



PHILIPPINE RURAL DEVELOPMENT PROJECT

Module 2 **Guidelines for the Procurement** **of Goods, Works and Non-** **Consulting Services for** **Subprojects under I-REAP and** **GEF-NRM**

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I. INTRODUCTION

This guidelines are one in a series of four procurement guidelines that the Department of Agriculture – Philippine Rural Development Project (DA-PRDP) is publishing in support of procurement of enterprise subprojects. This, along with the three (3) other procurement guidelines in this series (1. Cross-Reference Guidelines, 2. Guidelines for the Procurement of Infrastructure Projects and 3. Guidelines for Goods, Non-Consulting Services & Selection of Consultants) demonstrates the Department’s dedication to improving the procurement performance of the PRDP-funded subprojects as well as unwavering commitment to improving the PRDP procurement process, awareness and stewardships.

This guidelines are intended for the procurement of goods, works and non-consulting services for enterprise subproject under the Enterprise Development (I-REAP) and Global Environment Facility (GEF-NRM) component including subprojects for Marine Protected Areas (MPA) rehabilitation and protection provided with no objection to proceed with procurement (NOL1).

It is well recognized that the pursuit of PRDPs objective of achieving sustainable economic growth in their beneficiaries through the reduction of poverty and conservation of a sound environment are necessary and closely related. The PRDP Coordinating Teams at the NPCO and PSO, most likely the RPCOs, are the fundamental front-liners and advocates of raising LGU level of PRDP procurement awareness. Adopting the recommended strategies of the procurement process, they would be able to enhance, supplement and heighten their knowledge about the PRDP procurement guidelines and procedures.

References related to these guidelines with respect to the WB Procurement Guidelines and signed Loan Agreement can be found in the Cross-Reference Guidelines.

II. PURPOSE

These guidelines shall support implementers of I-REAP and GEF-NRM Component in the procurement of needed interventions to operationalize the approved enterprises and projects financed in whole or in part by the loan and grant from World Bank through the Project and executed by the partner LGUs.

In context of project implementation, procurement is the link between the budget, project approval, implementation and disbursement. The interventions planned out for the development of the enterprises shall not be achieved if procurement fails. Thus, all implementer especially those involved in procurement should have a better grasp of the procurement processes for the I-REAP and GEF-NRM Subprojects and thus achieve the objectives set out in their business plan and project proposals.

III. PROCUREMENT METHODS

1. Procurement Methods

As provided for in the Loan Agreement between DA and the World Bank, the following are the available procurement methods for procurement of goods, works and non-consulting services for I-REAP and GEF-NRM subprojects.

Table 1. Summary of Procurement Methods and Contract Cost for Goods, Works and Non-consulting Services for I-REAP and GEF-NRM subprojects

PROCUREMENT METHODS ¹	CONTRACT COST ²	
	Works	Goods and Non-Consulting Services
International Competitive Bidding (ICB)	≥ US\$ 15,000,000.00	≥ US\$ 3,000,000.00
National Competitive Bidding (NCB)	< US\$ 15,000,000.00	< US\$ 3,000,000.00
Shopping	≤ US\$ 200,000.00	≤ US\$ 200,000.00
Direct Contracting	Subject to justification in accordance with par. 37 of the World Bank Procurement Guidelines	
	< US\$ 10,000,000.00	< US\$ 2,000,000.00
Commercial Practices	≤ US\$ 100,000.00	≤ US\$ 100,000.00
Community Participation	≤ US\$50,000.00	≤ US\$50,000.00

1.1. International Competitive Bidding (ICB)

International Competitive Bidding the default mode for the procurement of goods, works and non-consulting services for contract costing more than US\$ 15 million for Works and more than US\$ 3 million for goods.

However, given the nature of the items proposed in the I-REAP and GEF-NRM subprojects, there is an unlikely chance of using this mode.

1.2. National Competitive Bidding (NCB)

National Competitive Bidding is the competitive bidding procedure normally used for public procurement in the country of the Borrower (as in our case, the Department of Agriculture) for contract costing not more than US\$ 15 million for Works and more than US\$ 3 million for goods. NCB may be the most appropriate method of procurement of goods, works, and non-consulting services which, by their nature or scope, are unlikely to attract foreign competition.

However, NCB is subject to the additional provisions set out in paragraph 3 of Procurement Section of the Loan Agreement as follows:

¹ Section 3 of Schedule 2 of the Loan Agreement pages 13-14;

² PRDP Project Appraisal Document pages 64-67 and was later increased to the above amount as reflected in the World Bank Aide Memoir (3rd and 4th Implementation Support Mission)

- a) Eligibility screening shall not be applied, provided however that bids do not contain any of the following documents shall not pass the documentary compliance check: (i) evidence of the required financial, technical or production capability; (ii) audited financial statements; (iii) credit line or cash deposit certificate; (iv) bid security; and (v) authority of the bid signatory.
- b) A ceiling may be applied to bid prices provided the following conditions are met: (i) bidding documents are obtainable free of charge on a freely accessible website; (ii) the agency has procedures in place to ensure that the ABC is based on Engineer's Estimate; (iii) the agency has trained cost estimators on estimating prices and analyzing bid variance; and (iv) the agency has established a system to monitor and report bid prices relative to ABC and Engineer's Estimate;
- c) Domestic or regional preferences shall not be applied in the evaluation of bids, and other preferences in effect in the Philippines shall not be used except with prior concurrence of the Bank;
- d) Foreign suppliers and contractors shall be allowed to participate, if interested, without first being required to associate with, or enter into joint venture, with local firms, and foreign bidders shall be allowed to bid, even without registration, licensing, and other government authorizations, leaving these requirements for after award and before signing of contract; and
- e) Alternative procurement methods defined in the implementing rules and regulations such as Limited Source Bidding, Direct Contracting and Shopping as acceptable, and the use of the other alternative methods shall require prior Bank concurrence.

For procurement of works under NCB for I-REAP and GEF-NRM subprojects, it shall follow the rules, procedures and guidelines similar to the procurement of works under NCB for I-BUILD subprojects. (Please refer to Module 1: Guidelines on the Procurement Infrastructure Subprojects)

1.3. Shopping

Shopping³ is a procurement method based on comparing price quotations obtained from several suppliers (in the case of goods), from several contractors (in the case of civil works), or service providers (in the case of non-consulting services) with a minimum of three, to assure competitive prices, and is an appropriate method for procuring limited quantities of readily available off-the-shelf goods or standard specification commodities of small value, or simple civil works of small value when more competitive methods are not justified on the basis of cost and efficiency. The cost contact for this procurement method shall not exceed the US\$200,000.

If in the unlikely event, that the Procuring Entity is not able to obtain at least three (3) canvasses, it shall in its provide in its evaluation the reasons and justification why no other competitive method could be considered. This will be supported with documentation that the canvassers have exerted all efforts to solicit quotations. No objection from the Bank will not be sought. However, this will be subject to the post procurement review of the Bank.

³ World Bank Guidelines for the Procurement of Goods, Works and Non-consulting Services January 2011; page 28

1.4. Direct Contracting⁴

This refers to contracting without competition (single source) and maybe an appropriate method under any of the following circumstances:

- a. An existing contract for goods, and non-consulting services, awarded in accordance with procedures acceptable to the World Bank, may be extended for additional goods, and non-consulting services of a similar nature. The World Bank shall be satisfied in such cases that no advantage could be obtained by further competition and that the prices on the extended contract are reasonable. Provisions for such an extension, if considered likely in advance, shall be included in the original contract;
- b. Standardization of equipment or spare parts, to be compatible with existing equipment, may justify additional purchases from the original supplier. For such purchases to be justified, the original equipment shall be suitable, the number of new items shall generally be less than the existing number, the price shall be reasonable, and the advantages of another make or source of equipment shall have been considered and rejected on grounds acceptable to the World Bank;
- c. The required equipment is proprietary and obtainable only from one source;
- d. The procurement of certain goods from a particular supplier is essential to achieve the required performance or functional guarantee of an equipment, plant or facility; and
- e. In exceptional cases, such as, but not limited to, in response to natural disasters and emergency situations declared by the government and recognized by the World Bank;

A sufficiently detailed justification for direct contracting shall be submitted during the evaluation of the business plan or project proposals, including the rationale for direct contracting instead of a competitive procurement process and the basis for recommending a particular supplier.

1.5. Community Participation⁵

In the interest of project sustainability, or to achieve certain specific social objectives of the subproject, it is desirable in selected subproject components to call for the participation of local communities in the delivery of goods, including non-consulting services, and simple infrastructure projects.⁶

Project sustainability anchors itself on ensuring that project recipients are able to sustain the project or its activity/ies even after the initial phase of project implementation or even if project resources are no longer available. One of the ways to ensure project sustainability is to increase the community's ownership of the project and its outputs/results. Greater ownership is achieved by sharing with the community decision-making powers in all the stages of project life.

Community is defined as a group of individuals sharing a common agenda, cause or interest for the development of the agriculture and fisheries sector in the Philippines. Examples of

⁴ World Bank Guidelines for the Procurement of Goods, Works and Non-consulting Services January 2011; page 28

⁵ World Bank Guidelines for the Procurement of Goods, Works and Non-consulting Services January 2011, page 35

⁶ World Bank Guidelines for the Procurement of Goods, Works and Non-consulting Services January 2011, page 35;

community groups include Cooperatives, Farmers Group/Association, Fisher's Group/Association, Agricultural Growers and Producers who will serve as the Proponent Group of the proposed enterprise.

Community Participation in procurement engages the community in the project implementation:

- a. As Service Providers when the community can respond to the procurement requirement of the LGU for the I-REAP subproject;
- b. As Third-Party Observers when the community the monitor the procurement proceedings of the LGU for the I-REAP subprojects;
- c. As Procuring Entity when the LGU delegates the community to procure the goods, works and non-consulting services;

All these modalities shall be utilized for the procurement of goods, works and non-consulting services for I-REAP and GEF-NRM subprojects. However, for the next section on the procedures of the Community Participation, the focus shall be on engaging the community as procuring entity for the enterprise subprojects under I-REAP and GEF-NRM.

Guiding Principles for Community Participation

Participation is vital in the attainment of project sustainability and social objectives. Thus, community participation in procurement shall be guided in the following principles

1. Equity- community members, proponent group members and organizations have equal opportunities to participate in decision-making processes in project identification, procurement, implementation, monitoring and evaluation, and other related processes, including equal opportunity in the engagement of proponent groups as suppliers/service providers.
2. Participation – policy and mechanisms (i.e., project committees, etc.) are provided by the proponent group /community organization to ensure maximum engagement of its members in decision-making processes. It highlights giving voice to members of the community especially those from the marginalized/invisible sector. It empowers intended beneficiaries to influence project outcomes.
3. Accountability – the answerability of proponent group/community organization officials including members of the different project committees to the community. It means that those involved in community procurement have clearly defined roles and responsibilities and all decisions, actions, and project finances are made public.
4. Transparency – clarity and simplicity of the policies and procedures, as well as the openness in their implementation. The community is made aware of every aspect of project decision-making. Steps are taken to ensure that the rationale behind decisions made and actions taken are understood.
5. Value for money – ensures that communities obtain the optimal benefit from projects. The community's ownership of the project encourages its responsible use, extends the project life, and maximizes its beneficial value to the community.

1.6. Commercial Practices⁷

To ensure economy and efficiency in the implementation of the project, and transparency in the procurement process, the following are the acceptable private or commercial practices in accordance with Sections 3.13 of the World Bank Procurement Guidelines. The procedures below shall apply for private sector procurement to be carried out by such lead proponent groups or organized producer groups:

- Competitive bidding among respective lead proponent groups or organized producer groups, accredited suppliers and contractors provided that: (a) the accreditation system gives the opportunity for any interested bidder, including foreign bidders to apply for accreditation at any time during the year; and (b) the Specific Procurement Notice or Request for Quotation will indicate this arrangement, including description of the nature of contracts to be procured;
- Shopping or canvass of at least three qualified suppliers or contractors, the selection of which will depend on the nature and/or limitation of supply market of the item to be procured;
- Direct contracting for items that are proprietary or obtainable from one source provided the contract price is reasonable and in line with prevailing market prices;
- Use of subsidiary firms or affiliated firms as procurement service provider provided that said firms apply the above-mentioned acceptable methods and that the service fee or profit markup of these firms are not sourced from the Bank's financing;
- Eligibility requirements as defined in the Guidelines will apply to contractors, suppliers and consultants. Accordingly, the lead proponent group or organized producer contracts should include the World Bank's requirements on Fraud and Corruption, audit right, and sanctions / debarment.

For details in the First Call for Proposals: Request for Eligibility Guidelines Phase I, please refer to Annex 6 of these Guidelines. For details in the Second Call for Proposals Guidelines Phase II, please refer to Annex 7 of these Guidelines. The table matrix for the Selection Criteria for Shortlisting for Call for Proposal is herein referred to as Annex 8 of this Manual.

IV. PRIOR AND POST REVIEW

1. Prior review

As per the Bank Guidelines, prior review thresholds are expressed in monetary terms, determined on the basis of assessed risks, and stated in the Procurement Plan for all procurement methods applicable to the Loan. Prior reviews are required for the procurement plan and bidding documents prior to publication (NOL1). Bid Evaluation Reports are submitted to the Bank for their no objection to award the contract (NOL2). The contract shall

⁷ World Bank Guidelines on Procurement of Goods, Works and Non-consulting Services par.3.13 (page 32) and par. 3.15 (page 34)

be executed only after the Bank has given its no objection to award.

The prior review threshold provided to the Project based on the assessed risk is discussed in the Project Appraisal Document. These thresholds, however, change as per recommendation of the Bank during the Implementation Review Missions. Table 2 reflects the current prior review threshold of the Bank and the prior review threshold delegated to the Project.

Table 2: Prior Review Threshold for I-REAP and GEF-NRM Subprojects

CLUSTER	THRESHOLD
PSO (Luzon A and Mindanao)	All subprojects with total enterprise project cost not more than US\$1 Million
PSO (Luzon B and Visayas)	All subprojects with a total enterprise project cost not exceeding US\$500,000.00
NPCO	First Micro Enterprise Subproject per cluster Subprojects which are above the threshold of the PSOs
World Bank	First enterprise subproject per cluster Subprojects which are above the threshold of the NPCO

However, for subprojects with cost of P15 million⁸ and above under loan proceeds (LP) and counter part from Government of the Philippines (GoP), shall be subjected to prior technical review of the Bank prior to issuance of NOL1.

2. Post review

The Procurement Post Reviews (PPRs) are for those contracts not subjected to prior review by the Bank. The Bank shall review the files retained for purposes of those contracts together with the analysis of the respective bids, recommendations for award and such other information as the Bank reasonably request, to determine its compliance with the agreed procedures.

The Bank shall, if it determines that the award of contract or the contract itself is not consistent with the Loan Agreement, promptly inform the Project and state the reasons for such determination.

For contract which falls under the delegated prior review threshold of the NPCO, the NPCO shall conduct are similar review as carried out by the Bank as internal post procurement review. Contracts which undergone post procurement review by NPCO would still be subject to the post procurement review of the Bank.

⁸ Based on the Loan Agreement; Attachment 1 to Schedule 2 Item 2.d page 17

V. PROCUREMENT PROCEDURES

1) Subproject Procurement Plan

The subprojects under I-REAP and GEF-NRM may compose of various procurement packages considering the nature of enterprise productivity development.⁹ Procurement of these packages shall be reflected in the subproject's Procurement Plan. Please see attached form in Annex 10. This plan shall consist all the procurement covered by the PRDP funds (LP and GOP), LGU and PG equity (except for those equity in kind).

The subproject's Procurement Plan shall reflect the packages of items to be procured, the description of each item, its quantity, unit cost, total amount, procurement method, procuring entity, procurement milestones and fund tranches. For community participation under direct contracting, a justification shall be submitted together with the subproject's Procurement Plan.

To facilitate the procurement, it is advised that during business planning, inventory of contractors, suppliers and service providers shall be carried out to find out sources of the items to be procured, the existence of the required specifications/technology and the prevailing market price. This shall be considered to determine the appropriate procurement method.

The proposed subproject shall proceed with the procurement of the packages described in the submitted procurement plan that is based from the Work and Financial Plan of the enterprise.

During the subproject implementation, updating of the procurement plan is allowed subject to approval of the concerned PRDP offices;

CONCERNED OFFICE	CHANGES
RPCO	Changes in procurement mode Changes in procuring entity Changes in the procurement packages but will not require re-run of assumptions; Changes in the tranches schedule BUT will not affect the disbursement schedule in the IMA
PSO	Changes in the amount as result of pre-canvass (will be subject to re-RPAB and amendments to IMA) Changes in the specifications but will require re-run of assumptions

⁹ Packaging of items is the grouping of similar items that are likely to attract the maximum competition. This maybe evaluated and compared with other bids separately and contract is awarded separately or group as one lot and will be awarded to one bidder _ Philippine Bidding Documents for Goods 5th Edition

2) No Objection to Proceed to Procurement (NOL1)

Upon issuance of NOL1 of the enterprise, the preparation of Implementation Management Agreement (IMA) shall commence by the proponent LGU through the assistance of the concerned RPCO. The IMA signed by the Head of the Procuring Entity and other signatories of the LGU shall be submitted to RPCO and endorse to PSO to facilitate the fund obligation and issuance of certificate of availability of funds.

3) Procurement Procedures – National Competitive Bidding

a. For Works Contract

For procurement of works/infrastructure facility under NCB for I-REAP and GEF-NRM subprojects, it shall follow the rules, procedures and guidelines similar to the procurement of works under NCB for I-BUILD subprojects. (Please refer to Module 1: Guidelines on the Procurement of Infrastructure Projects)

b. For Goods Contract

1. *Advertisement*

Timely notification of bidding opportunities is essential in competitive bidding. The related bidding documents, as the case may be, shall not be released to the public earlier than the date of posting.

Invitations to bid shall be posted simultaneously as Specific Procurement Notices in the PhilGEPS, DA-PRDP website, the Procuring Entity's website (if any) and at conspicuous places in the premises of the Procuring Entity. Notification shall be given in sufficient time to enable prospective bidders to obtain bidding documents and prepare and submit their responses. Publication in the newspaper is optional.

2. *Bidding Documents*

The bidding documents shall furnish all information necessary for a prospective bidder to prepare a bid for the goods to be provided. While the detail and complexity of these documents may vary with the size and nature of the proposed bid package and contract, they generally include: invitation to bid; instructions to bidders, bid data sheet; form or letter of bid; form of contract; conditions of contract, both general and particular; schedule of requirement, technical specifications; and necessary appendices, such as formats for various securities. The basis for bid evaluation and selection of the lowest evaluated bid shall be clearly outlined in the instructions to bidders and/or the specifications. If a fee is charged for the bidding documents, it shall be reasonable and reflect only the cost of their typing, printing or publishing in an electronic format, and delivery to prospective bidders, and shall not be so high as to discourage qualified bidders.

The cost of the bidding documents shall correspond to the EPC range as indicated in the standard rates set by GPPB for the acquisition of bidding documents. However, it shall not exceed Ten Thousand Pesos (Php 10,000).

The Project (including the beneficiaries of the bank's loan) shall use the "latest Philippine Bidding Documents for goods as Harmonized with the Development Partners" as provided with NOL from the Bank. Any such changes shall be introduced only through bid data sheets and through special conditions of contract, and not by introducing changes in the standard wording of the Bank's standard bidding documents.

Sample of the bidding documents is hereto attached as Annex 2.

3. Pre- Bid Conference

Pre-bid conference shall be held at the venue and on the date indicated in the bidding documents to clarify and address the Bidders' questions on the technical and financial components of this Project.

The pre-bid conference shall be held at least twelve (12) calendar days before the deadline for the submission of and receipt of bids, but not earlier than seven (7) calendar days from the posting of the Invitation to Bid/Bidding Documents in the PhilGEPS website.

Bidders are encouraged to attend the pre-bid conference to ensure that they fully understand the Procuring Entity's requirements. Non-attendance of the Bidder will in no way prejudice its bid; however, the Bidder is expected to know the changes and/or amendments to the Bidding Documents as recorded in the minutes of the pre-bid conference and the Supplemental/Bid Bulletin. The minutes of the pre-bid conference shall be recorded and prepared not later than five (5) calendar days after the pre-bid conference. The minutes shall be made available to prospective bidders not later than five (5) days upon written request.

4. Validity of Bids and Bid Security

Bidders shall be required to submit bids valid for a period specified in the bidding documents which shall not exceed ninety (90) calendar days from the date of opening of bids to complete the comparison and evaluation of bids and obtain all the necessary approvals within the Borrower's entity and the Bank's no objection to the recommendation of award (if required based on threshold of prior review) so that the contract can be awarded within that period.

The Bidder shall submit a Bid Securing Declaration as a form of Bid Security. No other form of bid security is acceptable under the Project.

The Bid Securing Declaration mentioned above is an undertaking which states, among others, that the Bidder shall enter into contract with the procuring entity and

furnish the performance security required under ITB Clause 33.2 of the bidding documents, within ten (10) calendar days from receipt of the Notice of Award, and commits to pay the corresponding amount as fine, and be suspended for a period of time from being qualified to participate in any government procurement activity in the event it violates any of the conditions stated therein as provided in the guidelines issued by the GPPB.

The bid securing declaration should be valid for the period specified in the bid data sheet of the bidding documents and the same duration with the bid validity. The Procuring Entity shall reject all bids as non-responsive if not accompanied by an acceptable bid security.

5. Pricing

The Bidder shall complete the appropriate Schedule of Prices included in the bidding document, stating the unit prices, total price per item, the total amount and the expected countries of origin of the Goods to be supplied under this Project.

Bids for goods shall be invited on the basis of CIP (place of destination) for all goods manufactured abroad or to be imported. Bids for goods that were previously imported shall be invited on the basis of CIP (place of destination) separately indicating the actual amount of customs duties and import taxes already paid.

The Bidder shall complete the appropriate Schedule of Prices stating the unit prices, total price per item, the total amount and the expected countries of origin of the Goods to be supplied under this Project.

Prices on the Price Schedule shall be entered separately for the following:

a. For Goods manufactured in the Procuring Entity's country: the price of the Goods quoted EXW (ex works, ex factory, ex warehouse, ex showroom, or off the shelf as applicable); the cost of all custom duties and sales and other taxes already paid or payable; the cost of transportation, insurance and other costs incidental to delivery of the Goods to their final destination.

b. For Goods manufactured abroad: the price of the Goods shall be quoted on the basis of DDP with the place of destination in the Philippines. The Bidding shall be free to use transportation through carriers registered in any eligible country. Similarly, the Bidder may obtain insurance services from any eligible country.

6. Price Adjustment

Bidding documents shall state either that (a) bid prices will be fixed or (b) that price adjustments will be made to reflect any changes (upwards or downwards) in major cost components of the contract, such as labor, equipment, materials, and fuel.

7. Alternative Bids

Alternative Bids shall be rejected. For this purpose, bid is an offer made by a Bidder in addition or as a substitute to its original bid which may be included as part of its original bid or submitted separately therewith for purposes of bidding. A bid with options is considered an alternative bid regardless whether said bid proposal is contained in a single envelope or submitted in two (2) or more separate bid envelopes

8. Use of Brand Names

Specifications for the procurement of Goods shall be based on relevant characteristics, functionality and/or performance requirements. References to brand names, catalog numbers or similar classifications shall be avoided. If it is necessary to quote to a brand name or catalog number of a particular manufacturer to clarify an otherwise incomplete specifications, the words "*or equivalent*" shall be added after such reference. The specification shall permit the acceptance of offers for goods which have similar characteristics and which provide performance at least substantially equivalent to those specified. Before issuance of bidding documents for specific goods with Brand name that does not have any equivalent, especially for Information Technology System, it shall submit to the Bank for review and no objection a comprehensive justification, including grounds of compatibility with existing and previous investments in the branded item.

9. Conditions of Contract

The contract documents shall clearly define the scope of work to be performed, the rights and obligations of the Procuring Entity and of the Contractor. In addition to the general conditions of contract, any particular conditions for the specific works to be procured and the location of the project shall be included. The conditions of contract shall provide a balanced allocation of risks and liabilities.

10. Performance Security and Retention Money

Suppliers or manufacturer are required to provide performance security to protect against non-performance of the contract. It shall also cover warranty obligations and any installations or commissioning requirements in accordance with the bidding documents.

At the Supplier's option the performance security is to be in any of the following form: 1.) Cash, certified (cashier's or manager's) check and 2.) bank guarantee in the amount of five percent (5%) of the contract price.

11. Liquidated Damages

Liquidated damage shall be applied if the Supplier fails to satisfactorily deliver any or all of the Goods and/or perform the service within the period(s) specified in the Contract inclusive of the duly granted time extensions. It will be one tenth (1/10) of one (1) percent of the cost of the unperformed portion for every delay until actual delivery or performance. The deduction shall be ten percent (10%) of the amount of contract. Once maximum is reached, the Procuring Entity may rescind or terminate the Contract.

12. Force Majeure

The Supplier shall not be liable for forfeiture of its performance security, liquidated damages, or terminate for default if and to the extent that the delay in performance or other failure to perform its obligations is the result of force majeure as defined in the conditions of contract.

13. Settlement of Disputes

If any dispute or difference of any kind whatsoever shall arise between the parties in connection with the implementation of the contract covered by this project, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.

In the case of a dispute is not settle by mutual consultation either of the parties may give notice to the other party of its intention to commence arbitration. The dispute shall be resolved in accordance with Republic Act 9285 Alternative Dispute Resolution Act of 2004.

Bid Opening, Evaluation and Award of Contract

14. Time for Preparation of Bids

The time allowed for the preparation and submission of bids shall be determined with due consideration of the particular circumstances of the project and the magnitude and complexity of the contract. Generally, not less than thirty (30) days from the date of the invitation to bid or the date of availability of bidding documents, whichever is later, shall be allowed for NCB. Bidders shall be permitted to submit bids by mail or in person. The deadline and place for receipt of bids shall be specified in the invitation to bid.

15. Bid Opening Procedures

The time for the bid opening shall be the same for the deadline for receipt of bids or promptly thereafter, and shall be announced, together with the place for bid opening, in the invitation to bid. The Borrower shall open all bids received on the deadline for bid submission at the designated place stipulated in the bidding

documents, irrespective of the number of bids received on such deadline. At the bid opening, the Borrower shall neither discuss the merits of any bid nor reject any bid. Bids shall be opened in public; bidders or their representatives shall be allowed to be present. The name of the bidder and total amount of each bid, and of any alternative bids, if they have been requested or permitted, shall be read aloud and recorded when opened, and a copy of this record shall be promptly sent to the Bank and to all bidders who submitted bids in time. Bids received after the time stipulated, as well as those not opened and read out at bid opening, shall not be considered.

16. Clarifications or Alterations of Bids

Bidders shall not be requested or permitted to alter their bids, including through any voluntary increase or decrease in bid prices, after the deadline for receipt of bids. Clarification needed from Bidders to evaluate their bids but shall not ask or permit bidders to change the substance or price of their bids after the bid opening. Requests for clarification and the bidders' responses shall be made in writing, in hard copy or by an electronic system satisfactory to the Bank.

17. Process to be Confidential

After the public opening of bids, information relating to the examination, clarification, and evaluation of bids and recommendations concerning awards shall not be disclosed to bidders or other persons not officially concerned with this process until the publication of the award of contract.

18. Examination of Bids

In the process of examination of bids, it shall be ascertained whether the bids (a) meet the eligibility requirements specified in the Eligibility of the Cross-Reference Guidelines, (b) have been properly signed, (c) are accompanied by the required securities or required declaration. Validity of Bids and Bid Security of this guidelines, (d) are substantially responsive to the bidding documents and (e) are otherwise generally in order. If a bid, including with regard to the required bid security, is not substantially responsive, that is if it contains material deviations from or reservations to the terms, conditions, and specifications in the bidding documents, it shall not be considered further. The bidder shall neither be permitted nor invited by the Borrower to correct or withdraw material deviations or reservations once bids have been opened.

19. Evaluation and Comparison of Bids

The purpose of bid evaluation is to determine the cost to the Borrower of each bid in a manner that permits a comparison on the basis of their evaluated cost. Subject to post-qualification of Bidders of these guidelines, the bid with the lowest

evaluated cost, but not necessarily the lowest submitted price, shall be selected for award.

The bid price read out at the bid opening shall be adjusted to correct any arithmetical errors.

Other relevant factors in addition to price shall be considered in bid evaluation and the manner in which they will be applied for the purpose of determining the lowest evaluated bid including among other payment schedule, delivery time, operating costs, efficiency and compatibility of the equipment, availability of service and spare parts and related training, safety and environmental benefits. The factors other than price to be used for determining the lowest evaluated bid shall be, to the extent practicable, expressed in monetary terms in the evaluation provisions in the bidding documents.

The Procuring Entity shall prepare a detailed report on the evaluation and comparison of bids setting forth the specific reasons on which the recommendation is based for the award of contract. The Procuring Entity shall provide as a minimum all information required in the Standard Form of Bid Evaluation Report issued by PRDP in addition to other information the Bank deems relevant.

20. Domestic Preference

No domestic preference was set forth for the procurement under the Project.

21. Extension of Bid Validity

The evaluation of bids and the award of contract shall be completed within the initial period of bid validity so that extensions are not necessary. An extension of bid validity, if justified by exceptional circumstances, shall be requested in writing from all bidders before the expiration date. The extension shall be for the minimum period required to complete the evaluation, obtain the necessary no objections, and award the contract. Whenever an extension of bid validity period is requested, bidders shall not be requested or be permitted to change the quoted (base) price or other conditions of their bid. Bidders shall have the right to refuse to grant such an extension.

22. Post Qualification

The Procuring Entity shall determine whether the bidder whose bid has been determined to offer the lowest evaluated cost has the capability and resources to effectively carry out the contract as offered in the bid. The criteria to be met shall be set out in the bidding documents, and if the bidder does not meet them, the bid shall be rejected. In such an event, the Procuring Entity shall make a similar determination for the next lowest evaluated bidder.

The Procuring Entity shall determine to its satisfaction whether the bidder that is evaluated to be the Lowest Calculated Bid complies with and is responsive to all the

requirements and conditions specified in the ITB Clause 5, 12 and 13 of the bidding documents based from its submitted documentary evidences.

If the BAC determines that the Bidder with the Lowest Calculated Bid passes all the criteria for post-qualification, it shall declare the said bid as the LCRB, and recommend to the HoPE the award of contract to the said Bidder at its submitted price or its calculated bid price, whichever is lower, subject to the conditions in the award of contract.

A post qualification report shall be submitted as attachment to the Bid Evaluation Report of the LGU to RPCO.

ITB Clause 5 of the bidding document:

Type of Goods	Similar completed contract	Existence in the Philippine market	Other requirements
1. Off the shelf	50% for the last 3 years	The authorized dealer, distributor or manufacturer, and the brand of the product offered must be in the Philippine market for at least 5 years prior to the bid opening	The bidder must have after sales service facilities in major cities in the region.
2. Vehicles	50% for the last 3 years	5 years	The bidder must have after sales service facilities in major cities in the Philippines.
3. Agricultural Machineries	50% for the last 3 years	To be determined by the Procuring Entity as deemed appropriate in their locality.	All equipment should be AMTEC tested in compliance to RA 10601 (Agricultural and Fisheries Mechanization Law) except for Php 50,000 and below and those granted exemption under RA 10601
4. Fabricated goods	50% for the last 5 years	n/a	n/a
5. Agricultural fabricated goods	50% for the last 5 years	n/a	All equipment should be AMTEC tested in compliance to RA 10601 (Agricultural and Fisheries Mechanization Law) except for Php 50,000 and below and those granted exemption under RA 10601

Criteria for the similar units sold shall be determined by the Procuring Entity as deemed appropriate in their locality and for the procurement at hand.

23. No Objection to Award (No Objection Letter 2)

The Procuring Entity shall submit the award recommendation through RPCO, together with the Bid Evaluation Report (Annex 3) and its supporting documents in requesting for the issuance of the No Objection Letter 2 (NOL2) from NPCO or PSO depending on the prior review threshold before the Procuring Entity's issuance of the Notice of Award (NOA). Unlike, I-BUILD subproject where the procurement is done one time and it involves a single contract, the procurement of I-REAP Subproject involves a multiple contracts considering that the procurement is done by tranches/ release of funds. The following threshold shall be followed for the issuance of No Objection Letter (NOL2) for the contracts.

Table 3 Threshold for No Objection to Award (NOL2)¹⁰

NOL2 ISSUING OFFICE	THRESHOLD
PSO (Luzon A and Mindanao)	• Contract cost not more than US\$ 1 Million
PSO (Luzon B and Visayas)	• Contract cost not exceeding US\$500,00.00
NPCO	• Contract Cost above US\$1 million for Luzon A and Mindanao • Contracts above US\$500,00.00 for Luzon B & Visayas

24. Award of Contract

The Procuring Entity shall award the contract, within the period of the validity of bids, to the bidder who meets the appropriate standards of capability and resources and whose bid has been determined (i) to be substantially responsive to the bidding documents and (ii) to offer the lowest evaluated cost. A bidder shall neither be required nor permitted, as a condition of award, to undertake responsibilities for work not stipulated in the bidding documents or otherwise to modify the bid as originally submitted.

25. Publication of the Award of Contract

The Procuring Entity shall ensure that the procedure for publication of the award of contract in the PhilGEPS and Procuring Entity's website, if available.

26. Rejection of All Bids

Bidding documents usually provide that Procuring Entity may reject all bids. Rejection of all bids is justified when there is lack of effective competition, or all bids are not substantially responsive, or no bidder meets the specified qualification criteria, or the bid price of the lowest evaluated winning bid is substantially higher than the Procuring Entity's updated estimated cost or available budget. Lack of competition shall not be determined solely on the basis of the number of bidders. Even when only one bid is submitted, the bidding process may be considered valid, if the bid was satisfactorily advertised, the qualification criteria were not unduly restrictive, and prices are reasonable in comparison to market values. If all bids are rejected, the Procuring Entity shall review the causes justifying the rejection of all bids and make appropriate revisions to the bidding documents before re-inviting bids. The revision of qualification criteria may be justified only when they were set too stringently.

¹⁰ Threshold for PSOs may be increased depending on the outcome of their performance as determined during post procurement reviews.

If for justified reasons, re-advertisement is not practical or the rejection is due to all of the bids being non-responsive, new bids may be invited from all firms that purchased the initial bidding documents. Exceptionally, when justified, the Bank may agree to re-invite only those firms that submitted bids in the first instance.

All bids shall not be rejected and new bids invited on the same bidding and contract documents solely for the purpose of obtaining lower prices. If the lowest evaluated responsive bid exceeds the Procuring Entity's updated cost estimates by a substantial margin, the Borrower shall investigate causes for the excessive cost and consider requesting new bids as described in the previous paragraphs. Alternatively, the Procuring Entity may negotiate with the lowest evaluated bidder to try to obtain a satisfactory contract through a reduction in the scope and/or a reallocation of risk and responsibility which can be reflected in a reduction of the contract price. However, substantial reduction in the scope or modification to the contract documents may require rebidding.

The Bank's prior no objection shall be obtained before rejecting all bids, soliciting new bids, or entering into negotiations with the lowest evaluated bidder.

27. Debriefing by the Borrower

The bidding documents provide that any bidder who wishes to ascertain the grounds on which its bid was not selected, should request an explanation from the Procuring Entity.

The Procuring Entity shall promptly provide in writing an explanation of why such bid was not selected. If a bidder requests a debriefing meeting, the bidder shall bear all their costs of attending such a debriefing meeting.

Any protest on the decisions of the Bids and Awards Committee shall be in accordance with Section IRR of RA 9184 Revised Government Procurement Reform Act of 2016.

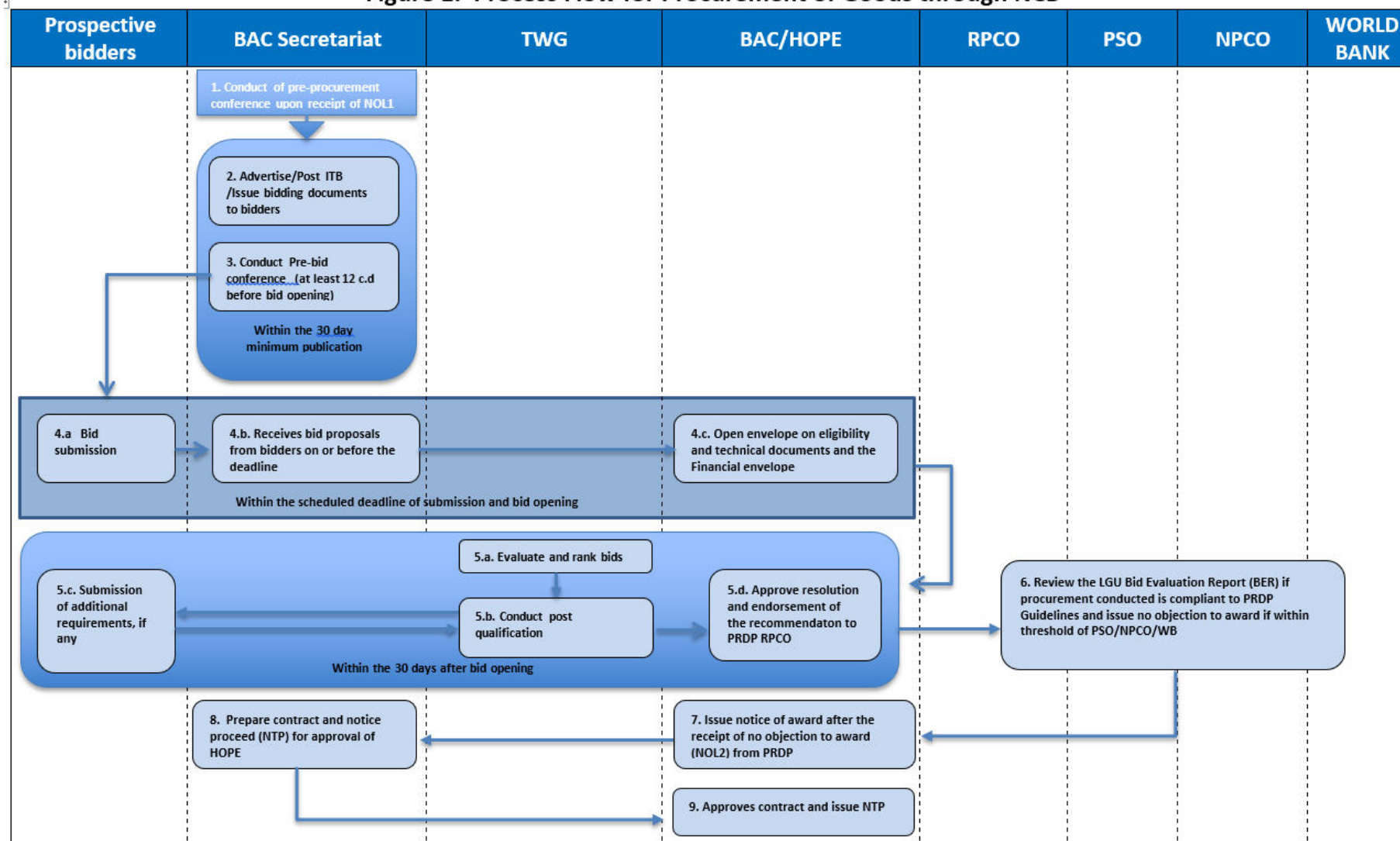
28. Procurement Timelines

Table 4. Timelines for the Procurement of Goods through NCB

	Procedures	No. of Days	Person Responsible
1	Conduct of pre-procurement conference	3	LGU
2	Publication of the Invitation to Bid (ITB) in a national newspaper and posting of the same in the PhilGEPS, PRDP website, Procuring Entity website (if available) and at any conspicuous place reserved for this purpose in the premises of the Procuring Entity.	30	LGU
3	Conduct of Pre-bid conference minimum of 12 days before the date of opening		LGU
4	Deadline of bid submission and bid opening on the same date and time as indicated in the Bidding Document.		LGU

5	Conduct of evaluation and comparison of bids including post qualification and submission of Bid Evaluation Report (BER) to RPCO	30	LGU
6	Review of the BER and recommend for issuance of No objection to award (NOL2) to PSO	7	RPCO
7	Review of the BER and issuance of No Objection to award (NOL2), if applicable or recommend issuance of NOL2 to NPCO	7	PSO
8	NPCO's review of the BER and issuance of NOL2, if applicable	10	NPCO
9	Preparation, approval and issuance of Notice of Award	5	LGU
10	Preparation, signing and approval of the contract agreement	10	LGU
11	Issuance of Notice to Proceed (NTP)	7	LGU
TOTAL		94 C.D.	

Figure 1. Process Flow for Procurement of Goods through NCB



4) Procurement Procedures – Shopping

a. Shopping for Works

For procurement of works/infrastructure facilities under Shopping for I-REAP subprojects shall follow the rules, procedures and guidelines similar to the procurement of works under Shopping for I-BUILD subprojects. (Please refer to Module 1: Manual for the Procurement of Infrastructure Subprojects)

b. Shopping for Goods

Procurement procedures

1. Preparation of procurement documents

Request for quotations (RFQ) forms shall contain the clear and precise description of the items to be procured and the place and date of delivery. Sample format of RFQ for Goods is attached as Annex 4;

2. Advertisement and Canvassing

The Request for quotation shall be posted in the PhilGEPS and PRDP website for a minimum of 3 days. However, this will not be required to procurement with EPC of P50,000 and below. Publication in a newspaper is not a requirement.

The BAC shall solicit Request for Quotations (RFQ) from at least three (3) supplier of known qualification through direct invitation. Quotation may be submitted through letter, facsimile or electronic means. If BAC is unable to obtain at least three quotations, it shall provide the reasons and justifications why no other competitive method could be considered. This shall be part of the Bid Evaluation Report of BAC and request for no objection from the Project.

3. Bid validity and security

The required validity of the price quotation shall be determined by the Procuring Entity and shall be reflected in the request for quotation. The participating suppliers shall state in their RFQs the validity of their price quotation. Bid security is not required.

4. Opening and Evaluation

Bidders shall submit their RFQs to the place and time of the submission of the forms. Submission through electronic means (email, fax) is acceptable. The BAC shall extend the deadline of submission in cases of any amendment to the RFQ or should there be a need to widen invitations.

Bids that exceeded EPC shall be accepted. However, if it has reached substantial margin from the EPC, the LGU will conduct canvass from another set of suppliers to validate the bids price of the previous offer. The evaluation of quoted prices shall follow the same

principle as open bidding (paragraph 3.5 of the WB Guidelines on Procurement of Goods, Works and Non-consulting services). Evaluation of quotations shall ensure completeness of bids, consider arithmetical corrections and ranking of bids.

5. *Awarding of Contract*

The LGU shall accomplished a Bid Evaluation Report (BER) with supporting documents. This shall be submitted to the PSO through the RPCO for review and concurrence within 15 calendar days from opening of quotations. Please see Annex 5 for the BER template. The no objection (NOL2) for the award of contract shall be issued by PSO/NPCO depending on the threshold. Upon receipt of the NOL2, the LGU shall serve the notice of award and provide to winning supplier/contractor a purchase order (including details of the delivery of goods) or contract.

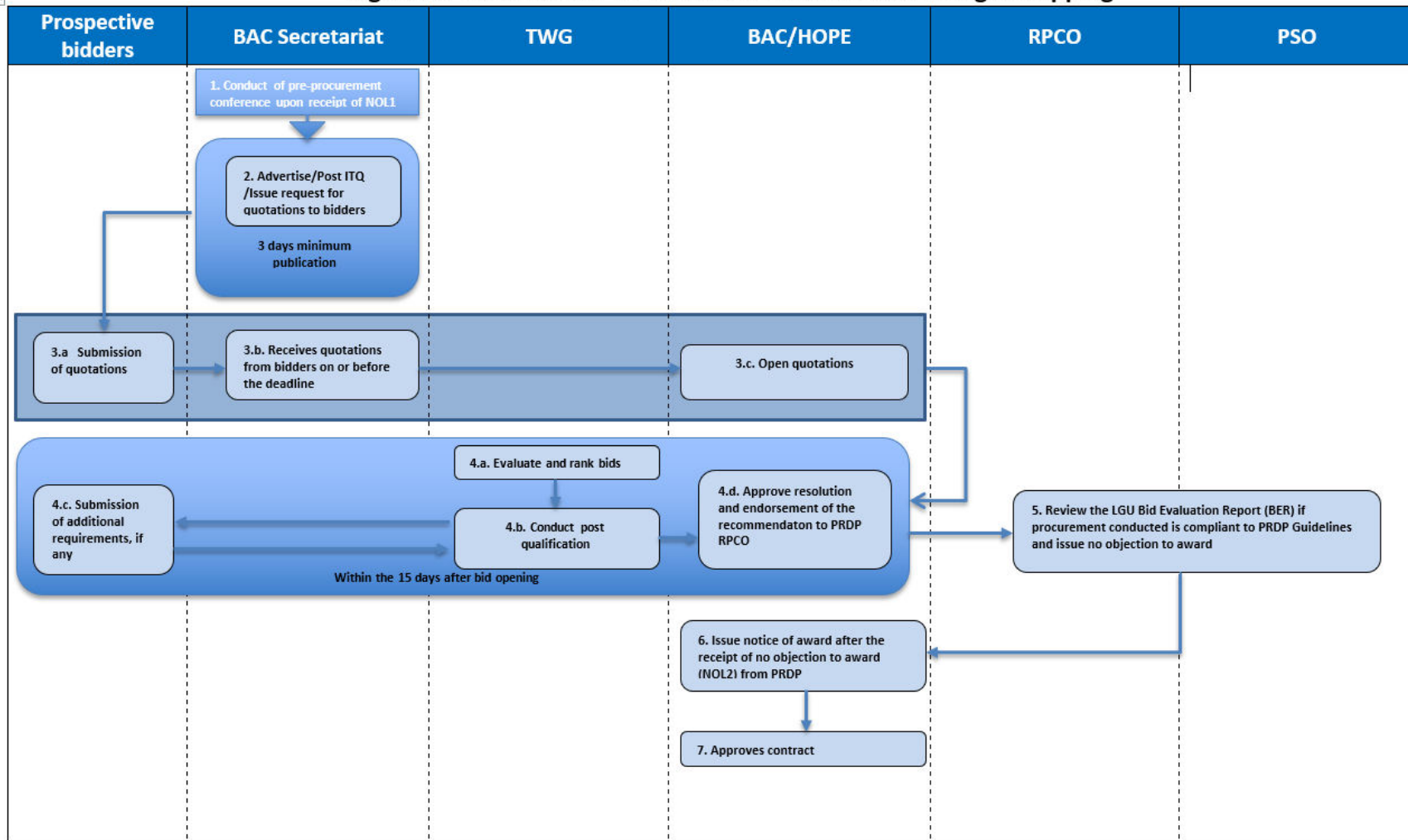
Publication of the award of contract shall be posted on PhilGEPS and the Procuring Entity's website.

Procurement Timelines

Table 5. Timelines for the Procurement of Goods through Shopping

	Procedures	No. of Days	Person Responsible
1	Conduct of pre-procurement conference upon receipt of NOL1 to discuss the reparation of Request for Quotation and signing of supporting documents such as Technical Specifications, et.al	5	PPMIU
2	Sending out to suppliers of know qualifications and posting of Request for Quotation on PhilGEPS/PRDP website	3	LGU (PhilGEPS), PSO (PRDP website)
3	Submission and opening of quotations		LGU BAC
4	Conduct of comparison of bids including post qualification and submission of the recommendation of award and BER to RPCO	15	LGU BAC
5.a	RPCO reviews of award recommendation and BER and endorsement to the PSO	5	RPCO
5.b	PSO reviews award recommendation and BER and endorsement to NPCO or issuance of NOL2, if applicable	5	PSO
5.c	PSOs transmission of NOL2 to RPCO	3	PSO
5.d	RPCOs transmission of NOL2 to LGU	3	RPCO
6.	Preparation of Purchase Order	3	LGU
7.	Signing and approval of the Purchase Order for Goods and non-consulting services	5	LGU
8.	Inspection and acceptance of delivered items		
9.	Payment processing		
	Total	47	

Figure 2. Process Flow for Procurement of Goods through Shopping



5) Procurement Procedures – Direct Contracting for Goods

Procurement Procedures

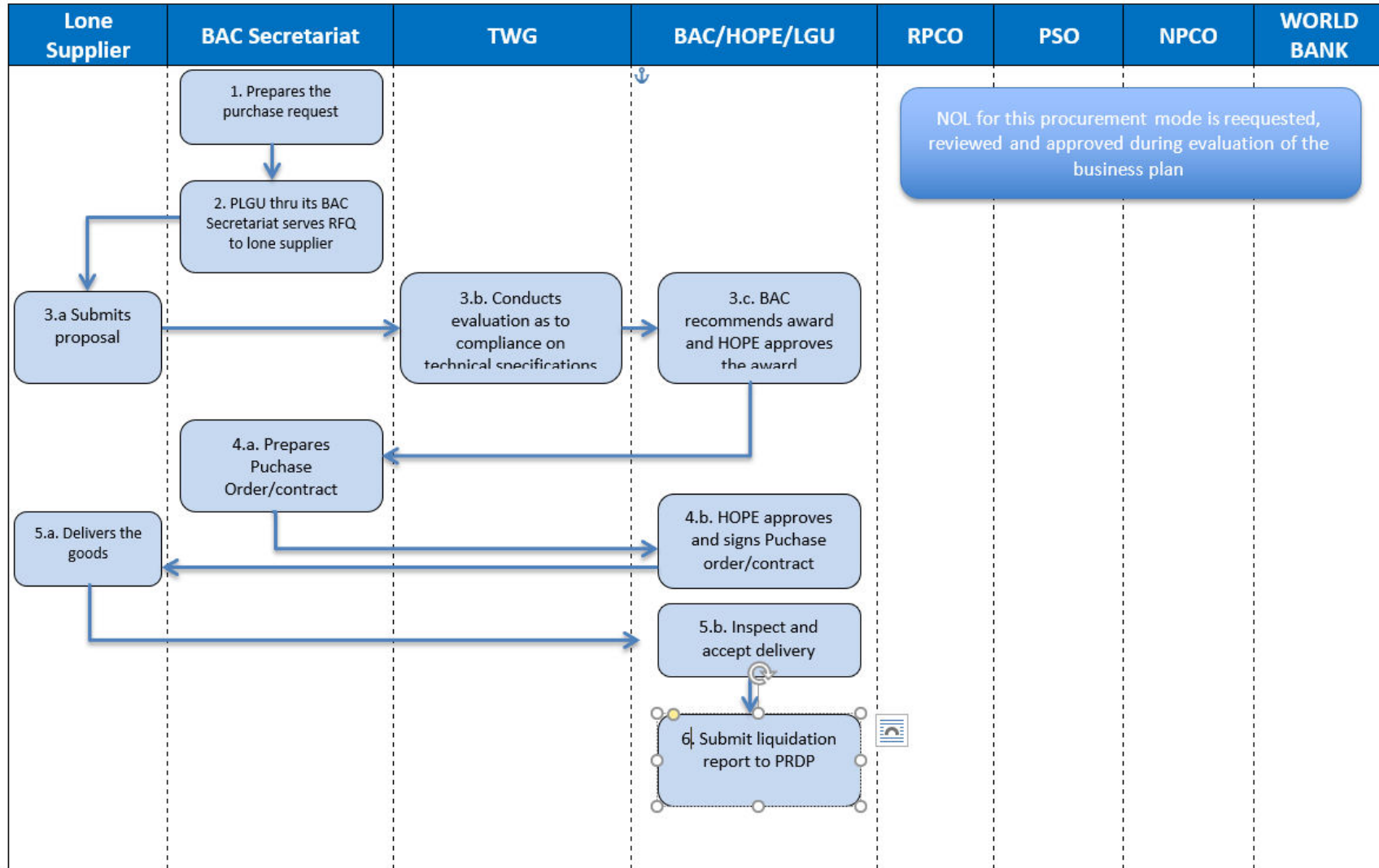
1. A sufficiently detailed justification for direct contracting shall be submitted during the business plan review for the issuance of NOL 1, including the rationale for direct contracting instead of a competitive procurement process. These will be the basis for recommending a particular supplier and set forth in the Subproject Procurement Plan.
2. The PRDP shall submit the request for no objection on direct contracting to the World Bank for its review and no objection as soon as the NOL1 for the subproject is provided. Procurement of the package/s under request shall not proceed until the No Objection for the direct contracting is obtained.

3. Procurement Timelines

Table 5. Timelines for the Procurement of Goods through Direct Contracting

	Procedures	No. of Days	Person Responsible
1	Preparation and approval of Purchase Request (PR)	3	LGU
2	Serve canvass form to the identified lone supplier/service provider.	3	LGU
3	Evaluate the proposal of the lone supplier/service provider	5	LGU
4.a	Prepare and issue the Purchase Order	3	LGU
4.b	Signing of the Purchase Order	3	LGU and supplier
5.	Inspection and acceptance of delivered items		
6.	Payment processing		
	Total	17 CD	

Figure 3. Process Flow for Procurement through Direct Contracting



6) Procurement Procedures – Community Participation

Among the components of the Project, the use for community participation is designated to I-REAP Component and GEF-NRM because of the nature of its engagement with the community groups for the approved enterprises. Under these component and units, the LGUs are supported by the Project to build their capacities to identify and invest in infrastructure and support services needed to develop priority value chains and a more market-oriented agriculture and fishery sector in their areas. This is complemented by community entrepreneurial activities supporting agricultural and fisheries-based enterprises to help producer groups raise incomes through better linkages and access to markets. As such, it is the design of the Project that the Proponent Group who passed the criteria set forth in the I-REAP and GEF-NRM Manual manages the proposed enterprises.¹¹

Defining “Community”

For purposes of this Manual, community is defined as a group of individuals sharing a common agenda, cause or interest for the development of the agriculture and fisheries sector in the Philippines. As such, the community group is the selected Proponent Group by the LGU and has been screened and passed the criteria to manage the approved enterprise.

There are three ways of engaging the community in procurement namely: Third party observers, Service providers and as Procuring entity. As third-party observers, they witness the proceedings of the LGU such as pre-bid conferences and bid openings. Being the end user, the successful procurement of their requirement is their best interest.

Secondly, the community can be the service providers. The guidelines on Community Participation of the RA 9184 may be applied to certain procurement requirements where the member cooperatives/associations can supply the needed goods or services of the enterprise.

And lastly, the community as the procuring entity/contract manager¹². The LGU and PG make an agreement on the implementation of the enterprise. Also, under the said agreement, the LGU engages the PG to conduct the procurement of items needed for the operation as reflected in the Work and Financial Plan and Procurement Plan of the enterprise

When the PGs are engaged as service providers or third-party observers, the procuring entity is the LGU using the procurement methods such as NCB, Shopping and direct contracting.

¹¹ I-REAP Manual Item 4.1.2 page 19

¹² GPPB Supplemental Procurement Guidelines dated April 12, 2018 allows that the community groups to conduct procurement as contract managers

However, when the PG is engaged as procuring entity, the PG conducts the actual procurement as contract manager¹³.

General Guidelines for LGUs on Community Participation

- 1) The I-REAP subprojects proposed by the LGUs are in response to fill the gap of the value chain of their commodity. In doing so, they involve the participation of the local producer groups to manage the enterprise operations. In the case of GEF-NRM these are to support the livelihood of the community within the marine protected areas and the program that the LGU shall implement for the rehabilitation and protection in the identified Marine Protected Areas (MPAs);
- 2) It is during the business plan preparation of the proposed I-REAP and GEF-NRM subprojects where the goods and non-consulting services for enterprise and MPAs rehabilitation and support projects are being proposed. Possible suppliers, required specifications and quantity are also determined. The LGU/PG shall conduct pre-canvass of these proposed items to check the current prices, existence in the local market and inventory of possible suppliers;
- 3) The subproject or procurement packages, technical specifications or scope of work shall be finalized by the LGU/procuring entity. The LGU BAC shall review the procurement plan of the I-REAP and GEF-NRM subproject for approval of the HOPE;
- 4) The LGU and PG shall make an Enterprise Investment Agreement for the implementation of the approved business plan for I-REAP and GEF-NRM subprojects. The implementation includes the procurement activities that shall be managed by the PG through community participation as laid out in the approved Procurement Plan of the I-REAP and GEF-NRM subprojects;
- 5) The LGU through the PG shall procure the subproject or procurement packages through community participation by downloading the funds allotted for community participation. Thereby making them a contract manager for the goods and non-consulting services reflected in the Subproject Procurement Plan of the I-REAP and GEF-NRM subproject;
- 6) The review of the draft Purchase Order together with the attached documents shall be done by the PPMIU (I-REAP & BAC) upon the submission of the PG of the request for fund release. Any deviations found shall be declared mis-procured and the amount in the mis-procurement shall be deducted from the cost of the grant fund.

¹³ The PG having passed the eligibility requirements set forth in the I-REAP Manual to implement the approved I-REAP subproject which includes procurement of goods and non-consulting services under the threshold of Community Participation.

Community Participation – Shopping for Goods and Works

Under the Shopping method, it is assumed that the goods are available locally and there are several suppliers/contractors in the community. The LGU shall enter into an Enterprise Investment Agreement with the PG stating among others that the PG shall conduct the procurement activities under Community Participation Shopping as reflected in the Subproject Procurement Plan.

For the procurement of goods through Shopping, the PG shall procure the goods from other sources available. While for the procurement of works through Shopping, the required small infrastructure will be implemented by contract. The PG shall engage the services of local contractors.

Procurement procedures

1) Preparation of procurement documents

The LGU shall assist the PG in the preparation of the procurement documents such as Purchase Request, Quotations/Canvass forms, Abstract of canvass, Purchase Orders, Inspection and Acceptance Report and Disbursement Vouchers;

2) Posting and Canvassing

The Procurement Committee of the Proponent Group solicits quotation from at least three suppliers/contractors for the goods/simple works indicated in the RFQ consistent with the Enterprise Procurement Plan and Enterprise Investment Agreement.

They shall also post the Request for Quotation at their official business address and at their Barangay Hall for a least 3 days.

3) Opening and evaluation

On the date of opening specified in the RFQ, the Procurement Committee shall open the quotations submitted to determine compliance with the requirements and evaluate which bidder submitted the Lowest Calculated Quotation (LCQ). The Procurement Committee shall make an Abstract of Canvass which also includes the evaluation, findings and recommendations which shall serve as their report.

- 4) If the LCQ is determined to be responsive, it shall be declared as the LCRQ. If not, the second LCB shall be evaluated with its responsiveness determined pursuant to the aforementioned provision. Such procedure shall be repeated for the next LCQ until the LCRQ is determined.

5) *Awarding of Contract*

The Procurement Committee shall submit its report to the head of the Proponent Group for approval/disapproval. The report shall contain the canvasses submitted, its evaluation, and the Purchase Order/contract documents.

In case of approval, the Procurement Committee shall immediately serve the Purchase Order (for goods) Notice of Award (for works). In case of failure to conform the Purchased Order or sign the contract, the Procurement Committee shall disqualify the supplier/contractor and determine the responsiveness of the quotation of the supplier/contractor with the second lowest calculated quotation.

The procuring entity shall ensure that the Purchase Order/Contract provides the most advantageous terms and conditions to the Government.

The BAC, through the Secretariat, shall post, for information purposes, the notice of award, the Purchase Order/contract, and the Notice to Proceed (applicable to works) at their official business address and at the Barangay Hall.

6) *Release of funds from LGU to PG*

Release of funds from LGU to PG shall follow the procedures in the FMS Guidelines which among others requires, the signed and notarized EA, approved WFP, bank certification of the bank account in the name of the PG and the document showing that PG has 20% equity;

The LGU shall inspect the works and certify its acceptance as part of the liquidation report. In the liquidation report of the PG, payment supporting documents such as acknowledgement receipt shall be accepted in the absence of official receipts.

7) *Contract Implementation*

The LGU and RPCO shall conduct visit-audit and examination for the project.

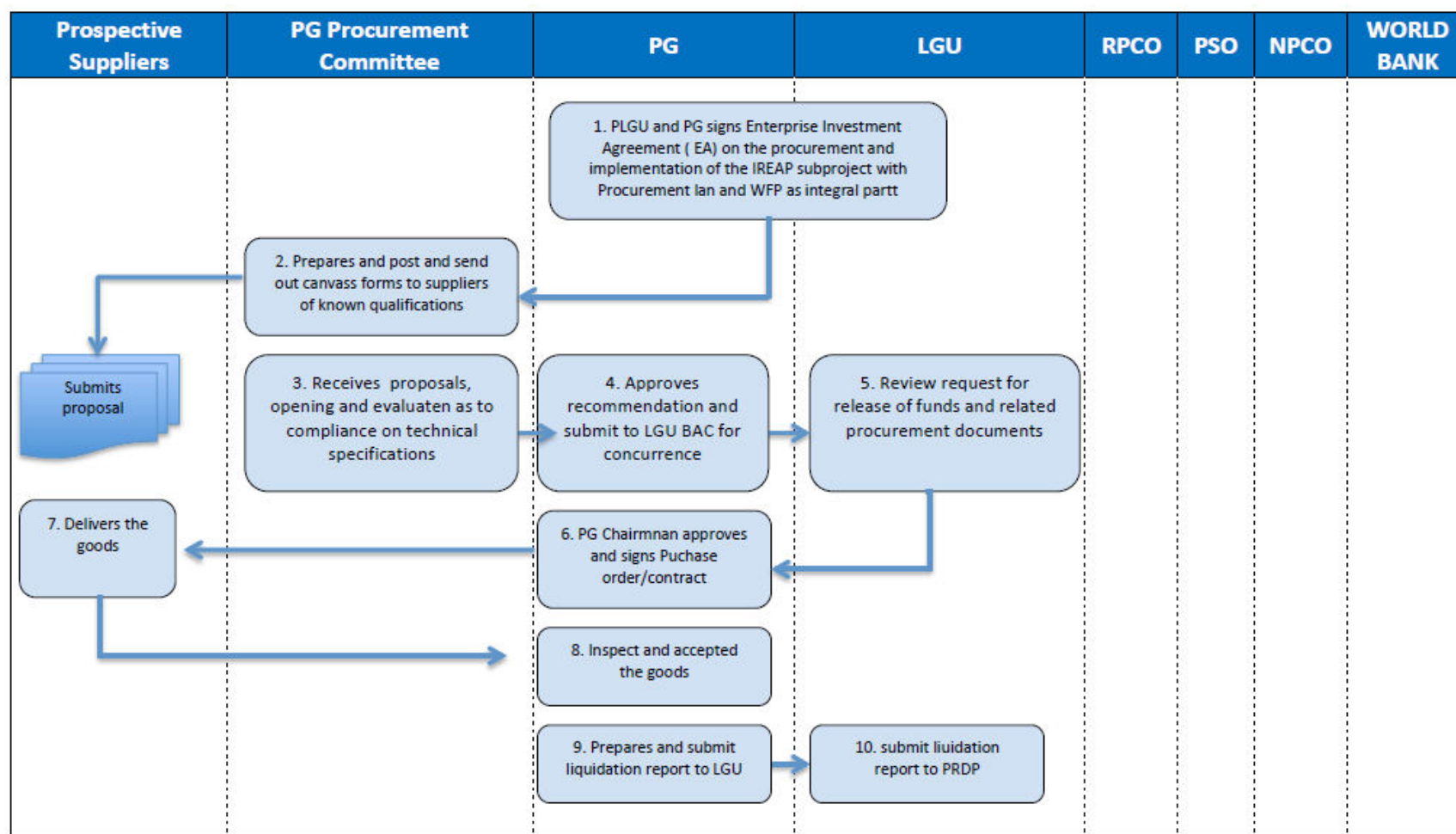
8) *Procurement Timelines for Community Participation - Shopping*

Table 6 shows Procurement timelines for Community Participation - Shopping

	Procedures	No of Days	Responsible Person
1	Preparation of purchase request	3	PG
2	Preparation and posting of canvass notices	5	PG
3	Distribution and acceptance of canvass from suppliers	3	Supplier
4	Opening and evaluation of canvass	2	Procurement Committee

5	Preparation, approval of purchase order/contract	3	PG
6	PG request for release of funds from LGU and LGU review request and release funds	14	PG/LGU
7	Delivery of the goods according to specifications/Construction of small infrastructure	3	Supplier
8	Posting of award	2	PG
9	Inspection and acceptance of the delivery	2	PG
TOTAL		40	

Figure 4. Process Flow for Procurement of Goods through Community Participation Shopping



Community Participation – Community Force Account for Goods

Procurement procedures

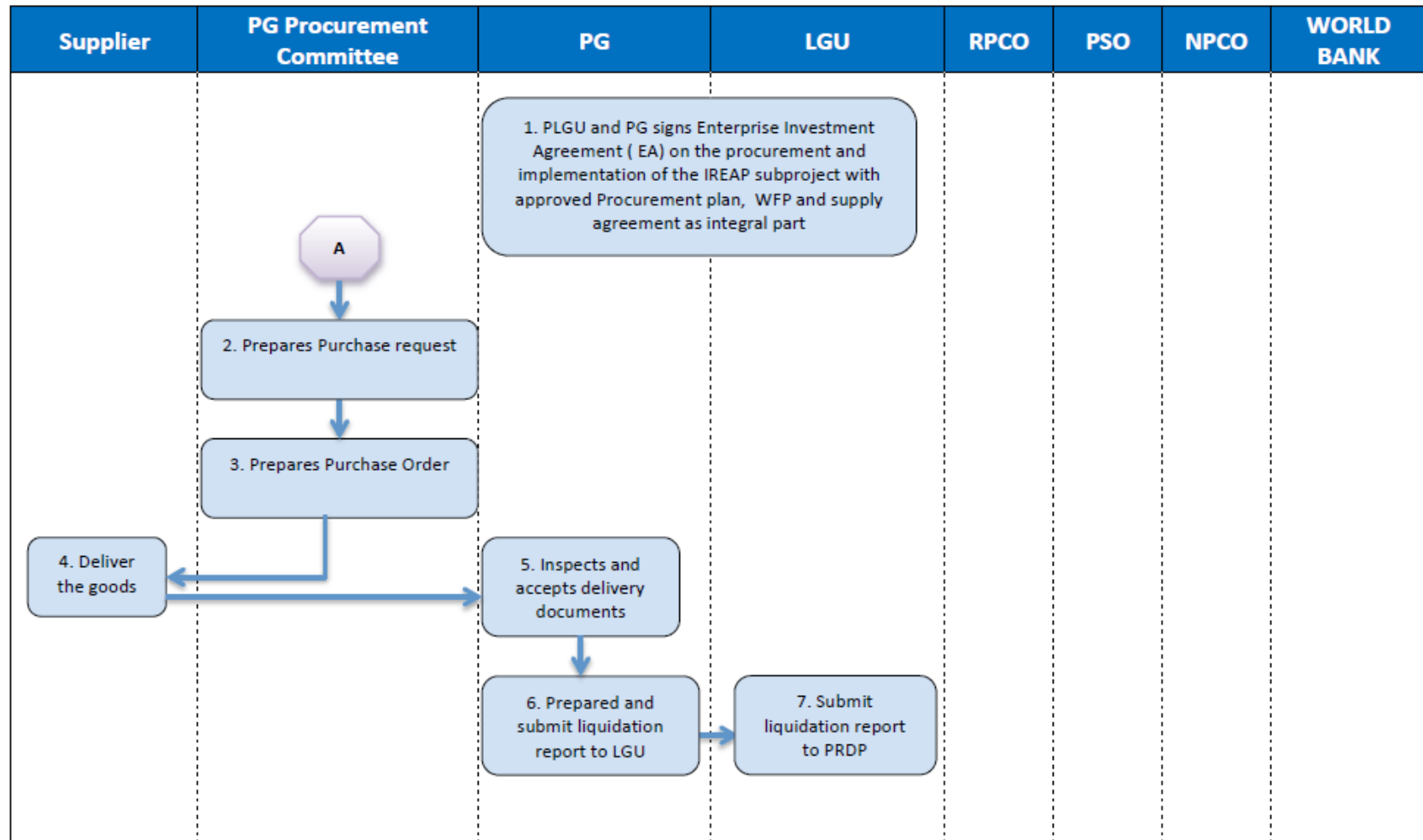
1. Procurement through the Community Force Account for Goods shall be applied to members of the PG who can supply all of the required quantity of goods and commodities to the Enterprise. CFA for goods supports the value chain of the commodity by giving the PG the opportunity to supply the commodity and thereby increases their income.
2. To be able to use this mode, the enterprise should have identified during their business planning that goods can be supplied by the members of the PG. Goods for this procurement method are expected to be the main commodity of the business operations such as raw milk for dairy milk processing, abaca fiber for abaca processing and the like. To ensure the stable supply of the needed raw materials of the enterprise, the PG have entered into supply agreement with its members. This supply agreement together with the supply plan will be the basis of PG in preparation of the Purchase Orders to its members.
3. The LGU shall pay to the PG at the unit cost indicated in the EA for the goods committed to be supplied by the members/PG subject to the liquidation requirements stated in the Project's Financing Management Guidelines.
4. *Procurement Timelines for Community Participation - Community Force Account for Goods*

Table 7 shows Procurement timelines for Community Participation - Community Force Account for Goods

	Procedures	No of Days	Responsible Person
1	Preparation of the purchase request	3	PG
2	Preparation, approval and signing of the supply agreement together with the Purchase Order	5	PG
3	Delivery of the goods	3	Supplier
4	Inspection and acceptance	2	Procurement Committee
	TOTAL	13	

Figure 5. Process Flow for Procurement of Goods through Community Participation Community Force Account for Goods

Figure 5. Process Flow for Procurement of Goods through Community Participation Community Force Account for Goods



Community Participation – Direct Contracting for Goods and Works

Procurement Procedures

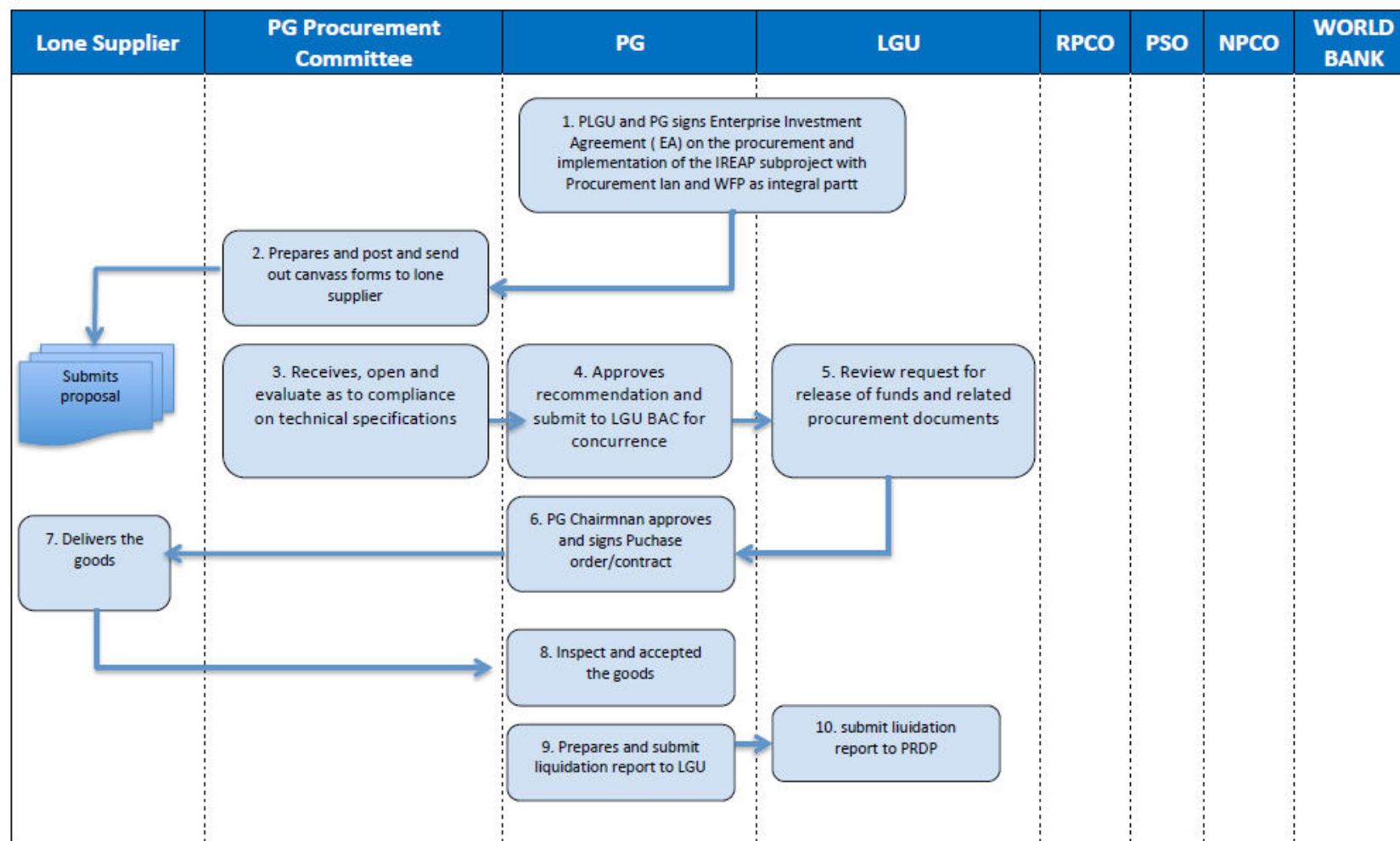
- 1) Direct Shall be used in exceptional cases where there is only one supplier/contractor of the needed items/works in the community;
- 2) The PG together with the PPMIU will have to determine the list of suppliers within the community. If it is confirmed that there is only one supplier/contractor in the area, the PPMIU shall provide a certification to this effect. Procurement under Community Participation through direct contracting shall be reflected in the procurement plan of the business proposal, which shall be provided with no objection by PRDP's concerned office. Only then can direct contracting shall be allowed;
- 3) A justification shall be provided together with the Procurement Plan.

4) *Procurement Timelines for Community Participation – Direct Contracting*

Table 8 shows the Procurement Timelines for Community Participation – Direct Contracting – Goods

	Procedures	No of Days	Responsible Person
	Preparation and approval of the purchase request	3	PG
2	Preparation and approval of canvass form/quotation	5	PG
3	PG receives quotation from the lone supplier	2	Supplier
4	Opening and evaluation of the canvass form, if it is responsive to the specifications, delivery/pick up, date and price	2	Procurement Committee
5	Preparation and approval of purchase order for goods	3	PG
6	Delivery of the materials in accordance to the technical specifications	3	Supplier
7	Inspection and acceptance of the materials by the PG Inspection Committee	2	PG
8	Prepares payment of the delivered materials/rendered	5	PG
	TOTAL	25	

Figure 6. Process Flow for Procurement of Goods through Community Participation Direct Contracting



Community Participation – Community Force Account for Works

Procurement Procedures

This shall be used for the construction of small support infrastructure by providing/hiring of skilled workers, laborers and procurement of materials and rental of equipment where the PG will be capable to manage the construction of the facility and consistent with the Enterprise subproject's Procurement Plan. The PG can hire skilled and unskilled labor and supervise construction. Payment of the labor shall be through payroll indicating the name of the individual, his position, rate per day and total amount due.

Under this procurement, the PG may contract out the labor requirement of the infrastructure through Pakyaw Agreement. Under the Pakyaw Agreement, the PG shall hire a labor group represented by a leader which is preferably the Foreman. Materials and tools shall be provided to the group through its representative. Payment shall be made after the completion of the works as inspected by the PPMIU representative (preferably the from IBUILD) and accepted by the PG Chairman.

1. The LGU particularly its I-BUILD Provincial Project Management and Implementing Unit (PPMIU) shall provide technical assistance in design preparation and project supervision;
2. The financing scheme, the cost sharing between the National Government (NG) and the LGUs shall be as follows:

I-REAP Civil Works Charge to I-REAP Fund:

80 % - to be financed by the National Government in the form of grant (60% WB Loan Proceeds and 20% GOP) based on the Estimated Project Cost (EPC); 20% - equity contribution of the LGU in cash based on the Estimated Project Cost (EPC)

3. The Estimated Project Cost for I-REAP Civil Works SPs issued with NOL 1 that includes estimates for contractor's profit is not eligible for payment under community force account mode of implementation. The contractor's profit becomes part of Project savings unless used for eligible variation orders;
4. For I-REAP Civil Works sub-projects yet to be approved where CFA mode of implementation is the most appropriate method as agreed during procurement planning and preparation of the program of work, the cost for contractor's profit shall not be included in the indirect cost estimates;
5. Community force account mode of implementation is adopted if the LGU and the PG is in agreement that the sub-project could be implemented within the approved budget and the PG agrees that any minimal additional materials, labor days and equipment days incurred are considered subsidiary to the completion of the particular items of works;

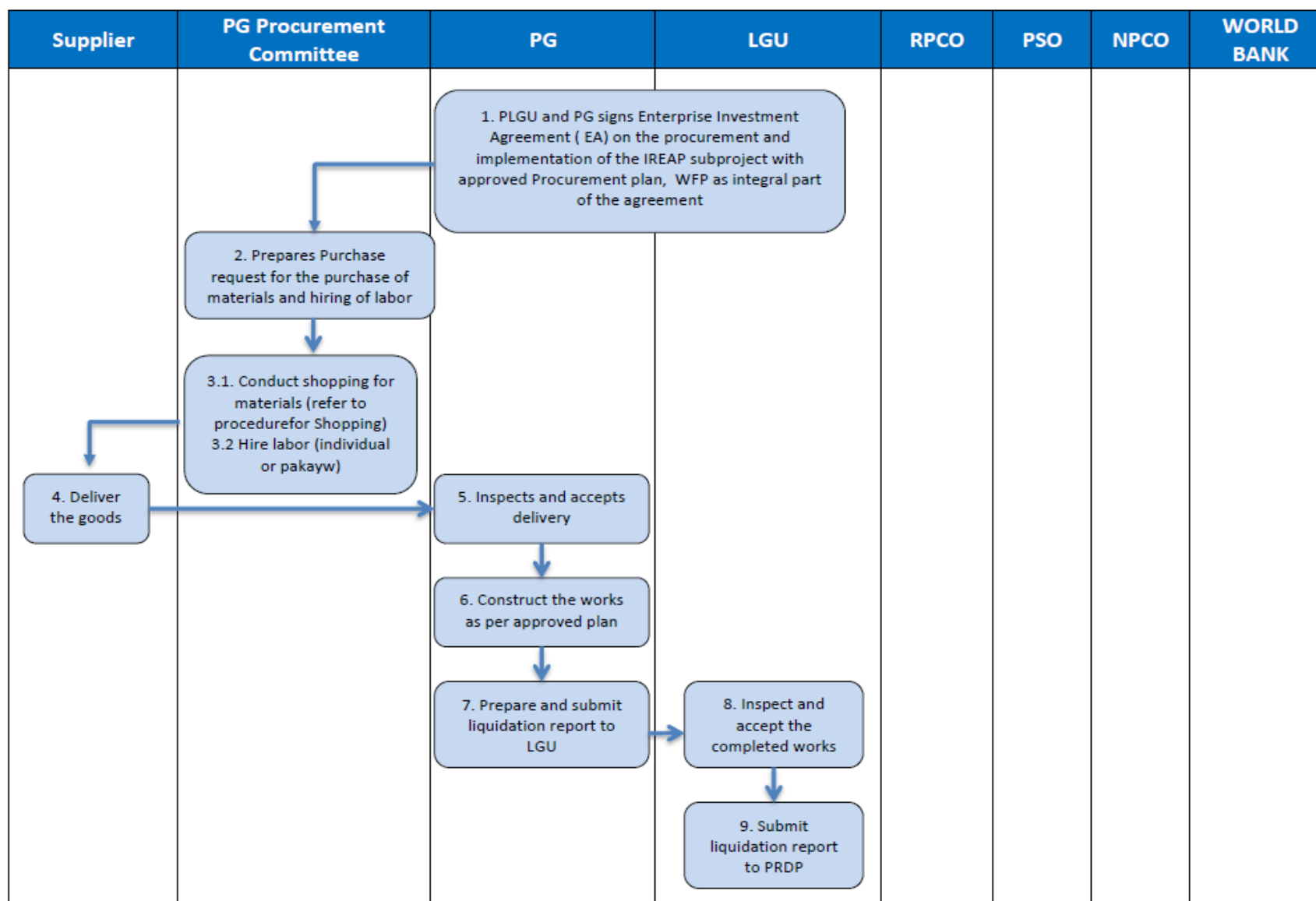
6. Sub-project supervision and monitoring is the responsibility of the PG with technical assistance from the LGU. The indirect cost includes cost for Overhead Expenses where the PG could use to hire an experienced project engineer, materials engineer and foreman in case the PG do need further technical backstopping;
7. Quality assurance and control in the implementation of sub-projects by community force account shall generally follow the provisions of the Infrastructure Quality Monitoring and Durability System (IQMDS) since the quality plan (QP), inspection and test plan (ITP) and the minimum materials testing requirement (MMTR) are already included in the approval of the SPs. However, since the PG is directly engaged as the contractor and at the same time the end user, quality control as envisioned in the IQMDS especially the required minimum test could be adjusted as deemed necessary by the LGU. These quality control as envisioned for regular contractors are compensated through community or end user's participation thus laboratory test that could be replaced through an Engineers Inspection Report from the LGU Engineer or lowering the minimum number of test could be done. Any adjustments made in the minimum test requirement shall be clearly reflected through an approved MMTR;
8. Release of funds from LGU to PG shall follow the procedures in the FMS Guidelines which among others requires, the signed and notarized EA, approved WFP, bank certification of the bank account in the name of the PG and the document showing that PG has 20% equity;
9. The LGU shall inspect the works and certify its acceptance as part of the liquidation report.

Procurement Timelines for Community Participation – Community Force Account-Works

Table 9 shows the Procurement Timelines for Community Participation – Community Force Account – Works

	Procedures	No of Days	Responsible Person
1	Preparation of purchase request	3	LGU
2	Procurement of the materials	5	PG
3	Hiring of labor	5	PG
4	Construction under the supervision of the PPMIU IBUILD	-	Procurement Committee
	TOTAL	13	

Figure 7. Process Flow for Procurement of Goods through Community Participation Community Force Account for Works



The table below summarizes the required forms for each procurement methods;

Table 10 PRDP Procurement List of Forms

CATEGORY	PROCUREMENT METHODS	FORMS
	Procurement Plan	<ul style="list-style-type: none"> Annex 10 I-REAP- Subproject Procurement Plan
Works	NCB Shopping	<ul style="list-style-type: none"> Please see Module I: Guidelines for the Procurement of Infrastructure Subprojects
	Community Participation: 1. CFA Works	<ul style="list-style-type: none"> Enterprise Agreement: POW is attached to the EA with detailed computation of the cost (materials to be used, rate of manpower), with use of payroll sheet, Anne 9-10
	2. Shopping	<ul style="list-style-type: none"> Enterprise Agreement: POW is attached to the EA with detailed computation of the cost, RFQ for Works, Terms and Conditions, Annex 9-9 contract between PG and contractor
	3. Direct contracting	<ul style="list-style-type: none"> Enterprise Agreement: POW is attached to the EA with detailed computation of the cost, RFQ for Works, Terms and Conditions, Annex 9-9 contract between PG and contractor
Goods	NCB	<ul style="list-style-type: none"> Annex 1 Bid Opening Checklists for NCB Works Annex 2 Philippine Bidding Documents for Goods as harmonized with development partners, 2016 version Annex 3 Bid Evaluation Report (BER) and Recommendation for Award of Contract- NCB Works
	Shopping	<ul style="list-style-type: none"> Annex 4 Request for Quotation with Terms and Conditions Purchase Order (LGU form) Annex 5 Bid Evaluation Report (Abstract of Quotations)
	Direct Contracting	<ul style="list-style-type: none"> Annex 4 Request for Quotation with Terms and conditions Contract form/ Purchase Order (LGU form)
	Community Participation: 1. CFA Goods	<ul style="list-style-type: none"> Enterprise Agreement as provided for in the I-REAP Manual Supply agreement as provided for in the I-REAP Manual
	2. Shopping	<ul style="list-style-type: none"> Payroll type disbursement voucher

	3. Direct Contracting	<ul style="list-style-type: none"> • Annex 9-2 Canvass form • Annex 9-3 Bid Evaluation Report (Abstract of Quotations) • Annex 9-4 Purchase Order • Annex 9-4 Contract form/ Purchase Order • Annex 9-2 Canvass form
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V. PROCUREMENT ORGANIZATIONS AND SPECIFIC FUNCTIONS

a. Bids and Award Committee (BAC)

1. Generally, the existing Bids and Awards Committee (BAC) of the LGUs shall be utilized for the procurement of Infrastructure Support Facilities/works and goods under I-REAP. The BAC shall be provided with orientation and corresponding training to level off and achieve common understanding on the Project procurement requirements in accordance with the Project policies and guidelines.

b. Proponent Group (PG)

2. The Proponent Group (PG) may manage procurement of goods, works and non-consulting services depending on their established procurement capacity. The basic requirement/capacity of the PG to manage the procurement within the allowed threshold shall include formation (if no existing procurement committee) of Procurement Committee (PC). The Procurement Committee should have an experience on the purchasing of goods or works. The PGs are required to attend trainings under the PRDP.
3. The PG shall be provided with the procurement coaching with regards to the methods and procedures in implementing the procurement activities as stated in the approved subproject's Procurement Plan. It is understood that prior to the procurement activities of the PG, the Enterprise Investment Agreement between the PG and the LGU has already been signed and the Procurement Committee has been formed, if it is its not yet existing. The output of this procurement coaching shall be draft procurement forms that the PG shall use in their actual procurement.
4. Procurement Committee shall composed of a Chairman and two members. For purposes of check and balance, the following are ineligible to be member of the Procurement Committee: 1.) Chairman of the BOD, 2.) General Manager, 3.) Treasurer/Cashier/Accountant, 4.) Auditor and 5.) Association President who are authorized to sign contracts.

c. National Project Coordination Office (NPCO) – Procurement Unit

NPCO – Procurement Unit in relation to I-REAP Procurement shall have the following functions:

Responsible in providing technical assistance in the procurement of works, goods and non-consulting services.

Review Bid Evaluation Report (BER) and issue NOL for I-REAP contracts within the prior review thresholds;

Review and issue NOL for rebidding of the package/s;

Review the procurement plan of I-REAP subprojects;

Provide technical assistance and conduct procurement trainings to the PSOs and RPCOs;

Occasionally, attend procurement activities at the LGUs such as pre-bid conference and bid opening;

Occasionally, conduct coaching to the Proponent Group (PG)

Responsible for ensuring consistency in the procurement procedures and sharing of procurement related experiences across PSOs and RPCOs;

Manage and maintain the procurement section of the PRDP website;

Perform procurement post-review to PSOs;

Maintain and update procurement documents for I-REAP Subprojects;

Perform other functions as deemed necessary by the Project.

d. Project Support Office – Procurement Unit (PSO)

The Procurement Unit at the Project Support Office (PSO) in relation to I-REAP Procurement shall have the following functions:

Oversee the discharge of procurement functions across RPCOs to ensure compliance to Project procurement policies and guidelines;

Consolidate and analyze procurement reports of the RPCOs and provide feedback to RPCOs for actions to be undertaken;

Check completeness and responsiveness of requirements of requests for no objection letters (NOLs) and endorsement to NPCO;

Occasionally, attend procurement activities at the LGUs such as pre-bid conference and bid opening;

Occasionally, conduct procurement coaching at the Proponent Group (PG);

Review the procurement plan of I-REAP subprojects;

Review procurement documents and recommends NOL1 for I-REAP enterprise within the threshold;

As necessary, attend joint procurement reviews with RPCOs and LGUs and recommend appropriate measures based on the findings;
Manage and maintain the procurement section of the PRDP website;
Maintain and update procurement documents for I-REAP Subprojects; and
Perform other functions as deemed necessary by the Project.

e. Regional Project Coordination Office – Procurement Unit (RPCO)

The Procurement Unit at the Regional Project Coordination Office (RPCO) in relation to the I-REAP procurement shall have the following functions:

Oversee the implementation of procurement of the participating LGUs and PGs within the region to ensure compliance to Project procurement policies and guidelines;
Consolidate and review procurement plans of participating LGUs and ensure that subprojects proposed for procurement are geo-tagged;
Provide technical assistance to LGUs
Attend procurement reviews with PSO and LGUs and recommend appropriate measures based on the findings;
Regularly, attend procurement activities at the LGUs such as pre-bid conference and bid opening;
Occasionally, conduct procurement coaching at the Proponent Group (PG)
Monitor the completeness of contract documents from issuance of NOL2 to Notice to Proceed;
Maintain and update procurement documents for I-REAP Subprojects;
Perform other functions as deemed necessary by the Project.



Republic of the Philippines
Department of Agriculture
PHILIPPINE RURAL DEVELOPMENT PROJECT
National Project Coordination Office
4th Floor, DA Building, Elliptical Road, Diliman
Quezon City 1100, Philippines

Annex 1 Sample data

BID OPENING CHECKLIST

Envelope 1

a. Registration Certification of the Company				
b. List of relevant contracts as specified in ITB Clause 5.4 hereof;				
A single contract that is similar to the bid contract, completed within three (3) years prior to the bid opening equivalent to 50% of the EPC in the amount of:				
Item No.	Description	Estimated Project Cost (EPC)	Required Single Largest Completed Contract (SLCC) of 50% of the EPC	
1	Three (3) units Brand New 5-tonner Truck	5,478,000.00	2,739,000.00	
2	Two (2) units Brand New 10-tonner Truck	5,034,000.00	2,517,000.00	
1 & 2	Three (3) units Brand New 5-tonner Truck and Two (2) units Brand New 10-tonner Truck	10,512,000.00	5,256,000.00	
c. Audited financial statements for the past three (3) years.				
d. In case of Joint Venture, the JV Agreement, if existing, or a signed Statement from the partner companies that they will enter into a JV in case of award of contract				
e. Bid Security, as to form, amount, and validity period				
- Bid Securing Declaration (prescribed template)				

Pass (if all the above documents are present)

Fail (if any of the documents are absent)

Notwithstanding the BAC's declaration of non-responsiveness of the first bid envelope, the financial proposals contained in the second bid envelopes of all the bidders shall be read. The first and second envelopes shall not be returned to the bidders.

Foreign bidders may submit the equivalent documents, if any, issued by the country of the foreign bidder.

Envelope 2

FINANCIAL PROPOSAL	
Bid price in approved Bid form	

BID DATA SHEET

Clause 20.3 Each Bidder shall submit one (1) original and four (4) copies of the first and second components of its bid. An electronic copy of the bid should also be submitted in PDF file format in flash drive. Should there be discrepancies, the original copy would prevail.

Annex 3
With sample data

**Department of Agriculture
PHILIPPINE RURAL DEVELOPMENT PROJECT**

**Bid Evaluation Report
and
Recommendation for Award of Contract
(Goods-NCB)**

NAME OF PROJECT :	<u>PHILIPPINE RURAL DEVELOPMENT PROJECT</u>
IDA CREDIT NO. :	<u>LN 8421 PH</u>
CONTRACT NAME :	SUPPLY & DELIVERY OF 2 UNITS VEHICLES OF ORIENTAL MINDORO CALAMANSI TRADING CENTER
IREAP SUBPROJECT: IDENTIFICATION NUMBER:	ORIENTAL MINDORO CALAMANSI TRADING PRDP-IR-R04B-ORM-001-000-001-2015
DATE OF SUBMISSION:	<u>JULY 27, 2015</u>
LOWEST CALCULATED AND RESPONSIVE BIDDER:	MENDOZA MOTORS AND SUPPLY ENTERPRISE
BID PROPOSAL:	<u>Php 3,760,280.00</u>

Table 1. Identification

1.1 Name of Borrower	Republic of the Philippines
1.2 Credit number	Loan No. 8421-PH
1.3 Date of effectiveness	December 03, 2014
1.4 Closing date (a) original (b) revised	December 31, 2020
1.5 Name of project	ORIENTAL MINDORO CALAMANSI TRADING (SUPPLY AND DELIVERY OF 2 UNITS TRUCKS)
1.6 Purchaser (or Employer) (a) name (b) address	PLGU Oriental Mindoro Calapan City, Oriental Mindoro
1.7 Contract number (identification)	PRDP-IR-R04B-ORM-001-000-001-2015
1.8 Contract description	Supply and delivery of vehicles
1.9 Cost estimate ¹	Php 3,800,000.00
1.10 Method of procurement (check one)	NCB <input checked="" type="checkbox"/> Other _____
1.11 Prior review required ²	Yes _____ No <input checked="" type="checkbox"/>
1.12 Fixed price contract	Yes <input checked="" type="checkbox"/> No _____
1.13 Cofinancing, if any: (a) agency name (b) percent financed by agency	_____ _____

Table 2. Bidding Process

2.1 General Procurement Notice	
(a) first issue date	September 25, 2012
(b) latest update	None
2.2 Prequalification, if required	
(a) number of firms prequalified	Not Applicable
(b) date of Bank's no-objection	Not Applicable
2.3 Specific procurement notice	
(a) name of national newspaper	The Daily Tribune
(b) issue date	March 13, 2015
(c) PhilGEPS Publication Number	3275566
(d) issue date	March 13, 2015
2.4 Standard Bidding Document	
(a) title, publication date	Philippine Bidding Documents,
(b) date of Bank's no-objection	Date of NOL1
(c) date of issue to bidders	March 13, 2015
2.5 Number of firms issued documents	
2.6 Amendments to documents, if any	
(a) list all issue dates	Not applicable
(b) date(s) of Bank's no-objection	Not applicable
2.7 Date of pre-bid conference, if any	March 30, 2015 at 11:00 am
2.8 Date minutes of conference sent to bidders and Bank	

The Invitation to Bid was advertised once on March 13, 2015 in The Daily Tribune and in the PhilGEPS. Two (2) bidders were issued the bidding documents. A pre-bid conference was held on March 30, 2015 (11:00am) at the Office of the Bids and Awards Committee, Provincial Capitol Complex, Calapan City, Oriental Mindoro, to clarify the requirements and specific provisions in the bidding document. Members of the BAC and representatives of prospective contractors attended the conference. Clarifications were made particularly on the required experience of the supplier, and bid security form and other requirements necessary to compose their bid proposal.

Table 3. Bid Submission and Opening

3.1 Bid submission deadline	
(a) original date, time	April 13, 2015 (11:00am)
(b) extensions, if any	Not applicable
3.2 Bid opening date, time	April 13, 2015 (11:00am)
3.3 Record of bid opening, date sent to Bank	Not applicable
3.4 Number of bids submitted	Two (2)
3.5 Bid validity period (days or weeks)	
(a) originally specified	Ninety (90) days
(b) extensions, if any	Not applicable
(c) date of Bank's no-objection, if required	Not applicable

PRELIMINARY EXAMINATION

Table 4. (Eligibility & Technical Documents)

Eligibility & Technical Documents	Name of bidder (Pass/Fail)	Name of bidder (Pass/Fail)	Name of bidder (Pass/Fail)
1. Registration Certification of the Company			
2. List of relevant contracts as specified in ITB Clause 5.4;			
2. Audited financial statement for the past three (3) years;			
3. JV Agreement or Statement from the partner companies that they will enter into a JV in case of award of contract			
4. Bid security or Bid Securing Declaration as required in the ITB			
5. Technical specifications			
Acceptance for Financial Proposal (Pass/Fail)			

The bidding for the **Supply & Delivery Of 2 Units Vehicles For Use of Oriental Mindoro Calamansi Trading Center** was conducted on **April 13, 2015** at **Office of the Bids and Awards Committee, Provincial Capitol Complex, Calapan City, Oriental Mindoro**, on the scheduled bid opening. A total of **Two (2)** bidders submitted their bids before the closing time. The opening of bids was chaired by the BAC chairman and attended by all BAC members, observers, bidders and representatives and end-users for the project. Each bids for the project was read out.

BID OPENING CHECKLIST (Goods under NCB)

Envelope 1

a. Registration Certification of the Company	
b. List of relevant contracts as specified in ITB Clause 5.4 hereof;	
b.1 A single contract that is similar to the bid contract, completed within three (3) years prior to the bid opening equivalent to 50% of the EPC.	
b.2 Statement of all completed government and private contracts within three (3) years prior to the bid-opening	
c. Audited financial statements for the past three (3) years.	
d. In case of Joint Venture, the JV Agreement, if existing, or a signed Statement from the partner companies that they will enter into a JV in case of award of contract	
e. Bid Security, as to form, amount, and validity period	
- Bid Securing Declaration (prescribed template)	

Notwithstanding the BAC's declaration of non-responsiveness of the first bid envelope, the financial proposals contained in the second bid envelopes of all the bidders shall be read. The first and second envelopes shall not be returned to the bidders.

Foreign bidders may submit the equivalent documents, if any, issued by the country of the foreign bidder.

Envelope 2

FINANCIAL PROPOSAL	
Bid price in approved Bid form	

BID DATA SHEET

Clause 20.3

Each Bidder shall submit one (1) original and four (4) copies of the first and second components of its bid. An electronic copy of the bid should also be submitted in PDF file format in flash drive. Should there be discrepancies, the original copy would prevail.

TABLE 5. ABSTRACT OF BIDS

NAME OF BIDDERS	BID PRICE as read out (Php)	Bid Security	Finding of preliminary examination	Ranking

DETAILED EVALUATION

Table 6. Corrections and Unconditional Discounts

Bidder (a)	Amount Read-out Bid Price(s) (b)	Corrections (c)	Corrected Bid Price(s) (d) = (b) + (c)	Unconditional Discounts ²		Corrected/ Discounted Bid Price(s) (g) = (e) – (f)	Ranking
				Percent (e)	Amount (s) (f)		

POST QUALIFICATION

For Lowest Calculated Bid (Mendoza Motors Supply)

1. BID SECURITY

Verifications shall be made with the lawyer who notarized the document.

2. EXPERIENCE

a) To be considered eligible and qualified a Bidder must have a successful experience as supplier of vehicle of at least one (1) work of similar to the contract generally in the last three (3) years (to comply with this requirement, single contract cited should be at least fifty percent (50%) of EPC such being verifiable from completion certificates;

Criteria	Proof/Documents required	Remarks
1. Single contract that is similar to this Project, equivalent to fifty percent (50%) of the EPC.	Copy of contract with NOA, NTP and certificate of acceptance	
2. The bidder must be an authorized dealer, distributor or manufacturer of the equipment.	Dealership, distributorship or copy of registration as manufacturer	
3. The authorized dealer, distributor or manufacturer, and the brand of the product offered must be in the Philippine market during the same period.	Any proof that the authorized dealer, distributor or manufacturer that the brand is in existence in the Philippine market for at least 15 years prior to the bid opening and have sold at least one thousand units during similar period.	
4. The bidder must have after sales service facilities in major cities in the Philippines.	Registration certificate of the after sales service centers and or accredited after sales service provider or other acceptable proof as validated by the BAC.	

(Narrative Summary of the verification done)

Mendoza Motors and Supply passed in the criteria of experience on one (1) project of the same nature and complexity for the last 5-years of at least 50% of the EPC with its completed contract with Oriental Mindoro Water District with an amount of P3,275,000.00 which is **86%** of the EPC.

Note: If the lowest failed in the post qualification, then the second lowest bidder shall be subjected to post qualification.

RECOMMENDATIONS:

The result of bids submitted by the Bidders: Mendoza Motors Supply and Malasarte Trucks Supply.

After the preliminary, detailed and post evaluation the Mendoza Motors Supply (lowest calculated bid) passed in the required experience and all requirements set by the PRDP for the contract bidden out.

Furthermore, Mendoza Motors Supply was found to have the lowest calculated and responsive bidder for the Supply & Delivery of 2 Units Vehicles for use of Oriental Mindoro Calamansi Trading Center in the amount not to exceed THREE MILLION SEVEN HUNDRED SIXTY THOUSAND TWO HUNDRED EIGHTY PESOS (Php 3,760,280.00).

Prepared by: BAC Technical Working Group

SONIA L. TIMIDAN

TWG MEMBER

JIMMY S. PITOS

TWG MEMBER

JULIUS P. MANLAP

TWG MEMBER

Noted by:

NAPOLEON C. BASCON

BAC Chairman

RANDY MARTINEZ

BAC Member

GLENN BRIONES

BAC Member

RAMIL DELA CRUZ

BAC Member

JARED GONZALES

BAC Member

Table 8. Proposed Contract Award

1. Lowest evaluated responsive bidder (proposed for contract award). (a) name (b) address		
2. If bid submitted by agent, list actual supplier. (a) name (b) address		
3. If bid from joint venture, list all partners, nationalities, and estimated shares of contract.		
4. Estimated date (month, year) of contract signing.		
5. Estimated delivery to project site/completion period.		
	Currency	Amount(s) or %
6. Bid Price(s) (Read-out)		
7. Corrections for Errors		
8. Discounts		
9. Other Adjustments		
10. Proposed Award		
11. Disbursement Category		

CHECKSLIST OF REQUIRED ATTACHEMENTS TO THE BER

1. Minutes of the pre-procurement with attendance sheet
2. Minutes of the Pre bid conference with attendance sheet
3. Minutes of the Opening with attendance sheet
4. Minutes of the Preliminary Evaluation with attendance sheet
5. Copy of Envelope 1 and Envelope 2 of all bidders
6. Advertisement- newspaper and PhilGEPS
7. Copy of the PBD
8. Report of Post Qualification
9. Photo documentation with captions (pre-proc, pre bid and bid opening and post qualification)
10. Copy of bid bulletin (if any)
11. Copy of approved Purchase Request
12. Abstract of Bids
13. Draft Purchase Order/ Contract
14. BAC resolution
15. Other related documents of the LCRB such as tax clearance, PhilGEPS
Registration certificate

ATTACHMENT ON THE EXAMINATION OF TECHNICAL SPECIFICATIONS

PARTICULARS	Name of bidder	Name of bidder	Name of bidder
Technical description of the items 1. 2. 3. 4.			
Brand Offered			
Discount offered			
Commercial aspect: - available in the Philippine market for 15 years and number of units sold - Delivery schedule - Spare parts - Operation and maintenance - Availability of service centers			
Technical criteria - efficiency - productivity - Provision of efficiency			
Bid Security			
Bid price			



Republic of the Philippines
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National Project Coordination Office
4th Floor, DA Building, Elliptical Road, Diliman
Quezon City 1100, Philippines

Annex 4

Date: _____

REQUEST FOR QUOTATION SHOPPING (GOODS)

The Government of the Republic of the Philippines has received a loan from the World Bank towards the cost of the Philippine Rural Development Project (PRDP) and it intends to apply part of the proceeds of this loan to payment for the cost of:

(Name of contract) _____.

INSTRUCTIONS:

1. Bidders are required to read the instructions and fill all the blanks properly.
2. Prospective Bidders/Suppliers may submit their own canvass form in accomplishing their bid proposals/quotations subject to the condition that the **official canvass form shall be filled up (with the offered brand, unit price and total price), signed properly and attached together with the Bidder's/Supplier's own canvass form.** (Please write legibly)
3. Any specifications other than those required/stated in this form shall not be considered in the evaluation of bids.
4. Quotation/s must include all kinds of taxes for the item(s)/services listed hereunder, including delivery charges.
5. Always indicate the brand name/model of the offered item(s) or product(s).
6. Price quotation(s) submitted shall be valid THIRTY (30) days from the deadline of submission of quotations.
7. Terms of Payment within – Thirty (30) days from delivery of item/s.
8. Quotation(s) / Proposal(s) shall be submitted to the Office of the BAC Secretariat, at the (address) _____.
9. (Note: The LGU may select: (1) "Only sealed canvass shall be accepted" or (2) "Canvass can be submitted by letter, facsimile or by electronic means.")
10. Note to LGU: If option 1 is chosen then this instruction shall be required "The bidder is required to affix his/her signature, across the flap of the sealed envelope."
11. Awarding shall be made on per: ☐ item ☐ lot ☐ package. Award shall be made to the lowest quotation which complies with the minimum technical specifications and other terms and conditions stated herein.
12. **DEADLINE FOR SUBMISSION OF BIDS:** _____
13. **Validity of stocks:** _____ days
14. **Delivery Period:** _____ (_____) days upon receipt of approved Purchase Order / Work Order.

Note: PhilGEPS certificate and other documents should be solicited as requirement for awarding of contract

PRAS no. _____
Solicitation no. _____

Estimated Project Cost : Php _____
End-User : PLGU _____

Contract : _____
Delivery date : _____
Place : _____

Qty.	Unit	Item / Description	Unit Cost (Php)	Offered Brand	Unit Price	Total Price
		Sub-total				
		Sub-total				
		GRAND TOTAL				

For the Bids and Awards Committee:

GEPS Posted

Canvasser

Signature over printed Name
Chairperson, Bids and Awards Committee

The Bids and Awards Committee (BAC)

SIR / MADAM:

In connection with the above request, I / we submit your quotation indicated above. I / We have carefully read and fully understood the minimum requirements and agree to furnish and/or deliver in conformity with specifications any or all said articles described above within seven (7) working days from receipt of Purchase Order / Work Order.

Qty.	Unit	Item / Description	Unit Cost (Php)	Offered Brand	Unit Price	Total Price
		Sub-total				
		Sub-total				
		GRAND TOTAL				

Signature over
Printed Name

Registered name of
Company

Tax
Identification
Number

PhilGEPS Number

Telephone
number(s)

Address

Date accomplished

INVITATION TO QUOTE
SUPPLY AND DELIVERY OF IT EQUIPMENTS
Solicitation No. **PRDP-IR-R00 - -000-000-000-0000**
Estimated Project Cost: Php _____.

1. The Government of the Republic of the Philippines has received a loan from the World Bank towards the cost of the Philippine Rural Development Project (PRDP) and it intends to apply part of the proceeds of this loan to payment for the cost of **Name of contract:** _____.
2. The PLGU of _____, hereinafter referred to as the End-User, now requests interested applicants to submit quotations for the:

Contract Name:		
Item/Description	Quantity	Unit of Issue
Name of Item : _____ Specifications		
Name of Item : _____ Specifications		

3. All Requests for Quotations (RFQs) (Option#1. can be submitted through letter, facsimile or by electronic means; Option#2 must be delivered in hard copies placed in a sealed envelope marked " _____ (name of contract)" with SOLICITATION NO. PRDP-IR-R000- -001-000-000-0000. All entries must be typewritten or handwritten eligibly;
4. Quotations must be delivered at the address below not later than _____ (date and time):

BAC Office

telefax No. _____

E-mail: _____

5. The procurement procedures will be conducted in accordance with the provisions of the World Bank Guidelines and taking into consideration the related provisions in the Project Loan Agreement and Guidelines in the Procurement under the IBRD loans and IDA credits.
6. The PLGU of _____ reserves the right to accept or reject any quotation and to annul the procurement process or reject all bids at any time prior to contract award, without thereby incurring any liability to the affected bidder/s.

Chairman

Bids and Awards Committee

Provincial Government of _____

Solicitation no. _____

Annex 5
With sample data

**Department of Agriculture
PHILIPPINE RURAL DEVELOPMENT PROJECT**

**Bid Evaluation Report
and
Recommendation for Award of Contract
(Goods-Shopping)**

1. Minutes of the pre-procurement with attendance sheet
2. Minutes of the Pre bid conference with attendance sheet
3. Minutes of the Opening with attendance sheet
4. Minutes of the Preliminary Evaluation with attendance sheet
5. Copy of Envelope 1 and Envelope 2 of all bidders
6. Advertisement- newspaper and PhilGEPS
7. Copy of the RFQ
8. Report of Post Qualification
9. Photo documentation with captions (pre-proc, bid opening and post-qualification)
10. Copy of bid bulletin (if any)
11. Copy of approved Purchase Request
12. Abstract of Bids
13. Draft Purchase Order/ Contract
14. BAC resolution
15. Other documents from the LCRB such as tax clearance, PhilGEPS Registration certificate

Proposed Contract Award

1. Lowest evaluated responsive bidder (proposed for contract award). (a) name (b) address		
2. If bid submitted by agent, list actual supplier. (a) name (b) address		
3. If bid from joint venture, list all partners, nationalities, and estimated shares of contract.		
4. Estimated date (month, year) of contract signing.		
5. Estimated delivery to project site/completion period.		
	Currency	Amount(s) or %
6. Bid Price(s) (Read-out)		
7. Corrections for Errors		
8. Discounts		
9. Other Adjustments		
10. Proposed Award		
11. Disbursement Category		

ATTACHMENT ON THE EXAMINATION OF TECHNICAL SPECIFICATIONS

PARTICULARS	Name of bidder	Name of bidder	Name of bidder
Technical description of the items 1. 2. 3. 4.			
Brand Offered			
Discount offered			
Commercial aspect: - available in the Philippine market for 15 years and sold 1000 units - Delivery schedule - Spare parts - Operation and maintenance - Availability of service centers			
Technical criteria - efficiency - productivity - Provision of efficiency			
Bid Security			
Bid price			

Annex 6

Partnerships in I-REAP Subproject (PIREAPP) (Agricultural Crops/Products)

Request for Eligibility

Guidelines – Phase 1

March 2019

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- III. Eligibility Criteria
 - a. Eligible partners
 - b. Eligible activities
 - c. Ineligible activities
- IV. Selection Criteria

Appendix 1 Partnership Cycle Timeline

Appendix 2 Call for proposal for Partnership

ACRONYMS

PRDP	Philippine Rural Development Program
CFP	Call for Proposals
M & E	Monitoring & Evaluation
I-REAP	Investment for Rural Enterprises and Agricultural Fisheries Productivity
PLGU	Provincial Local Government Unit
PE	Procuring Entity
PIABP	Project Implementation and Business Plan
ESMF	Environmental and Social Management Framework

I. INTRODUCTION

This document provides guidelines for eligibility of the partnerships applying for funding under (I-REAP) component of the Philippine Rural Development Program (PRDP).

The development objective of the project is **to improve the livelihoods of smallholder agricultural crop producers through the improvement of the performance and the sustainability of value chains in agricultural crop producing areas.**

This would be achieved through strengthening industry coordination and institutions, facilitating linkages between smallholder farmers and agribusiness for the provision of technologies, inputs and services.

The specific objective of (I-REAP) Component of PRDP is to foster the integration of a greater number of smallholder producers in performing and remunerative value-chains, by developing and implementing public-private alliances in the project areas. It covers partnership in agricultural crop production.

Project funding would be channeled through the Provincial Local Government Units who will be the Procuring Entity for I-REAP. Private Entities who will be bidding for subprojects shall be in partnership with agricultural crop smallholder farmers. Through the establishment of Partnership Agreements with legal entities in the private and smallholder growers would be assisted to improve their productivity, the quality of their products and achieve enhanced sustainability of their agricultural crop-based farming systems

Key project outcomes are expected to be:

1. Smallholder farmers adopt efficient, market responsive and sustainable production practices leading to an improvement in their income; and
2. Demand-driven productive partnerships are scaled-up and sustained.

Applicants need to be fully conversant with how projects should be prepared, following a two-stage process. Phase 1 will be the **Request for Eligibility for all the players**. When announced and applicants would need to submit eligibility documents **in order for the PLGU to assess their qualification**. Applicants with best qualification will be invited to submit a detailed **Project Implementation and Business Plan** in **Phase 2**.

II. FOCUS OF PIREAPP

With the agricultural crop sector, smallholder farmers are faced with several constraints and lack an understanding of the market, thereby limiting their ability to respond to market signals. Generally small holders have limited impact on prices and are often limited in their performance due to quality of inputs and technology. With limited or no extension services, small holder farmers have little access to information, new technologies and improved planting material.

Agribusiness enterprises and traders are critical for communicating market demand to producers and establishing value chains that effectively link them to the market. However, building long-term relationships with smallholder farmers involves considerable transaction costs on the part

of the agribusiness. These include: identifying producers; reaching them in difficult access areas; establishing farmer groups; obtaining suitable certification and introducing good agricultural practices.

The public sector should also play its part in supporting smallholder production capacity, either through delivery of better technology transfer and supporting local farmer groups and organizations. There is an urgent need to re-establish critical infrastructure where supply chains have been broken due to deteriorating roads that no longer permit farmers to cost-effectively bring their products to market or simply make it impossible to sell their produce.

Developing relationships along the supply chains by building partnerships between traders and producers will improve both the productivity and quality of agricultural crop production. Fostering a scaling-up of these market-oriented interventions and developing new partnerships are the means by which PIREAPP expects to achieve its development objective.

The project will initially be implemented in selected province for a particular crop identified in the value chain. A roll-out of project activities to additional producing areas would be considered at the time of the first review of project implementation.

Key criteria for expansion to new provinces would include:

- (i) successful implementation of the activities in the initial project provinces;
- (ii) demonstrated capacity of implementing agencies to manage a larger geographical coverage of project activities; and
- (iii) strong interest demonstrated by the private sector and farmers in new provinces.

III. ELIGIBILITY CRITERIA

3.1 Eligible Partner

The partner shall demonstrate capacity to manage contracts and activities of the scope and nature identified in the proposed partnership. It is required that partner should be an agribusiness or private sector engaged in the sector.

3. The co-partner/s will be smallholder agricultural crop farmers. These are defined as those holding **less than 5 hectares of agricultural crop per household.**

4. The partner (private entity) and the small farm holder shall form a partnership.

3.2 Eligible activities

The partnerships will be demand-driven and based on agreed objectives that are consistent with the specific objectives of the PIREAPP. The priority activities (no order of preference) to be covered under the Partnership Agreements are:

- a) *Specialized training in good farming practices* including sustainable pest management approaches such as 'training by association' for particular crop, other training approaches

having demonstrated their efficiency, and training of farmer group leaders in particular agricultural growing areas.

b) Training of farmers to improve *quality and productivity*. This includes replanting support to farmers for the implementation of rotational methods and improved planting material.

c) *Post-harvest and processing*. This includes investments in improved processing, trading, and storage facilities for quality management and environmental sustainability.

d) Training to improve *business skills and farm management*.

e) Developing and scaling-up proven extension methodologies for engaging and building ^[11]_{SEP} the capacity of extension agents and other key stakeholders to deliver improved sustainable farming practices, improved quality and productivity, business and farm management skills.

f) Capacity building of *farmer groups or cooperatives* in the skills necessary to operate effectively as associations including management, record-keeping, participatory or democratic processes.

g) *Sustainable & certified production systems*. Support to interested groups of farmers for producing certified agricultural crops. This includes support for knowledge providers and farmer groups or cooperatives that would build group capacity and address certification requirements.

h) *Production of improved planting material*: The rehabilitation and expansion of existing nurseries, and the establishment under technical control by qualified operators of local level satellite nurseries. In general, the partner would manage the scheduling, supervision and monitoring of nurseries.

3.3 Ineligible activities

The following is a list of activities which are not eligible for financing from the project:

- Activities focused on **large block-holder or plantations**;
- **Research activities**, except where there is a clear demand from associated smallholders or private partners to directly assist smallholders;
- **Subsidy** of transportation costs;
- **Mobile assets** such as cell phones, laptops, or motor vehicles;
- **Activities that do not comply with Bank Safeguard Policies**: Activities that have a negative social or environmental impact and do not comply with World Bank environmental and social safeguard policies, as described in the project's Environmental and Social Management Framework (ESMF);
- **General education activities**, apart from the use of schools that serve as a community focal point in target areas for demonstration plots and the like;
- **Overhead and management costs of partners** which are not directly and exclusively linked to the new activities; and
- Funding of activities through **third parties** that are not part of the Partnership Agreement or not formally linked with the Partnership.

IV. SELECTION CRITERIA

The prospective entities are required to submit documents evidencing their qualification that they are qualified to undertake the project.

The criteria are:

A) *The experience and track record of the partner.* Stability of the partner is important. The number of years that the firm is in existence has its premium. A.1) For firms established more than six years will earn five (5) points. For firms established more than two (2) years but less than six (6) years will earn a score from two (2) to four (4) points. For firms established less than two years will earn a score from zero to one (1) point. The Partner must be able to demonstrate reliability (i.e. clean audit opinion, no prior defaults, respected reputation in the trade and community) and experience in the sector. A formal review of the entity by the PLGU may be required to validate these criteria.

B) *The technical and managerial organization of the partner.* In the organizational structure, the partner must have technical, administrative and financial staff compliment. B.1) For firms having a manager, technical and administrative unit and staff compliment, the firm will earn a score of thirty (30) points.

B.2) For firms having a manager and technical unit and staff, it will earn a score of twenty (20) points.

B.3) For firms having a manager and administrative unit and staff, it will earn a score of ten (10) points.

C.) *Qualification in the field of the assignment.* The partner must have demonstrated their qualification to undertake the contract. Previous related contracts should be checked and validated by the Procuring Entity.

C.1) For partners that have supplied agricultural inputs and technical services to the client, it will earn a score of fifty (50) points.

C.2) For partners that have supplied agricultural inputs only, it will earn a score of forty (40) points.

C.3) For partners that have supplied technical services relative to agricultural products for purchase, it will earn a score of twenty (20) points.

C.4) For partners that have not supplied agricultural inputs nor technical services relative to the agricultural products for purchase, it will not earn a score.

Activity	Timeline
Phase I	
Request for Eligibility	1 day
Submission of Eligibility Documents	14 days
Shortlisting	1 day
Phase 2	
Preparation and submission of Business Plan & Project Implementation Plan	30 days
PLGU verification Check data and appraisal of Business Plan & Project Implementation Plan to meet prior submission criteria and the management, procurement, financial and M & E requirements	7 days
Partnership Contractual Signatures	1 day
Maximum Time from Phase 1 to Phase 2	50 days
Subproject Implementation <ul style="list-style-type: none"> • implementation of project • monitoring, mentoring and capacity support • evaluation 	

APPENDIX 2. PIREAPP CALL FOR PROPOSAL (CFP) IN A PARTNERSHIP:

Before completing this form please read the PIREAPP Partnership Guidelines. Note also the **directions (which should be deleted before completing the submission)** provided within each box of this form.

Proposals may be submitted to the BAC of PLGUs by the date specified in the accompanying letter.

Information provided in this Call for Proposal should be **brief and to the point** (up to 6 pages in total) but needs to address each of the areas listed in this form.

1. Partnership details: The PIREAPP supports effective partnerships between a lead firm or entity and legal entities representing smallholder farmers in specific geographic areas (target communities). In this round, favorable attention will be given to proposals that plan to rehabilitate existing plantings of agricultural crops, appropriate certification of agricultural producers and capacity building of smallholder groups and businesses. The contact details of all partners will be incorporated into the PIREAPP Partnership database for monitoring purposes and future contact. Experience with management of / involvement in community development projects should be listed.

Lead Partner: name of lead organization/private entity and details of legal status to enter into contracts. Financial issues (defaults, bankruptcy, etc.) encountered within the last 10 years should be disclosed; failure to do so may result in disqualification. List projects of a similar nature managed by the Lead Partner.

Name and contact details of contact person: person responsible to coordinate links with PIREAPP; state position, provide postal and e-mail address, phone and fax numbers.

Joint Partners: (Organization, Contact person, present position, contact details). Further details of other partners that will be involved in the provision of Services (other than sale of goods and materials) and other contributions to the Co-Partner Groups to be provided here.

(i)

(ii)

(iii)

Project location(s) – province(s), municipality(s) and barangay details of target communities with whom the partners will be working

Name of partnership: Number of Smallholder Households participating:

2a. Co-partner1: Name of organization and details of legal status to enter into contracts

2b. Membership and profile: Give a brief statement of the registered membership of the organization (for Farmer Groups), the geographic areas covered and present coffee growing activities and constraints and provide a brief statement regarding the range of activities currently undertaken by the entity in terms of eligible PIREAPP partnership activities (for Knowledge Providers), including brief descriptions of the target groups and subject areas covered.

(For more partners add more text boxes as required)

3a. Activities to be addressed: Give details and specific activities that will be initiated or scaled-

up under the Partnership. Please address the list of Eligible Activities in Section 3.4 above.

3b. Justification: give a brief statement of the issues or issues to be addressed by the proposed Partnership activities, their significance and importance to particular target groups detailed above and how the proposed partnership activities will be managed and implemented. Address why the proposed activities are appropriate, practical, and technically sound.

4a. Partnership Purpose: refers to what the Partnership expects to achieve in terms of sustainable development impact on people's lives at the end of the time period specified for the Partnership Agreement. Address how the proposed activities will enhance transparency and market access for smallholder producers so as to deliver them improved value over the long term. Explain how the Partnership will maintain these benefits after the conclusion of any Partnership Agreement.

4b. Community Development: Provide an outline of the potential impact on farmer organizations and/or surrounding community in terms of developing organizational capacity and associative processes

5a. Expected benefits: List the expected social and economic benefits from the partnership and how these will be sustained over the longer term. Specify which groups will benefit most and detail any risks that some individuals or groups may be disadvantaged by the partnership activity.

6. Environmental and Social Impacts:

6a. Environmental Impacts: Identify potential positive and negative Environmental impacts and indicate how the negative impacts will be corrected or managed.

6b. Social Impacts: Identify potential positive or negative social impacts and describe how the negative effects will be minimized or mitigated and list how beneficial the impacts will be to the smallholder farmer groups and individuals.

6c. Awareness & Consultation: Describe the awareness and consultation process of the Lead Partner and Co-Partner group/s to indicate how the smallholder farmers became aware of the PPAP and consented to take part in the partnership arrangement. Indicate how smallholders have shown appreciation of their responsibilities and benefits.

7. Partnership Sustainability and Potential Risks:

7a. Sustainability Measures: What measures will be taken by the partnership to sustain itself after the sub-project period (i.e., after the duration of PPAP support), in terms of mutual benefits to the Lead Partner and Co-Partner/s and continuity in the operation of the partnership. Also indicate potential risks to its sustainability and identify measures that could

be taken to deal with such risks.

7b. Cost Effectiveness: Please demonstrate that the combined returns to the Partnership will be equal or greater than the cost of the intervention.

8. Project duration: It is envisaged that Partnership Agreements will generally be of 1-3 years duration, while some may be for shorter periods according to the nature of the particular activities to be covered.

Start: dd/mm/yyyy **Completion:** dd/mm/yyyy

9. Cost estimate and sources of funding: Please indicate the contributions to be made by the entities making up the Partnership and the areas where funding support is required from the PIREAPP.

In-kind labor contributions could be considered as part of the contribution of the partnership to cost sharing.

10. Activities and Expected Outputs: Outputs refer to the specific results and tangible products (goods and services) produced by undertaking a series of tasks or activities (e.g. areas planted/developed, nursery established, etc.). An output should have: a time limit; have a result that can be measured; and have a performance standard.

Output description	Means of verification	Activities:
(specific, measurable and outcome orientated) ^[1] An output description generally will not include a verb.	(how to measure the output has been achieved and by whom)	List the specific tasks to be undertaken to achieve the required outputs. Normally a number of activities will be needed to achieve an output.

Annex 7

Partnership in I-REAP Subproject (PIREAPP)

Call for Proposals

Guidelines Phase II

March 2019

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- 4. Procurement Plan

- Annexes
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 - 3. Partner Details
 - 4. List of Legal and Support Documents

I. INTRODUCTION

This document provides guidelines for partnerships applying for funding under (I-REAP) Component of the Philippine Rural Development Program (PRDP) of the Department of Agriculture.

The development objective of the project is **to improve the livelihoods of smallholder agricultural crop producers through the improvement of the performance and the sustainability of value chains in agricultural crop producing areas.**

This would be achieved through strengthening industry coordination and institutions, facilitating linkages between smallholder farmers and agribusiness for the provision of technologies, inputs and services.

The specific objective of (I-REAP) Component of PRDP is to foster the integration of a greater number of smallholder producers in performing and remunerative value-chains, by developing and implementing public-private alliances in the project areas. It covers partnership in agricultural crop production.

Project funding would be channeled through the Provincial Local Government Units who will be the Procuring Entity for I-REAP Projects. Private Entities who will be bidding for subprojects shall be in partnership with smallholder farmers. Through the establishment of Partnership Agreements with legal entities in the private and smallholder growers would be assisted to improve their productivity, the quality of their products and achieve enhanced sustainability of their agricultural crop-based farming systems

Key project outcomes are expected to be:

- Smallholder farmers adopt efficient, market responsive and sustainable production practices leading to an improvement in their income; and
- Demand-driven productive partnerships are scaled-up and sustained.

Applicants need to be fully conversant with how projects should be prepared, following a two-stage process. In Phase 1 a **Request for Eligibility** will be announced and applicants would need to submit eligibility documents evidencing their qualification to undertake the assignment. Applicant with eligibility documents that was rated as the best qualification in Phase I would then be invited to submit a detailed **Project Implementation and Business Plan** in **Phase 2**. Partnership proponents need to be very familiar with the partnerships and its activities.

These guidelines provide an overview of the purpose of this **Call for Proposals** and the application process. You will find an application form in Appendix 1. You are advised to read these **PIREAPP Application Guidelines** before you commence completion of the application form.

You will find in **Section 3** the eligibility criteria, eligible partners and activities.

Once you have established your partnership, you should proceed to complete the Call for Proposals set out in Appendix 2. Submissions must be received by the PLGU as indicated in the Invitation to submit, by **___pm on _____ 2014.**

Before you start to fill in the application form please go through Sections 2-3 of the Request for Eligibility to ensure that you know all the requirements expected by PIREAPP. **Both Partner and Co- partner organizations must agree to the content of the application.**

The partner should prepare the project proposal **with the full involvement of all partner organizations**. Completed Proposals should be sent to the PLGU in hard copy. Give your application an appropriate name, reflecting the name of the partnership.

I. COVER PAGE

(This should be filled and attached as the COVER PAGE of your proposal)

Date of submission:
Title of Partnership:
Location of the partnership
Proposed Starting Date: [the start date should be at least 2 months after the deadline of submission]
Proposed Project Completion Date:
Partner (Name and Address)
Co-partner 1 (Group Name and Address)
Co-partner 2 (Group Name and Address)
Contact details for this partnership:
Name
Title/Position
Fax number
Email:

II. STATEMENT OF THE PARTNER AND CO-PARTNERS

This project application is submitted by, and has been made with the full agreement of all participating partner and co-partners that constitutes the [insert the partnership name].

All partners involved in implementing an approved partnership Business Plan will be required by the Project to sign a Partnership Agreement (see Annex 10).

The partner is responsible for consulting with smallholders that are part of this proposal and ensuring that they have a full understanding of the details of the proposal, their obligations/commitments and that smallholders consent to their involvement as part of this proposal.

RESPONSIBILITIES:

Partner

The following person [name of the person] is nominated as the legal representative of the Partner and will be directly responsible for the project implementation, devote necessary time and effort to its effective and efficient implementation, and be the principal contact person for the Partnership.

Name of Partner: _____

Name of Legal Representative of Partner: _____

Contact Details: _____

Signature of the legal representative of Partner: _____

Date: _____

Co-Partners

The following persons [name of the person] are nominated as the contact persons of the Co-Partners and will be directly responsible for the project implementation, devote necessary time and effort to its effective and efficient implementation, and be the principal contact person to liaise with the Partner and PLGU

Name of Co-Partner 1:	_____
Name of Representative of Co-Partner 1:	_____
Contact Details:	_____
Signature of representative of Co-Partner 1:	_____
Date	_____
Name of Co-Partner 2:	_____
Name of Representative of Co-Partner 2:	_____
Contact Details:	_____
Signature of representative of Co-Partner 2:	_____
Date	_____
Name of Co-Partner 3:	_____
Name of Representative of Co-Partner 3:	_____
Contact Details:	_____
Signature of representative of Co-Partner 3:	_____
Date	_____

III. DESCRIPTION OF PROJECT

1. Background/Context/Objective

What is the aim of this partnership proposal? Give a statement about what you want to accomplish in this project and how it will benefit all the partners. This should be in relation to and contributing towards the overall objective of the Partnership.

2. Statement of goals and objectives

[Objectives should be: specific, measurable, attainable, realistic and time-bound]

3. Description of the activities that will be initiated or scaled-up under the Partnership.

[Describe in some detail the activities that will be implemented, the number of smallholder farmers that will be involved, and the benefits to different partners?]

4. Description of the project implementation methodology/approach

[For each of the main components/activities describe what will be done to implement the project and how it will be implemented? Who will be responsible for the implementation of specific activities and how activities will be monitored? It is appropriate to break the project implementation period into quarters and plan each activity accordingly and provide the details of the activities.

5. Budget and financing plan^[1]_{SEP} [Please complete Tables 3 and 4. The costs should correspond to the activities described in the Project Implementation Plan (Table 2)]

6. Description of cooperation and partnership

[Provide specific details about the Partner and Co-Partners and provide the information as an attachment (refer to Annex 3). Describe in concrete terms the cooperation between the co-partners, how the partnerships will work together to implement project activities and any contractual arrangements between partners]

7. The relation of the project with other on-going activities

[What has already been/is being done; what have you already done; who else is working on the issue the project is going to address, and; how is this proposal different from the work already done/being done by you and/or the others if such a project is or has been carried out]

IV. MANAGEMENT CAPACITY OF THE PARTNERS

Describe the experience and examples of such experience the Partner has had in successfully managing activities such as the ones proposed in this business plan. Also provide specific details of the capacity of the partner in implementing this project in terms of availability of staff in their management structure and resources to provide sufficient supervision and technical support to ensure successful implementation during the PIREAPP implementation stage and continuity afterwards. Provide the curriculum vitae of the staff member who will be responsible for the management of this partnership as an attachment (see Annex 2. Format of Curriculum Vitae). In addition, what are the plans for capacity building and training to improve skills and knowledge of smallholder farmers?

Co-Partners

Give background and experience of the co-partners in similar project activities.

V. FINANCIAL REQUIREMENT

Partner shall open a separate bank account for the project, keep all original receipts, and shall furnish supporting documentation for payment requests to the PLGU. A funds disbursement schedule should be provided with the Partnership Agreement.

The Partner will be required to have the accounts audited and present the audited accounts to the PLGU before the succeeding billing.

An advance payment not normally exceeding 15% will be made to the partnership. For this initial payment advance and for all subsequent payments, an invoice must be presented by the Partner to the PLGU which details the intended expenditure which should be according to the partnership budget and implementation plan. This invoice must specify the amount.

The Initial Advance Payment to the Partnerships will be made according to the budget, corresponding implementation plan and presentation of the invoice mentioned above. Replenishment requests may be made by the Partner to the PLGU when 70% or more of the allocated funds have been spent and liquidated. The liquidation must include a financial and an M&E report that evidences implementation achievement related to the expenditure. On receipt of the payment request, the PLGU will undertake an on-site monitoring visit to verify milestones and progress prior to the release of the second tranche payment.

The Partner is responsible for regular timely and accurate reporting of all aspects of the partnership expenditures including the budgeted farmer activities. The reporting format and the information/data that the Partner is required to provide will be provided to the partnership by the PLGU.

The Partner must provide the report and supporting data to the PLGU on soft (electronic) copy with each Payment Request.

The PLGU will monitor the Partner and all Co Partners in the Partnership. Agricultural crop farms and other budgeted activities will be inspected by the PLGU to substantiate Payment Requests.

COST SHARING

Partnership are required to contribute a minimum of 2% of the total investment cost of the project in cash or in kind as a sign of good faith and commitment to the project. This will be form part of the 60:20:20 .

TABLES

Table 1. Project Implementation Plan (Quarterly periods for the duration of the implementation period)

Activities	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Description of activity 1	(mm. yy)			
Description of activity 2		(mm.yy)		

Table 2. Cash Flow Budget per Activity per Quarter

Enter the cost in each quarter for each of the components and activities in your project.

Activities	Q1Y1	Q2Y1	Q3Y1	Q4Y1
Description of activity 1	Amount			
Description of activity 2		Amount		
Contributions:				
Partner				
Co-partner 1				
Co-partner 2				
Total				

[Note: (1) For each activity in Table ____ (Implementation Plan) enter the cost into this table.

TABLE 3. Budget Costing Table by Category

	Detailed Cost Items	Unit	Cost/unit	Total Cost
	1. Project Establishment			
A.	Goods			
	Equipment			
	Supplies			
	Materials			
	Inputs			
	Total Goods			
B.	Services			
	Training & Workshops			
C.	In-kind labor contribution			
D.	2. Operational Cost			
	Communications			
	Utilities			
	Transport Cost			
	others			
TOTAL				

Table 4. Procurement Plan

Refer to Annex 1 which described the procurement practices to be used by approved partnerships.

Description of Activity	Procurement Method	Implementation Period(Quarter & Year)
Goods		
Services		
TOTAL		

[Note: The implementation period shown in this table should correspond to the time frame and cost per activities included in Table ____ (Project Implementation Plan) and Table ____ Cash Flow Budget per Activity per Quarter)

The Procurement Plan will be part of the Partnership Agreement.

The Procurement Plan may be revised and up-dated before signing of the Partnership Agreement]

ANNEXES

Annex 1. Procurement practices to be used by the approved partnerships

Procurement of Goods and services for approved partnerships will be expected to use the procurement practices described below.

The PLGU shall review the procurement arrangements proposed by the Partners in the Procurement Plan.

The Partners should retain all the documents related to the procurement of any of the goods or services for a period of 2 (two years) after the closing date of the Agreement.

1. GOODS

Goods in the context of the productive partnerships refers to materials, tools, machinery, equipment and items to be used in the activities identified by the partnerships and they will be procured following the; Non-competitive practice (direct contracting) and Three Quotes practice.

1.1 Non-competitive practice (direct contracting)

For goods, contracts with a value less than US\$ 20,000.00, Non-competitive practice (single source) may be used provided that the price is reasonable (i.e., in line with the market price).

Steps to be followed:

STEP 1 – Describe what you need

List all the items (goods) in the contract identified in the Procurement Plan.^[1] Besides the name of the item, a description should be provided (features of the goods) so the Supplier (shop) knows exactly what is required. The forms to be used by the Partners for Non-competitive practice (direct contracting) will be provided by the PLGU before signing the Partnership Agreement.

STEP 2 – Ask Supplier for quote

Be sure to provide all the required information to the supplier when you request the quotation.

STEP 3 – Open and Check the Quote

Make sure the supplier has offered what is required, on suitable terms.

STEP 4 – Order the Goods

The Supplier should be advised that its quotation has been accepted.

STEP 5 - Inspect and Receive the Goods

A written record of the delivery and acceptance of goods should be kept by the Partnership.

1.2 Procuring of goods, Three Quotes Practice

The three (3) valid quotes practice will be used when the contract value is less than US\$ 200,000.00 and the steps to be followed are explained below:

For the contracts for goods less than US\$200,000.00 the PMU may undertake a post verification of the procurement process.

Steps to be followed:

STEP 1 – Describe what you need

List all the items (goods) in the contract identified in the Procurement Plan.^[SEP] Besides the name of the item from the Procurement Plan, a description should be written (features of the goods) so the Suppliers will know exactly what is required.

STEP 2 – Ask at least 3 Suppliers

You should get a quote from 3 different suppliers. It is recommended to ask more than 3 suppliers (four or five suppliers) to be sure than you will get at least three (3) quotes.^[SEP] If you can only get 2 quotes you should keep a written record of the reason.^[SEP] Be sure to provide all the required information to the supplier when you request the quotation.

The Partners will appoint an Evaluation Committee consisting of at least 3 members from the Partners, which will evaluate the quotes. Make sure the quotes are compared on an equal basis. For example, same delivery location, transport included or not etc. Providing the items offered are as required (the features from the request to quotation), the contract should be awarded to the supplier offering the lowest priced quote. An evaluation report recording the evaluation of quotes and recommendation of awarding of the contract, signed by the evaluation members, should be prepared and kept.

All the quotes should be kept for inspection and auditing.

STEP 3 – Open the quotes and choose the supplier offering the lowest price quote

STEP 4 – Order the Goods.

The successful supplier should be informed about the result of the procurement practice, contract document issued and arrangements made for delivery of the goods. The unsuccessful suppliers shall be informed about the result of procurement process. All the Partners should be informed about the result.

STEP 5 - Inspect and Receive the Goods

A written record of the delivery and acceptance of goods should be kept by the Partnership.

Annex 2. Sample format for Curriculum Vitae (CV) Partner Details

Proposed Position:

Name of Staff:

Profession:

Date of Birth:

Years with Firm/Entity: Nationality:

Detailed Tasks Assigned:

Key Qualifications:

[Give an outline of staff member's experience and training most pertinent to tasks on assignment. Describe degree of responsibility held by staff member on relevant previous assignments and give dates and locations. Use about half a page.]

Education:

[Summarize college/university and other specialized education of staff member, giving names of schools, dates attended, and degrees obtained. Use about one quarter of a page.]

Employment Record:

[Starting with present position, list in reverse order every position held. List all positions held by staff member since graduation, giving dates, names of employing organizations, titles of positions held, and locations of assignments. For experience in last ten years, also give types of activities performed and client references, where appropriate. Use about two pages.]

Languages:

[For each language indicate proficiency: excellent, good, fair, or poor in speaking, reading, and writing.]

Certification:

I, the undersigned, certify that to the best of my knowledge and belief, these data correctly describe me, my qualifications, and my experience.

Date:

[Signature of staff member and authorized representative of the firm] Day/Month/Year

Full name of staff member: _____

Full name of authorized representative: _____

Annex 3. Partner Details

Lead Partner

- Name of lead organization/private entity
- Name and Contact details of the legal representative, responsible to coordinate links with the PIREAPP; State position, provide postal and email address, phone and fax numbers.
- Name and Contact details of Partnership Coordinator (if different from the ^[1]_{SEP} contact person). Give name, present position, provide postal and e-mail address, phone and fax numbers of the person who will be responsible with coordinating activities with other entities in the partnership.

Co-partner 1

- Name Group Details:
- Names, Positions and Contact Details of their office bearers
- Name and Contact Details of who will represent the group(s) for the purpose of the PIREAPP
- Number of registered farmers
- Sitio, Barangay, Municipality, Province Co-Partner 1

Co-partner 2

- Name Group Details:
- Names, Positions and Contact Details of their office bearers
- Name and Contact Details of who will represent the group(s) for the purpose of the PIREAPP
- Number of registered farmers
- Sitio, Barangay, Municipality, Province Co-Partner 2

Co-partner 3

- Name Group Details:
- Names, Positions and Contact Details of their office bearers
- Name and Contact Details of who will represent the group(s) for the purpose of the PIREAPP
- Number of registered farmers
- Sitio, Barangay, Municipality, Province Co-Partner 3

Annex 4. List of Legal and Support Documents

A. All applications should be completed with the following legal and supporting documents. The list of required documents, according to the status of the applicant, is as follows:

If the Co-Partner is a registered farmers/producers association/cooperatives or marketing association

1. Copy of the original registration certificate of the association or cooperative;
2. CV of the officer of the association/cooperative who will be spokesperson for the project activities;
3. Other documents that would be required by the PLGU as deemed appropriate.
4. Agreement between members of the group certifying that they work together and they have nominated/selected the spokesperson (Group Leader) for the proposed project;
5. CV of the Group Leader;
6. Other documents that would be required by the PLGU as deemed appropriate.

B. The Project Proposal must be accompanied by the agreement between the Lead Partner and each Co-Partner. These agreements must be signed by all members of the cooperative/association/group expected to receive support or benefitting through the project

Annex 9 - 1

Name of PG : _____
Address : _____

PURCHASE REQUEST

Date: _____
PR No: _____

Item No	Description/ Specification	Quantity	Unit	Unit Price	Total Price
TOTAL					

Requested by : _____
Signature : _____
Date : _____

Approved by:

Name of PG
President/Chairman : _____
Signature : _____
Date : _____

Annex 9 - 2

Name of PG : _____
Address : _____
Date : _____
Name of I-REAP : _____
Subproject : _____

CANVASS FORM-GOODS

Date : _____
To : _____
Address : _____

We have received a grant from Philippine Rural Development Project (PRDP) from a Loan from World Bank. _____ -- (name of PG) --- Procurement Committee invites you to submit a quotation for the items listed below. Kindly indicate your prices for each of the items listed below. Please return this form to the canvasser at the address indicated above on or before _____ (time). _____ (date).

Package ____ : _____
Estimated Cost : _____

Item No.	Description/ Specification	Quantity	Unit	Brand offered	Unit Price	Total Price
Total Amount						
Mode of payment: Cash on delivery						
Delivery period:						
Canvasser Name and Signature:						

- Terms and conditions:
1. Prices must be valid for at least ____ calendar days.
 2. Prices quoted must include taxes, delivery charges and other incidental expenses.
 3. Awarding of contract shall be by: _____ lot _____ per item ____ package.
 4. The PG reserves the right to change the terms and conditions without incurring any liability to the suppliers/bidders.

Submitted by:

Signature over Printed Name
Owner/Manager

Date : _____

Annex 9 - 3

Name of PG : _____
 Address : _____
 Date : _____
 Name of I-REAP Subproject : _____

ABSTRACT OF CANVASS
(Shopping for Goods)

Item No.	Description/ Specifications	Qty	Unit	Name of supplier		Name of supplier		Name of supplier	
				Unit Cost	Total	Unit Cost	Total	Unit Cost	Total
TOTAL									

I/We hereby certify that we obtained in accordance with generally accepted procurement procedures. We further certify that there were no other bids received other than reflected herein.

Name of Winning Supplier: _____

Result of Evaluation and Recommendation for Award:

1. There are _____ quotations received before the deadline from different suppliers listed in the table above;

2. _____

3. After thorough evaluation, _____ tendered the most advantageous offer. Thus,
_____ is recommended for the award of the contract in the total amount of
_____ (Php _____)

Evaluated by:

PC Member

PC Member

PC Chairman

Approved:

Manager/Chairman/President

Name of PG: _____

Annex 9 - 4

Name of PG : _____

Address : _____

PURCHASE/WORK ORDER

PO/WO No. _____

Name of Winning Supplier : _____

Address : _____

Sir/Madam:

In accordance with the canvass dated _____ for the subproject _____, we request you to supply within ____ days from receipt hereof the following supplies, materials or equipment subject to the terms and conditions contained herein.

Item No.	Descriptions/Specifications	Brand name/ Model	Quantity	Unit	Unit Price	Total Price
Total Amount of this Purchase/Work Order						

Condition: To deduct each day of delay in the delivery after the period stipulated a liquidated amount of 1/10 of 1% of the total value of the undelivered portion.

We reserves the right to accept or reject any part of the items delivered which are not in accordance with the specifications.

Very truly yours,

PG President

Conforme:

Funds Available:

Signature over Printed Name

PG Treasurer

Date: _____

Annex 9 - 5

Name of PG : _____

Address : _____

INSPECTION AND ACCEPTANCE REPORT

Supplier : _____

P.O. No. _____ Date: _____ Invoice: _____ Date: _____

Item No.	Description/ Specification	Quantity	Unit

Inspection:

Date Inspected: _____

Acceptance:

Date Received: _____

___ inspected, verified and found in order as to quantity and specifications

___ Complete

___ Partial

___ geotagged photograph taken of the items delivered (by I-REAP PPMIU/PG)

PG Inspection Committee

(Date)

I-REAP-PPMIU or its Authorized Representative

Annex 9 - 6

Name of PG : _____

Address : _____

CANVASS FORM-WORKS

Date: _____

To : (Name of Supplier)

Address: _____

We have received a grant from Philippine Rural Development Project (PRDP) from a Loan from World Bank. ____ -- (name of PG) --- Procurement Committee invites you to submit a quotation to construct and complete, on behalf of the community and according to the conditions of this Invitation, the whole of the work items for said project broken down as follows:

Name of Project:

Work Item No.	Scope of Works	Quantity	Unit	Unit Cost	Total Price
Total Amount					

Your quotation shall be valid for a period of _____ days from the date of submission of the quotation. Quotation shall be fixed for _____ months. Price quoted must include taxes and other incidental expenses. It is understood that the contractor shall complete all works enumerated at the total quoted price. Minor works not listed therein but are necessary to execute the work items are deemed part of these work items. Likewise, the contractor agree to utilize local labor incase the contract is awarded to the firm.

Attached for your information and guidance is the Draft Contract with its Terms and Conditions.

Your quotation should be received by the ____ -- (name of PG) --- Procurement Committee on or before _____ (date and time).

Please attached your registration certificate and technical documents together with your quotation

Very truly yours,

PG Procurement Committee

Annex 9 - 7

Name of PG : _____
Address : _____

ABSTRACT OF QUOTATION

Name of Project/Contract: _____

NAME OF CONTRACTOR	AMOUNT	REMARKS
1.		
2.		
3.		
4.		

Based on the quotations opened on _____ (date). The quotation submitted by _____ (name of contractor) in the amount of _____ (amount in words) P _____ (in figures) was determined after evaluation to be the lowest calculated complying quotation. Therefore, award of the contract is hereby recommended to the said contractor.

PROCUREMENT COMMITTEE

Procurement Committee Chairperson

APPROVED BY:

PG CHAIRPERSON

Date: _____

Annex 9 - 8

Name of PG : _____
Address : _____

DISBURSEMENT VOUCHER

Date: _____

Payee: _____ DV No.: _____
Address: _____

PARTICULAR/EXPLANATION			AMOUNT		
RECEIVED THE SUM OF PESOS _____ (P _____) IN SETTLEMENT OF THE ABOVE ACCOUNT. _____ Signature of Payee Date			PAYMENTS		
			Date	Check No.	Amount
			Prepared by: Date: _____ Checked by: Date: _____ Approved by: Date: _____ Posted by: Date: _____		
ACCOUNT DISTRIBUTION/CHARGING					
Account Code	Debit	Credit			

Annex 9 - 9

Name of PG: _____

TIME SHEET AND PAYROLL FOR LABOR

For the period of : _____

Name of Labor	No. of days	Rate per day	Total Amount	Date payment received	Signature of Payee

Prepared by:

Certified by:

PG Treasurer

Date: _____

PG President

Date: _____

Annex 9 - 10

SUBPROJECT CONTRACT

(Under Community Participation_ (Shopping and Direct Contracting for Works)

This AGREEMENT, made between the (Name of the Proponent Group) _____, herein referred to as “Entity” and _____, herein referred to as the “Contractor”.

WHEREAS, the Entity is desirous that the Contractor executes (name of the infra works of the (I-REAP Subproject) _____, herein referred to as “Works” and the Entity has accepted the intent of the Contractor to undertake such Works after compliance of the eligibility requirements and readiness filters.

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. The following documents shall be attached, deemed to form, and be read and construed as part of this Agreement, to wit:

- 1.1 Approved Program of Works;
- 1.2 List of Equipment and personnel;
- 1.3 Contractors Signed Quotation; and
- 1.4 Enterprise Investment Agreement of the LGU and the PG;
- 1.5 Other documents that the Entity would require for the best interest of both parties and of the public

2. The words and expressions in the above documents shall have the same meanings as fully agreed and understood by both parties;

3. In consideration of the payments to be made by the Entity to the Contractor, the Contractor hereby agrees with the Entity to execute and complete the Works and remedy any defects therein in accordance to the approved Program of Works in all respects; and

4. The Entity hereby agrees to pay the Contractor in consideration of the execution and completion of the Works and the remedying of defects wherein, the Contract price or part thereof upon submission of required documents as provided for in PRDP Finance Guidelines.

IN WITNESS whereof, the parties have hereunto affixed their signatures to cause this Agreement to be executed on this ____ day of ____, 20 at _____.

For the Proponent Group:

For the Contractor:

PG Chairman

Owner/Authorized Representative

Signed in the presence of:

ACKNOWLEDGMENT

Republic of the Philippines

BEFORE ME, a Notary Public for and in _____ on this _____ day of _____
personally appeared:

NAME	CTC No.	DATE OF ISSUE	PLACE OF ISSUE
1.			
2.			
3.			

Known to me to be the same persons who executed the foregoing **Subproject Contract** and acknowledged that the same is their free and voluntary act and those of the offices they represent. This instrument consisting of _____ pages signed on each and every page by the parties and their witnesses.

IN WITNESS WHEREOF, I hereby affix my signature and notarial seal.

NOTARY PUBLIC

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

Name and address of PG _____

Date: _____

Annex 9 - 11

INVITATION FOR PAKYAW

To : _____

Address: _____

We invite you to submit a pakyaw proposal to construct and complete the works items for the subproject: (Name of infra work of the I-REAP Subproject)

_____ broken down as follows:

Work Item	Scope of Works	Quantity	Unit	Unit Price	Total Price
TOTAL COST					

Please attached to your proposal the list of names of the group with their names and signature, address, assignment and rate per day. The official representative shall named in the said list. The official representative shall coordinate with

To assist you in the preparation of your proposal quotation, we endorse the necessary drawings and specifications. Your quotation should be sealed in an envelope and addressed to the undersigned at the following address:

Procurement Committee

Name of PG: _____

Address: _____

SUBPROJECT CONTRACT
(Under Community Participation using CFA Works)

This AGREEMENT, made between the (Name of the Proponent Group) _____,
herein referred to as "Entity" and _____, herein referred to as the "Group".

WHEREAS, the Entity is desirous that the Group executes (name of the infra works of the (I-REAP Subproject) _____, herein referred to as "Works" and the Entity has accepted the intent of the Group to undertake such Works and remedying of any defects therein.

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. The following documents shall be attached, deemed to form, and be read and construed as part of this Agreement, to wit:

- 1.1 Approved Program of Works;
- 1.2 List of Equipment and personnel;
- 1.3 Contractors Signed Quotation; and
- 1.4 Enterprise Investment Agreement of the LGU and the PG;
- 1.5 Other documents that the Entity would require for the best interest of both parties and of the public

2. The words and expressions in the above documents shall have the same meanings as fully agreed and understood by both parties;

3. In consideration of the payments to be made by the Entity to the Group, the Group hereby agrees with the Entity to execute and complete the Works and remedy any defects therein in accordance to the approved Program of Works in all respects with the provisions of the Contract; and

4. The Entity hereby agrees to pay the Contractor in consideration of the execution and completion of the Works and the remedying of defects wherein, the Contract price or part thereof upon submission of required documents as provided for in PRDP Finance Guidelines.

5. The Owner shall pay the Group upon completion of the work; the check will be in the name of the official representative;

6. The Group commits to complete all the works within _____ (calendar days)

IN WITNESS whereof, the parties have hereunto affixed their signatures to cause this Agreement to be executed on this ____ day of ____, 20 at _____.

For the Proponent Group:

PG Chairman

For the Group:

Owner/Authorized Representative

Signed in the presence of:

ACKNOWLEDGMENT

Republic of the Philippines

BEFORE ME, a Notary Public for and in _____ on this _____ day of _____
personally appeared:

NAME	CTC No.	DATE OF ISSUE	PLACE OF ISSUE
1.			
2.			
3.			

Known to me to be the same persons who executed the foregoing **Subproject Contract** and acknowledged that the same is their free and voluntary act and those of the offices they represent. This instrument consisting of ____ pages signed on each and every page by the parties and their witnesses.

IN WITNESS WHEREOF, I hereby affix my signature and notarial seal.

NOTARY PUBLIC

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

