



GSIS INSURANCE BIDS AND AWARDS COMMITTEE

RESOLUTION NO. 2017-017

RECOMMENDING THE DECLARATION OF FAILURE OF BIDDING FOR THE REINSURANCE OF THE INDUSTRIAL ALL RISK INSURANCE OF THE SBMA &/OR SUBIC BAY ITC &/OR ICTSI FOR THE PERIOD 11 MAY 2017 TO 11 MAY 2018

The GSIS Insurance Bids and Awards Committee (GIBAC) received the Memorandum Request for Procurement (MRP) for the procurement of the **Reinsurance of the Industrial All Risk Insurance (IAR) of the SBMA &/or Subic Bay ITC &/or ICTSI (SBMA-ICTSI)** from the Insurance Group (IG) on 24 February 2017. The availability of funds was certified by the Controller Group.

On 14 March 2017, a Pre-Procurement Conference was conducted for the Procurement of the Reinsurance of the IAR Insurance of the SBMA- ICTSI with an Approved Budget for the Contract (ABC) of Three Million Thirty Two Thousand Four Hundred Fifty Three Pesos and 44/100 (Php3,032,453.44). During the said meeting, the technical specifications, Certificate of Funds Availability, Loss History and other requirements were presented and discussed. It was noted that there was a decrease in the Total Sum Insured (TSI) from Php3,350,947,865.39 to Php2,246,261,805.74 based on the updated inventory of properties submitted by the insured to IG.

Thereafter, the Government Service Insurance System (GSIS) advertised an invitation to bid (ITB) in a newspaper of general circulation on 20 March 2017, and posted the invitation to bid in the PhilGEPS and GSIS websites and the latter's bulletin board starting on the same date.

Four (4) prospective bidders attended the pre-bid conference on 27 March 2017. Malayan Insurance Co., Inc. (Malayan), Pioneer Insurance and Surety Corporation (Pioneer), FPG Insurance Co., Inc. (FPG) and UCPB General Insurance Co., Inc. (UCPB Gen) purchased the bidding documents.

During the said pre-bid conference, the representative from Pioneer raised the issue of underinsurance due to the use of net book value as the basis of the declared values and the Total Sum Insured (TSI) as confirmed by the Assured's representative.

On 27 March 2017, a bid bulletin was issued and posted in the PHILGEPS and GSIS websites as Bid Bulletin No. 1. The bid bulletin was issued to reschedule the deadline for the submission and opening of bids.

On 28 March 2017, Pioneer submitted a written query to confirm if there will be no changes in the declared values in view of the issue of underinsurance raised during the pre-bid conference.

On 04 April 2017, the GIBAC, through its Project Coordinators, forwarded the queries to the Assured for their appropriate responses.

On 06 April 2017, Mr. Ernesto Berioso, Jr. from International Container Terminal Services, Inc. (ICTSI) submitted a new TSI computation as agreed with SBMA as mentioned in its letter of even date. The new TSI values are based on the same amount as the expiring and include the original cost of the equipment and property.

Attached to and forming part of GIBAC Resolution No. 2017-017

On 07 April 2017, a bid bulletin was issued and posted in the PHILGEPS and GSIS websites as Bid Bulletin No. 2. The bid bulletin was issued to postpone the submission and opening of bids until further notice in view of the significant change in the terms of the project, particularly the TSI.

On 11 April 2017, the GIBAC requested IG to communicate with the assured agency to discuss the new terms and conditions for the project in view of the increase in the TSI values.

In view of the foregoing, the GIBAC resolved to recommend the declaration of a failure of bidding pursuant to Section 41(c)(i) of the Revised Implementing Rules and Regulation (RIRR) of Republic Act (RA) 9184, thus:

The HoPE reserves the right to reject any and all bids, declare a failure of bidding, or not award the contract in the following situations:

- a) xxx;
- b) xxx; or
- c) For any justifiable and reasonable ground where the award of the contract will not redound to the benefit of the GoP, as follows:
 - (i) if the physical and economic conditions have significantly changed so as to render the project no longer economically, financially, or technically feasible, as determined by the HoPE;
 - (ii) xxx; or
 - (iii) xxx.

Resolution

Wherefore, the GIBAC resolved to:

1. **RECOMMEND** to the GSIS Head of the Procuring Entity the declaration of failure of bidding for the *Reinsurance of the Industrial All Risk Insurance of the SBMA &/or Subic Bay ITC &/or ICTSI* pursuant to Section 41(c)(i) of the RIRR of RA 9184; and
2. **CONDUCT** another public bidding for the *Reinsurance of the Industrial All Risk Insurance of the SBMA &/or Subic Bay ITC &/or ICTSI* pursuant to pertinent provisions of the RIRR of RA 9184 upon finalization and submission of the new terms and conditions by IG.

Attached to and forming part of GIBAC Resolution No. 2017-017

Done this 24th day of April 2017, GSIS, Financial Center, Pasay City, Philippines.

(SGD.) VALERIE K. MARQUEZ
Chairperson

(SGD.) ATTY. ALEXEI P. CARDENAS
Vice Chairperson

(SGD. LEOPOLDO A. CASIO, JR.
Member

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OLIVER O. FLORES
Member

(SGD.) ATTY. CORAZON TANGLAO-DACANAY
Member

APPROVED / DISAPPROVED:

(SGD.) ATTY. NORA MALUBAY SALUDARES
Head of the Procuring Entity
Date: 04 May 2017