



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
REGION VIII

**BAC Resolution Declaring Single Calculated and Responsive Bid (SCRB)
and Recommending Award of Contract for the project
Supply, Delivery and Installation of Cabling System of DBM Regional Office VIII Local Area
Network, TV Cabling, and Electrical Cabling System (Lot 2)**

RESOLUTION No. 2022-08-029

WHEREAS, the Department of Budget and Management ROVIII thru its Bids and Awards Committee (BAC) conducted procurement activities for the following project having two (2) lots with a total ABC of ₱2,762,000, thru competitive public bidding, to wit:

Lot No.	Item/Particulars	ABC
1	Supply, Delivery, and Installation of Office Partitioning System	₱2,015,000
2	Supply, Delivery, and Installation of Cabling System of DBM Regional Office VIII Local Area Network, TV Cabling, and Electrical Cabling System	₱747,000
	Total	₱2,762,000

WHEREAS, only one (1) supplier for each lot purchased the bid documents and subsequently submitted a bid within the deadline of submission, namely, LGC Design Option Office Furnitures and FREQ IT Solutions, for Lots 1 and 2, respectively;

WHEREAS, both suppliers passed the preliminary and detailed evaluation of bids conducted by the Committee on June 28, 2022, subject to post qualification process, to wit:

Supplier/Bidder	Results of Examination of Bids			Variance from ABC	Rank (Lowest to Highest Bid)
	First Bid Envelope	2 nd Bid Envelope	Bid Price		
Lot 1 LGC Design Option Office Furnitures	Passed	Passed	₱2,000,000.00	₱15,000.00	Single Calculated Bid
Lot 2 FREQ IT Solutions	Passed	Passed	₱745,680.80	₱1,319.20	Single Calculated Bid

WHEREAS, the BAC recommended for an extension of the post qualification period until July 20, 2022 and the same was approved by the Head of the Procuring Entity (HOPE) per BAC Resolution No. 2022-07-020;

WHEREAS, for Lot 1, the contract was already awarded to the SCR, LGC Design Option Office Furnitures, in view of the approval by the HOPE of the BAC recommendation per Resolution Number 2022-07-22;

WHEREAS, for Lot 2, on the same BAC Resolution, due to non-receipt yet of the response/confirmation from the Bureau of Internal Revenue (BIR) District Office No. 88, relative to the 2021 audited financial statements (FS) as well as the 2022 income and business tax returns submitted by FREQ IT Solutions, the BAC recommended for another extension of the post qualification period specifically until July 31, 2022, and the same was likewise approved by the HOPE;

WHEREAS, the post qualification period was further extended by the BAC until August 8 and 11, 2022 as approved by the HOPE per BAC Resolution Nos. 2022-08-026 and 2022-08-027, respectively;

WHEREAS, despite the numerous extension of the post qualification period and follow-up communication letters sent to the BIR RDO No. 88, still the BAC did not receive any response/confirmation from the said Office relative to the above-mentioned documents submitted by FREQ IT Solutions;

WHEREAS, the BAC verbally consulted with the Government Procurement Policy Board (GPPB) on what action may the Committee undertake considering that there was no confirmation by the BIR of the documents submitted by the supplier as part of the post qualification process, and the response was that the said concern was already elevated to GPPB Legal Office;

WHEREAS, further research by the Committee lead also to the GPPB issued Non-Policy Matter Nos. 137-2017 and 144-2015, which provides the following:

"NPM No. 137-2017

Requesting Entity: PROVINCE OF DAVAO DEL SUR

Issues Concern: Annual Income Tax Return

Details

Whether a bidder should be disqualified under Section 34.2 of the 2016 revised IRR of RA 9184 for submitting its latest Annual Income Tax Return (ITR), with most part of the Schedule 10 – Balance Sheet, deleted.

[I]n fine, what is important for purposes of bidding is the fact of filing, which means that the bidder paid its tax obligations. As to whether the submitted ITR and BTR by the bidder are valid, this can be verified, validated and ascertained by the Bids and Awards Committee during the post-qualification stage, which includes a verification of whether the said deleted parts in the bidders' submission are relevant or not by the purpose for which the documents are submitted.

NPM No. 144-2015

Requesting Entity: Senate of the Philippines

Issues Concern: Mandatory Filing of Tax Returns and Payment of Taxes through the Electronic Filing and Payment System (EFPS) of the Bureau of Internal Revenue (BIR)

Details

Whether the submission of email confirmation/s from the BIR, showing payment and filing of tax returns through the EFPS may be considered as compliance with the requirement under Section 34.2 of the revised Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9184

[W]hat the rules require is the submission of the latest income and business tax returns filed and paid through the EFPS and printed thru the Tax Return Inquiry facility of the BIR. Consequently, the submission of other documents in lieu of the latest income/business tax returns, such as email/s confirmation from the BIR showing payment and filing of tax returns through the EFPS, cannot be considered in compliance with Section 34.2 of the revised IRR."

WHEREAS, while the above GPPB issued clarifications are not totally the same case as the current concern of the Committee, nevertheless, it is worth stressing that the bid of FREQ IT Solutions was duly supported with the required documents such as the Tax Clearance valid until August 24, 2022, 2021 audited financial statements and 2022 income and business tax returns, among others;

WHEREAS, the Committee exerted all possible efforts and made constant coordination with the BIR to verify the submitted documents by the bidder, specifically the 2021 audited financial statements and 2022 income and business tax returns, but to no avail;

WHEREAS, as of to date, the maximum allowable forty-five (45) days post qualification period per Section 34.8 of the 2016 Revised Implementing Rules and Regulations (IRR) of RA9184 was already exhausted by the BAC, and the Committee deemed it fair that non-confirmation by the BIR of the relevant documents submitted by FREQ IT Solutions, in any way, should not be taken against the said supplier more so, no basis to be declared as post disqualified bidder and subsequently failure of bidding;

WHEREAS, the subject procurement project is deemed necessary in the effective and efficient operations of the Office, thus, the need to pursue the implementation of the project and to highlight also that such implementation, ideally, shall be done simultaneously or in close coordination with the office partitioning which was already awarded to another supplier;

NOW, THEREFORE, We, the members of the Bids and Awards Committee, hereby RESOLVE as it is hereby RESOLVED:


- a.) To declare **FREQ IT Solutions** as the bidder with the **Single Calculated and Responsive Bid** and Recommend Award of Contract to the said supplier with a total contract price of ₱745,680.80 for **Lot 2 “Supply, Delivery, and Installation of Cabling System of DBM Regional Office VIII Local Area Network, TV Cabling, and Electrical Cabling System”**;
- b.) To formally elevate to GPPB this concern of the BAC with the BIR RDO No. 88 on the non-provision of information during the post qualification stage as to the submitted financial statements as well as income and business tax returns of the supplier, as this may again affect in the subsequent procurement activities of the Committee during post qualification period; and
- c.) To recommend for approval by the **REGIONAL DIRECTOR** of the **DEPARTMENT OF BUDGET AND MANAGEMENT ROVIII** the foregoing findings and recommendation.

RESOLVED, at the DBM-ROVIII Office, this 12th day of August 2022.


FLORITA M. LACDO-O
Chairperson



JUVY A. LOBEDICA
Vice-Chairperson


LIBERACE N. LIMSIACO
Member


EMILIO M. ALBOS III
Member


ABSAL N. ABAH
Member

APPROVED
 DISAPPROVED


IMELDA C. LACERAS, CESO III
Head of Procuring Entity
Date 8/18/22