

**TERMS OF REFERENCE  
FOR LEASE OF PROPERTY IN BRGY. MANIBAUG PASIG, PORAC  
PAMPANGA**

---

**1. GENERAL BACKGROUND**

By reason of the failure of bidding held last 19 June 2018, the Philippine National Construction Corporation (PNCC), upon instruction of its Board of Directors during its Special Board Meeting on 11 July 2018, will be conducting simultaneous negotiations pursuant to Item III(C)(6) (page 5) of its Special Guidelines for Lease, for the lease of PNCC's property in Brgy. Manibaug Pasig, Porac, Pampanga.

**Description of the Property:**

The subject property is an interior of Manibaug Pasig River bed quarry acquired in 1976 by PNCC (then CDCP) as a quarry site during the construction of the North Luzon Expressway. The Property for lease has a total of **116,591** square meters . Location map attached for ready reference.

**2. Rights and Responsibilities of the Parties:**

1. The winning Proponent/Lessee shall exclusively manage the property as a sand quarry site and shall not be diverted to any other use and/or purposes without prior written consent of PNCC.
2. No improvements/additions on the property shall be done without the permission and consent of PNCC.

**3. Rights and Obligation of PNCC:**

1. PNCC shall give the winning proponent the sole right to lease, operate and manage the Property subject to restrictions and terms and conditions of the agreements entered into between PNCC and the winning bidder
2. Deliver possession of the Property to the winning proponent on an as-is-where-is basis upon the execution of the Contract of Lease.
3. The rights and responsibilities of PNCC and the Winning Proponent shall be governed by the provisions of the Terms of Reference and the Contract of Lease to be signed by both parties. In case of conflict , the Terms of Reference shall prevail over the Contract of Lease.

**4. Contents of the Proposal:**

**Eligibility criteria:**

- 4.1 Letter of Intent to join the Competitive Negotiation for Lease
- 4.2 Legal Requirements:  
Organization( Corporation/ Proprietorship

Name of Owner/Officers  
Table of Organization

- 4.3 Government Permits & Registration ( Certified True Copy)
  - SEC Registration with Articles of Incorporation
  - SSS-Certificate of Registration
  - DTI Registration (2018)
  - Mayor's Permit (2018)
  - Renewed VAT (2018)
- 4.4 If proponent is a partnership
  - Certified copies of Articles of Partnership
  - Partners
- 4.5 Audited Financial Statement for the past three(3) years (2015-2017)  
(Certified true copy)
- 4.6 List of clients for the past three(3) years
- 4.7 Bank Certificates (original copy) stating the following:
  - a. The period where the bidder becomes its depositor
  - b. The average daily balance or the balance on the day the certificate is issued.
- 4.8 Proof of capitalization
- 4.9 Certificate of Performance from clients which should include on how the prospective proponents has complied with its obligations minimum of three(3)
- 4.10 List of company subsidiaries/affiliates if any
- 4.11 Certificate under oath that each of the documents submitted is authentic and original copy , complete and that all statements and information provided therein are true and correct.

The eligibility of proponents shall be determined by their compliance with the eligibility requirements prescribed above thru pass/failed criteria. The eligible proponent shall then be evaluated using numerical rating to determine the qualified proponents who shall be allowed to submit their respective offers.

The two qualified bidders in the bidding for lease of the property last 19 June 2018, namely, Fujita Sales & Manufacturing and Powerzon Quarrying& Trading are already qualified to submit their offers.

## **5 Technical Proposal**

The Technical Proposal shall be enclosed in a sealed envelope in duplicate copy. The Technical Proposal shall be accompanied with a Negotiation Bond

in the amount of two and a half percent(2.5%) of the total offer/proposal callable on demand and issued by GSIS. The bond shall be valid for a period of ninety days (90) from date of submission of proposal. Proposal without the required bid bond shall be rejected outright.

## **6 Financial Proposal**

Financial Proposal shall be enclosed in a separate sealed envelope in duplicate copy and to be submitted simultaneous with the Technical Proposal. The Financial Proposal shall be submitted by properly accomplishing the proposal form furnished and must be manually signed. *If erasures or other changes appear on the proposal forms, each erasures or changes must be initialed by the person signing the bid.*

### **Submission of Proposals**

The eligible proponent shall submit their proposals in two (2) separate sealed envelopes:

1. First envelope containing the Technical Proposal
2. Second envelope -Financial Proposal (Proposal Form at duplicate copy shall be enclosed in a separate sealed envelope and to be submitted simultaneous with the Technical Proposal. All pages of the proposal should bear the signature of the firm's authorized representative in original ink. Satisfactory evidence of the signing authority in behalf of the firm, partnership or corporation shall be submitted together with the proposal.

## **7 Evaluation of Proposals:**

The selection of proponents to be engaged will be greatly depend on the submitted qualification documents. Technical and Financial Proposals shall be evaluated one after the other and any or all may be rejected without the obligation to disclose the reason(s) therefore.

- a. Eligibility Check- documents shall be evaluated first. The proponent must comply strictly in reference to the above criteria. PNCC will conduct ocular inspection of your offices.
- b. Technical Proposal will be opened depending on the result of eligibility evaluation and acceptance. Technical proposal of the firm who is not eligible shall be returned unopened. Technical proposal of firm who passed the eligibility evaluation shall be opened, this will be considered confidential and will not be returned.
- c. Financial Proposal corresponding to the eligibility qualification and Technical Proposal shall be opened and evaluated for acceptability.

## **8. Evaluation of Bids:**

Within the period specified in the timetable of activities , the BAC shall conduct a detailed evaluation of Eligibility documents and the Technical/Financial Proposal submitted. Proposals that have satisfied all the requirements of the Terms of Reference shall be ranked and declared the highest ranked Proposal subject to the approval of the PNCC Board.

#### **9. Qualification:**

Within seven(7) calendar days from the determination of the highest ranked bid, the BAC shall conduct and accomplish a post qualification of the proponent with the highest proposal, to determine whether the proponent concerned complies with and is responsive to all the requirements and conditions for eligibility, in accordance with PNCC's Special Guidelines for Lease.

The post qualification shall verify , validate and ascertain all statements made and documents submitted by the proponent with the highest ranked **using** the discretionary criteria.

#### **10. Reservation Clause:**

PNCC reserves the right to reject any and all proposals or declare a failure of negotiation or not to award the contract if there is evidence of collusion between relevant public Officers or employees of PNCC or BAC and any of the proponent or among the proponent or between proponents or third parties including any act which restricts, suppresses or nullifies competition, or If PNCC-BAC found to have failed to follow the prescribed procedures. PNCC likewise reserves the right to waive any required formality in the proposal received, provided that such waiver does not refer to a major deviation in a negotiation.

#### **11. Award of Contract :**

Contract award shall be made within the negotiation validity period. Should it become necessary to extend the validity of the proposal, and, if applicable, the proposal securities, PNCC shall request in writing all those who submitted proposals for such extension before the expiration date therefore. Proponents, however, shall have the right to refuse to grant such extension without forfeiting their Negotiation bond.

#### **12. Approval of Contract :**

The contract shall be approved in accordance with PNCC's Special Guidelines For Lease and existing laws, rules and regulations as soon as possible but not later than fifteen (15) calendar days from the date the winning proponent or its duly authorized representative shall have signed the contract and to submit all documentary requirements to perfect the contract.

#### **13. Notice to Proceed:**

PNCC shall then issue the Notice to Proceed to the successful proponent within seven(7) calendar days from the approval of the contract by PNCC.

### **TAKE OVER OF THE PROPERTY**

The winning proponent/lessee shall authorize PNCC to enter the property without need of any judicial action for the following instances:

- a. The property is abandoned , deserted or vacated within the duration of the Contract of Lease.
- b. Violation of any terms thereof by the winning proponent/lessee
- c. Non-payment of lease in full by the winning proponent/lessee

### **FORFEITURE OF BID SECURITY:**

Any of the following shall be the ground for the forfeiture of the Negotiation Security in favor of PNCC:

- a. Any material misrepresentation, error or fraudulent declaration made by the proponent in the bid documents or any of the required attachment discovered at anytime after the preliminary evaluation of bids;
- b. Withdrawal or modification whether conditional or otherwise, of the proposal after the deadline of its submission;
- c. Failure or refusal of a winning proponent to enter into a contract of lease with PNCC within the prescribed period

### **GENERAL CONDITIONS /OTHER UNDERTAKINGS OF THE WINNING BIDDER**

- a. The winning proponent shall comply with all existing laws, ordinances, rules and regulations or orders of the local and national government arising from or regarding the lease of subject property. Penalties for violations shall be chargeable to the winning proponent which holds PNCC free and harmless thereof.
- b. The winning proponent shall pay whatever taxes and licenses and secure permits as may be necessary/required by the national/local government in the pursuit of their business operation including among others, value added tax upon the winning proponent's taking over of possession thereof;
- c. The winning proponent shall be solely responsible for any damages, liabilities or responsibilities to any person or property as a consequences of his/her use of the subject property or any of its agent, employees or the public at large;
- d. Provide visitorial rights to PNCC's duly authorized representative.

- e. Execute documents transferring all permanent or temporary improvements and facilities introduced by the winning proponent on the subject property;
- f. **Terms and Conditions:**
  - a. Lease of Porac Property at P500,000.00 per month minimum
  - b. the period of the execution of the contract shall be until end of year 2023;
  - c. Winning bidder shall ensure that the equipment to be used in the operation shall be brand new.