding process;
- b) If the BAC is found to have failed in complying with the applicable law or in following the prescribed bidding procedures; or
- c) If there are any justifiable and reasonable ground where the award of the contract will not redound to the benefit of the government, in instances where (i) the physical and economic conditions have significantly changed so as to render the Project no longer economically, financially, or technically feasible as determined by the HoPE; (ii) the Project is no longer necessary as determined by the HoPE; and (iii) the source of funds for the Project has been withheld or reduced through no fault of the Procuring Entity.

F. Award of Contract

29) Contract Award

29.1 Subject to ITB Clause 27, the HoPE or its duly authorized representative shall award the contract to the Bidder whose bid has been determined to be the LCRB, MEARB, MARB, SCR, SEARB, or SAR, as the case may be.

29.2 Prior to the expiration of the period of bid validity, the Procuring Entity shall notify the successful Bidder in writing that its bid has been accepted, through a Notice of Award duly received by the Bidder or its representative personally or sent by registered mail or electronically, receipt of which must be confirmed in writing within two (2) days by the Bidder with the LCRB, MEARB, MARB, SCRB, SEARB, or SARB, as applicable and submitted personally or sent by registered mail or electronically to the Procuring Entity.

29.3 Within ten (10) calendar days from receipt by the winning Bidder of the Notice of Award, the following conditions should be complied with before the contract may be awarded:

- a) Submission of the following documents:
 - i) Valid JVA, if applicable; or
 - ii) The SEC Certificate of Registration of the foreign corporation, if applicable.
- b) Posting of the performance security in accordance with ITB Clause 31; and
- c) Signing of the contract as provided in ITB Clause 30.

29.4 At the time of contract award, the Procuring Entity shall not increase or decrease the quantity of goods originally specified in Section VI. Schedule of Requirements.

30) Signing of the Contract

- 30.1 Within ten (10) calendar days from receipt of the Notice of Award, the winning Bidder shall (i) post the required performance security, sign and date the contract, and return it to the Procuring Entity.
- 30.2 The Procuring Entity shall enter into a contract with the successful Bidder within the same ten (10) calendar day period, provided that all the documentary requirements are complied with.
- 30.3 The following documents shall form part of the contract:
 - a) Contract Agreement;
 - b) Bidding Documents;
 - c) Winning Bidder's bid, including the technical and financial proposals, and all other documents/statements submitted (e.g., Bidder's response to request for clarifications on the bid), including corrections to the bid, if any, resulting from the Procuring Entity's bid evaluation;
 - d) Performance Security;
 - e) Notice of Award of Contract; and
 - f) Other contract documents that may be required by existing laws and/or specified in the **BDS**.

31) Performance Security

31.1 To guarantee the faithful performance of its obligations under the contract, the winning Bidder shall post a performance security prior to the signing of the contract. Furthermore, the successful Bidder shall be required to update the performance security posted before the issuance of an amendment to order if any.

31.2 Sectors enumerated under Section 76.1¹⁰ of the IRR may be allowed to post a Performance Securing Declaration (PSD) as specified in the **BDS**.

31.3 The performance security shall be in any form selected by the Procuring Entity in the amount indicated in the **BDS**, which shall not be less than the percentage of the total contract price in accordance with the following price schedule:

| Form of Performance Security | Amount of Performance Security (Not less than the Percentage of the Total Contract Price) |
|--|--|
| a. Cash or Cashier's or Manager's check issued by a bank. <i>For biddings conducted by LGUs, the Cashier's or Manager's check may be issued by other banks certified by the BSP as authorized to issue such financial instrument.</i> | Five percent (5%) |
| b. Bank draft or guarantee or irrevocable Letter of Credit issued by a local bank. If issued by a foreign bank, it shall be confirmed or authenticated by a local bank. | |
| ii. Surety bond callable upon demand issued by a surety or insurance company duly certified by the IC as authorized to issue such security. | Thirty Percent (30%) |

10 Section 76.1 The GPPB, once data is available from relevant agencies, shall maintain a registry of entities belonging to the following sectors:

- a) Farmers, as certified by the Department of Agriculture (DA);
- b) Fisherfolk as certified by the Bureau of Fisheries and Aquatic Resources (BFAR);
- c) Persons with disabilities as certified by the National Council for Disability Affairs (NCDA) pursuant to RA No. 7277, otherwise known as the Magna Carta for Disabled Persons, as amended;
- d) Solo parents as certified by the Department of Social Welfare and Development (DSWD);
- e) Microenterprises and social enterprises as certified by the MSMED Council;
- f) Startups, Spin-offs, and other forms of entity involved in Science, Technology, and Innovation (DOST), as may be applicable;
- g) Cooperatives duly registered with the CDA pursuant to RA No. 6938, otherwise known as the Cooperative Code of the Philippines, as amended; and
- h) Other relevant sectors as may be determined by the GPPB to ensure inclusivity and diversity in the procurement process.

31.4 The performance security shall be denominated in Philippine Peso and posted in favor of the Procuring Entity, which shall be forfeited in the event it is established that the winning Bidder is in default in any of its obligations under the contract.

32) Notice to Proceed

The Procuring Entity shall issue the Notice to Proceed to the winning Bidder not later than three (3) calendar days from the date of approval of the contract by the appropriate signatories. All notices called for by the terms of the contract shall be effective only at the time of receipt thereof by the successful Bidder.

33) Protest Mechanism

Decisions of the BAC in all stages of procurement may be protested to the HoPE in accordance with Section 83 of the IRR.