

INVITATION TO APPLY FOR ELIGIBILITY AND TO BID

The Metro Kidapawan Water District (MKWD) invites interested suppliers to apply for eligibility and submit requirements for procurement of goods with the purpose stated below, to wit:

Reference No.	Description	End-User	Approved Budget Cost	Cost of Bidding Documents
MKWD-BAC 16-16	NOISE CORRELATOR FOR WATER LEAK DETECTION USE	MKWD Office	P 2,500,000.00	P 5,000.00

Initial Requirements:

1. Letter of Intent addressed to BAC
2. Delivery 30 days upon issuance of Notice of Award and Notice to Proceed
3. All materials must meet the minimum specified specifications as contained in the bid documents
4. F.O.B. Metro Kidapawan Water District
5. All Materials are subject to Quality Assurance Committee (QAC) random testing
6. Prices are inclusive of tax
7. Within Twenty-Four (24) months mode of payment
8. With demo upon delivery
9. Three year warranty on parts and services

Interested local bidders may obtain Bid Forms and detailed specification on December 29, 2016 9:00 a.m. to January 25, 2017 9:00 a.m. at Bids and Awards Committee (BAC) Office, MKWD, Lanao, City of Kidapawan upon payment of NON – REFUNDABLE FEE indicated above.

A TWO ENVELOPE system shall be adopted in tendering; the first Envelope shall contain the Qualification Documents and Technical Proposals. The Second envelope shall contain the Financial Proposals.

Failure to submit a requirement or an incomplete or patently insufficient submission shall be considered "FAILED" for the particular requirement in the first envelope (Qualification Documents and Technical Proposals). Immediately after determining compliance with the requirements in the first envelope, the BAC shall open the second bid envelope (Financial Proposals) of each remaining eligible bidder whose first envelope was rated "PASSED". The second envelope of each complying bidder shall be opened the same day as per R.A. 9184, RULE IX- Bid Evaluation, Section 30, and Preliminary Examinations of Bids.

All particulars relative to submission of Bids, Bid Security, Performance Security, Evaluation of Bids, Post Qualification and Award of contract shall be

governed by the pertinent provisions of R.A 9184 and its implementing Rules and Regulations (IRR). The complete schedule of activities is listed as follows:

SCHEDULE OF ACTIVITIES		DATE	TIME	PLACE
1.	Pre-procurement Conference	December 27, 2016	1:00 PM	MKWD Conference Hall
2	Publication and posting of notices in conspicuous public places and posting in PhilGEPS	December 29, 2016	8:00 AM to 5:00 PM	BAC Office, MKWD Compound
3	Pre-bid Conference	January 10, 2017	9:01 AM	MKWD Conference Hall
4.	Opening of Bids	January 26, 2017	9:01 AM	MKWD Conference Hall
5.	Post Evaluation	January 27, 2017	9:01 AM	MKWD Conference Hall
6.	Awarding of Bids	January 31, 2017	9:01 AM	BAC Office, MKWD Compound

The MKWD reserves the right to reject any or all bids, declare a failure of bidding, without offering any reason, waive any defect therein and make an award to the bidder whose proposal is most advantageous to the government, the MKWD likewise, assumes no obligation for whatever losses that may be incurred by the bidders in the preparation of the bids nor does it guarantee that the award shall be made.

For inquiries you may call or contact Rosauro O. Daga, Head Technical or Karen A. Dimaano, BAC Working Secretariat through telephone no. (064) 577-1865.

(Sgd.) **ENGR. WILSPER LISANDRO M. ALQUEZA, RMP, MBA**
Chairman

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INSTRUCTION TO BIDDER

1.0 DESCRIPTION OF WORK

Metro Kidapawan Water District (MKWD) Brgy. Lanao, Kidapawan City, Cotabato, Philippines, gives notice that sealed bids are invited from pre-qualified bidders for the Procurement of Noise Correlator for water leak detection use.

The Total Approved Budget Cost (ABC) for the contract is **P 2,500,000.00**.

- **ELIGIBLE BIDDERS**

The Invitation of Bidders is open to all interested suppliers with open track record.

2.0 COMPLETION OF DELIVERY

Noise Correlator specified in the Purchase Order (PO) should be available 30 days upon receipt of Notice of Award and Notice to Proceed.

3.0 OBTAINING OF BIDDING DOCUMENT

Copy of Bidding Documents will be furnished to interested supplier and may be obtained from the BAC Members of Metro Kidapawan Water District (MKWD), BAC Office, Brgy. Lanao, Kidapawan City, upon payment of "Non-Refundable Fee" indicated in the Invitation to Bid.

It may also be downloaded free of charge from the website of the Metro Kidapawan Water District, provided that Bidders shall pay the nonrefundable fee for the Bidding Documents not later than the submission of their bids.

- **SUBMISSION AND RECEIPT OF BIDS**

Eligible bidders shall submit their bids through their authorized managing officer of their duly authorized representative (i) in the prescribed Bid Form, including its annexes, as specified in the bidding documents, (ii) on the specified deadline, and (iii) in two (2) separate sealed bid envelopes, the first containing the Qualification Documents and Technical Proposal of the bid. The second containing the financial component of the bid with the name of the contract to bid and the name of the bidder in capital letters addressed to the Bids and Awards Committee (BAC). The Bidder shall mark the two envelopes: "Do not open before (date and time of opening of bids)". Both envelopes shall then seal in an outer envelope which shall be addressed to the BAC and shall be marked as specified in the Instructions to Bidders.

Bids submitted after the deadline shall not be accepted by the BAC.

The **first envelope** shall be marked "Envelope 1" and contains the eligibility requirements or qualification requirements (Legal, Technical and Financial documents) and technical Documents for Bidders shall contain all documents listed below (one original and one duplicate copy)

ELIGIBILITY REQUIREMENTS/ QUALIFICATION REQUIREMENTS

LEGAL DOCUMENTS:

1. Department of Trade and Industry (DTI) business name registration or SEC Registration Certificate, whichever may be appropriate under existing laws of the Philippines, supported with the necessary information using the prescribed forms
2. Valid and current Mayor's Permit/Municipal License
3. BIR Registration Certification, which contains the Taxpayer's Identification Number (TIN) with Tax Clearance
4. Statement of the prospective bidder that is not "Blacklisted" or barred from bidding by the government or any of its agencies, offices, corporations or LGU's, including non-inclusion in the consolidated Blacklisting report issued by the GPPB or CIAP
5. Letter authorizing the BAC or its duly authorized representative/s to verify any or all of the documents submitted for eligibility check.
6. Certification under oath that each of the documents submitted in satisfaction of the eligibility requirements is an authentic and original copy, or a true and faithful reproduction of the original, complete, and that all statements and information provided therein are true and correct.
7. Other appropriate licenses as may be required by the procuring entity concerned
8. Company profile

TECHNICAL DOCUMENTS (ELIGIBILITY REQUIREMENTS):

- 1.) Statements of the prospective Bidder all of its ongoing and completed Government and private contracts within the relevant period, where applicable, including contracts awarded but not yet started, if any. The statement shall state for each contract whether said contract is: Ongoing, Completed, or Awarded but not yet started; within the relevant period, where applicable. The statement shall include, for each contract the following:
 - a) The name of the Contract
 - b) Date of the Contract;
 - c) Kinds of goods sold;
 - d) Amount of Contract and Value of Outstanding contracts;
 - e) Availability of stock from Monday to Sunday
 - f) End user's acceptance, if completed; and
 - g) Specification whether prospective Bidder is a manufacturer or Supplier.
- 2.) The bidder's completed projects must have a single contract for the past one year similar to the contract whose value must be at least **P 1,250,000.00**.
- 3.) Statement of ongoing and similar completed government and private contracts within the period specified in the IAEB, including contracts awarded but yet started.
- 4.) Authority of the signing official; (for corporations, bidder must submit a Secretary's certificate duly notarized)
- 5.) Technical Specifications

- Warranty
- Delivery
- Acceptance Evaluation and Quality Assurance

6.) A Sworn affidavit of compliance with the Disclosure Provision under Section 47 of RA 9184.

- A sworn affidavit of the bidder that is not related to the Head of Procuring Entity, members of BAC, TWG and Secretariat and members of PMO the designers up to the third civil degree.
- Certification under oath that each document submitted in satisfaction of the eligibility requirements is an authentic and original copy or a true and faithful reproduction or copy of the original complete and that all statements and information provided therein are true and correct;

FINANCIAL DOCUMENTS (ELIGIBILITY REQUIREMENTS):

- 1.0) Audited Financial Statements, stamped "RECEIVED" by BIR or its duly accredited and authorized institutions, for the year 2015 showing total and current assets and liabilities.
- 2.0) Bank Cash Deposit Certificate not less than **P 250,000.00**.
- 3.0) The Bid Security as to form, amount and validity period; Manager's Check or Cash amounting to **P 50,000.00**.
- 4.0) Computations of Net Financial Contracting Capacity (NFCC), or
- 5.0) Certificate of commitment specific to the contract at hand, by a licensed bank to extend to the bidder a credit line awarded the contract.

The **second envelope** (shall be marked "Envelope 2" and contain the following Financial Bidding Documents, one original and one duplicate copy).

4.0 DEADLINE FOR SUBMISSION OF BIDS

Deadline of submission of bids is on January 26, 2017. Closing time for the receipt of bids from accredited/eligible bidders is 9:00 a.m. at MKWD BAC Room. All bids must be sealed and submitted at the BAC Office of Metro Kidapawan Water District. Bidders shall assume all responsibilities for the delivery of the bids (or modifications thereof) for the opening of bids to MKWD prior to the date and time set for the opening of bids. Opening of bids will start at 9:01 a.m. of January 26, 2017 at Metro Kidapawan Water District BAC office.

5.0 MODIFICATION AND WITHDRAWAL OF BIDS

A Bidder may modify its bid, provided that this is done before the deadline for the submission and receipt of bids. Where a bidder modifies its bid, it shall not be allowed to retrieve its original bid, but shall only be allowed to send another bid equally sealed, properly identified, linked to its original bid and marked as "Modification" thereof, and stamped "Received" by the BAC. Bid modification received after the applicable deadline shall not be considered and shall be

returned to the bidder unopened. A bidder may, through a letter, withdraw its bid before the deadline for the receipt bids. Withdrawal of bids after applicable deadline shall be subjected to appropriate sanctions. A bidder may also express its intension not to participate in the bidding through a letter which should reach and stamped received by the BAC before deadline for the receipt of bids. A bidder that withdraws its bid shall not permit to submit another bid, directly or indirectly, for the same contract. Unauthorized conditions, limitations, or provisions attached to a bid will render it non responsive and may cause its rejection. The bid form shall be without interlineations, alteration or erasures. Oral telegraphic or telephonic bids or modifications will not be considered. Alternative bids will not be considered.

6.0 BID SECURITY

All bids shall be accompanied by a Bid Security payable to the Metro Kidapawan Water District as guarantee that the successful bidder shall within ten (10) calendar days, or less as indicated in the Instruction to Bidders, from receipt of the Notice of Award, enter into a contract with MKWD and furnish the required performances security for the faithful performance of all works called for. Failure to enclose the required Bid Security in the form and amount prescribed herein shall automatically disqualify the bid concerned. Further, a Bid Security with an expiration date earlier than the validity period of the bid will not be considered.

The Bid Security shall be in an amount at least equal and not lower than a percentage of the approved budget for the contract to be bid in the form of cash or manager's check confirmed by a reputable local bank or in case of foreign builder, bonded by a foreign bank; irrevocable letter of a credit issued by a reputable commercial bank or in case of an irrevocable letter of credit issued by a Foreign bank, the same shall be confirmed or authenticated by a reputable local bank; Surety Bond callable upon demand or any combination thereof; or foreign government guarantees provided in an executive, bilateral or multilateral agreement, as may be required by MKWD. The required amount of the above forms of security shall be in accordance with following schedule:

Form of Security	Minimum Amount
1. Manager's Check	P 50,000.00
2. Cash/Bank Guarantee	P 50,000.00
3. Performance Security in Bank Certificate	P 125,000.00

The required Bid security, based on the above schedule, shall start in Philippine Peso in the Bidding documents. Bid Securities shall be valid for one hundred twenty 120 calendar days from the date of the opening of bids. The bid security if in the form of Surety Bond issued by the Government Service Insurance System (GSIS) or issued by a reputable surety or insurance company authorized by the office of the Insurance Commission should be accompanied by an official receipt. A bid accompanied by a surety bond without such official receipt shall not be read and shall be rejected outright.

The Bid Security shall be forfeited in favor of MKWD if the successful bidder withdraws bid during validity period or refuses or falls to enter into within the prescribed time.

No Bid Securities shall be returned to the bidders after the opening of bids and before contract signing except to those that failed to comply with any of the requirements to be submitted in the first envelope of the bid. Bid Securities

shall be returned only after the bidder with the Lowest Calculated and Responsive Bid has signed the contract, furnished the Performance security and received the PO, but in no case later than the expiration of the Bid Security validity period.

8.0 BID VALIDITY

Bids shall remain valid and firm for a period until May 26, 2017 from the openings of bids.

9.0 PROHIBITING DISCOUNT OFFERS

No discount in the total or unit bid will be allowed. In case any bidder offers discount, such shall neither be read nor evaluated.

10.0 SUBMISSION OF CERTIFICATE OF ACCREDITATION/PRODUCT

The supplier shall submit together with its bid a Certificate of Accreditation/Product Certificate authorizing the supplier to handle the sale/marketing of the manufacturer's/products. Failure on the part of the supplier the required documents may be ground for rejection of his bid.

11.0 BID OPENING

The BAC shall open the bids at the place, date and time specified in the invitation to Bid. The BAC or their duly authorized representatives who are present during the bid opening, shall initial every page of the original copies of all bids received and opened. The minutes of the bid opening shall make available to the public upon written request and payment of a specified fee to recover cost of materials.

The Technical Documents of Bidders shall be opened after announcing the Eligible bidders by MKWD's BAC on January 26, 2017 at 9:01 a.m.

The bidder's name, bid prices, bid withdrawals and the presence or absence of the requisite security and such other details, as MKWD at its discretion may appropriate, will be announced and recorded at the opening of bids.

12.0 PRELIMINARY EXAMINATION OF BIDS

The BAC shall open the first bid envelopes (Qualification Documents and Technical Proposals) of eligible bidders in public to determine each bidder's compliance with the documents required to be submitted from the first component of the bid. For this purpose, the BAC shall check the submitted documents of each bidder against checklist of required documents to ascertain if they are all present in the first bid envelope using a non-discretionary "Pass/Fail Criteria. If a bidder submits the required documents, it shall be rated "Passed" for those particular requirements. In this regard, failure to submit a requirement, or an incomplete or patently insufficient submission, shall be considered "Failed" for the particular requirement concerned. In case one or more of the above required documents in the first envelope of a particular bid missing, incomplete or patently insufficient, the BAC shall rate the bid concerned as "Failed" and immediately return to the bidder concerned its second bid envelope unopened. Otherwise, the BAC shall rate the said first envelope as passed. Immediately after determining compliance with the requirements in the first envelope the BAC shall forthwith open the second bid envelope (Financial Proposal) of each remaining eligible bidder whose first bid envelope was rated "Passed". The second envelope of

each complying bidder shall be open within the same day. In case one or more of the requirements in the second envelope of a particular bid is missing, incomplete or patently insufficient, and/or if the submitted total bid price exceeds the approved budget for the contract, the BAC shall rate the bid concerned as "Failed". Only bids that are determined to contain all the bid requirements for components shall be rated "Passed" and shall immediately be considered for evaluation and comparison.

A bidder determined as "Failed" has seven (7) calendar days upon written notice or, if present at the time of bid opening, upon verbal notification, within which to file a request for reconsideration with the BAC, provided however, that the request for reconsideration shall not be granted if it is established that the finding of failure is due to the fault of the bidder concerned. Provided, further, that the BAC shall decide on the request for reconsideration within seven calendar days from receipt thereof. If the failed bidder signified its intent to file a motion for reconsideration, in the case of bidder who fails in the first bid envelopes, the BAC shall hold the second bid envelope of the said failed bidder unopened and duly sealed until such time that the motion for reconsideration has been resolved. The bidder's name, bid prices, bid withdrawals and the presence or absence of the requisite bid security and such other details, as MKWD at its discretion may consider appropriate will be announced and recorded at the opening of bids.

13.0 CEILING FOR BID PRICES

The Approved Budget Cost (ABC) for the contract under bidding shall be the upper limit or ceiling for acceptable bids. If a bid price, as evaluated and calculated, is higher than the approved budget for the contract under bidding, the bidder submitting the same shall be automatically disqualified. There shall be no lower or floor on the amount of the award.

14.0 BID EVALUATION

The purpose of bid evaluation is to determine the Lowest Calculated Bid (LCB). This bid shall be subjected to post-qualification to determine its responsiveness to the eligibility and bid requirements. If after post qualification the Lowest Calculated Bid is determined to be post-qualified, it shall be awarded to the bidder.

The LCB shall determine in two (2) steps: (a) the detailed evaluation financial components of bids, to establish the correct calculated prices of the bids; and (b) the ranking of the total bid prices as so calculated from the lowest to the highest. The bid with the lowest price shall be identified as the Lowest Calculated Bid.

Members of the BAC including its staff and personnel, as well as its Secretariat and Technical Working Group (TWG) are prohibited from making any kind of communication with any bidder regarding the evaluation of their bids until the issuance of the Notice of Award. The entire evaluation process shall be completed in not more than fifteen (15) days from the deadline for receipt of proposals.

FOR LUMP SUM EVALUATION:

Bids conforming to the technical specifications and substantially responsive to the tender documents will be compared on the basis of the total price arrived at by taking the sum of the prices of all items in the bid schedule.

FOR ITEMIZED EVALUATION:

Bid shall be compared on the basis of the individual item unit price multiplied by the estimated quality of the item. Award shall be made to the bidder who tendered lowest on each individual item.

In the comparison of bids, bid as read should be corrected if there are mathematical errors considering the following:

- A.) In the event of a difference between a unit price quoted in words and a unit price quoted in figures for the same quotation, the unit price in words shall prevail;
- B.) In the event that the product of a unit price and an estimated quality does not equal the extended amount quoted, the unit price shall govern and the corrected product of the unit price and the estimated quality shall be taken as the amount of the bid;
- C.) In the event of discrepancy between the estimated bid quality and the quote bid quality, estimated bid quality shall prevail;

If the sum of two or more items in a bidding schedule does not equal the amount quoted, the individual item amounts shall govern and the corrected total shall be deemed to be the amount of bid. Within three (3) calendar days from the determination of Lowest Calculated Bid, the BAC shall conduct and accomplish a post-qualification of the bidder with the Lowest Calculated Bid, to determine the bidder concerned complies and is responsive all requirements and condition for eligibility, the bidding of the contract, as specified in the bidding documents, in which case said bidder's bid shall be considered and declared as the "Lowest Calculated Bid".

The post-qualification shall verify, validate and ascertain all statements made and documents submitted by the bidder with the Lowest Calculated Bid using non-discretionary criteria, as stated in the Invitation to Apply for Eligibility and to Bid and the Instructions to Bidders. These criteria shall consider, but shall not limit to, the following:

- a) Legal Requirements - To verify, validate and ascertain licenses and agreement submitted by the bidder and the fact that is not included in any Government "Blacklist".
- b) Technical Requirements - To determine compliance of the goods offered with the requirements of the contract and bidding documents including where applicable: (i) verification and validation of the bidder's stated competence and experience (ii) verification and/ or inspection and testing of the goods/ products, after-sales and/or maintenance capabilities, in applicable cases; and (iii) ascertainment of the sufficiency if the Bid Security as to type, amount, form and wording and validity period.
- c) Financial Requirements - To verify and validate the bid price proposal of the bidder and whenever applicable, the required bank commitment to provide a credit limit to the bidder in the amount and period specified, to ensure that a bidder can sustain the operating cash flow of the transaction.

The BAC determines that the bidder with the Lowest Calculated Bid passes all the criteria for post-qualification, it shall declare the said bidder as the

bidder with the Lowest Calculated Bid as the case may be and MKWD shall award the contract to the said bidder. If, however, the BAC determines that the bidder with the Lowest Calculated Bid fails the criteria for post-qualification, it shall immediately notify the said bidder in writing of its post-qualification and grounds for it. The post-qualification bidder shall have seven (7) calendar days from receipt of the said notification to request from BAC, if so wishes, a consideration of this decision. The BAC shall evaluate the request for reconsideration, if any, using the same non-discretionary criteria, and shall issue its final determination of the said request within seven (7) calendar days from receipt thereof.

Immediately after the BAC has notified the first bidder of its post-disqualification and notwithstanding any pending request for reconsideration thereof, the BAC shall initiate and complete the same post-qualification process on the bidder with second Lowest Calculated Bid. If the second bidder passes the post-qualification, and provided that the request for reconsideration of the first bidder has been denied, the second bidder shall be post-qualified as the bidder the Lowest Calculated Responsive Bid, and the MKWD award the contract to it.

If the second bidder, however, fails the post-qualification, the procedure for post qualification shall be repeated for the bidder with the next Lowest Calculated Bid and so on until the Lowest Calculated Responsive Bid is determined for award.

15.0 MKWD's RIGHT RESERVE

MKWD reserves the right to reject any or all bids; or declare a failure of bidding or not award the contract, if there is evidence of collusion between relevant public officers or employees of MKWD or the BAC and any of the bidders, or among the bidders, or between bidders and third parties, including any act which restricts, suppresses or nullifies competition, or if the BAC is found to have failed to follow the prescribed bidding procedures. MKWD also reserves the right to waive any required Formality or minor technicality in the bids received, provided that such waiver does not refer to a major deviation in a bid or any requirements pertaining to the substance of a bid.

The following among others, may be sufficient cause for rejection:

- a. Bid forms which are incomplete, obscure, irregular or non-responsive;
- b. Bid forms which omit or any one or more items on which bids are required;
- c. Bid forms having erasures or corrections in the price sheet without the full signature of the bidder or his duly authorized representative;
- d. Bid forms which omit unit price if unit prices are required;
- e. Bid forms accompanied by an insufficient or irregular Bid Security

The determination of the existence and sufficiency of any of the grounds for rejection of the bid shall rest on the part of MKWD and decision rendered thereon shall be binding upon the bidder concerned.

16.0 FAILURE OF BIDDING

The BAC shall declare the bidding a failure and conduct a re-bidding with re-advertisement and/or posting after re-evaluation of terms, conditions and specifications of the first bidding when:

- a. No prospective bidder submits an LOI no bid are received;
- b. All prospective bidders are declared ineligible;

- c. All bids fail to comply with all requirements or fail post-qualification;
- d. The bidder with the Lowest Calculated Responsive Bid refuses without justifiable cause to accept the award of contract, and no award is made in accordance with Section 40 of RA 9184.

The BAC shall modify the terms, conditions and specifications in the first bidding documents when necessary, to change the scope of work or to adjust the procuring entity's cost estimates or specifications. All bidders who have initially responded to the Invitation to Apply for Eligibility and to Bid and have been declared eligible in the first bidding shall be allowed to submit new bids.

The BAC shall observe the same process and set the new periods according to the same rules during followed during the first bidding. Should there occur a second failure of bidding, the MKWD may enter into a negotiated procurement as provided in the IRR of RA 9184.

17.0 SINGLE CALCULATED AND RESPONSIVE BID

A single calculated and responsive bid shall be considered for award if it falls under any of the following circumstances:

- a) If after advertisement, only one prospective bidder submits a letter of intention and/or applies for eligibility check and it meets the eligibility requirements or criteria, after which it submits a bid which is found to be responsive to the bidding requirements.
- b) If after advertisement, more than one prospective bidder submits a letter of intention and/or applies for eligibility check, but only one bidder meets the eligibility requirements criteria, after which its submits a bid which is found to be responsive to the bidding requirements.
- c) If after eligibility check, more than one bidder meets the eligibility requirements, but only one bidder submits a bid and its bid is found to be responsive to the bidding requirements.

18.0 NOTICE AND EXECUTION OF CONTRACT

Award of contract shall be made to the bidder with the Lowest Calculated Responsive Bid at its submitted price or its calculated price, whichever is lower. In the case of Single Calculated Responsive Bid, the bidder with the Lowest Calculated Bid shall be awarded the contract.

Within a period of exceeding fifteen (15) calendar days from the determination and declaration by the BAC by the Lowest Calculated Bid, and the recommendation of the award, MKWD shall approve the said recommendation. In case of approval, MKWD shall immediately issue the Notice of Award to the bidder with the Lowest Calculated and Responsive Bid. Within the same period provided herein, the BAC shall notify all losing bidders of its decision.

Contract award shall be made within the bid validity period. Should it become necessary to the validity of the bids and, if applicable, the bid securities, MKWD shall request in writing all those who submitted bids for such extension.

19.0 PERFORMANCE BOND SECURITY

To guarantee the faithful performance of the contract the supplier shall post within seven (7) calendar days after of the Notice of Award, a performance security in the form of cash or manager's check, irrevocable letter credit issued by the reputable bank draft/ guarantee confirmed by the local bank (in case of foreign bidders bonded by a foreign bank), or a Surety Bond, callable upon demand, issues by the Government Service Insurance System, or private insurance company authorized by the Office of the Insurance Commission, or any of the foregoing, in accordance with the following schedule.

Form of Security	Minimum Amount
1. Manager's Check	P 50,000.00
2. Cash/Bank Guarantee	P 50,000.00
3. Performance Security in Bank Certificate	P 125,000.00

The Performance Security shall be posted in favor for MKWD and shall guarantee the payment of the amount of the security as penalty in the event it is established that the winning bidder is in default in any of its obligations under the contract.

The Performance Security may be released by MKWD after the issuance of the Certificate of Acceptance of the goods, provided there are no claims filed against the contrast awardees or the surety company.

The winning bidder shall post an additional performance security following the schedule above to cover any cumulative increase of more than ten (10%) over the original value of the contract as a result of the adjustments in costs or unit prices, and/or amendments to order or change orders, extra work orders and supplemental agreements, as the case maybe. The winning bidder shall cause the extension of the validity of the Performance Security to cover the approved time extensions.

In case of a reduction in the contract value, MKWD shall allow a proportion reduction in the original Performance Security, provided that any such reduction is more than ten percent (10%) and that aggregate of such reduction is not more than fifty percent (50%) of the original Performance Security.

20.0 EXECUTION OF CONTRACT

The bidder to whom award is made shall receive the approved Purchase Order (PO) within five (5) calendar days upon compliance with all requirements set forth in the Notice of Award. Failure or refusal to accept the PO as herein provided or to conform with any of the stipulated statement in connection therewith shall be just cause for annulment of the award and the forfeiture of the Bid Security. Should the bidder with the Lowest Calculated Responsive Bid refuse or be unable to accept the PO and/or a Performance Security within the time provided therefore, the Bid Security shall be forfeited where so applicable and the appropriate sanction shall be extended imposed, except where such failure, refusal or inability is through no fault of the said bidder.

In case of the failure, refusal of inability of the bidder with Lowest Calculated and Responsive Bid to enter into contract and post the required Performance Security, the BAC shall disqualify the said bidder, and shall initiate

and complete the post-qualification process on the bidder with the second Lowest Calculated and Responsive Bid. The procedure shall be repeated until the Lowest Calculated and Responsive Bid is determined for award. However, if no bidder passes post-qualification, the BAC shall declare the bidding a failure and conduct a re-bidding without re-advertisement, in which case, a direct notification shall be extended to all bidders. Should there occur another failure of bidding after the conduct of the contract's re-bidding, MKWD may enter into a negotiated contract.

In case of the failure, refusal or inability of the bidder with the Single Calculated/ rated Responsive Bid to enter into contract and post the required Performance Security, the BAC shall disqualify the said bidder, and shall declare the bidding a failure and conduct a re-bidding without re-advertisement and/or posting. Should there occur another failure of bidding after the conduct of the contract's re-bidding, MKWD may enter into a negotiated contract.

To assure that manufacturing defects will be corrected by the contract awardees for a fixed time after delivery, a warranty shall be required of the winning bidder, the obligation for which shall be covered by either retention moneys in the amount equal to ten percent (10%) of every progress payment, or special bank guarantee equivalent to ten percent (10%) of the goods supplied are free from defects and all the conditions imposed under contract are fully met.

For supply contracts, which include installation and commissioning services in addition to the supply of goods, the period and required obligation of the warranty shall cover the same. For the given scope of work in the contract as awarded, all prices shall be considered as fixed pieces and therefore not subject to price adjustments during contract implementation, except under "Extraordinary Circumstances" shall refer to events that may be determined by NEDA in accordance with the Civil Code of the Philippines, and upon recommendation of MKWD.

21.0 CONTRACT TERMINATION

Termination for Default

If the manufacture/supplier refuses or fails to perform any of the provisions of the contract with such diligence as will completion within the time specified in the contract or any extension thereof, otherwise fails to timely satisfy the contract provisions, or commits any other substantial breach of the contract; MKWD shall notify the manufacturer/ supplier in writing the delay on non-performance and if not cured in time specified in writing by MKWD, it may terminate the manufacturer/supplier to proceed with the contract or such part of the contract as to which there has been a delay or a failure to properly perform.

In the event that such termination applies to the remainder of the contract, MKWD shall impose the appropriate sanctions and may proceed to contract out remaining works/items through negotiated procurement. In case the termination applies only to portions of the remaining works/items. MKWD may likewise resort to negotiated procurement to acquire the terminated portions of the contract and the original manufacturer/ supplier shall be held liable for the excess in the cost to be incurred by MKWD for the portions terminated.

Terminated for Convenience

MKWD may, when its interest so require, terminate the contract, in whole or in part, for its convenience. MKWD shall give written notice of the termination

to the manufacturer/supplier specifying the part(s) of the contract terminated and when termination becomes effective.

The manufacturer/supplier should incur no further obligations in connections with the terminated work and on the date set in the noticed of termination, it will stop work to the extent specified. The manufacturer/supplier should also terminate outstanding orders and subcontract as they relate to the terminated work and shall settle then liabilities and claims arising out thereto. The manufacturer/supplier must still complete the work not terminated by notice of termination and may incur obligations as are necessary to do so.

22.0 AMENDMENT TO ORDER

An Amendment to Order may be issued in the event that necessary adjustment within the general scope of the contract in any one or more of the following is required in order to fully meet the requirements of the project:

- a.) Drawings, design, or specifications, if goods to be furnished are to be specifically manufactured for MKWD in accordance therewith;
- b.) Method of shipment or packing; or
- c.) Place of delivery

An Amendment to Order may also be issued by MKWD where there are additional items and necessary for the protections of the goods which were not included in the original contract. Payment for these additional items shall be based on the unit prices in the original contract for items and good similar to those in the original supply contract. If the supply contract does not contain any rate applicable to the additional item, then suitable prices shall be agreed mutually upon between the parties. Request for payment by the manufacturer/supplier for any additional items shall be accompanied by a statement with the approved supporting form, giving a detailed accounting and record of amount for which he claims payment the contract time shall likewise be extended if the acquisition of such additional items so warrants. Under no circumstances shall a supplier proceed to commence work under any Amendment to Order unless the same has been approved by MKWD. As an exception, MKWD may authorize the immediate start of work under any Amendment to Order in the event of emergencies to avoid detriment to public service, or damage to life and/ or property or when time is on the essence, provided however, that the same is valid only on items up to the point where the cumulative in the contract cost which cost which has not yet been duly fully approved by MKWD does not exceed five percent (5%) of the original contract cost provided further that the corresponding Amendment to Order shall immediately be prepared and submitted for approval to MKWD. For an Amendment to involving cumulative amount exceeding five percent (5) of the original contract price, no work thereon shall be commended unless the same has been approved by MKWD.

23. LIQUIDATED DAMAGES

When the supplier fails to satisfactory deliver goods under the contract within the specified delivery schedule, inclusive of duly granted time extensions, if any, the supplier shall be liable for damages for the delay and shall pay MKWD for liquidated damages, not by way of penalty, an amount equal to one tenth of one percent (0.1%) of the cost of the delayed goods scheduled for delivery for everyday of delay until such goods are finally delivered and accepted by MKWD. MKWD need not prove that it has incurred actual damages to be entitled to liquidate damages. Such amount shall be deducted from any money due or which may become due to the supplier, or collect the same from any

securities or warranties posted by the supplier whichever is convenient to MKWD. In no case shall the total sum of liquidated damages exceed fifteen (15%) of the total contract price, in which event the concerned agency shall automatically terminate the contract and impose appropriate sanctions over and above the liquidated damages to be paid.

24. TERMS OF PAYMENT

The total value of the delivery to the MKWD shall be paid within Twenty-Four (24) months upon delivery and acceptance of the MKWD subject to the presentation by the Supplier of the following:

- 1.) Purchase Order
- 2.) Sales Invoice
- 3.) Delivery Receipt
- 4.) Certificate of Inspection and Acceptance (CIA)
- 5.) Approved Noticed of Award
- 6.) Manufacturer's Certificate of Accreditation that any provision to the contract notwithstanding all payments shall be subject to existing Laws and Commission on Audit (COA) rules and regulations.

25. EFFECTIVITY OF THE PURCHASE ORDER

The Purchase Order (PO) shall become effective and binding upon approval by MKWD and acceptance by the supplier of the PO. However, once approved, the PO shall not be rescinded nor substantially amended or modified without the written approval of MKWD first being obtained.

26. ADMINISTRATIVE SANCTIONS

Imposition of the Administrative Penalties

MKWD shall impose on bidders or prospective bidders, the administrative penalty of suspension for one (1) year for the first offense and suspension of two (2) years for the second offense from participating in the public bidding being undertaken by MKWD where applicable, for the following violations:

- a. Submission of eligibility requirements containing false information or falsified documents.
- b. Submission of bids that contain false information or falsified documents, or the concealment of such information in the Bids in order to influence the outcome of eligibility screening or any other stage of the public bidding. Allowing the use of one's name or using the name of another for purpose of public bidding.
- c. Withdrawal of a bid, or refusal to accept an award, or enter into contract with the Government without justifiable cause, after he had adjudged and having submitted the Lowest Calculated Responsive Bid of Highest Rated Responsive Bid.
- d. Refusal or failure to post the required performance security within the prescribed time.

- e. Termination of the contract due to the default of the bidder.
- f. Refusal to clarify or validate in writing its bid during post qualification a period of seven (7) calendar days from receipt of the request for clarification.
- g. Any document unsolicited attempt by a bidder to unduly influence the outcome of the bidding in his favor.
- h. All other acts that tend to defeat the purpose of the competitive bidding, such as an eligible contractor not buying documents, and contractors habitually withdrawing from bidding or submitting letters of non-participation of at least three (3) within a year, except for valid reasons.

In addition to the above penalty of suspension, the Bid Security or the Performance Security posted of concerned bidder of prospective bidder shall also forfeit. MKWD may delegate to the BAC the authority to impose the aforementioned administrative penalties.

27.0 TECHNICAL SPECIFICATIONS - All materials must meet the specified specifications. Refer to "**Annex A**"

- **WARRANTY**

The supplier shall warrant to the owner that all materials furnished under this specification will be of good working condition and agrees to replace promptly any parts, which by reason of defective materials or workmanship shall fail under normal use, free of negligence or accident, for one (1) year from date put in operation. Such replacement shall be free of any charge to the owner or his respective. The supplier, in case that the unit is irreparable on site, shall provide a backup unit to be used for operation by the Metro Kidapawan Water District until such time that the pulled out unit returned in good running condition.

- **DELIVERY**

The supplier shall be responsible for any packing, packaging or protection required to ensure delivery in an undamaged condition.

- **ACCEPTANCE EVALUATION AND QUALITY ASSURANCE**

Upon receipt of the materials at the receiving point, the owner or authorized representative shall then arrange for an acceptance inspection for compliance with the provision of this specification. All materials are also subject to random laboratory testing.

“Annex A”- Quotation Form

Account Name: NOISE CORRELATOR FOR WATER LEAK DETECTION USE

Item	Description	Qty.	Unit	Total Price
1	NOISE CORRELATOR FOR WATER LEAK DETECTION USE	1	LOT	
Total				

DIGITAL NOISE CORRELATOR (FOR WATER LEAK DETECTION)

Specifications and Technical Data

1. Digital Correlator	1 unit
Display	5.7" colour display, 640x480 pixels
Data entry	Touch display, Rotary encoder with enter function
Power supply	Internal lithium-ion rechargeable battery, ext. power supply 12V DC
Operation time	Minimum 16 hours
PC-interface	USB
Connection options	Sensor, hydrophone, two ext. Antennas, headphone, GPS, ground microphone
Protection class	IP65
Dimension/weight	250x190x100 mm/1.9 kg
Correlation offline	Digital wireless
Correlation online	Analogue long range wireless

2. PAM Corroletor Sensor	2 units
Sensor	Piezo sensor with active amplifier
Adapter	Magnetic adapter
Protection class	IP 68
Dimensions/ weight	38x78 mm/ 0.4 kg

3. PT A/ PT B POWER transmitters	2 units
Display	Battery status, noise level
Buttons	On/ Off
Operating time	Minimum 12 hours
Power Supply	Internal rechargeable battery, inductively chargeable
Connection options	Sensor, antenna
Protection class	IP 65
Dimension/ weight	Diameter 125 x 111mm/ 0.9 kg
Correlation offline	Digital wireless
Correlation online	Analogue long range wireless

4. Multi- sensors	6 units
Sensor	integraed piez sensor with active amplifier
Adapter	Magnetic adapter
Operating time	Minimum 16 hours
Power supply	Internal rechargeable battery, induction
Protection class	IP 68
Dimensions/ weight	Diameter 45x 115mm/ 0.4 kg
Correlation offline	Digital wireless

5. Laptop Computer	1 unit
Processor	15 2.5 GHZ
HDD	1 TB
Memory	DDR4 atleast 8GB
Display	14" LED
Dedicated 2 GB VGA	
Laptop Bag	
License OS	



NAME AND SIGNATURE OF BIDDER

CHECKLIST

ELIGIBILITY REQUIREMENTS FOR BIDDERS

The Eligibility Envelope shall contain the following:

LEGAL DOCUMENTS

- Department of Trade and Industry (DTI) business name registration or SEC Registration Certificate, whichever may be appropriate under existing laws of the Philippines, supported with the necessary information using the prescribed forms
- Valid and current Mayor's Permit/Municipal License
- BIR Registration Certification, which contains the Taxpayer's Identification Number (TIN) with TAX clearance
- Statement of the prospective bidder that is not "Blacklisted" or barred from bidding by the government or any of its agencies, offices, corporations or LGU's, including non-inclusion in the consolidated Blacklisting report issued by the GPPB or CIAP
- Letter authorizing the BAC or its duly authorized representative/s to verify any or all of the documents submitted for eligibility check.
- Certification under oath that each of the documents submitted in satisfaction of the eligibility requirements is an authentic and original copy, or a true and faithful reproduction of the original, complete, and that all statements and information provided therein are true and correct.
- Other appropriate licenses as may be required by the procuring entity concerned
- Company profile

TECHNICAL DOCUMENTS

- Statements of the prospective Bidder all of its ongoing and completed Government and private contracts within the relevant period, where applicable, including contracts awarded but not yet started, if any. The statement shall state for each contract whether said contract is: Ongoing, Completed, or Awarded but not yet started; within the relevant period, where applicable. The statement shall include, for each contract the following:
 - h) The name of the Contract
 - i) Date of the Contract;
 - j) Kinds of goods sold;
 - k) Amount of Contract and Value of Outstanding contracts;
 - l) Availability of stock from Monday to Sunday
 - m) End user's acceptance, if completed; and
 - n) Specification whether prospective Bidder is a manufacturer or Supplier.
- The bidder's completed projects must have a single contract for the past one year similar to the contract whose value must be at least **P 1,250,000.00**.

- Statement of ongoing and similar completed government and private contracts within the period specified in the IAEB, including contracts awarded but yet started.
- Authority of the signing official; (for corporations, bidder must submit a Secretary's certificate duly notarized)
- Technical Specifications
 - 1.) Warranty
 - 2.) Delivery
 - 3.) Acceptance Evaluation and Quality Assurance
- A Sworn affidavit of compliance with the Disclosure Provision under Section 47 of RA 9184.
 - 1.) A sworn affidavit of the bidder that is not related to the Head of Procuring Entity, members of BAC, TWG and Secretariat and members of PMO the designers up to the third civil degree.
 - 2.) Certification under oath that each document submitted in satisfaction of the eligibility requirements is an authentic and original copy or a true and faithful reproduction or copy of the original complete and that all statements and information provided therein are true and correct;

FINANCIAL DOCUMENTS

- Audited Financial Statements, stamped "RECEIVED" by BIR or its duly accredited and authorized institutions, for the year 2015 showing total and current assets and liabilities.
- Bank Cash Deposit Certificate not less than **P 250,000.00**.
- The Bid Security as to form, amount and validity period; Manager's Check or Cash amounting to **P 50,000.00**.
- Computations of Net Financial Contracting Capacity (NFCC), or
- Certificate of commitment specific to the contract at hand, by a licensed bank to extend to the bidder a credit line awarded the contract.

BID FORMS

Date: _____
Invitation to Bid N°: _____

To: *[name and address of Procuring Entity]*

Gentlemen and/or Ladies:

Having examined the Bidding Documents including Bid Bulletin Numbers *[insert numbers]*, the receipt of which is hereby duly acknowledged, we, the undersigned, offer to *[supply/deliver/perform]* *[description of the Goods]* in conformity with the said Bidding Documents for the sum of *[total Bid amount in words and figures]* or such other sums as may be ascertained in accordance with the Schedule of Prices attached herewith and made part of this Bid.

We undertake, if our Bid is accepted, to deliver the goods in accordance with the delivery schedule specified in the Schedule of Requirements.

If our Bid is accepted, we undertake to provide a performance security in the form, amounts, and within the times specified in the Bidding Documents.

We agree to abide by this Bid for the Bid Validity Period specified in the bidding documents provision for Instruction to Bidders and it shall remain binding upon us and may be accepted at any time before the expiration of that period.

Commissions or gratuities, if any, paid or to be paid by us to agents relating to this Bid, and to contract execution if we are awarded the contract, are listed below:

Name and address of agent	Amount and Currency	Purpose of Commission or gratuity
_____	_____	_____
_____	_____	_____
_____	_____	_____

(if none, state "None")

Until a formal Contract is prepared and executed, this Bid, together with your written acceptance thereof and your Notice of Award, shall be binding upon us.

We understand that you are not bound to accept the lowest or any Bid you may receive.

We certify/confirm that we comply with the eligibility requirements as per **ITB** of the Bidding Documents.

Dated this _____ day of _____ 20_____.

[signature]

[in the capacity of]

Duly authorized to sign Bid for and on behalf of _____

OMNIBUS SWORN STATEMENT

REPUBLIC OF THE PHILIPPINES)
CITY/MUNICIPALITY OF _____) S.S.

AFFIDAVIT

I, *[Name of Affiant]*, of legal age, *[Civil Status]*, *[Nationality]*, and residing at *[Address of Affiant]*, after having been duly sworn in accordance with law, do hereby depose and state that:

1. **Select one, delete the other:**

If a sole proprietorship: I am the sole proprietor of *[Name of Bidder]* with office address at *[address of Bidder]*;

If a partnership, corporation, cooperative, or joint venture: I am the duly authorized and designated representative of *[Name of Bidder]* with office address at *[address of Bidder]*;

2. **Select one, delete the other:**

If a sole proprietorship: As the owner and sole proprietor of *[Name of Bidder]*, I have full power and authority to do, execute and perform any and all acts necessary to represent it in the bidding for *[Name of the Project]* of the *[Name of the Procuring Entity]*;

If a partnership, corporation, cooperative, or joint venture: I am granted full power and authority to do, execute and perform any and all acts necessary and/or to represent the *[Name of Bidder]* in the bidding as shown in the attached *[state title of attached document showing proof of authorization (e.g., duly notarized Secretary's Certificate issued by the corporation or the members of the joint venture)]*;

3. *[Name of Bidder]* is not "blacklisted" or barred from bidding by the Government of the Philippines or any of its agencies, offices, corporations, or Local Government Units, foreign government/foreign or international financing institution whose blacklisting rules have been recognized by the Government Procurement Policy Board;

4. Each of the documents submitted in satisfaction of the bidding requirements is an authentic copy of the original, complete, and all statements and information provided therein are true and correct;

5. *[Name of Bidder]* is authorizing the Head of the Procuring Entity or its duly authorized representative(s) to verify all the documents submitted;

6. **Select one, delete the rest:**

If a sole proprietorship: I am not related to the Head of the Procuring Entity, members of the Bids and Awards Committee (BAC), the Technical Working Group, and the BAC Secretariat, the head of the Project Management Office or the end-user unit, and the project consultants by consanguinity or affinity up to the third civil degree;

If a partnership or cooperative: None of the officers and members of *[Name of Bidder]* is related to the Head of the Procuring Entity, members of the Bids and Awards Committee (BAC), the Technical Working Group, and the BAC Secretariat, the head of the Project

Management Office or the end-user unit, and the project consultants by consanguinity or affinity up to the third civil degree;

If a corporation or joint venture: None of the officers, directors, and controlling stockholders of *[Name of Bidder]* is related to the Head of the Procuring Entity, members of the Bids and Awards Committee (BAC), the Technical Working Group, and the BAC Secretariat, the head of the Project Management Office or the end-user unit, and the project consultants by consanguinity or affinity up to the third civil degree;

7. *[Name of Bidder]* complies with existing labor laws and standards; and
8. *[Name of Bidder]* is aware of and has undertaken the following responsibilities as a Bidder:
 - a) Carefully examine all of the Bidding Documents;
 - b) Acknowledge all conditions, local or otherwise, affecting the implementation of the Contract;
 - c) Made an estimate of the facilities available and needed for the contract to be bid, if any; and
 - d) Inquire or secure Supplemental/Bid Bulletin(s) issued for the *[Name of the Project]*.

IN WITNESS WHEREOF, I have hereunto set my hand this ___ day of ___, 20__ at _____, Philippines.

Bidder's Representative/Authorized Signatory

BANK GUARANTEE FORM FOR ADVANCE PAYMENT

To: METRO KIDAPAWAN WATER DISTRICT
[Name of Contract]

Gentlemen and/or Ladies:

In accordance with the payment provision included in the Special Conditions of Contract, which amends Clause of the General Conditions of Contract to provide for advance payment, [name and address of Supplier] (hereinafter called the "Supplier") shall deposit with the PROCURING ENTITY a bank guarantee to guarantee its proper and faithful performance under the said Clause of the Contract in an amount of [amount of guarantee in figures and words].

We, the [bank or financial institution], as instructed by the Supplier, agree unconditionally and irrevocably to guarantee as primary obligator and not as surety merely, the payment to the PROCURING ENTITY on its first demand without whatsoever right of objection on our part and without its first claim to the Supplier, in the amount not exceeding [amount of guarantee in figures and words].

We further agree that no change or addition to or other modification of the terms of the Contract to be performed there under or of any of the Contract documents which may be made between the PROCURING ENTITY and the Supplier, shall in any way release us from any liability under this guarantee, and we hereby waive notice of any such change, addition, or modification.

This guarantee shall remain valid and in full effect from the date of the advance payment received by the Supplier under the Contract until [date].

Yours truly,

Signature and seal of the Guarantors

[name of bank or financial institution]

[address]

[date]

**CONTRACT
PROCUREMENT OF NOISE CORRELATOR FOR WATER LEAK DETECTION USE
METRO KIDAPAWAN WATER DISTRICT,
LANAO, KIDAPAWAN CITY**

KNOW ALL MEN BY THESE PRESENTS:

METRO KIDAPAWAN WATER DISTRICT a Government- Owned and Control Corporation (GOCC) duly organized and existing under and by virtue of President Decree No. 198, as amended, with office address at Lanao, Kidapawan City, represented by its General Manager, STELLA M. GONZALES, MPS , duly authorized for this purpose, herein after called the **OWNER**.

And-

(NAME OF COMPANY), a duly organized and existing entity under and by virtue of the laws of the Republic of the Philippines, with office address at _____, represented by _____ its _____, herein after called **AWARDEE**.

WITNESSETH:

WHEREAS, in response to the **OWNER**'s invitation to supplier/manufacturer, the **AWARDEE** submitted proof of its bid to Procuring Entity deliver Non-LWUA initiated fund for METRO KIDAPAWAN WATER DISTRICT service connections, City of Kidapawan.

WHEREAS, the bid of the **AWARDEE** was the Lowest Calculated and Responsive Bid received;

WHEREAS, the **OWNER** has awarded the Contract to the **AWARDEE** at the price stipulated in its winning BID;

NOW, THEREFORE, for and in consideration of the foregoing premises and the payment made by the **OWNER** of a sum of money hereinafter stipulated, the parties hereto agree and contract as follows:

1. The Letter of Award by the **OWNER** dated _____, 2017, Bid of the **AWARDEE**, invitation to Bid, Instruction to bidders, information required of bidders, general conditions, special conditions, technical specifications and other documents reference or referred to therein and Performance Security issued by _____, in the form of Surety Bond are hereto attached and made part of this agreement.
2. The **AWARDEE** agrees and binds itself to fully and faithfully provide for its account all materials, labor, equipment, machine, tools, instruments and appliances needed or necessary or required to deliver the materials needed to finish the project.
 - The delivery of materials under this contract should be on call basis as the project needed, but in case of failure to make the full

delivery within two days upon receipt of call for specified delivery, a penalty of (1/10) of one (1) percent for everyday day of delay shall be imposed

3. The **AWARDEE** shall provide and do everything necessary to conform to its obligations under the contract to the true intent and meaning of the other Contract Documents.
 - The **AWARDEE** guarantees all materials he will supply, deliver and use in the project shall make good any defect or defects which may be discovered for his own account.
 - The type of materials proposed to be supplied by the **AWARDEE** and duly approved by the **OWNER** prior to the execution of contract cannot be substituted whatsoever anytime during the entire duration of the contract except only in meritorious cases as maybe permitted by the **OWNER**.
4. Time is an essential feature of this Contract and in the event that the **AWARDEE** refuses or fails to satisfactorily complete the work within the specified time, plus anytime extension duly granted and is hereby in default under the Contract, the **AWARDEE** shall pay the **OWNER** for liquidated damages.
5. To assure that manufacturing defects will be corrected by the contract **AWARDEE** for fixed time after delivery, a warranty shall require of the winning bidder, the obligations for which shall be covered by either retention monies in the amount equal to ten percent (10%) of the total contract price. Such amounts shall only be released after the warranty period provided that the good supplied are free from defects and all the conditions imposed under the contract are fully met.
6. The **AWARDEE** shall provide a plant visit for two (2) Technical Members from the **OWNER** to ensure the quality of the materials indicated in the canvass conformed to the minimum standard stated on the description.
7. To guarantee the faithful performance of the **AWARDEE** under the Contract he shall post a Performance Security, in the form of cash, manager's check, and surety bond. The Performance Security shall be valid for the duration of the Contract.
 - This Performance Security shall be posted in favor of the **OWNER** and shall guarantee the payment of the amount of the security as penalty in the event it is established that the **AWARDEE** is in default in his obligations there under.

In the execution of the Performances Security, the following conditions shall be complied with:

- a.) It shall be executed in accordance with the form prescribed therefore.
- b.) It shall be at least co-terminus with the final acceptance of the project.

c.) The following provisions shall form part of the Performance Security: "The right to institute action on the penal bond pursuant to Act No. 3688 of any individual firm, partnership, corporation and association supplying the **AWARDEE** with materials for the prosecution of the work is hereby acknowledged and confirmed."

8. In the event of the recession of this contract for breach thereof, the security at the option of the **OWNER** shall be automatically forfeited in favor of and become immediately payable and collectible by the **OWNER**; otherwise, the bond shall remain and continue in full force and effect until all the aforementioned obligations as to the faithful completion of the contract and liquidated damages.

9. The Contract price shall be _____ inclusive of taxes.

10. The **OWNER** will pay the **AWARDEE** based on call materials delivered. Deliveries will be covered within Twenty-Four (24) months mode of payment that will start upon signing of the contract. The **OWNER** shall, upon request of the supplier, make advance payment to the Supplier/Manufacturer in an amount equal to fifteen (15%) of the total contract price, subject to the following conditions:

- The advance payment shall be made only upon submission to and acceptance by the **OWNER** of an irrevocable standby letter of credit or an unconditional bank guarantee of equivalent value form a commercial bank acceptance to the **OWNER**.

a.) The advance payment shall be paid by the **AWARDEE** by deducting twenty percent (20%) from his periodic progress payment with the first repayment to be made when the contract value of materials delivered shall be equal or have exceeded twenty percent (20%) of the contract price. Further refunds shall be equal done there after monthly intervals.

b.) The **AWARDEE** may reduce his standby letter of credit or bank guarantee by the amount refunded by the Monthly Certificates in advance payment.

c.) After the satisfactory completion of deliveries of materials by the **AWARDEE**, the **OWNER** shall upon the request of the **AWARDEE**, release the retention money provided that goods supplied are free from defects and all the conditions imposed under the contract and WARRANTY in the ITB are fully met.

11. **AWARDEE** agrees and binds itself to indemnify the **OWNER** for whatever damages suffered by reason of the failure, negligence, delay or conduct on the part of the supplier and/ or its employees in the performance of its obligations.

12. It is understood that any payment made by the **OWNER** to the **AWARDEE** or the failure of the **OWNER** to demand compliance with any of the terms and conditions of this contract shall not be considered as a waiver on the part of the **OWNER** for the enforcement of this contract.
13. The **AWARDEE** obligates to comply with all existing laws, executive and administrative orders, rules and regulations issued or to be issued by competent authorities.
14. The **OWNER** shall have the right to terminate automatically the Contract in the event that the **AWARDEE** incurs a fifteen percent (15%) or greater slippage in the persecution of the overall work evaluated against the project schedule.
15. In case of litigation arising out of this contract and if the arbitration procedure which is specified by section 8.04 (arbitration), if ever availed of has failed to solve the case, the parties hereto agree that its venue shall be the proper court in the City of Kidapawan, Philippines under the laws of the Republic of the Philippines.
16. The contract shall become effective and binding only upon approval by the **OWNER** and such other competent government agencies whenever required. Provided, however, that once approved, this contract shall not be rescinded nor amended or modified, without the written approval of the **OWNER** first being obtained.
17. This contract shall be subject to applicable rules and regulations not inconsistent herewith.

IN WITNESS WHEREOF, the Parties have hereunto signed this Contract on the date and at the place first herein above written.

METRO KIDAPAWAN WATER DISTRICT

NAME OF COMPANY

By:

By:

LALAINA A. WITARA, MPS
 Department Manager B,
 Finance Services Department

Name of Representative/Owner
Designation

STELLA M. GONZALES, MPS
 General Manager
 METRO KIDAPAWAN WATER DISTRICT

SIGNED IN THE PRESENCE

WITNESS

WITNESS

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
KIDAPAWAN CITY) S.S

On this _____ day of _____ personally appeared before me **STELLA MARES GONZALES, MPS** with Community Tax Certificate No. _____ issued at KIDAPAWAN CITY on _____, representing the Metro Kidapawan Water District and _____ with Community Tax Certificate No. _____ issued at _____ on _____, 20____, representing Name of Company, both known to me and to me known to be the same persons who executed the foregoing instrument and they acknowledge to me that the same is their free act and voluntary deed and the true and voluntary act the entities they respectively represent.

This Contract consists of five (5) pages including the one on which this acknowledgement is written, all of which have been signed by the parties and their instrumental witnesses.

IN WITNESS WHERE OF, I have hereunto affixed my signature and my official seal on the date and place first written above.

Doc. No. _____;
Page No. _____;
Book No. _____;
Series of 2017