



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS
OFFICE OF THE SECRETARY
MANILA

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DEPARTMENT ORDER)

No. **149** *W*
Series of 1989 *10/2*

SUBJECT: Two-Stage Procedure for Bidding
of Construction, Maintenance and
Office Equipment

To ensure the conduct of fair, systematic and transparent bidding for the procurement of construction, maintenance and office equipment, including spare parts, and to provide equal opportunity to all interested and qualified suppliers to submit proposals for such equipment, this Department is adopting the two-envelope system in the procurement of subject items. In this connection, the following procedures are hereby prescribed:

1. The concerned Implementing Office (IO), in coordination with the Bureau of Equipment (BOE), whenever necessary, shall prepare the basic design criteria and the corresponding Technical Specifications or description of the required equipment and its component parts. The IO shall also prepare all bidding documents such as the Invitation to Bidders, Instructions to Bidders, General Conditions for Bidding, the Supplier's Prequalification Forms and the Bid Proposal Forms. The IO shall submit all of these bidding documents to the Secretary through the concerned Prequalification, Bids and Awards Committee (PBAC).

2. The equipment specifications shall be broad enough to allow consideration of all acceptable models or makes of different manufacturers. If possible, the desired or minimum operating equipment performance requirements under the required standard conditions or parameters shall be set. All critical equipment components or features must be indicated as necessary or required items of specifications. All other items in the specification which are not critical shall be considered as minor features.

3. The procurement of the required equipment shall be conducted by the appropriate PBAC through open competitive public bidding.

3.1 The PBAC shall cause the publication of the Invitation for Bids at least three times within a period of two weeks in at least two newspapers of general circulation. The publication shall inform interested suppliers that the system of procurement is thru a two-stage bidding, namely, (a) Bidders Prequalification and Evaluation of their Technical Proposals and (b)

Cost Evaluation. The first publication shall be published at least 45 days before the deadline for the submission of bids. This period may be lengthened or shortened by the PBAC depending upon the nature of the equipment to be procured and its availability in the local market. Bid Documents shall be given to all firms responding to the advertisement.

3.2 The Instructions to Bidders shall require the prospective bidders to submit their bids in two separate sealed envelopes on the stated time, place and date for the submission of bids. The first envelope shall contain the bidder's Technical Proposal (TP) and Prequalification Statement. The second envelope shall contain the bidder's Financial Proposal (FP).

3.3 The bidder shall present its TP and FP in the prescribed forms as provided for in the Bidding Documents.

3.4 At the prescribed deadline, the PBAC shall open all envelopes containing the unpriced TPs, determining in the process compliance by the bidder to all formalities required for the acceptance of the bid. This will include, but not be limited to, the submission of the Technical Specifications of their product, the Bidder's Prequalification Statements, signatures of the bidder on the required forms or pages and the required bidder's bond. All the FPs shall remain unopened.

3.5 The IO shall then analyze the TPs to determine:

(a) those bidders who are prequalified and whose proposals conform, and are responsive, to the technical specifications as well as legal and other non-technical requirements and;

(b) those that do not conform and are not responsive to the above stated requirements.

The IO shall submit its findings to the concerned PBAC. The PBAC shall then review the IO's findings and submit its recommendations through an appropriate Resolution to the Secretary for appropriate action.

3.6 Upon approval of the PBAC Resolution, the PBAC shall issue written notices to all the bidders informing them as to whether they are prequalified or not. For each predisqualified bidder, the notice shall include, whenever applicable, the reason for its predisqualification and the observed deficiencies in its TP. The predisqualified bidder must be informed that if, it so desires, it may submit within a prescribed period a written request to the PBAC for reconsideration, stating among others, reasons to

contravene its predisqualification and/or corrective measures to improve on, or negate the, deficiencies noted in its technical proposal.

The information to the prequalified contractors shall contain the time, place and date of opening of the FPs.

- 3.7 The PBAC, and the ID shall promptly and accordingly act on such request for reconsideration, and shall submit their recommendation to the Secretary for appropriate final action.

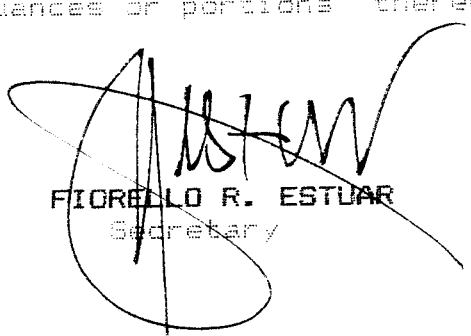
The Financial Proposals (FP) of the predisqualified bidders shall be returned unopened.

- 3.8 At the designated time, place and date and in the presence of the bidders or their duly authorized representatives, the PBAC shall publicly open the envelopes containing the FPs of all prequalified bidders. The PBAC shall announce and note their contents.

- 3.9 The bid with the lowest evaluated price shall be declared the lowest priced complying bidder.

4.0 The PBAC shall, through an appropriate Resolution recommend to the Secretary, the award of the contract for the supply and delivery of the subject equipment to the supplier with the lowest evaluated price and stating, among other things, the agreed technical adjustments to the equipment specifications, if any.

This Department Order takes effect immediately, and revokes or amends all other Department Orders, rules, regulations, and other issuances or portions thereof which are inconsistent herewith.



FIGIORELO R. ESTUAR
Secretary