JANITORIAL MANPOWER SERVICES AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

This Agreement made and entered into by and between:

THE DEPARTMENT OF BUDGET AND MANAGEMENT, a government agency created by virtue of laws of the Philippines, with principal office address at Mabini Hall, Malacanang, Manila, represented herein by its Secretary, **FLORENCIO B. ABAD**, hereinafter called the **"DBM"**;

-and-

DBP Service Corporation, a duly authorized and bonded security agency organized and existing under the laws of the Republic of the Philippines, and with principal office at 2/F Executive Building Center, Sen. Gil Puyat corner Makati Avenue, Makati City, represented by its President, **MR. RODOLFO C. MANALIGOD,** hereinafter referred to as the **"CONTRACTOR"**.

W I T N E S S E T H:

WHEREAS, the DBM requires the services of a qualified contractor for the provision of janitorial manpower services to its officials, personnel, offices and environment;

WHEREAS, the Approved Budget for the Contract (ABC) is Nine Million Pesos (P9,000,000.00);

WHEREAS, in line with this project, an Invitation to Bid (ITB) was published in the Philippine Star on November 3, 2010 and posted in the PHILGEPS, DBM website and in conspicuous bulletin boards from November 3 to 9, 2010;

WHEREAS, the Pre-Bid Conference was conducted on November 17, 2010;

WHEREAS, Supplemental/Bid Bulletin was issued on November 24, 2010 to clarify, modify and amend items in the Bid Documents;

WHEREAS, the submission and opening of bids was held on December 2, 2010 and the CONTRACTOR's bid was found to be the Lowest Calculated Bid in the amount of Seven Million Nine Hundred Seventy One Thousand Five Hundred Ninety Two Pesos and Eight Centravos (P7,971,592.08) and after the conduct of post qualification was declared to be the Lowest Calculated and Responsive Bid (LCRB) in accordance with Republic Act (R.A.) No. 9184 and its Implementing Rules and Regulations Part A (IRR-A);

WHEREAS, the result of the bidding was submitted to the DBM Secretary for the approval of the Award of the Contract to the CONTRACTOR under BAC Resolution No. 2011-01 dated January 5, 2011;

WHEREAS, on January 20, 2011, the DBM Secretary approved the said BAC Resolution recommending the award of the contract to the CONTRACTOR in the amount of Seven Million Nine Hundred Seventy One Thousand Five Hundred Ninety Two Pesos and Eight Centravos (P7,971,592.08) per annum for a period of one (1) year, renewable yearly or until 2012 subject to the provisions embodied in the Special Conditions of Contract attached hereto and made an integral part of this Agreement;

WHEREAS, there is a need to move the effectivity of this service agreement considering the stringent requirement of the Presidential Security Group that all janitors to be deployed in DBM should first undergo a background investigation;

NOW, THEREFORE, for and in consideration of the foregoing premises, the parties hereby mutually stipulate and agree as follows:

1. The following documents shall be deemed to form and to be read and construed as part of this Agreement, namely:

Annex No.	Description of Document	No. of Pages
A	Invitation to Bid	2
B	Bid Bulletin No. 1	5
C	Instructions to Bidders	26
D	Bid Data Sheet	7
E	Section VI. Schedule of Requirements	1
F	Section VII. Technical Specifications	3
G	Manpower Complement/Deployment	1
H	Financial Proposal Submission Sheet	1
I	Detailed Computation of Bid Proposal	1
J	General Conditions of Contract	15
K	Special Conditions of Contract	3
L	Housekeeping Plan	13

2. In this Agreement, the words and expressions shall have the same meanings as are respectively assigned to them in the General Conditions of this Agreement/Contract.

3. In consideration of the payments to be made by DBM to the CONTRACTOR, the CONTRACTOR hereby covenants with DBM to the services in conformity in all respects with the provisions of this Agreement.

4. The DBM hereby agrees to pay the CONTRACTOR in consideration of the performance of the Services such amounts as may become payable under the provisions of this Agreement at the times and in the manner prescribed herein.

5. This Agreement shall take effect upon signing of the herein parties.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement this 27th day of January , 2011 in the DBM, Malacanang, Manila Philippines.

DEPARTMENT OF BUDGET AND MANAGEMENT
By:

FLORENCIO B. ABAD
Secretary

DBP SERVICE CORPORATION

RODOLFO C. MANALIGOD
President

SIGNED IN THE PRESENCE OF:

VIRGINIA G. GARRIEL
Director, AS-DBM

EDGAR F. CHAVEZ
Executive Vice President

Funds Available:
ESPERANZA Q. IGNACIO
Chief Accountant

OBR# 2011-1-0054
1/21/2011

A C K N O W L E D G E M E N T

REPUBLIC OF THE PHILIPPINES)
CITY OF MANILA) S.S.

MAKATI CITY

BEFORE ME, a Notary Public for and in the City of Manila, Philippines on this ___ day of JAN 3 1 2011, 2011, personally appeared the following:

NAME	VALID ID	DATE & PLACE ISSUED
FLORENCIO B. ABAD	DRIVERS LICENSE # N02-88-080360	
RODOLFO C. MANALIGOD	CTC #09127523 / SSS #: 03-8657473-7	01/03/2011 – MANILA

known to me to be the same persons who executed the foregoing Agreement and who acknowledged to me that the same is their free and voluntary act and deed and of the entities they respectively represent.

The **CONTRACT FOR JANITORIAL MANPOWER SERVICES FOR CY 2011** was signed by the parties and their material witnesses on each and every page thereof.

WITNESS MY HAND AND SEAL this ____ day of JAN 3 1 2011, 2011.

ARCHIBALD R. RELLOSA
NOTARY PUBLIC
UNTIL DEC.31, 2011
PTR NO.2670566, 01-07-2011 MAKATI CITY
IBP NO. 817034, 01-06-2011 PASIG CITY
APPOINTMENT NO. M-194 (2010-2011)
MCLE EXEMPTION NO.I -003093
ROLL NO.4375/TIN # 434-0752287

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REPUBLIC OF THE PHILIPPINES

DEPARTMENT OF BUDGET AND MANAGEMENT

1. The Department of Budget and Management (DBM) through the Fiscal Years (FYs) 2011 to 2012 General Appropriations Act (GAA) intends to apply the sum of Nine Million Pesos (P9,000,000.00) being the Approved Budget for the Contract (ABC) to payments under the contract for the "Provision of Janitorial Manpower Services for FY 2011". Bids received in excess of the ABC shall be automatically rejected at bid opening.

2. The DBM now invites bids for the "Provision of Janitorial Manpower Services for FYs 2011 to 2012". Delivery of the Goods/Services is required upon receipt of Notice of Proceed.

3. Bidders should have completed, within three (3) years prior to the Pre-bid Conference on November 16, 2010, a contract similar to the Project. The description of an eligible bidder is contained in the Bidding Documents, particularly, in Section II. Instructions to Bidders (ITB).

4. Bidding will be conducted through open competitive bidding procedures using a non-discretionary "pass/fail" criterion as specified in the Revised Implementing Rules and Regulations of Republic Act No. 9184, otherwise known as the "Government Procurement Reform Act".

5. Interested bidders may obtain further information from the DBM Bids and Awards Committee (BAC) Secretariat and inspect the Bidding Documents at the address given below during office hours from 9:00 a.m. to 3:00 p.m.

6. A complete set of Bidding Documents may be purchased by interested Bidders on November 3, 2010 from the address below and upon payment of a nonrefundable fee for the Bidding Documents in the amount of Five Thousand Pesos only (P5,000.00). It may also be downloaded free of charge from the website of the Philippine Government Electronic Procurement System and the website of the Procuring Entity, provided that Bidders shall pay the nonrefundable fee for the Bidding Documents not later than the submission of their bids.

7. The DBM BAC will hold a Pre-Bid Conference on November 16, 2010, 10:00 a.m. at the Administrative Service (AS) Conference Room, Ground Floor, Mabini Hall, Malacañang, Manila, which shall be open to all interested parties.

8. A site inspection, to be assisted by AS Staff, is scheduled on November 11, 2010. Bidders are requested to proceed at the AS Conference Room, Ground Floor, Mabini Hall, Malacañang, Manila.

9. Bids must be delivered to the address below on or before December 2, 2010 at 10:00 a.m. All Bids must be accompanied by a bid security in any of the acceptable forms and in the amount stated in ITB Clause 18.

Bid opening shall be on December 2, 2010, 10:00 a.m. at the AS Conference Room, Ground Floor, Mabini Hall, Malacanang, Manila. Bids will be opened in the presence of the Bidders' representatives who choose to attend at the address below. Late bids shall not be accepted.

10. The bidders shall drop three (3) copies of their duly accomplished eligibility requirement, technical and financial proposals in two (2) separate sealed envelopes in the bid box located at the abovementioned address.

11. The DBM reserves the right to accept or reject any bid, to annul the bidding process, and to reject all bids at any time prior to contract award, without thereby incurring any liability to the affected bidder or bidders.

12. For further information, please refer to:

Ms. Jocelyn T. Centeno
DBM-BAC Secretariat
Department of Budget and Management
Mabini Hall, Malacanang, Manila
Tel. No. 7354921; Fascimile No.: 7354979/7351957
Email address: jcenteno@dbm.gov.ph

DIR. ROWENA CANDICE M. RUIZ
Vice Chairperson, DBM BAC

ANNEX "B"

bunnyREPUBLIC OF THE PHILIPPINES

Department of Budget and Management

Malacañang, Manila

Telephone Nos. 735-49-02/735-4921 Fax No. 735-4979

Website Address: www.dbm.gov.ph

SUPPLEMENTAL/BID BULLETIN

ADDENDUM NO. 1

(Janitorial Manpower Services for CY 2011-2012)

This Addendum No. 1 dated November 24, 2010 is issued to clarify, modify or amend items in the Bidding Documents, which shall form an integral part thereof:

ISSUES	CLARIFICATIONS/AMENDMENTS
Bid Data Sheet (BDS) **Item 5.4** - The Bidder must have completed within three (3) years prior to Pre-Bid conference on November 16, 2010, a single contract that is similar to the Project at hand and whose value must be at least fifty percent (50%) of the ABC to be bid. Such contract must be part of, or included in, the Statement under Item 12.1(a)(iii) hereof.	
A copy of the Single Largest Contract and proof of completion, i.e. ***certificate of final acceptance*** from the bidder's client or official receipt of the bidder, shall be submitted by all the bidders as part of the first envelop. Failure to submit the above requirements or a finding against the veracity of such shall be a ground for the forfeiture of the bid security and the disqualification of the bidder for award. For this purpose, similar contracts shall refer to the provision of security manpower services.	A copy of the Single Largest Contract and proof of completion, i.e. **certificate of Satisfactory Performance** from the bidder's client or official receipt of the last payment, shall be submitted by all the bidders as part of the first envelope.
Item 12.1(a)(i) (b) Corporations - Securities and Exchange Commission (SEC) Certificate of Registration or SEC Certificate of Filing of Amended Articles of Incorporation.	SEC registration certificate shall be supported with the Articles of Incorporation.

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Item 13.1.(c) Detailed computation of bid shall be in accordance with NCR Wage Order No. 15 dated June 18, 2010.	As part of the financial envelope, bidders shall submit the following: 1) Original Financial Proposal Submission Sheet under Section VIII. Bidding Forms; 2) Annex"D" under Section VIII. Bidding Forms; and 3) The specific/detailed computation of bid, which shall be in accordance with the latest Wage Order for the National Capital Region.
Item 29.2 Within a non-extendible period of three (3) calendar days from receipt by the bidder of the notice from the BAC that it submitted the Lowest Calculated Bid, the Bidder shall submit the following documentary requirements: 1) Latest Income and Business Tax Returns per Revenue Regulations 3-2005 2) Proofs of Payment are as follows xxxxxxxx	**Item 29.2 <u>(b) and (d)</u>** Within a non-extendible period of three (3) calendar days from receipt by the bidder of the notice from the BAC that it submitted the Lowest Calculated Bid, the Bidder shall submit the following documentary requirements: a) Tax Clearance per Executive Order 398, series of 2005; **<u>b)</u>** Latest Income and Business Tax Returns: (1) 2009 Income Tax Return and Proof of Payment; and (2) VAT Returns (Forms 2550M and 2550Q) or Percentage Tax Returns (2551M) and proofs of payment covering the months of May to October 2010. Proofs of Payment are as follows: a) EFPS confirmation receipt; or b) BIR payment confirmation receipt/status; and **<u>c)</u>** Certificate of PHILGEPS Registration.
Section VII. Technical Specifications **Item II. Technical Evaluation Parameters** **1) Stability** a) Years of experience – At least 5 years in the business b) Liquidity of the Contractor – At least 5Million (Current Assets minus stocks	In addition to the statement of compliance with Section VII. Technical Specifications, bidder shall submit the following: a) Company Profile containing a narrative statement about each parameter, i.e., 1) stability; 2) resources; and 3) other factors.

minus current liabilities based on Balance Sheet as of December 31, 2009) c) Organizational Set-up – with good office set-up, personnel and office tools and equipment **2) Resources** a) Number and Kind of Equipment and Supplies – with the minimum number and kind of equipment and supplies as specified in Section VI. Schedule of Requirements b) Number of Janitors – with at least 50 Janitors c) Number of Supervisors – with at least 5 Supervisors **3) Housekeeping Plan** – Tailored fit for DBM in accordance with the minimum requirements below. State/enumerate the specific methodology to execute the Plan. **4) Other Factors** a) Recruitment and Selection Criteria: training conducted for the janitors before deployment, educational and age requirements and others b) Completeness of Uniforms and Other Paraphernalia	b) Bidder shall also submit a House Keeping Plan tailored fit for DBM, with a specific methodology to execute the Plan, in accordance with the minimum requirements enumerated in Item III. Section VII. Technical Specifications.
Section VIII. Bidding Forms **Annex "C"** Instructions: a) State all ongoing contracts including those awarded but not yet stated within three (3) years (government and private contracts which may be similar or not similar to the project being bidded) prior to ***September 30, 2010***	a) State all ongoing contracts including those awarded but not yet stated within three (3) years (government and private contracts which may be similar or not similar to the project being bidded) prior to ***November 16, 2010***
Annex "C-1" Instructions: a) Cut-off date is ***September 30, 2010***	a) Cut-off date is ***November 16, 2010***

Other matters:

- Attached for guidance/reference is checklist of requirements.
- **Late Bids shall not be accepted.** The deadline for submission and receipt of Bids is on **December 2, 2010 at 10:00 a.m.** The DBM bundy clock time shall be followed. Opening of bids will immediately follow thereafter.

- The "**No Contact Rule**" shall be strictly observed. Bidders are not allowed to call or talk to any member of the Department of Budget and Management (DBM) Bids and Awards Committee (BAC), Technical Working Group and Secretariat effective December 2, 2010 right after the opening of bids.

For guidance and information of all concerned.

DIR. VIRGINIA G. GARRIEL
Alternate Vice Chairperson
DBM BAC

JANITORIAL MANPOWER SERVICES FY 2011-2012

CHECKLIST OF REQUIREMENTS

	ITEM / DESCRIPTION	
12. Eligibility and Technical Documents		
(a) Eligibility Documents		
(I)	Registration certificate from SEC/DTI/CDA with Articles of Incorporation	
(ii)	Valid and Current Mayor's Permit	
(iii)	Statement of All ongoing private and government contracts within three (3) years prior to November 16, 2010, including contracts awarded but not yet started, if any	
	Statement of ALL completed government and private contracts which are similar in nature	
	Photo copy of single largest completed contract (at least 50% of the ABC) and proof of completion (Certificate of Satisfactory Performance from the bidder's client for the duration of the Contract or O.R. of the last payment.	
(iv)	Audited Financial Statement for the preceding calendar year, which should not be earlier than two (2) years from the date of bid submission	
(v)	Net Financial Contracting Capacity (NFCC); or Credit Line Certificate - (10% of the ABC - P900,000.00)	
(b) Technical Documents		
(i)	Bid Security (a) Cash or cashier's/manager's check, bank draft/guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank - 2% of the ABC (P180,000.00)	
	(b) Surety bond- 5% of the ABC (P450,000.00)	
	Confirmation / Certificating from the Insurance Company	
	(c) Any combination of the foregoing	
(ii)	Compliance with Section VI. Schedule of Requirements	
	Compliance with Section VII. Technical Specifications Company Profile with narrative statement about each parameter i.e. 1) stability; 2) Resources; 3) other factors	
	2) Housekepping Plan with specific methodology to execute the same	
(iii)	Omnibus Sworn Statement	
	Authority of the Signatory	
(c) Financial Documents		
a)	Original Financial Proposal Submission Sheet	
b)	Annex "D"	
c)	Specific Detailed Computation of Bid	

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Section II. Instructions to Bidders

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A. General

1. Scope of Bid

1.1 The procuring entity named in the BDS (hereinafter referred to as the "Procuring Entity") wishes to receive bids for supply and delivery of the goods as described in Section VII. Technical Specifications (hereinafter referred to as the "Goods").

1.2 The name, identification, and number of lots specific to this bidding are provided in the **BDS**. The contracting strategy and basis of evaluation of lots is described in **ITB** Clause 28.

2. Source of Funds

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

3. Corrupt, Fraudulent, Collusive, and Coercive Practices

3.1 The Procuring Entity as well as the bidders and suppliers shall observe the highest standard of ethics during the procurement and execution of the contract. In pursuance of this policy, the Procuring Entity:

(a) defines, for purposes of this provision, the terms set forth below as follows:

(i) "corrupt practice" means behavior on the part of officials in the public or private sectors by which they improperly and unlawfully enrich themselves, others, or induce others to do so, by misusing the position in which they are placed, and includes the offering, giving, receiving, or soliciting of anything of value to influence the action of any such official in the procurement process or in contract execution; entering, on behalf of the government, into any contract or transaction manifestly and grossly disadvantageous to the same, whether or not the public officer profited or will profit thereby, and similar acts as provided in RA 3019.

(ii) "fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of the Procuring Entity, and includes collusive practices among Bidders (prior to or after bid submission) designed to establish bid prices at artificial, non-competitive levels and to deprive the Procuring Entity of the benefits of free and open competition.

(iii) "collusive practices" means a scheme or arrangement between two or more Bidders, with or without the knowledge of the Procuring Entity, designed to establish bid prices at artificial, non-competitive levels.

(iv) "coercive practices" means harming or threatening to harm, directly or indirectly, persons, or their property to influence their participation in a procurement process, or affect the execution of a contract;

(b) will reject a proposal for award if it determines that the Bidder recommended for award has engaged in any of the practices mentioned in this Clause for purposes of competing for the contract.

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

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

4. Conflict of Interest

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

(a) A Bidder has controlling shareholders in common with another Bidder;

(b) A Bidder receives or has received any direct or indirect subsidy from any other Bidder;

(c) A Bidder has the same legal representative as that of another Bidder for purposes of this bid;

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

(e) A Bidder submits more than one bid in this bidding process. However, this does not limit the participation of subcontractors in more than one bid; or

(f) A Bidder who participated as a consultant in the preparation of the design or technical specifications of the Goods and related services that are the subject of the bid.

4.2 In accordance with Section 47 of the IRR of RA 9184, all Bidding Documents shall be accompanied by a sworn affidavit of the Bidder that it is not related to the Head of the Procuring Entity, members of the Bids and Awards Committee (BAC), members of the Technical Working Group (TWG), members of the BAC Secretariat, the head of the Project Management Office (PMO) or the end-user unit, and the project consultants, by consanguinity or affinity up to the third civil degree. On the part of the Bidder, this Clause shall apply to the following persons:

(a) If the Bidder is an individual or a sole proprietorship, to the Bidder himself;

(b) If the Bidder is a partnership, to all its officers and members;

(c) If the Bidder is a corporation, to all its officers, directors, and controlling stockholders; and

(d) If the Bidder is a joint venture (JV), the provisions of items (a), (b), or (c) of this Clause shall correspondingly apply to each of the members of the said JV, as may be appropriate.

Relationship of the nature described above or failure to comply with this Clause will result in the automatic disqualification of a Bidder.

5. Eligible Bidders

5.1 Unless otherwise indicated in the **BDS**, the following persons shall be eligible to participate in this bidding:

(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%) of the interest belongs to citizens of the Philippines; and

(e) Persons/entities forming themselves into a JV, *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 of the joint venture concerned shall be at least sixty percent (60%).

5.2 Foreign bidders may be eligible to participate when any of the following circumstances exist, as specified in the **BDS**:

(a) When a Treaty or International or Executive Agreement as provided in Section 4 of the RA 9184 and its IRR allow foreign bidders to participate;

(b) Citizens, corporations, or associations of a country, included in the list issued by the GPPB, the laws or regulations of which grant reciprocal rights or privileges to citizens, corporations, or associations of the Philippines;

(c) When the Goods sought to be procured are not available from local suppliers; or

(d) When there is a need to prevent situations that defeat competition or restrain trade.

5.3 Government corporate entities may be eligible to participate only if they can establish that they (a) are legally and financially autonomous, (b) operate under commercial law, and (c) are not dependent agencies of the GOP or the Procuring Entity.

5.4 Unless otherwise provided in the **BDS**, the Bidder must have completed at least one contract similar to the Project the value of which, adjusted to current prices using the National Statistics Office consumer price index, must be at least equivalent to a percentage of the ABC stated in the **BDS**.

For this purpose, contracts similar to the Project shall be those described in the **BDS**, and completed within the relevant period stated in the Invitation to Bid.

5.5 Unless otherwise provided in the **BDS**, the Bidder must submit a computation of its Net Financial Contracting Capacity (NFCC) or a commitment from a Universal or Commercial Bank to extend a credit line in its favor if awarded the contract for this Project (CLC).

The NFCC, computed using the following formula, must be at least equal to the ABC to be bid:

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

Where:

K = 10 for a contract duration of one year or less, 15 for a contract duration of more than one year up to two years, and 20 for a contract duration of more than two years.

The CLC must be at least equal to ten percent (10%) of the ABC for this Project. If issued by a foreign bank, it shall be confirmed or authenticated by a Universal or Commercial Bank. In the case of local government units (LGUs), the Bidder may also submit CLC from other banks certified by the *Bangko Sentral ng Pilipinas* (BSP) as authorized to issue such financial instrument.

6. Bidder's Responsibilities

6.1 The Bidder or its duly authorized representative shall submit a sworn statement in the form prescribed in Section VIII. Bidding Forms as required in **ITB** Clause 12.1(b)(iii).

6.2 The Bidder is responsible for the following:

(a) Having taken steps to carefully examine all of the Bidding Documents;

(b) Having acknowledged all conditions, local or otherwise, affecting the implementation of the contract;

(c) Having made an estimate of the facilities available and needed for the contract to be bid, if any; and

(d) Having complied with its responsibility to inquire or secure Supplemental/Bid Bulletin(s) as provided under **ITB** Clause 10.3.

(e) Ensuring that it is not "blacklisted" or barred from bidding by the GOP or any of its agencies, offices, corporations, or LGUs, including foreign government/foreign or international financing institution whose blacklisting rules have been recognized by the GPPB;

(f) Ensuring that 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;

(g) Authorizing the Head of the Procuring Entity or its duly authorized representative/s to verify all the documents submitted;

(h) Ensuring that the signatory is the duly authorized representative of the Bidder, and granted full power and authority to do, execute and perform any and all acts necessary and/or to represent the Bidder in the bidding, with the duly notarized Secretary's Certificate attesting to such fact, if the Bidder is a corporation, partnership, cooperative, or joint venture;

(i) Complying with the disclosure provision under Section 47 of RA 9184 in relation to other provisions of RA 3019; and

(j) Complying with existing labor laws and standards, in the case of procurement of services.

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

6.3 The Bidder is expected to examine all instructions, forms, terms, and specifications in the Bidding Documents. Unless otherwise indicated in the **BDS**, failure to furnish all information or documentation required in the Bidding Documents shall result in the rejection of the bid and the disqualification of the Bidder.

6.4 It shall be the sole responsibility of the Bidder to determine and to satisfy itself by such means as it considers necessary or desirable as to all matters pertaining to the contract to be bid, including: (a) the location and the nature of this Project; (b) climatic conditions; (c) transportation facilities; and (d) other factors that may affect the cost, duration, and execution or implementation of this Project.

6.5 The Procuring Entity shall not assume any responsibility regarding erroneous interpretations or conclusions by the prospective or eligible bidder out of the data furnished by the procuring entity.

6.6 The Bidder shall bear all costs associated with the preparation and submission of his bid, and the Procuring Entity will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the bidding process.

6.7 Before submitting their bids, the Bidder is deemed to have become familiar with all existing laws, decrees, ordinances, acts and regulations of the Philippines which may affect this Project in any way.

6.8 The Bidder should note that the Procuring Entity will accept bids only from those that have paid the nonrefundable fee for the Bidding Documents at the office indicated in the Invitation to Bid.

7. Origin of Goods

Unless otherwise indicated in the **BDS**, there is no restriction on the origin of goods other than those prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations, subject to **ITB** Clause 27.1.

8. Subcontracts

8.1 Unless otherwise specified in the **BDS**, the Bidder may subcontract portions of the Goods to an extent as may be approved by the Procuring Entity and stated in the **BDS**. However, subcontracting of any portion shall not relieve the

Bidder from any liability or obligation that may arise from the contract for this Project.

8.2 Subcontractors must comply with the eligibility criteria and the documentary requirements specified in the **BDS**. 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.

8.3 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.

B. Contents of Bidding Documents

9. Pre-Bid Conference

9.1 If so specified in the **BDS**, a pre-bid conference shall be held at the venue and on the date indicated therein, to clarify and address the Bidders' questions on the technical and financial components of this Project.

9.2 Bidders are encouraged to attend the pre-bid conference to ensure that they fully understand the Procuring Entity's requirements. Non-attendance of the Bidder will in no way prejudice its bid; however, the Bidder is expected to know the changes and/or amendments to the Bidding Documents discussed during the pre-bid conference.

9.3 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.

10. Clarification and Amendment of Bidding Documents

10.1 Bidders who have purchased the Bidding Documents may request for clarifications on any part of the Bidding Documents for an interpretation. Such a request must be in writing and submitted to the Procuring Entity at the address indicated in the **BDS** at least ten (10) calendar days before the deadline set for the submission and receipt of bids.

10.2 Supplemental/Bid Bulletins may be issued upon the Procuring Entity's initiative for purposes of clarifying or modifying any provision of the Bidding Documents not later than seven (7) calendar days before the deadline for the submission and receipt of bids. Any modification to the Bidding Documents shall be identified as an amendment.

10.3 Any Supplemental/Bid Bulletin issued by the BAC shall also be posted on the Philippine Government Electronic Procurement System (PhilGEPS) and the website of the Procuring Entity concerned, if available. It shall be the responsibility of all Bidders who secure 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 **ITB** Clause 23.

C. Preparation of Bids

11. Language of Bid

The bid, as well as all correspondence and documents relating to the bid exchanged by the Bidder and the Procuring Entity, shall be written in English. Supporting documents and printed literature furnished by the Bidder may be in another language provided they are accompanied by an accurate translation in English certified by the appropriate embassy or consulate in the Philippines, in which case the English translation shall govern for purposes of interpretation of the bid.

12. Documents Comprising the Bid: Eligibility and Technical Components

12.1 Unless otherwise indicated in the **BDS**, the first envelope shall contain the following eligibility and technical documents:

(a) Eligibility Documents –

Class "A" Documents:

(i) Registration certificate from the 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 as stated in the **BDS**;

(ii) Mayor's permit issued by the city or municipality where the principal place of business of the prospective bidder is located;

(iii) Statement of all its ongoing and completed government and private contracts within the period stated in the **BDS**, including contracts awarded but not yet started, if any. The statement shall include, for each contract, the following:

(iii.1) name of the contract;

(iii.2) date of the contract;

(iii.3) kinds of Goods;

(iii.4) amount of contract and value of outstanding contracts;

(iii.5) date of delivery; and

(iii.6) end user's acceptance or official receipt(s) issued for the contract, if completed.

(iv) Audited financial statements, stamped "received" by the Bureau of Internal Revenue (BIR) or its duly accredited and authorized institutions, for the preceding calendar year, which should not be earlier than two (2) years from bid submission;

(v) NFCC computation or CLC in accordance with **ITB** Clause 5.5; and

Class "B" Document:

(vi) If applicable, the JVA in case the joint venture is already in existence, or 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.

(b) Technical Documents –

(i) Bid security in accordance with **ITB** Clause 18. If the Bidder opts to submit the bid security in the form of:

(i.1) a bank draft/guarantee or an irrevocable letter of credit issued by a foreign bank, it shall be accompanied by a confirmation from a Universal or Commercial Bank; or

(i.2) a surety bond, it shall be accompanied by a certification by the Insurance Commission that the surety or insurance company is authorized to issue such instruments;

(ii) Conformity with technical specifications, as enumerated and specified in Sections VI and VII of the Bidding Documents; and

(iii) Sworn statement in accordance with Section 25.2(a)(iv) of the IRR of RA 9184 and using the form prescribed in Section VIII. Bidding Forms.

13. Documents Comprising the Bid: Financial Component

13.1 Unless otherwise stated in the **BDS**, the financial component of the bid shall contain the following:

(a) Financial Bid Form, which includes bid prices and the bill of quantities and the applicable Price Schedules, in accordance with **ITB** Clauses 15.1 and 15.4;

(b) If the Bidder claims preference as a Domestic Bidder or Domestic Entity, a certification from the DTI, SEC, or CDA issued in accordance with **ITB** Clause 27; and

(c) Any other document required in the **BDS**.

13.2 Unless otherwise stated in the **BDS**, all bids that exceed the ABC shall not be accepted.

14. Alternative Bids

Alternative Bids shall be rejected. For this purpose, alternative bid is an offer made by a Bidder in addition or as a substitute to its original bid which may be included as part of its original bid or submitted separately therewith for purposes of bidding. A bid with options is considered an alternative bid regardless of whether said bid proposal is contained in a single envelope or submitted in two (2) or more separate bid envelopes.

15. Bid Prices

15.1 The Bidder shall complete the appropriate Price Schedules included herein, stating the unit prices, total price per item, the total amount and the expected countries of origin of the Goods to be supplied under this Project.

15.2 The Bidder shall fill in rates and prices for all items of the Goods described in the Bill of Quantities. Bids not addressing or providing all of the required items in the Bidding Documents including, where applicable, Bill of Quantities, shall be considered non-responsive and, thus, automatically disqualified. In this regard, where a required item is provided, but no price is indicated, the same shall be considered as non-responsive, but specifying a "0" (zero) for the said item would mean that it is being offered for free to the Government.

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

15.4 Prices indicated on the Price Schedule shall be entered separately in the following manner:

(a) For Goods offered from within the Procuring Entity's country:

(i) The price of the Goods quoted EXW (ex works, ex factory, ex warehouse, ex showroom, or off-the-shelf, as applicable), including all customs duties and sales and other taxes already paid or payable:

(i.1) on the components and raw material used in the manufacture or assembly of Goods quoted ex works or ex factory; or

(i.2) on the previously imported Goods of foreign origin quoted ex warehouse, ex showroom, or off-the-shelf and any Procuring Entity country sales and other taxes which will be payable on the Goods if the contract is awarded.

(ii) The price for inland transportation, insurance, and other local costs incidental to delivery of the Goods to their final destination.

(iii) The price of other (incidental) services, if any, listed in the **BDS**.

For Goods offered from abroad:

(i) Unless otherwise stated in the **BDS**, the price of the Goods shall be quoted DDP with the place of destination in the Philippines as specified in the **BDS**. In quoting the price, the Bidder shall be free to use transportation through carriers registered in any eligible country. Similarly, the Bidder may obtain insurance services from any eligible source country.

(ii) The price of other (incidental) services, if any, listed in the **BDS**.

15.5 Prices quoted by the Bidder shall be fixed during the Bidder's performance of the contract and not subject to variation or price escalation on any account, unless otherwise specified in the **BDS**. A bid submitted with an adjustable price quotation shall be treated as non-responsive and shall be rejected, pursuant to **ITB** Clause 24.

15.6 All bid prices shall be considered as fixed prices, and therefore not subject to price escalation during contract implementation, except under extraordinary circumstances as indicated in the **BDS** and specified in the **GCC** and its corresponding **SCC** provision.

16. Bid Currencies

16.1 Prices shall be quoted in the following currencies:

(a) For Goods that the Bidder will supply from within the Philippines, the prices shall be quoted in Philippine Pesos.

(b) For Goods that the Bidder will supply from outside the Philippines, the prices may be quoted in the currency(ies) stated in the **BDS**. However, for purposes of bid evaluation, bids denominated in foreign currencies shall be converted to Philippine currency based on the exchange rate as published in the BSP reference rate bulletin on the day of the bid opening.

16.2 If so allowed in accordance with **ITB** Clause 16.1, the Procuring Entity for purposes of bid evaluation and comparing the bid prices will convert the amounts in various currencies in which the bid price is expressed to Philippine Pesos at the foregoing exchange rates.

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

17. Bid Validity

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

17.2 In exceptional circumstances, prior to the expiration of the Bid validity period, the Procuring Entity may request Bidders to extend the period of validity of their bids. The request and the responses shall be made in writing. The bid security described in **ITB** Clause 18 should also be extended corresponding to the extension of the bid validity period at the least. A Bidder may refuse the request without forfeiting its bid security, but his bid shall no longer be considered for further evaluation and award. A Bidder granting the request shall not be required or permitted to modify its bid.

18. Bid Security

18.1 The bid security in the amount stated in the **BDS** shall be equal to the percentage of the ABC in accordance with the following schedule:

Form of Bid Security	Amount of Bid Security (Equal to Percentage of the ABC)
(a) Cash or cashier's/manager's check issued by a Universal or Commercial Bank.	Two percent (2%)
(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.	
(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

For biddings conducted by LGUs, the Bidder may also submit bid securities in the form of cashier's/manager's check, bank draft/guarantee, or irrevocable letter of credit from other banks certified by the BSP as authorized to issue such financial statement.

18.2 The bid security should be valid for the period specified in the **BDS**. Any bid not accompanied by an acceptable bid security shall be rejected by the Procuring Entity as non-responsive.

18.3 No bid securities shall be returned to bidders after the opening of bids and before contract signing, except to those that failed or declared as post-disqualified, upon submission of a written waiver of their right to file a motion for reconsideration and/or protest. Without prejudice on its forfeiture, bid securities shall be returned only after the bidder with the Lowest Calculated and Responsive Bid has signed the contract and furnished the performance security, but in no case later than the expiration of the bid security validity period indicated in **ITB** Clause 18.2.

18.4 Upon signing and execution of the contract pursuant to **ITB** Clause 32, and the posting of the performance security pursuant to **ITB** Clause 33, the successful Bidder's bid security will be discharged, but in no case later than the bid security validity period as indicated in the **ITB** Clause 18.2.

18.5 The bid security may be forfeited:

(a) if a Bidder:

(i) withdraws its bid during the period of bid validity specified in **ITB** Clause 17;

(ii) does not accept the correction of errors pursuant to **ITB** Clause 28.3(b);

(iii) fails to submit the requirements within the prescribed period or a finding against their veracity as stated in **ITB** Clause 29.2; or

(iv) any other reason stated in the **BDS**.

(b) if the successful Bidder:

(i) fails to sign the contract in accordance with **ITB** Clause 32;

(ii) fails to furnish performance security in accordance with **ITB** Clause 33; or

(iii) any other reason stated in the **BDS**.

19. Format and Signing of Bids

19.1 Bidders shall submit their bids through their duly authorized representative using the appropriate forms provided in Section VIII. Bidding Forms on or before the deadline specified in the **ITB** Clauses 21 in two (2) separate sealed bid envelopes, and which shall be submitted simultaneously. The first shall contain the technical component of the bid, including the eligibility requirements under **ITB** Clause 12.1, and the second shall contain the financial component of the bid.

19.2 Forms as mentioned in **ITB** Clause 19.1 must be completed without any alterations to their format, and no substitute form shall be accepted. All blank spaces shall be filled in with the information requested.

19.3 The Bidder shall prepare and submit an original of the first and second envelopes as described in **ITB** Clauses 12 and 13. In the event of any discrepancy between the original and the copies, the original shall prevail.

19.4 The bid, except for unamended printed literature, shall be signed, and each and every page thereof shall be initialed, by the duly authorized representative/s of the Bidder.

19.5 Any interlineations, erasures, or overwriting shall be valid only if they are signed or initialed by the duly authorized representative/s of the Bidder.

20. Sealing and Marking of Bids

20.1 Unless otherwise indicated in the **BDS,** Bidders shall enclose their original eligibility and technical documents described in **ITB** Clause 12 in one sealed envelope marked "ORIGINAL - TECHNICAL COMPONENT", and the original of their financial component in another sealed envelope marked "ORIGINAL - FINANCIAL COMPONENT", sealing them all in an outer envelope marked "ORIGINAL BID".

20.2 Each copy of the first and second envelopes shall be similarly sealed duly marking the inner envelopes as "COPY NO. ___ - TECHNICAL COMPONENT" and "COPY NO. ___ – FINANCIAL COMPONENT" and the outer envelope as "COPY NO. ___", respectively. These envelopes containing the original and the copies shall then be enclosed in one single envelope.

20.3 The original and the number of copies of the Bid as indicated in the **BDS** shall be typed or written in indelible ink and shall be signed by the bidder or its duly authorized representative/s.

20.4 All envelopes shall:

(a) contain the name of the contract to be bid in capital letters;

(b) bear the name and address of the Bidder in capital letters;

(c) be addressed to the Procuring Entity's BAC in accordance with **ITB** Clause 1.1;

(d) bear the specific identification of this bidding process indicated in the **ITB** Clause 1.2; and

(e) bear a warning "DO NOT OPEN BEFORE…" the date and time for the opening of bids, in accordance with **ITB** Clause 21.

20.5 If bids are not sealed and marked as required, the Procuring Entity will assume no responsibility for the misplacement or premature opening of the bid. Moreover, failure to comply with the required sealing and marking of bids shall be a ground for disqualification.

D. Submission and Opening of Bids

21. Deadline for Submission of Bids

Bids must be received by the Procuring Entity's BAC at the address and on or before the date and time indicated in the **BDS**.

22. Late Bids

Any bid submitted after the deadline for submission and receipt of bids prescribed by the Procuring Entity, pursuant to **ITB** Clause 21, shall be declared "Late" and shall not be accepted by the Procuring Entity.

23. Modification and Withdrawal of Bids

23.1 The Bidder may modify its bid after it has been submitted; provided that the modification is received by the Procuring Entity prior to the deadline prescribed for submission and receipt of bids. The Bidder shall not be allowed to retrieve its original bid, but shall be allowed to submit another bid equally sealed, properly identified, linked to its original bid marked as "TECHNICAL MODIFICATION" or "FINANCIAL MODIFICATION" and stamped "received" by the BAC. Bid modifications received after the applicable deadline shall not be considered and shall be returned to the Bidder unopened.

23.2 A Bidder may, through a Letter of Withdrawal, withdraw its bid after it has been submitted, for valid and justifiable reason; provided that the Letter of Withdrawal is received by the Procuring Entity prior to the deadline prescribed for submission and receipt of bids.

23.3 Bids requested to be withdrawn in accordance with **ITB** Clause 23.1 shall be returned unopened to the Bidders. A Bidder may also express its intention not to participate in the bidding through a letter which should reach and be stamped by the BAC before the deadline for submission and receipt of bids. A Bidder that withdraws its bid shall not be permitted to submit another bid, directly or indirectly, for the same contract.

23.4 No bid may be modified after the deadline for submission of bids. No bid may be withdrawn in the interval between the deadline for submission of bids and the expiration of the period of bid validity specified by the Bidder on the Financial Bid Form. Withdrawal of a bid during this interval shall result in the forfeiture of the Bidder's bid security, pursuant to **ITB** Clause 18.5, and the imposition of administrative, civil and criminal sanctions as prescribed by RA 9184 and its IRR.

24. Opening and Preliminary Examination of Bids

24.1 The BAC shall open the first bid envelopes of Bidders in public as specified in the **BDS** to determine each Bidder's compliance with the documents prescribed in **ITB** Clause 12. 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. 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".

24.2 Immediately after determining compliance with the requirements in the first envelope, the BAC shall forthwith open the second bid envelope of each remaining eligible bidder whose first bid envelope was rated "passed". The second envelope of each complying bidder shall be opened within the same day. In case one or more of the requirements in the second envelope of a particular bid is missing, incomplete or patently insufficient, and/or if the submitted total bid price exceeds the ABC unless otherwise provided in **ITB** Clause 13.2, the BAC shall rate the bid concerned as "failed". Only bids that are determined to contain all the bid requirements for both components shall be rated "passed" and shall immediately be considered for evaluation and comparison.

24.3 Letters of withdrawal shall be read out and recorded during bid opening, and the envelope containing the corresponding withdrawn bid shall be returned to the Bidder unopened. If the withdrawing Bidder's representative is in attendance, the original bid and all copies thereof shall be returned to the representative during the bid opening. If the representative is not in attendance, the bid shall be returned unopened by registered mail. The Bidder may withdraw its bid prior to the deadline for the submission and receipt of bids, provided that the corresponding Letter of Withdrawal contains a valid authorization requesting for such withdrawal, subject to appropriate administrative sanctions.

24.4 If a Bidder has previously secured a certification from the Procuring Entity to the effect that it has previously submitted the above-enumerated Class "A" Documents, the said certification may be submitted in lieu of the requirements enumerated in **ITB** Clause 12.1(a), items (i) to (v).

24.5 In the case of an eligible foreign Bidder as described in **ITB** Clause 5, the Class "A" Documents described in **ITB** Clause 12.1(a) may be substituted with the appropriate equivalent documents, if any, issued by the country of the foreign Bidder concerned.

24.6 Each partner of a joint venture agreement shall likewise submit the requirements in **ITB** Clauses 12.1(a). Submission of documents required under **ITB** Clauses 12.1(b) by any of the joint venture partners constitutes compliance.

24.7 A Bidder determined as "failed" has three (3) calendar days upon written notice or, if present at the time of bid opening, upon verbal notification, within which to file a request or motion for reconsideration with the BAC: Provided, however, that the motion for reconsideration shall not be granted if it is established that the finding of failure is due to the fault of the Bidder concerned: Provided, further, that 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 motion for reconsideration, the BAC shall

keep the bid envelopes of the said failed Bidder unopened and/or duly sealed until such time that the motion for reconsideration or protest has been resolved.

24.8 The Procuring Entity shall prepare the minutes of the proceedings of the bid opening that shall include, as a minimum: (a) names of Bidders, their bid price, bid security, findings of preliminary examination; and (b) attendance sheet. The BAC members shall sign the abstract of bids as read.

E. Evaluation and Comparison of Bids

25. Process to be Confidential

25.1 Members of the BAC, including its staff and personnel, as well as its Secretariat and TWG, are prohibited from making or accepting any kind of communication with any bidder regarding the evaluation of their bids until the issuance of the Notice of Award, unless otherwise allowed in the **BDS** or in the case of **ITB** Clause 26.

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

26. Clarification of Bids

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

27. Domestic Preference

27.1 Unless otherwise stated in the **BDS**, the Procuring Entity will grant a margin of preference for the purpose of comparison of bids in accordance with the following:

(a) The preference shall be applied when (i) the lowest Foreign Bid is lower than the lowest bid offered by a Domestic Bidder, or (ii) the lowest bid offered by a non-Philippine national is lower than the lowest bid offered by a Domestic Entity.

(b) For evaluation purposes, the lowest Foreign Bid or the bid offered by a non-Philippine national shall be increased by fifteen percent (15%).

(c) In the event that (i) the lowest bid offered by a Domestic Entity does not exceed the lowest Foreign Bid as increased, or (ii) the lowest bid offered by a non-Philippine national as increased, then the Procuring Entity shall award the contract to the Domestic Bidder/Entity at the amount of the lowest Foreign Bid or the bid offered by a non-Philippine national, as the case may be.

(d) If the Domestic Entity/Bidder refuses to accept the award of contract at the amount of the Foreign Bid or bid offered by a non-Philippine national within two (2) calendar days from receipt of written advice from the BAC, the Procuring Entity shall award to the bidder offering the Foreign Bid or the non-Philippine national, as the case may be, subject to post-qualification and submission of all the documentary requirements under these Bidding Documents.

27.2 A Bidder may be granted preference as a Domestic Entity subject to the certification from the DTI (in case of sole proprietorships), SEC (in case of partnerships and corporations), or CDA (in case of cooperatives) that the (a) sole proprietor is a citizen of the Philippines or the partnership, corporation, cooperative, or association is duly organized under the laws of the Philippines with at least seventy five percent (75%) of its interest or outstanding capital stock belonging to citizens of the Philippines, (b) habitually established in business and habitually engaged in the manufacture or sale of the merchandise covered by his bid, and (c) the business has been in existence for at least five (5) consecutive years prior to the advertisement and/or posting of the Invitation to Bid for this Project.

27.3 A Bidder may be granted preference as a Domestic Bidder subject to the certification from the DTI that the Bidder is offering 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.

28. Detailed Evaluation and Comparison of Bids

28.1 The Procuring Entity will undertake the detailed evaluation and comparison of bids which have passed the opening and preliminary examination of bids, pursuant to **ITB** Clause 24, in order to determine the Lowest Calculated Bid.

28.2 The Lowest Calculated Bid shall be determined in two steps:

(a) The detailed evaluation of the financial component of the bids, to establish the correct calculated prices of the bids; and

(b) The ranking of the total bid prices as so calculated from the lowest to the highest. The bid with the lowest price shall be identified as the Lowest Calculated Bid.

28.3 The Procuring Entity's BAC shall immediately conduct a detailed evaluation of all bids rated "passed," using non-discretionary pass/fail criteria. Unless otherwise specified in the **BDS**, the BAC shall consider the following in the evaluation of bids:

(a) Completeness of the bid. Unless the ITB specifically allows partial bids, bids not addressing or providing all of the required items in the Schedule of Requirements including, where applicable, bill of

quantities, shall be considered non-responsive and, thus, automatically disqualified. In this regard, where a required item is provided, but no price is indicated, the same shall be considered as non-responsive, but specifying a "0" (zero) for the said item would mean that it is being offered for free to the Procuring Entity; and

(b) Arithmetical corrections. Consider computational errors and omissions to enable proper comparison of all eligible bids. It may also consider bid modifications, if allowed in the **BDS**. Any adjustment shall be calculated in monetary terms to determine the calculated prices.

28.4 Based on the detailed evaluation of bids, those that comply with the above-mentioned requirements shall be ranked in the ascending order of their total calculated bid prices, as evaluated and corrected for computational errors, discounts and other modifications, to identify the Lowest Calculated Bid. Total calculated bid prices, as evaluated and corrected for computational errors, discounts and other modifications, which exceed the ABC shall not be considered.

28.5 Unless otherwise indicated in the **BDS**, the Procuring Entity's evaluation of bids shall only be based on the bid price quoted in the Financial Bid Form.

28.6 Bids shall be evaluated on an equal footing to ensure fair competition. For this purpose, all bidders shall be required to include in their bids the cost of all taxes, such as, but not limited to, value added tax (VAT), income tax, local taxes, and other fiscal levies and duties which shall be itemized in the bid form and reflected in the detailed estimates. Such bids, including said taxes, shall be the basis for bid evaluation and comparison.

29. Post-Qualification

29.1 The Procuring Entity shall determine to its satisfaction whether the Bidder that is evaluated as having submitted the Lowest Calculated Bid (LCB) complies with and is responsive to all the requirements and conditions specified in **ITB** Clauses 5, 12, and 13.

29.2 Within a non-extendible period of three (3) calendar days from receipt by the bidder of the notice from the BAC that it submitted the LCB, the Bidder shall submit the following documentary requirements:

(a) Tax clearance per Executive Order 398, Series of 2005;

(b) Latest income and business tax returns in the form specified in the **BDS**;

(c) Certificate of PhilGEPS Registration; and

(d) Other appropriate licenses and permits required by law and stated in the **BDS**.

Failure of the Bidder declared as Lowest Calculated Bid to duly submit the requirements under this Clause or a finding against the veracity of such shall be ground for forfeiture of the bid security and disqualification of the Bidder for award.

29.3 The determination shall be based upon an examination of the documentary evidence of the Bidder's qualifications submitted pursuant to **ITB** Clauses 12 and 13, as well as other information as the Procuring Entity deems necessary and appropriate, using a non-discretionary "pass/fail" criterion.

29.4 If the BAC determines that the Bidder with the Lowest Calculated Bid passes all the criteria for post-qualification, it shall declare the said bid as the Lowest Calculated Responsive Bid, and recommend to the Head of the Procuring Entity the award of contract to the said Bidder at its submitted price or its calculated bid price, whichever is lower.

29.5 A negative determination shall result in rejection of the Bidder's Bid, in which event the Procuring Entity shall proceed to the next Lowest Calculated Bid to make a similar determination of that Bidder's capabilities to perform satisfactorily. If the second Bidder, however, fails the post qualification, the procedure for post qualification shall be repeated for the Bidder with the next Lowest Calculated Bid, and so on until the Lowest Calculated Responsive Bid is determined for contract award.

29.6 Within a period not exceeding seven (7) calendar days from the date of receipt of the recommendation of the BAC, the Head of the Procuring Entity shall approve or disapprove the said recommendation. In the case of GOCCs and GFIs, the period provided herein shall be fifteen (15) calendar days.

30. Reserv[illegible]

30.1 Notwithstanding the eligibility or post-qualification of a bidder, the Procuring Entity concerned reserves the right to review its qualifications at any stage of the procurement process if it has reasonable grounds to believe that a misrepresentation has been made by the said bidder, or that there has been a change in the Bidder's capability to undertake the project from the time it submitted its eligibility requirements. Should such review uncover any misrepresentation made in the eligibility and bidding requirements, statements or documents, or any changes in the situation of the Bidder which will affect its capability to undertake the project so that it fails the preset eligibility or bid evaluation criteria, the Procuring Entity shall consider the said Bidder as ineligible and shall disqualify it from submitting a bid or from obtaining an award or contract.

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

(a) If there is *prima facie* evidence of collusion between appropriate public officers or employees of the Procuring Entity, or between the BAC and any of the bidders, or if the collusion is between or among the bidders themselves, or between a bidder and a third party, including any act which restricts, suppresses or nullifies or tends to restrict, suppress or nullify competition;

(b) If the Procuring Entity's 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 head of the procuring entity;

(ii) If the project is no longer necessary as determined by the head of the procuring entity; and

(iii) If the source of funds for the project has been withheld or reduced through no fault of the Procuring Entity.

30.3 In addition, the Procuring Entity may likewise declare a failure of bidding when:

(a) No bids are received;

(b) All prospective bidders are declared ineligible;

(c) All bids fail to comply with all the bid requirements or fail post-qualification; or

(d) The bidder with the Lowest Calculated Responsive Bid (LCRB) refuses, without justifiable cause to accept the award of contract, and no award is made.

F. Award of Contract

31. Contract Award

31.1 Subject to **ITB** Clause 29, the Procuring Entity shall award the contract to the Bidder whose bid has been determined to be the LCRB.

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

31.3 Notwithstanding the issuance of the Notice of Award, award of contract shall be subject to the following conditions:

(a) Submission of the 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 LCRB;

(b) Posting of the performance security in accordance with **ITB** Clause 33;

(c) Signing of the contract as provided in **ITB** Clause 32; and

(d) Approval by higher authority, if required.

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

32. Signing of the Contract

32.1 At the same time as the Procuring Entity notifies the successful Bidder that its bid has been accepted, the Procuring Entity shall send the Contract Form to the Bidder, which contract has been provided in the Bidding Documents, incorporating therein all agreements between the parties.

32.2 Within ten (10) calendar days from receipt of the Notice of Award, the successful Bidder shall post the required performance security and sign and date the contract and return it to the Procuring Entity.

32.3 The Procuring Entity shall enter into contract with the successful Bidder within the same ten (10) calendar day period provided that all the documentary requirements are complied with.

32.4 The following documents shall form part of the contract:

(a) Contract Agreement;

(b) Bidding Documents;

(c) Winning bidder's bid, including the Technical and Financial Proposals, and all other documents/statements submitted;

(d) Performance Security;

(e) Credit line in accordance with **ITB** Clause 5.5, if applicable;

(f) Notice of Award of Contract; and

(g) Other contract documents that may be required by existing laws and/or specified in the **BDS**.

33. Performance Security

33.1 To guarantee the faithful performance by the winning Bidder of its obligations under the contract, it shall post a performance security within a maximum period of ten (10) calendar days from the receipt of the Notice of Award from the Procuring Entity and in no case later than the signing of the contract.

33.2 The performance security shall be denominated in Philippine Pesos and posted in favor of the Procuring Entity in an amount equal to the percentage of the total contract price in accordance with the following schedule:

Form of Performance Security	Amount of Performance Security (Equal to Percentage of the Total Contract Price)
(a) Cash or cashier's/manager's check issued by a Universal or Commercial Bank.	Five percent (5%)
(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.	
(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; and/or	Thirty percent (30%)
(d) Any combination of the foregoing.	Proportionate to share of form with respect to total amount of security

33.3 Failure of the successful Bidder to comply with the above-mentioned requirement shall constitute sufficient ground for the annulment of the award and forfeiture of the bid security, in which event the Procuring Entity shall initiate and complete the post qualification of the second Lowest Calculated Bid. The procedure shall be repeated until the LCRB is identified and selected for contract award. However if no Bidder passed post-qualification, the BAC shall declare the bidding a failure and conduct a re-bidding with re-advertisement.

34. Notice to Proceed

34.1 Within three (3) calendar days from the date of approval of the contract by the appropriate government approving authority, the Procuring Entity shall issue its Notice to Proceed to the Bidder.

34.2 The date of the Bidder's receipt of the Notice to Proceed will be regarded as the effective date of the contract, unless otherwise specified in the **BDS**.

Section III. Bid Data Sheet

Bid Data Sheet

ITB Clause	
1.1	The Procuring Entity is *the* ***Department of Budget and Management.***
1.2	This bidding shall have one (1) lot as follows: "Provision of Janitorial Manpower Services for FYs 2011 to 2012".
2	The Funding Source is: The Government of the Philippines (GOP) through the FY 2011 General Appropriations Act in the amount of Nine Million Pesos (P9,000,000.00). The ABC is good for one year only. The name of the Project is "Provision of Janitorial Manpower Services for FYs 2011 to 2012".
5.1	No further instructions.
5.2	No further instructions.
5.4	The Bidder must have completed, within three (3) years prior to the Pre-bid Conference on November 16, 2010, a single contract that is similar to the Project at hand and whose value must be at least fifty percent (50%) of the ABC to be bid. Such contract must be part of, or included in, the Statement under Item 12.1(a)(iii) hereof. A copy of the Single Largest Contract and proof of completion, i.e., certificate of final acceptance from the bidder's client or official receipt of the bidder, shall be submitted by all bidders as part of the first envelope. Failure to submit the above requirements or a finding against the veracity of such shall be a ground for the forfeiture of the bid security and the disqualification of the bidder for award. For this purpose, similar contracts shall refer to the provision of janitorial manpower services.
5.5	No further instructions. Sample form of Credit Line Certificate is attached as Annex "A" in Section VIII. Bidding Forms.
6.1	No further instructions. Standard form for the sworn statement is attached as Annex "B" in Section VIII. Bidding Forms.
6.4	Bidders may visit/inspect, on November 11, 2010 at 9:00 a.m., the DBM Offices/premises where the janitors shall be deployed to give them an idea of the area to be cleaned and maintained, the ideal cleaning supplies and materials to be used and such other factors that may affect the cost and

	execution or implementation of this Project.
7.	No further instructions.
8.1	Subcontracting is not allowed.
8.2	Not applicable.
9.1	The Procuring Entity will hold a pre-bid conference for this Project on November 16, 2010, 10:00 am, Administrative Service (AS) Conference Room, Ground Floor, Mabini Hall, Malacanang, Manila.
10.1	The Procuring Entity's address is: Department of Budget and Management Administrative Service, Ground Floor Mabini Hall, Malacañang, Manila
12.1(a)(i)	Business Registration Documents: (a) Sole Proprietorship – Department of Trade and Industry (DTI) business name registration. (b) Corporations - Securities and Exchange Commission (SEC) Certificate of Registration or SEC Certificate of Filing of Amended Articles of Incorporation. (c) Partnerships – SEC Registration Certificate or SEC Certificate of Filing Amended Articles of Partnership. (d) Cooperatives – Cooperative Development Authority Business Registration Documents
12.1(a)(iii)	a) Bidders statement of all on-going and awarded but not yet started government and private contracts as of November 16, 2010. Instructions to bidders are provided in the standard form for this requirement, attached as Annex "C" in Section VIII. Bidding Forms. b) Bidder's statement of completed government and private contracts undertaken within the three year period prior to pre-bid conference on November 16, 2010. Instructions to bidders are provided in the standard form for this requirement, attached as Annex "C-1" in Section VIII. Bidding Forms. c) The Single Largest Contract in accordance with ITB and BDS Clause 5.4 shall be part of the statement of completed contracts.
12.1(b)(i)	No further instructions.
12.1(b) (ii)	Bidders must comply with the minimum requirements and specifications prescribed under Section VI. Schedule of Requirements and Section VII.

	Technical Specifications and submit compliance with both Sections. Sections VI and VII will merely require a statement of "comply" or any equivalent term.
12.1(b) (iii)	Authority of the Signatory: a) Sole Proprietorship – Affidavit of the Owner or a Special Power of Attorney. b) Partnership – Notarized Partnership Resolution from the President or General Manager. c) Corporation – Notarized Secretary's Certificate of Board Resolution or Notarized Board Resolution. d) Joint Venture – Notarized Resolution issued by each Joint Venture Member. The notarization of documents, if required, shall comply with the 2004 Rules on Notarial Practice. Moreover, the competent evidence of identity shall be limited to those specified under the forgoing Rules, to wit: (i) identification documents issued by an official agency bearing the photograph and signature of the individual i.e., passport, driver's license, SSS ID, GSIS e-card, etc.; and (ii) the oath of affirmation of one credible witness not privy to the instrument, document or transaction who is personally known to the notary public and who personally the individual, or of two credible witnesses neither of whom is privy to the instrument, document or transaction who each personally knows the individual and shows to the notary public documentary identification.
13.1	Bidders are required to use the Standard Bid Forms attached as Annex "D" in Section VIII. Bidding Forms.
13.1.c	Detailed computation of bid shall be in accordance with NCR Wage Order No. 15 dated June 18, 2010.
13.2	The ABC is Nine Million Pesos (P9,000,000.00) covering one (1) year. Any bid with a financial component exceeding this amount shall not be accepted.
15.1	Price quoted shall be inclusive of all costs.
15.5	Bid Prices shall be fixed for the term of two (2) years, except for the following: a) increase in minimum daily wage pursuant to law or new wage order issued after date of bid opening; and b) increase in taxes, if any.
15.6	Extraordinary circumstances refer to events that may be determined by the

	National Economic and Development Authority in accordance with the Civil Code of the Philippines, and upon the recommendation of the Procuring Entity.
16.1	Price quoted shall be in Philippine Pesos.
16.3	No further instructions.
17.1	Bids will be valid for one hundred twenty (120) calendar days from the date of opening of bids.
18.1	The bid security issued in favor of the DBM shall be either in the following forms and amount: a) Cash, cashier's/manager's check issued by a Universal or Commercial Bank - 2% of the ABC or P180,0000.00. 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 – 2% of ABC or P180,000.00. 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 - 5% of the ABC or P450,000.00; or d) Any combination of the foregoing, proportionate to the share of form with respect to total amount of security.
18.2	The bid security shall be valid for one hundred twenty (120) calendar days from the date of opening of bids.
18.5	The following shall be additional grounds for forfeiture of bid security: a) Submission of eligibility requirements containing false information or falsified documents. b) 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. c) Allowing the use of one's name, or using the name of another for purposes of public bidding. d) 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. e) Refusal or failure to post the required performance security within the

	prescribed time. f) 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. g) Any documented unsolicited attempt by a bidder to unduly influence the outcome of the bidding in his favor. h) Failure of the potential joint venture partners to enter into the joint venture after the bid is declared as successful. i) 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.
19.	No further instructions.
19.4	The bid shall be signed by the bidder's authorized representative on the pages requiring his signature, and initialed on each and every page thereof. Non-compliance of this requirement may be a ground for disqualification of the bidder.
20.1	No further instructions.
20.3	Each Bidder shall submit one (1) original and two (2) copies of the first and second components of its bid.
21.	The address for submission of bids is Administrative Service, Ground Floor, Mabini Hall, Malacanang, Manila. The deadline for submission of bids is December 2, 2010, 10:00 a.m.
22.	Any bid submitted after the deadline shall be declared "Late" and shall not be accepted.
24.1	The place of bid opening is AS Conference Room, Ground Floor, Mabini Hall, Malacanang, Manila. The date and time of bid opening is December 2, 2010, 10:00 a.m.
25.1	The Members of the BAC, TWG and Secretariat may contact bidders for clarification/verification on the submitted bid documents only.
27.1	No further instructions.
28.3	No further instructions.
28.3(ii)	Bid modification is allowed in case of arithmetical corrections only.

28.5	No further instructions.
29.2	Within a non-extentible period of three (3) calendar days from receipt by the bidder of the notice from the BAC that it submitted the Lowest Calculated Bid, the Bidder shall submit the following documentary requirements: 1) Latest Income and Business Tax Returns per Revenue Regulations 3-2005: a) 2009 Income Tax Return and proof of payment b) VAT Returns (Form 2550M and 2550Q) or Percentage Tax Returns (2551M) and proof of payment covering the months of May to October 2010. 2) Proofs of Payment are as follows: a) EFPS confirmation receipt or bank issued payment confirmation receipt or; b) BIR payment confirmation receipt/status
33.	No further instructions.
34.2	Effectivity date of the Contract is January 1, 2011.

ANNEX "E"

Section VI. Schedule of requirements

Item No.	Description		Quantity	Delivery
I.	**Provision of janitorial manpower**		46	January 1, 2011
II.	**CLEANING EQUIPMENT/TOOLS**			
1	Heavy duty floor polisher, size 16"	Units	6	January 1, 2011
2	Heavy duty floor polisher, size 20"	Units	2	-do-
3	Mop wringer/squeezer	Units	10	-do-
4	Glass squeegee	Pcs.	10	-do-
5	Vacuum cleaner	Units	4	-do-
6	Carpet shampooer	Unit	1	-do-
7	Step ladder	Units	5	-do-
8	Garbage/push	Units	5	-do-
9	Floor warning sign	Pcs.	16	-do-
10	Grass scissors	Pcs.	2	-do-
11	Garden tools	Pcs.	2	-do-
12	Garden hose, 100 meters	Units	2	-do-
13	Spatula	Pcs.	10	-do-
14	Other equipment offered (if any)			-do-

I hereby certify to comply and deliver, within the period specified, all the above requirements upon receipt of Notice to Proceed from the DBM.

DBP SERVICE CORPORATION	**GERRY A.C. ARELLANO** Assistant Vice President	Nov. 17, 2010
Name of Company/Bidder	Signature over Printed Name of Bidder	Date

ANNEX "F"

Section VII. Technical Specifications

Item	Specification	Statement of Compliance
I.	**PERFORMANCE CRITERIA**	Comply
1.	The Service Provider/Contractor shall maintain a satisfactory level of performance throughout the term of the contract based on the following set of performance criteria:	Comply
	a. quality of service delivered	Comply
	b. time management	Comply
	c. management and suitability of personnel	Comply
	d. contract administration and management	Comply
	e. provision of regular progress report	Comply
	f. attentiveness and presence of mind	Comply
	g. compliance with DBM instructions and policies	Comply
	The above criteria shall be used to asses quarterly the level of performance of the Janitorial Agency and its Janitorial Personnel as basis of continuity of the Contract.	Comply
II.	**TECHNICAL EVALUATION PARAMETERS**	Comply
1.	**Stability**	Comply
	a. Years of experience: At least 5 years in the business	Comply
	b. Liquidity of the Contractor: at least P5Million (Current Assets minus Stocks minus Current Liabilities based on Balance Sheet as of December 31, 2009)	Comply
	c. Organizational Set-up : with good office set-up, personnel and office tools and equipment	Comply
2.	**Resources**	Comply
	a. Number and Kind of Equipment and Supplies: with the minimum number and kind of equipment & supplies as specified in Section VI. Schedule of Requirements.	Comply
	b. Number of Janitors: with at least 50 Janitors	Comply
	c. Number of Supervisors: with at least 5 Supervisors	Comply
3.	**Housekeeping Plan:** tailored fit for DBM in accordance with the minimum requirements below. State/Enumerate the specific methodology to execute the Plan.	Comply
	a. State/Enumerate the specific methodology to execute the Plan.	Comply
4.	**Other Factors**	Comply
	a. Recruitment and Selection Criteria: Trainings conducted for the Janitors before deployment, Educational and Age Requirements and others.	Comply
	b. Completeness of Uniforms and other Paraphernalia	Comply
III.	**HOUSEKEEPING PLAN**	Comply
1.	**Daily Housekeeping Responsibilities (including, but not limited to): Common office area, conference rooms, hallways/corridors, stairways, pantry, rest rooms; storage rooms**	Comply
	a. Report to each respective assigned area; sweep the floor and pick-up with the dustpan all litters scattered around DBM premises.	Comply
	b. Scoop off any sticky substance or dirt on the floor with putty knife and clean with damp cloth or rag.	Comply
	c. Mop floor with damp mop head. Finish cleaning with clean and dry mop head.	Comply
	d. Wipe with damp cloth or rag all tables, chairs, computers, steel and wooden cabinets, electric fans, telephone instruments, refrigerators, air conditioning grilles and casing, and other office equipment. Finish cleaning with a clean and dry cloth or rag.	Comply
	e. Empty ashtrays and wastebaskets. Clean same with liquid detergent. Rinse off with water and let dry. Return ashtrays and wastebaskets to their respective places.	Comply

	f. Wipe with damp cloth all window sills, window panes/glass, mirrors, roman shades, aluminum/ stainless steel frame doors and stair railings.	Comply
	g. Remove stain marks or dirt on walls, doors and building posts with chemical removers or with cloth, soak in liquid detergent or cleanser. Finish cleaning with damp cloth or rag.	Comply
	h. Wash with water the whole area of the comfort room, then sweep water and drain. Drain or remove water inside toilet bowl before pouring cleanser or toilet cleanser. Let it stay for a while sprinkling cleanser on walls and floor tiles, water closet tank, lavatory or sink, and toilet bowl. Scrub inside of toilet bowl with brush or sponge with handle, then flush. Scrub with brush or sponge the whole area of the comfort room. Rinse off with water and drain area of excess water. Finish cleaning floor tiles with dry and clean mop/cloth. Clean mirror with damp newspaper or cloth and finish cleaning with dry cloth. Spray comfort room with air freshener.	Comply
	i. Sweep and clean driveways	Comply
	j. Cut/uproot unsightly grass growth	Comply
	k. Water potted/indoor ornamental plants inside DBM offices	Comply
	l. Trim and remove dried leaves both inside and outside DBM premises and garden.	Comply
	m. Attend to the needs of the scheduled staff meetings as required.	Comply
	n. Report any necessary maintenance repairs immediately.	
	o. Stay in respective post for messengerial/errand work.	Comply
2.	**WEEKLY MAINTENANCE - General Cleaning of all areas every Saturday**	
	a. Scrub and strip off sticking dirt, gums and other similar substances, particularly those inner areas and corners. Wash clean with soap and water and dry.	Comply
	b. High clean/sweep cobwebs of the ceiling and wipe light fixtures/ diffusers and upper walls.	Comply
	c. Remove dirt and wash clean with soap and water all window grills and panes, stairways, balcony and walls.	Comply
	d. Thoroughly clean all comfort rooms particularly the toilet bowls, lavatories and men's urinals. Apply disinfectant and deodorize all areas.	Comply
	e. Thoroughly clean office furniture and fixtures and other office equipment, taking extra care in moving same to avoid damage	Comply
	f. Apply floor wax on floors and polish shine.	Comply
	g. Spray insecticide or apply rodenticides inside DBM offices to eradicate rats, flies, mosquitoes, termites, white ants and other pests	Comply
	h. Cultivate soil and fertilize indoor and outdoor plants	Comply
	i. Clean catch basins and all other planter boxes	Comply
	j. Clean/wash garbage cans	Comply
	k. Clean inside, top, under and back of refrigerator; clean all seals on refrigerator/freezer	Comply
	l. Clean microwaves/oven toasters	Comply
3.	**MONTHLY MAINTENANCE – every last Saturday of the month**	Comply
	a. Wipe/clean venetian blinds.	Comply
	b. Clean inside windows	Comply
	c. Clean door jams/ balusters/ handrails	Comply
	d. Clean glass walls/ partitions	Comply
	e. Vacuum clean all upholstered furniture.	Comply
	f. Wash walls	Comply
4.	**MISCELLANEOUS SERVICES to be performed whenever required**	Comply
	a. Provide logistical assistance during meetings and conferences.	Comply
	b. Haul/move office furniture, fixtures & equipment, among others.	Comply
	c. Messengerial and errand work within office premises.	Comply
	d. Make available at all times relievers and/or replacements to ensure continuous	Comply

	and uninterrupted services in case of absences.	
	e. Exercise the necessary supervisory work.	Comply
5.	OTHER SERVICES OFFERED (if any)	Comply
		Comply

Note: Bidders must state either "Comply" or "Not Comply" or any equivalent term in the column "Statement of Compliance" against each of the individual parameters of each "Specification".

I hereby commit to comply with all the above requirements.

DBP SERVICE CORPORATION	**GERRY A.C. ARELLANO** Assistant Vice President	Nov. 25, 2010
Name of Company/Bidder	Signature over Printed Name of Bidder	Date

ANNEX "G"

DEPLOYMENT OF DBM JANITORS FOR CY 2011

LOCATION/AREA	No. of Janitors	
Building I	6am-3pm	9am-6pm
1st Floor		
FPB	1	
TIS	1	
2nd Floor		
OPCCB	1	
RCU / PMO		
Conf Room/Hall/Stairways; Comfort Rooms Male/Female - 1st and 2nd Floors	1	1
Building II		
1st Floor		
BTS	1	
BMB-A	1	
Entrance Lobby, Hall &Stairways Chapel, Daycare, 8 Comfort Rooms (M & F, Disable)	1	1
2nd Floor		
Osec	1	1
Osec. Ext. Office		
Usec. MLR	1	
Usec. EVG	1	
Usec. LBP	1	
Asec. Cantor	1	
Asec. Castillo	1	
Asec. Alvarez	1	
Hall / Stairways/Confort Rooms Male and Female	1	1
3rd Floor		
ICTSS	1	
BMB-B	1	
BMB-C	1	
BMB-D	1	
Hall/Stairways; Conference Rooms Comfort Rooms Male/Female	1	1
4th Floor		
BMB-E	1	
BMB-F	1	
BMB-G	1	
Hall/Stairways/Conference Rooms Multi Purpose Hall/Comfort Rooms	1	1
Building III		
1st Floor, common areas		
2nd Floor, common areas		1
Building IV		
1st Floor		
Mezzanine		
2nd Floor - DBM Dormitory		1
3rd Floor - Multi Purpose Hall		
Mabin Hall		
Ground Floor		
AS	1	
GSD	1	
Motorpool/Supply & Property/ Maintenance Room/Conference Room		1
HRD and CRD	1	
Mezzanine		
SPIB	1	
CPRS	1	
LS	1	
Hall/Stairways 2/F & Mezzanine	1	
Cofort Rooms M & F 2/F & Mezzanine		1
2nd Floor		
DBM COA		
IAS	1	
FMS Accounting Division	1	
Budget Division	1	
Cash Division		
DLLO, Batasan	1	
Gardener		
Working Supervisor	1	
	36	10
TOTAL	46	

ANNEX "H"

Financial Proposal Submission Sheet

Date: November 30, 2010

The Chairperson
Bids and Awards Committee
Department of Budget and Management
Malacañang, Manila

Sir/Madam:

After having carefully read and accepted the terms and conditions in your Bidding Documents, hereunder is our bid for the Provision of Janitorial Manpower Services for FYs 2011 & 2012 in accordance with existing Labor Laws and Wage Order Standard Cost Distribution:

a. Monthly charge for 46 Janitors/Supervisor ..... P 664,299.34
(Detailed computation attached.)
Amount in Words:
Six Hundred Sixty Four Thousand Two Hundred Ninety Nine Pesos & 34/100

b. Total Annual Contract Cost (inclusive of VAT) .....P 7,971,592.08
Amount in Words: Seven Million Nine Hundred Seventy One Thousand Five Hundred Ninety Two Pesos & 08/100

c. Overtime Rate per hour, if the need arises, in accordance with Labor Code or Wage Order

Regular day/s	P 77.68
Legal Holiday/s	124.30
Special Holiday/s	80.79

Very truly yours,

DBP Service Corporation
Name of Company

Gerry A. C. Arellano
Name/Signature

November 30, 2010
Date

DBM - BAC

ANNEX "I"

DBP SERVICE CORPORATION

DEPARTMENT OF BUDGET AND MANAGEMENT
BILLING RATE FOR JANITORIAL SERVICES 2011-2012
DBP SERVICE CORPORATION

(6 days a week)

Per Wage Order No. NCR-15 Eff. July 1, 2010

A. BILLING RATE	Janitor/Supervisor
Total Equivalent Number of Days	*313 days*
EMPLOYEES RATE PER DAY	404.00
Emergency Cost of Living Allowance	-
PAID TO CONTRACTUAL	
Basic Pay	10,537.67
Vacation/Sick Leave Benefits	168.33
13th Month Pay	878.14
ECOLA	0.00
SUB-TOTAL	11,584.14
PAID TO THE GOVERNMENT	
Pag-IBIG Contribution (2%)	100.00
SSS Contribution	742.00
Philhealth Premiums	125.00
ECC	10.00
SUB-TOTAL	977.00
TOTAL PAID TO CONTRACTUAL & GOV'T.	12,561.14
Administrative Expenses	332.87
BILLING PER MONTH	12,894.01
Add: Value Added Tax (12%)	1,547.28
TOTAL BILL PER MONTH	**14,441.29**
BILLING RATE PER DAY	573.83
No. of personnel	46
TOTAL MONTHLY BILL	**664,299.34**
TOTAL CONTRACT PRICE FOR ONE YEAR	**7,971,592.08**
OVERTIME BILL PER HOUR	
Regular day (125%)	77.68
Legal Holiday (200%)	124.30
Special Holiday (130%)	80.79

GERRY A.C. ARELLANO
Asst. Vice President

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ANNEX "J"

Section IV. General Conditions of Contract

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1. Definitions

1.1 In this Contract, the following terms shall be interpreted as indicated:

(a) "The Contract" means the agreement entered into between the Procuring Entity and the Supplier, as recorded in the Contract Form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.

(b) "The Contract Price" means the price payable to the Supplier under the Contract for the full and proper performance of its contractual obligations.

(c) "The Goods" means all of the supplies, equipment, machinery, spare parts, other materials and/or general support services which the Supplier is required to provide to the Procuring Entity under the Contract.

(d) "The Services" means those services ancillary to the supply of the Goods, such as transportation and insurance, and any other incidental services, such as installation, commissioning, provision of technical assistance, training, and other such obligations of the Supplier covered under the Contract.

(e) "GCC" means the General Conditions of Contract contained in this Section.

(f) "SCC" means the Special Conditions of Contract.

(g) "The Procuring Entity" means the organization purchasing the Goods, as named in the **SCC**.

(h) "The Procuring Entity's country" is the Philippines.

(i) "The Supplier" means the individual contractor, manufacturer distributor, or firm supplying/manufacturing the Goods and Services under this Contract and named in the **SCC**.

(j) The "Funding Source" means the organization named in the **SCC**.

(k) "The Project Site," where applicable, means the place or places named in the **SCC**.

(l) "Day" means calendar day.

(m) The "Effective Date" of the contract will be the date of receipt by the Supplier of the Notice to Proceed or the date provided in the Notice to Proceed. Performance of all obligations shall be reckoned from the Effective Date of the Contract.

(n) "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.

2. Corrupt, Fraudulent, Collusive, and Coercive Practices

2.1 The Procuring Entity as well as the bidders, contractors, or suppliers shall observe the highest standard of ethics during the procurement and execution of this Contract. In pursuance of this policy, the Procuring Entity:

(a) defines, for the purposes of this provision, the terms set forth below as follows:

(i) "corrupt practice" means behavior on the part of officials in the public or private sectors by which they improperly and unlawfully enrich themselves, others, or induce others to do so, by misusing the position in which they are placed, and it includes the offering, giving, receiving, or soliciting of anything of value to influence the action of any such official in the procurement process or in contract execution; entering, on behalf of the Government, into any contract or transaction manifestly and grossly disadvantageous to the same, whether or not the public officer profited or will profit thereby, and similar acts as provided in Republic Act 3019.

(ii) "fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of the Procuring Entity, and includes collusive practices among Bidders (prior to or after bid submission) designed to establish bid prices at artificial, non-competitive levels and to deprive the Procuring Entity of the benefits of free and open competition.

(iii) "collusive practices" means a scheme or arrangement between two or more Bidders, with or without the knowledge of the Procuring Entity, designed to establish bid prices at artificial, non-competitive levels.

(iv) "coercive practices" means harming or threatening to harm, directly or indirectly, persons, or their property to influence their participation in a procurement process, or affect the execution of a contract;

(b) will reject a proposal for award if it determines that the Bidder recommended for award has engaged in any of the practices mentioned in this Clause for purposes of competing for the contract.

2.2 Further the Funding Source, Borrower or Procuring Entity, as appropriate, will seek to impose the maximum civil, administrative and/or criminal penalties

available under the applicable law on individuals and organizations deemed to be involved with any of the practices mentioned in **GCC** Clause 2.1.

3. Inspection and Audit by the Funding Source

The Supplier shall permit the Funding Source to inspect the Supplier's accounts and records relating to the performance of the Supplier and to have them audited by auditors appointed by the Funding Source, if so required by the Funding Source.

4. Governing Law and Language

4.1 This Contract shall be interpreted in accordance with the laws of the Republic of the Philippines.

4.2 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. All correspondence and other documents pertaining to this Contract exchanged by the parties shall be written in English.

5. Notices

5.1 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**, which shall be effective when delivered and duly received or on the notice's effective date, whichever is later.

5.2 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 **SCC** for **GCC** Clause 5.1.

6. Scope of Contract

6.1 The GOODS and Related Services to be provided shall be as specified in

6.2 This Contract shall include all such items, although not specifically mentioned, that can be reasonably inferred as being required for its completion as if such items were expressly mentioned herein. Any additional requirements for the completion of this Contract shall be provided in the **SCC**.

7. Subcontracting

7.1 Subcontracting of any portion of the Goods, if allowed in the **BDS**, does not relieve the Supplier of any liability or obligation under this Contract. 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.

7.2 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.

8. Procuring Entity's Responsibilities

8.1 Whenever the performance of the obligations in this Contract requires that the Supplier obtain permits, approvals, import, and other licenses from local public authorities, the Procuring Entity shall, if so needed by the Supplier, make its best effort to assist the Supplier in complying with such requirements in a timely and expeditious manner.

8.2 The Procuring Entity shall pay all costs involved in the performance of its responsibilities in accordance with **GCC** Clause 6.

9. Prices

Prices charged by the Supplier for Goods delivered and/or services performed under this Contract shall not vary from the prices quoted by the Supplier in its bid, with the exception of any change in price resulting from a Change Order issued in accordance with **GCC** Clause 29, or if applicable, adjustments authorized in accordance with the price adjustment provisions specified in the **SCC**.

10. Payment

10.1 Unless otherwise specified in the **SCC**, payments shall be made only upon a certification by the Head of the Procuring Entity to the effect that the Goods have been rendered or delivered in accordance with the terms of this Contract and have been duly inspected and accepted. Except with the prior approval of the President no payment shall be made for services not yet rendered or for supplies and materials not yet delivered under this Contract. Ten percent (10%) of the amount of each payment shall be retained by the Procuring Entity to cover the Supplier's warranty obligations under this Contract as described in **GCC** Clause 17.

10.2 The Supplier's request(s) for payment shall be made to the Procuring Entity in writing, accompanied by an invoice describing, as appropriate, the Goods delivered and/or Services performed, and by documents submitted pursuant to the **SCC** provision for **GCC** Clause 6.2, and upon fulfillment of other obligations stipulated in this Contract.

10.3 Pursuant to **GCC** Clause 10.2, payments shall be made promptly by the Procuring Entity, but in no case later than sixty (60) days after submission of an invoice or claim by the Supplier.

10.4 Unless otherwise specified in the **SCC**, the currency in which payment is made to the Supplier under this Contract shall be in Philippine Pesos.

11. Advance Payment

11.1 Advance payment shall be made only after prior approval of the President, and shall not exceed fifteen percent (15%) of the Contract amount, unless otherwise directed by the President or in cases allowed under Annex "D" of RA 9184.

11.2 For Goods supplied from abroad, ten percent (10%) of the Contract price shall be paid within sixty (60) calendar days from signing of the contract and upon submission of a claim and a bank guarantee issued by a licensed bank for the equivalent amount valid until the Goods are delivered and in the form provided in Section VIII. Bidding Forms.

11.3 All progress payments shall first be charged against the advance payment until the latter has been fully exhausted.

12. Taxes and Duties

The Supplier, whether local or foreign, shall be entirely responsible for all the necessary taxes, stamp duties, license fees, and other such levies imposed for the completion of this Contract.

13. Performance Security

13.1 Unless otherwise specified in the **SCC**, 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 successful Bidder shall furnish the performance security in any the forms prescribed in the **ITB** Clause 33.2.

13.2 The performance security posted in favor of the Procuring Entity shall be forfeited in the event it is established that the winning bidder is in default in any of its obligations under the contract.

13.3 The performance security shall remain valid until issuance by the Procuring Entity of the Certificate of Final Acceptance.

13.4 Unless otherwise specified in the **SCC**, the performance security may be released by the Procuring Entity and returned to the Supplier after the issuance of the Certificate of Final Acceptance subject to the following conditions:

(a) There are no pending claims against the Supplier or the surety company filed by the Procuring Entity;

(b) The Supplier has no pending claims for labor and materials filed against it; and

(c) Other terms specified in the **SCC**.

13.5 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.

14. Use of Contract Documents and Information

14.1 The Supplier shall not, except for purposes of performing the obligations in this Contract, without the Procuring Entity's prior written consent, disclose this Contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the Procuring Entity. Any such disclosure shall be made in confidence and shall extend only as far as may be necessary for purposes of such performance.

14.2 Any document, other than this Contract itself, enumerated in **GCC** Clause 14.1 shall remain the property of the Procuring Entity and shall be returned (all copies) to the Procuring Entity on completion of the Supplier's performance under this Contract if so required by the Procuring Entity.

15. Standards

The Goods provided under this Contract shall conform to the standards mentioned in the Section VII. Technical Specifications; and, when no applicable standard is mentioned, to the authoritative standards appropriate to the Goods' country of origin. Such standards shall be the latest issued by the institution concerned.

16. Inspection and Tests

16.1 The Procuring Entity or its representative shall have the right to inspect and/or to test the Goods to confirm their conformity to the Contract specifications at no extra cost to the Procuring Entity. The **SCC** and Section VII. Technical Specifications shall specify what inspections and/or tests the Procuring Entity requires and where they are to be conducted. The Procuring Entity shall notify the Supplier in writing, in a timely manner, of the identity of any representatives retained for these purposes.

16.2 If applicable, the inspections and tests may be conducted on the premises of the Supplier or its subcontractor(s), at point of delivery, and/or at the goods' final destination. If conducted on the premises of the Supplier or its subcontractor(s), all reasonable facilities and assistance, including access to drawings and production data, shall be furnished to the inspectors at no charge to the Procuring Entity.

16.3 The Procuring Entity or its designated representative shall be entitled to attend the tests and/or inspections referred to in this Clause provided that the Procuring Entity shall bear all of its own costs and expenses incurred in connection with such attendance including, but not limited to, all traveling and board and lodging expenses.

16.4 The Procuring Entity may reject any Goods or any part thereof that fail to pass any test and/or inspection or do not conform to the specifications. The Supplier shall either rectify or replace such rejected Goods or parts thereof or make alterations necessary to meet the specifications at no cost to the Procuring Entity, and shall repeat the test and/or inspection, at no cost to the Procuring Entity, upon giving a notice pursuant to **GCC** Clause 5.

16.5 The Supplier agrees that neither the execution of a test and/or inspection of the Goods or any part thereof, nor the attendance by the Procuring Entity or its representative, shall release the Supplier from any warranties or other obligations under this Contract.

17. Warranty

17.1 The Supplier warrants that the Goods supplied under the Contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials, except when the technical specifications required by the Procuring Entity provides otherwise.

17.2 The Supplier further warrants that all Goods supplied under this Contract shall have no defect, arising from design, materials, or workmanship or from any act or omission of the Supplier that may develop under normal use of the supplied Goods in the conditions prevailing in the country of final destination.

17.3 In order to assure that manufacturing defects shall be corrected by the Supplier, a warranty shall be required from the Supplier for a minimum period specified in the **SCC**. The obligation for the warranty shall be covered by, at the Supplier's option, either retention money in an amount equivalent to at least ten percent (10%) of every progress payment, or a special bank guarantee equivalent to at least ten percent (10%) of the Contract Price or other such amount if so specified in the **SCC**. The said amounts shall only be released after the lapse of the warranty period specified in the **SCC;** provided, however, that the Supplies delivered are free from patent and latent defects and all the conditions imposed under this Contract have been fully met.

17.4 The Procuring Entity shall promptly notify the Supplier in writing of any claims arising under this warranty. Upon receipt of such notice, the Supplier shall, within the period specified in the **SCC** and with all reasonable speed, repair or replace the defective Goods or parts thereof, without cost to the Procuring Entity.

17.5 If the Supplier, having been notified, fails to remedy the defect(s) within the period specified in **GCC** Clause 17.4, the Procuring Entity may proceed to take such remedial action as may be necessary, at the Supplier's risk and expense and without prejudice to any other rights which the Procuring Entity may have against the Supplier under the Contract and under the applicable law.

18. Delays in the Supplier's Performance

18.1 Delivery of the Goods and/or performance of Services shall be made by the Supplier in accordance with the time schedule prescribed by the Procuring Entity in

18.2 If at any time during the performance of this Contract, the Supplier or its Subcontractor(s) should encounter conditions impeding timely delivery of the Goods and/or performance of Services, the Supplier shall promptly notify the Procuring Entity in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the Supplier's notice, and upon causes provided for under **GCC** Clause 22, the Procuring Entity shall evaluate the situation and may extend the Supplier's time for performance, in which case the extension shall be ratified by the parties by amendment of Contract.

18.3 Except as provided under **GCC** Clause 22, a delay by the Supplier in the performance of its obligations shall render the Supplier liable to the imposition of liquidated damages pursuant to **GCC** Clause 19, unless an extension of time is agreed upon pursuant to **GCC** Clause 29 without the application of liquidated damages.

19. Liquidated Damages

Subject to **GCC** Clauses 18 and 22, if the Supplier fails to satisfactorily deliver any or all of the Goods and/or to perform the Services within the period(s) specified in this Contract inclusive of duly granted time extensions if any, 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 the percentage specified in the **SCC** of the delivered price of the delayed Goods or unperformed Services for each week or part thereof of delay until actual delivery or performance, up to a maximum deduction of the percentage specified in the **SCC**. Once the maximum is reached, the Procuring Entity shall rescind the Contract pursuant to **GCC** Clause 23, without prejudice to other courses of action and remedies open to it.

20. Settlement of Disputes

20.1 If any dispute or difference of any kind whatsoever shall arise between the Procuring Entity and the Supplier in connection with or arising out of this Contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.

20.2 If after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the Procuring Entity or the Supplier may give notice to the other party of its intention to commence arbitration, as hereinafter provided, as to the matter in dispute, and no arbitration in respect of this matter may be commenced unless such notice is given.

20.3 Any dispute or difference in respect of which a notice of intention to commence arbitration has been given in accordance with this Clause shall be

settled by arbitration. Arbitration may be commenced prior to or after delivery of the Goods under this Contract.

20.4 Arbitration proceedings shall be conducted in accordance with the rules of procedure specified in the **SCC**.

20.5 Notwithstanding any reference to arbitration herein, the parties shall continue to perform their respective obligations under the Contract unless they otherwise agree; and the Procuring Entity shall pay the Supplier any monies due the Supplier.

21. Liability of the Supplier

21.1 Subject to additional provisions, if any, set forth in the **SCC**, the Supplier's liability under this Contract shall be as provided by the laws of the Republic of the Philippines.

21.2 Except in cases of criminal negligence or willful misconduct, and in the case of infringement of patent rights, if applicable, the aggregate liability of the Supplier to the Procuring Entity shall not exceed the total Contract Price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.

22. Force Majeure

22.1 The Supplier shall not be liable for forfeiture of its performance security, liquidated damages, or termination for default if and to the extent that its delay in performance or other failure to perform its obligations under the Contract is the result of a *force majeure*.

22.2 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 Contractor 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 Contractor.

22.3 If a *force majeure* situation arises, the Supplier shall promptly notify the Procuring Entity in writing of such condition and the cause thereof. Unless otherwise directed by the Procuring Entity in writing, the Supplier shall continue to perform its obligations under the Contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the *force majeure*.

23. Termination for Default

23.1 The Procuring Entity shall terminate this Contract for default when any of the following conditions attends its implementation:

(a) Outside of *force majeure*, the Supplier fails to deliver or perform any or all of the Goods 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 Supplier prior to the delay, and such failure amounts to at least ten percent (10%) of the contact price;

(b) As a result of *force majeure*, the Supplier is unable to deliver or perform any or all of the Goods, amounting to at least ten percent (10%) of the contract price, for a period of not less than sixty (60) calendar days after receipt of the notice from the Procuring Entity stating that the circumstance of force majeure is deemed to have ceased; or

(c) The Supplier fails to perform any other obligation under the Contract.

23.2 In the event the Procuring Entity terminates this Contract in whole or in part, for any of the reasons provided under **GCC** Clauses 23 to 26, the Procuring Entity may procure, upon such terms and in such manner as it deems appropriate, Goods or Services similar to those undelivered, and the Supplier shall be liable to the Procuring Entity for any excess costs for such similar Goods or Services. However, the Supplier shall continue performance of this Contract to the extent not terminated.

23.3 In case the delay in the delivery of the Goods and/or performance of the Services exceeds a time duration equivalent to ten percent (10%) of the specified contract time plus any time extension duly granted to the Supplier, the Procuring Entity may terminate this Contract, forfeit the Supplier's performance security and award the same to a qualified Supplier.

24. Termination for Insolvency

The Procuring Entity shall terminate this Contract if the Supplier 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, 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.

25. Termination for Convenience

25.1 The Procuring Entity may terminate this 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.

25.2 The Goods that have been delivered and/or performed or are ready for delivery or performance 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 and/or ready for delivery, the Procuring Entity may elect:

(a) to have any portion delivered and/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 and/or performed goods and for materials and parts previously procured by the Supplier.

25.3 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 this 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.

26. Termination for Unlawful Acts

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

(a) Corrupt, fraudulent, and coercive practices as defined in **ITB** Clause 3;

(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.

27. Procedures for Termination of Contracts

27.1 The following provisions shall govern the procedures for 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 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;

(b) Upon recommendation by the Implementing Unit, the Head of the Procuring Entity shall terminate this Contract only by a written notice to the Supplier conveying the termination of this Contract. The notice shall state:

(i) that this 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 Supplier to show cause as to why this Contract should not be terminated; and

(iv) special instructions of the Procuring Entity, if any.

(c) The Notice to Terminate shall be accompanied by a copy of the Verified Report;

(d) Within a period of seven (7) calendar days from receipt of the Notice of Termination, the Supplier shall submit to the Head of the Procuring Entity a verified position paper stating why this Contract should not be terminated. If the Supplier 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;

(e) The Procuring Entity may, at anytime before receipt of the Supplier'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 receipt of the notice;

(f) 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 Supplier of its decision and, unless otherwise provided, this Contract is deemed terminated from receipt of the Supplier of the notice of decision. The termination shall only be based on the ground(s) stated in the Notice to Terminate;

(g) The Head of the Procuring Entity may create a Contract Termination Review Committee (CTRC) 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; and

(h) The Supplier 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.

28. Assignment of Rights

The Supplier shall not assign his rights or obligations under this Contract, in whole or in part, except with the Procuring Entity's prior written consent.

29. Contract Amendment

Subject to applicable laws, no variation in or modification of the terms of this Contract shall be made except by written amendment signed by the parties.

30. Application

These General Conditions shall apply to the extent that they are not superseded by provisions of other parts of this Contract.

ANNEX "K"

Special Conditions of Contract

GCC Clause	
1.1 g)	The Procuring Entity is the Department of Budget and Management (DBM).
1.1 (i)	The Supplier is DBP Service Corporation
1.1 (j)	The Funding Source is: The Government of the Philippines (GOP) through the FY 2011 General Appropriations Act in the amount of Nine Million Pesos (P9,000,000.00).
1.1 (k)	The project site is DBM Buildings I, II, III, IV, General Solano St., San Miguel, Manila; Mabini Hall, Malacañang, Manila; and DLLO, Batasan, Quezon City.
5.1	**The Procuring Entity's address for Notices is:** Director Virginia G. Garriel Department of Budget and Management Room 109, Mabini Hall, Malacañang, Manila Tel. No. (02) 735-4902; 735-49-21 Fax No. (02) 735-4979 **The Supplier's address for Notices is:** 2nd Floor, Executive Bldg. Center Gil Puyat Ave., Makati City Contact No. 895-1393; 8951566; Fax no. 897-8950; 895-4750
6.2	The DBM has the option to effect changes in the assignment/deployment of the janitors at anytime during the contract period through written notice to the Contractor. Likewise, The DBM may increase or decrease the number of janitors as maybe necessary provided that the ABC for the relevant year is not exceeded. However, DBM reserves the right to increase, reduce or limit the scope of services for any reason, and in such even, there shall be a corresponding downward or upward adjustment in the consideration in such sum as may be agreed upon by the parties provided that the resulting cost of said increase or decrease shall not exceed the ABC. The Contractor shall ensure that the janitors assigned/deployed to the DBM shall observe proper uniform at all times and strict compliance with Section VII. Technical Specifications.
9.	For the given scope of work in this Contract as awarded, all bid prices are considered fixed prices, and therefore not subject to price escalation during contract implementation, except (1) increase in minimum daily wage pursuant to law or new wage order issued after date of bid opening; and (2) increase in taxes.
10.1	Payment shall be made within ten (10) working days upon complete submission of

	the following documents: a) DTRs of all janitors duly signed by the AS Director or her duly authorized representative; b) Proof of previous months remittances to SSS, Philhealth and Pag-IBIG, together with the transmittal sheet stamped received b the said agencies, and other documents as may be required; and c) Invoice of Billing or Statement of Account for the period covered. Thereafter. payment shall be made only upon certification by the Director, Administrative Service to the effect that Goods/Services have been delivered or rendered in accordance with the terms of the Contract.
10.4	No further instructions.
13.1	No further instructions.
13.4	No further instructions.
14.	No further instructions
15.	Contractor shall maintain a satisfactory level of performance throughout the term of the contract based on the following set of performance criteria, among others: a) quality of service delivered; b) time management; c) management and stability of personnel; d) contract administration and management; e) provision of regular progress report; f) attentiveness to details; and g) compliance with DBM instructions and policies The Administrative Service shall conduct a quarterly review using the above criteria. which shall be the basis for the recommendation to the Head of the Procuring Entity for the continuation or termination of the Contract.
16.1	No further instructions.
17.4 and 17.5	No further instructions.
19.1	The applicable rate is one tenth (1/10) of one (1) percent of the cost of the unperformed portion for every day of delay. The maximum deduction shall be ten percent (10%) of the amount of contract. Once the cumulative amount of liquidated damages reaches ten percent (10%) of the amount of the contract, the procuring entity shall rescind the contract, without prejudice to other courses of action and remedies open to it. The Procuring Entity may also rescind the contract and impose additional 10% of the amount of the contract as liquidated damages upon non-performance by the Supplier of any of its

	obligations under the contract. The imposition of liquidated damages in all instances shall be automatic, except upon prior request for extension and approval thereof by the Procuring Entity before the scheduled delivery date. Any request for extension not acted upon before delivery date shall be considered denied.
20.4	In the case of a dispute between the Procuring Entity and the Supplier, the dispute shall be resolved in accordance with Republic Act 9285 ("R.A. 9285"), otherwise known as the "Alternative Dispute Resolution Act of 2004."
21.1	No additional provision.

REPUBLIC OF THE PHILIPPINES

Department of Budget and Management

Malacañang, Manila

NOTICE OF AWARD

January 20, 2011

ORIGINAL RECEIVED

By: CHRISTIAN BAEZ
Designation: OPERATIONS STAFF
Office: OPERATIONS DEPT. DBPSC
Date: 1/25/10

MR. GERRY A.C. ARELLANO
Assistant Vice President
DBP Service Corporation
2/F Executive Building Center
Sen. Gil Puyat cor. Makati Avenue
Makati City

Dear Mr. Arellano:

Based on the Department of Budget and Management Bids and Awards Committee Resolution No. 2011-01, we are pleased to inform you that the contract for the project "Provision of Janitorial Manpower Services for FY 2011-2012" is hereby awarded to your company in the amount of Seven Million Nine Hundred Seventy-One Thousand Five Hundred Ninety-Two Pesos and Eight Centavos (P7,971,592.08).

In this regard, you are hereby required to post a performance security in the amount and form stipulated in Section 39 of the Revised Implementing Rules and Regulations of Republic Act No. 9184 prior to signing of the contract.

Very truly yours,

FLORENCIO B. ABAD
Secretary

REPUBLIC OF THE PHILIPPINES

Department of Budget and Management

Malacañang, Manila

NOTICE TO PROCEED

MR. RODOLFO C. MANALIGOD
President
DBP Service Corporation
2/F Executive Building Center
Sen. Gil Puyat cor. Makati Avenue
Makati City

Dear Mr. Arellano:

This is to inform you that performance of the obligations specified in the attached Contract for the "Provision of Janitorial Manpower Services for FY 2011-2012" shall commence upon receipt of this Notice to Proceed.

Very truly yours,

FLORENCIO B. ABAD
Secretary

Received by:

_____
(Print name, signature and date received)

1/31/11