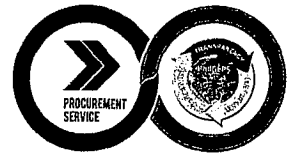




Republic of the Philippines  
 Department of Budget and Management  
**PROCUREMENT SERVICE**  
**BIDS AND AWARDS COMMITTEE**



**General Bid Bulletin No. 8**  
 November 17, 2017

**Invitation for Bid No. 17-065-3**

***Expansion of the Existing Depot at Baclaran and  
 Construction of a New Satellite Depot at Zapote for  
 Light Rail Transit (LRT) Line 1-South (Cavite) Extension Project***

Issued to revise, amend and/or clarify certain provisions in the Bidding Documents issued for this project.

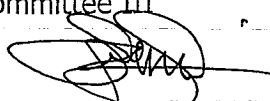
**A. CLARIFICATION**

REFERENCE	BASES FOR CLARIFICATION/AMENDMENT/ INCLUSION
<p><b><u>CLARIFICATIONS IN THE BIDDING DOCUMENTS            FROM PROSPECTIVE BIDDERS</u></b></p>	<p>Please refer to the attached <b>ANNEX "A-5"</b> of this General Bid Bulletin for details.</p>

All other portions of the Bidding Documents affected by these revisions, amendments and/or clarifications shall be made to conform to the same.

Revisions/amendments/clarifications made herein shall be considered an integral part of the Bidding Documents.

For the Bids and Awards Committee III

  
**ENGR. EDWARD R. SADDI**  
 Chairperson

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 Tel/Fax 561-7025 & 561-6098*

## A. CLARIFICATION/AMENDMENT/INCLUSION

No.	Section No.	Page No.	Clause No. / Title	Clarification Request	Response
1.	VI-2-2		Zapote River Wall Design  Technical Specification B. Civil Engineering Works River Retaining Wall (CL 13.1.2.1)	As per technical requirement of river wall shown in CL 13.1.2.1, a tie back structure to hold the wall will not be allowed for the design. Based on our present design the diameter and length of the self-standing cantilever steel pipe sheet pile is quite large and long and might not be economical.  In case a tie back system greatly enhance safety and economize the river wall design, is it allowed to be proposed as alternative design proposal?  Please clarify.	Yes, provided that the tie back system will not affect the proposed underground utilities (e.g. water supply pipe line, cable duct, Waste Water Drainage and Treatment Plant, rain water drainage, Automatic Train Wash Plant, OCS foundation, Illumination Tower Foundation and Building Foundation etc.) and shall comply with the Engineers Requirement, Bidder may propose a tie back system design, subject to the Engineer's Evaluation and Approval. However the Bidder shall coordinate with the End-User and relevant agencies.
2.			Form COD 1(a) Summary for the Total Cost of Goods Procured from Japan	We have an additional question about Response No.4 of GBB No.6. You have mentioned that Duties, taxes and VAT shall not be included in the Price Schedule Columns for "Foreign Rates and	GBB No. 6 Item No. 4 is compliant with RMC 8-2017; as stated in RMC 8-2017 all duties, taxes and levies shall be shouldered by Employer.



			<p>Amounts" as these will be paid out Directly by Employer, not as reimbursement to the Contractor.</p> <p>We found out that this is not consistent with RMC 8-2017, where it states that Registered Supplier and Japanese Companies shall bill and pass the 12% VAT to Japanese Contractors.</p> <p>In turn, the Japanese Contractors can pass on the 12% VAT to the government.</p>	<p>However, the manner of payment for Foreign Goods and Services and Local Good and Services differ.</p> <p>For components under foreign portion i.e., the Employer will pay the custom duties and 12% VAT directly to the relevant government agencies, not as a reimbursement to the Contractor.</p> <p>For components that are supplied by VAT-registered supplier and sub-contractors of Japanese companies, the Contractor shall bill the 12% VAT for Local Amount to the Employer in accordance with GC Sub-Clause 14.3 [<i>Application for Interim Payment Certificates</i>], and the Employer will pay this to the Contractor.</p>
			<p>Do you have any system or accreditation with the banks to pay immediately duties and VAT before release of the goods? Or is there any alternative way since you mentioned that reimbursement to the Contractor is not an option?</p>	<p>There is no system or accreditation with the banks to pay immediately duties and VAT before release of the goods. However the Employer will issue a letter of Notification to concerned Government Agency that</p>

					duties and Taxes of all imported materials and equipment that will be utilized for the said project will be shouldered by them upon issuance of Notice to Proceed.
3.	VIII		The Contract Price Particular Condition B	<p>14.1 This provision uses the phrase "the Japanese Companies operating as suppliers and contractors with respect to the import and re-export of their own materials and equipment needed for the implementation of the Project." As for the Japanese Companies, we believe both not only the Contractor but also the Subcontractor and suppliers should be also applied for exemption. Specifically, we understand that the Subcontractor and suppliers which belong to either Philippine branch of Japanese companies or Japanese-affiliated overseas subsidiaries should be applied for exemption. Please let us know if our understanding is correct.</p> <p>14.2 The second paragraph of this provision stated "The Contractor's equipment, including essential spare parts therefore, imported by the Contractor for the sole purpose of the executing the Contract shall be exempted from the payment of the import duties and taxes upon importation." We believe this provision shall be also applied to the Subcontractor and suppliers which belong to either Philippine branch of Japanese companies or Japanese-affiliated overseas subsidiaries.</p>	For this query, another General Bid Bulletin shall be issued for this purpose.

			<p>Please let us know if our understanding is correct.</p> <p>Also, there is difference in explanation with regard to items applied for exemption from all duties and related fiscal charges imposed between provision 14.1 and 14.2.</p> <p>We would like to make clear about the items to be exempted from the all duties and related fiscal charges.</p> <p>If we follow what's said in 14.1 about equipment exemption shall be applied to the imported equipment WITH re-exportation.</p> <p>If we follow what's said in 14.2 about equipment, exemption shall be applied to all the imported equipment WITHOUT re-exportation.</p> <p>Please make clear about the items to be exempted from the tax duties in Philippines.</p>	
Additional Information				
			Zapote Substation equipment layout and loading data	Please refer attached drawing "Zapote Depot – TPS Equipment Layout"

For the Bids and Awards Committee III



**ENGR. EDWARD R. SADDI**  
Chairperson

