

# MINUTES OF MEETING

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| October 09, 2019 | 10:00 AM | Conference Room B |
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|                                    |   |                          |             |                     |                  |                                    |                |                      |                    |                  |               |                      |        |                               |        |                       |        |                          |             |                            |        |                    |       |                   |           |                     |               |                     |              |                     |              |                         |                                  |
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| <b>MEETING CALLED BY</b>           | <b>BIDS AND AWARDS COMMITTEE V</b>  |                          |             |                     |                  |                                    |                |                      |                    |                  |               |                      |        |                               |        |                       |        |                          |             |                            |        |                    |       |                   |           |                     |               |                     |              |                     |              |                         |                                  |
| <b>TYPE OF MEETING</b>             | <b>Pre-bid Conference</b>   |                          |             |                     |                  |                                    |                |                      |                    |                  |               |                      |        |                               |        |                       |        |                          |             |                            |        |                    |       |                   |           |                     |               |                     |              |                     |              |                         |                                  |
| <b>PROJECT</b>                     | <b>Supply and Delivery of Tools and Equipment for Technical-Vocational-Livelihood Specialization for Public Senior High Schools (Agricultural Crops Production) for the Department of Education</b>   |                          |             |                     |                  |                                    |                |                      |                    |                  |               |                      |        |                               |        |                       |        |                          |             |                            |        |                    |       |                   |           |                     |               |                     |              |                     |              |                         |                                  |
| <b>REFERENCE NO.</b>               | <b>PB No. 19-296-5</b>  |                          |             |                     |                  |                                    |                |                      |                    |                  |               |                      |        |                               |        |                       |        |                          |             |                            |        |                    |       |                   |           |                     |               |                     |              |                     |              |                         |                                  |
| <b>ATTENDEES</b>                   | <p><b>Bids and Awards Committee V</b></p> <table> <tr> <td>Mr. Webster M. Laureñana</td> <td>Chairperson</td> </tr> <tr> <td>Mr. Jack G. Mercado</td> <td>Vice Chairperson</td> </tr> <tr> <td>Atty. Michelle Anne B. Recto LL.M.</td> <td>Regular Member</td> </tr> <tr> <td>Mr. Arnel B. Cunanan</td> <td>Provisional Member</td> </tr> <tr> <td>Dir. Raul Larosa</td> <td>Ad Hoc Member</td> </tr> </table> <p><b>Procurement Division V</b></p> <table> <tr> <td>Ms. Jessica G. Gapuz</td> <td>Member</td> </tr> <tr> <td>Engr. Nicole John D. Cabueños</td> <td>Member</td> </tr> <tr> <td>Engr. Yuji C. Hoshina</td> <td>Member</td> </tr> <tr> <td>Ms. Rosemarie N. Andulan</td> <td>Secretariat</td> </tr> <tr> <td>Mr. Jules Amiel D. Angeles</td> <td>Member</td> </tr> </table> <p><b>End-User’s Representatives</b></p> <table> <tr> <td>Dir. Joel Erestain</td> <td>DepEd</td> </tr> <tr> <td>Mr. Jaymar Arioja</td> <td>DepEd-BLR</td> </tr> </table> <p><b>Prospective Bidders</b></p> <table> <tr> <td>Mr. Orlando Limbuan</td> <td>Nikka Trading</td> </tr> <tr> <td>Ms. Ruby Ann Ortega</td> <td>Suki Trading</td> </tr> <tr> <td>Mr. Victoriano Ocai</td> <td>Suki Trading</td> </tr> <tr> <td>Ms. Christine Ochovillo</td> <td>Lakas Agricultural Manufacturing</td> </tr> </table> | Mr. Webster M. Laureñana | Chairperson | Mr. Jack G. Mercado | Vice Chairperson | Atty. Michelle Anne B. Recto LL.M. | Regular Member | Mr. Arnel B. Cunanan | Provisional Member | Dir. Raul Larosa | Ad Hoc Member | Ms. Jessica G. Gapuz | Member | Engr. Nicole John D. Cabueños | Member | Engr. Yuji C. Hoshina | Member | Ms. Rosemarie N. Andulan | Secretariat | Mr. Jules Amiel D. Angeles | Member | Dir. Joel Erestain | DepEd | Mr. Jaymar Arioja | DepEd-BLR | Mr. Orlando Limbuan | Nikka Trading | Ms. Ruby Ann Ortega | Suki Trading | Mr. Victoriano Ocai | Suki Trading | Ms. Christine Ochovillo | Lakas Agricultural Manufacturing |
| Mr. Webster M. Laureñana           | Chairperson   |                          |             |                     |                  |                                    |                |                      |                    |                  |               |                      |        |                               |        |                       |        |                          |             |                            |        |                    |       |                   |           |                     |               |                     |              |                     |              |                         |                                  |
| Mr. Jack G. Mercado                | Vice Chairperson  |                          |             |                     |                  |                                    |                |                      |                    |                  |               |                      |        |                               |        |                       |        |                          |             |                            |        |                    |       |                   |           |                     |               |                     |              |                     |              |                         |                                  |
| Atty. Michelle Anne B. Recto LL.M. | Regular Member  |                          |             |                     |                  |                                    |                |                      |                    |                  |               |                      |        |                               |        |                       |        |                          |             |                            |        |                    |       |                   |           |                     |               |                     |              |                     |              |                         |                                  |
| Mr. Arnel B. Cunanan               | Provisional Member  |                          |             |                     |                  |                                    |                |                      |                    |                  |               |                      |        |                               |        |                       |        |                          |             |                            |        |                    |       |                   |           |                     |               |                     |              |                     |              |                         |                                  |
| Dir. Raul Larosa                   | Ad Hoc Member   |                          |             |                     |                  |                                    |                |                      |                    |                  |               |                      |        |                               |        |                       |        |                          |             |                            |        |                    |       |                   |           |                     |               |                     |              |                     |              |                         |                                  |
| Ms. Jessica G. Gapuz               | Member  |                          |             |                     |                  |                                    |                |                      |                    |                  |               |                      |        |                               |        |                       |        |                          |             |                            |        |                    |       |                   |           |                     |               |                     |              |                     |              |                         |                                  |
| Engr. Nicole John D. Cabueños      | Member  |                          |             |                     |                  |                                    |                |                      |                    |                  |               |                      |        |                               |        |                       |        |                          |             |                            |        |                    |       |                   |           |                     |               |                     |              |                     |              |                         |                                  |
| Engr. Yuji C. Hoshina              | Member  |                          |             |                     |                  |                                    |                |                      |                    |                  |               |                      |        |                               |        |                       |        |                          |             |                            |        |                    |       |                   |           |                     |               |                     |              |                     |              |                         |                                  |
| Ms. Rosemarie N. Andulan           | Secretariat   |                          |             |                     |                  |                                    |                |                      |                    |                  |               |                      |        |                               |        |                       |        |                          |             |                            |        |                    |       |                   |           |                     |               |                     |              |                     |              |                         |                                  |
| Mr. Jules Amiel D. Angeles         | Member  |                          |             |                     |                  |                                    |                |                      |                    |                  |               |                      |        |                               |        |                       |        |                          |             |                            |        |                    |       |                   |           |                     |               |                     |              |                     |              |                         |                                  |
| Dir. Joel Erestain                 | DepEd   |                          |             |                     |                  |                                    |                |                      |                    |                  |               |                      |        |                               |        |                       |        |                          |             |                            |        |                    |       |                   |           |                     |               |                     |              |                     |              |                         |                                  |
| Mr. Jaymar Arioja                  | DepEd-BLR   |                          |             |                     |                  |                                    |                |                      |                    |                  |               |                      |        |                               |        |                       |        |                          |             |                            |        |                    |       |                   |           |                     |               |                     |              |                     |              |                         |                                  |
| Mr. Orlando Limbuan                | Nikka Trading   |                          |             |                     |                  |                                    |                |                      |                    |                  |               |                      |        |                               |        |                       |        |                          |             |                            |        |                    |       |                   |           |                     |               |                     |              |                     |              |                         |                                  |
| Ms. Ruby Ann Ortega                | Suki Trading  |                          |             |                     |                  |                                    |                |                      |                    |                  |               |                      |        |                               |        |                       |        |                          |             |                            |        |                    |       |                   |           |                     |               |                     |              |                     |              |                         |                                  |
| Mr. Victoriano Ocai                | Suki Trading  |                          |             |                     |                  |                                    |                |                      |                    |                  |               |                      |        |                               |        |                       |        |                          |             |                            |        |                    |       |                   |           |                     |               |                     |              |                     |              |                         |                                  |
| Ms. Christine Ochovillo            | Lakas Agricultural Manufacturing  |                          |             |                     |                  |                                    |                |                      |                    |                  |               |                      |        |                               |        |                       |        |                          |             |                            |        |                    |       |                   |           |                     |               |                     |              |                     |              |                         |                                  |

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|                      | Ms. Maricris Aguila<br>Mr. Victor Carlo Mauricio<br>Ms. Margie Pua   | Universal Commercial<br>Universal Commercial<br>VNE |
| <b>CALL TO ORDER</b> | <p>1. The scheduled <b>Pre-bid Conference</b> started at 10:21 AM with the Chairperson presiding. He then instructed the Engr. Hoshina to acknowledge the presence of the attendees.</p> <p>2. Engr. Hoshina, likewise, presented the Invitation to Observers however none confirmed attendance.</p> <p>3. Having established the required quorum, the Chairperson asked Engr. Hoshina to proceed with the presentation of general requirements in government procurement.</p> |   |

## DISCUSSION

| BID DOCUMENTS                  |  |
|--------------------------------|--|
| <b>INVITATION TO BID</b>       | NO FURTHER DISCUSSION  |
| <b>INSTRUCTIONS TO BIDDERS</b> | NO QUESTIONS FROM PROSPECTIVE BIDDERS  |
| <b>BID DATA SHEET</b>          | <p>BDS Clause 5.4<br/>Page 41</p> <p><b>xxx</b></p> <p>The Bidder must have completed, within the period specified in the Invitation to Bid and ITB Clause 12.1(a)(ii), a single contract that is similar to this Project, equivalent to at least fifty percent (50%) of the ABC.</p> <p>For this purpose, similar contracts shall refer to any</p> <p><input type="checkbox"/> Contract for Supply and Delivery of Agricultural Tools and Equipment</p> <p>xxx</p> <p>Ms. Aguila of Universal Commercial asked if the Approved Budget of the Contract (ABC) amount of 74,619,520.64 only pertains to the one (1) lot bidding of the project. Furthermore, she asked if this amount can be aggregated from two (2) similar contracts.</p> <p><b>The Chairperson took note of this matter for review and discussion</b></p> |

**with the End-User.**

Ms. Aguila then suggested to divide the lot per region. She manifested that bidding the project in just one (1) lot is not possible considering the number of the recipient regions. She made an example that the price for the delivery of items to the Region IV-A is different from that of the Region IV-B. It was likewise mentioned that maybe the same is the cause for the two (2) failed biddings of this project.

**The Chairperson clarified that there are participants in the last two (2) failed biddings and the only reason for its failure is non-compliance with the technical specifications and bidders participated with consideration of the distribution of the items nationwide. He emphasized that the financial offer of those bidders have already included the freight cost for the delivery.**

Ms. Aguila contested that the price may have already varied since the budget allocated for this project is within the financial year of 2016 and 2017.

**The Chairperson explained that the bidding was conducted this year 2019.**

**Moreover, the Regular Member raised that the actual budget from the project has been undertaken by the End-User and their agency units. Furthermore, she clarified that the budget is included in the General Appropriation Act (GAA), as passed by the Congress. Procurement Service (PS) has conducted a market survey and validation of this agency among many others. While the Committee understands her concern, the matter will be taken into consideration with the End-User and as clarified by the Chairperson the reason for the failed bidding on the other two (2) is not about the freight cost or anything on the delivery but with the issue of technical compliance in one or two of the items.**

**As to the division of the lot per region, the Regular Member stated that the End-User has different rationalization on why they put this in a lot. Nonetheless, this matter will be discussed with the Department of Education (DepEd) and any changes that will be made will be published through the issuance of the bid bulletin.**

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Mr. Limbuan of Nikka Trading sought to know if a contract involving hand tools can be considered for the similar contract.

**The Chairperson asked for the specific item since hand tools can be**

**of different kinds.**

Mr. Limbuan answered that the contract involves the delivery of hardware materials like hammer, grinder, and shovel.

**The Chairperson manifested that the similar contract shall only refer to any contract for supply and delivery of agricultural tools and equipment such as hand tractor and the like.**

**The Regular Member clarified that hand tools are very general. If they have a contract for hand tools and has details for all the items that is similar to the items to be bid the same can be considered. However, to be cautious, the Regular Member advised against it for the reason that the Technical Working Group (TWG) may find it different from what the bidding requires.**

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Ms. Aguila asked if the project requires installation and training and if so she observed that the budget does not include the same.

**The Chairperson asserted that the installation is not required. As for the training, he stated it was included in the price monitoring, hence, its cost has been considered in the ABC.**

In response, Ms. Aguila clarified that their company was one of the recipients of the request for quotation pertaining to this bidding project and that the training is not part of the estimate.

**The Chairperson then explained that the price monitoring was conducted last year. He clarified that the request for quotation that they have received this July 2019 is from a different bidding project.**

**The Regular Member emphasized that the procurement of all government agencies are limited to what is allowed by the GAA as passed by the Congress. In this regard, the market survey is done by the End-User units and they asked for the participation from the actual market and the requirement is for the agency to collect at least three (3) quotations whose offer complies with the required technical specifications. From there, the lowest price will be adopted as the ABC.**

**On the matter of budget adjustment, the Regular Member explained that there are two (2) levels of adjustments, one is on the exchange rate and the second is on the inflation. If the project fails for the second (2<sup>nd</sup>) time, it is the prerogative of the End-User**

to adjust the prices accordingly but still dependent and limited by the actual budget as approved on the GAA. Thus, if the prospective bidder finds the ABC to be low, the fact is that there are distributors who were able to provide the quotation for the same item. Relevant to the question on the freight cost, training, and installation, all these are factored in since the End-User agency is required by the Commission on Audit (COA) to provide a breakdown of requirements and their respective prices. Hence, the breakdown of prices already includes the price of the item, delivery cost, and expenses. The breakdown of prices is not reflected in the bidding document since what is only included therein is the actual ABC of the project.

Ms. Aguila requested to see the breakdown of prices and how they priced the cost of training for every personnel.

**The Regular Member answered that everything has been factored in by the End-User and in fact it is the very ratio and spirit of competitive bidding where it is up for the bidders on how they are going to price their offered item based on the ceiling amount provided by the bidding document. She assured the prospective bidders that the End-User has already studied their ABC, the requirements, and everything has been factored in and it is up to the suppliers on how they want to play it around with the pricing which is why the delivery costing and other factors are not reflected in the actual bidding document.**

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One of the prospective bidders sought to clarify the requirement of the GPPB for the Amtech Test Result of the items under agricultural machinery specifically for the hand tractor.

**The Chairperson took note of this matter and for review by the End-User.**

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BDS Clause 29.2  
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7. Bidder's notarized certificate of warranty for the following:

- One (1) year warranty on parts and services – Cart, Chain saw, portable, Knapsack Sprayer, Moisture Meter, pH Meter, Pipe Threader and

Power Sprayer;

- One (1) year warranty on parts except consumables (i.e. spark plug, cutter blade, etc.) and three (3) years on services – Mower (grass cutter);

- One (1) year warranty on parts and three (3) years on services – Hand Tractor

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**The Vice Chairperson emphasized the reckoning period of the warranty period which is from the date of the acceptance by the recipient school.**

A supplier asked if the warranty for services can be lessen to one (1) year. He averred that a Grass Cutter which is always in used may at all times be in need of service. He then made use as example the schools located in Mindanao that may claim the warranty for services for three (3) years.

The same concern is likewise raised by Ms. Ochovillo of Lakas Agricultural Manufacturing.

**The Chairperson took note of this concern for discussion with the End-User.**

**The Vice Chairperson manifested that a service manual may help the recipient school in answering minimal detail regarding the proper use of Grass Cutter, hence, it may not be a problem with the supplier if the hitch on the machine is just caused by nominal problem and it is not necessary for them to go directly to the school.**

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BDS Clause 29.2

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**7.** List of Service Centers with company trained technician located on the following areas: (For items: Chain saw, Hand Tractor, Lawn Mower, Pipe threader and Power Sprayer):

a. At least One (1) per recipient Region;

b. At least Two (2) in NCR;

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|  | <p>c. At least One (1) in Cebu; and</p> <p>d. At least One (1) in Davao City</p> <p>- The following details must be provided in the list, to wit:</p> <ol style="list-style-type: none"> <li>1. Company name;</li> <li>2. Contact Person/s;</li> <li>3. Address;</li> <li>4. Contact numbers; and</li> <li>5. Name of trained technician</li> </ol> <p>xxx</p> <p><b>The Chairperson reminded the prospective bidders that the TWG is thoroughly checking these service centers that the bidder has provided in their bid proposal. He informed them that for the previous bidding, this became a cause for disqualification.</b></p>   |
| <p><b>GENERAL CONDITIONS OF CONTRACT</b></p>     | <p>NO FURTHER DISCUSSION</p>  |
| <p><b>SPECIAL CONDITIONS OF THE CONTRACT</b></p> | <p>SCC Clause 10.3<br/>Page 72</p> <p><b>xxx</b></p> <p>For the initial progress payment, minimum of 25% of the Contract Price shall be paid to the Supplier upon complete delivery to the recipient schools and duly accepted by school’s representatives.</p> <p>Supplier may request for subsequent payment upon complete delivery of another 25% of the Contract Price. Final payment shall be released after complete delivery and acceptance of all items by the remaining schools.</p> <p>xxx</p> <p>A prospective bidder sought to clarify the 25% payment in the aforementioned provision.</p> <p><b>Engr. Hoshina answered that the 25% initial payment mentioned in the bidding document pertains to the 25% amount of the</b></p> |

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|  | <p><b>contract price.</b></p> <p><b>The Vice Chairperson informed the prospective bidders that prior to delivery, the supplier must notify the Procurement Service-Inspection Division of the date and schedule of the said delivery.</b></p> <p><b>On the matter of payment, the End-User clarified that the 25% initial payment pertains to the delivery and completion of at least 25% of the total packages.</b></p> <p><b>To further clarify this matter, Engr. Hoshina announced that this will be included in the bid bulletin.</b></p>   |
| <p><b>SCHEDULE OF REQUIREMENTS</b></p>         | <p>NO QUESTION FROM THE PROSPECTIVE BIDDERS</p>  |
| <p><b>SUBMISSION OF SAMPLE/ DEMO UNITS</b></p> | <p>NO QUESTION FROM THE PROSPECTIVE BIDDERS</p>  |
| <p><b>TECHNICAL SPECIFICATIONS</b></p>         | <p><b>Lot No. 1: SUPPLY and DELIVERY OF TOOLS AND EQUIPMENT FOR TECHNICAL-VOCATIONALLIVELIHOOD SPECIALIZATIONS FOR PUBLIC SENIOR HIGH SCHOOLS</b></p> <p>Technical Specifications<br/>Item No. 4: Hand Tractor<br/>Page 83</p> <p><b>xxx</b></p> <ul style="list-style-type: none"> <li>• Power : 7 hp (min.)</li> </ul> <p>xxx</p> <ul style="list-style-type: none"> <li>• Disc plough o Material: High carbon steel plough</li> </ul> <p>xxx</p> <p>A prospective bidder raised that the requirement for a three (3) disc plough is only compatible with a power of at least ten (10) hp.</p> <p><b>The Chairperson stated that this requirement will be revisited for clarification with the End-User.</b></p> <p>Furthermore, she contested that a disc plough is impossible to comply with since a disc plough for a small unit Hand Tractor as required by the End-User is only a disc plate.</p> |



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|                         | <p><b>The Vice Chairperson recommended to put this issue in writing to make it all official and in record</b></p> <p>xxx</p> <p>Technical Specifications<br/>Item No. 1: Booth<br/>Page 80</p> <p>xxx</p> <p>Canopy Material: nylon canvass *</p> <p>xxx</p> <p><b>The Chairperson reminded the prospective bidders that for purposes of post-qualification of canopy material, bidders are required to submit two (2) 1x1 swatches of the nylon canvass.</b></p> <p>xxx</p> <p><b>Engr. Hoshina emphasized that in case the bidder opt to clarify matter with regards to the bidding document, they may put it in writing and send it on or before 11 October 2019 to be answered by the Committee through the issuance of the bid bulletin on 16 October 2019.</b></p> <p>xxx</p> <p>Technical Specifications<br/>Item No. 5: Knapsack Sprayer<br/>Page 84</p> <p>One of the prospective bidders observed that the ABC for the item is a bit low.</p> <p><b>The Chairperson answered that during the previous bidding of this item there are bidders who participated in the bidding that complied with the requirement with consideration to the provided ABC, holding cost, and freight cost.</b></p> <p>xxx</p> <p><b>The Chairperson announced that a bid bulletin will be issued reflecting the updated illustrations of the item to be bid.</b></p> |
| <p><b>BID FORMS</b></p> | <p><b>Engr. Hoshina stated that the bidder is required to sign each and every page of the Bid Form; failure to do so is a ground for disqualification.</b></p>  |

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|  | <p><b>He likewise reminded the prospective bidders that the Schedule of Prices is an integral part of the Bid Form. Hence, the same must be signed by the company’s authorized representative in every page.</b></p> |
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| <b>OTHER MATTERS</b> | <p>A supplier asked if a satellite office can be considered as service center.</p> <p><b>The Chairperson answered in the affirmative and stated that a satellite office will suffice.</b></p> <p><b>xxx</b></p> <p>Moreover, one of the suppliers inquired if they can only provide one (1) service center for the major islands since the same is easily accessible from the recipient schools. Also, for purposes of post-qualification she requested to give them allowance whenever a notice is being sent to them since sometimes their personnel are having problems with the communication.</p> <p><b>The Chairperson explained that it is the main reason why the Committee encourages the bidders to provide various contact details for easier communication.</b></p> <p><b>xxx</b></p> <p><b>The Chairperson instructed Engr. Hoshina to read before the prospective bidders the advisory regarding illegal solicitation and misrepresentation issued by the Procurement Service-Legal Division.</b></p> |
| <b>ADJOURNMENT</b>   | <p>Having no other matters for discussion, the meeting was adjourned at 12:00 PM</p>  |
| <b>CERTIFICATION</b> | <p>We certify that the foregoing is the true account of <b>Pre-bid Conference</b> conducted on October 9, 2019.</p>   |
| <b>PREPARED BY</b>   | <p>(SGD.)<br/> <b>MS. ROSEMARIE N. ANDULAN</b><br/> BAC SECRETARIAT</p>   |

CERTIFIED CORRECT

(SGD.)

**DIR. RAUL LAROSA**

Ad Hoc Member, Bids and Awards Committee V

(SGD.)

**MR. ARNEL B. CUNANAN**

PMOIC, Bids and Awards Committee V

(SGD.)

**ATTY. MICHELLE ANNE B. RECTO**

Regular Member, Bids and Awards Committee V

(SGD.)

**MR. JACK G. MERCADO**

Vice Chairperson, Bids and Awards Committee V

(SGD.)

**MR. WEBSTER M. LAUREÑANA**

Chairperson, Bids and Awards Committee V