

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATIONS CODE (SRC) AND SRC RULE 17(a)-1(b)(3) THEREUNDER

1. July 21, 2014
Date of Report (Date of earliest event reported)
2. 34218
SEC Identification Number
3. 000-153-610-000
BIR Tax Identification Number
4. AYALA CORPORATION
Exact Name of registrant as specified in its charter
5. PHILIPPINES
Province, country or other jurisdiction of incorporation
6. [REDACTED] (SEC Use Only)
Industry Classification Code
7. 34/F, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City
Address of principal office
- 1226
Postal code
8. 908-3000
Registrant's telephone number, including area code
9. N.A.
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 4 and 8 of the SRC

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	600,470,791 shares
Preferred B Shares	20,000,000 shares
Voting Preferred Shares	200,000,000 shares

Indicate the item numbers reported herein : Item 9 – Other Events

Public announcement by AC Infrastructure Holdings Corporation and Aboitiz Land, Inc. on the filing with the Office of the President a Comment on the Memorandum of Appeal put forward by Optimal Infrastructure Development, Inc. for the bidding of the Cavite-Laguna Expressway Project.

Pursuant to the requirements of the Securities Regulations Code, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AYALA CORPORATION
Registrant

Date : July 21, 2014


JOHN ERIC T. FRANCIA
Managing Director
Group Head, Corporate Strategy and
Development

PUBLIC ANNOUNCEMENT

AC Infrastructure Holdings Corporation and Aboitiz Land, Inc., members of the Team Orion (Orion) consortium that submitted the highest complying bid for the Cavite-Laguna Expressway Project, together filed with the Office of the President a Comment on the Memorandum of Appeal put forward by Optimal Infrastructure Development, Inc. (Optimal) last June 27, 2014.

Optimal was disqualified from the bidding of the CALAX project after it submitted an erroneous and deficient bid security last June 2, 2014. Optimal acknowledged in its own Memorandum of Appeal that it indeed submitted an erroneous and defective bid. Optimal filed the Appeal two weeks after it was disqualified by the Special Bids and Awards Committee (SBAC) on the basis of this error and defect. The SBAC issued its Resolution disqualifying Optimal on June 11, 2014 (the "Resolution").

Through counsel, Orion raises the following points:

1. Optimal cannot be allowed to undo and reset the bidding process simply by its own announcement of its alleged bid, given that it is non-verifiable and legally non-existent, "a bid that was returned unopened and that was, in a manner of speaking, officially dead, especially after Appellant [Optimal] spoiled it as evidence."
2. Public policy and the dictates of transparency and good governance demand strict compliance with the bidding rules.
3. The sanctity and integrity of the PPP framework and bidding process must be protected, lest confidence in the process is undermined.
4. Optimal forfeited its right to question the Resolution by its failure to appeal prior to its implementation and by its compliance with the Resolution through its appearance before the SBAC and acceptance of its Technical and Financial Bid in compliance with the Resolution. Optimal did not follow the legal process and went to the media to announce its alleged bid. It appealed to the Office of the President two weeks after its disqualification has been implemented and after public opinion has not resulted in the acceptance of the alleged bid, a result which Optimal now seeks from the Office of the President.

Based on the Build-Operate-Transfer (BOT) Law that governs the bidding of the CALAX project and all other Public Private Partnership projects, if a bidder fails to comply with any of the requirements of the bid, its financial proposal should be returned unopened and the bidder shall be disqualified from further participating in the bidding, regardless of whatever its bid amount might have been. This is the very purpose of the multi-stage bidding process being followed by the DPWH and the SBAC to help them determine the best available bid and prevent their judgment from being clouded by financial considerations.

The winner in a public bidding is not merely the bidder with the highest bid amount, but rather the bidder with the "highest complying bid". The other bidders who participated, namely, the Metro Pacific Group and MTD Capital Bhd (Malaysia), both submitted bids that were compliant with the requirements and followed the rules. Optimal was the only participating bidder that failed to meet the requirements, and as a result, it was disqualified from further participating in the opening of the financial bid.

Consistent with bidding procedures and rules governing disqualification, the SBAC returned to Optimal, its unreviewed Technical envelope and unopened Financial Bid which the latter accepted last June 13, 2014. That same day, the SBAC opened the financial bids of the three other qualified bidders, namely Orion, Metro Pacific Group and MTD Capital Bhd (Malaysia). Orion submitted the highest qualified and compliant bid.

According to Team Orion spokesperson Mr. Roman Azanza III, "We filed a Motion to Intervene with Malacañang because we want our voice to be heard on this very important matter. We believe that nobody or no entity should ever be allowed to undermine the bidding process. There are rules and procedures that must be followed in a public bidding. If we do not follow it, and if we let errant participants act outside of the rules of a public bidding process, then the whole process will lose credibility."

Mr. Azanza added, "We stand more to lose as a nation if we do not respect our own bidding rules and procedures. There remain nearly P900 billion worth of PPP infrastructure projects that will still have to be bid out to investors because government alone cannot undertake these projects. We need to keep the hard-earned confidence of investors in the stability and integrity of our public bidding process. Losing the confidence of investors would certainly have more of a "chilling effect on the Philippine economy", particularly if any disqualified bidder could, after being disqualified and after the bidding process itself has been concluded, force to change the results by simply proclaiming a bid that, because of its own actions, cannot be verified to be existent in the first place."

Following the Motion to Intervene filed by Team Orion, Malacañang is expected to study the matter and come to a decision shortly.

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