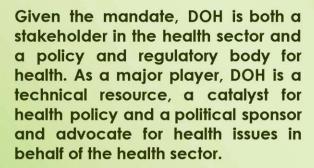
#### **DEPARTMENT OF HEALTH**

DOH is the primary government agency tasked to develop, implement, and deliver public health services. It is responsible for ensuring access to basic public health services to all Filipinos through the provision of quality health care and regulation of providers of health goods and services.







# GOVERNMENT PROCUREMENT POLICY BOARD

government is agency composed of top-level public officials primarily mandated to foster public procurement reform agenda through the exercise of its quasi-legislative powers such as policy formulation, development of sustained training programs, and implementing as well as monitoring public procurement reforms. GPPB was established by virtue of Section 63 of Republic Act 9184 or the Government Procurement Reform Act of 2003.

As an inter-agency body, GPPB relies upon the research, technical, and administrative support provided by its Technical Support Office.





## **VOLUME 4**

# FOR THE PROCUREMENT OF CONSULTING SERVICE

#### DOH Customized Procurement Manuals (Volumes 1 to 4)

These Procurement Manuals are customized for the use of the Department of Health based on the GENERIC PROCUREMENT MANUALS published by the Government Procurement Policy Board, through Technical Support Office. The Manuals must be reviewed and updated periodically by the DOH as the GPPB introduces changes in the original Manuals (2006) to ensure its applicability to existing conditions. The DOH shall submit to the GPPB its recommendations for specific revisions to the original Manual. Any such revisions must be approved by the GPPB and must be consistent with existing procurement law, rules, regulations, and policies. This edition has been approved by the GPPB on 25 June 2010.

Published by Department of Health	
First Edition	0

This customization of the generic procurement manuals, issued by the GPPB, was made possible with the technical inputs from various DOH procurement practitioners, committee members and other stakeholders from the Hospitals, Centers for Health Development, Services and Bureaus in the Central Office especially the Procurement Service/COBAC Secretariat, the Inter-agency Technical Working Group, and the GPPB Technical Support Office. The process has been initially facilitated by a Procurement Specialist, hired by the TSO through the financial support of the World Bank.

The GPPB in October 2007 approved the DOH Customized Procurement Manual. However, it was not published. With the issuance of the Revised Implementing Rules and Regulations of RA 9184, the DOH updated the Customized Manuals and submitted for GPPB's approval on March 2010.

## DOH Secretary's Message



Public procurement is not a novel concept here in the Philippines. It plays a central role in effective good governance by promoting equitable and fair competition among prospective bidders through an efficient, effective, and transparent procurement process. The objective is always to deliver procured goods and services promptly with the best value for money and most advantageous conditions on behalf of the Government of the Philippines. Throughout the years, this has been an evolving and dynamic field. Procurement reforms have been spearheaded collectively by government agencies through the enactment of Republic Act 9184, its Implementing Rules and Regulations, and various procurement initiatives.

With great pride, I pronounce that the Department of Health has been a constant forerunner and active trailblazer in implementing procurement reforms. The years have borne witness to the many innovative programs this Department have conceptualized, developed, and ultimately executed in favor of a better and more efficient procurement process. These include, among others, the establishment of a reliable registry system, updated price reporting system, the most recent procurement monitoring system and the creation, as well as subsequent revisions, of these Procurement Manuals. A rewarding reality borne out of the zealous dedication, marked professionalism, and evident hard-work of procurement practitioners and others involved in the procurement process.

As we forge ahead to a new era of renewed and invigorated interest in public procurement, let us always keep in mind our duties as public servants and public health service providers in serving the needs of this Department, the Government of the Philippines, and the general public at large. Let us work together to arrive at proactive solutions on procurement issues and concerns which impede the judicious delivery of health services in the different level of public health care.

We, the DOH officials and personnel, should take the challenge of being steadfast advocates of the principles of public procurement and the ideals of good governance now and in the years to come.

ENRIQUE T. ONA, MD

Secretary of Health

# COBAC Chairperson's Message

As Chairperson of the Department of Health's Central Office Bids and Awards Committee, it is with conviction that I say that public procurement is as dynamic and challenging now as when it was first implemented following the enactment of Republic Act 9184, otherwise referred to as the Government Procurement Reform Act of 2003. With the revised guidelines on the procurement process as approved on 02 September 2009, the IRR harmonizes the procurement process of both locally funded and foreign assisted projects in the hopes of establishing a more than adequate and standardized public procurement system. These new provisions shall hopefully answer pressing inefficiencies procurement problems, address procurement policies/practices, promote fair and equitable competition, enhance established procurement system, and improve transparency in furthering the principle of good governance.

Due to the nature, complexity or peculiarity of the DOH's procurement, these Customized Procurement Manuals are being issued to present a clear discussion on the substantive and procedural provisions of R.A. 9184 and its Implementing Rules and Regulations, as accompanied by relevant procurement-related laws, GPPB and DOH issuances. The objective thereof is to give DOH procurement practitioners' sufficient help in tracking any procurement activity on hand. It is, therefore, my fervent hope that the gap between a successful DOH project/policy implementation and the delivery of timely but quality public health service is accomplished through an efficient, effective and transparent process.

Once again, a challenge is put before us – DOH procurement practitioners – as interest in public procurement is renewed, to judiciously perform the duties delegated to us, strictly but reasonably adhere to the principles and provisions of the procurement law, and maintain a positive and sustained conviction to always promote the ideals of good governance and how dedicated public servants are committed to it.

ALEXANDER A. PADILLA





It is fundamental that we purchase the needed goods, services and works in the right quantity and quality at the right time and price to better support the implementation of health programs and delivery of health services.

We need to plan our procurements better, improve our systems, use better tools and produce a cadre of committed and trustworthy procurement professionals. We need to better manage our procurements to have significant impacts of lowering costs, generating substantial savings, and ensuring that quality goods and services are available for health program at all cost and in service delivery points. We need to make our transactions more transparent, competitive, faster, and to comply with existing laws that relates to purchasing of health goods, services and works. It is also essential that we have procurement reform activists and a core group of highly competent and honest professionals and support staff.

The procurement reform is an essential component of our health sector reform agenda. The Government Procurement Reform Act or Republic Act 9184 of 2002 and its Implementing Rules and Regulations gives us a legal basis for conducting our procurements. In addition, the Government Procurement Policy Board wherein the Department is an active member has been issuing standard bid documents and forms, various resolutions, circulars, opinions and the generic manuals to support compliance, facilitate the procurement processes and make it more efficient and effective.

With the variations in procurement practices in each of the DOH procuring entities and special requirements of health goods, services and works, the generic procurement manuals have been customized to minimize variations and ensure that all concerned follow the procurement law and related laws. For your reference and guidance are the four (4) customized volumes: Volume I: Guidelines on the Establishment of Procurement Systems and Organizations; Volume II: Guidelines on the Procurement Goods; Volume III: Guidelines on the Procurement of Civil Works and Volume IV: Guidelines on the Procurement of Consulting Services.

With these, we hope to improve the efficiency and effectiveness of our procurement systems, practices and processes.

enrique t. ona, md

Secretary of Health

### Executive Summary

The role of public procurement in any government worldwide has changed drastically over the years. Once a matter exclusive only to experts has now become subject to public scrutiny. TRANSPARENCY and GOOD GOVERNANCE – these were the principal motivating factors, among others, which facilitated the legislation of comprehensive procurement law to govern the acquisition of goods and services in the government. Anchored on the understanding that public procurement is at the heart of delivering public service, sound procurement policies and procedure is fundamental to any government operations.

In the Philippines, a comprehensive procurement act was enacted in 2003. On 26 January 2003, Republic Act 9184 or the Government Procurement Reform Act took effect. It established a systematic and standardized procurement process for all government agencies, bureaus, departments, government-owned, and government-controlled corporations. The conduct of procurement shall be governed by the principle of transparency in all procurement transactions, fair and equitable competition among prospective bidders/suppliers, streamlined procurement process, system of accountability for both procurement practitioners and prospective bidders/suppliers, and public monitoring to ascertain compliance with the provisions of RA 9184, its Implementing Rules and Regulations and other procurement-related governmental issuances. The procurement framework covers the procurement process from planning to contract implementation and termination. A procurement policy-making body referred to as the Government Procurement Policy Board was also established by virtue of the same statute.

On 08 October 2003, the Implementing Rules and Regulations Part-A of RA 9184 was approved. It covered only all domestically funded procurement but not those involving Foreign Assisted Projects. Competitive bidding is established as the principal mode of procurement but the existence of certain procurement conditions warrants the use of alternative mode of procurement such as Negotiated Procurement, Shopping, Limited Source Bidding, Repeat Order, and Direct Contracting. For those procurement projects undertaken through competitive bidding, procurement tenders/invitations must be publicized in the prescribed media and locations. Submission of eligibility documents forms a crucial role in the public bidding.

The GPPB, pursuant to its mandate to formulate and amend public procurement policies, practices, rules and regulations, formulated the Revised Implementing Rules and Regulations which took effect on the 2 September 2009. The revised IRR now shall cover all domestically funded and foreign assisted projects. Major amendments in the procurement guidelines include a more detailed procurement planning align with the Agency's budget allocation, the change of procurement procedure for Infrastructure projects from two-stage bidding process to a single-stage, the introduction of the two-envelope system, the additional instances or conditions for the use of alternative mode of procurement such as Negotiated Procurement, increase threshold for the conduct of Shopping and Small Value Procurement and longer procurement timelines, among others.

The Philippine Bidding Documents, standard forms, and the Generic Procurement Manual are prepared and harmonized to reflect the amendment contained in the revised IRR of RA 9184. The mandatory usage of the abovementioned documents will promote a systematized procurement process, avoid confusion, and ultimately ensure transparency.

Since the agency is given the prerogative to customize the GPM to suit the needs, peculiarity, nature, or complexity of its procurement by virtue of Section 6.2 of the revised IRR, the following Manuals are being issued by the Department of Health to address procurement concerns of DOH procurement practitioners: Volume I: Guidelines on the Establishment of Procurement Systems and Organizations; Volume II: Guidelines on the Procurement Goods; Volume III: Guidelines on the Procurement of Civil Works; and Volume IV: Guidelines on the Procurement of Consulting Services.

# **TABLE OF CONTENTS**

SECTIO	ON 1: IN	TRODUCTION	1	
SCOPE OF VOLUME 4				
SECTIO	N 2. C	ENEDAL DDINGIDLES ON CONSULTING SEDVICES	E	
SECTIO		ENERAL PRINCIPLES ON CONSULTING SERVICES	5 7	
	1.	Definition of a Consultant	_	
	2.	The Need for Consultants	7	
	3.	Independence of Consultants	7	
	4.	Hiring of Consultants	7	
	5.	Organization of Consultants	8	
TYI	PES OF	CONSULTING SERVICES	9	
	1.	Legal Reference	9	
	2.	Consulting Services Defined	9	
	3.	Types of Consulting Services	9	
	4.	Other Specialized Expertise	13	
SECTIO	ON 3: PI	REPARING FOR PROCUREMENT OF CONSULTING SERVICES	15	
	_	JREMENT PLANNING	18	
<i>,</i>	1.	Legal Reference	18	
	2.	Purpose	18	
	3.	Rules and Guidelines	19	
В.	PREPA	ARING THE BIDDING DOCUMENTS	27	
	1.	Legal Reference	27	
	2.	Purpose	27	
	3.	Rules and Guidelines	27	
C.	-	JCT OF PRE-PROCUREMENT CONFERENCE	30	
	1.	Legal Reference	30	
	2.	Purpose	30	
	3.	Threshold	30	
	4.	Rules and Guidelines	31	
SECTIO	ON 4: PI	ROCUREMENT OF CONSULTING SERVICE THROUGH		
020110	_	OMPETITIVE BIDDING	33	
PΔI	_	OMPETITIVE BIDDING	35	
		DVERTISE AND POST REQUEST FOR EXPRESSION OF INTEREST	36	
011	1.	Legal Reference	36	
	2.	Purpose	36	
	3.	Rules and Guidelines	36	

i

#### MANUAL PROCEDURES FOR THE PROCUREMENT OF CONSULTING SERVICES

STEP 2:	SUBMISSION OF THE ELIGIBILITY REQUIREMENTS	40
1.	Legal Reference	40
2.	Purpose	40
3.	Rules and Guidelines	40
4.	Procedures	51
STEP 3:	SHORTLIST ELIGIBLE CONSULTANTS	53
1.	Legal Reference	53
2.	Purpose	53
3.	Rules and Guidelines	53
4.	Procedures	54
STEP 4:	ISSUE THE BIDDING DOCUMENTS	55
1.	Legal Reference	55
2.	Purpose	55
3.	Rules and Guidelines	55
STEP 5:	CONDUCT PRE-BID CONFERENCE AND ISSUE BID BULLETINS	56
1.	Legal Reference	56
2.	Purpose	56
3.	Rules and Guidelines	56
4.	Procedures	59
STEP 6:	RECEIVE AND OPEN THE TECHNICAL AND FINANCIAL PROPOSAL	61
1.	Legal Reference	61
2.	Purpose	61
3.	Rules and Guidelines	61
4.	Procedures	68
STEP 7:	CONDUCT BID EVALUATION OF THE SHORTLISTED CONSULTANTS	70
1.	Legal Reference	70
2.	Purpose	70
3.	Rules and Guidelines	70
4.	Procedures	70
STEP 8:	CONDUCT POST-QUALIFICATION	78
1.	Legal Reference	78
2.	Purpose	78
3.	Rules and Guidelines	78
4.	Procedures	81
STEP 9:	AWARD THE CONTRACT AND ISSUE THE NOTICE TO AWARD	83
1.	Legal Reference	83
2.	Purpose	83
3.	Rules and Guidelines	83
4.	Procedures	85
STEP 10	: HAVE THE CONTRACT SIGNED AND APPROVED	87
1.	Legal Reference	87
2.	Purpose	87
3	Rules and Guidelines	87

STEP 11:	ISSUE THE NOTICE TO PROCEED	93
1.	Legal Reference	93
2.	Purpose	93
3.	Procedures of Issuance of the NTP	93
RESERVATIO	N CLAUSE	95
1.	Legal Reference	95
2.	Rules and Guidelines	95
SECTION 5: P	ROCUREMENT THROUGH ALTERNATIVE MODE OF PROCUREMENT	97
PART 2: A	LTERNATIVE METHODS OF PROCUREMENT	99
LIMITED S	SOURCE OF BIDDING	100
1.	Limited Source Bidding Defined	100
2.	Rules and Guidelines	100
3.	Procedures	101
NEGOTIA <sup>*</sup>	TED PROCUREMENT	103
1.	Limited Source Bidding Defined	103
2.	Rules and Guidelines	103
3.	Procedures	105
SECTION 6: G	UIDELINES ON CONTRACT IMPLEMENTATION	113
ADVANCE	PAYMENT FOR MOBILIZATION	115
CONTRAC	CT PRICE AND PAYMENT	116
INCENTIV	E BONUS	118
LIQUIDAT	ED DAMAGES	118
SUBCONT	TRACTING	119
SUSPENS	ION OF WORK	120
WARRAN <sup>*</sup>	ГҮ	121
GUIDELIN	ES ON THE TERMINATION OF CONTRACT	122
SECTION 7: P	ERIOD OF ACTION ON PROCUREMENT ACTIVITIES	129
SECTION 8: A	NNEXES	141
A. FREQ	UENTLY ASKED QUESTIONS	143
B. CASE	STUDY	146
C. GUIDE	ELINES ON THE PREPARATION OF THE TERMS OF REFERENCE	150
D. GUIDE	ELINES ON HOW TO SHORTLIST	165
E. GUIDE	ELINES ON HOW TO CONDUCT NEGOTIATION	166
F. ABBR	EVIATIONS AND ACRONYMS	167
G. GLOS	SARY	170
H. REFEI	RENCES	180
SECTION 9: S	AMPLE FORMS	181

# SECTION 1 INTRODUCTION

#### **SCOPE OF VOLUME 4**

This Manual seeks to provide its users with clear, concise, and accurate information on the public procurement of consulting services, by discussing the steps that need to be taken to effect such procurement in the manner prescribed by Republic Act No. 9184, otherwise known as the "Government Procurement Reform Act" or "GPRA" and the Revised Implementing Rules and Regulations. It also discusses important issues that may confront government officials in all stages of consulting services procurement, from the preparation of bid documents, to the actual conduct of the bidding activity, monitoring of contract implementation and the final payment to the consultant.

This Manual focuses on public procurement of consulting services. The procedures are harmonized to a large extent with the International Financing Institutions and bilateral agencies lending to the Philippines. There is however policies which are specific to a particular lending agency or grantor and the document highlight the main differences. It should however be noted that the loan, credit or grant agreement with the relevant IFIs and/or bilateral and their respective Guidelines will be the overriding factors governing the foreign assisted projects.

**CONSULTING SERVICES** are services for infrastructure projects and other types of projects or activities of the government requiring adequate external technical and professional expertise that are beyond the capability and/or capacity of the Government to undertake such as, but not limited to: (i) advisory and review services; (ii) pre-investment or feasibility studies; (iii) design; (iv) construction supervision; (v) management and related services; and (vi) other technical services or special studies (Section 5.i of the revised IRR).

### **SECTION 2**

# GENERAL PRINCIPLES ON CONSULTING SERVICES

# GENERAL PRINCIPLES ON THE PROCUREMENT OF CONSULTING SERVICES

#### 1. DEFINITION OF A CONSULTANT

A natural or juridical person, qualified by appropriate education, training and relevant experience to render any or all of the types and fields of consulting services as defined in this IRR, shall be considered as a "Consultant," subject to the requirements provided in the revised IRR for eligibility check and post-qualification.

#### 2. THE NEED FOR CONSULTANTS

The services of consultants may be engaged by any procuring entity for government projects or related activities of such magnitude and/or scope as would require a level of expertise or attention beyond the optimum in-house capability of the procuring entity concerned and consistent with the Government's policy not to compete with the private sector.

#### 3. INDEPENDENCE OF CONSULTANTS

To ensure the consultant's professional independence, integrity, and objectivity, consultants, as well as key staff working for the consulting entity, who may be directly or indirectly associated with non-consulting firms that may have an interest in or bias towards the project concerned, shall be selected only if they agree to limit their role to that of consultants and will disqualify themselves and their affiliates for bidding for products and services of the same government project.

#### 4. HIRING OF CONSULTANTS

- **4.1.** Consultants shall be hired on the basis of their proven expertise, experience and capability. Under certain conditions provided herein, cost may be included as a factor in the selection of consultants.
- 4.2. In order to manifest trust and confidence in and promote the development of Filipino consultancy, Filipino consultants shall be hired whenever the services required for the project are within the expertise and capability of Filipino consultants: Provided, however, That in the event Filipino consultants do not have the sufficient expertise and capability to render the services required under the project, as determined by the HOPE, foreign consultants may be hired.
- **4.3.** In the hiring of foreign consultants, all pertinent laws and regulations of the Philippines shall be followed.
- **4.4.** Technology and knowledge transfer to the procuring entity shall be required in the provision of consulting services, where applicable.

#### 5. ORGANIZATION OF CONSULTANTS

- 5.1. The umbrella organization of consultants recognized by the Government shall be composed of the various organizations of consultants that may be engaged by the Government under this IRR and shall accredit its members on the types of services and fields of professions where the members are technically and financially qualified to offer their services. The umbrella organization shall prepare and certify a list of fields and expertise in such fields available with the names of the accredited local consultants which shall be updated annually or as often as necessary and disseminate such list to concerned agencies of the Government. It shall likewise regulate its members for the development of the industry. The Government may consult and deal with this umbrella organization on matters relating to the industry. The GPPB shall be the appropriate government body that shall recognize the consultants' umbrella organization.
- 5.2. The umbrella organization may submit its files of accredited consultants to the BAC of the procuring entity in accordance with the form prescribed by the BAC which can serve as registration of the consultants under the next succeeding Subsection: Provided, however, that each such accredited consultant shall comply with the eligibility requirements provided in the revised IRR. Such qualification statements, together with the list of accredited consultants prepared in accordance with the immediately preceding section, shall guide the BAC in determining the fields where Filipino consultants are already qualified and capable and where foreign consultants may not be required.

### TYPES OF CONSULTING SERVICES

#### 1. LEGAL REFERENCE

Consulting services is divided into six (6) broad categories (Annex "B" of the revised IRR).

#### 2. CONSULTING SERVICES DEFINED

Section 5.i of the revised IRR of R.A. 9184, the Government Procurement Reform Act of 2003, defined consulting service as services for infrastructure projects and other types of projects or activities of the GOP requiring adequate external technical and professional expertise that are beyond the capability and/or capacity of the GOP to undertake such as, but not limited to: (I) advisory and review services; (ii) pre-investment or feasibility studies; (iii) design; (iv) construction supervision; (v) management and related services; and (vi) other technical services or special studies. General principles on consulting services are provided for in Annex "B" of the revised IRR.

#### 3. TYPES OF CONSULTING SERVICE

Annex B of the revised IRR provides the six (6) broad categories of consulting services, namely: (a) advisory and review services; (b) pre-investment or feasibility studies; (c) design; (d) construction supervision; (e) management and related services; and (f) other technical services or special studies. These consulting services are the following:

#### 3.1 ADVISORY AND REVIEW SERVICES

These services consist of the review and the provision of advice on particular projects or problems. These include planning, system and implementation design, financial, fiscal, legal and other professional services, as well as management, production, inspection, testing and quality control. They also include such services as appearances before commissions, boards or other judicial bodies to give evidence or otherwise submit professional opinions.

#### 3.2 PRE-INVESTMENT OR FEASIBILITY STUDIES

These are the studies which normally precede decisions to go (or not to go) forward with specific projects. These studies may have as their objectives:

- a. To establish investment priorities and sector policies studies conducted for this objective include basic resource inventories, such as, river basin surveys, transport sector surveys, and studies of alternative development patterns and of sectors on a regional or nationwide scale;
- **b.** To determine the basic features and the feasibility of individual projects studies toward this objective include functional designs, project site selections, architectural and space programming and physical layout of specific projects,

- preliminary designs and cost estimates, and the economic, financial and environmental impact analyses required for project evaluation; or
- c. To define and propose changes in governmental policies, operations and institutions necessary for the successful implementation or functioning of investment projects studies undertaken in pursuit of this objective include analyses of project related organizations, administrative problems, planning machinery, regulatory and marketing policies, accounting and management systems, and manpower resources and training requirements.

#### 3.3 DESIGN

This type of services normally consists of three (3) phases:

- a. Pre-Design Phase, which establishes the general size and scope of the project and its location on the site. The consulting services under this category include reconnaissance, topographical and other engineering and land surveys, soils investigations, preparation of preliminary architectural/engineering designs, layouts, outline specifications, preliminary cost estimates, and specific recommendations prior to actual design;
- b. Basic Design Phase, which includes the preparation of detailed plans, designs, working drawings, specifications, detailed cost estimates and tender documents required for invitations of bids for construction works and equipment; and
- c. Support Services During Construction, which include assistance and advice in securing bids, tabulation and analysis of bid results, and making recommendations on the award of construction contracts, and in preparing formal contract documents; preparation of supplementary drawings required to suit actual field conditions; checking detailed construction and as-built drawings, shop and erection drawings submitted by contractors; making periodic visits to check on the general progress of work and quality of materials and workmanship; observing performance tests and start-up and making report thereon; and making a final inspection and reporting of completed project.

#### 3.4 CONSTRUCTION SUPERVISION

Consulting services under this category include:

- **a.** Inspection and expediting of the work;
- **b.** Verification and checking of quantities and qualities of work accomplished by the contractor as against the approved plans, specifications, and programs of work;
- **c.** Issuance of instructions for correcting on the work;

- **d.** Verification and recommendation for approval of statements of work accomplished and certificate of project completed by the contractor;
- **e.** Review and recommendation for approval of progress and final billings of the contractor; and
- **f.** Provision of record or as-built drawings of the completed projects. The above do not mean direction, superintendence or management of construction.

#### 3.5 MANAGEMENT AND RELATED SERVICES

The services under this category, on the other hand, include:

- **a.** Sector policy and regional development studies;
- **b.** Planning, feasibility, market, economic, financial, technical, operations and sociological studies;
- **c.** Project management, including procurement advisory services, impact monitoring, and post-evaluation services;
- d. Production management, inventory control, and productivity improvement;
- e. Marketing management and systems;
- f. Information and communications technology services, including but not limited to, information systems design and development, and network design and installation:
- **g.** Institutional strengthening, organization development, manpower requirements, training and technology transfer;
- **h.** General management consultancy; and
- *i.* Other related services.

#### 3.6 OTHER TECHNICAL SERVICES OR SPECIAL STUDIES

Other technical services include:

- **a.** Institution building, including organization and management studies, and business process re-engineering and development;
- **b.** Design and execution of training programs at different levels;
- Provision of staff to carry out certain functions and to train their replacements;
   and
- **d.** Tasks relating to economic and financial studies such as those of tariff structures.

#### MANUAL PROCEDURES FOR THE PROCUREMENT OF CONSULTING SERVICES

Special studies include the following:

- a. Soils investigation;
- **b.** Studies, tests and process determination performed to establish design criteria for water facilities;
- **c.** Detailed mill, shop, and / or laboratory inspection of materials and equipment;
- **d.** Land surveys, establishment of boundaries and monuments, and related office computations and drafting;
- e. Parcellary surveys;
- f. Engineering surveys (for design and construction) and photogrammetry;
- g. Assistance in litigation arising from the development or construction of projects and in hearings before various approving and regulatory agencies;
- h. Investigation involving detailed consideration of the operation, maintenance, and overhead expenses; and the preparation of rate schedules; earning and expense statements, feasibility studies, appraisals, evaluations, and material audits or inventories required for certification of force account construction performed by the agencies;
- *i.* Preparation of environmental statements and assistance to the agencies in public hearings;
- **j.** Preparation of operating instructions and manuals for facilities and training of personnel and assistance in initial operation of facilities;
- **k.** Designs to meet unique and / or above normal requirements brought about by severe earthquakes, tornadoes, or blasts, or satisfy unique or abnormal tolerances, safety requirements, etc.;
- *I.* Site and physical planning;
- **m.** Environmental and other aspects of planning;
- **n.** Housing;
- Interior design;
- **p.** Studies on preservation and restoration of historical, cultural, and artworks;
- **q.** Landscaping;
- **r.** Construction management; and
- **s.** Defense systems design, including self-reliance defense program.

Technology and knowledge transfer should be considered an important objective in the provision of consulting services.

#### 4. OTHER SPECIALIZED EXPERTISE

Other specialized expertise not included in the above categories and to be provided for a client in the performance of a specified task over the specified period of time may also be considered as consulting services.

## **SECTION 3**

# PREPARING FOR PROCUREMENT OF CONSULTING SERVICES

# PREPARING FOR THE PROCUREMENT OF CONSULTING SERVICES

Volume I of this Manual contains an extensive discussion of Procurement Planning as a general concern for all kinds of government procurement, while this Section mainly focuses on concerns that are particular to the procurement of consulting services. As such, it is advisable for the reader to refer to the pertinent discussions in Volume I before and during the reading of this Section.

Preparing for procurement basically involves three activities: procurement planning, preparation of the bidding documents, and the conduct of the pre-procurement conference. Procurement planning entails ensuring that plans for procurement are linked to budgets, preparing the Project Procurement Management Plan and consolidating all PPMPs into the Annual Procurement Plan. Formulating the PPMP involves identifying the procurement project requirements, writing the Terms of Reference, determining the Approved Budget for the Contract, identifying the schedule of milestone activities, and determining the method of procurement.

The PPMP is then transformed into the bidding documents, which ought to contain all the information a prospective bidder needs to prepare its bid. Therefore, in preparing the bidding documents, one has to ensure that these accurately and comprehensively reflect the main elements of the PPMP. One also has to make sure that the documents are of the kind, and form prescribed by the revised IRR and these Manuals.

The pre-procurement conference is the forum where all officials of the procuring entity involved in the project meet to discuss all aspects of the said project and to determine the readiness of the procuring entity to undertake the procurement. The conference focuses on the TOR, the ABC, the appropriateness and applicability of the recommended method of procurement, and the availability of budget, among others.

### A. PROCUREMENT PLANNING

#### 1. LEGAL REFERENCE

Section 7 of the revised IRR provides the legal reference for procurement planning.

Planning of the procurement of goods and services shall be in accordance with the principles of government procurement as provided for under Section 3 Volume I.

#### 2. PURPOSE

Procurement planning is one of the key components of procurement reforms given that some of problems in logistics management are traced from inefficient procurement planning. Well-planned procurements have significant impacts on lowering procurement costs, generating substantial saving, and ensuring that the right quality goods and services are available at service delivery points including limiting unnecessary wastages.

Each DOH Procuring Entity needs to sensibly, thoughtfully and prudently plan their procurements annually. Planning is undertaken to ensure wise and judicious use of limited financial resources and to purchase and have these goods, services and works on the time that these are needed. Moreover, procurement plans allows integration with health plans and targets, and permits efficient matching of resources to expected health outputs and outcomes including monitoring of physical and financial performance.

Operationally, the Procurement Plan allows early arrangement of procurement and related activities. These include procurement scheduling, cash allocation and expenditure management, projection of deliveries, warehouse space allocation and distribution to health facilities among others. End-user units namely Bureaus/Centers, Services, Programs, Divisions, Departments and shall prepare their PPMPs and submit this to the concerned BAC Secretariat for consolidation and production of the DOH Procuring Entity's APP.

The purpose of procurement planning is for the Procuring Entity to schedule its procurement activities in advance, along with the projects of concessionaires funded under loans in the name of Procuring Entity, consistent with the agency's annual procurement plan. The planning stage, the following activities shall be undertaken, among others:

- Preparation of the draft terms of reference by the end user.
- Determination of the mode of procurement
- Type of consultant (e.g. individual or firm, local or foreign)
- Determination of the ABC

Procurement planning entails ensuring that plans for procurement are linked to budgets, preparing the PPMP and consolidating all PPMPs into the APP. Formulating the PPMP involves identifying the procurement project requirements, writing the TOR, determining the ABC, identifying the schedule of milestone activities, and determining the method of procurement.

The PPMP is then transformed into the bidding documents, which ought to contain all the information a prospective bidder needs to prepare its bid. Therefore, in preparing the bidding documents, one has to ensure that these accurately and comprehensively reflect the main elements of the PPMP. One also has to make sure that the documents are of the kind and form prescribed by the revised IRR and these Manuals.

The pre-procurement conference is the forum where all officials of the Procuring Entity involved in the project, including the concessionaires, where necessary, meet to discuss all aspects of the said project and to determine the readiness of the Procuring Entity to undertake the procurement. The conference focuses on are the technical specifications, the ABC, the appropriateness and applicability of the recommended method of procurement, and the availability of pertinent budget releases, among others.

#### 3. RULES AND GUIDELINES

#### 3.1 APPROVED BUDGET FOR CONTRACT

The ABC is the approved budget for the contract duly approved by the HOPE, as provided for in the budget of the procuring entity in the GAA.

Thus, the ABC referred to in R.A. 9184 and the revised IRR basically refers to the proposed budget for the project approved by the Head of the Procuring Entity based on the APP as consolidated from various PPMPs.<sup>1</sup>

#### 3.2 FACTORS TO BE CONSIDERED

In determining the ABC keeping in mind that contract prices are fixed prices, the Project Management Office or end-user unit, with the assistance of the Technical Working Group (when necessary), must consider the different cost components, namely:

- **a.** The cost or market price of the service itself;
- **b.** The cost of money, to account for government agencies usually buying on credit terms; and
- **c.** Inflationary factor, since the planning phase is usually done one year ahead of the actual procurement date.

FAR. with a standard bidding do consists for the control of the standard bidding of

<sup>&</sup>lt;sup>1</sup> For FAPs, reference to the standard bidding documents for the project should be made to determine the applicability of the ABC.

If the sum of the different cost components is lower than the appropriation for the procurement, then the ABC should be equal to the sum of the cost components. If the resulting sum is higher than the appropriation, it is advisable to review the technical specifications and the computation of the ABC. In any case, the ABC should not exceed the appropriation.

In case of bid failure, the Bids and Awards Committee is obligated under Section 35 of the revised IRR to conduct mandatory review and evaluation of the ABC, technical specifications, terms and conditions included in the bidding documents. Based on its findings, the BAC shall revise the terms, conditions, and specifications, and if necessary, adjust the ABC, subject to the required approvals, and conduct re-bidding with readvertisement and/or posting, as provided for in Section 21.2 of the revised IRR.

Under this new rule, ABC may be adjusted upward or downward without any restriction/limitation if so warranted. It must be noted that under GPPB Resolution 07-2005, only upward adjustment of the ABC from the original amount on the condition that there has been two-failed bidding and previous modification of the terms, conditions, and specifications of the project was allowed.

Furthermore, downward adjustment of the ABC may be considered after the first failed bidding to reflect prevailing market prices and/or scope of work or suit actual field conditions of the project.

#### 3.3 HOW TO COMPUTE ABC

The cost of consultancy shall be computed on the basis of cost to the consultant of actual services to be rendered by the consultant plus a reasonable level of management fee. The amount of management fee depends on the complexity and magnitude of the project, and other direct expenses associated to the undertakings.

The cost of consultancy shall consist of the following and shall be presented in the agreement in like manner:

#### a. Remuneration Costs

These are the remuneration to be paid to the consultant's staff/personnel who are directly engaged in the consulting services as per agreed manning schedule. It covers the basic rates of the staff multiplied by a billing factor of the consulting firm.

The umbrella organization of consultants shall, from time to time, disseminate information on the rates or fees of consultants per expertise as guide to the BAC and end-user during financial negotiation.

#### i. Basic Rates

The basic rates represent the salaries actually being received by the professional staff from the consulting firms as certified by the consultant with a sworn statement to be submitted to the Procuring Entity. The basic rates of all individual members of the staff shall be clearly indicated in the contract. In determining the basic rates, the following may be considered as bases:

- Salary history;
- Industry rates; and
- Two hundred percent (200%) of the equivalent rate in the Procuring Entity as the floor.

#### ii. Billing Factor or Multiplier

The billing factor or multiplier shall be derived from the following to be supported by audited financial statements prepared by an independent auditing/accounting firm/entity and certified by the consulting firm with a sworn statement:

#### ii.i Overhead Cost

These are incidental and general administrative and management expenses of the firm other than those directly related to the project, and are expressed in percent of the total of the basic salaries of all the personnel of the firm. Normally not exceeding one hundred twenty percent (120%) of the basic salary of the personnel, these expenses may include a combination of the following:

- Executive, administrative, accounting, and legal salaries, other than identifiable salaries included in the basic manmonth salaries;
- Legal and corporate expenses including licenses, professional membership fees;
- Business costs including representation allowances, advertisements, promotions;
- Research and development activities including personnel development programs;

- Provision for office, electricity, water, and similar items for working space;
- Depreciation and amortization;
- Financial and banking costs including interest expenses and handling charges;
- Building and equipment insurance; and
- Provision for loss of productive time of technical employees between assignments, and taxes.

#### ii.ii Social Charges

These are cost items for the welfare and benefit of the consultant's staff in accordance with the policies of the consultant and of the government. Their totality expressed as a percentage of the basic rates of the consultant's personnel, these cost items may include any or a combination of the following, based on audited and sworn statement to be submitted by the consultant to the Procuring Entity:

- Bonuses;
- Vacation/sick leave and paid public holidays;
- Medical Care;
- Pension plan retirement and/or terminal pay;
- Company insurance; and
- Other benefits as required by law.

#### ii.iii Management Fee

This is the remuneration for the professional know-how and expertise of the consultant. The amount of fees shall be fixed as a percentage of the sum of the basic salary, overhead costs and social charges. Depending on the complexity of the services rendered and other considerations, this fee ought not to exceed fifteen percent (15%) of the sum of the basic salary, overhead costs and social charges.

The sum total of the basic salary, overhead, social charges and management fee as percentage of basic salary represents the billing factor or multiplier. The size of the multiplier may vary with the types of work, the organization and experience of the consultant, and the geographic area in which its office is located. The multiplier normally ranges from 2.0 to 3.0 for the technical personnel, and shall normally not exceed 1.8 for the administrative personnel directly hired for the project.

### b. Reimbursable Costs

These include all other expenses associated with the execution of the services. These costs may be classified into:

### i. Based on Agreed Fixed Rates

These are cost items which are payable at agreed unit rates to the staff and include the following, among others:

### i.i Housing Allowance

These cover housing costs, including those for power and water, for consultant's staff. It should not include food and laundry since these are basic necessities that the consultant has to spend for even without the project. In considering the housing allowance, the base of operation and the designated official station of duty of the consultant must be defined.

The base of operation is the location of the home office of the consultant while the designated official station of duty is the location outside of the base of operation where most of the consultant's staff will be working more often continuously during the duration of the services.

For local consultants, the base of operation is usually in Metro Manila, and the designated official station of duty is the project site outside Metro Manila.

Sometimes, in undertaking the services, the consultant's staff is grouped into two (2), *i.e.* those who are stationed at the base of operation and those stationed at the project site, depending on where they will be staying longer continuously during the duration of the services.

Housing allowance shall be given only for long-term consultant's staff, *i.e.* those who will be staying at the designated official station of duty continuously for more than one (1) month. The agency may also have the option to provide for housing facilities

at the designated official station of duty instead of giving housing allowance. The work and manning schedules, together with the designated base of operation and the official station of duty, shall be the basis for determining the rates of housing allowance and per diem.

### i.ii Per Diems

These are daily allowances given to the consultant personnel while on official trips authorized by the agency and/or explicitly required in the contract as follows:

- Outside of the base of operation for consultant staff stationed there; and
- Outside of the designated official station of duty for consultant staff stationed there, except when staying at the base of operation. Per diems shall be reckoned from a 24-hour day trip of at least 50 kilometers away from the station.

Per Diem rates vary for short visits and longer stays and by location within the country. Stays in cities receive higher per diem as compared to municipalities.

i.iii For foreign consultants, miscellaneous international travel expenses such as, the cost of transportation to and from the airports, airport taxes, passports, visas, travel permits, and vaccinations

### ii. Based on Actual Cost

These are all other reimbursable costs that must be supported with invoices and/or other supporting papers, and includes the following:

### ii.i International Travel

This covers the cost of full fare economy class air transportation, preferably through a Filipino-owned airline, by the most direct and expeditious air routes of the consultant's expatriate staff from their point of origin. An expatriate shall be allowed the cost of excess baggage up to twenty (20) kilograms each per round trip.

### ii.ii Domestic Travel

This covers the cost of full fare economy class air transportation and/or land transportation by the most direct and expeditious routes of the consultant's staff for official trips authorized by the agency and/or explicitly required in the contract.

### ii.iii Domestic Transportation

This covers the provision of vehicles either through purchase or rental.

### ii.iv Communication Expenses

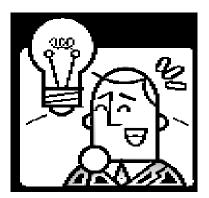
This includes telephone, mobile, two-way radio, telegrams, Internet, parcel, freight, courier, fax and etc.

- ii.v Cost of office/engineering supplies and cost of preparing/ reproduction drawings and other documents to be submitted;
- *ii.vi* Cost of field office either through rental or construction;
- *ii.vii* Equipment rental and purchases whenever justifiable;
- ii.viii Acquisition of software licenses; and
- *ii.ix* Cost of other items deemed necessary for the project as certified by the agency concerned.

### c. Contingency

Payments in respect of items of additional work within the general scope of services that may turn out to be necessary as the study progresses or costs that would exceed the estimates set forth may be chargeable to the contingency amounts in the respective estimates. However, these payments can be done only if such costs are approved by the agency concerned prior to its being incurred and provided, further, that they shall be used only in line with the unit rates and costs specified in the contract and in strict compliance with the project needs. Contingency amount must not exceed five percent (5%) of the amount of the contract.

### ON DETERMINING REASONABLE RATES



The end-user must estimate the cost of consulting services through cost research in the local market. This study ought to focus on the monthly salaries paid to the consultant's staff, per diems for hotel and living expenses for staff away from normal duty station, air or land transportation, and other out-of-pocket expenses, to obtain a good basis for the budget. For contract duration of more than one (1) year, a reasonable percentage to cover inflation may be added to the estimate.

## **B. PREPARE THE BIDDING DOCUMENTS**

### 1. LEGAL REFERENCE

Section 17 of the revised IRR is the legal basis for the preparation and issuance of the bidding documents.

### PURPOSE

Bidding documents are documents issued by the Procuring Entity as a basis for bids, furnishing the prospective bidders all the necessary information that they need to prepare their bids (Section 5.f of the revised IRR).

### 3. RULES AND GUIDELINES

### 3.1 CONTENTS

The BAC Secretariat, with the assistance of the TWG or end-user/ PMO/concessionaire or consultants, if any, prepares the bidding documents following the standard forms and manuals prescribed by the GPPB (Section 17.1 of the revised IRR).

The Philippine Bidding Documents contain the following:

- a. ABC;
- **b.** Request for Expression of Interest;
- **c.** Eligibility Requirements;
- d. Instructions to Bidders, including scope of bid, documents comprising the bid, criteria for eligibility, bid evaluation methodology/ criteria in accordance with the Act, and post-qualification, as well as the date, time and place of the pre-bid conference (where applicable), submission of bids and opening of bids;
- e. TOR;
- f. Scope of work, where applicable;
- g. Plans/Drawings and Technical Specifications;
- **h.** Form of Bid, Price Form, and List of Goods or Bill of Quantities;
- *i.* Delivery Time or Completion Schedule;
- j. Form, Amount, and Validity Period of Bid Security;

- **k.** Form, Amount, and Validity of Performance Security and Warranty; and
- Form of Contract and General and Special Conditions of Contract (Section 17.1
   of the revised IRR)

The ITB should contain all necessary information that would help consultants prepare responsive proposals, and shall bring as much transparency as possible to the selection procedure by providing information on the evaluation process and by indicating the evaluation criteria and factors and their respective weights and the minimum passing quality score. The ITB should indicate an estimate of the level of key staff inputs (in staff time) required of the consultants or the total budget.

Consultants, however, should be free to prepare their own estimates of staff time to carry out the assignment and to offer the corresponding cost in their proposals. The ITB should specify the bid validity period, which should be adequate for the evaluation of bids, decision on award, and finalization of contact negotiations.

### 3.2 PARTICIPANTS

The Bidding Documents shall be prepared by the procuring entity following the standard forms and manuals prescribed by the GPPB .The following are involved in the preparation of the bidding documents:

- a. BAC;
- **b.** TWG:
- **c.** BAC Secretariat and/or the procurement office/unit;
- d. End-user/PMO; and
- **e.** Consultants hired by the Procuring entity to prepare the bidding documents.

### 3.3 ISSUANCE OF BIDDING DOCUMENTS

Section 17.3 of the revised IRR specifies the period within which a bidding document containing the pertinent information to the consulting contract to be bid shall be made available to a prospective bidder. To provide prospective bidders ample time to examine the Bidding Documents and to prepare their respective bids, the concerned BAC shall make the Bidding Documents for the contract to be bid available for the following period:

- **a.** Eligibility documents shall be made available from the time the REI is first advertised/posted until the deadline for the eligibility check; and,
- **b.** Bidding Documents, from the determination of the short listed bidders until the deadline for the submission and receipt of bids.

The procurement of consulting services does not start until such time that a properly reviewed and cleared TOR is submitted to the BAC by the requesting office. At the central office, a review mechanism is well established with the issuance of guidelines on technical assistance, through the creation of technical assistance coordination team, copies of which are in Section 8 and the Central Office BAC guidelines found in Annex C.

All requesting office that prepared the TOR should be guided by the review checklist of the TACT and the COBAC. The COBAC checklist is a subset of the TACT requirement. Until such time these are integrated, the requesting office is advised to ensure that both requirements are complied when the review process is initiated by the through TACT or the technical office to shorten the process and avoid repeated requests for amendments. There are technical offices that are required to review the TOR by both the TACT and the BAC which are found in Annex C or in Volume 1. These review mechanisms are put in place so that consulting services are ready for procurement, aligned with health sector reform agenda, minimize duplication of efforts, complementation of works among technical assistance providers and the services provided are within quality standards and outputs of the assistance are what the DOH needs and can be utilized.

Bidders may be asked to pay for the Bidding Documents to recover the cost of its preparation and development. The BAC shall issue the Bidding Documents upon payment of the corresponding cost thereof to the collecting/disbursing officer of the procuring entity concerned (Section 17.4 of the revised IRR).

DOH shall also post the Bidding Documents at its website and at the Philippine Government Electronic Procurement System website from the time the REI is advertised. Prospective bidders may download the Bidding Documents from any of the said websites provided that bidders shall pay the fee for the Bidding Documents upon submission of their Bids (Section 17.5 of the revised IRR).

### 3.4 CONFIDENTIALITY

Equal access to information shall be ensured in all stages of the preparation of the Bidding Documents. Prior to their official release to prospective bidders, however, no aspect of the Bidding Documents shall be divulged or released to any prospective bidder or person having direct or indirect interest in the project to be procured, or to any party, except those officially authorized in the handling of the documents.

# C. CONDUCT PRE-PROCUREMENT CONFERENCE

### 1. LEGAL REFERENCE

Section 20 of the revised IRR specifies the rules and the guidelines in the conduct of preprocurement conference.

### 2. PURPOSE

A pre-procurement conference is conducted by the BAC, through its Secretariat, to determine the readiness of the procuring entity to procure consulting services in terms of the legal, technical and financial requirements. The pre-procurement conference should (Section 20.1 of the revised IRR):

- **a.** Confirm the description and scope of the contract, the ABC, and contract duration.
- **b.** Ensure that the procurement is in accordance with the project and annual procurement plans;
- **c.** Determine the readiness of the procurement at hand, including, among other aspects, the following:
- **d.** availability of appropriations and programmed budget for contract; and,
- **e.** completeness of the Bidding Documents and their adherence to relevant general procurement guidelines
- **f.** Review, modify and agree on the criteria for eligibility screening and short-listing, detailed bid evaluation and post-qualification;
- g. Review and adopt the procurement schedule, including deadlines and timeframes, for the different activities; and
- h. Reiterate and emphasize the importance of confidentiality, in accordance with Section 19 of the revised IRR, and the applicable sanctions and penalties, as well as agree on measures to ensure compliance with the foregoing.

### 3. THRESHOLD

The holding of a pre-procurement conference may not be required for small procurements of consulting services costing One Million Pesos (PhP 1,000,000.00) and below (Section 20.2 of the revised IRR).

### 4. RULES AND GUIDELINES

### 4.1 Schedule

Prior to the advertisement or the issuance of the REI for each procurement undertaken through a public bidding, the BAC, through its Secretariat, shall call for a pre-procurement conference.

### 4.2 Responsibility of the BAC

The BAC calls for a pre-procurement conference.

### 4.3 Participants

The participants of the pre-procurement conference are:

- a. BAC;
- **b.** Secretariat;
- **c.** Representatives of the PMO or end-user unit/s;
- Members of the TWG/s, including technical experts hired by the procuring entity who prepared the TOR, bidding documents and the draft advertisement, as the case may be, for the procurement at hand (Section 20.1 of the revised IRR); and
- **e.** Technical experts who assisted in the preparation of the TOR and the bidding documents for the procurement at hand.

# **SECTION 4**

# PROCUREMENT OF CONSULTING SERVICES THROUGH COMPETITIVE BIDDING

# PART ONE - COMPETITIVE BIDDING

### **COMPETITIVE BIDDING**

Competitive or public bidding is a method of procurement that is open to all interested and qualified parties (Section 5.h of the revised IRR). It is preferred over other methods of procurement. A procuring entity should, therefore, see to it that its procurement program allows for enough time to conduct such public bidding (Section 48.2 of the revised IRR).

Competitive bidding consists of the following processes; advertisement, pre-bid conference, eligibility screening of prospective bidders, receipt and opening of bids, evaluation of bids, post-qualification, and award of contract (Section 5.h of the revised IRR).

For consulting service, additional steps such as the short listing of prospective bidders (**Section 24.5 of the revised IRR**) are included to ensure that qualified, competent, and experienced consultants are hired to accomplish the procurement project on consulting.

The opening of bids up to the award of contract should not exceed three (3) months, or a shorter period to be determined by the Procuring Entity In case the deadline for each activity falls on a non-working day (*i.e.* Saturday and Sunday), legal holiday, or special non-working holiday, the deadline shall be the next working day.

# STEP1. ADVERTISE AND/OR POST REQUEST FOR EXPRESSION OF INTEREST

### 1. LEGAL REFERENCE

In line with the principle of transparency and competitiveness, all REI for contracts procured through competitive bidding shall be advertised and/or posted by the Procuring Entity in such manner and for such length of time as may be necessary under the circumstances, in order to ensure the widest possible dissemination thereof, such as, but not limited to, posting in the Procuring Entity's premises, in newspapers of general circulation, the PhilGEPS and the website of the Procuring Entity, if available (Section 1.2.1 of the revised IRR).

### 2. PURPOSE

Posting the REI and ensuring its widest possible dissemination will increase the number of prospective bidders and intensify competition for the procurement activity or project. Intensified competition, in turn, will ensure that the government, in general, and the procuring entity, in particular, will get the best possible proposals, quality-and cost-wise.

### 3. RULES AND GUIDELINES

### 3.1 CONTENTS

The REI must contain the following (Section 21 of the revised IRR):

- **a.** Name of the contract to be bid, a general description of the project and other important or relevant information;
- b. A general statement on the criteria to be used by the procuring entity for the eligibility check, the short listing of prospective bidders, in the case of the procurement of consulting services, the examination and evaluation of bids, postqualification, and award;
- **c.** The date, time and place of the deadline for the submission and receipt of the eligibility requirements, the pre-bid conference if any, the submission and receipt of bids, and the opening of bids;
- **d.** ABC to be bid;
- **e.** Source of funding:
- *f.* Period of availability of the Bidding Documents, the place where the Bidding Documents may be secured, the website where the Bidding Documents may be downloaded, and, where applicable, the price of the Bidding Documents;

- **g.** Contract duration or delivery schedule;
- h. Name, address, telephone number, facsimile number, e-mail and website addresses of the concerned procuring entity, as well as its designated contact person; and
- *i.* Such other necessary information deemed relevant by the procuring entity.

### 3.2 SCHEDULE, PRICE AND DURATION OF POSTING

Except as otherwise provided in Sections 21.2.2 and 54.2 of the revised IRR and for the procurement of common-use goods and supplies, the REI shall be:

- **a.** Advertised at least once in one (1) newspaper of general nationwide circulation which has been regularly published for at least two (2) years before the date of issue of the advertisement;
- b. Posted continuously in the PhilGEPS website, the website of the procuring entity concerned, if available, and the website prescribed by the foreign government/ foreign or international financing institution, if applicable, for seven (7) calendar days starting on date of advertisement; and
- c. Posted at any conspicuous place reserved for this purpose in the premises of the procuring entity concerned for seven (7) calendar days, if applicable, as certified by the head of the BAC Secretariat of the procuring entity concerned (Section 21.2.1 of the revised IRR).

### 3.3 THRESHOLD

Advertisement of the REI in a newspaper of general nationwide circulation provided in Section 21.2.1(a) shall not be required for contracts to be bid with an approved budget of One Million Pesos (PhP 1,000,000.00) and below or those whose duration is four (4) months or less for the procurement of consulting services (Section 21.2.2 of the revised IRR).

### 3.4 RESPONSIBILITY OF THE BAC SECRETARIAT

The BAC Secretariat shall be responsible for ensuring that the REI is advertised and posted in accordance with law (Section 14.1.f of the revised IRR).

### 3.5 RESERVATION CLAUSE

The Reservation Clause declares that the Procuring Entity reserves the right to reject any and all bids, to declare a failure of bidding, or not to award the contract (Section 41 of the revised IRR).

In the case *Mata V. San Diego*, *G.R. No. L-30447 (21 March 1975)*, the Supreme Court of the Philippines declared that a bidder is bound by the reservation clause, and the said clause vests in the authority concerned the discretion to ascertain who among the bidders is the lowest responsive bidder or the lowest and best bidder or most advantageous to the best interest of the Government. As such, a bidder has no right or cause of action to compel the BAC or agency to award the contract to it. The Court further stated that this requires inquiry, investigation, comparison, deliberation and decision – a quasi-judicial function which, when honestly exercised, may not be reviewed by the courts. It should be noted, however, that R.A. 9184 Section 41 of the revised IRR, has placed some limiting qualifiers on the possible contents of the Reservation Clause.

# 3.5.1 RIGHT TO REJECT BIDS, DECLARE A FAILURE OF BIDDING, OR NOT TO AWARD THE CONTRACT

The Procuring Entity may exercise the right to reject any and all bids, to declare a failure of bidding, or not to award the contract in any of the following situations (Section 41 of the revised IRR):

- 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;
- **b.** If the BAC is found to have failed in following the prescribed bidding procedures; or
- **c.** For any justifiable and reasonable ground where the award of the contract will not redound to the benefit of the GOP, as follows:
  - i. If 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. If the project is no longer necessary as determined by the HOPE; and
  - *iii.* If the source of funds for the project has been withheld or reduced through no fault of the procuring entity.

### 3.6 CRIMINAL LIABILITY FOR VIOLATING THE RESERVATION CLAUSE

If the HOPE abuses his power to reject any and all bids, as provided by the Reservation Clause, with manifest preference to any bidder who is closely related to him in accordance with Section 47 of the revised IRR, or if it is proven that s/he exerted undue influence or undue pressure on any member of the BAC or any officer or employee of the Procuring Entity to take such action, and the same favors or tends to favor a particular bidder, s/he shall be meted with the penalties provided in Section 65 of the revised IRR which is imprisonment of not less than six (6) years and one (1) day, but not more than fifteen (15) years and penalty of temporary disqualification from public office. This is without prejudice to the provisions of R.A. 3019 and other applicable penal laws. In addition, the public official involved shall also suffer the penalty of temporary disqualification from public office (Sections 65.1.c and 65.1.e of the revised IRR).

# STEP2. SUBMISSION OF ELIGIBILITY REQUIREMENTS

### 1. LEGAL REFERENCE

**Section 24 of the revised IRR** is the legal basis for the submission of eligibility requirement and conduct of eligibility check and short listing of prospective bidders.

### 2. PURPOSE

To determine the eligibility of prospective bidders for the Procurement of Consulting Services based on the eligibility requirements set forth in the revised IRR.

### 3. RULES AND GUIDELINES

### 3.1 Time to Apply for Eligibility

The eligibility envelopes of prospective bidders for procurement of consulting services shall be submitted on or before the deadline specified in the REI, and shall be opened before the dates of the pre-bid conference and bid opening to determine eligibility of prospective bidders, who shall then be allowed to acquire or purchase the relevant Bidding Documents from the procuring entity. A prospective bidder may be allowed to submit his eligibility requirements electronically in accordance with Section 8.5.2 of the revised IRR (Sec. 24.4.1 of the revised IRR).

If the procuring entity maintains a registry system using the PhilGEPS or its own electronic system, a prospective bidder, whether or not duly registered in either system, shall submit a written letter of intent and/or its application for eligibility and latest Class "A" documents, to the BAC on or before the deadline specified in the Bidding Documents which shall in no case be later than the date for the submission and receipt of bids. Any application for eligibility or updates submitted after the deadline for the submission of the letter of intent shall not be considered for the bidding at hand (Sec. 24.4.3.3 of the revised IRR).

### 3.2 ELIGIBILITY CHECK

### 3.2.1 Conditions for hiring consultants

The services of consultants may be engaged by any procuring entity for government projects or related activities of such magnitude and/or scope as would require a level of expertise or attention beyond the optimum in-house capability of the procuring entity concerned and consistent with the Government's policy not to compete with the private sector (Annex "B" General Principles on Consulting Services, Item 2).

### 3.2.2 Who qualify as consultants?

In order to manifest trust and confidence in and promote the development of Filipino consultancy, Filipino consultants should be hired whenever the services required for the project are within the expertise and capability of Filipino consultants. It is only when the HOPE determines that Filipino consultants do not have the sufficient expertise and capability to render the services required under the project may foreign consultants be hired (Annex "B" General Principles on Consulting Services. Item 4.2 of the revised IRR). Where applicable. technology and knowledge transfer to the Procuring Entity shall be required in the provision of consulting services (Annex "B" General Principles on Consulting Services, Item 4.4 of the revised IRR). A Procuring Entity may hire a joint venture composed purely of Filipino consultants or, when circumstances require the participation of foreign consultants, a joint venture composed of Filipino and foreign consultants. The preference for Filipino consultants merely reflects Article XII of the 1987 Constitution, which mandates the government to give preference to qualified Filipinos in the grant of rights, privileges and concessions covering the national economy and patrimony, including the purchase of goods, services and the hiring of consultants, contractors and other professionals.

The above should be read in connection with E.O. 278, s. 2004, which prescribes Guidelines for Project Loan Negotiations and Packaging of Government Foreign-Assisted Infrastructure Projects. Under Section 1 thereof, as a general rule, the government should, as much as possible, fund consultancy services for government infrastructure projects with local funds and using local resources and expertise. Consultancy services shall be proposed for foreign assistance only where foreign funding is indispensable or local funds are insufficient. For this purpose, the concerned government units should provide funds in their respective investment programs for the following consultancy services:

- Pre-investment components which include feasibility studies and related surveys and special studies;
- **b.** Detailed engineering design and related activities (where the project is determined to be feasible); or
- **c.** Project Management/Supervision.

Under the same Section 1 of Executive Order 278, where Filipino capability is determined by appropriate authorities to be insufficient, Filipino consultants may hire or associate themselves with foreign consultants, provided that the Filipino shall be the lead consultant. It further provides that where foreign funding is indispensable, foreign consultants for the project must enter into joint venture with

Filipino consultants. It should be noted, however, that this E.O. only covers consultancy services for foreign-assisted government infrastructure projects.

- **3.2.3** Persons/entities authorized to participate in the bidding for consulting services:
  - **a.** Duly licensed Filipino citizens/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 of which at least sixty percent (60%) belongs to citizens of the Philippines; or
  - e. Persons/entities forming themselves into a joint venture, i.e., a group of two (2) or more persons/entities that intend to be jointly and severally responsible or liable for a particular contract: Provided, however, that Filipino ownership or interest thereof 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 JVA (Section 24.3.1 of the revised IRR).

When the types and fields of consulting services in which the foregoing persons/entities wish to engage involve the practice of professions regulated by law, those who will actually perform the services shall be Filipino citizens and registered professionals authorized by the appropriate regulatory body to practice those professions and allied professions (Section 24.3.2 of the revised IRR).

In order to manifest trust and confidence in and promote the development of Filipino consultancy, foreign consultants may be hired in the event Filipino consultants do not have the sufficient expertise and capability to render the services required under the project, as determined by the HOPE. Foreign consultants may be eligible to participate in the procurement of consulting services, subject to the following qualifications:

 Must be registered with the Securities and Exchange Commission and/or any agency authorized by the laws of the Philippines; and When the types and fields of consulting services in which the foreign consultant wishes to engage involve the practice of regulated professions, the foreign consultant must be authorized by the appropriate GOP professional regulatory body to engage in the practice of those professions and allied professions: Provided, however, that the limits of such authority shall be strictly observed (Section 24.3.3 of the revised IRR).

### 3.2.4 Documents Required

The following documents shall be submitted, using the forms prescribed by the BAC in the Bidding Documents, for purposes of determining eligibility and short listing of prospective bidders in accordance with Sections 24.4 and 24.5 of the revised IRR:

### a. Class "A" Documents

### Legal Documents

- i. Registration certificate from SEC, Department of Trade and Industry for sole proprietorship, or Cooperative Development Authority for cooperatives, or any proof of such registration as stated in the Bidding Documents;
- *ii.* Mayor's permit issued by the city or municipality where the principal place of business of the prospective bidder is located;

### **Technical Documents**

- iii. Statement of the prospective bidder of all its ongoing and completed 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, within the relevant period as provided in the Bidding Documents. The statement shall include all information required in the PBDs prescribed by the GPPB.
- iv. Statement of the consultant specifying its nationality and confirming that those who will actually perform the service are registered professionals authorized by the appropriate regulatory body to practice those professions and allied professions.

### Financial Document

v. The consultant's audited financial statements, showing, among others, the consultant's total and current assets and liabilities, stamped "received" by the BIR or its duly accredited and authorized institutions, for the preceding calendar year which should not be earlier than two (2) years from the date of bid submission.

### b. Class "B" Document

Valid joint venture agreement, in case a joint venture is already in existence. In the absence of a JVA, duly notarized statements from all the potential joint venture partners stating that they will enter into and abide by the provisions of the JVA in the instance that the bid is successful, shall be included in the bid. Failure to enter into a joint venture in the event of a contract award shall be ground for the forfeiture of the bid security. Each partner of the joint venture shall submit the legal eligibility documents. The submission of technical and financial documents by any of the joint venture partners constitutes compliance (Section 24.1 of the revised IRR).

In the case of foreign consultants, the foregoing eligibility requirements under Class "A" Documents may be substituted by the appropriate equivalent documents, if any, issued by the foreign consultant's country. The eligibility requirements or statements, the bids, and all other documents to be submitted to the BAC must be in English. A translation of the documents in English certified by the appropriate embassy or consulate in the Philippines must accompany the eligibility requirements under Class "A" and "B" Documents if they are in other foreign language (Section 24.2 of the revised IRR).

### 3.2.5 Participation of Government employee or entity

A government employee may become a consultant on a full-time or part-time basis provided that:

### **a.** As a full-time consultant:

- *i.* S/he takes a leave of absence, whether with or without pay, subject to the following rules:
  - i.i A leave of absence must be contingent upon the needs of the service, i.e. it must not adversely affect agency

- operations, thus, the grant of vacation leave shall be at the discretion of the head of department/agency;
- i.ii A leave without pay shall not exceed one (1) year; and
- *i.iii* A leave without pay shall not be granted whenever an employee has leave with pay to his/her credit;
- *ii.* His/her being a consultant does not violate the rule against a government employee holding multiple positions;
- iii. S/he obtains permission or authority from his head of agency as his being a consultant constitutes a limited private practice of profession; and
- iv. His/her being a consultant does not conflict or tend to conflict with his official functions and the interest of the Republic of the Philippines.
- **b.** As a part-time consultant:
  - i. His/her being a consultant does not violate the rule against a government employee holding multiple positions;
  - ii. S/he obtains permission or authority from his head of agency as his/her being a consultant constitutes a limited private practice of profession:
  - iii. His/her being a consultant does not conflict or tend to conflict with his official functions and the interest of the Republic of the Philippines; and
  - *iv.* His/her being a consultant does not affect the effective performance of his duty.

### (See CSC Resolution 021264, dated 27 September 2002)

- **3.2.6** Government corporate entities may be eligible to participate in Competitive Bidding only if they can establish that they:
  - **a.** Are legally and financially autonomous;
  - **b.** Operate under commercial law; and,
  - **c.** Not dependent agencies of the GOP or the procuring entity.

### 3.2.7 Hiring of an Employee as consultant

A government employee of the Procuring Entity cannot be hired immediately by

the agency they were working before going on leave, since their employment would create a conflict of interest.

### 3.2.8 Organization of Consultants

The umbrella organization of consultants recognized by the Government shall be composed of the various organizations of consultants that may be engaged by the Government under this IRR and shall accredit its members on the types of services and fields of professions where the members are technically and financially qualified to offer their services. The umbrella organization shall prepare and certify a list of fields and expertise in such fields available with the names of the accredited local consultants which shall be updated annually or as often as necessary and disseminate such list to concerned agencies of the Government. It shall likewise regulate its members for the development of the industry. The Government may consult and deal with this umbrella organization on matters relating to the industry. The GPPB shall be the appropriate government body that shall recognize the consultants' umbrella organization (Annex "B" General Principles on Consulting Services, Item 5.1 of the revised IRR).

The umbrella organization may submit its files of accredited consultants to the BAC of the procuring entity in accordance with the form prescribed by the BAC which can serve as registration of the consultants under the next succeeding Subsection: Provided, however, that such each accredited consultant shall comply with the eligibility requirements provided in the revised IRR. Such qualification statements, together with the list of accredited consultants prepared in accordance with the immediately preceding section, shall guide the BAC in determining the fields where Filipino consultants are already qualified and capable and where foreign consultants may not be required (*Annex "B" General Principles on Consulting Services, Item 5.2 of the revised IRR*).

### 3.3 Conflict of interest in consulting services

GOP policies require that consultants provide professional, objective and impartial advice, and at all times hold the client's interests paramount, without any consideration for future work, and that in providing advice they avoid conflicts with other assignments and their own corporate interests. Consultants should not be hired for any assignment that would be in conflict with their prior or current obligations to other clients, or that may place them in a position of being unable to carry out the assignment in the best interest of the Procuring Entity. Without limitation on the generality of the foregoing, consultants should not be hired under the circumstances set forth below:

# 3.3.1. Conflict between consulting activities and procurement of goods, works or services

A firm that has been engaged by the Procuring Entity to provide such goods, works or services for a project, and each of its affiliates, will be disqualified from providing consulting services related to those goods, works or services. Conversely, a firm hired to provide consulting services for the preparation or implementation of a project, and each of its affiliates, will be disqualified from subsequently providing goods, works or services resulting from or directly related to the firm's consulting services for such preparation or implementation.

### 3.3.2. Conflict among consulting assignments

Neither consultants (including their personnel and sub-consultants) nor any of their affiliates will be hired for any assignment that, by its nature, may be in conflict with another assignment of the consultants. As an example, consultants—hired to prepare engineering design for an infrastructure project should not be engaged to prepare an independent environmental assessment for the same project, and consultants assisting a client in the privatization of public assets should neither purchase, nor advise purchasers of, such assets. Similarly, consultants hired to prepare TOR for an assignment should not be hired for the assignment in question.

### 3.3.3. Relationship with the Procuring Entity's staff

Consultants (including their personnel and sub-consultants) that have a business or family relationship with a member of the Procuring Entity's staff who are directly or indirectly involved in any part of:

- **a.** Preparation of the TOR of the contract;
- **b.** Selection process for such contract; or
- **c**. Supervision of such contract;

May not be awarded a contract, unless the conflict stemming from this relationship has been resolved in a manner acceptable to the Procuring Entity throughout the selection process and the execution of the contract.

### 3.4 Addressing unfair competitive advantage

Fairness and transparency in the selection process require that consultants or their affiliates competing for a specific assignment do not derive a competitive advantage from having provided consulting services related to the assignment in question. To that end, the

Procuring Entity should make available to all the short listed consultants together with the request for proposals all information that would in that respect give a consultant a competitive advantage.

### 3.5 Submission of Eligibility Requirements

The eligibility envelopes of prospective bidders for procurement of consulting services shall be submitted on or before the deadline specified in the REI, and shall be opened before the dates of the pre-bid conference and bid opening to determine eligibility of prospective bidders, who shall then be allowed to acquire or purchase the relevant Bidding Documents from the procuring entity. A prospective bidder may be allowed to submit his eligibility requirements electronically in accordance with Section 8.5 of the revised IRR (Section 24.4.1 of the revised IRR).

### 3.5.1 Only one bidder submits an Eligibility Envelope

Even if only one bidder submits its eligibility envelope, the bidding process continues. If it is declared eligible, passes short listings, and its bid is found to be responsive to the bidding requirements, its bid will be declared as a Single Rated and Responsive Bid and considered for contract award (Section 36 of the revised IRR).

### 3.5.2 Participants in the Receipt and Opening of the Eligibility Envelopes

The following parties participate in the eligibility check/screening:

- a. BAC;
- **b.** TWG:
- **c.** Secretariat:
- **d.** Prospective bidders:
- e. Observers; and,
- f. COA Representative.

### 3.5.3 Recourse of potential bidder if found ineligible

Decisions of the BAC at any stage of the procurement process may be questioned by filing a request for reconsideration within the three (3) calendar days upon receipt of written notice or upon verbal notification. The BAC shall decide on the request for reconsideration within seven (7) calendar days from receipt thereof.

If a failed bidder signifies his intent to file a request for reconsideration, the BAC shall keep the eligibility envelopes of the said failed bidder duly sealed until such

time that the request for reconsideration has been resolved (Section 55.1 of the revised IRR).

In the event that the request for reconsideration is denied, decisions of the BAC may be protested in writing to the HOPE: Provided, however, that a prior request for reconsideration should have been filed by the party concerned in accordance with the preceding Section, and the same has been resolved (Section 55.2 of the revised IRR).

The protest must be filed within seven (7) calendar days from receipt by the party concerned of the BAC resolution denying its request for reconsideration. A protest may be made by filing a verified position paper with the HOPE concerned, accompanied by the payment of a non-refundable protest fee. The non-refundable protest fee shall be in an amount equivalent to no less than one percent (1%) of the ABC (Section 55.3 of the revised IRR).

### 3.5.3.1 Contents of position paper of protesting bidder

The verified position paper shall contain the following information:

- a. Name of bidder;
- **b.** Office address of the bidder:
- **c.** Name of project/contract;
- **d.** Implementing office/agency or procuring entity;
- **e.** A brief statement of facts:
- f. Issue to be resolved; and
- **g.** Such other matters and information pertinent and relevant to the proper resolution of the protest.

The position paper is verified by an affidavit that the affiant has read and understood the contents thereof and that the allegations therein are true and correct of his personal knowledge or based on authentic records. An unverified position paper shall be considered unsigned, produces no legal effect, and results to the outright dismissal of the protest (Section 55.4 of the revised IRR).

# 3.5.4 Questions/doubts on eligibility of a prospective bidder after declaration of eligibility

Notwithstanding the eligibility of a consultant and/or inclusion in the short list of

consultants, the procuring entity concerned reserves the right to review his qualifications at any stage of the procurement process if it has reasonable grounds to believe that a misrepresentation has been made by the said consultant, or that there has been a change in the consultant's capability to undertake the project from the time he submitted his eligibility requirements. Should such review uncover any misrepresentation made in the eligibility requirements, statements or documents, or any changes in the situation of the consultant which will affect the capability of the consultant to undertake the project so that the consultant fails the preset eligibility criteria, the procuring entity shall consider the said consultant as ineligible and shall disqualify him from submitting a bid or from obtaining an award or contract, in accordance with Rules XXI, XXII, and XXIII (Section 24.7 of the revised IRR). A prospective bidder found guilty of false information faces imprisonment of not less than six (6) years and one (1) day but not more than fifteen (15) years (Section 65.3 of the revised IRR).

### 3.5.5 Only one prospective bidder is declared eligible

Even if only one bidder passes the eligibility check, the bidding process continues. Again, if the eligible bidder submits a bid that is found to be responsive to the bidding requirements, its bid shall be declared as a SRRB and considered for contract award (Section 36 of the revised IRR).

### 3.5.6 No prospective bidder is declared eligible

If no prospective bidder is found to be eligible, the BAC should declare the bidding a failure. In such a case, the BAC shall issue a Resolution declaring a failure of bidding. In order to determine the reason for the failed bidding, the BAC shall conduct a mandatory review and evaluation of the terms, conditions, and specifications in the Bidding Documents, including its cost estimates (Section 35.2 of the revised IRR). Based on its findings, the BAC shall revise the terms, conditions, and specifications, and if necessary, adjust the ABC, subject to the required approvals, and conduct a re-bidding with re-advertisement and/or posting, as provided for in Section 21.2 (Section 35.3 of the revised IRR). All bidders who have initially responded to the REI and have been declared eligible or short listed in the previous biddings shall be allowed to submit new bids. The BAC shall observe the same process and set the new periods according to the same rules followed during the previous bidding (Section 35.4 of the revised IRR).

Should there occur a second failure of bidding, the procuring entity may resort to negotiated procurement, as provided for in Section 53.1 of the revised IRR of R.A. 9184 (Section 35.5 of the revised IRR).

### 4. PROCEDURES

### 4.1 Determination of prospective bidder's eligibility

A prospective bidder is eligible to bid for a particular project if it complies with the eligibility requirements prescribed for the competitive bidding, within the period stated in the REI. The eligibility requirements shall provide for fair and equal access to all prospective bidders (Section 24 of the revised IRR).

### 4.2 Receipt of the Eligibility Envelopes

The eligibility envelopes of prospective bidders for procurement of consulting services shall be submitted on or before the deadline specified in the REI, and shall be opened before the dates of the pre-bid conference and bid opening to determine eligibility of prospective bidders, who shall then be allowed to acquire or purchase the relevant Bidding Documents from the procuring entity. A prospective bidder may be allowed to submit his eligibility requirements electronically in accordance with Section 8.5 of the revised IRR (Section 24.4.1 of the revised IRR).

### 4.3 Conduct of the Eligibility Check

Subject to the short listing of consultants as provided in this IRR, the determination of eligibility of consultants shall be based on the evaluation of the eligibility documents prescribed above in accordance with the procedures provided in Sections 30.1 of the revised IRR.

### 4.4. Facilitating Eligibility Check

To facilitate determination of eligibility, the BAC of a procuring entity may maintain a registry system using the PhilGEPS or its own manual or electronic system that allows submission and/or recording/entry of eligibility requirements simultaneously with registration.

The registry system shall contain the foregoing Class "A" documents which should be maintained current and updated by the bidder concerned at least once a year or more frequently when needed.

A bidder who maintains a current and updated file of his Class "A" documents shall be issued a certification by the BAC to that effect, which certification may be submitted to the procuring entity concerned in lieu of the foregoing Class "A" documents.

If the procuring entity maintains a registry system using the PhilGEPS or its own electronic system, a prospective bidder, whether or not duly registered in either system, shall submit a written letter of intent and/or its application for eligibility and latest Class "A" documents, to the BAC on or before the deadline specified in the Bidding Documents

which shall in no case be later than the date for the submission and receipt of bids. Any application for eligibility or updates submitted after the deadline for the submission of the letter of intent shall not be considered for the bidding at hand (Section 24.4.3 of the revised IRR).

### 4.5 DOH Simplified Supplier Registration System

To facilitate eligibility check, the DOH COBAC established a Simplified Supplier Registration System or SSRS through which any prospective bidder registered in the system is issued a SSRS Certificate. Registration in the SSRS requires prospective suppliers to submit certain specified documents necessary for its participation in the conduct of procurement within the department. These documents include, among others, a duly registered certification from SEC or DTI for sole proprietorship or CDA for cooperatives, or any proof of such registration as stated in the Bidding Documents and others, in lieu thereof, a SSRS Certificate is issued to the registrant supplier which the latter may use in the procurement process. Evidently the objective behind the development and maintenance of the registry system is to facilitate eligibility check and expedite procurement process.

However, the SSRS would be rendered useless if not maintained current and updated such that registered suppliers/contractors/manufacturers/ distributors must constantly renew their SSRS registration, when applicable, by submitting copies of the recent documents required to be submitted.

Furthermore, the coverage and applicability of the SSRS shall extend to, and mandatorily be recognized by the Center for Health Development, DOH Hospitals, Special/Specialty Hospital, Medical Centers, Bureaus and Attached Agencies.



### IMPORTANT POINTS TO PONDER

### Filing of eligibility documents

The BAC should have a secure depository of all the original copies of the Eligibility documents submitted by the bidders, for which only its members and those of the BAC Secretariat have access. This will prevent the loss of any of the eligibility documents, thus sparing the BAC the embarrassment and trouble of rectifying such loss.

# STEP3. SHORT LIST ELIGIBLE CONSULTANTS

### 1. LEGAL REFERENCE

Section 24.5 of the revised IRR is the legal basis in short listing prospective consultants.

### PURPOSE

The process of short listing determines the most qualified consultants from those that submitted eligibility documents to undertake the project. The procuring entity shall consider only those consultants whose contracts, as identified in the eligibility documents submitted for registration, are similar in nature and complexity to the contract to be bid, based on the REI (Section 24.5.1 of the revised IRR).

If all eligible bidders are invited to submit proposals, the chance of a consultant to be awarded of the contract diminishes greatly. Considering the substantial costs incurred in preparing a proposal, this discourages a consultant from participating in the bid. The probability of being awarded of the contract, in this case, becomes less commensurate to the time and money spent in formulating the proposal. A short list of, say, five (5) consultants greatly increases the chances of a consultant and thus encourages it to put in more time and effort in preparing a good proposal. In the end, government in general, and the Procuring Entity in particular, receive better proposals to choose from.

### 3. RULES AND GUIDELINES

### 3.1 Criteria for Short listing

The BAC shall specify in the REI the set of criteria and rating system for short listing of consultants to be used for the particular contract to be bid, which shall consider the following, among others:

- a. Applicable experience of the consultant and members in case of joint ventures, considering both the overall experiences of the firm or, in the case of new firms, the individual experiences of the principal and key staff, including the times when employed by other consultants;
- **b.** Qualification of personnel who may be assigned to the job vis-à- vis extent and complexity of the undertaking; and
- c. Current workload relative to capacity (Section 24.5.3 of the revised IRR).

### 3.2. Duration of eligibility check and short listing

The BAC shall recommend the short list of consultants to the HOPE for consideration and approval. The entire process of eligibility check and short listing shall not exceed twenty (20) calendar days (Section 24.5.4 of the revised IRR).

### 3.3 No eligible bidder passes short listing

If no prospective bidder is short listed, the BAC should declare the bidding a failure. In such a case, the BAC shall issue a Resolution declaring a failure of bidding. In order to determine the reason for the failed bidding, the BAC shall conduct a mandatory review and evaluation of the terms, conditions, and specifications in the Bidding Documents, including its cost estimates (Section 35.2 of the revised IRR). Based on its findings, the BAC shall revise the terms, conditions, and specifications, and if necessary, adjust the ABC, subject to the required approvals, and conduct a re-bidding with re-advertisement and/or posting, as provided for in Section 21.2 of the revised IRR (Section 35.3 of the revised IRR). All bidders have initially responded to the REI and have been declared eligible or short listed in the previous biddings shall be allowed to submit new bids. The BAC shall observe the same process and set the new periods according to the same rules followed during the previous bidding (Section 35.4 of the revised IRR).

Should there occur a second failure of bidding, the procuring entity may resort to negotiated procurement, as provided for in Section 53.1 of the revised IRR of R.A. 9184.

### 4. PROCEDURES

In short listing the eligible consultants, the BAC, shall:

- 4.1 Draw up the short list of consultants from those who have been determined as eligible in accordance with the provisions of the revised IRR. The number of short listed consultants, which shall be determined in the pre-procurement conference, shall consist of three (3) to seven (7) consultants, with five (5) as the preferable number. Should less than the required number apply for eligibility and short listing, pass the eligibility check, and/or pass the minimum score required in the short listing, the BAC shall consider the same (Section 24.5.2 of the revised IRR).
- **4.2** Rate each eligible consultant based on the following criteria:
  - **a.** Applicable experience of the consultant and members in case of joint ventures, considering both the overall experiences of the firm or, in the case of new firms, the individual experiences of the principal and key staff, including the times when employed by other consultants;
  - **b.** Qualification of personnel who may be assigned to the job vis-à- vis extent and complexity of the undertaking; and
  - c. Current workload relative to capacity (**Section 24.5.3 of the revised IRR**).
- **4.3** Recommend the short list of consultants to the HOPE for consideration and approval.

# STEP 4: ISSUE THE BIDDING DOCUMENTS

### 1. LEGAL REFERENCE

Section 17 of the revised IRR is the legal basis for the issuance of the bidding documents.

### 2. PURPOSE

This is the stage when the Procuring Entity provides the Prospective Bidders a copy of the bidding documents so that they can study the requirements and conditions of the procurement system being adopted in general and the specific procurement being bided.

### 3. RULES AND GUIDELINES

To provide prospective bidders ample time to examine the Bidding Documents and to prepare their respective bids, the concerned BAC shall make the Bidding Documents for the contract to be bid available for the proceeding period:

- a. Eligibility documents shall be made available from the time the REI is first advertised/ posted until the deadline for the eligibility check, and
- **b.** Bidding Documents, from the determination of the short list until the deadline for the submission and receipt of bids.

Bidders may be asked to pay for the Bidding Documents to recover the cost of its preparation and development. The BAC shall issue the Bidding Documents upon payment of the corresponding cost thereof to the collecting/disbursing officer of the procuring entity concerned.

The procuring entity shall also post the Bidding Documents at its website and at the PhilGEPS website from the time that the REI is advertised and/or posted. Prospective bidders may download the Bidding Documents from any of the said websites, provided that, bidders shall pay the fee for the Bidding Documents upon submission of their Bids.

# STEP5. CONDUCT PRE-BID CONFERENCE AND ISSUE SUPPLEMENTAL BID BULLETINS

### 1. LEGAL REFERENCE

Section 22 of the revised IRR is the legal basis in conducting pre-bid conference and issue supplemental bid bulletins.

### 2. PURPOSE

The pre-bid conference is the initial forum where the Procuring Entity's representatives and the prospective bidders discuss the different aspects of the procurement at hand. Its object is to clarify and/or explain any of the requirements, terms, conditions, and specifications stipulated in the Bidding Documents.

It is important that responsible and knowledgeable officials attend the conference. The persons who actually formulated the Terms of Reference for the project should be present among those representing the Procuring Entity. Short listed consultants, on the other hand, should be encouraged to send representatives who are legally and technically knowledgeable about the requirements of the procurement at hand. It is also important that the short listed consultants be given ample time to review the bidding documents prior to the pre-bid conference.

### 3. RULES AND GUIDELINES

### 3.1 Threshold in holding a Pre-bid Conference

According to Section 22.1 of the revised IRR, the BAC shall convene a pre-bid conference to clarify and/or explain any of the requirements, terms, conditions, and specifications stipulated in the Bidding Documents in the following instances:

- a. At least once for contracts to be bid with an ABC of One Million Pesos (PhP 1,000,000.00) or more;
- **b.** At the discretion of the BAC for contracts to be bid with an ABC of less than One Million Pesos (PhP 1, 000,000.00);
- **c.** Subject to the approval of the BAC, a pre-bid conference may also be conducted upon written request of any prospective bidder.

### 3.2 Period of action

The pre-bid conference must be held at least *twelve* (12) calendar days before the deadline for the submission and receipt of bids. If the procuring entity determines that, by reason of the method, nature, or complexity of the contract to be bid or when international participation will be more advantageous to the GOP, a longer period for the preparation of

bids is necessary, the pre-bid conference shall be held at least thirty (30) calendar days before the deadline for the submission and receipt of bids (Section 22.2 of the revised IRR).

### 3.3 Participants in the Pre-bid Conference

The following shall attend the pre-bid conference:

- a. BAC:
- **b.** BAC Secretariat;
- c. TWG members:
- **d.** Observers:
- e. End-user/PMO;
- **f.** Technical experts on the consulting services to be procured;
- **g.** Short listed consultants.

Short listed consultants may or may not attend the pre-bid conference (Section 22.3 of the revised IRR).

### 3.4 Proper Conduct of participants

The BAC, BAC Secretariat, TWG, and other officials involved in procurement are expected to act in an impartial, courteous and professional manner in all their dealings and interactions with the bidders during all stages of the procurement. The bidders' representatives are likewise enjoined to adopt the same professional manner in their dealings with the Procuring Entity's officials. Communications between the parties must, as much as possible, be made in writing, except during the pre-bid conference when verbal clarifications may be allowed – keeping in mind, however, that any statement made at the pre-bid conference would not modify the terms of the bidding documents, unless such statement is specifically identified in writing as an amendment of the documents and issued as a supplemental/bid bulletin.

### 3.5 Agenda discussed in a Pre-bid Conference

The pre-bid conference shall discuss, among other things, the eligibility requirements and the technical and financial components of the contract to be bid. Attendance of the bidders shall not be mandatory. However, only those who have purchased the Bidding Documents shall be allowed to participate in the pre-bid conference and raise or submit written queries or clarifications (Section 22.3 of the revised IRR).

### 3.6 Availability of the Minutes of the Pre-bid Conference

The minutes of the pre-bid conference shall be recorded and made available to all

participants not later than *three (3) calendar days* after the pre-bid conference. Any statement made at the pre-bid conference shall not modify the terms of the Bidding Documents, unless such statement is specifically identified in writing as an amendment thereto and issued as a Supplemental/Bid Bulletin (*Section 22.4 of the revised IRR*).

### 3.7 Supplemental Bid Bulletins

Supplemental/Bid Bulletins are documents issued by the BAC, upon its own initiative or as response to written queries or clarifications of eligible bidders, which seeks to clarify, modify, or interpret provisions in the bidding documents.

### 3.7.1 Period for the request and issuance of the Supplemental/Bid Bulletins

Requests for clarification(s) on any part of the bidding documents or for an interpretation may be made by eligible bidders provided that these are in writing and are submitted to the BAC at least *ten (10) calendar days* before the deadline for the submission and receipt of bids. In this case, the BAC shall issue its response by issuing a supplemental/bid bulletin, to 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 (*Section 22.5.1 of the revised IRR*).

The Procuring Entity may, at its own initiative, also issue supplemental/bid bulletins for purposes of clarifying or modifying any provision of the bidding documents not later than **seven** (7) calendar days before the deadline for the submission and receipt of bids. Any modification to the bidding documents must be identified as an "AMENDMENT" (Section 22.5.2 of the revised IRR).

A supplemental/bid bulletin must contain a brief but comprehensive and accurate summary of the issue or issues that it wishes to address. If it was an eligible bidder that raised the issue addressed by the bulletin, then it ought to contain a summary of that bidder's request for clarification and/or interpretation, without identifying the eligible bidder.

Bidders who have submitted bids before a supplemental/bid bulletin is issued have to be informed in writing and allowed to modify or withdraw their respective bids (Section 22.5.3 of the revised IRR).

### 3.7.2 Posting of the Supplemental/Bid Bulletin

The BAC Secretariat is responsible of posting the supplemental/bid bulletin in the following:

a. PhilGEPS website; and

b. Website of the procuring entity concerned, if available. Nonetheless, it will be the responsibility of all those who have properly secured the Bidding Documents to inquire and secure Supplemental/Bid Bulletins that may be issued by the BAC (Section 22.5.3 of the revised IRR).

## 3.7.3 Participants in the Issuance of the Supplemental/Bid Bulletin

The following are involved in the issuance of the supplemental/bid bulletin:

- a. BAC:
- **b.** BAC Secretariat:
- c. TWG members; and
- **d.** Short listed consultants.

#### 4. PROCEDURES

#### 4.1 Pre-bid Conference

How the pre-bid conference is conducted depends on the discretion of the BAC Chairperson or his/her alternate who shall preside the proceedings.

The BAC must initiate discussions on contentious issues, most especially if the participating prospective bidders have no ready questions. It is probable that there are issues that may not be apparent in the bidding documents but are known to the representatives of the procuring entity. If these issues are brought out and openly discussed, prospective bidders will be able to prepare responsive bids, thus avoiding situations that may give rise to a failure of bidding due to lack of bids received or failure of bids to comply with all the bid requirements. This would also help prevent the birth contentious issues during the bidding itself. The pre-bid conference shall discuss, among other things:

- a. The presentation by the BAC of the eligibility requirements as well as the technical and financial components of the contract to be bid, the evaluation procedure, evaluation criteria, and possible causes of failure of the bidding; and,
- **b.** The recording by the BAC Secretariat of minutes of the pre-bid conference, and its availability to all participants not later than three (3) calendar days after the pre-bid conference (Section 22.4 of the revised IRR).

## 4.2 Issuance of Supplemental/Bid Bulletin

Supplemental/Bid Bulletins may be issued upon the procuring entity's initiative for purposes of clarifying or modifying any provision of the Bidding Documents or by request of bidders. Requests for clarification(s) on any part of the Bidding Documents or for an

#### MANUAL PROCEDURES FOR THE PROCUREMENT OF CONSULTING SERVICES

interpretation must be in writing and submitted to the BAC of the procuring entity concerned at least ten (10) calendar days before the deadline set for the submission and receipt of bids. The BAC shall respond to the said request by issuing a Supplemental/Bid Bulletin, duly signed by the BAC chairman, to 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 (Section 22.5.1 of the revised IRR).

Any modification to the Bidding Documents shall be identified as an amendment (Section 22.5.2 of the revised IRR). Any Supplemental/Bid Bulletin issued by the BAC shall also be posted on the PhilGEPS or the website of the procuring entity concerned, if available. It shall be the responsibility of all 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 informed and allowed to modify or withdraw their bids in accordance with Section 26.1 (Section 22.5.3 of the revised IRR).

# STEP6. RECEIVE AND OPEN THE TECHNICAL AND FINANCIAL ENVELOPES

## 1. LEGAL REFERENCE

Sections 25 to 31 of the revised IRR are the legal basis in receiving and opening of the technical and financial envelopes.

## 2. PURPOSE

This is the phase wherein interested bidders formally submit their tender and the procuring entity has to receive and check for presence and completeness of the signed offer or proposal to undertake the services.

#### 3. RULES AND GUIDELINES

## 3.1 Bid Defined

A Bid refers to a signed offer or proposal to undertake a contract submitted by a short listed consultant in response to, and in consonance with, the requirements stated in the bidding documents. "Bid" is also equivalent to and may be used interchangeably with "Proposal" and "Tender" (**Section 5.d of the revised IRR**). A Bid has two components, the Technical Proposal or the Technical Bid, and the Financial Proposal or the Financial Bid. The Technical and Financial Bids must each be contained in separate sealed bid envelopes (**Section 25.1 of the revised IRR**).

## 3.2 Receipt of Bid Proposal

Bids shall be received by the BAC on the date, time, and place specified in the REI. A maximum period of seventy-five (75) calendar days from the last day of posting of the REI up to the submission and receipt of bids shall be observed (Section 25.4.c of the revised IRR).

## 3.3 Contents of the Technical Proposal

The Technical Proposal should contain, at the minimum, the following technical information/documents:

- **a.** Bid security in the prescribed form, amount and validity period;
- **b.** Organizational chart for the contract to be bid;
- **c.** List of completed and on-going projects;

- **d.** Approach, work plan, and schedule: Provided, however, that for architectural design, submission of architectural plans and designs shall not be required during the consultant's selection process;
- List of key personnel to be assigned to the contract to be bid, with their complete qualification and experience data; and
- **f.** Sworn statement by the prospective bidder or its duly authorized representative in the form prescribed by the GPPB as to the following:
  - i. It is not "blacklisted" or barred from bidding by the GOP or any of its agencies, offices, corporations, or LGUs, foreign government/foreign or international financing institution whose blacklisting rules have been recognized by the GPPB;
  - *ii.* Each of the documents submitted in satisfaction of the bidding requirements is an authentic copy of the original, complete, and all statements and information provided therein are true and correct;
  - *iii.* It is authorizing the HOPE or his duly authorized representative/s to verify all the documents submitted;
  - iv. The signatory is the duly authorized and designated representative of the prospective bidder, and granted full power and authority to do, execute, and perform any and all acts necessary and/or to represent the prospective bidder in the bidding, with the duly notarized Secretary's Certificate attesting to such fact, if the prospective bidder is a corporation, partnership or joint venture;
  - v. It complies with the disclosure provision under Section 47 of the Act in relation to other provisions of R.A. 3019;
  - vi. It complies with the responsibilities of a prospective bidder provided in the PBDs; and
  - vii. It complies with existing labor laws and standards (Section 25.2.c of the revised IRR)

## 3.4 Contents of the Financial Proposal

The Financial Proposal shall contain the following financial information/ documents, at the least:

 Remuneration cost indicating the basic salary, overhead cost, social charges, management fee and billing rate;

- b. Reimbursable cost; and
- **c.** Other items as may be required in the bidding documents.

The financial proposal should clearly estimate the value added tax, income tax, local taxes, duties, fees, levies and other charges, as applicable.

In hiring individual consultant, the acceptability of the ABC may just be confirmed during the negotiation process or reduced based on experience and salary history of the consultant.

Under the PBDs 3rd Edition, the Financial Proposal requires completion of six (6) forms, particularly, FPF 1 to 6.

FPF 1. Financial Proposal Submission Form should form the covering letter of the Financial Proposal, FPF 2. Summary of Costs, FPF 3. Breakdown of Price per Activity, FPF 4. Breakdown of Remuneration per Activity, FPF 5. Reimbursable per Activity, and FPF 6. Miscellaneous Expenses, relate to the costs of consulting services under two distinct categories, namely: (a) Remuneration; and (b) Reimbursable Expenditures.

## 3.5 Number of copies of bid required

The BAC shall require one (1) original and at least three (3) duplicate copies of the Bid Documents required under the First and Second Envelopes, respectively. The original copy will be the one initialed by the BAC members or their authorized representatives and will be kept by the BAC Secretariat for check and balance purposes while the duplicate copies will be the ones used during Bid Evaluation.

## 3.6 Sealed Bid Envelopes

Bidders shall submit their bids through their duly authorized representative using the forms specified in the Bidding Documents in two (2) separate sealed bid envelopes, and which shall be submitted simultaneously. The first shall contain the technical component of the bid and the second shall contain the financial component of the bid (Section 25.1 of the revised IRR).

As with eligibility envelopes, the BAC Secretariat, upon receipt of a bid envelope, must stamp it as "RECEIVED" and have the stamp countersigned by an authorized representative. It then must accomplish in triplicate a pre-numbered receipt indicating the name of the prospective bidder and the date and time when the bid envelope was received. It then attaches one triplicate copy of the receipt on the bid envelope, gives the other triplicate copy to the prospective bidder, and keeps the original copy for records purposes.

## 3.7 Bid Security

A bid security is a guarantee that the successful bidder shall:

- a. Not default on its offer, and
- b. Enter into contract with the procuring entity within ten (10) calendar days, or less as indicated in the ITB, from receipt of the Notice of Award, and furnish the performance security provided for in Section 39, except when Section 37.1 allows a longer period. Failure to enclose the required bid security in the form and amount prescribed herein shall automatically disqualify the bid concerned (Section 27.1 of the revised IRR).

A bid security must be submitted with every bid. It must be operative on the date of bid opening, and payable to the procuring entity.

## 3.7.1 Forms and corresponding amounts

The bid security shall be in any of the following forms, with the corresponding required amount (Section 27.2 of the revised IRR):

FORMS OF BID SECURITY	AMOUNT OF BID SECURITY (EQUAL TO PERCENTAGE OF THE ABC)
a) Cash, cashier's/manager's check issued by a Universal or Commercial Bank.	
b) Bank draft/guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank: Provided, however, that it shall be confirmed or authenticated by a Universal or Commercial Bank, if issued by a foreign bank.	Two percent (2%)
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) Any combination of the foregoing.	Proportionate to share of form with respect to total amount of security

#### 3.7.2 Who determines form?

The Bid Security shall be in the form prescribed in the revised IRR and shall be left upon the discretion of the prospective bidders. The procuring entity cannot limit the allowable forms of bid security by enumerating the preferred forms in the bidding documents. With respect to surety bonds, it bears stressing that the GPPB is moving towards accreditation of surety companies. Once the guidelines on accreditation are issued by the GPPB, only surety bonds from companies accredited by the procuring entity may be allowed as bid securities. The bid security shall be denominated in Philippine currency (Section 27.3 of the revised IRR). If a bidder does not submit a bid security, its bid will be rejected.

## 3.7.3 Period of validity of Bids and Bid Security

Bids and bid securities must be valid for a reasonable period of time as determined by the HOPE. This time period must be indicated in the bidding documents, but in no case should it exceed one hundred twenty (120) calendar days from the date of the opening of bids (Section 28.1 of the revised IRR).

Should it become necessary to extend the validity of the bids and 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 thereof. Bidders, however, shall have the right to refuse to grant such extension without forfeiting their bid security (Section 28.2 of the revised IRR).

#### 3.7.4 Denomination

The bid security must be denominated in Philippine Pesos and posted in favor of the procuring entity (Section 27.3 of the revised IRR 27.3).

## 3.7.5 Failure to submit Bid Security

Failure to enclose the required bid security in the form and amount prescribed herein shall automatically disqualify the bid concerned (Section 27.1 of the revised IRR 27.1).

## 3.7.6 Time to returned to bidders Bid Security

Without prejudice to the provisions of the Act and the revised IRR on the forfeiture of bid securities, bid securities shall be returned only after the bidder with the HRRB has signed the contract and furnished the performance security, except to those declared by the BAC as failed or post-disqualified in accordance with the revised IRR of R.A. 9184, upon submission of a written waiver of their right to file a request for reconsideration and/or protest (Section 27.4 of the revised IRR).

In no case shall bid security be returned later than the expiration of the bid validity period indicated in the Bidding Documents, unless it has been extended in accordance with Section 28.2 of the revised IRR of R.A. 9184 (Section 27.5 of the revised IRR).

#### 3.7.7 Forfeiture

A bidder's bid security may be forfeited when:

**a.** The bidder withdraws its bid beyond the deadline;

- **b.** The bidder does not accept correction of arithmetical errors;
- c. The bidder being considered for award does not accept the award or does not sign the contract within the period prescribed in the bidding documents;
- **d.** The bidder being post-qualified did not provide the BAC the required clarifications; or
- **e.** The bidder is proven to commit any of the acts under Sections 65 and 69 of the revised IRR of R.A. 9184.

## 3.7.8 Only one short listed consultant submits a bid

Even if only one short listed consultant submits a bid envelope, the bidding process continues. If its bid is found to be responsive to the bidding requirements, its bid will be declared as a SRRB and considered for contract award (Section 36.c of the revised IRR).

## 3.7.9 No short listed bidder submits a bid

If no short listed bidder submits a bid, the BAC should declare the bidding a failure. In such a case, the BAC shall issue a Resolution declaring a failure of bidding. In order to determine the reason for the failed bidding, the BAC shall conduct a mandatory review and evaluation of the terms, conditions, and specifications in the Bidding Documents, including its cost estimates (Section 35.2 of the revised IRR). Based on its findings, the BAC shall revise the terms, conditions, and specifications, and if necessary, adjust the ABC, subject to the required approvals, and conduct a re-bidding with re-advertisement and/or posting, as provided for in Section 21.2 of the revised IRR (Section 35.3 of the revised IRR). All bidders who have initially responded to the Invitation to Bid/Request for Expression of Interest and have been declared eligible or short listed in the previous biddings shall be allowed to submit new bids. The BAC shall observe the same process and set the new periods according to the same rules followed during the previous bidding (Section 35.4 of the revised IRR).

Should there occur a second failure of bidding, the procuring entity may resort to negotiated procurement, as provided for in Section 53.1 of the revised IRR of R.A. 9184 (Section 35.5 of the revised IRR).

## 3.7.10 Participants in bid receipt, opening and preliminary examination

The following should be involved in the receipt, opening and preliminary examination of bids:

- a. BAC:
- **b.** BAC Secretariat;
- **c.** Observers;
- **d.** COA Representative; and,
- e. Short listed Consultants.

#### 3.7.11 Modification and withdrawal of bids

A short listed consultant may modify its bid, provided that this is done before the deadline for the submission and receipt of bids. If such a consultant modifies its bid, it shall not be allowed to retrieve its original bid, but shall only be allowed to send another bid equally sealed, properly identified, linked or related to its original bid and marked as a "MODIFICATION" of the original, and stamped "RECEIVED" by the BAC. Bid modifications received after the applicable deadline will not be considered and must be returned to the consultant unopened (Section 26.1 of the revised IRR). Any discount should form part of the bid submission in the financial envelope.

A short listed consultant may, through a letter, withdraw its bid before the deadline for the receipt of bids. Withdrawal of bids after the applicable deadline must be subject to appropriate sanctions as prescribed in the revised IRR. A short listed consultant may also express its intention not to participate in the bidding through a letter which should reach and be stamped "RECEIVED" by the BAC before the deadline for the receipt of bids. A consultant that withdraws its bid shall not be permitted to submit another bid, directly or indirectly, for the same contract (Section 26.2 of the revised IRR). Moreover, a consultant that withdraws its bid without any justifiable cause shall be subject to the administrative sanctions provided in Section 69.1 of the revised IRR.

A short listed consultant that withdraws its bid prior to the deadline for submission of bids, for a justifiable cause, does not forfeit its bid security.

## 3.7.12 Bid security and bid withdrawal

A short listed consultant that withdraws its bid prior to the deadline for submission of bids, for a justifiable cause, does not forfeit its bid security.

If a short listed consultant withdraws its bid after the deadline for the submission of bids, its bid security shall be forfeited.

## 3.7.13 Failure of all short listed consultant to pass the preliminary examination of bids

If no short listed consultant passes the preliminary examination of bids, the BAC should declare the bidding a failure. In such a case, the BAC shall issue a Resolution declaring a failure of bidding. In order to determine the reason for the failed bidding, the BAC shall conduct a mandatory review and evaluation of the terms, conditions, and specifications in the Bidding Documents, including its cost estimates (Section 35.2 of the revised IRR). Based on its findings, the BAC shall revise the terms, conditions, and specifications, and if necessary, adjust the ABC, subject to the required approvals, and conduct a re-bidding with re-advertisement and/or posting, as provided for in Section 21.2 (Section 35.3 of the revised IRR 35.3). All bidders who have initially responded to the REI and have been declared eligible or short listed in the previous biddings shall be allowed to submit new bids. The BAC shall observe the same process and set the new periods according to the same rules followed during the previous bidding (Section35.4 of the revised IRR).

Should there occur a second failure of bidding, the procuring entity may resort to negotiated procurement, as provided for in Section 53.1 of the revised IRR of R.A. 9184 (Section 35.5 of the revised IRR).

#### 4. PROCEDURES

The following steps are undertaken in the receipt, opening and preliminary examination of bids:

- 4.1. Bidders shall submit their bids through their duly authorized representative using the forms specified in the Bidding Documents in two (2) separate sealed bid envelopes, and which shall be submitted simultaneously. The first shall contain the technical component of the bid and the second shall contain the financial component of the bid (Section 25.1 of the revised IRR).
- 4.2. The BAC shall open the bids at the time, date, and place specified in the Bidding Documents. The bidders or their duly authorized representatives may attend the opening of bids. The BAC shall adopt a procedure for ensuring the integrity, security, and confidentiality of all submitted bids. The minutes of the bid opening shall be made available to the public upon written request and payment of a specified fee to recover cost of materials (Section 29 of the revised IRR).
- **4.3.** The BAC shall open the first bid envelopes of prospective bidders in public to determine each bidder's compliance with the documents required to be submitted, as prescribed in Section 25.2 of the revised IRR of R.A. 9184. For this purpose, the BAC shall check the

submitted documents of each bidder against a checklist of required documents to ascertain if they are all present, using a non-discretionary "pass/fail" criterion, as stated in the Instructions to Bidders. If a bidder submits the required document, it shall be rated "passed" for that particular requirement. In this regard, bids that fail to include any requirement or are incomplete or patently insufficient shall be considered as "failed". Otherwise, the BAC shall rate the said first bid envelope as "passed" (Section 30.1 of the revised IRR).

**4.4.** For the procurement of consulting services, the detailed implementation of the procedure specified in this Section shall be as provided in Section 33 of the revised IRR.

# STEP7. CONDUCT BID EVALUATION OF THE SHORTLISTED CONSULTANTS

## 1. LEGAL REFERENCE

Section 33 of the revised IRR is the legal basis in evaluation of short listed bidders for consulting services.

## 2. PURPOSE

The purpose of bid evaluation is to determine the Highest Rated Bid (Section 33.2 of the revised IRR).

## 3. RULES AND GUIDELINES

## 3.1 Duration of the Evaluation Procedure

The entire evaluation process, including the submission of the results thereof to the HOPE for approval, shall be completed in not more than twenty-one (21) calendar days after the deadline for receipt of proposals. The proposal with the highest score shall be identified as the HRB (Section 33.4 of the revised IRR).

## 3.2 Non-acceptance of arithmetical corrections

Total calculated bid prices, as evaluated and corrected for minor arithmetical corrections, such as computational errors, which exceed the ABC shall not be considered (Section 33.2.6 of the revised IRR).

## 3.3 Participants in the Bid Evaluation

The following must participate in the bid evaluation:

- **a.** BAC;
- **b.** TWG:
- c. BAC Secretariat;
- d. Observers; and,
- e. COA Representative.

## 4. PROCEDURES

## 4.1 EVALUATION OF TECHNICAL PROPOSAL

The technical proposals of consultants shall be evaluated based on the following criteria and using the corresponding numerical weights indicated in the Bidding Documents:

- a. Quality of personnel to be assigned to the project which covers suitability of key staff to perform the duties of the particular assignments and general qualifications and competence including education and training of the key staff;
- b. Experience and capability of the consultant which include records of previous engagement and quality of performance in similar and in other projects; relationship with previous and current clients; and, overall work commitments, geographical distribution of current/impending projects and attention to be given by the consultant. The experience of the consultant to the project shall consider both the overall experiences of the firm and the individual experiences of the principal and key staff including the times when employed by other consultants; and
- c. Plan of approach and methodology with emphasis on the clarity, feasibility, innovativeness and comprehensiveness of the plan approach, and the quality of interpretation of project problems, risks, and suggested solutions.

For complex or unique undertakings, such as those involving new concepts/technology or financial advisory services, participating short listed consultants may be required, at the option of the agency concerned, to make an oral presentation to be presented by each consultant, or its nominated Project Manager or head, in case of firms, within fifteen (15) calendar days after the deadline for submission of technical proposals (Section 33.2.2 of the revised IRR).

In order to eliminate bias in evaluating the technical proposals, it is recommended that the highest and lowest scores for each consultant for each criterion shall not be considered in determining the average scores of the consultants, except when the evaluation is conducted in a collegial manner (Section 33.2.3 of the revised IRR).

All participating short listed consultants shall be furnished the results (ranking and total scores only) of the evaluation after the approval by the HOPE of the ranking. Said results shall also be posted in the PhilGEPS and the website of the procuring entity, whenever available, for a period of not less than seven (7) calendar days (Section 33.2.4 of the revised IRR).

4.2 The BAC shall conduct a detailed evaluation of bids using either of the following procedures as specified in the Bidding Documents:

## a. Quality-Based Evaluation Procedure

i. A two-stage procedure shall be adopted whereby each consultant shall be required to submit his technical and financial proposals simultaneously in separate sealed envelopes.

- ii. After receipt of bids, the technical proposals shall first be opened and evaluated, in accordance with Section 33.2.2 of the revised IRR. The BAC shall rank the consultants in descending order based on the numerical ratings of their technical proposals and identify the HRB. Provided however, that the HRB shall pass the minimum score indicated in the Bidding Documents.
- iii. 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.
- iv. After approval by the HOPE of the HRB, its financial proposal shall then be opened. The BAC shall, within three (3) calendar days, notify and invite the consultant with the HRB for the opening of financial proposal for the purpose of conducting negotiations with the said consultant. In the letter of notification, the BAC shall inform the consultant of the issues in the technical proposal the BAC may wish to clarify during negotiations.
- v. Negotiations shall be in accordance with Section 33.2.5 of the revised IRR of R.A. 9184, provided that the amount indicated in the financial envelope shall be made as the basis for negotiations and the total contract amount shall not exceed the amount indicated in the envelope and the approved budget for the contract as stated in the Bidding Documents.

## b. Quality-Cost Based Evaluation Procedure

- i. The technical proposal together with the financial proposal shall be considered in the evaluation of consultants. The technical proposals shall be evaluated first using the criteria in Section 33.2.2 of the revised IRR. The financial proposals of the consultants who meet the minimum technical score shall then be opened.
- ii. The financial and technical proposals shall be given corresponding weights with the financial proposal given a minimum weight of fifteen percent (15%) up to a maximum of forty percent (40%). The weight of the technical criteria shall be adjusted accordingly such that their total weight in percent together with the weight given to the financial proposal shall add to one hundred percent (100%). The exact weights shall be approved by the HOPE upon the recommendation of the BAC and indicated in the Bidding Documents. The BAC shall rank the consultants in descending order based on the combined numerical ratings of their technical and financial proposals and identify the HRB. The BAC computes the ratings of each Financial Proposal in the following manner:

- *ii.i.* The consultant with the lowest price gets 100 points.
- *ii.ii.* The scores of the other consultants will be computed using the formula:

$$Sf = 100 \times FI/F$$

In which Sf is the financial score, FI is the lowest Financial Proposal and F is the Financial Proposal under consideration.

## Example:

Firm	Cost of Financial	Financial Score
	Proposal	
A	P 1,100,000	P 1,000,000 / P 1,100,000 = 90.9 points
В	P 1,000,000	P 1,000,000 / P 1,000,000 = 100 points
O	P 1,500,000	P 1,000,000 / P 1,500,000 = 66.7 points
D	P 1,300,000	P 1,000,000 / P 1,300,000 = 76.9 points
E	P 1,200,000	P 1,000,000 / P 1,200,000 = 83.0 points

iii. The BAC multiplies the average score of each qualified consultant's Technical Proposal with the percentage value allowed as weight for Technical Proposals. It also multiplies the rate earned by each consultant's Financial Proposal with the percentage value allowed as weight for Financial Proposals. It then adds the resulting products of both operations for each consultant. The sum becomes the total score for the consultant.

The formula is as follows:

$$S = St \times T\% + Sf \times F\%$$

Where:

**s** is the Total Score;

**St** is the Technical Score:

**Sf** is the Financial Score;

*T* is the weight given to the Technical Proposal; and

**F** is the weight given to the Financial Proposal.

## Example:

Technical Proposal				Financial Proposal					Total		
Firm	Ave. Score		Weight		Weighted Score	Ave. Score		Weight		Weighted Score	Score
Α	86.0	Χ	70% or 0.7	=	60.2	90.9	Χ	30% or 0.3	=	27.3	87.5
В	84.2	Χ	70% or 0.7	=	58.9	100	Χ	30% or 0.3	=	30.0	88.9
С	85.0	Χ	70% or 0.7	=	59.5	66.7	Χ	30% or 0.3	=	20.0	79.5
D	80.4	Χ	70% or 0.7	=	56.4	76.9	Χ	30% or 0.3	=	23.1	79.4
Е	83.0	Χ	70% or 0.7	=	58.1	83	Χ	30% or 0.3	=	24.9	83.0

- iv. The BAC ranks the consultants in descending order, with the consultant obtaining the highest total score being declared as the bidder with the HRB.
- v. The BAC submits the results of its evaluation to the HOPE, identifying the consultant with the HRB, and recommending that consultant with the HRB be authorized to negotiate with this consultant.
- vi. 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.
- vii. After approval by the HOPE of the HRB, the BAC shall, within three (3) calendar days, notify and invite the consultant with the HRB for negotiation in accordance with Section 33.2.5 of the revised IRR, except for item (e) thereof (Section 33.2.1 of the revised IRR).

QBE considers only the Technical Proposals in the ranking of consultants. QCBE, on the other hand, considers both the Technical and Financial Proposals in the ranking of consultants. The former must be applied for:

- Complex or highly specialized assignments for which it is difficult to precisely define the TOR and the required inputs from the consultants; and
- **b.** Where the assignment can be carried out in substantially different ways, such that the proposals are not comparable.

In other cases, the QCBE procedure shall apply.

Whatever evaluation method is applied, bids are rated numerically. This can be done in either of two ways: individual or collegial rating.

## 1. Individual Evaluation Process

In the individual rating process, each BAC member participating in the evaluation assigns numerical rates to a proposal, these rates range from 1 to 100, with 100 as the highest value. These rates are tabulated, and then the highest and lowest rates are disregarded. The latter step is done to remove the possibility of one BAC member unduly influencing the results of the evaluation. The average of all remaining rates is then calculated (Section 33 of the revised IRR).

The table below illustrates how the highest and lowest rates are disregarded in calculating the average rate of proposals.

Evaluators	Firm A	Firm B	Firm C	Firm D	Firm E
Α	<del>95</del>	<del>75</del>	84	83	84
В	84	88	<del>86</del>	81	<del>82</del>
С	84	86	85	<del>79</del>	84
D	83	85	84	79	82
E	84	87	86	80	83
Average	84	86	85	80	83
Rank	3	1	2	5	4

If the highest and lowest rates were not eliminated, the example below will show that the scores of Evaluator A, which appears to be biased for Firm 1, would have unduly placed Firm 1 at an advantage.

Evaluators	Firm A	Firm B	Firm C	Firm D	Firm E
Α	95	75	84	83	84
В	84	88	86	81	82
С	84	86	85	79	84
D	83	85	84	79	82
Е	84	87	86	80	83
Average	86	84.2	85	80.4	83
Rank	1	3	2	5	4

## 2. Collegial Evaluation Process

Under the Collegial Evaluation process, the BAC members evaluate the proposals, deciding as a group. The rate obtained by a proposal is the consensus of the BAC members involved in the evaluation.

## 4.3 NEGOTIATION

#### 4.3.1 COVERAGE OF NEGOTIATION

Negotiations shall cover the following:

- **a.** Discussion and clarification of the TOR and Scope of Services;
- **b.** Discussion and finalization of the methodology and work program proposed by the consultant;
- c. Consideration of appropriateness of qualifications and pertinent compensation, number of man-months and the personnel to be assigned to the job, taking note of over-qualified personnel to be commensurate with the compensation of personnel with the appropriate qualifications, number of man-months and schedule of activities (manning schedule);
- **d.** Discussion on the services, facilities and data, if any, to be provided by procuring entity concerned;
- **e.** Discussion on the financial proposal submitted by the consultant; and
- **f.** Provisions of the contract.

Except for meritorious reasons, negotiations with any one of the consultants shall be completed within ten (10) calendar days (Section 33.2.5 of the revised IRR).

#### 4.4 POSTING OF RESULT

All participating short listed consultants shall be furnished the results (ranking and total scores only) of the evaluation after the approval by the HOPE of the ranking. Said results shall also be posted in the PhilGEPS and the website of the procuring entity, whenever available, for a period of not less than seven (7) calendar days (Section 33.2.4 of the revised IRR).

## 4.5 REPLACEMENT OF KEY PERSONNEL

There should be no replacement of key personnel before the awarding of contract, except for justifiable reason, such as, illness, death, or resignation provided it is duly supported by relevant certificates, or any delay caused by the procuring entity. The procuring entity shall immediately consider negotiation with the next ranked consultant if unjustifiable replacement of personnel by the first ranked firm is made. Once the contract has been awarded, no replacement shall be allowed until after fifty percent (50%) of the personnel's man-months have been served, except for justifiable reasons, subject to appropriate sanctions as prescribed in the PBDs (Section 33.3 of the revised IRR).

## 4.6 FAILED BID

In cases when no bid passes the minimum technical rating for QCBE, the BAC should declare the bidding a failure. In such a case, the BAC shall issue a Resolution declaring a failure of bidding. In order to determine the reason for the failed bidding, the BAC shall conduct a mandatory review and evaluation of the terms, conditions, and specifications in the Bidding Documents, including its cost estimates (Section 35.2 of the revised IRR). Based on its findings, the BAC shall revise the terms, conditions, and specifications, and if necessary, adjust the ABC, subject to the required approvals, and conduct a re-bidding with re-advertisement and/or posting, as provided for in Section 21.2 of the revised IRR (Section 35.3 of the revised IRR). All bidders who have initially responded to the Invitation to Bid/Request for Expression of Interest and have been declared eligible or short listed in the previous biddings shall be allowed to submit new bids. The BAC shall observe the same process and set the new periods according to the same rules followed during the previous bidding (Section 35.4 of the revised IRR).

Should there occur a second failure of bidding, the procuring entity may resort to negotiated procurement, as provided for in Section 53.1 of the revised IRR of R.A. 9184 (Section 35.5 of the revised IRR).

## STEP 8. CONDUCT POST-QUALIFICATION

## 1. LEGAL REFERENCE

Section 34 of the revised IRR is the legal basis in conducting the post-qualification.

## 2. PURPOSE

A post-qualification is conducted to determine whether or not the consultant with the HRB is responsive to all the requirements and conditions for eligibility and the bidding for the contract, as specified in the bidding documents (Section 34.1 of the revised IRR).

## 3. RULES AND GUIDELINES

Post-qualification ascertains validity of eligibility documents. The eligibility check does not ascertain the validity and genuineness of the eligibility documents submitted by the bidders. Neither does it determine the veracity of the claims made by the bidders in their financial and technical proposals.

## 3.1 Criteria for Passing Post-qualification

The post-qualification shall verify, validate, and ascertain all statements made and documents submitted by the bidder with the HRB, using non-discretionary criteria, as stated in the Bidding Documents. These criteria shall consider, but shall not be limited to, the following:

## a. Legal Requirements

To verify, validate, and ascertain licenses, certificates, permits, and agreements submitted by the bidder, and the fact that it is not included in any "blacklist" as provided in Section 25.2 of the revised IRR of R.A. 9184. For this purpose, the GPPB shall maintain a consolidated file of all "blacklisted" suppliers, contractors, and consultants.

## **b.** <u>Technical Requirements.</u>

To determine compliance of the goods, infrastructure projects, or consulting services offered with the requirements specified in the Bidding Documents, including, where applicable:

- i. Verification and validation of the bidder's stated competence and experience, and the competence and experience of the bidder's key personnel to be assigned to the project, for the procurement of infrastructure projects and consulting services;
- ii. Verification of availability and commitment, and/or inspection and testing for the required capacities and operating conditions, of equipment units to

be owned/leased/under purchase by the bidder for use in the contract under bidding, as well as checking the performance of the bidder in its ongoing government and private contracts (if any of these on-going contracts shows a reported negative slippage of at least fifteen percent (15%), or substandard quality of work as per contract plans and specifications, or unsatisfactory performance of the contractor's obligations as per contract terms and conditions, at the time of inspection, and if the BAC verifies any of these deficiencies to be due to the contractor's fault or negligence, the agency shall disqualify the contractor from the award), for the procurement of infrastructure projects;

- *iii.* Verification and/or inspection and testing of the goods/product, after-sales and/or maintenance capabilities, in applicable cases, for the procurement of goods; and
- *iv.* Ascertainment of the sufficiency of the bid security as to type, amount, form and wording, and validity period.

## c. <u>Financial Requirements</u>.

To verify, validate and ascertain the bid price proposal of the bidder and, whenever applicable, the required CLC in the amount specified and over the period stipulated in the Bidding Documents, or the bidder's NFCC to ensure that the bidder can sustain the operating cash flow of the transaction (Section 34.3 of the revised IRR).

## 3.2 Period of Action

The post-qualification process shall be completed in not more than seven (7) calendar days from the determination of the HRB. In exceptional cases, the post-qualification period may be extended by the HOPE, but in no case shall the aggregate period exceed thirty (30) calendar days (Section 34.8 of the revised IRR).

## 3.3 Participants

The following parties ought to be involved in the conduct of post-qualification:

- a. BAC;
- **b.** TWG:
- c. BAC Secretariat; and
- **d.** Consultant, ranked starting from bidder with the HRB.

## 3.4 Additional documentary requirements

Within three (3) calendar days from receipt by the bidder of the notice from the BAC that the bidder has the Lowest Calculated Bid or Highest Rated Bid, the bidder shall submit the following documentary requirements to the BAC:

- a. Tax clearance;
- **b.** Latest income and business tax returns:
- **c.** Certificate of PhilGEPS Registration; and
- d. Other appropriate licenses and permits required by law and stated in the Bidding Documents.

Failure to submit the above requirements on time or a finding against the veracity of such shall be ground for the forfeiture of the bid security and disqualify the bidder for award.

## 3.5 Disqualification of consultants

- a. A bidder that has been blacklisted by any government agency or instrumentality will be disqualified by the BAC from further participating in the bidding process.
- b. If a bidder or its employees is related within the third civil degree of consanguinity or affinity to the HOPE or any of officials or employees of the procuring entity with direct access to information that may be substantially affect the result of the bidding (Section 47 of the revised IRR 47).
- When a bidder is found to have committed an act that constitutes fraud or misrepresentation or to have colluded with others for the purpose of influencing the outcome of the bidding, such bidder will be disqualified by the BAC, and upon conviction, it will suffer the penalty of imprisonment of not less than six (6) and one (1) day and not more than fifteen (15) years (Section 65.2 of the revised IRR), and likewise suffer the administrative penalties of suspension from participation in government procurement for the first offense, and suspension for two years on the second offense (Section 69.1 of the revised IRR). In addition to the penalty of suspension, the bid security or the performance security posted by the concerned bidder or prospective bidder shall also be forfeited (Section 69.2 of the revised IRR).

## 3.6 Failure of the HRB to pass Post-qualification

If, however, the BAC determines that the bidder with the HRB fails the criteria for post-qualification, it shall immediately notify the said bidder in writing of its post-disqualification and the grounds for it (Section 34.5 of the revised IRR).

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 HRB. If the second bidder passes the post-qualification, and provided that the request for reconsideration of the first bidder has been denied, the second bidder shall be post-qualified as the bidder with the Highest Rated Responsive Bid (Section 34.6 of the Revised IRR).

If the second bidder, however, fails the post-qualification, the procedure for post-qualification shall be repeated for the bidder with the next HRB, and so on until the HRRB, as the case may be, is determined for award, subject to Section 37 of the revised IRR (Section 34.7 of the revised IRR).

## 3.7 Failure of all qualified bidders to pass post-qualification

If no bidder passes post-qualification, the BAC should declare the bidding a failure. In such a case, the BAC shall issue a Resolution declaring a failure of bidding. In order to determine the reason for the failed bidding, the BAC shall conduct a mandatory review and evaluation of the terms, conditions, and specifications in the Bidding Documents, including its cost estimates (Section 35.2 of the revised IRR). Based on its findings, the BAC shall revise the terms, conditions, and specifications, and if necessary, adjust the ABC, subject to the required approvals, and conduct a re-bidding with re-advertisement and/or posting, as provided for in Section 21.2 (Section 35.3 of the revised IRR 35.3). All bidders who have initially responded to the REI and have been declared eligible or short listed in the previous biddings shall be allowed to submit new bids. The BAC shall observe the same process and set the new periods according to the same rules followed during the previous bidding (Section 35.4 of the revised IRR).

Should there occur a second failure of bidding, the procuring entity may resort to negotiated procurement, as provided for in Section 53.1 of the revised IRR of R.A. 9184 (Section 35.5 of the revised IRR).

## 4. PROCEDURES

The following steps are followed in the conduct of post-qualification:

- a. The BAC, through the Secretariat, shall notify the consultant with the HRB to submit additional documentary requirements as enumerated in Section 34.2 of the revised IRR and Section 3.4 of this manual to facilitate with the conduct of post-qualification. Non-compliance of the consultant with the HRB shall be ground for the forfeiture of the bid security tendered and the cause for disqualification.
- **b.** The BAC/TWG verifies, validates, and ascertains the genuineness, validity and accuracy of the legal, technical and financial documents submitted by the bidder with the LCB, using the non-discretionary criteria described above.

#### MANUAL PROCEDURES FOR THE PROCUREMENT OF CONSULTING SERVICES

In verifying the information contained in such documents, the TWG may make inquiries with appropriate government agencies and examine the original documents kept in the bidder's place of business. The use of other means for verification and validation of such documents may be resorted to by the TWG, such as the Internet and other research methods that yield the same results.

- **c.** The BAC/TWG inquires about the bidder's performance in relation with other contracts/transactions as indicated in its eligibility statement (statement of on-going, completed or awarded contracts).
- **d.** If the TWG conducts post-qualification, they shall prepare a Post-qualification Report to be submitted to the BAC. The Report shall contain, among others, the activities undertaken with regard to the Post-qualification process, including feedback from inquiries conducted.
- **e.** The BAC reviews the Post-qualification Report submitted by the TWG.
- **f.** The BAC determines whether the bidder with the HRB passes all the criteria for post-qualification.
- **g.** If the HRB passes the post-qualification, the BAC declares it as the LCRB.
- h. After the BAC has determined the HRRB, the Secretariat, with the assistance of the TWG, if necessary, prepares the BAC Resolution declaring the HRRB and the corresponding Notice to the said bidder informing it of its post-qualification.

# STEP9. AWARD THE CONTRACT AND ISSUE THE NOTICE OF AWARD

## 1. LEGAL REFERENCE

Section 37 of the revised IRR is the legal basis in contract awarding.

## 2. PURPOSE

This is the stage when the contract is granted to the HRRB.

## 3. RULES AND GUIDELINES

## 3.1 Recipient of the award of contract

The award of contract shall be made to the consultant with the HRRB/SRRB at its submitted bid price or its calculated bid price, whichever is lower. In the case of QBE, the award shall be based on the negotiated price or the submitted price, whichever is lower. In the case of an SRRB, as provided for in Section 36 of the revised IRR, the bidder with the SRRB shall be awarded the contract after the post-qualification process has been completed (Section 37.1.1 of the revised IRR).

## 3.2 Period of Action

Within a period not exceeding seven (7) calendar days from the date of receipt of the BAC recommendation, the HOPE shall approve or disapprove the said recommendation (Section 37.1.2 of the revised IRR 37.1.2).

In case of approval, the HOPE shall immediately issue the Notice of Award to the bidder with the HRRB/SRRB. In the event the HOPE shall disapprove such recommendation, such disapproval shall be based only on valid, reasonable, and justifiable grounds to be expressed in writing, copy furnished the BAC (Section 37.1.3 of the revised IRR).

## 3.3 Maximum period of time that a contract can be awarded

Contract award shall be made within the bid validity period provided in Section 28 (Section 37.1.5 of the revised IRR).

The BAC, through the Secretariat, shall post, within three (3) calendar days from its issuance, the NOA in the PhilGEPS, the website of the procuring entity, if any, and any conspicuous place in the premises of the procuring entity (Section 37.1.6 of the revised IRR).

## 3.4 Participants

The following must participate in the activities related to the Award of the Contract:

#### MANUAL PROCEDURES FOR THE PROCUREMENT OF CONSULTING SERVICES

- a. HOPE;
- **b.** BAC;
- **c.** Procurement Unit/Office;
- d. BAC Secretariat;
- **e.** Consultant who submitted the HRRB/SRRB;
- **f.** Observers; and
- g. COA Representative.

## 3.5 Failure and Refusal to accept the award

If the bidder with the HRRB/SRRB, fails, refuses or is unable to submit the documents required under Section 37.1 of the revised IRR or to make good its bid by entering into a contract with the procuring entity or post the required Performance Security within the period stipulated in the IRR or in the Bidding Documents, the bid security shall be forfeited and the appropriate sanctions provided in the revised IRR and existing laws shall be imposed, except where such failure, refusal or inability is through no fault of the said bidder (Section 40.1 of the revised IRR).

In the case of the failure, refusal or inability of the bidder with the HRRB to submit the documents required under Section 37.1 of the revised IRR or to enter into contract and post the required Performance Security, as provided in Section 40, the BAC shall disqualify the said bidder, and shall initiate and complete the post-qualification process on the bidder with the second HRB: Provided, however, that in the case of consulting services, the second HRB has successfully undergone the negotiation stage in accordance with Section 33.2.5 of the revised IRR. This procedure shall be repeated until the HRRB is determined for award. However, if no bidder passes post-qualification, the BAC shall declare the bidding a failure and conduct a re-bidding with re-advertisement. Should there occur another failure of bidding after the conduct of the contract's re-bidding, the procuring entity concerned may enter into a negotiated procurement (Section 40.2 of the revised IRR).

Refusal to accept an award, without just cause or for the purpose of forcing the Procuring Entity to award the contract to another bidder, if proven, is meted with a penalty of imprisonment of not less than six (6) years and one (1) day by not more than fifteen (15) years (Section 65.3 of the revised IRR). Additional penalties of suspension for one (1) year from participation in government procurement for the first offense, and suspension for two (2) years for the second offense shall also be imposed on the bidder (Section 69.1 of the revised IRR).

## 4. PROCEDURES

#### 4.1 Resolution to Recommend

The BAC shall recommend to the HOPE the award of contract to the bidder with the HRRB or the SRRB after the post-qualification process has been completed.

To facilitate the approval of the award, the BAC shall submit the following supporting documents to the HOPE:

- **a.** Resolution of the BAC recommending award;
- **b.** Abstract of Bids;
- **c.** Duly approved program of work or delivery schedule, and Cost Estimates;
- Document issued by appropriate entity authorizing the procuring entity to incur obligations for a specified amount; and
- **e.** Other pertinent documents required by existing laws, rules, and/or the procuring entity concerned (Section 37.1.1 of the revised IRR).

## 4.2 Responsibility of the HOPE

In case of approval, the HOPE shall immediately issue the NOA to the bidder with the HRRB.

In the event the HOPE shall disapprove such recommendation, such disapproval shall be based only on valid, reasonable, and justifiable grounds to be expressed in writing, copy furnished the BAC (Section 37.1.3 of the revised IRR).

## 4.3 Contract Signing

Submission of the following documents within the prescribed period:

- **a.** Valid JVA, if applicable, within ten (10) calendar days from receipt by the bidder of the notice from the BAC that the bidder has the HRRB;
- b. Posting of performance security in accordance with Section 39 of the revised IRR of R.A. 9184;
- **c.** Signing of the contract as provided in Section 37.2 of the revised IRR; and
- d. Approval by higher authority, if required, as provided in Section 37.3 of the revised IRR.

Contract award shall be made within the bid validity period provided in Section 28 of the revised IRR (**Section 37.1.5 of the revised IRR**). The BAC, through the Secretariat, shall post, within three (3) calendar days from its issuance, the NOA in the PhilGEPS, the

#### MANUAL PROCEDURES FOR THE PROCUREMENT OF CONSULTING SERVICES

website of the procuring entity, if any, and any conspicuous place in the premises of the procuring entity (Section 37.1.6 of the revised IRR).

The winning bidder shall post the required Performance Security and enter into contract with the procuring entity within ten (10) calendar days from receipt by the winning bidder of the NOA (Section 37.2.1 of the revised IRR). The procuring entity shall enter into contract with the winning bidder within the same ten (10) day period provided that all the documentary requirements are complied with (Section 37.2.2 of the revised IRR).

The following documents shall form part of the contract:

- i. Contract Agreement;
- ii. Bidding Documents;
- *iii.* Winning bidder's bid, including the Eligibility requirements, Technical and Financial Proposals, and all other documents/statements submitted;
- iv. Performance Security;
- v. Credit line in accordance with the provisions of the revised IRR of R.A. 9184, if applicable;
- vi. Notice of Award of Contract; and
- vii. Other contract documents that may be required by existing laws and/or the procuring entity concerned in n the Bidding Documents (Section 37.2.3 of the revised IRR).

## STEP 10. HAVE THE CONTRACT SIGNED AND APPROVED

## 1. LEGAL REFERENCE

Section 37 of the revised IRR specifies the rules regarding contract signing and approval.

## PURPOSE

This is the stage that the procuring entity now enters into an agreement with the HRRB to undertake the services within the conditions and period set forth in the bidding. This is also the stage when actual notice is given to HRRB to commence the project.

## 3. RULES AND GUIDELINES

## 3.1 Period of entering into a contract

The winning bidder and the Procuring Entity must enter into a contract immediately after the former has submitted the performance security and all other documentary requirements within the period specified in the revised IRR. The parties must sign the contract within ten (10) calendar days from receipt by the winning bidder of the NOA (Section 37.2 of the revised IRR).

The Chief Accountant or the Chief Budget Officer may sign the contract as an instrumental witness thereto.

The Procuring Entity signatory is encouraged to sign within the same day as the signing of the bidder as there are penalties against delaying, without justifiable cause, the award of the contract (**Section 65.1 of the revised IRR**). Moreover, it would be best for the winning bidder and the HOPE, or its appropriate signing authority, to sign/execute the contract together – provided that all contract documents and requirements are complete – so that both may personally appear before a Notary Public.

## 3.2 Timelines for contract approval

When, after contract signing, further approval of a higher authority is required, the approving authority for the contract, or his duly authorized representative, shall be given a *maximum of fifteen (15) calendar days* from receipt thereof, together with all documentary requirements to perfect the said contract, to approve or disapprove it (*Section 37.3 of the revised IRR*).

## 3.3 Effectivity of the contract

Unless otherwise specified in the contract, a contract is effective upon receipt of the NTP. If an effectivity date is provided in the NTP by the Procuring Entity concerned, which date

#### MANUAL PROCEDURES FOR THE PROCUREMENT OF CONSULTING SERVICES

shall not be later than three (3) calendar days from its issuance, all notices called for by the terms of the approved contract shall be effective only from such effectivity date (Section 37.4.1 of the revised IRR).

## 3.4 Participants in Contract Signing and Approval and NTP Issuance

The following Parties are involved in the signing and approval of the contract, and in the issuance of the NTP:

- a. Procurement Unit/Office/End-User Unit;
- **b.** HOPE and/or higher contract approving authority; and
- c. Winning bidder.

## 3.5 Documents forming part of the contract

The following documents shall form part of the contract:

- a. Contract Agreement;
- **b.** Bidding Documents;
- **c.** Winning bidder's bid, including the Eligibility requirements, Technical and Financial Proposals, and all other documents/statements submitted;
- **d.** Performance Security;
- **e.** Credit line in accordance with the provisions of the revised IRR, if applicable;
- f. Notice of Award of Contract; and
- g. Other contract documents that may be required by existing laws and/or the procuring entity concerned in the Bidding Documents (Section 37.2.3 of the revised IRR).

## 3.6 Approving authorities

In most procuring entities, particularly the bureaus or lower-level offices of NGAs or centrally managed GOCCs or GFIs, the contract signatory is a different official from the approving authority. For example, a bureau director may only be authorized to approve contracts up to Fifty Million Pesos (PhP 50,000,000.00). Contracts exceeding the said amount are brought up to the Secretary for approval. Different Procuring Entities have different levels of delegated authority, but the principle is essentially the same – the higher the contract amount, the higher is the level of the approving authority. In cases like this, the contract is usually deemed effective upon approval of such higher authority. The existence of this policy is the usual cause of delays in procurement transactions.

Section 38 of RA 9184 and Section 38.2 of the revised IRR are designed to remove this cause for delay. These provisions mandate that if further approval of a higher authority within the Procuring Entity (other than the President of the Philippines) is required, and that authority does not take any action on the contract within the prescribed period, the contract concerned is deemed approved.

Only contracts that are duly signed by the appropriate signatory are covered by this rule. An unsigned contract is a mere piece of paper and cannot be the basis of a government liability.

Procurement transactions require approval from appropriate authorities recognized under RA 9184 and its revised IRR. Until countered by any recent issuance regarding the matter, Administrative Order 2006-0034 (*Reference A*) remains the source that pinpoints accountabilities, clarifies the roles and responsibilities, and delineates the power to recommend and approve transactions between officials and key personnel in various DOH transactions including procurement.

However, recently DOH issued Administrative Order 2006-0034-A (*Reference B*) last 17 December 2009, "Delegation of Authorities for Certain Transactions in the Offices under the Department of Health," which amended AO 2006-0034 on the delegation of authorities for procurement in the central office.

## 3.7 Rules governing the review and approval of government contracts

Executive Order (E.O.) 423, s. 2005, as amended by E.O. 645, s. 2007, prescribes the rules and regulations on the review and approval of government contracts. Essentially, E.O. 423 provides that, except for government contracts required by law to be acted upon and/or approved by the President, the HOPE shall have full authority to give final approval and/or enter into all government contracts of his respective government agency, awarded through public bidding, regardless of amount. Provided, that the HOPE certifies under oath that the contract has been entered into in faithful compliance with all applicable laws and regulations. The HOPE may also delegate in writing this full authority to give final approval and/or enter into government contracts awarded through public bidding as circumstances may warrant (i.e. to decentralization of procurement in a government agency), subject to such limitations as he may impose. For procurement undertaken through any of the alternative methods allowed by law, where the government contract involves an amount less than Five Hundred Million Pesos (PhP 500,000,000.00), except where action or approval of the President is required, the HOPE shall have full authority to give final approval and/or enter into such contract, provided that the Department Secretary concerned certifies under oath that the contract has been entered into in faithful compliance with all applicable laws and regulations. S/he may delegate in writing this authority, as circumstances may warrant (i.e. to decentralize procurement), subject to such limitations as he may impose.

#### MANUAL PROCEDURES FOR THE PROCUREMENT OF CONSULTING SERVICES

Where the HOPE has made a determination that a Government contract, including Government contracts required by law to be acted upon and/or approved by the President, involving an amount of at least Five Hundred Million Pesos (P 500,000,000.00) falls under any of the exceptions from public bidding allowed by law, the HOPE shall, before proceeding with the alternative methods of procurement provided by law and applicable rules and regulations, obtain an approval from the GPPB that said Government contract falls within the exceptions from public bidding and the proposed specific alternative method of procurement is the appropriate mode of procurement.

Except for Government contracts required by law to be acted upon and/or approved by the President, the HOPE, after obtaining the foregoing requirements, shall have full contracts of his respective agency, entered into through alternative methods of procurement allowed by law. Provided, that the HOPE certifies under oath that the contract has been entered into in faithful compliance with all applicable laws and regulations.

## 3.8 Performance Security

A performance security is a guarantee made by the winning bidder to warrant faithful performance of its obligations under the contract in accordance with the bidding documents (Section 39.1 of the revised IRR). It must be denominated in Philippine Pesos and posted in favor of the procuring entity, which shall be forfeited in the latter's favor in the event it is established that the winning bidder is in default in any of its obligations under the contract (Section 39.3 of the revised IRR). The performance security shall remain valid until issuance by the procuring entity of the Certificate of Final Acceptance (Section 39.4 of the revised IRR).

## 3.8.1 Schedule of posting performance security

The bidder with the HRRB shall post the performance security within a maximum of ten (10) calendar days from the winning bidder's receipt of the NOA from the Procuring Entity and in no case later than the signing of the contract by both parties (Section 39.1 of the revised IRR). It is one of the requirements to be submitted by the winning bidder, to form part of the contract (Section 37.2.3 of the revised IRR).

The bidder shall post a performance security prior to the signing of the contract (Section 39.1 of the revised IRR).

## 3.8.2 Forms of Performance Security and the corresponding amounts

The performance security shall be in an amount equal to a percentage of the total contract price in accordance with the following schedule:

	FORMS OF PERFORMANCE SECURITY	AMOUNT OF PERFROMANCE SECURITY (EQUAL TO PERCENTAGE OF THE ABC)		
a.	Cash, cashier's/manager's Check issued by a Universal or Commercial Bank.			
b.	Bank draft/guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank: Provided, however, that it shall be confirmed or authenticated by a Universal or Commercial Bank, if issued by a foreign bank.	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.	Thirty percent (30%)		
d.	Any combination of the foregoing.	Proportionate to share of form with respect to total amount of security		

## 3.8.3 Who determines the form?

The procuring entity cannot limit the allowable forms of performance security provided under the revised IRR of R.A. 9184 nor and modify the respective amounts thereof. The winning bidder must choose which among the allowable forms it shall submit.

## 3.8.4 Change in Performance Security in case of contract price changes

In case of a reduction in the contract value, or, in the case of procurement of infrastructure projects, for partially completed works under the contract which are usable and accepted by the GOP, and the use of which, in the judgment of the implementing agency or the procuring entity, will not affect the structural integrity of the entire project, the said agency or procuring entity shall allow a proportional reduction in the original performance security, provided that any such reduction is more than ten percent (10%) and that the aggregate of such reductions is not more than fifty percent (50%) of the original Performance Security (Section 39.7 of the revised IRR).

## 3.8.5 Release of Performance Security

The performance security may be released by the procuring entity after the issuance of the Certificate of Acceptance, subject to the following conditions:

**a.** Procuring entity has no claims filed against the contract awardee or the surety company;

- **b.** It has no claims for labor and materials filed against the contractor; and,
- c. Other terms of the contract. (Section 39.5 of the revised IRR).

## 3.8.6 Refusal/failure to post performance security and sign contract within prescribed period

If the bidder with the HRRB or SRRB refuses to, or is unable, without justifiable cause or through its own fault, to post the performance security and sign the contract within the prescribed period:

- a. Its bid security is forfeited (Section 40.1 of the revised IRR);
- It is disqualified from further participating in the bidding at hand (Section 40.2 of the revised IRR);
- c. Upon conviction, it will suffer the penalty of imprisonment of not less than six (6) and one (1) day and not more than fifteen (15) years (Section 65.3 of the revised IRR); and
- d. Upon determination of administrative liability, it will suffer the administrative penalties of suspension for one (1) year from participation in government procurement for the first offense, and suspension for two (2) years for the second offense (Section 69.1 of the revised IRR).

For its part, the BAC must initiate and complete the post-qualification of the bidder with the second HRB. This procedure must be repeated until the HRRB is determined for award. If no bidder passes post-qualification, the BAC declares the bidding a failure and conducts a re-bidding with re- posting and re-advertisement. Should there be another failure of bidding after the conduct of the re-bidding; the Procuring Entity may enter into a negotiated procurement (Section 40.2 of the revised IRR).

If, on the other hand, the bidder that fails to post the performance security and sign the contract happens to be one with the SRRB, the BAC must declare the bidding a failure. It then conducts a re-bidding with re-posting and re-advertisement. Should there be another failure of bidding after the conduct of the re-bidding; the Procuring Entity may enter into a negotiated procurement (Section 40.3 of the revised IRR).

If the failure of the bidder with the HRRB/SRRB to sign the contract within the prescribed period is not due to its fault, the sanctions mentioned above shall not be imposed (Section 40.1 of the revised IRR).

## STEP11. ISSUE NOTICE TO PROCEED

## 1. LEGAL REFERENCE

Section 37.4 of the revised IRR is the legal basis for the issuance of the NTP and its subsequent posting.

## 2. PURPOSE

NTP is procurement document which signify that the procuring entity and the awarded bidder have already undergone contract signing and the latter shall now be obliged to perform its obligation based upon the terms and conditions of the contract.

## 3. PROCEDURES OF ISSUANCE OF THE NTP

## 3.1 Issuance of the NTP

The NTP shall be issued together with a copy or copies of the approved contract to the successful bidder within **three (3) calendar days** from the date of approval of the contract by the appropriate government approving authority (Section 37.4.1 of the revised IRR).

The contract effectivity date shall be provided in NTP by the procuring entity, which shall not be later than seven (7) calendar days from its issuance.

## 3.2 Participants in the issuance of the NTP

The following parties are involved in the issuance of the NTP:

- a. Procurement Unit/Office/End-User Unit;
- **b.** HOPE, or its duly authorized representative, and/or higher contract approving authority if so warranted; and
- **c.** Winning bidder.

## 3.3 Posting of NTP

## 3.3.1 When NTP is posted

According to the revised IRR of RA 9184, the procuring entity, through the BAC Secretariat shall post a copy of the NTP and the signed contract within fifteen (15) calendar days from the issuance of the NTP.

## 3.3.2 Where NTP is posted

For transparency purposes and to inform the public of the status of the various procurement projects, the NTP shall be posted in either of the following:

- a. PhilGEPS website; or
- **b.** Procuring Entity's website, if available.

# RESERVATION CLAUSE

### 1. LEGAL REFERENCE

Section 41 of the revised IRR is the legal basis on the Reservation Clause.

### 2. RULES AND GUIDELINES

### 2.1 Right to reject bids, declare a failure of bidding, or not award the contract

The procuring entity reserves the right to reject any and all bids, declare a failure of bidding, or not award the contract in any of the following situations:

- 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 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;
- **b.** If the BAC is found to have failed in following the prescribed bidding procedures, for which the applicable sanctions shall be applied to the erring officers; or
- **c.** For any justifiable and reasonable ground where the award of the contract will not redound to the benefit of the Government as follows:
  - If 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. If the project is no longer necessary as determined by the HOPE; and
  - iii. If the source of funds for the project has been cancelled, withheld or reduced through no fault of the procuring entity (Section 41 of the revised IRR).

However, abuse by the HOPE of his power to reject any and all bids as provided by the Reservation Clause, with manifest preference to any bidder who is closely related to him in accordance Section 47 of the Act and the revised IRR shall be meted with penalties provided in Section 65.1 (Section 65.1.e of the revised IRR).

### 2.2 Instances of not following prescribed procedure

The following are **some instances** when a BAC fails to follow procedures:

- **a.** Prescribing an insufficient number of days in the advertisement and/or posting of the REI;
- **b.** Exceeding the required periods for eligibility screening and short-listing, bid evaluation, post-qualification for each Bidder or for awarding the contract without justifiable cause;
- c. Conducting the pre-bid conference or issuing the bidding documents in less than the required number of days before deadline for the submission and opening of bids;
- **d.** Requiring the bidder to submit additional documents which is tantamount to improving his bidding documents; and
- **e.** Allowing a bidder to become eligible or pass the post-qualification with incomplete documents.

# **SECTION 5**

# PROCUREMENT OF CONSULTING SERVICES THROUGH ALTERNATIVE MODES OF PROCUREMENT

# PART TWO-ALTERNATIVE METHOD OF PROCUREMENT

# RULES ON THE USE OF ALTERNATIVE METHODS OF PROCUREMENT

Generally, procurement should be through public bidding. In preparing the APP, the procuring entity must ensure that there is sufficient time to undertake public bidding. However, the law allows the use of alternative methods of procurement in some exceptional instances, provided:

- 1. There is prior approval of the HOPE on the use of alternative methods of procurement, as recommended by the BAC; and
- 2. The conditions required by law for the use of alternative methods are present.

One of the reasons for the use of alternative methods of procurement is for administrative convenience. This means that the procuring entity is given the opportunity to procure consulting services at more advantageous terms without having to undergo the entire public bidding process which could be time-consuming. Or, there could be changes in circumstances that preclude the use of public bidding as originally proposed in the APP, like in those cases where the BAC has twice declared a failure of bidding.

In resorting to any of the alternative methods of procurement, the procuring entity must ensure that the method chosen promotes economy and efficiency, and that the most advantageous price for the government is obtained.

While the law allows the use of alternative methods or procurement, it emphasizes that splitting of government contracts is not allowed (**Section 54.1 of the revised IRR**). There is splitting of government contracts when, for the purpose of evading or circumventing the requirements of law and the revised IRR, especially the necessity of public bidding and the requirements for the alternative methods of procurement, the procuring entity:

- 1. Divides or breaks up government contracts into smaller quantities and amounts; or
- 2. Divides contract implementation into artificial phases or sub-contracts (Section 54.1 of the revised IRR).

Thus, the amount indicated in the ABC shall not be divided into several projects for bidding.

For the procurement of consulting services, negotiated procurement and limited source bidding are the only alternative methods of procurement that may be used. The method of procurement to be used shall be as indicated in the approved APP. If the original mode of procurement recommended in the APP was public bidding but cannot be ultimately pursued, the BAC, through a resolution, shall justify and recommend the change in the mode of procurement to be approved by the HOPE.

### LIMITED SOURCE BIDDING

### 1. LIMITED SOURCE BIDDING DEFINED

Limited Source Bidding, otherwise known as Selective Bidding, is a method of procurement of goods and consulting services that involves the issuance of a direct invitation to bid by the concerned procuring entity to a set of pre-selected suppliers or consultants with known experience and proven capability to provide the services required in a particular contract (Section 49.1 of the revised IRR). All the consultants appearing in the list should be invited. The Invitation to Bid or REI, which shall be issued by the BAC, should already indicate the relevant information required to enable prospective bidders to prepare their bids as prescribed under the pertinent provisions of the revised IRR.

### 2. RULES AND GUIDELINES

### 2.1 When to use

Limited Source Bidding may be employed by a Procuring Entity under any of the following conditions:

- a. Procurement of highly specialized types of goods (e.g., sophisticated defense equipment, complex air navigation systems, coal) and consulting services where only a few suppliers or consultants are known to be available, such that resorting to the public bidding method will not likely result in any additional suppliers or consultants participating in the bidding; or
- **b.** Procurement of major plant components where it is deemed advantageous to limit the bidding to known qualified bidders in order to maintain uniform quality and performance of the plant as a whole.

### 2.2 Who are invited to bid?

In choosing the Bidders, the procuring entity shall consider only those suppliers or consultants appearing in a list maintained by the relevant government authority that has expertise in the type of procurement concerned. This list should have been submitted to, maintained and updated with the GPPB and posted in the PhilGEPS.

The pre-selection shall be based upon the capability and resources of the bidders to perform the contract taking into account their experience and past performance on similar contracts, capabilities with respect to personnel equipment or manufacturing facilities, and financial position (Section 49.3 of the revised IRR).

The BAC of the concerned procuring entity shall directly invite all the suppliers or consultants appearing in the pre-selected list (Section 49.4 of the revised IRR).

### 2.3 Participants

The following are involved in the conduct of limited source bidding for the procurement of goods:

- a. HOPE:
- **b.** BAC;
- c. TWG;
- d. BAC Secretariat
- **e.** Invited suppliers/consultants; and
- f. Observers.

### 2.4 Performance Security

Performance security is required and should be posted in accordance with the procedures for competitive bidding.

### 3. PROCEDURES

The following steps are followed in conducting limited source bidding:

- 3.1. The method of procurement to be used shall be as indicated in the approved APP. If the original mode of procurement recommended in the APP was Public Bidding, the BAC recommends the change in the mode of procurement from Public Bidding to Limited Source Bidding through a Resolution to be approved by the HOPE.
- 3.2. The BAC Secretariat prepares the bidding documents, including the IB (indicating there in the method of procurement to be used) and the technical specifications, in accordance with the procedures laid down in the revised IRR, this Manual and the SBDs.
- 3.3. The BAC, through the Secretariat, gets the list of pre-selected suppliers or consultants from the government authority that has expertise in the type of procurement at hand and submitted to the GPPB. It may also access the PhilGEPS website as a secondary source of information.
- 3.4. If a pre-procurement conference is required or deemed necessary as previously discussed in this Manual, the BAC holds the said conference. If a pre-procurement conference is held, the participants should confirm the existence of the conditions required by law for procurement through Limited Source Bidding.
- The BAC Secretariat sends the IB/REI to the pre-selected suppliers. The IB/REI is sent to ALL suppliers or consultants in the list.
- 3.6. The BAC proceeds with the pre-bid conference (if deemed warranted under the

### MANUAL PROCEDURES FOR THE PROCUREMENT OF CONSULTING SERVICES

circumstances), eligibility check and/or short-listing, bid evaluation, post- qualification and succeeding activities up to contract award, signing and approval, following the procedures for Competitive Bidding. Hence, all other procedures for competitive bidding shall be undertaken, except for the advertisement of IB under Section 21.2.1 of the revised IRR of R.A. 9184.

- **3.7.** The BAC, through the Secretariat, posts for information purposes the award in:
  - a. PhilGEPS;
  - **b.** Website of the Procuring Entity, if any; and
  - **c.** Any conspicuous place in the premises of the Procuring Entity.

### When to hire Foreign Consultants

If Filipino consultants do not have enough expertise and capability to render the services required under the project, foreign consultants may be hired (Section 24.3.3 of the revised IRR).

The umbrella organization of consultants that will be recognized by the GPPB as representative of the consulting industry in the Philippines will prepare and certify a list of fields wherein Filipino consultants can provide competent consulting services. As proof of the availability of Filipino expertise, it will also prepare a list of its members that have expertise in a specific field. It will list its standards for competence in the field and certify that the members that it has listed have passed such standards (*Annex "B" General Principles On Consulting Services of the revised IRR*).

The absence of these lists will indicate the lack of local expertise in an area.

# **NEGOTIATED PROCUREMENT**

### 1. NEGOTIATED PROCUREMENT DEFINED

Negotiated Procurement is a method of procurement whereby the procuring entity directly negotiates a contract with a legally, technically and financially capable consultant (Section 53 of the revised IRR).

### 2. RULES AND GUIDELINES

### 2.1 NEGOTIATED PROCUREMENT DEFINED

Negotiated procurement is a method of procurement of goods, infrastructure projects and consulting services, whereby the procuring entity directly negotiates a contract with a technically, legally and financially capable supplier, contractor or consultant (Section 53 of the revised IRR).

### 2.2 APPLICABILITY (WHEN TO USE)

Negotiated procurement must be resorted to only if:

### 2.2.1 Two - Failed Bidding

Where there has been failure of public bidding for the second time as provided in Section 35 of the Act and the revised IRR:

### 2.2.2 Emergency Cases

In case of imminent danger to life or property during a state of calamity, or when time is of the essence arising from natural or man-made calamities or other causes where immediate action is necessary to prevent damage to or loss of life or property, or to restore vital public services, infrastructure facilities and other public utilities. In the case of infrastructure projects, the procuring entity has the option to undertake the project through negotiated procurement or by administration or, in high security risk areas, through the AFP.

### 2.2.3 Take-Over of Contracts

Take-over of contracts, which have been rescinded or terminated for causes provided for in the contract and existing laws, where immediate action is necessary to prevent damage to or loss of life or property, or to restore vital public services, infrastructure facilities and other public utilities;

### 2.2.4 Adjacent or Contiguous

Where the subject contract is adjacent or contiguous to an on-going Infrastructure Project or Consulting Service where the consultants have unique experience and expertise to deliver the required service: Provided, however, that (a) the original

contract is the result of a Competitive Bidding; (b) the subject contract to be negotiated has similar or related scopes of work; (c) it is within the contracting capacity of the contractor/consultant; (d) the contractor/consultant uses the same prices or lower unit prices as in the original contract less mobilization cost; (e) the amount involved does not exceed the amount of the ongoing project; and (f) the contractor/consultant has no negative slippage/delay: Provided, further, that negotiations for the procurement are commenced before the expiry of the original contract;

### 2.2.5 Agency-to-Agency

Procurement of infrastructure projects, consulting services, and goods from another agency of the GOP, such as the PS-DBM, which is tasked with a centralized procurement of Common-Use Supplies for the GOP in accordance with Letters of Instruction No. 755 and Executive Order No. 359, series of 1989;

### 2.2.6 Procurement Agent

In order to hasten project implementation, Procuring Entities which may not have the proficiency or capability to undertake a particular procurement, as determined by the Head of the Procuring Entity concerned, may request other GOP agencies to undertake such procurement for them, or at their option, recruit and hire consultants or procurement agents to assist them directly and/or train their staff in the management of the procurement function. The GPPB shall issue guidelines to implement this provision;

### 2.2.7 Highly Technical Consultants

In the case of individual consultants hired to do work that is (i) highly technical or proprietary; or (ii) primarily confidential or policy determining, where trust and confidence are the primary consideration for the hiring of the consultant: Provided, however, that the term of the individual consultants shall, at the most, be on a six (6) month basis, renewable at the option of the appointing Head of the Procuring Entity, but no case shall exceed the term of the latter (Section 53.7 of the revised IRR).

### 2.2.8 Small Value Procurement

Where the procurement does not fall under Shopping in Section 52 of the revised IRR and the amount involved does not exceed the thresholds prescribed in Annex "H" of the revised IRR:

**a.** The procuring entity shall draw up a list of at least three (3) suppliers, contractors, or consultants of known qualifications which will be invited to submit proposals, in the case of goods and infrastructure projects, or curriculum vitae, in the case of consulting services;

- b. The thresholds prescribed in Annex "H" of the revised IRR shall be subject to the periodic review by the GPPB. For this purpose, the GPPB shall be authorized to increase or decrease the said amount in order to reflect the changes in economic conditions and for other justifiable reasons; and
- c. According to Annex H of the revised IRR, there has been an increase in the threshold of the procuring entity for Small Value Procurement under Section 53.9 of the revised IRR; the threshold is increased to Five Hundred Thousand Pesos (P500,000.00) from Two Hundred Fifty Thousand Pesos (P 250,000.00).

### 2.2.9 NGO Participation

When an appropriation law or ordinance earmarks an amount to be specifically contracted out to Non-Governmental Organizations, the procuring entity may enter into a Memorandum of Agreement with an NGO, subject to guidelines to be issued by the GPPB;

### 2.2.10 Community Participation

Where, in the interest of project sustainability or to achieve certain specific social objectives, it is desirable in selected project components to call for participation of local communities in the delivery of services, the procuring entity shall propose the procedures, specifications, and contract packaging which is subject to the approval of the GPPB.

### 2.3 POSTING OF PERFORMANCE SECURITY

Performance security is generally required for negotiated procurement, except in the following cases:

- a. Emergency Cases;
- **b.** Small Value Procurement:
- c. Lease of Real Property; and
- d. UN Agencies

### 3. PROCEDURES

### 3.1 GENERAL PROCEDURES WHEN NEGOTIATED PROCUREMENT IS USED

The following steps are followed in undertaking negotiated procurement:

**a.** If the original mode of procurement recommended in the APP was competitive bidding, the BAC recommends the change in the mode of procurement to negotiated procurement through a Resolution to be approved by the HOPE.

- **b.** The BAC convenes the appropriate officials for the pre-procurement conference, if deemed necessary.
- c. For alternative methods of procurement, advertisement and posting as prescribed in Section 21.2.1 of the revised IRR may be dispensed except in Negotiated Procurement under Sections 53.1 (two-failed biddings) and 53.9 (small value procurement) wherein the BAC, through the Secretariat, shall post for information purposes the procurement opportunity for in:
  - i. PhilGEPS;
  - *ii.* Website of the Procuring Entity, if available; and
  - *iii.* Any conspicuous place in the premises of the Procuring Entity.
- **d.** The posting shall be done for a maximum period of seven (7) calendar days prior to bid opening (Section 54.2 of the revised IRR).
- e. The contract awarded must be posted in the aforementioned websites and at any conspicuous place reserved for this purpose in the premises of the procuring entity (Section 54.3 of the revised IRR).
- f. If the procurement is being negotiated in case of imminent danger to life or property, the BAC, through the BAC Secretariat, may negotiate with any supplier, contractor or consultant who is legally, technically and financially capable. Only notices of awards shall be posted.

# 3.2 PROCEDURE IN THE CONDUCT OF TWO-FAILED BIDDING UNDER SECTION 53.1 OF THE REVISED IRR

Where there has been failure of public bidding for the second time as provided in Section 35 of the RA 9184 and the revised IRR, the following process must be performed:

- a. After conduct of the mandatory review of the terms, conditions, specifications, and cost estimates, as prescribed in Section 35 of the revised IRR, the BAC shall revise and agree on the minimum technical specifications, and if necessary, adjust the ABC, subject to the required approvals. However, the ABC cannot be increased by more than twenty percent (20%) of the ABC for the last failed bidding (Section 53.1.1 of the revised IRR).
- b. The BAC shall invite and engage in negotiations with a sufficient number of suppliers, contractors or consultants to ensure effective competition (Section 53.1.2 of the revised IRR).

All Procuring Entities shall maintain a registry of suppliers, contractors, and consultants as basis for drawing up the short list and/or selecting the suppliers, contractors, and consultants for negotiations.

- c. Any requirements, guidelines, documents, clarifications, or other information relative to the negotiations that are communicated by the procuring entity to a supplier, contractor, or consultant shall be communicated on an equal basis to all other suppliers, contractors, or consultants engaging in negotiations with the procuring entity relative to the procurement (Section 53.13 of the revised IRR).
- d. Following completion of the negotiations, the procuring entity shall request all suppliers, contractors, or consultants remaining in the proceedings to submit, on a specified date, a best and final offer with respect to all aspects of their proposals (Section 53.1.4 of the revised IRR).
- e. The procuring entity shall select the successful offer on the basis of such best and final offers which should meet the procuring entity's minimum technical requirements and should not exceed the ABC (Section 531.5 of the revised IRR).
- f. In all stages of the negotiations, observers shall be invited (Section 53.1.6 of the revised IRR).
- g. If the original mode of procurement recommended in the APP was competitive bidding, the BAC recommends the change in the mode of procurement to negotiated procurement through a Resolution to be approved by the HOPE.
- h. The BAC convenes the appropriate officials for the pre-procurement conference, if deemed necessary.
- *i.* BAC, through the Secretariat, shall post for information purposes for seven (7) calendar days the procurement opportunity for in:
  - i. PhilGEPS;
  - *ii.* Website of the Procuring Entity, if available; and
  - *iii.* Conspicuous place in the premises of the Procuring Entity.
- j. The contract awarded must be posted in the aforementioned websites and at any conspicuous place reserved for this purpose in the premises of the procuring entity (Section 54.3 of the revised IRR).

# 3.3 PROCEDURE IN THE CONDUCT OF THE OTHER CIRCUMSTANCES OF NEGOTIATED PROCUREMENT

**a.** If the procurement is being negotiated in case of imminent danger to life or property, the BAC, through the BAC Secretariat, may negotiate with any legally, technically and financially capable bidder.

- b. If the procurement is being negotiated as a result of a terminated or rescinded contract being taken over because immediate action is necessary to prevent damage to, or loss of, life or property, or to restore vital public services, infrastructure facilities and other public utilities, then the contract may be negotiated starting with the second lowest calculated bidder for the project under consideration at the bidder's original bid price (Section 53.3.1 of the revised IRR 53.3.1). If negotiation fails, then negotiation shall be done with the third lowest calculated bidder at his original price. If the negotiation fails again, a short list of at least three (3) eligible contractors shall be invited to submit their bids, and negotiation shall be made starting with the lowest bidder (Section 53.3.2 of the revised IRR 53.3.2). Authority to negotiate contracts for projects under these exceptional cases shall be subject to prior approval by the Head of the Procuring Entity or other higher authorities, if required, within their respective limits of approving authority (Section 53.3.3 of the revised IRR).
- c. If the procurement being negotiated is adjacent or contiguous, the procuring entity will directly negotiate with the previous winning contractor/consultant, provided that all the conditions under Section 53.4 of the revised IRR of the R.A. 9184; provided further, that negotiation for the procurement are commenced before expiry of the original contract.

### 3.3.1 AGENCY TO AGENCY

In case of Agency-to-Agency, the procuring entity should follow the procedures provided under the Implementing Guidelines on Agency-to-Agency Agreements, approved and adopted by the GPPB through Resolution No. 18–2007, dated 31 May 2007. The general conditions for implementing Agency-to-Agency Agreements are as follows:

- **a.** Agency-to-Agency Agreements may only be resorted to if the following conditions are complied with:
  - i. Conduct of a Cost-benefit Analysis by the Procuring Agency indicating that entering into an Agency-to-Agency Agreement with the Servicing Agency is more efficient and economical for the government;
  - ii. Total amount of all goods, consulting, and infrastructure projects undertaken or to be undertaken through Agency-to-Agency Agreements shall not exceed twenty-five percent (25%) of the Procuring Entity's total procurement budget for each category (i.e., goods, infrastructure, or consulting) as reflected in its approved APP:

- *iii.* Servicing Agency has the mandate to deliver the goods and services required to be procured or to undertake the infrastructure project or consultancy required by the Procuring Agency; and
- *iv.* Servicing Agency owns or has access to the necessary tools and equipment required for the project.
- b. In addition, for procurement of infrastructure projects under Agency-to-Agency agreements, the Servicing Agency must comply with the following conditions:
  - *i.* It must have a track record of having completed, or supervised a project, by administration or by contract, similar to and with a cost of at least fifty percent (50%) of the project at hand; and
  - ii. It shall not directly or indirectly engage private contractors to undertake the project and may only implement the infrastructure project in-house, by job-order, or through the pakyaw contracting system.

In-house labor is undertaken if the workers are employees or personnel occupying regular *plantilla* positions in the Servicing Agency. Job-order contracts shall be governed by the applicable rules of the Commission on Audit and/or Civil Service Commission. *Pakyaw* Contracting System shall be governed by the GPPB Revised Guidelines for the Implementation of Infrastructure Projects by Administration provided under GPPB Resolution No. 18-2006, as amended by GPPB Resolution No. 07-2009.

- **c.** Subject to appropriate guidelines, the Procuring Agency may require the Servicing Agency to post a performance security under Section 39 of R.A. 9184 and/or post a warranty security under Section 62 of R.A. 9184.
- **d.** All procurement to be undertaken by the Servicing Agency, including those required for the project, shall continue to be governed by the provisions of R.A. 9184.
- **e.** All projects undertaken through Agency-to-Agency Agreements shall be subject to pertinent budgeting, accounting, and auditing rules.

### 3.3.1.1 PROCEDURES

The procedural requirements for implementing Agency-to-Agency Agreements are as follows:

### MANUAL PROCEDURES FOR THE PROCUREMENT OF CONSULTING SERVICES

- a. The end-user unit shall undertake a Cost-benefit analysis, taking into consideration the following factors: prevailing standard cost for the project in the market, absorptive capacity of the Servicing Agency, and such other factors.
- b. It shall likewise secure a certificate from the relevant officer of the Servicing Agency that the latter complies with the following conditions: (i) mandate to deliver the goods and services required to be procured or to undertake the infrastructure project or consultancy required by the Procuring Agency; and (ii) owns or has access to the necessary tools and equipment required for the project.
- **c.** Based on the assessment and recommendation of the end-user unit, the BAC shall issue a resolution recommending the use of Agency-to-Agency Agreement to the head of the Procuring Agency.
- **d.** Upon approval of the BAC resolution, the Procuring Agency shall enter into a Memorandum of Agreement with the Servicing Agency.
- **e.** The MOA shall reflect the agreement of the parties with regard to the posting of a performance bond and/or a warranty security.
- **f.** For purposes of transparency, the Procuring Agency shall post the award of the contract, in the following areas:
  - i. PhilGEPS website;
  - *ii.* Website of the Procuring Agency and its electronic service provider, if any; and
  - *iii.* Any conspicuous place in the premises of the Procuring Agency.

### 3.3.2 SMALL VALUE PROCUREMENT

In case of Small Value Procurement, the provisions of the Implementing Guidelines for Shopping and Small Value Procurement provided under GPPB Resolution No. 09–2009, dated 17 December 2009 shall be followed. Under the foresaid Guidelines for Shopping and Small Value Procurement the general guidelines for the conduct of Negotiated Procurement (Small Value) are as follows:

a. The decision to resort to Small Value Procurement shall be reflected in the Annual Procurement Plan and must take into consideration the annual procurement requirements of the item to be procured and other market factors, such as fluctuations in prices.

- b. Splitting of contracts is strictly prohibited. Splitting of contracts means the breaking up of contracts into smaller quantities and amounts, or dividing contract implementation into artificial phases or subcontracts, for the purpose of making it fall below the threshold for shopping or small value procurement, or evading or circumventing the requirement of public bidding.
- c. After the decision to resort to Shopping or Small Value procurement has been made, the conduct thereof may be delegated to the appropriate bureau, committee, or support unit duly authorized by the BAC.

### 3.3.2.1 PROCEDURES

The procedural guidelines for the conduct of Negotiated Procurement (Small Value) are as follows:

- a. The RFQ, indicating the specification, quantity, ABC, and other terms and conditions of the item to be procured, shall be prepared.
- b. The RFQ must also prescribe the manner by which price quotations shall be submitted i.e., by sealed or open quotation, and the deadline for their submission. In all instances, however, information relating to the examination, evaluation, and comparison of price quotations shall be kept confidential and should not be disclosed to any other party except to those officially concerned until award of contract.
- c. The RFQ shall be sent to at least three (3) suppliers, contractors, or consultant of known qualifications. However, during unforeseen contingencies requiring immediate purchase under Section 52.1(a) of the revised IRR, the RFQ may be sent to only one (1) supplier.
- d. RFQs shall also be posted for a period of seven (7) calendar days in the PhilGEPS website, website of the procuring entity, if available, and at any conspicuous place reserved for this purpose in the premises of the procuring entity. However, in the following instances, this posting requirement shall not be applicable:
  - When there is an unforeseen contingency requiring immediate purchase under Section 52.1(a) of the revised IRR; or
  - ii. RFQs with ABCs equal to Fifty Thousand Pesos (PhP 50,000.00) and below.

- e. After the deadline for submission of price quotations, an Abstract of Quotations shall be prepared setting forth the names of those who responded to the RFQ, their corresponding price quotations, and the lowest quotation.
- f. Award of contract shall be made to the lowest quotation (for goods or infrastructure projects) or, after successful negotiations, the highest rated offer (for consulting services) which complies with the specifications and other terms and conditions stated in the RFQ.
- g. For information purposes, all awards shall be posted in the PhilGEPS website, website of the procuring entity, if available, and at any conspicuous place reserved for this purpose in the premises of the procuring entity except for those with ABCs equal to Fifty Thousand Pesos (PhP 50,000.00) and below.
- h. The procuring entity must validate whether it is entering into a contract with a technically, legally and financially capable supplier, contractor or consultant by requiring the submission of relevant documents or through other mean

### 3.4 Participants

The following must participate in the procurement of consulting services using the negotiated procurement method:

- a. HOPE:
- **b.** BAC, TWG and Secretariat;
- **c.** End-user unit or PMO:
- **d.** Consultant;
- e. Observers; and
- f. COA Representative.

# SECTION 6

# GUIDELINES ON CONTRACT IMPLEMENTATION FOR THE PROCUREMENT OF CONSULTING SERVICES

# **ADVANCE PAYMENT FOR MOBILIZATION**

### Can the Procuring Entity make an advance payment for mobilization to the consultant?

Yes, it can. The Procuring Entity may make an advance payment to the consultant in an amount that shall not exceed fifteen percent (15%) of the contract amount to cover the cost of mobilization. The advance payment shall be made only upon the submission of a written request by the consultant together with an irrevocable standby letter of credit issued by an entity acceptable to the Procuring Entity and of an amount equal to the advance payment (Annex "F" of the revised IRR).

### How can the Procuring Entity recover the advance payment it made to a consultant?

The Procuring Entity must recover the advance payment by deducting from the progress payments to the consultant such sum as agreed during contract negotiations until the advance payment shall have been fully liquidated within the duration of the contract (Annex "F" of the revised IRR).

The consultant, for its part, may reduce his standby letter of credit or guarantee instrument by the amounts refunded in the advance payment.

### **CONTRACT PRICE AND PAYMENT**

### Are contract prices fixed?

According to the Revised Guideline for Contract Price Escalation dated 28 September 2008, no price escalation for consulting services shall be allowed. For the given scope of work in the contract as awarded, the price must be considered as a fixed price.<sup>2</sup>

### How are contract prices to be denominated?

All contract prices must be denominated and payable in Philippine currency, and this shall be stated in the bidding documents (**Section 61.1 of the revised IRR**).

However, the general rule is not without exception. As stated in the above cited provision, the procuring entity may provide in the Bidding Documents that obligations may be paid in foreign currency, subject to the guidelines issued by the GPPB. Should the Procuring Entity receive bids denominated in foreign currency, the same shall be converted to Philippine currency based on the exchange rate officially prescribed for similar transactions as established by the BSP on the date of the bid opening.

### When shall payments be made?

Any kind of payment, including advance and progress payments, must be made by the Procuring Entity as soon as possible, but in no case later than forty-five (45) days after the submission of a request for payment, accompanied by documents submitted pursuant to the contract, and upon fulfillment of other obligations stipulated in the contract. The Procuring Entity must also ensure that all accounting and auditing requirements are met prior to payment. Only the portion of a claim that is not satisfactorily supported/accepted may be withheld from payment subject to the usual accounting and auditing rules and regulation.

The final payment must be made only after the consultant submits its final report and such report is approved as satisfactory by the Procuring Entity.

### In what currency shall payments be made?3

Payments must be made in the Philippine currency.

-

<sup>&</sup>lt;sup>2</sup> For FAPs, to adjust the remuneration for foreign and/or local inflation, a price adjustment provision should be included in the contract if its duration is expected to exceed eighteen (18) months. Contracts of shorter duration may include a provision for price adjustment when local or foreign inflation is expected to be high and unpredictable.

<sup>&</sup>lt;sup>3</sup> For FAPs, RFPs should clearly state that firms may express the price for their services, in any fully convertible currency. If the consultants wish to express the price as a sum of amounts in different foreign currencies, they may do so, provided the proposal includes no more than three (3) foreign currencies. The Procuring Entity may require consultants to state the portion of the price representing costs in the currency of the Procuring Entity's country. Payment under the contract should be made in the currency or currencies in which the price is expressed in the proposal.

### What are the different types of consultancy contracts based on payment terms normally used?

### 1. LUMP SUM CONTRACT

Lump sum contracts are used mainly for assignments in which the content and the duration of the services and the required output of the consultants are clearly defined. They are widely used for simple planning and feasibility studies, environmental studies, detailed design of standard or common structures, preparation of data processing systems, and so forth. Payments are linked to outputs (deliverables), such as reports, drawings, and bills of quantities, bidding documents, and software programs. Lump sum contracts are easy to administer because payments are due on clearly specified outputs.

### 2. TIME-BASED CONTRACT

This type of contract is appropriate when it is difficult to define the scope and the length of the services, either because the services are related to activities by others for which the completion period may vary, or because the input of the consultants required attaining the objectives of the assignment is difficult to assess. This type of contract is widely used for complex studies, supervision of construction, advisory services, and most training assignments. Payments are based on agreed hourly, daily, weekly or monthly rates for staff (who are normally named in the contract) and on reimbursable items using actual expenses and/or agreed unit prices. The rates for staff include salary, social costs, overhead, fee (or profit), and, where appropriate, special allowances. This type of contract should include a maximum amount of total payments to be made to the consultants. This ceiling amount should include a contingency allowance for unforeseen work and duration, and provision for price adjustments, where appropriate. Time-based contracts need to be closely monitored and administered by the client to ensure that the assignment is progressing satisfactorily and that payments claimed by the consultants are appropriate.

### 3. RETAINER AND/OR CONTINGENCY (SUCCESS) FEE CONTRACT

Retainer and contingency fee contracts are widely used when consultants are preparing companies for sales or mergers of firms, notably in privatization operations. The remuneration of the consultant includes a retainer and a success fee, the latter being normally expressed as a percentage of the sale price of the assets.

### 4. PERCENTAGE CONTRACT

These contracts are commonly used for architectural services. They may be also used for procurement and inspection agents. Percentage contracts directly relate the fees paid to the consultant to the estimated or actual project construction cost, or the cost of the goods procured or inspected. The contracts are negotiated on the basis of market norms for the services and/or estimated staff-month costs for the services, or competitively bid. It should be borne in mind that in the case of architectural or engineering services, percentage contracts implicitly lack incentive for economic design and are hence discouraged. Therefore, the use of such a contract for architectural services is recommended only if it is based on a fixed target cost and covers precisely defined services (for example, not works supervision).

### 5. INDEFINITE DELIVERY CONTRACT (PRICE AGREEMENT)

These contracts are used when Procuring Entities need to have "on call" specialized services to provide advice on a particular activity, the extent and timing of which cannot be defined in advance. These are commonly used to retain "advisers" for implementation of complex projects (for example, dam panel), expert adjudicators for dispute resolution panels, institutional reforms, procurement advice, technical troubleshooting, and so forth, normally for a period of a year or more. The Procuring Entity and the firm agree on the unit rates to be paid for the experts, and payments are made on the basis of the time actually used.

# **INCENTIVE BONUS**

### Can a Procuring Entity give incentive bonuses to consultants?

No incentive bonus, in whatever form or for whatever purpose, shall be allowed (Section 42.4 of the revised IRR).

# LIQUIDATED DAMAGES

# What happens when the consultant fails to satisfactorily complete the services required under the contract?

When the consultant fails to satisfactorily complete the services required under the contract within the specified period, inclusive of duly granted time extensions, if any, the consultant shall be liable for damages for the delay. Consequently, it will have to pay the Procuring Entity liquidated damages in an amount equal to one-tenth (1/10) of one percent (1%) of the cost of unperformed portion for every day of delay (Section 68 of the revised IRR).

In no case shall the sum of liquidated damages reach ten percent (10%) of the contract amount. If it does, the contract shall automatically be rescinded by the Procuring Entity, without prejudice to other courses of action and remedies open to it. The Procuring Entity may also take over the contract or award the same to a qualified consultant through negotiation. In addition to the liquidated damages, the erring consultant's performance security shall also be forfeited.

In case the delay in the completion of the services exceeds ten percent (10%) of the specified contract time plus any time extension duly granted to the consultant, the Procuring Entity may rescind the contract. It then forfeits the consultant's performance security and takes over the prosecution of the contract or awards the same to a qualified consultant through negotiated procurement.

<sup>&</sup>lt;sup>4</sup> For FAPS, any allowable incentive bonus would be provided in the standard bidding documents for the project. However, an incentive bonus is generally allowed only when it would be of benefit to the Procuring Entity. The option to grant incentive bonus is given by the IFIs to the Procuring Entity.

# **SUBCONTRACTING**

### Is subcontracting allowed for the procurement of consulting services?

Unless otherwise specified in the bidding documents, the Consultant may subcontract portions of the Consulting Services to an extent as may be approved by the Procuring Entity and stated in the bidding documents.

However, the discretion of whether or not to allow subcontracting arrangements is within the determination of the procuring entity. The procuring entity also has the authority to specify the portions of Consulting Services and the maximum percentage allowed being subcontracted. Only a maximum of twenty percent (20%) of the Consulting Services may be subcontracted.

Subcontracting of any portion shall not relieve the Bidder from any liability or obligation that may arise from the contract for this Project. The Supplier will be responsible for the acts, defaults, and negligence of any subcontractor, its agents, servants or workmen as fully as if these were the Supplier's own acts, defaults, or negligence, or those of its agents, servants or workmen.

Subcontractors must comply with the eligibility criteria and the documentary requirements specified in the bidding documents. In the event that any subcontractor is found by the Procuring Entity to be ineligible, the subcontracting of such portion of the Goods shall be disallowed.

The Bidder may identify the subcontractor to whom a portion of the Goods will be subcontracted at any stage of the bidding process or during contract implementation. If the Bidder opts to disclose the name of the subcontractor during bid submission, the Bidder shall include the required documents as part of the technical component of its bid.

Subcontractors disclosed and identified during the bidding may be changed during the implementation of this Contract, subject to compliance with the required qualifications and the approval of the Procuring Entity.

# SUSPENSION OF WORK

### Can the Procuring Entity suspend services on a project?

The Procuring Entity may, by written notice of suspension to the consultant, suspend all payments to the consultant if the consultant fails to perform any of its obligations due to its own fault or due to *force majeure* or other circumstances beyond the control of either party, *e.g.* suspension of civil works being supervised by the consultant, under the contract, including the carrying out of the services, provided that such notice of suspension:

- 1. Shall specify the nature of the failure; and
- 2. Shall request the consultant to remedy such failure within a period not exceeding thirty (30) days after receipt by the consultant of such notice of suspension.

### Who are the parties involved in the issuance of a Suspension Order?

The following parties are involved in the issuance of a Suspension Order

- 1. PMO or end-user unit;
- 2. Head of the Procuring Entity or his/her duly authorized representative; and
- 3. Consultant.

### Methodology: How is a Suspension Order issued?

The following steps are undertaken in the issuance of a suspension order by the Procuring Entity:

- **1.** PMO or end-user unit determines the existence of any of the grounds for suspension enumerated above.
- **2.** PMO or end-user unit drafts the suspension order for the approval of the Head of the Procuring Entity.
- **3.** Suspension order is issued to the consultant, stating the grounds there of.
- **4.** Prior to the expiration of the suspension order, the PMO or end-user unit shall determine whether or not the grounds for suspension still exist.
- 5. If such grounds continue to exist, or if it is no longer practicable to continue with the work, it shall terminate the work subject of the order or cancel the delivery of the items subject of such suspension.
- 6. If, however, the grounds for suspension no longer exist, and continuation of the work is practicable, the PMO, with the approval of the Head of the Procuring Entity or his/her duly authorized representative, shall lift the suspension order and notify the consultant to proceed with the work/delivery of items in accordance with the amended contract.

### Can the consultant suspend work?

The consultant may, by written notice of suspension, suspend work on any or all activities affected by the following:

- **1.** Failure on the part of the Procuring Entity to deliver government-furnished equipment, resources, reports or data as stipulated in the contract;
- 2. Peace and order conditions that make it extremely dangerous, if not impossible, to work, provided that the consultant secures a written certification from the Philippine National Police station that has responsibility over the affected area, as confirmed by the Department of the Interior and Local Government Regional Director, that such conditions exist; or
- 3. Delay in the payment of consultant's claim for progress billing beyond forty five (45) calendar days from the time the consultant's claim has been certified by the Procuring Entity as being supported by complete documentation and a notice from the consultant has been received by the Procuring Entity that such payment is overdue, unless there are justifiable reasons which shall be communicated in writing to the consultants.

### When can a Procuring Entity order the resumption of work?

The Procuring Entity can order the resumption of work if the grounds for work suspension no longer exist and the continuation of the work is practicable.

### Should the period when work was suspended be considered in extending the contract time?

Yes, but only in cases when the total suspension or the suspension of activities along the critical path is not due to the fault of the consultant. In such cases, the elapsed time between the effective order suspending operation and the order to resume work shall be considered in the adjustment/extension of contract time.

# **WARRANTY**

### What is a warranty and when is it required?

A warranty is an assurance that the consultant who prepared the design or undertook construction supervision for the project shall be held liable when structural defects and/or failures arise during the applicable warranty period due to faulty and/or inadequate design and specifications as well as construction supervision. It is required of a consultant for detailed engineering design and construction supervision, but may also be incorporated as a provision of the contract for other consulting services, as mutually agreed upon by the consultant and the Procuring Entity. (Please refer to the Warranty Section of the Manual on the Procurement of Infrastructure Projects for a more detailed discussion on the Warranty.)

### **GUIDELINES ON THE TERMINATION OF CONTRACT**

### 1. LEGAL BASIS

Appendix 4 of the Handbook on Philippine Government Procurement which took effect through GPPB Resolution 018-2004 dated 22 December 2004 and published in the Official Gazette on 16 May 2005.

### 2. PURPOSE, SCOPE, AND APPLICATION

These guidelines aim to promote fairness in the termination of procurement contracts and to prescribe contract conditions and measures to enable government to protect its interests. For this purpose, policies and procedures relating to the whole or partial termination of government procurement contracts of goods, infrastructure projects, and consulting services are herein established.

### 3. RULES AND GUIDELINES

### 3.1 DEFINITION OF TERMS

- a. Coercive Practice 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.
- **b. Collusive Practice** means a scheme of arrangement including practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels to prevent free and open competition.
- c. Corrupt Practice means the offering, giving, receiving or soliciting of anything of value to influence the action of a public official in the selection process or in contract execution. It also means entering, on behalf of the Government, into any contract or transaction manifestly and grossly disadvantageous to the same, whether or not the public officer profits or will profit thereby; and similar acts as provided in Republic Act 3019.
- d. Fraudulent Practice means a misrepresentation of facts in order to influence a selection process or the execution of a contract to the detriment of the Procuring Entity.
- **e. Head of the Procuring Entity** refers to: (i) the head of the agency or his duly authorized official, for national government agencies; (ii) the governing board or its duly authorized official, for government-owned and/or controlled corporations; or (iii) the local chief executive, for local government units. Provided, that in a department, office or agency where the procurement is decentralized, the Head of each decentralized unit shall be considered as the Head of the Procuring Entity subject to the limitations and authority delegated by the head of the department, office or agency.

- f. Implementing Unit refers to the unit or office having direct supervision or administration over the implementation of the contract such as the Project Management Office or the End-User Unit.
- **g. Termination in Part** means the termination of a part but not all, of the work that has not been completed and accepted under a contract.
- **h. Termination in Whole** means the termination of all of the work that has not been completed and accepted under a contract.
- i. Show Cause refers to a notice which the Procuring Entity is required to issue prior to terminating a contract. The purpose of a show cause notice is to enable the contractor to present its position why the contract should not be terminated.
- j. Verified Report refers to the report submitted by the Implementing Unit to the Head of the Procuring Entity setting forth its findings as to the existence of grounds or causes for termination and explicitly stating its recommendation for the issuance of a Notice to Terminate.

### 3.2 GROUNDS FOR TERMINATION OF CONTRACTS

### 3.2.1 Termination by Default

The Procuring Entity shall terminate a contract for default when any of the following conditions attend its implementation:

- a. Outside of force majeure, the Consultant fails to deliver or perform the Outputs and Deliverables within the period(s) specified in the contract, or within any extension thereof granted by the Procuring Entity pursuant to a request made by the Consultant prior to the delay;
- b. As a result of force majeure, the Consultant is unable to deliver or perform a material portion of the Outputs and Deliverables for a period of not less than sixty (60) calendar days after the Consultant's receipt of the notice from the Procuring Entity stating that the circumstance of force majeure is deemed to have ceased; or
- **c.** The Consultant fails to perform any other obligation under the contract.

### 3.2.2. Termination for Convenience

The Procuring Entity may terminate the Contract, in whole or in part, at any time for its convenience. The Head of the Procuring Entity may terminate a contract for the convenience of the Government if he has determined the existence of conditions that make Project Implementation economically, financially or technically impractical and/or unnecessary, such as, but not limited to, fortuitous event(s) or changes in law and national government policies.

# May termination be allowed for reasons other than those attributable to the consultant?

The Procuring Entity, by written notice sent to the consultant, may terminate the contract, in whole or in part, at any time for its convenience. The notice of termination shall specify that the termination is for the Procuring Entity's convenience, the extent to which performance of the contractor under the contract is terminated, and the date upon which such termination becomes effective.

# What circumstances may constitute sufficient grounds to terminate a contract for convenience?

Any of the following circumstances may constitute sufficient grounds to terminate a contract for convenience:

- a. If physical and economic conditions have significantly changed so as to render the project no longer economically, financially or technically feasible, as determined by the Head of the Procuring Entity;
- b. The Head of the Procuring Entity has determined the existence of conditions that make project implementation impractical and/or unnecessary, such as, but not limited to, fortuitous event/s, changes in laws and government policies;
- **c.** Funding for the project has been withheld or reduced by higher authorities through no fault of the Procuring Entity; or
- **d.** Any circumstance analogous to the foregoing.

### 3.2.3 Termination for Insolvency

The Procuring Entity shall terminate the contract if the Supplier/Contractor/ Consultant is declared bankrupt or insolvent as determined with finality by a court of competent jurisdiction. In this event, termination will be without compensation to the Supplier/ Contractor/ Consultant, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the Procuring Entity and/or the Supplier/Contractor/Consultant.

### 3.2.4 Termination for Unlawful Acts

The Procuring Entity may terminate the contract in case it is determined prima facie that the Supplier/Contractor/Consultant has engaged, before or during the implementation of the contract, in unlawful deeds and behaviors relative to contract acquisition and implementation. Unlawful acts include, but are not limited to, the following:

Corrupt, fraudulent, collusive and coercive practices;

- **b.** Drawing up or using forged documents;
- **c.** Using adulterated materials, means or methods, or engaging in production contrary to rules of science or the trade; and
- **d.** Any other act analogous to the foregoing.

### 3.2.5 Termination by Consultant

The Consultant may terminate its agreement with the Procuring Entity if the latter is in material breach of its obligations pursuant to the contract and has not remedied the same within sixty (60) calendar days following its receipt of the Consultant's notice specifying such breach.

### 4. PROCEDURES

### 4.1 Verification

Upon receipt of a written report of acts or causes which may constitute ground(s) for termination as aforementioned, or upon its own initiative, the Implementing Unit shall, within a period of seven (7) calendar days, verify the existence of such ground(s) and cause the execution of a Verified Report, with all relevant evidence attached

### 4.2 Notice to Terminate

Upon recommendation by the Implementing Unit, the Head of the Procuring Entity shall terminate contracts only by a written notice to the Supplier/Contractor/Consultant conveying the termination of the contract. The notice shall state:

- a. that the contract is being terminated for any of the ground(s) afore-mentioned, and a statement of the acts that constitute the ground(s) constituting the same;
- **b.** the extent of termination, whether in whole or in part;
- **c.** an instruction to the Supplier/Contractor/Consultant to show cause as to why the contract should not be terminated; and
- **d.** special instructions of the Procuring Entity, if any.

The Notice to Terminate shall be accompanied by a copy of the Verified Report.

### 4.3 Show Cause

Within a period of seven (7) calendar days from receipt of the Notice of Termination, the Supplier/Contractor/Consultant shall submit to the Head of the Procuring Entity a verified position paper stating why the contract should not be terminated.

### MANUAL PROCEDURES FOR THE PROCUREMENT OF CONSULTING SERVICES

If the Supplier/Contractor/Consultant fails to show cause after the lapse of the seven (7) day period, either by inaction or by default, the Head of the Procuring Entity shall issue an order terminating the contract.

### 4.4 Rescission of Notice of Termination

The Procuring Entity may, at any time before receipt of the Supplier's/Contractor's/ Consultant's verified position paper to withdraw the Notice to Terminate if it is determined that certain items or works subject of the notice had been completed, delivered, or performed before the Supplier's/ Contractor's/ Consultant's receipt of the notice.

### 4.5 Decision

Within a non-extendible period of ten (10) calendar days from receipt of the verified position paper, the Head of the Procuring Entity shall decide whether or not to terminate the contract. It shall serve a written notice to the Supplier/ Contractor/Consultant of its decision and, unless otherwise provided, the Contract is deemed terminated from receipt of the Supplier/ Contractor/Consultant of the notice of decision. The termination shall only be based on the ground(s) stated in the Notice to Terminate

### 4.6 Contract Termination Review Committee

The Head of the Procuring Entity may create a committee to assist him in the discharge of his function under these Guidelines. All decisions recommended by the CTRC shall be subject to the approval of the Head of the Procuring Entity.

### 4.7 Take-over of Contracts

If a Procuring Entity terminates the contract due to default, insolvency, or for cause, it may enter into a negotiated procurement pursuant to Section 53(c) of R.A. 9184 and the revised IRR-A.

### 4.8 Procuring Entity's Options in Termination for Convenience in Contracts for Goods

The goods that have been performed or are ready for delivery within thirty (30) calendar days after the Supplier's receipt of Notice to Terminate shall be accepted by the Procuring Entity at the contract terms and prices. For goods not yet performed or ready for delivery, the Procuring Entity may elect:

- **a.** To have any portion delivered or performed and paid at the contract terms and prices; and/or
- **b.** To cancel the remainder and pay to the Supplier an agreed amount for partially completed or performed goods and for materials and parts previously procured by the Supplier.

If the Supplier suffers loss in its initial performance of the terminated contract, such as purchase of raw materials for goods specially manufactured for the Procuring Entity which cannot be sold in open market, it shall be allowed to recover partially from the contract, on a quantum meruit basis. Before recovery may be made, the fact of loss must be established under oath by the Supplier to the satisfaction of the Procuring Entity before recovery may be made.

### 4.9 Notices by Contractor/Consultant

The Contractor/Consultant must serve a written notice to the Procuring Entity of its intention to terminate the contract at least thirty (30) calendar days before its intended termination. The Contract is deemed terminated if it is not resumed in thirty (30) calendar days after the receipt of such notice by the Procuring Entity.

# **SECTION 7**

# PERIOD OF ACTION ON PROCUREMENT ACTIVITIES

# PERIOD OF ACTION ON PROCUREMENT ACTIVITIES FOR CONSULTING SERVICES

	PERIOD OF ACTION					
Stage	Activities	Deadline	Latest Allowable Time	Earliest Possible Time		
1	Advertisement/Posting of Invitation to Bid/Request for Expression of Interest		7 cd	7 cd		
2	Eligibility Check (and Short Listing, in case of Consulting Service)		20 cd	3 cd (1 cd for eligibility, 1 cd shortlisting, and 1 cd for notice)		
3	Issuance and availability of Bidding Documents	From 1 <sup>st</sup> day of Stage 1 until Stage 5				
	Pre-bid Conference	12 cd before Stage 5	1cd	1cd		
4	Request for Clarification	10 cd before Stage 5				
	Supplemental/Bid Bulletin	7cd before Stage 5				
5	Submission and Receipt of Bids	75 cd from the last day of Stage	1 cd (includes opening of bids)	1 cd (includes opening of bids)		
	Submission of additional requirements	3 cd after Stage 5				
6	Bid Evaluation		21 cd + 2 cd for approval of ranking	1 cd + 1 cd for approval of ranking		
7	Notification for Negotiation		3 cd	1 cd		
8	Negotiation		10 cd	1 cd		
9	Post-qualification		30cd	1cd		

### MANUAL PROCEDURES FOR THE PROCUREMENT OF CONSULTING SERVICES

10	Approval of Resolution/Issuance of Notice of Awards	7 cd	2cd (1 cd for BAC Resolution and 1 cd for NOA)
11	Contract preparation and signing	10cd	2cd (1 cd for Contract Preparation and 1 cd for Contract Signing)
12	Approval of Contract by higher authority	15cd	1cd
13	Issuance of Notice to Proceed	3cd	1cd
	TOTAL	124 cd	28 cd

Note: The procurement process from the opening of bids up to the award of contract shall not exceed three (3) months, or a shorter period to be determined by the procuring entity concerned. All members of the BAC shall be on a "jury duty" type of assignment until the Notice of Award is issued by the head of the procuring entity in order to complete the entire procurement process at the earliest possible time.

	PROCUREMENT ACTIVITY	MAXIMUM NUMBER OF DAYS AS PRESCRIBE	PROCUREMENT	UNDERTAKING OR REC		AND ITS
		D IN RA 9184 AND THE REVISED IRR	NECESSARY INPUT	RESPONSIBLE ENTITY	EXPECTED OUTPUT	RESPONSIBLE ENTITY
A.	Procurement Planning		<ol> <li>Project         <ul> <li>Procurement</li> <li>Management</li> <li>Plan</li> </ul> </li> <li>Terms of         <ul> <li>Reference</li> </ul> </li> <li>Approved         <ul> <li>Budget for the</li> <li>Contract</li> </ul> </li> <li>Certificate of         <ul> <li>Availability of</li> <li>Funds</li> </ul> </li> <li>Clearance from         <ul> <li>the clearing</li> <li>office</li> </ul> </li> </ol>	End-user     Project     Management     Officer	<ol> <li>Evaluation and inclusion into the Agency Budget Proposal</li> <li>Consolidation of the PPMP to the Annual Procurement Plan</li> <li>Approval of the APP</li> </ol>	End-user     Project     Management     Officer
B.	Preparation of the Request for Expression of Interest and Bidding Documents		<ol> <li>Duly approved APP</li> <li>Duly approved and signed TOR</li> </ol>	<ol> <li>BAC Secretariat</li> <li>TWG/ Technical Expert, if needed</li> <li>Consultants hired to prepare the PBD</li> </ol>	<ol> <li>Request for Expression of Interest</li> <li>Philippine Bidding Documents</li> </ol>	<ol> <li>BAC Secretariat</li> <li>TWG/ Technical Expert, if needed</li> <li>Consultants hired to prepare the PBD</li> </ol>
C.	Pre- procurement Conference	Prior to the advertisement of REI	<ol> <li>Notices to pre- procurement conference</li> <li>Attendance sheet</li> </ol>	<ol> <li>BAC</li> <li>BAC Secretariat</li> <li>End-users</li> <li>TWG/ Technical Expert, if needed</li> <li>Consultants hired to prepare the PBD</li> </ol>	<ol> <li>Minutes of the pre-procurement conference</li> <li>Duly signed attendance sheet</li> <li>Revised TOR, if applicable</li> </ol>	<ol> <li>BAC</li> <li>BAC Secretariat</li> <li>End-users</li> <li>TWG/ Technical Expert, if needed</li> <li>Consultants hired to prepare the PBD</li> </ol>

PROCUREMENT ACTIVITY	MAXIMUM NUMBER OF DAYS AS PRESCRIBED IN RA	PROCUREMENT		R REQUISITE DOCUME NG DELIVERABLES	NTS AND ITS
	9184 AND THE REVISED IRR	NECESSARY INPUT	RESPONSIBLE ENTITY	EXPECTED OUTPUT	RESPONSIBLE ENTITY
D. Posting/ Advertisement of the Request for Expression of Interest	Advertisement/Posting in the following media for at least seven (7) calendar days:  1. Newspaper of general circulation 2. PhilGEPS 3. Procuring entity's website, if available 4. Conspicuous places within the procuring entity's premises	Request for Expression of Interest     Bidding Documents	BAC Secretariat	Advertisement/ Posting in the following media for at least seven (7) calendar days:  1. Newspaper of general circulation 2. PhilGEPS 3. Procuring entity's website, if available Conspicuous places within the procuring entity's premises	BAC Secretariat
E. Issuance of the Eligibility Data Sheet	From the 1st day of posting/advertisement of REI until the opening of the eligibility requirements	Issuance of Eligibility Data Sheet	Consultants/     consulting     firms     BAC     Secretariat	List of prospective consultants/ consulting firms	BAC Secretariat
E1.Conduct of opening of eligibility requirements for shortlisting		<ol> <li>Notice of Bid Opening (BAC, End- user, TWG)</li> <li>Attendance sheet</li> <li>Eligibility requirements checklist</li> <li>Invitation addressed to observers</li> </ol>	<ol> <li>BAC</li> <li>BAC</li> <li>Secretariat</li> <li>Prospective consultants</li> <li>End-user</li> <li>TWG</li> <li>Observers</li> </ol>	<ol> <li>Eligible/ Ineligible consultants/ consulting firms</li> <li>Minutes of opening of eligibility requirements for shortlisting</li> <li>Duly accomplished and signed eligibility requirements checklist</li> <li>Notice of eligibility/ ineligibility</li> </ol>	BAC     BAC     Secretariat

P	ROCUREMENT ACTIVITY	MAXIMUM NUMBER OF DAYS AS PRESCRIBED IN RA 9184 AND	PROCUREMENT NECESSARY	UNDERTAKING OR CORRESPONDING RESPONSIBLE	REQUISITE DOCUME  DELIVERABLES  EXPECTED	INTS AND ITS RESPONSIBLE
		THE REVISED IRR	INPUT	ENTITY	OUTPUT	ENTITY
E2	Shortlisting of prospective consultants	Maximum of 21 CD from the opening of the eligibility requirements	<ol> <li>Letter to the TWG to conduct shortlisting</li> <li>DPO for the TWG to conduct shortlisting</li> </ol>	BAC     Secretariat     TWG	List of shortlisted consultants/ consulting firms     Posting of shortlist of consultants	BAC Secretariat
F.	Availability and Issuance of the Bidding Documents	From the determination of the shortlist until the deadline for the submission and receipt of bids	<ol> <li>Bidding         Documents     </li> <li>List of         shortlisted         consultants/         consulting         firms     </li> </ol>	BAC Secretariat	Receipt of     payment for     Bidding     Documents      List of     consulting     firms/     consultants     who     purchased the     Bidding     Documents	BAC Secretariat
G.	Conduct of Pre-bid Conference	At least twelve (12) calendar days before the submission and receipt of bids	Notice of pre-bid conference	<ol> <li>BAC</li> <li>BAC</li> <li>Secretariat</li> <li>Shortlisted consultants</li> <li>End-user</li> <li>TWG</li> <li>Observers</li> </ol>	Minutes of pre-bid conference made available within three (3) CD	BAC Secretariat
G1	. Written request for clarification	Ten (10) calendar days before the submission and receipt of bids	Written request for clarification or interpretation on any provision of the Bidding Documents	Prospective Bidder	Written response/ comments	BAC or appropriate authority

PROCUREMENT ACTIVITY	MAXIMUM NUMBER OF DAYS AS	PROCUREME		OR REQUISITE DOCUMENT ING DELIVERABLES	TS AND ITS
ACIIVIII	PRESCRIBED IN RA 9184 AND THE REVISED IRR	NECESSARY INPUT	RESPONSIBLE ENTITY	EXPECTED OUTPUT	RESPONSIBLE ENTITY
G2. Issuance of Bid Bulletins	Seven (7) CD before the submission and receipt of bids	Supplemental/ Bid Bulletin	BAC Secretariat	Posting 1. PhilGEPS Website 2. Website of the procuring entity, if available 3. Conspicuous places within the procuring entity's premises	BAC Secretariat
H1. Submission and Receipt of Bids	Forty-five (45) calendar days after advertisement/ posting of REI	Notice of bid opening (BAC, TWG, End-user)     Attendance	BAC     BAC     Secretariat     Prospective     Bidder	Minutes of Opening of technical proposals     Duly accomplished and signed technical	BAC     BAC     Secretariat
H2. Conduct of Opening of the Technical Proposals	One (1) calendar day for the submission, receipt, and opening of bids. Bids are opened immediately after the deadline for submission and receipt of bids	sheet 3. Technical proposal checklist 4. Invitation letters addressed to observers	<ul><li>4. Observers</li><li>5. TWG</li><li>6. End-user</li></ul>	proposal checklist 3. Duly accomplished attendance sheet	

PROCUREMENT ACTIVITY	MAXIMUM NUMBER OF DAYS AS PRESCRIBED IN	PROCUREMEN		R REQUISITE DOCUMENT IG DELIVERABLES	IS AND ITS
ACIIVIII	RA 9184 AND THE REVISED IRR	NECESSARY INPUT	RESPONSIBLE ENTITY	EXPECTED OUTPUT	RESPONSIBLE ENTITY
I. Evaluation of the Technical Proposals	Must be completed within seven (7) calendar days from the deadline of receipt of bid proposals	<ol> <li>Notice of bid evaluation (BAC/ TWG)</li> <li>Eligible bid proposals</li> </ol>	BAC Secretariat	<ol> <li>Bid evaluation report</li> <li>Minutes of the BAC/TWG Evaluation</li> <li>Notification to bidders who passed the technical evaluation</li> <li>Posting of list of consultants who passed the technical evaluation</li> <li>Resolution</li> <li>Resolution approving the technical evaluation report and opening the financial documents</li> </ol>	1. BAC 2. BAC Secretariat 3. TWG
J. Conduct of Opening of the Financial Proposals	One (1) calendar day	<ol> <li>Abstract of bids</li> <li>Attendance sheet</li> <li>Financial proposal checklist</li> </ol>	<ol> <li>BAC</li> <li>BAC</li> <li>Secretariat</li> <li>Prospective Bidder</li> <li>Observers</li> <li>TWG</li> <li>End-user</li> <li>Observers</li> </ol>	<ol> <li>Minutes of         Opening of         technical         proposals</li> <li>Duly         accomplished and         signed technical         proposal checklist</li> <li>Duly         accomplished         attendance sheet</li> </ol>	BAC     BAC     Secretariat

PROCUREMENT ACTIVITY	MAXIMUM NUMBER OF DAYS AS			R REQUISITE DOCUME SPONDING DELIVERAI	
	PRESCRIBED IN RA 9184 AND THE REVISED IRR	NECESSARY INPUT	RESPONSIBLE ENTITY	EXPEC TED OUTP	RESPONSIBLE ENTITY
K. Evaluation of the Financial Proposals	Must be completed within seven (7) calendar days from the opening of the financial proposals	Notice of bid evaluation (BAC/TWG)     Financial proposals of consultants who passed the technical evaluation	BAC Secretariat	<ol> <li>Bid evaluation report</li> <li>Minutes of the BAC/TWG Evaluation</li> <li>Posting of list of consultants who passed the financial evaluation</li> <li>Resolution approving the combined technical and financial evaluation report and</li> </ol>	1. BAC 2. BAC Secretariat 3. TWG
L. Notification for Negotiation	Within three (3) calendar days, the BAC shall notify and invite the consultant with the highest rated bid for negotiation	<ol> <li>Notice for negotiation (BAC, BAC Secretariat, End-user, TWG)</li> <li>Invitation letter addressed to consultant with the highest rated bid</li> <li>Invitation letters addressed to observers</li> </ol>	<ol> <li>BAC</li> <li>BAC</li> <li>Secretariat</li> <li>End-user</li> <li>Consultant</li> <li>Observers</li> </ol>	Duly signed and distributed notice for negotiation     Invitation letters	BAC Secretariat
M. Negotiation	Negotiation with the consultant with the highest rated bid shall be completed within ten (10) calendar days from the approval of the resolution	<ol> <li>Agenda for negotiation</li> <li>Technical and financial documents of the consultant with the highest rated bid</li> <li>Terms of Reference</li> <li>Attendance sheet</li> </ol>	<ol> <li>BAC</li> <li>BAC</li> <li>Secretariat</li> <li>Consultant with HRB</li> <li>TWG</li> <li>End-user</li> <li>Observer</li> </ol>	, ,	BAC Secretariat

PROCUREMENT ACTIVITY	MAXIMUM NUMBER OF DAYS AS PRESCRIBED IN		INDERTAKING OR CORRESPONDING		UMENTS AND
	RA 9184 AND THE REVISED IRR	NECESSARY INPUT	RESPONSIBLE ENTITY	EXPECTED OUTPUT	RESPONSIBLE ENTITY
N. Post- qualification	Must be completed in not more than seven (7) calendar days from the determination of the consultant with the highest rated bid  Extendible to not more than thirty (3) calendar days in exceptional cases	Post- qualification requirements     Notice for post- qualification (BAC/TWG)	Consultant     with HRB     BAC     Secretariat	<ul> <li>3. Post- qualification evaluation report</li> <li>4. Minutes of post- qualification</li> <li>5. Notice of post- qualification</li> </ul>	BAC/TWG     BAC     Secretariat
O. Drafting and Approval of the Resolution to Declare Highest Rated and Responsive Bidder and recommend award	Approval of the resolution to declare HRRB and	BAC resolution to declare the HRRB and recommend award (or BAC resolution to declare a failure of bidding)	BAC Secretariat	Approval or disapproval of the BAC resolution to declare HRRB and recommend award	HOPE
P. Issuance of Notice of Award	After approval, HOPE shall cause the immediate issuance of the NOA to consultant declared as the HRRB	1.Notice of Award 2.Submission of the following: a. JVA within ten (10) CD, if applicable b. Performance security c. Approval of higher authority 3.Notification of the bidding results	BAC Secretariat	1. Acceptance (through signing of conforme by the consultant) 2. Posting of NOA within three (3) CD in the following media: a. PhilGEPS b. Website of procuring entity	Awarded consultant     BAC Secretariat

PROCUREMENT ACTIVITY	MAXIMUM NUMBER OF DAYS AS PRESCRIBED	PROCUREME		OR REQUISITE DOCU DING DELIVERABLES	IMENTS AND ITS
	IN RA 9184 AND THE REVISED IRR	NECESSARY INPUT	RESPONSIBLE ENTITY	EXPECTED OUTPUT	RESPONSIBLE ENTITY
Q. Contract Preparation		Contract draft	1. End- user 2. PMO	Contract	End-user/PMO
R. Contract Signing	Enter into contract with the winning bidder within ten (10) CD after posting of performance security and submission of documentary requirements  In contract approval, the approving authority shall have fifteen (15) CD from receipt thereof for approval or disapproval	Contract	BAC Secretariat	Duly approved and signed contract	HOPE or authorized signatory     Winning consultant
S. Issuance of the Notice to Proceed	NTP and approved contract shall be issued within three (3) CD	NTP     Approved contract	BAC Secretariat	Proof of receipt (Return Card) and/or Registry or delivery receipt of the NTP and approved contract	BAC Secretariat
T. Posting of NTP	Within fifteen (15) CD from the issuance of NTP	NTP     Approved contract	BAC Secretariat	Posting: 1. PhilGEPS 2. Website of the procuring entity	BAC Secretariat

# SECTION 8 ANNEXES

### ANNEX A. FREQUENTLY ASKED QUESTIONS

### Q1: Are all consulting services procurements required to be advertised in the newspapers?

A1: For contracts with ABC of ₽ 1,000,000.00 or less or those whose duration is four (4) months or less, advertisement in the newspapers may be dispensed with. However, the REI still has to be posted in the agency website, the PhilGEPS, and in conspicuous places in the agency premises (Section 21.2.2 of the revised IRR).

### Q2: What is the process of short listing?

A2: The objective of short listing is to determine the most qualified consultancy firms to undertake the project. Using the eligibility documents submitted by the eligible bidders as basis, eligible bidders may be included in the short list taking the following into consideration: extensive experience in similar projects; qualifications of top officials of the firms or the experts proposed to be engaged for the project; and job capacity (Section 24.4 of the revised IRR). Short listing is undertaken primarily due to the substantial cost Incurred by a bidder in preparing a proposal. If all eligible bidders are invited to submit proposals, the chance of a firm getting the award diminishes greatly. This discourages a firm from participating because the effort in terms of time and money is not commensurate to the probability of getting the award. A short list of, say, five (5) greatly increases the chance of a firm and is thus encouraged to put in more time and effort in preparing a good proposal.

# Q3: Can the BAC declare a failure of bidding if the number of firms short listed is less than the number agreed upon during the pre-procurement conference?

A3: Should less than the required number apply for eligibility and short listing, pass the eligibility check, and/or pass the minimum score required in the short list, the BAC shall proceed with the bidding process (Section 24.5.2 of the revised IRR). Even if only one firm passes short listing, the firm shall be requested to submit a bid and it shall be considered for award if the bid is responsive to the bidding requirements (Section 36 of the revised IRR).

Q4: Can a bidder be disqualified for failure to attend the pre-bid conference?

A4: No, attendance of the bidder is not mandatory (Section 22.3 of the revised IRR.)

Q5: Who determines if the evaluation procedure is Quality-Based or Quality-Cost Based?

A5: The BAC shall have the option as to the evaluation procedure to be adopted for the selection of consultants (Section 33 of the revised IRR).

# Q6: What is the formula for computing the points for the financial proposal under the quality-cost based evaluation procedure?

A6: The revised IRR does not provide a formula but the most widely adopted scoring method is that the financial proposal with the lowest cost automatically gets one hundred (100) points, assuming it is within the ABC. The scores of the other financial proposals are determined by pro-rating their costs with that of the lowest financial proposal.

# Q7: Is the replacement of key staff to be assigned to the project allowed before awarding of contract?

A7: There should be no replacement of key personnel before the awarding of contract, except for justifiable reason, such as, illness, death, or resignation provided it is duly supported by relevant certificates, or any delay caused by the procuring entity. The procuring entity shall immediately consider negotiation with the next ranked consultant if unjustifiable replacement of personnel by the first ranked firm is made. Once the contract has been awarded, no replacement shall be allowed until after fifty percent (50%) of the personnel's man-months have been served, except for justifiable reasons, subject to appropriate sanctions as prescribed in the PBDs (Section 33.3 of the revised IRR).

# Q8: What happens when, at the stage of negotiation, the consultant and the Procuring Entity have irreconcilable positions on certain terms and conditions of the draft contract?

A8: If the consultant and the PROCURING ENTITY fail to come to an agreement, then negotiations shall be deemed unsuccessful and negotiations shall be undertaken with the next-in-rank consultant.

### Q9: Why is the posting of bid security and performance security now required?

A9: Prior to RA 9184 and the revised IRR, posting of bid and performance securities was not required. However, due to the number of incidents wherein consultancy firms being considered for award have refused to accept the award or have simply abandoned their consultancy assignments, the posting of such securities have not been required to serve as additional protection for the government and help prevent such incidents from recurring.

# Q10: Is the privilege granted to provincial bidders to match the bid of a non-provincial bidder for procurement of infrastructure projects and of goods applicable to procurement of consulting services?

A10: No, the privilege granted to provincial bidders will not apply to procurement of consulting services, even if the selection of consultant adopted the quality-cost based evaluation procedure and this has already lapsed last January 2008 (Section 45 of the revised IRR).

### Q11: Are there alternative methods of procurement that the PROCURING ENTITY may adopt?

A11: Subject to prior approval by the HOPE upon favorable BAC recommendation that the conditions are indeed satisfied by the procuring entity concerned, the alternative methods that may be resorted to by a procuring entity are limited source bidding and negotiated procurement (Section 48.1 of the revised IRR).

### Q12: How long is the entire process of public bidding for consulting services?

A12: From advertisement up to issuance of the NTP, the latest allowable time is 170 cd and the earliest possible time is 34 cd (*Annex "C" of the revised IRR*).

### ANNEX B. CASE STUDY

A government agency wanted to engage the services of a consultant for the detailed improvement of the agency's website. During the pre-procurement conference, it was agreed upon by the BAC and other participants that the use of the QBE procedure would be recommended in the selection of a prospective consultant. The head of the agency approved the use of the said evaluation procedure.

The project, which has ABC of Three Million Pesos (PhP 3,000,000.00), was advertised on 03 and 09 January 2010 in a newspaper of nationwide circulation, the agency's website, the PhilGEPS, and on conspicuous places within the agency's premises. Fifteen (15) firms responded by submitting their respective eligibility documents on or before the deadline specified in the REI.

During the eligibility check conducted by the BAC on 25 January 2010, the BAC declared eight (8) firms as ineligible due to lacking eligibility requirements in their submission. The eight (8) ineligible firms received their notice of ineligibility before the meeting adjourned. The seven (7) other firms were declared by the BAC as eligible for short listing. One of the eight (8) ineligible firms, Company X, filed a request for reconsideration to the BAC on 01 February 2010. After an assessment of the justification provided by the said ineligible bidder, the BAC decided on 05 February 2010 to grant its request for reconsideration and declared Company X as eligible.

After evaluating the eligibility documents submitted by the eight (8) eligible bidders based on the criteria specified in the REI and Terms of Reference, the BAC determined the ratings of the eight (8) bidders as follows:

- Company A 90.5 points
- 2. Company B 85.5 points
- 3. Company C 75.5 points
- 4. Company D 69.5 points
- 5. Company E 69.0 points
- 6. Company F 68.5 points
- 7. Company G 61.5 points
- 8. Company X 49.5 points

The BAC deliberated on the number of firms to be included in the shortlist and agreed to have a shortlist of six (6) firms. All six (6) firms were informed of their inclusion in the shortlist and requested them to submit the technical and financial proposals through a letter dated 17 February 2010 and signed by the BAC Chairperson.

A pre-bid conference was scheduled on 22 February 2010, while the deadline for submission of technical and financial proposals was set on 03 March 2010, 10:00 A.M. at the BAC Conference Room, ground floor of the agency's building.

The BAC specified that the attendance of the firms in the pre-bid conference is mandatory, and that failure to attend would be considered as a ground for disqualification. All six (6) firms attended the pre-bid conference and the minutes of the same were issued to the six (6) bidders on 26 February 2010.

Five (5) of the six (6) firms submitted their technical and financial proposals on or before 03 March 2010, 10:00 A.M. at the BAC Conference Room, ground floor of the agency's building. The sixth firm (Company F) arrived at the Conference Room at 10:05 A.M. and insisted that its technical and financial proposals should be accepted as the representatives were in the building at 9:45 A.M., as recorded in the security guard's logbook. The BAC decided to accept the technical and financial proposals of Company F.

The BAC started opening the technical envelopes of the six (6) firms at the time indicated in the letter to determine the presence of the required technical documents. All the firms, except Company F, submitted all the required technical documents. Company F was declared disqualified by the BAC for not submitting all the technical requirements. After agreeing with the declaration of the BAC on its disqualification, Company F accepted its financial proposal that was returned unopened by the BAC.

Prior to the detailed evaluation of the technical documents submitted by the five (5) technically-complying firms, the BAC deliberated on the sub-criteria and the corresponding weights. To more appropriately consider the requirements of the project, the general criteria were further subdivided. Based on the approved criteria, the BAC rated the five (5) firms, resulting in the following rankings:

- 1. Company A 88.5 points
- 2. Company B 81.5 points
- 3. Company C 71.5 points
- 4. Company D 68.0 points
- 5. Company E 65.5 points

The BAC sent a letter to Company A dated 22 March 2010, informing the firm that it submitted the highest rated bid, thus, inviting it for the contract and financial negotiations on 26 March 2010 at 9:00 A.M. The authorized representative of Company A met with the BAC and discussed, among others, its financial proposal. Upon opening of the financial proposal of Company A, the submitted bid price was read as PhP 3,300,000.00, exceeding the ABC by PhP 300,000.00. The BAC checked the calculation of Company A and it determined the correct bid price to be PhP 3,050,000.00, still exceeding the ABC by PhP 50,000.00.

Company A offered a discount of PhP 50,000.00 so that the cost of its financial proposal would not exceed the ABC. Satisfied with the high technical score obtained by Company A, the BAC accepted the discount offered.

Negotiations were successfully completed on 05 April 2010. Company A was considered to have submitted the Highest Rated and Responsive Bid after its successful post-qualification on 13 April 2010.

The BAC deliberated and decided to award the contract to Company A. What steps, if any, are not consistent with the provisions of the revised IRR relating to the procurement of consulting services?

### **ANALYSIS**

- 1. While the REI was published twice in a newspaper of general nationwide circulation, Section 21.2.1.b of the revised IRR provides that the REI must be advertised for at least seven (7) days. The BAC had a shorter period of six (6) days for disseminating the procurement opportunity for consulting services.
- 2. The request for reconsideration by Company X, which was declared by the BAC to be ineligible, should not have been favorably considered by the BAC as it was filed seven (7) days after it received the notice of ineligibility. Section 55.1 provides that decisions of the BAC at any stage of the procurement process may be questioned by filing a request for consideration within three (3) calendar days upon receipt of the written notice or upon verbal notification.
- During the pre-procurement conference, the BAC should have already determined the number of shortlist of consultants, as provided in Section 24.5.2. This section further provides that "should less that the required number applies for eligibility and short listing, pass the eligibility check, and/or pass the minimum score required in the short listing, the BAC shall consider the same." Determining the number of shortlist and the minimum score during the actual short listing gives the BAC the opportunity to have a lesser or larger number of shortlist from three (3) to seven (7), to favor a preferred firm.
- 4. The BAC is a recommendatory body. It should have obtained the approval of the Head of the Procuring Entity for its recommended shortlist before inviting all the firms in the shortlist to submit proposals, as provided in Section 24.5.4.
- 5. Section 22.2 provides that the pre-bid conference shall be held at least 12 days before the deadline for the submission and receipt of bids. Moreover, Section 22.3 provides that the attendance to the pre-bid conference should not be mandatory. Conducting the pre-bid conference nine (9) days before the deadline may not give the shortlisted bidders enough time to revise their proposals if these are to be affected by agreements discussed during the pre-bid conference. To be binding on both parties, any agreements discussed during the pre-bid conference that will affect the provisions in the bidding documents shall be stated in writing and issued as Supplemental/Bid Bulletin.
- 6. The technical and financial proposals of Company F should not have been accepted by the BAC as these were submitted at the designated venue beyond the deadline. Section 25.5 provides that bids, including the eligibility requirements, submitted after the deadline shall not be accepted by the BAC.

- 7. The evaluation criteria for the technical proposals should also have been agreed upon by the BAC during the pre-procurement conference. Although the BAC has not yet started evaluating the technical proposals when it finalized the evaluation criteria and could claim that they did not skew the criteria to favor a particular bidder, a losing bidder might exploit the situation and complain otherwise.
- 8. When the BAC calculated the cost of the financial proposal of Company A and determined that it exceeded the ABC, it should have disqualified Company A automatically as provided in Section 31.1 that the ABC shall be the upper limit or ceiling for acceptable bid prices. The discount offered by Company A should not have been accepted as this is tantamount to an improvement of its bid. Since Company A should have been disqualified, Company B should be invited by the BAC for negotiations as it has the second highest technical score. If negotiations and post-qualification were successful, Company B would be determined to have submitted the Highest Rated and Responsive Bid, and recommended for award of contract.

# ANNEX C. GUIDELINES IN THE PREPARATION OF THE TERMS OF REFERENCE

(Culled from various procurement guidelines for consulting services of the GOP and Development Partners)

### 1. DEFINITION

A TOR is a detailed description of services (work) needed to be carried out for a particular project or assignment.

### 2. PURPOSE AND USE

- 2.1 The TOR is the basis to attain agreement among responsible offices and technical staff, the DOH and funding entity on the objectives and scope of the proposed technical services to be undertaken by a consultant and outsourced
- 2.2 It informs prospective consultants of the intent, scope of works and services; and deliverables or outputs required
- 2.3 It is a tool for negotiation. It is the binding reference of the definition of the services required and expectations of the implementing unit from the prospective consultant and instrument of comparing with consultant's proposal
- 2.4 It defines the expertise needed and the conditions in implementing the services by the selected consultant

### 3. PARTICIPANTS

- 3.1 Requesting Office
- **3.2** TACT
- 3.3 Technical Office or Clearing Office
- **3.4** Bids and Awards Committee
- 3.5 BAC Secretariat
- **3.6** Funding Agency
- 3.7 External Experts, if needed

### 4. PROCEDURES

- **4.1** End-user prepares the TOR.
  - **4.1.1** Establish basis for action.
    - **4.1.1.1** Establish the need for technical assistance or consulting services and the main areas in which consulting services are to be sought.
    - 4.1.1.2 Define the situation by which the consulting services will be employed, i.e., nature of the setting, involved offices and staff, working environment and state of institutional interaction or circumstances of relations of the working environment within implementing units.
    - **4.1.1.3** Decide on what services are required from consultants.
    - **4.1.1.4** Know what kind of professionals or consultants available.
    - **4.1.1.5** Assess options for undertaking the services. Assess various approaches by which the services are to be done in terms of timing, cost and quality of outputs produced by the various approaches.
    - **4.1.1.6** Make an inventory of completed and on-going undertakings and studies in DOH. The work required might have already been done. The TACT plays a crucial role on this by checking and ensuring that this does not duplicate previous or on-going efforts.
    - **4.1.1.7** Define relations of required services to other projects and sector including social, social and physical environment and risks and problems.
    - **4.1.1.8** Define key issues to be addressed especially those that may affect the design the project, allocation of resources, timing of decision points and study process effectiveness.
    - 4.1.1.9 Identify DOH offices and units to be involved in the various aspects of the project and the review management and monitoring of the project. Know what other offices have specific interest on the project. Determine skills and health human resources that can participate in the preparation and implementation as well as interdependencies and connection of inputs among DOH units and other members of the health sector. With relevant senior staff, discuss and analyze alternative approaches to the consulting services required.

- 4.2 Determine study design.
- 4.3 When the study design has been defined and the order of events and level of effort required, determine what can be done by DOH staff and what best the consultant should be doing, i.e., the primary areas of concern the consultant(s) should undertake.
- **4.4** Determine the expertise required and whether this (these) expertise is/are within the DOH or to be supplied by the consultant.
- 4.5 Determine phasing of the project and whether there are prerequisite outputs or action that have be delivered or done first before the principal area of consulting services or if there are factors that should be assessed or considered separately or beforehand before the next step. The level or extent and how to address the issues previously identified should be taken into consideration including the importance and worthiness of services outcomes by level of efforts.
- **4.6** Determine service design, in terms of content, format, timeframe and order in which the activities are undertaken.
- **4.7** Resolve the objectives and scale or magnitude of professional services or efforts needed.
  - For objectives, state the general purpose and list down principal outputs needed. The objectives must be very clear, concise and precise, and can be easily understood by the consultants who will be doing the project, the DOH the funding agency and the public who have stake of the project.
- **4.8** Designate the executing agency and the partner offices. For example, the following should be a major partner if not the executing for following services with the corresponding offices in Centers for Health Development and hospitals and partners:

ITEMS	DESIGNATED OFFICE
Health promotion services, communication, plan development, behavioral change communication; social marketing, IEC development and similar services	National Center for Health Promotion
Human resource development	Health Human Resource Development Bureau
Policy and health financing studies & researches, Monitoring and evaluation	Health Policy Development and Planning Bureau
Disease surveillance, Health information system, Surveys, medical informatics, burden of disease studies	National Epidemiology Center

Computerized application development, Survey processing, Geographic information system, Knowledge management, management information systems and similar services, e-health	Information Management Service
Burden of disease, Public health programs development or evaluation	National Center for Disease Prevention and Control
Hospital and Health Facilities Development	National Center for Health Facilities Development
Local health development	Bureau of Local Health Development

- **4.9** Take note of these basic considerations in the preparation of TOR:
  - **4.9.1** Language. Language to be used must be at a level that both intentions and expectation of the project or technical services are effectively conveyed.
  - **4.9.2** Format. Format should fit into the format of bidding documents and contract of services.
  - **4.9.3** Necessity and relevance of the technical services.
  - **4.9.4** Scope of work or services to be performed and required outputs or deliverables
  - **4.9.5** Timing of outputs
  - 4.9.6 Related issues including parallel or similar undertakings or projects being undertaken by the DOH and its agencies. Refer to TACT guidelines and procedures
  - **4.9.7** Working environment which includes the DOH and its attached institutions to be involved in the project, including people, culture, customs
  - 4.9.8 Project area, if applicable
  - **4.9.9** Implementation arrangements both institutional and counterpart arrangements for contract management, advice, provision of information or data, coordination with other relevant agencies or people, monitoring, review and approval of outputs, etc.
  - **4.9.10** Sustainability, technology transfer, training
  - **4.9.11** Facilities and commodities to be/ not to be provided by DOH
  - **4.9.12** Background information or what is known about the services
  - **4.9.13** Cost of the undertaking

### 5. Typical Outline

### a. Background/Rationale/Introduction (WHY)

Describes the general situation in which the consulting services are to be undertaken.

- *i.* Why the service is needed or why the project is being undertaken
- *ii.* Project history and how this relates to a DOH goal or strategy or program
- iii. Current problems or issues to resolved
- iv. Project location and beneficiaries or clients and participants of the project
- v. General expectations or outputs of the project
- *vi.* Types of major activities to be undertaken
- *vii.* Who will supervise the project
- viii. Source of financing

### b. Objectives (WHAT)

Indicate what results are expected from the project or assignment.

### c. Scope of Services/Work (HOW)

These are series of general and brief statements of the categories of services or tasks to be undertaken.

The one preparing the TOR be knowledgeable or have an idea with the following:

- Methodologies and technologies that may be utilized in the project implementation
- Inputs needed to complete tasks

The methodology and procedures by which the tasks are to be implemented or accomplished should not be described in detail. The prospective consultants should include in its methodology in detail in their proposal.

Indicate how the objectives of the project may be achieved:

- Define project's operational framework of activities
- Tasks to be done, phasing and sequence
- List ad describes the tasks to be carried out and their phase's stages, timing or sequence

- Duration of the undertaking
- Manner of the consultant should cooperate with DOH during the project implementation
- Resources to be utilized for the undertaking
- Mechanism for skill transfer or sustainable development

### d. Deliverables or Expected Outputs

These are tangible outputs, for example,

- *i.* Inception report at the start of the project
- ii. Progress report during project life
- iii. Other reporting requirements such as final report at end of project
- iv. Specific outputs such as:
- Survey, research sampling design, sample, research design, protocol pre-test, interviewers manual, coding manual, research paper ready for publication, executive summary, database in softcopy, data dictionary, etc.
- Manual development draft manual, pre-test result, post test result final manual in 100 of copies, training of trainers documentation
- Software development functional design, technical design, prototype, system test plan, training plan, implementation plan system test report including test cases, scripts and test result, training report, certificate of users acceptance, final functional & technical design, source codes, hardware, etc.
- Training TNA, training design, pre-test, TOT, training documentation, training manual.
- Health system development Project proposal, TOR, manual of operation, procedures, SOP, IRR, Analysis, Model, Framework, Plan, Strategy, Publication, Executive Summary, prototype, etc.
- Health promotion communication/advocacy plan, IEC/advocacy materials, pre- test result, etc.

### e. Estimated duration of the engagement (years. months, days)

### f. Project site, if applicable

### g. Implementation Arrangements

- Data, services and facilities to be provided by DOH to the consultants
- Roles & responsibilities of DOH and the consultant in project implementation
- DOH and Consultant organizational set-up for contract administration.
- Committee/staff to supervise work of consultant
- Coordination of DOH staff and the consultants

### MANUAL PROCEDURES FOR THE PROCUREMENT OF CONSULTING SERVICES

- For counterpart staff, if any:
  - *i.* Identify counterpart personnel to work with (not for) the consultant
  - ii. Identify roles of counterpart personnel to be assigned and quality/quantity of support services to be provided. This is usually headed by a Project Manager and is the counterpart of the consultant's Team Leader
    - Provide local knowledge or data about the project
    - Liaison between the consultant and the DOH and/or CHDs/ hospitals and LGUs or other government agencies.
    - Receive training or transfer of technology during project implementation
    - Discussion of consultant's findings or outputs before report writing and presentation
  - iii. Discuss the level and extent of participation of counterpart staff
    - Exact responsibilities in the collaboration
    - Extent of involvement
    - Extent of fit to the schedule of work
    - Replacements of unsuitable counterparts
    - Coverage
    - Travel costs
  - *iv.* Discuss participation of support staff if any
    - Support staff is expected to work with and not for the consultants
    - This is usually clerical staff or drivers or semi-technical staff
    - Functions are not as professional staff and are usually headed by a project coordinator and is assigned to handle administrative and organizational matters related to the project
    - Reporting & approval procedures

v. Identify control points or milestones or submission of outputs of the consultant.

This outputs are to be reviewed and will indicate whether the project should proceed or not or to take other options toward project completion

*vi.* Identify the contact person who is responsible for receipt, evaluation and acceptance.

### h. Qualification of consultants

- *i.* Firm expertise and experience, key firm officials/staff For example:
  - The Firm must be a research firm with at least 3 years experience on health search
  - Must have undertaken burden of disease study
  - With international or local experience
  - Have training expertise
- ii. Individuals/Team Members knowledge, expertise, education, skills/ competencies, work experiences of key staff to be fielded

For example:

Key Personnel	Education	Experience	Others
Project leader	At least masters degree in health economics	At least 3 years as health economist	With at least one publication; can work full time
Co-leader	MD with MPH or MS in Epidemiology	At least 3 years research experience in health financing	With health economics training
Statistician	BS in statistics preferably with masters degree	With at least 5 years experience as biostatistician	

### i. Instruction for proposal preparation

- i. Technical proposal
- ii. Financial proposal

### j. Short listing Criteria including weights for each criterion

Refer to Section 24.5.3 of the revised IRR for the major criteria to be considered – Applicable experience, Qualification of personnel to be assigned; current workload relative to capacity.

### k. Technical Evaluation Criteria including weights for each criterion

Refer to Section 33.2.2 of the revised IRR for the major criteria for the evaluation – quality of personnel to be assigned, experience and capability, plan of approach and methodology

### I. Proposed terms of payment

### m. Approved budget of Contract

### n. Evaluation procedure

Refer to Section 33.2.1 of the revised IRR – Quality-Based or Quality-Cost Based evaluation procedure

### 6. Computing for the ABC

- **a.** Professional staff cost is usually the largest
  - i. Determine two components: time and price per unit of time
  - *ii.* Major considerations are:
    - Activities to be performed
    - Sequence and duration of activities
  - *iii.* Prepare a bar chart or produce a hypothetical program of operation for purposes of estimating the ABC. This translates the scope of work to major tasks to be performed and estimated duration of each. For example:

	Month	1	2	3	4	5
Activity						
1.						
2.						
3.						
4.						
5.						

*iv.* Produce a staffing schedule based on the program of operation. This a timeline for each of the estimated professional staff for the project

	Month	1	2	3	4	5
Staff						
1.						
2.						
3.						
4.						
5.						

- **v.** Compute for the man-months rates
  - Base salary basic or regular salary paid to an individual by the consulting firm. In the negotiation this is usually supported by payroll or contracts.
  - Social costs additional pay to the base salary as required by legislation, work arrangements or established practice and include sick and vacation leaves, 13th month pay bonuses. Usually 20 to 60% of the base salary.
  - Overhead cost is the cost for doing business and usually include, rent, office supplies, secretarial and clerical staff, traveling expenses, communication cost, repair and maintenance, home office technical staff, data processing cost and miscellaneous expenditures. It ranges from 65-150% of base salaries. For long term assignments, overhead cost may be resourced due to staff longer employment and higher administrative savings and more revenue time.
  - Fee or the firm's profit before taxes. It is usually 5 to 20% of the sum of salary, social costs and overhead.
  - In case of international consultant, an overseas or inducement allowance. This varies and would normally range from 0 to 60% of base salary.
  - Multiplier is the factor that is multiplied to the base salary to arrive at the total man-months rate. This varies from firm to firm. Normally between 2-3%. Percentage outside this range can be rationalized
- b. Direct Reimbursable cost or fixed allowances. These are repetitive cost items not included in the normal overhead. These are per-diems, air travel, acquisition of equipment or subcontracts for specialized tests or surveys, report production, translation or use of computers facilities etc.
- **c.** Compute for physical and price contingencies. The former is for additional items/works that may have been overlooked or that may be necessary as the project proceeds and may

range from 5 to 15%, the most common of which is 10%. For price contingencies, this is usually for projects with more than one (1) year duration, allowance for price contingencies are usually inputted. It should be based on estimated increases in domestic and internal costs for both man-months and reimbursable cost. Projects with less than 1 year duration, price contingencies are normally not provided for. Likewise, even for long term projects if moderate, price increases are predicted, price contingencies are not included.

- d. Taxes and duties this should always be included in the ABC. This will include taxes for firm's and staff earnings and is based on the most recent tax table of BIR. This should be always included in the cost estimates regardless the consultant's tax status. Duties refer to taxes for the importation of goods and equipment if part of the project.
- e. Adjust the staffing schedule and program of operation and even the TOR if necessary when tasks cannot be done within the allocated time. Repeat process as necessary until a very objective estimate is made.

### 7. Review Process

- a. The TOR is submitted to Technical Assistance Coordination Team and Technical Office for review and clearance, Refer to Section 8 for a copy of the TACT guidelines
- **b.** The TACT and technical Office issue clearance as appropriate
- c. Submits the reviewed or cleared TOR to BAC
- **d.** BAC reviews readiness of the TOR for procurement using the attached checklist
- **e**. BAC proceeds with the procurement process once TOR is declared ready and all required documents and information are submitted. Otherwise, the TOR is returned to the requesting office for completion and/or amendment.

### CHECKLIST: TERMS OF REFERENCE READINESS

		D	ate Rece	eived: _			D	ate Re	eviewed	l:		Revi	ew No	.: 1 <sup>51</sup> /2	iiu/3iu			
Control	No.																	
Project	Name:																	
Reques	ting Offic	e/Proje	ect:															
√/x	No.	Requ	irement	S											Ren	narks		
	1.	Appro	oved Ann	ual Pro	cureme	ent Pla	n or Sı	upplem	nental P	rocure	ment F	lan						
	2.		icate of A					•										
	3.	Clear	ance, if a	pplicab	le	,	•											
	a.	Tech	nical Off	ice:														
	b.	Tech	inical Ass	sistance	Coord	lination	n Team	n(TAC	Γ)									
	4	No ob	jection le	etter (N	OL), if t	foreign	funde	d										
	5.	TERN	IS OF R	EFERE	NCE (I	Minimu	ım inf	ormati	ion requ	uired)								
	a.	Back	ground o	r Ratior	nale													
	b.	Objec																
	C.		e of Worl															
	d.		Expected Outputs or Deliverables															
	e.	Estim	ated Dur	ation of	f engag	jement	/projec	ct										
	f.	Proje	cts Sites,	if app	licable													
	g.	Imple	mentatio	n Arran	gemen	ıt												
		•	contact. Both representative(o), marrie, address, tax, telephone names of						-									
		•	mail of technical staff & director concerned															
		<ul> <li>Project management or contract administration arrangement</li> <li>Reporting obligations, notices, and approval process including minimum or</li> </ul>																
				ential r	•			and up	provai	proces	33 11101	uumg i		111 01				
	h.	Roles	and res															
		Roles	and res	ponsibi	lities of	consu	ltant											
	i.	Quali	fication of	of consi	ultant													
		a. F	irm or Inc	dividual	consul	tant												
		b. Key Personnel or team members, if firm																
	j.	Short listing criteria including weight for each criteria																
	k.	Techi	nical eva	luation	criteria	includi	ng we	ight for	r each c	riteria								
	l.	Propo	sed term	ns of pa	yment	by maj	or out	puts										
	m.	Appro	oved bud	get of c	ontract													
	n.		ation Pro		•	•												
	0.	Justif	ication if	recom	mendir	ng neg	gotiate	d cont	ract an	d/or_e	ndorse	ment						
	REVIE	W RES	SULT:															

NOT READY for procurement:	
Submit info/document(s) marked 'X' by	
Refer to notes in the submitted TOR	
Please attend pre-procurement conference on	

READY for procurement	t:
Provide soft copy to be t	ransferred to the Bid Documents
Contact procurement	for schedules and status of

REVIEWER:	Contact No.	651-7800 local 1624
	- Contact Ho	001 1000 10001 10 <u>2</u> 1

### MANUAL PROCEDURES FOR THE PROCUREMENT OF CONSULTING SERVICES



## Republic of the Philippines Department of Health

### **BIDS AND AWARDS COMMITTEE**

FOR FOR	VI :	
FROM	:	
SUBJECT	:	Procurement of Consulting Services for the Conduct of Health Facility Survey for Selected Essential Child Survival Interventions
DATE	:	31 May 2010

This pertains to the procurement of consulting services for the Conduct of Health Facility Survey for Selected Essential Child Survival Interventions. Upon review of the Terms of Reference, the following observations and recommendations were noted, to wit:

- a) The objectives may be confused with the scope of work. Kindly clarify the objectives.
- b) The scope of work must identify the nature of the project and the extent of effort the consultant must render relative to the project.
- c) The expected outputs or deliverables must have a separate level. It must contain the specific number of copies and type of output, i.e. hard or soft copy, pdf or jpeg file, etc.
- d) Since this project entails survey in randomly selected provinces, the project sites must be specified in the TOR.
- e) The implementation arrangement must include DOH contact persons, as well as the director-in-charge and their contact details. It must also contain contract administration arrangement.
- f) It was not indicated whether an individual consultant or consulting firm is required for this project. If the requirement is a consulting firm, kindly enumerate at least three (3) key personnel or team members and the qualifications of each such as and the number of years of experience and educational attainment.
- g) There were no short listing and technical evaluation criteria including the weight for each criterion. There was also no specified evaluation procedure, i.e. either Quality- Based (QBE) or Quality Cost-Based Evaluation (QCBE).
  - For the short listing criteria, particularly in the related and similar work experiences, kindly specify the requirements and accomplishments that the individual consultant/consulting firm should have in order to be considered in the shortlist.

• For the technical evaluation criteria, kindly indicate the minimum score a prospective bidder must have in order to pass the technical evaluation.

Attached are the guidelines on how to make a comprehensive TOR and a sample format of the minimum qualification and evaluation criteria which you can use as a reference. Upon revision of the TOR, kindly provide us a soft copy.

Kindly submit the said documents within three (3) days upon receipt of this memorandum so that we can start the procurement of this project. Thank you.

### Qualification of consultant

- The expert must have the professional qualifications and experiences required to successfully cover the tasks as indicated in this TOR. The expert's required qualification are:
  - a. Institution or firm with proven track record with regard to client satisfaction research;
  - b. With at least 3 years experience in conducting nationwide survey
  - c. Knowledge with the health system reform is preferred;
- 2. Team members
  - a. Team leader
    - Similar and related work experience
    - Masters degree is preferred but not required
  - b. Assistant team leader
    - Similar/Related work experience
    - Bachelor's degree
  - c. Statistician
    - Bachelor's degree
    - At least one (1) year experience

Shortlisting Criteria refers to the percentage required to determine eligibility of the prospective bidders which consists of the following component:

		WEIGHT (%)	
1.	Applica	40	
	a.	Work similar to Project	25
	b.	Work experiences related to Project	15
2.	Quality	of Personnel	40
	a.	Education	25
	b.	Relevant Training	15
3.	Current	Workload	20
		TOTAL	_ 100

### MANUAL PROCEDURES FOR THE PROCUREMENT OF CONSULTING SERVICES

Technical evaluation refers to the percentage required to determine soundness of the bid proposal of the prospective bidder, which consists of the following:

Technical Evaluation Criter	
	212
	10

Qua	ality o	f persor	nel a	ssigned	30%
_			4.1	1 ( )	

Experience Education and training

=xpononee and eapaining or contenting in in	Experience and Capability of Consulting Firm	30%
---	--	-----

Overall firm's similar experience

Individual experiences of principal and key staff

Plan of Approach and Methodology 40%

Clarity, feasibility, innovativeness of planned approach

Quality of interpretation of problems

The above given set of details are merely guidelines in revising your TOR. For your information and perusal, thank you.

### ANNEX D. HOW TO SHORT LIST

The objective of short listing is to determine the most qualified consultancy firms or individual consultant to undertake the project. Using the eligibility documents submitted by the eligible bidders as basis, eligible bidders may be included in the short list taking the following into consideration: extensive experience in similar projects; qualifications of top officials of the firms or the experts proposed to be engaged for the project; and job capacity (Section 24 of the revised IRR 24). Short listing is undertaken primarily due to the substantial cost incurred by a bidder in preparing a proposal. If all eligible bidders are invited to submit proposals, the chance of a firm getting the award diminishes greatly. This discourages a firm from participating because the effort in terms of time and money is not commensurate to the probability of getting the award. A short list of, say, five (5) greatly increases the chance of a firm and is thus encouraged to put in more time and effort in preparing a good proposal.

- 1. Eliminate obviously unsuitable firms without the required areas of experience and expertise.
- 2. Study thoroughly the remaining firms their areas of expertise and experience based on the documents submitted.
- 3. Apply the following criteria for the selection of eligible firms for the shortlist based on Section 24 of R.A. 9184.
  - a. Extensive experience in similar projects namely on the level of responsibility and extent of experience not just the number of projects
  - b. Experience with similar projects level, i.e., national, national or both national and sub-national, small or large scale or integrated or specialized
  - c. Work experience in the same project
  - d. Experience in the same geographic and/or cultural area
  - e. Same work volume in monetary terms and human resource
  - f. Degree and extent of the firms involvement in the similar experiences Preference is as a principal than subsidiary partner
    - i. Principal vs. subsidiary partner
    - ii. Primary vs. supporting role
    - iii. Firm's experience vs. professional staff experience

Weights for each criterion will depend on the nature of the project. For very technical projects, emphasis should be on similar experience for organization. For management work, experience in similar authorities and culture is more important.

### ANNEX E. HOW TO CONDUCT NEGOTIATION

- 1. Coverage. This includes the technical services, financial terms and the legal contract.
- 2. Negotiating team should have the authority to negotiate.
  - a. It should include expertise of the above three (3) areas.
  - b. It should have members of the BAC, at least one member of the selection committee.
  - c. They must have the authority to decide key issues and to conclude the negotiations.
- 3. Require the consultant to present a written authorization to negotiate and conclude a contract, including power to sign on behalf of the firm.
- 4. Consultants should be advised on the onset of the level of authority to negotiate of the DOH and vice versa. It should be emphasized that in the DOH, the contract is subject to approval by higher authority(ies) and that if it a foreign assisted project, that it subject to the development partner approval or issuance of No objection letter. The approving authorities must be named during the negotiations. If certain matters are beyond the authority of the any of the parties, proper approval should be sought must be done in writing.
- 5. Discern attempts of consultant to alter approach, methodology, work plan and quality of proposed personnel which at times may be appealing. Do not forget the original project requirements as indicated in the TOR and the basis for evaluation and ranking.
- 6. Record minutes of negotiations by order of discussion and the main points of the discussion and leading to the resolution (See form).
- 7. Refer and address comments on the TOR submitted by the consultant. If no major comments on the TOR and scope of services, there should be little discussion. Then, only confirm that these are clear and understood
- 8. If there are amendments, alterations should be properly recorded and included in the minutes and the corresponding changes in the TOR should be made including changes in professional staff, manning schedule and/or work plan.

### **Procedure in Contract Negotiation:**

- 1. Opening salutation by the DOH negotiating team and introduction of the DOH team
- 2. Response of the greeting the prospective consultant and introduction of their team
- 3. Submission of written authorization by the consultant's representative to negotiate and conclude the contract

- 4. DOH advises the consultants of their authority or limitation of authority to negotiate, i.e., the contract is always subject to approval of DOH legal services, and management.
- 5. Review and discuss the TOR, it's the objectives and scope of work, resolve differences between the TOR and technical proposal. Refer to Comments on the TOR included in the technical proposal as well as to the technical evaluation report. Refer to the attached negotiation checklist.
- 6. Review the work plan (shows the phasing or sequence of inputs by major project components during project implementation) and manning schedule (shows man-months of each project team and the expertise required from each professional staff. If there are changes in the scope of work, then automatically these two documents are affected and consequently revised.
- 7. Review consultant personnel as proposed in the technical proposal and make certain their availability. Any substitution should be agreed upon during the negotiation. Substitutes must have at least equal qualification and the curriculum vitae of such should be submitted and carefully evaluated again.
- 8. Discuss and resolve extent and timing of DOH counterpart staff & facilities.
- 9. Discuss provision and use of equipment.
- 10. Resolve deficiencies like unsuitability (over or under qualified) for the services of a professional staff excessive man-months, inadequate or excessive project duration, inappropriateness of approach, additional expertise, unavailability of equipment or facilities in DOH, etc.
- 11. Financial proposal is only discussed after the above have been discussed. Any change in the scope of works, duration and estimated man months of professional staff may lead to reduction in the total cost of the proposal.
- 12. Review draft contract and ensure that both are clear of the terms and conditions and agree on any modifications if needed. The terms of payment should be discussed.
- 13. Discuss approvals and signatures and notarization of contract if FAPS review and acceptance of development is required.
- 14. Agree on the deadline of required confirmation of various unresolved terms and conditions of the contract.
- 15. Project start, performance bond for GOPs projects and when is the Notice to proceed issued.

#### MANUAL PROCEDURES FOR THE PROCUREMENT OF CONSULTING SERVICE

## NEGOTIATION CHECKLIST

Consultant

Name of Consultant			
Project Title/Terms of			
Reference			
Requesting office(s)			
DOH Representatives	<ul><li>BAC</li><li>Requesting</li><li>BAC Secreta</li></ul>		er/End-User Representative
Date/Time/ Venue	Date: Time: Venue:		
Background	Indicate circumsta		election (single/highest rated or escription of the consultant.
Торіс		Comments/	Resolutions/ Response
Terms of Reference/Scope of Work			
TPF 3. Consultant's comments on the	TOR		
COBAC/TWG Report Comments			
Deliverables			
Work plan and timeline:	:		
Financial proposal			
Schedule of Payment:			
<ul> <li>Project Management or Contra Arrangement</li> <li>DOH Project Steering Comm</li> </ul>			
DOH counterparts, if any			
Others			
Conclusion			
ared by:		Approved I	by:
Secretariat		BAC Regi	ular Member
		<i>5</i> , 1090	

168

## **ANNEX F. ABBREVIATIONS AND ACRONYMS**

ABC	Approved Budget for the Contract	CIP	Carriage and Insurance Paid to (named place of destination)
ABM	Agency Budget Matrix	CLC	Credit Line Certification
ADB	Asian Development Bank	COA	Commission on Audit
AFP	Armed Forces of the Philippines	COBAC	Central Office Bids and Awards Committee
AFS	Audited Financial Statement	COFILCO	Confederation of Filipino Consulting Organizations
AO	Administrative Order	CPES	Contractors Performance Evaluation System
APP	Annual Procurement Plan	CPESIU	Contractors Performance Evaluation System Implementing Unit
APR	Annual Procurement Report	CPM	Customized Procurement Manual
BAC	Bids and Awards Committee	CSC	Civil Service Commission
ВС	Budget Circular	CSO	Civic Society Organization
BDS	Bid Data Sheet	DBCC	Development Budget Coordination Committee
BIR	Bureau of Internal Revenue	DBM	Department of Budget and Management
BRS	Bureau of Research and Standards	DBM-PS/ PS- DBM	Department of Budget and Management-Procurement Service
BSP	Bangko Sentral ng Pilipinas	DOH	Department of Health
CAF	Certificate of Availability of Funds	DTI	Department of Trade and Industry
CDA	Cooperatives Development Authority	DV	Delivery Voucher
CHD	Center for Health Development	E.O.	Executive Order
CIAP	Construction Industry Authority of the Philippines	ESAO	Engineering Supervision and Administration Overhead
CIF	Cost, Insurance and Freight	EXW	Ex Works, Ex Factory or Off-the-Shelf

#### MANUAL PROCEDURES FOR THE PROCUREMENT OF CONSULTING SERVICE

FAPs	Foreign Assisted Projects	ITB	Instructions to Bidders
FDA	Food and Drug Administration	ITR	Income Tax Return
FMIS	Financial Management Information System	JBIC	Japan Bank for International Cooperation
GAA	General Appropriations Act	JVA	Joint Venture Agreement
GCC	General Conditions of Contract	LC	Letter of Credit
GFI	Government Financial Institution	LCB	Lowest Calculated Bid
GOCC	Government-Owned or – Controlled Corporation	LCRB	Lowest Calculated and Responsive Bid
GOP	Government of the Philippines	LGU	Local Government Unit
GPM	Generic Procurement Manual	LOI	Letter of Intent
GPPB	Government Procurement Policy Board	MOOE	Maintenance and Other Operating Expenses
GPPB-TSO	Government Procurement Policy Board – Technical Support Office	NACAP	National Constructors Association of the Philippines
GPRA	Government Procurement Reform Act of 2003	NBC	National Budget Circular
HOPE	Head of Procuring Entity	NCB	National Competitive Bidding
HRB	Highest Rated Bid	NFCC	Net Financial Contracting Capacity
HRRB	Highest Rated and Responsive Bid	NGA	National Government Agency
IB	Invitation to Bid	NGO	Non-Government Organization
ICB	International Competitive Bidding	NOA	Notice of Awards
ICT	Information and Communications Technology	NSO	National Statistics Office
IFI	International Financing Institution	NTP	Notice to Proceed
IPR	Intellectual Property Rights	os	Obligation Slip
IRR	Revised Implementing Rules and Regulations	PA	Professionals' Association
IRR-A	Implementing Rules and Regulations Part-A of RA 9184	PAPs	Program, Activities and Programs

PBDs	Philippine Bidding Documents	RIS	Requisition and Issuance Slip
PCA	Philippine Constructors Association, Incorporated	ROW	Right-of-Way
PCAB	Philippine Contractors Accreditation Board	SARO	Special Allotment Release Order
PCCI	Philippine Chamber of Commerce and Industry	SBD	Standard Bidding Documents
PERT/CPM	Project Evaluation Review Technique / Critical Path Method	scc	Special Conditions of Contract
PhilGEPS/ GEPS	Philippine Government Electronic Procurement System	SEC	Securities and Exchange Commission
PICE	Philippine Institute of Civil Engineers	SME	Small and Medium Enterprises
PICPA	Philippine Institute of Certified Public Accountants	sow	Scope of Work
РМО	Project Management Office	SRRB	Single Rated and Responsive Bid
PNDF	Philippine National Drug Formulary	SSRS	Simplified Supplier's Registration System
PNP	Philippine National Police	SUC	State Universities and Colleges
PPMP	Project Procurement Management Plan	SWA	Statement of Work Accomplished
PR	Procurement Request	TACT	Technical Assistance Coordinating Team
PRC	Professional Regulation Commission	TOR	Terms of Reference
PWI	Procurement Watch Incorporated	TSO	Technical Support Office
R.A.	Republic Act	TWG	Technical Working Group
R.A. 9184	Republic Act No. 9184, otherwise known as the "Government Procurement Reform Act"	UNDB	United Nations Development Business
REI	Request for Expression of Interest	VAT	Value-Added Tax
RFP	Request for Proposal	WB	The World Bank
RFQ	Request for Quotation	WFP	Work and Financial Plan

## **ANNEX G. GLOSSARY**

Abstract of Bids The corresponding document prepared by the BAC after all bids

have been received, opened, examined, evaluated and ranked.

Abstract of Bidding Documents A summary containing general information on the procurement at

hand that is posted in the PhilGEPS.

Advance payment Refers to any payment made prior to the delivery and acceptance of

Goods, Works, or Consulting Services.

Approved Budget for the Contract 
The budget for the contract duly approved by the head of the

procuring entity, as provided for in the General Appropriations Act and/or continuing appropriations, in the case of national government agencies; the corporate budget for the contract approved by the governing board, pursuant to Executive Order No. 518, series of 1979 ("E.O. 518"), in the case of GOCCs and GFIs, and Republic Act No. 8292 in the case of SUCs; and the budget

approved by the Sanggunian in the case of LGUs.

with Rule V of the revised IRR of R.A. 9184. It primarily perform the following functions: (a) advertise and/or post the invitation to bid/request for expressions of interest; (b) conduct pre-procurement and pre-bid conferences; (c) determine the eligibility of prospective bidders; (d) receive bids; (e) conduct the evaluation of bids; (f) undertake post-qualification proceedings; (g) resolve motions for reconsideration; (h) recommend award of contracts to the Head of the Procuring Entity or his duly authorized representative: (i) recommend the imposition of sanctions in accordance with Rule XXIII; (j) recommend to the Head of the Procuring Entity the use of Alternative Methods of Procurement as provided for in Rule XVI hereof; and (k) perform such other related functions as may be necessary, including the creation of a Technical Working Group from a pool of technical, financial, and/or legal experts to assist

evaluation of bids, and post-qualification.

Bid A signed offer or proposal to undertake a contract submitted by a

bidder in response to and in consonance with the requirements of the bidding documents. Also referred to as *Proposal* and *Tender*, particularly when referring to the procurement of consulting

in the procurement process, particularly in the eligibility screening,

services.

Bid Evaluation The process of determining the Bidder with the Lowest Calculated

Bid or the Highest Rated Bid.

Bid Opening Date The date specified in the IB for the opening of bids.

**Bid Security** 

Cash, check, bank draft, letter of credit, bank guarantee, surety bond or a foreign government guarantee that serves as a guarantee that the successful bidder shall not default on his offer, and shall enter into contract with the Procuring Entity and furnish the performance security.

**Bid Validity** 

A reasonable period determined by the head of the Procuring Entity concerned, but in no case shall exceed one hundred twenty (120) calendar days from the date of the opening of bids, wherein a Bid Security is considered valid.

**Bidder** 

An individual or entity that submits a bid. The term includes anyone acting on behalf of the individual or other entity that submits a bid, such as agents, employees, and representatives. More specifically, a contractor, manufacturer, supplier, distributor and/or consultant competing for the award of a contract in any government procurement. See *Eligible bidder*, *Prospective bidder*.

**Bidding Documents** 

The documents issued by the procuring entity as the bases for bids, furnishing all information necessary for a prospective bidder to prepare a bid for the infrastructure projects, goods and/or consulting services required by the procuring entity.

**Blacklisting** 

To place on, or as if on, a list of persons or organizations that have incurred disapproval or suspicion or are to be boycotted or otherwise penalized.

**Brand Name** 

A trade name or product name, which identifies a product as having been made by a particular manufacturer.

**Calculated Bid Price** 

The price of a bid, after taking into account minor arithmetical corrections to consider computational errors, omissions and discounts, if allowed.

**Civil Works** 

See Infrastructure Projects.

Collusion

An agreement between two or more persons, to commit acts to accomplish a fraudulent or deceitful purpose.

**Common-Use Supplies** 

Goods, materials and equipment that are repetitively used in the day-to-day operations of procuring entities in the performance of their functions, which are included in the Price List of the Procurement Service of the Department of Budget and Management.

Competitiveness

A principle in Government procurement that allows broad participation by eligible and qualified suppliers, contractors, consultants to put forward offers for a project.

#### MANUAL PROCEDURES FOR THE PROCUREMENT OF CONSULTING SERVICE

Competitive Bidding

Use interchangeably with term Public Bidding: It is a method of procurement which is open to participation by any interested party and which consists of the following processes: advertisement, prebid conference, eligibility screening of prospective bidders, receipt and opening of bids, evaluation of bids, post-qualification, and award of contract.

**Communication costs** 

Mail and fax costs, plus cost of advertising, meetings, internet/web posting and other costs incurred for the dissemination of information about the bidding.

**Conference Notice** 

A formal written communication sent to the participants of the conference (such as the Pre-procurement, Pre-bid and Post- Award Conference) informing them when and where the conference will be held.

**Conflict of Interest** 

Refers to a clash between public interest and the private pecuniary interest of the individual concerned (Black's law Dictionary, 5th ed.)

**Consulting Services** 

Refer to services for Infrastructure Projects and other types of projects or activities of the Government requiring adequate external technical and professional expertise that are beyond the capability and/or capacity of the Government to undertake such as, but not limited to: (i) advisory and review services; (ii) pre-investment or feasibility studies; (iii) design; (iv) construction supervision; (v) management and related services; and (vi) other technical services or special studies (Sec. 5 i of the revised IRR).

**Consolidated Blacklisting Report** 

A report issued by the GPPB that contains a list of people and/or organizations that are barred from participating in any Government procurement project.

**Consulting Services** 

Services for Infrastructure Projects and other types of projects or activities of the Government requiring adequate external technical and professional expertise that are beyond the capability and/or capacity of the Government to undertake such as, but not limited to: (i) advisory and review services; (ii) pre-investment or feasibility studies; (iii) design; (iv) construction supervision; (v) management and related services; and (vi) other technical services or special studies.

**Contract Completion** 

Project sign-off or acceptance of the project/goods by the end- user.

**Contract Implementation** 

The execution of a contract, covering the following milestones: effectivity of the contract; contractor's performance of his contractual obligations; procuring entity's performance of its contractual obligations, as specified in the Contract; final

acceptance or project sign-off; all other related activities; and payment by the Procuring Entity.

**Contractor** One who undertakes to perform a work or service, or supply goods

for a public or private entity.

**Contract Termination** Ending of a contract prior to its completion.

Corrupt practice The offering, giving, receiving, or soliciting of anything of value to

influence the action of a public official in the procurement process

or in contract execution. Compare *fraudulent practice*.

Cost Recovery Component Direct and indirect costs accounted for in determining the price of

Bidding Documents to be sold to interested suppliers/contractors.

**Demand Regulation Component** A positive (+) or negative (-) unit amount allocated to the bidding

activity for the purpose of regulating the participation of bidders

**Development Cost**Costs incurred in developing the original content of the documents,

designs, plans and specifications. The design cost may be excluded if the same is to be included in the capitalized cost of the project which is to be recovered from the usage of the completed project

facility.

communication costs allocated to the bidding activity. See Communication Cost. Development Cost. Reproduction Cost.

Compare Indirect Costs.

**Disclosure** The act of disclosing, uncovering, or revealing

**Disqualification** The act of barring a bidder from further participation in the

procurement at hand, even if, in some instances, it has initially been

declared eligible or post-qualified.

**Domestic Bid**Any offer of unmanufactured articles, materials, or supplies of the

growth or production of the Philippines, or manufactured articles, materials or supplies manufactured or to be manufactured in the Philippines, substantially from articles, materials or supplies of the growth, production or manufacture, as the case may be, of the

Philippines.

Eligible Bidder A contractor, manufacturer, supplier, distributor or consultant who

meets all the eligibility requirements issued by the procuring entity.

**Eligibility** Refers to the status of a Bidder in relation to its legal, technical and

financial competence to comply with the requirements of the contract to be bid, as shown by eligibility documents submitted to

and checked by the BAC.

Eligibility Check The process of determining the compliance of Prospective Bidders

with the eligibility requirements prescribed, using a non-

discretionary, "passed/failed" criteria.

Eligibility Screening (see) Eligibility Check.

Financial Bid One of two components comprising a bid, the other being the

Technical Bid.

Force Majeure (see) Fortuitous events.

Foreign Bid Any offer of articles, materials or supplies not manufactured or to be

manufactured in the Philippines, substantially from articles, materials or supplies of the growth, production, or manufacture, as

the case may be, of the Philippines.

**Foreign Supplier** A supplier who is not a local supplier.

Fortuitous events It is an event which could not be foreseen, or which though

foreseen, was inevitable. (Art. 1174, Civil Code)

Fraudulent practice Misrepresentation of facts in order to influence a procurement

process or the execution of a contract to the detriment of the

Procuring Entity. Compare corrupt practice.

**Goods** Refer to all items, supplies, materials and general support services,

except consulting services and infrastructure projects, which may be needed in the transaction of public businesses or in the pursuit of any government undertaking, project or activity, whether in the nature of equipment, furniture, stationery, materials for construction, or personal property of any kind, including non- personal or contractual services such as the repair and maintenance of equipment and furniture, as well as trucking, hauling, janitorial, security, and related or analogous services, as well as procurement of materials and supplies provided by the procuring entity for such services. The term "related" or "analogous services" shall include, but not be limited to, lease or purchase of office space, media advertisements, health maintenance services, and other services essential to the operation of the procuring entity (Sec. 5 r of the

revised IRR).

**Head of the Procuring Entity** (i) the head of the agency or body, or his duly authorized official, for

NGAs and the constitutional commissions or offices, and branches of government; (ii) the governing board or its duly authorized official, for GOCCs, GFIs and SUCs; or (iii) the local chief executive, for LGUs: Provided, however, that in an agency, department, or office where the procurement is decentralized, the Head of each decentralized unit shall be considered as the head of

the procuring entity subject to the limitations and authority delegated by the head of the agency, department, or office.

Invitation to Bid

This serves as the notice to the public and all interested parties of the procurement opportunity.

**Incidental Services** 

This are services ancillary to the supply of the Goods, such as transportation and insurance; installation, commissioning, provision of technical assistance, training, and other such obligations of the Supplier covered under the contract, RFP, TOR, and/or bidding documents.

**Indirect Costs** 

Costs indirectly incurred such as overhead, supervision, and administrative costs allocated to the bidding activity. Compare *Direct Costs*.

Ineligible Bidder

A contractor, manufacturer, supplier, distributor or consultant who fails to meet any or all of the eligibility requirements issued by the procuring entity.

Infrastructure Projects

Include the construction, improvement, rehabilitation, demolition, repair, restoration or maintenance of roads and bridges, railways, airports, seaports, communication facilities, civil works components of information technology projects, irrigation, flood control and drainage, water supply, sanitation, sewerage and solid waste management systems, shore protection, energy/power and electrification facilities, national buildings, school buildings, hospital buildings, and other related construction projects of the government. Referred also as *civil works* (Sec. 5.u of the revised IRR).

Inspection

Examination and/or testing of merchandise to determine whether it has been received in the proper quantity and condition and to verify that it conforms to the applicable specifications.

**Latent Defect** 

A defect that is not apparent to the buyer by reasonable observation. A latent defect is "hidden" or one that is not immediately determinable.

**Liquidated Damages** 

Damages agreed upon by the parties to a contract, to be paid in case of breach thereof.

**Request for Reconsideration** 

In procurement, it is an application made to the BAC for the purpose of obtaining a rule or order setting aside a previous decision.

**Negotiated Procurement** 

An alternative method of procurement of goods, infrastructure projects and consulting services, whereby the procuring entity directly negotiates a contract with a technically, legally and financially capable supplier, contractor or consultant.

#### MANUAL PROCEDURES FOR THE PROCUREMENT OF CONSULTING SERVICE

Notice of Award The document issued by the HOPE to the bidder to whom the

contract is awarded.

**Notice of Eligibility**The document issued by the BAC to the eligible bidder/s formally

informing the same that he/she/they met the eligibility requirements

issued by the procuring entity.

**Notice of Ineligibility**The document issued by the BAC to the bidder/s who failed to meet

any or all of the eligibility requirements issued by the procuring

entity.

**Notice of Post-qualification**The document issued by the BAC to the bidder with LCB whose bid

is found responsive.

Notice to Proceed The document issued by the Head of the Procuring Entity to the

winning bidder to proceed with the implementation of the contract.

Observer One who is invited to attend and observe all stages of the

procurement, especially: the pre-bid conference; opening of bids; bid evaluation; post-qualification; contract award; and special

meetings of the BAC.

Patent Defect A defect that is apparent to the buyer on normal observation. An

apparent or obvious defect.

Performance Security A security posted by the winning bidder to guarantee the faithful

performance by the same of its obligations under the contract

prepared in accordance with the bidding documents.

Portal A website that integrates a wide variety of contents for the

purpose of attracting and aggregating multiple users together in a

central virtual space.

**Post-qualification** The process of validating and verifying the documents, information

and statements made in the Eligibility Documents by the Bidder who submitted the Lowest Calculated Bid, as well as ascertaining the said Bidder's compliance with the legal, financial and technical

requirements of the bid.

**Post-qualification Report**The report prepared by the TWG containing the findings/results of

the post-qualification conducted on the bidder with the LCB or HRB,

as the case may be.

**Pre-bid Conference** It is the forum where the Procuring Entity's representatives and the

Prospective Bidders discuss the different aspects of the

procurement at hand.

#### **Pre-procurement Conference**

It is the forum called by the BAC for procurements undertaken through public bidding, where all officials involved in the procurement meet and discuss all aspects of the transaction, including the technical specifications, the Approved Budget for the Contract, the applicability and appropriateness of the recommended method of procurement and the milestones, the bidding documents, availability of the pertinent budget release for the project / contract, among others.

#### **Procurement**

The acquisition of Goods, Consulting Services, and the contracting for Infrastructure Projects by the Procuring Entity. Procurement shall also include the lease of goods and real estate. With respect to real property, its procurement shall be governed by the provisions of R.A. 8974 and other applicable laws, rules and regulations.

#### **Procurement Observation Report**

The report submitted by the Observer to the Head of the Procuring Entity based on the procurement checklist.

#### **Procurement Unit**

Refers to the organic office of the Procuring Entity that carries out the procurement function.

#### **Procuring Entity**

Any branch, constitutional commission or office, agency, department, bureau, office, or instrumentality of the Government, including GOCC, GFI, SUC and LGU procuring Goods, Consulting Services and Infrastructure Projects.

#### **Project Management Office**

The unit/office/department of the procuring entity that is primarily responsible for implementing and managing a project.

#### **Proposal**

(see) Bid.

#### **Protest**

A formal declaration made by a person interested or concerned in some acts to be done, or already performed, whereby he expresses his dissent or disapproval, or affirms the act against his will. The object of such declaration is usually to save some right which would be lost to him if his implied anent could be made nil, or to exonerate himself from some responsibility which would attach to him unless he expressly negate his assent (Black's Law Dictionary, 5th Ed.)

#### Provincial bidder

A contractor who participates in the bidding of provincial priority programs and infrastructure projects as defined in Section 44 of the revised IRR of R.A. 9184, and whose principal office is within the same province.

**Public Bidding** 

(see) Competitive Bidding.

#### MANUAL PROCEDURES FOR THE PROCUREMENT OF CONSULTING SERVICE

Public Monitoring It is one of the governing principles of public procurement which

seeks to ascertain compliance of a procuring entity to the provisions

of R.A. 9184 and its revised IRR.

**Reproduction cost** It is the labor, supplies and equipment rental costs incurred in the

reproduction of the documents.

Request for Clarification A written request submitted by the bidder to the BAC, asking the

latter to clarify a particular provision of the Bidding Documents.

Request for Proposal A written request for proposals concerning goods or services the

government intends to acquire by means of alternative method of procurement such as Shopping or Negotiated Procurement (Small-value Procurement). The solicitation document used in acquiring quotations. The procedure allows changes to be made after other proposals are opened and contemplates that the nature of the

proposals and/or prices offered will be negotiated prior to award.

**Spare parts**Refer to extra components, equipment, tools, instruments or parts

of machinery or apparatus that replace the ones that are damaged

or worn out.

**Specification** A description of what the purchaser requires and what a bidder

must offer.

Splitting of Contracts Splitting of Government Contracts means the division or breaking

up of GOP contracts into smaller quantities and amounts, or dividing contract implementation into artificial phases or subcontracts for the purpose of evading or circumventing the requirements of law and the revised IRR, especially the necessity of public bidding and the requirements for the alternative methods of

procurement (Section of the revised IRR 54.1)

Standard The established and fixed measure used in assessing quality or

performance.

**Subcontractor** One who takes a specific part of the work undertaken by the

principal contractor. (Black's Law Dictionary, 5th Ed.)

**Submitted bid price**The bid price as indicated in the financial proposal submitted by the

bidder.

**Supplemental/Bid bulletin** A notice issued by the Procuring Entity to Prospective Bidders with

respect to any clarifications or modifications in the Bidding Documents, including those affecting the technical specifications, eligibility requirements, procurement schedule, and other similar

matters.

**Technical Bid**One of two components comprising a bid, the other being the

Financial Bid.

#### **DOH CUSTOMIZED PROCUREMENT MANUAL VOLUME 4 2010**

Tender (see) Bid.

Warranty An undertaking by the supplier, manufacturer or distributor to

guarantee that it will correct any manufacturing defects of the goods

procured by the government.

## **ANNEX H. REFERENCES**

REFERENCE	NAME OF ADMINISTRATIVE ISSUANCE NUMBER AND TITLE	DATE OF EFFECTIVITY
REFERENCE A	Administrative Order No. 2006-0034 (Delegation of Authorities for certain Transactions in the Offices under the Department of Health)	10 OCTOBER 2006
REFERENCE B	Administrative Order No. 2006-0034-A: Amendment of Administrative Order No. 2006-0034 "Delegation of Authorities for Certain Transactions in the Offices under the Department of Health" dated 10 October 2006	07 DECEMBER 2009

# Section 9

# **SAMPLE FORMS**

## A. PROJECT PROCUREMENT MANAGEMENT PLAN

## PROJECT PROCUREMENT MANAGEMENT PLAN (PPMP) CY 2010

## Office of the End-User

Date: <u>03 January 2010</u>

Item	Item Description/	Total		Total		First Se	emeste	r	Se	cond S	Semest	ter	Documended	Source
No.	General Specifications	Quantity	Unit	Amount	Q1 Qty	Q1 Qty	Q2 Qty	Q2 Qty	Q3 Qty	Q3 Qty	Q4 Qty	Q4 Qty	Recommended Procurement	of Funding
	Hiring of an Advertising Agency for the Branding of Behavior, Development and Production of Creative/Campaign Materials for Breastfeeding Communication for Behavioral Impact (COMBI)	1	Project	10,000,000.00									Public Bidding	GOP

Prepared by: Recommending Approval: Approved by:

MS. A MS. B MR. C

Administrative Officer Director IV Assistant Secretary of Health

## **B. ANNUAL PROCUREMENT PLAN**

	DEPARTMENT OF HEALTH ANNUAL PROCUREMENT PLAN CY 2010									
ITEMS	SPECIFICATIONS	TOTAL QUANTITY	UNIT	UNIT COST	TOTAL COST/ PROPOSED ABC	REQUESTING OFFICE	FUNDING SOURCE	EXPECTED TIME OF USE OF GOODS OR SERVICES	MODE OF PROCUREMENT	
Hiring of an Advertising Agency for the Branding of Behavior, Development and Production of Creative/Campaign Materials for Breastfeeding Communication for Behavioral Impact (COMBI)	Consulting Service	1	PROJECT	10,000,000.00	10,000,000.00	Office A	GOP	1 <sup>st</sup> Quarter	Public Bidding	
	SUB - TOTAL 10,000,000.00 10,000,000.00									

## C. TERMS OF REFERENCE

TITLE OF TA: HIRING OF AN ADVERTISING AGENCY FOR THE BRANDING

OF BEHAVIOR, DEVELOPMENT AND PRODUCTION OF CREATIVE/CAMPAIGN MATERIALS FOR BREASTFEEDING COMMUNICATION FOR BEHAVIORAL IMPACT (COMBI)

#### TYPE OF TA SERVICE OR PRODUCT:

BRANDING OF BEHAVIOR AND CREATIVE/CAMPAIGN MATERIALS DEVELOPMENT AND PRODUCTION

TA CLIENT: DOH

#### I. BACKGROUND/RATIONALE

Philippines is one of the ten countries accounting for two-thirds of the global underweight children. The current infant and young feeding practices contribute to these problems, only 16% are breastfeeding exclusively at the age of 4-5 months, 50% stopped exclusive breastfeeding at only 3 weeks, yet 49% are either exclusively or partially formula feeding. This is despite the 85% breastfeeding initiation.

Studies show that when mothers are given proper information and support, they tend to breastfeed. However, in environments where there are confusing messages, mothers tend to prematurely stop breastfeeding. This poor infant and young Filipino feeding practices is commonly attributed to aggressive marketing. According to AC Nielsen, in the first six months of 2006, producers of breast milk substitutes spent P4, 451,374,000.00 on advertising their products.

The Communication for Behavioral Impact (COMBI) methodology has been developed in conjunction with WHO based on industry methods used to promote products. It includes branding of behavior based on modern techniques of marketing along with other strategies to promote exclusive breastfeeding for 6 months. It does not wish only to increase awareness and having people understand the importance of breastfeeding but what matters is that people are carrying out the recommended specific breastfeeding practices. WHO and the Department of Health desire to apply the COMBI methodology so that health communication would work on having impact on people's behavior with regards to breastfeeding in the first six months of an infant's life.

The NCHP-DOH Office A along with the NCDPC – DOH Office B, NNC- DOH Office C and other agencies developed a COMBI plan and are taking the lead to implement it nationwide. Breastfeeding COMBI aims to double the number of mothers exclusively breastfeeding within one hour of birth to the end of the first six months of life among women in cities and highly urbanized municipalities during the two year period from July 2010 to July 2012.

#### MANUAL PROCEDURES FOR THE PROCUREMENT OF CONSULTING SERVICES

Part of the Breastfeeding COMBI Plan is the branding of behavior and the development and production of creative/campaign materials. It is in this context that we are hiring an advertising agency that will take care of these activities.

#### II. OBJECTIVES

To engage the services of an advertising agency to assist the DOH in:

- A. Developing an executional communication strategy and branding of behavior for breastfeeding
- B. Developing and implementing the Public Relations plan
- C. Developing and producing creative/campaign materials to include logo, reporting and recording forms and collaterals

#### III. SCOPE OF WORK

- A. Submit inception report
- B. Submit comprehensive studies of creative executional communication strategy and the branding of behavior for breastfeeding
- C. Develop and implement Public Relations plan
- D. Organize a launch event for the breastfeeding "brand"
- E. Undertake a pre test of the prototype creative materials
- F. Document the pre test results and submit to project managers
- G. Finalize the creative materials
- H. Secure approval of the Cluster Head and the Execom on the materials and plans
- I. Reproduction of the creative/campaign materials

### IV. EXPECTED OUTPUTS/DELIVERABLES

- A. Inception report
- B. Plan for the branding strategy of breastfeeding behaviors.
- C. Prototype of creative materials such as posters, certificates, vests etc.
- D. Plans for the public relations and launch event
- E. Pre test plan and methodology
- F. Results of the pre-testing
- G. Final Art (FA) of designs and prototypes of material
- H. Reproduced copies of the creative and other campaign support materials:

MATERIALS	MINIMUM NO. OF COPIES:
Reporting Forms: For midwives For peer counselors	80,000 20,000
Cards/certificates or its equivalent 3-in-one Cards Thank you certificates	400,000 10,000
Collaterals or equivalent: Vest Personalized Notebooks Personalized pen Rubber Stamps with logo, ink pad, ink	10,000 10,000 10,000 10,000
Poster or equivalent	50,000 (minimum no. of copies)

I. End of project report or terminal report on the project summarizing the recommendations and activities undertaken in the project including documentations and compilation of prototype materials to be submitted in 6 hard copies and 6 electronic copies stored in compact discs

#### V. ESTIMATED DURATION OF ENGAGEMENT OR PROJECT

Six months

#### VI. PROJECT SITES

Project sites will include Central Office and CHDs Nationwide. The branding of behavior and creative materials will be initially used in 150 urbanized cities and provinces but it will also be use in the roll out sites in year 2 and 3 of the project.

#### VII. IMPLEMENTING ARRANGEMENT

#### A. Contact Persons:

Dr. A

Director IV

Department of Health

Sta. Cruz, Manila

Tel. No. 743-8301 loc. 2825/2801/2827

Fax: 743-8438

Ms. B

Chief, Health Communications Division

Department of Health

Sta. Cruz, Manila

Tel. No. 743-8301 loc. 2801

Fax: 743-8438

#### MANUAL PROCEDURES FOR THE PROCUREMENT OF CONSULTING SERVICES

Ms. C OIC, Health Program Promotion Division Department of Health Sta. Cruz, Manila Tel. No. 743-8301 loc. 2801 Fax: 743-8438

## B. Project Management

Dr. A will manage the contract with the assistance of Ms.B, Chief Health Communications Division and Ms. C, OIC, Health Program Promotion Division.

- C. Reporting Obligations, Notices, and Approval Process and Essential Reports, Contents
  - 1. The Contracting party shall submit to the Department of Health through the National Center for Health Promotion the final prototype creative materials, produced copies of some materials reports and other relevant documents specified in the TOR as agreed upon during negotiation, six (6) hard copies and six (6) soft copies stored in CD while for drafts of prototypes and reports one (1) each for print and soft copy.
  - 2. The Inception Report shall have the following minimum contents:
    - a. Activities, resource requirements for each activity and a PERT- CPM Chart
    - b. Background
    - c. Objectives
    - d. Implementation Strategy
    - e. Activities
    - f. Personnel and Resource Requirement (describe the personnel and resource requirement of the Project and how they are to be deployed to effectively pursue the objective
    - g. Manning schedule
    - h. Work Plan. The report shall contain a GHANTT chart showing relationships among interrelated activities. The work plan shall indicate workloads for the TA team.
    - i. The Consultant shall prepare and submit to the DOH materials or documents for the DOH's approval or review through the DOH Project Manager

- 3. A Progress reporting shall be done on monthly basis, which includes:
  - a. Objective(s) for the period
  - b. Accomplishments or assessment of progress including justification of changes from the work plan and the implications
  - c. Departures from the work plan; cumulative deviations to date from schedule of progress milestones as specified in the final project plan
  - d. Corrective actions to be taken to return to planned schedule of progress; proposed revisions to work schedule
  - e. Other issues and outstanding problems; proposed actions to be taken
  - f. Resource that producer expects to be provided by DOH and/or actions to be taken by DOH for the next reporting period
  - g. Other issues or potential problems the Contractor foresees that could impact on project progress and/or effectiveness
  - h. Payments; Payments requested and received will be included in the report, along with a statement of cumulative payments.
- 4. Approval/Review of Technical Documents and Other Outputs by the DOH
  - a. The first draft of the prototype materials shall be submitted to the project manager of the NCHP
  - b. The project manager will facilitate the presentation and the subsequent approval of all prototype creative outputs initially by the SMCT and PSDT Cluster members and the final approval by the EXECOM members of the DOH preferably within 15 days
  - c. If the creative outputs were disapproved or need some modifications, the consultant shall modify the outputs and resubmit it for DOH's approval prior to production of some materials
  - d. The Consultant will submit to the National Center for Health Promotion the following reports:
  - Progress reports a monthly or update report of activities taken by the Contractor including prototype materials approved.
  - Final report end of project detailing all activities being undertaken or specified in the Scope of Work of the Terms of Reference. The final report shall include the communication executional strategy, the branding of the behavior, prototypes developed, PR plan, launch event plan, pre- test results and the final creative materials.

#### VIII. PROPRIETARY RIGHTS

All technical documents, reports, communication plan and prototype materials shall be submitted to the DOH, and that the DOH shall be the sole owner of the output and has all the rights to the finished products. Any reproduction, citation, reference and use of the said documents and materials should obtain permission from the DOH.

#### IX. SUSTAINABILITY PLAN

The plan will be able to make more mothers aware of the importance and benefits of exclusive breastfeeding but at the same time encourage the practice of recommended specific breastfeeding practices.

It will also serve as the main strategy for communicating and promoting behaviors for sustaining breastfeeding practices. Secondary strategies will anchor on this plan for a more effective and comprehensive implementation of COMBI plan.

Materials developed can be adopted and translated for the use of LGU's and other partners. These materials can be reproduced and distributed to mothers, caregivers, health workers and other stakeholders.

#### X. ROLES AND RESPONSIBILITIES OF DOH AND THE CONTRACTING PARTY

#### **DOH OFFICE A**

- **A.** Shall supervise, participate and provide technical directions for the implementation of the project.
- **B.** Shall coordinate with the National Center for Disease Prevention and Control and Technical Working Group for the approval and acceptance of the deliverables of the contracting firm.
- **C.** Facilitates final approval by the Cluster Head and DOH Execom of the plan and other deliverables.
- **D.** Monitor or track the progress of the implementation and timely delivery of the outputs and prototype materials required.

#### DOH OFFICE B

- **A.** Responsible for the technical directions and content of the materials and other documents as needed in the plan.
- **B.** Together with NCHP suggests improvements on the plans being developed and other IEC materials.

#### **CONSULTANT**

- **A.** Coordinate with the NCHP and other DOH Units for technical directions in the implementation of the project.
- **B.** Ensure the availability of key technical experts and other support staff to implement all the activities reflected in the scope of work. Administrative arrangement as appropriate will likewise be done by the contracting party.

**C.** Shall ensure the timely delivery of inception, progress and final reports including all the outputs required in this project.

#### QUALIFICATION OF THE CONSULTANT

#### **Type: Firm**

#### **Desired Qualifications:**

- 1. Five (5) years experience in brand development and management including Public Relation (PR).
- 2. Engaged in audio visual productions, TV ad and other kinds of media production for at least 3 years.
- 3. Has available updated equipment for pre and post production necessary to produce good quality and creative outputs.
- 4. With personnel capable of handling or carrying out different stages of production from conceptualization, development, pre-production to post production.
- 5. With good track record and extensive experience with various clients on similar activities.
- 6. Financially capable to meet the needed requirements.

#### XI. TEAM COMPOSITION

The Production Team should be composed of highly creative and professional staff involved or has experience in concept development, scriptwriting, directing, technical and sound editors, and production, post-production and editing.

Specifically, the following staffs are needed but may not be necessarily hired for the whole duration:

**Brand Development Officer** 

Researcher Creative Director Production

Staff: Director, Scriptwriter, Production Assistant, Production Crew, Production Design/Team (Design/Props/Costumes) Make-up Artist

#### **Key Personnel or Team Members**

The project team will require the expertise on branding of behaviour and creative materials development or graphics design and/or public relations and advertising. The team should be multidisciplinary but may not necessarily be hired for the whole duration of the project.

#### MANUAL PROCEDURES FOR THE PROCUREMENT OF CONSULTING SERVICES

- Project Manager gives directions supervises and manages the timely implementation of the project.
- Account Executive is a liaison between the client and the creative department.
- An AE must work closely with both to make sure the client's needs are being met in every step of the ad campaign. Responsible for the coordination of all deliverables within the Agency and presenting for approval of the client.
- Creative Director sets the creative execution of the materials and maintains creative excellence of every developed materials
- Graphic Designer executes designs, layout, and determines graphics for each materials.
- Copywriter writes the copy or the ad itself, whether its for print, tv or radio.
- Media Director oversee the media department and are responsible for managing the client's media buying and planning needs.

**Shortlisting Criteria** 

Criteria		Weight (%)
A. Experience		60
1. Similar		40
2. Related		20
B. Qualification of Key personnel		30
C. Workload to Capacity		10
	TOTAL	100

#### **Technical Evaluation Criteria**

Criteria	Weight (%)
A. Quality of Personnel Assigned	20
1. Experience	30
2. Education and Training	
3. Experience and capability of firm	
B. Overall Firm's Similar Experience	30
<ul> <li>Individual experiences of principal and key staff</li> </ul>	
C. Plan of Approach and Methodology	
1. Clarity, feasibility and innovativeness of planned	
approach	40
2. Quality of interpretation of problems and	
suggested solutions	
TOTAL	100

### XII. PROPOSED TERMS OF PAYMENT

Upon submission of Inception Report	15%
Upon submission of the First Draft	30%
Upon approval and acceptance of the outputs by the by the Cluster and EXECOM	30%
Upon submission of the End of Project Report and the creative output	25%

#### XIII. ESTIMATED COST

Ten Million Pesos (P10,000,000.00) Office B Funds

### XIV. EVALUATION PROCEDURE: (QUALITY-COST BASED EVALUATION)

Technical Proposal 60% Financial Proposal 40%

#### XV. SUGGESTED TA PROVIDERS:

**Advertising Agencies** 

## **Estimated Breakdown of Expenditures**

MATERIALS	NO. OF COPIES/PCS.	AMOUNT
Reporting Forms: For midwives For peer counselors	80,000x P1 20,000x24xP1	80,000 480,000
Cards/certificates or its equivalent 3-in-one Cards Thank you certificates	400,000x P3 10,000 x100	1,200,000 1,000,000
Collaterals: Vest Personalized Notebooks Personalized pen Rubber stamps with ink pad and ink	10,000 xP150 10,000xP100 10,000x P50 10,000x100	1,500,000 1,000,000 500,000 1,000,000
Poster (50,000 copies – minimum no. of copies)	50,000xP10	500,000
<ul> <li>Branding of behavior</li> <li>Creative materials conceptualization and prototype</li> <li>Public Relations Plan (media briefing, Press conference, radio/TV guestings, newspaper editorials/write-up) and implementation</li> <li>Launch Event</li> </ul>		2,740,000
TOTAL		P10,000,000.00

## D. NOTICE OF PRE-PROCUREMENT CONFERENCE



## Republic of the Philippines Department of Health

#### **BIDS AND AWARDS COMMITTEE**

#### NOTICE OF MEETING

#### FOR: 1. Bids and Awards Committee (BAC)

1.1	DIR. A	_	Vice Chairperson
1.2	DR. B	_	Regular Member
1.3	DIR. C	_	Regular Member
1.4	DIR. D	_	Regular Member
1.5	DR. E	_	Provisional Member
1.6	DR. F	_	<b>BAC Secretariat</b>
1.7	MS. G	_	<b>BAC Secretariat</b>

#### 2. End-Users

2.1	MS. AA	_	End-User Representative/Office A
2.2	MS. BB	_	End-User Representative/Office A
2.3	MS. CC	_	End-User Representative/Office A

#### 3. Observers Representative

- 3.1 NAMFREL-CAC
- 3.2 Procurement Watch
- 3.3 Government Watch
- 3.4 Advocacy Graft and Corruption, CBCP-LAIKO
- 3.5 Internal Audit Unit
- 3.6 COFILCO
- 3.7 COA Representative

FROM: MR. A

Chairperson, BAC

SUBJECT: Pre-procurement Conference for the Hiring of an Advertising Agency for the Branding of Behavior,

PhP 10,000,000.00

**DATE:** 19 July 2010

**VENUE:** BAC Conference Room, Ground Floor, Building 6, San Lazaro Compound, Rizal Avenue, Sta. Cruz,

Manila

Should there be changes in the schedule indicated above, the BAC Secretariat will officially communicate with your office. Please confirm your attendance for the said activities with Ms. H, BAC Secretariat at telephone no. 651-7800 local 1625.

#### E. MINUTES OF PRE-PROCUREMENT CONFERENCE



## Republic of the Philippines Department of Health

#### **BIDS AND AWARDS COMMITTEE**

MINUTES OF THE PRE-PROCUREMENT CONFERENCE FOR THE HIRING OF AN ADVERTISING AGENCY FOR THE BRANDING OF BEHAVIOR, DEVELOPMENT AND PRODUCTION OF CREATIVE/CAMPAIGN MATERIALS FOR BREASTFEEDING COMMUNICATION FOR BEHAVIORAL IMPACT (COMBI) REI-CS-GOP-2010-08

#### Present were:

1.	MS. A	-	BAC Vice Chairperson
2.	MS. B	-	BAC Regular Member
3.	MR. C	-	BAC Regular Member
4.	MS. D	-	End-User Representative
5.	MR. E	-	End-User Representative
6.	MR. F	-	BAC Secretariat
7.	MR. G	-	BAC Secretariat
8.	MS. H	-	BAC Secretariat

The Pre-procurement Conference for the Hiring of an Advertising Agency for the Branding of Behavior, Development and Production of Creative/Campaign Materials for Breastfeeding Communication for Behavioral Impact (COMBI) under REI-CS-GOP-2010-08 on **31 May 2010**, 10:30 AM at the BAC Conference Room, Ground Floor, Building. No. 6, San Lazaro Compound, Sta. Cruz, Manila, was called to order and presided by the BAC Vice Chairperson.

#### Points of Discussion:

- 1. The end-user must identify the specific quantity of deliverables.
- 2. The end-user must define the following in detail:
  - a. For the firm
    - Number of years of applicable experience
    - Similar and related experience to the nature of the project
  - b. For the key personnel
    - Type of personnel
    - Educational attainment (type and level)
    - Number of years of applicable experience
    - Similar and related experience to the nature of the project
- 3. The BAC Vice Chairperson emphasized that the end-user must specify the experiences of the consultant or consulting firm related and similar to the nature of the projects. These will be used by the BAC and the Technical Working Group (TWG) in evaluating the proposals of the prospective consultants.

Having no other remaining topics for discussion, the meeting was adjourned at 11:10 A.M.

Prepared by:	Approved by:
MS. H	MS. A
BAC Secretariat	BAC Vice Chairperson

## **F.REQUEST FOR EXPRESSION OF INTEREST**



## Republic of the Philippines Department of Health

## **BIDS AND AWARDS COMMITTEE**

## REQUEST FOR EXPRESSION OF INTEREST (REI)

The Department of Health, through its Bids and Awards Committee (BAC), invites Consulting Firms to Apply for Eligibility and Shortlisting for the hereunder projects funded by the Government of the Philippines (GOP).

Name of Project	Brief Description of the Project	Туре	Approved Budget for the Contract (ABC)	Type of Procurement	Evaluation Procedure
1. Hiring of an Advertising Agency for the Branding of Behavior, Development and Production of Creative/ Campaign Materials for Breastfeeding Communication for Behavioral Impact (COMBI) REI-CS-GOP-2010-08	Development of an executional communication strategy and branding of behavior for breastfeeding, development and implementation of the public relations plan, and development and production of creative/campaign materials to include logo, reporting and recording forms and collaterals	Firm	PhP 10,000,000.00	Public Bidding	Quality Cost Based Evaluation
2. Advocacy of the 15 <sup>th</sup> Health Executive Agenda for Legislation (HEAL) in Congress (Senate and House of Representatives) REI-CS-GOP-2010-09	Development of an updated HEAL for the coming 15 <sup>th</sup> congress and advocacy for its implementation in the form of bills/laws	Firm	PhP 750,000.00	Public Bidding	Quality Cost Based Evaluation

3.	Development of Health Emergency Management Staff (HEMS) Integrated Information System REI-CS- GOP-2010-11	Establishment of Information system linkages with the CHDs, Hospitals, NDCC member agencies and UP Poison Control to facilitate the flow of information on health and health-related disasters and emergencies	Firm	PhP 13,000,000.00	Public Bidding	Quality Cost Based Evaluation
4.	In-depth analysis of out- of-pocket expenditures to support pro-poor budget allocation in DOH, DOH-retained and LGU hospitals and its development at PhilHealth REI-CS-GOP-2010-27	Provide the essential evidence to support the strategies to reduce out-of-pocket expenditures to 30% of Total Health Expenditures in 2020	Firm	PhP 1,500,000.00	Public Bidding	Quality Based Evaluation
5.	A Comparative Study on Health Expenditures and Benefits Impacting on the Poor REI-CS- GOP-2010-28	Ensure that key health Financing agents (i.e. PhilHealth, DOH, LGUs) will respond to financing needs of the poor	Firm	PhP 3,000,000.00	Public Bidding	Quality Based Evaluation
6.	Reformulation of the Human Resources for Health Master Plan (HRHMP) REI-CS-GOP- 2010-35	Translation of HRH Master Plan (2011-2030) into a more strategically focused document to support the management and development of HRH	Firm	PhP 2,700,000.00	Public Bidding	Quality Cost Based Evaluation
7.	Consulting Services in Developing the Healthy Lifestyle Communication Plan REI-CS-GOP- 2010-38	Production ofcreative materials, development of health messages for identified target audience	Firm	PhP 10,000,000.00	Public Bidding	Quality Cost Based Evaluation

#### MANUAL PROCEDURES FOR THE PROCUREMENT OF CONSULTING SERVICES

- 1. The DOH now calls for the submission of eligibility documents. Interested consulting firms must obtain the Eligibility Documents for the above consulting projects at 3/F Building 6, BAC Conference Room, San Lazaro Compound, Sta. Cruz, Manila. Deadline of submission for eligibility documents shall be on the date of the opening of the Eligibility Documents: **28 June 2010**; **11:00 A.M.** at G/F Building 6, BAC Conference Room, San Lazaro Compound, Sta. Cruz, Manila. Applications for eligibility will be evaluated based on a non-discretionary "passed/failed" criterion.
- 2. The BAC shall draw up the short list of at least three (3) consultants from those who have submitted eligibility documents/Expression of Interest and have been determined as eligible in accordance with the provisions of Republic Act 9184 (RA 9184), otherwise known as the "Government Procurement Reform Act", and its Implementing Rules and Regulations.
- 3. Bidding will be conducted through open competitive bidding procedures using non-discretionary "passed/failed" criterion as specified in the IRR of R.A. 9184, and is restricted, to Filipino citizens or organization with at least sixty percent (60%) interest belonging to citizen of the Philippines. In accordance with Revised IRR of R.A. 9184, only bids from short listed consultants will be opened. The contract will be awarded to the Highest Rated and Responsive Bidder who was determined as such during post-qualification.

The criteria and rating system for the evaluation of bids shall be provided in the Eligibility Documents.

- 4. The evaluation procedures to be adopted are indicated above. Bids whose technical proposals pass the minimum technical rating of 70% shall have its financial proposals opened and evaluated.
- 5. Interested consultants may obtain further information from the Department of Health at the address given below from 8:00 A.M. to 4:00 P.M.

Consulting Firms and Individual consultants should download and order the REI at the PhilGEPS website, (www.philgeps.net) or through its landline at 900-52-31 to 36. For further information, please refer to:

#### **BAC SECRETARIAT**

Department of Health

2F Building 6, San Lazaro Compound, Sta. Cruz, Manila 1003

Tel. No. 651-7800 Loc. 1624-1627; Telefax No. 741-9775

Website: www.doh.gov.ph; Email: bacsecretariat@yahoo.com.ph

The DOH reserves the right to accept or reject any bid and to annul the bidding process and/or reject all bids at any time prior to award of contract without thereby incurring any liability to the affected bidder or bidders or any obligation to inform the affected bidder or bidders of the ground to the DOH.

Approved by:

(SIGNATURE OVER PRINTED NAME) BAC CHAIRPERSON

### G. LETTER OF INTENT

20 June 2010

MR. A

BAC Chairperson Department of Health San Lazaro Cmpd., Rizal Avenue Sta. Cruz, Manila

Dear Mr. A,

In response to the Request for Expression of Interest (REI) for the Hiring of an Advertising Agency for the Branding of Behavior, Development and Production of Creative/Campaign Materials for Breastfeeding Communication for Behavioral Impact (COMBI) under REI-CS-GOP-2010-08 of the Department of Health at the Philippine Daily Inquirer and PhilGEPS on 14 June 2010, we would like to express our intention to apply for eligibility to participate in the said bidding.

If found eligible and subsequently shortlisted, we commit to purchase the bid documents for the said project and to submit a bid.

In this regard, we would like to purchase the set of eligibility forms for the project.

Very truly yours,

MR. M

Manager Company B

# H. DEPARTMENT PERSONNEL ORDER FOR THE COMPOSITION OF TWG



## Republic of the Philippines Department of Health

#### **BIDS AND AWARDS COMMITTEE**

30 March 2010

## DEPARTMENT PERSONNEL ORDER BAC NO. 2010-

**SUBJECT:** 

Composition of Technical Working Group (TWG) for the Procurement of Consulting Services for the Hiring of an Advertising Agency for the Branding of Behavior, Development and Production of Creative/Campaign Materials for Breastfeeding Communication for Behavioral Impact (COMBI) REI-CS-GOP-2010-08

Relative to the bidding for the *Hiring of an Advertising Agency for the Branding of Behavior*, *Development and Production of Creative/Campaign Materials for Breastfeeding Communication for Behavioral Impact (COMBI) udner REI-CS-GOP-2010-08*, the following DOH personnel are hereby designated as members of the Technical Working Group, effective from the commencement until the award or termination of the project whether procured through public bidding or other alternative modes of procurement:

Person A
 Person B
 Vice Chairperson
 Person C
 Person D
 Member
 Person E
 Person F (Accounting)
 Member
 Member
 Member
 Member
 Member
 Member
 Member
 Member

The Committee is expected to submit their recommendation and evaluation report at the office of the undersigned within seven (7) days upon receipt of the following documents of the prospective consultants:

- 1. Eligibility documents;
- 2. Technical proposals;
- 3. Financial proposals; and
- 4. Post-qualification requirements

Under this order, the above listed personnel are entitled to claim all expenses incurred such as meals, gasoline, and other incidental expenses related to the above activity, chargeable against the funds of the Procurement System Development Fund subject to the usual accounting and auditing rules and regulations.

#### (SIGNATURE OVER PRINTED NAME)

Chairperson, BAC

# I. ELIGIBILITY DATA SHEET

As State Party of the World Health Organization, Framework Convention on Tobacco Control (FCTC) ratified as treaty on April 2005, the DOH prohibits participation of any bidder with any current engagement and/or partnership, joint sponsorship, or any other activity with the tobacco industry.
Prospective bidder's statement that, when the types and fields of consulting services in which the entity wishes to engage involve professions regulated by the laws of the Philippines, the owner and key staff, and all the partners of the professional partnership firm, as the case may be, and those who will actually perform the service, are professionals authorized by the appropriate regulatory body to practice those profession and allied professions.
No further instructions.
List any additional acceptable proof of registration mentioned in the ITB Clause or st
<ul> <li>Class "A" Documents <u>Legal Documents</u></li> <li>1. Registration certificate from Securities and Exchange Commission (SEC), Department of Trade and Industry (DTI) for sole proprietorship, or Cooperative Development Authority (CDA) for cooperatives, or any proof of such registration;</li> <li>2. Mayor's permit issued by the city or municipality where the principal place of business of the prospective bidder is located;</li> </ul>
Technical Documents  3. Statement of the prospective bidder of all its ongoing and completed 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 within five (5) years. Assignments completed by individual experts working privately or through other consulting firm cannot be claimed as the experience of the prospective bidder or that of its associate but can be claimed by the individuals in their curriculum vitae (CV). Use Form EDS 1 for individual projects, and Form EDS 2 to summarize these projects. The statement shall include, for each contract, the following:  (i.1) the name and location of the contract;  (i.2) date of award of the contract;  (i.3) type and brief description of consulting services;  (i.4) consultant's role (whether main consultant, subcontractor, or partner in a JV)  (i.5) amount of contract;  (i.6) contract duration; and  (i.7) certificate of satisfactory completion or equivalent document such as copy of contract or terminal report in the case of a

	4. Statement of the consultant specifying its nationality and confirming that those who will actually perform the service are registered professionals authorized by the appropriate regulatory body to practice those professions and allied professions in accordance with Clause 1.2.
	Financial Document  5. The consultant's audited financial statements, showing, among others, the consultant's total and current assets and liabilities, stamped "received" by the BIR or its duly accredited and authorized institutions, for the preceding calendar year which should not be earlier than two (2) years from the date of bid submission.
	Class "B" Document  6. Valid joint venture agreement (JVA), in case a joint venture is already in existence. In the absence of a JVA, duly notarized statements from all the potential joint venture partners stating that they will enter into and abide by the provisions of the JVA in the instance that the bid is successful, shall be included in the bid. Failure to enter into a joint venture in the event of a contract award shall be ground for the forfeiture of the bid security. Each partner of the joint venture shall submit the legal eligibility documents. The submission of technical and financial documents by any of the joint venture partners constitutes compliance.
2.1(a)(iii.7)	<ul><li>State acceptable proof of satisfactory completion of completed contracts.</li><li>7. Types and number of equipment that the prospective bidder owns, has under lease and/or under purchase agreements. Use EDS 3;</li></ul>
	8. Company profile: A brief description of the organization's background, general experience, and its technical capabilities and kinds and number of its ownership and key staff, partners, or principal officers and their CV. Use EDS 4 to summarize the information on the firm, and EDS 5 for CV. The prospective bidder should provide adequate information to demonstrate clearly that it has the technical capability to meet the requirements of the project. The prospective bidder should summarize important certifications, proprietary methodologies and/or specialized technologies which the bidder proposes to utilize in the project. The prospective bidder may submit pre- printed company brochure or other relevant documents;
	9. Key personnel who may be assigned to the job. Use EDS 5 for CV and EDS 6 to summarize the list of proposed personnel;
4.2	Each prospective bidder shall submit <i>one</i> (1) original and <i>four</i> (4) copies of its eligibility documents.

Chairperson, Central Office Bids and Awards Comm Department of Health Building 6, San Lazaro Compound, Sta. Cruz, Manila	ittee				
<b>^</b>					
Building 6 San Lazaro Compound Sta Cruz Manil:	1				
	a 1003				
1el. No. 651-/800; 1eletax No. /41-9//5					
Website: www.doh.gov.ph; Email: bacsecretariat@	yahoo.com.ph				
Hiring of an Advertising Agency for the Branding of	Behavior, Development and				
Production of Creative/Campaign Materials for Br	reastfeeding Communication				
for Behavioral Impact (COMBI) – Rebid					
The address for submission of eligibility docume					
Conference Room Building 6, San Lazaro Compound	d, Sta. Cruz, Manila 1003				
The deadline for submission of eligibility documents is on 28 June 2010 at 11:00					
Room Building 6, San Lazaro Compound, Sta. Cruz, Manna 1005					
The deadline for submission of eligibility documents	is on 28 June 2010 at 11:00				
• •					
No further instructions.					
Eligibility Criteria					
CRITERIA	WEIGHT (%)				
Applicable Experience	60				
a. Similar	40				
b. Related	20				
2. Qualification of Team Members	30				
3. Work load to Capacity	10				
TOTAL	100				
	Tel. No. 651-7800; Telefax No. 741-9775  Website: www.doh.gov.ph; Email: bacsecretariat@  Hiring of an Advertising Agency for the Branding of Production of Creative/Campaign Materials for Branding of Greative/Campaign Materials for Branding of Greative (COMBI) — Rebid  The address for submission of eligibility documents Conference Room Building 6, San Lazaro Compound  The deadline for submission of eligibility documents A.M.  The place of opening of eligibility documents is Gro Room Building 6, San Lazaro Compound, Sta. Cruz,  The deadline for submission of eligibility documents A.M.  No further instructions.  Eligibility Criteria  CRITERIA  1. Applicable Experience  a. Similar  b. Related  2. Qualification of Team Members  3. Work load to Capacity				

# J. ELIGIBILITY FORMS

# FORM 1: CONSULTANT'S REFERENCES Relevant Services Carried Out in the <u>Last (5) Years</u> That Best Illustrate Qualifications

Using the format below, provide information on each assignment for which your firm/entity, either individually as a corporate entity or as one of the major companies within an association, was legally contracted.

Assignment Name:	Country:	
Location within Country:	Professional Staff Provided by Your Firm/Entity(profiles):	
Name of Client:	№ of Staff:	
Address:	Nº of Staff-Months; Duration of Assignment:	
Start Date (Month/Year):	Completion Date (Month/Year):	Approx. Value of Services (in Current US\$):
Name of Associated Consultant	№ of Months of Professional Staff Provided by Associated Consultants:	
Name of Senior Staff (Project D	irector/Coordinator, Team Leader) I	nvolved and Functions Performed:
Narrative Description of Project	:	
Description of Actual Services F	Provided by Your Staff:	

# FORM 2: SUMMARY OF PREVIOUS AND CURRENT CONTRACT COMMITMENTS AND WORK IN PROGRESS SIMILAR OR RELATED TO THE PROJECT

Client Name	Name, Description of Contract and Services	Contact Person, Address, Telephone and Fax Nos.	Value of Contract in Pesos \$1 = P40.00	Duration and Completion Date/Estimated Due Date

### MANUAL PROCEDURES FOR THE PROCUREMENT OF CONSULTING SERVICES

## FORM 3: LIST OF EQUIPMENT

Туре	Number	Year Acquired	Type of Ownership

### **FORM 4: FIRM'S PROFILE**

The Bidder shall provide adequate information to demonstrate clearly its technical capabilities. With this form, the Bidder should summarize important certifications, proprietary methodologies and/or specialized technologies which the Bidder owns or uses. The firm may submit additional documents other than this form.

<ol> <li>Name of Firm</li> </ol>					
2. Year Established		3. Country:		4. Type:	
5. Official Address		•		, ,,	
6. Telephone		7. Fax:		8. E-mail:	
9. Principal Contact	Person:	<b>,</b>			
		Technical capabilities:			
	'	•			
11. Partners, Directo	ors Officers &	Kev Personnel			
Name	Position	Education	Expertise	Years with firm	Age
ranio	1 00111011	Laddation	Εχροτίου	Touro with him	7.90
12. Current Numbe	r of Personnel	L			
]	Discipline & ca	tegory	Number	Part or Full t	ime
13. Average volume	of gross fess t	the Last 5 years:	14. Bank Reference	15. Bank Branch	
_	-	·			
16. Ranges of profe	ssional fees inc	dex	17. Field of Specialization	n and Type of Services	
Amount		No. of Projects	Field	Service Provided	
<p100,000< td=""><td></td><td>110. 011 10,000</td><td>1 Total</td><td>001110011101</td><td>1404</td></p100,000<>		110. 011 10,000	1 Total	001110011101	1404
>P100,000-P250,00	0				
,					
>P250,000-P500,00	0				
>P500,000-P1M					
>P1M-P5M					
>P5M-P10M					
D/OLA BOOK					
>P10M-P20M					
> D00M					
>P20M					
İ			1	ı	

#### MANUAL PROCEDURES FOR THE PROCUREMENT OF CONSULTING SERVICES

## FORM 5: FORMAT OF CURRICULUM VITAE (CV) FOR PROPOSED KEY PROFESSIONAL STAFF

Proposed Position:							
Name of Firm:							
Name of Staff:							
Profession:			[	Date of Birth:			
Years with Firm/Entity:				Nationality:			
Membership in Professiona	Il Societies:						
Detailed Tasks Assigned:							
Key Qualifications: [Give an outline of staff responsibility held by staff resperience:	·	-				-	
Position Head	Company/Organizat Location	ion and		Major Tasks		Date	es (month and year)
Relevant Training:  Course Description	Training Institution	Venu	е	Dates of	Training		No. Training Days
Education: [Summarize college/universidegrees obtained. Use about the School	out one quarter of a page.			nember, giving	g names c		ols, dates attended, and
Employment Record: [Starting with present positing graduation, giving dates, no experience in last ten years	ames of employing organiz	zations, titles	s of pos	sitions held, a	nd locatio	ns of as	ssignments. For
pages.]				n & Location			Major tasks

#### **DOH CUSTOMIZED PROCUREMENT MANUAL VOLUME 4 2010**

# 

Full name of authorized representative:

Certification:

### MANUAL PROCEDURES FOR THE PROCUREMENT OF CONSULTING SERVICES

### FORM 6. SUMMARY OF PROPOSED KEY PERSONNEL

Proposed Position	Name	Age	Educational Attainment	No. of years of experience like/ same work/position as proposed position	No. of years of experience with the same/similar work as the Project	No. of years with the firm

# K. ELIGIBILITY CHECKLIST

#### CHECKLIST FOR CONSULTING SERVICES

(To be submitted by the bidder in the following orders & tabbed by numbers)

# HIRING OF AN ADVERTISING AGENCY FOR THE BRANDING OF BEHAVIOR, DEVELOPMENT AND PRODUCTION OF CREATIVE/CAMPAIGN MATERIALS FOR BREASTFEEDING COMMUNICATION FOR BEHAVIORAL IMPACT (COMBI) REI-CS-GOP-2010-08

COMPANY/INDIVIDUAL:	
---------------------	--

Re	quirements	PASSED	FAILED	REMARKS
1.	Letter of Intent			
2.	DTI Business name registration or SEC registration certificate, as appropriate (certified true copy (CTC) by issuing agency or presentation of the original copy (POC) to the BAC			
3.	Valid and current Mayor's permit/municipal license, CTC or POC			
4.	Consultant's References: Statement of the prospective bidder of all its ongoing and competed government and private contracts within the last <b>five (5) years</b> prior to the deadline of submission of bids, where applicable, including contracts awarded but not yet started, if any. These include experiences of the prospective bidder and each associate in assignment of similar and related nature and complexity. <b>Use EDS 1</b> for individual projects.			
5.	Use Form EDS 2 to summarize these projects. For each assignment, the outline should include inter alia, the assignment, contract amount and the prospective bidder's involvement information should be provided only for those assignments for which the prospective bidder was legally contracted as a corporate entity or as one of the major participating consulting firms with as association. Assignments completed by individual experts working privately or through other consulting firm cannot be claimed as the experience of the prospective bidder or that of its associate but can be claimed by the individuals in their curriculum vitae (CV).			
6.	List of Equipment: Types and number of equipment that the prospective bidder owns, has under lease and/or under purchase agreements. (Use EDS 3)			
7.	Firms Profile: A brief description of the organization's background, general experience, and its technical capabilities and kinds and number of its ownership and key staff, partners, or principal officer and their CV. <b>Use EDS 4</b> to summarize the information on the firm.			

### MANUAL PROCEDURES FOR THE PROCUREMENT OF CONSULTING SERVICES

	of proposed key personnel who may e job (Use EDS 5).			
9. Summary of Prop	osed Key Personnel. (Use Form 6)			
among others, the liabilities, stampe accredited and au	audited financial statements, showing, e consultant's total and current assets and ed "received" by the BIR or its duly thorized institutions, for the preceding ich should not be earlier than two (2) years old submission.			
11. Valid Joint Ventu	re agreement, in case of joint venture			
BAC Regular Member	  Date	]	] Eligible ] Non-eligible	

## L. MINUTES OF OPENING OF ELIGIBILITY DOCUMENTS

# Republic of the Philippines Department of Health

#### **BIDS AND AWARDS COMMITTEE**

MINUTES OF THE OPENING OF ELIGIBILITY DOCUMENTS
HIRING OF AN ADVERTISING AGENCY FOR THE BRANDING OF BEHAVIOR, DEVELOPMENT
AND PRODUCTION OF CREATIVE/CAMPAIGN MATERIALS FOR BREASTFEEDING
COMMUNICATION FOR BEHAVIORAL IMPACT (COMBI) REI-CS-GOP-2010-08

Present from the BAC and Secretariat were:

- 1. BAC Vice Chairperson
- 2. BAC Regular Member
- 3. BAC Regular Member
- 4. BAC Regular Member
- 5. BAC Regular Member
- 6. BAC Secretariat

Prospective consulting firms:

- 1. Company A
- 2. Company B
- 3. Company C
- 4. Company D

The Opening of Eligibility Documents for the Hiring of an Advertising Agency for the Branding of Behavior, Development and Production of Creative/Campaign Materials for Breastfeeding Communication for Behavioral Impact (COMBI) under REI-CS-GOP-2010-08 held on 28 June 2010, 11:15 A.M. at the BAC Conference Rm., Ground Floor, Bldg. No. 6, San Lazaro Compound, DOH, Sta. Cruz, Manila, was called to order and presided by the BAC Vice Chairperson.

Four (4) prospective consulting firms submitted the eligibility requirements on the slated deadline, namely:

- 1. Company A
- 2. Company B
- 3. Company C
- 4. Company D

The completeness and correctness of all the eligibility documents were verified by the BAC. Upon checking of the eligibility requirements of the four (4) abovementioned firms, it was noted that all the firms submitted the complete set of eligibility requirements, hence, all were declared "Eligible" and rated "Passed" by the BAC.

The BAC will conduct further shortlisting evaluation and the firms will be notified about the result of the evaluation. If the firms will be shortlisted, they will be requested to submit the technical and financial proposals.

Having no other remaining topics for discussion, the opening of the eligibility documents was adjourned at 11:30 A.M.

Prepared by: Approved by:

(SIGNATURE OVER PRINTED NAME) (SIGNATURE OVER PRINTED NAME)

BAC Secretariat BAC Member

# M. NOTIFICATION TO THE ELIGIBLE CONSULTANTS



# Republic of the Philippines Department of Health

### **BIDS AND AWARDS COMMITTEE**

#### NOTICE OF ELIGIBILITY

30 June 2010

MS. AAA	
Tel. No.: Fax No.:	
Dear Ms. AAA,	
Agency for the Branding of Behavior, L Breastfeeding Communication for Behavior	of the prospective consulting firms for the <i>Hiring of an Advertising Development and Production of Creative/ Campaign Materials for avioral Impact (COMBI)</i> under REI-CS-GOP-2010-08 conducted on und to have submitted complete eligibility requirements and was
The submitted documents will be further short listing as soon as we complete the	er evaluated for short listing. We shall notify you on the result of the evaluation process.
Truly yours,	

(SIGNATURE OVER PRINTED NAME)

BAC Chairperson

## N. NOTIFICATION TO INELIGIBLE CONSULTANTS



# Republic of the Philippines Department of Health

#### **BIDS AND AWARDS COMMITTEE**

#### NOTICE OF INELIGIBILITY

30 June 2010 MR. V

Tel. No.: \_\_\_\_\_\_

Dear Mr. V,

This pertains to the Hiring of an Advertising Agency for the Branding of Behavior, Development and Production of Creative/Campaign Materials for the Breastfeeding Communication for Behavioral Impact (COMBI) under REI-CS-GOP-2010-08 wherein your company expressed its intention to participate in the bidding.

During the opening of eligibility documents held on 28 June 2010, the Bids and Awards Committee (BAC) found that your firm failed to submit the Audited Financial Statements, showing, among others, the consultant's total and current assets and liabilities, stamped "received" by the BIR or its duly accredited and authorized institutions, for the preceding calendar year which should not be earlier than two (2) years from the date of bid submission. Hence, your firm was declared "INELIGIBLE". As provided for in Section 55.1 of Republic Act No. 9184 and its Revised Implementing Rules and Regulations, you have three (3) calendar days upon receipt of this notice within which to file your Motion for Reconsideration.

For further inquiry you may coordinate with Mr. J of the BAC Secretariat at the 2<sup>nd</sup> Floor Building No. 6, San Lazaro Compound, Sta. Cruz, Manila at telephone no. 651-7800 local 1650-1652.

Truly yours,

(SIGNATURE OVER PRINTED NAME)

**BAC Chairperson** 

# O. SHORT LISTING CRITERIA



# Republic of the Philippines Department of Health

## **BIDS AND AWARDS COMMITTEE**

Hiring of an Advertising Agency for the Branding of Behavior, Development, and Production of Creative/Campaign Materials for Breastfeeding Communication for Behavioral Impact (COMBI) REI-CS-GOP-2010-08

Criteria	Rate	Company			
	(%)	A	В	С	D
1. Applicable Experience	60				
a. Similar works to the	40				
nature of the project					
b. Related experience	20				
2. Qualification of Team	30				
Members					
3. Current capacity	10				
TOTAL	100				

COMMENTS:			
TWG Member	Date		
Signature over Printed Name			

### P. NOTIFICATION TO THE TWG TO CONDUCT SHORTLISTING



# Republic of the Philippines Department of Health

#### **CENTRAL OFFICE BIDS AND AWARDS COMMITTEE**

28 June 2010

- 1. TWG Chairperson
- 2. TWG Vice Chairperson
- 3. TWG Member
- 4. TWG Member
- 5. TWG Member
- 6. TWG Member (Accounting)
- 7. TWG Member (Legal)

#### Dear Sir/Madam:

We are forwarding to you the Eligibility Documents of Company A for evaluation and short listing for the Hiring of an Advertising Agency for the Branding of Behavior, Development and Production of Creative/Campaign Materials for Breastfeeding Communication for Behavioral Impact (COMBI) REI-CS-GOP-2010-08.

To hasten the processing of these projects, please submit your evaluation reports on or before **09 July 2010.** Attached herewith are the shortlisting evaluation criteria for your reference.

Should you wish to convene to evaluate the submitted documents for this project, you may coordinate with the BAC Secretariat.

Thank you.

#### SIGNATURE OVER PRINTED NAME)

**BAC Secretariat** 

## Q. SHORTLISTING EVALUATION REPORT

08 July 2010

FOR: MR. A

Undersecretary of Health

Chairperson, Central Office Bids and Awards Committee

FROM: The Technical Working Group

SUBJECT: Short listing Evaluation Report for the Hiring of an Advertising Agency for the Branding

of Behavior, Development and Production of Creative/Campaign Materials for Breastfeeding Communication for Behavioral Impact (COMBI)-Rebid REI-CS-GOP-2010-

08

The Technical Working Group (TWG) has evaluated the eligibility documents submitted by Companies A, B, C, and D for the abovementioned project. The following are the findings and recommendations:

Evaluators	Company A	Company B	Company C	Company D
А	73	83	67	72
В	82	93	87	83
С	83	93	89	88
D and E	77	93	75	97
Average	78.75	90.5	79.5	85

The calculated eligibility mean scores of Companies A, B, C, and D show that the firms have passed the requirements to be considered in the short list. The TWG only noted some observations, to wit:

- 1. The key team members of all the firms are qualified in their areas of expertise.
- 2. All the other members of the research team are highly qualified.
- 3. The firms have credible experience in the field of advertising, but it is recommended to include sample forms in the submission of technical proposals.

In view of the above considerations, the TWG recommends that Companies A, B, C and D be included in the shortlist of consulting firms to submit the technical and financial proposals.

**SIGNATURE OVER PRINTED NAME)** 

**SIGNATURE OVER PRINTED NAME)** 

Member

Member

**SIGNATURE OVER PRINTED NAME)** 

Chairperson

#### R. RESOLUTION FOR SHORTLISTING



# Republic of the Philippines Department of Health

#### **BIDS AND AWARDS COMMITTEE**

#### BAC RESOLUTION NO. 2010-08 JULY 2010

RECOMMENDING APPROVAL OF THE SHORT LIST OF ADVERTISING AGENCIES FOR THE BRANDING OF BEHAVIOR, DEVELOPMENT AND PRODUCTION OF CREATIVE/CAMPAIGN MATERIALS FOR BREASTFEEDING COMMUNICATION FOR BEHAVIORAL IMPACT (COMBI) – REBID REI-CS-GOP-2010-08

WHEREAS, the Department of Health (DOH), through the Office A, intends to engage the services of an advertising agency to develop an executional communication strategy and branding of behavior for breastfeeding with an Approved Budget for the Contract (ABC) of Ten Million Philippine Pesos (PhP 10,000,000.00);

WHEREAS, on 13 June 2010, the REI was re-published on PDI and PhilGEPS and posted on other conspicuous places within the DOH;

- 1. Company A
- 2. Company B
- 3. Company C
- 4. Company D.

WHEREAS, on 28 June 2010, during the deadline of submission and opening of eligibility documents, four (4) prospective bidders submitted eligibility requirements, namely:

- 1. Company A
- 2. Company B
- 3. Company C
- 4. Company D

WHEREAS, all the four (4) prospective bidders submitted the complete eligibility requirements, hence, they were declared "Eligible" and rated "Passed" by the BAC;

WHEREAS, on 29 June 2010, the eligibility documents of the four (4) prospective bidders were forwarded to the Technical Working Group (TWG) for evaluation and shortlisting;

WHEREAS, on 30 June 2010, the Notice of Eligibility was sent to respective eligible prospective bidders;

WHEREAS, on 08 July 2010, the TWG submitted the following evaluation report to the BAC:

Evaluators	Company A	Company B	Company C	Company D
A	73	83	67	72
В	82	93	87	83
С	83	93	89	88
D and E	77	93	75	97
Average	78.75	90.5	79.5	85

#### MANUAL PROCEDURES FOR THE PROCUREMENT OF CONSULTING SERVICES

WHEREAS, relative to the above, the TWG recommended that all of the four (4) prospective bidders be included in the shortlist to submit technical and financial proposals;

WHEREAS, upon review of the TWG evaluation report, the BAC concurs with the recommendation of the TWG to include all of four (4) prospective bidders in the short list;

NOW THEREFORE, in consideration of the above premises, the herein members of the BAC HEREBY RESOLVE the following:

- 1. To declare Company A, Company B, Company C and Company D as shortlisted for the project; and
- 2. Issue an invitation to the four (4) abovementioned firms to submit their technical and financial proposals and for them to purchase the bidding documents for their perusal.

Signed this \_\_\_\_day of \_\_\_\_at the Department of Health, San Lazaro Compound, Rizal Avenue, Sta. Cruz, Manila.

#### CENTRAL OFFICE BIDS AND AWARDS COMMITTEE

(SIGNATURE OVER PRINTED NAME) (SINGATURE OVER PRINTED NAME)

BAC Provisional Member/ BAC Regular Member End-User Representative

(SIGNATURE OVER PRINTED NAME)

(SINGATURE OVER PRINTED NAME)

BAC Regular Member BAC Vice-Chairperson

Approved by:
(SIGNATURE OVER PRINTED NAME)
BAC Chairperson

(SIGNATURE OVER PRINTED NAME)

Head of the Procuring Entity/Duly Authorized Representative

## S. NOTIFICATION TO SHORTLISTED CONSULTANTS



# Republic of the Philippines Department of Health

#### **BIDS AND AWARDS COMMITTEE**

15 July 2010

MS. AA	
Business	Address
Tel. No.:	
Fax No.:	

Dear Ms. AA,

The Department of Health (DOH) has received financing from the *Government Appropriations Act for 2010* toward the cost of "Hiring of an Advertising Agency for the Branding of Behavior, Development and Production of Creative/Campaign Materials for Breastfeeding Communication for Behavioral Impact (COMBI)" under REI-CS-GOP-2010-08. The Procuring Entity intends to apply a portion of the funds in the amount of Ten Million Philippine Pesos (PhP 10,000,000.00) to eligible payments under the contract for abovementioned project for which the Bidding Documents is issued.

The Procuring Entity now invites bids to provide the following Consulting Service: Development of an executional communication strategy and branding of behavior for breastfeeding, development and implementation of the public relations plan, and development and production of creative/campaign materials to include logo, reporting and recording forms and collaterals. More details on the services are provided in the Terms of Reference (TOR) for the project.

The Consultant shall be selected and employed in accordance with Quality Cost Based Evaluation (QCBE) procedures as described in the Bidding Documents.

This notice has also been addressed to the other shortlisted consulting firms, namely:

- 1. Company B
- 2. Company C
- 3. Company D

It is not permissible for you to transfer this invitation to any other consultant.

The Bidding Documents shall be available at 3F Building 6, San Lazaro Compound, Sta. Cruz, Manila 1003 from 8:00 a.m. to 4:00 P.M. from 19 July 2010 up to 02 August 2010 upon payment of Two Thousand Pesos (PhP 2,000.00).

The DOH will hold a Pre-Bid Conference on **21 July 2010, 10:15 A.M.** at G/F, Bldg. No. 6, BAC Conference Room, DOH, San Lazaro Compound, Sta. Cruz, Manila, which shall be open to all interested parties who have purchased the Bidding Documents.

Very truly yours,

#### (SIGNATURE OVER PRINTED NAME)

**BAC** Chairperson

# T. NOTIFICATION TO CONSULTANTS WHO ARE NOT INCLUDED IN THE SHORTLIST



# Republic of the Philippines Department of Health BIDS AND AWARDS COMMITTEE

05 August 2010

MR. BB	
Business /	Address
Tel. No.: _	
Fax No.: _	
_	
Dear Mr. E	3B.

This pertains to the submitted eligibility requirements for the *Hiring of an Advertising Agency for the Branding of Behavior, Development and Production of Creative/Campaign Materials for Breastfeeding Communication for Behavioral Impact (COMBI) under REI-CS-GOP-2010-08 wherein you expressed your interest to participate in the bidding.* 

We would like to inform you that the Bids and Awards Committee (BAC) has completed the evaluation process for shortlisting. Based on the results of the evaluation, your company was not considered in the shortlist because your firm has not conducted works similar or related to the project particularly those with regard to media production as required in the Terms of Reference (TOR).

Please be informed that the said TOR shall be reviewed to determine its feasibility. You will be notified should we conduct a re-bidding for this project.

In view of the above, we regret to inform that you have not been shortlisted for the said project. As provided for in Section 55.1 of the Republic Act No. 9184 and its Revised IRR, those found ineligible have three (3) calendar days upon receipt of this notice within which to file a motion for reconsideration.

For further inquiry, please coordinate with Ms. H of the BAC Secretariat at 651-7800 local 1625.

Very truly yours,

#### (SIGNATURE OVER PRINTED NAME)

**BAC Chairperson** 

# **U. BIDDING DOCUMENTS (BID DATA SHEET)**

ITB Clause						
1.1	The Procuring Entity is Department of Health					
	The evaluation procedure is Quality Cost Based Evaluation (QCBE)					
1.2	The Funding Source is:					
	The Government of the Philippines (GOP) through Government Appropriations Act for 2010					
1.3	Development of an executional communication strategy and branding of behavior for breastfeeding,					
	development and implementation of the public relations plan, and development and production of					
	creative/campaign materials to include logo, reporting and recording forms and collaterals					
1.4	The Project shall not be phased.					
3.1	All DOH personnel are expected to uphold the Code of Ethics of DOH as provided for in Administrative Order					
	No. 2007-0042 "Norms of Behavior for Officials and Employees of the DOH" in dealing with all procurement					
	activities including declaring conflict of interest when determined at any stage of the procurement process and					
	consequently inhibiting himself/herself in any deliberations and procurement activities thereafter.					
5	No further instructions.					
6.1	Subcontracting is not allowed.					
6.2	Not applicable.					
7	The Procuring Entity will hold a pre-bid conference for this Project on 21 July 2010, 10:00 A.M. at Ground					
	Floor BAC Conference Room, Building 6, DOH, San Lazaro Compound, Rizal Avenue, Sta. Cruz, Manila 1003.					
8.1	The Procuring Entity's address is:					
	Mr. A					
	Undersecretary of Health					
	Chairperson, Bids and Awards Committee					
	G/F, Bldg. 6, BAC Conference Room, DOH, San Lazaro Compound, Rizal Avenue, Sta. Cruz, Manila					
	Telephone no. 743-83-01 local 1625-27 & 1650-52					
40.4 (1.)	Email: bacsecretariat@yahoo.com.ph					
10.1 (b)	Not applicable					
10.1 (c)	QUALIFICATION OF THE CONSULTANT					
	Type: Consulting Firm Desired Qualifications:					
	Five (5) years of experience in brand development and management including Public Relation (PR).					
	2. Engaged in audio visual productions, TV ad and other kinds of media production for at least 3					
	Vears.					
	3. Has available updated equipment for pre- and post-production necessary to produce good quality					
	and creative outputs.					
	4. With personnel capable of handling or carrying out different stages of production from					
	conceptualization, development, pre-production to post-production.					
	5. With good track record and extensive experience with various clients on similar activities.					
	6. Financially capable to meet the needed requirements.					
10.2.b	The technical proposal shall be composed of the following. It shall be arranged, numbered and tabbed as					
	enumerated below:					
	The technical proposal shall be marked as follows:					
	TECHNICAL PROPOSAL					
	0. Bid Security					
	1. TPF1 Technical Proposal Submission Form					
	2. <b>TPF2</b> Consultant/Firm's References					
	3. TPF3 Comments and Suggestions on the TOR and Data, Services and Facilities to be provided by					
	DOH including ITB clause 11.1e.1.vii					
	4. TPF4 Description of Methodology and Work Plan for Performing the Project					
	5. <b>TPF5</b> Team Composition and Project Tasks with following details:					
	5.1 Technical and Managerial Staff					
	5.2 Support Staff and INCLUDING					
	5.3 Project organizational and Management Structure Chart					

		<b>PF6</b> Curricularofessional sta				sional S	Staff and INC	CLUDING a	Summary L	ist of thes	e
	6.a Summary of Proposed key personnel										
		Proposed Position	Name	Age	Education	No expo th po pi	of Years of erience on he same hisition as roposed position	No. of y experienc same and work or	ce on the d related	No. of Years with the Firm	
								Similar	Related		
	8. 7 9. S p 10. A FINAN form: 1. FI 2. FI 3. FI 6. FI	OF BID OPE	Work Sch Int in acco Pection VII Pe signato PEAL shall I Proposa Py of Cost Win of Pric Win of Rei Proposa Pro	nedule ordance I. Biddi ry to re I. Contai Il contai Il Subm ce Per A munerai er Activi penses	with Section ng Forms. present firm n the following ission Form Activity tion per Activi	25.2 (Labased garrar lity	Name of Bidd Project: FINANCIAL I	ough a Boar Inding order Inding	d Resolutio	on or Sec	retary's
11.7 11.9		Twelve perce BC is Ten Milli		ine Pes	os (Phn 10 0	00 000	) () () Any h	id with a fina	incial comp	onent exc	eeding
		ount shall not									
13.1	The bio	d prices shall b	e quoted		ppine Pesos.						
13.3		her instruction		. 1 1.1	(400)	.1	. 1	0			
14.1		II be valid up t al (02 August		ndred tv	venty (120) ca	alenda	r days from	the date of o	pening of te	echnical	
15.1	<ol> <li>proposal (02 August 2010).</li> <li>The bid security shall be in the following amount:</li> <li>Cash, cashier's/manager's check, bank draft/guarantee or irrevocable letter of credit in the amount of two percent (2%) of the ABC;</li> <li>Bank draft/guarantee or irrevocable letter of credit issued by Universal or Commercial Bank, provided, however, that it shall be confirmed or authenticated by a Universal or Commercial Bank, if issued by a foreign bank in the amount of two percent (2%) of the ABC;</li> <li>Any combination of the foregoing proportionate to the share of form with respect to total amount of security.</li> </ol>										

15.2	The bid security shall be valid up to one hundred twenty (120) calendar days from the date of opening of					
	technical proposal (02 August 2010).					
15.5 (a)(iv)	The bid security may be forfeited:					
	(a) if the consultant withdraws the respective bid during the period of bid validity; or					
	(b) in the case of a successful bid, if the consultant fails:					
	<ol> <li>Submission of eligibility requirements containing false information or falsified documents.</li> </ol>					
	2. Submission of bids that contain false information or falsified documents, or the concealment of such					
	information in the bids in order to influence the outcome of eligibility screening or any other stage of					
	the public bidding.					
	3. Allowing the use of one's name, or using the name of another for purposes of public bidding.					
	4. Withdrawal of a bid, or refusal 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 and Responsive Bid.					
	5. Refusal or failure to post the required performance security within the prescribed time.					
	6. Refusal 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.  7. Any documented unsolicited attempt by a bidder to unduly influence the outcome of the bidding in					
	his favor.					
	8. Failure of the potential joint venture partners to enter into the joint venture after the bid is declared					
	as successful.					
	9. All other acts that tend to defeat the purpose of the competitive bidding, such as habitually					
	withdrawing from bidding, submitting late Bids or patently insufficient bid, for at least three (3) times					
	within a year, except for valid reasons.					
15.5 (b)(iii)	No further instructions.					
17.1	No further instructions.					
17.3	Each Bidder shall submit one (1) original and Five (5) copies of the first and second components of its bid.					
18	The address for submission of bids is G/F, Bldg. 6, BAC Secretariat, DOH, San Lazaro Compound, Rizal					
	Avenue, Sta. Cruz, Manila					
	The deadline for submission of bids is 02 August 2010 at 1:00 P.M.					
21.1	No further instructions.					
24.1	The following processes for the opening and evaluation of bids shall be adopted:					
	a) The technical proposal together with the financial proposal shall be considered in the evaluation of					
	consultants. The technical proposals shall be evaluated first using the criteria in ITB Clause 24.2. The					
	financial proposals of the consultants who meet the minimum technical score shall then be opened.					
	b) The financial and technical proposals shall be given corresponding weights with the financial proposal					
	given a minimum weight of fifteen percent (15%) up to a maximum of forty percent (40%). The weight of					
	the technical criteria shall be adjusted accordingly such that their total weight in percent together with the					
	weight given to the financial proposal shall add to one hundred percent (100%). The BAC shall rank the					
	consultants in descending order based on the combined numerical ratings of their technical and financial					
	proposals and identify the Highest Rated Bid.					
	c) The Head of the Procuring Entity 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.					
	d) After approval by the Head of the Procuring Entity of the Highest Rated Bid, the BAC shall, within three					
	(3) calendar days, notify and invite the consultant with the Highest Rated Bid for negotiation in accordance with <b>ITB</b> Clause 26.					
	accordance with ITD Clause 20.					

24.3	The minimum required <b>Technical Score (St)</b> for each criterion is as follows: <b>The minimum St required to pass is</b> <i>70 points</i>	
	CRITERIA	WEIGHT
	1. Quality of Personnel Assigned	30%
	1.1 Experience	
	1.2 Education and Training	
	Experience and Capability of Consulting Firm	30%
	2.1 Overall firm's similar experience	
	2.2 Individual experiences of principal and key staff	
	3. Plan of Approach and Methodology	40%
	3.1 Clarity, feasibility, innovativeness of planned approach 3.2 Quality of interpretation of problems and suggested solutions	
	TOTAL	100%
	The attention of the Consultant is drawn to Technical Proposal Forms – Bids r number of pages outlined in this clause.	nust adhere to the maximum
25.1	The opening of Financial Proposals shall be on 16 August 2010, 10:00 A.M. a BAC Conference Room, DOH, San Lazaro Compound, Rizal Avenue, Sta. Cri	
	Financial Proposals shall be opened in public.	
25.2	For Quality Cost Based Evaluation (QCBE): After the evaluation of quality is shall notify those Consultants whose Bids did not meet the minimum qualifyin responsive to the Bidding Documents and TOR, indicating that their Financi unopened after completing the selection process. The Procuring Entity Consultants that have secured the minimum qualifying mark, indicating the difference of Financial Proposals. The opening date shall not be sooner than two weeks otherwise specified in ITB Clause 25.1. The notification may be sent by electronic mail.	g mark or were considered non- cial Proposals shall be returned shall simultaneously notify the ate and time set for opening the after the notification date unless
	The Financial Proposals shall be opened publicly in the presence of the C choose to attend. The name of the Consultant, the quality scores, and the aloud and recorded when the Financial Proposals are opened. The Procuring the public opening.	proposed prices shall be read
	The BAC shall determine whether the Financial Proposals are complete, mentioned in ITB Clause 11 are present and all items of the correspondin required to be priced are so priced. If not, the Procuring Entity shall reject the any computational errors, and convert prices in various currencies to the Phili in ITB Clause 13. The Financial Proposal shall not exceed the ABC and shal of all taxes, duties, fees, levies, and other charges imposed under the applic include all such taxes, duties, fees, levies, and other charges imposed un special tax privileges are granted to a particular class or nationality of Corinternational commitments, the amount of such tax privileges shall be included purposes of comparative evaluation of Bids.	g Technical Proposals that are proposal. The BAC shall correct ppine Peso at the rate indicated I be deemed to include the cost cable laws. The evaluation shall der the applicable laws; where is sultant by virtue of the GOP's
	The lowest Financial Proposal (Fm) shall be given a Financial Score (Sf) Financial Proposals shall be computed based on the formula indicated below:	of 100 points. The Sf of other
	$Sf = 100 \times FVF$	
	Where: Sf is the financial score of the Financial Proposal under consideration, Fl is the price of the Fm, and	
	F is the price of the Financial Proposal under consideration. Using the formula $S = St \times T\% + Sf \times P\%$ , the Bids shall then be ranked acc Sf using the weights (T = the weight given to the Technical Proposal; F = the vertical Proposal; T + F = 1) indicated below:	

#### **DOH CUSTOMIZED PROCUREMENT MANUAL VOLUME 4 2010**

	T 60 [Normally between 0.6 and 0.85]; and						
	F <u>40</u> [Normally between 0.15 and 0.4];						
	provided that the total weights given to the Technical and Financial Proposals shall add up to 1.0.						
	NOTE: The Consultant shall use Appendix VI as reference in the preparation of its Model Form I which shall						
	form part of its Financial Proposal for purposes of financial negotiations.						
26.1	The address for negotiations is G/F, Bldg. 6, BAC Conference Room, DOH, San Lazaro Compound, Rizal						
	Avenue, Sta. Cruz, Manila.						
26.2 (e)	No negotiations pertaining to the Financial Proposal shall be undertaken.						
27.2 (b)	Within a non-extendible period of three (3) calendar days from receipt by the Consultant of the notice from the						
	BAC that it is the HRB, the Consultant shall submit the following documentary requirements:						
	a. Tax Clearance Certificate issued by the BIR main office Collection Enforcement Division (per Executive Order 398, Series of 2005);						
	b. Latest Annual Tax Return filed through the Electronic Filing and Payments Systems (EFPS) and must be duly validated with the tax payments made thereon for the preceding Tax year be it on a calendar or fiscal year income (per Revenue Regulations 3-2005); and						
	c. Latest Business Tax Return filed through the Electronic Filing and Payments System (EFPS) duly validated with the tax payments made thereon also refers to the Expanded Value Added Tax (EVAT) or Percentage Tax returns covering the previous six (6) months (per Revenue Regulations 3-2005).						
00.4 (0	d. Valid and current Certificate of PhilGEPS Registration						
30.4 (f)	No other document.						
31.1	No further instructions.						
32.2	The effective date of the contract is upon receipt of Notice to Proceed.						

### V. NOTICE OF PRE-BID CONFERENCE



# Republic of the Philippines Department of Health

#### **BIDS AND AWARDS COMMITTEE**

#### **NOTICE OF MEETING**

#### FOR: 1. Bids and Awards Committee (BAC)

1.8	DIR. A	_	Vice Chairperson
1.9	DR. B	_	Regular Member
1.10	DIR. C	_	Regular Member
1.11	DIR. D	_	Regular Member
1.12	DR. E	_	Provisional Member
1.13	DR. F	_	BAC Secretariat
1.14	MS. G	_	<b>BAC Secretariat</b>

#### 2. End-Users

2.4	MS. AA	_	End-User Representative /Office A
2.5	MS. BB	_	End-User Representative /Office A
2.6	MS. CC	_	End-User Representative/ Office A

#### 3. Observers Representative

3.8	NAMFREL-CAC
3.9	Procurement Watch
3.10	Government Watch
3.11	Advocacy Graft and Corruption, CBCP-LAIKO
3.12	Internal Audit Unit
3.13	COFILCO
3.14	COA Representative

FROM: MR. A

Chairperson, BAC

SUBJECT: Pre-bid Conference for the Hiring of an Advertising Agency for the Branding of Behavior, Development

and Production of Creative/Campaign Materials for Breastfeeding Communication for Behavioral Impact (COMBI) REI-CS-GOP-2010-08 with an Approved Budget for the Contract (ABC) of PhP 10,000,000.00

**DATE:** 21 July 2010

**VENUE:** BAC Conference Room, Ground Floor, Building 6, San Lazaro Compound, Rizal Avenue, Sta. Cruz,

Manila

Should there be changes in the schedule indicated above, the BAC Secretariat will officially communicate with your office. Please confirm your attendance for the said activities with Ms. H, BAC Secretariat at telephone no. 651-7800 local 1625.

### W. MINUTES OF THE PRE-BID CONFERENCE



# Republic of the Philippines Department of Health

#### **BIDS AND AWARDS COMMITTEE**

#### MINUTES OF THE PRE-BID CONFERENCE

HIRING OF AN ADVERTISING AGENCY FOR THE BRANDING OF BEHAVIOR, DEVELOPMENT AND PRODUCTION OF CREATIVE/CAMPAIGN MATERIALS FOR BREASTFEEDING COMMUNICATION FOR BEHAVIORAL IMPACT (COMBI) REI-CS-GOP-2010-08

Present from the BAC and Secretariat were:

- 1. BAC Vice Chairperson
- 2. BAC Regular Member
- 3. BAC Regular Member
- 4. BAC Regular Member
- 5. BAC Regular Member
- 6. BAC Secretariat

#### Prospective consulting firms present:

- 1. Company A
- 2. Company B
- 3. Company C

The Pre-bid Conference for the Hiring of an Advertising Agency for the Branding of Behavior, Development and Production of Creative/Campaign Materials for Breastfeeding Communication for Behavioral Impact (COMBI) under REI-CS-GOP-2010-08 held on 21 July 2010, 10:15 A.M. at the BAC Conference Rm., Ground Floor, Bldg. No. 6, San Lazaro Compound, DOH, Sta. Cruz, Manila, was called to order and presided by the BAC.

The following were the highlights of the pre-bid conference:

- 1. The DOH is not accepting a surety bond as a form of bid security.
- 2. The evaluation procedure for the project is Quality-Cost Based Evaluation (QCBE) with 60% and 40% weights for the technical and financial proposals respectively.
- 3. The project shall be conducted within six (6) months.
- 4. The director-in-charge of the DOH Office A is Dr. LLL.
- 5. The following were clarified regarding the contents of the Terms of Reference (TOR):
  - a. Section IV-Expected Outputs/Deliverables
    - The collaterals shall be used by the barangay health workers and peer counselors who are also advocate mothers and breast feeders.
    - The reporting forms shall be reproduced by the advertising agency. These are already pre-made forms.
    - The creative materials may be in the form of tarpaulins, posters, flyers, cards, or brochures. There shall be no mass media/broadcast materials. Majority of the requirements of this project shall entail reproduction of pre-made promotional designs.
    - The medium of promotion for the posters shall be in English. DOH Office A shall approve the prototypes of all the creative materials developed by the consultant.
  - b. The launching of the breastfeeding campaign might entail the highest cost allocation since all the stakeholders, the peer counselors, and other government officials will attend the activity. The estimated number of participants for the launching activity is 300-500.

#### MANUAL PROCEDURES FOR THE PROCUREMENT OF CONSULTING SERVICES

- c. DOH Office A shall be in-charge of the distribution of campaign materials to all regions. This shall no longer be the task of the advertising agency.
- d. The campaign materials to be produced shall be distributed to 150 urbanized cities nationwide and after two (2) years, these shall also be distributed to the provinces.
- 6. The recommended protocol for extending breastfeeding is in Republic Act No. 128 also known as the Expanded Promotion of Breastfeeding. One provision of which is the establishment of lactation room in every work place intended for working mothers. This, however, is still being reviewed by the Congress.
- 7. The prospective bidders requested to extend the deadline of submission of technical and financial proposals from 02 to 09 August 2010 and the BAC decided to grant their request.

Having no other remaining topics for discussion, the opening of the eligibility documents was adjourned at 10:30 A.M.

Prepared:

#### (SIGNATURE OVER PRINTED NAME)

**BAC Secretariat** 

Approved:

#### (SIGNATURE OVER PRINTED NAME)

**BAC Member** 

#### X. SUPPLEMENTAL BID BULLETIN



Republic of the Philippines
Department of Health

#### **BIDS AND AWARDS COMMITTEE**

#### BID BULLETIN NO. 1 23 July 2010

HIRING OF AN ADVERTISING AGENCY FOR THE BRANDING OF BEHAVIOR, DEVELOPMENT AND PRODUCTION OF CREATIVE/CAMPAIGN MATERIALS FOR BREASTFEEDING COMMUNICATION FOR BEHAVIORAL IMPACT (COMBI) REI-CS-GOP-2010-08

This Bid Bulletin is being issued to officially announce that the deadline of submission and opening of technical proposal for the Branding of Behavior and Production of Creative/Campaign Materials for Breastfeeding Communication for Behavioral Impact (COMBI) was moved from 02 to 09 August 2010.

Moreover, the following were the highlights of the Pre-Bid Conference held on 21 July 2010:

- 1. The DOH shall not accept surety bond as a form of bid security.
- 2. The director-in-charge of the DOH Office A is Dr. LLL.
- 3. The following are the clarifications on the Terms of Reference (TOR):
  - a. The reporting forms shall be reproduced by the advertising agency. There were already pre-made forms.
  - b. The creative materials may be in the form of tarpaulins, posters, flyers, cards, or brochures. There shall be no mass media/broadcast materials. Majority of this project shall entail reproduction of pre-made promotional designs.
  - c. The medium of promotion for the posters shall be in English. DOH Office A shall approve the prototype of the posters.
- 4. DOH Office A shall be in-charge of the distribution of campaign materials to other regions. This shall no longer be the task of the advertising agency.
- 5. The estimated number of participants for the launching activity of breastfeeding is 300-500.

This Bid Bulletin shall form an integral part of the bidding documents for the above mentioned project.

For guidance and information of all concerned.

#### SIGNATURE OVER PRINTED NAME)

**BAC Secretariat** 

### Y. NOTICE OF OPENING OF TECHNICAL DOCUMENTS



# Republic of the Philippines Department of Health

#### **BIDS AND AWARDS COMMITTEE**

#### **NOTICE OF MEETING**

#### FOR: 1. Bids and Awards Committee (BAC)

1.15	DIR. A	_	Vice Chairperson
1.16	DR. B	_	Regular Member
1.17	DIR. C	_	Regular Member
1.18	DIR. D	_	Regular Member
1.19	DR. E	-	Provisional Member
1.20	DR. F	_	BAC Secretariat
1.21	MS. G	_	BAC Secretariat

#### 4. End-Users

2.7	MS. AA	_	End-User Representative /Office A
2.8	MS. BB	_	End-User Representative /Office A
2.9	MS. CC	_	End-User Representative/ Office A

#### 5. Observers Representative

3.15	NAMFREL-CAC
3.16	Procurement Watch
3.17	Government Watch
3.18	Advocacy Graft and Corruption, CBCP-LAIKO
3.19	Internal Audit Unit
3.20	COFILCO
3.21	COA Representative

FROM: MR. A

Chairperson, BAC

SUBJECT: Opening of Technical Proposals for the Hiring of an Advertising Agency for the Branding of Behavior,

Development and Production of Creative/Campaign Materials for Breastfeeding Communication for Behavioral Impact (COMBI) REI-CS-GOP-2010-08 with an Approved Budget for the Contract (ABC) of

PhP 10,000,000.00

**DATE**: 21 July 2010

**VENUE:** BAC Conference Room, Ground Floor, Building 6, San Lazaro Compound, Rizal Avenue, Sta. Cruz,

Manila

Should there be changes in the schedule indicated above, the BAC Secretariat will officially communicate with your office. Please confirm your attendance for the said activities with Ms. H, BAC Secretariat at telephone no. 651-7800 local 1625.

# Z. CHECKLIST FOR THE TECHNICAL DOCUMENTS

#### TECHNICAL PROPOSAL REQUIREMENTS FOR CONSULTING SERVICES

(To be submitted by the bidder in the following orders & tabbed by numbers)
Hiring of an Advertising Agency for the Branding of behavior, Development and Production of Creative/
Campaign Materials for Breastfeeding Communication for Behavioral Impact (COMBI) (PHP 10,000,000.00)

#### **COMPANY/INDIVIDUAL:**

BAC Member

TPF	Requirement	PASSED	FAILED	REMARKS
	Form of Bid Security			
	1. Certified Check (2%)			
	2. Cashier Check (2%)			
	3. Bank Draft (2%)			
	4. Irrevocable Letter of Credit (2%)			
0	5. Bank Guarantee (2%)			
	6. Cash (2%)			
	Bank:			
	Amount: Php Validity days			
1	Technical Proposal Submission form (TPF1)			
2	Consultant/Firm's Reference (TPF2)			
	Comments and suggestions on the Terms of References			
3	and Data, Services, and facilities to be Provided by			
	DOH including ITB clause 11.1e.1.vii (TPF3)			
4	Description of Methodology and Work Plan for Performing the Project			
	(TPF4)			
	Team Composition and Task Project with following details (TPF5):			
	5.1 Technical Managerial Staff			
5	5.2 Support Staff Including a summary of list of support staff to be			
	deployed			
	5.3 Project Organization and Management Structure			
	Curriculum Vitae (CV) for Proposed Professional Staff and Including a Summary List of these Professional			
6	Key Staff to be Deployed (TPF6)			
	6.a Summary of Proposed Key Personnel			
7	Time Schedule for Professional Personnel (TPF7)			
8	Activity/Work Schedule (TPF8)			
9	Affidavit of Disclosure of Relations			
10	Form of Bid Security for Bank Guarantee			
11	Authority of Signatory to represent the firm and commit			
	the firm or the joint venture			
12	Sworn Statement attesting to its compliance with the following:			
	a. Responsibilities of an eligible consultant     b. Labor Laws			
	C. Labor Laws	1	1	I

Date

## AA. MINUTES OF OPENING OF THE TECHNICAL PROPOSAL

# Republic of the Philippines Department of Health

#### **BIDS AND AWARDS COMMITTEE**

MINUTES OF THE OPENING OF TECHNICAL PROPOSAL
HIRING OF AN ADVERTISING AGENCY FOR THE BRANDING OF BEHAVIOR, DEVELOPMENT
AND PRODUCTION OF CREATIVE/CAMPAIGN MATERIALS FOR BREASTFEEDING
COMMUNICATION FOR BEHAVIORAL IMPACT (COMBI) REI-CS-GOP-2010-08

Present from the BAC and Secretariat were:

- 1. BAC Vice Chairperson
- 2. BAC Regular Member
- 3. BAC Regular Member
- 4. BAC Secretariat
- 5. BAC Secretariat

Prospective consulting firms present:

1. Ms. AAA - Company A

The Opening of Technical Proposal for the Hiring of an Advertising Agency for the Branding of Behavior, Development and Production of Creative/Campaign Materials for Breastfeeding Communication for Behavioral Impact (COMBI) under REI-CS-GOP-2010-08 held on 09 August 2010, 10:15 A.M. at the BAC Conference Rm., Ground Floor, Bldg. No. 6, San Lazaro Compound, DOH, Sta. Cruz, Manila, was called to order and presided by the BAC.

Among the four (4) shortlisted consulting firms for the abovementioned project, only two (2) firms, namely Company A and Company B submitted the technical and financial proposals on the stated deadline. The two (2) other firms, namely Company C and Company D informed the BAC Secretariat that they will no longer participate in the bidding due to unexpected circumstances.

Upon checking of the submitted technical proposals, Company A was found to have submitted all the required documents.

Company B, on the other hand, failed to submit the following:

- 1. Affidavit of Disclosure of Relations;
- 2. Sworn Statement attesting to its compliance with the responsibilities of an eligible consultant and the labor laws; and
- 3. Authority of Signatory to represent the firm and commit the firm or the joint venture.

In view of this, the BAC informed Person A of Company A that he may submit a motion for reconsideration within three (3) calendar days upon receipt of a formal notice to be deliberated and approved by the BAC.

Having no other remaining topics for discussion, the opening of the eligibility documents was adjourned at 10:30 A.M.

Prepared by: Approved by:

(SIGNATURE OVER PRINTED NAME)

(SIGNATURE OVER PRINTED NAME)

**BAC Secretariat** 

**BAC** Member

# BB. NOTIFICATION TO THE TWG TO CONDUCT EVALUATION OF THE TECHNICAL DOCUMENTS



# Republic of the Philippines Department of Health

#### **BIDS AND AWARDS COMMITTEE**

10 August 2010

- 1. TWG Chairperson
- 2. TWG Vice Chairperson
- 3. TWG Member
- 4. TWG Member
- 5. TWG Member
- 6. TWG Member (Accounting)
- 7. TWG Member (Legal)

#### Dear Sir/Madam:

We are forwarding to you the Technical Proposals of the following advertising agencies for the Hiring of an Advertising Agency for the Branding of Behavior, Development, and Production of Creative/Campaign Materials for Breastfeeding Communications for Behavioral Impact (COMBI) under REI-CS-GOP-2010-08.

- 1. Company A
- 2. Company B

To hasten the processing of this project, please submit your technical evaluation report on or before 18 August 2010. Attached herewith are the technical evaluation criteria for your reference.

Should you wish to convene to evaluate the submitted documents for this project, you may coordinate with BAC Secretariat.

Thank you.

#### SIGNATURE OVER PRINTED NAME)

**BAC Secretariat** 

# **CC. CRITERIA FOR TECHNICAL EVALUATION**

Hiring of an Advertising Agency for the Branding of Behavior, Development, and Production of Creative/Campaign Materials for Breastfeeding Communication for Behavioral Impact (COMBI) REI-CS-GOP-2010-08

Criteria	Rate (%)	A	В
1. Quality of Personnel Assigned	30		
a. Experience			
b. Education and Training			
2. Experience and Capability of Consulting Firm	30		
a. Overall firm's similar experience			
b. Individual experiences of principal and key staff			
3. Plan of Approach and Methodology	40		
a. Clarity, Feasibility, Innovativeness of planned			
approach			
b. Quality of interpretation of problems and suggested			
solutions			
TOTAL	100		

COMMENTS:		
BAC Member	Date	

### **DD. TECHNICAL EVALUATION REPORT**

27 August 2010

FOR: MR. ABC

Chairperson

Bids and Awards Committee

FROM: The Technical Working Group

SUBJECT: Technical Evaluation Report for the Hiring of an Advertising Agency for the

Branding of Behavior, Development and Production of Creative/Campaign Materials for Breastfeeding Communication for Behavioral Impact (COMBI)

REI-CS-GOP-2010-008

The Technical Working Group (TWG) has evaluated the technical proposals submitted by Visuals in Motion Advertising and C.A.M.P Cebu, Inc. for the abovementioned project. The following are the findings and recommendations:

Criteria	Rate (%)	A	В
1. Quality of Personnel Assigned	30	26.6	21.4
a. Experience			
b. Education and Training			
2. Experience and Capability of Consulting Firm	30	26.4	21.2
a. Overall firm's similar experience			
b. Individual experiences of principal and key staff			
Plan of Approach and Methodology	40	33.2	29.8
a. Clarity, Feasibility, Innovativeness of planned			
approach			
b. Quality of interpretation of problems and			
suggested solutions			
TOTAL	100	86.2	72.4

The respective calculated mean technical score of A and B shows that the technical proposals of both firms have met the minimum requirements in the TOR. The TWG only noted some observations, to wit:

### A. Company A

- 1. Its main expertise is focused on advertising and public relations.
- 2. Its staff members are educated and well-trained in relation to communication, public relations, and advertising.
- 3. The technical proposal has clear concept and target. The developed IEC prototype materials suit to the plan of the client.

### MANUAL PROCEDURES FOR THE PROCUREMENT OF CONSULTING SERVICES

### B. Company B

- 1. Its experience is on graphic/creative design. It has no experience in branding and creative strategy development.
- 2. Its communication expert came from the academe with little advertising experience.
- 3. The technical proposal contains more of theoretical content. It has a better approach and methodology based on its framework. It has a wider scope and target audience. However, it has no creative execution.
- 4. It has a similar experience with the project having participated in the development and execution of various communication plans for the health sector.

In view of the above-indicated mean scores and observations, the TWG recommends that the financial proposals of both of the shortlisted firms, namely, Company A and Company B be opened and whichever has the lower bid price be considered for contract negotiation.

### **RECOMMENDATION:**

(SIGNATURE OVER PRINTED NAME) TWG MEMBER	(SIGNATURE OVER PRINTED NAME) TWG MEMBER
(SIGNATURE OVER PRINTED NAME) TWG MEMBER	(SIGNATURE OVER PRINTED NAME) TWG MEMBER
(SIGNATURE OVER PRINTED NAME) TWG MEMBER	(SIGNATURE OVER PRINTED NAME) TWG MEMBER

SIGNATURE OVER PRINTED NAME)
TWG CHIARPERSON

### **EE. INVITATION TO THE OPENING OF FINANCIAL PROPOSAL**



### Republic of the Philippines Department of Health

### **BIDS AND AWARDS COMMITTEE**

### **RESULTS OF BID EVALUATION**

(Invitation to the Opening of Financial Proposal)

02 September 2010

### MS. Z

Treasurer/ Public Relations Officer Company A 26F JK Building, Estacio St., Bacolod City

Tel. No.: (014) 254-4148 to 50

Fax No.: (014) 254-8418 to 20 local 103

Dear Ms. Z,

Upon evaluation of the technical proposal of the shortlisted consultants for the *Hiring of an Advertising Agency for the Branding of Behavior, Development and Production of Creative/Campaign Materials for Breastfeeding Communication for Behavioral Impact (COMBI)*" under REI-CS-GOP-2010-08, we would like to inform you that your proposal has met the minimum technical rating. This being the case, we would like to invite you to attend the opening of the financial proposal on **08 September 2010**, **9:00 A.M.**, at the BAC Conference Room, G/F Building No. 6, Department of Health, San Lazaro Compound, Rizal Avenue, Sta. Cruz, Manila.

For your information.

By Authority of the BAC Chairperson:

MS. X Director BAC Secretariat

### FF. NOTICE OF OPENING OF FINANCIAL DOCUMENTS



### Republic of the Philippines Department of Health

### **BIDS AND AWARDS COMMITTEE**

### **NOTICE OF MEETING**

### FOR: 1. Bids and Awards Committee (BAC)

1.22	DIR. A	_	Vice Chairperson
1.23	DR. B	_	Regular Member
1.24	DIR. C	_	Regular Member
1.25	DIR. D	_	Regular Member
1.26	DR. E	_	Provisional Member
1.27	DR. F	_	BAC Secretariat
1.28	MS. G	_	BAC Secretariat

### 6. End-Users

2.10	MS. AA	_	End-User Representative /Office A
2.11	MS. BB	_	End-User Representative /Office A
2.12	MS. CC	_	End-User Representative/ Office A

### 7. Observers Representative

3.22	NAMFREL-CAC
3.23	Procurement Watch
3.24	Government Watch
3.25	Advocacy Graft and Corruption, CBCP-LAIKO
3.26	Internal Audit Unit
3.27	COFILCO
3.28	COA Representative

FROM: MR. A

Chairperson, BAC

SUBJECT: Opening of Financial Proposals for the Hiring of an Advertising Agency for the Branding of Behavior,

Development and Production of Creative/Campaign Materials for Breastfeeding Communication for Behavioral Impact (COMBI) REI-CS-GOP-2010-08 with an Approved Budget for the Contract (ABC) of

PhP 10,000,000.00

**DATE**: 21 July 2010

**VENUE:** BAC Conference Room, Ground Floor, Building 6, San Lazaro Compound, Rizal Avenue, Sta. Cruz,

Manila

Should there be changes in the schedule indicated above, the BAC Secretariat will officially communicate with your office. Please confirm your attendance for the said activities with Ms. H, BAC Secretariat at telephone no. 651-7800 local 1625.

### **GG. CHECKLIST FOR THE FINANCIAL PROPOSAL REQUIREMENTS**

### FINANCIAL PROPOSAL REQUIREMENTS FOR CONSULTING SERVICES (To be submitted by the bidder in the following orders & tabbed by numbers)

PROJECT: HIRING OF AN ADVERTISING AGENCY FOR THE BRANDING OF BEHAVIOR, DEVELOPMENT AND PRODUCTION OF CREATIVE/CAMPAIGN MATERIALS FOR BREASTFEEDING COMMUNICATION FOR BEHAVIORAL IMPACT (COMBI) REI-CS-GOP-2010-08

REQUIREMENT	PASSED	FAILED	REMARK
Financial Proposal Submission Form			
Summary of Costs			
Breakdown of Price per Activity			
Breakdown of Remuneration per Activity			
Reimbursables/Miscellaneous per Activity			
Miscellaneous Expenses			
Miscellaneous Expenses			
	Financial Proposal Submission Form  Summary of Costs  Breakdown of Price per Activity  Breakdown of Remuneration per Activity  Reimbursables/Miscellaneous per Activity	Financial Proposal Submission Form  Summary of Costs  Breakdown of Price per Activity  Breakdown of Remuneration per Activity  Reimbursables/Miscellaneous per Activity	Financial Proposal Submission Form  Summary of Costs  Breakdown of Price per Activity  Breakdown of Remuneration per Activity  Reimbursables/Miscellaneous per Activity

### HH. ABSTRACT OF BIDS

PROJECT: HIRING OF AN ADVERTISING AGENCY FOR THE BRANDING OF

BEHAVIOR, DEVELOPMENT AND PRODUCTION OF CREATIVE/CAMPAIGN MATERIALS FOR BREASTFEEDING COMMUNICATION

FOR BEHAVIORAL IMPACT (COMBI) REI-CS- GOP-2010-08

ABC: PhP 10,000,000.00

### OPENING OF THE FINANCIAL PROPOSAL: 08 SEPTEMBER 2010, 9:00 A.M., BAC CONFERENCE ROOM

	1	2
Signature of Authorized Representative		
Name of Company	COMPANY A	COMPANY B
Bid Price	PhP 7,242,970.00	PhP 7,843,130.43
Taxes	PhP 1,336,327.97	PhP 1,176,469.57
Total Bid Price	PhP 8,579,297.97	PhP 9,019,600.00

(SIGNATURE OVER PRINTED NAME)

(SIGNATURE OVER PRINTED NAME)

**BAC Provisional Member/End-User Representative** 

**BAC Regular Member** 

(SIGNATURE OVER PRINTED NAME)

(SIGNATURE OVER PRINTED NAME

**BAC Regular Member** 

**BAC Vice-Chairperson** 

(SIGNATURE OVER PRINTED NAME)

**BAC Chairperson** 

### II. MINUTES OF THE OPENING OF FINANCIAL PROPOSAL

# SALCEMEPHILIAN STATES

### Republic of the Philippines Department of Health

### **BIDS AND AWARDS COMMITTEE**

MINUTES OF THE OPENING OF FINANCIAL PROPOSAL
HIRING OF AN ADVERTISING AGENCY FOR THE BRANDING OF BEHAVIOR, DEVELOPMENT
AND PRODUCTION OF CREATIVE/CAMPAIGN MATERIALS FOR BREASTFEEDING
COMMUNICATION FOR BEHAVIORAL IMPACT (COMBI)
REI-CS-GOP-2010-08

#### Present from the BAC and Secretariat were:

- 1. BAC Vice Chairperson
- 2. BAC Regular Member
- 3. BAC Regular Member
- 4. End-user Representative
- 5. BAC Secretariat
- 6. BAC Secretariat

### **Prospective consulting firms present:**

1. Ms. BBB - Company B

The opening of the financial proposal for the Hiring of an Advertising Agency for the Branding of Behavior, Development, and Production of Creative/Campaign Materials for Breastfeeding Communication for Behavioral Impact (COMBI) under REI-CS-GOP 2010-08 held on 08 September 2010, 9:00 A.M. at the BAC Conference Rm., Ground Floor, and Bldg. No. 6, DOH San Lazaro Compound, Rizal Avenue, Sta. Cruz, Manila was called to order and presided by the BAC.

Upon checking of the documents submitted by the shortlisted firms, namely Company A and Company B it was found that the documentary requirements are complete, thus, both firms were rated "PASSED". However, it was noted that the Financial Proposal Form 1 of Company B was addressed to the end-user and not to Person H, the BAC Chairperson, thus, the representative of the firm was informed to revise the cited form and submit the revised form to the BAC Secretariat.

The bid price submitted by the two firms were publicly announced and posted in the abstract of bids which was signed by the members of the BAC, the end-user representative, and the representative of Company B, to wit:

	1	2
Name of Company	Company A	Company B
Bid Price	PhP 7,242,970.00	PhP 7,843,130.43
Taxes	PhP 1,336,327.97	PhP 1,176,469.57
Total Bid Price	PhP 8,579,297.97	PhP 9,019,600.00

Having no other remaining topics for discussion, the opening of the financial proposals was adjourned at 10:30 A.M.

Prepared: Approved by:

(SIGNATURE OVER PRINTED NAME)

(SIGNATURE OVER PRINTED NAME)

BAC Secretariat BAC Member

# JJ. NOTIFICATION TO THE TWG FOR EVALUATION OF THE FINANCIAL PROPOSAL



### Republic of the Philippines Department of Health

### **BIDS AND AWARDS COMMITTEE**

08 September 2010

- 1. TWG Chairperson
- 2. TWG Vice Chairperson
- 3. TWG Member
- 4. TWG Member
- 5. TWG Member
- 6. TWG Member (Accounting)
- 7. TWG Member (Legal)

### Dear Sir/Madam:

We are forwarding to you the Financial Proposals of the following advertising agencies for the Hiring of an Advertising Agency for the Branding of Behavior, Development, and Production of Creative/Campaign Materials for Breastfeeding Communications for Behavioral Impact (COMBI) under REI-CS-GOP-2010-08.

- 1. Company A
- 2. Company B

To hasten the processing of this project, please submit your financial evaluation report with comments and recommendations on or before 15 September 2010.

Should you wish to convene to evaluate the submitted documents for this project, you may coordinate with Person J of the BAC Secretariat at telephone number 651-7800 loc. 1625/1626 or 741-9775. Thank you.

### (SIGNATURE OVER PRINTED NAME)

**BAC Secretariat** 

# KK. COMBINED TECHNICAL AND FINANCIAL EVALUATION REPORT

20 September 2010

FOR: MR. ABC

Chairperson

Bids and Awards Committee

FROM: The Technical Working Group

SUBJECT: Combined Technical and Financial Evaluation Report for the Hiring of an

Advertising Agency for the Branding of Behavior, Development and Production of Creative/Campaign Materials for Breastfeeding Communication for Behavioral

Impact (COMBI) REI-CS-GOP-2010-008

The Technical Working Group (TWG) has evaluated the technical and financial proposals submitted by Company A and Company B for the abovementioned project. The following are the findings and recommendations:

### A. Technical Evaluation

Criteria	Rate (%)	Company A	Company B
1. Quality of Personnel Assigned	30	21.4	26.6
a. Experience			
b. Education and Training			
2. Experience and Capability of Consulting Firm	30	21.2	26.4
a. Overall firm's similar experience			
b. Individual experiences of principal and key staff			
3. Plan of Approach and Methodology	40	29.8	33.2
a. Clarity, Feasibility, Innovativeness of planned			
approach			
b. Quality of interpretation of problems and suggested			
solutions			
Total	100	72.4	86.2
Percentage (60%)	60	43.44%	51.72%

The respective calculated mean technical score of Company A and Company B shows that the technical proposals of both firms have met the minimum requirements in the TOR. The TWG only noted some observations, to wit:

### 1. Company A

- a. Its experience is on graphic/creative design. It has no experience in branding and creative strategy development.
- b. Its communication expert came from the academe with little advertising experience.

### MANUAL PROCEDURES FOR THE PROCUREMENT OF CONSULTING SERVICES

- c. The technical proposal contains more of theoretical content. It has a better approach and methodology based on its framework. It has a wider scope and target audience. However, it has no creative execution.
- d. It has a similar experience with the project having participated in the development and execution of various communication plans for the health sector.

### 2. Company B

- a. Its main expertise is focused on advertising and public relations.
- b. Its staff members are educated and well-trained in relation communication, public relations, and advertising.
- c. The technical proposal has clear concept and target. The developed IEC prototype materials suit to the plan of the client.

### **B.** Financial Evaluation

Name of Company	Company A	Company B
Bid Price	PhP 7,242,970.00	PhP 7,843,130.43
Taxes	PhP 1,336,327.97	PhP 1,176,469.57
Total Bid Price	PhP 8,579,297.97	PhP 9,019,600.00
Rate	100%	95.11%
Percentage (40%)	40%	38.04%

After evaluation of the financial proposals of the two (2) abovementioned bidders, it was found that Company A proposed a lower bid price of PhP 8,579,297.97 than Company B which has a bid price of PhP 9,019,600.00.

The members of the TWG noted some comments, to wit:

### Company A

- 1. It was noted that the local taxes included in the proposal amounts to PhP 1,336,327.97.
- 2. The 12% EVAT that should be added to the cost is estimated to be PhP 869,156.40 only.

### Company B

- 1. There is a subsistence allowance of PhP 4,347.83 and at the same time accommodation of PhP 4,347.83 for Cebu and PhP 1,737.13 for Davao.
- 2. Clarify whether the subsistence allowance is not part of the accommodation.
- 3. There is no breakdown of expenses on the launch event amounting to PhP 521,739.13.
- 4. It was noted that 15% EVAT is included in the summary of costs. EVAT should only be 12% of the cost which is estimated to be PhP 941,175.65.

### C. Combined Scores

	Company A	Company B
Technical Proposal (60%)	43.44	51.72
Financial Proposal (40%)	40	38.04
Total Score	83.44%	89.76%

Upon evaluation of the technical and financial proposals of the two (2) bidders, Company B obtained the higher combined technical and financial score of 89.76%.

In view of the above-indicated mean scores and observations, the TWG recommend negotiating with Company B and be clarified with the following concerns during negotiation:

- 1. The source of breakdown for the development of creative materials during the branding activity is not included in the proposal.
- 2. Clarify on what the agency means by "Local transportation costs are not included if being made available by the entity. Similarly, in the project site, office rent/accommodation/clerical assistance costs are not to be included if being made by the entity."

(SIGNATURE OVER PRINTED NAME) TWG MEMBER	(SIGNATURE OVER PRINTED NAME) TWG MEMBER
(SIGNATURE OVER PRINTED NAME) TWG MEMBER	(SIGNATURE OVER PRINTED NAME) TWG MEMBER
(SIGNATURE OVER PRINTED NAME) TWG MEMBER	(SIGNATURE OVER PRINTED NAME) TWG MEMBER

(SIGNATURE OVER PRINTED NAME)
TWG CHAIRPERSON

# LL. RESOLUTION RECOMMENDING APPROVAL OF THE COMBINED TECNICAL AND FINANCIAL EVALUATION



Republic of the Philippines
Department of Health

### **BIDS AND AWARDS COMMITTEE**

BAC Resolution No. 2010-23 16 SEPTEMBER 2010

RECOMMENDING APPROVAL FOR THE COMBINED TECHNICAL AND FINANCIAL EVALUATION FOR THE HIRING OF ADVERTISING AGENCY FOR THE BRANDING OF BEHAVIOR, DEVELOPMENT AND PRODUCTION OF CREATIVE/CAMPAIGN MATERIALS FOR BREASTFEEDING COMMUNICATION FOR BEHAVIORAL IMPACT (COMBI) – REBID – REI-CS-GOP-2010-08

WHEREAS, the Department of Health (DOH), through the Office A, intends to engage the services of an advertising agency to develop an executional communication strategy and branding of behavior for breastfeeding with an Approved Budget for the Contract (ABC) of Ten Million Philippine Pesos (PhP 10,000,000.00);

WHEREAS, on 08 July 2010, the Bids and Awards Committee (BAC) issued BAC Resolution No. 2010-111 stating the following:

- 1. Declare Company A, Company B, Company C and Company D as shortlisted for the project; and
- 2. Issue an invitation to the four (4) abovementioned firms to submit their technical and financial proposals and for them to purchase the bidding documents for their perusal;

WHEREAS, on 15 July 2010, the Letter of Invitation to Bid was sent to the four (4) abovementioned shortlisted firms;

WHEREAS, on 21 July 2010, a pre-bid conference was held to address the clarifications of the shortlisted bidders. The following were the salient points discussed:

- 1. The DOH shall not accept surety bond as a form of bid security.
- 2. The director-in-charge of the DOH Office A is Dr. LLL.
- 3. The following are the clarifications on the Terms of Reference (TOR):
  - a. The reporting forms shall be reproduced by the advertising agency. There are already premade forms.
  - b. The creative materials may be in the form of tarpaulins, posters, flyers, cards, or brochures. There shall be no mass media/broadcast materials. Majority of this project shall entail reproduction of pre-made promotional designs.
  - c. The medium of promotion for the posters shall be in English. DOH Office A shall approve the prototype of the posters.

- 4. DOH Office A shall be in-charge of the distribution of campaign materials to other regions. This shall no longer be the task of the advertising agency.
- 5. The estimated number of participants for the launching activity of breastfeeding is 300-500.

WHEREAS, on 23 July 2010, the BAC issued Bid Bulletin No. 1 to notify the bidders about the salient points discussed during the pre-bid conference and the agreed change of schedule of submission of technical and financial proposal from 02 to 09 August 2010;

WHEREAS, on 04 August 2010, the BAC issued Department Personnel Order (DPO) No. 122 as amendment to DPO No. 2010-040 dated 30 March 2010 for Ms. EE to replace of Ms. TT of the same office as member of the Technical Working Group (TWG);

WHEREAS, on 09 August 2010, on the scheduled opening of technical proposal, Company C sent a letter to the BAC informing the latter that they are withdrawing their participation to the project due to some recent unexpected circumstances;

WHEREAS, on the same date, only Company A and Company B submitted the technical and financial proposals and upon review and checking by the BAC, the following were noted:

- 1. Company A submitted the complete documentary requirements, hence was declared "PASSED";
- 2. Company B failed to submit the affidavit of disclosure of relations and the sworn statement attesting to the firm's compliance with the responsibilities of an eligible consultant and the labor laws, and the form of authority of the signatory to represent the firm, hence it was given three (3) calendar days to file a motion for reconsideration and submit the lacking documents;

WHEREAS, on the same date, the BAC issued a letter to Company B informing the latter about the lacking documents and that same date, it submitted its letter for reconsideration and attached the lacking documents, and the BAC subsequently granted its request;

WHEREAS, on 10 August 2010, the technical proposals of the two (2) firms were forwarded to the TWG for evaluation;

WHEREAS, on 27 August 2010, the BAC received the technical evaluation of the TWG with the following scores, comments, and recommendations:

Criteria	Rate (%)	Company A	Company B
1. Quality of Personnel Assigned			
a. Experience	30	21.4	26.6
b. Education and Training			
2. Experience and Capability of Consulting Firm			
a. Overall firm's similar experience	30	21.2	26.4
b. Individual experiences of principal and key staff			
3. Plan of Approach and Methodology			
a. Clarity, Feasibility, Innovativeness of planned			
approach	40	29.8	33.2
b. Quality of interpretation of problems and			
suggested solutions			
TOTAL	100	72.4	86.2

#### MANUAL PROCEDURES FOR THE PROCUREMENT OF CONSULTING SERVICES

WHEREAS, the respective calculated mean technical score of Company A and Company B shows that the technical proposals of both firms have met the minimum requirements in the TOR. The TWG only noted some observations, to wit:

### A. Company A

- 1. Its main expertise is focused on advertising and public relations.
- 2. Its staff members are educated and well-trained in relation to communication, public relations, and advertising.
- 3. The technical proposal has clear concept and target. The developed IEC prototype materials suit the plan of the client.

### B. Company B

- 1. Its experience is on graphic/creative design. It has no experience in branding and creative strategy development.
- 2. Its communication expert came from the academe with little advertising experience.
- 3. The technical proposal contains more of theoretical content. It has a better approach and methodology based on its framework. It has a wider scope and target audience. However, it has no creative execution.
- 4. It has a similar experience with the project having participated in the development and execution of various communication plans for the health sector.

WHEREAS, in view of the above-indicated mean scores and observations, the TWG recommended that the financial proposals of both of the shortlisted firms, namely, Company A and Company B be opened;

WHEREAS, on 02 September 2010, a letter was sent to both firms informing them about the results of the evaluation of their technical proposals and inviting them for the opening of financial proposals;

WHEREAS, on 08 September 2010, the BAC opened the financial proposals, read the bid prices publicly, and posted the same on the abstract of bids:

Name of Company	Company A	Company B
Bid Price	PhP 7,242,970.00	PhP 7,843,130.43
Taxes	PhP 1,336,327.97	PhP 1,176,469.57
Total Bid Price	PhP 8,579,297.97	PhP 9,019,600.00

WHEREAS, on the same date, the financial proposals of the two (2) firms were forwarded to the TWG for evaluation:

WHEREAS, on 20 September 2010, the TWG submitted their financial evaluation report to the BAC with the following ratings:

Name of Company	Company A	Company B
Bid Price	PhP 7,242,970.00	PhP 7,843,130.43
Taxes	PhP 1,336,327.97	PhP 1,176,469.57
Total Bid Price	PhP 8,579,297.97	PhP 9,019,600.00
Rate	100%	95.11%
Percentage (40%)	40%	38.04%

WHEREAS, the TWG noted the following comments in the financial proposals of the two (2) firms, to wit:

### A. Company A

- 1. There is a subsistence allowance of PhP 4,347.83, and at the same time accommodation of PhP 4,347.83 for Cebu and PhP 1,737.13 for Davao.
- 2. Clarify whether the subsistence allowance is not part of the accommodation.
- 3. There is no breakdown of expenses on the launch event amounting to PhP 521,739.13.
- 4. It was noted that 15% EVAT is included in the summary of costs. EVAT should only be 12% of the cost which is estimated to be PhP 941,175.65.

### B. Company B

- 1. It was noted that the local taxes included in the proposal amounts to PhP 1,336,327.97.
- 2. The 12% EVAT that should be added to the cost is estimated to be PhP 869,156.40 only.

WHEREAS, upon consolidation of the respective combined technical and financial scores of the two (2) bidders, Company B, Inc. obtained the higher combined technical and financial score of 89.76% as shown below:

Firm	Technical Score and Weight		Financial Score and Weight			Total	
			T				Score (%)
	Average	Weight	Weighted	Average	Weight	Weighted	
	Score (%)	(70%)	Score (%)	Score (%)	(30%)	Score (%)	
A	72.4	×0.6	43.44	100	×0.4	40.00	83.44
В	86.2	×0.6	51.72	95.11	×0.4	38.04	89.76

WHEREAS, the TWG recommended clarifying the following with Company B during contract negotiation being the Highest Rated Bid (HRB), to wit:

- 1. The source of breakdown for the development of creative materials during the branding activity is not included in the proposal.
- 2. Clarify on what the agency means by "Local transportation costs are not included if being made available by the entity. Similarly, in the project site, office rent/accommodation/clerical assistance costs are not to be included if being made by the entity."

NOW THEREFORE, in consideration of the above premises, the herein members of the BAC HEREBY RESOLVE the following:

- 1. Recommend the approval of the results of the combined technical and financial evaluation;
- 2. Notify Company A and Company B about the result of bid evaluation;
- 3. Request Company B to submit the additional required documents for post-qualification;

### MANUAL PROCEDURES FOR THE PROCUREMENT OF CONSULTING SERVICES

4. Proceed with the contract negotiation with Company upon submission of the post-qualification requirement	, c
Signed thisday of20 Compound, Sta. Cruz, Manila.	010 at the Department of Health, San Lazaro
CENTRAL OFFICE BIDS AND	AWARDS COMMITTEE
(SIGNATURE OVER PRINTED NAME) BAC Provisional Member/ End-User Representative	(SIGNATURE OVER PRINTED NAME) BAC Regular Member
(SIGNATURE OVER PRINTED NAME) BAC Regular Member	(SIGNATURE OVER PRINTED NAME) BAC Vice-Chairperson

### (SIGNATURE OVER PRINTED NAME) BAC CHAIRPERSON

Approved by:

(SIGNATURE OVER PRINTED NAME)
HEAD OF PROCURING ENTITY

# MM. NOTIFICATION TO THE CONSULTANT WITH THE HIGHEST RATED BID



### Republic of the Philippines Department of Health

### **BIDS AND AWARDS COMMITTEE**

22 September 2010

Ms. BBB
Business Address
Contact Information

Dear Ms. BBB,

This pertains to the *Hiring of an Advertising Agency for the Branding of Behavior, Development and Production of Creative/Campaign Materials for Breastfeeding Communication for Behavioral Impact (COMBI)* under REI-CS-GOP-2010-08.

Based on the evaluation of the submitted technical and financial proposals, please be informed that your firm was found to be the Highest Rated Bid (HRB) for the abovementioned project. The following are the combined technical and financial scores of the bidders:

Criteria	Company A	Company B
Technical Proposal (60%)	43.44	51.72
Financial Proposal (40%)	40	38.04
Total Score	83.44%	89.76%

In view of this, you are required to submit the following documentary requirements within a non-extendible period of three (3) calendar days from receipt of this notification:

- (a) Tax clearance certificate issued by BIR main office Collection Enforcement Division (per Executive Order 398, Series of 2005);
- (b) Latest Annual Tax Return filed thru Electronic Filing and Payment Systems (EFPS) and must be duly validated with the tax payments made thereon for the preceding Tax Year be it on a calendar or fiscal year income (per Revenue Regulations 3-2005);
- (c) Latest Business Tax Return filed thru Electronic Filing and Payment System (EFPS) duly validated with the tax payments made thereon also refers to the Value Added Tax (VAT) or Percentage Tax Returns covering the previous **six** (6) **months** (per Revenue Regulations 3-2005);
- (d) Valid and current Certificate of PhilGEPS Registration.

Failure to duly submit the documentary requirements stated above or any finding against the veracity of such shall be a ground for the forfeiture of the bid security and disqualification for the award.

Moreover, we would like to invite you for a contract negotiation on 29 September 2010, 9:00 A.M., BAC Conference Room, Ground Floor, Building 6, DOH San Lazaro Compound, Rizal Avenue, Sta. Cruz, Manila.

By Authority of the BAC Chairperson:

#### (SIGNATURE OVER PRINTED NAME)

**BAC Secretariat** 

### NN. NOTIFICATION TO LOSING BIDDER



### Republic of the Philippines Department of Health

### **BIDS AND AWARDS COMMITTEE**

03 November 2010

MR. AAA Manager Company A Business Address Contact Information

Dear Mr. AAA,

This pertains to the *Hiring of an Advertising Agency for the Branding of Behavior, Development and Production of Creative/Campaign Materials for Breastfeeding Communication for Behavioral Impact (COMBI)* under REI-CS-GOP-2010-08.

The following are the combined technical and financial scores of the bidders:

	Company A	Company B
Technical Proposal (60%)	43.44	51.72
Financial Proposal (40%)	40	38.04
Total Score	83.44%	89.76%

Based on the evaluation of the submitted technical and financial proposals and postqualification, it was determined that Company B has the Highest Rated and Responsive Bid (HRRB) for the abovementioned project, thus, the contract shall be awarded to them.

Thank you very much and we look forward to your participation on the future projects of the Department.

By Authority of the COBAC Chairperson:

MS. MMM
Director III
COBAC Secretariat

### OO. NOTICE OF CONTRACT NEGOTIATION



### Republic of the Philippines Department of Health

### **BIDS AND AWARDS COMMITTEE**

### **NOTICE OF MEETING**

### FOR: 1. Bids and Awards Committee (BAC)

1.29	DIR. A	_	Vice Chairperson
1.30	DR. B	_	Regular Member
1.31	DIR. C	_	Regular Member
1.32	DIR. D	_	Regular Member
1.33	DR. E	_	Provisional Member
1.34	DR. F	_	BAC Secretariat
1.35	MS. G	_	BAC Secretariat

### 8. End-Users

2.13	MS. AA	_	End-User Representative /Office A
2.14	MS. BB	_	End-User Representative /Office A
2.15	MS. CC	_	End-User Representative/ Office A

### 9. Observers Representative

3.29	NAMFREL-CAC
3.30	Procurement Watch
3.31	Government Watch
3.32	Advocacy Graft and Corruption, CBCP-LAIKO
3.33	Internal Audit Unit
3.34	COFILCO
3.35	COA Representative

FROM: MR. A

Chairperson, BAC

SUBJECT: Contract Negotiation for the Hiring of an Advertising Agency for the Branding of Behavior, Development

and Production of Creative/Campaign Materials for Breastfeeding Communication for Behavioral Impact (COMBI) REI-CS-GOP-2010-08 with an Approved Budget for the Contract (ABC) of PhP 10,000,000.00

**DATE**: 29 September 2010

**VENUE:** BAC Conference Room, Ground Floor, Building 6, San Lazaro Compound, Rizal Avenue, Sta. Cruz,

Manila

Should there be changes in the schedule indicated above, the BAC Secretariat will officially communicate with your office. Please confirm your attendance for the said activities with Ms. H, BAC Secretariat at telephone no. 651-7800 local 1625.

### PP. AREA OF NEGOTIATION

### MINUTES OF THE CONTRACT NEGOTIATION

### HIRING OF AN ADVERTISING AGENCY FOR THE BRANDING OF BEHAVIOR, DEVELOPMENT AND PRODUCTION OF CREATIVE/CAMPAIGN MATERIALS FOR BREASTFEEDING COMMUNICATION FOR BEHAVIORAL IMPACT (COMBI) REI-CS- GOP-2010-08

Tei	rms	of Reference	Hiring Of An Advertising Ag Behavior, Development And Creative/Campaign Materials Communication For Behavio REI- CS-GOP-2010-08	Production Of For Breastfeeding	
DOH Representatives			<ol> <li>BAC Vice Chairperson</li> <li>BAC Regular Member</li> <li>BAC Regular Member</li> <li>End-user Representative</li> <li>End-user Representative</li> <li>BAC Secretariat</li> <li>BAC Secretariat</li> </ol>		
		f Consulting Firm	COMPANY B	+ N/ GE D G	
Da	te/Ti	me/ Venue	29 September 2010, 9:00 Conference Room	A.M., G/F BAC	
Bac	ckgr	ound	Company B was determined Highest Rated Bidder (HRB) submitted technical and finan- has met the minimum qualific Terms of Reference (TOR).	upon evaluation of the icial proposals. Moreover, it	
		Topic	Comments / Issues	Resolutions/ Response	
I.	A.	OPE OF WORK Submit inception report Submit comprehensive studies of creative executional communication strategy and the branding of behavior			
		for breastfeeding			
	C.	Develop and implement Public Relations plan			
	D.	Organize a launch event for the breastfeeding "brand"			
	E.	Undertake a pre test of the prototype creative materials			
	F.	Document the pre test results and submit to project managers			
	G.	Finalize the creative materials			
	Н.	Secure approval of the Cluster Head and the Execom on the materials and plans Reproduction of the creative/campaign materials			

### II. EXPECTED OUTPUT/DELIVERABLES

- A. Inception report
- B. Plan for the branding strategy of breastfeeding behaviors.
- C. Prototype of creative materials such as posters, certificates, vests etc.
- D. Plans for the public relations and launch event
- E. Pre test plan and methodology
- F. Results of the pre-testing
- G. Final Art (FA) of designs and prototypes of material
- H. Reproduced copies of the creative and other campaign support materials:

MATERIALS	MINIMUM NO. OF COPIES
Reporting Forms:	
For midwives	80,000
For peer conselors	20,000
Card/certificate or its equivalent:	
3-in-1 cards	400,000
Thank you certificates	10,000
Collaterals or equivalent:	
Vests	10,000
Personalized notebooks	10,000
Personalized pens	10,000
Rubber stamp with logo, ink pad, ink	10,000
Poster or equivalent	50,000

- There is a subsistence allowance of PhP 4,347.83 and at the same time, cost for accommodation of PhP 4,347.83 for Cebu and PhP 1,737.13 for Davao. Is the subsistence allowance not part of accommodation costs?
- There is no breakdown of expenses amounting to PhP 521,739.13 for the launch event.
- The price breakdown for the development of creative materials during the branding activity was not included.

### III. APPROVED BUDGET FOR THE CONTRACT

The approved budget for consultancy services in development of an executional communication strategy and branding of behavior for breastfeeding, development and implementation of the public relations plan, and development and production of creative/campaign materials to include logo, reporting and recording forms and collaterals shall be in the amount of *Ten Million Philippine Pesos (PhP 10,000,000.00)*.

The tax to be included should only be equivalent to 12% of the contract price, which in this case is PhP 869,156.40 only instead of PhP 1,336,327.97.

IV.	SC	THE	) I I I	LE OF PAYMENT	
1 V .				ing payment scheme shall be applied for this	
		nsulta		- 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1	
			-	percent (15%) of the total amount shall be	
•	л.			the consultant upon submission and approval	
		_		= = = = = = = = = = = = = = = = = = = =	
	D			aception report	
	D.			percent (30%) of the balance shall be released	
	_	•		bmission and approval of the first draft	
(	C.			percent (30%) of the balance shall be released	
				oproval and acceptance of the outputs by the	
	_			nead and executive committee	
-	D.			five percent (25%) of the balance shall be	
				upon submission of the final end-of-the-	
		proj	ect 1	report and the creative outputs	
V.	TI	ME I	FRA	AME OF ENGAGEMENT	
	Th	e wo	rk s	hall be completed within six (6) month from	
	dat	te of	issu	ance of Notice to Proceed (NTP).	
VI.	TN/	IDI I	71/17	ENTING ARRANGEMENTS	
¥ 1.				Management	
	А.			W will manage the contract with the assistance	
				on X, Chief Health Communications Division	
				rson Y, OIC, Health Program Promotion	
		Divi			
		DIVI	.5101	1	
	R	Ren	orti	ing Obligations	
	ъ.			e Contracting party shall submit to the	
				partment of Health through the National Center	
				Health Promotion the final prototype creative	
				terials, produced copies of some materials	
				orts and other relevant documents specified in	
				TOR as agreed upon during negotiation, six (6)	
				d copies and six (6) soft copies stored in CD	
				ile for drafts of prototypes and reports one (1)	
				h for print and soft copy.	
				e Inception Report shall have the following	
				nimum contents:	
				Activities, resource requirements for each	
				activity and a PERT-CPM Chart	
			b.	Background	
			c.	Objectives	
			d.	Implementation Strategy	
			e.	Activities	
			f.	Personnel and Resource Requirement (describe	
				the personnel and resource requirement of the	
				Project and how they are to be deployed to	
				effectively pursue the objective	
			g.	Manning schedule	
				Work Plan. The report shall contain a	
				GHANTT chart showing relationships among	
				interrelated activities. The work plan shall	
				indicate workloads for the TA team	
			i.	The Consultant shall prepare and submit to the	
			-	DOH materials or documents for the DOH's	
				approval or review through the DOH Project	
				Manager	
				S	

- **3.** Progress reporting shall be done on monthly basis, which includes:
  - **a.** Objective(s) for the period
  - **b.** Accomplishments or assessment of progress including justification of changes from the work plan and the implications
  - **c.** Departures from the work plan; cumulative deviations to date from schedule of progress milestones as specified in the final project plan
  - **d.** Corrective actions to be taken to return to planned schedule of progress; proposed revisions to work schedule
  - **e.** Other issues and outstanding problems; proposed actions to be taken
  - **f.** Resource that producer expects to be provided by DOH and/or actions to be taken by DOH for the next reporting period
  - **g.** Other issues or potential problems the Contractor foresees that could impact on project progress and/or effectiveness
  - **h.** Payments; Payments requested and received will be included in the report, along with a statement of cumulative payments
- **4.** Approval/Review of Technical Documents and other Outputs by the DOH
  - a. The first draft of the prototype materials shall be submitted to the project manager of the NCHP
  - b. The project manager will facilitate the presentation and the subsequent approval of all prototype creative outputs initially by the SMCT and PSDT Cluster members and the final approval by the EXECOM members of the DOH preferably within 15 days
  - c. If the creative outputs were disapproved or need some modifications, the consultant shall modify the outputs and resubmit it for DOH's approval prior to production of some materials
  - d. The Consultant will submit to the National Center for Health Promotion the following reports:
    - Progress reports a monthly or update report of activities taken by the Contractor including prototype materials approved.
    - Final report end of project detailing all activities being undertaken or specified in the Scope of Work of the Terms of Reference. The final report shall include the communication executional strategy, the branding of the behavior, prototypes developed, PR plan, launch event plan, pre-test results and the final creative materials.

### MANUAL PROCEDURES FOR THE PROCUREMENT OF CONSULTING SERVICES

C. CONTACT PERSONS		
Ms. A		
Director IV		
Ms. B Chief, Health Communications Division		
Office A Department of Health Sta. Cruz, Manila Tel. No. 743-8301 loc. 2825/ 2801/ 2827 Fax: 743-8438		
<ul> <li>VII. OTHERS Submission of other documentary requirements: A. Tax clearance certificate issued by BIR main office Collection Enforcement Division (per Executive Order 398, Series of 2005); B. Latest Annual Tax Return filed thru Electronic Filing and Payment Systems (EFPS) and must be duly validated with the tax payments made thereon for the preceding Tax Year be it on a calendar or fiscal year income (per Revenue Regulations 3-2005); C. Latest Business Tax Return filed thru Electronic Filing and Payment System (EFPS) duly validated with the tax payments made thereon also refers to the Value Added Tax (VAT) or Percentage Tax Returns covering the previous six (6) months (per Revenue Regulations 3-2005); D. Valid and current Certificate of PhilGEPS Registration</li> </ul>		
VIII. CONCLUSION		
Propaged by:	Approved by:	

Prepared by: Approved by:

(SIGNATURE OVER PRINTED NAME)
BAC Secretariat
BAC Chairperson

Concurred by:

(SIGNATURE OVER PRINTED NAME) Company B

### QQ. RESOLUTION APPROVING THE AWARD OF CONTRACT



Republic of the Philippines
Department of Health

### **BIDS AND AWARDS COMMITTEE**

BAC Resolution No. 2010 -	
11 OCTOBER 2010	

APPROVING THE AWARD OF THE CONTRACT FOR THE HIRING OF ADVERTISING AGENCY FOR THE BRANDING OF BEHAVIOR, DEVELOPMENT AND PRODUCTION OF CREATIVE/CAMPAIGN MATERIALS FOR BREASTFEEDING COMMUNICATION FOR BEHAVIORAL IMPACT (COMBI) – REBID REI-CS-GOP-2010-08

**WHEREAS**, the Department of Health (DOH), through the National Center for Health Promotion (NCHP), intends to engage the services of an advertising agency to develop an executional communication strategy and branding of behavior for breastfeeding with an Approved Budget for the Contract (ABC) of Ten Million Philippine Pesos (PhP 10,000,000.00);

**WHEREAS,** on 16 September 2010, the Bids and Awards Committee (BAC) issued BAC Resolution No. 2010-181 stating the following:

- 1. Recommend the approval of the results of the combined technical and financial evaluation;
- 2. Notify Company A and Company B about the results of the bid evaluation;
- 3. Request Company B to submit the additional required documents for post-qualification; and
- 4. Proceed with the contract negotiation with Company B as determined to be the Highest Rated Bidder upon submission of the post-qualification requirements.

**WHEREAS,** on 22 September 2010, a letter was sent to Company B informing them about the result of the technical and financial evaluation and request to submit the post-qualification documents, and subsequently invited them for contract negotiation;

WHEREAS, on 27 September 2010, Company B sent a letter to the BAC acknowledging the receipt of the letter from the BAC:

**WHEREAS**, on 29 September 2010, the BAC conducted the contract negotiation with Mr. Juan Dela Cruz representative of Company B and the following were the salient points discussed:

- 1. Pre-testing, finalizing, and approval the creative materials must be done first before the development and implementation of public relations plan;
- The subsistence allowance shall be allotted for the consultants who will conduct the pre-test in Cebu and Davao;
- 3. In Form 5, Activity 4: The whole amount shall be used to pay the talent fees of the comedians to host the event who may be celebrity mothers. The estimated talent fee for celebrities based in Manila is PhP 300,000.00.

#### MANUAL PROCEDURES FOR THE PROCUREMENT OF CONSULTING SERVICES

- 4. The amount to be used for the development of the creative materials was included in the remuneration.
- 5. Instead of 20,000 copies, the reporting forms shall be 480,000 copies. The cost for the 480,000 copies of the reporting forms is PhP 624,000. The price difference may be obtained from the amount to be deducted from the EVAT.
- 6. The tax to be included should only be equivalent to 12% of the contract price, which in this case is PhP 869,156.40 only instead of PhP 1,336,327.97.
- 7. The following shall be the schedule of payment for the consultant:
  - a. 15% upon submission of inception report
  - b. 15% upon approval of creative materials
  - c. 30% upon approval of final art materials
  - d. 30% upon approval of PR and event plan
  - e. 10% upon submission of draft report
- 8. Dr. Manny Reyes retained as Division Chief of HPPD, will be assisted by Ms. Stella Mariz and Ms. Joan Go.
- 9. The BAC shall accept the Latest Annual Tax Return and Latest Business Tax filed manually.
- 10. Company B shall submit the following documentary requirements:
  - a. Revised financial proposal to consider the 12% tax and 480,000 copies of reporting forms.
  - b. Breakdown of talent fee on the launch event.
  - c. Tax clearance certificate

**WHEREAS**, on the same date, Mr. Dela Cruz submitted the following post-qualification documents:

- 1. Latest Annual Tax Return filed thru Electronic Filing and Payment Systems (EFPS) and must be duly validated with the tax payments made thereon for the preceding Tax Year be it on a calendar or fiscal year income (per Revenue Regulations 3-2005);
- 2. Latest Business Tax Return filed thru Electronic Filing and Payment System (EFPS) duly validated with the tax payments made thereon also refers to the Value Added Tax (VAT) or Percentage Tax Returns covering the previous six (6) months (per Revenue Regulations 3-2005):
- Valid and current Certificate of PhilGEPS Registration

**WHEREAS,** Mr. Dela Cruz informed the BAC that the tax clearance certificate issued by the Bureau of Internal Revenue (BIR) main office Collection Enforcement Division (per Executive Order 398, Series of 2005) will take more or less five (5) more days to be processed in the BIR, thus, requested the BAC to give them consideration for the submission of the cited document, and the BAC granted the request;

WHEREAS, on 06 October 2010, the minutes of contract negotiation was sent to Company B for concurrence;

**WHEREAS**, on 11 October 2010, Company B sent the signed minutes of contract negotiation, the tax clearance certificate issued by the BIR main office Collection Enforcement Division (per Executive Order 398, Series of 2005), and the revised financial proposal;

### **DOH CUSTOMIZED PROCUREMENT MANUAL VOLUME 4 2010**

NOW THEREFORE, based on the above, the herein members of the BAC HEREBY RESOLVE to award the contract for the Hiring of an Advertising Agency for the Branding of Behavior, Development and Production of Creative/Campaign Materials for Breastfeeding Communication for Behavioral Impact (COMBI) under REI-CS-GOP-2010-08 to Company B as determined to be the Highest Rated and Responsive Bidder (HRRB) with bid price amounting to Nine Million Nineteen Thousand Six Hundred Thousand Philippine Pesos (PhP 9,019,600.00) inclusive of taxes and NCHP to prepare and process the contract subject to legal, accounting, and auditing rules and regulations.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2010 at the Department of Health, San Lazaro Compound, Sta. Cruz, Manila.

CENTRAL OFFICE BIDS AND AWARDS COMMITTEE

(SIGNATURE OVER PRINTED NAME) (SIGNATURE OVER PRINTED NAME)

BAC Provisional Member/ BAC Regular Member

**End-User Representative** 

(SIGNATURE OVER PRINTED NAME) (SIGNATURE OVER PRINTED NAME)

BAC Regular Member BAC Vice-Chairperson

(SIGNATURE OVER PRINTED NAME)
BAC Chairperson

### RR. NOTICE OF AWARD



### Republic of the Philippines Department of Health

### **BIDS AND AWARDS COMMITTEE**

NOTICE OF AWARD 10 October 2010

Ms. BBB Company B Business Address

Contact Information

Dear Ms. BBB,

This is to inform you that based on the result of the Hiring of an Advertising Agency for the Branding of Behavior, Development and Production of Creative/Campaign Materials for Breastfeeding Communication for Behavioral Impact (COMBI) under REI-CS-GOP-2010-08, as per BAC Resolution No. 2010-163 your proposal was found to be the Highest Rated Responsive Bid with a Total Contract Price of Nine Million Nineteen Thousand Six Hundred Philippine Pesos (Php9,019,600.00) inclusive of local taxes.

You are hereby requested to post your Performance Security equivalent to the percentage of the total Contract Price of the acceptable forms as listed below within *ten* (10) calendar days from receipt of the Notice of Award (NOA) and further to confer with the Director of the Procurement Service, for instructions regarding the execution of this award:

Form of Performance Security	Amount of
	Performance Security (Equal to Percentage of the Total Contract price)
a. Cash, Cashier's Check, Manager's Check, Bank Draft/Guarantee confirmed by a Universal or Commercial Bank duly licensed in the Philippines	
b. Irrevocable Letter of Credit issued by a <i>Universal or Commercial Bank:</i> Provided, however, that it shall be confirmed or authenticated by a Universal or Commercial Bank duly licensed in the Philippines if used by a foreign bank	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	Thirty Percent (30)
d. Any combination of the foregoing	Proportionate to share of form with respect to total amount of security

The original NOA with signature on "CONFORME" shall be returned within two (2) working days upon receipt of the approved NOA

Please bear in mind that failure to provide the performance security shall constitute sufficient ground for recession of the award.

Very truly yours,

(SIGNATURE OVER PRINTED NAME)

ead of Procuring Entity/Duly Authorized Representative			
ad of Flocuring Entity/Duty Authorized Representative			
Conforme:			
Printed Name and Signature of Winning Bidder:	Date:		

### SS. CONTRACT AGREEMENT

#### CONTRACT AGREEMENT

(SIGNATURE OVER PRINTED NAME)

(SIGNATURE OVER PRINTED NAME) SECOND PARTY

(SIGNATURE OVER PRINTED NAME) FIRST PARTY This CONTRACT AGREEMENT made on the 5th day of January 2011 between:

The **DEPARTMENT OF HEALTH** thru the National Center for Health Promotion, with postal address at San Lazaro Compound, Rizal Avenue, Sta. Cruz, Manila, Philippines, duly represented by (Name of the Government Employee/First Contracting Party), Director IV, hereinafter referred to as the PROCURING ENTITY

COMPANY B, a company incorporated under the laws of the Philippines, with postal address at 18 San Miguel Street, Barrio Magsinag, Pasay City, duly represented by MR. ABC, General Manager, hereinafter called The Consulting Firm/Consultant.

WHEREAS, in the bidding conducted by the DOH for the Consulting Services for the Branding of Behavior, Development and Production of Creative/Campaign Materials for Breastfeeding Communication for Behavioral Impact (COMBI), Company B has been declared the highest rated and responsive bidder.

WHEREAS, the consulting firm/consultant, having the necessary expertise is competent to provide the consulting services as called for and specified in the Terms of Reference issued for the aforesaid bidding.

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

In this Agreement, words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract hereinafter referred to.

### **ARTICLE 1: CONTRACT DOCUMENTS**

The following documents shall be attached, deemed to form and be read and construed as part of this agreement, to wit:

- General and Specific Conditions of the Contract;
- Terms of Reference; b.
- Minutes of Negotiation; C.
- BAC Resolutions: d.
- Notice of Award of Contract and winning bidder's "Conforme" thereto; e.
- Performance Security.

### ARTICLE 2: CONTRACT PRICE AND TERMS OF PAYMENT

The Consultant hereby agrees to undertake the project for a contract price of Nine Million Nineteen Thousand and Six Hundred Ninety Philippine Pesos (PhP 9.019.690.00) and in the negotiated terms and required deliverables or outputs.

### **ARTICLE 3: CONFIDENTIALITY**

The Consulting Firm/Consultant shall not at any time communicate to any person or entity any confidential information acquired in the course of the service, nor shall the consulting firm/consultant make public the recommendations formulated in the course of, or as a result of, the services. "Confidential Information" means any information or knowledge acquired by the Consulting Firm/Consultant arising out of, in connection with, the performance of the Services under this Contract that is not otherwise available to the public.

### ARTICLE 4: EFFECTIVITY OF CONTRACT

Within a maximum period of seven (7) calendar days upon approval of this Contract, the DOH shall issue the Notice to Proceed (NTP). The effectivity date of this Contract is the date of the Consultant's receipt of the NTP, unless a different date is stated in the NTP.

### **ARTICLE 5: COMMENCEMENT OF SERVICES**

The Consulting Firm/Consultant shall begin carrying out the services starting from the effectivity date of this contract.

### ARTICLE 6: EXPIRATION OF CONTRACT

WITNESS 1

Unless sooner terminated, this Contract shall terminate after all the required deliverables have been complied and the Consulting Firm/Consultant has submitted the Project Terminal Report. The maximum time period of this Contract is SIX (6) months, including the warranty period, staring from the effectivity date of this Contract.

#### **ARTICLE 7: FORCE MAJEURE**

The failure of the Consulting Firm/Consultant to fulfill any of its obligations hereunder shall not be considered to be a breach of, or default under, this Contract insofar as such inability arises from an event of *force majeure*, provided that the Consulting Firm/Consultant has taken all reasonable precautions, due care and reasonable alternative measures, all with the objective of carrying out the Agreements of this Contract.

The Consultant shall notify the DOH of any event of *force majeure* as soon as possible and in any event not later than fifteen (15) days following the occurrence of such event, providing evidence of the nature and cause of such event, and shall similarly give notice of the restoration of normal conditions as soon as possible.

The mutual rights and obligations of the DOH and the Consulting Firm/Consultant shall be as set forth in this Contract Agreement, in particular:

- The Consulting Firm/Consultant shall carry out the consulting services and the DOH shall review and accept outputs and make payments to the Consulting Firm/Consultant, as herein stipulated in accordance with the provisions of the Contract of Agreement.
- 2. The provisions contained in the pertinent Contract documents shall be binding between the parties.

IN WITNESS whereof the parties hereto have caused this Agreement to be executed in accordance with the laws of the Philippines, the day and year first before written:

Signed, sealed and delivered by (Representative of the Procuring Entity).

Signed, sealed and delivered by Mr. A, General Manager, Company A (for the Contractor).

SIGNATURE OVER PRINTED NAME Government Officer DOH End-user SIGNATURE OVER PRINTED NAME General Manager Company B

#### **WITNESSES**

SIGNATURE OVER PRINTED NAME DOH Representative Witness 1 SIGNATURE OVER PRINTED NAME Representative, Company B Witness 2

#### **ACKNOWLEDGMENT**

Republic of the Philippines) City of Manila) s.s

At the place abovementioned this 5th day of January 2011 personally appeared before me.

<b>DOH End-user (1st Party)</b> Comm. Tax Cert.	Company B Representative (2 <sup>nd</sup> Party) Comm. Tax Cert.
Issued at:	Issued at:
On:	On:
•	

Known to me to be the same person who executed the foregoing instrument and who acknowledged to me that the same is their free act and deed and that of the office they respectively represent.

This foregoing instrument consisting of two (2) pages including this page on which this acknowledgement is

### **DOH CUSTOMIZED PROCUREMENT MANUAL VOLUME 4 2010**

	written, are signed by the parties and their instrumental witnesses on the left hand margin of each and every page thereof.	
WITNESS MY HAND AND SEAL, on the date and place first above-written.		
	Doc. No Page No Book No Series of	

### TT. GENERAL CONDITIONS OF THE CONTRACT

### **TABLE OF CONTENTS**

1.	Definitions	2712
2.	HEADINGS	273
3.	LOCATION	273
4.	LAW GOVERNING CONTRACT AND SERVICES	273
5.	Language	274
6.	CONSULTANTS AND AFFILIATES NOT TO ENGAGE IN CERTAIN ACTIVITIES	274
7.	AUTHORITY OF MEMBER IN CHARGE	274
8.	RESIDENT PROJECT MANAGER	274
9.	Entire Agreement	274
10.	MODIFICATION	275
11.	RELATIONSHIP OF PARTIES	275
12.	Authorized Representatives	275
13.	GOOD FAITH	275
14.	OPERATION OF THE CONTRACT	275
15.	Notices	275
16.	WARRANTY AS TO ELIGIBILITY	276
17.	Confidentiality	276
18.	Payment	276
19.	CURRENCY OF PAYMENT	277
20.	LIABILITY OF THE CONSULTANT	277
21.	INSURANCE TO BE TAKEN OUT BY THE CONSULTANT	277
22.	EFFECTIVITY OF CONTRACT	277
23.	COMMENCEMENT OF SERVICES	277
24.	EXPIRATION OF CONTRACT	277
25.	Force Majeure	277
26.	Suspension	279
27.	TERMINATION BY THE PROCURING ENTITY	279
28.	TERMINATION BY THE CONSULTANT	280
29.	Procedures for Termination of Contracts	281
30.	Cessation of Services	282
31.	PAYMENT UPON TERMINATION	282

### **DOH CUSTOMIZED PROCUREMENT MANUAL VOLUME 4 2010**

32.	DISPUTES ABOUT EVENTS OF TERMINATION	282
33.	CESSATION OF RIGHTS AND OBLIGATIONS	282
34.	DISPUTE SETTLEMENT	283
35.	DOCUMENTS PREPARED BY THE CONSULTANT AND SOFTWARE DEVELOPED TO BE THE PROPERTY OF THE PROCURING ENTITY	
36.	EQUIPMENT AND MATERIALS FURNISHED BY THE PROCURING ENTITY	283
37.	SERVICES, FACILITIES AND PROPERTY OF THE PROCURING ENTITY	284
38.	CONSULTANT'S ACTIONS REQUIRING PROCURING ENTITY'S PRIOR APPROVAL	284
39.	Personnel	284
40.	Working Hours, Overtime, Leave, etc	286
41.	COUNTERPART PERSONNEL	286
42.	Performance Security	287
43.	STANDARD OF PERFORMANCE	287
44.	CONSULTANT NOT TO BENEFIT FROM COMMISSIONS, DISCOUNTS, ETC.	288
45.	PROCUREMENT BY THE CONSULTANT	288
46.	SPECIFICATIONS AND DESIGNS	288
47.	REPORTS	288
48.	ASSISTANCE BY THE PROCURING ENTITY ON GOVERNMENT REQUIREMENTS	288
49.	Access to Land	289
50.	Subcontract	289
51.	ACCOUNTING, INSPECTION AND AUDITING	290
52.	Contract Cost	290
53.	REMUNERATION AND REIMBURSABLE EXPENDITURES	291
54.	FINAL PAYMENT	292
55.	LUMP SUM CONTRACTS	292
56	LIQUIDATED DAMAGES FOR DELAY	293

### 1. Definitions

- 1.1. Unless the context otherwise requires, the following terms whenever used in this Contract have the following meanings:
  - a. "Applicable Law" means the laws and any other instruments having the force of law in the Philippines as they may be issued and enforced from time to time.
  - b. "Consultant" refers to the short listed consultant with the Highest Rated and Responsive Bid determined by the Procuring Entity as such in accordance with the ITB and specified in the **SCC**.
  - c. "Consulting Services" refer to services for Infrastructure Projects and other types of projects or activities of the Government of the Philippines (GOP) requiring adequate external technical and professional expertise that are beyond the capability and/or capacity of the Procuring Entity to undertake such as, but not limited to: (i) advisory and review services; (ii) pre-investment or feasibility studies; (iii) design; (iv) construction supervision; (v) management and related services; and (vi) other technical services or special studies.
  - d. "Contract" means the agreement signed by the Parties, to which these General Conditions of Contract (GCC) and other sections of the Bidding Documents are attached.
  - e. "Effective Date" means the date on which this Contract comes into full force and effect.
  - f. "Foreign Currency" means any currency other than the currency of the Philippines.
  - g. "Funding Source" means the entity indicated in the **SCC**.
  - h. "GCC" means these General Conditions of Contract.
  - i. "Government" means the Government of the Philippines (GOP).
  - j. "Local Currency" means the Philippine Peso (PhP).
  - k. "Member," in case the Consultant is a Joint Venture (JV) of two (2) or more entities, means any of these entities; and "Members" means all these entities.
  - I. "Party" means the Procuring Entity or the Consultant, as the case may be, and "Parties" means both of them.
  - m. "Personnel" means persons hired by the Consultant or by any Sub-Consultant as employees and assigned to the performance of the Services or any part thereof; "Foreign Personnel" means such persons who at the time of being so hired had their domicile outside the Government's country; "Local Personnel" means such

persons who at the time of being so hired had their domicile inside the Philippines; and "Key Personnel" means the Personnel referred to in **GCC** Clause 39.

- n. "Procuring Entity" refers to any branch, constitutional commission or office, agency, department, bureau, office or instrumentality of the Government, including GOCC, GFI, SUC, and LGU procuring Goods, Consulting Services, and Infrastructure Projects.
- o. "SCC" means the Special Conditions of Contract by which the GCC may be amended or supplemented.
- p. "Services" means the work to be performed by the Consultant pursuant to this Contract, as described in Appendix I.
- q. "Sub-consultant" means any person or entity to whom/which the Consultant subcontracts any part of the Services in accordance with the provisions of GCC Clause 550.
- r. "Third Party" means any person or entity other than the Government, the Procuring Entity, the Consultant or a Sub-Consultant.

### 2. Headings

The headings shall not limit, alter or affect the meaning of this Contract.

### 3. Location

The Services shall be performed at such locations as are specified in Appendix I and, where the location of a particular task is not so specified, at such locations, whether in the Philippines or elsewhere, as the Procuring Entity may approve.

### 4. Law Governing Contract and Services

- 4.1. This Contract, its meaning and interpretation, and the relation between the Parties shall be governed by the Applicable Law.
- 4.2. The Consultant shall perform the Services in accordance with the Applicable Law and shall take all practicable steps to ensure that any Sub-Consultant, as well as the Personnel of the Consultant and any Sub-Consultant, complies with the Applicable Law. The Procuring Entity shall notify the Consultant in writing of relevant local customs, and the Consultant shall, after such notification, respect such customs.
- 4.3. If, after the date of this Contract, there is any change in the Applicable Law with respect to taxes and duties which increases or decreases the cost incurred by the Consultant in performing the Services, then the remuneration and reimbursable expenses otherwise

payable to the Consultant under this Contract shall be increased or decreased on a no loss-no gain basis, and corresponding adjustments shall be made to the ceiling amounts specified in GCC Clause 52, provided that the cost is within the Approved Budget for the Contract (ABC).

### 5. Language

This Contract has been executed in the English language, which shall be the binding and controlling language for all matters relating to the meaning or interpretation of this Contract.

### 6. Consultants and Affiliates Not to Engage in Certain Activities

- 6.1. The Consultant agrees that, during the term of this Contract and after its termination, the Consultant and any entity affiliated with the Consultant, as well as any Sub-Consultant and any entity affiliated with such Sub-Consultant, shall be disqualified from providing goods, works, or consulting services for any project resulting from or closely related to this Contract other than the Services and any continuation thereof provided there is no current or future conflict.
- 6.2. The Consultant shall not engage, and shall cause their Personnel as well as their Sub-Consultants and their Personnel not to engage, either directly or indirectly, in any of the following activities:
  - During the term of this Contract, any business or professional activities in the Government's country which would conflict with the activities assigned to them under this Contract; and
  - b. After the termination of this Contract, such other activities as may be specified in the **SCC**.

### 7. Authority of Member in Charge

In case the Consultant is a JV, the Members hereby authorize the entity specified in the <u>SCC</u> to act on their behalf in exercising all the Consultant's rights and obligations towards the Procuring Entity under this Contract, including without limitation the receiving of instructions and payments from the Procuring Entity.

### 8. Resident Project Manager

If required by the **SCC**, the Consultant shall ensure that at all times during the Consultant's performance of the Services in the Government's country, a resident project manager, acceptable to the Procuring Entity, shall take charge of the performance of such Services.

### 9. Entire Agreement

This Contract, including the documents specified in Section 37.2.3 of the IRR, contains all covenants, stipulations and provisions agreed by the Parties. No agent or representative of either

Party has authority to make any statement, representation, promise, or agreement not set forth herein of which the Parties shall not be bound by or be liable for.

#### 10. Modification

Unless otherwise specified in the <u>SCC</u>, no modification of the terms and conditions of this Contract, including any modification of the scope of the Services shall be allowed. Pursuant to **GCC** Clause 14 hereof, however, each Party shall give due consideration to any proposal for modification made by the other Party.

#### 11. Relationship of Parties

- 11.1. Nothing contained herein shall be construed as establishing a relation of employer and employee or of principal and agent as between the Procuring Entity and the Consultant. The Consultant, subject to this Contract, has complete charge of its Personnel and Sub-Consultants, if any, performing the Services and shall be fully responsible for the Services performed by them or on their behalf hereunder.
- 11.2. The Consultant shall during the performance of the Services be an independent contractor, retaining complete control over its Personnel, conforming to all statutory requirements with respect to all its employees, and providing all appropriate employee benefits.

#### 12. Authorized Representatives

Any action required or permitted to be taken, and any document required or permitted to be executed, under this Contract by the Procuring Entity or the Consultant may be taken or executed by the officials specified in the **SCC**.

#### 13. Good Faith

The Parties undertake to act in good faith with respect to each other's rights under this Contract and to adopt all reasonable measures to ensure the realization of the objectives of this Contract.

#### 14. Operation of the Contract

The Parties recognize that it is impractical for this Contract to provide for every contingency which may arise during the life of this Contract, and the Parties hereby agree that it is their intention that this Contract shall operate fairly as between them, and without detriment to the interest of either of them; and that, if during the term of this Contract either Party believes that this Contract is operating unfairly, the Parties shall use their best efforts to agree on such action as may be necessary to remove the cause or causes of such unfairness, but no failure to agree on any action pursuant to this Clause shall give rise to a dispute subject to arbitration in accordance with **GCC** Clause 34 hereof.

#### 15. Notices

15.1. Any notice, request or consent required or permitted to be given or made pursuant to this Contract shall be in writing. Any such notice, request or consent shall be deemed to have

been given or made when received by the concerned party, either in person or through an authorized representative of the Party to whom the communication is addressed, or when sent by registered mail, telex, telegram or facsimile to such Party at the address specified in the **SCC**.

- 15.2. Notice shall be deemed to be effective as specified in the **SCC**.
- 15.3. A Party may change its address for notice hereunder by giving the other Party notice of such change pursuant to the provisions listed in the <u>SCC</u> with respect to **GCC** Clause 15.2.

#### 16. Warranty as to Eligibility

- 16.1. The Consultant represents, warrants, and confirms that it, as well as its Sub-Consultant, if any, is eligible, *i.e.*, has the legal personality to act as a consultant in accordance with Part I, issued for this project.
- 16.2. The Consultant shall fulfill its obligations under this Contract by using knowledge according to the best accepted professional standards. The Consultant shall exercise all reasonable skill, care and diligence in the discharge of duties agreed to be performed and shall work in the best interest of the GOP.

#### 17. Confidentiality

Except with the prior written consent of the Procuring Entity, the Consultant and the Personnel shall not at any time communicate to any person or entity any confidential information acquired in the course of the Services, nor shall the Consultant and the Personnel make public the recommendations formulated in the course of, or as a result of, the Services. For purposes of this clause, "confidential information" means any information or knowledge acquired by the Consultant and/or its Personnel arising out of, or in connection with, the performance of the Services under this Contract that is not otherwise available to the public.

#### 18. Payment

- 18.1. In consideration of the Services performed by the Consultant under this Contract, the Procuring Entity shall make to the Consultant such payments and in such manner as is provided by GCC Clause 53 of this Contract. However, the Procuring Entity may refuse to make payments when the terms and conditions of the contract are not satisfactorily performed by the Consultant.
- 18.2. Subject to the ceilings specified in **GCC** Clause 52 hereof, the Procuring Entity shall pay to the Consultant: (i) remuneration as set forth in GCC Clause 53.2; and (ii) reimbursable expenditures as set forth in **GCC** Clause 53.4. Said remuneration shall not be subject to price adjustment.
- 18.3. All payments under this Contract shall be made to the account of the Consultant specified in the **SCC**.

#### 19. Currency of Payment

All payments shall be made in Philippine Pesos.

#### 20. Liability of the Consultant

Subject to additional provisions, if any, set forth in the <u>SCC</u>, the Consultant's liability under this Contract shall be as provided by the laws of the Republic of the Philippines.

#### 21. Insurance to be Taken Out by the Consultant

- 21.1. The Consultant, at its own cost, shall be responsible for taking out or maintaining any insurance policy against any risk related to the project.
- 21.2. The Procuring Entity undertakes no responsibility in respect of life, health, accident, travel or any other insurance coverage for the Personnel or for the dependents of any such Personnel.

#### 22. Effectivity of Contract

This Contract shall take effect on the date of the Consultant's receipt of the NTP, in accordance with **ITB** Clause 32 provided that the effectiveness of the conditions, if any, listed in the **SCC** have been met.

#### 23. Commencement of Services

The Consultant shall begin carrying out the Services starting from the effectivity date of this Contract, as mentioned in **GCC** Clause 22.

#### 24. Expiration of Contract

Unless sooner terminated pursuant to **GCC** Clauses 27 or 28 hereof, this Contract shall terminate at the end of such time period after the effectivity date as shall be specified in the **SCC**.

#### 25. Force Majeure

- 25.1. For purposes of this Contract the terms "force majeure" and "fortuitous event" may be used interchangeably. In this regard, a fortuitous event or force majeure shall be interpreted to mean an event which the Consultant could not have foreseen, or which though foreseen, was inevitable. It shall not include ordinary unfavorable weather conditions; and any other cause the effects of which could have been avoided with the exercise of reasonable diligence by the Consultant.
- 25.2. The failure of a Party to fulfill any of its obligations hereunder shall not be considered to be a breach of, or default under, this Contract insofar as such inability arises from an event of force majeure, provided that the Party affected by such an event has taken all reasonable precautions, due care and reasonable alternative measures, all with the objective of carrying out the terms and conditions of this Contract.
- 25.3. Unless otherwise agreed herein, force majeure shall not include:

- a. Any event which is caused by the negligence or intentional action of a Party or such Party's Sub-Consultants or agents or employees;
- b. Any event which a diligent Party could reasonably have been expected to both take into account at the time of the conclusion of this Contract and avoid or overcome in the carrying out of its obligations hereunder;
- c. Insufficiency of funds or failure to make any payment required hereunder; or
- d. Procuring Entity's failure to review, approve or reject the outputs of the Consultant beyond a reasonable time period.
- 25.4. A Party affected by an event of force majeure shall take all reasonable measures to remove such Party's inability to fulfill its obligations hereunder immediately or within a reasonable time.
- 25.5. A party affected by an event of force majeure shall notify the other Party of such event as soon as possible, and in any event not later than fifteen (15) days following the occurrence of such event, providing evidence of the nature and cause of such event, and shall similarly give notice of the restoration of normal conditions as soon as possible.
- 25.6. The Parties shall take all reasonable measures to minimize the consequences of any event of force majeure.
- 25.7. Any period within which a Party shall, pursuant to this Contract, complete any action or task, shall be extended for a period equal to the time during which such Party was unable to perform such action as a direct and proximate result of force majeure.
- 25.8. During the period of their inability to perform the Services as a direct and proximate result of an event of force majeure, the Consultant shall be entitled to continue receiving payment under the terms of this Contract as well as to be reimbursed for additional costs reasonably and necessarily incurred by it during such period for the purposes of the Services and in reactivating the Services after the end of such period, provided that such costs are still within the total contract price. However, the foregoing provision shall not apply if the Procuring Entity suspends or terminates this Contract in writing, notice thereof duly received by the Consultant, pursuant to GCC Clauses 26 and 27 hereof with the exception of the direct and proximate result of force majeure.
- 25.9. Not later than fifteen (15) days after the Consultant, as the direct and proximate result of an event of force majeure, has become unable to perform a material portion of the Services, the Parties shall consult with each other with a view to agreeing on appropriate measures considering the circumstances.

25.10. In the case of disagreement between the parties as to the existence, or extent of force majeure, the matter shall be submitted to arbitration in accordance with GCC Clause 34 hereof.

#### 26. Suspension

- 26.1. The Procuring Entity shall, by written notice of suspension to the Consultant, suspend all payments to the Consultant hereunder if the Consultant fail to perform any of their obligations due to their own fault or due to force majeure or other circumstances beyond the control of either party (e.g. suspension of civil works being supervised by the consultant) under this Contract, including the carrying out of the Services, provided that such notice of suspension:
  - a. Shall specify the nature of the failure; and
  - b. Shall request the Consultant to remedy such failure within a period not exceeding thirty (30) days after receipt by the Consultant of such notice of suspension.
- 26.2. The Consultant may, without prejudice to its right to terminate this Contract pursuant to **GCC** Clause 28, by written notice of suspension, suspend the Services if the Procuring Entity fails to perform any of its obligations which are critical to the delivery of the Consultant's services such as, non-payment of any money due the Consultant within forty-five (45) days after receiving notice from the Consultant that such payment is overdue.

#### 27. Termination by the Procuring Entity

- 27.1. The Procuring Entity shall terminate this Contract when any of the following conditions attends its implementation:
  - a. Outside of force majeure, the Consultant fails to deliver or perform the Outputs and Deliverables within the period(s) specified in the Contract, or within any extension thereof granted by the Procuring Entity pursuant to a request made by the Consultant prior to the delay;
  - As a result of force majeure, the Consultant is unable to deliver or perform a
    material portion of the Outputs and Deliverables for a period of not less than sixty
    (60) calendar days after the Consultant's receipt of the notice from the Procuring
    Entity stating that the circumstance of force majeure is deemed to have ceased;
  - c. In whole or in part, at any time for its convenience, the Head of the Procuring Entity may terminate the Contract for its convenience if he has determined the existence of conditions that make Project Implementation economically, financially or technically impractical and/or unnecessary, such as, but not limited to, fortuitous event(s) or changes in law and National Government policies;

- d. If the Consultant is declared bankrupt or insolvent as determined with finality by a court of competent jurisdiction; in which event, termination will be without compensation to the Consultant, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the Procuring Entity and/or the Consultant;
- e. In case it is determined prima facie that the Consultant has engaged, before or during the implementation of this Contract, in unlawful deeds and behaviors relative to contract acquisition and implementation, such as, but not limited to, the following: corrupt, fraudulent, collusive and coercive practices; drawing up or using forged documents; using adulterated materials, means or methods, or engaging in production contrary to rules of science or the trade; and any other act analogous to the foregoing. For purposes of this clause, corrupt, fraudulent, collusive, and coercive practices shall have the same meaning as that provided in ITB Clause 3.1 (a).
- f. The Consultant fails to remedy a failure in the performance of their obligations hereunder, as specified in a notice of suspension pursuant to GCC Clause 15.2 hereinabove, within thirty (30) days of receipt of such notice of suspension or within such further period as the Procuring Entity may have subsequently approved in writing;
- g. The Consultant's failure to comply with any final decision reached as a result of arbitration proceedings pursuant to GCC Clause 34 hereof; or
- h. The Consultant fails to perform any other obligation under the Contract.
- 27.2. In case of termination, written notice shall be understood to mean fifteen (15) days for short term contracts, *i.e.*, four (4) months or less, and thirty (30) days for long term contracts.

#### 28. Termination by the Consultant

The Consultant must serve a written notice to the Procuring Entity of its intention to terminate this Contract at least thirty (30) calendar days before its intended termination. This Contract is deemed terminated if no action has been taken by the Procuring Entity with regard to such written notice within thirty (30) calendar days after the receipt thereof by the Procuring Entity. The Consultant may terminate this Contract through any of the following events:

a. The Procuring Entity is in material breach of its obligations pursuant to this Contract and has not remedied the same within sixty (60) calendar days following its receipt of the Consultant's notice specifying such breach;

- b. Procuring Entity's failure to comply with any final decision reached as a result of arbitration pursuant to **GCC** Clause 34 hereof;
- As the direct and proximate result of force majeure, the Consultant is unable to perform a
  material portion of the Services for a period of not less than sixty (60) days; or
- d. Procuring Entity fails to pay any money due to the Consultant pursuant to this Contract and not subject to dispute pursuant to **GCC** Clause 32 hereof within eighty four (84) days after receiving written notice from the Consultant that such payment is overdue.

#### 29. Procedures for Termination of Contracts

The following provisions shall govern the procedures for the termination of this Contract:

- a. Upon receipt of a written report of acts or causes which may constitute ground(s) for termination as aforementioned, or upon its own initiative, the Procuring Entity shall, within a period of seven (7) calendar days, verify the existence of such ground(s) and cause the execution of a Verified Report, with all relevant evidence attached;
- b. Upon recommendation by the Procuring Entity, the Head of the Procuring Entity shall terminate this Contract only by a written notice to the Consultant conveying such termination. The notice shall state:
  - i. That the contract is being terminated for any of the ground(s) afore-mentioned, and a statement of the acts that constitute the ground(s) constituting the same;
  - ii. The extent of termination, whether in whole or in part;
  - iii. An instruction to the Consultant to show cause as to why the contract should not be terminated; and
  - iv. Special instructions of the Procuring Entity, if any.

The Notice to Terminate shall be accompanied by a copy of the Verified Report;

- c. Within a period of seven (7) calendar days from receipt of the Notice of Termination, the Consultant shall submit to the Head of the Procuring Entity a verified position paper stating why this Contract should not be terminated. If the Consultant fails to show cause after the lapse of the seven (7) day period, either by inaction or by default, the Head of the Procuring Entity shall issue an order terminating this Contract;
- d. The Procuring Entity may, at anytime before receipt of the Consultant's verified position paper to withdraw the Notice to Terminate if it is determined that certain services subject of the notice had been completed or performed before the Consultant's receipt of the notice;

- e. Within a non-extendible period of ten (10) calendar days from receipt of the verified position paper, the Head of the Procuring Entity shall decide whether or not to terminate this Contract. It shall serve a written notice to the Consultant of its decision and, unless otherwise provided, this Contract is deemed terminated from receipt of the Consultant of the notice of decision. The termination shall only be based on the ground(s) stated in the Notice to Terminate; and
- f. The Head of the Procuring Entity may create a Contract Termination Review Committee to assist him in the discharge of this function. All decisions recommended by the CTRC shall be subject to the approval of the Head of the Procuring Entity.

#### 30. Cessation of Services

Upon termination of this Contract by notice of either Party to the other pursuant to **GCC** Clauses 27 or 28 hereof, the Consultant shall, immediately upon dispatch or receipt of such notice, take all necessary steps to bring the Services to a close in a prompt and orderly manner and shall make every reasonable effort to keep expenditures for this purpose to a minimum. With respect to documents prepared by the Consultant and equipment and materials furnished by the Procuring Entity, the Consultant shall proceed as provided, respectively, by **GCC** Clauses 35 or 36 hereof.

#### 31. Payment Upon Termination

Upon termination of this Contract pursuant to **GCC** Clauses 27 or 28 hereof, the Procuring Entity shall make the following payments to the Consultant:

- a. Remuneration pursuant to **GCC** Clause 53 hereof for Services satisfactorily performed prior to the effective date of termination;
- b. Reimbursable expenditures pursuant to **GCC** Clause 53 hereof for expenditures actually incurred prior to the effective date of termination; and
- c. In the case of termination pursuant to **GCC** Clause 27.1 (b) hereof, reimbursement of any reasonable cost incident to the prompt and orderly termination of this Contract including the cost of the return travel of the Personnel and their eligible dependents.

#### 32. Disputes about Events of Termination

If either Party disputes whether an event specified in **GCC** Clause 27.1 or in **GCC** Clause 28 hereof has occurred, such Party may refer the matter to arbitration pursuant to **GCC** Clause 34 hereof, and this Contract shall not be terminated on account of such event except in accordance with the terms of any resulting arbitral award.

#### 33. Cessation of Rights and Obligations

Upon termination of this Contract pursuant to **GCC** Clauses 27 or 28 hereof, or upon expiration of this Contract pursuant to **GCC** Clause 24, all rights and obligations of the Parties hereunder shall cease, except:

- a. Such rights and obligations as may have accrued on the date of termination or expiration;
- b. The obligation of confidentiality set forth in **GCC** Clause 17 hereof; and
- c. The Consultant's obligation to permit inspection, copying and auditing of their accounts and records set forth in GCC Clauses 51.1 (b) and 51.1 (c) hereof, any right which a Party may have under the Applicable Law.

#### 34. Dispute Settlement

- 34.1. If any dispute or difference of any kind whatsoever shall arise between the Parties in connection with the implementation of this Contract, the Parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.
- 34.2. Any and all disputes arising from the implementation of this Contract shall be submitted to arbitration in accordance with the rules of procedure specified in the **SCC**.

### 35. Documents Prepared by the Consultant and Software Developed to be the Property of the Procuring Entity

- 35.1. All plans, drawings, specifications, designs, reports, other documents and software prepared by the Consultant for the Procuring Entity under this Contract shall become and remain the property of the Procuring Entity, and the Consultant shall, prior to termination or expiration of this Contract, deliver all such documents to the Procuring Entity, together with a detailed inventory thereof. The Consultant may retain a copy of such documents and software. The plans, drawings, specifications, designs, reports, other documents and software, including restrictions on future use of such documents and software, if any, shall be specified in the <u>SCC</u>.
- 35.2. All computer programs developed by the Consultant under this Contract shall be the sole and exclusive property of the Procuring Entity; provided, however, that the Consultant may use such programs for its own use with prior written approval of the Procuring Entity. If license agreements are necessary or appropriate between the Consultant and third parties for purposes of development of any such computer programs, the Consultant shall obtain the Procuring Entity's prior written approval to such agreements. In such cases, the Procuring Entity shall be entitled at its discretion to require recovering the expenses related to the development of the program(s) concerned.

#### 36. Equipment and Materials Furnished by the Procuring Entity

Equipment and materials made available to the Consultant by the Procuring Entity, or purchased by the Consultant with funds provided by the Procuring Entity, shall be the property of the Procuring Entity and shall be marked accordingly. Upon termination or expiration of this Contract, the Consultant shall make available to the Procuring Entity an inventory of such equipment and materials and shall dispose of such equipment and materials in accordance with the Procuring

Entity's instructions. While in possession of such equipment and materials, the Consultant, unless otherwise instructed by the Procuring Entity in writing, shall insure it at the expense of the Procuring Entity in an amount equal to their full replacement value.

#### 37. Services, Facilities and Property of the Procuring Entity

The Procuring Entity shall make available to the Consultant and the Personnel, for the purposes of the Services and free of any charge, the services, facilities and property described in Appendix V at the terms and in the manner specified in said appendix, provided that if such services, facilities and property shall not be made available to the Consultant as and when so specified, the Parties shall agree on:

- a. Any time extension that it may be appropriate to grant to the Consultant for the performance of the Services;
- b. The manner in which the Consultant shall procure any such services, facilities and property from other sources; and
- c. The additional payments, if any, to be made to the Consultant as a result thereof pursuant to **GCC** Clause 52 hereinafter which should be within the agreed contract ceiling.

#### 38. Consultant's Actions Requiring Procuring Entity's Prior Approval

The Consultant shall obtain the Procuring Entity's prior approval in writing before taking any of the following actions:

- a. Appointing such members of the Personnel as are listed in Appendix III merely by title but not by name;
- b. Entering into a subcontract for the performance of any part of the Services, it being understood that:
  - i. the selection of the Sub-Consultant and the terms and conditions of the subcontract shall have been approved in writing by the Procuring Entity prior to the execution of the subcontract; and
  - ii. the Consultant shall remain fully liable for the performance of the Services by the Sub-Consultant and its Personnel pursuant to this Contract;
- d. Replacement, during the performance of the contract for any reason, of any Personnel as listed in Appendix III of this Contract requiring the Procuring Entity's prior approval; and
- e. Any other action that may be specified in the **SCC**.

#### 39. Personnel

39.1. The Consultant shall employ and provide such qualified and experienced Personnel and Sub-Consultants as are required to carry out the Services.

- 39.2. The title, agreed job description, minimum qualification and estimated period of engagement in the carrying out of the Services of each of the Consultant's Key Personnel are described in Appendix III.
- 39.3. The Key Personnel and Sub-Consultants listed by title as well as by name in Appendix III are hereby approved by the Procuring Entity. In respect of other Key Personnel which the Consultant proposes to use in the carrying out of the Services, the Consultant shall submit to the Procuring Entity for review and approval a copy of their biographical data and, in the case of Key Personnel to be assigned within the GOP, a copy of a satisfactory medical certificate attached as part of Appendix III. If the Procuring Entity does not object in writing; or if it objects in writing but fails to state the reasons for such objection, within twenty-one (21) calendar days from the date of receipt of such biographical data and, if applicable, such certificate, the Key Personnel concerned shall be deemed to have been approved by the Procuring Entity.
- 39.4. The Procuring Entity may request the Consultants to perform additional services not covered by the original scope of work but are determined by the Procuring Entity to be critical for the satisfactory completion of the Services, subject to **GCC** Clause 55.6.
- 39.5. No changes shall be made in the Key Personnel, except for justifiable reasons beyond the control of the Consultant, as indicated in the <u>SCC</u>, and only upon prior approval of the Procuring Entity. If it becomes justifiable and necessary to replace any of the Personnel, the Consultant shall forthwith provide as a replacement a person of equivalent or better qualifications. If the Consultant introduces changes in Key Personnel for reasons other than those mentioned in the **SCC**, the Consultant shall be liable for the imposition of damages as described in the **SCC**.
- 39.6. Any of the Personnel provided as a replacement under **GCC** Clauses 39.5 and 39.7, the rate of remuneration applicable to such person as well as any reimbursable expenditure the Consultant may wish to claim as a result of such replacement, shall be subject to the prior written approval by the Procuring Entity. Except as the Procuring Entity may otherwise agree, the Consultant shall bear all additional travel and other costs arising out of or incidental to any removal and/or replacement, and the remuneration to be paid for any of the Personnel provided as a replacement shall not exceed the remuneration which would have been payable to the Personnel replaced.
- 39.7. If the Procuring Entity finds that any of the Personnel has committed serious misconduct or has been charged with having committed a criminal action as defined in the Applicable Law, or has reasonable cause to be dissatisfied with the performance of any of the Personnel, then the Consultant shall, at the Procuring Entity's written request specifying the grounds therefore, forthwith provide as a replacement a person with qualifications and experience acceptable to the Procuring Entity.

#### 40. Working Hours, Overtime, Leave, etc.

- 40.1. Working hours and holidays for Key Personnel are set forth in Appendix III. Any travel time prior to and after contract implementation shall not be considered as part of the working hours.
- 40.2. The Key Personnel shall not be entitled to claim payment for overtime work, sick leave, or vacation leave from the Procuring Entity since these items are already covered by the Consultant's remuneration. All leaves to be allowed to the Personnel are included in the staff-months of service set forth in Appendix III. Taking of leave by any Personnel should not delay the progress and adequate supervision of the Services.
- 40.3. If required to comply with the provisions of **GCC** Clause 43.1 hereof, adjustments with respect to the estimated periods of engagement of Key Personnel set forth in Appendix III may be made by the Consultant by prior written notice to the Procuring Entity, provided that:
  - a. Such adjustments shall not alter the originally estimated period of engagement of any individual by more than ten percent (10%); and
  - b. The aggregate of such adjustments shall not cause payments under this Contract to exceed the ceilings set forth in GCC Clause 52.1 of this Contract. Any other such adjustments shall only be made with the Procuring Entity's prior written approval.

#### 41. Counterpart Personnel

- 41.1. If so provided in Appendix III hereto, the Procuring Entity shall make available to the Consultant, as and when provided in such Appendix III, and free of charge, such Counterpart Personnel to be selected by the Procuring Entity, with the Consultant's advice, as shall be specified in such Appendix III. Counterpart Personnel shall work with the Consultant. If any member of the Counterpart Personnel fails to perform adequately any work assigned to such member by the Consultant which is consistent with the position occupied by such member, the Consultant may request the replacement of such member, and the Procuring Entity shall not unreasonably refuse to act upon such request.
- 41.2. The responsibilities of the Counterpart Personnel shall be specified in Appendix III, attached hereto, and the Counterpart Personnel shall not perform any work beyond the said responsibilities.
- 41.3. If Counterpart Personnel are not provided by the Procuring Entity to the Consultant as and when specified in Appendix III, and or if the Counterpart Personnel lack the necessary training, experience or authority to effectively undertake their responsibilities, the Procuring Entity and the Consultant shall agree on how the affected part of the Services shall be

carried out, and the additional payments, if any, to be made by the Procuring Entity to the Consultant as a result thereof pursuant to **GCC** Clause 52 hereof.

#### 42. Performance Security

- 42.1. Unless otherwise specified in the <u>SCC</u>, within ten (10) calendar days from receipt of the Notice of Award from the Procuring Entity but in no case later than the signing of the contract by both parties, the Consultant shall furnish the performance security in any the forms prescribed in the ITB Clause 31.2.
- 42.2. The performance security posted in favor of the Procuring Entity shall be forfeited in the event it is established that the Consultant is in default in any of its obligations under the contract.
- 42.3. The performance security shall remain valid until issuance by the Procuring Entity of the Certificate of Final Acceptance.
- 42.4. The performance security may be released by the Procuring Entity and returned to the Consultant after the issuance of the Certificate of Final Acceptance subject to the following conditions:
  - a. There are no pending claims against the Consultant or the surety company filed by the PROCURING ENTITY:
  - b. The Consultant has no pending claims for labor and materials filed against it; and
  - c. Other terms specified in the **SCC**.
- 42.5. In case of a reduction of the contract value, the Procuring Entity shall allow a proportional reduction in the original performance security, provided that any such reduction is more than ten percent (10%) and that the aggregate of such reductions is not more than fifty percent (50%) of the original performance security.

#### 43. Standard of Performance

- 43.1. The Consultant shall perform the Services and carry out their obligations hereunder with all due diligence, efficiency and economy, in accordance with generally accepted professional techniques and practices, and shall observe sound management practices, and employ appropriate advanced technology and safe and effective equipment, machinery, materials and methods.
- 43.2. The Consultant shall always act, in respect of any matter relating to this Contract or to the Services, as faithful advisers to the Procuring Entity, and shall at all times support and

safeguard the Procuring Entity's legitimate interests in any dealings with Sub-Consultants or third parties.

- 43.3. The Consultant shall furnish to the Procuring Entity such information related to the Services as the Procuring Entity may from time to time reasonably request.
- 43.4. The Consultant shall at all times cooperate and coordinate with the Procuring Entity with respect to the carrying out of its obligations under this Contract.

#### 44. Consultant Not to Benefit from Commissions Discounts, etc.

The remuneration of the Consultant pursuant to **GCC** Clause 53 hereof shall constitute the Consultant's sole remuneration in connection with this Contract or the Services and, subject to **GCC** Clause 45 hereof, the Consultant shall not accept for their own benefit any trade commission, discount or similar payment in connection with activities pursuant to this Contract or to the Services or in the discharge of their obligations hereunder, and the Consultant shall use its best efforts to ensure that any Sub-Consultants, as well as the Personnel and agents of either of them, similarly shall not receive any such additional remuneration.

#### 45. Procurement by the Consultant

If the Consultant, as part of the Services, has the responsibility of advising or procuring goods, works or services, for the Procuring Entity, the Consultant shall comply with any applicable procurement guidelines of the Funding Source, and shall at all times exercise such responsibility in the best interest of the Procuring Entity. Any discounts or advantages obtained by the Consultant in the exercise of such procurement responsibility shall be for the benefit of the Procuring Entity.

#### 46. Specifications and Designs

- 46.1. The Consultant shall prepare all specifications and designs using the metric system and shall embody the best design criteria applicable to Philippine conditions. The Consultant shall specify standards which are accepted and well-known among industrial nations.
- 46.2. The Consultant shall ensure that the specifications and designs and all documentation relating to procurement of goods and services for this Contract are prepared on an impartial basis so as to promote national and international competitive bidding.

#### 47. Reports

The Consultant shall submit to the Procuring Entity the reports, deliverables and documents in English, in the form, in the numbers, and within the time periods set forth in Appendix II.

#### 48. Assistance by the Procuring Entity on Government Requirements

48.1. The Procuring Entity may assist the Consultant, Sub-Consultants, and Personnel in the payment of such taxes, duties, fees and other impositions as may be levied under the

Applicable Law by providing information on the preparation of necessary documents for payment thereof.

- 48.2. The Procuring Entity shall use its best efforts to ensure that the Government shall:
  - a. Provide the Consultant, Sub-Consultants, and Personnel with work permits and such other documents as shall be necessary to enable the Consultant, Sub-Consultants, or Personnel to perform the Services;
  - b. Arrange for the foreign Personnel and, if appropriate, their eligible dependents to be provided promptly with all necessary entry and exit visas, residence permits, and any other documents required for their stay in the Philippines for the duration of the Contract:
  - Facilitate prompt clearance through customs of any property required for the Services and of the necessary personal effects of the foreign Personnel and their eligible dependents;
  - d. Issue to officials, agents and representatives of the Government all such instructions as may be necessary or appropriate for the prompt and effective implementation of the Services; and
  - e. Grant to foreign Consultant, any foreign Sub-Consultant and the Personnel of either of them the privilege, pursuant to the Applicable Law, of bringing into the Government's country reasonable amounts of foreign currency for purposes of the Services or for the personal use of the foreign Personnel and their dependents.

#### 49. Access to Land

The Procuring Entity warrants that the Consultant shall have, free of charge, unimpeded access to all lands in the Philippines in respect of which access is required for the performance of the Services. The Procuring Entity shall be responsible for any damage to such land or any property thereon resulting from such access and shall indemnify the Consultant and each of the Personnel in respect of liability for any such damage, unless such damage is caused by the default or negligence of the Consultant or any Sub-Consultant or the Personnel of either of them.

#### 50. Subcontract

50.1. Subcontracting of any portion of the Consulting Services, if allowed in the **BDS**, does not relieve the Consultant of any liability or obligation under this Contract. The Consultant will be responsible for the acts, defaults, and negligence of any sub-consultant, its agents, servants or workmen as fully as if these were the Consultant's own acts, defaults, or negligence, or those of its agents, servants or workmen.

50.2. Sub-consultants disclosed and identified during the bidding may be changed during the implementation of this Contract, subject to compliance with the required qualifications and the approval of the Procuring Entity.

#### 51. Accounting, Inspection and Auditing

- 51.1. The Consultant shall:
  - a. Keep accurate and systematic accounts and records in respect of the Services hereunder, in accordance with internationally accepted accounting principles and in such form and detail as shall clearly identify all relevant time changes and costs, and the bases thereof;
  - b. Permit the Procuring Entity or its designated representative and or the designated representative of the Funding Source at least once for short-term Contracts, and annually in the case of long-term Contracts, and up to one year from the expiration or termination of this Contract, to inspect the same and make copies thereof as well as to have them audited by auditors appointed by the Procuring Entity; and
  - c. Permit the Funding Source to inspect the Consultant's accounts and records relating to the performance of the Consultant and to have them audited by auditors approved by the Funding Source, if so required.
- 51.2. The basic purpose of this audit is to verify payments under this Contract and, in this process, to also verify representations made by the Consultant in relation to this Contract. The Consultant shall cooperate with and assist the Procuring Entity and its authorized representatives in making such audit. In the event the audit discloses that the Consultant has overcharged the Procuring Entity, the Consultant shall immediately reimburse the Procuring Entity an amount equivalent to the amount overpaid. If overpayment is a result of the Consultant having been engaged in what the Procuring Entity (or, as the case may be, the Funding Source) determines to constitute corrupt, fraudulent, or coercive practices, as defined in GCC Clause 27.1 (e) and under the Applicable Law, the Procuring Entity shall, unless the Procuring Entity decides otherwise, terminate this Contract.
- 51.3. The determination that the Consultant has engaged in corrupt, fraudulent, coercive practices shall result in the Procuring Entity and/or the Funding Source seeking the imposition of the maximum administrative, civil and criminal penalties up to and in including imprisonment.

#### 52. Contract Cost

52.1. Except as may be otherwise agreed under **GCC** Clause 10, payments under this Contract shall not exceed the ceiling specified in the **SCC**. The Consultant shall notify the Procuring

- Entity as soon as cumulative charges incurred for the Services have reached eighty percent (80%) of this ceiling.
- 52.2. The cost of the Services shall be payable in Philippine Pesos and shall be set forth in the Appendix IV attached to this Contract.

#### 53. Remuneration and Reimbursable Expenditures

- 53.1. Payments of Services do not relieve the Consultant of any obligation hereunder.
- 53.2. Remuneration for the Personnel shall be determined on the basis of time actually spent by such Personnel in the performance of the Services including other additional factors indicated in the <u>SCC</u> after the date determined in accordance with GCC Clause 22, or such other date as the Parties shall agree in writing, including time for necessary travel via the most direct route, at the rates referred to, and subject to such additional provisions as are set forth, in the <u>SCC</u>.
- 53.3. Remuneration for periods of less than one month shall be calculated on an hourly basis for time spent in home office (the total of 176 hours per month shall apply) and on a calendar-day basis for time spent away from home office (1 day being equivalent to 1/30th of a month).
- 53.4. Reimbursable expenditures actually and reasonably incurred by the Consultants in the performance of the Services are provided in the **SCC**.
- 53.5. Billings and payments in respect of the Services shall be made as follows:
  - a. The Procuring Entity shall cause to be paid to the Consultant an advance payment as specified in the **SCC**, and as otherwise set forth below. The advance payment shall be due after the Consultant provides a bank guarantee in favor of the Procuring Entity issued by a bank acceptable to the Procuring Entity in accordance with the requirements provided in the **SCC**.
  - b. As soon as practicable and not later than fifteen (15) days after the end of each calendar month during the period of the Services, the Consultant shall submit to the Procuring Entity, in duplicate, itemized statements, accompanied by copies of receipted invoices, vouchers and other appropriate supporting materials, of the amounts payable pursuant to GCC Clauses 52.1 and 53 for such month. Separate monthly statements shall be submitted in respect of amounts payable in foreign currency and in local currency. Each separate monthly statement shall distinguish that portion of the total eligible costs which pertains to remuneration from that portion which pertains to reimbursable expenditures.

c. The Procuring Entity shall cause the payment of the Consultant's monthly statements within sixty (60) days after the receipt by the Procuring Entity of such statements with supporting documents. Only such portion of a monthly statement that is not satisfactorily supported may be withheld from payment. Should any discrepancy be found to exist between actual payment and costs authorized to be incurred by the Consultant, the Procuring Entity may add or subtract the difference from any subsequent payments. Interest shall be paid for delayed payments following the rate provided in the **SCC**.

#### 54. Final Payment

- 54.1. The final payment shall be made only after the final report and a final statement, identified as such, shall have been submitted by the Consultant and approved as satisfactory by the Procuring Entity. The Services shall be deemed completed and finally accepted by the Procuring Entity and the final report and final statement shall be deemed approved by the Procuring Entity as satisfactory ninety (90) calendar days after receipt of the final report and final statement by the Procuring Entity unless the Procuring Entity, within such ninety (90)-day period, gives written notice to the Consultant specifying in detail deficiencies in the Services, the final report or final statement. The Consultant shall thereupon promptly make any necessary corrections within a maximum period of ninety (90) calendar days, and upon completion of such corrections, the foregoing process shall be repeated.
- 54.2. Any amount which the Procuring Entity has paid or caused to be paid in accordance with this clause in excess of the amounts actually payable in accordance with the provisions of this Contract shall be reimbursed by the Consultant to the Procuring Entity within thirty (30) days after receipt by the Consultant of notice thereof. Any such claim by the Procuring Entity for reimbursement must be made within twelve (12) calendar months after receipt by the Procuring Entity of a final report and a final statement approved by the Procuring Entity in accordance with the above.

#### 55. Lump Sum Contracts

- 55.1. For Lump Sum Contracts when applicable, notwithstanding the terms of **GCC** Clauses 10, 18.1, 31c, 41.3, 53.2, 53.3, 53.4, 53.5, and 54.1, the provisions contained hereunder shall apply.
- 55.2. Personnel Any replacement approved by the Procuring Entity in accordance with **ITB** Clause 26.3 shall be provided by the Consultant at no additional cost.
- 55.3. Staffing Schedule Should the rate of progress of the Services, or any part hereof, be at any time in the opinion of the Procuring Entity too slow to ensure that the Services are completed in accordance with the Staffing Schedule, the Procuring Entity shall so notify the Consultant in writing and the Consultant shall at its sole cost and expense, thereupon take such steps as necessary, subject to the Procuring Entity's approval, or as reasonably

- required by the Procuring Entity, to expedite progress so as to ensure that the Services are completed in accordance with the Staffing Schedule.
- 55.4. Final payment pursuant to the Payment Schedule in Appendices IV and V shall be made by the Procuring Entity after the final report has been submitted by the Consultant and approved by the Procuring Entity.
- 55.5. Termination Upon the receipt or giving of any notice referred to in **GCC** Clause 29 and if the Consultant is not in default under this Contract and has partly or substantially performed its obligation under this Contract up to the date of termination and has taken immediate steps to bring the Services to a close in prompt and orderly manner, there shall be an equitable reduction in the maximum amount payable under this Contract to reflect the reduction in the Services, provided that in no event shall the Consultant receive less than his actual costs up to the effective date of the termination, plus a reasonable allowance for overhead and profit.
- 55.6. Unless otherwise provided in the **SCC**, no additional payment for variation order, if any, shall be allowed for this Contract.

#### 56. Liquidated Damages for Delay

If the Consultant fails to deliver any or all of the Services within the period(s) specified in this Contract, the Procuring Entity shall, without prejudice to its other remedies under this Contract and under the Applicable Law, deduct from the contract price, as liquidated damages, a sum equivalent to one-tenth of one percent of the price of the unperformed portion of the Services for each day of delay based on the approved contract schedule up to a maximum deduction of ten percent (10%) of the contract price. Once the maximum is reached, the Procuring Entity may consider termination of this Contract pursuant to **GCC** Clause 27.

#### **UU. SPECIAL CONDITIONS OF THE CONTRACT**

GCC Clause			
b,	The Funding Source is the Government of the Philippines (GOP).		
6.2 (b)	For a period of two years after the expiration of this Contract, the Consultant shall not engage, and shall cause its Personnel as well as their Sub-Consultants and its Personnel not to engage, in the activity of a purchaser (directly or indirectly) of the assets on which they advised the Procuring Entity under this Contract nor in the activity of an adviser (directly or indirectly) of potential purchasers of such assets. The Consultant also agrees that their affiliates shall be disqualified for the same period of time from engaging in the said activities.		
7	Not applicable.		
8	The person designated as resident project manager in Appendix III shall serve in that capacity, as specified in <b>GCC</b> Clause 8.		
10	No further instructions.		
12	The Authorized Representatives are as follows:		
	For the Procuring Entity:		
	Dr. A Director IV Email:		
	Ms. B Chief, Health Communications Division Email:		
	Ms. C OIC, Health Program Promotion Division Email:		
	Ms. D Health Education Promotion Officer IV Email:		
	National Center for Health Promotion Department of Health San Lazaro Compound, Rizal Avenue, Sta. Cruz, Manila Tel. No. 743-8301 loc. 2801/2825/ 2827 Fax: 743-8438		
	For the Consultant:		

15.1	The addresses are:		
	For the Procuring Entity:		
	Dr. A Director IV Email:		
	Ms. B Chief, Health Communications Division Email:		
	Ms. C OIC, Health Program Promotion Division Email:		
	Ms. D Health Education Promotion Officer IV Email:		
	National Center for Health Promotion Department of Health San Lazaro Compound, Rizal Avenue, Sta. Cruz, Manila Tel. No. 743-8301 loc. 2801/2825/ 2827 Fax: 743-8438Consultants: [insert name of the Consultant]		
	Attention: [insert name of the Consultant's authorized representative]		
	Address:		
	Facsimile:		
	Email Address:		
15.2 and 15.3	Notice shall be deemed to be effective as follows:		
13.2 and 13.3			
	(a) In the case of personal delivery or registered mail, on delivery;		
	(b) In the case of facsimiles, within 8:00 A.M. – 4:00 P.M. following confirmed transmission; or		
	(c) In the case of telegrams, within 8:00 A.M. – 4:00 P.M. following confirmed transmission.		
18.3	State here Consultant's account where payment may be made.		
20	No additional provision.		
22	The effectiveness conditions are the following: None		
24	The time period shall be six (6) months commencing upon receipt of Notice to Proceed from DOH.		
34.2	Any and all disputes arising from the implementation of this contract shall be submitted to arbitration in the Philippines according to the provisions of Republic Acts 876 and 9285, as required in Section 59 of the IRR of RA 9184.		

#### MANUAL PROCEDURES FOR THE PROCUREMENT OF CONSULTING SERVICES

35.1	All technical documents, reports, communication plan and prototype materials shall be				
00.1	submitted to the DOH, and that the DOH shall be the sole owner of the output and has all				
	the rights to the finished products. Any reproduction, citation, reference and use of the				
	said documents and materials should obtain permission from the DOH.				
	<u>'</u>				
38.1e	The Consultant's actions requiring the DOH prior approval are indicated in Section VI –				
	Terms of Reference.				
39.5	The Consultant may change its Key Personnel only for reasons of death, serious illness,				
	incapacity of an individual Consultant, or until after fifty percent (50%) of the Personnel'				
	man-months have been served.				
	Violators will be fined an amount equal to the refund of the replaced Percennelle basis				
	Violators will be fined an amount equal to the refund of the replaced Personnel's basic rate, which should be at least fifty percent (50%) of the total basic rate for the duration of				
	the engagement.				
42.1	No further instructions.				
42.4 (c)					
12.1 (0)	No further instructions.				
52.1	The total ceiling amount is Ten Million Philippine Pesos (PhP 10,000,000.00).				
53.2	No additional instructions.				
53.4	The following expenditures in foreign currency shall be reimbursed in local currency at the				
	exchange rate used on the date of Bid opening:				
	1. A per diem allowance for each of the foreign or local Personnel for every day in				
	which such Personnel shall be absent from his home office and shall be outside				
	the country of the Government for the purpose of the Services at the daily rate specified in Appendix IV;				
	2. The miscellaneous travel expenses such as the cost of transportation to and				
	from airports, airport taxes, passport, visas, travel permits, vaccinations, etc., at				
	a fixed unit price per round trip as specified in Appendix IV;				
	3. The cost of communications (other than those arising in the Government's				
	country) reasonably required by the Consultant for the purposes of the Services;				
	4. The cost of printing, reproducing and shipping of the documents, reports,				
	drawings, etc. specified in Appendix IV;				
	5. The cost of acquisition, shipment and handling of the following equipment,				
	instruments, materials and supplies required for the Services: [insert amount];				
	6. The cost of shipment of personal effects up to [insert amount];				
	7. The cost of programming and use of, and communication between, the				
	computers for the purposes of the Services at the rate set forth in Appendix IV;				
	8. The cost of items not covered in the foregoing but which may be required by the				
	Consultant for completion of the Services, subject to the prior authorization in				
	writing by the Procuring Entity; and				
	9. Any such additional payments in foreign currency for properly procured items as				
	the Parties may have agreed upon.				

	The reimbursable expenditures in local currency shall be as follows:			
	1.	A per diem allowance for each of the short-term foreign Personnel ( <i>i.e.</i> , with less than twelve (12) months consecutive stay in the Government's country) for the first ninety (90) days during which such Personnel shall be in the Government's country;		
	2.	A per diem allowance for each of the short-term foreign Personnel for each day in excess of ninety (90) days during which such Personnel shall be in the Government's country;		
	3.	The cost of the following locally procured items: local transportation, office accommodations, camp facilities, camp services, subcontracted services, soil testing, equipment rentals, supplies, utilities and communication charges arising in the Government's country, all if and to the extent required for the purpose of the Services, at rates specified in Appendix IV;		
	4.	The cost of equipment, materials and supplies to be procured locally in the Government's country as specified in Appendix IV;		
	5.	The local currency cost of any subcontract required for the Services and approved in writing by the Procuring Entity;		
	6.	Any such additional payments in local currency for properly procured items as the Parties may have agreed upon pursuant to this Contract; and		
	Consult	nary and necessary cost of such further items as may be required by the cant which are actually, directly, and necessarily used for the purpose of the s, as agreed in writing by the Procuring Entity.		
53.5 (a)	No advance payment is allowed.			
53.5 (c)	The interest rate is zero.			
55.6	No further instructions.			

#### VV. NOTICE TO PROCEED



### Republic of the Philippines Department of Health

#### **BIDS AND AWARDS COMMITTEE**

#### NOTICE TO PROCEED

30 October 2010

Mr. BBB
Company B
Company
Address
Contact Information

Dear Ms. A,

The attached Contract Agreement No.2010-022 having been approved, notice is hereby given to Ms. A that work may commence on the Hiring of an Advertising Agency for the Branding of Behavior, Development and Production of Creative/Campaign Materials for Breastfeeding Communication for Behavioral Impact (COMBI) under REI-CS-GOP-2010-08, effective upon receipt of Notice to Proceed.

Upon receipt of this notice, you are responsible for performing the services under the terms and conditions of the Agreement and in accordance with the Implementation Schedule.

Please acknowledge receipt and acceptance of this notice by signing both copies on the space below. Keep the original copy and return the other copy to the Procurement Service, Department of Health, San Lazaro Compound, Rizal Avenue, Sta. Cruz, and Manila within two (2) working days upon receipt.

#### (SIGNATURE OVER PRINTED NAME)

Head of Procuring Entity/Duly Authorized Representative

I acknowledge receipt of this Notice on	
Name of Representative of the Bidder:	
Authorized Signature:	

# ALTERNATIVE MODE OF PROCUREMENT: Agency-to-Agency Negotiated Procurement

## RESOLUTION TO RESORT TO ALTERNATIVE MODE OF PROCUREMENT



Republic of the Philippines
Department of Health

#### CENTRAL OFFICE BIDS AND AWARDS COMMITTEE

BAC RESOLUTION NO. 2010-12 JANUARY 2010

## RECOMMENDING THE USE OF NEGOTIATED PROCUREMENT FOR THE DEVELOPMENT OF FACILITATOR'S WORKBOOK FOR THE FLAGSHIP COURSE ON HEALTH SECTOR REFORM AND SUSTAINABLE FINANCING REI NO. 2010-10-02

WHEREAS, the Central Office Bids and Awards Committee (BAC) received a request from the Health Human Resource Development Bureau (HHRDB) for the procurement of Consulting Services for the project "Development of Facilitator's Workbook for the Flagship Course on Health Sector Reform and Sustainable Financing" with an Approved Budget of the Contract (ABC) amounting to One Million Two Hundred Twenty-one Thousand Four Hundred Seventy- Two Pesos (PhP 1,221,472.00) to be undertaken through negotiated contract with a government institution, that is the ABC Company;

WHEREAS, Rule IV of Republic Act No. 9184 provided that, as a general rule, all procurement shall be done through competitive bidding except as provided for in Rule XVI of RA 9184, allowing the use of alternative methods of procurement;

**WHEREAS,** Section 53 (e) of R.A. 9184 states that the procuring entity may negotiate a contract with another agency of the government;

**WHEREAS**, to carry out the procurement of the abovementioned engagement efficiently, the BAC reviewed the request and agreed to negotiate the contract with AAA Company because of the following reasons:

- 1. The DOH through HHRDB has established partnership with AAA Company in developing and implementing health sector reform courses
- 2. For the last two and a half years, the AAA Company has demonstrated organizational capacity to accomplish programs in partnership with the DOH based on the following significant features:
  - a. The AAA Company has satisfactorily completed all deliverables stipulated in the Memorandum of Agreement within the agreed time frame on the following training courses:
    - Introductory Course on Health Sector Reform (17 batches)
    - Flagship Course in Health Sector Reform and Sustainable Financing (3 batches)
    - Customized Course on Project Management and Development for Local
    - Health Implementers (5 batches)
    - Short Course on Urban Health Equity (Pilot Run)
    - Local Health Sector Reform Implementers Course (Pilot Run)

#### MANUAL PROCEDURES FOR THE PROCUREMENT OF CONSULTING SERVICES

- b. It has developed facilitators' and participants' guide for several health sector reform courses such as the Introductory Course on Health Sector Reform, Local Health Sector Reform Implementers' Course and Short Course on Urban Health Equity.
- c. It has awarded participants who completed the aforementioned courses with graduate units that can be credited towards a Master in Public Management Major in Health Systems Development.

**NOW THEREFORE,** in consideration of the above premises, the herein members of the BAC **HEREBY RESOLVE** the following:

- 1. Recommend that the procurement of the Consulting Services on "Development of Facilitator's Workbook for the Flagship Course on Health Sector Reform and Sustainable Financing" be negotiated with AAA Company;
- 2. Secure the approval of the Secretary of Health for the conduct of negotiated procurement for the said engagement;
- 3. Once approved by the Secretary of Health, invite the ABC Company to submit technical and financial proposal through HHRDB; and
- 4. If concurred by AAA Company and the proposal is acceptable to HHRDB, award the contract to AAA Company and HHRDB to process the contract and administer this engagement.

Signed this 19<sup>th</sup> day of October 2009 at the Department of Health, San Lazaro Compound, Sta. Cruz, Manila.

#### CENTRAL OFFICE BIDS AND AWARDS COMMITTEE

(SIGNATURE OVER PRINTED NAME)
BAC Provisional Member/

**SIGNATURE OVER PRINTED NAME)** 

(SIGNATURE OVER PRINTED NAME)
BAC Regular Member

**End-User Representative** 

(SIGNATURE OVER PRINTED NAME)

**BAC Regular Member** 

**BAC Vice Chairperson** 

#### (SIGNATURE OVER PRINTED NAME)

**BAC Chairperson** 

Approved by:

(SIGNATURE OVER PRINTED NAME)

**Head of the Procuring Entity**