



**MEMORANDUM**

FOR : **THE CHAIRPERSON**  
GSIS Insurance Bids and Awards Committee

THRU : **THE GBAC SECRETARIAT PROJECT COORDINATORS**  
GSIS Insurance Bids and Awards Committee

FROM : **THE SENIOR VICE PRESIDENT**  
Insurance Group

SUBJECT : **SMALL VALUE PROCUREMENT OF THE REINSURANCE OF THE DIRECTORS AND OFFICERS LIABILITY INSURANCE OF THE PHILIPPINE MINING DEVELOPMENT CORPORATION FOR THE PERIOD 15 OCTOBER 2017 TO 15 OCTOBER 2018**

Date : **31 August 2017**

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The Insurance Group (IG) conducted the opening of quotations on 04 August 2017 for the Directors and Officers Liability Insurance (DOLI) cover of the Philippine Mining Development Corporation (PMDC) with a Total Sum Insured (TSI) of Two Hundred Fifty Million Pesos (Php250,000,000.00). The Approved Budget for the Contract (ABC) as certified by the PMDC in its Certificate of Funds Availability and as published in the PhilGEPS and GSIS websites is Three Hundred Sixty Five Thousand Pesos (Php365,000.00).

The opening of quotations was held at the Multi-purpose Conference Room, Level 3, GSIS Bldg., Pasay City, attended by the following observers:

- Representative from the Commission on Audit (COA), GSIS
- Representative from the Internal Audit Services Office (IASO), GSIS

Four (4) Insurance Companies submitted their quotations, namely:

- Malayan Insurance Co., Inc. (Malayan);
- FPG Insurance Co., Inc. (FPG);
- UCPB General Insurance Co., Inc. (UCPB Gen); and
- Pioneer Insurance and Surety Corporation (Pioneer)

Upon opening and examination of the Certification of Undertaking, Malayan and UCPB Gen were found to be ineligible. They overlooked the change in the inception date stipulated in the Bid Bulletin No. 1, hence, not effected in the Certification of Undertaking. After opening and examination of the Financial Quotation, FPG and Pioneer were declared eligible.

Below is the summary of the financial quotations:

Rank (Lowest to Highest)	Company Name	Financial Bid	Savings Based on the ABC of Php365,000.00	
			Amount	Percentage
1	Pioneer Insurance and Surety Corp.	Php239,999.00	Php125,001.00	34.24685%
2	FPG Insurance Co., Inc.	Php295,000.00	Php70,000.00	19.17808%

Pioneer's quotation was declared as the lowest calculated quotation with a total bid price of Php239,999.00 distributed as follows:

Coverage	Total	100%	Php	239,999.00
Directors and Officers Liability	Reinsured	90%	Php	215,999.10 (Inclusive of 20% GSIS Commission)
	Retained	10%	Php	23,999.90

On 09 August 2017, Pioneer submitted the documentary requirements stated in the Certification of Undertaking after the declaration as the bidder with a lowest calculated quote.

On 10 August 2017, the Reinsurance Department conducted the post-qualification evaluation of the submitted documents and found that the published amount of the ABC in the Request for Quotation (Php365,000.00) is not the amount stated in the approved Annual Procurement Plan (Php250,000.00).

In view of the foregoing, the Insurance Group resolved to declare a failure of bidding pursuant to Section 41(b) of the Revised Implementing Rules and Regulation (RIRR) of Republic Act (RA) 9184, thus:

- a) xxx;
- b) If the BAC is found to have failed in following the prescribed bidding procedures; or
- c) xxx

We shall conduct re-bidding of the said account pursuant to pertinent provisions of the RIRR of RA 9184 and upon approval of the decrease in the ABC to Php235,000.00.

For the information of the GIBAC.

**(SGD.) ATTY. MARIA OBDULIA VITUG-PALANCA**