



BAC RESOLUTION NO. 2022-12

WHEREAS, the Philippine Economic Zone Authority (PEZA) conducted a bidding for the “**Design and Build of the 300 CMD Sewage Treatment Plant (STP) for Pampanga Economic Zone (PEZA-HO-2022-02)**” with an Approved Budget of Contract (ABC) in the amount of **PhP25,000,000**;

WHEREAS, on 22 February 2022, Invitation to Bid was posted on the PhilGEPS and PEZA website and a Pre-Bid Conference was conducted on 02 March 2022 whereby nine (9) prospective bidders participated;

WHEREAS, on the Deadline for Submission and Opening of Bids on 14 March 2022, 11:00AM, the following bidders submitted their proposals which, having passed the requirements under a non-discretionary “pass/fail criterion (Eligibility, Technical and Financial), qualified for detailed evaluation and post-qualification according to their ranking, as follows:

<u>Bidders Name</u>	<u>Amount of Bid (as Read)</u>
Bauer International Phils., Inc.	₱35,000,000.00
Hovert Construction	18,876,628.47
High Strength Dev. Corp.	20,388.888.88
Prowater Technologies Inc.	22,390,900.90

WHEREAS, the bid of *Hovert Construction* was post-disqualified as it was found to be lacking the required document (i.e., duly accomplished detailed estimates form, including a summary sheet indicating the unit prices of construction materials, labor rates, and equipment rentals used in coming up with the Bid (TWG Report attached Annex “A”));

The bid of *High Strength Dev. Corp.* was likewise post-disqualified as its submitted documents, in support of the requirement for previous similar contract, cannot be verified as no location of the project was provided. Moreover, the supporting documents for SLCC are incomplete and contain discrepancies in project details TWG Report attached Annex “B”).

WHEREAS, prior to the post-qualification of *Prowater Technologies Inc.*, as the next lowest rank bidder, *Bauer International Phils. Inc.* (disqualified in the preliminary examination of bids for tendering an offer in excess of ABC) wrote a letter to the HOPE (DG Plaza) dated April 19, 2020 (attached Annex “C”), informing that the Approved Budget of Contract (ABC) of 25 million should be increased due to the conflict between Russia and Ukraine. And that the correct budget cost should be Php35 Million - Note: *This is the same amount offered by BAUER in excess of the ABC*;

WHEREAS, due to the foregoing, DZA Allan Datahan of Pampanga Economic Zone, in a memo to the HoPE/DG dated 11 May 2022 (attached Annex “D”), recommended the cancellation of the subject procurement and requested ample time to come up with the

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 1410-2022-00098



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appropriate ABC, taking into consideration the result of Ukraine-Russia conflict, after thorough market study.

WHEREAS, BAC considers the information provided by *BAUER* to be crucial in coming up with the appropriate ABC. When the preparation of the Terms of Reference (TOR) of the project was being prepared, the Ukraine-Russia conflict, which resulted in surge in oil prices, and which in turn resulted in increase in basic commodities and imported materials/items, has not yet happened. This intervening event lends credence to the clarification provided by *BAUER*.


We are not unaware that a contractor, in implementing the project might compromise the quality of the project due to increase in costs of materials (in order to gain the expected profit), some of which shall be imported for the technology required of the project in order to comply with DENR AO 2016-08 requirement for class C waters and DAO 2021 – 19 Updated Water Quality Guidelines and General Effluent Standards for Selected Parameters.;

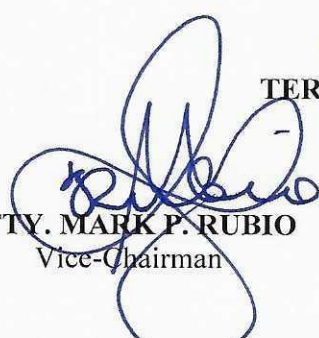
WHEREAS, based on the foregoing and to ensure the quality of the STP project that will be used by PEZA locators for so many years, it is important that we get the correct ABC of the project; Hence we recommend to the HOPE the declaration of failure of bidding, as the award of the contract will not redound to the benefit of the Procuring Entity/GoP based on the above-mentioned reasonable ground under Section 41 (Reservation Clause);


NOW, THEREFORE, We, the Members of the Bids and Awards Committee, hereby RESOLVE as it is hereby RESOLVED, to recommend to the Director General, as Head of the Procuring Entity, to declare failure of bidding and thereby direct the end-user to urgently conduct a market study, which includes but not limited to verifying the correctness of the information provided by BAUER and the conduct of due diligence on similar projects implemented by other government and private agencies. After which, a bidding shall be conducted immediately based on adjusted ABC, if necessary.


Bidders may retrieve their bidding documents and request for refund/reimbursement of payment of bid documents at our Finance Dept. from 8AM-5PM, Monday-Friday.


FURTHER, RESOLVED, at the PEZA Head Office, this 16th day of May 2022.



TERESO O. PANGA
Chairman


ATTY. MARK P. RUBIO
Vice-Chairman


LUDWIG O. DAZA
Member


PHILIPPE D. CORTES
Member


RAISON D. AROBINTO
Member

Approved:

BGen CHARITO B. PLAZA MNSA, PhD
Director General/HoPE