



Republika ng Pilipinas  
**PANGASIWAAN NG TUBIG AT ALKANTARILYA SA KALAKHANG MAYNILA**  
Metropolitan Waterworks and Sewerage System  
**REGULATORY OFFICE**  
Katipunan Road, Balara, Quezon City 1105, Philippines

**BIDS AND AWARDS COMMITTEE (BAC)**

**RESOLUTION NO. 2012-014**  
Series of 2012

**DECLARING FORFEITURE OF THE BID SECURITY AND DISQUALIFYING  
PUNONGBAYAN & ARAULLO FOR THE AWARD OF CONTRACT FOR THE  
PROCUREMENT OF THE 2012 RATE REBASING CONSULTANCY SERVICES  
(CONTRACT NO. RO-CS2012-001)**

**WHEREAS**, on 03 April 2012, the MWSS Board of Trustees (BOT) issued Resolution No. 2012-038 approving the Procurement of the 2012 Rate Rebasing Consultancy Services under Contract No. RO-CS2012-001 with an Approved Budget for the Contract (ABC) of Philippine Pesos Sixty One Million Eight Hundred Sixty Thousand Six Hundred (Php 61,860,600.00), Terms of Reference, Shortlisting and Technical Proposal Evaluation Criteria;

**WHEREAS**, on 14 June 2012, the BOT in its Resolution No. 2012-074 declared a 2<sup>nd</sup> failure of bidding, thus, authorizing the MWSS Regulatory Office Bids and Awards Committee (RO-BAC) to adopt a Negotiated Method of Procurement, to adopt the revised Terms of Reference (TOR) and Technical Proposal Evaluation Criteria (TPEC);

**WHEREAS**, on 16 June 2012, the RO-BAC posted the Invitation for Negotiated Procurement for the 2012 Rate Rebasing Consultancy Services in the website of the Philippine Government Electronic Procurement System (PhilGEPS);

**WHEREAS**, on 26 June 2012, the RO-BAC held a pre-bid conference attended by the four (4) pre-qualified bidders, namely:

1. Isla Lipana & Co. (ILC)
2. Reyes Tacandong & Co.
3. Angel Lazaro & Associates International
4. Punongbayan & Araullo

**WHEREAS**, on 05 July 2012, the RO-BAC conducted a debriefing on the technical results of the 2<sup>nd</sup> bidding for pre-qualified bidders;

**WHEREAS**, on 23 July 2012, the deadline for submission of the bid, all four (4) pre-qualified bidders submitted on time their respective eligibility documents and technical proposals;

**WHEREAS**, on the same date, the schedule set for the opening of bids, only the representative of ILC remained after the submission to witness the opening. It was then decided by the RO-BAC to re-schedule the opening to 25 July 2012 and to inform the other bidders accordingly;

**WHEREAS**, on 25 July 2012, the RO-BAC opened the eligibility documents and technical proposals and witnessed by representatives from the pre-qualified bidders;

**WHEREAS**, on 06 August 2012, the RO-BAC deliberated on the Technical Evaluation Report submitted by the TWG under the negotiated procurement method applying the Board-approved Technical Evaluation Criteria, where a technical score of at least 70 points should be earned in order to qualify by using the Quality-Based Evaluation Procedure as provided for Item 24.1, Section III Bid data Sheet, page 32 of the Bidding Documents consistent with Section 33.2.1(a)

of RA 9184, otherwise known as the Government Procurement Act and its Revised Implementing Rules and Regulations;

**WHEREAS**, on 14 August 2012, the RO-BAC issued Resolution No. 2012-011 recommending to the MWSS Board of Trustees the declaration of Isla Lipana & Co. in joint venture with Lahmeyer IDP Consult, Inc. (ILC/LICI) as the bidder with the Highest Rated Bid (HRB);

**WHEREAS**, on 28 August 2012, the RO-BAC received Board Resolution No. 2012-110 dated 16 August 2012 approving and confirming RO-BAC Resolution No. 2012-011 and declaring ILC/LICI as the eligible firm with the Highest Rated Bid (HRB). The Board likewise authorized the RO BAC to invite ILC/LICI for the opening of its Financial proposal and to conduct negotiations as provided by pertinent provisions of RA 9184;

**WHEREAS**, on 12 September 2012, the RO-BAC decided through Resolution No. 2012-012 to declare Isla Lipana & Co. in Joint Venture with Lahmeyer IDP Consult, Inc. **DISQUALIFIED** for award of the 2012 Rate Rebasing Consultancy Services and **FORFEIT** its bid security amounting to One Million Two Hundred Thirty Seven Thousand Two Hundred Twelve Pesos (P1,237,212.00) for failure to submit the required documents pursuant to Item 27.2, Section II and Section 34.2 of the Revised IRR, RA 9184 within the non-extendible three (3) day period. Following the guidance obtained from the Government Procurement Policy Board (GPPB) in a meeting held on 27 September 2012 and pursuant to Item 27.2, Section II Instructions to Bidders of the Bidding Documents and Section 34.2 of the Revised IRR for RA 9184, the RO Bids and Awards Committee (BAC) is set to implement the above-mentioned Resolution;

**WHEREAS**, on 02 October 2012, the RO-BAC through its Memorandum to the Board of Trustees requested for authority from the MWSS-BOT to **NEGOTIATE** with the bidder with the second Highest Rated Bid, Angel Lazaro & Associates International, after Isla Lipana & Co. has been duly notified of the said decision;

**WHEREAS**, on 09 October 2012, the RO-BAC decided through Resolution No. 2012-013 to declare Angel Lazaro & Associates International **DISQUALIFIED** for award of the 2012 Rate Rebasing Consultancy Services pursuant to Terms of Reference under "Constraints";

**WHEREAS**, the third Highest Rated Bid was considered for negotiation after the Highest Rated Bid and the second Highest Rated Bid were disqualified;

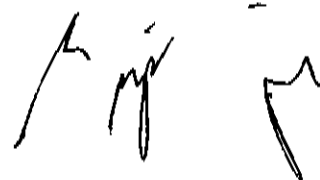
**WHEREAS**, on 08 October 2012, Manila Water Company, Inc. (Manila Water) informed the MWSS Regulatory Office (MWSS RO) that **PUNONGBAYAN & ARAULLO**, the firm with the third Highest Rated Bid (3<sup>rd</sup> HRB), had a previous engagement with the Concessionaire, to wit:

- a. Consultancy Services for the conduct of the financial and tax due diligence audit for the AAA Water Corporation and Laguna AAWater Corporation prior to the decision to acquire interest in these companies;

**WHEREAS**, it was stated in the Terms of Reference under "Constraints" that:

*"The engagement of the Consultants shall be subject to the following limitations:*

1. *That each Consultants never became a partner, director, officer and employee of the MWSS-Corporate Office or the concessionaires, their subsidiaries/affiliates for the past (5) years; and*



2. *That each Consultant never had any advisory relationship, association/affiliation with MWCI and MWSI for the past five (5) years.*"

**NOW THEREFORE**, for and in consideration of the foregoing premises, the RO-BAC hereby **RESOLVES**, as it is hereby **RESOLVED** to declare Punongbayan & Araullo **DISQUALIFIED** for award of the 2012 Rate Rebasing Consultancy Services and **FORFEIT** its bid security amounting to One Million Two Hundred Thirty Seven Thousand Two Hundred Twelve Pesos (P1,237,212.00) for failure to disclose previous engagement with Manila Water pursuant to Terms of Reference under "Constraints".

Adopted this 09<sup>th</sup> day of October 2012.



**RANDOLPH Q. MARCIAL**  
Acting Chairman



**MYLENE JOY S. PARRAS**  
Vice-Chairman 10/12



**ROSENDO O. ALEGRE**  
Member



**GUILLERMO O. MENDOZA, JR.**  
Member



**ELIAS R. ROMANO**  
Member/End-User