



Coconut Industry Investment Fund – San Pablo Manufacturing Corporation

Resolution Number: SPMC-CB-2022-003A

“To Cancel/Recall/Revoke the Notice of Award given to LSERV Corporation for the Provision of Manpower Services of Granexport Manufacturing Corporation and Declare a failure of bidding.”

Project Number: SPMC-2022-001B (PhilGEPS# 8596188)

WHEREAS, on 4 May 2022, during the bid opening conducted by the Bids and Awards Committee (“BAC”), the bid proposal of LSERV Corporation (SOLE BIDDER) passed the preliminary examination for the Provision of Manpower Services for San Pablo Manufacturing Corporation (“SPMC”), Granexport Manufacturing Corporation (“Granex”), and Legaspi Oil Company Inc. (“LegOil”);

WHEREAS, on 5 May 2022, during the bid evaluation, and based on the initial report submitted by the Technical Working Group (“TWG”), the BAC found the bid proposal of LSERV Corporation in the aggregate amount of Php 63,595,543.20 corresponding to the three companies, substantially complies and is within the total Approved Budget for the Contract in the amount of Php 67,933,628.20 based on the Abstract of Bids as read and as calculated;

WHEREAS, on 6 May 2022, based on TWG report, the bid of LSERV Corporation being the Single Calculated Bidder (SCB) and was found to be responsive and post-qualified. Said report was adopted and approved by the BAC;

WHEREAS, the BAC unanimously resolved to recommend to HOPE the approval to award the contract to LSERV Corporation for the provision of Manpower Services for SPMC, Granex and LegOil with the total bid amount of Php 63,595,543.20;

WHEREAS, on 13 May 2022, the results of the subject bidding was presented to and approved by the HOPE awarding the contract to LSERV with the winning bid amounting to Php 63,595,543.20;

WHEREAS, on 18 May 2022, the HOPE issued a Notice of Award to LSERV Corporation indicating its bid amount of Php 63,595,543.20;

WHEREAS, on 03 June 2022, upon preparation of the contract, the BAC discovered that LSERV Corporation’s bid amount for the Granexport amounting to Php 25,860,022.92 is ABOVE the Approved Budget for the Contract of Php 25,353,026.75;

WHEREAS, the bid evaluation report of the TWG did not indicate the breakdown per company of LSERV Corporation bid amount. The report merely showed the aggregate total of the ABC for the entire Project;

WHEREAS, as per the Instruction to Bidders under clause 19.4 which states that "the project shall be awarded as ONE PROJECT having several items, which shall be awarded as separate contracts per item". The ABC of which must be within the budget for each lot, as follows:

Company	ABC
SPMC	Php 31,513,393.75
Granex	Php 25,353,026.75
LegOil	Php 11,067,207.70

- WHEREAS, GPPB NPM No. 043-2014 provides:

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"The PE may opt to group several items into one package consisting of several lots, and award the contract per lot; in which case, the ABC shall be based on the budget for each lot that will be awarded separately. Alternatively, the PE may decide to group several items into one lot and award it as one contract. In such case, the sum of the respective budgets of the items aggregated into one lot becomes the ABC for such lot.

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When bids are evaluated by lot, any price offer that exceeds the ABC for a particular lot shall be disqualified for that respective lot. On the other hand, when several items are grouped into one lot and awarded as one contract, bids that exceed the ABC for the lot shall be disqualified per Section 31 of RA 9184 and its IRR."

(Emphasis and underlining supplied.)

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WHEREAS, further supported by Section 31.1 of the revised IRR 2016 of RA 9184, when bids are evaluated by lot, any price offer that exceeds the ABC for a particular lot shall be disqualified for that respective lot;

WHEREAS, the Reservation Clause under Section 41 of the revised IRR 2016 of RA9184 allows the HOPE the right to reject any and all bids, declare a failure of bidding, or not award the contract if the BAC is found to have failed in the prescribed bidding procedures;

NOW, THEREFORE, premises considered, pursuant to Section 41 of the revised IRR 2016

of RA9184 and consistent with NPM 043-2014, We, the members of the Bids and Awards Committee, hereby RESOLVE and RECOMMEND to the Head of Procuring Entity (HOPE) the following:

- a. CANCEL/RECALL/REVOKE the Notice of Award given to LSERV with respect to GRANEXPORT MANUFACTURING CORPORATION for having failed to meet the approved budget for the contract and DECLARE a FAILURE OF BIDDING for the Provision of Manpower Services for Granex;
- b. Directing the TWG to further evaluate and review the terms, conditions and technical specifications of the Bidding Documents for the Provision of Manpower Services for Granex; and
- c. Directing the BAC Secretariat to revise the bidding document as recommended by the TWG and proceed with another bidding. The BAC Secretariat is further directed to furnish LSERV Corporation a copy of this resolution.



AL MATTHEW P. UMALI
BAC Chairman



JESUS ERICK STA. BARBARA
BAC Vice Chairman



REY DELA CRUZ
BAC Member



CARLOS JASON SILVA
BAC Member



JERALYN BONQUILLO
BAC Member