



**ENTERPRISE SERVICES GROUP
PROCUREMENT DEPARTMENT**

MEMORANDUM
May 25, 2021

FOR : THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER ✓
THRU : THE VICE PRESIDENT
LEGAL GROUP ✓
FROM : THE ASSISTANT VICE PRESIDENT
SUBJECT : BIDS AND AWARDS COMMITTEE (BAC) 3 RESOLUTION

May we forward, for your approval, the BAC 3 Resolution recommending the Cancellation of the Award of the Contract, Revocation of the Notice of Award to Citystate Tower Hotel, Inc., declaration of the Failure of Negotiated Procurement (Two-Failed Biddings) and the reconduct thereof for the Procurement of Three (3) Year Hotel Accommodations for Casino Guest of Satellite Operations Group (SOG) 4 under ITB No. FB20-10-013COR.

Thank you.


CHRISTINE ROSE J. FERNANDEZ



May 25, 2021

EXECUTIVE SUMMARY

The Bids and Awards Committee (BAC) 3 processed the requirement of the Satellite Operations Group (SOG 4) through Negotiated Procurement (Two-Failed Biddings) for the Procurement of Three (3) Year Hotel Accommodations for Casino Guest of Satellite Operations Group (SOG) 4 under ITB No. FB20-10-013COR, with an Approved Budget for the Contract in the amount of Six Million Five Hundred Twenty-Five Thousand Seven Hundred Ninety-Seven Pesos and 76/100 (PhP6,525,797.76), VAT Exclusive, Zero-Rated Transaction.

The requirement was subjected to several procurement processes but there occurred failure of two (2) consecutive public biddings.

The Request for Quotation (RFQ) for the project was posted from October 28, 2020 to November 11, 2020.

During the Negotiations held on November 4, 2020, one (1) prospective bidder, Citystate Tower Hotel, Inc., attended the forum and bought or secured copies of the RFQ.

Bid Bulletin No. 1 was issued to reflect the change in the schedule for the Submission and Opening of Best Offer/Quotation from November 11 to 16, 2020 due to lack of quorum.

On November 16, 2020, the deadline for the Submission and Receipt of Best Offers/Quotations, the lone bidder, Citystate Tower Hotel, Inc., submitted its best offer and was rated "Passed".

Citystate Tower Hotel, Inc. was declared as the bidder having the Single Calculated Quotation.

The BAC 3 in a meeting held on December 22, 2020, resolved to recommend the award of contract to Citystate Tower Hotel, Inc. with a total contract price of Six Million Five Hundred Twenty-Five Thousand Seven Hundred Ninety-Seven Pesos and 76/100 (PhP6,525,797.76), VAT Exclusive, Zero-Rated Transaction, for having submitted the Single Calculated Responsive Quotation. The Notice of Award (NOA) was issued to Citystate Tower Hotel, Inc. on February 11, 2021, which receipt was acknowledged on February 22, 2021.

On March 4, 2021, Citystate Tower Hotel, Inc. submitted a performance security in the form of a Surety Bond from Fortune General Insurance Company under Bond No. SU-G16-SX-21-0000001-00 / G(16) 16185, with a total amount of One Million Nine Hundred Fifty-Seven Thousand Seven Hundred Thirty-Nine Pesos and 33/100 (PhP1,957,739.33) and it was noted that the submitted surety bond failed to include a Certificate from the Insurance Commission, authorizing the insurance company to issue such security.

In a Consultation Meeting on March 8, 2021, the BAC 3 resolved to disqualify Citystate Tower Hotel, Inc. due to its failure to provide a complete performance security in the form of a Surety Bond.

A Notice of Disqualification was issued to Citystate Tower Hotel, Inc., and the latter acknowledged the receipt thereof together with the signed Waiver to File a Request for Reconsideration on May 7, 2021.

In a meeting held on May 10, 2021, the BAC 3, resolved the following:

1. Recommend for approval by the Chairman and Chief Executive Officer, the cancellation of the award of the contract and revocation of the Notice of Award issued to Citystate Tower Hotel, Inc. for the Procurement of Three (3) Year Hotel Accommodations for Casino Guest of Satellite Operations Group (SOG) 4 under ITB No. FB20-10-013COR;
2. Declare a Failure of Negotiated Procurement (Two-Failed Biddings); and
3. Recommend for approval by the Chairman and Chief Executive Officer the Re-conduct of Negotiated Procurement (Two-Failed Biddings) for the above project.


MARINEL M. PUNZALAN
Senior Procurement Officer
PROCUREMENT DEPARTMENT



BIDS AND AWARDS COMMITTEE (BAC) 3

PROJECT DETAILS

| | |
|------------------------------------|--|
| Invitation to Bid Number | FB20-10-013COR |
| Title | Procurement of Three (3) Year Hotel Accommodations for Casino Guest of Satellite Operations Group (SOG) 4 |
| Mode of Procurement | Negotiated Procurement (Two-Failed Biddings) |
| End User | Satellite Operations Group (SOG 4) |
| Approved Budget for Contract (ABC) | Six Million Five Hundred Twenty-Five Thousand Seven Hundred Ninety-Seven Pesos and 76/100 (PhP6,525,797.76), VAT Exclusive, Zero-Rated Transaction |
| Date of APP Approval | October 7, 2020 |
| Budget Authorization Number | 20010083 |

RESOLUTION RECOMMENDING APPROVAL BY THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER OF THE CANCELLATION OF THE AWARD OF THE CONTRACT, REVOCATION OF THE NOTICE OF AWARD, DECLARATION OF THE FAILURE AND THE RE-CONDUCT OF NEGOTIATED PROCUREMENT (TWO-FAILED BIDDINGS)

WHEREAS, the Bids and Awards Committee (BAC) 3 has been tasked to handle the procurement of the Philippine Amusement and Gaming Corporation (PAGCOR) with the project details presented above;

WHEREAS, the above-mentioned requirement was previously procured but the BAC 3 declared a Failure of Bidding detailed as follows:

| ITB NUMBER | MODE OF PROCUREMENT | DATE DECLARED AS FAILURE | REASON FOR FAILURE |
|--|---------------------|--------------------------|---------------------|
| PB20-02-026COR First (1 st) Bidding | Public Bidding | March 3, 2020 | No bid was received |
| PB20-02-026CORa-07 Rebidding | Public Bidding | August 24, 2020 | No bid was received |

WHEREAS, the project was reprised under Negotiated Procurement (Two-Failed Biddings) under ITB No. FB20-10-013COR;

WHEREAS, in its Pre-Procurement Conference last October 12, 2020, the BAC 3 reviewed and evaluated all the documents presented, including the technical specifications and other terms and conditions integrated in the Request for Quotation (RFQ) for the project and resolved to proceed with the posting of the requirement;

WHEREAS, the RFQ was posted from October 28, 2020 to November 11, 2020 at the PAGCOR and Philippine Government Electronic Procurement System (PhilGEPS) websites and in a conspicuous place within the premises of PAGCOR Corporate Annex Office;

WHEREAS, copies of the RFQ were also sent through electronic mail to all the prospective bidders listed in the PAGCOR's Registry of Suppliers who can provide the requirements of the end-user;

WHEREAS, during the Negotiations on November 4, 2020, the BAC 3 discussed the salient procedures for the conduct of the Negotiated Procurement (Two-Failed Biddings) and the contents of the RFQ for the project to the prospective bidder, Citystate Tower Hotel, Inc. who attended the forum;

WHEREAS, due to lack of quorum on November 11, 2020, the scheduled Submission and Opening of Best Offer/Quotation, Bid Bulletin No. 1 was posted on November 9, 2020 to reflect the rescheduling of the procurement activities;

WHEREAS, one (1) bidder, Citystate Tower Hotel, Inc., purchased the RFQ;

WHEREAS, on November 16, 2020, the deadline for the Submission and Receipt of the Best Offer/Quotation, the lone bidder, Citystate Tower Hotel, Inc. submitted its best offer;

WHEREAS, upon conclusion of the Opening and Preliminary Examination of the Best Offer/Quotation, the quotation of the lone bidder was rated "Passed";

WHEREAS, the financial offer/quotation of the lone qualified bidder is as follows:

| NAME OF BIDDER | FINANCIAL OFFER / QUOTATION, AS READ (VAT EXCLUSIVE, ZERO-RATED TRANSACTION) | % VARIANCE FROM ABC |
|--------------------------------|--|------------------------|
| Citystate Tower Hotel, Inc. | TOTAL COST FOR THREE (3) YEARS Six Million Five Hundred Twenty-Five Thousand Seven Hundred Ninety-Seven Pesos and 76/100 (PhP6,525,797.76) | 0% |
| | COST FOR ONE (1) YEAR Two Million One Hundred Seventy-Five Thousand Two Hundred Sixty-Five Pesos and 92/100 (PhP2,175,265.92) | |

WHEREAS, on November 23, 2020, the BAC 3 declared the financial offer/quotation of Citystate Tower Hotel, Inc. as the Single Calculated Quotation (SCQ), based on the report of the Technical Working Group (TWG) – Satellite Operations Group (SOG) 4 as reflected in the end-user's memorandum dated November 18, 2020, with details as follows:

| NAME OF BIDDER | FINANCIAL OFFER / QUOTATION, AS CALCULATED (VAT EXCLUSIVE, ZERO-RATED TRANSACTION) | RANKING |
|--------------------------------|--|---------|
| Citystate Tower Hotel, Inc. | TOTAL COST FOR THREE (3) YEARS Six Million Five Hundred Twenty-Five Thousand Seven Hundred Ninety-Seven Pesos and 76/100 (PhP6,525,797.76) | SCQ |
| | COST FOR ONE (1) YEAR Two Million One Hundred Seventy-Five Thousand Two Hundred Sixty-Five Pesos and 92/100 (PhP2,175,265.92) | |

WHEREAS, on December 2, 2020, the BAC 3 issued the Notification as SCQ dated November 23, 2020 to Citystate Tower Hotel, Inc., which was acknowledged on December 5, 2020;

WHEREAS, on December 10, 2020, Citystate Tower Hotel, Inc. submitted their valid PhilGEPS Certificate of Registration;

WHEREAS, in the Deliberation Meeting on December 22, 2020, the PD presented to the BAC 3 the Summary of the Post-qualification Report on the eligibility documents and the technical and financial components of the best offer/quotation of Citystate Tower Hotel, Inc.;

WHEREAS, in the same meeting, the BAC 3 resolved to recommend the award of the contract to Citystate Tower Hotel, Inc. for having submitted the Single Calculated Responsive Quotation (SCRQ);

WHEREAS, the BAC 3 issued the Notice of Award (NOA) to Citystate Tower Hotel, Inc. on February 11, 2021, which receipt was acknowledged on February 22, 2021;

WHEREAS, on March 4, 2021, Citystate Tower Hotel, Inc. submitted a performance security in the form of a Surety Bond from Fortune General Insurance Company under Bond No. SU-G16-SX-21-0000001-00 / G(16) 16185, with a total amount of One Million Nine Hundred Fifty-Seven Thousand Seven Hundred Thirty-Nine Pesos and 33/100 (PhP1,957,739.33);

WHEREAS, it was noted that the submitted surety bond failed to include a Certificate from the Insurance Commission, authorizing the insurance company to issue such security;

WHEREAS, Citystate Tower Hotel, Inc. failed to provide the required Certification from the Insurance Commission to complete the submission of the surety bond posted as performance security;

WHEREAS, in a Consultation Meeting on March 8, 2021, the BAC 3 resolved to disqualify Citystate Tower Hotel, Inc. due to its failure to provide a complete performance security in the form of a Surety Bond, callable upon demand, issued by a surety or insurance company duly certified by the Insurance Commission as authorized to issue such security within the prescribed period of ten (10) calendar days from receipt of the NOA taking into consideration Sections 37.2.1, 39.1, 39.2 and 40.3 of the 2016 Revised Implementing Rules and Regulations (IRR) of Republic Act (R.A.) 9184;

WHEREAS, the BAC 3, through the PD, sent the Notice of Disqualification dated March 11, 2021 to Citystate Tower Hotel, Inc. on March 24, 2021;

WHEREAS, the authorized signatory of Citystate Tower Hotel, Inc. was not able to acknowledge the Notice of Disqualification due to their current work arrangements with the implementation of Enhanced Community Quarantine (ECQ) in the National Capital Region (NCR) from March 29, 2021 to April 4, 2021 which was extended until April 11, 2021 and the subsequent implementation of Modified Enhanced Community Quarantine (MECQ);

WHEREAS, the PD received through electronic mail the acknowledgement from Citystate Tower Hotel, Inc. together with the signed Waiver of its right to File a Request for Reconsideration on May 7, 2021;

WHEREAS, in a meeting held on May 10, 2021, the PD presented the signed Waiver to File a Request for Reconsideration from Citystate Tower Hotel, Inc. and the BAC 3 resolved the following:

1. Recommend for approval by the Chairman and Chief Executive Officer, the cancellation of the award of the contract and revocation of the Notice of Award issued to Citystate Tower Hotel, Inc. for the Procurement of Three (3) Year Hotel Accommodations for Casino Guest of Satellite Operations Group (SOG) 4 under ITB No. FB20-10-013COR;
2. Declare a Failure of Negotiated Procurement (Two-Failed Biddings);
3. Recommend for approval by the Chairman and Chief Executive Officer the Re-conduct of Negotiated Procurement (Two-Failed Biddings);

WHEREAS, in the same meeting, the end-user, SOG 4, informed the BAC 3 that after the conduct of mandatory review, there will be no changes in the terms, conditions, technical specifications, and Approved Budget for the Contract for the re-conduct of procurement for the said project;

NOW, THEREFORE, We, the Members of the Bids and Awards Committee (BAC) 3, hereby **RESOLVE,** as it is hereby **RESOLVED:**

1. To recommend for approval by the Chairman and Chief Executive Officer, the cancellation of the award of the contract and revocation of the Notice of Award issued to Citystate Tower Hotel, Inc. for the Procurement of Three (3) Year Hotel Accommodations for Casino Guest of Satellite Operations Group (SOG) 4 under ITB No. FB20-10-013COR;
2. To declare a failure of Negotiated Procurement (Two-Failed Biddings) for the Procurement of Three (3) Year Hotel Accommodations for Casino Guest of Satellite Operations Group (SOG) 4 under ITB No. FB20-10-013COR, pursuant to Sections 37.2.1, 39.1, 39.2 and 40.3 of the 2016 Revised IRR of R.A. 9184, since the prospective bidder failed to post the required Performance Security; and
3. To recommend for approval by the Chairman and Chief Executive Officer the re-conduct of Negotiated Procurement (Two-Failed Biddings) for the above project, with reposting, as provided for in Section 54.2 and Annex H of the 2016 Revised IRR of R.A. 9184.

RESOLVED this 10th day of May 2021 through Video Conferencing via Zoom Application.



JUAN MIGUEL A. MAGLAYA
BAC Chairperson, CID



HECTOR D. MELENCIO
Vice-Chairperson, MD



DIANNE DP. DORIA-CERDENA
Member, CID



MARGARITA C. BANGI
Member, HRCOE

NOT PRESENT

CATALINA F. VILLAFLOR
Member, ITD




ROMEO R. CRUZ JR.
Member, TD



EVELYN T. IREMEDIO
Alternate Provisional Member, SOG 4

APPROVED BY:



ANDREA D. DOMINGO
Chairman and Chief Executive Officer

21 JUN 16 02:18PM
PROCUREMENT
DEPARTMENT
P021-1903