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FIRST PPP SOCIAL INFRA PROJECT UNDERWAY

Press Release
16 August 2012

The country?s first social infrastructure project under the Public-Private Partnership (PPP) program of government gets a head start with the opening of the financial proposals submitted to the Department of Education (DepED) today for 9,301 public school rooms. Dubbed as PPP for School Infrastructure Project (PSIP), the DepEd bidded out three (3) packages for the construction of school buildings in Regions I, III and IV-A.

DepEd Project Bids and Awards Committee (PBAC) headed by its Chair Undersecretary Francisco Valera together with DepED Secretary Bro. Armin Luistro opened and evaluated the financial proposals for the three (3) contract packages.

?We will notify the bidders as soon as possible,? Luistro said. The DepEd Secretary acknowledged that bridging the classroom gap was a difficult task.
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Luistro added that, ?This is something that we cannot do alone. We also congratulate our bidders for being part of something as groundbreaking as this. We hope that what was once something unimaginable and what everyone and all our detractors say that we cannot close the gap in classrooms--- finally we will be able to say, because we worked together, we will do this, not for ourselves, but for the young people, 20 million of them, so that we can provide access to quality education. When we are able to deliver that quality education, then you can count that you are part of that history in changing the landscape and future of our country.?

The submitted bid prices are lower than the total Approved Budget for the Contract (ABC) of PhP16.4 billion.

BF Corporation - Riverbanks Development Corporation was the lowest complying bidder for the 2,157 classrooms in Region I. Meanwhile Citicore Investment Holdings, Inc. - Megawide Construction Corporation, Inc. bidded for the construction of 2,885 classrooms in Region III, and for another 4,259 classrooms in Region IV-A.

The ABC for PSIP was derived using the DepEd?s cost for single and two-storey classroom construction, considering efficiencies brought about by the use of new technologies in construction and by economies of scale. This translates to a cost of PhP620,812 per single storey classroom, inclusive of toilets and furniture; and a cost of PhP1,062,890 for a two-storey classroom, inclusive of toilets and furniture.

Earlier, DepEd inspected the construction of a 2-storey, 4-classroom mock up structure at the Sta. Isabel Elementary School and Malolos Marine National High School in Bulacan as part of the bidders? technical proposal.

Upon acceptance of the classrooms, a ten-year lease period will commence with DepED making annual payments to the winning bidder under its Multi-Year Obligational Authority (MYOA). During the lease period, the winning bidder is required to undertake periodic repairs on the classroom structures every 4.5-5 years. DepED will be responsible for the school buildings? daily maintenance.

PPP Center Cosette V. Canilao expressed great hopes over the successful bid for the PSIP classrooms. ?This recent achievement sends a positive message to other investors who are still hesitating to undertake partnerships with government. There are companies

willing to bet on government and have great confidence to conduct business with us. Hopefully, this experience will encourage them have a stake in future PPP projects.?

The PPP Center chief added, ?This time around under the PPP program, we are given a unique opportunity to really make a difference in the lives of our children. Now these young Filipinos will have a stronger chance to secure their future because we took great efforts to give them what they needed now?