

1 **MINUTES OF THE 85th VSU BOARD OF REGENTS MEETING**

2 CHED Chairperson's Conference Room

3 4/F, CHED Central Office

4 Carlos P. Garcia Avenue, UP Diliman

5 Diliman, Quezon City

6 03 September 2018

7 **Present:**

8 **Hon. J. Prospero E. De Vera III**

9 Chairperson, Commission of Higher Education

..... Chairperson

10 **Hon. Edgardo E. Tulin**

11 President, Visayas State University

..... Vice Chairperson

12 **Regent Ann K. Hofer**

13 Chairperson, Committee on Higher & Technical Education

14 House of Representatives of the Philippines

15 Represented by: *Atty. Anna Liza L. Gonzales*

..... Member

16 **Regent Bonifacio G. Uy**

17 Regional Executive Director

18 NEDA Regional Office VIII

..... Member

19 **Regent Cipriano G. Santiago**

20 Regional Executive Director

21 Department of Agriculture Regional Office VIII

..... Member

22 **Regent Joel R. Caminade**

23 Private Sector Representative

..... Member

24 **Regent Roy Bernard C. Fiel**

25 Private Sector Representative

..... Member

26 **Regent Ernesto F. Bulayog**

27 President, VSU Federated Faculty Association

..... Member

28 **Regent John Allan A. Gulles**

29 President, VSU Federated Supreme Student Council

..... Member

30 **Not Present:**

31 **Regent Francis Joseph G. Escudero**

32 Chairperson, Committee on Education, Arts & Culture

33 SENATE of the Philippines

..... Member

34 **Regent Deogracias E. Pernitez**

35 President, VSU Federated Alumni Association

..... Member

36 **Others Present:**

37 **Director Edgardo M. Esperancilla**

38 Regional Executive Director

39 DOST Regional Office VIII

..... Resource Person

40 **Mr. Daniel M. Tudtud, Jr.**

41 Board Secretary V

..... Board Secretary

42 **Ms. Vivian V. Balbarino**

43 Administrative Officer III

44 Office of the Board Secretary

..... Administrative
Officer

1 **I. ROLL CALL**

2 The Office of Commissioner Dr. J. Prospero E. De Vera III, the Chairperson of
3 the CHED informed the University President that Commissioner De Vera was in the
4 Senate for a Hearing and requested that Regent Bonifacio G. Uy preside over the
5 meeting, in his stead.

6 Regent Bonifacio G. Uy, as Presiding Officer, requested the Board Secretary to
7 call the Roll of Members present for the 85th VSU Board of Regents' Meeting.

8 The Board Secretary then called the roll of members present for the 85th BOR
9 Meeting as follows: Regent Edgardo E. Tulin; Regent Ann K. Hofer, *represented by*
10 Atty. Anna Liza L. Gonzales; Regent Cipriano G. Santiago; Regent Roy Bernard C. Fiel;
11 Regent Joel R. Caminade; Regent Ernesto F. Bulayog; and Regent John Allan A. Gulles.

12 After the roll call, the Board Secretary informed the Hon. Chair that eight (8)
13 members of the VSU BOR were present for the 85th BOR meeting and that there was a
14 quorum of members present. Also present for the meeting as Resource Persons were
15 Director Edgardo M. Esperancilla, DOST-8 Regional Executive Director.

16 The Board Secretary informed the Hon. Chairperson that Regent Francis Joseph
17 G. Escudero, Chairperson of the Senate Committee on Education, Arts and Culture has
18 not sent a representative. On the other hand, Regent Deogracias E. Pernitez, the Alumni
19 Regent, has another engagement.

20 **II. CALL TO ORDER**

21 The Presiding Chairperson of the VSU Board of Regents, Regent Bonifacio G.
22 Uy, declared a quorum and called the meeting to order at 9:30 A.M.

23 **III. APPROVAL OF THE AGENDA**

24 The Presiding Chairperson requested the Board to go over the proposed Agenda
25 and inquired whether there were any other items for inclusion in today's meeting that
26 have not been included in the Provisional Agenda presented.

27 The Board Secretary informed the Board that he just received the following
28 requests for inclusion in the 85th BOR Meeting, as follows: 1) Participation of ten (10)
29 students in the Israel AgroStudies Program (OJT); 2) Request for the Utilization of P1.0

1 million for use in the ISO activities; 3) Proposed Memorandum of Agreement (MOA)
2 between the VSU and the VSU Credit Cooperative; 4) Request for Authority to Utilize
3 P7.0 million for the Renovation of the Administration Building; and 5) Expansion of the
4 National Highway traversing the VSU Main Campus by the Department of Public Works
5 and Highways

6 Regent Roy Bernard C. Fiel moved for the approval of the Agenda for the 85th
7 BOR Meeting, as modified.

8 Regent Joel R. Caminade seconded the motion.

9 The Board passed

10 **BOR RESOLUTION NO. 110, s. 2018**

11 **A Resolution Approving the Proposed Agenda for the 85th Board of Regents**
12 **Meeting, as modified, to wit:**

13 **85th BOR Meeting**
14 **CALENDAR OF BUSINESS**

15 **I. PRELIMINARIES**

16 **A. Call to Order**

17 **B. Roll Call and Determination of Quorum**

18 **C. Approval of the Provisional Agenda (85th BOR Meeting)**

19
20 **II. NEW BUSINESS**

21 **A. Recommending Approval by the HOPE**

22 1. Additional Renovation Works at VSU Manila Office

23 a. BAC Resolution No. 42, s. 2018 dated 6/22/2018

24 b. BAC Resolution No. 43, s. 2018 dated 7/2/2018

25 2. Procurement of Needed Inputs and Supplies for the Enhanced Cassava Production
26 Through Distribution of Quality Planting Materials (*The National Cassava*
27 *Dissemination Project between the VSU and the Department of Agriculture*)

3.	BAC Resolution No. 44, s. 2018 dated 22 June 2018	1
	Re: Recommending Approval of the Request of Limar Construction for Time Extension for the Completion of the Construction Project: <i>Renovation of the VSU Cebu Office</i> for 150 Calendar Days or not later than 01 December 2018	2
4.	Recommending Approval of the Request of E. H. Antig Jr. Construction and Supply for a 30 calendar Day Time Extension for the Completion of the following Construction Projects in VSU Villaba:	3
	a. BAC Resolution No. 46, s. 2018 dated 4 July 2018	4
	Re: Construction of a Two-Storey Academic Building – Phase 2	5
	b. BAC Resolution No. 47, s. 2018 dated 4 July 2018	6
	Re: Construction of a Two-Storey Boy's Dormitory	7
5.	BAC Resolution No. 39, s. 2018 dated 4 July 2018	8
	Re: Termination of Contract with Toyota Tacloban (Leyte) Branch for the Supply and Delivery of One (1) Unit M/T Toyota Innova L 2.0 Gasoline vehicle	9
6.	BAC Resolution No. 45, s. 2018 dated 6 August 2018	10
	Re: Recommending the Termination of Contract with DT and C Construction of the Project: <i>Construction of the Animal Health and Disease Hospital Building</i>	11
	Re: Request by the VSU Administration for Approval to Take-Over the Completion of the Animal Health and Disease hospital Building	12
7.	Purchase Request of VSU Manila to Purchase Office Furniture, Fixtures and Supplies	13
8.	Purchase Request of VSU Tolosa for the Purchase of Materials Needed for the Installation of Electricity Connections to Energize the new KOICA Buildings	14
9.	Request for Approval of the Various BAC Resolutions (10) for the Award to Winning Bidders	15
	Supplies and Materials	16
a.	BAC Resolution No. 27, s. 2018 dated 15 May 2018	17
	Re: Supply and Delivery of Construction Materials (GOODS-18-17)	18
	ABC = P 3,200,000.00	19
b.	BAC Resolution No. 30, s. 2018 dated 4 June 2018	20
	Re: Supply and Delivery of Construction Materials (GOODS-18-20)	21
	ABC = P 3,500,000.00	22
c.	BAC Resolution No. 33, s. 2018 dated 11 July 2018	23
	Re: Supply and Delivery of Construction Materials (GOODS-18-22)	24
	ABC = P 5,000,000.00	25
d.	BAC Resolution No. 40, s. 2018 dated 24 July 2018	26
	Re: Fabrication and Installation of Aluminum Doors and Windows for VSU Library (GOODS-18-18-R)	27
	ABC = P 3,800,000.00	28

1	Equipment
2	e. BAC Resolution No. 29, s. 2018 dated 21 June 2018
3	Re: Supply and Delivery of Digital Duplicators and Copiers (GOODS-18-19)
4	ABC = P 900,000.00
5	f. BAC Resolution No. 35, s. 2018 dated 10 July 2018
6	Re: Supply, Installation, Commissioning and Testing of Fiber Optic Network
7	and Related Tools and equipment (GOODS-18-24)
8	ABC = P 12,000,000.00
9	g. BAC Resolution No. 34, s. 2018 dated 24 July 2018
10	Re: Supply and Delivery of I.T. Equipment and Supplies (GOODS-18-23)
11	ABC = P 2,900,000.00
12	h. BAC Resolution No. 38, s. 2018 dated 27 July 2018
13	Re: Supply and Delivery of Laboratory Equipment (GOODS-18-27)
14	ABC = P 10,000,000.00
15	Infrastructure
16	i. BAC Resolution No. 31, s. 2018 dated 11 July 2018
17	Re: Construction of Flood Control River Dike at VSU Isabel (INFRA-18-12)
18	ABC = P 10,000,000.00
19	j. BAC Resolution No. 41, s. 2018 dated 27 JULY 2018
20	Re: Expansion of University Gymnasium (INFRA-18-13)
21	ABC = P 10,000,000.00
22	10. Proposed Amendments to BOR Resolution No. 44, s. 2018 on the Bidding
23	Threshold Limits of the VSU President
24	B. Recommending Confirmation by the HOPE
25	1. Procurement of Goods and Services (<i>Below P3.0 million</i>)
26	a. BAC Resolution No. 32, s. 2018 dated 08 June 2018
27	Re: Supply and Delivery of Office and Janitorial Supplies (GOODS-18-21)
28	ABC = P 1,500,000.00
29	b. BAC Resolution No. 37, s. 2018 dated 17 July 2018
30	Re: Supply and Delivery of Lab. Supplies & Chemicals (GOODS-18-26)
31	ABC = P 800,000.00
32	C. For Notation by the HOPE
33	1. Request for Permission to Bid Vehicles for the Main Campus
34	a. Multi-Purpose Van
35	b. Commuter-type Van
36	c. School Bus
37	2. Request for Permission to Bid for a Concrete Road Network at VSU Tolosa

III. OTHER MATTERS

1. Participation of Ten (10) Students in the Israel OJT Program through the AgroStudies
2. Request for Utilization of P1.0 million for Use in the ISO Activities of the University
3. MOA between the VSU and the VSU-CC
4. Renovation of the Administration Building
Re: a. Office of the University President
b. Office of the University/Board Secretary
c. Board/Conference Room
5. Expansion of the National Highway traversing the VSU Main Campus by the Department of Public Works and Highways

IV. NEW BUSINESS

A. Additional Renovation Works at the VSU Manila Office

The Presiding Chairperson commented that he is quite impressed by the transformation from the old two-storey wooden structure to a very modern four-storey building. The Hon. Chair then requested the President to explain the proposal.

President Edgardo E. Tulin informed the Board that the Bids and Awards Committee issued BAC Resolutions No. 42 and 43 to seek approval for the payment of the “*additional works that were requested.*” These variance works were undertaken in order to address certain *deficiencies* that the Office of the Building Official (OBO) of Pasay City uncovered in the original building plan submitted by the University through the Contractor. This included, among others, fire safety devices that had to be installed in the building as well as other building safety requirements to make it compliant with the Revised Building Code.

The President further explained that the BAC was assuming that there was still no change in the “*delegated authority of the President to approve contracts*” and was confident that the additional expenses will be approved. What has now happened is that the request for approval of the variance works has literally been “*overtaken by events.*” What is now being requested is “**approval of the requested additional expenses to cover the variance orders**” since this construction was on-going when the President still was clothed with full-delegated authority under BOR Resolution No. 16, s. 2006 dated 21 February 2006.

1 The Presiding Chair informed the Board that construction of the VSU Manila
2 Office started when the President had full-delegated authority as HOPE based on
3 BOR 16, s. 2006. It was only 2 BOR meetings ago (81st BOR Meeting dated 23
4 March 2018) that the Board amended the delegated powers which, in effect, required
5 Board action for infrastructure expenses above P1.0 million. The adoption of CHED
6 *en banc* Resolution No. 428, s. 2015 last 23 March 2018 was apparently not
7 immediately disseminated such that the “additional expenses” were not immediately
8 elevated to the level of the Board of Regents. This issue is now raised to the Board so
9 that it can be discussed on how best to “dispose it.”

10 The Board Secretary mentioned that on top of the “additional expenses”
11 mentioned in BAC Resolutions 42 and 43, the Contractor has also appended an
12 “additional request for payment” in the amount of P280,791.68 which is the amount
13 that was spent for the fixtures and facilities of the Conference Room on the 4th Floor.

14 Regent Joel R. Caminade requested for pictures of the old Manila Office
15 building as well as pictures of the new Manila Office building for purposes of
16 comparison.

17 The Board Secretary indicated that he will try to secure pictures of the old
18 Manila Office for presentation in the next BOR meeting in October.

19 The Presiding Chair informed the Board that he once was stayed in the old
20 Manila Office of the University. Said structure then was mainly a two-storey wooden
21 structure with lodging rooms in the 2nd Floor. There was only one (1) Comfort Room
22 to service all the guests in the 2nd Floor. Only the President’s Room had its own
23 Comfort Room. It was really a big surprise what we saw yesterday afternoon. I could
24 not imagine the transformation from a simple wooden structure to a very modern four
25 (4) storey building. What was first considered a “renovation” ended up as a “re-
26 construction.” All the rooms at the 2nd and 3rd floors are now air conditioned, with
27 each having its own Toilet and Bath (T & B) facility. On the 4th Floor, there is a small
28 Conference Room that is also air conditioned. On the Ground Floor, we now have
29 office space plus the garage.

1 The Presiding Chair further stated that the place is really a prime location
2 because it is located not more than 20 meters from Roxas Boulevard and the airports,
3 domestic and international, are easily accessible. Incidentally, it is also located beside
4 two (2) SMDC mixed-use buildings which have condominium units in the upper
5 floors. On the downside, still fronting the new Manila Office are the informal settlers
6 which can be a bit unsettling especially for first time lodgers.

7 Regent Anna Liza L. Gonzales inquired where exactly is this office located.

8 The Board Secretary informed the Board that the address of the VSU Manila
9 Office is No. 8 Lourdes St., Pasay City

10 Regent Gonzales agreed that the location of the Manila Office is very
11 strategic. Regarding the additional expenses incurred, Regent Gonzales pointed out
12 that regardless of whether it is the Board who is the HOPE or the President by virtue
13 of an old BOR Resolution, the main issue is "*whether or not this request is compliant*
14 *with the provisions of RA 9184*" insofar as the procurement of the variation order is
15 concerned.

16 First, there is a need to establish whether the amount requested to cover the
17 variation orders amount to not more than 10% of the original amount which is
18 allowed under RA 9184. If the amount is greater than 10% but not more than 20% (*of*
19 *the original amount*), the requirements are very stringent.

20 Second, did this "go through the process" for processing of variation orders
21 like it should first have a Notice of Variation Order coming from the Contractor. In
22 accordance with the IRR of RA 9184, the timeline for the processing of this is seven
23 (7) days. The Administration should have immediately sent its assigned personnel to
24 make an inspection of the request and double check whether indeed the "variation
25 order" was needed. If the Administration personnel found the request meritorious, the
26 request for variation order is then processed and submitted to the HOPE for approval.

27 Thus, whoever was the HOPE should have approved the variation order
28 **BEFORE** any work commenced in accordance with the IRR of RA 9184 which
29 specified a very brief timeline. If however, work on the variation order had already

1 started, it should not have been more than 5% of the contracted amount. What the
2 Board is now presented with is a request for variation order **after** all work had been
3 completed.

4 Regent Gonzales inquired what was the Contractor's bid and how much was
5 the amount requested for the variation order.

6 The Board Secretary that the total funds allocated for the project was P14.0
7 million but that the Contractor's bid amounted to a little over P13.16 million. The
8 total of the variation order as reflected in the BAC Resolutions No. 42 and 43 amount
9 to almost P2.6 million **plus** the additional request of the Contractor amounting to
10 another P280,000.00.

11 Regent Gonzales commented that the Board is now confronted with a finished
12 work. While there is a principle in Civil Law that says "*we cannot unjustly enrich*
13 *ourselves*" the Board should be cautious regarding this matter. Regent Gonzales
14 indicated that she cannot know what course of action the Governing Board should
15 take **because approving this request will be in violation of the law**. The Board can
16 be complicit in this matter, if it approves the request because *in essence*, the Board
17 approved the completion of the work, after the fact, in violation of the proper
18 procedure.

19 Regent Gonzales pointed out that the Commission on Audit (COA) is very
20 strict especially when it comes to variation orders and that the COA will immediately
21 RED FLAG this transaction. In this regard, Regent Gonzales suggested that the
22 Administration should immediately seek the opinion of the Office of the Solicitor
23 General, if only to protect the Governing Board. Another recourse for the Contractor
24 to take would be to go directly to the COA and make a Money Claim. The COA, as a
25 quasi-judicial body, can make a judgment on this, after processing the circumstances
26 that led to the variance order. As a quasi-judicial body it can determine whether the
27 Agency (VSU) should pay or not.

28 Regent Gonzales clarified that the quandary that the Board right now is this:
29 **"That while there is a clear violation of the law (RA 9184) since the variance**

1 orders have already been completed on the one hand, BUT on the other hand,
2 money (of the Contractor) has already been spent.”

3 The Presiding Chair inquired from Regent Gonzales where should
4 Administration (or the Board) seek advice from.

5 Regent Gonzales indicated that she would probably inquire from the Office of
6 the Government Corporate Counsel (OGCC) on the legality of approving a Contract
7 *after the fact* or whether there are justifiable circumstances wherein the Board can
8 Approve a Contract *after the fact*. We can also ask the opinion COA but there is a
9 very high possibility that the COA will disallow payment. If this will be the stand of
10 COA, there is nothing anybody can do about it.

11 Regent Roy Bernard C. Fiel expressed his concern that many of the items
12 enumerated in BAC Resolution No. 42 s. 2018 are necessary requisites whenever a
13 new construction takes place and should not be considered as “variations.” For
14 instance, the hauling of debris is expected to be done. Provision of water tanks is also
15 a standard item included in a construction contract. Further, the installation of fire
16 exits, fire sprinkler systems, provision of fire extinguishers, emergency lights are all
17 standard requirements under the Fire Code of the Philippines. All these are supposed
18 “variances” are supposed to be “part and parcel” of any standard construction
19 contract.

20 The Board Secretary informed the Board that as mentioned by Regent
21 Gonzales, any variation order should be inspected and approved within seven (7)
22 days. In this instance, the debris that was hauled came from portions of the building
23 that had to be removed as these were subject of the “variation order.” There were
24 some changes that had to be undertaken because the original plan was found to be
25 NOT COMPLIANT with the Building Code of the Philippines. These included the
26 provision of fire safety devices, fire exits, a wider staircase and a bigger but lower-
27 depth stair. These were some of the reasons for the “variation order” indicated in
28 BAC Resolution No. 42, s. 2018 dated 22 June 2018. The water tank in the 4th Floor,
29 however, is a new acquisition since the Office never possessed a water tank.

1 Regent Gonzales commented that there is a danger of just allowing the
2 Contractor to “go ahead” without even checking whether the variation order is needed
3 at all. There is a need to check the prices of the items that will be used for the
4 variation order. Are the prices of the various goods competitive? In fact, the gist of
5 the law insofar as “variation order” is concerned is that the Procuring Entity *will have*
6 *to review the prices* AGAIN and it will also be the Procuring Entity which will
7 impose the prices especially if these are MATERIALS. For instance, the “price of a
8 nail” to be used in the variation order would have to be the same as the price of the
9 nail in the *original contract*. However, we are now presented with a “list of materials”
10 that were procured at prices they purchased these items. So, there is no more
11 competitiveness because we are unable to compare it with the prices in the original
12 contract. This is the essence of the Variation Order in accordance with the stipulations
13 of the IRR of RA 9184.

14 Regent Gonzales further pointed out that there are additional materials
15 included that can be classified as “interiors” such as air conditioners, which can be
16 the subject of separate procurement. Other items like accessories for the comfort
17 rooms, safe cabinets, mouldings, glass partitions, etc... are not essential to the
18 completion of the building. All these could have been procured separately maybe
19 even through “shopping.” All these are being pointed out so that the Board will be
20 guided when this will be finally decided upon by the Governing Board.

21 Regent Caminade clarified that he wanted to see pictures of the “**Old** VSU
22 Manila Office” to have a comparison with pictures of the “**New** VSU Manila Office”
23 and because the majority of the members of the VSU Governing Board have already
24 visited the new building and determine whether the project is a **RENOVATION** or a
25 **NEW CONSTRUCTION**.

26 The Presiding Chair commented that admittedly, the project can no longer be
27 called a “Renovation” because the *old wooden structure* was completely demolished
28 and replaced by an “All-Concrete structure”.

1 Regent Caminade pointed out that based on the information given by the on-
2 site Engineer, the depth of the footings of the cement columns of the newly
3 constructed VSU Manila Office is shallow at only about 2.4 meters. This is because
4 the area where the new Office currently stands is a reclaimed area. If the footing was
5 made a little deeper, water might have crept-in. Given this, the structural integrity of
6 the building might be in question.

7 Related to this, Regent Fiel informed the Board that he also shares the same
8 reservations as Regent Caminade. Based on the explanation made by the on-site
9 Engineer, the excavation was manually done and during the process of digging, the
10 **“sides of the excavation site kept caving-in”** such that the workers **“had to shore-
11 up the sides of the dug-up foundation”** to **“prevent the cave-ins.”**

12 Regent Fiel explained his apprehension about the structural integrity of the
13 building because originally, the application with the Office of the Building Official
14 (OBO) of Pasay City was just for a “RENOVATION” and a structural certification
15 may not have been necessary. However, the new structure is in fact a NEW
16 CONSTRUCTION instead of a Renovation and there might not have been any
17 structural engineering design crafted for the building.

18 Regent Fiel indicated that he was about to ask the on-site engineer from the
19 Contractor’s company regarding the “expected weight of the building” but the Lady
20 Project In-Charge informed the undersigned that “the people in the City Hall (OBO)
21 arranged all the documents.”

22 Regent Fiel further explained that in case something untoward happens to the
23 building, or any of the occupants inside, **GOD Forbid**, who will be held responsible?
24 Will this responsibility not fall into the **“Hands of the Governing Board?”** What
25 originally started out as a mere **Renovation**, BUT what is now presented to the
26 Governing Board for Approval, is a **NEW CONSTRUCTION**.

27 President Tulin wondered what will happen if the University will occupy the
28 building while all this is still unsettled and while we are still awaiting advice. Will the
29 Board approve that the University start occupying the building.

1 Regent Caminade inquired whether there is already a Certificate of
2 Occupancy issued for the use of the building.

3 The President indicated that **NO BUILDING OCCUPANCY PERMIT** has
4 yet been issued.

5 Regent Gonzales inquired whether the University already accepted the
6 “original work” undertaken for the P10.0 million. If it was already Accepted, there
7 should also be a Certificate of Acceptance for this work. Then, what is left is just the
8 “variation work.”

9 The Board Secretary informed the Board that funds covering the project was
10 given in Two Phases. The total budget for the project was P14.0 million but the actual
11 bid of the Contractor amounted to P13.160 million. However, the money that was
12 initially available was only P10.00 million and this released to the Contractor. It was
13 only later that the balance was available for use by the Contractor. What the President
14 is asking is whether the University can “forcibly transfer” to the new facility while
15 many of these things are yet unsettled.

16 Regent Gonzales commented that since the University legally owns the
17 property, the transfer should not be done “*forcibly.*” All the Contractor did was to
18 construct the building using University (*government*) money. We can “move-in”
19 anytime *provided that* we also follow procedures especially because this is a new
20 facility. FIRST, we have to accept, but this should be for the original order. The
21 Board will still have to settle the “variation orders.” This is what the Board should be
22 seeking legal opinion of how this can be done. This notwithstanding, the Contractor
23 should hold the University HOSTAGE “**over the unsettled amount.**” They do not
24 have that right because they are just working on the property using our money and the
25 fact is **WE OWN THE PROPERTY.** There is a need to undergo “inspection”
26 because this is a requirement of the Commission on Audit (COA) and the University
27 **should Accept** the work based on the original contract. **THEN**, we move in. There is
28 a need, however, to preserve the works done for the variation order – this is akin to

1 preserving the evidence – by taking photographs of the variations done and their
2 conditions – when we move in.

3 The Board Secretary pointed out that the pictures in the Green Folder have
4 been provided by the Contractor.

5 Regent Gonzales suggested that the University must have its own
6 documentation and not rely on pictures from other parties.

7 The Board Secretary indicated that during the “construction phase” the
8 University was unable to take its own pictures. All the pictures are “after construction
9 to finish” pictures only.

10 Regent Caminade commented that the OWNER has to take pictures of the
11 work accomplishments before payment is processed. This is how we measure
12 accomplishment and payment is done accordingly. Maybe, there is a reference file
13 somewhere.

14 Regent Cipriano G. Santiago inquired whether the variation orders were made
15 before or after the issuance of the BAC Resolution 42, s. 2018 dated 22 June 2018.

16 President Tulin informed the Board that all variation orders were undertaken
17 much earlier than the dates indicated in the BAC Resolutions.

18 Regent Santiago clarified that what the BAC is requesting for Approval from
19 the Board is “variance orders” **AFTER** the Construction for additional work.

20 Director Edgardo M. Esperancilla informed the Board that he also made the
21 same observation made by Regent Gonzales regarding the need to reclassify the
22 “variation works” done by the Contractor (*Actual Construction Work* and *New*
23 *Fixtures*). Items like water tank, fire extinguishers, glass doors for the comfort
24 rooms, air conditioners, etc... can be classified as New Fixtures and should be treated
25 separately from sewer lines, water lines, which can be part of actual construction
26 variance works. What is needed now is to carefully classify the variance orders that
27 pertain to the building construction so that the Board will know how to handle this.
28 As it is, the “variation orders” is more than the allowable 10% of the cost. By

1 reclassifying the items just might help reduce the amount of variance work
2 undertaken.

3 The Presiding Chair inquired given the seriousness of the matter at hand, what
4 is the action of the Board on the two BAC Resolutions? Suggestions from some BOR
5 members include: additional documentation and consulting with the OSG. Further the
6 Hon. CHED Chairperson is not present for this meeting.

7 The Presiding Chair suggested that for the 3rd quarter BOR Meeting this
8 coming 04 October 2018, there will be a need to do gather documents as well as
9 prepare a chronology of events so that the Hon. CHED Chairperson will be in a better
10 position to understand the goings-on.

11 The Presiding Chair also pointed out that these “variation orders” were
12 undertaken during the time when the President still had **full-delegated authority**
13 insofar as the procurement process is concerned. This being the case, the President
14 should be given all leeway to solve this, as this is part and parcel of the full-delegated
15 authority that he wielded at that time.

16 Another avenue that may be pursued would be to seek a “Money-Claim” from
17 the Commission on Audit but this course of action will require inputs from the Hon.
18 CHED Chairperson.

19 On the issue of “Structural Integrity” the Board needs to secure a Certification
20 from a structural engineer as to the structural fitness of the new building – in terms of
21 its design as well other factors.

22 Lastly, there will also be a need to present “Old Pictures” of the VSU Manila
23 Office prior to its Re-Construction.

24 Director Esperancilla suggested that before the next regular BOR Meeting in
25 October 2018, there is a need to secure that Certification from a structural engineer
26 certifying that the structural design and plans are within Philippine Government
27 standards. Second, there is a need to immediately reclassify the “variation orders” as
28 suggested earlier. Third, to determine whether the prices of the items that are

1 classified as "fixtures" are within the prevailing market prices for these goods so that
2 the Board can decide whether the Contractor's prices are not excessive.

3 Regent Santiago suggested that for every variation order, the Resident
4 Engineer (of the university) be required to present a Detailed Engineering Design
5 (DED including the Program of Work (POW) duly approved by the BAC and by the
6 University President. As it is, what is presented to the Board for appropriate action is
7 just a BAC Resolution devoid of any details as to what was exactly done and an
8 estimation of how long can it be completed given actual building construction on-
9 going.

10 Regent Santiago pointed out that in the BAC Resolutions (42 and 43), there
11 are statements that purport to show that "**the BAC discussed and deliberated on the**
12 **proposed additional work.**" For this to happen, the BAC should have discussed the
13 POW and the DED. Without these, what did the BAC discuss then?

14 President Tulin indicated that he will inquire about these documents.

15 The Presiding Chair also suggested that the University Engineer as well as the
16 Contractor be invited to the next Quarter Meeting to shed more light into this matter.

17 **B. Procurement of Needed Inputs and Supplies**

18 The Presiding Chair informed the Board that this item was included in the
19 discussion of the Finance Committee and requested the Board Secretary to explain the
20 proposal.

21 The Board Secretary informed the Board that this item is a Research Project
22 spearheaded by Dr. Erlinda A. Vasquez of the Philippine Rootcrops Research and
23 Training Center (PhilRootCrops) and covers 16 regions of the Philippines.
24 Specifically, the Project requires the distribution of disease-free cassava planting
25 materials and supplies to the identified 16 regions covered by the project, nationwide.
26 The Project is funded by the Department of Agriculture Central Office under the
27 Corn-Cassava Program based on the new guidelines issued by the CHED.

28 He further explained that the Project Leader, Dr. Vasquez, had already
29 conducted meetings with the Regional Cassava Focal Persons together with the DA-

1 National Focal Person as well as the Other Staff in-charge of the Cassava-Corn
2 Program at the Department of Agriculture Central Office. After a meeting with the
3 DA-National Focal Person as well as the Other Staff in-charge of the Cassava-Corn
4 Program of the Department of Agriculture Central Office, the timeline for the
5 treatment and distribution of pre-treated cassava planting materials was changed to
6 commence in August 2018 up until May 2019 based on the planting season per
7 region. Inasmuch as the planting season in each region varies and there are regions
8 that have more than 100 hectares (like Region VIII with 250 hectares and Region X
9 with 390 hectares), planting could not be done at one time but it had to be arranged in
10 a manner that it would be realistic and workable considering the availability of
11 planting materials as well as other agricultural inputs and services required.

12 The Project is to be undertaken immediately and the Project Leader is
13 requesting authority from the Governing Board to implement the Project as soon as
14 possible.

15 Regent Santiago inquired how the BAC will negotiate with the suppliers from
16 the different regions. Will the BAC invite all the prospective bidders to attend a
17 bidding session in VSU, Baybay?

18 The Board Secretary informed the Board that the bidding will be conducted in
19 each of the selected locations.

20 Regent Santiago commented that because the disbursement will be in VSU,
21 therefore the BAC Resolutions will be that of the VSU BAC. This will mean that the
22 VSU BAC will be going to the different project sites to conduct the bidding.

23 President Tulin indicated that it is really possible that the VSU BAC-2 which
24 is in-charge of the bidding for research projects, will have to conduct the bidding on-
25 site. However, this will be quite expensive and time consuming.

26 The Presiding Chair inquired whether this is the first time for VSU to conduct
27 a project with a nationwide scope.

1 The Board Secretary informed the Board that this is the first time for VSU to
2 have a project that is expected to be undertaken almost simultaneously in so many
3 locations nationwide.

4 Regent Santiago inquired whether it will be possible for VSU to “transfer
5 funds” to other SUCs in the different areas so that they can conduct the bidding for
6 their respective areas.

7 President Tulin commented that this is not the idea of why the project was
8 awarded to VSU. The President informed the Board that the cassava disease called
9 “Witch Broom Disease” has afflicted many areas nationwide. The DA has tapped the
10 expertise of VSU’s PhilRootCrops to provide disease-free cassava tubers that can be
11 planted in areas ravaged by this Witch Broom disease. The main challenge right now
12 is how to provide the tubers and the attendant supplies (chemicals) to the different
13 regions in the fastest and most expedient way in time for the planting season for
14 cassava in the different areas. As mentioned earlier, there are cassava growers in the
15 different regions who can be tapped to produce the needed planting materials.

16 The Presiding Chair commented that this particular project requires a near
17 simultaneous implementation whereas in the past VSU undertook nationwide projects
18 but not implemented simultaneously.

19 The Board Secretary informed the Board that in the past, the University
20 produced the planting materials and brought these disease-free materials to the
21 identified sites for replication (as in the case of sweet potato). In this case, the plants
22 are cassava which takes almost a year before we are able to secure planting materials
23 for replication. If the plants were to be sourced solely from VSU, there is only a 5-day
24 window for plant survival before it begins to wilt and eventually die.

25 The Presiding Chair indicated that bidding can be done on-site by the VSU
26 BAC or in the alternative, bidding can be done in the Main Campus.

27 President Tulin commented that the prospective suppliers already identified in
28 the various locations are also DA-accredited growers, meaning they are able to
29 produce quality planting materials. There might possibly be other prospective bidders

1 for the supply of planting materials in the different locations, but they might not be
2 DA-accredited growers.

3 President Tulin commented that the main reason why this is presented to the
4 Board for action is because of the amounts involved in each of the processes that will
5 be undertaken which is above the Threshold limits set by the 2018 CEB Resolution.
6 The main objective of this project is to eliminate Witch Broom Disease by applying
7 technology perfected by VSU on the planting materials.

8 The Board Secretary indicated that there will be a Team from VSU that will
9 be going to each of the selected areas and the Team will be responsible for
10 “purifying” all of the planting materials (*cassava cuttings*) before these are planted.

11 The Presiding Chair proposed that the Board **approve the conduct of the**
12 **Project and authorize the President to undertake the required procurement**
13 **process, *subject to* all the prevailing procurement regulations.** In essence, the Board
14 is delegating full-powers to the University President, for this project, so that this can
15 be implemented ASAP.

16 Regent Fiel commented that based on the needs of the Project, the other things
17 to be procured other than the pre-treated cassava planting materials include:
18 agricultural supplies, hiring of vehicle, and the hiring of labor force. Will these also
19 be covered by the “procurement powers” delegated by the Board to the President for
20 this Project?

21 The Presiding Chair indicated that all of what was mentioned by Regent Fiel
22 will be included in the “procurement powers” to be delegated by the Board to the
23 University President.

24 Regent Ernesto F. Bulayog moved for the approval of the motion to delegate
25 full procurement power to the University President insofar as this Project is
26 concerned.

27 Regent Cipriano G. Santiago seconded the motion.

28 No objection was raised.

29 The Board passed

BOR RESOLUTION NO. 111, s. 2018

A Resolution Approving the Procurement of Needed Inputs and Supplies including the procurement of agricultural supplies, hiring of vehicles, and the hiring of labor force, for the Project: Enhanced Cassava Production Through Distribution of Quality Planting Materials (*The National Cassava Dissemination Project entered into by and between the VSU and the Department of Agriculture*) and Delegating to the VSU President Full Procurement Powers, for this Project, *Subject to* all the Procurement Regulations under RA 9184 and its IRR, effective upon Board approval.

C. Request by LIMAR Construction for a 150 Calendar Days Extension for the Construction Project: Renovation of VSU Cebu Office *BUT* Not Later Than 01 December 2018

President Tulin requested the Board Secretary to present the proposal.

The Board Secretary informed the Board that the VSU Cebu Office is also undergoing reconstruction because it was really an old two-storey residential house that was converted into an office *cum* lodging house with address at 222 Molave St., Lahug, Cebu City. Based on the original Program of Work (POW) the said reconstruction should have been finished by now. However, the Contractor-Owner of LIMAR Construction, presented that work did not immediately start because it took about five (5) months to **secure the needed Building Permit** for the project. As can be seen in the pictures, very little work has be done, hence the request by the Contractor for a 150 calendar-day extension but not later than 01 December 2018.

The Board Secretary narrated to the Board that he was personally able to talk to the Contractor-Owner, a Mr. Cañete, last Friday, 31 August 2018 in Tacloban City. During that meeting I requested Mr. Cañete to present a detailed POW covering the months of July, August, September, October and November 2018 such that the building will be ready for turn-over by 01 December 2018, for consideration by the Board during this Special BOR Meeting.

Director Esperancilla mentioned that the Board will be asking the Contractor to come up with a "Catch-up Plan" if the slippage is already more than 10% to find out if he is still able to meet the timetable for completion of the project.

1 The Board Secretary pointed out that the slippage is already about -
2 70.69%. This is how badly delayed the project is.

3 Regent Caminade informed the Board that he was also able to talk to Mr.
4 Cañete by phone as he is based in Tacloban City. Mr. Cañete went to his Office in
5 Tacloban and brought documents showing the cause of the delay, the delay in
6 securing the needed Building Permit. It was the lack of a Building Permit that
7 prevented them from doing real construction work.

8 Mr. Cañete also brought with him new pictures of the Project showing that
9 construction work was in full-swing and a lot of improvements have been done
10 since the Building Permit was issued. Mr. Cañete likewise promised that his firm
11 will be able to finish the construction by December 2018. After looking at the
12 new pictures, the area of the construction work is not too large and the targeted
13 time of completion is achievable.

14 Regent Santiago inquired what reason(s) have been put forward to the
15 Board such that the extension of 150 calendar days should be approved by the
16 Board. The number of days the Board may grant as extension should be based on
17 the number of days that it took for the Contractor to secure a Building Permit
18 from the Cebu City government. This should be the main reason why the Board
19 will be amenable to an extension and not based on the work accomplishment, to
20 date.

21 The Board Secretary then read to the Board the letter of the Office of the
22 Building Official of Cebu City dated 16 March 2018, to wit:

23 “Sir/Madam. We are returning your application for building permit including
24 supporting documents due to some deficiencies, as follows: **Problem with**
25 **electrical, plumbing, structural, and geodetic.**

26 Electrical Section :(should) show fault current calculation with
27 corresponding diagram for the farthest load and show vicinity location
28 map in the Electrical Plan.

1 Plumbing Section: (1) secure drainage permit from DEPW-TIC Office and
2 to provide at least 1 common CR for persons with disability; (2) Provide
3 ramp entrance for persons with disability; (3) submit plans and details; and
4 (4) attach photocopy of PTR 2018 and current PRC license of your Master
5 Plumber.

6 Structural: RWT with plans and details.

7 Architectural: Submit clearances, Certificates.

8 The Presiding Chair inquired whose job is it to prepare the documentation
9 needed by the OBO? Is it the Contractor's or the University.

10 The Board Secretary indicated that this should have been rectified by the
11 University.

12 Regent Caminade narrated that during his talk with Mr. Cañete, the
13 Contractor had to "**revise the building plan.**" Apparently, the Office of the
14 Building Official (OBO) of Cebu City is very strict, even with the Parking Space.
15 This is a clear reflection of the inadequacy of the University engineer in charge of
16 preparing the building plans. All of the building requirements should have been
17 factored in the Building plan even before it was bided-out.

18 Regent Santiago commented that the Contractor's letter should have
19 mentioned this and should have already included a Revised Work Plan so that the
20 Board will be convinced to grant him an extension of 150 calendar days.

21 President Tulin commented that the Contractor has taken new photographs
22 to convince the Board that the time extension of 150 calendar days is the
23 maximum time for completion of the job.

24 Regent Caminade informed the Board that the Contractor actually has
25 submitted a Revised Work Plan, but only one (1) copy. Maybe the Board
26 Secretary can facilitate the multiplication of this Revised Work Plan so that all
27 members of the Board will have a copy.

28 The Presiding Chair informed the Board that the LIMAR Construction
29 built the ramp in the NEDA Regional Office which was completed on time.

1 Regent Fiel commented that as what Regent Gonzales pointed out earlier,
2 the amount of variation order should only be limited to 10% of the Contract Price.
3 He also expressed apprehension that given the changes in the building plans, the
4 University should expect the cost of the variation order to be beyond the 10%
5 limit.

6 The Board Secretary commented that the Contractor has yet to ask for a
7 Variation Order. So far, there is just a delay in implementation.

8 Regent Fiel commented that a future request for a Variance Order is very
9 likely given the amount of changes that had to be made in the light of the many
10 violations of the Building Code of the original building plan.

11 The President indicated that given the many changes in the Building Plan,
12 the Contractor will most likely file a Variation Order and this will be discussed in
13 the Board complete with all documentary requirements.

14 The Presiding Chair inquired whether the original Project Cost is
15 sufficient to cover the new Building Plan/Design that is compliant with the
16 Building Code.

17 Dir. Esperancilla commented that so far, there has been no request from
18 the Contractor to a Variance Order, so it can be assumed that the cost of the new
19 building plan/design can still be absorbed by the original project budget.

20 Dir. Esperancilla suggested that if the University has the cash to pay for
21 the construction, it would be best to pay the Contractor before the end of
22 December 2018.

23 Regent Bulayog commented that it will be best to ask the Contractor with
24 a "legal document" indicating that they will not request for a Variation Order
25 despite the change in Building Plans.

26 The Presiding Chair indicated that the Contractor will proceed with their
27 construction work in the VSU Cebu Office, **BUT** with the **WARNING** (including
28 concerned VSU Personnel) *that*: **"If and when variance work will be**
29 **undertaken, there has to be prior APPROVAL from the HOPE."**

1 Dir. Esperancilla suggested that the HOPE require the Contractor come up
2 with a Catch-Up Plan which is a schedule of the jobs that have to be undertaken at
3 certain points in time to be able to Complete the Project before the due date, 01
4 December 2018.

5 The Board Secretary informed the Board that the Contractor, at this point
6 in time, did not present a Gantt Chart but presented a revised PERT-CPM, in
7 words.

8 Regent Fiel commented that if ever there will be Variation Order, it will
9 be at no cost to the University?

10 The Presiding Chair pointed out that at this point, it is not yet known
11 whether the Variation Orders will eventually constitute additional charges to the
12 University. What is important is that any "additional work above the original
13 contract" will have to follow procedure in that the Contractor **MUST SECURE**
14 prior approval from the HOPE before work is made.

15 Regent Santiago suggested that the HOPE require the Resident Engineer
16 to provide the HOPE a **copy** *"of the Plan incorporating the proposed changes so*
17 *that the HOPE can at least see whether or not there really is a need to have the*
18 *additional work."*

19 Regent Bulayog mentioned that the Contract might probably **blame** the
20 Variance Work on the *"changes in the Building Plan as required by the Cebu City*
21 *Engineer's Office (CCEO)."* Most probably, the Construction company will point
22 out that the bid amount they submitted was for the "original building plan" that
23 was rejected outright by the Office of the Building Official of Cebu City.

24 Regent Gulles commented that this delay is not really because of the
25 Contractor's inefficiency *per se*, but because of faulty building design from the
26 University.

27 The Presiding Chair indicated that if this happens, they have to back it up
28 with proper documents showing the necessity of the extent of the Variance Work.
29 This was the gist of the suggestion of Regent Santiago.

1 The Presiding Chair indicated that the Board is hoping that the problems
2 like what happened in the Manila Office might happen again in the case of the
3 Cebu Office construction.

4 The Board Secretary informed the Board that there is really a need to have
5 better supervision in the construction activities especially the off-campus
6 construction because the University has only one (1) Civil Engineer who is in the
7 General Services Office (GSO) and only he knows how to “read” building plans.

8 The Presiding Chair suggested that the “other engineer” hired by the
9 University should be able to make the appropriate recommendations pertaining to
10 the building plans of the University before these are bided out.

11 Dir. Esperancilla suggested that the Board approve the request of the
12 Contractor for extension, BUT with the rider of “At No Additional Cost.”

13 The Presiding Chair summarized that in the discussion for the approval of
14 the Extension, the Board acting as the HOPE, will make it a condition that:
15 “Extension will be given *Provided, That* it will be at No Additional Cost to the
16 Procuring Entity.”

17 The Board Secretary informed the Board that in the letter request of the
18 Chairman of the Bids and Award Committee of BAC #1, Dr. Remberto A.
19 Patindol dated 18 July 2018, clarified that the duration of the extension period IS
20 ONLY UNTIL 01 December 2018.

21 Regent Santiago suggested that in the Board Resolution, the number of
22 calendar days -150 calendar days – will be deleted and only the expected date of
23 completion, 01 December 2018 will be included.

24 The Board Secretary then read the proposed BOR Resolution, to wit:
25 “Approving the Request of LIMAR Construction for Time Extension to Finish the
26 VSU Cebu Office Building until 01 December 2018 and *Provided, That* it will be
27 at No Additional Cost to the Procuring Entity.”

28 No objection was raised.

29 The Board passed

BOR RESOLUTION NO. 112, s. 2018

A Resolution Approving the Request of the LIMAR Construction for Time Extension to Finish the VSU Cebu Building until 01 December 2018 and *Provided*, That it will be at No Additional Cost to the Procuring Entity, effective upon Board approval.

D. Request by Antig Construction for a 30 Calendar-Day Time Extension for their Construction Projects in VSU Villaba: Two-Storey Academic Building (BAC Resolution No. 46, s. 2018 dated 04 July 2018) and Two-Storey Boy's Dormitory (BAC Resolution No. 47, s. 2018 dated 04 July 2018)

The Presiding Chair request President Tulin to present the proposal.

The President informed the Board that the request for a 30-day extension in the completion of the two-storey academic building was made by the Antig Construction (*BAC Resolution No. 46, s. 2018*) for the reason that the Roof Framing of said building still had to be completed by another contractor preventing the Antig Construction from placing the roof of said building. On the other hand, the 30-day extension in the completion of the Boy's Dormitory (*BAC Resolution No. 47, s. 2018*) was made on account of the delay caused by having to secure the necessary tree-cutting permit from the DENR.

Regent Fiel commented that the "Construction Master of the University" is very fond of dividing the proposed edifices into Phases such that Phase 1 is definitely "not livable." If the Board approves the extension period requested, will these structures be finally completed and made livable?

The Board Secretary commented that he personally cannot vouchsafe that the Academic Building and the Boys Dormitory will be finished given the time extension requested. The contractor has requested for a modest time extension based on "*causes beyond their control*" which are quite reasonable.

Regent Fiel pointed out that in the Report of On-Going Infrastructure, there is a Boy's Dormitory as well as a Girl's Dormitory under construction in the Villaba Campus. It is quite surprising to note that there is no request for extension from the Contractor of the Girl's Dormitory. Why has there been no request given that both dormitories started almost at the same time.

1 The Board Secretary suggested that only the Boy's Dormitory part had to
2 cut down a tree. The Girl's Dormitory is close to the road and there are no
3 obstacles within the building area.

4 Regent Roy Bernard C. Fiel moved for the approval of the Request of
5 Antig Construction for a 30-Calendar Day Time Extension for the Construction of
6 the Two-Storey Boy's Dormitory per BAC Resolution No. 47, s. 2018 *dated* 04
7 July 2018.

8 President Edgardo E. Tulin seconded the motion.

9 No objection was raised.

10 The Board passed

11 **BOR RESOLUTION NO. 113, s. 2018**

12 **A Resolution Approving the Request of the ANTIG Construction for**
13 **30 Calendar-Day Time Extension to Finish the Two-Storey Boy's Dormitory**
14 **at the VSU Villaba Campus per BAC Resolution No. 47, s. 2018 dated 04**
15 **July 2018 and *Provided*, That it will be at No Additional Cost to the**
16 **Procuring Entity, effective upon Board approval.**

17 President Tulin reminded the Board that the cause of the delay in the
18 Academic Building is the delay in the construction of the Roof Framing by
19 another contractor.

20 Regent Roy Bernard C. Fiel moved for the approval of the Request of
21 Antig Construction for a 30-Calendar Day Time Extension for the Construction of
22 the Two-Storey Academic building per BAC Resolution No. 46, s. 2018 *dated* 04
23 July 2018.

24 President Edgardo E. Tulin seconded the motion.

25 No objection was raised.

26 The Board passed

27 **BOR RESOLUTION NO. 114, s. 2018**

28 **A Resolution Approving the Request of the ANTIG Construction for**
29 **30 Calendar-Day Time Extension to Finish the Two-Storey Academic**
30 **Building at the VSU Villaba Campus per BAC Resolution No. 46, s. 2018**
31 **dated 04 July 2018 and *Provided*, That it will be at No Additional Cost to the**
32 **Procuring Entity, effective upon Board approval.**

1 **D. BAC Resolution No. 39, s. 2018 Recommending the Termination of the**
2 **Contract between VSU and the Toyota Tacloban, Leyte Inc., for the Supply**
3 **and Delivery of One (1) Unit Toyota Innova J 2.0 Gas M/T (PO#BAC17-11-**
4 **182)**

5 The Presiding Chair request President Tulin to present the proposal.

6 The President informed the Board that the Tacloban, Leyte Inc., has
7 informed the University that it can no longer supply/deliver one (1) unit Toyota
8 Innova J 2.0 Gas M/T because said model is no longer available.

9 Regent Santiago suggested that the University should confiscate the
10 Performance Bond and further, that the University will charge them with
11 liquidated damages. This is accordance with RA 9184.

12 The Presiding Chair rephrased the proposed BOR Resolution, to wit:
13 “Approving the Termination of the Contract between VSU and the Toyota
14 Tacloban, Leyte Inc., for the Supply and Delivery of One (1) Unit Toyota Innova J
15 2.0 Gas M/T (PO#BAC17-11-182) with an additional Directive to Confiscate the
16 Performance Bond put up by the Toyota Tacloban, Leyte Inc., as well as file for
17 Liquidated Damages against Toyota Tacloban, Leyte, Inc. in Accordance with the
18 Provisions of RA 9184; and Finally, to Authorize the University Administration
19 to Purchase a Replacement Vehicle of the Same Class (AUV) **Provided, That the**
20 amount does not exceed P1.40 million.”

21 Regent Cipriano G. Santiago motioned for the approval of the proposal.

22 Regent Roy Bernard C. Fiel seconded the motion.

23 No objection was raised.

24 The Board passed

25 **BOR RESOLUTION NO. 115, s. 2018**

26 **A Resolution Approving the Termination of the Contract between**
27 **VSU and the Toyota Tacloban, Leyte Inc., for the Supply and Delivery of**
28 **One (1) Unit Toyota Innova J 2.0 Gas M/T (PO#BAC17-11-182) with an**
29 **additional Directive to Confiscate the Performance Bond put up by the**
30 **Toyota Tacloban, Leyte Inc., as well as file for Liquidated Damages against**
31 **Toyota Tacloban, Leyte, Inc. in accordance with the Provisions of RA 9184,**
32 **effective upon Board approval.**

1 Regent Fiel moved for approval by the Governing Board for Authority to
2 be granted to the University Administration for the purchase a replacement
3 vehicle **Provided**, That the amount does not exceed the budget of P1.40 million.

4 Regent Ernesto F. Bulayog seconded the motion

5 No objection was raised.

6 The Board passed

7 **BOR RESOLUTION NO. 116, s. 2018**

8 **A Resolution Authorizing the University Administration to Purchase**
9 **a Replacement Vehicle of the Same Class (AUV) *Provided*, That the amount**
10 **does not exceed P1.40 million.**

11 **E. BAC Resolution No. 45, s. 2018 Recommending the Termination of the**
12 **Contract between VSU and the DT & C Construction for the Project:**
13 **Construction of the Animal Disease Diagnostic Laboratory Building**

14 The Presiding Chair requested the President to present the proposal.

15 The President informed the Board that a number of Regents were able to
16 inspect the said building that was abandoned by the Contractor. During the visit,
17 the Regents were made to understand that there is no formal termination of the
18 Contract. Hence, this proposal.

19 Regent Santiago suggested that if the Board formally terminates the
20 contract with DT & C Construction as recommended by the Bids and Awards
21 Committee through BAC Resolution No. 45, s. 2018, said construction company
22 be subjected to Liquidated Damages and be recommended for Black Listing in
23 any government project.

24 The Presiding Chair commented that the filing for liquidated damages and
25 the black listing of the company were agreed upon with the BAC during the BOR
26 Consultation meeting in the University last 2-3 August 2018. It is a wonder why
27 these were not included in the BAC Resolution No. 45.

28 Regent Roy Bernard C. Fiel moved for the approval of BAC Resolution
29 No. 45, s. 2018 dated 06 August 2018 ***Subject to*** the following stipulations: (1)
30 ***That***, the DT & C Construction be subjected to Liquidated Damages; (2) ***That***,
31 the DT & C Construction be recommended for Black Listing in all government

1 projects in Region VIII; and (3) ***That***, the Performance Bond put up by DT & C
2 Construction be confiscated.

3 Regent Ernesto F/ Bulayog seconded the motion.

4 No objection was raised.

5 The Board passed

6 **BOR RESOLUTION NO. 117, s. 2018**

7 **A Resolution Approving the BAC Resolution No. 45, s. 2018**
8 **Recommending the Termination of the Contract between VSU and the DT &**
9 **C Construction for the Project: *Construction of the Animal Disease***
10 ***Diagnostic Laboratory Building*, effective upon Board approval.**

11 President Tulin requested for Authority to complete the Project by
12 Administration.

13 Regent Caminade inquired whether Administration will be able to
14 supervise another project construction given the number of on-going construction
15 projects in different stages of construction.

16 The Presiding Chair informed the Board that whenever construction
17 activities will be done “by Administration” the hired labor must be on “pakyaw”
18 basis and not on a daily basis. Many projects undertaken with laborers paid on a
19 daily basis remain unfinished. For better management of projects, the labor must
20 be on “pakyaw” basis.

21 President Tulin informed the Board that he is very amenable to the
22 proposed labor hiring strategy whenever construction will be done “by
23 Administration.”

24 Regent Bulayog mentioned that with the newly hired Civil Engineer,
25 maybe construction projects undertaken “by Administration” will be better
26 managed.

27 Regent Ernesto F. Bulayog moved for the approval of the request of the
28 University President for authority to continue the construction of the Animal
29 Disease Diagnostic Laboratory Building, by Administration ***Provided***, That hired
30 labor be contracted on a “pakyaw” basis.

31 Regent Roy Bernard C. Fiel seconded the motion.

1 No objection was raised.

2 The Board passed

3 **BOR RESOLUTION NO. 118, s. 2018**

4 **A Resolution Approving the Request of the University President for**
5 **authority to continue the construction of the Animal Disease Diagnostic**
6 **Laboratory Building, by Administration *Provided*, That hired labor be**
7 **contracted on a “pakyaw” basis.**

8 **F. Request of VSU Manila Office to Purchase Some Furniture, Fixtures and**
9 **Supplies for the VSU Manila Office**

10 The Presiding Chair requested the President to present the proposal.

11 The President informed the Board that in anticipation of the turnover of
12 the new VSU Office in Pasay City, there is a need to purchase new furniture,
13 fixtures and supplies for the office as well as for the lodging facilities.

14 Regent Fiel commented that based on the new delegation of the President,
15 he has leeway on the purchase of Goods below the threshold limit of P3.0 million.
16 The Board only Confirms, after the fact.

17 President Tulin pointed out that what is presented is just the Purchase
18 Request as the goods have not yet been purchased.

19 The Presiding Chair clarified in accordance with the spirit of the latest
20 CEB Resolution, what the Board Confirms is with respect to the awarding *not for*
21 the Purchase Request.

22 President Edgardo E. Tulin moved for the approval of the request of the
23 VSU Manila Office to purchase some furniture, fixtures and supplies for the
24 Manila Office.

25 Regent Roy Bernard C. Fiel seconded the motion.

26 No objection was raised.

27 The Board passed

28 **BOR RESOLUTION NO. 119, s. 2018**

29 **A Resolution Approving the Request of the VSU Manila Office to**
30 **Purchase Some Furniture, Fixtures and Supplies for the VSU Manila Office.**
31
32

1 **G. Request of VSU Tolosa to Purchase Materials Needed for the Installation of**
2 **Electricity Connections to Energize the New KOICA Buildings**

3 The Presiding Chair requested the President to present the proposal.

4 The President informed the Board that the KOICA Buildings still do not
5 have electricity until now because the still lack some electrical materials for them
6 to be able to connect to the power grid.

7 Regent Ernesto F. Bulayog moved for the approval of the request of the
8 VSU Tolosa to purchase materials needed for the installation of electricity
9 connections to energize the new KOICA buildings.

10 Regent Joel R. Caminade seconded the motion.

11 No objection was raised.

12 The Board passed

13 **BOR RESOLUTION NO. 120, s. 2018**

14 **A Resolution Approving the Request of the VSU Tolosa to Purchase**
15 **Materials Needed for the Installation of Electricity Connections to Energize**
16 **the New KOICA Buildings.**

17 **H. Request for Approval of Various BAC Resolutions for Award to Winning**
18 **Bidders**

19 1. BAC Resolution Numbers 27, 30, 33 and 40

20 The Presiding Chair requested the President to present the proposal.

21 The President informed the Board that the different items are presented
22 in Tab I₁ to I₁₀. These are presented to the Board because the ABC of the
23 items are higher than the Threshold indicated in the CEB Resolution.

24 The Presiding Chair informed the Board that all of the items
25 recommended by the Bids and Awards Committee (BAC) were discussed
26 during the Finance Committee Meeting. During that meeting, the Finance
27 Committee found that the items that were bided out and that there were a good
28 number of bidders vying to supply the University with its needs.

29 Regent Santiago commented that for Items 1to 4 cover Procurement of
30 Supplies and Delivery of Construction Materials. Does this mean that the

1 University already has contractors who will be using these materials? Or the
2 University is undertaking construction projects, "by administration?"

3 The Board Secretary informed the Board that the said construction
4 materials will be used in some construction work within the University. As
5 can be noted, the fund sources are varied meaning that different units of the
6 University are doing some construction work on their own. Most of the time,
7 these construction work are repairs to existing structures. These are small
8 projects undertaken "by Administration."

9 The Presiding Chair indicated that the projects probably are not new
10 projects because the default mode of procurement for new projects is by
11 competitive bidding. It bears mentioning that whenever Administration wants
12 to implement a new project "by Administration" **permission from the Board**
13 **MUST be secured prior to the start of the construction process.**

14 President Tulin also mentioned that these constitute repairs to
15 academic buildings, repairs of classrooms, and others that have to be attended
16 to by the University charged to STF, GAA and other sources. The materials
17 needed pass through the procurement process.

18 The Board Secretary added that the different units of the University
19 submit requisitions for materials and these are requisitions are aggregated
20 before these are bided-out.

21 Regent Caminade inquired whether the Administration keeps tabs on
22 project costing as well as the inventory control and management of the
23 different materials requisitioned by the units of the University for their
24 construction projects.

25 President Tulin informed the Board that the amount requisitioned by a
26 unit of the University is based on the costing per unit area of a building to be
27 repaired or renovated as calculated by the University Engineer.

28 Regent Caminade inquired whether the "*target costs for a certain*
29 *repair have been met?*"

1 Regent Fiel commented that in several of the BAC Resolution, there
2 are items with the notation Failure of Bidding. What will happen to these
3 items?

4 President Tulin indicated that in case of Failure of Bidding, the items
5 are re-bided out in accordance with the provisions of the Procurement Law.

6 The Presiding Chair requested for a Motion to Approve BAC
7 Resolutions 27, 30, 33, and 40 presented in Items I₁ to I₄.

8 Regent Ernesto F. Bulayog moved for the approval of BAC
9 Resolutions 27, 30, 33, and 40 presented in Items I₁ to I₄.

10 Regent Cipriano G. Santiago seconded the motion.

11 No objection was raised.

12 The Board passed

13 **BOR RESOLUTION NO. 121, s. 2018**

14 **A Resolution Approving BAC Resolution No. 27, s. 2018 dated 15**
15 **May 2018 for the Supply and Delivery of Construction Materials**
16 **(GOODS-18-17) *Provided*, That all items with Failed Bids be Re-bided**
17 **and *Provided Further*, That Administration will provide Strict**
18 **Monitoring of Inventories of the procured construction materials.**

19 **BOR RESOLUTION NO. 122, s. 2018**

20 **A Resolution Approving BAC Resolution No. 30, s. 2018 dated 04**
21 **June 2018 for the Supply and Delivery of Construction Materials**
22 **(GOODS-18-20) *Provided*, That all items with Failed Bids be Re-Bided**
23 **and *Provided Further*, That Administration will provide Strict**
24 **Monitoring of Inventories of the procured construction materials.**

25 **BOR RESOLUTION NO. 123, s. 2018**

26 **A Resolution Approving BAC Resolution No. 33, s. 2018 dated 11**
27 **July 2018 for the Supply and Delivery of Construction Materials**
28 **(GOODS-18-22) *Provided*, That all items with Failed Bids be Re-Bided**
29 **and *Provided Further*, That Administration will provide Strict**
30 **Monitoring of Inventories of the procured construction materials.**

31 **BOR RESOLUTION NO. 124, s. 2018**

32 **A Resolution Approving BAC Resolution No. 40, s. 2018 dated 24**
33 **July 2018 for the Fabrication and Installation of Aluminum Doors and**
34 **Windows for VSU Library (GOODS-18-18 R) *Provided*, That all items**
35 **with Failed Bids be Re-Bided and *Provided Further*, That Administration**
36 **will provide Strict Monitoring of Inventories of the procured construction**
37 **materials.**

BOR RESOLUTION NO. 125, s. 2018

A Resolution Approving BAC Resolution No. 29, s. 2018 dated 21 June 2018 for the Supply and Delivery of Digital Duplicators (GOODS-18-19).

1. BAC Resolution No. 35

The President informed the Board that for the item - *Supply, Installation, Commissioning and Testing of Fiber Optic Network and Related Tools and Equipment (GOODS-18-24)*, there is only one (1) bidder.

The Presiding Chair commented that there is only one (1) single, responsive bidder out of two (2) possible interested parties who purchased Bid Documents. Apparently the other bidder, after going over the Bid Documents, decided not to make a bid.

The President explained that this is actually for the High Speed Internet service around the Main Campus for the faculty and staff and the students. The cabling will be underground so that it cannot be toppled during typhoons and strong winds.

Regent Fiel inquired how many meters of Fiber Optic cable will be installed given the budget?

Regent Bulayog informed the Board that about 3,000 meters of Fiber Optic Cable will be imbedded underground around the Main Campus. In fact, the housing of these cables have long been laid down. The cable housing used in the university is similar or the same as those that Globelines used for their imbedded Fiber Optic cables (*orange tubing*).

Regent Fiel inquired whether the Main Campus has its own server?

The Board Secretary informed the Board that the Main Campus not only has a Main Server, it also has a Mirror or Redundant Server as a back-up server.

Regent Fiel inquired whether students will be able to access the database.

1 Regent Bulayog informed the Board that at present, the students in the
2 Main Campus are allowed to access the Student Portal which contain
3 information related mainly to academics. So, students can enroll on-line
4 because of this. They can also access their grades and other student-related
5 data. The faculty also have a Faculty Portal where they can access information
6 about their class schedules, location of classrooms and other pertinent
7 information.

8 Regent Fiel commented that Fiber Optics should provide other
9 opportunities for students to access other information like Library holdings
10 and the like. Registration is just a small cog in the large pie on Information
11 Technology.

12 President Tulin commented that this is where the University will be
13 headed in the years to come. When the Fiber Optic line is fully operational, it
14 will be possible to wire together all the academic department, research centers
15 and the support services of the University and so that students will be able to
16 access more information they need.

17 Regent Fiel indicated that he is happy to know that this project is in
18 preparation for a better access of information by the students.

19 Regent Ernesto F. Bulayog moved for the approval of BAC Resolution
20 No. 35, s. 2018 for the Supply, Installation, Commissioning and Testing of
21 Fiber Optic Network and Related Tools and Equipment (GOODS-18-24).

22 Regent John Allan A. Gulles seconded the motion.

23 No objection was raised.

24 The Board passed

25 **BOR RESOLUTION NO. 126, s. 2018**

26 **A Resolution Approving BAC Resolution No. 35, s. 2018 dated 10**
27 **July 2018 for the Supply, Installation, Commissioning and Testing of**
28 **Fiber Optic Network and Related Tools and Equipment (GOODS-18-24).**

2. BAC Resolution No. 34

The Presiding Chair inquired whether there were any questions, suggestions, and/ or objections on the next item, BAC Resolution No. 34, s. 2018 dated 24 July 2018 for the Supply and Delivery of I.T. Equipment and Supplies (GOODS-18-23).

Regent Bulayog informed the Board that he is speaking out because his department, the Department of Economics is affected. He narrated that his Department Head, Dr. Neil Moises Serioño encountered a problem with a computer equipment that was sourced from one of the suppliers of I.T. equipment of the University, the Baybay Printshop. Dr. Serioño's project had funds for the purchase of a complete computer system. However, after less than three (3) months of usage, the serious problems with the computer happened. The Department of Economics people tried to return said machine to the supplier for corrective action. When Dr. Serioño tried to follow up with the supplier, the owner-manager of the Baybay Printshop "***scolded Dr. Serioño for not using his head before making the complaint.***" Quite definitely, three (3) months still falls within the Warranty Period such that if there were any problems with said machine, the supplier is duty bound to immediately replace it or at least repair it for free.

The Faculty Regent commented that he had personally found out that this supplier, Baybay Printshop, has been given special consideration by the BAC. This is probably the reason why the owner-manager has the arrogance to scold customers or end users of products that his store delivered. And this is not the first time that this same thing has happened as other end users in the University have been badly treated by this same supplier.

Regent Santiago pointed out that even if the supplier submitted the lowest bid, there is such a thing as Post-Qualification wherein the BAC interviews previous end users. If the BAC receives negative feedback and if end users have had bad experience with said supplier, the BAC may decide to

1 award it to the next most competitive bidder. The BAC of the University **must**
2 **really be STRICT** on the Post-Qualification procedure so that all suppliers
3 will take note of this portion of RA 9184.

4 President Tulin instructed the Faculty Regent to immediately write to
5 the BAC so that the BAC can be careful in awarding in future biddings.

6 Regent Caminade inquired whether suppliers of small items are still
7 required to purchase bidding documents. Like in this case, these are very
8 small items and the local suppliers in the area should be able to supply these
9 needs.

10 The Board Secretary informed the Board that one of the factors why
11 the University finds difficulty in getting suppliers for its needs **is because of**
12 **the very delayed payment of accounts** to suppliers. This is probably one of
13 the reasons why the Procurement Office turns a blind eye to complaints
14 lodged against suppliers like the Baybay Printshop because only very few
15 suppliers are willing to supply the needs of VSU. Small suppliers in the
16 locality are unable to weather the very long timeframe before they are paid.

17 President Tulin informed the Board that there are so many signatories
18 to the transaction documents plus the fact that the volume of work is so much
19 that the employees have been barely able to handle it.

20 Dir. Esperancilla inquired whether the University is already ISO
21 certified?

22 The Board Secretary informed the Board that as of the moment, the
23 University is still not ISO certified but hopefully, in the next few months the
24 University will secure ISO certification.

25 Dir. Esperancilla explained that when the University is already ISO
26 certified, all documents have a specific number of hours to act on a certain
27 document. This means we can predict the length of time it takes for acting on
28 a certain transaction because all units are given only a fixed time limit to
29 complete a transaction. This now becomes the standard time for the unit.

1 The Board Secretary agreed that there is really a need to come up with
2 a fixed or standard time to complete a transaction. But this is largely
3 dependent on the efficiency of the unit, in this case the Supply, Procurement
4 and Property Management Office (SPPMO). Based on personal experience,
5 the SPPMO takes a long time to produce the Acknowledgement Receipt for
6 Equipment (ARE) for signature by the end user. Only when the ARE is
7 signed by the end user, will the payment of the GOODS be processed.

8 President Tulin commented that there was a time when the number of
9 days for a transaction to be completed was shortened. However, after a while,
10 it retrogressed.

11 After the long discussion, the Presiding Chair requested for a motion
12 to approve the BAC Resolution No. 34, s. 2018

13 Regent Ernesto F. Bulayog moved for the approval of BAC Resolution
14 No. 34, s. 2018 dated 24 July 2018 with the rider that the *“observation of the*
15 *Faculty Regent regarding Baybay Printshop be immediately conveyed to the*
16 *BAC for their Reference during the Post Qualification phase of the bidding*
17 *process.”*

18 Regent John Allan A. Gulles seconded the motion.

19 No objection was raised.

20 The Board passed

21 **BOR RESOLUTION NO. 127, s. 2018**

22 **A Resolution Approving BAC Resolution No. 34, s. 2018 dated 24**
23 **July 2018 for the Supply and Delivery of I.T. Equipment and Supplies**
24 **(GOODS-18-23) with a reminder to the BAC that “awarding to the lowest**
25 **bidder is not automatic pending the results of the Post Qualification phase**
26 **of the bidding process wherein if complaints are raised by end users, the**
27 **award may be given to the next lowest competitive bidder.”**

28 3. BAC Resolution No. 38

29 President Tulin informed the Board that this pertains to the supply and
30 delivery of laboratory equipment and competitive bidding was the mode of
31 procurement. These laboratory equipment were awarded to different suppliers.
32 However, there were some Failed Bids for some of the laboratory equipment.

1 Regent Joel R. Caminade moved for the approval of BAC Resolution
2 No. 38, s. 2018 dated 27 July 2018.

3 Regent Ernesto F. Bulayog seconded the motion.

4 No objection was raised.

5 The Board passed

6 **BOR RESOLUTION NO. 128 s. 2018**

7 **A Resolution Approving BAC Resolution No. 38, s. 2018 dated 27**
8 **July 2018 for the Supply and Delivery of Laboratory Equipment**
9 **(GOODS-18-27).**

10 4. BAC Resolution No. 31

11 The Presiding Chair pointed out that there are a number of bidders for
12 this project with the lowest bid coming at P8.199 million.

13 The Board Secretary expressed his apprehension regarding this low
14 bid considering that the bids of all the other bidders are quite close at P9
15 million. Only this low bid is an outlier and may have been the result of a
16 “dive” by the concerned contractor. The danger here is that given the rather
17 low bid, the contractor may not be able to complete the structure.

18 The Presiding Chair commented that the Management has to closely
19 monitor the progress of the construction.

20 Regent Fiel commented that there is a statement from the BAC, to wit:
21 *“The BAC Chairman assigned some BAC members to conduct a background*
22 *investigation of the bidder with the lowest calculated bid, competence and*
23 *experience as well as performance of the bidder in its on-going and completed*
24 *government and private contracts.”* Does this mean that the BAC is vouching
25 for the winning bidder?

26 Regent Bulayog commented that if this were the case, in the event that
27 the said Contractor will not be able to “*deliver the deliverable*,” **the Board**
28 **will go after the BAC.**

29 The Presiding Chair pointed out that this background investigation is
30 not a part of the work of the BAC but by the BAC Technical Working Group

1 (TWG). The TWG is responsible for undertaking a thorough evaluation of the
2 winning bidder and submits its findings to the BAC. The BAC itself should
3 not do this because it may not have the expertise in conducting the
4 background investigation.

5 President Tulin informed the Board that he assigned the University
6 Lawyer (*who is also a member of the BAC*) to conduct the background
7 investigation.

8 The Board Secretary narrated to the Board a similar case where "the
9 BAC also conducted a background investigation of a winning contractor" who
10 eventually was unable to complete a project. In this instance, I was the
11 Officer-In-Charge (OIC) of the University when my attention was called
12 related to this. I then called the "winning Contractor" to explain why he is
13 unable to complete the project. It was during that time that I was told that he
14 was just a "sub-contractor" and not the real "Contractor" and that "he just
15 rented the license of the real Contractor" so that he could undertake the
16 project. In this particular case, the BAC also vouched for the "Contractor"
17 which turned out to be just a "sub-contractor."

18 The Presiding Chair commented that if Management is made aware
19 that the project is being handled by a sub-contractor, the more that close
20 monitoring should be done. Sub-contracting is usually done when the winning
21 bidder (Contractor) is not based in the Region.

22 Regent Caminade commented that the identity and personality of the
23 Contractor is clearly laid out in the bidding documents.

24 Regent Bulayog questioned the membership of the University lawyer
25 in the BAC stating that this is disadvantageous to the University and there
26 could also be a conflict of interest.

27 The Presiding Chair pointed out that the advantage of having a lawyer
28 in the BAC is that he is able to ensure that all transactions fall within the
29 ambit of law and can expedite the bidding process.

1 Regent Bulayog suggested that the University lawyer can just be an
2 Ex-Officio member but not a “signing member” of the BAC.

3 After a long discussion, the Presiding Chair requested for a motion to
4 approve.

5 Regent Ernesto F. Bulayog moved for the approval of BAC Resolution
6 No. 38, s. 2018 dated 27 July 2018.

7 Regent Joel R. Caminade seconded the motion.

8 No objection was raised.

9 The Board passed

10 **BOR RESOLUTION NO. 129 s. 2018**

11 **A Resolution Approving BAC Resolution No. 31, s. 2018 dated 11**
12 **July 2018 for the Construction of a Flood Control River Dike at VSU**
13 **Isabel (INFRA-18-12) Subject to Strict Monitoring of the Project.**

14 5. BAC Resolution No. 41

15 The President informed the Board that this project pertains to the
16 expansion of the University Gymnatorium. When completed, the area of the
17 Gymnatorium will be doubled. This is just Phase 1 of the expansion given that
18 the budget for 2018 is just P10.0 million.

19 Again the Board Secretary expressed his concern regarding the bid of
20 the “winning bidder” which can also be considered an outlier given that most
21 of the other bids closely hewed the P9-10 million range. Most probably, the
22 winning Contractor made a “dive” in order to get the project.

23 The Presiding Chair indicated that this project has to be closely
24 monitored especially the quality of the metal bars that will be used.

25 Dir. Esperancilla commented that the University’s
26 Resident/Supervising Engineer **MUST make sure** that all rebars and other
27 metal components have the PS (*Philippine Standard*) mark, for locally
28 produced steel products, or the ICC (*Import Commodity Clearance*) mark, for
29 imported steel products to be assured that the steel used meet the standards set
30 in the Building Code of the Philippines.

1 Regent Fiel again commented on the habit of the University in coming
2 up with "phase work" in its construction projects. Usually, Phase 1 of the
3 project means that "it is not yet useable or habitable." The members of the
4 Board already expressed to Management the need to do away with this "*phase*
5 *by phase construction planning.*" In this instance, the title and the contents of
6 the BAC Resolution put forward for consideration by the Governing Board
7 "does not clearly state that what is being requested for approval is just a
8 partial construction." He indicated that this is misleading or intends to
9 mislead with the hope of enticing the Governing Board to approve the request
10 for a partial construction. How can the Board resolve issues like this?

11 The Presiding Chair commented that when he was new in the VSU
12 Board, he had the same reaction: "*Why just partial building construction only*
13 *and why not just devote all resources on one building at a time so that it can*
14 *be finished and made useable immediately?"*

15 The Presiding Chair narrated that this "strategy" of coming up with
16 "partial construction projects" has something to do with how much allocation
17 the University is given by the DBM for a particular year. The University also
18 makes several infrastructure proposals "to satisfy as many University units, as
19 possible." These constitute "Pogi-Points" for Administration in the sense that
20 Administration expresses its support to as many units as possible even if the
21 said facilities are not useable even after a year "because it is just Phase 1."

22 Regent Bulayog informed the Board that he has observed that in many
23 instances, that completion of unfinished infrastructure projects "is undertaken
24 by Administration." Apparently, the University Engineer wields enough
25 "power" such that he has *control over the fate of the construction projects all*
26 *over the Main Campus* because he controls the workers. Although there was
27 no investigation has been conducted relative to this, the construction workers
28 themselves confirm this.

1 Dir. Esperancilla pointed out that bids for “vertical projects” tend to be
2 tight because there is very little leeway. The number of steel bars, roofing,
3 cement, hollow blocks, etc... that are needed can be computed. However, for
4 “horizontal projects,” there is a much bigger leeway for the Contractors and
5 so, horizontal projects need more close supervision.

6 Regent Caminade suggested that if the University finds it difficult to
7 secure funds to complete an infrastructure project or if the University has
8 difficulty in closely supervising project construction, the Landbank has a
9 solution to this through its Infrastructure Financing program wherein the Bank
10 takes care of the construction as well as the funding, and just turns over the
11 completed structure to the client upon completion. Payment can be undertaken
12 through a “rent-to-own scheme” spread over several years using the MOOE
13 fund allocation of the University as source of payment.

14 Regent Bulayog commented that the Batangas State University is
15 using this method for the construction of its new academic building and the
16 modern cafeteria in the BSU Main Campus.

17 Regent Caminade indicated that the Bank can even undertake the
18 whole gamut of building construction from building design and crafting of the
19 building plans to actual construction. Hassle free for the client. The Bank has
20 its own trusted personnel like engineers who will undertake the inspection
21 during construction.

22 President Tulin requested for a separate meeting with the Land Bank
23 Team.

24 Regent Fiel inquired whether the “savings” amounting to almost P2
25 million can be used to build “bleachers.”

26 President Tulin commented that it can be used but that the amount
27 might not be enough for the bleachers. It is for this reason that the present
28 bleachers will not yet be demolished so that the Gymnatorium can still be
29 utilized by the University for its activities.

1 Regent Bulayog mentioned that it may be advantageous if the
2 University will also plan for the construction of a separate Auditorium for
3 “cultural and other purposes.”

4 Regent Roy Bernard C. Fiel moved for the approval of the BAC
5 Resolution No. 41 Provided, That “the savings” will be also utilized for the
6 project.

7 Regent Joel R. Caminade seconded the motion.

8 No objection was raised.

9 The Board passed

10 **BOR RESOLUTION NO. 130 s. 2018**

11 **A Resolution Approving BAC Resolution No. 41, s. 2018 dated 27**
12 **July 2018 for the Expansion of the University Gymnatorium (INFRA-18-**
13 **13) Provided, That the “savings” be utilized for the same project.**

14 J. Proposed Amendment to BOR Resolution No. 54, s. 2018 on the Procurement
15 Threshold Limits Delegated to the University President

16 President Tulin informed the Board that the BAC has expressed its
17 apprehension regarding the need to have BOR Confirmation of procurement
18 of goods and services that fall within the delegated authority of the President
19 for fear that the BOR might decide not to Confirm what the President has
20 already approved.

21 The Presiding Chair commented that the point raised by the President
22 is whether the BOR should actually Confirm what the President has approved
23 or should the BOR just be informed of the President’s action(s). The Board
24 has the power to delegate any of its powers including the authority to procure.
25 The authority to procure may be fully delegated, as what happened in the
26 previous years. During this time, then President Bacusmo never did inform the
27 Board about any of the university’s procurement activities.

28 The Board Secretary opined that if the Board delegates a Procurement
29 Threshold level to the President, without saying, the Board is estopped from
30 not Confirming any and all actions made by the President within that

1 Procurement Threshold level. The apprehension of the BAC is without legal
2 basis.

3 The Presiding Chair commented that the Board may also require that
4 all actions of the President attendant to procurement should be subject to
5 Confirmation by the Board. However, if the Board so decides, it can also fully
6 delegate the procurement authority to the President and the Board is just
7 informed of such Presidential action(s). The Board may even decide not to be
8 informed anymore.

9 The Presiding Chair again manifested that this item be discussed only
10 when the Hon. Chair, Comm. De Vera, will be in attendance.

11 Regent Fiel informed the Board that when he went around the External
12 Campuses, he was informed that *"the External Campuses were informed by
13 people in the Main Campus that procurement will now be delayed because it
14 is now the Board of Regents that will act as the HOPE."*

15 In relation to this startling information, Regent Fiel inquired whether
16 in the past, they had experienced delays in procurement. Almost all personnel
17 involved in the procurement system in the External Campuses expressed that
18 there have been long to very long delays in their procurement of goods,
19 equipment, and infrastructure. There are still goods that have yet been
20 undelivered since 2017. So, as far as delay in procurement is concerned, the
21 Board as the HOPE may not be a good reason why there will be delays in the
22 procurement process.

23 Regent Fiel stressed that during the August discussions in the Main
24 Campus, it has been identified that there really are serious management
25 problems in the University. And these problems started to surface only when
26 the Board started taking over the Procurement System of the University.
27 *Given the magnitude and the seriousness of the managerial problems facing*
28 *the University, it would be prudent for Management to seek guidance and*

1 *advice from Higher Authorities on how to proceed.* Given the present
2 situation, the University has some seriously incompetent employees.

3 Granting that the Board will approve the President's request that he be
4 granted a Procurement Threshold of P20.0 million *for Infrastructure and*
5 *Equipment* and P3.0 million *for Goods and Services*, will the Governing
6 Board not be held liable from administrative, civil, and criminal liability in
7 case there is(are) violation(s) of the Procurement law by the President?

8 Regent Bulayog inquired from the Presiding Chair what the other
9 SUCs in Region 8 are going about in their procurement activities.

10 The Presiding Chair informed the Board that in other Region 8 SUCs,
11 some Presidents opted not to have Procurement authority. So, all their
12 Procurement activities are lodged with the Governing Boards during *en banc*
13 sessions. Some, however, opted to operate using the 2015 CHED *en banc*
14 Resolution. These SUCs were able to make advanced project design, and so
15 the procurement of Infrastructure went well.

16 Insofar as the query of Regent Fiel, once the President is given full
17 authority by the governing Board to act on any and all procurement activities,
18 all attendant liability will be shouldered by the President. In a way, the Board
19 will be insulated from any liability.

20 Dir. Esperancilla informed the Board that in the other SUCs that he
21 and the Presiding Chair also sit, for infrastructure and equipment, the
22 threshold limit is P5.0 million while for Goods and Services, it is P3.0 million.

23 President Tulin indicated that he is not comfortable with the P20
24 million threshold limit for Infrastructure and Equipment and would prefer that
25 it be reduced to P5.0 million and for Goods and Services to P3.0 million.

26 The Presiding Chair again manifested that this issue be revisited when
27 the CHED Chair, Comm. De Vera will be in attendance.

1 **B. Recommending Confirmation by the HOPE**

2 1. Procurement of Goods and Services (Below P3.0 million)

- 3 a. BAC Resolution No. 32, s. 2018 *dated* 08 June 2018
4 *Re: Supply and Delivery of Office and Janitorial Supplies (GOODS-18-21)*
5 ABC = P 1,500,000.00
- 6 b. BAC Resolution No. 37, s. 2018 *dated* 17 July 2018
7 *Re: Supply and Delivery of Lab. Supplies & Chemicals (GOODS-18-26)*
8 ABC = P 800,000.00

9 The Presiding Chair inquired whether there were any comments and/or
10 objections to BAC Resolutions Number 32 and 37, as presented.

11 Hearing none, Regent Ernesto F. Bulayog moved for the approval of the
12 two (2) BAC Resolutions, BAC Resolution No. 32, s. 2018 dated 08 June 2018
13 for the *Supply and Delivery of Office and Janitorial Supplies (GOODS-18-21)*
14 and BAC Resolution No. 37, s. 2018 dated 17 July 2018 for the Supply and
15 Delivery of Laboratory Supplies and Chemicals (GOODS-18-26), as presented.

16 President Edgardo E. Tulin seconded the motion.

17 The Board passed

18 **BOR RESOLUTION NO. 132 s. 2018**

19 **A Resolution Approving BAC Resolution No. 32, s. 2018 dated 08**
20 **June 2018 for the *Supply and Delivery of Office and Janitorial Supplies***
21 **(GOODS-18-21).**

22 **BOR RESOLUTION NO. 133 s. 2018**

23 **A Resolution Approving BAC Resolution No. 32, s. 2018 dated 08**
24 **June 2018 for the *Supply and Delivery of Laboratory Supplies and Chemicals***
25 **(GOODS-18-21).**

26 2. List of Candidates for Graduation, Summer SY 2017-2018, University System

27 President Tulin presented to the Board the 29 Candidates for Graduation,
28 Summer, SY 2017-2018, for Confirmation by the Governing Board. The List
29 includes: for the Graduate level, one (1) graduate for the degree of Master of
30 Management; for the Undergraduate level, 26 graduates from the Main Campus,
31 one (1) graduate from the VSU Tolosa, and one (1) graduate from the VSU Isabel
32 or a total of 29 graduates. These have been reviewed and endorsed by the
33 University Academic Council (UAC) through Referendum.

1 No comment and/or objection was raised.

2 Regent Ernesto F. Bulayog moved for the Confirmation of the List of
3 Candidates for Graduation, Summer, SY 2017-2018.

4 Regent John Alan A. Gulles seconded the motion.

5 The Board passed

6 **BOR RESOLUTION NO. 134, s. 2018**

7 **A Resolution Confirming the List of Candidates for Graduation for**
8 **Summer, SY 2017-2018, *Provided, that all candidates have complied with all***
9 **requirements for graduation on or before the deadline indicated in the**
10 **approved Academic Calendar for SY 2017-2018.**

11 **C. For Notation by the HOPE**

12 1. Permission to Bid Vehicles for the Main Campus

13 President Tulin informed the Board that these were already presented
14 and discussed by the BOR Finance Committee. Funding for these vehicles
15 have been included in the University's NEP for 2019, as follows: a School
16 Bus (50 seater); a Commuter-type Closed Van; and a Multi-Purpose vehicle.
17 The School Bus is intended for the use by the students during OJT studies,
18 Athletic Events, and school visits.

19 Regent Santiago inquired what is this multi-purpose vehicle, what is it
20 for, and whether the cost estimates already took into account the impact of the
21 TRAIN law *via* excise tax on vehicles.

22 The Board Secretary informed the Board that the intended vehicle is a
23 Mitsubishi L-300 costing about P1.1 million. This vehicle is a service vehicle
24 and will be deployed later to the VSU Cebu Office once construction of the
25 Office is completed.

26 Regent Santiago mentioned that if the cost of the vehicle is above P1.0
27 million, the TRAIN law through the excise tax, will add another P200,000 to
28 the price of said vehicle.
29

1
2 The Board did not raise any objections on the purchase of the three (3)
3 vehicles for the Main Campus considering that the funding was already
4 incorporated in the University's NEP for 2019.

5 2. Permission to Bid for Road Network Concreting for VSU Tolosa

6 President Tulin informed the Board that the VSU Tolosa needs to have
7 inner road network within the campus. As yet, there is no specific funding yet.

8 The Presiding Chair suggested to the President that a detailed funding
9 requirement has to be submitted for discussion in the next Finance Committee
10 meeting.

11 3. Expansion of the National Highway traversing the VSU Main Campus by the
12 Department of Public Works and Highways

13 President Tulin informed the Board that the Department of Public
14 Works and Highways (DPWH) has finally approved the expansion of the
15 national highway traversing the Main Campus as proposed by the University.
16 It proposed expansion will not touch the trees lining the national highway and
17 instead the road expansion will take place along the sides of the trees on either
18 side of the highway. Unfortunately, the University fence on either side of the
19 highway will be demolished in the process. But, this is the price for saving the
20 trees. It will be a one-of-a-kind highway expansion undertaken by the DPWH.

21 **IV. OTHER MATTERS**

22 1. Participation of Ten (10) Students in the OJT Program in AgroStudies in Israel

23 President Tulin informed the Board that for the past eight (8) years, the
24 University has been actively participating in the AgroStudies program through the
25 International Center for Agricultural Studies in Israel for the On-The-Job-Training
26 (OJT) related to the practice of Agriculture and related fields of our graduating BS
27 Agriculture students. This year, the University is sending ten (10) students in three (3)
28 batches with the first batch leaving this coming 05 September 2018; the second batch
29 leaving on 08 September 2018; and the last batch on 15 September 2018.

1 Just last Friday, 31 August 2018, the CHED Central Office informed the
2 Program Coordinator, to secure a BOR Approval so that the ten (10) students will be
3 able to join the AgroStudies program. The Director of the CHED Regional Office
4 VIII has already made an endorsement and we also have the Memorandum of
5 Understanding together with 30 other SUCs who are participating in the Program.

6 Dir. Esperancilla suggested that these ten (10) students should be requested to
7 make an observation report at the end of their OJT duty in Israel and possibly make
8 recommendations on how to improve the curricular program.

9 President Tulin commented that the University will come up with a format or
10 a template for the students to use upon their return.

11 The Presiding Chair requested for a motion to approve.

12 Regent John Allan A. Gulles moved for the approval of the participation of
13 ten (10) students in the OJT Program through the AgroStudies in Israel.

14 Regent Ernesto F. Bulayog seconded the motion.

15 No objection was raised.

16 The Board passed

17 **BOR RESOLUTION NO. 135, s. 2018**

18 **A Resolution Approving the participation of ten (10) students in the**
19 **OJT Program through the AgroStudies in Israel *Provided, That upon their***
20 **return from Israel, the come up with a Report on their Observations on the**
21 **OJT program in the hope of improving the curricular program.**

22 2. Request for Utilization of P1.0 million for Use in the ISO Activities of the University

23 President Tulin informed the Board that the University will now be subjecting
24 itself to ISO 9001:2015 in the weeks to come but not later than 31 December 2018. In
25 the past, the University prepared for ISO 9001:2008 but at this time the most recent
26 ISO is 9001:2015.

27 The University needs about P1.0 million to be able to hire Consultants to
28 assist the University on the changes under ISO 9001:2015 edition. We also need
29 funds to pay the Certifying Body that will make the assessment.

1 The Presiding Chair commented that the sum of P1.0 million is a very modest
2 sum for ISO Certification and inquired whether there was any objection on the grant
3 of this amount.

4 Regent Roy Bernard C. Fiel moved for the approval of the Request for
5 Utilization of P1.0 million for Use in the ISO Activities of the University, as
6 proposed.

7 Regent Ernesto F. Bulayog seconded the motion.

8 The Board passed

9 **BOR RESOLUTION NO. 136, s. 2018**

10 **A Resolution Approving the Request for Utilization of P1.0 million for**
11 **Use in the ISO Activities of the University, as proposed.**

12 3. MOA between the VSU and the VSU-CC

13 President Tulin informed the Board that the VSU Credit Cooperative (VSU-
14 CC) is an employees' cooperative and has been operating for the past so many years.
15 The said cooperative has been using a portion of the old administration building
16 which has now been identified as the new University Board Room/Conference Room
17 that will be fully equipped with state-of-the-art audio-visual system.

18 In short, the VSU-CC needs to transfer its location of business to another area
19 still within the old administration building which currently is being vacated by the
20 personnel of the BIDANI program. The VSU-CC intends to renovate the vacated
21 BIDANI area. The MOA for their continued stay in the Administration building area
22 has already expired and the VSU-CC is now seeking for another MOA for the use of
23 the place for the next 25 years.

24 Regent Fiel suggested that since the area that the Coop intends to occupy is
25 within a government building, the word "construct" **should be deleted**. The Coop
26 will just be renovating.

27 The Board Secretary informed the Board that the Coop was already amenable
28 to a 10-year stay in their new location and no longer 25 years as stipulated in the
29 proposed MOA.

1 Regent Fiel noted that the said Coop will not be paying any lease for the use
2 of the Room.

3 Regent Bulayog pointed out that under RA 9520, an employees' Cooperative
4 can request for the use of a space within the agency for FREE.

5 Regent Fiel indicated that if this is the case, it should not be called a MOA or
6 even a Lease but rather a Limited Usufruct Agreement effective for a period of ten
7 (10) years.

8 Regent Santiago suggested that this being the case, there should be a
9 stipulation that the Coop is prohibited from sub-leasing any portion of their Office
10 space. Further, the Coop should not also engage in the sale of goods within their
11 premises and this should be included in the Limited Usufruct Agreement.

12 Regent Ernesto F. Bulayog moved for the approval of the proposed Limited
13 Usufruct Agreement ***Subject to*** the modifications suggested by the Board of Regents.

14 Regent Roy Bernard C. Fiel seconded the motion.

15 The Board passed

16 **BOR RESOLUTION NO. 137, s. 2018**

17 **A Resolution Approving the Proposed Limited Usufruct Agreement**
18 **between the VSU and the VSU-CC, *Subject to* the modifications suggested by**
19 **the Board of Regents.**

20 4. Renovation of the Administration Building *Re:* Office of the University President,
21 Office of the University/Board Secretary, and the Board/Conference Room

22 The Board Secretary informed the Board that the Administration building is in
23 need of a serious face lifting on account of wear and tear. Further, the Office of the
24 President and the Office of the Board Secretary have not been renovated since these
25 were created. It is now high time to renovate and improve these Offices. Finally, the
26 University would like to create its own Board Room and Conference Room and equip
27 this new room with State-of-the-Art audio-visual equipment and software. All-in-all,
28 the proposed face lifting already has a budget of about P7 million sourced from the
29 GAA for 2018. The proposal was discussed and approved by the UADCO.

1 It is for this reason that the VSU-CC is forced to relocate because the area
2 they currently occupy will now be used by VSU and their MOA with the University
3 has already lapsed.

4 The Board Secretary assured the Board that the Program of Work including
5 the design and costing has already been prepared.

6 The Presiding Chair indicated that this undertaking will have to be bided out.

7 Regent Joel R. Caminade moved for the approval of the proposal, as
8 presented.

9 Regent Ernesto F. Bulayog seconded the motion.

10 No objection was raised.

11 The Board passed

12 **BOR RESOLUTION NO. 138, s. 2018**

13 **A Resolution Approving the Renovation of the Administration**
14 **Building *Re: Office of the University President, Office of the***
15 **University/Board Secretary, and the Board/Conference Room, *Provided,***
16 **That the Renovation will be Bided Out.**

17 J. Proposed Amendment to BOR Resolution No. 54, s. 2018 on the Procurement Threshold
18 Limits Delegated to the University President

19 Upon arrival of VSU BOR Chairperson, Commissioner J. Prospero E. De
20 Vera III, the Presiding Chair, Regent Bonifacio G. Uy, updated the Hon. Chair about
21 what was discussed by the Board including the proposed amendment to BOR
22 Resolution No. 54, s. 2018 on the Threshold Limits on Procurement of the University
23 President.

24 The Hon. Chair indicated that he will support whatever decisions the Board
25 had already agreed.

26 President Tulin informed the hon. Chair that instead of the P20.0 million
27 Threshold Limit for Infrastructure and Equipment, that this be reduced to only P5.0
28 million and below. As for the Threshold Limit on Goods and Services, it should only
29 be P3.0 million and below.

1 The President also presented that the Campus Directors be provided with their
2 own Threshold limits so that they will also have responsibilities regarding
3 procurement.

4 The Hon. Chair suggested that in view of the closing of the calendar year, the
5 new Threshold Limits requested by the President will be effective only by January
6 2019.

7 The Hon. Chair inquired if there were any objections on the request of the
8 President for new Threshold Limits.

9 Regent Cipriano G. Santiago moved for the approval of the new Threshold
10 Limits requested by the President as follows: Infrastructure and Equipment - P5.0 and
11 below; Goods and Services – P3.0 million and below.

12 Regent Joel R. Caminade seconded the motion.

13 No objection was raised.

14 The Board passed

15 **BOR RESOLUTION NO. 131, s. 2018**

16 **A Resolution Approving the New Threshold Limits requested by the**
17 **University President: : Infrastructure and Equipment - P5.0 and below;**
18 **Goods and Services – P3.0 million and below, effective 01 January 2019.**

19 **V. ADJOURNMENT**

20 After all items were discussed, Chairperson J. Prospero E. De Vera III
21 requested for a motion to adjourn the 85th BOR Meeting.

22 President Edgardo E. Tulin moved for the adjournment of the 85th Board of
23 Regents meeting.

24 Regent Bonifacio G. Uy seconded the motion.

25 Chairperson J. Prospero E. De Vera III thanked everybody for their presence
26 and adjourned the 82nd Board of Regents (BOR) Meeting of the Visayas State
27 University at 2:35 P.M.

28 Certified True and Correct

29 **DANIEL M. TUdTUD, JR.**

30 *Board Secretary*

31 Attested:

32 **J. PROSPERO E. DE VERA III, PhD.**

33 *Chairperson*