

UNIVERSITY OF THE PHILIPPINES MANILA
Taft Avenue, Manila

*SPECIAL BIDS AND AWARDS COMMITTEE
FOR THE DESIGN AND BUILD-NATIONAL INSTITUTES OF HEALTH BUILDING*

RESOLUTION DECLARING A FAILURE OF NEGOTIATED PROCUREMENT

WHEREAS, during its meeting on 31 October 2014, the Government Procurement and Policy Board (GPPB) granted the University of the Philippines the authority to undertake negotiated procurement for the National Institutes of Health Building" for NINE HUNDRED EIGHTHY MILLION PESOS (PhP 980,000,000.00). Copy of the GPPB letter was received by UP on 13 November 2014;

WHEREAS, immediately after the new members of the Special Bids and Awards Committee (SBAC) were appointed to undertake the negotiated procurement authorized by the GPPB above, on 03 December 2014, the Invitation for Negotiated Procurement was published in the Philippine Star and posted in PhilGEPS and UP Manila website;

WHEREAS, on 03 December 2014, the SBAC sent individual invitation letters through LBC to the following: D.M. Consunji, Hilmarc's Corporation, J Bros. Construction and SC Megaworld Construction and Development Corporation;

WHEREAS, on 10 December 2014, a Pre-bid Conference was held attended by the representatives from the following: D.M. Consunji, Hilmarc's Corporation, J Bros. Construction, Philab Corporation, BF Corp., R.R. Encabo;

WHEREAS, the SBAC issued a Bid Bulletin extending the submission of the best and final offer from 11 December 2014 to on or before 8:30 A.M. 12 December 2014;

WHEREAS, on 12 December 2014, Philab Corporation and BF Corp. as a Joint Venture and EM Cuerpo submitted their bids.

WHEREAS, EM Cuerpo was disqualified outright for submitting its bid at 8:55 a.m. beyond the 8:30 a.m. deadline set by the SBAC;

WHEREAS, on 12 December 2014, SBAC opened the bid documents of the joint venture of Philab Industries Inc. and BF Corp.;

WHEREAS, SBAC conducted eligibility check on the joint venture of Philab Industries Inc. and BF Corp.;

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WHEREAS, the technical proposal of the joint venture of Philab Industries, Inc. and BF Corp. were opened and forwarded to the TWG for evaluation;

WHEREAS, the TWG conducted a detailed evaluation of the technical proposal of the bids of the joint venture of Philab Industries, Inc. and BF Corp. and which was rated passed;

WHEREAS, the representative of EM Cuerpo made an oral manifestation that a Special PCAB License of the Joint Venture is required upon submission of the bid based on Section 23 of RA 9184 and Section 98 of RA 4566;

WHEREAS, the joint venture of Philab Industries, Inc. and BF Corp. made a counter-manifestation;

WHEREAS, the financial envelope of the joint venture of Philab Corporation and BF Corp. was opened in the presence of the SBAC members, observers and representatives of the prospective bidders. The financial proposal of the aforementioned bidder was read as follows: **NINE HUNDRED SEVENTY NINE MILLION, EIGHT HUNDRED SEVENTY SIX THOUSAND FIVE HUNDRED FORTY THREE AND TWENTY ONE CENTAVOS (Php 979,876,543.21);**

WHEREAS, the SBAC convened for the continuance of the negotiation process of the project, **Design and Build- National Institutes of Health Building** on 15 December 2014;

WHEREAS, the joint venture of Philab Industries, Inc. and BF Corp. presented themselves to the committee and requested the SBAC to issue a Notice of the Lowest Calculated Bid (LCB), which was denied because they do not have a Special Philippine Contractors Association Board (PCAB) license;

WHEREAS, the joint venture of Philab Industries Inc. and BF Corp. manifested that they are still in the process of securing a Special PCAB license for the Joint Venture and expects that they will be issued the license when the PCAB Board meets on 16 December 2014;

WHEREAS, the joint venture of Philab Industries Inc. and BF Corp. furnished the SBAC a copy of their letter to PCAB regarding their Application for a Special PCAB License for the Joint Venture. The joint venture also submitted its response to the manifestation of EM Cuerpo in a letter dated 14 December 2014 addressed to the SBAC;

WHEREAS, SBAC requested the joint venture of Philab Industries Inc. and BF Corp. to submit the file copy of their Application for a Special PCAB License for the Joint Venture stamped "received " by PCAB which, until the present time, have not yet been submitted;

WHEREAS, the Manual of Procedures for the Procurement of Infrastructures Projects (MPPIP) issued by the Government Procurement Policy Board (GPPB), mandates that a

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PCAB license is an eligibility requirement, i.e., a valid PCAB license and registration for the type and cost of the contract to be bid must be submitted for a bidder to be considered eligible;

WHEREAS, based on the MPPIP, in case of Joint Ventures, the license and registration must be those of the Joint Venture, not any of its members;

WHEREAS, the Technical Working Group (TWG) in its letter to the SBAC, strongly recommended the strict observance of Sec. 38 of Republic Act No. 4566 which mandates that:


"Section 38. Joint licenses. It is unlawful for any two or more licensees, each of whom has been issued a license to engage separately in the capacity of a contractor, to jointly submit a bid or otherwise act in the capacity of a contractor without first having secured an additional license for acting in the capacity of such a joint venture or combination in accordance with the provisions of this Act as provided for an individual, partnership or corporation."

NOW THEREFORE, we the members of the UP Manila Special Bids and Awards Committee, hereby resolve as it is hereby resolved, to declare a failure of the negotiated procurement for the project Design and Build-National Institutes of Health.

Resolved this 17th day of December 2014.

RECOMMENDED:

Dr. Charlotte M. Chiong
Chair


Dean Romeo R. Quizon
Vice Chair


Dr. Arlene A. Samaniego
Member

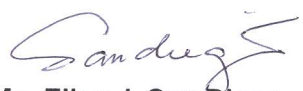

Dr. Michael L. Tee
Member


Ms. Tessie B. Merca
Member


Ms. Lourdes T. Posada
Non-Voting Member


Atty. Dennis James Gumpal
Non-Voting Member

Attested by:


Ms. Elisa J. San Diego
Secretary/Non-voting Member