



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

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DEPARTMENT ORDER) SUBJECT: Revised Prequalification and Bidding
No. 177)
Series of 1993) 10-11

To improve the effectiveness of the contracting system and pursuant to Presidential Decree No. 1594 and its Implementing Rules and Regulations, the following procedure for prequalification and bidding for infrastructure projects is hereby prescribed for adoption by all Prequalification, Bids and Awards Committees (PBACs) and other offices and personnel concerned. This procedure is applicable to locally-funded projects only until further notice.

1. For a given project to be bid out, the PBAC concerned shall determine the corresponding Inter-Agency Committee (IAC) class of contractors that will be invited to submit bids.
2. The PBAC shall cause the publication of an advertisement inviting all contractors falling under such IAC class to submit to the PBAC at the designated time and date, the following: (a) their prequalification statements and (b) their price proposals for the subject project, in two separate sealed envelopes. The advertisement shall also indicate the project description, maximum contract duration, and desirable starting date, among others.
3. Interested contractors shall secure from the PBAC, upon payment of a non-refundable fee, copies of the bid documents, including plans, specifications, draft contract with terms and conditions, instructions to bidders, and proposal book with bill of quantities.
4. Contractors shall submit to the PBAC at the designated time and date, in two separate sealed envelopes: (a) their accomplished prequalification statements and (b) their price proposals for the subject project using the bid forms in the proposal book.
5. The PBAC shall, in the presence of the contractors, deposit all the sealed envelopes containing the price proposals in a designated secured container (e.g. steel cabinet) and shall lock this using three padlocks, one of whose keys shall be kept by the PBAC Chairman, another by the representative of the Commission on Audit (COA) in the PBAC, and the third by the contractors' representative in the PBAC.

6. The PBAC shall then evaluate the prequalification statement of each of the contractors, considering, among other things: (a) its technical capability to prosecute the project based on the extent and quality of its relevant experience and performance/track record, (b) the adequacy of its available construction equipment, (c) the adequacy of its proposed project organization and personnel, (d) its financial capacity based on a statement from an authorized bank/financing institution that it commits to provide the contractor a credit line or cash deposit in the amount pre-specified by the PBAC to cover the average project operating expenses for two months or ten percent (10%) of the total contract cost, whichever is less, and (e) its performance in on-going and completed projects.
 7. The PBAC shall notify the prequalified as well as the predisqualified contractors of the results of the evaluation of the prequalification statements. In case of a predisqualification, the reason for same shall be indicated.
 8. The PBAC shall allow seven (7) days after the notices mentioned in paragraph 7 above have been transmitted during which to evaluate requests for reconsideration, if any, from predisqualified contractors, and shall notify them accordingly of the results of such re-evaluation.
 9. The PBAC shall inform all prequalified contractors of the date and time of the opening of bids and instruct them to submit their respective bid securities in an amount not less than two-and-a-half percent (2 1/2%) of their total price proposal (as earlier submitted in their sealed envelopes) in the form of cash, certified check, manager's check, bank draft/guarantee confirmed by a local bank against any reputable bank, letter of credit issued by a commercial bank, or surety bond, callable on demand, issued by a surety company duly accredited by the Office of the Insurance Commissioner, or a combination thereof.
 10. At the designated date and time, the PBAC shall receive the bid securities of the prequalified contractors. Thereafter, the PBAC shall publicly open the container where the sealed envelopes containing the price proposals were deposited. All bidders shall be required to have their respective duly authorized representatives present to witness the opening of the price proposals.
 11. The PBAC shall return to the predisqualified contractors their respective sealed envelopes containing the price proposals.
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12. The PBAC shall open the sealed envelope of each of the prequalified contractors, examine its contents, and determine if the corresponding bid security is adequate in amount and in the proper form. The PBAC shall then open, read and record the Approved Agency Estimate. It shall thereafter read and record the price proposals of each bidder.

With this procedure, Department Order No. 100, dated 24 April 1991, prescribing simultaneous bidding in central/regional and regional/district offices is hereby revoked.

This Order supersedes all previous Department Orders and other issuances or portions thereof inconsistent with it.

This Order takes effect immediately.


GREGORIO R. VIGILAR
Secretary