

 <p><b>LBP RESOURCES AND DEVELOPMENT CORPORATION</b> 24<sup>TH</sup> Floor LBP Plaza 1598 M.H Del Pilar cor. Dr. J. Quintos St. Malate Manila</p>	<h1>PROCUREMENT MANUAL</h1>	<b>Class Code: D</b>
		Reference Code: <b>OM-PU</b>
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### A. BAC Structure

- a. Each Procuring Entity shall establish in its head office a single BAC to undertake the functions specified in Section 12 of this IRR in order to facilitate professionalization and harmonization of procedures and standards. In line with the standardization of procurement procedures and to trust towards strengthening the procurement function to increase operational efficiency and effectiveness, Heads of Procuring Entities shall aim to consolidate or unify all procurement activities of the organization, whether locally-funded or foreign-assisted, and whether pertaining to Goods, Infrastructure Projects or Consulting Services.
- b. However, to expedite the procurement process for practical intents and purposes, the HoPE may create separate BAC's where the number and complexity of the items to be procured shall so warrant. The BAC's may be organized either according to: (a) geographical location of PMO or End-user or implementing units of the Procuring Entity or (b) nature of procurement. Similar committees for decentralized and lower level offices may also be formed when deemed necessary by the HoPE.

### B. Composition of BAC

The members to be designated by the LBRDC President to the BAC and approved by the Board of Directors shall be at least five (5), but not more than seven (7), as follows:

- a. Chairman – at least third ranking permanent officer of the company
- b. Vice-Chairman – at least a fifth ranking permanent official
- c. Member – Head of Operations  
Legal Counsel  
Treasurer

Alternates shall also be designated in the absence of any of the BAC Members to avoid delay in the procurement process.

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### C. Term of BAC Membership

- a. Unless sooner removed for a cause, the members of the BAC shall have a fixed term of one (1) year reckoned from the date of appointment, renewable at the discretion of the President.
- b. In case of resignation, retirement, separation, transfer, re-assignment, removal, death, the replacement shall serve only for the unexpired term.
- c. In case of leave or suspension, the replacement shall serve only for the duration of the leave or suspension. For justifiable causes, a member shall be suspended or removed by the Head of the Procuring Entity (HOPE). In the interest of professionalism, the Head of the Procuring Unit is encouraged to extend the terms of office of deserving members.
- d. In no case shall the President of LBPRDC be the Chairman or member of the BAC.

### D. Functions of the BAC

- a. Advertise and/or post the invitation to bid.
- b. Conduct pre-procurement and pre-bid conferences.
- c. Determine eligibility of prospective bidders.
- d. Receive and open bids
- e. Conduct the evaluation of bids
- f. Undertake post-qualification proceedings.
- g. Resolve motions for reconsiderations.
- h. Recommend award of contracts to the Head of the Procuring Entity or his/her authorized representative. In case of disapproval, such disapproval shall be based only on valid reasonable and justifiable grounds, to be expressed in writing, copy furnished the BAC.
- i. Recommend imposition of sanctions in accordance with Rule XXIII.

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- j. Recommend to the HOPE the use of Alternative Methods of Procurement as provided in Rule XVI;
- k. Conduct any of the Alternative Methods of Procurement;
- l. Conduct periodic assessment of the procurement and procedure activities pursuant to section 3(c) of IRR
- m. Perform such other related functions as may be necessary, including creation of Technical Working Group (TWG) from a pool of technical, financial and/or legal experts to assist in the procurement process, particularly in the Review of Technical Specifications, Scope of Work, Terms of Reference, Review of Bidding Documents, eligibility screening, evaluation of bids, post qualification and Resolution of Request for Reconsideration.
- n. Ensure that the unit concerned abides by the standards set forth by this policy and the existing laws and issuances.
- o. Prepare a procurement monitoring report for approval of the LBPRDC President and submit the same to the GPPB on a semestral basis.

*Note: Procurement monitoring report shall cover all procurement activities specified in the APP, whether ongoing and completed, consisting ₱50 million and above for goods and infrastructure projects and ₱5 million and above for consulting services. The report shall cover major activities from the holding of the pre-procurement conference to the issuance of notice of award and the approval of the contract, including the standard and actual time for each major procurement activity. It shall be submitted in printed and electronic format within ten (10) working days after end of each semester.*

### **E. Quorum**

A majority of the total BAC composition as designated by the LBRDC President shall constitute a quorum for the transaction of business, provided that the presence of the Chairman or Vice Chairman shall be required.

### **F. Meetings**

- a. The Chairman or, in his absence, the Vice Chairman shall preside at all meetings of the BAC.

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- b. The decision of at least a majority of those present at the meeting at which there is a quorum shall be valid and a binding act of the BAC, provided, the Chairman or, in his absence, the Vice-Chairman shall vote only in case of a tie.
- c. Observers and representatives of BAC members shall have no right to vote during BAC meetings, nor shall the representatives of BAC members be authorized to sign in behalf of the members represented.

### G. Observers

- a. To enhance transparency of the process, the BAC shall, in all stages of the procurement process, invite the Internal Auditor as observer in addition to the COA representative and two (2) observers to sit in its proceedings which shall not have the right to vote:
  - a. At least one (1) shall come from a duly recognized private group in a sector or discipline relevant to the procurement at hand.
    - For Infrastructure Projects, national associations of constructor duly recognized by the Construction Industry Authority of the Philippines (CIAP) such as, but not limited to the following:
      - (1) Philippine Constructors Association, Inc.; or
      - (2) National Constructors Association of the Philippines, Inc.
    - For Goods, a specific relevant chamber-member of the Philippine Chamber of Commerce and Industry.
    - For Consulting services, a project related professional organization accredited or duly recognized by the Professional Regulation Commission or the Supreme Court, such as, but not limited to:
      - (1) Philippine Institute of Civil Engineer (PICE)
      - (2) Philippine Institute of Certified Public Accountants (PICPA);or
      - (3) Confederation of Filipino Consulting Organizations;
  - b. The other observer shall come from a non-government organization (NGO).

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- b. Observers shall come from an organization duly registered with the Securities and Exchange Commission (Sec) or the Cooperative Development Authority (CDA), and should meet the following criteria:
1. Knowledge, experience or expertise in procurement or in the subject matter of the contract to be bid;
  2. Absence of actual or potential conflict of interest in the contract to be bid; and
  3. Any other relevant criteria that may be determined by the BAC.
- c. Observers shall be invited at least five (5) calendar days before the date of the procurement stage/activity. The absence of observers will not nullify the BAC proceedings: Provided, that they have been duly invited in writing. The Procuring Entities should ensure that the invitation is received at least five (5) calendar days before each procuring activity. In the event
- d. Absence of observers shall not nullify the BAC proceedings, provided they have been duly invited in writing.
- e. The observers shall have the following responsibilities:
- i. Preparation of report (either jointly or separately) indicating their observations on the bidding activity for submission to the LBPRDC President, copy furnished the BAC Chairman.
  - ii. The report shall assess the extent of BAC's compliance with the provisions of the existing law and areas of improvement in the BAC's proceedings. For this purpose, the BAC through its Secretariat shall furnish them a copy of the following documents upon their request;
  - iii. To immediately inhibit and notify in writing the Procuring Entity concerned of any actual or potential interest in the contract to be bid.
- f. Observers shall be allowed access to or provided with the following documents free of charge upon their request:
1. Minutes of BAC meeting;
  2. Abstract of Bids;

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3. Post-qualification summary report;
4. APP and related PPMP; and
5. Copies of “opened” proposals

### H. BAC Secretariat

- a. The Purchasing Unit shall be the Secretariat of the BAC.
- b. The Secretariat shall serve as the main support unit of the BAC.
- c. Functions and responsibilities of the Secretariat:
  - i. Provide administrative support to the BAC;
  - ii. Organize and make all necessary arrangements for the BAC meetings;
  - iii. Attend committee meetings as Secretary;
  - iv. Prepare Minutes of meetings and resolution of the BAC;
  - v. Take custody of procurement documents and be responsible for the sale and distribution of bidding documents to interested bidders;
  - vi. Manage the sale and distribution of Bidding Documents to interested bidders;
  - vii. Advertise and/or post bidding opportunities, including Bidding Documents, and notices of awards;
  - viii. Monitor procurement activities and milestones for proper monitoring to relevant agencies when required;
  - ix. Send notices/invitations to COA and Observers;
  - x. Consolidate PPMPs from various units of LBRDC and make them available for review;
  - xi. Make arrangements for the pre-procurement and pre-bid conferences and bid openings;

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- xii. Be the central channel of communications for the BAC with end users or other Units of the company, providers of consulting services and the general public.
- d. In case of an existing BAC Secretariat, the HoPE shall assign full time support staff to their BAC Secretariat. The Head of the Secretariat in central offices shall be at least a fifth (5<sup>th</sup>) ranking permanent employee or, if not available, a permanent employee of lower rank; or shall be at least a third (3<sup>rd</sup>) ranking permanent employee. In addition to integrity, Heads of Procuring Entities shall consider procurement proficiency as a factor in designating the head of the Secretariat and Procurement Unit.
- e. To expedite the procurement process, the LBPRDC President shall ensure that the members of the BAC and TWG shall give utmost priority to the BAC assignments over all other duties and responsibilities, until the requirements for said assignments are completed.

### **I. Honoraria of BAC and TWG Members**

- a. The company may grant payment of honoraria to the BAC members in an amount not to exceed 25% of their basic monthly salary subject to availability of funds and approval of the Board of Directors.
- b. The company may also grant payment of honoraria to TWG members, subject to availability of funds and relevant company rules.

### **J. Professionalization of BAC, TWG Members and Purchasing Units**

- a. The company shall establish a sustained training program to develop and professionalize the capability of the members of the BAC, BAC Secretariat, TWGs and Units concerned.
- b. The Head of the Procuring Entity (HOPE) shall consider procurement proficiency as a factor in designating officials to the BAC and Head of the BAC Secretariat. The BAC shall likewise consider the same in their selection of the TWG members.
- c. The HoPE shall ensure that the BAC, it's Secretariat and TWG members, including other relevant procurement personnel are sent to attend procurement training or capacity development program. Within

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six (6) months upon designation, the BAC, its Secretariat and TWG members should have satisfactorily completed such training or program conducted, authorized or accredited by the GPPB through its Technical Support Office.

### **K. Legal Assistance and Indemnification of BAC Members**

- a. All the members of the BAC are hereby authorized to engage the services of private lawyers or external counsel immediately upon receipt of Court Notice that a civil criminal action, suit or proceeding is filed against them in connection with the lawful performance of their official functions and duties as BAC members.
- b. The lawyer's fee shall be part of the indemnification package for the BAC members.
- c. The BAC members shall be understood to include its support staff, such as the members of the TWG and the BAC Secretariat.
- d. In the event of a settlement or compromise, indemnification shall be confined only on matters covered by the settlement, as to which the company had been advised by counsel that the public officials to be indemnified have not committed gross negligence or misconduct or grave abuse of discretion in the performance of their functions and duties.
- e. The members of the BAC and its support staff, such as the members of the TWG and the BAC Secretariat, shall also be entitled to medical assistance for injuries incurred in the performance of their functions.