

BAC RESOLUTION RECOMMENDING DIRECT CONTRACTING AS THE METHOD OF PROCUREMENT FOR THE PROCUREMENT OF "ONE (1) LOT SPINNING/YARN PRODUCTION EQUIPMENT"

RESOLUTION No. DC10-2024

WHEREAS, the **PHILIPPINE TEXTILE RESEARCH INSTITUTE (PTRI)** requisitioned for **One (1) Lot Spinning/Yarn Production Equipment** as part of the Early Procurement Activity of FY 2025 with project entitled "FRONTIER: Regional Yarn Production and Innovation Center", herein referred to as "Project", with a total Approved Budget for the Contract (ABC) of **Thirty-nine Million One Hundred Sixty-four Thousand Pesos (Php 39,164,000.00)**;

WHEREAS, said requisition is included in the Indicative Annual Procurement Plan FY 2025 and declared as part of the Early Procurement Activities of the Institute ;

WHEREAS, on 29 October 2024, the BAC convened for the Pre-procurement conference and upon consensus of all the members, adapting Direct Contracting was approved by the committee as the mode of procurement for One (1) Lot Spinning/Yarn Production Equipment and the end-user, Engr. Alexander M. Argame, Jr., was authorized to conduct the market study to ascertain and/or confirm which of the prospective foreign suppliers/manufacturer is legally, technically and financially capable that could undertake the project at more advantageous terms prior to the conduct of Direct Contracting;

WHEREAS, attached in this Resolution is the result of the market study conducted by the end-user showing no local supplier/manufacturer that can undertake or supply the equipment, a copy of the study is referred herein as **Annex A**,

WHEREAS, Section 50 of the 2016 Revised Implementing Rules and Regulations of the RA 9184 provides that Direct Contracting or single source procurement is a method of procurement of Goods that does not require elaborate Bidding Documents. The supplier is simply asked to submit a price quotation or a pro-forma invoice together with the conditions of sale. The offer may be accepted immediately or after some negotiations. Direct contracting may be resorted to by concerned Procuring Entities under any of the following conditions:

- a. *Procurement of Goods of proprietary nature which can be obtained only from the proprietary source, i.e. when patents, trade secrets, and copyrights prohibit others from manufacturing the same item;*
- b. *When the procurement of critical components from a specific supplier is a condition precedent to hold a contractor to guarantee its project performance, in accordance with the provisions of its contract; or*
- 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 at more advantageous terms to the GoP.*

WHEREAS, upon review of the foregoing details, the BAC found that "Items a and c" of Section 50 - Direct Contracting are satisfied and the only alternative method of procurement available to be able to have a successful acquisition of the equipment,

WHEREAS, **QINGDAO LEAFS MACHINERY CO., LTD.** is the foreign supplier who manufactures the equipment, and acquiring the equipment directly to them is deemed advantageous to PTRI in terms of economy and timely delivery which will have a crucial impact in the efficiency of the project implementation;

WHEREAS, **QINGDAO LEAFS MACHINERY CO., LTD.**, is the foreign supplier who was found to be responsive and can accommodate Government payment modality for foreign transactions,

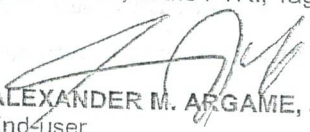
WHEREAS, **QINGDAO LEAFS MACHINERY CO., LTD.** submitted its price quotation, along with its eligibility requirements and patents, for **One (1) Lot Spinning/Yarn Production Equipment** amounting to **Four Hundred Sixty-eight Thousand Dollars (USD 468,000.00)** subject to actual foreign exchange rate in Peso at the time of Letter of Credit negotiation. The BAC, based on their evaluation, found the **QINGDAO LEAFS MACHINERY CO., LTD.** to be responsive and eligible,

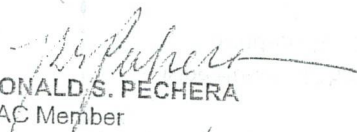
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NOW, THEREFORE, for and in consideration of the foregoing, We, the Members of the Bids and Awards Committee, hereby RESOLVE as it is hereby RESOLVED:


- a) To recommend the award of contract to QINGDAO LEAFS MACHINERY CO., LTD in the amount of **Four Hundred Sixty-eight Thousand Dollars (USD 468,000.00)** subject to actual foreign exchange rate in Peso at the time of Opening of Letter of Credit, **exclusive** of all applicable taxes and fees.
- b) To recommend for approval by the Head of Procuring Entity (HoPE) the foregoing findings.

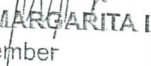
RESOLVED, at the PTRI, Taguig City, this ____ of November 2024.

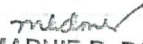

ALEXANDER M. ARGAME, JR.
End-user



RONALD S. PECHERA
BAC Member


MERLITA R. ODI
BAC Member


JENNETTE CAYA
BAC Vice-Chairperson


ANNA MARGARITA I. ARGAME
BAC Member


MARNIE B. DONES
BAC Member


EVANGELINE FLOR P. MANALANG
BAC Chairperson

Approved:


JULIUS L. LEAÑO, JR.
Director IV

Approved on: _____