

JAPAN INTERNATIONAL COOPERATION AGENCY (JICA)

**DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS
REPUBLIC OF THE PHILIPPINES**

**THE DETAILED DESIGN STUDY
ON
UPGRADING INTER-URBAN HIGHWAY SYSTEM
ALONG THE PAN-PHILIPPINE HIGHWAY
(PLARIDEL, CABANATUAN AND SAN JOSE BYPASSES)**

**VOLUME I
PROPOSAL BOOK**

**CABANATUAN BYPASS
CONTRACT PACKAGE III**

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**DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS
REPUBLIC OF THE PHILIPPINES**

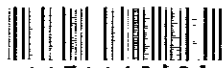
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SECTION A – INVITATION FOR BIDS (IFB)



Republic of the Philippines
DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS
Port Area, Manila Philippines

INVITATION FOR BIDS (IFB)

_____, 200__
JBIC Loan No. PH - ____
Contract Package No. III

1. The Government of the Philippines (hereinafter referred to as "GOP") has received a Loan from the Government of Japan (hereinafter referred to as "GOJ") through its official agency, the Japan Bank for International Cooperation (hereinafter referred to as "JBIC") in the amount of _____ Yen towards the cost of **UPGRADING THE INTER - URBAN HIGHWAY SYSTEM ALONG THE PAN - PHILIPPINE HIGHWAY PROJECT, CABANATUAN BYPASS, (Sta. 118+350.00 - Sta. 121+600.00), CONTRACT PACKAGE No. III, Province of Nueva Ecija, Philippines** _____ (the signed date of Loan Agreement) _____, 200__ and intends to apply the proceeds of the loan to payment under the contract. Disbursement of the ODA Loan by JBIC, will be subject, in all respects, to the terms and conditions of the Loan Agreement, including the disbursement procedures and "Guidelines for Procurement under JBIC ODA Loans". No party other than the Government of the Philippines shall derive any rights from the loan Agreement or have any claim to loan proceeds. The above Loan Agreement will cover only a part of the project cost. As for the remaining portion, the Government of the Philippines will take appropriate measures for finance. Bidding is open to all bidders from eligible source countries as defined in the guidelines under Japanese ODA Loans.
2. JBIC requires that the bidders and contractors as well as the Government of the Philippines, under contract funded with JBIC ODA Loans and other Japanese ODA, observes the highest standard of ethics during the procurement and execution of such contracts. In pursuance of this policy, JBIC;
 - (a) will reject a proposal for award if it determines that the bidder recommended for award has engaged in corrupt or fraudulent practices in competing for the contract in question;
 - (b) will recognized a contractor as ineligible, for a period determined by JBIC, to be awarded a contract funded by JBIC ODA Loans if it at any times determines that the contractor has engaged in corrupt or fraudulent practices in competing for, or in executing, another contract funded with JBIC ODA Loan or other Japanese ODA.
3. The Department of Public Works and Highways (hereinafter referred to as "DPWH") invites sealed bids from prequalified eligible bidders for the upgrading of **Inter-Urban Highway System Along the Pan-Philippine Highway Project, Cabanatuan Bypass, Contract Package No. III**: which includes but not limited to the following items of work:

A. CABANATUAN BYPASS (Sta. 118+350.00–Sta. 121+600.00)

100	Clearing and Grubbing
102	Excavation
104	Embankment
200	Aggregate Subbase Course
201	Aggregate Base Course
300	Gravel Surface Course
310	Bituminous Concrete Surface Course, Hot-Laid
311	PCC Pavement (Plain-230mm and 250mm thick and 300mm Thick-Reinforced)
400(4)	Precast Concrete Piles (450mm x 450mm)
400(16)	Concrete Piles cast in Drilled Holes (Bored Piles 1000mm, 1200mm & 1500mm ø)
404	Reinforcing Steel Bars (grade 40 and 60)
405	Structural Concrete Classes A, P, C and B
406	Prestressed AASHTO Girder, Types V and VI
500(1)	Reinforced Concrete Pipe Culverts (RCPC)(610mm - 1220mmø w/ Headwalls)
500(2)	Reinforced Concrete Box Culverts (RCBC) including Wingwalls
502(10)	Lined Ditch/Canal
504(5)	Grouted Riprap, Class A
510	Rubble Concrete Slope Protection
600(3)	Combination Concrete Curb and Gutter, Type A
612	Reflectorized Thermoplastic Pavement Markings
SPL 620(4)	Street Lighting System

Also to be included is the Provision of Facilities for the Engineer and Traffic Management during construction.

4. Bidders may obtain further information on the bid form and inspect and acquires bidding documents (and additional copies) at the Bids and Awards Committee (BAC), Central Office, 5th Flr. DPWH Building Bonifacio Drive, Port Area Manila, Philippines, Telephone No. (632) 3043291
5. A complete set of bidding documents may be purchased by interested eligible bidders on submission of a written application to the BAC Secretariat, BAC Central, DPWH Building, Bonifacio Drive, Port Area, Manila, and upon payment of a non-refundable fee of ₱ _____. Additional set are available at the same price.
6. All bids must be accompanied by a security of an amount not less than two-and-one half percent (2-1/2%) of the total bid price or an equivalent amount in a freely convertible currency, and must be delivered to:

**The Chairman
Bids and Awards Committee (BAC)
Department of Public Works and Highways
BAC Central Office, 5th flr DPWH Bldg.
Bonifacio Drive, Port Area, Manila**

at _____ P.M. on _____, 200__. Bids will be opened immediately thereafter in the presence of bidder's representative who chose to attend.

7. A Site Visit will be organized by the DPWH at a time to be known later to all pre-qualified Bidders who have received the Tender Documents. A Pre-Bid Conference will be held at _____ a.m. on _____, 200__ at the BAC Secretariat Conference Room, BAC Central Office, DPWH Building, Bonifacio Drive, Port Area, Manila.
8. The DPWH assumes no responsibility whatsoever to compensate or indemnify the Bidder for any expenses incurred in the preparation of the Bid, and reserves the right to reject any or all Bids, waive any defect therein and accept the offer most advantageous to the government.

*Undersecretary
Chairman, Bids and Awards
Committee (BAC)*

SECTION B - PROJECT DESCRIPTION

SECTION B

DESCRIPTION OF THE PROJECT

B.1 PROJECT NAME : Upgrading Inter-Urban Highway System Along The Pan – Philippine Highway Project Cabanatuan Bypass (Sta. 118+350.00 – Sta. 121+600.00)

B.2 CONTRACT PACKAGE : Contract Package No. III

B.3 LOCATION : Province of Nueva Ecija

B.4 BACKGROUND OF THE PROJECT:

The Philippines is fast becoming the economic giant in the South East Asian Region. Central Luzon, once considered “The Rice Granary of the Philippines” which includes several provinces in Region III like Bulacan and Nueva Ecija has contributed significantly to the country's economic development.

Recent years' economic growth brought about a sharp traffic increase in and around Metro Manila and regional growth pole cities. Urban section along arterial roads in particular encountered sharp increase of not only local traffic but also through traffic, thus the road function particularly the traffic function of the arterial roads and proper sharing of road function with roads of lower categories are becoming vital issues to be addressed in the road development policies particularly along the Pan – Philippine Highway.

In the late 1960's, the systematic road network development started not only in the region but throughout the country. The Road development's initial thrust is to expand the road network to provide basic access to major regions. Since the middle of 1980's the government of the Philippines (GOP) has experienced the premature road deteriorations as well as road damages like slope failures and landslides due to natural calamities. To cope with such situations, the GOP's emphasis for road development was placed on rehabilitation and conversion of existing roads to stronger roads against natural calamity.

Taking the above situations into account, a Feasibility Study on Upgrading Inter-Urban Highway System along the Pan Philippine Highway, Plaridel – Cabanatuan – San Jose Bypasses was carried out by the Project Management Office – Feasibility Studies of DPWH and the JICA Team in November 1999 in order to conduct the detailed design study for the construction of the Plaridel, Cabanatuan and San Jose Bypasses and to transfer technology on highway development. In addition, traffic congestion in the said urban sections of the Pan-Philippine Highway is chaotic and is causing serious air pollution, noise problems, traffic accidents and other urban environmental problems.

The Project is to upgrade the Inter-Urban Highway System along the Pan-Philippine Highway, Plaridel, Cabanatuan and San Jose Bypasses (Phase I of the Initial Stage). The road section from Sta. Rita, Plaridel to San Jose of the Pan – Philippine Highway starts at about 40 km. north of Metro Manila and extends for about 123.5 km. It is located in Region III and within the economic influence area of Metro Manila. Along the highway, small and medium size urban centers are situated at about 10 km. intervals and urbanization is expanding along the highway as a ribbon type development. In urban sections, the traffic function of the highway is being seriously affected due to the composition of slow and disorderly moving traffic such as tricycles and jeepneys.

- PLARIDEL BYPASS –

This starts at 500m north of Burol Interchange in the North Luzon Expressway (NLE). It then proceeds on a Northeastern direction towards Bgy. Tiaong of the municipality of Guiguinto. Terrain at the proposed site is relatively flat where the ramps are proposed to cross the NLE to provide ingress and egress to the Bypass. The Plaridel Bypass having 22.65 km will traverse five municipalities in Bulacan namely Balagtas, Guiguinto, Plaridel, Bustos and San Miguel. It passes through several barangays of the municipality of Bustos in the Northeastern direction till it crosses the Angat river on the way to Bgy. Tambubong and finally joins the Pan-Philippine Highway at Bgy. Maguinao in the municipality of San Rafael. Most of the areas where the Bypass will traverse are rice fields with some residential areas in other locations. The proposed short bridges mostly cross small streams and rivers with meandering behavior both upstream and down stream. A new Interchange is designed as an imperfect direct Y type interchange. The bridge length is 225m with 9 spans of 25m intervals, minimum height clearance is 5.10m and the embankment height is 8m. The bypass with frontage roads have a length of 9.4m and two (2) new access roads. There are seven (7) major at-grade intersection, sixteen minor intersection and fifteen (15) under-boxes.

- CABANATUAN BYPASS –

The Cabanatuan Bypass having about 34.0 km will traverse four (4) municipalities in Nueva Ecija, namely the municipalities of San Leonardo, Sta Rosa, Talavera and the city of Cabanatuan. Starting from San Leonardo, the Bypass will traverse the vast agricultural lands of Bgys. Diversion, Tabuating, Magpapalayok and Tagumpay until it reaches the administrative boundary of San Leonardo and Sta. Rosa at Tabuating River. The planned Bypass will cross the Talavera River passing at Bgy. Lomboy where it joins the Pan-Philippine Highway. The areas traversed by the alignment are mostly cultivated lands specially at the streams crossings or the bridge locations. In Cabanatuan City, the Bypass will be traversing planned urban areas, thus frontage road is provided. The bypass with frontage roads has a length of 8.61 km. There are ten (10) major at-grade intersections, 25 minor intersections and 21 under-boxes. River conditions at the project bridge locations are generally good with rivers mostly meandering. A bridge will be constructed with a total length of 1,125 m over the Pampanga river. There is a network of irrigation canal along the area of the proposed Bypass alignment. Evidence of scouring at the site is minor with water overflowing on shallow streams during high flood. Riverbanks are mostly stable with

trees, weeds and bamboos. The conditions of the bridges crossing streams, rivers and irrigation canals are more or less synonymous with the Plaridel Bypass.

- **SAN JOSE BYPASS**

The San Jose Bypass having a total length of almost 8 km traverses only one town, the city of San Jose. The areas traversed by the proposed alignment are surrounded by rice fields and vegetation lots which become the main source of livelihood in the area. The proposed alignment was 125m towards west between section of the Nueva Ecija – Pangasinan road and the Tris Main Irrigation Canal. Upstream right next to the proposed site is the control gate with spillway and concrete lined canal below. There are four (4) bridge sites along the proposed alignment. The same bridge structure as the Plaridel Bypass will be applied.

B.5 OBJECTIVES OF THE PROJECT

The main objectives of the Project can be summarized as follows:

- To restore the road function of the Pan-Philippine Highway which is the most important arterial road in the country;
- To mitigate serious traffic congestion of urban sections,
- To improve urban environment and amenity,
- To guide sound urbanization, and
- To support socio-economic development of the influence areas.
- To reduce travel time and vehicle maintenance cost;
- To provide a reliable and stable road against disasters generated by natural calamities;

B.6 SCOPE OF THE PROJECT

The construction of new roads and bridges, rehabilitation/improvement of existing roads and construction of drainage structures & slope protection structures included under **Contract Package No. III, Cabanatuan Bypass (Sta. 118+350.00 – Sta. 121+600.00)** involves but not limited to the following items of work:

- a) Earthworks consisting of Clearing and Grubbing, Excavation including disposal of unsuitable and/or unclassified materials, Embankments, and Subgrade Preparation.
- b) Pavement structures consisting of Gravel Surface Course, concreting of PCC pavement (@ 230mm & 250m Thick – Plain PCCP and 300mm Thick -Reinforced)

Description of the Project

- c) Construction of the proposed multi spans bridge crossing Pampanga River with a total length of 1,257m on Bored Pile Foundation, PC Box Girder Type of superstructure, with Structural Concrete Class P and A for heavily reinforced structures, a combination of Prestressed Concrete Deck Girders, AASHTO Type V and Steel Plate Girder.
- d) Drainage System consisting of installation of RC Pipe Culverts, Lined Canals/Ditches, RC Box Culverts, Slope Protection and other Drainage Structures.
- e) Miscellaneous structures consisting of Combination of Concrete Curb & Gutter, Sidewalk, Road and Project information signages Curb and Pavement markings, Guardrails, Fences, Post, Street Lighting System, etc.

SECTION C - INSTRUCTION TO BIDDERS

SECTION C
INSTRUCTIONS TO BIDDERS
TABLE OF CONTENTS

<u>CLAUSE NUMBER</u>		<u>PAGE</u>
ARTICLE 1 – GENERAL		
1.1	Scope of Bid	C-1
1.2	Sources of Funds	C-1
1.3	Eligible Bidders	C-2
1.4	Eligible Material, Equipment and Services	C-2
1.5	Qualification of the Bidder	C-3
1.6	One Bid per Bidder	C-4
1.7	Cost of Bidding	C-5
1.8	Site Visit	C-5
ARTICLE 2 – ABBREVIATIONS AND DEFINITIONS		
2.1	Introductions	C-6
2.2	Abbreviations and Definitions	C-6
ARTICLE 3 – BIDDER’S REPRESENTATIONS		
3.1	Each Bidder by Making his Bid Represents that;	C-10
ARTICLE 4 – BIDDING DOCUMENTS		
4.1	Content of Bidding Documents	C-11
4.2	Clarification, Interpretation or Correction of Bidding Documents	C-12
4.3	Amendment to Bidding Documents	C-13

Section C
Instructions to Bidders
Table of Contents/Page 2

<u>CLAUSE NUMBER</u>		<u>PAGE</u>
ARTICLE 5 – PREPARATION OF BIDS		
5.1	Language of the Bid	C-14
5.2	Documents Comprising the Bid	C-14
5.3	Signatories	C-15
5.4	Bid Prices	C-16
5.5	Currencies of Bid and Payments	C-17
5.6	Annexes to the Bid	C-18
5.7	Bid Validity	C-21
5.8	Bid Security	C-21
5.9	Alternative Proposals by Bidders	C-23
5.10	Pre-Bid Meeting	C-23
5.11	Format and Signing of Bid	C-23
5.12	Bid Form, thereto and Bill of Quantities	C-24
ARTICLE 6 – SUBMISSION OF BIDS		
6.1	Sealing and Marking of Bids	C-25
6.2	Deadline for Submission of Bids	C-26
6.3	Late Bids	C- 26
6.4	Modification and Withdrawal of Bids	C- 26
ARTCILE 7 – BID OPENING		
7.1	One Bidder	C-28
7.2	Opening of Bids	C-28
7.3	Process to be Confidential	C-29
7.4	Records and Minutes of Bid Opening	C-29
7.5	Abstract of Bids	C-29
ARTCILE 8 – BID EVALUATION		
8.1	Clarification of Bids	C-30
8.2	Preliminary Examination of Bids	C-30
8.3	Evaluation and Comparison of Bids	C-31
8.4	Contacting the DPWH	C-32
8.5	DPWH Right to Accept or Reject Any or all Bids	C-32

Section C
Instructions to Bidders
Table of Contents/Page 3

<u>CLAUSE</u>		<u>PAGE</u>
	ARTICLE 9 – AWARD OF CONTRACT	
9.1	Award Criteria	C-34
9.2	Notification of Award	C-34
9.3	Signing of Contract	C-35
9.4	Performance Security	C-35
9.5	Failure of Lowest Evaluated Responsive Bidder	C-36
9.6	Notice to Proceed	C-37
9.7	Documents Comprising the Contract	C-37
	ARTICLE 10 – ADMINISTRATIVE SANCTIONS	
10.1	Administrative Sanctions	C-40
	ARTICLE 11 – ADVANTAGE CLAUSE	C-41

SECTION C
INSTRUCTIONS TO BIDDERS

ARTICLE 1

GENERAL

1.1 SCOPE OF BID

- 1.1.1 The Government through the Department of Public Works and Highways (hereinafter referred to as the "DPWH"), wishes to receive Bids for the Upgrading of the Inter-Urban Highway System along the Pan-Philippine Highway, Cabanatuan Bypass, (Sta. 118+350.00–Sta. 121+600.00), Contract Package No. III hereinafter referred to as the "Project").
- 1.1.2 The successful bidder will be expected to complete the Works within _____ (_____) Calendar Days from date of Notice to Proceed.
- 1.1.3 All bids are to be completed and returned to the DPWH in accordance with these Instructions to Bidders.

1.2 SOURCE OF FUNDS

- 1.2.1 The Government of the Republic of the Philippines (hereinafter referred to as the "Employer") has received an ODA Loan from the Government of Japan (hereinafter referred to as "GOJ") through its official agency the Japan Bank for International Cooperation (hereinafter referred to as "JBIC) towards the cost of Upgrading Inter-Urban Highway System along the Pan-Philippine Highway Project, Cabanatuan Bypass, Contract Package No. III, and intends to apply a portion of the proceeds of the loan to payments under this contract. Disbursement of an ODA Loan by JBIC will be subject, in all respects, to the terms and conditions of the Loan Agreement, including the disbursement procedures and the "Guidelines for Procurement under JBIC ODA Loans". No party other than the Employer shall derive any rights from the Loan Agreement or have any claim to the loan proceeds.
- 1.2.2 JBIC requires that the bidders and contractors as well as the Government of the Philippines, under contract funded with JBIC ODA Loans and other Japanese ODA, observes the highest standard of ethics during the procurement and execution of such contracts. In pursuance of this policy, JBIC;
- (a) will reject a proposal for award if it determines that the bidder recommended for award has engaged in corrupt or fraudulent practices in competing for the contract in question;

- (b) will recognized a contractor as ineligible, for a period determined by JBIC, to be awarded a contract funded by JBIC ODA Loans if it at any times determines that the contractor has engaged in corrupt or fraudulent practices in competing for, or in executing, another contract funded with JBIC ODA Loan or other Japanese ODA.

1.3 ELIGIBLE BIDDERS

1.3.1 This invitation to Bid is open to all prequalified local and foreign contractors meeting both of the following requirements:

- (a) a bidder (including all members of a joint venture) shall be from an eligible source country, Japan and the Republic of the Philippines
- (b) a bidder (including all members of a joint venture) shall not be one of the following:
 - (i) A firm or an organization which has been engaged by the Employer to provide consulting services for the preparation related to procurement for or implementation of this project;
 - (ii) Any association/affiliates (inclusive of parent firm) of a firm or an organization mentioned in subparagraph (i) above; or.
 - (iii) A firm or an organization who lends, or temporarily seconds its personnel to firms or organizations which are engaged in consulting services for the preparation related to procurement for or implementation of the project, if the personnel would be involved in any capacity on the same project.

1.3.2 Bidders shall include in his Bid a certified copy of the BAC Certificate attesting that the Bidder is prequalified for the project.

1.3.3 Bidders shall provide such evidence of their eligibility satisfactory to the Employer as the Employer shall reasonably request.

1.4 ELIGIBLE MATERIALS, EQUIPMENT AND SERVICES

1.4.1 The materials, equipment (hereinafter referred to as the “*goods*”) and Services (hereinafter referred to as the “*services*”) to be supplied under the Contract shall have their origin in eligible source Countries.

1.4.2 Equipment and/or Services procured from countries other than the eligible source countries as defined in Clause 1.3.1 above for the implementation of the project will be eligible for financing under JBIC Loans if the combined costs of such equipment and services are less than 50 percent of the price of the said contract.

- 1.4.3 At the Employer's request, bidders may be required to provide evidence of the origin of equipment and services.

1.5 QUALIFICATION OF THE BIDDER

- 1.5.1 To be qualified for award of Contract, bidders shall:

- (a) Submit a written power of attorney authorizing the signatory of the bid to commit the bidder;
- (b) Submit documentary evidence establishing that the bidder has adequate experience, financial capacity and technical capability to undertake the Contract. Confirmation of these matters may involve the updating, verification and reassessment of information which may previously have been considered during prequalification, and an assessment of bidder's proposals regarding work methods, scheduling and resourcing which shall be provided in sufficient detail to confirm the bidder's capability to complete the works in accordance with the specification and the time for completion.

1.5.2 Joint Venture/Associations

Bid submitted by a joint venture of two or more firms as partners shall comply with the following requirements:

- (a) the bid, and in case of a successful bid, the Form of Agreement, shall be signed so as to be legally binding on all partners;
- (b) one of the partners shall be authorized to be in charge; and this authorization shall be evidenced by submitting a power of attorney signed by legally authorized signatories of all the partners;
- (c) the partner in charge shall be authorized to incur liabilities, receive payments and receive instructions for and on behalf of any or all partners of the joint venture;
- (d) all partners of the joint venture shall be jointly and severally liable for the execution of the Contract in accordance with the Contract terms, and a relevant statement to this effect shall be included in the authorization mentioned under (b) above as well as in the Bid Form and the Form of Agreement (in case of a successful bid); and
- (e) a copy of the agreement entered into by the joint venture partners shall be submitted with the bid.

1.5.3 Registration and Licensing of Successful Foreign Bidder

1.5.3.1 In the event that the successful Bidder is a foreign Bidder, not registered in accordance with Philippine Laws, the bidder may, before the execution of the Contract, register his business in accordance with the laws of the Philippines in order that he may take advantage of the provisions of section 4a of Commonwealth Act No. 466 (National Internal Revenue Code of the Philippines) as amended. Foreign corporations not registered in accordance with Philippine Laws pay the rate of tax provided in section 4a of Commonwealth Act No. 466, as amended.

1.5.3.2 The attention of all foreign Bidders especially foreign corporations, entities and associates, not registered in accordance with Philippine Laws is invited to the provisions of Section 4a of the aforementioned Commonwealth Act No. 466, as amended, and also Section 4 of the Republic Act No. 455 requiring prior written authorization from the Board of Investments to do business or engage in any economic activity in the Philippines. Section 4 of Republic Act No. 5455 is waived for the submission of bids only.

1.5.3.3 A successful foreign Bidder (including a foreign Bidder who has bid jointly with a domestic Bidder) shall secure a license as a contractor by the Philippine Licensing Board pursuant to Republic Act No. 4566 and shall also,

- (i) Pay annual privilege tax to practice or engage in contracting business, required by the Bureau of Internal Revenue;
- (ii) comply with the requirements of administrative Order No. 66, which means obtaining the following clearances:
 - Tax Clearance from the Bureau of Internal Revenue
 - Clearances from the Bureau of Customs

1.6 ONE BID PER BIDDER

1.6.1 Each bidder shall submit only one bid either by itself, or as a partner in a joint venture. A bidder who submits or participates in more than one bid other than alternatives pursuant to Sub-Clause 5.9 will be disqualified

1.6.2 A prequalified applicant may bid in any or all of the Contract Packages for which he is legible, however, in case he is the lowest bidder in more than the number of packages for which he is eligible for award. The DPWH shall have the option to award the Contract Package that is most advantageous to the government. In the event that he is awarded the number of package (s) he is eligible for award, he shall no longer be qualified to participate for the subsequent bidding.

1.7 COST OF BIDDING

- 1.7.1 The bidder shall bear all costs associated with the preparation and submission of its bid and the DPWH will in no case be responsible or liable for those costs.
- 1.7.2 The DPWH assumes no obligations, whatsoever, to compensate or indemnify the Bidders for any expenses or loss that they may incur in the preparation and delivery of their Bids nor does the DPWH guarantee that an award will be made.

1.8 SITE VISIT

- 1.8.1 The bidder is required to visit and examine the site of the Works and its surroundings and obtain for itself on its own responsibility all information that may be necessary for preparing the bid and entering into a contract for construction of the Works. The costs of visiting the Site shall be at the bidder's own expense.
- 1.8.2 The bidder and any of its personnel or agents will be granted permission by the DPWH to enter upon its premises and lands for the purpose of such inspection, but only upon the express condition that the bidder, its personnel and agents will release and indemnify the DPWH and its personnel or agents from and against all liability in respect thereof and will be responsible for death or personal injury, loss or damage to property and any other loss, damage, costs and expenses incurred as a result of the inspection.
- 1.8.3 The Site Visit will be scheduled by DPWH, and the Bidder shall be required to submit a certificate of attendance in his Bid.

ARTICLE 2

ABBREVIATIONS AND DEFINITIONS

2.1 INTRODUCTION

All abbreviations and definitions set forth hereunder and in the other bid documents are applicable also to the other contract documents.

2.2 ABBREVIATIONS AND DEFINITIONS

In the Bid Documents, as hereinafter defined, the following abbreviations, words, and expressions shall have the meanings hereby assigned to them, except where the context otherwise requires.

a. Abbreviations:

ABC	-	Approved Budget for the Contract (Government Estimates)
AGE	-	Allowable Government Estimates
AASHTO	-	American Association of State Highway and Transportation Officials
ASTM	-	American Society for Testing and Materials
BIR	-	Bureau of Internal Revenue
BRS	-	Bureau of Research and Standards, DPWH
BOC	-	Bureau of Construction, DPWH
BOD	-	Bureau of Design, DPWH
BOM	-	Bureau of Maintenance, DPWH
CPM	-	Critical Path Method
DPWH	-	Department of Public Works and Highways
D.O.	-	Department Order, DPWH
JICA	-	Japan International Cooperation Agency
JBIC	-	Japan Bank for International Cooperation
JIS	-	Japan Industry Standard
NOA	-	Notice of Award

NTP	-	Notice to Proceed
ODA	-	Official Development Assistance
BAC	-	Bids and Award Committee
PD	-	Presidential Decree
PERT	-	Project Evaluation and Review Technique
PMO	-	Project Management Office

b. **Definitions:**

Addendum or Supplemental Notice - is a written or graphic instrument issued by the Owner prior to the execution of the Contract which modify or interpret the Bidding Documents by additions, deletions, clarifications or corrections.

Advertisement - published official notice of invitation to all interested parties to bid for project inviting them to prequalify for forthcoming biddings for specific projects.

Amendment – any modification to a perfected contract, mutually agreed upon by both contracting parties subject to the approval of higher authorities.

Approved Budget for the Contract (ABC) - is the estimates of the construction cost prepared by officials designated by the Secretary of the DPWH.

Bid Documents or Tender Documents – the documents used in the solicitation of bids consisting of the Advertisement and/or Invitation to Bids, Instructions to Bidders, the Bid Form, Bid Schedule/Bill of Quantities, Daywork Schedule, and other sample bidding and contract forms and such other annexes or appendices, all bound into a Proposal Book; standard specifications; supplemental specifications and special provisions; general conditions of contract; conditions of particular application; plans/drawings; and any Addenda/Supplemental Notices issued prior to receipt of bids.

Bidder or Tenderer – an individual, partnership, firm, corporation, or any acceptable combination thereof, or joint venture, previously prequalified and submits a bid.

Change Order – means the written order issued by the Engineer to the Contractor at any time during the prosecution of the Contract Works directing him to change or modify specific work within the general scope of the Contract.

Calendar Day - a period of twenty four (24) hours extending from midnight to the next midnight and includes all days of the calendar without exceptions.

Contract – the legally executed agreement between the contractor and the Government for the performance of the contract works covered by the contract documents.

Contractor – the individual, partnership, firm, corporation, or any acceptable combination thereof, or joint venture, which entered into a contract with the DPWH for the performance of a prescribed work.

Contract Documents – collectively all the documents listed under Clause 9.7 of this Instructions to Bidders including annexes and supporting documents.

Contract/Pay Item – any item of work set forth in the bid, which is shown along with an item number designate applicable specifications, for which a price is provided in the contract.

Contract Price – the sum named in the bid/tender subject to such addition thereto or deduction there from as may be made under the provisions contained or stipulated in the Contract.

Unit Price – is an amount stated in the Bid as a price per unit or measurement of materials or services as described in the bidding documents. The *Unit Price* includes the cost of materials, equipment, labor including overhead charges, taxes, insurance and bond premiums, and any and all costs, obligations and risk arising out of the contract plus profit.

Base Bid – is the sum stated in the Bid for which the Bidder offers to perform the works prescribed in the Bidding Documents, as the base, to which work may be added or from which work may be deleted for sums stated in the Alternate Bids, if any.

Alternate Bid – is an amount stated in the Bid to be added or to be deducted from the amount of the Base Bid if the corresponding change in the Works, as described in the Bidding Documents, is accepted.

Contract Time – the time allowed for the completion of the Work contemplated in the Contract.

Daywork Schedule – means a tabulated form of rates and prices of annexes to Bid where the Bidder shall enter the rates and prices for labor, equipment and materials, intended to be the basis of computation when, in the opinion of the Engineer, it is necessary that additional or substituted work shall be performed on *daywork* basis.

Employer – means the Government of the Republic of the Philippines represented by the Department of Public Works and Highways acting through the Secretary including any of his authorized representatives.

Extra Work – means such additional labor, materials, supplies, equipment, facilities and other incidentals necessary to complete the Works but not covered or called for in the Original Contract.

Government or Owner – is the Government of the Republic of the Philippines represented in the contract by the Secretary of the Department of Public Works and Highways or his duly authorized representatives.

Laboratory – is the Materials and Quality Control Testing Laboratories of the DPWH or any other accredited Testing Laboratory qualified to perform such required tests.

Modifications – are written or graphic instruments issued by the Owner after execution of the Contract which are brought about by Variation Orders, i.e., Change Orders, Extra Work Orders, minor adjustments in prices and/or quantities.

Notice of Award – a written notice from the DPWH to the successful bidder/tenderer stating that his bid/tender has been accepted and that, in accordance with the terms of the contract and notice to bidders/tenderers, he is required to execute the contract and furnish satisfactory performance security within the period specified therein.

Notice to Commence/Proceed – a written notice to the Contractor to begin the prosecution of the Works for which he has contracted and informing him of the date when contract time shall start to be counted.

Performance Security – the security posted by the Contractor to guarantee his faithful performance under the Contract.

Prequalification, Bid and Award Committee – a committee of the Department of Public Works and Highways which is responsible for the conduct of Prequalification, bidding, evaluation of bids and recommending award of contracts.

Working Day – means any day except Sundays and Official Holidays, when, in the opinion of the Engineer, soil and weather conditions are such as would permit the Contractor to work on his current controlling operation for a period of not less than five (5) continuous hours between sunrise and sunset. A controlling operation is meant as an operation of either major or minor proportions, which at the particular time under consideration has a controlling effect on the progress of the project as a whole.

ARTICLE 3

BIDDER'S REPRESENTATIONS

- 3.1 EACH BIDDER BY MAKING HIS BID REPRESENTS THAT:**
- 3.1.1 He has read and carefully examined all of the Bidding Documents and his Bid is made in accordance therewith.
 - 3.1.2 He has familiarized himself with all the conditions, local or otherwise, affecting the carrying out of the Contract and has correlated his observations with the requirements of the Bidding Documents, and has attended the Pre-Bid Conference, and visited the Project Site and determined the general characteristics of the Project and the conditions thereat, including but not limited to, the location and nature of the Work, climatic conditions, nature and condition of terrain, geological conditions at the site, transportation and communication facilities, requirements for and availability of materials, labor, water, electric power and accessibility of the Project, location and extent of material sources; and other factors that may affect the cost, duration and execution of the Works.
 - 3.1.3 He is familiar with all laws, decrees, ordinances, acts and regulations of the Government of the Republic of the Philippines and its instrumentalities, including circulars and orders issued by the DPWH, which affect or apply to the operations and activities of Contractors.
 - 3.1.4 His Bid is based upon the requirements of the Bidding Documents without exceptions.
 - 3.1.5 He is aware that the Government shall not assume any responsibility regarding erroneous interpretations out of any data furnished by Government.

ARTICLE 4

BIDDING DOCUMENTS

4.1 CONTENT OF BIDDING DOCUMENTS

4.1.1 The Bidding Documents are those stated below, and should be read in conjunction with any Addenda issued in accordance with Clause 4.3:

1. **Volume I Proposal Book**
 - Section A Invitation for Bids (IFB)
 - Section B Project Description
 - Section C Instructions to Bidders
 - Section D Bid Form, Appendices to Bid, Bill of Quantities, Annexes to Bid Schedule and Daywork Schedule
 - Section E Sample Forms
 - Form of Agreement
 - Form of Bid Security (Bank Guarantee)
 - Form of Performance Security (Bank Guarantee)
 - Form of Advance Payment Security (Bank Guarantee)
 - Detailed Unit Price Analysis
 - Outline of Narrative Description of the Construction Procedures/Methods
 - Certificate of Site Inspection and Attendance in Pre-Bid Meeting
 - Statement of On-going Projects
 - Bank Guarantee for Advance Payment
2. **Volume II Conditions of Contract**
 - Part I General Conditions (Conditions of Contract for Construction, FIDIC 1st Edition, 1999)
 - Part II Conditions of Particular Application
3. **Volume III Technical Specifications**
 - Section I Volume II of DPWH Standard Specifications for Highways, Bridges and Airports, Series 1995.
 - Section II Special Provisions and Supplemental Specifications
4. **Volume IV Approved Contract Drawings**
5. **Volume V Addenda/Supplemental Notices (if any)**

- 4.1.2 Bidder may obtain complete sets of the Bidding documents from the issuing office designated in the Advertisement or Invitation to Bid in the number and for the sum stated therein.
- 4.1.3 Bidders shall use complete set of Bidding Documents in preparing Bids. All documentation requested for bidding will be properly bound and paged by bidders; The total number of pages will be clearly marked on the covering sheet of the bid documents. The DPWH assumes no responsibility whatsoever for errors or misinterpretation resulting from the use of incomplete set of Bidding Documents.
- 4.1.4 The DPWH shall make available copies of the Bidding Documents sufficient for the above requirements but cautioned Bidders to obtain the same for use solely for bidding in the Works covered by these Documents and prohibit their use for any other purpose.
- 4.1.5 The bidder is expected to examine carefully the contents of the bidding documents. Failure to comply with the requirements of bid submission will be at bidder's own risk. Pursuant to Sub-Clause 8.2.1, bids which are not substantially responsive to the requirements of the bidding documents will be rejected.

4.2 CLARIFICATION, INTERPRETATION, OR CORRECTION OF BIDDING DOCUMENTS

- 4.2.1 Prospective bidder requiring any clarification of the bidding documents shall notify the Employer in writing or by fax (hereinafter, the term "fax" is deemed to include electronic transmission such as facsimile, cable and telex) which shall reach the DPWH not later than fifteen (15) calendar days prior to the deadline for the submission of Bids for the DPWH to be able to prepare a reply to him. Written copies of the DPWH response (including an explanation of the query) will be sent to all Bidders who have purchased the Bidding Documents.
- 4.2.2 Any interpretation, clarification, correction or change of the Bidding Documents, including those made during the Pre-Bid Conference(s) or those arising or resulting from the Site Visit(s), will be made by Addendum or Supplemental Notice and will be issued to all Bidders who purchased the Bid Documents at least five (5) working days prior to the deadline for submission of Bids and where the Addendum or Supplemental Notice is on a matter of substance, the bid closing date may be extended appropriately. Interpretations, clarifications, corrections, or changes of the Bidding Documents made in any other manner will not be binding, and Bidders shall not rely upon such interpretations, clarifications, corrections or changes.

4.3 AMENDMENT TO BIDDING DOCUMENTS

- 4.3.1 At any time prior to the deadline for submission of bids, the DPWH may, for any reason, whether at its own initiative or in response to a clarification requested by a prospective bidder, modify the bidding documents by issuing Addenda or Supplemental Notices or Bid Bulletins.

- 4.3.2 Any Addendum or Supplemental Notice(s) or Bid Bulletin(s) thus issued shall form part of the bidding documents pursuant to Sub-Clause 4.1.1, and shall be communicated in writing or by fax to all purchasers of the Bidding Documents. Prospective Bidders shall acknowledge receipt of each addendum by writing or by fax to the **DPWH**.
- 4.3.3 To afford prospective bidders reasonable time in which to take an Addendum or Supplemental Notice or Bid Bulletin into account in preparing their bids, the **DPWH** may extend the deadline for submission of bids, in accordance with Clause 6.2.
- 4.3.4 No Addenda or Supplemental Notice or Bid Bulletin will be issued later than five (5) working days prior to the date for receipt of Bids except an Addendum or Supplemental Notice canceling the bidding or one which postpones the date for receipt of Bids.

ARTICLE 5

PREPARATION OF BIDS

5.1 LANGUAGE OF THE BID

- 5.1.1 The Bid, and all correspondence and documents, related to the bid, exchanged between the Bidder and the DPWH shall be written in the "English Language". Supporting documents and printed literature furnished by the bidder may be in another language provided they are accompanied by an accurate translation of the relevant passages in the English language, in which case, for purpose of interpretation of the bid, the English translation shall prevail.

5.2 DOCUMENTS COMPRISING THE BID

- 5.2.1 The Bid prepared by the Bidder shall be submitted in two (2) sealed envelopes:

1. The *first envelope* shall contain the following documents:
 - (a) Authority of the signing official(s) in accordance with Clause 5.3;
 - (b) Original Copy of Special Joint Venture License in accordance with Sub-Clause 1.5.2(e) (if applicable);
 - (c) Duly signed Construction Schedule and S-Curve in accordance with Sub-Clause 5.6.9;
 - (d) Duly signed Construction Method and/or procedures in Narrative form in accordance with Sub-Clause 5.6.8;
 - (e) Duly signed Project Organizational Chart for the Project to be Bid in accordance with Sub-Clause 5.6.8;
 - (f) Duly signed Manpower and Equipment Utilization Schedules prepared in accordance with Sub-Clause 5.6.6 duly signed list of Contractor's Equipment units owned and/or leased and/or under purchase agreements supported by duly executed contract therefore intended for the use exclusively for the Project to be Bid.
 - (g) Personpower Schedule
 - (h) Certificate of Site Visit and attendance at Pre-Bid Conference in accordance with Sub-Clause 5.6.10;

- (h) Bid Security furnished in accordance with Clause 5.8;
- (i) Compliance to Dept. Order No. 8, and Dept. Order No. 135 both Series of 1991

(Sworn statement that the Bidder has no relation either by consanguinity of affinity, within the 4th Civil Degree in the DPWH who has something to do with prequalification, processing/approval of contract and/or project implementation, and that no official/employee of the Department has, either direct or indirect, financial or pecuniary interest in his construction firm);

- Statement of Financial Condition.
 - Duly signed statement of on-going and newly awarded projects.
 - Certified copy of the BAC Certificate that the Bidder is Pre-qualified to Bid for the Project pursuant to Sub Clause 1.3.2.
- (j) Certification that the Detailed Unit Price Analysis, Cash Flow and Payment Schedule are in the second envelope; and:
 - (k) Authority of Bidders representative to attend in public bidding (Department Order No. 176, Series of 1993).
 - (k) A commitment from the Contractor's Bank extending a Credit Line equivalent to average operating expenses for four (4) months if awarded the contract.
 - (l) Construction Safety and Health Program by the Contractor based on Department of Labor and Employment's (DOLE) Occupational Safety and Health Standards.

2. The **second envelope** shall contain the following:

- (a) Duly signed Bid Price in the Bill of Quantities in Section D of the Proposal Book
- (b) Detailed Unit Price Analysis prepared in accordance with Sub-Clause 5.6.3; and
- (c) Cash Flow and Payment Schedule prepared in accordance with Sub-Clause 5.6.7.

5.3 SIGNATORIES

- 5.3.1 Each Bid and copy thereof submitted shall include the legal name of the Bidder and a statement that the Bidder is a sole proprietor, a partnership, or a corporation, joint venture or some other legal entity. Each Bid and copy thereof submitted shall be signed by the person or persons legally authorized to bind the Bidder to the Contract, in accordance with the following:

1. Where the Bidder is a corporation, the corporate seal shall be affixed to the Bid and a current board resolution authorizing the signatory to bind the Bidder shall be enclosed with the Bid:
2. Where the Bidder is a registered partnership, one or more representatives of the partnership shall sign and a current power of attorney certifying the representative(s) authority to bind the Bidder shall be enclosed with the Bid; and
3. Where the Bidder consists of various partners intending to register the partnership or a joint venture only if awarded the Contract, every partner of the future partnership, whether individual or corporation shall sign either personally or through his legal representative in such form or manner so as to bind them all jointly and severally for the Bid submitted. A current power-of-attorney empowering each representative to sign for his company shall be enclosed with the Bid.
4. Where the Bidder is a registered Sole Proprietor, he must sign with the name of the company to bind him to the Bid.

5.4 BID PRICES

- 5.4.1 Unless stated otherwise in the bidding documents, the Contract shall be for the whole Works as described in Sub-Clause 1.1.1, based on the schedule of unit rates and prices submitted by the bidder.
- 5.4.2 The Bidder shall indicate on the appropriate Bill of Quantities included herein, the unit prices and total prices of the Pay Item.
- 5.4.3 The bidder shall fill in rates and prices for all items of the Works described in the Bill of Quantities. Items against which no rate or price is entered by the bidder will not be paid for by the DPWH when executed and shall be deemed covered by the other rates and prices in the Bill of Quantities.
- 5.4.3 The rate and prices quoted in the **Bill of Quantities** shall include and/or be deemed to include, inter-alia:
 1. All liabilities, obligations, contingencies and risks imposed by each and every one of the Contract Documents.
 2. The cost and expenses of all Works and services and everything necessary for the execution and maintenance of the Works, in strict compliance with each and every provision of the Contract Documents.
- 5.4.4 Without affecting the generality of the foregoing Sub-Clause 5.4.3, the rates and price entered by the Bidder in the Bill of Quantities shall include, but not be limited to, the costs and expenses of the following:
 1. The provision for storage, transportation, use and maintenance of all materials (including payment for royalties), plant, equipment, machinery and tools.

2. The provision of all staff and labor and maintenance of their accommodation, transportation, etc., and the supply of all immigration permits and other requirements, in the case of a foreign staff.
 3. The conduct of the verification of quantities, survey, setting out, measuring, inspection and supervision.
 4. Sampling, testing and trials, including trial length of pavement and checking information given by the Engineer and/or the DPWH.
 5. The provision of transportation, use and maintenance and all consumables, fuel, water, drainage, electricity and communications.
 6. The provision of securities and insurance coverage, letters of credit, etc.
 7. The provision, erection and removal of all the Contractor's offices, plant, yards and stores including fencing and all site restrictions.
 8. Maintenance of the project road during construction period and repairs of Works during the Defects Liability Period.
 9. Overhead charges, contingencies on direct costs and miscellaneous expenses; and
 10. Value Added Tax (VAT) Contractor's Tax and Profit.
- 5.4.5 All duties, taxes and other levies payable by the Contractor under the Contract, or for any other cause, as to the date twenty eight (28) days prior to the deadline of submission of bids, shall be included in the rates and prices and the total bid price submitted by the bidder. The bidder shall be familiar with the Tax Laws of the Republic of the Philippines.
- 5.4.6 The rates and prices quoted by the bidder are subject to adjustment during the performance of the Contract in accordance with the provisions under Clause 12.3 of the Conditions of Contract. The bidder shall furnish the indices for the price adjustment formulae in the Appendix to Bid, and shall submit with its bid such other supporting information as required of the Conditions of Contract.
- 5.4.7 The quantities of the various Pay Items in the Bill of Quantities are approximate only and in no case shall quantities be considered to limit or extend the amount of work and materials to be supplied by the Contractor under the contract.
- 5.5 CURRENCIES OF BID AND PAYMENTS**
- 5.5.1 The Tender Bid Prices and the Total bid Amount shall be quoted in Philippine Currency. A Bidder who expects to incur a portion of his expenditure in Foreign currency in the performance of the contract and wishing to be paid therefore accordingly in such foreign currency, shall indicate his Bids in the Appendix 2 to the Bid Form.

- 5.5.2 The rate of exchange to be used by the Bidder for Currency Conversion during **bid preparation** shall be the selling rates for similar transactions prevailing on the date 28 days prior to the date of Bid opening, as published by the Bangko Sentral ng Pilipinas (Central Bank of the Philippines). If the exchange rates are not so published for certain currencies, the bidder shall state the rates used and the source.
- 5.5.3 Bidders shall indicate their expected foreign currency requirements in his Bid on Appendix 2 to Bid Form, including but not limited to the specific requirements for:
- (a) Expatriate staff and labor employed directly on the Works;
 - (b) Social, insurance, medical and other charges relating to such expatriate staff and labor, and foreign travel expenses;
 - (c) Imported materials, both temporary and permanent including fuels, oils and lubricants required for the Works;
 - (d) Depreciation and usage of imported Plant and Contractor's Equipment, including spare parts, required for the Works;
 - (e) Foreign insurance and freight charges for imported materials, Plant and Contractor's Equipment, including spare parts; and
 - (f) Overhead expenses, fees, profit, and financial charges arising outside of the Philippines and in connection with the Works.
- 5.5.4 Bidders may be required by the Employer to clarify their foreign currency requirements, and to substantiate that the amounts included in the unit rates and prices and the breakdown as shown in Appendix 2 to Bid are reasonable and responsive to Sub-Clause 5.5.3, in which case a detailed breakdown of its foreign currency requirements shall be provided by the bidder.
- 5.5.5 Bidders should note that during the progress of the Works, the foreign currency requirements of the outstanding balance of the Contract Price may be adjusted by agreement between the DPWH and the Contractor in order to reflect any changes in foreign currency requirements of the Contract, in accordance with Sub-Clause 14.15 of the Conditions of the Contract. Any such adjustment shall be effected by comparing the amounts quoted in the bid with the amounts already used in the Works and the Contractor's future needs for imported items.

5.6 ANNEXES TO THE BID

- 5.6.1 The Bidder shall include, as part of his Bid, Annexes to the Bid consisting of documents in respect of authorized signatories, documents supporting his bid unit prices, documents describing his proposed Construction Programme and documents establishing his presence at Pre-Bid Conference and Site Inspection, and documents demonstrating his technical and financial capabilities.

- 5.6.2 Except for the documents in respect of authorized signatories, the Annexes to the Bid shall be completed in a format similar to the forms enclosed in the Proposal Book.
- 5.6.3 The Bidder shall prepare a Detailed Unit Price Analysis showing the make-up of the unit price of each pay item according to the cost elements of equipment, labor and materials comprising direct costs, overhead, insurance, taxes, contingencies and profit comprising indirect costs. Where the pay item is on a lump sum basis, the Bidder shall also indicate the direct and indirect cost elements. The format of this form shall be in accordance with Sample Form (SF 5).
- 5.6.4 The Bidder shall prepare the CPM Network Diagram as follows:
1. The Bidder shall submit a CPM Network Diagram of construction activities. The diagram shall be accompanied by a table showing the result of scheduling computations, i.e., early start and finish times, total float and free float. All activity durations and times shall be in calendar days.
 2. The Bidder shall also indicate on his network diagram his provision for weather and contingencies in terms of percentage or in Calendar Days.
 3. The diagram shall clearly indicate the Critical Path along the network and shall include both Production Activities and Procurement Activities where:
 - a) Production Activities are those that can be taken directly from the plans and specifications and involve the application resource-materials, labor or equipment. Examples are: Clearing and Grubbing, Excavation, laying of Subbase, etc. In general, Production Activities correspond to the Pay Items. Production Activity time shall include the estimated time to complete the activity and allowance for engineering approvals and inspections, weather conditions and contingencies.
 - b) Procurement Activities are those that involve the procurement of materials, labor, and equipment resources in advance of actual use. Examples are: fabrication of piles, purchase of guardrails, hiring of specialized labor, installation of crane and pile driver, etc. Procurement Activities also include procurement of necessary permits and licenses, and any other activities that need to be anticipated so as not to adversely affect the Production Activities and the completion of the Works in accordance with the stipulated contract time including provision for mobilization, verification of quantities, survey and/or pre-construction surveys and closing-out activities preparatory to final inspection of the Works.
- 5.6.5 The Bidder shall prepare a time-scaled Progress Bar Chart based on the CPM Network on which shall be superimposed, in the form of an S-

Curve, a plot of targeted accomplishment versus time. The Bar Chart may include only production activities or pay items and may be based on an early start or late start schedule. The time interval of the chart shall be on a monthly basis.

5.6.6 The Bidder shall prepare the Construction Plant and Equipment Deployment Schedule and the Manpower Utilization Schedule based on the CPM Diagram and Progress Bar Chart. The time interval on the schedules shall be on a weekly basis.

5.6.7 The Bidder shall prepare a Cash Flow and Payment Schedule based on the projected Progress Bar Chart and the Construction Plant and Equipment and Manpower Utilization Schedules and indicating:

1. Anticipated Periodic or Monthly Cash Inflow consisting of, among others:
 - a. Advance Payment in the amount equal to 15% of the Contract Amount to be made into two (2) equal payments.
 - b. Periodic (monthly) progress payments, corresponding to the value of accomplishments.
2. Anticipated Periodic Monthly Cash Outflow of the prospective Contractor consisting of, among other:
 - a. Initial working Capital amounting to the average operating expenses requirement of the proposed Contract for two (2) months.
 - b. Periodic or Monthly Operating Cost and Expenses, i.e., direct and indirect cost of projected periodic or monthly accomplishment;
 - c. Other actual and projected cash outflow, e.g., bonds, insurance premiums, etc.
3. Net Periodic or Monthly Cash Flow and Cumulative Cash Flow each month and each quarter or every three (3) months.

5.6.8 The Bidder shall submit a brief narrative description of his proposed construction methods and/or procedures following the outline indicated in enclosed Sample Form (SF 6) and a project organizational chart.

5.6.9 The above-mentioned CPM Network diagram and related schedules shall be duly updated and/or revised by the Bidder, if the Bid is accepted, before commencement of the Work provided that it may be revised prior to or as a condition to award of the Contract at the discretion of the Employer.

5.6.10 The Bidder shall submit certificates relative to his attendance at Pre-Bid Conference(s) and Site Visit(s) per Sample Form (SF 7) and (SF 8).

- 5.6.11 The Bidder shall submit an Audited Balance Sheet duly certified and updated at least as of the last quarter of the calendar year immediately preceding the quarter of the Bidding Date.
- 5.6.12 The Bidder shall prepare a Statement of On-going Construction Projects, government or private, including awarded and/or approved contracts not yet started in a format similar to Sample Form No. (SF 9). The statement shall include the name, nature and value of each project; original and actual project schedule including the percentages of time elapsed, percentage of physical accomplishment and scheduled date of completion.

5.7 BID VALIDITY

- 5.7.1 Bids shall remain valid for a period of not less than **One Hundred Twenty (120) calendar days** after the bid opening specified in Clause 7.2.

5.8 BID SECURITY

- 5.8.1 The Bidder shall furnish, as part of its bid, a Bid Security in an amount equivalent to a percentage, in accordance with the schedule given below, of the approved budget for the contract to be bid, pledging that the Bidder shall enter into a Contract with the DPWH on terms stated in the Bidding Documents and furnish a Performance Security within thirty (30) calendar days from the receipt of Notice of Award covering the faithful and satisfactory prosecution of the Works specified in the Contract Documents and the payments of all obligations arising thereunder.
- 5.8.2 The Bid Security shall be denominated in Philippine Currency. The amount of the Bid security shall be in one of the following forms:
- (a) Cash, certified check or manager's check; or Irrevocable Letter of Credit or Bank Draft issued by a commercial bank in the amount equivalent to one percent (1%) of the Approved Budget for the Contract to be Bid, as published/advertised by the concerned agency.
 - (b) Bank draft/guarantee confirmed by a local bank (in the case of foreign contractor bonded by a foreign bank) against any reputable bank recognized in international banking circles, including any foreign bank authorized to do business in the Philippines; in the amount equivalent to one and a half percent (1 ½%) of the Approved Budget for the Contract to be Bid, as published/advertised by the concerned agency.
 - (c) Surety Bond in the amount equivalent to two and a half percent (2½%) of the Approved Budget for the Contract to be Bid, as published/advertised by the concerned agency.
 - (d) Any combination thereof as maybe required by the DPWH.

- 5.8.3 The Bid Security shall be valid for a period not less than one hundred twenty (120) days following the opening of the Bids or for any reasonable period to be determined by the head of the agency.
- 5.8.4 In exceptional circumstances, prior to the expiry of the original bid validity period, the DPWH may request the bidder(s) to extend the period of validity for a specified additional period. The request and the responses thereto shall be made in writing. A bidder may refuse the request without forfeiting its bid security. A bidder agreeing to the request will not be required or permitted to modify its bid, but will be required to extend the validity of its bid security for the period of the extension, in compliance with Clause 5.8 in all respects.
- 5.8.5 The bid securities of unsuccessful bidders will be returned as promptly as possible, but not later than twenty eight (28) days after the expiration of the bid validity, provided that the Employer shall have the right to retain the Bid Security of the three (3) lowest evaluated responsive Bidders until either:
- (a) The Contract has been executed and the required Performance Security has been furnished;
 - (b) The specified period or validity of bids has elapsed pursuant to Clause 5.7 and;
 - (c) All Bids have been rejected.
- 5.8.6 The Bid Security of the successful Bidder will be returned only when the Bidder has signed the Contract Agreement and furnished the Performance Security.
- 5.8.7 The Bid Security may be forfeited
- (a) if the bidder withdraws his bid during the period of bid validity; or
 - (b) if the bidder does not accept the correction of its bid price pursuant to Sub-Clause 8.2.2; or
 - (c) in the case of a successful bidder, if it fails within the specified time limit to:
 - (i) sign the Contract Agreement, or
 - (ii) furnished the required performance security.

5.9 **ALTERNATIVE PROPOSALS BY BIDDERS**

- 5.9.1 Bidders shall submit offers which comply with the bidding documents, including the basic technical design as indicated in the Drawings and Specifications. ***For this particular project, no alternative offers/proposals will be considered.*** The attention of bidders is

drawn to the provisions of Sub-Clauses 8.2 and 8.3 regarding the rejection of the bids which are not substantially responsive to the requirements of the bidding documents.

- 5.9.2 Discount and other Qualifications to the Bid.
- 5.9.2.1 If the Bidder shall offer a discount in his Bid, such offer shall be made on a separate statement. Such discount shall be considered as applying uniformly to all individual unit prices. Otherwise, the Bidder shall not make additional stipulations on the Bid form nor qualify his Bid in any other manner.

5.10 PRE-BID MEETING

- 5.10.1 The Bidder or its duly authorized representative is invited to attend a Pre-Bid Meeting which will take place and time to be designated by the DPWH but not later than fifteen (15) calendar days prior to the date designated for the submission of the Bids.
- 5.10.2 The purpose of the meeting will be to clarify issues and to answer questions on any matter that may be raised at that stage.
- 5.10.3 The Bidder is requested to submit any questions in writing or by fax, to reach the Employer not later than fifteen days before the deadline for the submission of Bids..
- 5.10.4 Minutes of the meeting, including the text of the questions raised and the responses given, will be transmitted without delay to all prequalified bidders. Any modification of the bidding documents listed in Sub-Clause 4.1.1 which may become necessary as a result of the pre-bid meeting shall be made by the Employer exclusively through the issue of an Addendum pursuant to Clause 4.3 and not through the minutes of the pre-bid meeting.
- 5.10.5 Bidders are advised to attend the pre-bid meeting. However, nonattendance at the pre-bid meeting will not be a cause for disqualification of a bidder. Bidders who do not attend the pre-bid meeting assume the responsibility to comply with modifications to the bidding documents mentioned in Sub-Clause 5.10.4 above and which are communicated through an Addendum pursuant to Clause 4.3.

5.11 FORMAT AND SIGNING OF BID

- 5.11.1 The Bidder shall prepare one (1) original and two (2) copies of the Bid Documents comprising the Bid as described in Sub-Clause 4.1.1 of this Instructions to Bidders, bound with the volume containing the Form of Bid, clearly marked "ORIGINAL" and "COPY" as appropriate. In the event of discrepancy between them, the original shall prevail.
- 5.11.2 The original and all copies of the Bid shall be typed or computer print out and shall be signed by a person or persons duly authorized to

sign on behalf of the Bidder, pursuant to Sub-Clause 1.5.1 (a) or Sub-Clause 1.5.2 (b), as the case may be. All pages of the Bid where entries or amendments have been made shall be initialed by the person or persons authorized to sign the Bid.

- 5.11.3 In the event that there are Addenda affecting or containing amended Bid Form(s) and/or Bill of Quantities, the Bidder shall use the forms included in the latest Addendum, if so indicated.
- 5.11.4 Each page of each documents comprising the Bid shall be initialed by the Bidder and at the end of each volume or book or individual separate documents such as Addenda or Supplemental Notices, etc., signed fully by the Bidder with a declaration certifying, "**Read and Accepted and Good for Agreement**".
- 5.11.5 The Bid shall contain no alterations, omissions or additions, except those to comply with the instructions issued by the Employer, or as necessary to correct errors made by the bidder, in which case such corrections shall be initialed by the person or persons authorized to sign the bid.

5.12 BID FORM, APPENDICES THERETO AND BILL OF QUANTITIES

- 5.12.1 The Bidder shall complete the Bid Form and Appendices thereto and the Bill of Quantities furnished in the Proposal Book, including Annexes and Daywork Schedule. All blanks on the Bid Form and Appendices to the Bid and the Bill of Quantities and the Annex to the Bill of Quantities shall be filled in by typewriter or by computer print out or legibly written in indelible ink.
- 5.12.2 The Bidder is allowed to reconstruct the Forms and adopt a computerized format in supplying the required data provided it is in accordance with the issued Proposal Book.
- 5.12.3 Where indicated in the Bid Form and Bill of Quantities, unit prices and sums shall be expressed in both words and in figures and in case of discrepancy between the two, the amount written in words shall prevail.

ARTICLE 6

SUBMISSION OF BIDS

6.1 SEALING AND MARKING OF BIDS

6.1.1 Each Bid shall be submitted in two (2) sealed envelopes in one (1) "original" and two (2) "copies". The original copy shall consist of all the documents listed under Sub-Clause 5.2.1.1 and 5.2.1.2 respectively.

On the **First Envelope**, first and second copies shall consist of all the documents listed under Sub-Clause 5.2.1.1.

On the **Second Envelope**, only Section D of the Proposal Book (Volume III) shall be reproduced into two copies and included with other documents pursuant to Sub-Clause 5.2.1.2.

6.1.2 The sealed envelopes shall:

1. bear the name of the Project to be bid;
2. be addressed to the party designated to receive Bids in the Advertisement
3. indicate the name and address of the Bidder to enable the Bid to be returned unopened in case it is declared "late";
4. be marked **Do not Open Before** (Date and Time of Opening of Bids)
5. be marked either **First Envelope** or **Second Envelope** and also either **Original** or **First Copy** or **Second Copy**.

6.1.3 For purposes of this project, the sealed envelopes shall be marked as follows in capital letters:

**Bid for : UPGRADING INTER-URBAN HIGHWAY SYSTEM
ALONG THE PAN-PHILIPPINE HIGHWAY PROJECT
CABANATUAN BYPASS
CONTRACT PACKAGE NO. III
PROVINCE OF NUEVA ECIJA , PHILIPPINES**

**To : THE HONORABLE CHAIRMAN
BIDS AND AWARD COMMITTEE (BAC)
Department of Public Works and Highways
Bonifacio Drive, Port Area, Manila**

Name and Address of Bidder: _____

DO NOT OPEN BEFORE: (Date and Time and opening of Bids)

- 6.1.4 If the envelopes are not sealed and marked as required by Sub-Clauses 6.1.2 and 6.1.3, the Employer will not assume responsibility for Bid's misplacement or premature opening.
- 6.1.5 Each Bidder shall be responsible for submitting his Bid enclosed in properly sealed envelopes of such quality and strength as to withstand normal handling, storage, wear and tear. Any Bid submitted in inappropriately sealed envelopes or in open envelopes or in envelopes that are torn or otherwise not sealed properly, may be returned at the discretion of the Employer to the Bidder, for resealing or re-enveloping provided that the Bid is submitted on time, otherwise, the Bid shall be rejected.
- 6.1.6 In addition to the identification required in sub-clause 6.1.2, the inner envelope shall indicate the name and address of the bidder to enable the bid to be returned unopen in case it is declared "late" pursuant to clause 6.3.

6.2 DEADLINE FOR SUBMISSION OF BIDS

- 6.2.1 Bids must be received by the Employer at the address specified above not later than the time and date designated in the Invitation to Bid or any extension thereof made by Addendum / Supplemental Notice.
- 6.2.2 The Bidder shall assume full responsibility for the timely delivery of his Bid at the location designated for the receipt of Bids.
- 6.2.2 The DPWH may at its discretion, extend the deadline for the submission of the Bids by issuing an addendum in accordance with Clause 4.3, in which case all rights and obligations of the DPWH and the Bidders previously subject to the original deadline will thereafter be subject to the deadline as extended.

6.3 LATE BIDS

- 6.3.1 Any Bid received by the DPWH after the deadline for submission of Bids prescribed in Clause 6.2 will be rejected and returned unopened to the Bidder.

6.4 MODIFICATIONS AND WITHDRAWAL OF BIDS

- 6.4.1 The Bidder may modify or withdraw its bid after bid submission, provided that written notice of the modification or withdrawal is received by the DPWH prior to the deadline for submission of Bids.
- 6.4.2 The Bidder's modification or withdrawal notice shall be prepared, sealed, marked and delivered in accordance with the provisions of Clause 6.1, with the envelopes additionally marked "MODIFICATION" or "WITHDRAWAL", as appropriate. A withdrawal notice may also be sent by fax but must be followed by a signed confirmation copy.
- 6.4.3 No Bid may be modified by the Bidder after the deadline for submission of Bids.

- 6.4.4 Withdrawal of a Bid during the interval between the deadline for submission of Bids and the expiration of the period of Bid Validity specified in the Form of Bid may result in the forfeiture of the Bid Security pursuant to Clause 5.8.

ARTICLE 7

BID OPENING

7.1 ONE BIDDER

- 7.1.1 At the time of opening of Bids, there shall be at least two (2) competing Bidders. In case there is only one (1) Bidder, the DPWH reserves its right to accept the Bid and make an award in accordance with procedures proposed by the DPWH and acceptable to the JBIC, or to advertise anew for re-bidding of the Project. The same right shall be reserved in case there is only one Bidder in any re-bidding.

7.2 OPENING OF BIDS

- 7.2.1 The DPWH-BAC will open properly identified Bids received at the place and time specified in the Advertisement or Invitation for Bids. Bidders or their duly authorized representatives may attend the opening of Bids and if they do, they sign a register evidencing their attendance. Every page of the original copies of all identified Bids received on time and read shall be initialed by all members of the BAC and Auditor's representative.
- 7.2.2 Envelopes marked "WITHDRAWAL" shall be opened first and the name of the Bidder shall be read out. Bids for which an acceptable notice of withdrawal has been submitted pursuant to Clause 6.4 shall not be opened and will be returned to the Bidder.
- 7.2.3 Before the Bids are opened, read and recorded, the Approved Budget for the Contract (ABC) shall be announced publicly by the Chairman of the DPWH-BAC.
- 7.2.4 After the announcement of the ABC, the Bids will be opened publicly in the manner prescribed hereunder.
1. The envelopes shall be examined pursuant to Sub-Clause 6.1.5. The first Envelope shall then be opened first and its contents checked against a prepared checklist to determine if all requirements to be contained in the envelope have been met. The DPWH-BAC shall determine, among other things, if the Bid Security is present and if the signatories to the Bid are duly authorized before reading out the Bid. A Bid which is not accompanied by the required Bid Security shall be rejected outright and shall not be read.
 2. If the Bidder has complied with all the requirements to be contained in the First Envelope, the Second Envelope shall then be opened. If not, the Second Envelope shall be returned unopened and his Bid shall be rejected outright, however, the Employer reserves the right to waive the consideration of minor deviations in the Bids received which do not affect the substance and validity of the Bids.

3. The Bidder's name, Bid Prices, modifications and Bid Withdrawals if any, and the presence or absence of the requisite Bid Security and the DPWH at its discretion may consider appropriate will then be read aloud and recorded legibly on a writing board for all present to hear and see.

7.3 PROCESS TO BE CONFIDENTIAL

- 7.3.1 Information relating to the examination, clarification, evaluation and comparison of bids and recommendations for the award of a Contract shall not be disclosed to bidders or to any other persons not officially concerned with such process until the award to successful bidder has been announced. Any effort by a bidder to influence the Employer's processing of the Bids or Award decisions may result in the rejection of the bidder's bid.

7.4 RECORDS AND MINUTES OF BID OPENING

Minutes of the proceedings of the Bid Opening Meeting shall be taken by the DPWH-BAC.

7.5 ABSTRACT OF BIDS

- 7.5.1 After the Bids have been received, opened and read aloud, the BAC shall prepare the Abstract of Bids to be signed by all members of the BAC and the Auditor's representative and to which shall be attached all the Bids with their corresponding Bid Security and the minutes of the Bid Opening Meeting. The Abstract of Bids shall contain, but not limited to, the following:

1. Name of the Project and its location
2. Time, date and place of Bidding; and
3. Name of Bidders and/or their duly authorized representatives, and their corresponding Bids arranged from the apparent lowest Bid to the highest and showing their respective variance from the ABC, the amount of the Bid Security and the name of issuing entity.

ARTICLE 8

BID EVALUATION

8.1 CLARIFICATION OF BIDS

- 8.1.1 To assist in the examination, evaluation and comparison of Bids, the Employer may at its discretion, ask any bidder for clarification of its bid, including breakdowns of unit rates. The request for clarification and the response shall be in writing or in fax, but no change in the price or substance of the bid shall be sought, offered or permitted except as required to confirm the correction of arithmetical errors discovered by the Employer in the Evaluation of the Bids in accordance with Clause 8.2.2.

8.2 PRELIMINARY EXAMINATION OF THE BIDS

- 8.2.1 The Employer will examine the Bids to determine whether they are complete, whether any computational errors have been made, whether required sureties have been furnished, whether the Bids are substantially responsive to the Bidding Documents, and whether the Bids are generally in order.
- 8.2.2 Arithmetical errors shall be rectified in the following manner:
1. If there is any discrepancy between the unit price and the total price per item that is obtained by multiplying the unit price and the quantity, the unit price shall prevail and the total price per item shall be corrected; unless in the opinion of the DPWH there is an obvious misplacement of the decimal point in the unit price, in which case, the total price shall prevail; If there is a discrepancy between the total amount and the sum of the price per item, the sum of the total price per item shall prevail and the total amount will be corrected.
 2. In case of discrepancy in words and in figures, the amount in words shall prevail, except in the case where a different result would be obtained by the use of the rule stated in Sub-Clause 8.2.2.1.
 3. The amount stated in the Form of Bid will be adjusted by the DPWH-BAC in accordance with the above procedure for the correction of errors and, shall be considered as binding upon the bidder. If the bidder does not accept the corrected amount of bid, its bid will be rejected, and the bid security may be forfeited in accordance with Sub-Clause 5.8.6 (b).
- 8.2.3 Prior to the detailed evaluation pursuant to Clause 8.3 hereunder, the Bids shall be examined to determine the substantial responsiveness of each Bid to the Bidding Documents. A substantially responsive Bid is one which conforms to all Bidding requirements and the terms and conditions of the bidding documents without material deviation. A Bid maybe rejected as not substantially responsive for any or all of the following reasons:

1. The Bid is incomplete, i.e., there are missing documents, or the information required to be furnished in the documents are incomplete;
2. The accompanying Bid Security is found to be insufficient in terms of amount or validity period or both or is altogether absent;
3. The Bid is submitted on forms or in a format other than that prescribed in the Bidding Documents;
4. The Bid is not properly accomplished, i.e., using pencil instead of ink or typewritten, putting entries in improper place, leaving blank spaces, etc.;
5. The Bid is not properly signed and/or initialed; or the Bid is signed by a person or persons other than by duly authorized signatories;
6. The Bid contains interlineations, erasures or overwriting that are unauthorized or if authorized not properly initialed; and
7. The Bid contains inadmissible reservations, conditions or exceptions to the Bidding Documents.

A Bid determined to be not substantially responsive shall be rejected and may not subsequently be made responsive by the Bidder by correction of the non-conformity or non-compliance.

- 8.2.4 The Employer, however, may waive any minor informality or non-conformity in a Bid which does not constitute a material deviation, provided such waiver does not prejudice or affect the relative ranking of any Bidder.
- 8.2.5 All Bids which conform to the Bidding Documents and are substantially responsive shall be examined to determine if:
 1. There are Bids and/or Detailed Unit Price Analysis that are identical to each other or to the ABC.
 2. More than one (1) Bid for the same Contract has been submitted by a Bidder under different names; and
 3. There are significant inconsistencies between the prices in the Bill of Quantities and the accompanying Detailed Unit Price Analysis. In which events, the Bid or Bids shall be rejected.

8.3 EVALUATION AND COMPARISON OF BIDS

- 8.3.1 The Employer will evaluate and compare the Bids previously to be substantially responsive pursuant to Clause 8.2.
- 8.3.2 The Employer's evaluation of a Bid will take into account, in addition to the Bid Price, the following factors:

1. The presence of unbalanced Bid or Bids
2. The technical and financial capability of the Bidder to carry out the proposed Contract

8.3.3 The examination of the bids for unbalanced items shall be undertaken in conjunction with and based on the examination of the Detailed Unit Price Analysis.

Should the foregoing examination results in imbalance in any or all of the Bid Items being evaluated, the application of the pertinent provisions of P.D. 1594, and/or existing regulations may be considered by the DPWH.

8.3.4 The remaining balanced Bid or Bids shall be examined for the technical and financial capability of the Bidder or Bidders to undertake the contract based on a review of the Statements of Financial Condition and On-going Construction Projects submitted by the Bidder, as well as the Prequalification Statement previously submitted by the Bidder, such other information as the DPWH deems necessary and appropriate. The Employer may limit the review of the Prequalification Statement to those of the three (3) lowest evaluated responsive Bids only.

8.3.5 Should the review of the Prequalification Statements uncover any misrepresentation or any change in the situation of the Contractor to downgrade the substance of his Prequalification Statements, the Bidder may be disqualified from Award of Contract and if so warrant, the Employer may impose the appropriate sanction as mentioned in Clause 10.1 of this Instructions to Bidders.

8.3.6 For purposes of bid evaluation, the exchange rate to be adopted in the conversion of the foreign currency requirement of the Bid to the Philippine Peso shall be the prevailing rate at the date of the Bid Opening as published by authoritative source specified in the Conditions of Contract.

8.4 CONTACTING THE DPWH

8.4.1 Subject to Clause 8.1, no Bidder shall contact the DPWH on any matter relating to his Bid, from the time of Bid opening up to the time the Contract is awarded.

8.4.2 Any attempt or effort by the Bidder to influence the DPWH in its decision, in respect of Bid Evaluation, Bid Comparison or Contract Award, shall result in the rejection of the Bidder's Bid.

8.5 DPWH RIGHT TO ACCEPT OR REJECT ANY OR ALL BIDS

8.5.1 The DPWH reserves the right to accept or reject any or all Bids: to declare a failure of bidding, if there is, among others, reason to suspect an evident collusion among Bidders resulting in no competition; to waive any required formality in the Bids received; to disregard any Bid which is obviously unbalanced, and to annul the Bidding process at any time prior

to the Award of the Contract; without thereby incurring any liability to the affected Bidder(s) or any obligations to inform the affected Bidder(s) of the grounds for the DPWH action. The right is reserved to reject the Bid of any Bidder who (a) has previously failed to satisfactorily perform or complete any construction contract undertaken by him or (b) was prequalified on the basis of suppressed or false information.

ARTICLE 9

AWARD OF CONTRACT

9.1 AWARD CRITERIA

- 9.1.1 Subject to Clause 8.5 and Clause 9.3 hereunder, the Employer will award the Contract to the bidder whose bid has been determined to be substantially responsive to the bidding documents and who has offered the Lowest Evaluated Bid Price, provided that such bidder has been determined to be:
- (i) eligible in accordance with the provisions of Sub-Clause 1.3.1 and 1.4.2;
 - (ii) qualified in accordance with the provisions of Clause 1.5. When there is no pre-qualification, the latter examination shall be limited to confirming that the bidder's conditions for pre-qualification remain substantially unchanged, but this examination remains prerequisite for award.

9.2 NOTIFICATION OF AWARD

- 9.2.1 After the Evaluation of the Bids and before the expiration of the bid validity period, the following written notices will be sent to the successful bidder:
- a. Written Notice of Contractor's meeting with the Employer. At this meeting, the proposed Construction Programme, the list of every project personnel, the percentage of the Bid Price payable in foreign currency (if any) and the Detailed Unit Price Analysis shall be discussed and checked.
 - b. Written Notice of Award. This is a formal confirmation that the Contract will be awarded to the successful bidder. The Notice shall make reference to the Bid submitted by the Bidder and any modifications to through clarification, subsequent bid meetings or correspondence and shall give specific instructions to the Bidder to take such other steps as necessary as precondition to the contract to be formally executed before the start of the Work.
- 9.2.2 The Bidder shall acknowledged receipt of the Notice of Award and his conformity hereto. The Notice of Award shall be regarded as an interim documents and not a substitute for the Contract Agreement.
- 9.2.3 After receipt of the Notice of Award and before the signing of Contract, the Contractor shall secure Quarry Permit(s) for borrow materials, sand and gravel, boulders and other quarry resources from the Office of the Provincial Governor of the locality from where the quarried materials should be taken.
- Quarry Permit(s) shall be submitted together with the other documents as outlined under Sub-Clause 9.3.1.

9.3 SIGNING OF CONTRACT

9.3.1 Within thirty (30) calendar days from receipt of the Notice of Award, the successful bidder shall enter into and execute an Agreement with the form prescribed in the Bidding Documents and incorporating all agreements between the parties, subject to the prior submission by the Bidder and acceptance of the DPWH of the following:

- (a) Performance Security furnished in accordance with Clause 4.2 of the Conditions of Contract and Clause 9.4 hereunder;
- (b) CPM Network Diagram, time-sequenced progress bar schedules, revised as necessary;
- (c) Cash Flow and Payment Schedule;
- (d) Certificate or duly authorized commitments issued by a reputable bank of a cash deposit in an amount equal to the average operating expenses of the project for four (4) months.
- (e) Quarry permit as outlined in Sub-Clause 9.2.3.
- (f) Duly executed contract of Lease / Rental of all equipment to be leased or rented and/or form order to purchase equipment intended for the exclusive use of the project as indicated in his Pre-Qualification Statement.

9.4 PERFORMANCE SECURITY

9.4.1 Within twenty eight (28) days of receipt of the notification of award from the Employer and before signing of the Contract, the successful bidder shall furnish to the Employer a Performance Security in the form of Cash, manager's checks, bank draft/guarantee confirmed by a local bank (in the case of foreign contractor bonded by a foreign bank), letter of credit issued by a reputable bank, surety bond callable on demand. Issued by the Government Service Insurance System or by surety or insurance companies duly accredited by the Office of the Insurance Commissioner in accordance with the following schedule:

- (a) Cash, manager's check, cashier's check, irrevocable letter of credit, bank draft – Five Percent (5%) of the total Contract Price; and
- (b) Bank Guarantee – Ten Percent (10%) of the total Contract Price.
- (c) Surety Bond – Thirty Percent (30%) of the total Contract Price.

- 9.4.2 This performance security shall be posted in favor of the **DPWH** and shall guarantee the payment of the amount of the security as penalty in the event it is established that the Contractor is in default in his obligation thereunder.
- 9.4.3 In the execution of the performance security, the following conditions shall be complied with:
- (a) It shall be executed in accordance with the form described therefore; and
 - (b) It shall be at least co-terminus with the final completion of the project.
- 9.4.4 Failure of the successful bidder to comply with the requirements of Clause 9.3 and Clause 9.4 shall constitute sufficient grounds for the annulment of the award and forfeiture of the Bid Security.
- 9.4.5 Subject to the Conditions of Contract, the performance security may be released by the Employer after the issuance of the certificate of completion of the project, provided that there are no claims for labor and materials filed against the contractor or the surety company.
- 9.4.6 Should any security for the performance of his contract become unacceptable to the Employer, the contractor shall promptly furnish replacement security as may be required from time to time up to the sum equal to the amount of the original surety.
- 9.4.7 The contractor shall post an additional performance security to cover any cumulative increase of more than ten percent (10%) over the original value of the contract as a result of adjustment in unit prices, and/or change orders, extra work orders and supplemental agreements. The Contractor shall cause the extension of the validity of the performance security to cover the approved contract time extensions.

9.5 FAILURE OF LOWEST EVALUATED RESPONSIVE BIDDER

- 9.5.1 In the event of refusal, inability or failure of the lowest evaluated Bidder to comply with the requirements of Clause 9.3 and 9.4, and therefore make good his Bid by entering into a Contract and posting his Performance Security within the time stipulated in the Bidding Documents thereof, The Bid Security of the lowest evaluated responsive Bidder shall be forfeited and appropriate sanctions as provided in Clause 10, hereof shall be imposed, and the second lowest responsive Bidder shall be considered for award at his Bid Price provided that his Bid shall not exceed the limits prescribed under Section IB 10.6.1-6 of P.D. 1594, as amended , 24 May and 05 July 2000.
- 9.5.2 If the second lowest evaluated responsive Bidder refuses or is unable to enter into a Contract, as above, then the third lowest evaluated responsive Bidder shall be considered for award. If the third lowest responsive Bidder still fails to enter into a Contract, then the Contract

may be advertised anew for Bidding and in both cases their Bid Securities will be forfeited and appropriate sanctions will be imposed.

- 9.5.3 If after re-bidding, no Bid still comes within the limits of Award of Contract, the Project may be recommended for prosecution by administration or by negotiated contract in accordance with the existing laws, rules and regulations and Loan Agreement.

9.6 NOTICE TO PROCEED

9.6.1 As soon as the Contract is approved and signed by the duly authorized Entity and subject to Clause 9.3, the Employer shall issue to the successful Bidder a written Notice to Proceed not later than fifteen (15) calendar days from the date of the approval of the contract. This notice to proceed shall give specific instructions to the Bidder to commence the Work within a stipulated time period from receipt thereof or from a stipulated date, and to complete the Work within the contract time period. This Notice may also include other instructions pertaining to the commencement of the Works.

9.6.2 For the projects whereby the Notice to Proceed (NTP) is issued after 180 calendar days from the bidding date, the awarded bidder may request for a contract unit price adjustment using the parametric formulae updated to the month of the NTP. Computation of the unit price adjustment shall be the original contract unit price multiplied by the fluctuation of K without deducting the 5%. Such updated unit prices shall be used as basis for computing the regular progress billings, and price escalation for work accomplished shall be calculated using the parametric formulae herein prescribed as applied to the updated unit prices reckoned from the month of the NTP. Adjustment of unit prices shall be made within fourteen (14) calendar days from the date required indices are available/issued by the appropriate government agency.

9.6.3 The successful Bidder shall acknowledge receipt of the Notice to Proceed and his conformity thereto. It shall be the responsibility of the Bidder to see to it that he receives the Notice to Proceed before the stipulated date of commencement of the Works.

9.6.4 Failure or refusal of a successful Bidder to receive the Notice to Proceed or to unreasonably delay his receipt of the Notice to Proceed shall constitute sufficient grounds for annulment of the award and forfeiture of his Bid Security or Performance Security, whichever is appropriate.

9.6.5 The successful Bidder shall mobilize his equipment intended for early works within forty-five (45) calendar days after receipt of Notice to Proceed.

9.7 DOCUMENTS COMPRISING THE CONTRACT

9.7.1 The following documents duly accomplished in accordance with the Bidding Documents shall form part of the Contract.

1. Owner – Contractor Agreement duly signed.

Instructions to Bidders

2. Volume I Proposal Book Volume
3. Volume II Technical Specifications
 - Section 1 Volume II of DPWH Standard Specifications for Highways, Bridges and Airports, Series 1995.
 - Section 2 Special Provisions and Supplemental Specifications
4. Volume III Conditions of Contract
 - Part I General Conditions (Conditions of Contract for Construction, FIDIC 1st Edition, 1999).
 - Part II was partly revised to Local Conditions of Particular Application by incorporating applicable provisions from PD 1594, as amended 24 May and 05 July 2000, Department Orders/Memoranda and Volume II of the 1995 DPWH Standard Specifications for Highways, Bridges and Airports
5. Volume IV Contract Drawings/Plans
6. Addenda/Supplemental Notices (if any)
7. Bid Form including the following Annexes in two (2) envelopes:
 - a) Authority of the Signing Official
 - b) Construction Schedule and S-Curve
 - c) Construction Method
 - d) Project Organizational Chart
 - e) Manpower Schedule
 - f) List of Contractor's Equipment
 - g) Units and/or under lease and /or under purchase agreements supported by duly executed contract intended for use exclusively for the project.
 - h) Equipment utilization schedule.
 - i) Certificate of Site Inspection and attendance at Pre-Bid Conference.
 - j) Bid Security
 - k) Construction Safety and Health Program pursuant to DOLE's Occupational Safety and Health Standards.
8. Performance Security, pursuant to Sub-Clause 9.4.1 and Clause 10.1 of the Conditions of Contract.
9. Prequalification Statements
10. Credit Line issued by an authorized bank pursuant to Clause 9.3.1 (d)
11. Notice of Award of Contract and Contractor's "Conforme" thereto.

12. Notice to Proceed

- 9.7.2 To facilitate the approval of the Contract, the following supporting documents shall be submitted:
- a. Duly Approved Program of Work and Cost Estimates
 - b. Certificate of Availability of Funds
 - c. Approved Budget for the Contract (ABC)
 - d. Abstract of Bids
 - e. Resolution of the BAC recommending Award
 - f. Approval of Award by Approving Authority
 - g. Concurrence of Lending Institution (JBIC)
 - h. Other pertinent documents as may be reasonably required by existing laws.
- 9.7.3 After execution of the Contract, the Contract shall also include all sureties, insurance policies and any and all variation orders and/or supplementary agreements that may be made subsequent to commencement of the Works.
- 9.7.4 It is understood that the Contract may be subject to approval by higher authorities other than the DPWH in accordance with existing laws, decrees, rules and regulations of the Government and JBIC.

ARTICLE 10

ADMINISTRATIVE SANCTIONS

10.1 ADMINISTRATIVE SANCTIONS

The following administrative sanctions shall be imposed for offenses/violations by Contractors during Prequalification, Bidding and Award:

- 10.1.1 Suspension for one (1) year for the first offense, disqualification for two (2) years for the second offense and perpetual disqualification for succeeding offenses on any of the following:
1. Misrepresentation or concealment of any material fact or information in the sworn Prequalification Statements and/or Bids, including but not limited to:
 1. Falsification of public documents
 2. Submission of borrowed license (license lending)
 2. Submission of bids and/or detailed estimates that are identical to each other or to the Approved Budget for the Contract (ABC) which manifestly indicate rigging or collusion.
 3. Other acts of the Contractors which directly or indirectly tend to defeat the purpose of public bidding.
- 10.1.2 Suspension for six (6) months for first offense, disqualification for one (1) year for second offense, disqualification for two (2) years for the third offense, and perpetual disqualification for succeeding offense.
1. Non-submission of bid by pre-qualified Contractors.
- 10.1.3 Forfeiture of Bid Security for first offense, and suspension of one (1) year for second offense and perpetual disqualification for succeeding offense.
1. Unjustified failure or unreasonable refusal of the winning bidder to accept or signify conforme to the Notice of Award (NOA).
 2. Non-submission by the proposed awardee within the prescribed time of the Performance Security and other requirements necessary for the Contract preparation, i.e., Contractor's All Risk Insurance (CARI), Affidavit of no pending case for non-payment of tax, Construction Schedule, Cash Flow and other requirements necessary for the formalization of the Contract.
 3. Unjustified refusal or failure of the proposed awardee to enter or sign the prepared Contract within the Department's prescribed time.

ARTICLE 11
ADVANTAGE CLAUSE

All the provisions of this Contract are meant solely to supplement and compliment each other. The provision most advantageous to the Government shall always govern in case any seemingly contrasting interpretation or opinion may arise.

THIS IS THE LAST PAGE OF THE INSTRUCTIONS TO BIDDERS