GUIDELINES ON THE BIDDING OF CARGO HANDLING CONTRACT/PERMITS AT SUBPORTS

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Pursuant to the provisions of Section 7, 9, and 21 of RA 7621 (CPA Charter) and CPA Board Resolution No. ____-99, the following guidelines are hereby promulgated:

SECTION 1. Scope of the Regulation — This Order provides the guidelines and procedures in the selection of cargo handling service providers and award of cargo handling contracts/permits in all government subports within the jurisdiction of the Authority; Provided, That ports with low cargo volume shall continue to be governed by existing rules and regulations.

SECTION 2. Statement of Policies — As a general rule, management contracts/permits for cargo handling services in government subports shall be awarded through the system of public bidding, except in the following cases:

> 2.1 Cargo handling contractors in subports with existing or expired contracts whose performance is satisfactory shall be granted renewal of their contracts.
>
> 2.2 Cargo handling operators issued one-year permits and have already been in operation for at least six (6) months prior to the effectivity of this Order, shall be audited, and if found satisfactory, awarded contracts.

SECTION 3. Creation of the Prequalification, Bidding and Awards Committee (PBAC) — For purposes of conducting the public bidding, there shall be created a Prequalification, Bidding and Awards Committee (PBAC), for a port subject to bidding to be composed of the following:

Chairman

:

General Manager

Vice-Chairman

:

PSD Manager

Members

:

LAD Manager

:

Chairman, CPC

:

Committee on Cargo Handling

:

Chairman, CPC Committee on

:

Port Development Observer

:

COA Representative

SECTION 4. Powers and Functions of the PBAC — The PBAC, thus created, shall have the following functions:

4.1 Reproduce and/or prepare of all necessary bid documents/form requirement;

4.2 Publish the invitation to prequalify;

4.3 Provide relevant information to prospective bidders;

4.4 Send notice to prospective bidders;

4.5 Conduct pre-qualification meeting/evaluation and shortlisting of bidders;

4.6 Conduct pre-bidding conference/s with shortlisted bidders and give instructions to the latter on the bidding procedure;

4.7 Receive and evaluate bids based on factors formulated by the PBAC as basis for recommendation for the

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award of contract/permit;

4.8 Select and recommend the winning bidder;

4.9 Notify the bidders of the result of the selection, including the return of unopened sealed bids of financial offers and bidders bond to losing bidders;

4.10 Such other tasks as may be given by the General Manager.

SECTION 5. Bidding Procedure — The procedure for public bidding shall be as follows:

5.1 The PBAC shall advertise/publish the "Invitation to Prequalify" in a newspaper for a bidding of cargo handling services or in papers at least three (3) times within a reasonable period of not less than two (2) weeks.

5.2 The PBAC shall conduct a pre-qualification meeting and prepare a short listing of responding bidders based on their "Technical Offer" including evaluation and comparison of their qualifications using, among others, such factors like completeness and authenticity of required legal and other documents submitted, capitalization, experience of firm, length of operations and other relevant information/data to establish that such bidders are qualified to participate in the public bidding. The PBAC shall prescribe a minimum overall score of 60 points for prospective bidders to pre-qualify.

5.3 The PBAC shall then conduct a pre-bidding conference with pre-qualified bidders. Only those who attend the pre-bidding conference shall be allowed to participate in the bidding proper.

5.4 The shortlisted bidders shall be required to submit their "Financial Offer" during the date of the bidding proper. After the prescribed time and date of submitting the bid documents, the PBAC shall open the sealed envelope for "Financial Offer."

> 5.4.1 Prior to the opening of financial offers, prequalified bidders shall post the prescribed bidder's bond in cash or cashier's/manager's check in favor of the Authority to guarantee that the bidder, if awarded, will enter into a contract with CPA.
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> 5.4.2 For the bid proper, only the sealed envelopes for the financial offer of prequalified bidders shall be opened.
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> 5.4.3 Prior to the opening of bids for financial offer, the PBAC shall announce publicly during a pre-bidding conference the CPA pre-determined "floor" estimates for the government shares.
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> 5.4.4 The PBAC shall evaluate and compare the bid offers for the government share immediately after the opening of the bids and a decision shall be made within twenty-four (24) hours after the opening of said bids. Thereafter, a formal resolution embodying the PBAC decision and recommendation of the winning bidder shall be immediately prepared. In case where there are two or more bids which are the same, the points garnered by the bidders in the "Technical Offer" shall be considered in order to break the tie.
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> 5.4.5 The PBAC shall formally notify all the bidders of the results of the bid, including the return of bid bonds, within five (5) working days after the approval of the selection of the winning bidder.
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> 5.4.6 The PBAC shall prepare the corresponding contract for cargo handling services, with all its corresponding annex requirements, particularly the PBAC resolution and report of the conduct of the bidding, for submission to the General Manager for review.
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> 5.4.7 After the approval of the contract, the PBAC shall formally notify the contractor to assume and provide the cargo handling services after compliance of all necessary CPA requirements.

SECTION 6. Record of Proceedings — The PBAC shall fully and faithfully record all its proceedings of the

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bidding process, including negotiated award.

SECTION 7. Negotiated Award — Negotiated award of contracts may be resorted to by the Authority in any of the following instances.

7.1 Failure to award the contract to a winning bidder after a competitive public bidding for valid reason/s as determined by the PBAC and approved by the General Manager. The procedure shall be as follows:

> 7.1.1 The PBAC shall invite for negotiation for the financial offer the next ranked winning bidders (offerors) in descending order starting from the second highest bidder until a contractor is selected. Before any negotiation shall commence, however, the bidders selected for negotiation shall post the additional bid bond, where required or necessary. The financial bid offer of the first ranked winning bidder who failed to execute the corresponding contract shall be used as basis for negotiation.
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> 7.1.2 The offeror who commits the financial offer for the government share or fixed government and variable fees most advantageous to the Authority shall be given preference for the contract.
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> 7.1.3 The PBAC shall prepare the corresponding contract resulting from the negotiation, with all its requirements and report on the proceedings and results of the negotiation for submission to the General Manager for review before approval.
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> 7.1.4 After the approval of the negotiated contract, the contractor must be duly notified to assume and provide the cargo handling service in said port after posting the necessary performance bond and compliance to other CPA requirements.

7.2 Failure of the public bidding twice due to lack of responsive bids or when only one prospective bidder responded to a publicly announced invitation to bid. The procedure shall be as follows:

> 7.2.1 The PBAC shall evaluate and compare the bids (technical and financial) of prequalified bidders after posting the required bid bond.
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> 7.2.2 The offeror who offers the most advantageous financial offer acceptable to the PBAC shall be considered for the contract.
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> 7.2.3 The other applicable procedures provided herein shall apply.

SECTION 8. Reservation — The Authority reserves the right to reject any and all bids, to waive any defect or informality therein, and to accept such bid as it may deem most advantageous to the government.

SECTION 9. Renewal of Contracts — Renewal of contracts shall be subject to existing rules and regulations.

SECTION 10. Repealing Clause — All memoranda, circulars, orders, and other issuances inconsistent herewith are hereby repealed or amended accordingly.

SECTION 11. This Administrative Order shall take effect immediately upon approval by the Board of Commissioners and after publication.

Adopted: 15 July 1999

APPROVED:

(SGD.) ANTONIO JOSE B. ELUMIR, JR.
General Manager

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