REPUBLIC OF THE PHILIPPINES
Office of the President

PHILIPPINE CHARITY SWEEPSTAKES OFFICE

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SUPPLEMENTAL BID BULLETIN (SBB) NO. 3

SBAC Contract No. 2019-01
Re: Five (5) Years Lease of the PCSO Lottery System (PLS)

This Bid Bulletin is issued to **CLARIFY** queries raised during the Pre-Bid Conference at the Legend Villas Hotel No. 60 Pioneer St. Mandaluyong City Metro Manila.

I. JUNE 3, 2019 PRE-BID CONFERENCE QUESTIONS/QUERIES FROM INTERESTED BIDDERS:

Name of Interested Bidder	Question/ Query	CLARIFICATION
Philippine Gaming Management Corporation(PGMC) PCSO OR No. 079002 (6/3/2019) **DISCLAIMER:** PGMC did not return back to the Secretariat their accomplished Bidder's Question Form after Atty. Bernas was asked by SBAC to write down his additional questions. This prompted TWG to use the Facebook live streaming video of the Pre-Bid Conference, as reference in annotating PGMC's questions.	*This regards paragraph 8j of the Instruction to Bidders. The question is, a bidder who commissioned the development of a lottery system, pursuant to the bid documents, consider the owner of the lottery system? And this question is asked in relation to the restriction on subcontracting.* *There is another provision in the bid documents which restricts sub-contracting, so we just wanted to get a better idea what the bid committee had in mind? Does the bid committee contemplate that only a manufacturer can participate or does it also contemplate a bidder who commissioned the lottery system thereby acquired the lottery system that will [be] a supplier [of the] leased [lottery system] to PCSO?*	The Project contemplates the lease of an all-in, integrated and working lottery system. Each bidder is presumed and must be expressly authorized and/or duly licensed to lease each and every component (lock, stock and barrel) of the customized PCSO Lottery System, whether coming from within or outside the Philippines. Thus, the bidder for this Project may either be a lottery system owner; supplier; or distributor; or manufacturer; or lessor; or sub-contractors; or combination of all; provided that, they possess all the eligibilities and none of the disqualifications for this Project under the applicable provisions of Republic Act No. 9184 and the published bid documents.
	The bid documents have a provision to allow a foreign bidder, my question has to do with a domestic corporation that is majority foreign owned, will a domestic corporation majority foreign owned qualify to be a foreign bidder and therefore subjected to the same rules? I'm asking now about a domestic corporation, Philippine corporation that is not majority Filipino owned) what would that qualification be?	Section 23.4.1 (Eligibility Criteria for Procurement of Goods), 2016 Revised IRR of Republic Act No. 9184 shall apply. A bidder who does not have the Filipino ownership/interest/contribution/share is considered a foreign bidder.

PGMC	*On the Certificate of Reciprocity, may that certification be provided after the bidding? The question is asked because many countries do not produce a certificate that quickly. We don't have that many days left. Especially, when you are talking about big countries like the United States you'd have to go to the federal government to get a Certification of Reciprocity and within the timetable it would be difficult to obtain the certification.*	The "*Certificate of Reciprocity*" is a requirement for foreign bidders under Item No. 7, Appendix 9 in relation to Section 23.4.1.2 (a) and/or (b), 2016 Revised IRR of Republic Act No. 9184. The "*Certificate of Reciprocity*" cannot be dispensed with and must form part of the foreign bidder's eligibility documents to be submitted to SBAC at the time of submission and receipt of bids. Further, the "absence of local suppliers" as described in Sec. 23.4.1.2 (c), 2016 Revised IRR, RA 9184 is a separate and distinct situation which is not applicable for this Project considering that, the Procuring Entity has two (2) existing lottery equipment lease providers operating in the Philippines. Finally, the "*Certificate of Reciprocity*" is not a post-qualification requirement such that, foreign bidders must include and submit this eligibility requirement at the time of submission and receipt of bids.
	Would the certificate not be a post qualification requirement?	
	The TOR prefers Filipino suppliers and Filipino manufacturers or owners of the lottery system. Since there really is no Filipino manufacturer or supplier/owner of a lottery system, can this Certificate of Reciprocity not be dispensed with because there is no Filipino to be protected.	
	But the premise there is that, there is a Filipino supplier to be protected. But if there is none, and is not required by law anyway, cannot be the committee consider doing without it?	The published bid documents allow the participation of foreign bidders on the ground of reciprocity, which is different from the ground of "*no local supplier of goods*". For this Project, the "*Certificate of Reciprocity*" shall form part of the foreign bidder's eligibility requirements consistent with Item No. 7 of Appendix 9, 2016 Revised IRR of Republic Act No. 9184.
	So this would relate also to my first question about who would be considered as qualified bidder in supplying the lottery system. Cause if there is no Filipino manufacturer, you would have to qualify someone who commissioned the development of the system	Eligibility of bidders in participating in the bidding is provided in the ITB. However, please take note that, the bidder cannot use the eligibility of its sub-contractor/s. The bid documents adopt *GPPB NPM No. 165-2015* in so far as the issues on Technical Eligibility of sub-contractor or JV/Consortium partners are concerned. For this reason, bidders are advised to read and understand the implications of the afore-mentioned GPPB issuance, for guidance of JV/Consortium partners.
	The bid documents, still on the Certificate of Reciprocity, it requires a Certificate of Reciprocity which permits Filipino suppliers to provide the same product for the same activity, so may we be clarified perhaps by an Illustration of another country that performs	The law provides that the procurement activity is for the <u>same item or product. In this case, the procurement activity shall be for a lottery system as defined in Item 8 c, Sec. 1 of the ITB.</u>

PGMC	*the same activity as far as we know only the Philippines operates a lottery in this manner, other countries do not operate in this same manner. Just not to lose the topic, TOR provides for the response 7 days before bid date that might not really give us time to properly provide the bid.*	
	In the definition of similar contracts, the term gaming system is used; Whereas, everywhere else in the TOR only the phrase lottery system is used. Can you explain why, does it mean something different from lottery system?	The GAMING SYSTEMS in the definition of similar contracts shall be further clarified in a separate SBB. In the Certificate of Reciprocity, *the law provides that the procurement activity is for the <u>same item or product.</u>* The computation of the Single Largest Completed Contract (SLCC) was expanded to include gaming systems. This is to encourage widest participation in the public bidding of this Project. The Project is intended to be OPEN to equally eligible bidders within local and international gaming industry, whether new comers or existing players; provided, that interested bidders are capable of delivering the requirements of SBAC Contract No. 2019-01. Otherwise stated, PCSO desires the widest participation of all eligible bidders for purposes of competition and eliciting the best and most responsive offer to the Government.
	So you expanded the range for the definition of similar contracts, but in your Certificate of Reciprocity do you mean it to be narrowed down to lottery systems? You're not also including gaming systems?	
	So, the specific wording of the Certificate of Reciprocity would be relevant to clarificatory to be issued. *Using the term gaming system, for example, when you say gaming system, its quite broad, it could be an online system without terminals in the way that the PCSO does it. For example, if there is one bingo game for example, hooked up to a few hundred terminals or online access.* *For example, Bingo of PAGCOR. The question has to do with the number of terminals, what would the number of units be, would it be the terminal itself or the access?*	Reciprocity specifically requires the procurement of "same item/product". Accordingly, the "Certificate of Reciprocity" must indicate that Filipinos are allowed to participate in the bidding of "Lottery System" in the country where the business of the foreign bidder is registered; and for this purpose, the rules on language of bid documents shall apply if the certification is not in English language.
	May I reiterate our request that the committee consider providing the Certificate even after bidding because we don't have really	See discussion above on "*Certificate of Reciprocity*".

PGMC	*much time to obtain one. Especially, if the clarificatory would not be issued until much later.*	
	Just to add further clarifications, the PAGCOR authorizes the establishment of E-Bingo centers. In each of those centers can possibly have 50, a 100 terminals they're all linked online, obviously for control and everything else, but totally different kind of a lottery compared to a lottery system. So it is a statement that I'm saying, that maybe the technical committee should rethink the whole thing, because then its different running an E-Bingo system than is different running a lottery system. that it maybe a little bit premature to conclude without thinking what are the games that PAGCOR actually operates or there may be other games that I am not familiar with. But that one I am very familiar with.	We refer to the entire customized "Lottery System" for reciprocity purposes. The customized PCSO Lottery System includes and contemplates: Software, Data Centers, Call Centers, Lottery Terminals, Draw Equipment and paraphernalia (e.g. draw balls, draw machines, weighing scale, etc.), Connectivity and Security Requirements, Trainings, Technical Support and Telco connectivity nationwide. The GAMING SYSTEMS in the definition of similar contracts shall be clarified in a separate SBB.
Pacific Online System Corporation (POSC) PCSO OR No. 078988 (5/31/2019)	*Registered JV means incorporated JV?*	Certificate of Registration before the Securities and Exchange Commission, as the case may be or incorporation of the JV is not an eligibility requirement <u>TO PARTICIPATE in the procurement activity</u> For purposes of determining the bidder's eligibility for the Project, Sec. 23, 2016 Revised IRR of RA 9184 requires the submission of a Joint Venture Agreement (JVA); and in its absence, the duly notarized statements from all potential joint venture partners stating that they will enter into and abide by the provisions of the JVA, in the event that the bid is successful.
	ABC of P8,323,990,640.08 inclusive of all applicable taxes, levies, duties, charges and fees, does this mean that the base invoice amount will be P7,432,143,508.11? *For the year 1, PCSO will issue a check for P1,516,155,439.64, which is computed as P1,664,798,129,129.80 less withholding tax P74,321,345.08?"*	Payment by the Procuring Entity is based on the LOWEST CALCULATED AND RESPONSIVE BID determined and dependent on the amount of ABC and computed in proportion to the provided Schedule of Payments in the published bid documents less the applicable withholding taxes as may be required by law during the implementation of the contract. Bidders are further reminded, that the ABC and Schedule of Payments are inclusive of all applicable taxes, charges, levies, duties and fees. Furthermore, all bids or rentals quoted by bidders shall be **FIXED** or **LOCK-IN,** not subject to escalation, unless for extraordinary circumstances allowed under the 2016 Revised IRR of RA 9184 and

		Revised Guidelines on Contract Price Escalation (Appendix 15).
POSC	*Bidder must have completed a Single Largest Completed Contract (SLCC) similar to the Project and the value of which, adjusted, if necessary by the Bidder to the current prices using the PSA consumer price index, must be at least equivalent to a percentage of the ABC, stated in the BDS (at least 50% of the ABC)?* *50% of P7,432,143,508 or P3,716,067,254?*	Single Largest Completed Contract (SLCC) shall be equivalent to 50% of the ABC of PhP 8,323,990,649.08 or PhP 4,161,995,324.54. *[See also Section 12.1.ii.7, Instruction to Bidders (ITB)]*
	Bidder must submit a computation of Net Financial Contracting Capacity (NFCC) which must be at least equal to the ABC...The values of the domestic bidder's current assets and liabilities shall be based on the latest Audited Financial Statements submitted to the BIR? The latest audited FS is as of December 31, 2018 that was filed in April 2019?	Yes to both questions.
	If prospective Bidder opts to submit a committed Line of Credit, it must be at least equal to 10% of the ABC to be bid. Does this mean there is no need to submit the NFCC computation if the bidder submits a certification of a committed Line of Credit equal to P832, 399.069 or P833 million) from a local universal or commercial bank?	Section 23.4.1.5, 2016 Revised IRR of Republic Act No. 9184 shall apply. 10% is P832,399,064.91.
	The Bidder shall submit a Bid Securing Declaration Form or any form of Bid Security in the amount stated in the BDS which shall not be less than the percentage of ABC in accordance with the following schedule: (a) cash or cashiers/manager's check issued by a commercial/universal bank-2%; (b) bank draft/guarantee or irrevocable letter of credit issued by a universal or Commercial bank-2%;(c) surety bond callable upon demand issued by a surety or insurance company duly certified by the insurance Commission-5% *Does this mean that if Bidder accomplished and submits the PLS BDS from, the bidder need not secure any bid security in any*	Section 27.1-6 of the Revised IRR of RA 9184 shall apply. Government Procurement Policy Board (GPPB) Resolution No. 15-2014, dated 20 June 2014, shall also apply in so far as submission of bid securing declaration for this Project are concerned. For this reason, bidders are notified that, PCSO shall strictly implement the ground for enforcement and penalties for bid securing declarations.

	of the forms listed as (a), (b) or (c), which should be valid for 120 days from July 2, 2019?	
POSC	*Under Section II Instruction to Bidders, Clause 19.1. Format and Signing of Bids: "The first envelope shall contain the technical component of the bid, including the eligibility requirements under ITB Clause 12.1 and the second shall contain the financial component of the bid." Does this mean that PCSO will first evaluate the eligibility and technical capability of the bidder before they open the financial proposal of the bidder?*	For the purpose of determining the legal and technical eligibility of bidders, SBAC shall open Envelope I submitted by all bidders. If the bidder is found ineligible Envelope 2 shall not be opened.
	Under Section II Instruction to Bidders Clause 24.3. Opening and Preliminary Examination of Bids: "Only bids that are determined to contain all the bid requirements for both components shall be rated "passed" and shall immediately be considered for evaluation and comparison." Does this mean the BAC gets to open the Bidders' two (2) envelopes jut to determine completeness of documents submitted and if they are within or below the ABC?	Envelope 1 shall be initially evaluated based on a "PASS/FAIL" criterion to determine the legal and technical eligibility of the bidder. Envelope 2 shall only be opened in case the bidder is found to be legally and technically eligible based on the submitted documents in Envelope 1. Conversely, Envelope 2 shall not be opened if the bidder is found legally or technically ineligible based on the submitted documents in Envelope 1. *[See Sec. 31.1 and 30.2 of the 2016 Revised IRR of Republic Act No. 9184]*
	Under Section II instruction to Bidders, Clause 24.7. Opening and Preliminary Examination of Bids: "Each partner of a joint venture agreement shall likewise submit the requirements of ITB Clause 12.1 9(a)(i)." Does this mean that all joint venture partners, whether local or foreign, are required to be registered with PhilGeps under Platinum membership, or only the Lead JV Partner has to comply with the PhilGeps membership?	ALL joint venture (JV) partners must submit their own PHILGEPS Platinum Certificate as part of their respective legal eligibility requirement. The submission of Class "A" Eligibility Documents *[i.e., Audited Financial Statement, Mayor's Permit, SEC Certificate, BIR Tax Clearance for Bidding Purposes, and Annual Income Tax Return (stamped duly received by BIR or equivalent documents for foreign joint venture partners)]*, is allowed during the submission of bid documents in the absence of PHILGEPS Platinum Certificate. However, the bidder with Lowest Calculated Bid (LCB) must present their PhilGEPS Platinum Registration Certificate during Post-Qualification.
	Under Section II Instruction to Bidders, Clause 28. Detailed Evaluation and Comparison of Bids. "Lowest Calculated Bid." Does this mean that all Bids that passed the completeness of eligibility and technical compliance will then be evaluated for the correctness of	Yes. *[See Section 30.2, Rule IX (Bid Evaluation) of the 2016 Revised IRR of Republic Act No. 9184}*

	their bid price computations and after then be ranked from lowest to highest bid price?	
POSC	*Under Section II, Instruction to Bidders, Clause 29, Post Qualification. Confirming that period from notice of LCB to Bidder is 5 calendar days maximum for Bidder to submit post qualification documents and maximum 12 calendar days for the SBAC to further evaluate LCB Bidder. SBAC had 15 calendar days to award the contract after determining the qualified and valid LCB.* *So PCSO has only 30 calendar days from the date of opening of bids to award the contract if [the] 1st lowest bid was initially determined as the LCRB? Target date to award contract would be August 2, 2019 at the earliest, should the first LCRB passes the post qualification requirements?*	Within a non-extendible period of 5 days from Notice that it has submitted the Lowest Calculated Bid (LCB), the bidder shall submit latest income and business tax returns filed and paid through the BIR Electronic Filing and Payment System and other appropriate licenses and permits required by law and stated in the Bid Data Sheet (BDS) as post qualification documents. In turn, the examination of the bidder's qualification submitted pursuant to ITB Clauses 12 and 13, as well as other information as the Procuring Entity deems necessary and appropriate using a non-discretionary "PASS/FAIL" criterion includes post qualification activities shall be completed within a period of 12 calendar days. The procuring entity (PCSO) shall strictly observe the prescribed timelines for all bidding activities under the 2016 Revised IRR of Republic Act No. 9184.
	Under Section VII. Technical Specifications we have the following questions: *a. What is the required total number of fixed lottery terminals to be delivered and installed by the PLS? 9,511?* *b. PLS Solution Architecture and Design. Hardware Architecture-Capable of supporting multi sales channels, such as, but not limited to...b. Interactive sales services". What do you mean by interactive sales services?* *c. What type of "evidence" or supporting document can we provide for specific statements that cannot be appropriately supported with "manufacturer's samples, independent test data, and the like...in accordance with the SCC of the contract for example:* • *Under Operations, Support and Maintenance and Certification. PLS Training*	a. The published bid documents is clear and specifically indicates that PCSO requires delivery and installation of 10,000 fixed lottery terminals for this Project. b. *"Interactive Sales Services"* refers only to the <u>CAPABILITY</u> of the leased lottery system to support future games that may be sold other than fixed terminals such as, stand-alone or kiosks type terminals, etc.; c. To support the Technical Specification Part I, evidence shall be in the form of manufacturer brochures, AVP for product demonstration, product leaflets, flyers or information, educational and campaign (IEC) materials for products and components of the leased lottery system, contracts, licenses, certifications, independent test data, and the like, as appropriate and in accordance with Special Conditions of the Contract (SCC).

	Requirements. —"Required due diligence of bidder before participation in the Public Bidding"; Express Agreement to Abide with ...SCC...in relation to Schedule of Requirements and Technical Specifications." • *Under Server Topology and Component-The Main Computer System must have 99.95% system availability.*	
Windy Plan Co. Ltd.- Korea	*Page 85 of TOR document states the system has to be "capable of handling simultaneously a minimum of 10,000 online lottery game customer transactions," but page 101 states that the system should be capable of supporting a minimum of 10,000 lottery transactions per second, could you please clarify which specs should be followed.*	This item shall be the subject of a separate/appropriate SBB.
Ascendph Co. Ltd.	*Based on DBM Circular No. 2015-7 on the updated guideline for issuance of Multi-year obligational Authority', the PCSO is required to request the DBM for the issuance of a MYOA. Have you secured already this MYOA as this project involves Multi-Year Approved Budget?*	DBM Circular No. 2015-7 only applies to agencies dependent on National Government annual budget support, and not to self-income generating government owned and controlled corporations (GOCCs) like PCSO.
Kolonwell Trading	*SCC Clause10.5-L/C is not allowed. Foreign bidders, however, we mostly inclined to accept payment only via L/C. In case L/C is allowed, who will bear charges of opening L/C. If L/C is not allowed, what would be the mode of payment for a foreign bidder?*	PCSO will not issue a letter of credit pursuant to Section 42.6, 2016 Revised IRR of Republic Act No. 9184. Accordingly, PCSO will cause payment of the lease rentals based on the lowest calculated and responsive bid following the schedule of payments per published schedule of payments, in the form of *cheque* using Philippine currency; and subject to applicable government accounting and auditing laws, rules and regulation.
	Please clarify if there is no restriction of prohibition against specific product or systems such as Chinese Product System?	There is no nationality preference for origin of goods, provided that the specifications for the required goods are met. *[See Sec. 43.1.1, 2016 Revised IRR of Republic Act No. 9184]*
	DFA has endorsed and approved of use of apostille, in lieu of authentication. Please clarify that apostille shall now be used, especially since Philippine	The Apostille Rule only applies to signatories to the Hague Apostile Convention.

	embassies shall no longer issue authenticated certificates.	The usual rules on authentication of documents issued from abroad, as provided under the 2016 Revised IRR of Republic Act no 9184 shall apply if: a) The bidder's document is issued from a country that is NOT a contracting party/signatory to the Apostille Convention; or *b)* The bidder's document is from Greece, Austria, Finland and Germany *(i.e., countries that does not recognize DFA Philippines issued apostille documents even if these countries are signatories to the Hague Apostille Convention).* For the updated list of Apostille-contracting parties as of May 14, 2019, please visit: https://www.hcch.net/en/instruments/conventions/status-table/
K-Team	*Any prohibition on a Chinese Company to join the bidding?*	None.
Gametech Labs	*In reference to Sec. 6.2, Special Conditions of Contract, sub-section II Customized Lottery System, Par. 3.6 WLA SCS:* *PCSO is improperly applying the WLA-SCS. The WLA SCS is not meant designed, or intended to be applied to a "Lottery System". In fact it cannot be. The WLA SCSS is designed to apply to an organization. The standard describes security management processes, procedures and requirements of the organization itself, including the organization's security and integrity management system, and not a particular "IT System" like a lottery system on an individual basis. As such it is not possible for a lottery system supplier to obtain WLA SCS certification on their lottery system product itself.* *To remove the WLA certification requirement? As the interpretation of the WLA SCS is wrong?*	In the absence of the WLA-SCS:2016 Certification, the bidder must possess and have and submit ALL of the following certifications as part of their technical eligibility requirements: 1. ISO/IEC 27001:2013 Information Security Management System certificate; and 2. ISO 9001:2015 Quality Management System certificate; and 3. Certification from any WLA accredited gaming laboratories that the winning bidder's lottery system is compliant to WLA Security Control Standard: 2016 (WLA-SCS:2016). Note: 1. The procuring entity (PCSO) is a member of the World Lottery Association (WLA) and as such, the agency desires and have expressly specified that the leased and customized PLS technical specification must have a security management system that is already compliant with WLA-SCS:2016 standards or should be WLA-SCS: 2016 certified within one (1) year from issuance of NTP, in case the winning bidder's lottery system is not yet WLA-SCS: 2016 certified; 2. *The WLA Security Control Standard:2016 is the lottery sector's only internationally recognized security*

		standard. The WLA-SCS couples a comprehensive information security management baseline incorporating ISO/IEC 27001:2013, a leading international standard for information security management, with additional lottery-specific security controls representing current best practice. The WLA-SCS is designed to assist the lottery sector around the globe in obtaining a level of security controls in line with generally accepted best practices, to enable an increased reliance on the integrity of lottery operations.The WLA SCS specifies the required practices for an effective security management structure by which a lottery may maintain the integrity, availability, and confidentiality of information vital to its secure operation. (For more information, visit: https://www.world-lotteries.org/)
GENLOT	*Please confirm that credentials of the bidder (and JV members thereof) extend to wholly owned subsidiaries.*	Wholly-owned subsidiaries (incorporated) are considered distinct and separate juridical entities in this jurisdiction. As such, they may participate as a bidder corporation or as a joint venture partner, which is required to comply with the eligibilities provided under the 2016 Revised IRR of RA 9184 as the case may be.
	Please confirm the addresses of facilities such as warehouse and others, can be provided after bid submission.	"Provide a warehouse facility with at least 250 sqm floor area and shall be situated ***at a secure location agreed upon by PCSO and the winning bidder located at maximum of 10 km away from the PCSO Main Office.***" *[See Item 2.3. PLS WAREHOUSE (For Lottery Terminals and Draw Related Paraphernalia), Part II of Section VII, Technical Specification]*
	Please clarify requirement for "RNG" versus Air Ball Draw Machines, which games, if any, can we propose "RNG"?	The current lottery system is using air mix draw lottery draw equipment, however PCSO is open to accept other types and latest model of lottery draw equipment like gravity mix. Random Number Generator (RNG) CAPABILITY of the leased lottery system is desired to cater future numbers games of the PCSO, if any. Yes, the winning bidder may propose RNG games, as may be approved by the PCSO Board of Directors and consistent with Republic Act No. 1169, as amended (PCSO Charter) and other applicable laws, rules and regulations.
	Please confirm that the Stand Alone System (SAS) has to be exactly the same configuration as the primary and not mini.	We confirm that the SAS has to be the exact configuration of the primary. This shall be the subject of a separate SBB.

	Please confirm system and software design documents can be provided after award.	Bidders are required to submit all software technical design specification documents, at the time of submission of bids. The bidders' system and software design documents is necessary to aid SBAC in the detailed evaluation of bidders' technical eligibility documents.
	If the JV as a local bidder has not been executed. How can BIR issue a certificate?	If the Joint Venture (JV) has not been executed (no Joint Venture Agreement) and the potential JV partners are not engaged in business in the Philippines, the BIR Tax Clearance Certificate (for bidding purposes) must indicate that the JV partners are not engaged in business. Further, as a Tax Clearance is a legal eligibility requirement ALL potential JV partners must secure the said document.
	Will an editable "soft copy" of the bidding documents be provided to ensure exact compliance with the provided forms?	No. Bidders are instructed to use the bid forms with initials of SBAC members; OR Bidders may re-type the applicable portions of the bid documents; <u>provided, that the corresponding pages of the bid documents bearing the SBAC members' signatures are attached.</u>
ZEENET/ Kerberus Corp.	*Should "gaming" be included on the primary purpose or secondary purpose of the JV member corporation as stated in its Articles of Incorporation?*	Supply or delivery or lease of online gaming and/or online lottery equipment/system for PCSO must be the primary purpose of the Joint Venture (JV) or Consortium.
Securlink Network and Technologies Inc.	*In case of an award-an entity file a complaint against the awardee and PCSO-because the lotto system was registered at Intellectual Property and Copyright Office-will PCSO handle this situations?*	PCSO shall be free from liability arising from any and all third-party claims for copyrights infringement. *(See Item 18.2, Clause 6.2 Special Conditions of Contract (SCC), Part II of Section V of the published bid documents).* Moreover, all bidders are presumed and required to be expressly authorized and/or duly licensed to lease each and every components (lock, stock and barrel), to include Telco connectivity, software and other components that are subject of appropriate copyright or trademark registration or licenses, whether coming from within or outside the Philippines.
	For the purpose, foreign bidder SLCC computation –What rate will PCSO use? Buying or selling rate? On what date and time?	See Section 12.1.ii.7, Instruction to Bidders (ITB).
Sybase Solutions Corp.	*May we request an extension of the bid opening/submission from July 1 and 2, 2019 to August 5, 2019 (submission) and August 6, 2019 (opening)*	
GENLOT	*In the interests of ensuring the highest quality bids and a level playing field for all bidders please consider extending the bid*	

	sufficiently beyond the July 1, 2019 bid submission date. The effort for foreign entities is substantially higher than locals requiring due consideration.	This shall be the subject of a separate SBB.
Securlink Network and Technologies Inc.	*Request to move the date of Bid submission to July 5, 2019.*	
Gametech Labs	*Request for extension of the bid submission date.*	
Ascendph Co. Ltd.	*As we need sufficient time to get our documents authenticated and secure certificate of reciprocity, may we request already to extend bid submission from 30 days to 60 days?*	
EXAKT	*May we request for extension of the bid. For 1 month from the date of submission. This is for our foreign partner to process and complete all documents to be submitted.*	
Kolonwel Trading	*Request for extension of the bid submission date.*	

II. OTHER QUESTIONS/REQUESTS ADDRESSED/SUBMITTED TO THE PROCURING ENTITY BY REPRESENTATIVE TAMBUNTING AND REPRESENTATIVE SUAREZ:

Name	Query/Request	CLARIFICATION
Rep. Gus S. Tambunting *(Chairperson, Committee on Games and Amusement)* *June 6, 2019 Joint Hearing of the Committee on Games & Amusement; and Committee on Public Accounts (House of Representatives, Quezon City) ***DISCLAIMER:*** *As part of due diligence and courtesy to Congressional over-sight bodies, PCSO took the initiative to formally request the Government Procurement Policy Board (GPPB) to give appropriate guidance on this matter.*	*For PCSO to allow submission of two (2) aggregate contracts instead of only one (1) contract for purposes of determining the Single Largest Completed Contract (SLCC) which must be equal to 50% of the Project's ABC. Rep. Tambunting explained, that this will allow and ensure widest participation of eligible bidders, since only the current equipment lease providers of PCSO may be able to comply with the SLCC requirement if the single largest completed contract rule is observed.*	PCSO adopted the GPPB prescribed Philippine Bidding Documents (PBD) for GOODS (As Harmonized with Developmental Partners), 5th Edition. The default GPPB clause for SLCC is, requiring one (1) or single largest completed contract that is similar to the project. The participation of 17 interested bidders in SBAC I Contract 2017-01; and now 4 bidders for SBAC Contract No. 2019-01 (as of June 18, 2019) shows that there are proponents who can meet the published SLCC requirement. As discussed above, the definition of "similar contracts" for purposes of attaining the SLCC equivalent to 50% of the ABC has been defined and expanded to include gaming systems, not just lottery systems. Since this public bidding is OPEN to all interested and eligible bidders, whether from within or outside the Philippines, the procuring entity (PCSO) does not anticipate failure of bidding for lack of bidders; or worse, monopoly since a lot of bidders from within and outside the Philippines (mostly intending to form JV/Consortium) have actively participated in the June 3, 2019 Pre-Bid Conference.

		Further, interested bidders have enough time until the deadline of submission and receipt of bids to purchase bid documents.
	*Possible "**blacklisting**" of one of the procuring entity's current equipment lease provider, who successfully secured TRO and Writ of Injunction against the 2017 public bidding of PCSO's Nationwide Online Lottery System (NOLS).*	PCSO shall observe **GPPB Resolution 09-2004** which provides the guidelines that govern the blacklisting of manufacturers, suppliers, distributors, contractors and consultants involved in government procurement for offenses or violations committed during competitive bidding and contract implementation, in accordance with Section 69.4 of IRR-A, Republic Act No. 9184. Further, the applicable provisions of Section 69, Republic Act No. 9184 shall apply in so far as "blacklisting" of bidders during the competitive bidding stage. **OBITER:** The Supreme Court in **G.R. Nos. 236577 and 236597 (3rd Division, J. Leonen) dated August 15, 2018** ruled that, PCSO may proceed with the public bidding for the Nationwide Online Lottery System (NOLS) in Luzon. The NOLS is now referred to as PCSO Lottery System (PLS) or SBAC Contract No. 2019-01, with NEW Technical Specifications; Special Conditions of the Contract; Streamlined Schedule of Requirements; and rationalized budget for contract (ABC) keeping in mind prevailing market prices for indicated goods and evolving needs/requirements for the procuring entity's State-run online lottery business.
Rep. Danilo E. Suarez *(Chairperson, Committee on Public Accounts)* *June 6, 2019 Joint Hearing of the Committee on Games & Amusement; and Committee on Public Accounts (House of Representatives, Quezon City) ***DISCLAIMER:** As part of due diligence and courtesy to Congressional over-sight bodies, PCSO took the initiative to formally request the Government Procurement Policy Board (GPPB) to give appropriate guidance on this matter.*	*For PCSO to require that, only 100% domestic or Filipino corporation shall be allowed to participate or be eligible as bidder/s under SBAC Contract No. 2019-01 since the law [RA 9184] does not expressly prohibit restricting the bidding to 100% Filipino owned corporations.* ***Note:*** *During the hearing, Rep. Suarez further stated that, the 100% Filipino owned requirement is the "directive" of the Committee he Chairs; and failure to comply shall result in his filing cases against PCSO.*	PCSO shall follow the default GPPB clause, under the General Conditions of Contract and Bid Data Sheet that, the public bidding for SBAC Contract No. 2019-01 *"is restricted to Filipino citizens/sole proprietorships, partnerships, or organizations with at least sixty percent (60%) interest or outstanding capital stock belonging to citizens of the Philippines, and to citizens or organizations of a country the laws or regulations of which grant similar rights or privileges to Filipino citizens, pursuant to Republic Act No. 5183."* More importantly, the procurement by lease of the PCSO Lottery System, is **not** included in the ***"Eleventh Regular Foreign Investment Negative List"*** pursuant to **Executive Order No. 65 dated October 29, 2018**. Foregoing considered, the PCSO is deemed to have exercised prudence and properly observed applicable provisions of RA 9184 and regulations by, limiting bidders to SBAC Contract No. 2019-01 to corporations duly organized under the laws of the Philippines **and** of which at

		least sixty percent (60%) of the outstanding capital stock belongs to citizens of the Philippines. While the procuring entity understands the reasons behind Rep. Suarez's directive, the law, rules and current policy of the National Government to encourage foreign investment forces PCSO to strictly abide with the applicable provisions of RA 9184 and RA 5183. Only an amendment thereof will merit limiting this Project to 100% Filipino owned corporations or 100% Filipino bidders.
Rep. Gus S. Tambunting *(Chairperson, Committee on Games and Amusement- House of Representatives)* ** Letter dated June 7, 2019; officially received by PCSO on June 11, 2019* ***DISCLAIMER:*** *As part of due diligence and courtesy to Congressional over-sight bodies, PCSO took the initiative to request the Government Procurement Policy Board (GPPB) to give appropriate guidance on this matter.*	*The time component in the submission of Bids is too limiting and will restrict the submission of quality Bids.* *A pre-qualification requirement that the Bidder must have completed a single contract value for a similar Gaming System of at least fifty percent (50%) of the ABC.*	After consultation with the Government Procurement Policy Board (GPPB) and pursuant to the applicable provisions of Republic Act No. 9184 and its Revised IRR: • Bids may be submitted until the **45th calendar day** from the last day of advertisement (Sec. 25.5 (a), IRR of RA 9184). Strict compliance with the allowable timelines for bidding activities under RA 9184 and its 2016 Revised IRR; and this shall be subject of a separate SBB; • The Single Largest Completed Contract (SLCC) equivalent to at least 50% of the ABC shall be observed.
	Clarify the requirement for "mobile application" from the winning bidder.	This shall be the subject of a separate SBB.

Likewise, Bidders are encouraged to read and review the published MINUTES of the June 3, 2019 Pre-Bid Conference for guidance.

Let a copy of this CARIFICATORY Supplemental Bid Bulletin No. 3 dated June 21, 2019 be published in www.philgeps.gov.ph and www.pcso.gov.ph, to include conspicuous areas within the PCSO Head Office in Mandaluyong City, Metro Manila.

ALL OTHER MATTERS NOT REVISED/AMENDED OR NOT OTHERWISE INCONSISTENT WITH THIS SUPPLEMENTAL BID BULLETIN ARE HEREBY MAINTAINED BY THIS COMMITTEE.

For the information and guidance of all concerned.

JULIETA F. ASEO
Chairperson
Special Bids and Awards Committee