



**Philippine International Trading Corporation
BIDS & AWARDS COMMITTEE I**

**MINUTES OF THE PRE-BID CONFERENCE
SUPPLY AND DELIVERY OF BRAND NEW PHILIPPINE ARMY BALLISTIC
HELMET AND MILITARY BODY ARMOR, PHILARPHAT, MODEL 1
FOR THE PHILIPPINE ARMY
BID REF. NO. MPG-B1-2018-123
16 JULY 2018, 5/F CONFERENCE ROOM**

There being a quorum, Chair convened the meeting at 10:00 AM.

In attendance are:

FOR PITC BAC-I
Atty. Ma. Victoria C. Magcase, Chairperson
Atty. Ma. Gudelia C. Guese, Vice-Chair
Christabelle P. Ebriega, Member
Myra T. Alvarez, Member
David A. Inocencio, Member
PITC TWG/BAC Secretariat (as per attached attendance Sheet)
BIDDERS
As per attached attendance sheet

FOR PROPONENT – PA
As per attached attendance sheet

HIGHLIGHTS OF PROCEEDINGS

- Chair welcomed everyone to the pre-bid conference for the Philippine Army Ballistic Helmet and Military Body Armor – PHILARPAT Model 1 for the Philippine Army;
- Chair introduced the BAC and the members of the Philippine Army Team;
- Chair informed PITC is also a government agency and that the PA has tapped PITC to procure these set of equipment for them.
- As the Chair acknowledged the presence of the following companies, she likewise inquired if they are representatives of foreign manufacturers or JVs.

1	Source Vagabond	will be in JV with Fettam
2	Kolonwel Trading	will be in JV but can not provide the company name yet
3	Panpisco Technologies, inc.	-same-
4	Stone of David	Mars Armor
5	SNS Enterprises	will be in JV with TAR Israel
6	Goldbell Phils. Impex Corp.	will be in JV with ATFY, China

7	Vivante Tech. Inc.	will be in JV with Lumen Corp.
8	Qualitek Inspection Supplies	will be in JV with MKU Limited
9	Rodayvu Mfg. Co.	Manufacturer

10	Mr. Elon Kulagen of Picazzo representing Zero Nine Cradyn of US	
11	CK Diaz Merchandise	Manufacturer

- Chair informed that there are two items involved in this bid project. The Bidder can bid for one or both items. These are:
 - 1) Philippine Army Ballistic helmet with an ABC of Php 88M+; and
 - 2) Military Body Armor, Philarpat Model 1 with an ABC of Php163M+.
- As these are highly sensitive items and considering the ABC of each of the items (Delivered at Place), Chair expressed her hopes that prospective bidders have read the Invitation to bid because it is clearly stated that participation in this bid project is only open to manufacturers.

- At the same time, Chair informed that there is a track record required by the law of having completed within the last five years, a single contract of similar nature amounting to at least 50% of the ABC, or at least two similar contracts the total amount of which should be at least 50% of the ABC of the item being bid for; and the largest of these similar contract must be equivalent to at least 25% of the ABC for the item to be bid for;

Chair clarified that similar contract means "ballistic protective equipment".

- In case the Bidder intends to bid for both items, he can use the ABC for the Body Armor as his is already sufficient enough to cover for both items;
- The delivery period is 150 calendar day;
- Chair informed that in this pre-bid conference, she will go through the requirements that have to be submitted on bid opening day.
- Chair likewise mentioned that a CD containing the PHILARPAT Pattern will be given to those who bought Bidding Documents;
- Chair started to discuss the Envelope System:
 - **Envelope System:** The system of submission is a two envelope system wherein **Envelope 1** will contain the eligibility and technical documents and **Envelope 2** will only contain the Financial Bid.

- **Number of Copies:** All documentary submission must come in three sets. These will be placed in 3 folders marked: "original", "duplicate" and "triplicate".

Chair requested the Bidders to tab their documentary submission so that it is easy to locate on bid opening day.

- **Sealings/Markings** The three sets of folders will then be placed in a master envelope. The master envelope will then be sealed and marked in accordance with the instructions stated in the Bid Data Sheet.

ENVELOPE I – ELIGIBILITY & TECHNICAL DOCUMENTS

<u>Eligibility Documents for the Foreign Manufacturers and its Philippine Based Company</u>	<u>Chair's Instructions</u>
I. FOREIGN MANUFACTURER	
Valid and current certificate/license/authority to conduct/operate business issued by the regulatory authority in the country where the bidder is based	Foreign manufacturer shall submit their license or authority to conduct business issued by the regulatory authority in the country where it is based. This is equivalent of the SEC Registration Certificate in the Philippines.
Valid and Current Tax Clearance issued by the Accounts Receivable Monitoring Division of the BIR	Even a foreign bidder is required to submit a valid and current tax clearance issued by the Accounts Receivable Monitoring Division of the BIR. Chair emphasized that this is not a tax clearance issued in the country of the foreign manufacturer. It should be issued by the Philippine BIR, and it should not be expired. The Committee will not accept any provisional Tax Clearance or Claim Stub. It must be the tax clearance itself.
Corporate Financial Statements or Annual Report for 2017 or 2016	In the Philippines, the requirement is an Audited Financial Statements. However, for foreign manufacturers, it can be their Corporate or annual report for 2017 or 2016.
PhilGEPS Certificate of Registration and Membership (Platinum Registration) together with Annex A.	In case the Foreign Manufacturer is registered with the PhilGEPS, he can submit his Platinum Registration together with PhilGEP's Annex A that lists down the documents he have submitted to PhilGEPS, in lieu of the 4 documents enumerated earlier.

	<p>However, the foreign manufacturer has to ensure that all the documents listed in Annex A are valid and current, If any of those documents have expired, he has to submit the valid and current ones on bid opening day.</p>
<p>Annex I- Statement of all Ongoing government and private contracts including contracts awarded but not yet started, regardless of whether these are similar in nature or not.</p>	<p>Chair reminded the Bidders that on bid opening, the Committee will look for compliance to instructions. If there are missing information, the submission will fail.</p> <p>As such, Chair requested all bidders to listen intently to the instructions:</p> <ul style="list-style-type: none"> • Bidders to check the box pertaining to the item to be bid for; • Bidders to fill up the information required in the form; • Additional sheets can be used provided • let the authorized representative sign the form. <p>In case a Bidder is bidding for both items, for as long as the Bidder checked both items, one submission of Annex I will suffice.</p>
<p>Annex I-A Statement of Single Largest Contract similar to the contract being bid within the last 5 yrs. equivalent to at least 50% of the ABC.</p>	<p>Bidder to again check the box pertaining to the item being bid for.</p> <p>Bidder to indicate his single largest contract of similar nature equivalent to at least 50% of the ABC for the item being bid for.</p> <p>In these the Bidder is bidding for Item No. 1 only, he has to tick the box for Item 1. His SLC of similar nature then will be 50% of Php 88,629,802.02.</p> <p>But if he is bidding for both items, he has to tick Box 1 and 2, and then the 50% will be based on the total ABC of Php 252,106,703.30.</p> <p>In case a Bidder cannot complete the required 50% of the ABC, he can submit at least two completed contracts again of similar nature, and the aggregate contract amounts must at least be equivalent to 25% of the ABC. The largest of these similar contracts must be at least 25% of the ABC.</p> <p>Additional instructions for Annex I-A is that the Bidder is required to attach a copy of the evidence of payment for those contracts that he listed, or Acceptance Certificate from the buyer.</p> <p>In case the Bidder has indicated five (5) contracts, then</p>

	<p>he has to attach 5 evidences of payment or five acceptance certificates.</p> <p>Evidence of payment can be an Official Receipt, Letter of Credit or Telegraphic Transfer and it should jibe with the 5 contracts.</p>
<p>Annex II-A NFCC</p>	<p>Bidders to check the box pertaining to the item being bid for.</p> <p>Bidder to fill up the form provided in the Bidding Documents.</p> <p>A formula is already provided. All they have to do is fill up the information. Bidders must show the NFCC computation because if not, the submission will be considered "fail".</p> <p>The NFCC should <u>not be less than</u> the ABC for the item being bid for. It could be more.</p>
<p>For Joint Ventures</p>	<p>In case the JV is a Philippine company, they have to submit the following:</p> <p>Class "B" Documents</p> <ul style="list-style-type: none"> ➤ Copy of Joint Venture Agreement in case the JV is already in existence; or ➤ Copy of Protocol/Undertaking to Enter into a Joint Venture, sample form is attached as Annex III. <p>Either way, the JVA or JVP should indicate who of the partners is authorized to represent the JV, and all parties must sign.</p> <p>In case the JV is a Philippine company, they have to submit four mandatory documents as follows:</p> <ol style="list-style-type: none"> a) SEC or DTI Registration; b) Mayor's/Business Permit; c) Valid and current Tax Clearance; and d) 2017 and 206 Audited Financial Statements consisting of Independent Auditor's Report, Balance Sheet and Income Statement, all pages of which must have the stamp "Received" by the BIR. <p>If the local partner is already a PhilGEPS Platinum member, he can submit his PhilGEPS Platinum Certificate of Registration and its Annex I in lieu of the 4 aforementioned documents, provided that all the documents that he submitted to PhilGEPS per Annex I are up to</p>

	<p>date. If not, he must submit the current and valid ones on bid opening day.</p> <p>On the other hand, if the JV is another foreign company, the same eligibility documents mentioned earlier for foreign manufacturers shall be submitted by the foreign manufacturer and its partner together with the JVA or JVP.</p>
<u>Technical Documents</u>	
<p>Bid Security</p>	<p>The Law allows a Bidder to submit any of the following:</p> <p>a. <u>Bid Securing Declaration.</u></p> <p>Chair mentioned that a form is provided for in Annex IV.</p> <p>Bidder to tick the box pertaining to the item being bid for.</p> <p>In case the bidder is bidding for both items, one bid securing declaration is sufficient to cover for the two items, provided that he checks both items.</p> <p>Bidders should use the form provided by PITC because it is complete in contents.</p> <p>In order not to miss out on anything, Chair advised the bidders to photocopy the form or scan it, and then have the authorized representative sign the form and submit it notarized.</p> <p>b. <u>Cash or Manager's Check</u> issued by the local commercial/universal bank equivalent to at least 2% of the ABC;</p> <p>c. <u>A Bank Guaranty or Letter of Credit</u> issued by a local commercial/universal bank equivalent to 2% of the ABC.</p> <p>Chair made it clear to the bidders that any bank documents issued by a foreign bank must be confirmed by local commercial unibank.</p> <p>d. <u>Surety Bond</u> issued by a bonding company authorized by the Insurance Commission.</p>

	<p>In case a Bidder will opt for a Surety Bond, the Surety Bond must contain the 14 grounds enumerated in the Bidding Documents, because a standard Surety Bond does not contain these grounds.</p> <p>These grounds must be indicated or found on the bond itself. As such, Bidders must give instructions to their bonding company to print the 14 grounds on the bond, otherwise the bonding company will just give them the standard one.</p> <p>If the SB does not contain the 14 grounds, it will be declared as non-compliant, thus, failed.</p> <p>Except for the Bid Securing declaration where one submission can already cover for the two items, there should be two separate Bid Security – one bid security per item if it is in the form of Cash/Manager's Check, Bank Guaranty or Letter of Credit, or Surety Bond.</p>
<p>Technical Bid Form & Other Technical Documents</p>	<p>Each item has its own set of TBF.</p> <p>As the TBF for Item No. 1: Philippine Army Ballistic Helmet is flashed on screen, Chair's instructions are as follow:</p> <ul style="list-style-type: none"> • The TBF cannot be retyped or altered; • The TBF consists of 12 pages; • Line No. 1 mentions about the PA Specs for the Ballistic Helmet and the components that come with the helmet. • Bidders to just indicate the word "comply" on the line item in the Bidder's Statement of Compliance; • The next line requires the Bidder to indicate brand and model and country of origin of the ballistic helmet and the ballistic eyewear. • For the succeeding line items, Bidder will just continue indicating "comply" • Bidders must ensure that he has indicated on each and every line items the word "comply" opposite it. If one line is missed out, it would mean that the Bidder cannot comply with that specification and the bid will fail. • Bidder's authorized representative to sign all the pages of the TBF.

	<ul style="list-style-type: none"> Chair mentioned that there are a lot of requirements for submission in case the bidder is declared the single/lowest calculated bid. For now, the requirement is just to put comply on that line item. <p>Same instructions will apply for Item No. 2.</p>
Technical Specifications Annex V-A1 for Item 1 (11 pages) Annex V-B2 for Item 2 (12 pages)	<p>Annex V-A1 consists of 11 pages. Bidder's authorized representative to just sign on each and every conforme box per page of this Annex.</p> <p>Once again, Chair reminded the Bidders to make sure that all conforme boxes are signed. One unsigned page will lead to a fail.</p> <p>Same instructions will apply for Annex V-B2</p>
Test and Evaluation Procedure Annex V-A2 for Lot 1 (22 pages) Annex V-B2 for Lot 2 (22 pages)	<p>Bidder's Representative to sign the conforme portion on each and every page of this Annex.</p>
Tariff Sizes Annex V-A3 for Item 1 (1 page) Annex V-B3 for Item 2 (1 page)	<p>Bidder's representative to sign the conforme box of this Annex.</p>
Annex V-C Manufacturers Certification on Conformance to the Project's Tech Specs, Test Evaluation Procedures Tariff Sizes to be signed by the Production Engineer or Designated Technical Personnel	<p>Chair instructed the Bidders to give this Annex to their manufacturer for signature of their Production Engineer or Designated Technical Personnel.</p> <p>Chair informed that this is a form that cannot be signed by the Bidder's Authorized Representative. Chair reiterated that Annex V-C must be signed by the Manufacturer's Production Engineer or Designated Technical Personnel. If signed by</p> <p>Chair mentioned that it becomes a source of problem during pre-delivery inspection that the entire specs are not given fully to the manufacturer.</p> <p>There is a provision in this Annex that the Production Engineer/Technical Personnel have read and understood the technical specifications and that if awarded the contract, will complete and accomplish their obligation in accordance with the terms and conditions of this project.</p>
Manufacturers Certification that it	There is no form provided for this.

<p>has supplied body armor and/or helmet to the armed forces/security forces of the country of origin and at least one other country</p>	<p>In case the Bidder is bidding for both items, there should be two certifications.</p> <p>The Committee wants to make sure that the items they are selling in the Philippines is also being sold in their country and another country.</p> <p>This Certification will be issued by the manufacturer and will be validated during post qualification.</p>
<p>Valid and Current ISO certificate in the name of the manufacturer of each of the equipment being offered.</p>	<p>Chair informed that the ISO must be valid and current, and must be issued by an independent certifying body in the name of the manufacturer.</p> <p>In case each item have different manufacturers, then there should be one ISO coming from each of the manufacturers.</p>
<p>For Foreign Manufacturers</p> <p>Valid and Written Appointment of Philippine Based (as local representative of foreign manufacturer) issued by the Bidder</p> <p>Duly notarized authorization of the Philippine Based Company representative with specimen signature of the authorized representative to transact with PITC including address, telephone number, fax number and e-mail address</p>	<p>The foreign manufacturer must appoint a Philippine Based Company and there should be thru a written appointment.</p> <p>For the Philippine Based Company, if it is a corporation, the Bidder should submit a Board Resolution appointing the authorized representative of the Philippine Based Company.</p> <p>For sole proprietorship, if the owner is the one who signs, there is no need for an SPA. But if he appoints another person, then that person must be covered with an SPA.</p>
<p>Annex V-D Certificate of Filing/Non-Filing of Cases</p>	<p>Chair informed that the Committee will issue a Bid Bulletin deleting this requirement</p>
<p>Proof of Authority of the Designated Representative</p>	<p>Submission is a Secretary's Certificate indicating who the authorized representative of the company is who will sign the Bidding Documents.</p> <p>If the JV between a local and foreign company, we also need a Secretary's Certificate from both the foreign company and the local company.</p> <p>It cannot be only foreign because the JV is considered partnership.</p>

<p>Omnibus Sworn Statement (OSS)</p>	<p>A form is provided for this.</p> <p>Bidders to copy the form verbatim. However, to ensure that nothing is missed out, bidders scan just photocopy or scan the form.</p> <p>Bidders to check the box pertaining to the item being bid for. Again, if the bidder is bidding for both items, one OSS will suffice for as long as he checked the two items.</p> <p>The form should be properly filled up.</p> <p><u>For sole proprietorship:</u></p> <ul style="list-style-type: none"> • Bidder to tick the box for Sole Proprietorship in box "a" (Authority of the Designated Representative. • The blank pertaining to the name and title must be filled up and there must be a specimen signature of the owner or his SPA. <p><u>For Joint Ventures or Corporation</u></p> <ul style="list-style-type: none"> • For JV, even if one of the partner is a sole proprietorship, this is the form that they should use. • Bidders to tick the box pertaining to "Corporation, Partnership, Cooperative. • Bidder to fill up all the blanks, including the name, title and specimen signature of the designated representative <p>All statements must be complete, from "a" to "h".</p> <p>The affiant who filled up the form will sign the last page and submitted it notarized on bid opening day.</p>
<p><u>ENVELOPE 2: FINANCIAL ENVELOPE</u></p>	<p>The FBF will depend on the item being bid form.</p> <p>The FBF cannot be retyped or altered.</p> <p>Bidders are advised to scan or photocopy the form and then fill it up with the Unit price and Total price in figures and then in words.</p> <p>The price must be "Delivered at Place".</p> <p>In case a Bidder is bidding for two items, Chair's</p>

	<p>instructions is not to put the FBFs in the same folders. There should be a separate FBF Folders for Item 1 and Item 2.</p> <p>FBF per Item should also come in three sets.</p> <p>The Bidder's authorized representative shall sign the FBF.</p>
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POST QUALIFICATION REQUIREMENTS

- In case the Bidder is declared as the SCB/LCB, Chair informed that they have to submit the requirements for post qualification which are detailed on pages 81 to 83 for Item No. 1, and for Item No. 2: pages 126 to 130. Most of these are submission of test reports/lab results. The SCB/LCB is given only 5 c.d. within which to submit said requirements.
- Item 1 requires the submission of swatch materials. Chair informed that the Committee will give the bidders a CD;
- To cut on time, Chair advised the Bidders that as early as this time, they should already have the lab test for the equipment;
- For the helmet, the Committee needs complete set of Small, Medium, Large and XL;
- Chair reminded the Bidders to read the details of the post qual requirements per item in the TBF
- Chair then opened the floor to questions/clarifications. Hereunder are the details:

<u>Bidder's Clarification</u>	<u>Committee's Reply</u>
Goldbell: If we are only interest in one item, we pay Php 50T. But if we join the two items, we will also pay Php 50T for the two	Yes.
The bidder has no late delivery with PA and PITC. We are representing a foreign company. What will happen if the representative has undelivered goods to PITC	We are not requiring that.
Goldbell: Does that apply to the Philippine Representative	Just put comply on "the Bidder has no overdue xxx". It only applies to the Bidder.


	Declaration and the Omnibus Sworn Statement that it will be more safer for you to just photocopy, or scan so as not to miss out on any statements.
For the Board Resolution, does it have to be red ribbon	No need. We do not ask for consularization because it takes time unless you are translating something from a foreign language to English. The English translation must be authenticated by the Philippine Consulate where you are based.
Goldbell: The insurance policy for the body armor if you get injured. You have to pay insurance for death or injury	Put that in writing to that we can explain more on that requirement.
Kolonwell: In case we are just the representative of foreign manufacturer, what documents do we need as the Philippine based representative.	For the time being, we just need your appointment. If the owner is signing no need. It is on page 40: Sections vi.a and vi.b
Until when can we submit our clarifications	Ten calendar days before bid opening. Since our bid opening is on August 8, last day is July 30.
Do you intend to issue a Bid Bulletin.	If there is a need. It will depend on the questions and clarifications you will send to the Chair.
On the three (3) samples is this destructive? How do you conduct destructive test if you have NIJ test.	Col. Ruffy. You are referring to the body armor. The ballistic performance shall be determined based on the test results coming from NIJ.
You asked for 3 samples within five (5) days for PQ. The problem is the export license. This is applicable for our self as manufacturer. And it takes time. It is impossible. Some American companies takes one year. You might reconsider time in providing sample.	Can you put that in writing so we can deliberate and we will issue a Bid Bulletin.

<p>All PQ will be held here.</p>	<p>Yes. There will be a pre delivery inspection but we will just check on the delivery</p>
<p>Kolonwell: Pwede ba ipadaia na sa end user direct. Kayo na ang consignee.</p>	<p>Chair: It is consigned to you. You are the bidder.</p>
<p>There is requirement for foreign participation. For reciprocity certificate, we understand this should be signed by respective government or the Ministry of Israel.</p>	<p>Chair: There are grounds for reciprocity. (Chair read aloud Section 5.2 (a), (b) (c) and (d).</p>
<p>The bidder has no late delivery with PA and PITC.</p> <p>We are representing a foreign company. What will happen if the representative has undelivered goods to PITC</p> <p>Goldbell: Does that apply to the Philippine Representative</p> <p>Goldbell: If we have a JV with a foreign company. The local company has late delivery, are we allowed to bid.</p> <p>Goldbell: Is it a ground for blacklisting</p> <p>Goldbell: I am comparing the policy of PA. They do not allow bidders with late delivery. But PITC extends until contract signing.</p>	<p>We are not requiring that.</p> <p>Just put comply on "the Bidder has no overdue xxx".</p> <p>It only applies to the Bidder.</p> <p>If it is a JV is jointly and severally. You cannot separate one. It affects both.</p> <p>No I am just giving you an example.</p> <p>We disqualify a Bidder during post qual. That is why we just want you to put comply. It is just during post qual that we will validate.</p>


	Who knows, during post qual., you might be are 3rd lowest bidder and by that time you could have already delivered.
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Adjourned at 11:45 AM

MINUTES TAKEN BY:


MA. VERONICA A. MORALES
Head, BAC-I Secretariat

APPROVED BY:


ATTY. MA. VICTORIA C. MAGCASE
Chairperson, BAC-I