



Republic of the Philippines  
**SOCIAL SECURITY SYSTEM**

East Ave., Diliman, Quezon City  
Tel. Nos. (632) 920-6401 • (632) 920-6446  
E-mail: [member\\_relations@sss.gov.ph](mailto:member_relations@sss.gov.ph) • Web site: <http://www.sss.gov.ph>

**OFFICE OF THE PRESIDENT AND CEO**

**CERTIFICATION**

The resort to the Alternative Method of Procurement of *Limited Source Bidding* is being made due to the classification of the Outsourcing of the Provident Fund Information System Services as highly specialized based on the degree of competence, capability and resources required for the project.

The pre-selected list of bidders for the project fully complied with the criteria previously set.

This certification is being issued for the purpose of submitting the pre-selected list of bidders to the Government Procurement Policy Board (GPPB) in compliance with Republic Act No. 9184, otherwise known as the Government Procurement Reform Act.

  
EMILIO S. DE QUIROS, JR.  
President and CEO

2011/12/30/8c



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**BIDS AND AWARDS COMMITTEE (BAC) I** Received By: \_\_\_\_\_

**Memorandum –**

**FOR :** EMILIO S. DE QUIROS, JR.  
 President and CEO

**DATE :** 12 December 2011

**SUBJECT :** Request for Approval of Limited Source Bidding with Recommended Pre-Selected List of Bidders for the Outsourcing of Provident Fund Information System Services (PFISS)

In line with the Social Security Commission (SSC) Res. No. 520-s.2011 dated 11 May 2011, the Bids and Awards Committee (BAC) I, in its Resolution No. 2011-140-5 dated 09 December 2011 is favorably indorsing for approval the request of the Technical Working Group for the adoption of the Alternative Method of Procurement of *Limited Source Bidding* for selecting the winning service provider for the Outsourcing of the PFISS, with an Approved Budget for the Contract at P9,600,000.00:

**I. Pre-Selected List of Bidders:**

The pre-selected list of bidders who passed the given set of criteria are the following:

1. Bank Of The Philippine Islands
2. Land Bank Of The Philippines
3. Metropolitan Bank & Trust Co.

*\*Arranged in alphabetical order*

**II. Criteria for Pre-Selection of Bidders:**

The criteria for eligibility of bidders for this project are as follows:

Criteria for Eligibility	
1	The Bidder must be one of the Top Five (5) Banks in the Philippines in both categories: Total Assets and Total Capital, as ranked by the Bangko Sentral Ng Pilipinas (BSP) as of June 2011;
2	The Bidder must be a Depository Bank of the Social Security System (SSS);
3	The Bidder must have an existing Provident/Trust Fund program for clients during the last three (3) years from date of receipt of request from SSS;
4	The Bidder must have an automated and on-line Provident Fund applications system operational for at least two (2) years from date of receipt of request from SSS.

**Compliance with Criteria:**

To determine Criteria No. 1, the BSP provided the SSS with an official list of the Top 5 banks based on statistics for assets and capital as of June 2011 (copy of official communication is hereto attached as Annex A):

**ASSETS**

Rank	Name of Bank	Amount
1	Banco De Oro Unibank Inc.	1,009.7
2	Metropolitan Bank & Trust Co.	782.5
3	Bank Of The Philippine Islands	698.0
4	Land Bank Of The Philippines	609.5
5	Philippine National Bank	332.8

\*Amount in Billions of Pesos

**CAPITAL**

Rank	Name of Bank	Amount
1	Metropolitan Bank & Trust Co.	95.8
2	Banco De Oro Unibank Inc	88.3
3	Bank Of The Philippine Islands	78.8
4	Land Bank Of The Philippines	64.1
5	Development Bank Of The Phil.	38.6

\*Amount in Billions of Pesos

As required in Criteria No. 2, the depository banks of the SSS are the following:

1	Banco De Oro Unibank Inc
2	Bank of the Philippine Islands
3	China Banking Corporation
4	Development Bank of the Philippines
5	Land Bank of the Philippines
6	Metropolitan Bank & Trust Co.
7	Philippine National Bank
8	Security Bank
9	Union Bank
10	Veterans Bank

\*Arranged in alphabetical order

For Criteria Nos. 3 and 4, the BAC I requested the banks to provide a certification on the existence of a Provident/Trust Fund program for clients during the last three (3) years from date of receipt of request from SSS and an automated and on-line Provident Fund applications system operational for at least two (2) years from date of receipt of request from SSS (copy of said certifications are hereto attached as Annexes B, C and D).

	Name of Bank	Remarks
1	Bank Of The Philippine Islands	Complied per letter dated November 17, 2011
2	Land Bank Of The Philippines	Complied per letter dated November 23, 2011
3	Metropolitan Bank & Trust Co.	Complied per letter dated November 23, 2011
4	Banco De Oro Unibank Inc. Trust and Investments Group (BDO-TIG)	Did not comply. With certification dated Nov. 22, 2011 certifying that it has an existing Provident/Trust fund program for clients during the last three (3) years. However, BDO-TIG has no automated and on-line Provident Fund application system operational.

**III. Basis for Request of Limited Source Bidding:**

To protect the interests of the SSS and the prospective members of the Voluntary Provident Fund for Members, the BAC I and TWG deemed it necessary that participating bidders be among the Top Five (5) Banks in the country, in terms of assets and capital, as certified to by the BSP and that said bidders must be depository banks of the SSS. In view of these facts, we deem that the project is 'highly specialized' and we are therefore constrained to use the alternative method of "Limited Source Bidding" in procuring the Service Provider for the project.

It is also important to limit the bidding to the Top 5 Banks in the Philippines (as identified by the BSP) who are, likewise, SSS depository banks to facilitate ease in transaction and seamless coordination between and among the Bank (service provider), the SSS and the member, for an effective and efficient program.

More importantly, since the projected membership for this program is more than half a million on the fifth (5<sup>th</sup>) year of implementation, the SSS should only transact with a financial institution having unquestionable integrity and reliability, as well as possessing excellent professional and financial capability, innovativeness and technological proficiency, worthy of handling millions or even billions of hard-earned public funds.

Therefore, based on the compliance with the given criteria which highlight the capability and resources of the service provider to perform the contract based on experience and past performance, as well as their capability with respect to equipment and facilities, including their financial position, it appears that the three (3) aforementioned banks are capable to bid for the project.

Also attached for reference is the technical specifications of the project (*attached as Annex E*).

Should the PCEO find everything in order, attached is a Certification for endorsement of the pre-selected list of bidders to the Government Procurement Policy Board (GPPB), as required by Republic Act No. 9184 otherwise known as the Government Procurement Reform Act.

For your approval.

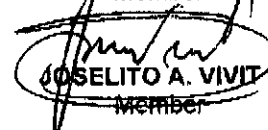
**BIDS & AWARDS COMMITTEE (BAC) I**

  
**EDGAR B. SOLILAPSI**  
Chairperson

  
**JESSE J. CABERO**  
Vice-Chairperson

  
**NACIANCINO L. MONREAL**  
Member

  
**JOHNSY L. MANGUNDAYAO**  
Member

  
**JOSELITO A. VIVIT**  
Member

  
**ARNOLD A. TOLENTINO**  
Member

Attached: A/s

**Member Relations**

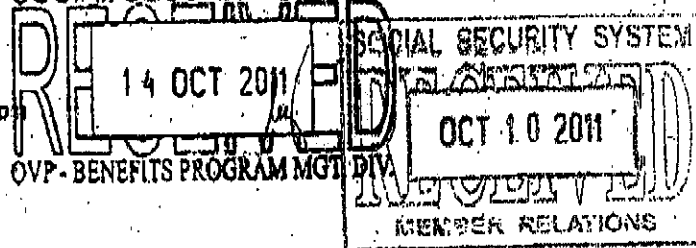
6 ANNEX A

From: <SDC\_Stat@bsp.gov.ph>  
 To: <member\_relations@sss.gov.ph>  
 Cc: <VDeVillia@BSP.GOV.PH>; <FDeLacruz@bsp.gov.ph>; <LayaAV@bsp.gov.ph>;  
 <LaconicoAF@bsp.gov.ph>  
 Sent: Thursday, October 06, 2011 4:57 PM  
 Subject: Top Five (5) Banks in the Philippines

File/Ref.No. RMS-2011-10-011

Agnas E. San Jose  
 Vice President  
 Benefits Administration Division  
 Social Security System

## SOCIAL SECURITY SYSTEM



Dear Ms. San Jose:

This is in response to your letter to Ms. Fe M. De La Cruz of Corporate Affairs Office of the Bangko Pilipinas, dated 22 September 2011, requesting for data on the top five (5) banks in the Philippines in assets, capital and revenues. Below are the related statistics for assets and capital as of June 2011.

Assets

Rank	Name of Bank	Amount
1	BANCO DE ORO UNIBANK INC	1,009.7
2	METROPOLITAN BANK & TRUST CO.	782.5
3	BANK OF THE PHILIPPINE ISLANDS	698.0
4	LAND BANK OF THE PHILIPPINES	609.5
5	PHILIPPINE NATIONAL BANK	332.8

Based on Published Statement of Condition

Capital Accounts

Rank	Name of Bank	Amount
1	METROPOLITAN BANK & TRUST CO.	95.8
2	BANCO DE ORO UNIBANK INC	88.3
3	BANK OF THE PHILIPPINE ISLANDS	78.8
4	LAND BANK OF THE PHILIPPINES	64.1
5	DEVELOPMENT BANK OF THE PHIL	38.6

Based on Published Statement of Condition

These data, along with other critical statistics (e.g. ranking in terms of deposits, loans, and return individual statement of condition) are also available in the BSP website at [www.bsp.gov.ph](http://www.bsp.gov.ph) (under stati:

2386344

However, for the ranking in terms of revenues, please be informed that these are not included in the data that supervised institutions are required to publish hence, no data can be provided.

Abelardo V. Laya, Jr.  
Deputy Director  
Supervisory Data Center  
Bangko Sentral ng Pilipinas

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ANNEX B



November 23, 2011

**BIDS & AWARDS COMMITTEE (BAC) I  
SOCIAL SECURITY SYSTEM  
East Ave., Dilliman, Quezon City**

**Attention: MR. JESSE J. CABEROY  
Vice President & Vice Chairperson  
Bids & Awards Committee I**

Dear Mr. Caberoy,


We are very much pleased to be invited as a service provider for this latest endeavor of the Social Security System, which is the supplementary Voluntary Provident Fund for Members.

This is to certify that:

1. - Metropolitan Bank & Trust Co. has an existing Provident/ Trust Fund program for clients during the last three (3) years from date of receipt of request from the SSS;
2. Metropolitan Bank & Trust Co. has an automated Provident Fund applications system operational for at least two (2) years from date of receipt of request from the SSS. With regard to the online system, we have been providing our clients with such through our accredited third party service provider. We can accord the same to the SSS subject to BSP approval.

Thank you and best regards,

  
**JOSEFINA T. TUPLANG**  
 Senior Vice President  
 Trust Banking Group  
 Metropolitan Bank & Trust Co

  
**JOSEFINA E. SULIT**  
 Executive Vice President  
 Trust Banking Group  
 Metropolitan Bank & Trust Co

**METROPOLITAN BANK & TRUST COMPANY**

Metrobank Plaza, Sen. Gil J. Puyat Avenue, 1200 Makati City, Philippines; Tel. no. (632) 898-8000 / 857-0000; Fax (632) 817-6248; www.metrobank.com.ph

ANNEX C



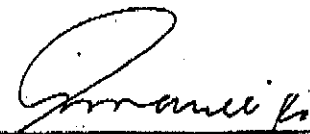
**BPI Asset Management**

**CERTIFICATION OF COMPETENCE**

In connection with our intent to participate in the Social Security System's Provident Fund Information System Services (PFISS), we hereby certify to the following:

- a) That Bank of the Philippine Islands Asset Management and Trust Group (BPI-AMTG) has an existing Provident/Trust Fund program for clients and that such program has been in place at least three (3) years prior to the date of this certification; and
- b) That BPI-AMTG has an automated and online Provident Fund application system that has been operational at least two (2) years prior to the date of this certification.

Given this 17<sup>th</sup> day of November 2011 at Makati City.

  
**ANGEL MARIE L. PACIS**  
*Vice President*  
*Institutional Asset Management*

  
**MARIA THERESA D. MARCIAL-JAVIER**  
*Senior Vice President & Group Head*

SOCIAL SECURITY SYSTEM  
**RECEIVED**  
 22 NOV 2011  
 BIDS AND AWARDS COMMITTEE

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ANNEX D

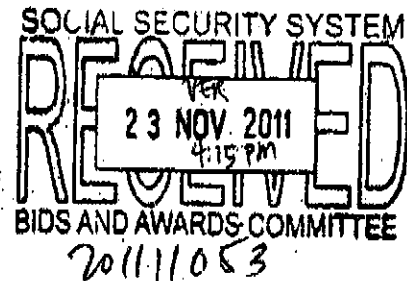
**LAND BANK OF THE PHILIPPINES**

ISO 14001 CERTIFIED

Official Depository of the Republic of the Philippines

23 November 2011

**NANCY E. SANTOS**  
**SOCIAL SECURITY SYSTEM (SSS)**  
Bids and Awards Committee Secretariat  
East Avenue, Diliman, Quezon City



Dear Ms. Santos,

Thank you for your letter dated November 15, 2011 requesting LBP to submit a Certification showing the existence/applicability of the following criteria for eligibility in connection with the Provident Fund Information System Services (PFISS) to be implemented by the SSS:

- a. That LBP has an existing Provident/Trust Fund program for clients during the last three (3) years from date of receipt of request from SSS; and
- b. That LBP has an automated and on-line Provident Fund applications system operational for at least two (2) years from date of receipt of request from SSS.

We wish to inform you that LBP has an existing Provident Fund System and Trust Fund System known as the "Total Investment Accounting and Portfolio Management System" (TAPS). However, we need additional information on the specific requirements of the PFISS Project in order for us to determine whether our existing systems are designed in accordance with the above criteria for eligibility.

In view of the foregoing, may we request for more information/specific requirements in order for us to properly evaluate the features of our existing systems as against the requirements of SSS for the PFISS Project.

Rest assured that LBP shall continuously support SSS in its endeavors.

Sincerely yours,

*Daisy M. Macalino*  
**DAISY M. MACALINO**  
First Vice President  
NCR Branches Group

ANNEX E

## **SSS PROVIDENT FUND (PF) INFORMATION SYSTEM Business Requirements and Specifications**

### **1. PF Ledgers**

- ▶ Allocation of PF of individual members by type of account as follows:

<u>Account</u>	<u>Allocation</u>
Retirement/Total Disability	65%
Medical	25%
General Purpose	10%

- ▶ Maintenance of masterfiles
  - PF Subsidiary Ledgers of individual members (PFSL<sub>M</sub>) with the following components:
    - Contributions
    - Guaranteed Earnings
    - Excess Earnings
    - Management Fees
    - Withdrawal Amount Disbursed
    - Withdrawal Fees
  - PF Subsidiary Ledgers of individual pensioners (PFSL<sub>P</sub>) with the following components:
    - Benefits
    - Dividends
  - PF General Ledger (PFGL)
- ▶ Computation of beginning/ending balances

### **2. PF Components – Individual Members**

#### **a. Membership**

- ▶ Development of online data entry module for PF enrollment in accordance with the following policies/implementing rules:
  - Membership open to all employed, self-employed, voluntary and OFW members of the SSS, provided:
    - Below 55 years old
    - For self-employed/voluntary/OFW members: Paying the maximum amount of contributions under the regular SSS program for at least 6 months immediately prior to the month of enrollment
    - No final claim filed under the regular SSS program

- Accomplishment of online PF enrollment form
- Data amendments in case of changes in personal information

▶ Maintenance of PF member static masterfile

**b. Contributions**

- ▶ Acceptance of PF payments based on the following point-of-service data validation routines:
  - SS number validation based on check-digit algorithm
  - Verification of PF enrollment as per PF member static masterfile
  - Validation of amount of PF payment
    - Minimum amount of P1,000 per payment
    - Payment in multiples of P100
    - Maximum amount of P100,000 per year as per PFSL<sub>M</sub> masterfile
- ▶ Transmission ("get") of daily batch upload files on PF payments (cut-off time: TBD)
  - Phase 1: Payments accepted at SSS tellering counters and PF servicing bank only
  - Phase 2: Implementation by all SSS-accredited e-payment channels
- ▶ Maintenance of PF payment masterfile
- ▶ Posting of PF contributions in PFSL<sub>M</sub> allocated by type of account
- ▶ Tagging of date of 1st PF contribution paid as date of membership in PF member static masterfile

**c. Guaranteed Earnings**

- ▶ Maintenance of reference table for PF guaranteed rates by account type, which are based on the gross daily average PDST-F rate in the past three (3) months of the following government securities:

Retirement/Total Disability	5-year T-bonds
Medical	364-day T-bills
General Purpose	364-day T-bills
- ▶ Crediting of PF guaranteed earnings in PFSL<sub>M</sub> every month-end based on ADB calculation (365 days for long-term; 360 days for short-term)

**d. Excess Earnings**

- ▶ Development of online data entry module for actual PF investment earnings for the year
- ▶ Computation of PF investment earnings in excess of guaranteed earnings credited in PFSL<sub>M</sub> and PFSL<sub>P</sub> during the year
- ▶ Crediting of PF excess earnings in PFSL<sub>M</sub> every year-end based on share to total ADB (365 days) of the PF excess investment earnings

**e. Management Fees (for SSS)**

- ▶ Setting of PF management fee rate, initially at 1% per annum of accumulated funds (subject to change at the discretion of SSS)
- ▶ Debiting of PF management fees in PFSL<sub>M</sub> based on the following schedule:
  - Every month-end, upon crediting of guaranteed earnings, based on ADB calculation (365 days)
  - Every year-end, upon crediting of excess earnings, based on annual management fee rate

**f. Withdrawals**

- ▶ Maintenance of reference table for PF withdrawal fees in accordance with the policy on allowing withdrawals with corresponding penalties and operating expense charges depending on the following contribution retention period:

<u>Withdrawal Fees</u>	<u>Contribution Retention Period (in years)</u>					
	<u>&lt;1</u>	<u>1 to &lt;2</u>	<u>2 to &lt;3</u>	<u>3 to &lt;4</u>	<u>4 to &lt;5</u>	<u>5 &amp; over</u>
Penalty (% of income)	100%	80%	60%	40%	20%	None
Opex charges (minimum of:)	None	100% of opex; 20% of income	100% of opex; 40% of income	100% of opex; 60% of income	100% of opex; 80% of income	100% of opex

- ▶ Maintenance of individual reference tables for PF contribution and earnings build-up allocated by type of source account (Medical and General Purpose only)

- ▶ Development of online eligibility screening and data entry modules for PF withdrawal claims in accordance with the following policies/implementing rules:
  - Only 1 withdrawal claim allowed per month
  - Maximum withdrawal amount per source account based on contribution build-up as of previous month-end
  - Penalties on withdrawal based on retention period, reckoned from date of membership to filing date
  - Operating expense charges on withdrawal equal to 1%/12 of withdrawal amount or corresponding percent factor of earnings build-up, whichever is lower
- ▶ Maintenance of PF withdrawal claims masterfile
- ▶ Processing of PF withdrawals, involving the following:
  - Computation of withdrawal fees
  - Debiting of PF withdrawals (amount disbursed and fees) in PFSL<sub>M</sub>
  - Updating of individual reference tables for PF contribution and earnings build-up
- ▶ Settlement of PF withdrawals, net of fees, thru crediting in enrolled bank accounts
  - Phase 1: Within the day of filing (cut-off time: TBD) for settlement accounts with servicing bank
  - Phase 2: Based on data transfer schedule for settlement accounts with other SSS-accredited banks

### **3. PF Components – Individual Pensioners/Beneficiaries**

#### **a. Benefits**

- ▶ Development of data entry module for PF benefit claims, in accordance with the following policies/implementing rules:
  - Application for PF benefits to be integrated in existing application forms for SSS benefits
  - Modes of disbursement
    - Retirement/Total Disability: Pension, lump sum or combination
    - Death of PF member: Lump sum only
    - Death of PF pensioner: Remaining balance in lump sum only
  - PF beneficiaries as defined under the SS Law
    - Lump sum settlements limited to those declared in PF enrollment
  - Pension period of at least 12 months, with resulting monthly pension of at least P1,000 (otherwise, lump sum)

- Effectivity date of PF benefits
  - Retirement /Total Disability: Filing date of regular SSS benefits
  - Death of PF member/pensioner: Contingency date of regular SSS benefits
- ▶ Transmission ("get") of daily batch upload files on PF benefit claims (cut-off time; TBD)
- ▶ Maintenance of PF benefit claims masterfile
- ▶ Processing of PF benefits, involving the following:
  - Computation of PF benefit amount based on ending balances in PFSL<sub>M</sub> (or remaining balance in PFSL<sub>P</sub> in case of death of PF pensioner) as of effectivity date and disbursement mode
    - Lump sum: Equal to ending balances in PFSL<sub>M</sub> (plus PF excess earnings from date of last crediting to effectivity date, to be received at year-end)
    - Monthly pension: Equal to ending balances in PFSL<sub>M</sub> divided by pension period (in months)
    - Monthly pension (for combination option): Equal to ending balances in PFSL<sub>M</sub> less lump-sum amount indicated, then divided by pension period (in months)
  - Tagging of final claim in PF member static and PFSL<sub>M</sub> (or PFSL<sub>P</sub> in case of death of pensioner) masterfiles
  - Setting up of PFSL<sub>P</sub> for retirement/total disability pensioners
  - Debiting of monthly pension amount in PFSL<sub>P</sub> for the duration of pension period
- ▶ Settlement of PF benefits thru crediting in enrolled bank accounts
  - Phase 1: Within 2 days from transmission of batch upload files on PF benefit claims (cut-off time: TBD) for settlement accounts with servicing bank
  - Phase 2: Based on data transfer schedule for settlement accounts with other SSS-accredited banks

## **b. Dividends**

- ▶ Processing of PF dividends, involving the following:
  - Computation of PF dividends equal to net earnings (sum of guaranteed and excess earnings less management fees)
    - Crediting of PF guaranteed earnings in PFSL<sub>P</sub> in the same manner as with PFSL<sub>M</sub>, using same rate for Retirement/Total Disability account

- Crediting of PF excess earnings in PFSL<sub>P</sub> in the same manner as with PFSL<sub>M</sub>
  - Debiting of PF management fees in PFSL<sub>P</sub> in same manner as with PFSL<sub>M</sub>
  - Debiting of PF dividends in PFSL<sub>P</sub> every year-end
  - Tagging of final PF dividends settlement in PFSL<sub>P</sub> at year-end of pension period
- ▶ Settlement of PF dividends thru crediting in enrolled bank accounts
- Phase 1: Every 1<sup>st</sup> banking day of the year for settlement accounts with servicing bank
  - Phase 2: Based on data transfer schedule for settlement accounts with other SSS-accredited banks

**4. PF Statement of Account**

- ▶ Development of online inquiry module (view/print) for PF account statements
- PFSL<sub>M</sub>

Member information	Name SS number Date of birth Date of coverage under regular SSS program Date of PF enrollment and membership List of PF beneficiaries
Account particulars	Summary in previous years Monthly details for current year
Withdrawals	Contribution build-up under source accounts Availments (withdrawal amount disbursed and fees)
Benefit calculator	
  - PFSL<sub>P</sub>

Benefit claims info	Similar to regular SSS program
Settlement history	Monthly pension and year-end dividends
- ▶ Provision of certified PF account statement thru e-mail upon request of individual PF members and pensioners
- ▶ Provision of annual report on overall fund performance to individual PF members and pensioners thru e-mail

## 5. PF Data/Reports

- ▶ Generation and transmission of the following:
  - Report on all masterfiles (monthly)
  - Details of Equity Distribution (monthly)
  - Aging Schedule (monthly)
  - Summary of Subsidiary Ledgers (monthly)

## 6. Interface with SSS only thru VPN

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