

**BIDS AND AWARDS COMMITTEE (BAC) FOR GOODS**  
**Resolution No. BG 2018-003**

**CANCELLATION OF THE BIDDING FOR THE SUPPLY AND DELIVERY OF  
FIFTEEN (15) BRAND NEW UNITS OF MOTOR VEHICLES**

**WHEREAS**, the Bases Conversion and Development Authority (BCDA) as the Procuring Entity intends to procure fifteen (15) brand new units of Motor Vehicles through public bidding;

**WHEREAS**, BCDA, after its receipt of the Authority to Purchase (ATP) from the Office of the President (OP) on December 15, 2017, has put on bid the Supply and Delivery of Fifteen (15) Brand New Units of Motor Vehicle with an Approved Budget for the Contract (ABC) in the amount of Pesos: Twenty One Million Five Hundred Fifty Thousand (Php 21,550,000.00), exclusive of VAT and all applicable taxes and fees;

**WHEREAS**, the BAC for Goods, through its Secretariat, posted the Invitation to Bid starting on December 30, 2017 and continuously for seven (7) calendar days in the following:

- a. Newspapers of General Circulation;
- b. Philippine Government Electronic Procurement System (PhilGEPS) website;
- c. BCDA Website; and
- d. In a conspicuous place reserved for the purpose in the premises of BCDA.

**WHEREAS**, on 16 January 2018, the Pre-Bid Conference for the Bidding for the Supply and Delivery of 15 Brand New Units of Motor Vehicle was held in which three (3) prospective bidders have attended. However, the passage of the Tax Reform for Acceleration and Inclusion (TRAIN) law which took effect on January 1, 2018 has raised concerns on the excise tax on motor vehicles among prospective bidders;

**WHEREAS**, the BAC for Goods issued a Bid Bulletin on January 17, 2018 advising that the Terms of Reference (TOR) and the Timetable of the Bidding Activities for the Supply and Delivery of fifteen (15) Brand New Units of Motor Vehicles shall be revised due to the new law which effectively increased the excise tax on motor vehicles;

**WHEREAS**, the BAC requested quotations from three (3) car dealers to check the prices of motor vehicles in January 2018;

**WHEREAS**, the new quotations show the prevailing prices in January 2018 are much higher than the approved budget for each unit of motor vehicle in the ATP, thus the approved prices in ATP cannot cover the requirement of BCDA;

**WHEREAS**, the BAC for Goods, in its letter to the Government Procurement Policy Board (GPPB) dated 17 January 2018, requested that the Approved Budget for the Contract (ABC) for the procurement of fifteen (15) brand new units of motor vehicles, and the Financial Proposals of the proponents be exclusive of Excise Tax;

**WHEREAS**, the BAC for Goods, likewise, in its letter to the Department of Budget and Management (DBM) dated January 30, 2018, requested that the Approved Budget for the Contract (ABC) and the approved budget in the ATP for the procurement of fifteen (15) brand

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**WHEREAS**, the BAC for Goods, in its letter to the Government Procurement Policy Board (GPPB) dated 17 January 2018, requested that the Approved Budget for the Contract (ABC) for the procurement of fifteen (15) brand new units of motor vehicles, and the Financial Proposals of the proponents be exclusive of Excise Tax;

**WHEREAS**, the BAC for Goods, likewise, in its letter to the Department of Budget and Management (DBM) dated January 30, 2018, requested that the Approved Budget for the Contract (ABC) and the approved budget in the ATP for the procurement of fifteen (15) brand new units of vehicles be exclusive of excise tax and all other taxes imposed under the TRAIN Act, and that the ABC be grossed up of VAT;

**WHEREAS**, Section 41 of the Implementing Rules and Regulations of R.A 9184 states that:

*“SEC. 41. Reservation Clause - The HoPE reserves the right to reject any and all bids, declare a failure of bidding, or not award the contract in the following situations:*

- a) xxx...;*
- b) xxx...; or*
- c) For any justifiable and reasonable ground where the award of the contract will not redound to the benefit of the GoP, as follows: (i) if the physical and economic conditions have significantly changed so as to render the project no longer economically, financially, or technically feasible, as determined by the HoPE;...xxx...”*

**WHEREAS**, GPPB Non-Policy Opinion No. 121-2016 states that:

*“xxx... For cancellation of procurement activities, the HoPE may opt to use the Reservation Clause by rejecting any and all bids, declaring a failure of bidding, or not awarding the contract if lawful, valid and justifiable grounds exist as specified in Section 41 of RA9184 and its IRR. Consequently, based on the actual needs of the procuring entity, a cancelled procurement project may again be submitted for bids provided that the procuring entity complies with the advertisement, posting and other requirements of the procurement law and its associated rules.”*

**WHEREAS**, to date, the BAC for Goods has yet to receive response/approval from either GPPB or DBM regarding the aforementioned requests;

**NOW, THEREFORE, WE**, the Members of the Bids and Awards Committee for Goods, hereby **RESOLVE**, as it is hereby **RESOLVED**, to recommend the following:

1. Cancellation of the Bidding for the Supply and Delivery of fifteen (15) Brand New Units of Motor Vehicles pending the approval of the DBM on the aforementioned request of BAC; and

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2. To re-bid the same upon the approval of the DBM of BCDA's request.


**RESOLVED**, at the BCDA Corporate Office, this 5<sup>th</sup> day of March 2018.

**BIDS AND AWARDS COMMITTEE (BAC) FOR GOODS**

  
**AILEEN ANUNCIACION R. ZOSA**  
Chairperson


  
**VIRGIL M. ALVAREZ**  
Member

  
**EDUARDO G. POLICARPIO, JR**  
Member

  
**ARNEL V. FORTUNADO**  
Member

  
**SAMUEL JOHN MIDALLON**  
Member

Approved by:

  
**VIVENCIO B. DIZON**  
President and CEO

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