



11 December 2024

ASTI – BIDS AND AWARDS COMMITTEE
BAC Resolution No.: 24-12-292-EPA

RECOMMENDING THE RENEWAL OF CONTRACT WITH PHILIPPINE LONG DISTANCE TELECOM (PLDT), INC. FOR THE SUPPLY, DELIVERY AND INSTALLATION OF LOCAL TRANSPORT - MANILA TO CEBU SECONDARY 1GBPS

Purchase Request No.	:	INNOVATE-24-10-20042
Date of Purchase Request	:	25 September 2024
Approved Budget for the Contract	:	₱2,714,100.00

WHEREAS, the Bids and Awards Committee (BAC) of the Department of Science and Technology (DOST) - Advanced Science and Technology Institute (ASTI) received Purchase Request No. **INNOVATE-24-10-20042** dated **25 September 2024**, which is in the DOST-ASTI Fiscal Year (FY) 2025 Indicative Annual Procurement Plan (APP), for the Renewal of Internet Service Provider (ISP) pursuant to Appendix 21 or the Guidelines on Procurement of Water, Electricity, Telecommunications and Internet Service Providers (WETI) of the 2016 revised Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9184, viz:

Item No.	Description	Quantity	Unit	Unit Cost	Total Amount
1	Renewal of Local Transport - Manila to Cebu Secondary 1Gbps	12	Months	₱226,175.00	₱2,714,100.00

WHEREAS, the Approved Budget for the Contract amounts to **Two Million Seven Hundred Fourteen Thousand One Hundred Pesos Only (₱2,714,100.00)**, inclusive of all government taxes, other fees and charges;

WHEREAS, Section 3.3.1, of the Guidelines of Procurement of WETI or the 2016 revised IRR of RA No. 9184, provides:

“3.3.1. Existing ISPs

ISPs provide the initial infrastructure requirements (e.g., cabling) necessary in the provision of internet access. Changing ISPs every year may therefore prove to be more costly to government as every new ISP would have to charge the procuring entity for this initial investment. Further, changing ISPs entails interruption of internet access and, thus, any public service dependent on such access. Thus:

3.3.1.1 Contractual agreements previously entered into with ISPs shall be respected.

3.3.1.2 At the end of each year, however, the procuring entity must assess the quality of service provided by its ISP. For instance, it must compare the cost charged by said ISP and the range of services it offers as against other service providers in the area. It may also consider new technologies that may prove less costly or those that are more advantageous to the government in terms of use, capacity and services offered, e.g. bandwidth, speed, platform, additional services, such as, but not limited to cloud computing, cloud storage, etc.

In assessing the quality of service provided by its ISP, procuring entities are encouraged to consult the Department of Information and Communications Technology or National Telecommunications Commission or other relevant government agencies regarding any new policy or directive in the implementation or use of new technology.

3.3.1.3 If the results of said assessment or cost-benefit analysis, conducted by the end-user, continue to favor the existing ISP, then the Head of

the Procuring Entity (HoPE) may simply renew its services subject to the Guidelines on Renewal of Regular and Recurring Services. If it does not, then the HoPE should bid said services in accordance with subsection 3.3.2 of these guidelines.

WHEREAS, pursuant to Appendix 37 of the 2016 revised IRR of RA No. 9184 or the “Guidelines on Renewal of Regular Recurring Services”, the renewal of contract may be undertaken as an Early Procurement Activity following Sections 7.5 and 7.6 of the 2016 revised IRR of RA No. 9184;

WHEREAS, said Guidelines cover procurement projects which are regular and recurring, specifically:

- “1) Defined under Department of Budget and Management National Budget Circular No. 570, s. 2017 and other issuances that may be issued for the purpose, such as (i) janitorial services; (ii) security services; (iii) telecommunication requirements; (iv) supply of drinking water; and (v) rental of office space, venue, and equipment;
- 2) Which by their nature are deemed essential, indispensable, or necessary to the day-to-day operations of the Procuring Entity (PE); or
- 3) Procured repeatedly by the PE in the last three (3) years.”

WHEREAS, the end-user conducted a Cost-Benefit Analysis (CBA) to determine the available providers for said procurement project. Two (2) bidders submitted quotations, specifically **Philippine Long Distance Telecom (PLDT), Inc.** and **Source Telecoms**;

WHEREAS, based on the submitted quotation/s, the following data were gathered by the end-user:

Service Provider/s	Description	One-year Cost
Philippine Long Distance Telecom (PLDT), Inc.	Renewal of Local Transport - Manila to Cebu Secondary 1Gbps	₱2,714,100.00
Source Telecoms		₱8,736,000.00

WHEREAS, based on the submitted performance evaluation of the service provider on the Renewal of Local Transport – Manila to Cebu Secondary 1Gbps, **Philippine Long Distance Telecom (PLDT), Inc.** provided satisfactory performance to the PE;

WHEREAS, the DOST-ASTI BAC validated the CBA, performance evaluation, and the updated eligibility documents of the service provider;

WHEREAS, the DOST-ASTI BAC perceived that the renewal of **Philippine Long Distance Telecom (PLDT), Inc.** contract remains most advantageous to the PE;

NOW, THEREFORE, for and in consideration of the foregoing, WE, the members of the DOST-ASTI BAC, hereby RESOLVE, as it is hereby RESOLVED to recommend to the HoPE, the following:

- 1) Inclusion of the renewal of contract in the final and approved Fiscal Year 2025 APP of the DOST-ASTI;
- 2) Approve the renewal of contract with **Philippine Long Distance Telecom (PLDT), Inc.**, for the “**Renewal of Local Transport - Manila to Cebu Secondary 1Gbps**”, from 01 January 2025 to 31 December 2025, in the amount of **Two Million Seven Hundred Fourteen Thousand One Hundred Pesos Only (₱2,714,100.00)** and issue Notice of Renewal for said purpose; and
- 3) Execute a renewal contract or purchase order after the service provider posts its performance security in favor of the DOST-ASTI within ten (10) calendar days from the receipt of the Notice of Renewal.

DONE in Quezon City this 11th day of December 2024.

ALVIN E. RETAMAR
End-user

NARCISA JUVILYN C. CASTAÑEDA
BAC Member

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APPROVED/DISAPPROVED BY:

FRANZ A. DE LEON, Ph.D.
Director