



Minutes of Pre-Bid Conference
PROCUREMENT OF THE SECURITY FEATURES, ENHANCEMENT AND
APPLICATION SUPPORT/ MAINTENANCE OF INTERNAL REVENUE STAMPS
INTEGRATED SYSTEM (IRSIS) FOR TOBACCO
(PB-18-19)
APO-LIMA Conference Room
28 August 2019
8:00 A.M.

BAC MEMBERS

Mr. Karl Paulo C. Damian, *Chairperson*
Ms. Josefina L. Omol, *Vice Chairperson*
Mr. Dominic F. Tajon, *Member*
Mr. Frederick S. Tarun, *Member*
Atty. Antonio Ramon L. Matibag, *Member*

TECHNICAL WORKING GROUP

Mr. Joselito E. Rabulan, *Head*
Ms. Evangeline R. Zoleta, *Member*
Mr. Ludovico B. Alba, *Member*
Mr. Agapito C. Bragais, Jr., *Member*
Ms. Lea Ann M. Gamban, *Member*
Ms. Jolly Ann S. Bay, *Member*
Ms. Ednalyn S. Cortez, *Member*
Ms. Jeacell S. Duran, *Member*
Atty. Miguel Fernandez, *Member-Legal*
Atty. Ruby Anna Torres, *Member-Legal*
Atty. Rheena Lyn Cruz, *Member-Legal*

BAC SECRETARIAT

Ms. Merla D. Escobar, *Head*
Mr. RP P. Delos Reyes, *Member*
Ms. Michelle B. Martinez, *Member*
Ms. Erlinda E. Diaz, *Ad-hoc Member*
Ms. Joy M. Principe, *Ad-hoc Member*

END USER REPRESENTATIVE

Mr. Scott Price Atayde, *Research and Development Department Head*

BUREAU OF INTERNAL REVENUE (BIR)
REPRESENTATIVES

1. Ms. Anian Salazar, *Assistant Commissioner of Internal Revenue, Information System Project Management Service*
2. Ms. Beverly S. Milo, *Head Revenue Executive Assistant, Large Taxpayers Service*
3. Ms. Sheila Tuazon, *IT-Contract Management Division*
4. Ms. Margarita V. Detablan, *Excise Large Taxpayers Field Operations Division*

PROSPECTIVEBIDDERS

A. Kolonwel Trading

1. Ms. Whelma Lanzuela
2. Mr. Peter Gocheng
3. Ms. Myrna Gonzales
4. Mr. Ariel Dizon

B. Petrel

1. Mr. Jean-Marie Cosquer
2. Mr. Geoffrey Webb
3. Ms. Myrna Webb

C. CAI-STA

1. Ms. Lisa Cueto
2. Ms. Mary Grace Eleazar
3. Ms. Avegail De Guzman

D. Pilipinas Micro Matrix Technologies, Inc.

1. Mr. Arnel Celis

E. IRSIS Corp.

1. Mr. Ramil Esguerra
2. Ms. Bianca Herrera

F. Nextix

1. Ms. Emily Bugas
2. Mr. Reginald Cabardo

G. Hueck Folien

1. Mr. Florieen Heider

I. Call to Order

- Mr. Karl Paulo C. Damian as BAC Chairperson presided over the Pre-Bid Conference for the Procurement of the Security Features, Enhancement and Application Support/Maintenance of Internal Revenue Stamps Integrated System (IRSIS) for Tobacco (PB-18-19) which started at exactly 8:25 A.M. The invocation and national anthem were led by Ms. Ednalyn S. Cortez and Ms. Jeacell S. Duran, respectively.

II. Agenda

1. Eligibility requirements required for government bidding
2. Technical specifications and other requirement for the project
3. Response to clarifications/queries

III. Certification of Quorum

- Mr. Damian, as BAC Chairperson, called the Pre-bid Conference to order for the abovementioned project, entitled: *"Procurement of the Security Features, Enhancement and Application Support/Maintenance of Internal Revenue Stamps Integrated System (IRSIS) for Tobacco (PB-18-19)"*. Thereafter, he requested the Head of the BAC Secretariat to formally introduce the attendees and state whether there is a quorum to proceed with the business of the day. In response, Ms. Merla D. Escobar, Head of the BAC Secretariat, confirmed that the members present constitute a quorum.

IV. Discussion

- The Head of BAC Secretariat informed the group that the Invitation to Bid (IB) was posted in the Philippine Government Electronic Procurement System (PhilGEPS), APO Website, and APO BAC Bulletin board on 15 August 2019.
- Further, Ms. Escobar mentioned that to enhance transparency of the process, the BAC sent Letters of Invitation to act as observers to the following: (i) Commission on Audit; (ii) Philippine Printing Technical Foundation (PPTF); and (iii) Philippine Chamber of Commerce and Industry. However, no observer attended the said conference.
- Thereafter, she mentioned that the Annual Procurement Plan (APP) for CY 2019 intends to apply the sum of **Four Hundred Fifty Million Pesos (PhP 450,000,000.00)** being the Approved Budget for the Contract (ABC) for the first year, or a total of *One Billion Eight Hundred Million Pesos* (PhP 1,800,000,000) for a period of four (4) years.
- To provide the background, Mr. Damian requested the End User representative, Mr. Scott Price Atayde, *Head of the Research and Business Development Department*, to briefly discuss the schedule of requirements of the project and the corresponding technical specifications stated in Section VI and VII of the Bidding Documents, respectively.
- After the discussion of Mr. Atayde, the BAC Chairperson open the floor to discuss the response on various clarifications:

Prospective Bidder	Clarifications/Inquiries	Response/Action
<ul style="list-style-type: none"> Kolonwel Trading 	1. Inquiry on the purpose of including the certification of ISO 14298:2013 as a requirement of the bidder stated in the Bid Data Sheet and technical specifications which was not included in the requirement of the previous project.	1. The said requirement is aimed to ensure participation of security printers, particularly of manufacturers of security features and documents of value which are physically protected against counterfeiting particularly tax stamps and other security documents. However, this be subjected to further review of the Technical Working Group (TWG) together with the End-User considering that this has been numerous queries regarding the requirement.
	2. Request for the extension of the date of Submission and Opening of Bids	2. The issue will be discussed together with the BIR as our principal.
	3. Is the project involves "Multi-Year Contract" or Yearly Contract	3. The IRSIS project will be awarded to the winning bidder as a "Multi-Year Contract" or Contract for four (4) years. Thus, such bidder is required to fulfill the contract for four (4) years or to produce four billion and five million (4,500,000,000) pieces of tax stamps per year.
	4. Whether or not the winning bidder is required to provide new modules for security features	4. The winning bidder shall provide new modules for the security features, including among others, the reporting of spoilages.
	5. Inquiry on the printing method to be used in this project	5. APO shall provide blank stamp or the base printed stamps in roll to be enhanced

		and personalized by the winning bidder. The printing method to be used in this project will be the use of Rotogravure Printing Process which will be undertaken in APO Production Unit, Inc. LIMA Plant in Batangas.
	6. Method of payment for this project and the request to allow either the Letter of Credit or the Advance Payment equivalent to fifteen percent (15%)	6. The payment method for the project is through monthly basis or "per click system" and the bidder may only collect from APO after the monthly billing. The Letter of Credit from the bank and the suggested fifteen percent (15%) payment to the bidder shall not likewise be allowed by APO as provided in Section 88 of PD 1445.
	7. Request for Price Escalation due to foreign exchange rates	7. Based on the renewal of MOA between APO and BIR, price adjustment is recognized particularly in case of foreign exchange rates that may have a substantial effect or impact on the quoted price.
	8. Clarification as to who will conduct the Post Qualification of Bid Proposal/s	8. The conduct of Post Qualification shall be made by APO-TWG members together with four (4) representatives from the Bureau of Internal Revenue (BIR) who will conduct thorough review and evaluation on the submitted documents of the bidder/s with lowest calculated bid.
	9. Inquiry on the assurance of the winning bidder against the possible occurrence of reduction in quantity	9. In this matter, APO shares the same risk as that of the winning bidder since the ordering system by the

		BIR will be by piece. Nevertheless, based on previous years, the volume of stamps has been consistently increasing.
• Petrel	1. The applicability of Section IX Foreign-Assisted Projects in the bidding documents.	1. Section IX mentioned in the Invitation to Bid refers to Foreign-Assisted Projects shall not be applicable in this project since this is locally funded or thru the approved corporate budget.
	2. Request for the extension of the date of Submission and Opening of Bids	3. The issue will be discussed together with the BIR as our principal.
• Hueck Folien	1. Clarification on whom shall comply the five (5) years of experience in security printing in the case of joint venture between the bidder and its supplier	1. When a prospective bidder cannot comply with such requirement, it may enter to a Joint Venture (JV) Agreement with another supplier/contractor that has the capacity to comply with the requirements as stated in the bidding documents. If the Contractor is a joint venture (JV), all partners shall be jointly and severally liable to the Procuring Entity.
	2. Clarification on the Schedule of Requirements	2. The proposed design of the Internal Revenue Stamp shall be submitted within thirty (30) calendar days upon receipt of Notice to Proceed (NTP) for the approval of the BIR and manufacturers of cigarettes.
• CAI-STA	1. Request for the template of NFCC and certification of the authorized representative	1. The BAC will provide template of the requested documents as part of the sample forms and will be

<ul style="list-style-type: none"> • CAI-STA 	1. Request for the template of NFCC and certification of the authorized representative	1. The BAC will provide template of the requested documents as part of the sample forms and will be included upon issuance of the Supplemental Bid Bulletin.
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- Any changes in the bidding documents pertaining to all clarifications/concerns raised during the Pre-bid Conference shall be subjected to Bid Bulletin to be posted in Philippine Government Electronic Procurement System (PhilGEPS), APO Website, and APO BAC Bulletin Board.
- Other clarifications and/or inquiries regarding the project shall be made in writing to be submitted and addressed to BAC Secretariat on or before August 30, 2019, Friday.

V. Adjournment

- There being no further matters to discuss, the meeting was adjourned at exactly 9:30 A.M.

Prepared by:

(Sgd.)
MS. MICHELLE B. MARTINEZ
BAC Secretariat

Noted by:

(Sgd.)
MS. MERLA D. ESCOBAR
Head, BAC Secretariat

Approved by the Bids and Awards Committee:

(Sgd.)
KARL PAULO C. DAMIAN
Chairperson

(Sgd.)
JOSEFINA L. OMOL
Vice Chairperson

(Sgd.)
DOMINIC F. TAJON
Member

(Sgd.)
FREDERICK S. TARUN
Member

(Sgd.)
MICHAEL D. SANTIAGO
Member

(Sgd.)
RAMON L. MATIBAG
Member