



**SOCIAL HOUSING FINANCE CORPORATION**  
(a subsidiary of National Home Mortgage Finance Corporation)

**Republic of the Philippines**  
**Social Housing Finance Corporation**  
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**MINUTES OF PRE-BID CONFERENCE**  
**Project No. 2009-01: The Provision of Rental Services of One (1)**  
**Unit Photocopying Machine with Manpower Complement**  
**For One (1) Year**

**ATTENDEES**

**Social Housing Finance Corporation**

Mr. Eduardo T. Manicio	-	Chairman, Bids and Awards Committee
Mr. Ernesto Leynes	-	Vice Chairman
Atty. Jose D. Melgarejo	-	Member
Ms. Emilia E. Lanuza	-	Member
Mr. Joselito Cada	-	Member, Technical Working Group
Engr. Mervin Lim	-	Member
Ms. Marissa Diestro	-	Head, BAC Secretariat
Ms. Rizalina Laca	-	Member
Ms. Leila S. Dava	-	Member
Ms. Lily Lebaquin	-	Member

**Observers**

Mr. Wilson Estacio	-	Commission On Audit
Mr. Jason Sanchez	-	Presidential Anti-Graft Commission

**Prospective Bidders**

Mr. Leo Clasico	-	Tricom Dynamics Inc.
Ms. Nancy Delegencia	-	Ubix Corporation
Ms. Jane Mendoza	-	Ubix Corporation

**CALL TO ORDER**

The pre-bid conference for *Project No. 2009-01: The Provision of Rental Services of One (1) Unit Photocopying Machine with Manpower Complement for One (1) Year* held at the SHFC Board Room was called to order at 2:20 p. m. of *July 09, 2009* and was presided over by SHFC BAC Vice Chairman, Mr. Ernesto Leynes.

## **BUSINESS MATTERS**

Mr. Ernesto Leyes acknowledged the presence of the observers from the Presidential Anti-Graft Commission (PAGC) and Commission on Audit (COA) and the prospective bidders from UBIX Corporation and Tricom Dynamics Inc. He also introduced the members of the Committee, the Technical Working Group (TWG) and the Secretariat. He then informed the prospective bidders and the observers that the exercise is a rebid already, considering that the BAC has previously declared a failure of bidding for the Project.

Before directing the TWG to proceed with the presentation, Mr. Leynes asked the bidder from Tricom Dynamics Inc. whether he is familiar with the bidding processes in government agencies. The bidder responded that he is aware of the processes and has participated in other government procurement exercises.

Given this response from the bidder, Mr. Leynes declared that they would leave out the detailed presentation of the processes involved in procurement and proceed with the presentation of the Schedule of Requirements.

### **1. Presentation by the TWG**

Mr. Joselito Cada, TWG member presented the schedule of requirements as follows:

- The Provision of Rental Services of One (1) Unit Photocopying Machine with Manpower Complement for (One (1) Year
- All bids should be quoted based on a guaranteed billable amount of 600,000 copies per year divided into monthly minimum copies of 50,000. Any unused portions of the monthly minimum shall be carried over to the succeeding months and the consumed portions billed monthly. The cumulative total excess and deficits shall be reconciled at the end of the contract year. Deficits that may still exist at the end of the year shall be counted in favor of the contractor and shall be paid by SHFC. Should the total number of copies produced exceeds 600,000, the same shall be paid by SHFC.
- Type of Machine (Main Service Unit)
  - ✓ Heavy duty digital photocopying machine that uses powder toner with reducer and enlarge capabilities, sorting and collating capabilities and should not be more than 2 years old, not reconditioned and should be in good working condition (proof of purchase shall be submitted to ascertain the age of the machine)
  - ✓ Minimum speed required: 50 copies per minute.
  - ✓ Back up machine response time
  - ✓ The participating company shall provide back up photocopying machine within 4 hours upon receipt of notice with the same type of machine and minimum speed requirement.
- Professionally trained personnel to handle the operation of the photocopying machine.

After the presentation, Mr. Leynes added that the Approved Budget for the Contract (ABC) remains at ₱360,000.00. He mentioned that the responsibilities and the scope of work of the service provider as well as the conditions are described in the bidding documents.

## **2. Comments/Clarifications from the Prospective Bidders**

The bidder from Tricom Dynamics Inc. sought clarification on the guaranteed billable amount of 50,000, stating that the unused portions of that amount every month should be paid on the 12<sup>th</sup> month of the billing period.

Atty. Jose D. Melgarejo, BAC member answered that the suggestion is acceptable to SHFC. Mr. Leynes explained that the billing is basically cumulative, meaning, if there is a deficit from the guaranteed billable amount of 50,000, they should bill for the actual utilization. On the one hand, if there is an excess from the stated amount, it would be computed and paid at the end of the billing period.

The same bidder asked about the requirement for the *type of machine* and the submission of the *proof of purchase* as evidence of its age. Atty. Melgarejo answered that the machine **should not be more than 2 years old and should not be reconditioned**. He explained further that if the machine is one year and a half, SHFC would accept it but if it is reconditioned, SHFC would reject it. He also clarified that reconditioned for SHFC means major overhaul. He cited as an example, the fine tuning of the cars, replacing the worn-out tires, as opposed to taking away the engine and replacing it with another. According to him, fine tuning is acceptable but replacing the engine is not. In addition, he said that there should be a ready back up machine.

With regard to the proof of purchase, the bidder opined that it would not answer the length of time that the machine has been used. He stated that they get their machines from France and if the supplier/distributor told them that the machine is aged 3 years old, they would not have basis for proving such. He wanted to know whether SHFC's requirement for said proof of purchase pertains to the date of purchase from their supplier/distributor. He added that it would be hard to establish the date when said machine was purchased by the supplier/distributor.

In response, Atty. Melgarejo said that SHFC's requirement for the proof of purchase refers to the date of purchase from the first owner, which is the French supplier/distributor. He said that the bidder is referring to the *proof of repurchase*, being the second owner. Atty. Melgarejo maintained that this would not be acceptable to SHFC.

Atty. Melgarejo then asked the bidder whether they could ascertain the age of the machine by looking at the model. The bidder responded that it could be one way of knowing the age of the machine. However, he stated that there would be other complications as well, adding that there were instances when they acquired the machines last year but since they have

numerous supplies of the same, they were able to release the machines only recently.

Given the issues raised by the bidder, Atty. Melgarejo said that the requirement for the proof of purchase as evidence of the date of purchase should not be exclusive. If there are other ways of ascertaining the age of the machine, like by way of its model which is imprinted in the equipment, SHFC would consider it. Likewise, he said that the proof of purchase would not only establish the age of the machine but would serve as proof of ownership as well. He added that SHFC would not want a leased machine. Atty. Melgarejo stated that establishing the age of the machine should not be confined to the proof of purchase, acknowledging that there could be other ways of ascertaining the age. However, he emphasized that the proof of purchase must be submitted.

In addition, Mr. Leynes said that the purpose of the pre-bid conference is to clarify issues, particularly with regard to the requirements. As mentioned in the presentation, he reiterated that the machine should not be more than 2 years, not reconditioned and that the proof of purchase must be submitted. The bidder should comply with these requirements. If there are other ways to determine the age of the machine, it would be subject to validation by the SHFC come post qualification stage. If such proofs are proven to be not compliant with the aforementioned requirements, then the bid will have to be rejected.

The bidder also inquired whether they could include an explanation when stating compliance to the requirements. Mr. Leynes responded that they could not, emphasizing that the requirements were made clear at the beginning.

Another concern was raised by the bidder, this time, pertaining to the requirement for personnel who will be operating the machine. He sought clarification whether the salary of the operator is included in the ABC. Atty. Melgarejo answered that it is part of the ABC. The bidder then suggested for SHFC to consider a separate billing for the operator. He explained that in case of an excess from the guaranteed billable amount of 50, 000, a corresponding increase in the rate of the operator is expected, whereas, if the billing for the operator is done separately, the rate will be fixed per month.

Atty. Melgarejo answered that the ABC includes the payment for the guaranteed billable amount of 50,000 and the labor cost for the operator. Given the ABC of P360,000.00, SHFC guarantees the winning Company P30,000 per month for the 50,000 copies, including the cost for the operator. At the end of the billing period, SHFC would pay for the accumulated excesses, if there are any. But the consequent overtime cost for the operator would have to be shouldered by the Company. He likewise, reminded the bidder about compliance with the labor laws, stating that if the operator renders overtime, he/she has to be compensated. In case of a wage increase by virtue of a wage order, however, SHFC is obliged to pay the extra cost.

Still on the issue of personnel, the bidder asked who will be operating the machine in case the assigned personnel is absent. Atty. Melgarejo responded that an alternate should be provided to operate the machine. To this, the bidder stated that this presents another concern since the reliever is not paid the same amount as the assigned personnel. Atty. Melgarejo answered that the Company will have to settle that issue internally. Mr. Leynes added that the requirement for the reliever is stated in the Technical Specifications, Section VI of the bidding documents. Likewise, he stated that pricing should really be based on the total copies produced per month. He opined that an excess in the guaranteed billable amount of 50,000 does not necessarily equate to overtime work for the operator. The rate of the operator remains fixed even if there are excesses. The Company would just be billing SHFC for those excesses, computed at the agreed amount per copy.

Following the discussion on the issues and concerns relative to the requirements, Mr. Leynes emphasized the deadline for the submission of the bids, which is set on July 21, 2009. Any bid submitted beyond the 2:00 pm deadline will not be accepted.

#### **ADJOURNMENT**

There having been no other remaining topics for discussion, the pre-bid conference adjourned at 2:55 pm.

Prepared by:

**MS. LEILA S. DAVA**  
Member, BAC Secretariat

*Approved by:*

**MR. ERNESTO R. LEYNES**  
*BAC Vice Chairman*

**ATTY. JOSE D. MELGAREJO**  
*BAC Member*

(Absent)  
**ATTY. STEPHEN P. OVALLES**  
*BAC Member*

**MS. EMILIA E. LANUZA**  
*BAC Member*

**MR. EDUARDO T. MANICIO**  
*BAC Chairman*