



LAND BANK OF THE PHILIPPINES

ISO 14001 CERTIFIED

Official Depository of the Republic of the Philippines

BID BULLETIN NO. 1 For ITB No. 2015-3-227

PROJECT : Two (2) Years Skip Tracing and Collection Services for Past Due Credit Card Receivables

IMPLEMENTOR : Procurement Department

DATE : October 7, 2015

This Bid Bulletin is issued to modify, amend or clarify items in the Bid Documents. This shall form an integral part of the Bid Documents.

The modifications, amendments or clarifications are as follows:

- 1) The Terms of Reference (TOR) has been revised. Please see attached revised TOR (Annex A1 to A7).
- 2) Section VII (Specifications) and Checklist of Bidding Documents have been revised. Please see attached revised pages 74 and 91.
- 3) The deadline of submission and the schedule of opening of eligibility/technical and financial documents/proposals for the above project is re-scheduled from October 8, 2015 to **October 15, 2015, 11:00 A.M.** at the Procurement Department, 25th Floor, LANDBANK Plaza Building, 1598 M. H. Del Pilar corner Dr. Quintos Streets, Malate, Manila.


ALWIN I. REYES
Assistant Vice President
Procurement Department



LAND BANK OF THE PHILIPPINES

**OUTSOURCING OF SKIP TRACING AND COLLECTION SERVICES
FOR PAST DUE CREDIT CARD RECEIVABLES**

**TERMS OF REFERENCE
(Procurement of Services)**

Version No. : 3.0
Final as of : September 30, 2015
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Author : CCAD

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1.0 OBJECTIVE

To contract services of a reputable and competent Collection Agency to process skip tracing and collection of past due and delinquent credit card accounts.

2.0 SCOPE OF WORK

1. The Collection Agency shall undertake to collect, on a contingent basis, that is, NO COLLECTION-NO CHARGE, the past due or delinquent credit card accounts which will be endorsed to it by the Bank.
2. The Collection Agency shall endeavour to effect collection extra judicially within the period of the contract.
3. If the cardholder offers to settle his obligations through an assignment to the Bank of non-cash assets like real estate (land or building), chattels (machinery, equipment, motor vehicle, appliance, etc.) and marketable securities (commercial papers, bonds, government securities, stock certificates, etc.), the collection agency should get the written consent of the Bank before accepting the same.
4. Remittance of Payments Collected—Payments in cash or checks collected by the Collection Agency shall be remitted to the Bank within two (2) working days from receipt thereof; otherwise, late remittances shall be charged a penalty at the rate of ten percent (10%) interest per month, without prejudice to the Bank's rights under applicable laws.
5. It is understood that after an Account has been fully collected or settled, the Collection Agency shall return to the Bank all records/documents relative thereto not later than five (5) working days from receipt of full payment without need of demand.
6. Reportorial Requirements—The collection agency shall submit to the Bank a monthly status report on all credit card accounts referred to it by the Bank, and such other reports as the Bank may reasonably request.

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Adora Cresela A. Orofio		AVP Vivian C. Bedrijo

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3.0 METHODOLOGY

1. The performance of skip tracing and collection services of credit card receivables shall be under the supervision of the Collection Agency and shall at all times free the Bank from exposure of possible damage suit.
2. The Collection Agency shall endeavour to effect collection extrajudicially within a period of one hundred eighty (180) days regardless of location, counted from the date the account is endorsed to it by the Bank.

In case the Collection Agency fails to effect collection through extrajudicial means within the said period, the account and all the records pertaining thereto shall be returned to the Bank within five (5) calendar days after the expiration of the said 180 days.

If in any case, a special payment arrangement has been entered into between the Cardholder and the Collection Agency, the Bank may authorize retention of account until the expiration of the contract between the Bank and the Collection Agency.

3. During the Agreement, the Bank has the absolute right to pull-out/withdraw any account from the Collection Agency, provided that the Collection Agency's accrued fees shall have correspondingly been paid/settled.

4.0 TERM OF CONTRACT

1. The contract shall be for a period of two (2) years, which shall commence from date of contract signing.
2. The services of the Collection Agency will be completed once the budget is fully utilized even prior to the expiration of the two-year engagement period.
3. The contract shall be automatically terminated/expired once the amount of the actual payment of the Collection Agency reaches the contract amount.
4. The contract may be pre-terminated by the Bank, for any reason, by giving at least thirty (30) calendar days' written notice prior to the intended date of termination.

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5.0 COLLECTION FEE

1. For and in consideration of the services of the Collection Agency, the Bank shall pay the Collection Agency the applicable collection fee (based on bid rate), inclusive of VAT for receivables collected.
2. The contract prices and the period of endorsement of accounts to the Collection Agency shall be as follows:

Lot	Contract Price	Period of Endorsement of Accounts
Lot 1	PHP 5.0M	Initial endorsements as determined by the Bank and subsequent endorsements on a monthly basis.
Lot 2	5.0M	
Lot 3	5.0M	
Total	PHP 15.0M	

6.0 COLLECTION PROCEDURE

1. The Collection Agency shall strategize and exhaust all extrajudicial remedies which are legal to effect payment arrangement and subsequent collection on the endorsed accounts:
 - Specialized phone call campaign/tele-calling – calling the borrowers and informing the borrower on the arrearages and modes of settlement available.
 - Skip Tracing – updating of the addresses and contact numbers of the borrowers who cannot be traced despite all collection efforts through telephone or correspondence.
 - Address Verification – confirming the addresses of the borrower.

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- Field Collection – door to door visit through saturation drives by expect field collectors.
 - Issue Notices – sending of complete range of collection letters and correspondences. All written communications to be sent by the Collection Agency to the borrowers should have the approval of the Bank.
 - Negotiation – adapting innovative method in dealing with borrowers to settle their past due accounts, including the option to pay arrears thru a payment plan.
2. When enforcing collection, the designated collector of the Collection Agency shall present to the borrower the following:
- Identification card showing therein his/her name and the name of the Collection Agency.
 - Letter of Authority from the Collection Agency which authorizes such person to collect the past due account from the borrower.
3. The Collection Agency shall submit to the Bank the prescribed progress and collection tracking reports on a monthly basis on or before the 10th calendar day of the month, on the endorsed delinquent accounts for monitoring purposes which should include:
- Actions Taken
 - Status and updates
4. After an account has been fully collected, the Collection Agency shall return to the Bank all records or documents given to it by the Bank not later than five (5) working days from receipt of full payment without need of demand. The Bank shall ensure the completeness of the record or documents returned to it by the Collection Agency.
5. The Collection Agency shall provide the Bank with specimen signatures of designated contact persons authorized to transact with the Bank.

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6. The Collection Agency and their staff or employees shall not at anytime, disclose or communicate to any person or entity any information pertaining to the past-due loan. The obligation of the Collection Agency for confidentiality of the account shall survive even after the termination of the contract or agreement, as duly provided for in the contract.

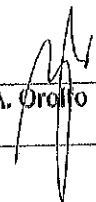
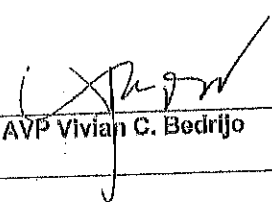
7.0 COLLECTION FEES

1. The Bank shall pay the Collection Fee, gross of applicable taxes, of the amount collected within thirty (30) calendar days from receipt of the Collection Agency's bill/statement of account. The fee shall be held on a contingent basis, that is, NO COLLECTION-NO CHARGE, of the past due or delinquent credit card accounts which may be endorsed to it by the Bank.
2. All Collection Fees specified herein are hereby agreed to be inclusive of VAT and subject to withholding tax as required by law.
3. The Collection Fees shall be based on the actual amount of collections multiplied by the Fixed Rate.
4. The bidder's Bid Price shall not exceed the Approved Budget for the Contract (ABC), otherwise, the bid shall be disqualified. Furthermore, the bidder's proposed Fixed Rate must not exceed 20%. The bidder's proposed Fixed Rate shall be computed as follows:

$$\frac{\text{Bid Price}}{\text{ABC}} \times 0.20 = \text{Fixed Rate}$$

8.0 TERMS AND CONDITIONS

1. At the completion of the selection process, the Bank shall enter into an Agreement with the selected Collection Agency. The Bank reserves the right to customize the contract to meet its requirements.

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2. The Agreement shall be based on the Collection Agency's response to LANDBANK'S TOR, modifications arising out of negotiation/clarification, etc. and shall also include the following provisions in addition to those required under Republic Act No. 9184:

- a. During the term of the Agreement, the Bank has the absolute right to pull-out/withdraw any account from the Agency provided that the Agency's accrued fees shall have correspondingly been paid/ settled.
- b. Payments in cash or checks collected by the Collection Agency shall be remitted to the Bank within two (2) working days from receipt thereof; otherwise, late remittances shall be charged a penalty at the rate of ten per cent (10%) interest per month, without prejudice to the Bank's rights under applicable laws.
- c. The performance of collection and skip tracing service of past due credit card receivables shall be under the supervision of the Agency and at all times free the Bank from exposure to possible damage or suit.
- d. All information obtained by the Agency arising from the collection and skip tracing service agreement shall be considered confidential and shall not be given or made known by the Collection Agency to any person or entity without prior written consent of the Bank.
- e. The Bank reserves the right to require, at the time of finalization, any other document/s to be endorsed as part of the final contract.
- f. The Collection Agency shall not transfer at any stage of its duties, obligations and benefits committed to the Bank as per agreement to any third party, unless otherwise indicated and agreed upon previously.

9.0 ELIGIBILITY REQUIREMENT

The Collection Agency must:

- 1. Be an accredited member of a reputable association of credit and collection agencies.

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2. Have minimum of three (3) years satisfactory experience in providing collection and skip tracing services.
3. Have at least one client from the top ten commercial banks or any reputable government financial institutions.
4. Cover all areas within the Philippines to undertake the Bank's requirements within the agreed scope.
5. Have a positive income for the past two (2) years.
6. Certify that it has adequate resources to support collection and skip tracing activities, i.e. computers, telephone lines, voice logger, fax machines, internet, among others.
7. Certify that it has adequate manpower support including but not limited to in-house agents/collectors, field agents, credit investigators, etc.

10.0 DOCUMENTARY REQUIREMENTS

- Certified true copy of the Certificate of Accreditation issued by the Credit Card Association of the Philippines (CCAP)
- Company profile
- Certificate of satisfactory performance from clients.

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Specifications

Lot No.	Specification	Statement of Compliance
		<p>Bidders must state below either "Comply" or "Not Comply" against each of the individual parameters of each specification.</p> <p>Statements of "Comply" or "Not Comply" must be supported by evidence in a Bidders Bid. Evidence shall be in the form of manufacturer's un-amended sales literature, unconditional statements of specification and compliance issued by the manufacturer, samples, independent test data etc., as appropriate. A statement that is not supported by evidence or is subsequently found to be contradicted by the evidence presented will render the Bid under evaluation liable for rejection. A statement either in the Bidders statement of compliance or the supporting evidence that is found to be false either during Bid evaluation, post-qualification or the execution of the Contract may be regarded as fraudulent and render the Bidder or supplier liable for prosecution subject to the provisions of ITB Clause 3.1(a)(ii) and/or GCC Clause 2.1(a)(ii)</p>
1	Two (2) Years Skip Tracing and Collection Services for Past Due Credit Card Receivables	<p>Please state here either "Comply" or "Not Comply"</p>
2	Two (2) Years Skip Tracing and Collection Services for Past Due Credit Card Receivables	
3	Two (2) Years Skip Tracing and Collection Services for Past Due Credit Card Receivables	
	<p>Other Requirements:</p> <ol style="list-style-type: none"> 1. Compliance to the attached Revised Terms of Reference (Annexes A1 to A7) 2. Submission of the following inside the eligibility/technical envelope. <ul style="list-style-type: none"> • Certified true copy of the Certificate of Accreditation issued by the Credit Card Association of the Philippines (CCAP). • Company profile. • Certificate of satisfactory performance from clients (Form No. 9). 	

Conforme:

Name of Bidder

Signature Over Printed Name of
Authorized Representative

Position

required in the PBDs prescribed by the GPPB. (sample form - Form No. 4).

- 3.f The prospective bidder's audited financial statements, showing, among others, the prospective bidder's total and current assets and liabilities, stamped "received" by the BIR or its duly accredited and authorized institutions, for the preceding calendar year which should not be earlier than two (2) years from the date of bid submission.
- 3.g The prospective bidder's computation for its Net Financial Contracting Capacity (sample form - Form No. 5).
- 3.h Valid joint venture agreement (JVA), in case the joint venture is already in existence. In the absence of a JVA, duly notarized statements from all the potential joint venture partners stating that they will enter into and abide by the provisions of the JVA in the instance that the bid is successful shall be included in the bid. Failure to enter into a joint venture in the event of a contract award shall be ground for the forfeiture of the bid security. Each partner of the joint venture shall submit the legal eligibility documents. The submission of technical and financial eligibility documents by any of the joint venture partners constitutes compliance.
- 3.i Certified true copy of the Certificate of Accreditation issued by the Credit Card Association of the Philippines (CAAP).
- 3.j Company profile.
- 3.k Certificate of satisfactory performance from clients (Form No. 9).
4. Bid security in the prescribed form, amount and validity period (ITB Clause 18.1 of the Bid Data Sheet);
5. Schedule VI - Schedule of Requirements with signature of bidder's authorized representative.
- 6. Revised Section VII - Specifications with response on compliance and signature of bidder's authorized representative.**

The SECOND ENVELOPE shall contain the following (Section 25.3):

1. Duly filled out Bid Form signed by the bidder's authorized representative (sample form - Form No.1)
2. Duly filled out Schedule of Prices signed by the bidder's authorized representative (sample form - Form No.2)