



DEPARTMENT OF FOREIGN AFFAIRS
KAGAWARAN NG UGNAYANG PANLABAS

BIDS AND AWARDS COMMITTEE

BAC Resolution No. CPM-344-22

RESOLUTION RECOMMENDING, BY REFERENDUM, AWARD OF CONTRACT THROUGH NEGOTIATED PROCUREMENT UNDER SECTION 50 (DIRECT CONTRACTING) AS ALTERNATIVE METHOD OF PROCUREMENT FOR THE PROCUREMENT FOR THE MODERNIZATION OF FOUR (4) UNITS HITACHI ELEVATORS AT DFA MAIN BUILDING

WHEREAS, Office of Asset Management and Support Services (OAMSS) intends to modernize the four (4) units Hitachi elevators at DFA Main building;

WHEREAS, for more than 20 years, Hitachi was able to maintain and keep the units in operation, which shows the quality of the brand and its after-sales services. However, as the elevators have already reached their usage expectancy, it is not possible to avoid deterioration despite constant maintenance. Decades of continuous use have resulted in wear and tear, and have also resulted in more frequent breakdowns. Parts for the current elevators, including its control systems, have also become harder and harder to source, as more modern systems have rendered these models obsolete. Lastly, the DFA elevators now lack the safety and security features that have been integrated into today's elevator design. Hitachi Elevator recommends the modernization 20 years after installation, as the designed operational span of the system is approximately 20 years;

WHEREAS, the procurement for the modernization of four (4) units Hitachi elevators at DFA Main building by the OAMSS, with an Approved Budget for the Contract (ABC) in the amount of *Fifty Million Pesos* (PhP 50,000,000.00) only, chargeable against OAMSS's FY 2021 Continuing Appropriations for CO – Buildings, is included in the Department's Supplemental Annual Procurement Plan (SAPP) for FY 2022;

WHEREAS, Section 50 of the 2016 revised Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9184, otherwise known as the "Government Procurement Reform Act of 2003", states that Direct Contracting may be resorted to under any of the following conditions, *inter alia*: (c) Those sold by an exclusive dealer or manufacturer, which does not have sub-dealers selling at lower prices and for which no suitable substitute can be obtained and more advantageous terms to the Government;

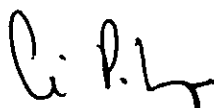
WHEREAS, the OAMSS submitted to the Bids and Awards Committee the quotation from the ***Hitachi Elevator Philippines Corporation*** for the procurement for the modernization of four (4) units Hitachi elevators at DFA Main building, in the total amount of *Fifty Million Pesos* (PhP 50,000,000.00) only;

WHEREAS, *Hitachi Elevator Philippines Corporation*, is the sole and exclusive company authorized to sell, install, and service/repair Hitachi elevators/escalators in the Republic of the Philippines from 01 January 2022 to 31 December 2022 until revoked and terminated with written agreement by parties, based on the Certification issued on 09 February 2022 by Hitachi, Ltd., Building Systems Business Unit, Tokyo, Japan;

WHEREAS, the Bids and Awards Committee (BAC), after taking into consideration all relevant factors, finds that the awarding of the procurement for the modernization of four (4) units Hitachi elevators at DFA Main building from the ***Hitachi Elevator Philippines Corporation***, may be done under Section 50 (c) of the 2016 revised IRR of R.A. 9184.

NOW, THEREFORE, we, the members of the Bids and Awards Committee of the Department, RESOLVE to RECOMMEND to the Head of the Procuring Entity (HOPE) the resort to Direct Contracting as the alternative method of procurement for the procurement for the modernization of four (4) units Hitachi elevators at DFA Main building from the ***Hitachi Elevator Philippines Corporation***, subject to the above-mentioned requirements and provided that existing auditing rules and regulations shall be strictly observed by the end-user.

ADOPTED, this 29th day of November 2022 at Pasay City.



CHARLIE P. MANANGAN
BAC Chairperson




PAUL VINCENT L. UY
BAC Vice-Chairperson



IHNA ALYSSA MARIE O. SANTOS
BAC Member



JED ELROY E. RENDOR
BAC Member



MEDARDO G. MACARAIG
Representative of the End-user

Approved:

By the Authority of the Secretary for Foreign Affairs:



ANTONIO A. MORALES
Undersecretary
and Head of the Procuring Entity



DEPARTMENT OF FOREIGN AFFAIRS
KAGAWARAN NG UGNAYANG PANLABAS

DFA-UA-BAC-31 | Effectivity Date: 14 June 2022 | Revision: 00

NOTICE OF AWARD

29 November 2022

Sir/Madam:

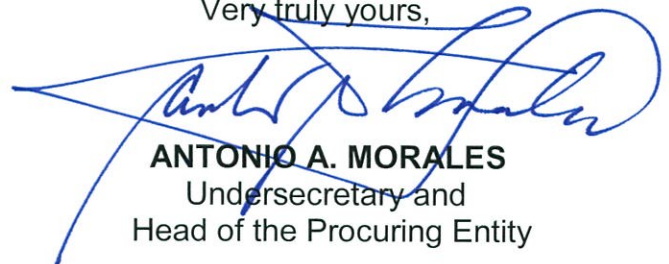
Please be informed that, upon the recommendation of the Bids and Awards Committee (BAC) of the Department of Foreign Affairs (DFA) as contained in its Resolution No. **CPM-344-22**, the Department is awarding the contract on the following project/procurement to your firm, **Hitachi Elevator Philippines Corporation**:

Project Title	End-User Unit
Procurement for the modernization of four (4) units Hitachi elevators at DFA Main building	OAMSS

The contract has a total cost of **Fifty Million Pesos (PhP 50,000,000.00)** only, including taxes and other lawful charges.

This award and the implementation of the project/procurement are subject to the signing of a contract and compliance with all applicable accounting and auditing rules and regulations.

Very truly yours,



ANTONIO A. MORALES
Undersecretary and
Head of the Procuring Entity

HITACHI ELEVATOR PHILIPPINES CORPORATION

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