

PHILIPPINE BIDDING DOCUMENTS



Social Housing Finance Corporation

**Project No. 2024-03:
Procurement of Mortgage
Redemption Insurance Service
Provider for SHFC for One (1)
Year**

Preface

These Philippine Bidding Documents (PBDs) for the procurement of Goods through Competitive Bidding have been prepared by the Government of the Philippines for use by any branch, constitutional commission or office, agency, department, bureau, office, or instrumentality of the Government of the Philippines, National Government Agencies, including Government-Owned and/or Controlled Corporations, Government Financing Institutions, State Universities and Colleges, and Local Government Unit. The procedures and practices presented in this document have been developed through broad experience, and are for mandatory use in projects that are financed in whole or in part by the Government of the Philippines or any foreign government/foreign or international financing institution in accordance with the provisions of the 2016 revised Implementing Rules and Regulations of Republic Act No. 9184.

The Bidding Documents shall clearly and adequately define, among others: (i) the objectives, scope, and expected outputs and/or results of the proposed contract or Framework Agreement, as the case may be; (ii) the eligibility requirements of Bidders; (iii) the expected contract or Framework Agreement duration, the estimated quantity in the case of procurement of goods, delivery schedule and/or time frame; and (iv) the obligations, duties, and/or functions of the winning bidder.

Care should be taken to check the relevance of the provisions of the PBDs against the requirements of the specific Goods to be procured. If duplication of a subject is inevitable in other sections of the document prepared by the Procuring Entity, care must be exercised to avoid contradictions between clauses dealing with the same matter.

Moreover, each section is prepared with notes intended only as information for the Procuring Entity or the person drafting the Bidding Documents. They shall not be included in the final documents. The following general directions should be observed when using the documents:

- a. All the documents listed in the Table of Contents are normally required for the procurement of Goods. However, they should be adapted as necessary to the circumstances of the particular Procurement Project.
- b. Specific details, such as the “*name of the Procuring Entity*” and “*address for bid submission*,” should be furnished in the Instructions to Bidders, Bid Data Sheet, and Special Conditions of Contract. The final documents should contain neither blank spaces nor options.
- c. This Preface and the footnotes or notes in italics included in the Invitation to Bid, Bid Data Sheet, General Conditions of Contract, Special Conditions of Contract, Schedule of Requirements, and Specifications are not part of the text of the final document, although they contain instructions that the Procuring Entity should strictly follow.

- d. The cover should be modified as required to identify the Bidding Documents as to the Procurement Project, Project Identification Number, and Procuring Entity, in addition to the date of issue.
- e. Modifications for specific Procurement Project details should be provided in the Special Conditions of Contract as amendments to the Conditions of Contract. For easy completion, whenever reference has to be made to specific clauses in the Bid Data Sheet or Special Conditions of Contract, these terms shall be printed in bold typeface on Sections I (Instructions to Bidders) and III (General Conditions of Contract), respectively.
- f. For guidelines on the use of Bidding Forms and the procurement of Foreign-Assisted Projects, these will be covered by a separate issuance of the Government Procurement Policy Board.

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Glossary of Acronyms, Terms, and Abbreviations

ABC – Approved Budget for the Contract.

BAC – Bids and Awards Committee.

Bid – A signed offer or proposal to undertake a contract submitted by a bidder in response to and in consonance with the requirements of the bidding documents. Also referred to as *Proposal* and *Tender*. (2016 revised IRR, Section 5[c])

Bidder – Refers to a contractor, manufacturer, supplier, distributor and/or consultant who submits a bid in response to the requirements of the Bidding Documents. (2016 revised IRR, Section 5[d])

Bidding Documents – The documents issued by the Procuring Entity as the bases for bids, furnishing all information necessary for a prospective bidder to prepare a bid for the Goods, Infrastructure Projects, and/or Consulting Services required by the Procuring Entity. (2016 revised IRR, Section 5[e])

BIR – Bureau of Internal Revenue.

BSP – Bangko Sentral ng Pilipinas.

Consulting Services – Refer to services for Infrastructure Projects and other types of projects or activities of the GOP requiring adequate external technical and professional expertise that are beyond the capability and/or capacity of the GOP to undertake such as, but not limited to: (i) advisory and review services; (ii) pre-investment or feasibility studies; (iii) design; (iv) construction supervision; (v) management and related services; and (vi) other technical services or special studies. (2016 revised IRR, Section 5[i])

CDA - Cooperative Development Authority.

Contract – Refers to the agreement entered into between the Procuring Entity and the Supplier or Manufacturer or Distributor or Service Provider for procurement of Goods and Services; Contractor for Procurement of Infrastructure Projects; or Consultant or Consulting Firm for Procurement of Consulting Services; as the case may be, as recorded in the Contract Form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.

CIF – Cost Insurance and Freight.

CIP – Carriage and Insurance Paid.

CPI – Consumer Price Index.

DDP – Refers to the quoted price of the Goods, which means “delivered duty paid.”

DTI – Department of Trade and Industry.

EXW – Ex works.

FCA – “Free Carrier” shipping point.

FOB – “Free on Board” shipping point.

Foreign-funded Procurement or Foreign-Assisted Project– Refers to procurement whose funding source is from a foreign government, foreign or international financing institution as specified in the Treaty or International or Executive Agreement. (2016 revised IRR, Section 5[b]).

Framework Agreement – Refers to a written agreement between a procuring entity and a supplier or service provider that identifies the terms and conditions, under which specific purchases, otherwise known as “Call-Offs,” are made for the duration of the agreement. It is in the nature of an option contract between the procuring entity and the bidder(s) granting the procuring entity the option to either place an order for any of the goods or services identified in the Framework Agreement List or not buy at all, within a minimum period of one (1) year to a maximum period of three (3) years. (GPPB Resolution No. 27-2019)

GFI – Government Financial Institution.

GOCC – Government-owned and/or –controlled corporation.

Goods – Refer to all items, supplies, materials and general support services, except Consulting Services and Infrastructure Projects, which may be needed in the transaction of public businesses or in the pursuit of any government undertaking, project or activity, whether in the nature of equipment, furniture, stationery, materials for construction, or personal property of any kind, including non-personal or contractual services such as the repair and maintenance of equipment and furniture, as well as trucking, hauling, janitorial, security, and related or analogous services, as well as procurement of materials and supplies provided by the Procuring Entity for such services. The term “related” or “analogous services” shall include, but is not limited to, lease or purchase of office space, media advertisements, health maintenance services, and other services essential to the operation of the Procuring Entity. (2016 revised IRR, Section 5[r])

GOP – Government of the Philippines.

GPPB – Government Procurement Policy Board.

INCOTERMS – International Commercial Terms.

Infrastructure Projects – Include the construction, improvement, rehabilitation, demolition, repair, restoration or maintenance of roads and bridges, railways, airports, seaports, communication facilities, civil works components of information technology projects,

irrigation, flood control and drainage, water supply, sanitation, sewerage and solid waste management systems, shore protection, energy/power and electrification facilities, national buildings, school buildings, hospital buildings, and other related construction projects of the government. Also referred to as *civil works or works*. (2016 revised IRR, Section 5[u])

LGUs – Local Government Units.

NFCC – Net Financial Contracting Capacity.

NGA – National Government Agency.

PhilGEPS - Philippine Government Electronic Procurement System.

Procurement Project – refers to a specific or identified procurement covering goods, infrastructure project or consulting services. A Procurement Project shall be described, detailed, and scheduled in the Project Procurement Management Plan prepared by the agency which shall be consolidated in the procuring entity's Annual Procurement Plan. (GPPB Circular No. 06-2019 dated 17 July 2019)

PSA – Philippine Statistics Authority.

SEC – Securities and Exchange Commission.

SLCC – Single Largest Completed Contract.

Supplier – refers to a citizen, or any corporate body or commercial company duly organized and registered under the laws where it is established, habitually established in business and engaged in the manufacture or sale of the merchandise or performance of the general services covered by his bid. (Item 3.8 of GPPB Resolution No. 13-2019, dated 23 May 2019). Supplier as used in these Bidding Documents may likewise refer to a distributor, manufacturer, contractor, or consultant.

UN – United Nations.

Section I. Invitation to Bid

Notes on the Invitation to Bid

The Invitation to Bid (IB) provides information that enables potential Bidders to decide whether to participate in the procurement at hand. The IB shall be posted in accordance with Section 21.2 of the 2016 revised IRR of RA No. 9184.

Apart from the essential items listed in the Bidding Documents, the IB should also indicate the following:

- a. The date of availability of the Bidding Documents, which shall be from the time the IB is first advertised/posted until the deadline for the submission and receipt of bids;
- b. The place where the Bidding Documents may be acquired or the website where it may be downloaded;
- c. The deadline for the submission and receipt of bids; and
- d. Any important bid evaluation criteria (*e.g.*, the application of a margin of preference in bid evaluation).

The IB should be incorporated in the Bidding Documents. The information contained in the IB must conform to the Bidding Documents and in particular to the relevant information in the Bid Data Sheet.

**INVITATION TO BID FOR PROJECT NO. 2024-03:
PROCUREMENT OF MORTGAGE REDEMPTION INSURANCE
SERVICE PROVIDER FOR SHFC FOR ONE (1) YEAR**

1. The *Social Housing Finance Corporation*, through the *Others - Premiums Paid by the Community Associations/Member-Beneficiaries FY2024* intends to apply the sum of **Forty Eight Million One Hundred Four Thousand One Hundred Ninety Nine Pesos and Ninety Three Centavos (₱48,104,199.93)** being the ABC to payments under the contract for *Project No. 2024-03*. Bids received in excess of the ABC shall be automatically rejected at bid opening.
2. The *Social Housing Finance Corporation* now invites bids for the above Procurement Project. Delivery of the Goods is required for One (1) year. Bidders should have completed, within ten (10) years from the date of submission and receipt of bids, a contract similar to the Project. The description of an eligible bidder is contained in the Bidding Documents, particularly, in Section II (Instructions to Bidders).
3. Bidding will be conducted through open competitive bidding procedures using a non-discretionary “*pass/fail*” criterion as specified in the 2016 revised Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9184.

Bidding is restricted to Filipino citizens/sole proprietorships, partnerships, or organizations with at least sixty percent (60%) interest or outstanding capital stock belonging to citizens of the Philippines, and to citizens or organizations of a country the laws or regulations of which grant similar rights or privileges to Filipino citizens, pursuant to RA No. 5183.

4. Prospective Bidders may obtain further information from *Social Housing Finance Corporation* and inspect the Bidding Documents at the address given below during 9:00 a.m. to 4:00 p.m..
5. A complete set of bidding documents may be acquired, FREE OF CHARGE, by interested Bidders on June 6, 2024, from the following websites: www.philgeps.gov.ph and www.shfc.dhsud.gov.ph/Procurement.html; however, a participating bidder is required to pay the applicable fee for bidding documents in the amount of **₱50,000.00**, pursuant to the latest guidelines issued by the GPPB. The Procuring Entity shall allow the bidder to present its proof of payment for the fees in person or through electronic means..

It can also be downloaded for free from the websites of the Philippine Government Electronic Procurement System (PhilGEPS) and the entity doing the buying, as long as bidders pay the required fee for the bidding documents by July 3, 2024, for their bids to be accepted.

6. The *Social Housing Finance Corporation* will hold a Pre-Bid Conference on *June 21, 2024, 2:00 p.m.* at *SHFC Board Room, 5th Floor, BDO Plaza 8737 Paseo de Roxas, Makati City*, which shall be open to prospective bidders.
7. Bids must be duly received by the BAC Secretariat through manual submission at the office address indicated below, on or before 1:50 p.m., July 3, 2024. Late bids shall not be accepted.
8. All Bids must be accompanied by a bid security in any of the acceptable forms and in the amount stated in **ITB** Clause 14.
9. Bid opening shall be on *July 3, 2024, 2:00 p.m.* at the given address below. Bids will be opened in the presence of the bidders' representatives who choose to attend the activity.
10. The *Social Housing Finance Corporation* reserves the right to reject any and all bids, declare a failure of bidding, or not award the contract at any time prior to contract award in accordance with Sections 35.6 and 41 of the 2016 revised IRR of RA No. 9184, without thereby incurring any liability to the affected bidder or bidders.
11. For further information, please refer to:

PAULO SHERWIN P. DUMAN
Bids and Awards Committee – Secretariat Head
3rd Floor, 8737 BDO Plaza, Paseo de Roxas, Makati City
pduman.procurement@gmail.com
(02) 8817-3168
<https://shfc.dhsud.gov.ph>

12. You may visit the following websites:

For downloading of Bidding Documents: <https://shfc.dhsud.gov.ph/Procurement.html>

May 29, 2024



ATTY. LEO B. DEOCAMPO
BAC Chairperson

Section II. Instructions to Bidders

Notes on the Instructions to Bidders

This Section on the Instruction to Bidders (ITB) provides the information necessary for bidders to prepare responsive bids, in accordance with the requirements of the Procuring Entity. It also provides information on bid submission, eligibility check, opening and evaluation of bids, post-qualification, and on the award of contract.

1. Scope of Bid

The Procuring Entity, *Social Housing Finance Corporation* wishes to receive Bids for the *Procurement of Mortgage Redemption Insurance Service Provider for SHFC for One (1) Year*, with identification number *Project No. 2024-03*.

The Procurement Project (referred to herein as “Project”) is composed of One (1) Lot, the details of which are described in Section VII (Technical Specifications).

2. Funding Information

2.1. The GOP through the source of funding as indicated below for *Others - Premiums Paid by the Community Associations/Member-Beneficiaries FY2024* in the amount of ***Forty Eight Million One Hundred Four Thousand One Hundred Ninety Nine Pesos and Ninety Three Centavos (P48,104,199.93)***.

2.2. The source of funding is the *Others - Premiums Paid by the Community Associations/Member-Beneficiaries*.

3. Bidding Requirements

The Bidding for the Project shall be governed by all the provisions of RA No. 9184 and its 2016 revised IRR, including its Generic Procurement Manuals and associated policies, rules and regulations as the primary source thereof, while the herein clauses shall serve as the secondary source thereof.

Any amendments made to the IRR and other GPPB issuances shall be applicable only to the ongoing posting, advertisement, or **IB** by the BAC through the issuance of a supplemental or bid bulletin.

The Bidder, by the act of submitting its Bid, shall be deemed to have verified and accepted the general requirements of this Project, including other factors that may affect the cost, duration and execution or implementation of the contract, project, or work and examine all instructions, forms, terms, and project requirements in the Bidding Documents.

4. Corrupt, Fraudulent, Collusive, and Coercive Practices

The Procuring Entity, as well as the Bidders and Suppliers, shall observe the highest standard of ethics during the procurement and execution of the contract. They or through an agent shall not engage in corrupt, fraudulent, collusive, coercive, and obstructive practices defined under Annex “I” of the 2016 revised IRR of RA No. 9184 or other integrity violations in competing for the Project.

5. Eligible Bidders

5.1. Only Bids of Bidders found to be legally, technically, and financially capable will be evaluated.

- 5.2. Foreign ownership limited to those allowed under the rules may participate in this Project.
- 5.3. Pursuant to Section 23.4.1.3 of the 2016 revised IRR of RA No.9184, the Bidder shall have an SLCC that is at least one (1) contract similar to the Project the value of which, adjusted to current prices using the PSA's CPI, must be at least equivalent to:
 - a. For the procurement of Non-expendable Supplies and Services: The Bidder must have completed a single contract that is similar to this Project, equivalent to at least fifty percent (50%) of the ABC.
- 5.4. The Bidders shall comply with the eligibility criteria under Section 23.4.1 of the 2016 IRR of RA No. 9184.

6. Origin of Goods

There is no restriction on the origin of goods other than those prohibited by a decision of the UN Security Council taken under Chapter VII of the Charter of the UN, subject to Domestic Preference requirements under **ITB** Clause 18.

7. Subcontracts

- 7.1. The Bidder may subcontract portions of the Project to the extent allowed by the Procuring Entity as stated herein, but in no case more than twenty percent (20%) of the Project.

Subcontracting is not allowed.

8. Pre-Bid Conference

The Procuring Entity will hold a pre-bid conference for this Project on the specified date and time and either at its physical address *{[insert if applicable]}* and/or through videoconferencing/webcasting} as indicated in paragraph 6 of the **IB**.

9. Clarification and Amendment of Bidding Documents

Prospective bidders may request for clarification on and/or interpretation of any part of the Bidding Documents. Such requests must be in writing and received by the Procuring Entity, either at its given address or through electronic mail indicated in the **IB**, at least ten (10) calendar days before the deadline set for the submission and receipt of Bids.

10. Documents comprising the Bid: Eligibility and Technical Components

- 10.1. The first envelope shall contain the eligibility and technical documents of the Bid as specified in **Section VIII (Checklist of Technical and Financial Documents)**.

- 10.2. The Bidder's SLCC as indicated in **ITB** Clause 5.3 should have been completed within *two (2) years* prior to the deadline for the submission and receipt of bids.
- 10.3. If the eligibility requirements or statements, the bids, and all other documents for submission to the BAC are in foreign language other than English, it must be accompanied by a translation in English, which shall be authenticated by the appropriate Philippine foreign service establishment, post, or the equivalent office having jurisdiction over the foreign bidder's affairs in the Philippines. Similar to the required authentication above, for Contracting Parties to the Apostille Convention, only the translated documents shall be authenticated through an apostille pursuant to GPPB Resolution No. 13-2019 dated 23 May 2019. The English translation shall govern, for purposes of interpretation of the bid.

11. Documents comprising the Bid: Financial Component

- 11.1. The second bid envelope shall contain the financial documents for the Bid as specified in **Section VIII (Checklist of Technical and Financial Documents)**.
- 11.2. If the Bidder claims preference as a Domestic Bidder or Domestic Entity, a certification issued by DTI shall be provided by the Bidder in accordance with Section 43.1.3 of the 2016 revised IRR of RA No. 9184.
- 11.3. Any bid exceeding the ABC indicated in paragraph 1 of the **IB** shall not be accepted.
- 11.4. For Foreign-funded Procurement, a ceiling may be applied to bid prices provided the conditions are met under Section 31.2 of the 2016 revised IRR of RA No. 9184.

12. Bid Prices

- 12.1. Prices indicated on the Price Schedule shall be entered separately in the following manner:
 - a. For Goods offered from within the Procuring Entity's country:
 - i. The price of the Goods quoted EXW (ex-works, ex-factory, ex-warehouse, ex-showroom, or off-the-shelf, as applicable);
 - ii. The cost of all customs duties and sales and other taxes already paid or payable;
 - iii. The cost of transportation, insurance, and other costs incidental to delivery of the Goods to their final destination; and
 - iv. The price of other (incidental) services, if any, listed in the **BDS**.
 - b. For Goods offered from abroad:

- i. Unless otherwise stated in the **BDS**, the price of the Goods shall be quoted delivered duty paid (DDP) with the place of destination in the Philippines as specified in the **BDS**. In quoting the price, the Bidder shall be free to use transportation through carriers registered in any eligible country. Similarly, the Bidder may obtain insurance services from any eligible source country.
- ii. The price of other (incidental) services, if any, as listed in the **BDS**.

13. Bid and Payment Currencies

- 13.1. For Goods that the Bidder will supply from outside the Philippines, the bid prices may be quoted in the local currency or tradeable currency accepted by the BSP at the discretion of the Bidder. However, for purposes of bid evaluation, Bids denominated in foreign currencies, shall be converted to Philippine currency based on the exchange rate as published in the BSP reference rate bulletin on the day of the bid opening.
- 13.2. Payment of the contract price shall be made in Philippine Pesos.

14. Bid Security

- 14.1. The Bidder shall submit a Bid Securing Declaration or any form of Bid Security in the amount indicated in the **BDS**, which shall be not less than the percentage of the ABC in accordance with the schedule in the **BDS**.
- 14.2. The Bid and bid security shall be valid until *120 calendar days from the date of opening of bid which is on July 3, 2024.* Any Bid not accompanied by an acceptable bid security shall be rejected by the Procuring Entity as non-responsive.

15. Sealing and Marking of Bids

Each Bidder shall submit one copy of the first and second components of its Bid.

The Procuring Entity may request additional hard copies and/or electronic copies of the Bid. However, failure of the Bidders to comply with the said request shall not be a ground for disqualification.

If the Procuring Entity allows the submission of bids through online submission or any other electronic means, the Bidder shall submit an electronic copy of its Bid, which must be digitally signed. An electronic copy that cannot be opened or is corrupted shall be considered non-responsive and, thus, automatically disqualified.

16. Deadline for Submission of Bids

- 16.1. The Bidders shall submit on the specified date and time and either at its physical address or through online submission as indicated in paragraph 7 of the **IB**.

17. Opening and Preliminary Examination of Bids

- 17.1. The BAC shall open the Bids in public at the time, on the date, and at the place specified in paragraph 9 of the **IB**. The Bidders' representatives who are present shall sign a register evidencing their attendance. In case videoconferencing, webcasting or other similar technologies will be used, attendance of participants shall likewise be recorded by the BAC Secretariat.

In case the Bids cannot be opened as scheduled due to justifiable reasons, the rescheduling requirements under Section 29 of the 2016 revised IRR of RA No. 9184 shall prevail.

- 17.2. The preliminary examination of bids shall be governed by Section 30 of the 2016 revised IRR of RA No. 9184.

18. Domestic Preference

- 18.1. The Procuring Entity will grant a margin of preference for the purpose of comparison of Bids in accordance with Section 43.1.2 of the 2016 revised IRR of RA No. 9184.

19. Detailed Evaluation and Comparison of Bids

- 19.1. The Procuring Entity's BAC shall immediately conduct a detailed evaluation of all Bids rated "*passed*," using non-discretionary pass/fail criteria. The BAC shall consider the conditions in the evaluation of Bids under Section 32.2 of the 2016 revised IRR of RA No. 9184.

- 19.2. If the Project allows partial bids, bidders may submit a proposal on any of the lots or items, and evaluation will be undertaken on a per lot or item basis, as the case maybe. In this case, the Bid Security as required by **ITB** Clause 14 shall be submitted for each lot or item separately.

- 19.3. The descriptions of the lots or items shall be indicated in **Section VII (Technical Specifications)**, although the ABCs of these lots or items are indicated in the **BDS** for purposes of the NFCC computation pursuant to Section 23.4.2.6 of the 2016 revised IRR of RA No. 9184. The NFCC must be sufficient for the total of the ABCs for all the lots or items participated in by the prospective Bidder.

- 19.4. The Project shall be awarded as follows:

One Project having several items that shall be awarded as one contract.

- 19.5. Except for bidders submitting a committed Line of Credit from a Universal or Commercial Bank in lieu of its NFCC computation, all Bids must include the NFCC computation pursuant to Section 23.4.1.4 of the 2016 revised IRR of RA No. 9184, which must be sufficient for the total of the ABCs for all the lots or items participated in by the prospective Bidder. For bidders submitting the committed Line of Credit, it must be at least equal to ten percent (10%) of the ABCs for all the lots or items participated in by the prospective Bidder.

20. Post-Qualification

- 20.1. Within a non-extendible period of five (5) calendar days from receipt by the Bidder of the notice from the BAC that it submitted the Lowest Calculated Bid, the Bidder shall submit its latest income and business tax returns filed and paid through the BIR Electronic Filing and Payment System (eFPS) and other appropriate licenses and permits required by law and stated in the **BDS**.

21. Signing of the Contract

- 21.1. The documents required in Section 37.2 of the 2016 revised IRR of RA No. 9184 shall form part of the Contract. Additional Contract documents are indicated in the **BDS**.

Section III. Bid Data Sheet

Notes on the Bid Data Sheet

The Bid Data Sheet (BDS) consists of provisions that supplement, amend, or specify in detail, information, or requirements included in the ITB found in Section II, which are specific to each procurement.

This Section is intended to assist the Procuring Entity in providing the specific information in relation to corresponding clauses in the ITB and has to be prepared for each specific procurement.

The Procuring Entity should specify in the BDS information and requirements specific to the circumstances of the Procuring Entity, the processing of the procurement, and the bid evaluation criteria that will apply to the Bids. In preparing the BDS, the following aspects should be checked:

- a. Information that specifies and complements provisions of the ITB must be incorporated.
- b. Amendments and/or supplements, if any, to provisions of the ITB as necessitated by the circumstances of the specific procurement, must also be incorporated.

Bid Data Sheet

ITB Clause	
5.3	For this purpose, contracts similar to the Project shall be: <ul style="list-style-type: none"> a. Contracts for the insurance service provider, life insurance, group insurance. b. Completed within Ten (10) years prior to the deadline for the submission and receipt of bids.
7.1	<i>Not applicable.</i>
12	The price of the Goods shall be quoted in Philippine Pesos (P) or the applicable International Commercial Terms (INCOTERMS) for this Project.
14.1	The bid security shall be in the form of a Bid Securing Declaration, or any of the following forms and amounts: <ul style="list-style-type: none"> a. The amount of not less than P962,084.00 (2%) if bid security is in cash, cashier's/manager's check, bank draft/guarantee or irrevocable letter of credit; or b. The amount of not less than P2,405,210.00 (5%) if bid security is in Surety Bond.
19.3	The Approved Budget for the Contract (ABC) is P48,104,199.93 . Any Bids received in excess of the total ABC shall not be accepted.
20.1	<i>No Additional Requirements</i>
21.1	<i>No Additional Requirements</i>

Section IV. General Conditions of Contract

Notes on the General Conditions of Contract

The General Conditions of Contract (GCC) in this Section, read in conjunction with the Special Conditions of Contract in Section V and other documents listed therein, should be a complete document expressing all the rights and obligations of the parties.

Matters governing performance of the Supplier, payments under the contract, or matters affecting the risks, rights, and obligations of the parties under the contract are included in the GCC and Special Conditions of Contract.

Any complementary information, which may be needed, shall be introduced only through the Special Conditions of Contract.

1. **Scope of Contract**

This Contract shall include all such items, although not specifically mentioned, that can be reasonably inferred as being required for its completion as if such items were expressly mentioned herein. All the provisions of RA No. 9184 and its 2016 revised IRR, including the Generic Procurement Manual, and associated issuances, constitute the primary source for the terms and conditions of the Contract, and thus, applicable in contract implementation. Herein clauses shall serve as the secondary source for the terms and conditions of the Contract.

This is without prejudice to Sections 74.1 and 74.2 of the 2016 revised IRR of RA No. 9184 allowing the GPPB to amend the IRR, which shall be applied to all procurement activities, the advertisement, posting, or invitation of which were issued after the effectivity of the said amendment.

Additional requirements for the completion of this Contract shall be provided in the **Special Conditions of Contract (SCC)**.

2. **Advance Payment and Terms of Payment**

2.1. Advance payment of the contract amount is provided under Annex "D" of the revised 2016 IRR of RA No. 9184.

2.2. The Procuring Entity is allowed to determine the terms of payment on the partial or staggered delivery of the Goods procured, provided such partial payment shall correspond to the value of the goods delivered and accepted in accordance with prevailing accounting and auditing rules and regulations. The terms of payment are indicated in the **SCC**.

3. **Performance Security**

Within ten (10) calendar days from receipt of the Notice of Award by the Bidder from the Procuring Entity but in no case later than the signing of the Contract by both parties, the successful Bidder shall furnish the performance security in any of the forms prescribed in Section 39 of the 2016 revised IRR of RA No. 9184.

4. **Inspection and Tests**

The Procuring Entity or its representative shall have the right to inspect and/or to test the Goods to confirm their conformity to the Project. In addition to tests in the **SCC**, **Section VII (Technical Specifications)** shall specify what inspections and/or tests the Procuring Entity requires, and where they are to be conducted. The Procuring Entity shall notify the Supplier in writing, in a timely manner, of the identity of any representatives retained for these purposes.

All reasonable facilities and assistance for the inspection and testing of Goods, including access to drawings and production data, shall be provided by the Supplier to the authorized inspectors at no charge to the Procuring Entity.

5. Warranty

- 5.1 In order to assure that manufacturing defects shall be corrected by the Supplier, a warranty shall be required from the Supplier as provided under Section 62.1 of the 2016 revised IRR of RA No. 9184.
- 5.2 The Procuring Entity shall promptly notify the Supplier in writing of any claims arising under this warranty. Upon receipt of such notice, the Supplier shall, repair or replace the defective Goods or parts thereof without cost to the Procuring Entity, pursuant to the Generic Procurement Manual.

6. Liability of the Supplier

The Supplier's liability under this Contract shall be as provided by the laws of the Republic of the Philippines.

If the Supplier is a joint venture, all partners to the joint venture shall be jointly and severally liable to the Procuring Entity.

Section V. Special Conditions of Contract

Notes on the Special Conditions of Contract

Similar to the BDS, the clauses in this Section are intended to assist the Procuring Entity in providing contract-specific information in relation to corresponding clauses in the GCC found in Section IV.

The Special Conditions of Contract (SCC) complement the GCC, specifying contractual requirements linked to the special circumstances of the Procuring Entity, the Procuring Entity's country, the sector, and the Goods purchased. In preparing this Section, the following aspects should be checked:

- a. Information that complements provisions of the GCC must be incorporated.
- b. Amendments and/or supplements to provisions of the GCC as necessitated by the circumstances of the specific purchase, must also be incorporated.

However, no special condition which defeats or negates the general intent and purpose of the provisions of the GCC should be incorporated herein.

Special Conditions of Contract

GCC Clause	
	<p>Delivery and Documents –</p> <p>For purposes of the Contract, “EXW,” “FOB,” “FCA,” “CIF,” “CIP,” “DDP” and other trade terms used to describe the obligations of the parties shall have the meanings assigned to them by the current edition of INCOTERMS published by the International Chamber of Commerce, Paris. The Delivery terms of this Contract shall be as follows:</p> <p>Delivery of the Goods shall be made by the Supplier in accordance with the terms specified in Section VI (Schedule of Requirements).</p> <p>For purposes of this Clause the Procuring Entity’s Representative at the Project Site is Cezar M. Macaspac.</p> <p>Incidental Services –</p> <p>The Provider is required to provide all of the following services, including additional services, if any, specified in Section VI. Schedule of Requirements:</p> <p><i>a.</i></p> <p>Regular and Recurring Services –</p> <p>The contract for regular and recurring services shall be subject to a renewal whereby the performance evaluation of the service provider shall be conducted in accordance with Section VII. Technical specifications.</p>
2.2	<i>Partial Payment is not allowed.</i>
4	Not Applicable.

Section VI. Schedule of Requirements

The delivery schedule expressed as weeks/months stipulates hereafter a delivery date which is the date of delivery to the project site.

SERVICES	SPECIFICATION
<p>1. Package inclusion as benefits for SHFC's clients</p>	<ol style="list-style-type: none"> 1. Disclosure of any affiliation with government/ or private entity in negotiation of deals with SHFC; 2. The insurance policy shall include the following features and benefits: <ol style="list-style-type: none"> 2.1 90-day grace period on premium remittance; 2.2 10 days settlement of claims with complete requirements; 2.3 Age requirement: not more than sixty five (65) years old; 3. Capacity and confidence to offer the best deal in the insurance policy on the following: <ol style="list-style-type: none"> 3.1 Lowest premium rate on Loan Value; 3.19 per annum or 0.27 per month and 3.2 Service fee or administration fee as SHFC's processing fee
<p>2. Arrangement of insurance coverage according to type of account and covering periods</p>	<p>A. Prepayment of Premium</p> <p>The portfolio to be covered by the MRI will include all loan availments or newly taken out projects for Community Mortgage Program (CMP) and its modalities including Restructured Loan Accounts of the corporation. The aggregate estimated volume of this account is projected at 249,483 informal settler families (ISF) (or accounts) with a maximum loan entitlement of P750,000.00 each family for a period of one year (2023-2024).</p> <p>B. Renewal of Insurance Coverage</p> <p>The renewal of MRI coverage for CMP accounts shall be on a yearly basis to include all active accounts numbered at approximately 249,483 with an estimated value of more than P14B as of December 2023 broken down into the following:</p>

	Month	Loan Coverage
	January	P 1,105,148,924.81
	February	1,048,936,844.39
	March	1,187,911,961.78
	April	586,614,917.87
	May	1,196,551,953.43
	June	1,423,603,541.58
	July	1,924,451,375.26
	August	1,001,687,581.09
	September	1,577,847,002.01
	October	1,507,584,922.65
	November	930,275,790.04
	December	3,045,730,781.55
	Less: Estimated amount to be excluded	1,689,370,309.42
	Total Loan Coverage	₱14,846,975,287.04
	<p>For purposes of renewal and records keeping, the insurer and SHFC shall receive/keep copies of the following basic documentary requirements:</p> <p>For Insurer</p> <ol style="list-style-type: none"> 1. Bordereaux and Recapitulation Report including Exclusion Reports; and 2. Proof of Coverage. <p>For SHFC</p> <ol style="list-style-type: none"> 3. Notarized Masterlist of Beneficiaries and Loan Apportionment; 4. Schedule of Amortization from the Operations Group 	
3. Collection of Premiums	Premium Prepayment and Renewal shall be collected by the insurer to cover SHFC's mortgages.	
4. Processing of MRI Claims	Requirements for insurance claims shall be transmitted to the insurer for evaluation and settlement within the prescribed agreed period from receipt thereof.	
5. Liaising of insurance documents with SHFC	Transmittal of documentary requirements should be promptly facilitated by the insurer. Communication on line may be adopted for accurate reconciliation of accounts.	

Section VII. Technical Specifications

Technical Specifications

Item	Specification	Statement of Compliance
	<p>PROJECT : To select an Insurance Company that will be responsible for the Management of Mortgage Redemption Insurance (MRI) coverage for Social Housing Finance Corporation (SHFC)'s CMP and other housing loan portfolio.</p> <p>A. RATIONALE</p> <p>The Social Housing Finance Corporation (SHFC) is the leading government agency to undertake financing of social housing programs catering the formal and informal sectors of the low-income bracket under the concept of the Community Mortgage Program (CMP).</p> <p>These housing loans drawn by the corporation shall be covered by a Mortgage Redemption Insurance (MRI). This will answer to the corporation's risk of loss from non-payment by its member beneficiaries due to death and other disabilities. The same will also save the bereaved family from shouldering the burden of paying the unpaid balance of the debtor who is usually the head of the family.</p> <p>B. OBJECTIVE</p> <ol style="list-style-type: none"> 1. To comply with the requirements of the Government Procurement Law of R.A. 9184 in the selection of an insurance provider through a competitive but fair transparent bidding process. 2. To ensure that the participating insurance companies will provide the best terms that can absolutely protect the interest of the corporation and the member beneficiaries. 3. To minimize risk exposure and/ or eliminate corporate losses due to unprotected mortgages and member beneficiaries through risk reduction measures as provided by selected insurance companies. <p>C. ROLES AND RESPONSIBILITIES OF THE INSURANCE PROVIDER</p>	

SHFC may avail of the services of an insurance provider directly through public bidding with the winning bidder offering the lowest responsive bid. In the case of failure of public bidding on the grounds stated in Section 35 of Republic Act 9184 or the Government Procurement Reform Act, SHFC may resort to other modes of procurement of its MRI provider as also provided under the same Republic Act 9184. SHFC shall be dealing exclusively with the selected insurance company as insurer in all aspects of the MRI along with its claims settlement and other allied services. In particular, the Insurer shall be responsible for the following services, to wit:

SERVICES	SPECIFICATION
<p>6. Package inclusion as benefits for SHFC's clients</p>	<p>4. Disclosure of any affiliation with government/ or private entity in negotiation of deals with SHFC;</p> <p>5. The insurance policy shall include the following features and benefits:</p> <p>5.1 90-day grace period on premium remittance;</p> <p>5.2 10 days settlement of claims with complete requirements;</p> <p>5.3 Age requirement: not more than sixty-five (65) years old;</p> <p>6. Capacity and confidence to offer the best deal in the insurance policy on the following:</p> <p>6.1 Lowest premium rate on Loan Value; 3.19 per annum or 0.27 per month and</p> <p>6.2 Service fee or administration fee as SHFC's processing fee</p>
<p>7. Arrangement of insurance coverage according to type of account and covering periods</p>	<p>C. Prepayment of Premium</p> <p>The portfolio to be covered by the MRI will include all loan availments or newly taken out projects for Community Mortgage Program (CMP) and its modalities including Restructured Loan Accounts of the corporation. The aggregate estimated volume of this account is projected at 249,483 informal settler families (ISF) (or accounts) with a maximum loan entitlement of</p>

P750,000.00 each family for a period of one year (2023-2024).

D. Renewal of Insurance Coverage

The renewal of MRI coverage for CMP accounts shall be on a yearly basis to include all active accounts numbered at approximately **249,483** with an estimated value of more than **P14B** as of December 2023 broken down into the following:

Month	Loan Coverage
January	P 1,105,148,924.81
February	1,048,936,844.39
March	1,187,911,961.78
April	586,614,917.87
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November	930,275,790.04
December	3,045,730,781.55
Less: Estimated amount to be excluded	1,689,370,309.42
Total Loan Coverage	P14,846,975,287.04

For purposes of renewal and records keeping, the insurer and SHFC shall receive/keep copies of the following basic documentary requirements:

For Insurer

5. Bordereaux and Recapitulation Report including Exclusion Reports; and
6. Proof of Coverage.

For SHFC

7. Notarized Masterlist of Beneficiaries and Loan Apportionment;
8. Schedule of Amortization from the Operations Group

8. Collection of Premiums	Premium Prepayment and Renewal shall be collected by the insurer to cover SHFC's mortgages.
9. Processing of MRI Claims	Requirements for insurance claims shall be transmitted to the insurer for evaluation and settlement within the prescribed agreed period from receipt thereof.
10. Liaising of insurance documents with SHFC	Transmittal of documentary requirements should be promptly facilitated by the insurer. Communication on line may be adopted for accurate reconciliation of accounts.

D. SHFC's OBLIGATION

Responsibilities	Activity
1. As Insurance Agent	SHFC shall collect monthly premium payments from loan borrowers and remit the same to the broker/insurer within the prescribed period including the documentary requirements for insurance coverage.
2. As Underwriter	<p>SHFC shall observe due diligence in the initial screening/ review of claim requirements including interview of lawful heirs and classify the claims as follows:</p> <ul style="list-style-type: none"> ➤ complied/pre-approved; ➤ with additional requirements; or ➤ totally denied due to justifiable reasons. <p>After due evaluation, the applications to claim insurer for final approval and settlement along with the following required documents but not limited to:</p> <ol style="list-style-type: none"> 1. Death Certificate 2. Birth Certificate 3. Affidavits of Discrepancy in Name /Birth (If applicable) 4. Marriage Contract (If applicable) 5. Police Report (If applicable) 6. Schedule of Payment of Amortization (SPA)

<p>3. As Catalyst</p>	<p>The SHFC, through its Insurance Division, shall act as catalyst/ mediator in the manner stated below:</p> <ol style="list-style-type: none"> 1. Coordinate with the Operations Group in the provision of MRI coverage for loan take outs and facilitation of compliances for claim settlement 2. Forward requirements to the insurer for premium payment and claim applications for its approval and settlement 3. Notify Loan Borrowers/ CA/ heirs- on the evaluation of claim application whether denied or approved. 4. Justify denied accounts which may be due to error or omission. 	
<p>4. Provision of a Liaison Desk</p>	<p>SHFC shall provide a desk or area for the liaison officer designated by the insurer.</p>	
<p>E. DURATION OF THE AGREEMENT AND TERMINATION</p>		
<p>1. DURATION OF AGREEMENT</p>		
<p>The term of the Insurance Agreement is for twelve (12) months unless sooner terminated in accordance with the Pre-termination agreement.</p>		
<p>2. EFFECTIVITY OF THE AGREEMENT</p>		
<p>The agreement shall take effect and end on the date/s provided in the contract, unless sooner terminated as herein provided, and when all government approvals required or necessary for the validity and enforceability of the transactions contemplated shall have been obtained by the Parties.</p>		
<p>3. PRETERMINATION AGREEMENT</p>		
<p>At the written request of the Insured at least sixty (60) days prior to the chosen date of termination, and upon the approval of SHFC, the Insurance Company's services may be terminated before the end of the term of contract on the following grounds, to wit:</p>		
<p>3.1.1. Poor service</p>		

- 3.1.2. Government Regulations
- 3.1.3. Breach of Contract
- 3.1.4. Self-insurance or any Similar Scheme

The insurance coverage will not be terminated upon sale of the loan accounts in case SHFC should securitize.

F. DOCUMENTARY REQUIREMENTS FROM PARTICIPATING INSURANCE COMPANIES:

1. LEGAL DOCUMENTS

- 1.1 Incorporation Papers certified by the Securities & Exchange Commission (SEC) as stated hereunder:
 - 1.1.1 Certificate of Registration
 - 1.1.2 Articles of Incorporation
 - 1.1.3 By-laws
- 1.2 Updated General Information Sheet
- 1.3 Secretary Certificate duly signed by the Corporate Secretary indicating its authorized signatory and the power/s that is/are vested unto him/her and/ or, Board Resolution duly signed by the Board Directors of the corporation stating the authority and the power/s given to its representative.
- 1.4 Updated Identification Documents of all the Board Directors and Corporate Secretary for verification purposes.
- 1.5 Notarized contracts executed by and between the broker/insurer and the backup insurance company as proof of their commitment.
- 1.6 Registration of broker/insurer with Certificate to Operate from the Insurance Commission.
- 1.7 Certification or Approval from the Insurance Commission of the insurance products offered
- 1.8 Certificate of Registration from the Bureau of Internal Revenue (BIR).
- 1.9 Certification of No Pending Case issued by the Insurance Commission

2. FINANCIAL DOCUMENTS

- 2.1 Audited Financial Statements, namely:
 - 2.1.1. Income Statement (To show revenue/ expenses and/ or performance of the corporation)

- 2.1.2 Statement of Assets and Liabilities (Balance Sheet indicating Total Assets and Capitalization)
- 2.1.3 Statement of Cash Flows (To show Proof of Cash/ Liquidity)
- 2.1.4 Statement of Retained Earnings (**10 years trend analysis for comparability**)
- 2.1.5 Business Tax Returns with Taxpayer's TIN Nos.

3. TECHNICAL DOCUMENTS

- 3.1. Existing contracts of insurer and participating insurance companies with other clients which should disclose the following, to wit:
 - 3.1.1 At least 10 years of active participation in the insurance industry;
 - 3.1.2 Number of present clients (small or large scale capacity);
 - 3.1.3 Present status in terms of its assets/ liabilities and capital;
 - 3.1.4 Established reputation of the Insurance Companies including its rank in the industry;
 - 3.1.5 Relationship of Back-up Capital with Settlement Rate of outstanding clients
 - 3.1.6 Performance Assessment/ survey from existing clients

G. CONFIDENTIALITY

It is understood that discussions, data and other pertinent documents shall remain classified/confidential within SHFC and participating insurance companies and may not be shared with other parties without express written approval of the parties involved. Any financial advice rendered, packages and transactions and/or recommendations by the above stated parties shall remain its propriety information and as such shall likewise, may not be shared without the express written consent of the SHFC/broker/ and concerned insurance companies.

The confidentiality obligations of the above stated negotiating groups shall be enforced unless hereby, revoked by the same parties.

Section VIII. Checklist of Technical and Financial Documents

Notes on the Checklist of Technical and Financial Documents

The prescribed documents in the checklist are mandatory to be submitted in the Bid, but shall be subject to the following:

- a. GPPB Resolution No. 09-2020 on the efficient procurement measures during a State of Calamity or other similar issuances that shall allow the use of alternate documents in lieu of the mandated requirements; or
- b. Any subsequent GPPB issuances adjusting the documentary requirements after the effectivity of the adoption of the PBDs.

The BAC shall be checking the submitted documents of each Bidder against this checklist to ascertain if they are all present, using a non-discretionary “pass/fail” criterion pursuant to Section 30 of the 2016 revised IRR of RA No. 9184.

Checklist of Technical and Financial Documents

I. TECHNICAL COMPONENT ENVELOPE

Class "A" Documents

Legal Documents

- (a) Valid PhilGEPS Registration Certificate (Platinum Membership) (all pages) **in accordance with Section 8.5.2 of the IRR;**

Technical Documents

- (b) Statement of the prospective bidder of all its ongoing government and private contracts, including contracts awarded but not yet started, if any, whether similar or not similar in nature and complexity to the contract to be bid; **and**
- (c) Statement of the bidder's Single Largest Completed Contract (SLCC) similar to the contract to be bid, except under conditions provided for in Sections 23.4.1.3 and 23.4.2.4 of the 2016 revised IRR of RA No. 9184, within the relevant period as provided in the Bidding Documents; **and**
- (d) Original copy of Bid Security. If in the form of a Surety Bond, submit also a certification issued by the Insurance Commission **or** Original copy of Notarized Bid Securing Declaration; **and**
- (e) Conformity with the Technical Specifications, which may include production/delivery schedule, workforce requirements, and/or after-sales/parts, if applicable; **and**
- (f) Original duly signed Omnibus Sworn Statement (OSS) **and** if applicable, Original Notarized Secretary's Certificate in case of a corporation, partnership, or cooperative; or Original Special Power of Attorney of all members of the joint venture giving full power and authority to its officer to sign the OSS and do acts to represent the Bidder.

Financial Documents

- (g) The prospective bidder's computation of Net Financial Contracting Capacity (NFCC) **or** A committed Line of Credit from a Universal or Commercial Bank in lieu of its NFCC computation.

Class "B" Documents

- (h) If applicable, a duly signed joint venture agreement (JVA) in case the joint venture is already in existence **or** duly notarized statements from all the potential joint venture partners stating that they will enter into and abide by the provisions of the JVA in the instance that the bid is successful.

II. FINANCIAL COMPONENT ENVELOPE

- (i) Original of duly signed and accomplished Financial Bid Form; **and**
- (j) Original of duly signed and accomplished Price Schedule(s).



