
Bidding Documents for Sale of:

LGU Credit Screening and Rating System
(LCSRS) and

Credit Rating for Water Districts in the Philippines
(CRWDP)

Section I to Section VII

Seller:



Country: Philippines
Issued on: 13th of February, 2019

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Section I. Instructions to Bidders

A. General

1. **Scope of Bid**
 - 1.1 In connection with the Invitation for Bids, the Seller, **as specified in the Bid Data Sheet (BDS)**, issues these Bidding Documents for the sale of LGU Credit Screening and Rating System (LCSRS) and Credit Rating for Water Districts in the Philippines (CRWDP).
 - 1.2 Throughout these Bidding Documents:
 - (1.a) the term “in writing” means communicated in written form (e.g. by mail, e-mail, fax, telex) with proof of receipt;
 - (1.b) if the context so requires, “singular” means “plural” and vice versa; and
 - (1.c) “day” means calendar day.
2. **Eligible Bidders**
 - 2.1. A Bidder may be a firm that is a local or foreign private entity, a government-owned entity or any combination of such entities in the form of a joint venture (JV) under an existing agreement or with the intent to enter into such an agreement supported by a letter of intent. In the case of a joint venture, all members shall be jointly and severally liable for the execution of the Contract in accordance with the Contract terms. The JV shall nominate a Representative who shall have the authority to conduct all business for and on behalf of any and all the members of the JV during the bidding process and, in the event the JV is awarded the Contract, during contract execution. Unless specified in the BDS, there is no limit on the number of members in a JV.
 - 2.2. A Bidder shall not have a conflict of interest. Any Bidder found to have a conflict of interest shall be disqualified. A Bidder may be considered to have a conflict of interest for the purpose of this bidding process, if the Bidder:
 - (1.a) directly or indirectly controls, is controlled by or is under common control with another Bidder; or
 - (1.b) receives or has received any direct or indirect subsidy from another Bidder; or
 - (1.c) has the same legal representative as another Bidder; or
 - (1.d) has a relationship with another Bidder, directly or through common third parties, that puts it in a position to influence the bid of another Bidder, or influence the decisions of the Seller regarding this bidding process; or

- (1.e) participates in more than one bid in this bidding process. Participation by a Bidder in more than one Bid will result in the disqualification of all Bids in which such Bidder is involved; or
- (1.f) has a close business or family relationship with a professional staff of the Seller who are directly or indirectly involved in the preparation of the bidding documents or specifications of the contract, and/or the bid evaluation process of such contract.
- 2.3. A Bidder may have the nationality of any country. A Bidder shall be deemed to have the nationality of a country if the Bidder is constituted, incorporated or registered in and operates in conformity with the provisions of the laws of that country, as evidenced by its articles of incorporation (or equivalent documents of constitution or association) and its registration documents, as the case may be.
- 2.4. Bidders that are Government-owned enterprises or institutions in the Seller's Country may participate only if they can establish that they (i) are legally and financially autonomous; and (ii) operate under commercial law.
- 2.5. A Bidder shall provide such evidence of eligibility satisfactory to the Seller, as the Seller shall reasonably request.

B. Contents of Bidding Document

3. Sections of Bidding Document

- 3.1. The Bidding Documents consist of Bidding Procedures and Contract, which includes all the Sections indicated below, and should be read in conjunction with any Addenda issued.

Bidding Procedures

- Section I. Instructions to Bidders (ITB)
- Section II. Bid Data Sheet (BDS)
- Section III. Evaluation and Qualification Criteria
- Section IV. Bidding Forms

Contract

- Section V. Bid Details
- Section VI. Conditions of Contract
- Section VII. Contract Forms

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- 3.2. The Invitation for Bids issued by the Seller is not part of the Bidding Document.
 - 3.3. Unless obtained directly from the Seller, the Seller is not responsible for the completeness of the document, responses to requests for clarification, the Minutes of the pre-Bid meeting (if any), or Addenda to the Bidding Document. In case of any contradiction, documents obtained directly from the Seller shall prevail.
 - 3.4. The Bidder is expected to examine all instructions, forms, terms and specifications in the Bidding Documents and to furnish with its Bid all information or documentation as is required by the Bidding Documents.

4. Clarification of Bidding Documents

- 4.1. A Bidder requiring any clarification of the Bidding Document shall contact the Seller in writing at the Seller's address **specified in the BDS**. The Seller will respond in writing to any request for clarification, provided that such request is received prior to the deadline for submission of bids within a period **specified in the BDS**. The Seller shall forward copies of its response to all Bidders who have acquired the Bidding Documents, including a description of the inquiry but without identifying its source. If so **specified in the BDS**, the Seller shall also promptly publish its response at the web page **identified in the BDS**. Should the clarification result in changes to the essential elements of the Bidding Documents, the Seller shall amend the Bidding Documents.

5. Amendment of Bidding Document

- 5.1. At any time prior to the deadline for submission of bids, the Seller may amend the Bidding Documents by issuing addenda.
- 5.2. Any addendum issued shall be part of the Bidding Documents and shall be communicated in writing to all who have obtained the Bidding Documents from the Seller. The Seller shall also promptly publish the addendum on the Seller's web page.
- 5.3. To give prospective Bidders reasonable time in which to take an addendum into account in preparing their bids, the Seller may, at its discretion, extend the deadline for the submission of bids.

C. Preparation of Bids

6. Cost of Bidding

6.1 The Bidder shall bear all costs associated with the preparation and submission of its bid, and the Seller shall not be responsible or liable for those costs, regardless of the conduct or outcome of the bidding process.

7. Language of Bid

7.1 The Bid, as well as all correspondences and documents relating to the bid exchanged by the Bidder and the Seller, shall be written in the language specified in the BDS. Supporting documents and printed literature that are part of the Bid may be in another language provided they are accompanied by an accurate translation of the relevant passages into the language specified in the BDS, in which case, for purposes of interpretation of the Bid, such translation shall govern.

8. Documents Comprising the Bid

8.1 The Bid shall comprise the following:

(1.a) Letter of Bid;

(1.b) Bid-Securing Declaration;

(1.c) Written confirmation authorizing the signatory of the Bid to commit the Bidder;

(1.d) Documentary evidence establishing the Bidder's eligibility to bid; and

(1.e) Any other document required in the BDS.

8.2 Bids submitted by a JV shall include a copy of the Joint Venture Agreement entered into by all members. Alternatively, a letter of intent to execute a Joint Venture Agreement in the event of a successful bid shall be signed by all members and submitted with the bid, together with a copy of the proposed Agreement.

8.3 The Bidder shall furnish in the Letter of Bid, information on commissions and gratuities, if any, paid or to be paid to agents or any other party relating to this Bid.

9. Letter of Bid and Price Schedules

9.1 The Letter of Bid and Price Schedules shall be prepared using the relevant forms furnished in Section IV, Bidding Forms. The forms must be completed without any alterations to the text, and no substitutes shall be accepted. All blank spaces shall be filled in with the information requested.

10. Alternative Bids

10.1 Alternative bids shall not be considered.

11. Bid Prices and Discounts

11.1. The prices and discounts quoted by the Bidder in the Letter of Bid and in the Price Schedules shall conform to the requirements specified below.

11.2. The price to be quoted in the Letter of Bid shall be the total price of the bid, excluding any discounts offered.

11.3. Prices shall be quoted as specified in each Price Schedule included in Section IV, Bidding Forms. The dis-aggregation of price components is required solely for the purpose of facilitating the comparison of bids by the Seller. This shall not in any way limit the Seller's right to contract on any of the terms offered.

12. Documents Establishing the Eligibility and Qualifications of the Bidder

12.1. To establish Bidder's eligibility, Bidders shall complete the Letter of Bid, included in Section IV, Bidding Forms.

13. Period of Validity of Bids

13.1. Bids shall remain valid for the period **specified in the BDS** after the bid submission deadline date prescribed by the Seller. A bid valid for a shorter period shall be rejected by the Seller as nonresponsive.

13.2. In exceptional circumstances, prior to the expiration of the bid validity period, the

Seller may request bidders to extend the period of validity of their bids. The request and the responses shall be made in writing. If a Bid Security is requested, it shall also be extended for a corresponding period. A Bidder may refuse the request without forfeiting its Bid Security. A Bidder granting the request shall not be required or permitted to modify its bid.

14. Bid Securing Declaration

14.1. The Bidder shall furnish as part of its bid, a Bid-Securing Declaration as **specified in the BDS**, in original form.

(a)

15. Format and Signing of Bid

15.1. The Bidder shall prepare one original of the documents comprising the bid and clearly mark it "ORIGINAL." In addition, the Bidder shall submit copies of the bid, in the number **specified in the BDS** and clearly mark them "COPY." In the event of any discrepancy between the original and the copies, the original shall prevail.

15.2. The original and all copies of the bid shall be typed or written in indelible ink and shall be signed by a person duly authorized to sign on behalf of the Bidder. This authorization shall consist of a written confirmation **as specified in the BDS** and shall be attached to the bid. The name and position held by each person signing the authorization must be typed or printed below the signature. All pages of the bid where entries or amendments have been made shall be signed or initialed by the person signing the bid.

15.3. In case the Bidder is a JV, the Bid shall be signed by an authorized representative of the JV on behalf of the JV, and so as to be legally binding on all the members as evidenced by a power of attorney signed by their legally authorized representatives.

15.4. Any interlineation, erasures or overwriting shall be valid only if they are signed or initialed by the person signing the bid.

D. Submission and Opening of Bids

16. Sealing and Marking of Bids

16.1. The Bidder shall enclose the original and all copies of the bid, in separate sealed envelopes, duly marking the envelopes as "ORIGINAL" and "COPY." These envelopes containing the original and the copies shall then be enclosed in one single envelope.

16.2. The inner and outer envelopes shall:

(b) (a) bear the name and address of the Bidder;

(c) (b) be addressed to the Seller;

(d) (c) bear the specific identification of this bidding process; and

(e) (d) bear a warning not to open before the time and date for bid opening.

16.3. If all envelopes are not sealed and marked as required, the Seller will assume no responsibility for the misplacement or premature opening of the bid.

17. Deadline for Submission of Bids

17.1. Bids must be received by the Seller at the address and no later than the date and time **specified in the BDS**. When so **specified in the BDS**, bidders shall have the option of submitting their bids electronically. Bidders submitting bids electronically shall follow the electronic bid submission procedures **specified in the BDS**.

17.2. The Seller may, at its discretion, extend the deadline for the submission of bids by amending the Bidding Documents, in which case all rights and obligations of the

Seller and Bidders previously subject to the deadline shall thereafter be subject to the deadline as extended.

18. Late Bids

18.1. The Seller shall not consider any bid that arrives after the deadline for submission of bids. Any bid received by the Seller after the deadline for submission of bids shall be declared late, rejected and returned unopened to the Bidder.

19. Withdrawal, Substitution, and Modification of Bids

19.1. A Bidder may withdraw, substitute or modify its Bid after it has been submitted by sending a written notice, duly signed by an authorized representative, and shall include a copy of the authorization (the power of attorney), except that withdrawal notices do not require copies. The corresponding substitution or modification of the bid must accompany the respective written notice. All notices must be:

(a) prepared and submitted (except that withdrawal notices do not require copies), and in addition, the respective envelopes shall be clearly marked "WITHDRAWAL," "SUBSTITUTION" or "MODIFICATION;" and

(b) received by the Seller prior to the deadline prescribed for submission of bids.

19.2. Bids requested to be withdrawn shall be returned unopened to the Bidders.

19.3. No bid may be withdrawn, substituted or modified in the interval between the deadline for submission of bids and the expiration of the period of bid validity specified by the Bidder on the Letter of Bid or any extension thereof.

20. Bid Opening

20.1. The Seller shall publicly open and read out all bids received by the deadline at the date, time and place **specified in the BDS**

in the presence of Bidders' designated representatives and anyone who choose to attend.

20.2. First, envelopes marked "WITHDRAWAL" shall be opened and read out and the envelope with the corresponding bid shall not be opened, but returned to the Bidder. If the withdrawal envelope does not contain a copy of the "power of attorney" confirming the signature as a person duly authorized to sign on behalf of the Bidder, the corresponding bid will be opened. No bid withdrawal shall be permitted unless the corresponding withdrawal notice contains a valid authorization to request the withdrawal and is read out at bid opening. Next, envelopes marked "SUBSTITUTION" shall be opened and read out and exchanged with the corresponding Bid being substituted, and the substituted Bid shall not be opened, but returned to the Bidder. No Bid substitution shall be permitted unless the corresponding substitution notice contains a valid authorization to request the substitution and is read out at bid opening. Envelopes marked "MODIFICATION" shall be opened and read out with the corresponding Bid. No Bid modification shall be permitted unless the corresponding modification notice contains a valid authorization to request the modification and is read out at Bid opening. Only bids that are opened and read out at Bid opening shall be considered further.

20.3. All other envelopes shall be opened one at a time, reading out: the name of the Bidder and whether there is a modification; the total Bid Prices; and any other details as the Seller may consider appropriate. The Letter of Bid and the Price Schedules are to be initialed by representatives of the Seller attending bid opening in the manner **specified in the BDS**. The Seller shall neither discuss the

merits of any bid nor reject any bid.

- 20.4. The Seller shall prepare a record of the bid opening that shall include, as a minimum: the name of the Bidder and whether there is a withdrawal, substitution or modification and the Bid Price. The Bidders' representatives who are present shall be requested to sign the record. The omission of a Bidder's signature on the record shall not invalidate the contents and effect of the record. A copy of the record shall be distributed to all Bidders.

E. Evaluation and Comparison of Bids

21. Confidentiality

- 21.1. Information relating to the evaluation of bids and recommendation of contract award shall not be disclosed to bidders or any other persons not officially concerned with the bidding process until information on Contract Award is communicated to all Bidders.
- 21.2. Any effort by a Bidder to influence the Seller in the evaluation or contract award decisions may result in the rejection of its Bid.
- 21.3. From the time of bid opening to the time of Contract Award, if any Bidder wishes to contact the Seller on any matter related to the bidding process, it should do so in writing.

22. Clarification of Bids

- 22.1. To assist in the examination, evaluation, comparison of the bids, and qualification of the Bidders, the Seller may, at its discretion, ask any Bidder for a clarification of its Bid. Any clarification submitted by a Bidder in respect to its Bid and that is not in response to a request by the Seller shall not be considered. The Seller's request for clarification and the response shall be in writing. No change, including any voluntary increase or decrease, in the prices or substance of the Bid shall be sought, offered or permitted, except to confirm the correction of arithmetic errors discovered by the Seller in the Evaluation of the bids.
- 22.3. If a Bidder does not provide clarifications of its bid by the date and time set in the Seller's request for clarification, its bid may be rejected.

23. Deviations, Reservations, and Omissions

- 23.1. During the evaluation of bids, the following definitions apply:
- (a) "Deviation" is a departure from the requirements specified in the Bidding Documents;
 - (b) "Reservation" is the setting of limiting conditions or withholding from complete acceptance of the requirements specified in the Bidding Documents; and
 - (c) "Omission" is the failure to submit part or all of the information or documentation required in the Bidding Documents

24. Determination of Responsiveness

- 24.1. The Seller's determination of a bid's responsiveness is to be based on the contents of the bid itself.
- 24.2. A substantially responsive Bid is one that meets the requirements of the Bidding Documents without material deviation,

reservation or omission. A material deviation, reservation or omission is one that:

(f) (a) if accepted, would limit in any substantial way, inconsistent with the Bidding Documents, the Seller's and/or the Bidder's rights under the Contract; or

(g) (b) if rectified, would unfairly affect the competitive position of other bidders presenting substantially responsive bids.

24.3. If a bid is not substantially responsive to the requirements of Bidding Documents, it shall be rejected by the Seller and may not subsequently be made responsive by correction of the material deviation, reservation or omission.

25. Nonconformities, Errors and Omissions

25.1. Provided that a Bid is substantially responsive, the Seller may waive any non-conformities in the Bid.

25.2. Provided that a bid is substantially responsive, the Seller may request that the Bidder submit the necessary information or documentation, within a reasonable period of time, to rectify nonmaterial nonconformities or omissions in the bid related to documentation requirements. Such omission shall not be related to any aspect of the price of the Bid. Failure of the Bidder to comply with the request may result in the rejection of its Bid.

25.3. Provided that a bid is substantially responsive, the Seller shall rectify quantifiable nonmaterial nonconformities related to the Bid Price. To this effect, the Bid Price shall be adjusted, for comparison purposes only, to reflect the price of a missing or non-conforming item or component.

26. Conversion to Single Currency

26.1. For evaluation and comparison purposes,

the currency(ies) of the Bid shall be converted in a single currency as **specified in the BDS.**

27. Evaluation of Bids

27.1. The Seller shall use the criteria and methodologies listed in this Clause. No other evaluation criteria or methodologies shall be permitted.

27.2. To evaluate a Bid, the Seller shall consider the following:

(h) (a) evaluation will be done on the Bid Price as quoted;

(i) (b) the qualification factors as specified in qualification Criteria.

28. Comparison of Bids

28.1. The Seller shall compare the evaluated prices of all substantially responsive bids established to determine the **HIGHEST** evaluated bid.

29. Qualification of the Bidder

29.1. The Seller shall determine to its satisfaction whether the Bidder that is selected as having submitted the **HIGHEST** evaluated and substantially responsive bid meets the qualifying criteria specified in Qualification Criteria.

29.2. The determination shall be based upon an examination of the documentary evidence of the Bidder's qualifications submitted by the Bidder.

29.3. An affirmative determination shall be a prerequisite for award of the Contract to the Bidder. A negative determination shall result in disqualification of the bid, in which event the Seller shall proceed to the next **HIGHEST** evaluated bid to make a similar determination of that Bidder's qualifications to perform

satisfactorily.

30. Seller's Right to Accept Any Bid, and to Reject Any or All Bids

30.1. The Seller reserves the right to accept or reject any bid, and to annul the bidding process and reject all bids at any time prior to contract award, without thereby incurring any liability to Bidders. In case of annulment, all bids submitted shall be promptly returned to the Bidders.

F. Award of Contract

31. Award Criteria

31.1. The Seller shall award the Contract to the Bidder whose bid has been determined to be the **HIGHEST** evaluated bid and is substantially responsive to the Bidding Documents.

32. Notification of Award

32.1. Prior to the expiration of the period of bid validity, the Seller shall notify the successful Bidder, in writing, that its Bid has been accepted. The notification letter (hereinafter and in the Conditions of Contract and Contract Forms called the "Letter of Acceptance") shall specify the sum that the winning bidder will pay the Seller for the credit rating systems. At the same time, the Seller shall also notify all other Bidders of the results of the bidding and shall publish in LGU Guarantee Corporation website the results identifying the bid and the following information:

(i) name of each Bidder who submitted a Bid;

(ii) bid prices as read out at Bid Opening;

(iii) name and evaluated prices of each Bid that was evaluated;

(iv) name of bidders whose bids were rejected and the reasons for their rejection; and

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- (v) name of the successful Bidder, and the Price it offered.

32.2. Until a formal Contract is prepared and executed, the notification of award shall constitute a binding Contract.

32.3. The Seller shall promptly respond in writing to any unsuccessful Bidder who, after notification of award, requests in writing the grounds on which its bid was not selected.

33. Signing of Contract

33.1. Promptly after notification, the Seller shall send the successful Bidder the Contract Agreement.

33.2. Within twenty-eight (28) calendar days of receipt of the Contract Agreement, the successful Bidder shall sign, date and return it to the Seller.

33.3. Failure of the successful Bidder to sign the Contract in accordance with 33.2 shall constitute sufficient grounds for the annulment of the award. In that event, the Seller may award the Contract to the next **HIGHEST** evaluated Bidder, whose bid is substantially responsive and is determined by the Seller to be qualified.

34. Complaints

34.1 A complaint may be made by any party at any stage of the procurement process. No complaint will be responded to during the evaluation period. Complaints received during the evaluation period will be reviewed by the Seller and a response issued only after the contract award.

34.2. Complaints shall be addressed to the Seller. The Seller will investigate the grounds for the complaint and, with the exception of those complaints received during the evaluation period as described above, respond to in writing within 14

calendar days of receiving the complaint.

Section II. Bid Data Sheet (BDS)

The following specific data shall complement, supplement or amend the provisions in the Instructions to Bidders (ITB). Whenever there is a conflict, the provisions herein shall prevail over those in ITB.

ITB Clause Reference**A. General****ITB 1.1**

The Seller is: LGU Guarantee Corporation

ITB 1.1

The subjects of the Open Competitive Bidding (OCB) are: LGU Credit Screening and Rating System (LCSRS) and Credit Rating for Water Districts in the Philippines (CRWDP).

This OCB is for the sale of LCSRS and CRWDP.

B. Contents of Bidding Documents**ITB 16.1**

For clarification of bidding documents only, the Seller's address is:

Attention: LGU Guarantee Corporation (LGUGC)

Address: 121 Valero St., Salcedo Village

Floor/ Room number: *Unit 2801, 28th Floor, Antel Corporate Center*

City: Makati

ZIP Code: 1227

Country: Philippines

Telephone: +63 (02) 751-8764 to 67

Facsimile number: N/A

Electronic mail address:

A Pre-Bid meeting **shall** take place. It will be at the following date, time and place:

Date: _____, 2019

Time: _____

Place: The LGUGC Conference Room, Unit 2801, 28th Floor, Antel Corporate Centre, 121 Valero St., Salcedo Village, Makati City Philippines.

The Bidder is requested, to submit any questions in writing, to reach the Seller not later than five working days before the meeting.

Nonattendance at the pre-bid meeting will not be a cause for disqualification of a Bidder.

ITB 17.1

Web page: <http://www.lgugc.com>

C. Preparation of Bids

ITB 7.1

The language of the bid is: English.

All correspondence exchanges shall be in English.

ITB 11.1

The prices shall be quoted by the bidder in:
Philippine Peso

ITB 13.1

The bid validity period shall be 60 calendar days.

D. Submission and Opening of Bids

ITB 17.1

For bid submission purposes only, the Seller's address is:

Attention: LGU Guarantee Corporation

Street Address: LGUGC Conference Room,
Antel Corporate Center, 121 Valero
St.,

Floor/ Room number: Unit 2801, 28th Floor

City: Makati

ZIP/Postal Code: 1227

Country: Philippines

The deadline for bid submission is:

Date: _____, 2019

Time:

ITB 20.1	The bid opening shall take place at: The LGUGC Conference Room Street Address: Antel Corporate Center, 121 Valero St., Floor/ Room number: Unit 2801, 28 th Floor City: Makati Country: Philippines Date: _____, 2019 Time:
ITB 20.1	The Letter of Bid and Price Schedules shall be initialed by 2 (two) representatives of the Seller conducting the Bid opening. All bids shall be numbered, any modification to the unit price or total price shall be initialed by the representatives of the Seller.

F. Award of Contract

ITB 29.1

The HIGHEST bidder will be awarded with the purchase of the LCSRS and CRWDP provided it passed the other requirements of the Seller .

Section III. Qualification Criteria

This Section contains all the criteria that the Seller shall use to qualify the Bidders No other factors, methods or criteria shall be used.

Qualification

Post-qualification Requirements

After determining the highest-evaluated bid in accordance, the Seller shall carry out the post-qualification of the Bidder, using only the requirements specified, as follows:

- 1) Certified true copies of the Articles of Incorporation & By-Laws or Articles of Partnership of the Bidder, as certified by the Corporate Secretary or Partner.
- 2) Business Permits issued by respective government agencies.
- 3) Notarized copy of JV partnership agreement, or other type of arrangement document if appropriate.

Section IV. Bidding Forms

Table of Forms

Letter of Bid

The Bidder must prepare the Letter of Bid on stationery with its letterhead clearly showing the Bidder's complete name and address.

Date: **[insert date (as day, month and year) of Bid Submission]**
OCB for LCSRS and CRWDP

To: LGU Guarantee Corporation

- (a) We have examined, and have no reservations to, the Bidding Documents, issued in accordance with Instructions to Bidders;
- (b) We meet the documentary requirements and have no conflict of interest;
- (c) We have not been suspended nor declared ineligible by the Seller based on execution of a Bid Securing Declaration;
- (d) We offer to purchase the LCSRS and CRWDP in conformity with the Bidding Documents.
- (e) The total price of our Bid is:

1..1. Total price of the bid for Purchase of the LCSRS and CRWDP including local tax *[insert the total price including local tax in words and figures.*

- (f) Our bid shall be valid for a period of 60 calendar days from the date fixed for the bid submission deadline in accordance with the Bidding Documents, and it shall remain binding upon us and may be accepted at any time before the expiration of that period;
- (g) We understand that this bid, together with your written acceptance thereof included in your notification of award, shall constitute a binding contract between us, until a formal contract is prepared and executed;
- (h) We understand that you are not bound to accept the highest evaluated bid or any other bid that you may receive; and
- (i) We hereby certify that we have taken steps to ensure that no person acting for us or on our behalf will engage in any type of fraud and corruption.

Name of the Bidder* **[insert complete name of Company(ies)]**

Name of the person duly authorized to sign the Bid on behalf of the Bidder** **[insert complete name of person duly authorized to sign the Bid]**

Title of the person signing the Bid **[insert complete title of the person signing the Bid]**

Signature of the person named above **[insert signature of person whose name and capacity are shown above]**

Date signed **[insert date of signing]** day of **[insert month]**, **[insert year]**

*: In the case of the Bid submitted by Joint Venture specify the name of the Joint Venture as Bidder

** : Person signing the Bid shall have the Special Power of Attorney, Secretary's Certificate or Board Resolution given by the Bidder to be attached with the Bid Schedules.

Bidder Information Form

[The Bidder shall fill in this Form in accordance with the instructions indicated below. No alterations to its format shall be permitted and no substitutions shall be accepted.]

Date: *[insert date (as day, month and year) of Bid Submission]*
OCB for LCSRS and CRWDP

Page _____ of _____ pages

1. Bidder's Name <i>[insert Bidder's legal name]</i>
2. In case of JV, legal name of each member: <i>[insert legal name of each member in JV]</i>
3. Bidder's actual or intended country of registration: <i>[insert actual or intended country of registration]</i>
4. Bidder's year of registration: <i>[insert Bidder's year of registration]</i>
5. Bidder's Address in country of registration: <i>[insert Bidder's legal address in country of registration]</i>
6. Bidder's Authorized Representative Information Name: <i>[insert Authorized Representative's name]</i> Address: <i>[insert Authorized Representative's Address]</i> Telephone/Fax numbers: <i>[insert Authorized Representative's telephone/fax numbers]</i> Email Address: <i>[insert Authorized Representative's email address]</i>
7. Attached are copies of original documents of <i>[check the box(es) of the attached original documents]</i> <input type="checkbox"/> Articles of Incorporation (or equivalent documents of constitution or association), and/or documents of registration of the legal entity named above. <input type="checkbox"/> In case of JV, letter of intent to form JV or JV agreement. <input type="checkbox"/> In case of Government-owned enterprise or institution, documents establishing: <ul style="list-style-type: none">• Legal and financial autonomy• Operation under commercial law

Bidder's JV Members Information Form

[The Bidder shall fill in this Form in accordance with the instructions indicated below. The following table shall be filled in for the Bidder and for each member of a Joint Venture]].

Date: *[insert date (as day, month and year) of Bid Submission]*
OCB for LCSRS and CRWDP

Page _____ of _____ pages

1. Bidder's Name: <i>[insert Bidder's legal name]</i>
2. Bidder's JV Member's name: <i>[insert JV's Member legal name]</i>
3. Bidder's JV Member's country of registration: <i>[insert JV's Member country of registration]</i>
4. Bidder's JV Member's year of registration: <i>[insert JV's Member year of registration]</i>
5. Bidder's JV Member's legal address in country of registration: <i>[insert JV's Member legal address in country of registration]</i>
6. Bidder's JV Member's authorized representative information Name: <i>[insert name of JV's Member authorized representative]</i> Address: <i>[insert address of JV's Member authorized representative]</i> Telephone/Fax numbers: <i>[insert telephone/fax numbers of JV's Member authorized representative]</i> Email Address: <i>[insert email address of JV's Member authorized representative]</i>
7. Attached are copies of original documents of <i>[check the box(es) of the attached original documents]</i> <input type="checkbox"/> Articles of Incorporation (or equivalent documents of constitution or association), and/or registration documents of the legal entity named above. <input type="checkbox"/> In case of a Government-owned enterprise or institution, documents establishing legal and financial autonomy and operation in accordance with commercial law.

Form of Bid-Securing Declaration

[The Bidder shall fill in this Form in accordance with the instructions indicated.]

Date: *[date (as day, month and year)]*

Bid No.: *[number of bidding process]*

To: **LGU Guarantee Corporation**

We, the undersigned, declare that:

We understand that, according to your conditions, bids must be supported by a Bid-Securing Declaration.

We accept that we will automatically be suspended from being eligible for bidding if we are in breach of our obligation(s) under the bid conditions, because we:

- (a) have withdrawn our Bid during the period of bid validity specified in the Letter of Bid; or
- (b) having been notified of the acceptance of our Bid by the Seller during the period of bid validity, (i) fail or refuse to execute the Contract.

We understand this Bid Securing Declaration shall expire if we are not the successful Bidder, upon the earlier of (i) our receipt of your notification to us of the name of the successful Bidder; or (ii) ninety days after the expiration of our Bid.

Name of the Bidder* _____

Name of the person duly authorized to sign the Bid on behalf of the Bidder** _____

Title of the person signing the Bid _____

Signature of the person named above _____

Date signed _____ day of _____, _____

*: In the case of the Bid submitted by joint venture specify the name of the Joint Venture as Bidder

** : Person signing the Bid shall have the Special Power of Attorney, Secretary's Certificate or Board Resolution given by the Bidder attached to the Bid

[Note: In case of a Joint Venture, the Bid-Securing Declaration must be in the name of all members to the Joint Venture that submits the bid.]

Section V. Bid Details

1) LGU Credit Screening and Rating System (LCSRS)

A. Background Information

B. Objectives of Credit Screening and Rating

C. Concept of Credit Screening and Rating

D. Process Flow

2) Credit Rating for Water Districts in the Philippines

i.1.A. Background Information

i.1.B. Credit Rating Model

i.1.C. Process Flow

i.1.D. Risk Factors

1. LGU Credit Screening and Rating System (LCSRS)

A. Background Introduction

This section of the Bid documents outlines the scope and details of the LCSRS that the winning bidder will purchase. Local government units, as empowered by the local government code, have ventured into loans in financing its projects. Projects like public markets, bus terminals, passenger ports and slaughterhouses are self-sustaining enterprises that LGUs can build for its constituents and public use.

The LCSRS was developed in 1998 and was pilot-tested with the first six LGU accounts which LGUGC guaranteed. The United States of America International Aid (USAID) and Australian International Aid (AusAID) declared the LCSRS to be within international standards in 1999 and 2001, respectively.

The LCSRS database currently has 523 LGUs consisting of a mix of Provinces, Cities and Municipalities in different income classes. This database is updated regularly. The latest update was conducted in 2017.

B. Objectives of Credit Screening and Rating

Credit Screening

1. To independently assess the general creditworthiness of LGUs
2. To help banks assess the credit opportunities and risks in the LGU market.
3. To catalyze the entry of LGUs into private commercial credit

Credit Rating

1. To independently assess the capacity of LGUs to meet their obligations.
2. To enable banks to draw up facilities suited to the credit risks of LGUs.

C. Concept of Credit Screening and Rating

Credit screening and rating is an important task to be undertaken by any financial institution that will extend its lending services to the LGUs. An LGU's creditworthiness or ability for debt servicing can be measured by a set of criteria and a rating score will be derived that will guide a lender in determining its lending rates.

The following are the criteria:

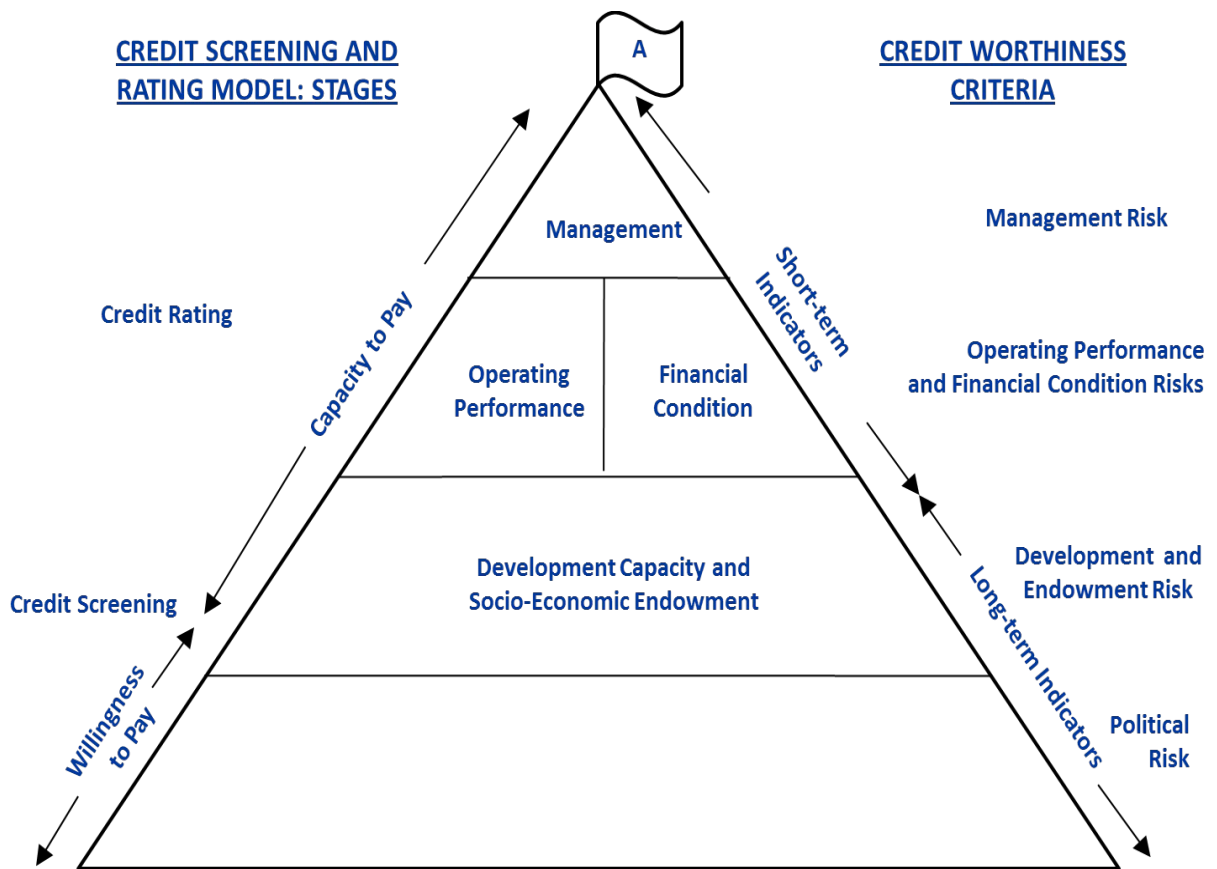
Screening Criteria:

Tendency for efficient Debt Repayment
Development and Endowment

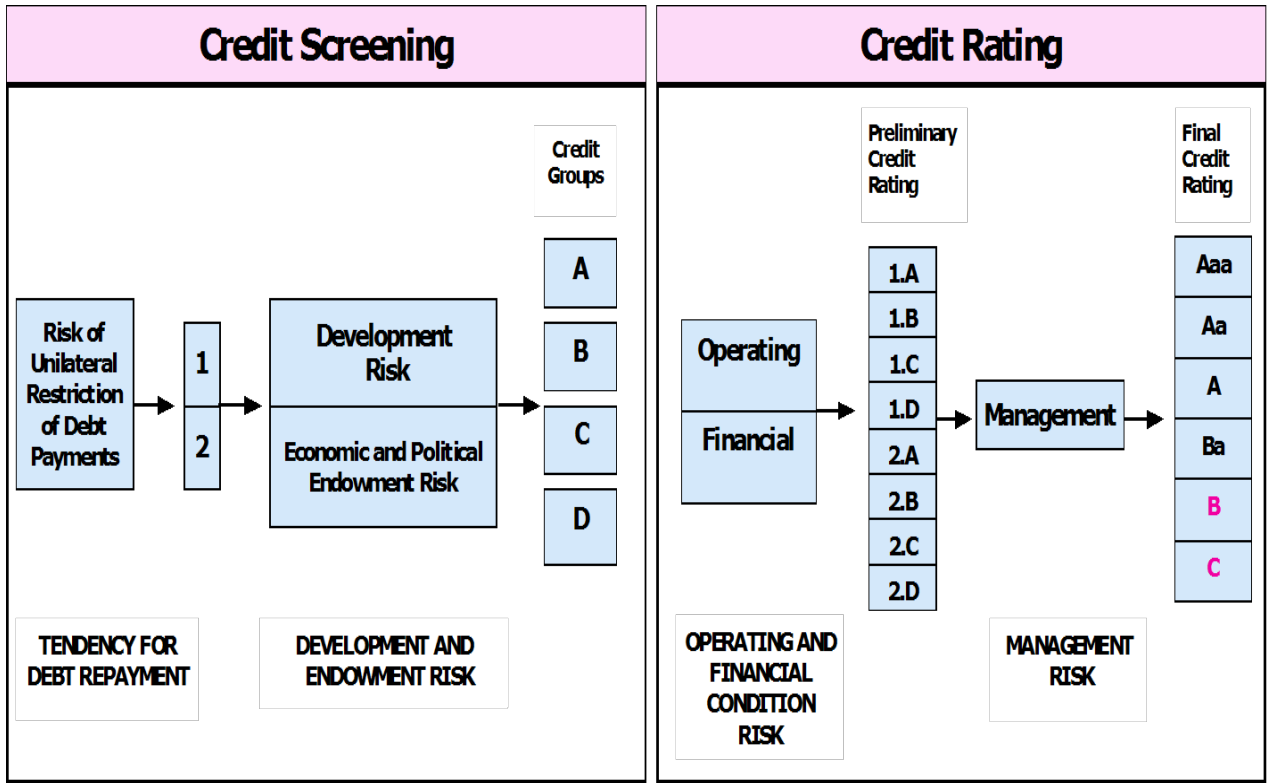
Rating Criteria:

Operating Performance
Financial Condition
Management

The screening criteria are long term indicators while that of the rating are short term indicators.



D. RATING METHODOLOGY



E. PROCESS FLOW

The process starts with a request from an LGU for a credit rating which then submits credit rating data requirements. The rating analyst will visit the LGU for data validation, interview with LGU officials and community leaders and ocular inspection of the LGU socio-economic enterprises and project site.

The rating analyst will process and analyze the data and prepare a credit rating report and his/her recommendations. A rating committee (RC) will be formed which will be the decision making body responsible for all LGU ratings. The RC will deliberate on the rating analyst's report and recommendation. It can accept the recommendation or upgrade or downgrade the same. The RC is composed of two (2) LGUGC officers and three (3) independent experts in financing, LGU operations and rating.

The LGU will be informed of the rating results which it can agree or disagree on. In case of disagreement, the LGU may submit additional information to support its claim. A rating review committee (RRC) will again deliberate and come-up with the final rating.

The cost of the entire rating process can be for the account of the LGU which requested the rating or a financial advisor who is negotiating the LGU's intended loan from a government or private lending institution.

F. RATED LGUs

LGU	Rating
1. San Juan, MM	Aa
2. Agoo, La Union	A
3. Baguio City	A
4. Baliwag, Bulacan	A
5. Carmona, Cavite	A
6. Iloilo Province	A
7. Imus, Cavite	A
8. Lucena City, Cagayan	A
9. Mariveles, Bataan	A
10. Tabaco City	A
11. Tagaytay City	A
12. Taguig City	A
13. Taytay, Rizal	A
14. Zamboanga del Norte	A
15. Rosario, La Union	A
16. Antipolo City	Ba

LGU	Rating
17. Bayambang, Pangasinan	Ba
18. Binangonan, Rizal	Ba
19. Butuan City, Agusan	Ba
20. Calasiao, Pangasinan	Ba
21. Caloocan City	Ba
22. Daraga, Albay	Ba
23. Iloilo City	Ba
24. Iriga City, Camarines Sur	Ba
25. Kawit, Cavite	Ba
26. Leyte Province	Ba
27. Masbate City	Ba
28. Orani, Bataan	Ba
29. Pasay City	Ba
30. Puerto Princesa City	Ba
31. San Fernando, Pampanga	Ba
32. Santiago City, Isabela	Ba

LGU	Rating
33. Surigao City	Ba
34. Urdaneta City	Ba
35. Aliaga, Nueva Ecija	B
36. Calbayog City, Samar	B
37. Palayan City, Nueva Ecija	B
38. San Vicente, Palawan	B
39. Capiz Province	A
40. Binalonan, Pangasinan	A
41.. Infanta, Pangasinan	A
42. Tubao, La Union	Ba
43. Dasol, Pangasinan	A
44. San Francisco, Quezon	Ba
45. Anda, Pangasinan	A
46. Roxas, Palawan	Ba
47. Bongabon, Nueva Ecija	A
48. Maddela, Quirino	Ba

LGU	Rating
49. Calauag, Quezon	Ba
50. San Antonio, Nueva Ecija	A
51. San Isidro, Nueva Ecija	Ba
52. Iba, Zambales	A
53. Pantabangan, Nueva Ecija	Ba
54. Alicia, Isabela	Ba
55. Sto. Domingao, N. Ecija	A
56. Roxas City, Capiz	A
57. Umingan, Pangasinan	A
58. Padre Garcia, Batangas	A
59. Tadian, Mt. Province	Ba

2. Credit Rating for Water Districts in the Philippines (CRWDP)

A. Background Information

Water Districts (WDs) are Government-owned and controlled corporations (GOCC) that are in continuous need of access for financing. Supervised by the Local Water Utilities Administration (LWUA), a WD has the autonomy to avail of government or commercial funding to improve its services upon securing the necessary permits/waiver from concerned government agencies.

A WD is mandated to provide a steady supply of clean water. Such supply of clean water should adapt to the growing population or concessionaires of a given service area.

B. Credit Rating Model

(j) The credit rating model is based on fundamentally important risk factors and relies upon measurable and available parameters per risk factor. Its weights are based on the importance of parameter as well as availability and reliability of data. The credit rating model was a result of studies with 20 water districts conducted by CRISIL Ratings, a global analytical company providing ratings, research, and risk and policy advisory services.

C. Process Flow

The credit rating system has the following process flow:

1. Information requirements furnished by rating team;
2. Data provided by rated entity;
3. Analysis of the information using credit rating model;
4. Management interaction;
5. Preparation of rating report; and
6. Credit rating assigned by Rating Committee.

The rating committee will have a minimum of five (5) members, representing relevant professional fields. At least one (1) members should have an extensive knowledge of the water industry in the country and one (1) should have a banking or financial background. Two (2) members are LGUGC officers and three (3) are independent experts.

The rating committee will have a chairman with each member having one vote. In case of a tie, the chairman will cast the deciding vote.

D. Risk Factors

The following risk factors are taken into account in the CRWDP:

1. Regulatory risk

Objective: To assess the degree of operational and financial autonomy conferred on the entity by the regulatory framework.

2. Economic Risk

Objective: To ascertain the revenue generating potential of the entity's service area and its infrastructure requirements.

3. Operating Risk

Objective: To assess the ability of the entity to leverage on the economic base of its service area and improve its resource base, service arrangements and delivery.

4. Management Risk

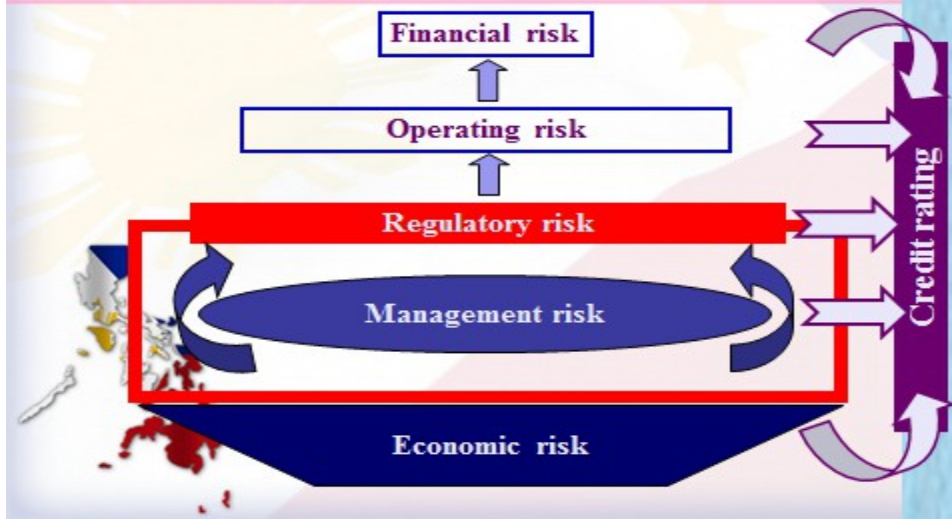
Objective: To assess the competence and integrity of the management.

5. Financial Risk

Objective: To assess the degree of protection provided by its financial condition to the entity's debt service commitments going forward.

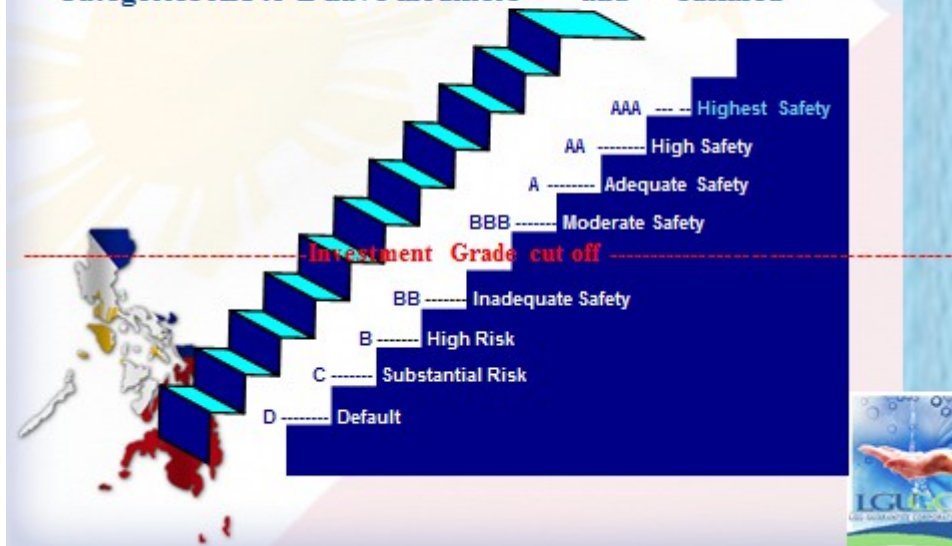
E. Credit Rating Framework

Credit Rating Framework



18-point Credit Rating Scale

Categories AA to B have modifiers '+' and '-' suffixed



F. Rated WDs

Water District	Rating
<ol style="list-style-type: none"> 1. Metro Iloilo WD 2. Calamba WD 3. Legaspi City WD 4. City of San Fernando WD 5. Indang WD 6. Cabanatuan City WD 7. Mabalacat WD 8. Norzagaray WD 9. Zamboanga City WD 10. Puerto Princesa City WD 11. Baliwag WD 12. Camarines Norte WD 13. Lingayen WD 14. Metro Naga WD 15. Tarlac City WD 16. Umingan WD 	<p>BBB+</p> <p>A-</p> <p>A-</p> <p>AA-</p> <p>A-</p> <p>A+</p> <p>A+</p> <p>A-</p> <p>BBB+</p> <p>A+</p> <p>A</p> <p>A-</p> <p>BBB-</p> <p>AA-</p> <p>A</p> <p>BBB+</p>
Water District	Rating
<ol style="list-style-type: none"> 17. San Pedro WD 18. Cagayan de Oro City WD 19. Gingoog City WD 20. Bulacan WD 21. Cabanatuan City WD 22. Sorsogon City WD 23. Paniqui WD 24. Morong WD 25. Obando WD 	<p>A+</p> <p>BBB+</p> <p>BBB+</p> <p>A</p> <p>A+</p> <p>BBB+</p> <p>A-</p> <p>A-</p> <p>BBB+</p>

Section VI. Conditions of Contract

Table of Clauses

Section VI. Conditions of Contract

- 1. Definitions**
 - 1.1 The following words and expressions shall have the meanings hereby assigned to them:
 - (1.a) “Contract” means the Contract Agreement entered into between the Seller and the winning bidder, together with the Contract Documents referred to therein, including all attachments, appendices, and all documents incorporated by reference therein.
 - (1.b) “Contract Documents” means the documents listed in the Contract Agreement, including any amendments thereto.
 - (1.c) “Contract Price” means the price payable to the Seller by the winning bidder as specified in the Contract Agreement, subject to such additions and adjustments thereto or deductions therefrom, as may be made pursuant to the Contract.
 - (1.d) “Day” means calendar day.
- 2. Contract Documents**
 - .1 Subject to the order of precedence set forth in the Contract Agreement, all documents forming the Contract (and all parts thereof) are intended to be correlative, complementary and mutually explanatory. The Contract Agreement shall be read as a whole.
- 3. Corrupt and Fraudulent Practices**
 - 3.1 The Seller requires the winning bidder to disclose any commissions or fees that may have been paid or are to be paid to agents or any other party with respect to the bidding process or execution of the Contract. The information disclosed must include at least the name and address of the agent or other party, the amount and currency, and the purpose of the commission, gratuity or fee.
- 4. Interpretation**
 - 4.1 If the context so requires it, singular means plural and vice versa.
 - 4.2 Entire Agreement

The Contract constitutes the entire agreement between the Seller and the winning bidder and supersedes all communications, negotiations and agreements (whether written or oral) of the parties with respect thereto made prior to the date of Contract.
 - 4.3 Amendment

No amendment or other variation of the Contract shall be valid unless it is in writing, is dated, expressly refers to the Contract, and is signed by a duly authorized representative of each party

thereto.

4.4 Severability

If any provision or condition of the Contract is prohibited or rendered invalid or unenforceable, such prohibition, invalidity or unenforceability shall not affect the validity or enforceability of any other provisions and conditions of the Contract.

5. Language

5.1 The Contract as well as all correspondence and documents relating to the Contract exchanged by the Seller and the winning bidder shall be in English.

6. Notices

6.1. Any notice given by one party to the other pursuant to the Contract shall be in writing to the address specified in the **ITB**. The term “in writing” means communicated in written form with proof of receipt.

6.2. A notice shall be effective when delivered or on the notice’s effective date, whichever is later.

7. Settlement of Disputes

7.1. The Seller and the winning bidder shall make every effort to resolve amicably by direct informal negotiation any disagreement or dispute arising between them under or in connection with the Contract.

7.2. If, after twenty-eight (28) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the Seller or the winning bidder may give notice to the other party of its intention to commence arbitration, as hereinafter provided, as to the matter in dispute, and no arbitration in respect of this matter may be commenced unless such notice is given. Any dispute or difference in respect of which a notice of intention to commence arbitration has been given in accordance with this Clause shall be finally settled by arbitration. Arbitration may be commenced prior to or after delivery of the LCSRS and CRWDP database and relevant documents under the Contract. The Rules of Arbitration under Republic Act 9876 otherwise known as the Arbitration Law shall be followed.

8. Scope

8.1. The LCSRS and CRWDP database and related documents to be purchased shall be as specified in the Bid Details.

9 Contract Price

9.1. Prices bid by the winning bidder for the LCSRS and CRWDP under the Contract shall not vary from the prices quoted by the winning bidder in its bid.

10. Terms of Payment

10.1. The Contract Price shall be paid directly to the Seller.

10.2. Payment shall be made no later than fifteen (15) calendar days upon signing of the Contract.

10.3. The payment shall be in Philippine Pesos.

10.4. In the event that the winning bidder fails to pay the Seller by due date, the former shall pay the latter interest on the amount of such delayed payment at the rate of 3% per month (a fraction of a month to be considered as one (1) month), for the period of delay until payment has been made in full, whether before or after judgment or arbitrage award.

Section VII. Contract Forms

This Section contains forms which, once completed, will form part of the Contract.

NOTICE OF AWARD

(Date)

(Name of Authorized Representative and address of the winning bidder)

Dear _____:

We are pleased to inform you that the LCSRS and CRWDP are hereby awarded to (name of Supplier) at a contract price of _____.

Please sign your conforme on the space provided below to signify your agreement to the foregoing and to the provisions of the Conditions of Contract as stipulated in the Bidding Documents.

Very truly yours,

LYDIA N. ORIAL
President and CEO

Conforme:

I acknowledge receipt of this Notice of Award on _____

(Signature over printed name of Authorized Representative)

Attachment:

Contract

[The successful Bidder shall fill in this form in accordance with the instructions indicated]

THIS AGREEMENT made

the [insert: **number**] day of [insert: **month**], [insert: **year**].

BETWEEN

- (1) *LGU Guarantee Corporation (LGUGC), a corporation incorporated under the laws of the Philippines and having its principal place of business at Unit 2801, 28th Floor, Antel Corporate Center, 121 Valero St., Salcedo Village, Makati City (hereinafter called “the Seller”), and*
- (2) *[insert name of winning bidder], a corporation incorporated under the laws of [insert: country of winning bidder] and having its principal place of business at [insert: address of winning bidder] (hereinafter called “the Bidder”), :*

WHEREAS the LGUGC Board of Directors during its September 27, 2018 meeting, passed and approved Resolution No. 21, Series of 2018, for the shortening of LGUGC’s corporate life;

WHEREAS the LGUGC Board of Directors also passed and approved Resolution No. 45, Series of 2018, for the sale of the LCSRS and CRWDP, thru open bidding, due to LGUGC’s closure;

WHEREAS the LGUGC invited bids for the sale of the LCSRS and CRWDP and has accepted a Bid by _____ for the aforementioned screening and rating systems in the sum of (amount in words followed by amount in figures) (hereinafter called “the Contract Price”)

The Seller and the Winning Bidder agree as follows:

1. In this Contract, words and expressions shall have the same meanings as are respectively assigned to them in the Contract documents referred to.
2. The following documents shall be deemed to form and be read and construed as part of this Contract. This Contract shall prevail over all other contract documents.
 - (a) Notice of Award;
 - (b) Winning Bidder’s Letter of Bid, including other documents/statements submitted;
 - (c) Addenda Nos. _____ (if any);
 - (d) Conditions of Contract;
 - (e) Specifications; and
 - (f) Any other document as forming part of the Contract.

3. In consideration of the payment to be made to the Seller, the Seller hereby covenants to provide the LCSRS and CRWDP in conformity in all respects with the provisions of this Contract.
4. In consideration of the provision by the Seller of the aforementioned screening and rating systems, the Winning Bidder shall cause the payment of the Contract Price within fifteen (15) days from the signing of this Contract.

IN WITNESS whereof the parties hereto have caused this Agreement to be executed in accordance with the laws of the Republic of the Philippines on the day, month and year indicated above.

For and on behalf of the Seller

Signed: *[insert signature]*
in the capacity of *President/Chief Executive Officer*
in the presence of *[insert identification of official witness]*

For and on behalf of the Winning Bidder

Signed: *[insert signature of authorized representative(s) of the winning bidder]*
in the capacity of *[insert title or other appropriate designation]*
in the presence of *[insert identification of official witness]*

Invitation for Bids

Contract Title: Sale of LGU Credit Screening and Rating System and Credit Rating for Water Districts in the Philippines comprising of manuals and database.

1. LGU Guarantee Corporation (LGUGC) was incorporated on March 2, 1998 with Securities and Exchange Commission Registration Number A199803347.
2. The LGUGC Board of Directors during its meeting on September 27, 2018 passed Resolution No. 21, Series of 2018, dissolving LGUGC through the shortening of its corporate life effective December 31, 2019.
3. On November 14, 2018, LGUGC's Board of Directors passed and approved Resolution No. 45, Series of 2018, allowing the sale of the company's soft assets, through open bidding, which are the LGU Credit Screening and Rating System and Credit Rating for Water Districts in the Philippines.
4. LGUGC now invites sealed bids from eligible bidders for the purchase of the aforementioned screening and rating systems.
5. Interested eligible bidders may obtain further information from LGUGC office and inspect the bidding documents during office hours, *0900 to 1700 hours MNL time*, at the address given below.
6. A complete set of bidding documents in *English* may be purchased by interested eligible bidders upon the submission of a written application to the address below and upon payment of a non-refundable fee of P3,000.00. The method of payment will be by check or cash deposit to BPI (G/F 88 Corporate Center, Valero cor. Sedeno St., Salcedo Village) S/A 3774-0124-34 in the name of *LGU Guarantee Corporation*. The document will be sent by *express courier to a requested address or collected at the address given below*.
7. A Pre-bid meeting shall be held on _____, 9 AM, at the address below and shall be open only to those that have purchased a complete set of bidding documents.
8. Bids must be delivered to the address below on or before 9:00 AM of _____ 2019. Electronic bidding *will not* be permitted. Late bids will be rejected. Bids will be publicly opened in the presence of the bidders' designated representatives who choose to attend at the address below at 9:00 AM of _____ 2019.
9. All bids must be accompanied by a "*Bid-Securing Declaration*" following the prescribed form included in Section IV, Bidding Forms, of the Bidding Documents.
10. The address referred to for inspection of bidding documents and collection of purchased bidding documents is:

LGU Guarantee Corporation
Unit 2801, 28th Floor, Antel Corporate Center
Attn: Ms. Lydia N. Oriol, President/Chief Executive Officer
121 Valero Street, Salcedo Village
Makati City, Philippines_
Tel: (632) 844-2852

The address referred to for pre-bid meeting, submission and public opening of bids is:

The LGUGC Conference Room

Unit 2801, 28th Floor, Antel Corporate Centre
121 Valero Street, Salcedo Village
Makati City, Philippines