

PHILIPPINE DEPOSIT INSURANCE CORPORATION

SSS Building, Ayala Ave. cor. Rufino St., Makati City

Telephone Numbers | 841-4925; 841-4917

Fax Number | 841-4931

Website | www.pdic.gov.ph

INSTRUCTIONS TO BIDDERS FOR THE SUBMISSION OF BIDS

PROCUREMENT OF CONSULTING SERVICES FOR THE FAIR VALUATION OF CAPITAL NOTES

Project

December 27, 2013

Date

1. **ISSUANCE OF BIDDING DOCUMENTS**

Bidding documents shall be issued by the BAC Secretariat to any shortlisted bidder that opts to push through with its participation in this procurement project, subject to its payment of the appropriate fee. Bidding documents not paid for upon the expiration of the deadline for submission of bids are deemed not received and shall not be considered for evaluation.

2. **RESPONSIBILITIES OF A SHORTLISTED BIDDER/CONSULTANT**

2.1 A shortlisted bidder, including its representative, shall be responsible for:

- a. carefully examining all bidding documents;
- b. understanding and acknowledging all conditions affecting the implementation of the contract;
- c. having made an estimate of the resources and/or facilities available and necessary for the contract to be bid; and
- d. requesting for any clarification regarding the bidding documents, or any part thereof.

2.2 It shall be the sole responsibility of the shortlisted bidder to determine and inquire, through any means necessary, regarding any matter pertaining to the contract to be bid out, including the location and the nature of contract, and other factors that may affect the cost, duration, and implementation thereof.

The shortlisted bidder and/or any of its authorized representatives are encouraged to visit the PDIC Head Office to obtain any information necessary for the preparation of its Bid, provided PDIC is given prior notice.

2.3 The shortlisted bidder is also deemed to be familiar with all existing laws, decrees, ordinances, acts and regulations of the Philippines which may affect the contract in any way.

3. **PRE-BID CONFERENCE**

A pre-bid conference shall be conducted to discuss the legal, technical and financial components of the contract to be bid at the place and time specified in the *Invitation to Bid*. This provides shortlisted bidders the opportunity to seek clarifications about the bidding documents from the Procuring Entity. Where necessary, the BAC shall issue a Bid Bulletin discussing all issues raised and modifications made during or as a result of the conference.

NOTE: Failure to comply with any provision of the Instructions to Bidders may result in outright disqualification from the bidding process.

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4. **SUBMISSION OF TECHNICAL AND FINANCIAL ENVELOPES/PROPOSALS**

- 4.1 A shortlisted bidder shall submit its bid through its duly authorized representative in two (2) separately-sealed bid envelopes. The first shall contain the technical component of the bid, while the second shall contain the financial component of the bid. The wall clock located at the Ground Floor lobby, SSS Building, Ayala Avenue corner V. A. Rufino St., Makati City shall be used as the official timer for the submission of bids. Submissions made after the deadline will be rejected.
- 4.2 The first envelope shall indicate the name of the bidder and shall be properly marked as "TECHNICAL DOCUMENTS FOR THE PROCUREMENT OF CONSULTANCY SERVICES FOR THE FAIR VALUATION OF THE P12 BILLION UCPB CAPITAL NOTES" It shall contain the following technical documents:
- a. Bid Security as to form, amount, and validity period. The bid validity period is 120 days. (see Section 6 hereof for details).
 - b. In the case of a corporation or cooperative, a NOTARIZED Secretary's Certificate (**Bid Form No. 1.1**), or, in the case of a partnership or joint-venture, a NOTARIZED Partnership-Joint Venture Certificate (**Bid Form No. 1.2**)
 - c. Statement of all ongoing and completed government and private contracts for the years 2010, 2011, and 2012, including contracts awarded but not yet started, whether or not similar in nature and complexity to the contract to be bid, and excluding contracts with PDIC, if any. (**Bid Form No. 2**)
 - d. Approach, work plan and schedule
 - e. Organizational chart for the contract to be bid.
 - f. List of personnel to be assigned to the project, with their complete qualification and experience data
 - g. Sworn statement (**BID FORM NO. 3**) by the prospective bidder or its duly authorized representative as regards the following:
 - 1) It is not "blacklisted" or barred from bidding by the Philippine government or any of its agencies, offices, corporations, or LGUs, including foreign governments/foreign or international financing institutions whose blacklisting rules are recognized by the GPPB.

- 2) Each documentary submission, in satisfaction of the bidding requirements, is an authentic copy of the original, is complete, and contains statements and information that are true and correct.
 - 3) It is authorizing the Head of PDIC (as Procuring Entity) or its duly authorized representative/s to verify all its documentary submissions.
 - 4) The signatory is the duly authorized representative of the bidder, and has been granted full power and authority to do, execute, and perform any and all acts necessary to represent the bidder in the procurement project (as evidenced by the duly notarized BID FORM Nos. 1.1 or 1.2).
 - 5) It complies with the disclosure provisions under Section 7 hereof, specifically stating that it is not related to the Head of the Procuring Entity, the members of the BAC, the TWG, the BAC Secretariat, the head of the project management office (PMO), the end-user unit, and project consultants (if any), by consanguinity or affinity, up to the third civil degree.
 - 6) It complies with the responsibilities of a prospective or eligible bidder, as provided for in Section 2 hereof.
 - 7) (in the case of procurement of services) It complies with all existing labor laws and standards.
- 4.3 The second envelope shall indicate the name of the bidder and shall be marked "FINANCIAL PROPOSAL FOR THE PROCUREMENT OF CONSULTANCY SERVICES FOR THE FAIR VALUATION OF THE P12 BILLION UCPB CAPITAL NOTES." It shall contain the bid amount/price, inclusive of all applicable taxes, if any (**BID FORM No. 4**).

The approved budget (ABC) shall be the upper limit or ceiling for all bids. Any bid higher than the ABC shall be automatically disqualified.

5. OPENING OF TECHNICAL PROPOSALS

- 5.1 The BAC shall open the technical proposals in the presence of the bidders and observers, if any. In addition to the representative of the Commission on Audit, at least two (2) other observers - one from the private group in a sector or discipline relevant to the procurement at hand, and another from a non-government organization - shall be invited in writing to serve as witnesses and observers to the proceedings.
- 5.2 The technical envelope shall be opened in public to determine whether or not the bidder has submitted all required technical

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documents, following the same procedure as the eligibility check. The BAC Secretariat shall prepare a list of all the required technical documents for this project and check against it the submitted documents by each bidder in order to ascertain their compliance with the project requirements. Where one or more required documents is missing, incomplete, or patently insufficient, the BAC shall rate the bid/proposal as "failed." Otherwise, the bid is deemed "passed."

- 5.3 After their opening and preliminary examination, all technical envelopes shall be resealed. Those rated "passed" will be secured in preparation for their detailed technical evaluation. Those rated "failed" will be kept in order to address any motion for reconsideration that may be filed by the disqualified bidder.
- 5.4 A shortlisted bidder whose bid has been rated "failed" has three (3) calendar days to file a request for reconsideration.
- 5.5 All shortlisted bidders will be informed of the results of the preliminary examination of bids.
- 5.4 BAC members who are present during bid opening shall sign their initials on every page of all bids (original copies) received and opened.
- 5.5 If no shortlisted bidder passes the preliminary examination of bids, the BAC shall declare a failure of bidding through the issuance of the appropriate Resolution.

6. BID SECURITY

- 6.1 All bids shall be accompanied by a bid security (payable to PDIC) as a guarantee that the bidder, if successful, shall, within ten (10) calendar days from receipt of the *Notice of Award*, enter into a contract with PDIC and furnish the required performance security for the faithful performance of all works called for. Failure to enclose the required bid security as to the form and amount prescribed herein shall automatically disqualify a bid.
- 6.2 The bid security shall be in an amount equal to a percentage of the ABC in accordance with the following schedule:

FORM OF SECURITY	AMOUNT (EQUAL TO A PERCENTAGE OF THE ABC)
a. Cash or cashier's/manager's check issued by a Universal or Commercial Bank	2%

NOTE: Failure to comply with any provision of the Instructions to Bidders may result in outright disqualification from the bidding process.

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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 local Universal or Commercial Bank, if issued by a foreign bank	2%
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%
d. Any combination of the foregoing	Proportionate to share of form with respect to total amount of security
e. Bid Securing Declaration (BID FORM NO. 5)	-

In case the bidder opts to submit a surety bond, a certification from the Insurance Commission that the insurance company concerned is authorized to issue such security shall be attached. Only surety bonds issued by the Government Service and Insurance System (GSIS) will be accepted even without such certification.

For Irrevocable Letters of Credit issued by a foreign bank, the bidder shall submit a confirmation or authentication from a local universal or commercial bank.

- 6.3 Bids and bid securities shall be valid for 120 calendar days. Bidders who submit bid securities with a validity period of less than 120 calendar days shall be automatically disqualified.
- 6.4 No bid security in the form of surety shall be returned after the opening of bids. Bid securities submitted in other forms (i.e., cash, cashier's check, manager's check) may be returned upon request of a bidder, provided that it is not among the three lowest evaluated complying bidders. In case of withdrawal, it shall be construed as a waiver by the bidder for the award of contract.
- 6.5 Bid securities of unsuccessful bidders in the form of cash, cashier's check or manager's check shall be returned upon the issuance of the *Notice of Award*, but not later than thirty (30) days after the expiration of the bid validity. The bid security of the successful bidder shall be returned only after the contract has been signed and the required

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performance security has been furnished, which shall not be later than the expiration of the validity period of the bid security.

7. DISCLOSURE OF RELATIONS

All bids 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 BAC, the TWG, the BAC Secretariat, the head of the PMO or the end-user unit, and the project consultants, by consanguinity or affinity up to the third civil degree. Failure to comply with this provision shall be a ground for the automatic disqualification of the bidder in line with Section 30 of the IRR of RA 9184. On the part of the bidder, this provision 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, the provisions of items (a), (b), or (c) of this Section shall correspondingly apply to each of the members of the said joint venture, as may be appropriate.

8. ACCEPTANCE/REJECTION OF BIDS

8.1 Neither the lowest bid price nor any proposal will necessarily be accepted. Moreover, no proposal shall be deemed to have been accepted unless and until a *Notice of Award* has been issued to the bidder for and on behalf of PDIC.

8.2 The BAC reserves the right to accept or reject any or all bids, to annul the bidding process at any time prior to awarding of Contract, and to accept the bid most advantageous to PDIC without incurring any liability vis-à-vis the affected bidder(s). The BAC has no obligation to inform the affected bidder(s) of the grounds for its action.

9. EVALUATION OF BIDS

The BAC shall adopt the Quality-Cost Based Evaluation procedure in the evaluation of bids. The Technical Proposal shall have a weight of **60%** and the Financial Proposal shall have a weight of **40%**. The evaluation of bids shall be conducted as follows:

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- a. The BAC shall first conduct a detailed evaluation of the Technical Proposals rated "passed" during preliminary examination, using the following criteria and rating:
 - 1) Quality of personnel to be assigned to the project which covers suitability of key staff to perform the duties of the particular assignments and general qualifications and competence **(30%)**.
 - 2) Experience and capability of the consultant which include records of previous engagement and quality of performance in similar and in other projects **(30%)**.
 - 3) Plan of approach and methodology with emphasis on the clarity, feasibility, innovativeness and comprehensiveness of the plan approach, and the quality of interpretation of project problems, risks and suggested solutions **(40%)**.
- b. The BAC shall then rank all the Technical Proposals, noting in particular those that are able to meet the required minimum technical rating of **(60%)** and those that do not.
- c. The BAC shall send a formal letter to all bidders whose Technical Proposals earn a rating below the required minimum. It shall inform them of their failure to qualify and the fact that their respective Financial Proposals will be returned unopened.
- d. At the same time, a formal letter shall also be sent to all bidders whose technical proposals meet the minimum required rating. It shall inform them of such fact and of the date, time and venue of the opening of the Financial Proposals.
- e. If no bid meets the required minimum technical rating, the BAC shall issue a Resolution declaring a failure of bidding.
- f. On the day, time and venue indicated in the procurement schedule, the BAC shall open in public the Financial Proposals of all qualified bidders, and record their respective bid prices. Bid prices that exceed the ABC will be disqualified.
- g. The BAC shall review each Financial Proposal, check its completeness, and correct any arithmetical errors, if warranted.
- h. The BAC shall disqualify a bidder if:
 - 1) It provides for a required item but does not indicate a price for it, unless it specifies a "0" (zero) or a "-" (dash) for the said item, in which case it will be deemed as offering the item for

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free to the government. Otherwise, it shall be considered as non-compliant; and

- 2) Its corrected price exceeds the ABC.
- i. The BAC shall compute the ratings of each Financial Proposal. It shall give corresponding weights to the Financial and Technical Proposals of the qualified bidders, with the weights having been determined in the Pre-procurement Conference and indicated in the bidding documents. The BAC shall then multiply the average score of each qualified bidder's Technical Proposal with the percentage value allowed as weight for Technical Proposals. It shall also multiply the rating earned by each bidder's Financial Proposal with the percentage value allowed as weight for Financial Proposals. Finally, it shall add the resulting products of both operations for each bidder. The sum is the total score for each bidder.
- j. The BAC shall rank the bidders in descending order and declare the bidder obtaining the highest score as the bidder with the Highest Rated Bid (HRB).
- k. The BAC shall submit the evaluation results to the HOPE, carefully identifying the bidder with the HRB, and recommending that it be authorized to negotiate with such bidder.
- l. The HOPE shall either approve or disapprove the recommendation of the BAC within two (2) calendar days after receiving the same from the BAC.
- m. If the HOPE disapproves the recommendation, he shall state the reason/s therefor and instruct the BAC as regards the subsequent steps that will be adopted. If the HOPE approves the same, the BAC shall, within three (3) calendar days, notify and invite the bidder with the HRB for negotiation.
- n. All other participating shortlisted bidders will be furnished with the results of the evaluation (ranking and total scores only) after the approval by the HOPE of the ranking. The results will also be posted in the PhilGEPS and the PDIC websites for a period not less than seven (7) calendar days.

10. NEGOTIATION WITH THE BIDDER WITH THE HIGHEST RATED BID

- 10.1 The BAC shall invite the bidder with the HRB for contract negotiation. In its notification letter, the BAC shall inform the bidder of the issues in the technical proposal the BAC may wish to be clarified on during negotiations. The following are covered during negotiations:

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- a. Discussion and clarification of the TOR and Scope of Services;
 - b. Discussion and finalization of the methodology and work program proposed by the bidder
 - c. Consideration of the personnel to be assigned to the job;
 - d. Discussion on the services, facilities and data, if any;
 - e. Provisions of the contract
- 10.2 If agreement on all items discussed during negotiations is not possible, the BAC shall terminate negotiations and invite the next ranked bidder (bidder with the next highest rated bid) for negotiations. The procedure for negotiations, as described above, shall be repeated until a successful negotiation with a qualified bidder is completed.
- 10.3 If negotiations with all qualified bidders fail, the BAC shall declare a failure of bidding through the issuance of the appropriate Resolution.

11. POST-QUALIFICATION OF THE HIGHEST RATED BID

- 11.1 The Highest Rated Bid shall be made to further undergo post-qualification to determine whether it complies with and is responsive to all the requirements and conditions specified in the bidding documents.
- 11.2 Within three (3) calendar days from receipt of the notice from the BAC that it has the HRD, a bidder shall submit the following additional documentary requirements to the BAC:
- a. Tax clearance;
 - b. Manually or electronically filed 2012 Income Tax Return and Business tax returns filed within the last six (6) months preceding the date of bid submission; and
 - c. Certificate of PhilGEPS Registration

Failure to submit the above requirements on time or a finding against the veracity thereof shall be ground for the forfeiture of the bid security and the disqualification of the bidder for award.

12. CONTRACT AWARD AND IMPLEMENTATION

- 12.1 If the BAC finds that the bidder with the HRD passes post-qualification, its bid shall be considered as the "HIGHEST RATED RESPONSIVE BID (HRRD)." It shall be awarded the contract, at its submitted bid price,

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subject to the other provisions of this Section. However, in the event that it fails post-qualification, it shall be immediately notified in writing by PDIC about its post-disqualification and the grounds therefor.

A post-disqualified bidder has three (3) calendar days from receipt of the written notification from PDIC to request the BAC to reconsider its decision. The BAC shall evaluate the request using the same non-discretionary "pass/fail" post-qualification criteria.

In the meantime, after PDIC has notified the bidder regarding its post-disqualification, the BAC shall, within seven (7) calendar days, initiate and perform the same post-qualification process on the bidder with the second highest rated bid. If the request for reconsideration of the bidder with the HRD is denied while the bidder with the next HRD passes post-qualification, the latter's bid shall be considered as the HRRD. Accordingly, PDIC shall award the contract to it at its submitted bid price, pursuant to the pertinent provisions of this Section.

However, if the second bidder also fails post-qualification, the procedure shall be repeated for the bidder(s) with the next HRD(s), until the HRRD is obtained for award.

- 12.2 Contract award shall be made within the bid validity period. Should it become necessary to extend the validity of bids, PDIC shall request in writing all those who submitted bids for such extension before the bid expiration date. Bidders have the right to refuse such extension without forfeiting their bid security.

The successful bidder shall sign the contract with PDIC within ten (10) calendar days upon receipt thereof. All unsuccessful bidders will be notified of the award through official notices/communications. The *Notice of Award* shall immediately be posted in a conspicuous place within PDIC premises and in the websites of PDIC and the Philippine Government Electronic Procurement System (PhilGEPS). A copy thereof may also be requested in writing.

- 12.3 Payment to the successful bidder shall be subject to government rules and regulations.

13. TIE-BREAKING METHOD

In case two or more bidders have been post-qualified and declared as Highest Rated Responsive Bidders, the winning bidder shall be determined by drawing lots pursuant to GPPB Circular No. 06-2005, issued on 5 August 2005.

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14. PERFORMANCE SECURITY

To guarantee its faithful performance of its obligations under the contract, the winning bidder shall post a performance security prior to contract signing. The performance security shall be in an amount equal to a percentage of the total contract price in accordance with the following schedule:

Form of Security	Minimum Amount in % of Total Contract Price
1. Cash or cashier's/manager's check issued by a Universal or Commercial Bank	Five percent (5%)
2. Bank draft/guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank; <i>Provided</i> , however, that it shall be confirmed or authenticated by a local Universal or Commercial Bank, if issued by a foreign Bank.	
3. Surety bond callable upon demand issued by a surety or insurance company duly certified by the Insurance Commission as authorized to issue such security.	Thirty percent (30%)
4. Any combination of the foregoing	Proportionate to share of form with respect to total amount of security

15. FAILURE OF BIDDING

The BAC shall declare a failure of bidding when: a) no bids are received, b) all prospective bidders are declared ineligible or c) all bids fail to comply with all the eligibility and bid requirements or fail post-qualification. After a second failure of bidding, the BAC may recommend to the HOPE the resort to negotiated procurement, as provided for in Section 53.1 of the IRR of RA 9184, and subject to re-advertisement and/or posting.

16. REFUSAL TO ENTER INTO CONTRACT AND POST PERFORMANCE SECURITY

If the bidder with the Highest Rated Responsive Bid fails, refuses, or is unable to enter into a contract with PDIC and/or post the required performance security within the time provided therefor, the appropriate sanctions provided

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in Section 18 hereof shall be imposed, except where such failure, refusal, or inability is through no fault of the bidder.

The BAC shall disqualify the bidder concerned and proceed to consider for award the second Highest Rated Responsive Bidder at its submitted bid price. In case of another refusal or failure, the appropriate sanctions shall likewise be imposed and PDIC may consider the next ranked bidder, and so on, until an award is made.

In the event that no other bidder is left to post-qualify and/or award the contract to, the BAC shall also declare the bidding a failure and conduct a rebidding, subject to the advertisement and/or posting requirements of the Procurement Law.

17. **LIQUIDATED DAMAGES**

17.1 If the winning bidder fails to satisfactorily perform the services under the contract within the specified schedule, inclusive of any duly granted time extensions as approved by the BAC, it shall be liable for damages resulting from the delay and shall pay PDIC liquidated damages, not by way of penalty, in an amount equal to one-tenth (1/10) of one percent (1%) of the cost of the services whose schedule for performance has been delayed for every day of delay until such services are finally performed in full and accepted by PDIC.

17.2 PDIC need not prove that it has incurred actual damages to be entitled to liquidated damages. PDIC shall deduct such amount from any money due or which may become due to the winning bidder, or collect the same from any securities or warranties posted by the winning bidder whichever is convenient to PDIC. In no case shall the total sum of liquidated damages exceed ten percent (10%) of the total contract price. In the event it does, PDIC shall automatically terminate the contract and impose appropriate sanctions against the winning bidder which shall be over and above the liquidated damages it shall be required to pay.

18. **ADMINISTRATIVE SANCTIONS**

In addition to the provisions of Rules XXI and XXII of the revised IRR of RA 9184, the Head of the Procuring Entity, subject to the authority delegated to the BAC, if any, shall impose on bidders or prospective bidders, the administrative penalty of suspension for one (1) year for the first offense, and suspension of two (2) years for the second offense from participating in the public bidding process, as well as disqualification from further participating in the public bidding being undertaken by the procuring entity concerned, where applicable, for the following violations:

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- 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;
- 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 to enter into contract with the Government without justifiable cause, after having been adjudged to have submitted the Lowest Calculated Responsive Bid or Highest Rated Responsive Bid;
- e. Refusal or failure to post the required performance security within the prescribed time;
- f. Termination of the contract due to the default of the bidder;
- g. 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;
- h. Any documented attempt by a bidder to unduly influence the outcome of the bidding in his favor; and
- i. All other acts that tend to defeat the purpose of the competitive bidding, such as habitually withdrawing from bidding, submitting late or patently insufficient bids, for at least three times within a year, except for valid reasons.

19. **DISCLAIMER**

The BAC reserves the right to suspend, cancel, or reject any or all bids, to waive any defect or informality therein, and to award the contract to the winning bidder whose bid is considered the highest rated responsive bid and the most advantageous to the Corporation. PDIC assumes no obligation to compensate or indemnify a bidder for any expense or loss it may incur in the preparation of bids. Neither does it guarantee that an award will be made.

PDIC shall not assume any responsibility over any erroneous interpretations or conclusions arrived at by the bidder from any material or data furnished by PDIC.

All particulars relative to eligibility, bid security, bid evaluation, post-qualification and award of contract shall be governed by the provisions of RA 9184, and other applicable rules and regulations.

BIDS AND AWARDS COMMITTEE

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**PHILIPPINE DEPOSIT INSURANCE CORPORATION
TERMS OF REFERENCE
FAIR VALUATION SERVICES FOR CAPITAL NOTES**

I. BACKGROUND

In 2009, the ₱12 billion outstanding financial assistance granted to a sequestered bank was converted to the bank's Capital Notes. These notes are valued in PDIC's books at cost, since these are deemed fully recoverable given the bank's continuing improvements in financial condition.

Philippine Accounting Standard (PAS) 39, on Financial Instruments: Recognition and Measurement, requires fair valuation for this type of instrument. The fair valuation of the asset is also required by Philippine Financial Reporting Standards (PFRS) 9, the standard that would replace PAS 39 in 2015. PDIC will do an early adoption of this standard in 2013.

The standard further requires that the fair value of the asset should be compared with the book value or carrying amount to determine if there is a need to book impairment loss. The Commission on Audit (COA) has issued a qualified opinion on the Financial Statements of PDIC for the years 2009-2012 for the non-recognition of impairment loss on the Capital Notes.

2. OBJECTIVE OF THE ENGAGEMENT

The main objective of this engagement is to seek professional assistance from a highly qualified accounting firm in the fair valuation of the ₱12 billion Capital Notes issued by a sequestered bank.

PDIC will do an early adoption of PFRS 9 in 2013 (mandatory date for compliance is 2015). The early adoption will address the swings in the balance of the Deposit Insurance Fund, the capital account of the Corporation, brought about by the upward/downward effect on income of the mark-to-market valuation of investments. Total investments comprise about 80% of the Corporation's Total Assets as of August 31, 2013. With this early adoption, the fair valuation of the Capital Notes should be determined to enable full compliance with the requirements of the standard.

3. SCOPE OF SERVICES

The valuation of the Capital Notes shall be based on latest available records of the bank but not earlier than December 31, 2012. Specifically, the accounting firm shall provide the following services:

- 3.1 Adopt at least two (2) appropriate methods to use in the estimation of the fair value of the Capital Notes, considering that the bank is operating on a going concern and given the key features of the notes. Detailed description of the proposed methods shall be provided in the technical proposal.

- 3.2. Provide report on the valuation results of the methods used including copies (soft and hard) of supporting computations, if any.
- 3.3 Assist in the determination of the necessary accounting entry/ies to book the valuation.
- 3.4 Provide pro-forma Notes to Financial Statements, which includes disclosures required by the standard on the booking of the impairment on the Capital Notes.
- 3.5 Provide advisory assistance to PDIC staff who may be tasked to do the valuation update, as may be necessary.

4. QUALIFICATION AND SELECTION OF ACCOUNTING FIRM

The accounting firm shall have the following minimum qualifications:

- 4.1 Must possess professional expertise and knowledge on the valuation of financial assets and liabilities as prescribed by existing and updates to provisions of the PFRS.
- 4.2 Must have conducted not less than three (3) engagements in the valuation of financial instruments.
- 4.3 The engagement partner/leader and other members of the project team must be Certified Public Accountants (CPA), with no less than 10 years of experience in the practice of profession for the engagement partner and not less than two years of experience for other members.

Bidders must provide CVs of their proposed staff clearly showing the relevant skills, work experience and professional certifications. Bidders should also provide in their technical proposal the number and expertise of staff to be deployed in the engagement.

5. DISQUALIFICATION

- 5.1 The accounting firm who was engaged as auditor or a consultant of the bank who issued the Capital Notes from the time of the issuance of the Capital Notes (2009) to present shall not be considered in this engagement.
- 5.2 The accounting firm shall not include as part of the engagement team, a member acting as Legal Counsel or Advisor either as partner or associate in a firm or as a private practitioner to any person or corporation which has a case or claim against the PDIC, the bank who issued the Capital Notes or any closed bank under PDIC's administration.

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6. EVALUATION CRITERIA

6.1 General Guidelines

Pursuant to the provisions of the Government Procurement Act and its Implementing Rules and Regulations, the Technical and Financial Proposals shall be given a weight of 60% and 40%, respectively. The Technical Evaluation of the bids shall be based on the following general criteria:

- 6.1.1 **Staff Qualifications:** Quality of personnel to be assigned to the project, which covers education, training, competence and suitability of experience of key personnel to perform the duties of the particular assignment;
- 6.1.2 **Experience and Capability of the Bidder:** Include records of previous and on-going valuation engagements and quality of performance in similar projects;
- 6.1.3 **Plan of Approach and Methodology:** Clarity, feasibility, innovativeness and comprehensiveness of the plan approach, and the quality of interpretation/appreciation of project problems, risks, and suggested solutions.

Assignment of weights for the evaluation criteria depends on the importance and relevance of the criterion to the service to be provided. For the evaluation of technical proposal, numerical ratings shall be used.

6.2 Detailed Technical Evaluation Criteria

Technical Evaluation Criterion	Percentage
I. STAFF QUALIFICATIONS	30%
II. EXPERIENCE & CAPABILITY OF THE BIDDER	30%
III. PLAN OF APPROACH & METHODOLOGY	40%
TOTAL	100%

7. TIMETABLE

The accounting firm shall commence work immediately upon signing of the contract and should complete all deliverables not later than two months upon issuance of the notice to proceed.

Any extension or modification in the agreed upon engagement schedule and deadline in the submission of report/s relative to the engagement shall be made only upon prior approval of the PDIC President.

f x MO

8. DELIVERABLES

The following shall be the deliverables with respect to this engagement:

- 8.1 Detailed report on the fair valuation of the Capital Notes as of the latest available records of the bank but not earlier than December 31, 2012 and based on the methodologies included in the engagement proposal.
- 8.2 Summary of the necessary accounting entry/ies to book the valuation in 2013 and adjustment to prior years' profit as necessary or required by existing accounting standards.
- 8.3 Details of necessary disclosures/pro-forma Notes to Financial Statements, as required by existing accounting standards.
- 8.4 Computations/templates of computations made in the valuation process to aid PDIC personnel who may be tasked to do the valuation update as necessary.

9. APPROVED BUDGET FOR THE CONTRACT

The approved budget for the contract is Pesos: **TWO MILLION (P 2,000,000.00)**.

10. PAYMENT

The cost of the engagement shall be inclusive of applicable taxes, representation, transportation, allowances and out-of-pocket expenses. Payment shall be based on the submission of all the deliverables as mentioned in the SCOPE of services.

11. CONFIDENTIALITY AGREEMENT

The accounting firm and each project team member shall execute and sign a Confidentiality and Non-Disclosure Undertaking upon Notice of Award.

12. PERFORMANCE GUARANTEE/SECURITY

To guarantee the faithful performance of the accounting firm with the terms and conditions of the engagement, the accounting firm, upon signing of the contract, shall post a performance security in any of the following forms: 1) Cash, Manager's / Cashier's Check in the amount equivalent to at least five percent (5%) of the total contract price; 2) Authenticated Bank Guarantee issued and confirmed by a reputable commercial bank in the amount equivalent to at least five percent (5%) of the total contract price; 3) Surety Bond callable on demand issued by the Government Service Insurance System (GSIS) in the amount equivalent to at least thirty percent (30%) of the total contract price.

The performance security shall only be released upon the accounting firm's faithful and complete performance of its obligations under the TOR/Contract. The performance security shall guarantee the payment of any amount due to the PDIC as penalty or for any damage, loss or injury that may be caused by the winning accounting firm to the PDIC in the event it is established that the winning accounting firm is in default of its obligations under the TOR/Contract.

13. RESERVATION

PDIC reserves the right to cancel this project for any reason whatsoever at any time prior to the notice of award.

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AUTHORITY OF SIGNATORY

A. For Corporation/Cooperative

SECRETARY'S CERTIFICATE

I, _____, duly elected and qualified Board Secretary of (Name of Company), a corporation/cooperative duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office or place of business at (Place), DO HEREBY CERTIFY THAT.

I am familiar with the facts herein certified and duly authorized to certify the same;

At the Special/Regular Meeting of the Board of Directors of the Corporation/Cooperative duly convened and held on (Date), at (Place), at which meeting a quorum was present and acting throughout, the following resolutions were unanimously approved and adopted, and the same have not been annulled, revoked and amended in any way whatever and are in full force and effect on the date hereof:

RESOLVED, that (Name of Company) be authorized, as it is hereby authorized and empowered to participate in the bidding of the (Name of Project) by the Philippine Deposit Insurance Corporation (PDIC); and that if awarded the project shall enter into a contract with the PDIC; and in connection therewith hereby appoint (Name of Representative/s), acting as duly authorized and designated representative/s of the corporation/cooperative, are granted full power and authority to do, execute and perform any and all acts necessary and/or to represent the corporation/cooperative in the bidding as fully and effectively as the corporation/cooperative might do if personally present with full power of substitution and revocation and hereby satisfying and confirming all that my said representative shall lawfully do and cause to be done by virtue hereof;

RESOLVED Further That, the corporation/cooperative hereby authorizes its President to:

1. execute a waiver of jurisdiction whereby the corporation/cooperative hereby submits itself to the jurisdiction of the Philippine government and hereby waives its right to question the jurisdiction of the Philippine courts;
2. execute a waiver that the corporation/cooperative shall not seek and obtain a writ of injunction or prohibition or restraining order against any other agency in connection with this project to prevent and restrain the bidding procedures related thereto, the negotiating of and award of the contract to a successful bidder, and the carrying out of the awarded contract.

IN WITNESS WHEREOF, I hereby hereunto set my hand this ____ day of _____, 20 ____ at (Place).

Name of Board Secretary

SUBSCRIBED AND SWORN to before me this ____ day of _____, 20 ____ , at _____, Philippines. Affiant is personally known to me and was identified by me through competent evidence of identity as defined in the 2004 Rules on Notarial Practice (A.M. No. 02-8-13-SC). Affiant exhibited to me his/her [insert type of government identification card used], with his/her photograph and signature appearing thereon, with no. ____ and his/her Community Tax Certificate No. _____ issued on _____ at _____.

Witness my hand and seal this ____ day of _____, 20 ____ .

NAME OF NOTARY PUBLIC
Serial No. of Commission _____
Notary Public for _____ until _____
Roll of Attorneys No. _____
PTR No. _____ [date issued], [place issued]
IBP No. _____ [date issued], [place issued]

Doc. No. ____
Page No. ____
Book No ____
Series of 2013.

B. For Partnership/Joint Venture:

PARTNERSHIP'S/JOINT VENTURE'S CERTIFICATE

I, _____, of legal age, Filipino Citizen, single/married and with office address at (Place), after having been duly sworn to in accordance with law, do hereby depose and say that:

As (Position) of (Name of Partnership/Joint Venture), I hereby certify that at the Regular/Special Meeting of the Partners held on (date) at (place), during which a quorum was present, the following Resolution was unanimously approved and adopted:

Resolution No. _____

"RESOLVED that the partnership/joint venture be authorized, as it is hereby authorized and empowered to participate in the pre-qualification and bidding for the (Name of Project) requirement of the Philippine Deposit Insurance Corporation (PDIC).

"RESOLVED, further that any of the following person/s are authorized to represent, negotiate, execute, bind and/or sign for or in behalf of the company any document/s required for the purpose of said bidding.

NAME	DESIGNATION	SPECIMEN SIGNATURE
_____	_____	_____
_____	_____	_____

IN WITNESS WHEREOF, I hereby hereunto set my hand this ____ day of _____, 20__ at (Place).

Name of General Manager/President/Partner

SUBSCRIBED AND SWORN to before me this ____ day of _____, 20__ at _____, Philippines. Affiant is personally known to me and was identified by me through competent evidence of identity as defined in the 2004 Rules on Notarial Practice (A.M. No. 02-8-13-SC). Affiant exhibited to me his/her [insert type of government identification card used], with his/her photograph and signature appearing thereon, with no. _____ and his/her Community Tax Certificate No. _____ issued on _____ at _____.

Witness my hand and seal this ____ day of _____, 20__.

NAME OF NOTARY PUBLIC
Serial No. of Commission _____
Notary Public for _____ until _____
Roll of Attorneys No. _____
PTR No. _____ [date issued], [place issued]
IBP No. _____ [date issued], [place issued]

Doc. No. _____
Page No. _____
Book No. _____
Series of 2013.

[Handwritten signatures and initials]

Name of Bidder: _____
Business Address: _____
Telephone No.: _____

List of all Ongoing Contracts including contracts awarded but not yet started, excluding contracts with PDIC, if any:

Name of Client	Location of Contract	Type and Brief Description of Consulting Services	Consultant's Role (Whether main consultant, subcontractor or partner in a JV)	Amount of Contract	Date Started	Contract Duration

Statement of all Completed Contracts for 2010, 2011 and 2012, excluding contracts with PDIC, if any:

Name of Client	Location of Contract	Type and Brief Description of Consulting Services	Consultant's Role (Whether main consultant, subcontractor, or partner in a JV)	Amount of Contract	Date Awarded	Contract Duration
2012						
2011						
2010						

The bidder must have completed, within the period 2010 – 2012, a single contract that is similar to the contract to be bid and whose value, adjusted to current prices using the National Statistics Office (NSO) consumer price indices, must be at least fifty percent (50%) of the ABC.

(A contract shall be considered "similar" to the contract to be bid if it involves goods or services of the same nature and complexity as that which is the subject of the public bidding.)

Submitted by : _____
 Name & Signature

OMNIBUS SWORN STATEMENT

REPUBLIC OF THE PHILIPPINES)
CITY/MUNICIPALITY OF _____) S.S.

A F F I D A V I T

I/We, (Name of Affiant/s), of legal age, (Civil Status), (Nationality), and residing at (Address of Affiant/s), after having been duly sworn to in accordance with law, do hereby depose and state that:

1. Select one, delete the other:

If a sole proprietorship: I am the sole proprietor of (Name of Bidder) with office address at (address of bidder);

If a partnership, corporation, cooperative, or joint venture: I am/We are the duly authorized and designated representative/s of (Name of Bidders) with office address at (address of Bidder);

2. Select one, delete the other:

If a sole proprietorship: As the owner and sole proprietor of (Name of Bidder), I have full power and authority to do, execute and perform any and all acts necessary to represent it in the bidding for (Name of the Project) of the (Name of the Procuring Entity);

If a partnership, corporation, cooperative, or joint venture: I am/We are granted full power and authority to do, execute and perform any and all acts necessary and/or to represent the (Name of Bidder) in the bidding as shown in the attached [state title of attached document showing proof of authorization (e.g., either a duly notarized Secretary's Certificate (Bid Form No.1.1) or a Partnership's/Joint Venture Certificate (Bid Form No. 1.2) issued by the corporation or the members of the joint venture)];

3. (Name of Bidder) is not "blacklisted" or barred from bidding by the Government of the Philippines or any of its agencies, offices, corporations, or Local Government Units, foreign government/foreign or international financing institution whose blacklisting rules have been recognized by the Government Procurement Policy Board;

4. 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;

5. (Name of Bidder) is authorizing the Head of the Procuring Entity or its duly authorized representative/s to verify all the documents submitted;

6. Select one, delete the rest;

If a sole proprietorship: I am not related to the Head of the Procuring Entity, members of the Bids and Awards Committee (BAC), the Technical Working Group, and the BAC Secretariat, the head of the Project Management Office or the end-user unit, and the project consultants by consanguinity or affinity up to the third civil degree;

If a partnership or cooperative: None of the officers and members of (Name of Bidder) is related to the Head of the Procuring Entity, members of the Bids and Awards Committee (BAC), Technical Working Group, and the BAC Secretariat, the head of the Project Management Office or the end-user unit, and the project consultants by consanguinity or affinity up to the third civil degree;

7. (Name of Bidder) complies with existing labor laws and standards; and
8. (Name of Bidder) is aware of and has undertaken the following responsibilities as a bidder:
 - a) Carefully examine all of the Bidding Documents;
 - b) Acknowledge all conditions, local or otherwise, affecting the implementation of the Contract;
 - c) Made an estimate of the facilities available and needed for the contract to be bid, if any; and
 - d) Inquire or secure Supplemental/Bid Bulletin(s) issued for the (Name of the Project).

IN WITNESS WHEREOF, I/We have hereunto set my/our hand/s this ___ day of _____, 2014 at _____, Philippines.

Bidder's Representative/s / Authorized Signatory

SUBSCRIBED AND SWORN to before me this ___ day of _____, 2014, at _____, Philippines. Affiant/s is/are personally known to me and was/were identified by me through competent evidence of identity as defined in the 2004 Rules on Notarial Practice (A.M. No. 02-8-13-SC). Affiant/s exhibited to me his/her/their [insert type of government identification card used], with his/her/their photograph/s and signature/s appearing thereon, with no/s. _____ and his/her /their Community Tax Certificate No/s. _____ issued on _____ at _____.

Witness my hand and seal this ___ day of _____, 2014.

NAME OF NOTARY PUBLIC

Serial No. of Commission _____

Notary Public for _____ until _____

Roll of Attorneys No. _____

PTR No. _____ [date issued], [place issued]

IBP No. _____ [date issued], [place issued]

Doc. No. _____

Page No. _____

Book No _____

Series of 2014.

CONSULTING SERVICES FOR THE FAIR VALUATION OF CAPITAL NOTES
FINANCIAL PROPOSAL

Date: _____

The Chairperson
Bids and Awards Committee
Philippine Deposit Insurance Corporation
SSS Makati Building,
Ayala Avenue corner V. A. Rufino Street
Makati City

Gentlemen,

Our proposed bid amount, inclusive of VAT and other applicable taxes, for the Consulting Services for the Fair Valuation of Capital Notes as specified in the Technical Specifications/Terms of Reference is _____ (P _____).

Very truly yours,

Name of Bidder

By:

Authorized Representative

r x f

REPUBLIC OF THE PHILIPPINES)
CITY OF _____) S.S.
-----X

Bid Form No. 5

BID-SECURING DECLARATION

Invitation to Bid/Request for Expression of Interest No. ¹: [Insert reference number]

To: [Insert name and address of the Procuring Entity]

I/We², the undersigned, declare that:

1. I/We understand that, according to your conditions, bids must be supported by a Bid Security, which may be in the form of a Bid-Securing Declaration.
2. I/We accept that: (a) I/we will be automatically disqualified from bidding for any contract with any procuring entity for a period of two (2) years upon receipt of your Blacklisting Order; and, (b) I/we will pay the applicable fine provided under Section 6 of the Guidelines on the Use of Bid Securing Declaration³, if I/we have committed any of the following actions:
 - (i) Withdrawn my/our Bid during the period of bid validity required in the Bidding Documents; or
 - (ii) Fail or refuse to accept the award and enter into contract or perform any and all acts necessary to the execution of the Contract, in accordance with the Bidding Documents after having been notified of your acceptance of our Bid during the period of bid validity.
3. I/We understand that this Bid-Securing Declaration shall cease to be valid on the following circumstances:
 - (a) Upon expiration of the bid validity period, or any extension thereof pursuant to your request;
 - (b) I am/we are declared ineligible or post-disqualified upon receipt of your notice to such effect, and (i) I/we failed to timely file a request for reconsideration or (ii) I/we filed a waiver to avail of said right;
 - (c) I am/we are declared as the bidder with the Lowest Calculated and Responsive Bid/Highest Rated and Responsive Bid⁴, and I/we have furnished the performance security and signed the Contract.

¹ Select one and delete the other.

² Select one and delete the other. Adopt same instruction for similar terms throughout the document

³ Issued by the GPPB through GPPB Resolution 03-2012 on 27 January 2012

⁴ Select one and delete the other.

IN WITNESS WHEREOF, I/We have hereunto set my/our hand/s this ____ day of [month] [year] at [place of execution].

**[Insert NAME OF BIDDER'S
AUTHORIZED REPRESENTATIVE]
[Insert signatory's legal capacity]
Affiant**

SUBSCRIBED AND SWORN to before me this __ day of [month] [year] at [place of execution], Philippines. Affiant/s is/are personally known to me and was/were identified by me through competent evidence of identity as defined in the 2004 Rules on Notarial Practice (A.M. No. 02-8-13-SC). Affiant/s exhibited to me his/her [insert type of government identification card used], with his/her photograph and signature appearing thereon, with no. _____ and his/her Community Tax Certificate No. _____ issued on _____ at _____.

Witness my hand and seal this __ day of [month] [year].

NAME OF NOTARY PUBLIC

Serial No. of Commission _____

Notary Public for _____ until _____

Roll of Attorneys No. _____

PTR No. __, [date issued]. [place issued]

IBP No. __, [date issued]. [place issued]

Doc. No. ____
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Series of ____.

[Handwritten marks]