

MEMO

TO: All Employees

FROM: President

DATE: September 30, 2013

**COPY: SVP-Group Internal Audit /
CFO /Division / Department
Heads**

RE: Bids and Awards Procedure (Implementing Rules and Regulations)

To ensure that goods and services procured are obtained in an effective manner and in compliance with industry standards:

Composition

- A **Bids and Awards Committee** (herein referred to as "BAC" or "Committee") is created composing of the (a) President, (b) Chief Financial Officer, (c) Head of Procurement and Logistics, (d) Head of Project Management/Planning and Design and (e) Group Internal Audit Head. This Committee is tasked to ensure that (a) all Procurement transactions be conducted in a manner to provide, to the maximum extent practical (value-engineered), open and free competition, and (b) procedures and controls regarding the Procurement process are effective and in place.
- A **Technical Committee** (herein referred to as "TWG") shall be formed composed of representatives from various departments to aid the BAC in ensuring that technical, financial and legal specifications of the procurement transaction are scrutinized and reviewed.

Applicability and Eligibility

- All procurement transactions (including Change Orders) amounting to Php 1,000,001 and above shall require approval from the BAC in order to be valid and enforceable.
- Existing policies and procedures (LAP-P13.001 onwards) related to the supplier accreditation, purchase request preparation and approval, canvass form preparation, purchase order preparation and approval, and delivery of goods and services shall be complied with as long as it is not in contrary with the Bids and Awards Procedure (AC-LAP-MAN-001).

Bidding Process

- Once the request to purchase goods or services has been approved, the Procurement Department shall issue an Invitation to Bid/Request for Quotes (RFQs) to prospective suppliers. Invitation to Bids/RFQs submitted to prospective suppliers should contain similar information to ensure fairness in bidding.
- Members of the BAC may opt to call for a pre-bid conference if warranted.
- Procurement Department shall set the time limit on the submission of bidding documents from prospective suppliers. Prospective suppliers shall at least submit the minimum required legal, technical and financial documents.
- Bidding documents shall be submitted in a sealed envelope. Once all/most of the prospective suppliers have submitted their bids, Procurement Department shall require the presence of all designated representatives (Project Management, Procurement, Legal and Group Internal Audit [GIA]) by BAC for the opening.
- During the opening of the bids, the designated representatives shall ensure that all pages of the bids have been signed by them. Procedures during bid opening should be complied such as the inclusion of the time, date and place of meeting. GIA or any of the representatives present have

the right to call for the "failure of bidding process" if the necessary control procedures has not been met.

- TWG shall ascertain whether the specifications in the Invitation to Bid/RFQ have been complied with by all bidders. TWG will evaluate the bids and submit a recommendation to BAC.
- Some form of cost or price analysis should be documented and submitted to the BAC for their review and approval. Price analysis may include comparison of price quotes submitted, market prices, among others. Cost analysis, on the other hand, shall include the review and evaluation of each element of cost to determine reasonableness, allocability and allowability.
- Once a recommendation has been made, the BAC shall convene and make a clarificatory and final negotiation with the three (3) suppliers recommended.
- The final bid shall be the basis by the Committee for awarding of contract. Upon determination of the lowest calculated responsive bid, all members of the BAC that are present shall sign in the Recommendation to Award at the Abstract to Bid. The said document will then be submitted to the Chairman of the Board for final approval.
- Once the necessary approval has been sought, a Contract or Notice to Award will be presented to the winning bidder. The winning bidder should undertake to comply with other requirements such as performance bonds.
- There may be instances where the normal bidding process could not be complied with. In these cases, Procurement Department may opt to select some of the alternative methods of procurement. Necessary justifications for non-compliance with the normal bidding process should be documented and approved by management since these circumstances may open control lapses leading to fraud.

File Retention

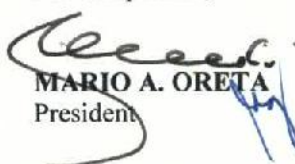
- Procurement Department shall ensure that all files relating to the bidding and awarding process are filed and archived in the period required by Philippine laws or seven (7) years, whichever is longer.

Conflict of Interest

- Finally, the Committee shall ensure that no employee, officer, or consultant participate in the selection, administration of procurement or service contract if a real and apparent conflict of interest would be involved.

Please refer to the attached Bids and Awards Procedure Implementing Rules and Regulation (AC-LAP-MAN-001) for more details.

For compliance,


MARIO A. ORETA
President

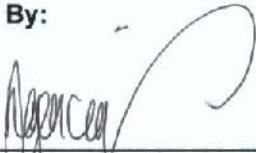
BIDS & AWARDS PROCEDURE

Implementing Rules and Regulations

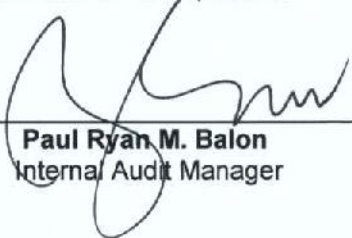
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RULE I – GENERAL PROVISIONS**SECTION 1. Title**

This Implementing Rules and Regulations, herein also called the IRR, aims to set a standard Bids and Award Procedure (BAP) of goods and services to maintain and improve the Company's operations. This also aims to ensure that the Company obtains the best value of its purchases without sacrificing quality and efficiency.

SECTION 2. Governing Principles on Bids and Awards Procedures

All procurement made by the company including its subsidiaries, in all cases, shall be governed by these principles:

- Transparency in the procurement process and in the implementation of procurement contracts;
- Competitiveness by extending equal opportunity to enable private contracting parties who are eligible and qualified to participate in bidding;
- The procurement process shall be simple and made adaptable to advances in modern technology in order to ensure an effective and efficient method;
- System of accountability where both the officials directly or indirectly involved in the procurement process as well as in the implementation of procurement contracts and the parties that deal with are, when warranted by circumstances, investigated and held liable for their actions relative thereto;
- Monitoring of the procurement process and implementation of awarded contracts with the end in view of guaranteeing that these contracts are awarded pursuant to the policy provisions and its implementing rules and regulations, and that all these contracts are performed strictly according to specifications.

SECTION 3. Scope and Application

This IRR shall apply to all procurement for goods, infrastructure projects, and consulting services of Alphaland Corporation, herein referred to as the Company. Its Subsidiaries may adopt separate rules and regulations for the management of their procurements, provided such rules are within the broad principles of these rules and are approved by their respective Boards of Directors/Trustees. In the absence of such separate rules and regulations, procurements conducted by these bodies shall be governed by the rules under this IRR.

SECTION 4. Definition of Terms

For purposes of this IRR, the following terms or words and phrases shall mean or be understood as follows:

- a) **Approved Budget for the Contract (ABC)** - refers to the budget for the contract duly approved by the Bid and Award Committee (BAC).
- b) **BAC** - refers to the Bid and Awards Committee comprising:
 - The President;
 - Chief Financial Officer;
 - Head Of Procurement;
 - Head of Project Management/Planning and Design, and;
 - Group Internal Audit.

- c) **Bidding Documents** - refer to the documents issued by the requesting entity and the Procurement Department, as the basis for Bids, furnishing all information necessary for a prospective bidder to prepare a bid for the Goods, Infrastructure Projects, and Consulting Services to be provided.
- d) **Bid** - refers to signed offer or proposal submitted by a supplier, manufacturer, distributor, contractor or consultant in response to the Bidding Documents.
- e) **Competitive Bidding** - refers to a method of procurement which is open to participation by any interested party and which consists of the following processes: invitation to bid, pre-bid conference, eligibility screening of bids, receipt and opening of bids, evaluations of bids, post - qualification, and award of contract, as may be governed under this IRR.
- f) **Consulting Services** - refer to services for Infrastructure Projects and other types of projects or activities of the company requiring adequate external technical and professional experts that are beyond the capability and/or capacity of the company to undertake such as, but not limited to:
 - advisory and review services;
 - pre-investment or feasibility studies;
 - design;
 - construction supervision;
 - management and related services, and;
 - Other technical services or special studies.
- g) **Goods** - refer to all items, supplies, materials and general support services, except consulting services and infrastructure projects, which may be needed in the transaction of the businesses or in the pursuit of any company undertaking, project or activity, whether in the nature of equipment, materials for construction, personal property including non-personal or contractual services such as repairs and maintenance of equipment, procurement of materials and supplies provided by the procuring entity for such services. This shall also include, but not limited to, lease or purchase of office space, media advertisements, health maintenance services, and other services essential to the operation of the company.
- h) **Procurement Policy** - refers to the policy established to:
 - Protect company interest in all matters affecting Procurement;
 - Formulate and amend, whenever necessary, the corresponding standard forms for Procurement;
 - Ensure that the Head of Procurement regularly conduct Procurement training programs and prepares an updated Procurement operations manual for the company and its subsidiaries, and;
 - Conduct an annual review of the effectiveness of the policy and recommend any amendments thereto, as may be necessary.
- i) **Infrastructure Projects** - include the construction, improvement, rehabilitation, demolition, repair, restoration or maintenance of roads and bridges, airports, seaports, communication facilities, civil works components of information technology projects, irrigation, flood control and drainage, water supply, sanitation, sewerage and solid waste management systems, shore protection, energy/ power and electrification facilities, and other related construction projects of the company.

- j) **Procurement** - refers to the acquisition of Goods, Consulting Services, and the contracting for Infrastructure Projects by the company through its Procurement Department. Procurement shall also include the lease of goods and real estate. With respect to real property, its procurement shall be governed by the provisions of "An Act to Facilitate the Acquisition of Right-of -Way Site or Location of National Government Infrastructure Projects and for Other Purposes" and other applicable laws, rules and regulations.
- k) **Portal** – refers to the website that forms a collection of a wide variety of content for the purpose of attracting bidders and or users.

SECTION 5. Standardization of Procurement Process and Forms

To systematize the procurement process, avoid confusion and ensure transparency, the procurement process, including the forms to be used, shall be standardized insofar as practicable.

For this purpose, the Head of Procurement shall pursue the development of generic procurement manuals and standard bidding forms, the use of which once issued shall be mandatory upon all procurements in the future. However, whenever necessary, to suit the particular needs of the company, modifications may be made, particularly for major and specialized procurement, subject to the approval of the BAC.

RULE II - PROCUREMENT PLANNING

SECTION 6. Procurement Planning and Budgeting Linkage

No procurement shall be undertaken unless it is in accordance with the approved budget. The budget shall bear the approval of the Chairman or any approving officer designated by the Chairman to act on his behalf and should be consistent with the approved annual budget.

The annual budget, including any such budget as may be required for any particular and special procurements, shall be formulated and revised only in accordance with standard company guidelines in preparing such.

RULE III - PROCUREMENT BY ELECTRONIC MEANS

SECTION 7. Procurement by Electronic Means

- 7.1 To promote transparency and efficiency, information and communications technology shall be utilized in the conduct of procurement procedures. Accordingly, there shall be a portal that shall serve as the primary source of information on all procurement. The Head of Procurement shall serve as the primary and definitive source of information on procurement. Further, the Chairman and the Head of Procuring Entity or any two (2) members of BAC are authorized to approve in writing changes in the procurement process to adapt to improvements in modern technology.
- 7.2 To take advantage of the significant built-in-efficiencies of the procurement policy and the volume discounts inherent in bulk purchasing, all shall utilize procurement by electronic of common supplies in accordance with the IRR. With regard to the procurement of non-common use items, infrastructure projects and consulting services, company may hire service providers to undertake their electronic procurement provided these service providers meet the minimum requirements set on the procurement policy.

SECTION 8. Security, Integrity and Confidentiality

The BAC and the Head of Procurement Department shall ensure the security, integrity and confidentiality of documents submitted through. It shall include features that provides for an audit trail for on-line transactions and allow the Audit to verify the security and integrity of the systems at any time.

RULE IV - COMPETITIVE BIDDING**SECTION 9. Competitive Bidding**

All Procurement shall be done through Competitive Bidding, except as provided for in RULE XIV of this procedure (Alternative Methods of Procurement).

RULE V - BIDS AND AWARDS COMMITTEE**SECTION 10. The BAC and its Composition**

10.1 The BAC shall have at least five (05) members comprising of the following:

1. The President;
2. Chief Finance Officer;
3. Project Management Head;
4. Procurement Head; and
5. Group Internal Audit Head

In case of unavailability, duly authorized representatives may be sent by the members to represent them and to act on their behalf. For justifiable causes, a member shall be suspended or removed from BAC, by the Chairman and/or the President.

10.2 Functions of the BAC

The BAC shall have the following functions: advertise and/or post the invitation to bid, conduct pre-bid conferences, determine the eligibility of prospective bidders, receive bids, conduct the evaluation of bids, undertake final negotiations and proceedings, and perform such other related functions as may be necessary including the creation of a Technical Committee (Tech. Com.) to assist in the procurement process particularly in the eligibility screening and evaluation of bids.

In proper cases, the BAC shall also recommend to the Head of Procurement the use of Alternative Methods of Procurement (RULE XIV).

The BAC shall be responsible for ensuring that the procuring entity/department abides by the standards set forth in this IRR. Procurement Department shall prepare a procurement monitoring report that shall be approved and submitted to BAC on a regular basis.

SECTION 11. Technical Committee

To assist the BAC in the conduct of its functions, such as, but not limited to the production and distribution of the Bidding Documents, records management, liaison works, project monitoring, reporting, posting and publication (if required), price monitoring, and such other operational requirements of the BAC. The BAC shall designate a Technical Committee that will serve as its main support unit.

The Technical Committee shall have the following functions and responsibilities:

1. Provide admin support to BAC;
2. Shall assist in the technical, financial and legal aspect of the procurement process.
3. Assist BAC in the preparation of bidding docs, ensuring that the same properly reflects the requirements of the company and conform to the standards set by the company.
4. Assist BAC in the conduct of eligibility screening of prospective bidders, and in the short listings of prospective bidders in case of bidding for consultancy services.
5. Assist BAC in bid evaluation and prepare the accompanying reports for BAC's considerations and approval.
6. Assist BAC in the conduct of post qualification activities and prepare the post qualification summary report for the BAC's approval.
7. Assist BAC in preparing the resolution covering award with regards to the technical aspect, if necessary.
8. Provide utmost priority to BAC assignments over all other duties and responsibilities until the requirements for the procurement at hand are completed.
9. Organize and make all necessary arrangement for the BAC meetings;
10. Take custody of procurement documents and be responsible for the preparation and distribution of bid documents to interested buyers and shall ensure that all procurements undertaken are properly documented to provide an audit trail of the procurement process.
11. Monitor procurement activities and milestone for proper reporting to relevant officers and or end users, when required
12. Make arrangements for pre-bid conferences and bid opening
13. Assist the BAC in preparing drafts of BAC resolutions
14. Be the central depository of all procurement related info and continuously update itself with the most current resolutions and distribute same to all relevant officers requiring said info
15. Provide utmost priority to BAC assignment over all duties and responsibilities until the requirements of the procurement are completed.

SECTION 12. Technical Committee Composition

The Technical Committee members shall be considered basing on the type of goods, services, and the type of infrastructure projects being procured.

For Infrastructure Projects and other Services, the following technical personnel may be called as members of the Technical Committee:

- a) Project Directors
- b) Construction Managers/Project Managers/Quantity Surveyors
- c) Finance Officers/Accounting Officers, for budget and financial expertise
- d) Legal Officers
- e) Audit Officers

The BAC may, from time to time, as the need arises, may choose to employ the services of other personnel, whose expertise may matter most in evaluating particular bids and assist further the BAC in establishing the most advantageous prices and services for the company.

RULE VI - PREPARATION OF BIDDING DOCUMENTS

SECTION 13. Forms and Contents of Bidding Documents

The Bidding Documents shall be prepared by the requesting department and Procurement, specific to the goods, works, services to be procured following the standard forms and manuals

prescribed in this IRR, with minimum changes as necessary to address project specific conditions. Reasons for changes, if any, shall be recorded and seek approval from BAC. The Bidding Documents shall include the following:

- Approved Budget for the Contract;
- Invitation to Bid/Request for Expression of Interest
- Instructions to Bidders, including criteria for eligibility, bid evaluation and post-qualification, as well as the date, time and place of the pre-bid Conference (where applicable), submission of bids and opening of bids;
- Terms of Reference (TOR) for consulting services;
- Scope of Works (where applicable)
- Eligibility Requirements;
- Plans, drawings, and Technical Specifications;
- Form of Bid, Price Form, and List of Goods or Bill of Quantities;
- Delivery Time or Completion Schedule;
- Form, Amount, and validity period of Bid Security;
- Form, Amount, and validity of Performance Security and Warranty; and,
- Form of Contract, General and Special Conditions of Contract.

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

Additional requirements may also be asked to be submitted from the Bidders as may be deemed necessary by the BAC.

SECTION 14. Reference to Brand Names

Specifications for the Procurement of Goods shall be based on relevant characteristics and/or performance requirements. Reference to brand names shall not be allowed.

SECTION 15. Access to Information

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

RULE VII- INVITATION TO BID

SECTION 16. Contents of the Invitation to Bid

16.1 The Invitation to Bid shall provide prospective bidders the following information, among others:

- a. For the procurement of;
 - Goods, the name of the contract to be bid and a brief description of the goods to be procured;
 - Infrastructure Projects, the name and location of the contract to be bid, the project background and other relevant information regarding the proposed contract works, including a brief description of the type, size, major items, and other important features of the works, and;

- Services, the name of the contract to be bid, a general description of the project and other relevant information;
- b. A general statement on the criteria to be used for the eligibility check, the short listing of prospective bidders, the examination and evaluation of Bids, and post-qualification;
- c. The date, time and place of the deadlines for the submission and receipt of the eligibility requirements, the pre-bid conference if any, the submission and receipt of bids, and the opening of bids;
- d. The Approved Budget for the Contract to be bid;
- e. The period of availability of the Bidding Documents, and the place where these may be secured and, where applicable, the cost of the Bidding Documents;
- f. The contract duration, or delivery schedule;
- g. The name, address, contact numbers, facsimile numbers, e-mail and website addresses of the company, as well as the designated contact person; and
- h. Such other necessary information deemed relevant by the Head of Procurement and BAC.

16.2 Minimum Time Limits for the Submission of Bids

Time limits for submission of Bids, as may be set and approved by the BAC, shall be reasonable, taking into account the nature of goods, services, or works to be procured, including the time necessary for site visits where appropriate, and give adequate and equal time for all bidders to prepare their bids.

Calculation of the relevant time limits shall commence from the day the documents are made available and shall be made available till a day prior to last day of submission.

SECTION 17. Pre-bid Conference

- 17.1 For contracts to be bid with an approved budget of One Million Pesos (Php 1,000,000.00) and above, the BAC shall convene at least one (1) pre-bid conference. For contracts to be bid less than One Million Pesos (Php 1,000,000.00), pre-bid conferences may be conducted at the discretion of the BAC. Subject to BAC's approval, a pre-bid conference may also be conducted upon written request of any prospective bidder.
- 17.2 The pre-bid conference shall discuss, among other things, the eligibility requirements, and the technical and financial components of the contracts to be bid. Attendance of the bidders shall not be mandatory. However, at the option of the BAC, only those who have received the Bid Documents shall be allowed to participate in the pre-bid conference and raise or submit written queries or clarifications.
- 17.3 Minutes of the pre-bid conference shall be recorded and made available to all participants not later than two (2) calendar days after the pre-bid conference. Any statement made at the pre-bid conference shall not modify the terms of the Bidding Documents, unless such statement is specifically identified in writing as an amendment thereto and issued as Supplemental/Bid Bulletin.
- 17.4 Supplemental/Bid Bulletins/Addendum
 - 17.4.1 Requests for clarification(s) on any part of the Bidding Documents or for an interpretation must be in writing and submitted to the BAC at least seven (7) calendar days before the deadline set for the submission and receipt of bids. BAC shall respond to the said request by issuing a Supplemental/Bid Bulletin, to be made available to all those who have properly secured the Bidding Documents, at least five (5) calendar days before the deadline for the submission and receipt of bids.

- 17.4.2 Supplemental/Bid Bulletins may be issued upon the requesting department's initiative, thru the BAC, for purposes of clarifying or modifying any provision of the Bidding Documents at least five (5) calendar days before the deadline for the submission and receipt of bids.
- 17.4.3 Any modification to the Bidding Documents shall be identified as an amendment. Any addendum thus issued, shall be part of the Bidding Documents and shall be binding on the prospective bidders.
- 17.4.4 The addendum shall be communicated in writing or by BAC-approved electronic means to all prospective bidders who have received the Bidding Documents, and who shall confirm receipt thereof before bid opening.
- 17.4.5 The Procurement Department, with approval from BAC, may, at its discretion, extend the deadline of submissions of bids to allow the prospective bidders reasonable time for taking the addendum into account in preparation of their bids.

RULE VIII - RECEIPT AND OPENING OF BIDS

SECTION 18. Eligibility Requirements

- 18.1 For purposes of determining the eligibility of bidders, the BAC shall require the following documents to be submitted, among others, using the forms prescribed in the Bidding Documents;
- a. *Legal Documents*
 - SEC certificates, DTI for sole proprietorship, CDA for cooperatives, or any proof of such registration as stated in the Bid Documents;
 - b. *Technical Documents*
 - statement of the prospective bidder of all its on-going and completed projects, including contracts awarded but not yet started, if any, whether similar or not similar in nature and complexity to the contract to be bid, within the relevant period as provided in the Bidding Documents.
 - For infrastructure projects, a valid Philippine Contractors Accreditation Board (PCAB) license, as may be deemed necessary by the BAC.
 - For consulting services, statement of the prospective consultant specifying its nationality and confirming that those who will actually perform the services are registered professionals authorized by the appropriate regulating body to practice those professions and allied professions.
 - c. *Financial Documents*
 - prospective bidder's audited financial statements, showing, among others, total and current assets and liabilities, stamped "received" by the BIR or its duly authorized and accredited institutions, for the preceding calendar year which should not be earlier than 2 years from the date of bid submission.
 - The prospective bidder's computation of its net financial contracting capacity or a commitment from a universal or

commercial bank to extend a credit line in favor of the prospective bidder if awarded the contract to be bid.

Other such requirements, as may be required by the BAC, will form part of the Bidding Documents, and shall be included in the list for submissions.

In the case of foreign consultants, eligibility requirements may be substituted by the appropriate equivalent documents, if any, issued by the foreign consultant's country.

- 18.2 Notwithstanding the eligibility of the prospective bidders, the BAC reserved the right to review their qualifications at any stage of the procurement process if it has reasonable grounds to believe that a misrepresentation has been made by any prospective bidder, or that there has been a change in the prospective bidder's capability to undertake the project from the time it submitted its eligibility requirements. Should such review uncover any misrepresentation in the eligibility requirements, statements or documents, or any changes in the situation of the prospective bidder which will affect the capability of the bidder to undertake the project so that it fails the eligibility criteria, the BAC shall consider the bidder as ineligible and shall disqualify it from obtaining an award or contract.

SECTION 19. Submission and Receipt of Bids

- 19.1 Bidders shall submit their bids using the forms specified in the Bidding Documents in two (2) separate sealed bid envelopes, which shall be submitted simultaneously. The first shall contain the technical component of the bid, including the eligibility requirements, and the second shall contain the financial component of the bid.
- 19.2 Bids shall be received by the BAC on the date, time, and place specified in the Invitation of Bid. Bids, including the eligibility requirements, submitted after the deadline shall not be accepted by the BAC.

SECTION 20. Modification and Withdrawal of Bids

- 20.1 A bidder may modify his bid, provided that this is done before the deadline for the receipt of bids. Where a bidder modifies its bid, it shall not be allowed to retrieve its original bid, but shall only be allowed to send another bid equally sealed, properly identified, linked to its original bid and marked as a "modification, thereof, and stamped "received" by the BAC. Bid modifications received after the applicable deadline shall not be accepted by the BAC.
- 20.2 A bidder may, through a letter, withdraw his bid or express his intention not to participate in the bidding before the deadline for the receipt of bids. In such case, he shall no longer be allowed to submit another Bid for the same contract either directly or indirectly.

SECTION 21. Bid Security

- 21.1 All Bids shall be accompanied by a Bid security, which shall serve as guarantee that, after receipt of the Notice of Award, the winning bidders shall enter into contract with the Company within the stipulated time and furnish the required performance security. The specific amounts and allowable forms of the Bid security shall be prescribed for and approved by the BAC.
- 21.2 The bid security of the unsuccessful bidders shall be discharged/returned to them as promptly as possible upon award of contract, within a period as may be prescribed by the BAC, except to those declared by the BAC as failed or post-disqualified in accordance with

this IRR, upon submission of a written waiver of their right to file a motion for reconsideration and/or protest.

21.3 The bid security of the successful bidder shall be returned upon the bidder's executing the contract and furnishing the performance security where it is prescribed.

21.4 The bid security may be forfeited:

- a. if a bidder withdraws its bid during the period of bid validity specified by the bidder; or
- b. in the case of a successful bidder, if the bidder fails to sign the contract within the prescribed time, or to furnish the performance security within the prescribed time

21.5 In no case shall bid security be returned later than the expiration of the bid validity period indicated in the Bidding Documents, unless it has been extended in accordance with Section 23.2 of this IRR.

SECTION 22. Bid Validity

22.1 Bids and Bid securities shall be valid for such reasonable period of time indicated in the Bidding Documents. The duration for each undertaking shall take into account the time involved in the process of Bid evaluation and award of contract.

22.2 Should it become necessary to extend the validity of the bids and bid securities beyond the prescribed period of time, Procurement shall request in writing all those who submitted bids for such extension before the expiration date thereof. Bidders, however, shall have the right to refuse to grant such extension without forfeiting their bid security but would lead to their disqualification. In such a case, their bids shall not be further considered for evaluation and award.

SECTION 23. Bid Opening

23.1 The **BAC, shall open all bids at the time, date, and place specified in the bidding documents.** An acceptable and standard procedure may also be adopted by the BAC to ensure the integrity, security, and confidentiality of all submitted bids.

23.2 The bid form including appendices to bid form, bill of quantities, price schedules, and any other important documents, as may be deemed necessary by the BAC, shall be initialed by all members of the BAC or their representatives present in the bid opening.

23.3 A standard summary form of the opened bids shall be prepared before closing of the Opening of Bid session. Members of the BAC or their representatives present shall sign the form.

23.4 Any bid received in incorrect form shall be rejected.

RULE XI – BID EVALUATION

SECTION 24. Preliminary Examination of Bids

24.1 The BAC, thru its Technical Committee, shall open the first bid envelopes to determine the prospective bidders' compliance with the eligibility requirements and the technical requirements using a non-discretionary "pass/fail" criterion to determine if all required documents are present.

24.2 Immediately after checking compliance with the requirements in the first envelope, the Tech.Com. shall forthwith open the second envelopes of each remaining eligible bidder whose first envelopes were rated "passed". 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 approved budget of the contract (ABC), the BAC shall rate the bid concerned as "failed". Only bids that are determined to be compliant to all bid requirements for both components shall be rated "passed" and shall immediately be considered for evaluation and comparison.

24.3 The Tech.Com. shall prepare a summary of the opened bids, signed by the members witnessing the opening. For this purpose, the following members should be present during opening of bids:

- i. Project Management Representative/Secretariat;
- ii. Procurement Representative;
- iii. Legal Representative; and
- iv. Internal Audit Representative

The absence of any one of the above will render the opening of bids invalid and will be subjected to a BAC hearing before proceeding. Person/s concerned will be invited to explain before the BAC the reasons, basis, and purpose for the failure of one of the above to sign and witness the opening of bids.

SECTION 25. Ceiling for Bid Prices

The ABC shall be the upper limit or ceiling for the Bid prices. Bid prices that exceed this ceiling shall be disqualified outright from further participating in the bidding. There shall be no lower limit to the amount of the award.

SECTION 26. Bid Evaluation

26.1 Bids are evaluated using non-discretionary criteria in considering the following:

- i. Completeness of the bid. Unless the Instruction to Bidders specifically allow partial bidders, bids not 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.
- ii. Arithmetical corrections. Consider computational errors and omissions to enable proper comparison of all eligible bids.

26.2 Bids shall then be ranked in the ascending order of their total calculated bid prices, as evaluated and corrected for computational errors, and other bid modifications if allowed.

26.3 After all bids have been received, opened, examined, evaluated, ranked, the Technical Committee shall then prepare the corresponding **Abstract of Bids**. The Abstract of Bids shall contain the following:

- i. Name of the contract and its location;
- ii. Time, date and place of bid opening;
- iii. Names of bidders and their corresponding calculated bid prices arranged from lowest to highest, the amount of bid security and the name of the issuing entity; and
- iv. Approved budget for the contracted works, goods, and services.

RULE X – FINAL NEGOTIATION**SECTION 27. Objective and Process of Final Negotiation**

- 27.1 Final negotiation is the stage where the bidders, ranked in ascending order, undergoes final verification, validation, and declaration of final bid amount in accordance with all the requirements and conditions as specified in the Bidding Documents.
- 27.2 The final negotiation shall verify, validate, and ascertain all statements made and documents submitted by the bidders using the criteria, as stated in the Bidding Documents. These criteria shall consider, but not limited to, the following:
- i. Legal Requirements. To verify and validate license, certificates, permits, agreements, and other pertinent documents submitted by the bidder.
 - ii. Technical Requirements. To determine compliance of the goods, infrastructure projects, or consulting services offered with the requirements specified in the Bidding Documents.
 - iii. Financial Requirements. To verify and validate the bid price proposal of the bidder.
- 27.3 In all cases, the contract shall be awarded only to the bidder with the Lowest Calculated Responsive Bid having passed all the legal, technical, and financial requirements as specified in the Bidding Documents, and any other requirements as may be required by the BAC.

SECTION 28. Failure of Bidding

- 28.1 The BAC shall declare failure of bidding when;
- i. No bids are received;
 - ii. All prospective bidders are declared ineligible;
 - iii. All bids fail to comply with all the bid requirements, or there is no successful negotiations; or
 - iv. The bidder with the Lowest Calculated Responsive Bid refuses, without justifiable cause, to accept the award of contract, and no award is made in accordance with Section 28 of this IRR.
- 28.2 Under any of the above circumstances, the contract shall re-bid. The BAC shall observe the same process and set the new periods according to the same rules followed during the first bidding. Should there occur a second failure of bidding, the BAC shall proceed with negotiated procurement in order not to delay the materials or services required for the completion of the project.

SECTION 29. Single Calculated Responsive Bid Submission

A single calculated responsive bid shall be considered for award under the following circumstances:

- i. Only one prospective bidder submits an LOI and/or applies for eligibility check, in accordance to the provisions of this IRR, and meets the eligibility requirements or criteria, after which it submits a bid which is responsive to bidding requirements;
- ii. More than one prospective bidder submits an LOI and/or applies for eligibility check, in accordance to the provisions of this IRR, but only one meets the eligibility requirements or criteria, after which it submits a bid which is responsive to bidding requirements; or
- iii. If after the eligibility check, more than one bidder meets the eligibility requirements, but only one bidder submits a bid, and its bid is found to be responsive to the bidding requirements

In all instances, the BAC shall ensure that the final negotiated amount reflects the most advantageous prevailing price for the company.

RULE XI - AWARD, IMPLEMENTATION AND TERMINATION OF THE CONTRACT

SECTION 30. Notice and Execution of Award

30.1 Contract Award

- 30.1.1 After the final negotiation, upon determination of the Lowest Calculated Responsive Bid, all members of the BAC present in the negotiation will sign the Recommendation to Award clause below the Abstract of Bids for approval by the Chairman or by any authorized approving entity to award the contract to the Lowest Calculated Responsive Bidder. A revised bid bearing the final negotiated bid amount will be required to be submitted by the winning bidder and shall be attached to the recommendation to award.
- 30.1.2 Upon approval by the Chairman or by any authorized approving entity of the recommendation to award, the Procurement Department shall issue the Notice of Award/To Proceed to the winning bidder within a period, not to exceed seven (7) days, from date of approval of recommendation to award.
- 30.1.3 Notwithstanding the issuance of the Notice of Award/To Proceed, award of contract shall be subject to the following conditions:
 - i. Submission of other pertinent documents as may be required by the company;
 - ii. Posting of performance security, if applicable, in accordance to the provisions in this IRR;
 - iii. Signing of the contract in accordance to the provisions of this IRR.

30.2 Contract Signing

- 30.2.1 The winning bidder shall post the required performance security, where applicable, and enter into contract with the company within seven (7) calendar days from receipt of Notice of Award/To Proceed by the bidder.
- 30.2.2 The company shall enter into contract with the winning bidder within the same seven (7) calendar day period provided that all the other documentary requirements are complied with.
- 30.2.3 The following documents shall form part of the contract;
 - a) Contract agreement;
 - b) Bidding Documents;
 - c) Winning bidder's bid, including the eligibility requirements, Technical and Financial proposals, and all other documents/statements submitted;
 - d) Performance Security, if applicable;
 - e) Credit Line, in accordance to the provisions in this IRR, if applicable;
 - f) Notice of Award of Contract;
 - g) Other contract documents as may be required by the company

SECTION 31. Period of Action on Procurement Activities

- 31.1 The procurement process from the opening of bids up to the award of contract shall be established by the Procurement Department, upon consultation and approval by the BAC. The maximum periods and the earliest possible time for action on specific procurement activities should be deemed reasonable and achievable for all parties concern, unless otherwise, specified and labeled urgent, then the BAC can shorten the period of actions.
- 31.2 All requesting entities and departments must take into consideration the timing of their respective requisitions against the timeline of the procurement process to avoid delay of requested goods, services, and/or works. Each requesting department and entities must plan ahead of schedule all their requests to give sufficient time for Procurement to procure and deliver the requested items.
- 31.3 If further approval by the Office of the Chairman is required, the contract shall not be deemed approved unless and until the Office of the Chairman gives actual approval of the contract concerned.

SECTION 32. Performance Security

- 32.1 Prior to the signing of the contract, the winning bidder shall, as a measure of guarantee for the faithful performance of and compliance with his obligations under the contract prepared, be required to post a performance security in such form and amount specified in the Bidding Documents.
- 32.2 The performance security shall be denominated in the currency stipulated in the Bidding Documents and posted in favor of the company, which shall be forfeited in the event it is established that the winning bidder is in default in any of its obligations under the contract.
- 32.3 The performance security shall remain valid until issuance by the company of the final Certificate of Acceptance.

SECTION 33. Failure to Enter into Contract and Post Performance Security

- 33.1 If, for justifiable causes, the winning bidder fails, refuses or is otherwise unable to enter into contract or if the bidder fails to post the required performance security within the period stipulated in the Bidding Documents, the BAC shall disqualify the said bidder and shall consider the next-ranked Lowest Bidder. However, if no bidder enters into contract after final negotiations, the BAC shall declare a failure of bidding and conduct a re-bidding. Should there occur another failure of bidding after the conduct of re-bidding, the BAC shall recommend conducting a negotiated procurement.
- 33.2 If the winning bidder fails, refuses, or is unable to submit documents required or to make good its bid by entering into a contract with the company or post the required performance security within the period stated in this IRR or Bidding Documents, the bid security shall be forfeited and appropriate sanctions provided in this IRR and existing laws shall be imposed, except where such failure, refusal, or inability is through no fault of the bidder.

SECTION 34. Reservation Clause

- 34.1 The BAC reserves the right to reject any and all bids, declare a failure of bidding, or not award the contract in the following situations;
- If there is a *prima facie* evidence of collusion between appropriate officers or employees of the Company, or between appropriate Company officers/employees and any of the bidders, or if the collusion is between 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;
- ii. If the prescribed bidding procedures are failed to be followed;
 - iii. For any justifiable and reasonable ground, where the award of the contract will not redound to the benefit of the company.

SECTION 35. Contract Implementation and Termination

The contract implementation guidelines will be drafted by the Head of the Procurement Department, subject for review and approval by the BAC. Once approved, these will form part of this IRR as annexes.

**RULE XII - LEASE OF COMPUTERS, COMMUNICATIONS, INFORMATION
AND OTHER EQUIPMENT****SECTION 36. Lease Contracts**

The lease of construction and office equipment, including computers, communication and information technology equipment are subject to the same bidding and to the processes prescribed under this IRR. Lease may also cover lease purchases or lease-to-own and similar variations.

RULE XIII - DISCLOSURE OF RELATIONS**SECTION 37. Disclosure of Relations**

In addition to the proposed contents of the Invitation to Bid, all bidding documents shall be accompanied by a sworn affidavit of the bidder that he or she or any officer of their corporation is not related to the Head of the Procurement Department, any member of the BAC, the TWG, the BAC Secretariat, the end-user unit, and the project consultants, by consanguinity or affinity up to the third civil degree. Failure to comply with the aforementioned provision shall be a ground for the automatic disqualification of the bid.

RULE XIV - ALTERNATIVE METHODS OF PROCUREMENT**SECTION 38. Alternative Methods**

38.1 Subject to approval by BAC, and whenever justified by the conditions provided in this IRR, in order to promote economy and efficiency, the Procurement Department may resort to any of the alternative methods of Procurement provided in this IRR. In all instances, the Procurement Department shall ensure that the most advantageous price for the company is obtained.

38.2 Limited Source Bidding, otherwise known as Selective Bidding

A method of Procurement that involves direct invitation to bid from a set of pre-selected suppliers or consultants with known experience and proven capability relative to the requirements of a particular contract;

38.3 Direct Contracting, otherwise known as Single Source Procurement

A method of procurement that does not require elaborate Bidding Documents. The supplier is simply asked to submit a price quotation or a pro-forma invoice together with the conditions of sale, which offer may be accepted immediately or after some negotiations;

38.4 Repeat Order

A method of Procurement that involves a direct procurement of goods from the previous winning bidder, whenever there is a need to replenish Goods procured under a contract previously awarded through Competitive Bidding, provided;

- a) Unit prices of the repeat order must be the same or lower than those in the original contract, provided that such prices are still the most advantageous to the Company after price verification;
- b) The repeat order will not result in splitting of contracts, requisitions, or purchase orders;
- c) Except in cases duly approved by the BAC, the repeat order shall be availed only within six (6) months from the contract effectivity date stated in the Notice to Proceed arising from the original contract; and
- d) The repeat order shall not exceed twenty-five percent (25%) of the quantity of each item in the original contract.

38.5 Shopping

A method of procurement based on comparing price quotations obtained from several suppliers (in the case of goods) or from several contractors (in the case of infrastructure projects), with a minimum of three (3), to assure competitive prices, and is an appropriate method for procuring readily available off-the-shelf goods or standard specification commodities of small value, or simple infrastructure projects of small value. Requests for quotations shall indicate the description and quantity of the goods or specifications of works, as well as desired delivery or completion, time and place. The evaluation of the quotations shall follow the same principles stated in this IRR.

38.6 Negotiated Procurement

A method of procurement of goods, infrastructure projects, and services, whereby the BAC, directly negotiates a contract with a technically, legally, and financially capable supplier, contractor, or consultant in any of the following cases;

- a) Two Failed Bidding. Where there has been failure of bidding for the second time as provided in Section 30 of this IRR.
- b) Emergency Cases. In case of imminent danger to life or company property during a state of calamity, or when time is of the essence arising from natural or man-made calamities causes where immediate action is necessary to prevent damage to or loss of life or company property.
- c) Take-Over Contracts. Take-over contracts, which have been rescinded or terminated for causes provided for in the contract and existing laws, where immediate action is necessary to prevent damage to or loss of life or company property.
- d) Highly Technical Consultants. In the case of individual consultants hired to do the work is (i) highly technical or propriety; (ii) primarily confidential or policy determining, where trust and confidence are the primary consideration for the hiring of the consultant.
- e) Small Value Procurement. Where the procurement does not fall under Shopping, and the amount involved will be determined by the BAC as such; or
- f) As may be directed by the Chairman of the company.

SECTION 39. Terms and Conditions for the use of Alternative Methods

All specific terms and conditions, including the limitations and restrictions, for the application of each of the alternative methods mentioned shall be provided by Procurement Department, subject for review and approval of the BAC.

RULE XV - CONTRACT PRICES AND WARRANTIES**SECTION 40. Contract Prices & Warranties**

40.1 For the given scope of work in the contract as awarded, all bid prices shall be considered as fixed prices, and therefore not subject to price escalation during contract implementation, except under extraordinary circumstances, as determined and approved by the BAC.

40.2 Warranty

40.2.1 For the procurement of Goods, in order to assure that manufacturing defects shall be corrected by the supplier, manufacturer, or distributor, as the case maybe, for a specific time after performance of the contract, a warranty shall be required from the contract awardee for such period of time, the obligation for which shall be covered by either retention money in the amount equivalent to a percentage of every progress payment, or a special bank guarantee equivalent to a percentage of the total contract price. The said amounts shall only be released after the lapse of the warranty period, provided that the Goods supplied are free from defects and all the conditions imposed under the contract have been fully met.

40.2.2 For the procurement of infrastructure projects, the following warranties may apply:

- a) From the time project construction commenced up to final acceptance, the contractor shall assume full responsibility for the following:
 - i. Any damage or destruction of the works except those occasioned by force majeure; and
 - ii. Safety, protection, security, and convenience of his personnel, third parties, and the public at large, as well as the works, equipment, installations and the likes to be affected by his construction works.
- b) Defects Liability Period
 - i. The contractor shall undertake the repair works, at his own expense, of any damage to the infrastructure on account of the use of materials of inferior quality, within ninety (90) days from date of issued order from the company to undertake repair. In case of failure or refusal to comply, the company shall undertake such repair works and shall be entitled to full reimbursement of the expenses incurred therein upon demand.
 - ii. The Defects Liability Period shall be covered by the performance security of the contractor, which shall guarantee that the contractor performs his responsibilities stated in his contract. Failure to comply with his obligations will mean forfeiture of this Performance Security, subject its property(ies) to attachment or garnishment proceedings, and perpetually disqualified from any future company biddings.
- c) Structural Defects
 - i. For structural defects, i.e., major faults/flaws/deficiencies in one or more key structural elements of the project which may lead to structural failure of the completed elements, or Structural Failures, i.e., where one or more key structural elements in an infrastructure facility fails or collapses, thereby rendering such facility or part thereof

incapable of withstanding the design loads, endangering the safety of the users or the general public, the following shall be liable;

1. Contractor – due to improper construction, use of inferior quality/substandard materials, or due to any violation of the contract, plans, specifications
 2. Consultants – due to faulty or inadequate designs and specifications as well as construction supervision;
 3. Project Managers/Construction Managers – due to his/their willful intervention in altering the designs and other specifications; negligence or omission in not approving or acting on proposed changes to noted defects or deficiencies of the design or specifications; and the use of substandard construction materials in the project;
 4. Third Parties – in cases where structural defects/failures are caused by works undertaken by them;
 5. Users – where cases are due to abuse/misuse by the end-user of the constructed facility and/or non-compliance by user with the technical design limits and/or intended purpose of the same.
- d) For warranty periods for structural defects/failures, government laws/policies and other construction standards shall govern. A warranty security is also required to be posted by the contractor to guarantee his performing of his responsibilities, with schedule of amount and form to be specified by the BAC.
- e) In case of structural defects/failures occurring the applicable warranty period, the company shall undertake necessary restoration and reconstruction works entitled to full reimbursement by the parties found to be liable for expenses incurred therein upon demand, without prejudice to the filing of appropriate administrative, civil, and/or criminal charges against the responsible parties as well as forfeiture of warranty securities posted in favor of the company.

RULE XVI - PENAL CLAUSE

SECTION 41. Offenses and Penalties

41.1 Without prejudice to whoever may commit any of the following acts shall suffer the penalty of suspension and/or termination of employment or contract:

- a) Open any sealed Bid including but not limited to Bids that may have been submitted through the electronic system and any/ all documents required to be sealed or divulging their contents, prior to the appointed time for opening of Bids or other documents.
- b) Delaying, without justifiable cause, the screening for eligibility, opening of bids, evaluation and post evaluation of bids, and awarding of contracts beyond the prescribed periods of actions.
- c) Unduly influencing or exerting undue pressure on any member of the BAC or any officer or employee to take a particular bidder.
- d) Splitting of contracts which exceed ABC, procedural purchase limits and competitive bidding.

- 41.2 When any employee who commits any of the following acts, including any officer, who conspires with them, shall suffer the same penalty of suspension and/or termination of employment or contract:
- a) When two (2) or more bidders agree and submit different Bids as if they were bona fide, when they knew that one or more of them was so much higher than the other that it could not be honestly accepted and that the contract will surely be awarded to the pre-arranged lowest Bid.
 - b) When a bidder maliciously submits different Bids through two (2) or more persons, corporations, partnerships or any other business entity in which he has interest to create the appearance of competition that does not in fact exist.
 - c) When two or more bidders enter into an agreement which call upon one to refrain from bidding for contracts, or which call for withdrawal of bids already submitted, or which are otherwise intended to secure as undue advantage to any one of them.
- 41.3 Private individual who commit any of the following acts, and any officer/ individual conspiring with them, shall suffer the penalty of suspension and/or termination of employment or contract:
- a) Submit eligibility requirements of whatever kind and nature that contain false information or falsified documents calculated to influence the outcome of the eligibility screening process or conceal such information in the eligibility requirements when the information will lead to a declaration of ineligibility from participating in bidding.
 - b) Submit Bidding Documents of whatever kind and nature than contain false information or falsified documents or conceal such information in the Bidding Documents, in order to influence the outcome of the public bidding.
 - c) Participate in a bidding using the name of another or allow another to use one's name for the purpose of participating in a public bidding.
 - d) Withdraw a Bid, after it shall have qualified as the Lowest Bid/Highest Rated Bid, or to accept and award, without just cause or for the purpose of forcing the BAC to award the contract to another bidder.

RULE XVII - ADMINISTRATIVE SANCTIONS

SECTION 42. Imposition of Administrative Penalties

- 42.1 In addition to the provisions, subject to the authority delegated to the BAC, shall impose on bidders or prospective bidders, disqualification to bid for a particular project or in perpetuity disqualified to bid on any company projects, as may be sanctioned by the BAC, for the following violations:
- 1) Submission of eligibility requirements containing false information or falsified documents;
 - 2) Submission of bids that contain false information or falsified documents, or the concealment of such information in the Bids in order to influence the outcome of eligibility screening or any other stage of the bidding;
 - 3) Allowing the use of one's name, or using the name of another for purposes of bidding;

- 4) Withdrawal of a Bid, or refusal to accept an award, or enter into contract with the company without justifiable cause, after he had been adjudged as having submitted the Lowest Responsive Bid or Highest Rated Responsive Bid;
- 5) Refusal or failure to post the require performance security within the prescribed time, and;
- 6) Termination of the contract due to the default of the bidder.
 - Refusal to clarify or validate in writing its Bid during post-qualification within a period of ____ () calendar days from receipt of the request for clarification;
 - Any documented unsolicited attempt by a bidder to unduly influence the outcome of the bidding in his favor, and;
 - All other acts that tend to defeat the purpose of the Competitive bidding.

42.2 In addition to the penalty of disqualification, the Bid security of the performance security posted by the concerned bidder or prospective bidder shall also be forfeited.

42.3 The Chairman or President may delegate to the BAC the authority to impose the aforementioned administrative penalties.

SECTION 43. Preventive Suspension

The BAC may preventively suspend any member of the procurement group or the Technical Committee, or if there are strong reasons or prima facie evidence showing that the officials or employees concerned are guilty of dishonesty. In all cases, procedural and substantive due process as mandated shall be strictly observed.

SECTION 44. Lifting of Suspension and Removal of Administrative Disabilities

Lifting of preventive suspension, pending administrative investigation, as well as removal of administrative investigation, as well as removal of administrative penalties and disabilities shall be in accordance with the BAC or company prerogative.

RULE XVIII – FINAL PROVISIONS

SECTION 45. Amendment

As the need arises, this IRR may be amended by the BAC. Any amendment of this IRR shall be applicable to all procurement activities upon effectivity of the said amendment.

SECTION 46. Separability Clause

If any provision in this IRR, or application of such provision to any circumstance, is declared invalid by the BAC, the other provisions not affected thereby shall remain valid and subsisting.

SECTION 47. Effectivity

This IRR shall take effect fifteen (15) calendar days after approval of the Chairman.

XX – ANNEXES
Annex "A": Proposed Authorization Matrix

No.	Document	Authorization Limits	Primary Signatory/ies (Checker or Recommending Approver)	Secondary Signatory/ies (Final Approver)
1	Procurement Requisition (PR)	Up to Php 10,000	Not Applicable. Transaction will be reimbursed from Petty Cash or Project Revolving Fund.	
		Php 10,001 and above	Department Head/ Project Director/Project Manager	Division Head
2	Request for Quote (RFQ)/ Invitation to Bid	Up to Php 10,000	Not Applicable. Transaction will be reimbursed from Petty Cash or Project Revolving Fund.	
		Php 10,001 to Php 1,000,000	Purchasing Manager	Not required
		Php 1,000,001 and above	Purchasing Manager	Procurement and Logistics Director
3	Canvass Form	Up to Php 10,000	Not Applicable. Transaction will be reimbursed from Petty Cash or Project Revolving Fund.	
		Php 10,001 to Php 1,000,000	Purchasing Manager	Procurement and Logistics Director
		Php 1,000,001 and above	To undergo sealed bidding process that is facilitated by the Bids and Awards Committee.	
4.1	Purchase Order (for goods and services other than contractual works)	Up to Php 10,000	Not Applicable. Transaction will be reimbursed from Petty Cash or Project Revolving Fund.	
		Php 10,001 to Php 1,000,000	Purchasing Manager	Procurement and Logistics Director
		Php 1,000,001 to Php 100,000,000	Procurement and Logistics Director	President or designate (i.e. CFO)
		Php 100,000,001 and above	Procurement and Logistics Director, and President or designate (i.e. CFO)	Chairman of the Board of Directors
		All procurement transactions (regardless whether Change Order or Initial Order) with an amount of Php 1,000,001 and above should be approved by the Bids and Awards Committee prior to becoming valid and enforceable.		
4.2	Notice to Proceed (for contractual works only)	Up to Php 10,000	Not Applicable. Transaction will be reimbursed from Petty Cash or Project Revolving Fund.	
		Php 10,001 to Php 10,000,000	Project Director	Division Head
		Php 10,000,001 to Php 100,000,000	Division Head	President or designate
		Php 100,000,001 and above	Project Director, and CFO/President	Chairman of the Board of Directors
		All procurement transactions (regardless whether Change Order or Initial Order) with an amount of Php 1,000,001 and above should be approved by the Bids and Awards Committee prior to becoming valid and enforceable.		
5.1	Progress Billing	Up to Php 10,000	Not Applicable. Transaction will be reimbursed from Petty Cash or Project Revolving Fund.	
		Php 10,001 to Php 10,000,000	Construction/Project Manager and Project Director	Division Head
		Php 10,000,001 to Php		

BIDS & AWARDS PROCEDURE

IMPLEMENTING RULES & REGULATIONS

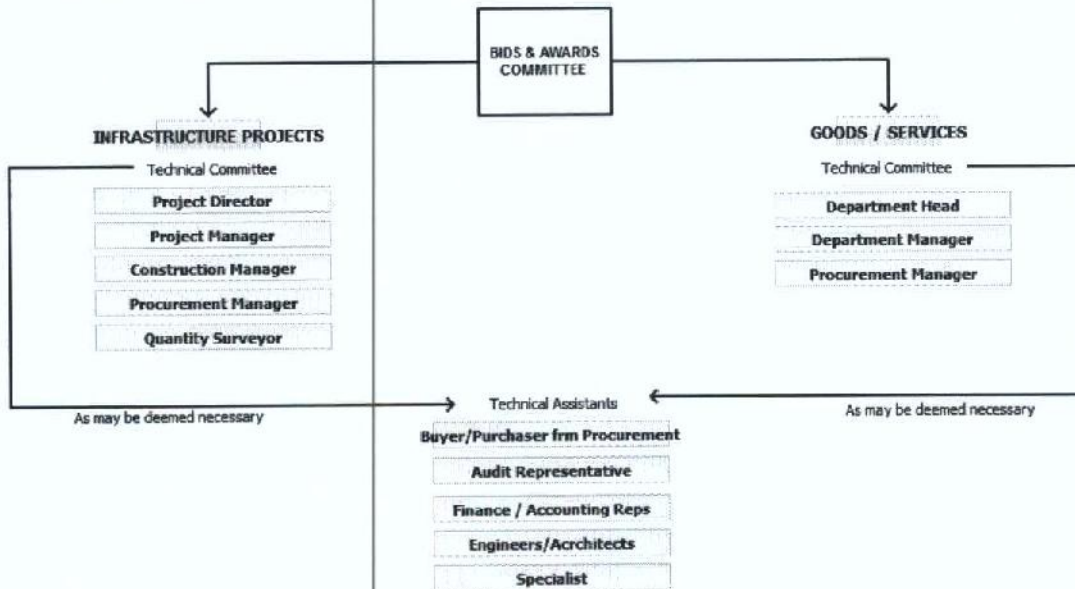
Policy No.: AC-LAP-MAN-001
 No. of pages : 26
 Revision code : 1st
 Effectivity : Immediate

No.	Document	Authorization Limits	Primary Signatory/ies (Checker or Recommending Approver)	Secondary Signatory/ies (Final Approver)
		100,000,000 Php 100,000,001 and above		
5.2.1	Receiving Report (RR)/Material Receiving Form (MRF) or equivalent	None	Warehouseman or Logistics Staff	Warehouse Supervisor
5.2.2	Discrepancy Notice Report (DNR) or equivalent	None	Warehouseman or Logistics Staff	Warehouse Supervisor
5.2.3	Material Issuance Form (MIF) or equivalent	None	Requesting personnel's Department Head/Project Managers	Not required
5.2.4	Material Return Form (MReF) or equivalent	None	Warehouseman or Logistics Staff	Warehouse Supervisor
6	Request for Payment (for contractual works only)	Up to Php 10,000	Not Applicable. Transaction will be reimbursed from Petty Cash or Project Revolving Fund.	
		Php 10,001 and above	Department Head/Project Director	Division Head
7	Journal Voucher	Up to Php 10,000	Not Applicable. Transaction will be reimbursed from Petty Cash or Project Revolving Fund. Only replenishment of the fund will undergo the accounting process.	
		Php 10,001 and above	Accounting Manager	Accounting Head
8	Cash Disbursements Voucher (CDV)	Up to Php 10,000	Not Applicable. Transaction will be reimbursed from Petty Cash or Project revolving Fund. Only replenishment of the fund will undergo the accounting process.	
		Php 10,001 and above	Treasury Head	CFO
9	Check or Letter of Instruction (LOI)	None	Authorized Signatories in the Secretary Certificate <i>(Provided that such signatory is not in conflict with the transaction being signed)</i>	Authorized Signatories in the Secretary Certificate <i>(Provided that such signatory is not in conflict with the transaction being signed)</i>

ANNEX "B": FLOWCHARTS

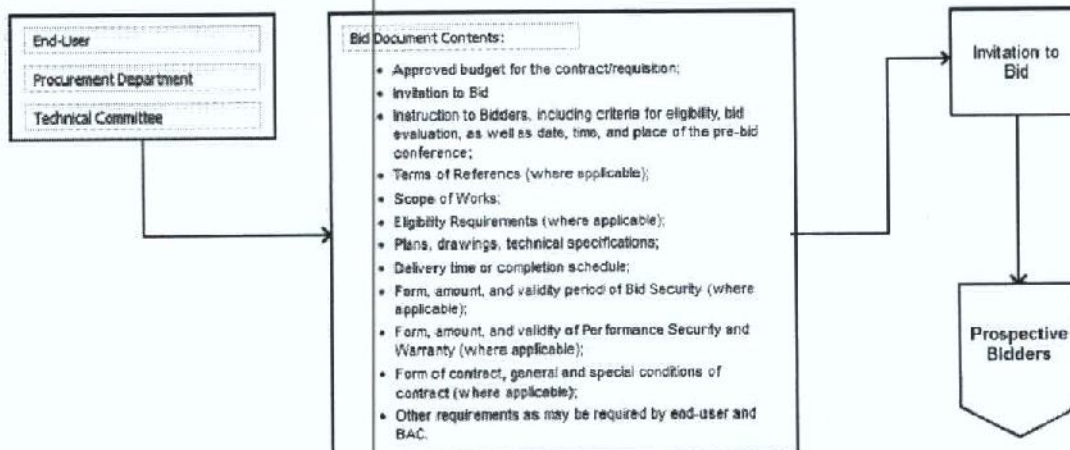
1. BAC COMPOSITION

BAC Composition



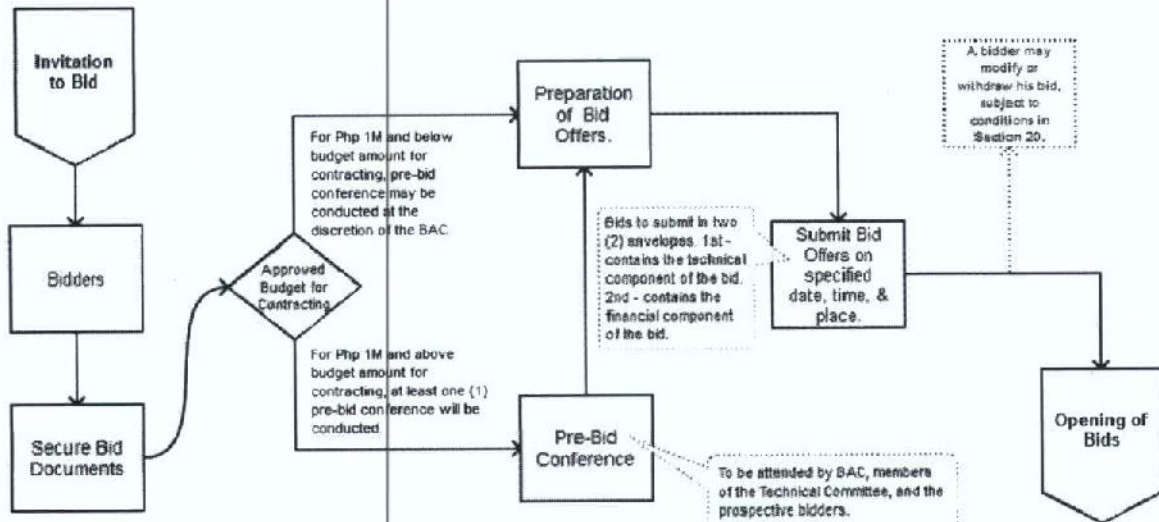
2. PREPARATION OF BID DOCUMENTS

PREPARATION OF BID DOCUMENTS



3. SUBMISSION & RECEIPT OF BIDS

SUBMISSION & RECEIPT OF BIDS



4. OPENING OF BIDS

OPENING OF BIDS

