



20 December 2021

**ASTI – BIDS AND AWARDS COMMITTEE
BAC Resolution No. 21-12-202-EPA**

**RECOMMENDING THE AWARD OF CONTRACT TO CONVERGE ICT SOLUTIONS, INC. FOR THE
SUPPLY, DELIVERY, AND INSTALLATION OF 1GBPS LOCAL TRANSPORT TO DICT CEBU
FROM JANUARY 2022 TO DECEMBER 2022 AND 1GBPS LOCAL TRANSPORT TO DAVAO
FROM JANUARY 2022 TO DECEMBER 2022
(EARLY PROCUREMENT ACTIVITY)**

Purchase Request No.	:	GAA-21-09-12251
Date of Purchase Request	:	01 October 2021
Invitation to Bid No.	:	21-10-3628
Solicitation No.	:	21-10-3628
PhilGEPS Reference No.	:	8150176
Approved Budget for the Contract	:	₱18,991,350.00

WHEREAS, included in the Indicative Annual Procurement Plan (APP) for Fiscal Year 2022, under National Expenditure Program Level, of the Department of Science and Technology (DOST) - Advanced Science and Technology Institute (ASTI) is the **Supply, Delivery, and Installation of Local Transport to DICT Cebu from January 2022 to December 2022 and Other Items**, which shall be undertaken via public bidding, with a total Approved Budget for the Contract (ABC) amounting to **Eighteen Million Nine Hundred Ninety-One Thousand Three Hundred Fifty Pesos Only (₱18,991,350.00)**;

WHEREAS, the above procurement project is broken into five (5) items/lots, as follows:

Item No.	Item Description	Quantity	Unit	Unit Cost (₱)	Total Amount/ABC (₱)
1	Local Transport - DICT Cebu Primary 1Gbps from Jan 1 - Dec 31, 2022	12	Month	306,000.00	3,672,000.00
2	Local Transport - Manila to Cebu - Secondary 1Gbps from Jan 1 - Dec 31, 2022	12	Month	306,000.00	3,672,000.00
3	Local Transport - Davao-Primary 1Gbps from Jan 1 - Dec 31, 2022	12	Month	418,550.00	5,022,600.00
4	Local Transport to Davao, DICT to CAAP 1Gbps from Jan 1 - Dec 31, 2022	12	Month	341,000.00	4,092,000.00
5	Local Transport - UP Los Baños Link/IRRI (Primary) 1Gbps from Jan 1 - Dec 31, 2022	12	Month	211,062.50	2,532,750.00
GRAND TOTAL					18,991,350.00

WHEREAS, said lots/items are included in the Early Procurement Activities (EPA) of the DOST-ASTI;

WHEREAS, EPA is the conduct of procurement activities, from posting of the procurement opportunity, if required, until recommendation of the Bids and Awards Committee (BAC) to the Head of Procuring Entity as to the award of the contract, for goods to be delivered, infrastructure projects to be implemented and consulting services to be rendered in the following fiscal year, pending approval of the respective funding sources;

WHEREAS, Section 7.6 of the 2016 revised Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9184 states that “to facilitate the immediate implementation of procurement of Goods, Infrastructure Projects or Consulting Services, even pending approval of the General Appropriations Act (GAA), corporate budget or appropriations ordinance, as the case may be, and notwithstanding Section 7.2 hereof, the procuring entity (PE) may undertake the procurement activities short of award. xxx No award of contract shall be made until the GAA, corporate budget or appropriations ordinance, as the case may be, has been approved or enacted”;

WHEREAS, given the exceptional circumstances brought about by the Coronavirus disease (COVID-19) pandemic, especially implementation of different community quarantines and suspension of public transport services, it is challenging to both the PEs and the bidders to continue with the conduct of procurement activities, thereby having risks of exceeding the maximum calendar days allowed for specific procurement activities. In view of this, the Government Procurement Policy Board (GPPB) issued GPPB

Resolution No. 09-2020 dated 07 May 2020 titled, "Approving Measures for the Efficient Conduct of Procurement Activities during a State of Calamity, or Implementation of Community Quarantine or Similar Restrictions";

WHEREAS, so as to "maximize the use of existing rules under RA No. 9184, its IRR and related issuances on the conduct of procurement activities, particularly those meant to streamline, simplify and expedite the conduct of procurement and address the challenges and disruptions brought by calamities and crisis such as the COVID-19 pandemic", the GPPB enjoin PEs in the above resolution to use videoconferencing, webcasting and other similar technologies in the conduct of any of the meetings and determination of quorum by the BAC, as well as the use of digital signatures in procurement related documents;

WHEREAS, on 21 October 2021, 10:00 AM, a Pre-procurement Conference was held online via Microsoft Teams Application with the BAC, BAC Secretariat, and end-user representatives in attendance, to determine the readiness of the procurement project;

WHEREAS, Article IV of RA No. 9184 stipulates that all procurement activities of government agencies shall be done through competitive bidding except as provided for in Article XVI thereof. In compliance therewith, the BAC posted the Invitation to Bid on the prescribed platforms;

WHEREAS, Letters of Invitation were sent to contact persons of the Commission on Audit, Philippine Institute for Supply Management and Philippine Chamber of Commerce and Industry to act as observers complying with the requirements provided under Section 13 of RA No. 9184 and its 2016 revised IRR;

WHEREAS, on 11 November 2021, a Pre-bidding Conference was conducted for the procurement at hand using Microsoft Teams Application with the BAC, BAC Secretariat, TWG, end-user representatives, and prospective bidders present;

WHEREAS, for the period of 04 November 2021 to 23 November 2021, four (4) prospective bidders purchased bidding documents, specifically, **(1)** PLDT, Inc., **(2)** Innove Communications, Inc., **(3)** Eastern Telecommunications Philippines, Inc., and **(4)** Converge ICT Solutions, Inc.;

WHEREAS, the four (4) prospective bidders submitted their bids before the 09:30 AM deadline on 23 November 2021; however, Innove Communications, Inc. withdrew its bid and signified that it will not participate in the bidding for said procurement project;

WHEREAS, on 23 November 2021, at 10:00 AM, the Opening of Bids commenced as scheduled;

WHEREAS, during the stage of eligibility check and preliminary examination of bids, Converge ICT Solutions was declared "INELIGIBLE" on the grounds that it submitted a Single Largest Complete Contract (SLCC) with an amount less than the minimum required percentage of the ABC of the lots in which it submitted its bid;

WHEREAS, pursuant to the Section 55 of the 2016 revised IRR of RA No. 9184, Converge ICT Solutions was given three (3) calendar days upon receipt of written notice or verbal notification to file a written request for reconsideration before the BAC. However, they are not allowed to submit additional documents to correct any defects in the bid submitted;

WHEREAS, on 25 November 2021, Converge ICT Solutions, Inc. submitted a Motion for Reconsideration seeking for the reversal of the decision of the BAC citing Government Procurement Policy Board (GPPB) NPM No. 149-2015 dated 27 November 2015, which provides:

"The reference of the required minimum percentage of the amount of the SLCC to be complied with is the ABC. The reason behind such policy is that the ABC is a factor that appropriately reflects the magnitude and complexity of a contract, such that a bidder who has completed a similar contract of a reasonable percentage may be presumed capable of performing the obligations if awarded the contract. Thus, in the case of a procurement that is divided into several lots, where each awarded lot gives rise to a separate contract, the SLCC requirement shall be based on the ABC for each lot."

WHEREAS, the BAC convened on 29 November 2021 and discussed the Motion and the grounds relayed upon by the bidder, and accordingly, the Motion submitted by Converge has been granted through BAC Resolution No. 21-12-174-EPA dated 01 December 2021;

WHEREAS, on 07 December 2021, 10:00 AM, the BAC conducted the resumption of evaluation of eligibility and technical documents, as well as opening the financial component envelope of Converge ICT Solutions, Inc., adopting the non-discretionary “pass/fail” criterion specified in the 2016 revised IRR of RA No. 9184;

WHEREAS, the eligibility and technical components of the bid of Converge ICT Solutions, Inc., was found to be substantially complying and, therefore, the financial component of its bid was opened and read, vis-à-vis the bid proposals of PLDT, Inc. and Eastern Telecommunications Philippines, Inc., as outlined below.

Item No.	Description	Qty.	Unit	PLDT, Inc.		Eastern Telecommunications Philippines, Inc.		Converge ICT Solutions, Inc.	
				Unit Amount (P)	Total Amount (P)	Unit Amount (P)	Total Amount (P)	Unit Amount (P)	Total Amount (P)
1	Local Transport - DICT Cebu Primary 1Gbps from Jan 1 - Dec 31, 2022	12	Month	2,312,016.00	2,312,016.00	2,150,400.00	2,150,400.00	2,016,000.00	2,016,000.00
2	Local Transport - Manila to Cebu –Secondary 1Gbps from Jan 1 - Dec 31, 2022	12	Month	2,714,100.00	2,714,100.00	-	-	-	-
3	Local Transport - Davao-Primary 1Gbps from Jan 1 - Dec 31, 2022	12	Month	2,359,800.00	2,359,800.00	-	-	2,016,000.00	2,016,000.00
4	Local Transport to Davao, DICT to CAAP 1Gbps from Jan 1 - Dec 31, 2022	12	Month	2,032,500.00	2,032,500.00	1,861,440.00	1,861,440.00	2,072,000.00	2,072,000.00
5	Local Transport – UP Los Baños Link/IRRI (Primary) 1Gbps from Jan 1 - Dec 31, 2022	12	Month	960,000.00	960,000.00	940,800.00	940,800.00	1,425,760.00	1,425,760.00
Total Bid Amount					₱10,378,416.00		₱4,952,640.00		₱7,529,760.00

WHEREAS, the BAC conducted a detailed evaluation of the financial component of the bids to establish the correct calculated prices of the bids, to wit:

- 1) Item/Lot No. 1 Local Transport - DICT Cebu Primary 1Gbps from Jan 1 - Dec 31, 2022

	Bidder	Total Amount (P)
1	Converge ICT Solutions, Inc.	2,016,000.00
2	Eastern Telecommunications Philippines, Inc.	2,150,400.00
3	PLDT, Inc.	2,312,016.00

- 2) Item/Lot No. 2 Local transport - Manila to Cebu –Secondary 1Gbps from Jan 1 - Dec 31, 2022

	Bidder	Total Amount (P)
1	PLDT, Inc.	2,714,100.00

- 3) Item/Lot No. 3 Local Transport - Davao-Primary 1Gbps from Jan 1 - Dec 31, 2022

	Bidder	Total Amount (P)
1	Converge ICT Solutions, Inc.	2,016,000.00
2	PLDT, Inc.	2,359,800.00

- 4) Item/Lot No. 4 Local Transport to Davao, DICT to CAAP 1Gbps from Jan 1 - Dec 31, 2022

	Bidder	Total Amount (P)
1	Eastern Telecommunications Philippines, Inc.	1,861,440.00
2	PLDT, Inc.	2,032,500.00
3	Converge ICT Solutions, Inc.	2,072,000.04

5) Item/Lot No. 5 Local Transport – UP Los Baños Link/IRRI (Primary) 1Gbps from Jan 1 - Dec 31, 2022

	Bidder	Total Amount (₱)
1	Eastern Telecommunications Philippines, Inc.	940,800.00
2	PLDT, Inc.	960,000.00
3	Converge ICT Solutions, Inc.	1,425,759.96

WHEREAS, Section 34.4 of the 2016 revised IRR of RA No. 9184 provides:

“If the BAC determines that the bidder with the Lowest Calculated Bid/Highest Rated Bid passes all the criteria for post-qualification, it shall declare the said bid as the LCRB or HRRB, and recommend to the HoPE the award of contract to the said bidder at its submitted bid price or its calculated bid price, whichever is lower or, in the case of quality-based evaluation procedure, submitted bid price or its negotiated price, whichever is lower.”

WHEREAS, through BAC Resolution No. 20-12-188-EPA dated 07 December 2021, the lower bid prices of Converge ICT Solutions, Inc., for Lot Nos. 4 and 5 were adopted;

WHEREAS, the Converge ICT Solutions, Inc.’s offer, amounting to Four Million Thirty-Two Thousand Pesos Only (₱4,032,000.00) for Lot Nos. 1 and 3, inclusive of all applicable taxes and fees and well within the ABC, is lower than that of PLDT, Inc. and Eastern Telecommunications, Inc., thereby rendering the same as the Lowest Calculated Bid subject to post-qualification evaluation;

WHEREAS, per the technical evaluation and financial evaluation reports of the End-user Unit and the BAC, the bid of Converge ICT Solutions, Inc. was deemed compliant with all the requirements and conditions specified in the Bidding Documents, hence making the same as the **Lowest Calculated Responsive Bid**; and

WHEREAS, Section 12.1(h) of the 2016 revised IRR of RA No. 9184 empowers the BAC to recommend the award of contract to the Head of the Procuring Entity or his/her duly authorized representative.

NOW, THEREFORE, on the basis of the foregoing, **WE**, the members of the BAC, hereby recommend to the Director to **AWARD THE CONTRACT** via Competitive Bidding to the **CONVERGE ICT SOLUTIONS, INC.** for the supply, delivery and installation of the following links, with a total contract price amounting to **FOUR MILLION THIRTY-TWO THOUSAND PESOS ONLY (₱4,032,000.00)**:

ITEM NO.	DESCRIPTION	QTY.	UNIT	UNIT PRICE (₱)	TOTAL PRICE (₱)
1	Local Transport - DICT Cebu Primary 1Gbps from Jan 1 - Dec 31, 2022	12	Month	2,016,000.00	2,016,000.00
3	Local Transport - Davao-Primary 1Gbps from Jan 1 - Dec 31, 2022	12	Month	2,016,000.00	2,016,000.00
TOTAL BID AMOUNT (₱)					4,032,000.00

DONE in Quezon City this 20th day of December 2021.

ALVIN E. RETAMAR
End-user

JAYSON C. HERNANDEZ
BAC Member

ROXANNE S. AVIÑANTE
BAC Member

HAROLD BRYAN S. PALER
BAC Member

JOHN ROBERT T. MENDOZA
BAC Member

BAYANI BENJAMIN R. LARA
BAC Vice Chairperson

GERWIN P. GUBA
BAC Chairperson

APPROVED/DISAPPROVED:

FRANZ A. DE LEON, Ph.D.
Director, DOST-ASTI

/bac-sec/vrs/kbr