

GOVERNMENT PROCUREMENT POLICY BOARD

RESOLUTION NO. 07-2003

December 11, 2003

WHEREAS, Executive Order No. 40, series of 2001 (“E.O. 40”) and its Implementing Rules and Regulations (“IRR”) provides that the Government shall establish a single and centralized electronic procurement system to enhance transparency, accountability, equity, efficiency and economy in government procurement;

WHEREAS, the Inter-Agency Bids and Awards Committee (“IABAC”) of the Department of Budget and Management - Procurement Service (“DBM-PS”), under the supervision of the Procurement Policy Board (“PPB”), conducted a public bidding for the outsourcing of the development and technical operations of the Government Electronic Procurement System (“G-EPS”) Project;

WHEREAS, iTBF Philippines (“iTBF Phils.”), a joint venture comprised of Asia Business Consultants, Inc. (“ABC”), East-West Electronic Trade Centre, Ltd. (“EWETC”), Infomediary Philippines, Inc. (“INFOMED”) and Right Computer Systems, Inc. (“RCS”), constituted in accordance with the requirements for the public bidding of the G-EPS Project, was determined to be the proponent that submitted the Highest Rated and Responsive Bid in the said public bidding, and was subsequently issued on January 15, 2003 a Notice of Award to implement and operate the G-EPS as service provider;

WHEREAS, the PPB under Resolution No. 01-2003, dated January 15, 2003, resolved to adopt the form contract attached to the Request for Proposal (“RFP”) for the public bidding of the G-EPS Project as basis for contract negotiations between the Government of the Philippines and iTBF Phils. for the G-EPS Project, and as basis for the eventual agreement between both parties;

WHEREAS, the Government Procurement Policy Board (“GPPB”), created under Republic Act No. 9184 (“R.A. 9184”), which has absorbed all the powers, functions and responsibilities of the PPB, under Resolution No. 01-2003 dated April 2, 2003 expressed its approval of the contract for the G-EPS Project, referred to as the “Government Electronic Procurement System Licensing, Implementation and Operating Agreement” (the “G-EPS Contract”) between DBM-PS and iTBF Phils., and endorsed to the Secretary of Budget and Management the signing thereof;

WHEREAS, the G-EPS Contract was signed on June 9, 2003 and pursuant thereto, a Notice to Proceed was issued to iTBF Phils. on July 22, 2003, notifying the latter to proceed with the G-EPS Project upon receipt by DBM-PS of the Securities and Exchange Commission registration of iTBF Phils. as a condition precedent duly provided in the G-EPS Contract;

WHEREAS, in a letter dated September 29, 2003, DBM-PS made a demand to iTBF Phils. to post the performance security, as mandated by Clause 26 of the G-EPS Contract on or before October 6, 2003;

GOVERNMENT PROCUREMENT POLICY BOARD
RESOLUTION NO. 06-2003
December 1, 2003

WHEREAS, iTBF Phils. failed to post the performance security on the fixed date, but instead requested for an extension of time and committed to deliver its performance security deposit on or before October 13, 2003. However, it still failed to comply with its commitment to put up the performance security on the aforementioned date;

WHEREAS, the Secretary of Budget and Management, in a letter dated October 20, 2003, made a final demand to iTBF Phils. to post the performance security until October 29, 2003, which demand included a notice to terminate the G-EPS Contract in case of failure to comply thereto;

WHEREAS, the IABAC per Resolution No. 08-2003 dated November 25, 2003 resolved to elevate to the GPPB the issue of iTBF Phils.' failure to post its performance security;

WHEREAS, notwithstanding several extensions and the final demand by the Secretary of Budget and Management to iTBF Phils., the latter still failed and continuously refused up to this day to post the performance security mandated by law and the G-EPS Contract;

NOW, THEREFORE, We, the Members of the **Government Procurement Policy Board**, hereby **RESOLVE**:

To endorse, as WE hereby endorse, to the IABAC the termination of the G-EPS Contract with ITBF Phils. for failure to post the performance security required under Clause 26 of the G-EPS Contract, Section 31 of E. O. 40 and Section 39 of R.A. 9184, and to post-qualify the next-ranked highest bid as mandated in Section 32 of E.O. 40 and Section 40 of R.A. 9184.

HON. EMILIA T. BONCODIN
Secretary
Department of Budget and
Management

HON. ROMULO L. NERI
Director General
National Economic and Development
Authority

HON. EDILBERTO C. DE JESUS
Secretary
Department of Education

HON. VICENTE S. PEREZ, JR.
Secretary
Department of Energy

GOVERNMENT PROCUREMENT POLICY BOARD

RESOLUTION NO. 06-2003

December 1, 2003

HON. JUANITA D. AMATONG

Acting Secretary
Department of Finance

HON. MANUEL M. DAYRIT

Secretary
Department of Health

HON. JOSE D. LINA, JR.

Secretary
Department of Interior and Local
Government

HON. EDUARDO R. ERMITA

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Department of National Defense

HON. FLORANTE M. SORIQUEZ

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Department of Public Works and
Highways

HON. ESTRELLA F. ALABASTRO

Secretary
Department of Science and Technology

HON. CESAR V. PURISIMA

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Department of Trade and Industry

HON. LEANDRO R. MENDOZA

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