

# **BIDS AND AWARDS COMMITTEE**

Head Office-Engineering Projects  
Resolution No. 019-2019  
Series of 2019

**PHILIPPINE  
PORTS  
AUTHORITY**



## **RESOLUTION DECLARING THE POST-DISQUALIFICATION OF HI-TONE CONSTRUCTION & DEVELOPMENT CORPORATION/KHAN KON CHI CONSTRUCTION AND DEVELOPMENT CORPORATION/JOINT VENTURE AND DECLARATION OF FAILURE OF BIDDING FOR THE PROPOSED DREDGING OF NORTH HARBOR INNER BASIN, PORT AREA, MANILA LFP NCN NO. 052-2018**

WHEREAS, the Philippine Ports Authority (PPA) posted an Invitation to Bid for the Proposed Dredging of North Harbor Inner Basin, Port Area, Manila, in the website of the PPA, PhilGEPS and in the Bulletin Board located at the PPA Corporate Building, South Harbor, Port Area, Manila on 20 December 2018, continuously for seven (7) calendar days;

WHEREAS, the Approved Budget for the Contract to be Bid as posted/advertised is **₱ 323,412,744.68**;

WHEREAS, in response to the said advertisement, four (4) prospective bidders secured the Bid Documents in the amount of **₱ 50,000.00**, namely:

1. WTG Construction & Development Corporation
2. Hi-Tone Construction & Development Corporation/Khan Kon Chi Construction and Development Corporation/Joint Venture
3. D.M. Wenceslao & Associates, Incorporated
4. JASA Builders

WHEREAS, only two (2) bidders dropped their Technical and Financial Proposals in the bid boxes located at the BAC Office, 5<sup>th</sup> Floor, PPA Building, namely: WTG Const. & Dev't. Corp. and Hi-Tone Const. & Dev't. Corp./Khan Kon Chi Const. and Dev't. Corp./JV. JASA Builders submitted its letter of withdrawal from participating in the bidding, dated 16 January 2019, and the BAC, finding the reason cited by JASA Builders to be meritorious, accepted its withdrawal from participating in the bidding while D.M. Wenceslao & Associates, Inc. did not submit its bid documents before the deadline for Submission of Bids at 9:00 a.m. on 17 January 2019 nor did they submit a letter of withdrawal from participating in the bidding before the deadline for submission of bids;

WHEREAS, during the opening of bids on 17 January 2019 at 10:00 a.m., the two (2) bidders were declared "passing" with the requirements of the First Envelope;

WHEREAS, the Financial Proposal of the two (2) bidders were opened and declared "passing" with the requirements of the Second Envelope, hence their financial bids were read by the Chairperson, as follows:

NAME OF BIDDER	BID AMOUNT (As Read)
1. WTG CONST. & DEV'T. CORP.	₱ 322,846,646.08 Less 4% of the bid amount (12,913,865.84)  <b>TOTAL AMOUNT OF BID =            ₱ 309,932,780.24</b>
2. HI-TONE CONST. & DEV'T. CORP./KHAN KON CHI CONST. AND DEV'T. CORP./JV	₱ 316,678,238.40

WHEREAS, Bid Evaluation was conducted on 22 January 2019 to determine if there were arithmetical or computational errors on the submitted bids. WTG Const. & Dev't. Corp. was declared as the Lowest Calculated Bidder in the amount of ₱ 309,932,780.24, pursuant to Section 34.4 of the 2016 Revised IRR of R.A. 9184;

WHEREAS, post-qualification was conducted on 26 January 2019 to examine, validate and verify the eligibility, technical and financial requirements submitted by WTG Const. & Dev't. Corp. and in the Post-Qualification Report, as approved by the BAC on 01 February 2019, WTG Const. & Dev't. Corp. was declared post-disqualified for failure to present the original copies of MARINA Certificate of Ownership and MARINA Cargo Ship Safety Certificate for the one (1) unit Self-Propelled Trailing Suction Dredger, Barged "WTG-8," owned;

WHEREAS, post-qualification was conducted on the Second Lowest Calculated Bidder, Hi-Tone Const. & Dev't. Corp./Khan Kon Chi Const. and Dev't. Corp./JV on 09 February 2019, to examine, validate and verify the eligibility, technical and financial requirements submitted by the contractor.

WHEREAS, in the Post-Qualification Report, as approved by the BAC on 11 February 2019, Hi-Tone Const. & Dev't. Corp./Khan Kon Chi Const. and Dev't. Corp./JV was likewise declared post-disqualified for failure to present the original copy of MARINA Cargo Ship Safety Certificate for the equipment for one (1) unit Self-Propelled Trailing Suction Dredger, "Dredger KKC 01", owned;

WHEREAS, considering the Post-Disqualification of the two (2) bidders, WTG Const. & Dev't. Corp. and Hi-Tone Const. & Dev't. Corp./Khan Kon Chi Const. and Dev't. Corp./JV, the BAC after a motion duly made and properly seconded, declared the bidding for the Proposed Dredging of North Harbor Inner Basin, Port Area, Manila, a "failure" pursuant to Section 35.1 of the 2016 Revised IRR of RA 9184 which provides that "The BAC shall declare the bidding a failure when:

xxx      xxx      xxx

- c. All bids fail to comply with all the bid requirements or fail post-qualification, or, in the case of Consulting Services, there is no successful negotiation; or

xxx      xxx      xxx.”

NOW, THEREFORE, for and in consideration of the foregoing premises, the BAC hereby RESOLVE as it is hereby RESOLVED to recommend the following:

1. To declare HI-TONE CONSTRUCTION & DEVELOPMENT CORPORATION/KHAN KON CHI CONSTRUCTION AND DEVELOPMENT CORPORATION/JOINT VENTURE to be post-disqualified, for failure to present the original copy of MARINA Cargo Ship Safety Certificate for the equipment for one (1) unit Self-Propelled Trailing Suction Dredger, "Dredger KKC 01", owned;
2. To immediately notify HI-TONE CONSTRUCTION & DEVELOPMENT CORPORATION/KHAN KON CHI CONSTRUCTION AND DEVELOPMENT CORPORATION/JOINT VENTURE in writing of its post-disqualification and the grounds for it.
3. To recommend to the Head of the Procuring Entity that the bidding for the Proposed Dredging of North Harbor Inner Basin, Port Area, Manila, be declared a failure, pursuant to Section 35.1 (c) of the 2016 Revised IRR of R.A. 9184 which states that:

xxx      xxx      xxx

- c. All bids fail to comply with all the bid requirements or fail post-qualification, or, in the case of Consulting Services, there is no successful negotiation; or

xxx      xxx      xxx.”

4. To conduct a re-bidding with re-advertisement and/ or posting, as provided for in Section 21.2 of the 2016 Revised IRR of R.A. 9184.

ADOPTED AND APPROVED by the BAC on 11 February 2019

  
**DANAH S. JARAMILLO**  
Regular Member

  
**JOSEPHINE M. NAPIERE**  
Regular Member

(ON-LEAVE)  
**JAN PEARL F. PORTUGAL**  
Regular Member

  
**ROLANDO K. PEREZ**  
Provisional Member

  
**REYNAND C. PARAFINA**  
Provisional Member

  
**ANGELINA A. LLOSE**  
Vice-Chairperson

  
**MARK JON S. PALOMAR**  
Chairperson, BAC



14 February 2019

MEMORANDUM

**F O R** : The General Manager  
**F R O M** : The Chairperson, HO-BAC-EP  
**S U B J E C T** : **BAC RESOLUTION DECLARING THE POST-DISQUALIFICATION OF HI-TONE CONSTRUCTION & DEVELOPMENT CORPORATION/ KHAN KON CHI CONSTRUCTION AND DEVELOPMENT CORP./JV AND DECLARATION OF FAILURE OF BIDDING FOR THE PROPOSED DREDGING OF NORTH HARBOR INNER BASIN, PORT AREA, MANILA**

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This has reference to the Opening of Bids for the Proposed Dredging of North Harbor Inner Basin, Port Area, Manila, held on 17 January 2019 at 10:00 a.m. The bidding was declared a "failure" by the BAC considering that the Second Lowest Bidder, Hi-Tone Construction and Development Corp./Khan Kon Chi Construction and Development Corp./JV was likewise declared post-disqualified during the post-qualification conducted by the Technical Working Group. The Joint Venture failed to present the original copy of the MARINA Cargo Ship Safety Certificate for the One (1) unit Self-Propelled Trailing Suction Dredger, "Dredger KKC 01", owned. Section 35.1 of the 2016 Revised IRR of R.A. 9184 is explicit that the BAC shall declare the bidding a failure when "all bids fail to comply with all the bid requirements or fail post-qualification."

In view thereof, we are submitting herewith BAC Resolution No. 019-2019, Series of 2019, Declaring the Post-Disqualification of Hi-Tone Construction and Development Corporation/Khan Kon Chi Construction and Development Corporation/JV and Declaration of Failure of Bidding for the Proposed Dredging of North Harbor Inner Basin, Port Area, Manila, and to conduct a re-bidding with re-advertisement and/or posting, as provided for in Section 21.2 of the 2016 Revised IRR of R.A. 9184, for consideration and approval of the General Manager as Head of the Procuring Entity.

  
**MARK JON S. PALOMAR**

APPROVED/DISAPPROVED:

  
**JAY DANIEL R. SANTIAGO**  
General Manager