

# **BIDDING DOCUMENTS**

## **Procurement of Consulting Services**

**for the**

***Re-bidding of the Conduct of  
Value Engineering/  
Value Analysis (VE/VA) Study for  
Water Security in Metro Manila***

**26 October 2015**

# Section I. Instructions to Bidders

## TABLE OF CONTENTS

<b>A.</b>	<b>GENERAL .....</b>	<b>4</b>
1.	Introduction.....	4
2.	Conflict of Interest .....	4
3.	Corrupt, Fraudulent, Collusive, and Coercive Practices.....	6
4.	Consultant's Responsibilities.....	7
5.	Origin of Associated Goods.....	9
6.	Subcontracts.....	9
<b>B.</b>	<b>CONTENTS OF BIDDING DOCUMENTS .....</b>	<b>9</b>
7.	Pre-Proposal Conference .....	9
8.	Clarifications and Amendments to Bidding Documents .....	10
<b>C.</b>	<b>PREPARATION OF PROPOSALS .....</b>	<b>10</b>
9.	Language of Proposals .....	10
10.	Documents Comprising the Proposal: Technical Proposal.....	10
11.	Documents Comprising the Proposal: Financial Proposal.....	13
12.	Alternative Proposals .....	14
13.	Proposal Currencies .....	14
14.	Proposal Validity .....	14
15.	Proposal Security .....	14
16.	Format and Signing of Proposals.....	18
17.	Sealing and Marking of Proposals .....	19
<b>D.</b>	<b>SUBMISSION OF BIDS .....</b>	<b>19</b>
18.	Deadline for Submission of Proposals.....	19
19.	Late Proposals.....	19
20.	Modification and Withdrawal of Proposals .....	20
<b>E.</b>	<b>EVALUATION AND COMPARISON OF PROPOSALS .....</b>	<b>20</b>
21.	Process to be Confidential .....	20
22.	Clarification of Proposals .....	21

23.	Proposal Evaluation .....	21
24.	Opening and Evaluation of Proposals.....	21
25.	Opening and Evaluation of Financial Proposals .....	24
26.	Negotiations .....	25
27.	Post Qualification.....	26
28.	Reservation Clause.....	27
<b>F.</b>	<b>AWARD OF CONTRACT .....</b>	<b>28</b>
29.	Contract Award.....	28
30.	Signing of the Contract .....	29
31.	Performance Security.....	29
32.	Notice to Proceed.....	30

## A. General

### 1. Introduction

- 1.1. The National Economic and Development Authority (**NEDA**) as the Government Procuring Entity intends to engage a **Consultant** for the Conduct of the Value Engineering/Value Analysis (VE/VA) Study for Water Security in Metro Manila (hereinafter called the “**Project**”) from among those short listed, in accordance with the Quality-Cost Based Evaluation/Selection (QCBE/QCBS) process.
- 1.2. Funding for this activity shall be sourced from the VE/VA Fund being administered under the *2015 Government Appropriations Act (GAA)*.
- 1.3. **Consultants** are invited to submit bids composed of a technical proposal and a financial proposal for Consulting Services required for this Project described in the **Terms of Reference (TOR)**. Proposals received shall be the basis for contract negotiations and ultimately for a signed contract with the selected **Consultant**. Please note that for this particular procurement, the Eligibility Requirements, Technical and Financial Proposals shall be simultaneously submitted in three (3) separate sealed envelopes.
- 1.4. The Project shall not be phased.
- 1.5. **Consultants** must familiarize themselves with local conditions and take them into account in preparing their proposals. To obtain firsthand information on the project and on the local conditions, **Consultants** are encouraged to visit **NEDA** before submitting a proposal and to attend the pre-proposal conference specified in the *Instruction to Bidders (ITB) Clause 7*.
- 1.6. **Consultants’** costs of preparing their bids and negotiating the contract, including a visit to the **NEDA**, are not reimbursable as a direct cost of the project.
- 1.7. **Consultants** shall not be under a declaration of ineligibility for corrupt, fraudulent, collusive, or coercive practices issued by **NEDA** or any other authorized institutions in accordance with *ITB Clause 3.1*.

### 2. Conflict of Interest

- 2.1. The **Consultant** is required to provide professional, objective, and impartial advice and at all times hold the **NEDA’s** interests paramount, without any consideration for future work, and strictly avoid situations where a conflict of interest shall arise with their other projects or their own interests. **Consultants** shall not be hired for any project that would be in conflict with their prior or current obligations to other entities, or that may place them in a position of not being able to carry out the Project in the best interest of **NEDA**. Without limitation on the generality of this rule, **Consultants** shall not be hired under the circumstances set forth below:

- (a) If a **Consultant** combines the function of consulting with those of civil works contracting and/or supply of equipment;
- (b) If a **Consultant** is associated with, affiliated to, or owned by a contractor or a manufacturing firm with departments or design offices offering services as **Consultants** unless such **Consultant** includes relevant information on such relationships along with a statement in the Technical Proposal cover letter to the effect that the **Consultant** shall limit its role to that of a **Consultant** and disqualify itself and its associates from work in any other capacity that may emerge from the Project (including bidding for any part of the future project). The contract with the **Consultant** selected to undertake the Project shall contain an appropriate provision to such effect; or
- (c) If there is a conflict among consulting projects, the **Consultant** (including its personnel and subcontractors) and any subsidiaries or entities controlled by such **Consultant** shall not be recruited for the relevant project. The duties of the **Consultant** depend on the circumstances of each case. While continuity of consulting services may be appropriate in particular situations where no conflict exists, a **Consultant** cannot be recruited to carry out a project that, by its nature, shall result in conflict with a prior or current project of such **Consultant**. Examples of the situations mentioned are when a **Consultant** engaged to prepare engineering design for an infrastructure project shall not be recruited to prepare an independent environmental assessment for the same project; similarly, a **Consultant** assisting **NEDA** in privatization of public assets shall not purchase, nor advise purchasers, of such assets; or a **Consultant** hired to prepare TOR for a project shall not be recruited for the project in question.

2.2. **Consultants** shall not be related to the designated Head of the Procuring Entity (HOPE) or the designated Head of **NEDA**, members of the **NEDA** Bids and Awards Committee for Consulting Services (NBAC-CS), its Technical Working Groups (TWG) and Secretariat or the end-user unit, by consanguinity or affinity up to the third civil degree. The prohibition shall apply as follows:

- (a) If the **Consultant** is an individual or sole proprietorship, then to himself;
- (b) If the **Consultant** is a partnership, then to all its officers and members;
- (c) If the **Consultant** is a corporation, then to all its officers, directors and controlling stockholders; or
- (d) If the **Consultant** is a JV, the provisions of items (a), (b), or (c) of this Section shall correspondingly apply to each of the members of the said joint venture, as may be appropriate.

Relationship of the nature described above or a failure to comply with the provisions of this clause will result in the rejection of the **Consultant's** proposals.

- 2.3. Subject to the provisions of *ITB Clause 2*, any previous or ongoing participation by the **Consultant**, its professional staff, or its affiliates or associates under a contract with **NEDA** in relation to this Project may result in the rejection of its proposals. **Consultants** should clarify their situation in that respect with the **NEDA** before preparing its bid.
- 2.4. Failure by a **Consultant** to fully disclose potential conflict of interest at the time of proposals submission, or at a later date in the event that the potential conflict arises after such date, shall result in the **NEDA** seeking the imposition of the maximum administrative, civil and criminal penalties up to and including imprisonment.
- 2.5. **Consultants** are discouraged to include officials and employees of the Government of the Philippines (GOP) as part of its personnel. Participation of officials and employees of the GOP in the Project shall be subject to existing rules and regulations of the Civil Service Commission (CSC).
- 2.6. Fairness and transparency in the selection process require that **Consultants** do not derive unfair competitive advantage from having provided consulting services related to the Project in question. To this end, the **NEDA** shall make available to all the **Consultants** together with the Bidding Documents all information that would in that respect give each **Consultant** a competitive advantage.

### **3. Corrupt, Fraudulent, Collusive, and Coercive Practices**

- 3.1. The **NEDA** as well as the **Consultants** shall observe the highest standard of ethics during the procurement and execution of the contract. In pursuance of this policy, the **NEDA**:
  - (a) defines, for purposes of this provision, the terms set forth below as follows:
    - (i) “corrupt practice” means behavior on the part of officials in the public or private sectors by which they improperly and unlawfully enrich themselves, others, or induce others to do so, by misusing the position in which they are placed, and includes the offering, giving, receiving, or soliciting of anything of value to influence the action of any such official in the procurement process or in contract execution; entering, on behalf of the GOP, into any contract or transaction manifestly and grossly disadvantageous to the same, whether or not the public officer profited or will profit thereby, and similar acts as provided in Republic Act 3019.
    - (ii) “fraudulent practice” means a misrepresentation of facts in order to influence a procurement process or the execution of a

contract to the detriment of the **NEDA**, and includes collusive practices among participating **Consultants** (prior to or after proposals submission) designed to establish proposal prices at artificial, non-competitive levels and to deprive the **NEDA** of the benefits of free and open competition.

- (iii) “collusive practices” means a scheme or arrangement between two or more participating **Consultants**, with or without the knowledge of the **NEDA**, designed to establish proposal prices at artificial, non-competitive levels.
    - (iv) “coercive practices” means harming or threatening to harm, directly or indirectly, persons, or their property to influence their participation in a procurement process, or affect the execution of a contract;
  - (b) will reject a proposal for award if it determines that the proponent **Consultant** recommended for award has engaged in any of the practices mentioned in this Clause for purposes of competing for the contract.
- 3.2. Further, the **NEDA** will seek to impose the maximum civil, administrative, and/or criminal penalties available under applicable laws on individuals and organizations deemed to be involved in any of the practices mentioned in **ITB Clause 3.1(a)**.
- 3.3. Furthermore, the Funding Source and the **NEDA** reserve the right to inspect and audit records and accounts of a **Consultant** in the selection for and performance of a contract themselves or through independent auditors as reflected in the **GCC Clause 47**.

#### **4. Consultant’s Responsibilities**

- 4.1. The **Consultant** or its duly authorized representative shall submit a sworn statement in the form prescribed in Section IV. Proposal Forms as required in **ITB Clause 1.1(a)**.
- 4.2. The **Consultant** is responsible for the following:
- (a) Having taken steps to carefully examine all of the Bidding Documents;
  - (b) Having acknowledged all conditions, local or otherwise, affecting the implementation of the contract;
  - (c) Having made an estimate of the facilities available and needed for this Project, if any;
  - (d) Having complied with its responsibility to inquire or secure Supplemental/Bid Bulletin/s as provided under **ITB Clause 8.3**.
  - (e) Ensuring that it is not “blacklisted” or barred from bidding by the GOP or any of its agencies, offices, corporations, or LGUs, including foreign

government/foreign or international financing institution whose blacklisting rules have been recognized by the Government Procurement Policy Board (GPPB);

- (f) Ensuring that each of the documents submitted in satisfaction of the procurement requirements is an authentic copy of the original, complete, and all statements and information provided therein are true and correct;
- (g) Authorizing the HOPE or his duly authorized representative/s to verify all the documents submitted;
- (h) Ensuring that the signatory is the duly authorized representative of the **Consultant**, and granted full powers and authority to do, execute and perform any and all acts necessary and/or to represent the **Consultant** in the procurement process, with the duly notarized Secretary's Certificate attesting to such fact, if the **Consultant** is a corporation, partnership, cooperative, or joint venture;
- (i) Complying with the disclosure provision under Section 47 of the Act in relation to other provisions of Republic Act 3019; and
- (j) Complying with existing labor laws and standards, if applicable.

Failure to observe any of the above responsibilities shall be at the risk of the **Consultant** concerned.

- 4.3. It shall be the sole responsibility of the proponent **Consultant** to determine and to satisfy itself by such means as it considers necessary or desirable as to all matters pertaining to this Project, including: (a) the location and the nature of the contract, project, or work; (b) climatic conditions; (c) transportation facilities; (c) nature and condition of the terrain, geological conditions at the site communication facilities, requirements, location and availability of construction aggregates and other materials, labor, water, electric power and access roads; and (d) other factors that may affect the cost, duration and execution or implementation of the contract, project, or work.
- 4.4. The **NEDA** shall not assume any responsibility regarding erroneous interpretations or conclusions by the **Consultant** out of the data furnished by the **NEDA**.
- 4.5. Before submitting their proposals, the **Consultants** are deemed to have become familiar with all existing laws, decrees, ordinances, acts and regulations of the GOP which may affect the contract in any way.
- 4.6. The **Consultant** shall bear all costs associated with the preparation and submission of his proposals, and the **NEDA** will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the selection process.
- 4.7. **Consultants** should note that the **NEDA** will only open proposals only from those that have been shortlisted.



## 5. Origin of Associated Goods

There is no restriction on the origin of Goods other than those prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations.

## 6. Subcontracts

- 6.1. The **Consultant** may not subcontract portions of the Consulting Services except to an extent as may be approved by the **NEDA**. However, subcontracting of any portion shall not relieve the **Consultant** from any liability or obligation that may arise from the contract for this Project.
- 6.2. Subcontractors must comply with the eligibility criteria and the documentary requirements specified in *Section 2 of the Eligibility Documents* as attached in the *Request for Expression of Interest (REI)*. In the event that any subcontractor is found by the **NEDA** to be ineligible, the subcontracting of such portion of the Consulting Services shall be disallowed.
- 6.3. The **Consultant** shall identify the subcontractor to whom a portion of the Consulting Services will be subcontracted at any stage of the selection process or during contract implementation. The **Consultant** shall include the required documents as part of the technical component of its proposals.

## B. Contents of Bidding Documents

## 7. Pre-Proposal Conference

- 7.1. A pre-proposal conference shall be held *on 10 November 2015 (Tuesday), 1:00 PM*, at the *4/F OADG-IP Conference Room, National Economic and Development Authority (NEDA) 12 St. Josemaría Escrivá Drive, Ortigas Center, Pasig City 1605* to clarify and address the **Consultants'** questions on the technical and financial components of this Project.
- 7.2. **Consultants** are encouraged to attend the pre-proposal conference to ensure that they fully understand the **NEDA's** requirements. Non-attendance of the **Consultant** will in no way prejudice its proposals; however, the **Consultant** is expected to know the changes and/or amendments to the Bidding Documents discussed during the pre-proposal conference.

*All **Consultants'** representative/s shall secure and bring a written authority from their authorized official (e.g., president, governing boards if Corporation) to be presented to the NBAC-CS during the Pre-Proposal Conference stating that said representative is an authorized person to speak for on behalf of their office/company.*

- 7.3. Any statement made at the pre-proposal conference shall not modify the terms of the Bidding Documents unless such statement is specifically identified in writing as an amendment thereto and issued as a Supplemental/Bid Bulletin.

## 8. Clarifications and Amendments to Bidding Documents

- 8.1. **Consultants** may request for clarifications on any part of the Bidding Documents for an interpretation. Such a request must be made in writing and submitted to the NBAC-CS at least ten (10) calendar days before the deadline set for the submission and receipt of proposals.
- 8.2. Supplemental/Bid Bulletins may be issued upon the **NBAC-CS's** initiative for purposes of clarifying or modifying any provision of the Bidding Documents not later than seven (7) calendar days before the deadline for the submission and receipt of proposals. Any modification to the Bidding Documents shall be identified as an amendment.
- 8.3. Any Supplemental/Bid Bulletin issued by the NBAC-CS shall also be posted on the Philippine Government Electronic Procurement System (PhilGEPS) and the website of the **NEDA** concerned, if available. It shall be the responsibility of all **Consultants** who secure the Bidding Documents to inquire and secure Supplemental/Bid Bulletins that may be issued by the NBAC-CS. However, **Consultants** who have submitted proposals before the issuance of the Supplemental/Bid Bulletin must be informed and allowed to modify or withdraw their proposals in accordance with *ITB Clause 20*.

## C. Preparation of Proposals

### 9. Language of Proposal

The proposals, as well as all correspondence and documents relating to the proposals exchanged by the **Consultant** and the **NEDA**, shall be written in English. Supporting documents and printed literature furnished by the **Consultant** may be in another language provided they are accompanied by an accurate translation in English certified by the appropriate embassy or consulate in the Philippines, in which case the English translation shall govern, for purposes of interpretation of the proposals.

### 10. Documents Comprising the Proposals: Technical Proposal

- 10.1. While preparing the Technical Proposal, **Consultants** must give particular attention to the following:
  - (a) The Technical Proposal should not include any financial information. Any Technical Proposal containing financial information shall be the accountability and responsibility of the **Consultants** and shall not in any way prejudice, affect or deter the selection process, including disqualification of the **Consultant**.
  - (b) The number of professional staff-months shall be based on the number of professional staff-months estimated by the **Consultant**. **Consultants** are given the flexibility in determining and proposing the most appropriate time input / man-months of the identified/proposed expert relative to the realization of the required activities and/or outputs under the TOR.

- (c) The **Consultant/s** must, at a minimum, have the experience indicated in the TOR preferably working under conditions similar to those prevailing in the Republic of the Philippines.
- (d) Preferably no alternative professional staff shall be proposed, and only one Curriculum Vitae (CV) may be submitted for the position or each of the positions.
- (e) Deviations from the TOR in terms of scope and schedule of activities and number of positions/personnel may be allowed as long as justified, and will not consequently lead to financial proposals exceeding the Approved Budget for the Contract (ABC) and will not deviate by more than twenty percent (i.e.,  $\pm 20\%$ ) from the allocated budgets for remuneration and reimbursable expenses indicated in the TOR.

10.2. The Technical Proposal shall contain the following information/documents:

- (a) Proposal security as prescribed in *ITB Clause 15*. If the proponent/**Consultant** opts to submit the proposal security in the form of:
  - (i) a bank draft/guarantee or an irrevocable Letter of Credit issued by a foreign bank, it shall be accompanied by a confirmation from a Universal or Commercial Bank; or
  - (ii) a surety bond accompanied by a certification coming from an authorized Insurance Commission that a surety or insurance company is authorized to issue such instrument.
- (b) Information indicated in the paragraphs below must be provided by the **Consultant** and each partner and/or subcontractor, if any, following the formats described in the Section IV. Proposal Forms:
  - (i) A brief description of the organization and outline of recent experience of the **Consultant** and each partner and/or subcontractor on projects of a similar and related nature as required in form TPF 2. Consultant's References. For each project, the outline should indicate *inter alia*, the project, contract amount and the **Consultant's** involvement. Information should be provided only for those projects for which the **Consultant** was legally contracted by itself or as one of the major participating **Consultants** within an association or joint venture (JV). Whenever applicable, the experience of individual experts from projects completed independently or when associated with **Consultants** other than the one with whom the individual is currently associated with cannot be claimed as the experience of the current **Consultant** or any one of its partners and/or subcontractors, but can be claimed by the individuals themselves in their CVs. **Consultants** should be prepared to substantiate the claimed experience if so requested by the NBAC-CS.

- (ii) A concise, complete, and logical description of how the **Consultant/s** shall carry out the services to meet all requirements of the TOR.
- (iii) A work plan showing in graphical format (bar chart) the timing of major activities, anticipated coordination meetings, and deliverables such as reports required under the TOR.
- (iv) A Time Schedule (TPF 7. Time Schedule for Professional Personnel) indicating clearly the estimated duration in terms of person-months (shown separately for work in the field and in the home office) and the proposed timing of each input for each nominated expert, including domestic experts, if required, using the format shown. The schedule shall also indicate when experts are working in the project office and when they are working at locations away from the project office.
- (v) An organization chart indicating relationships amongst the **Consultant** and any partner and/or subcontractor, the **NEDA**, the Funding Source and the GOP, and other parties or stakeholders, if any, involved in the project.
- (vi) Comments, if any, on the TOR (TPF 3. Comments and Suggestions of **Consultant** on the Terms of Reference and on Data, Services, and Facilities to be Provided by the **NEDA**) to improve performance in carrying out the Project. Innovativeness shall be appreciated, including workable suggestions that could improve the quality/effectiveness of the Project. In this regard, unless the **Consultant** clearly states otherwise, it shall be assumed by the **NEDA** that work required to implement any such improvements, are included in the inputs shown on the **Consultant's** Schedule.
- (vii) The name, age, nationality, background employment record, published studies/papers and professional experience of the **Consultant/s** including ongoing projects, with particular reference to the type of experience required for the tasks assigned should be presented in the CV format shown in TPF 6. Format of Curriculum Vitae (CV) for Proposed Professional Staff.
- (viii) Only one CV for the **Consultant**/each of the **Consultants** involved in the Project may be submitted for the position/each position.
- (ix) The **NEDA** requires that the **Consultant/s** confirm that the content of his/her CV is correct and the **Consultant** himself/herself should sign the certification of the CV. In addition, the expert should submit a signed written commitment stating that the expert shall work for the Project once awarded

the contract. A zero rating shall be given to a nominated expert if the expert:

(ix.1) failed to state nationality on the CV; or

(ix.2) the CV is not signed in accordance with paragraph (ix) above.

- (c) Sworn statement in accordance with *Section 25.2(b) (iv)* of the Revised IRR of RA 9184 and using the form prescribed in *Section IV. Proposal Forms*.

## **11. Documents Comprising the Proposals: Financial Proposal**

- 11.1. All information provided in a **Consultant's** Financial Proposal shall be treated as confidential. The Financial Proposal must be submitted in hard copy using the format shown in Financial Proposal Forms.
- 11.2. The Financial Proposal requires completion of six (6) forms, particularly, FPF 1, FPF 2, and FPF 3. FPF 1. Financial Proposal Submission Form should form the covering letter of the Financial Proposal. Form FPF 2. Summary of Costs. FPF 3. Breakdown of Price per Activity.
- 11.3. The **Consultant/s**, and corresponding inputs, identified in Financial Proposal Forms, must match the expert/s and respective inputs shown in Technical Proposal Forms.
- 11.4. The **Consultant** shall be subject to Philippine taxes on amounts payable by the **NEDA** under the contract through mandated withholding by local tax authorities of specified percentages of such amounts or otherwise. The **NEDA** shall withhold the applicable withholding taxes as implemented under existing revenue regulations [e.g., 5% - Value Added Tax (VAT) and 2% - Expanded Withholding Tax (EWT)].
- 11.5. The Financial Proposal should clearly estimate, as a separate amount, the local taxes (including social security), duties, fees, levies, and other charges imposed under the applicable law, on the **Consultants**, the subcontractors, and its personnel (other than Philippine Nationals or permanent residents of the Philippines).
- 11.6. Total calculated financial proposal prices, as evaluated and corrected for minor arithmetical corrections, such as computational errors, which exceed the approved budget for the contract (ABC) of **SIX MILLION PESOS (PhP6,000,000.00)**, inclusive of all applicable government taxes and charges, professional fees, and other incidental and administrative costs which shall be paid on a reimbursement basis, shall not be considered.

## 12. Alternative Proposals

**Consultants** shall submit only one proposal and shall not associate with any other entity other than those already provided in its eligibility documents and allowed by the **NEDA**.

## 13. Proposal Currencies

13.1. All proposal prices shall be quoted in Philippine Pesos. However, for purposes of proposal evaluation, proposals denominated in foreign currencies shall be converted to Philippine currency based on the exchange rate prevailing on the day of the opening of proposals.

13.2. If so allowed in accordance with *ITB Clause 13.1*, the **NEDA** for purposes of proposal evaluation and comparing the proposal prices will convert the amounts in various currencies in which the proposal price is expressed to Philippine Pesos at the exchange rate as published in the *Bangko Sentral ng Pilipinas* (BSP) reference rate bulletin on the day of the opening of proposals.

13.3. Payment of the contract price shall be made in Philippine Pesos.

## 14. Proposal Validity

14.1. Proposals shall remain valid until one hundred twenty (120) calendar days from the date of the opening of proposals.

14.2. In exceptional circumstances, prior to the expiration of the proposal validity period, the **NEDA** may request **Consultants** to extend the period of validity of their proposals. The request and the responses shall be made in writing. The proposal security described in *ITB Clause 15* should also be extended corresponding to, at least, the extension of the proposal validity period. A **Consultant** may refuse the request without forfeiting its proposal security, but his proposal shall no longer be considered for further evaluation and award. A **Consultant** granting the request shall not be required or permitted to modify its bid.

## 15. Proposal Security

15.1. The proposal security, issued in favor of the **NEDA** shall be equal to the percentage of the ABC in accordance with the following schedule:

Form of Proposal Security	Amount of Proposal Security (Equal to Percentage of the ABC)
a) Cash or cashier's/manager's check issued by a Universal or Commercial Bank.	Two percent (2%)

b) Bank draft/guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank: Provided, however, that it shall be confirmed or authenticated by a Universal or Commercial Bank, if issued by a foreign bank.	
c) Surety bond callable upon demand issued by a surety or insurance company duly certified by the Insurance Commission as authorized to issue such security.	Five percent (5%)
d) Any combination of the foregoing.	Proportionate to share of form with respect to total amount of security

- 15.2. The proposal security should be valid until 120 calendar days from the date of opening of proposals, i.e., **23 November 2015**. Any proposal not accompanied by an acceptable proposal security shall be rejected by the **NEDA** as non-responsive during the technical proposal evaluation stage.
- 15.3. No proposal securities shall be returned to the **Consultants** after the opening of proposals and before contract signing, except to those that failed or declared as post-disqualified, upon submission of a written waiver of their right to file a motion for reconsideration and/or protest. Without prejudice on its forfeiture, proposal securities shall be returned only after the proponent with the Highest Rated and Responsive Proposal has signed the contract and furnished the performance security, but in no case later than the expiration of the proposal security validity period indicated in **ITB Clause 14**.
- 15.4. Upon signing and execution of the contract pursuant to **ITB Clause 30**, and the posting of the performance security pursuant to **ITB Clause 31**, the **Consultant's** proposal security will be discharged, but in no case later than the proposal security validity period as indicated in **ITB Clause 14**.
- 15.5. The proposal security may be forfeited:
- (a) if a **Consultant**:
    - (i) withdraws its proposal during the period of proposal validity specified in **ITB Clause 14**;
    - (ii) does not accept the correction of errors pursuant to **ITB Clause 11.6**;
    - (iii) fails to submit the requirements within the prescribed period or a finding against their veracity as stated in **ITB Clause 27.2**; or
    - (iv) The following are additional grounds for forfeiture of the proposal security:

1. Submission of eligibility requirements containing false information or falsified documents.
2. Submission of proposals that contain false information or falsified documents, or the concealment of such information in the proposals in order to influence the outcome of eligibility screening or any other stage of the public bidding.
3. Allowing the use of one's name, or using the name of another for purposes of public bidding.
4. Withdrawal of a proposal, or refusal to accept an award, or enter into contract with the Government without justifiable cause, after the **Consultant** had been adjudged as having submitted the Highest Rated Proposal.
5. Refusal or failure to post the required performance security within the prescribed time.
6. Refusal to clarify or validate in writing its proposal during post-qualification within a period of seven (7) calendar days from receipt of the request for clarification.
7. Any documented unsolicited attempt by a **Consultant** to unduly influence the outcome of the selection in his favor.
8. All other acts that tend to defeat the purpose of the competitive bidding, such as habitually withdrawing from the procurement process, submitting late proposals or patently insufficient proposal, for at least three (3) times within a year, except for valid reasons.

(b) if the successful **Consultant**:

- (i) fails to sign the contract in accordance with *ITB Clause 30*; or
- (ii) fails to furnish performance security in accordance with *ITB Clause 31*.

15.6. In order to enhance competition and **Consultants'** participation, reduce transactional costs, and promote economy in procurement activities of the government, the **Consultant** shall have the option to submit a duly notarized **Bid Securing Declaration (BSD)** in lieu of the proposal security in the form and amount enumerated under Section 15.1.

15.7. BSD is an undertaking by a prospective **Consultant**, committing to pay the corresponding fine and be suspended for a period of time from being qualified to participate in any government procurement activity in the event it violates any of the conditions stated therein.



- 15.8. The BSD shall comply with the standard format attached hereto as **Annex “A”** and shall be submitted to the procuring entity in the manner prescribed under Sections 25 and 27 of the Revised IRR or RA 9184.
- 15.9. The BSD shall be valid for a reasonable period determined by the HOPE concerned and indicated in the bidding documents, which in no case shall exceed one hundred twenty (120) calendar days from the date of the opening of technical proposals, unless duly extended by the proponent upon the request of the HOPE.
- 15.10. The BSD shall automatically expire in the following instances:
- a.) Upon expiration of the proposal validity period, or any extension thereof pursuant to Section 28.2 of the Revised IRR or RA 9184;
  - b.) When all proponents are declared ineligible or post-disqualified and, upon receipt of the notice therefore, either failed to timely file a request for reconsideration or filed a waiver to avail of said right;
  - c.) When the **Consultant** declared as having the Highest Rated and Responsive Proposal has furnished the performance security and signed the contract.
- 15.11. The BSD shall be enforced when the **Consultant** commits any of the following:
- a.) Withdraws its proposal during the period of proposal validity required in the bidding documents; or
  - b.) Fails or refuses to accept the award and enter into contract or perform any and all acts necessary to the execution of the contract, in accordance with the bidding documents, after having been duly notified of the acceptance of its Proposal during the period of proposal validity.
- 15.12. Commission of any of the acts mentioned in **Section 15.11** shall merit the following sanctions:
- a.) Penalty of automatic blacklisting for two (2) years in all government procurement activities; and
  - b.) Payment of fine equivalent to the amount in cash subject to the following rules:
    - i.) In case of multiple proponents, the difference between the evaluated Financial Proposal prices of the **Consultant** with the Highest Rated Proposal and the **Consultant** with the next Highest Rated Proposal, and so on. However, as regards the **Consultant** with the highest rated proposal, the amount shall be based on the difference between the evaluated financial proposal price and the ABC.

- ii.) In case of a single proponent, the difference between the evaluated financial proposal price and the ABC.
- 15.13. Notwithstanding the provisions of the Uniform Guidelines for Blacklisting of Manufacturers, Suppliers, Distributors, Contractors and **Consultants**, the following provisions shall govern the blacklisting for purposes of this Guidelines:
- a.) The **NEDA** shall immediately issue the blacklisting order upon determination of the grounds for enforcement of the BSD provided in Section 15.11 hereof.
  - b.) Only in cases where the Notice of Award (NOA) is not in conformity with the Bidding Documents may the blacklisted **Consultant** file a motion for reconsideration with the HOPE within three (3) calendar days from receipt of the blacklisting order.
  - c.) The blacklisted **Consultant** shall only be delisted upon the expiration of the period of penalty and payment of the fine.

## 16. Format and Signing of Proposals

- 16.1. **Consultants** shall submit their proposals through their duly authorized representative using the appropriate forms provided in Section IV. Proposal Forms on or before the deadline specified in the ***ITB Clause 18*** in three (3) separate sealed proposal envelopes, and which shall be submitted simultaneously. The **first** shall contain the Eligibility Documents, the **second** shall contain the technical proposal, and the **third** shall contain the financial proposal. Please note that for this particular procurement, the Eligibility Documents, Technical and Financial Proposals are to be submitted simultaneously.
- 16.2. Forms as mentioned in ***ITB Clause 16.1*** must be completed without any alterations to their format, and no substitute form shall be accepted. All blank spaces should be filled in with the information requested.
- 16.3. The **Consultant** shall prepare an original of the first, second, and third envelopes as described in Eligibility Data Sheet and ***ITB Clauses 10 and 11***, respectively. In addition, the **Consultant** is required to submit four (4) copies of the first, second, and third envelopes. In the event of any discrepancy between the original and the copies, the original shall prevail.
- 16.4. The proposal, except for unamended printed literature, should be signed, and each and every page thereof should be initialed, by the duly authorized representative/s of the **Consultant**.
- 16.5. Any interlineations, erasures, or overwriting shall be valid only if they are signed or initialed by the duly authorized representative/s of the **Consultant**.

## 17. Sealing and Marking of Proposals

- 17.1. **Consultants** shall enclose their original Eligibility Documents in one sealed envelope marked “ELIGIBILITY DOCUMENTS”, technical proposal described in *ITB Clause 10*, in another sealed envelope marked “ORIGINAL - TECHNICAL PROPOSAL”, and the original of their financial proposal in another sealed envelope marked “ORIGINAL - FINANCIAL PROPOSAL”, sealing them all in an outer envelope marked “ORIGINAL BID”.
- 17.2. Each copy of the first, second, and third envelopes shall be similarly sealed duly marking the inner envelopes as “COPY NO. \_\_\_\_ ELIGIBILITY DOCUMENTS”, “COPY NO. \_\_\_\_ - TECHNICAL PROPOSAL” and “COPY NO. \_\_\_\_ – FINANCIAL PROPOSAL” and the outer envelope as “COPY NO. \_\_\_\_”, respectively. These envelopes containing the original and the copies shall then be enclosed in one single envelope.
- 17.3. Each Participating **Consultant** should submit one (1) original and four (4) copies of the first, second, and third components of its proposals. The original and the number of copies of the proposals should be typed or written in indelible ink and should be signed by the proponent or its duly authorized representative/s.
- 17.4. All envelopes should:
- (a) contain the name of the contract to be bid in capital letters;
  - (b) bear the name and address of the **Consultant** in capital letters;
  - (c) be addressed to the **NBAC-CS** identified in *ITB Clause 8.1*;
  - (d) bear the specific identification of this bidding process indicated in the Request for Expression of Interest; and
  - (e) bear a warning “DO NOT OPEN BEFORE...” the date and time for the opening of bids, in accordance with *ITB Clause 18*.
- 17.5. If bids are not sealed and marked as required, the **NEDA** will assume no responsibility for the misplacement or premature opening of the bid.

### D. Submission of Proposals

## 18. Deadline for Submission of Proposals

The Eligibility Documents, Technical and Financial Proposals must be received by the **NBAC-CS**, 4<sup>th</sup> Floor, at #12 Saint Josemaría Escrivá Drive, Ortigas Center, Pasig City 1605 on or before **23 November 2015 at 12:00 NN**.

## 19. Late Proposals

Any proposals submitted after the deadline for submission and receipt of proposals prescribed by the **NEDA**, pursuant to *ITB Clause 18*, shall be declared “Late” and shall not be accepted by the **NEDA**.

## 20. Modification and Withdrawal of Proposals

- 20.1. The **Consultant** may modify its proposals after it has been submitted; provided that the modification is received by the NBAC-CS prior to the deadline prescribed for submission and receipt of proposals. The **Consultant** shall not be allowed to retrieve its original proposals, but shall be allowed to submit another proposal equally sealed, properly identified, linked to its original proposal marked as “ELIGIBILITY MODIFICATION”, “TECHNICAL MODIFICATION” or “FINANCIAL MODIFICATION” and stamped “received” by the NBAC-CS. Proposals modifications received after the applicable deadline shall not be considered and shall be returned to the **Consultant** unopened.
- 20.2. A **Consultant** may, through a letter of withdrawal, withdraw its proposals after it has been submitted, for valid and justifiable reason; provided that the letter of withdrawal is received by the NBAC-CS prior to the deadline prescribed for submission and receipt of proposals.
- 20.3. Proposals requested to be withdrawn in accordance with *ITB Clause 20.1* shall be returned unopened to the **Consultants**. A **Consultant** may also express its intention not to participate in the selection process through a letter which should reach and be stamped by the NBAC-CS before the deadline for submission and receipt of proposals. A **Consultant** that withdraws its proposals shall not be permitted to submit another proposal, directly or indirectly, for the same contract.
- 20.4. No Proposals may be modified after the deadline for submission of proposals. No proposal may be withdrawn in the interval between the deadline for submission of proposals and the expiration of the period of proposal validity specified by the **Consultant** on the Financial Proposal Form. Withdrawal of a proposal during this interval shall result in the forfeiture of the **Consultant’s** proposal security, pursuant to *ITB Clause 15.5*, and the imposition of administrative, civil, and criminal sanctions as prescribed by R.A. 9184 and its Revised IRR.

## E. Evaluation and Comparison of Proposals

## 21. Process to be Confidential

- 21.1. Members of the NBAC-CS, including its staff and personnel, as well as its Secretariat and Special Technical Working Group (STWG), are prohibited from making or accepting any kind of communication with any **Consultant** regarding the evaluation of their proposals until the issuance of the NOA, unless otherwise allowed in the case of *ITB Clause 22*.

- 21.2. Any effort by a proponent to influence the **NEDA** in the **NEDA**'s decision in respect of proposals evaluation, proposal comparison or contract award will result in the rejection of the **Consultant's** proposals.

## **22. Clarification of Proposals**

To assist in the evaluation, comparison and post-qualification of the proposals, the NBAC-CS may ask in writing any **Consultant** for a clarification of its proposals. All responses to such requests for clarification shall be in writing. Any clarification submitted by a **Consultant** in respect to its proposals and that is not in response to a request by the **NEDA** shall not be considered.

## **23. Proposals Evaluation**

- 23.1. For the evaluation of proposals, numerical ratings shall be used. In case of individual scoring by the technical evaluators and in order to eliminate bias in evaluating the proposals, the highest and lowest scores for each **Consultant** for each criterion shall not be considered in determining the average scores of the **Consultants**, except when the evaluation is conducted in a collegial manner.
- 23.2. For complex or unique undertakings, such as those involving new concepts/technology, participating short listed **Consultants** may be required, at the option of the **NEDA**, to make an oral presentation to be presented by each **Consultant**, or its nominated Project Manager or head, in case of consulting firms, within fifteen (15) calendar days after the deadline for submission of Proposals.
- 23.3. The entire evaluation of the Eligibility Requirements, Technical and Financial Proposals, including the submission of the results thereof to the Approving Authority of the **NEDA** for approval, shall be completed in not more than twenty-one (21) calendar days after the deadline for receipt of proposals. The proposals with the highest rank shall be identified as the Highest Rated Proposal. The Approving Authority of the **NEDA** shall approve or disapprove the recommendations of the NBAC-CS within two (2) calendar days after receipt of the results of the evaluation from the NBAC-CS.
- 23.4. All participating short listed **Consultants** shall be furnished the results (ranking and total scores only) of the evaluation after the approval by the Approving Authority of the **NEDA** of the ranking. Said results shall also be posted in the PhilGEPS and the website of the **NEDA**, if available, for a period of not less than seven (7) calendar days.

## **24. Opening and Evaluation of Proposals**

- 24.1. The NBAC-CS, with the assistance of its Technical Working Group and/or Secretariat, as necessary, shall conduct a detailed evaluation of proposals following the procedures below depending on the evaluation procedure identified in the Request for Expression of Interest and *ITB Clause 1.1*.

The opening of the Eligibility Documents shall be on **23 November 2015, 1:00 PM** at the 4<sup>th</sup> Floor Conference Room, National Economic and Development Authority (NEDA), #12 Saint Josemariá Escriba Drive, Ortigas Center, Pasig City 1605.

The bidders or their duly authorized representatives may attend the opening of bids. All **Consultants'** representative/s shall secure and bring a written authority from their authorized official (e.g., president, governing boards if Corporation) to be presented to the NBAC-CS during the Opening of Technical Proposals stating that said representative is an authorized person to speak for and in behalf of their office/company.

Only those Consultants that passed the Eligibility Screening and met the minimum required score shall have their Technical and Financial Proposals evaluated.

The opening of the Technical and Financial Proposals shall be announced by the NBAC-CS through a Notice to the shortlisted Consultants.

*For the evaluation procedure of Quality-Cost Based, the following processes for the opening and evaluation of technical proposals shall be adopted:*

- a) *The technical proposal together with the financial proposal shall be considered in the evaluation of **Consultants**. The technical proposals shall be evaluated first using the criteria in ITB Clause 24.2. The financial proposals of the **Consultants** who meet the minimum technical score shall then be opened.*
  - b) *The financial proposal is given a weight of twenty percent (20%) while the weight of the technical criteria shall be eighty percent (80%). The BAC shall rank the **Consultants** in descending order based on the combined numerical ratings of their technical and financial proposals and identify the Highest Rated Proposal.*
  - c) *The Head Approving Authority of the **NEDA** shall approve or disapprove the recommendations of the NBAC-CS within two (2) calendar days after receipt of the results of the evaluation from the NBAC-CS.*
  - d) *After approval by the Head Approving Authority of the **NEDA** of the Highest Rated Proposal, the NBAC-CS shall, within three (3) calendar days, notify and invite the **Consultant** with the Highest Rated Proposal for negotiation in accordance with ITB Clause 26.*
- 24.2. The NBAC-CS, with the assistance of its Technical Working Group and/or Secretariat, as necessary, evaluates the Technical Proposals on the basis of their compliance with the requirements under **ITB Clause 10** and responsiveness to the TOR using the following criteria:
- (a) Qualifications of key **Consultant/s** to perform the duties for the Project and general qualifications and skills and competence including education and training of the key **Consultant/s**;

- (b) Experience and capability of the **Consultant** which include records of previous engagement and quality of performance in similar and in other projects; relationship with previous and current clients; and, overall work commitments, geographical distribution of current/impending projects and attention to be given by the **Consultant**. The suitability of the **Consultant** to the Project shall consider both the overall experiences of the firm and/or the individual experience/s of the key **Consultant/s** including the times when employed by other **Consultants/firms**; and
- (c) Plan of approach and methodology with emphasis on the clarity, feasibility, innovativeness and comprehensiveness of the plan approach, and the quality of interpretation of project problems, risks, and suggested solutions.

24.3. The NBAC-CS shall assign numerical weights to each of the above criteria indicated below. A proposal shall be rejected at this stage if it does not respond to important aspects of the TOR or if it fails to achieve the minimum Technical Score (St) indicated below.

*The numerical weights for each criterion are as follows:*

<b>Criteria</b>	<b>Weights</b>
<i>1. Experience and Capability of Firm</i>	10
<i>2. Key Personnel Proposed to be assigned to the Project</i>	50
<i>3. Plan Approach and Methodology</i>	40

*The minimum St required to pass is **70 points** provided that no score for each criterion is lower than **50 points**.*

*The attention of the **Consultant** is drawn to Technical Proposal Forms*

24.4. Technical Proposals shall not be considered for evaluation in any of the following cases:

- (a) late submission, *i.e.*, after the deadline set in the **ITB Clause** 18;
- (b) failure to submit any of the technical requirements provided under this ITB and TOR; or
- (c) the **Consultant** that submitted Proposals or any of its partner and/or subcontractor belongs to one of the conflict of interest cases as described in ***ITB Clause 2.1*** and failed to make a proper statement to that effect in the cover letter.

## 25. Opening and Evaluation of Financial Proposals

- 25.1. Financial Proposals shall be opened within one (1) week upon notification of **Consultants** passing the minimum qualifying mark for technical proposals at the **OADG-IP Conference Room, 4<sup>th</sup> Floor, NEDA sa Pasig Building, #12 Saint Josemariá Escriva Drive, Ortigas Center, Pasig City.**

*Financial Proposals shall be opened in the presence of **Consultants** which opted to send representative/s provided that they bring with them a written authority from their authorized official (e.g., president, governing boards if Corporation) to be presented to the NBAC-CS during the opening of the financial proposal stating that said representative is an authorized person to speak for and in behalf of their office/company.*

- 25.2. The Financial Proposals opened shall be evaluated based on the evaluation procedure indicated in **ITB Clause 1.1** using the corresponding procedure provided below.

*After the evaluation of quality is completed, the **NEDA** shall notify those **Consultants** whose technical proposals did not meet the minimum qualifying mark or were considered non-responsive to the Bidding Documents and TOR, indicating that their Financial Proposals shall be returned unopened after completing the selection process. The **NEDA** shall simultaneously notify the **Consultants** that have secured the minimum qualifying mark, indicating the date and time set for opening the Financial Proposals. The notification may be sent by registered letter, facsimile, or electronic mail.*

*The Financial Proposals shall be opened in the presence of the **Consultants'** representatives who choose to attend. The name of the **Consultant**, the quality scores, and the proposed prices shall be read aloud and recorded when the Financial Proposals are opened. The **NEDA** shall prepare minutes of the proposals opening.*

*The NBAC-CS shall determine whether the Financial Proposals are complete, i.e., whether all the documents mentioned in ITB Clause 11 are present and all items of the corresponding Technical Proposals that are required to be priced are so priced. If not, the **NEDA** shall reject the proposal. The NBAC-CS shall correct any computational errors, and convert prices in various currencies to the Philippine Peso at the rate indicated in ITB Clause 13. The Financial Proposal shall not exceed the ABC and shall be deemed to include the cost of all taxes, duties, fees, levies, and other charges imposed under the applicable laws. The evaluation shall include all such taxes, duties, fees, levies, and other charges imposed under the applicable laws; where special tax privileges are granted to a particular class or nationality of **Consultant** by virtue of the GOP's international commitments, the amount of such tax privileges shall be included in the Financial Proposal for purposes of comparative evaluation of Bids.*

*The lowest Financial Proposal (Fm) shall be given a Financial Score (Sf) of 100 points. The Sf of other Financial Proposals shall be computed based on the formula indicated below:*



$$Sf = 100 \times Fl/F$$

Where:

*Sf is the financial score of the Financial Proposal under consideration,*

*Fl is the price of the Fm, and F is the price of the Financial Proposal under consideration.*

*Using the formula  $S = St \times T\% + Sf \times P\%$ , the Bids shall then be ranked according to their combined St and Sf using the weights (T = the weight given to the Technical Proposal; P = the weight given to the Financial Proposal;  $T + P = 1$ ) indicated below:*

*T - 0.80*

*P - 0.20*

## 26. Negotiations

- 26.1. Negotiations shall be held at the 4<sup>th</sup> Floor Conference Room, NEDA-sa-Pasig #12 Saint Josemariá Escriba Drive, Ortigas Center, Pasig City. The aim is to reach agreement on all points.
- 26.2. Negotiations shall cover the following:
  - (a) Discussion and clarification of the TOR and Scope of Services;
  - (b) Discussion and finalization of the methodology and work program proposed by the **Consultant**;
  - (c) Consideration of appropriateness of qualifications and pertinent compensation, number of man-months and the personnel to be assigned to the job, taking note of over-qualified personnel to be commensurate with the compensation of personnel with the appropriate qualifications, number of man-months and schedule of activities (manning schedule);
  - (d) Discussion on the services, facilities and data, if any, to be provided by **NEDA** concerned; and
  - (e) Provisions of the contract.
- 26.3. No negotiations pertaining to the amount of the Financial Proposal shall be undertaken.
- 26.4. Having selected the **Consultant** on the basis of, among other things, an evaluation of the proposed key professional staff, the **NEDA** expects to negotiate a contract on the basis of the experts named in the proposals. Before contract negotiations, the **NEDA** shall require assurances that the experts shall be actually available. The **NEDA** shall not consider substitutions during contract negotiations other than for reasons of death or illness unless both parties agree that undue delay in the selection process makes such substitution

unavoidable or that such changes are critical to meet the objectives of the Project. If this is not the case and if it is established that key staff were offered in the proposals without confirming their availability, the **Consultant** may be disqualified. Once the contract has been awarded, no replacement shall be allowed until after fifty percent (50%) of the personnel's man-months have been served, except for justifiable reasons. Violators shall be fined an amount equal to the refund of the replaced personnel's basic rate, which should be at least fifty percent (50%) of the total basic rate for the duration of the engagement.

- 26.5. Negotiations shall include a discussion of the technical proposal, the proposed methodology (work plan), staffing and any suggestions made by the **Consultant** to improve the TOR. The **NEDA** and **Consultant** shall then work out the final TOR, staffing, and bar charts indicating activities, staff, periods in the field and in the home office, staff-months, logistics, and reporting. The agreed work plan and final TOR shall then form part of the contract. Special attention shall be paid to getting the most the **Consultant** can offer within the available budget and to clearly defining the inputs required from the **NEDA** to ensure satisfactory implementation of the Project.
- 26.6. The financial negotiations shall include a clarification of the **Consultant's** tax liability in the Philippines, if any, and the manner in which it shall be reflected in the contract; and shall reflect the agreed technical modifications in the cost of the services. The negotiations shall conclude with a review of the draft form of the contract. To complete negotiations, the **NEDA** and the **Consultant** shall initial the agreed contract. If negotiations fail, the **NEDA** shall invite the **Consultant** whose proposals received the second highest score to negotiate a contract. If negotiations still fail, the **NEDA** shall repeat the process for the next-in-rank **Consultant** until the negotiation is successfully completed.

## 27. Post Qualification

- 27.1. The **NEDA** shall determine to its satisfaction whether the **Consultant** that is evaluated as having submitted the Highest Rated Proposal (HRP) complies with and is responsive to all the requirements and conditions specified in the Eligibility Documents and *ITB Clauses 10 and 11*.
- 27.2. Within three (3) calendar days from receipt by the **Consultant** of the notice from the NBAC-CS that it is the HRP, the **Consultant** shall submit the following documentary requirements:
  - (a) Latest income and business tax returns. **Consultants** have option to submit manually filed tax returns or tax returns filed through the Electronic Filing and Payments System (EFPS).

*NOTE: The latest income and business tax returns (annual or quarterly) are those within the last six months preceding the date of submission of proposals.*
  - (b) Certificate of PhilGEPS Registration; and

- (c) Other appropriate licenses and permits required by law.

Failure of the **Consultant** declared as HRP to duly submit the requirements under this Clause or a finding against the veracity of such shall be ground for forfeiture of the proposal security and disqualification of the **Consultant** for award.

- 27.3. The determination shall be based upon an examination of the documentary evidence of the **Consultant's** qualifications submitted pursuant to *ITB Clauses 10 and 11*, as well as other information as the NBAC-CS deems necessary and appropriate.
- 27.4. If the NBAC-CS determines that the **Consultant** with the HRP passes all the criteria for post-qualification, it shall declare the said proposal as the **Consultant** with the Highest Rated and Responsive Proposal (HRRP), and recommend to the Approving Authority of the **NEDA** the award of contract to the said **Consultant** at its submitted price or its calculated financial proposal price, whichever is lower, subject to *ITB Clause 29.3*.
- 27.5. A negative determination shall result in rejection of the **Consultant's** proposal, in which event the **NEDA** shall proceed to the next HRP to make a similar determination of that **Consultant's** capabilities to perform satisfactorily. If the second **Consultant**, however, fails the post qualification, the procedure for post qualification shall be repeated for the **Consultant** with the next HRP, and so on until the HRRP is determined for contract award.
- 27.6. Within a period not exceeding seven (7) calendar days from the date of receipt of the recommendation of the NBAC-CS, the Approving Authority of the **NEDA** shall approve or disapprove the said recommendation.

## 28. Reservation Clause

- 28.1. Notwithstanding the eligibility, short listing, or post-qualification of a **Consultant**, **NEDA** reserves the right to review its qualifications at any stage of the procurement process if it has reasonable grounds to believe that a misrepresentation has been made by the said **Consultant**, or that there has been a change in the **Consultant's** capability to undertake this Project from the time it submitted its eligibility and qualification requirements. Should such review uncover any misrepresentation made in the eligibility, qualification and procurement requirements, statements or documents, or any changes in the situation of the **Consultant** which will affect its capability to undertake the project so that it fails the preset eligibility, qualification or proposal evaluation criteria, the **NEDA** shall consider the said **Consultant** as ineligible and shall disqualify it from submitting a proposal or from obtaining an award or contract.
- 28.2. Based on the following grounds, the **NEDA** reserves the right to reject any and all proposals, including a single qualified proposal, declare a failure of procurement at any time prior to the contract award, or not to award the contract, without thereby incurring any liability, and make no assurance that a contract shall be entered into as a result of the procurement process:

- (a) if there is prima facie evidence of collusion between appropriate public officers or employees of the **NEDA**, or between the NBAC-CS and any of the proponents, or if the collusion is between or among the proponents themselves, or between a proponent and a third party, including any act which restricts, suppresses or nullifies or tends to restrict, suppress or nullify competition;
- (b) if the NBAC-CS is found to have failed in following the prescribed procurement procedures; or
- (c) for any justifiable and reasonable ground where the award of the contract will not redound to the benefit of the **GOP** as follows:
  - (i) If the physical and economic conditions have significantly changed so as to render the project no longer economically, financially or technically feasible as determined by the **Approving Authority of the NEDA**;
  - (ii) If the project is no longer necessary as determined by the **Approving Authority of the NEDA**; and
  - (iii) If the source of funds for the project has been withheld or reduced through no fault of the **NEDA**.

28.3. In addition, the NBAC-CS may likewise declare a failure of bidding when:

- (a) No proposals are received;
- (b) All prospective proponents are declared ineligible or disqualified;
- (c) All proposals fail to comply with all the proposal requirements or fail post-qualification; or
- (d) The **Consultant** with the HRRP refuses, without justifiable cause to accept the award of contract, and no award is made.

## **F. Award of Contract**

### **29. Contract Award**

- 29.1. Subject to **ITB Clause 27**, the **NEDA** will award the contract to the **Consultant** whose proposal has been determined to be the HRRP.
- 29.2. Prior to the expiration of the period of proposal validity, the NBAC-CS shall notify the successful **Consultant** in writing that its proposal has been accepted, through a NOA received personally or sent by registered mail or electronically, receipt of which must be confirmed in writing within two (2) days by the **Consultant** with the HRRP and submitted personally or sent by registered mail or electronically to the **NEDA**.

- 29.3. Notwithstanding the issuance of the NOA, award of contract shall be subject to the following conditions:
- (a) Submission of the valid JVA, if applicable, within ten (10) calendar days from receipt by the **Consultant** of the notice from the NBAC-CS that the **Consultant** has the HRRP;
  - (b) Posting of the performance security in accordance with **ITB Clause 31**;
  - (c) Signing of the contract as provided in **ITB Clause 30**; and
  - (d) Approval by higher authority, if required.

### **30. Signing of the Contract**

- 30.1. At the same time as the **NEDA** notifies the successful **Consultant** that its proposal has been accepted, the **NEDA** shall send the Contract Form to the **Consultant**, which contract has been provided in the Bidding Documents, incorporating therein all agreements between the parties.
- 30.2. Within ten (10) calendar days from receipt of the Notice of Award, the successful **Consultant** shall post the required performance security and sign and date the contract and return it to the **NEDA**.
- 30.3. The **NEDA** shall enter into contract with the successful **Consultant** within the same ten (10) calendar day period provided that all the documentary requirements are complied with.
- 30.4. The following documents shall form part of the contract:
- (a) Contract Agreement;
  - (b) Bidding Documents;
  - (c) Highest Rated **Consultant's** proposals, including the Technical and Financial Proposals, and all other documents/statements submitted;
  - (d) Bid bulletins;
  - (e) Performance Security;
  - (f) Notice of Award of Contract
  - (g) Notice to Proceed; and
  - (h) Other contract documents that may be required by existing laws.

### 31. Performance Security

- 31.1. To guarantee the faithful performance by the winning **Consultant** of its obligations under the contract, it shall post a performance security within a maximum period of ten (10) calendar days from the receipt of the Notice of Award from the **NEDA** and in no case later than the signing of the contract.
- 31.2. The performance security shall be denominated in Philippine Pesos and posted in favor of the **NEDA** in an amount equal to the percentage of the total contract price in accordance with the following schedule:

Form of Performance Security	Amount of Performance Security (Equal to Percentage of the Total Contract Price)
(a) Cash or cashier's/manager's check issued by a Universal or Commercial Bank.	Five percent (5%)
(b) Bank draft/guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank: Provided, however, that it shall be confirmed or authenticated by a Universal or Commercial Bank, if issued by a foreign bank.	
(c) Surety bond callable upon demand issued by a surety or insurance company duly certified by the Insurance Commission as authorized to issue such security; and/or	Thirty percent (30%)
(d) Any combination of the foregoing.	Proportionate to share of form with respect to total amount of security

- 31.3. Failure of the successful **Consultant** to comply with the above-mentioned requirement will constitute sufficient ground for the annulment of the award and forfeiture of the proposal security, in which event the **NEDA** shall initiate and complete the post qualification of the second HRP. The procedure shall be repeated until the HRRP is identified and selected for contract award. However if no **Consultant** passed post-qualification, the NBAC-CS shall declare the procurement a failure and conduct a re-bidding with re-advertisement.

### 32. Notice to Proceed

- 32.1. The Notice to Proceed to the **Consultant** shall be issued within three (3) calendar days from the date of approval of the contract by the Approving Authority of the **NEDA**.

- 32.2. The contract shall take effect upon the **Consultant's** receipt of the Notice to Proceed or seven (7) days from its issuance whichever is earlier.

REPUBLIC OF THE PHILIPPINES )  
CITY OF \_\_\_\_\_ ) S.S.  
X-----X

**BID-SECURING DECLARATION**

**Request for Expression of Interest No.:** *[Insert reference number]*

To: *[Insert name and address of the Procuring Entity]*

I/We<sup>1</sup>, the undersigned, declare that:

1. I/We understand that, according to your conditions, bids must be supported by a Proposal Security, which may be in the form of a Bid-Securing Declaration.
2. I/We accept that: (a) I/we will be automatically disqualified from bidding for any contract with any procuring entity for a period of two (2) years upon receipt of your Blacklisting Order; and, (b) I/we will pay the applicable fine provided under Section 6 of the Guidelines on the Use of Bid Securing Declaration<sup>2</sup>, if I/we have committed any of the following actions:
  - (i) Withdrawn my/our Proposal during the period of proposal validity required in the Bidding Documents; or
  - (ii) Fail or refuse to accept the award and enter into contract or perform any and all acts necessary to the execution of the Contract, in accordance with the Bidding Documents after having been notified of your acceptance of our Proposal during the period of Proposal validity.
3. I/We understand that this Bid-Securing Declaration shall cease to be valid on the following circumstances:
  - (a) Upon expiration of the Proposal validity period, or any extension thereof pursuant to your request;
  - (b) I am/we are declared ineligible or post-disqualified upon receipt of your notice to such effect, and (i) I/we failed to timely file a request for reconsideration or (ii) I/we filed a waiver to avail of said right;
  - (c) I am/we are declared as the **Consultant** with the Highest Rated and Responsive Bid, and I/we have furnished the performance security and signed the Contract.

---

<sup>1</sup> Select one and delete the other. Adopt same instruction for similar terms throughout the document.

<sup>2</sup> Issued by the GPPB through GPPB Resolution 03-2012 on 27 January 2012.



**IN WITNESS WHEREOF**, I/We have hereunto set my/our hand/s this \_\_\_\_ day of *[month]* *[year]* at *[place of execution]*.

***[Insert NAME OF CONSULTANT'S  
AUTHORIZED REPRESENTATIVE]  
[Insert signatory's legal capacity]  
Affiant***

**SUBSCRIBED AND SWORN** to before me this \_\_\_\_ day of *[month]* *[year]* at *[place of execution]*, Philippines. Affiant/s is/are personally known to me and was/were identified by me through competent evidence of identity as defined in the 2004 Rules on Notarial Practice (A.M. No. 02-8-13-SC). Affiant/s exhibited to me his/her *[insert type of government identification card used]*, with his/her photograph and signature appearing thereon, with no. \_\_\_\_\_.

Witness my hand and seal this \_\_\_\_ day of *[month]* *[year]*.

**NAME OF NOTARY PUBLIC**

Serial No. of Commission \_\_\_\_\_

Notary Public for \_\_\_\_\_ until \_\_\_\_\_

Roll of Attorneys No. \_\_\_\_\_

PTR No. \_\_, *[date issued]*, *[place issued]*

IBP No. \_\_, *[date issued]*, *[place issued]*

Doc. No. \_\_\_\_

Page No. \_\_\_\_

Book No. \_\_\_\_

Series of \_\_\_\_.

## **Section II. General Conditions of Contract**

## TABLE OF CONTENTS

1.	DEFINITIONS .....	37
2.	HEADINGS.....	38
3.	LAW GOVERNING CONTRACT AND SERVICES .....	37
4.	LANGUAGE .....	37
5.	CONSULTANTS AND AFFILIATES NOT TO ENGAGE IN CERTAIN ACTIVITIES .....	37
6.	AUTHORITY OF MEMBER IN CHARGE.....	38
7.	ENTIRE AGREEMENT.....	38
8.	MODIFICATION.....	38
9.	RELATIONSHIP OF PARTIES .....	38
10.	AUTHORIZED REPRESENTATIVES .....	39
11.	GOOD FAITH .....	39
12.	OPERATION OF THE CONTRACT.....	39
13.	NOTICES.....	39
14.	WARRANTY AS TO ELIGIBILITY.....	41
15.	CONFIDENTIALITY .....	41
16.	PAYMENT.....	41
17.	CURRENCY OF PAYMENT .....	42
18.	LIABILITY OF THE CONSULTANT .....	42
19.	INSURANCE TO BE TAKEN OUT BY THE CONSULTANT.....	42
20.	EFFECTIVITY OF CONTRACT.....	42
21.	COMMENCEMENT OF SERVICES.....	42
22.	EXPIRATION OF CONTRACT.....	42
23.	FORCE MAJEURE.....	43
24.	SUSPENSION .....	44
25.	TERMINATION BY THE NEDA.....	44
26.	TERMINATION BY THE CONSULTANT .....	45
27.	PROCEDURES FOR TERMINATION OF CONTRACTS .....	46
28.	CESSATION OF SERVICES .....	46

29.	PAYMENT UPON TERMINATION .....	47
30.	DISPUTES ABOUT EVENTS OF TERMINATION .....	47
31.	CESSATION OF RIGHTS AND OBLIGATIONS.....	48
32.	DISPUTE SETTLEMENT .....	48
33.	DOCUMENTS PREPARED BY THE CONSULTANT AND SOFTWARE DEVELOPED TO BE THE PROPERTY OF THE NEDA .....	47
34.	EQUIPMENT AND MATERIALS FURNISHED BY THE NEDA .....	48
35.	SERVICES, FACILITIES AND PROPERTY OF THE NEDA .....	48
36.	CONSULTANT’S ACTIONS REQUIRING NEDA’S PRIOR APPROVAL .....	48
37.	PERSONNEL.....	49
38.	WORKING HOURS, OVERTIME, LEAVE, ETC. ....	51
39.	PERFORMANCE SECURITY .....	51
40.	STANDARD OF PERFORMANCE .....	52
41.	CONSULTANT NOT TO BENEFIT FROM COMMISSIONS, DISCOUNTS, ETC.....	53
42.	PROCUREMENT BY THE CONSULTANT.....	53
43.	SPECIFICATIONS AND DESIGNS .....	53
44.	REPORTS .....	53
45.	ASSISTANCE BY THE NEDA ON GOVERNMENT REQUIREMENTS .....	54
46.	SUBCONTRACT.....	54
47.	ACCOUNTING, INSPECTION AND AUDITING .....	55
48.	CONTRACT COST .....	55
49.	REMUNERATION AND REIMBURSABLE EXPENDITURES .....	55
50.	FINAL PAYMENT .....	57
51.	LIQUIDATED DAMAGES FOR DELAY.....	56

## 1. Definitions

1.1. Unless the context otherwise requires, the following terms whenever used in this Contract have the following meanings:

- (a) “Applicable Law” means the laws and any other instruments having the force of law in the Philippines as they may be issued and enforced from time to time.
- (b) “**Consultant**” refers to the short listed **Consultant** with the Highest Rated and Responsive Proposal determined by the **NEDA** as such in accordance with the ITB.
- (c) “Consulting Services” refer to services for Infrastructure Projects and other types of projects or activities of the Government of the Philippines (GOP) requiring adequate external technical and professional expertise that are beyond the capability and/or capacity of the **NEDA** to undertake such as, but not limited to: (i) advisory and review services; (ii) pre-investment or feasibility studies; (iii) design; (iv) construction supervision; (v) management and related services; and (vi) other technical services or special studies.
- (d) “Contract” means the agreement signed by the Parties, to which these General Conditions of Contract (GCC) and other sections of the Bidding Documents are attached.
- (e) “Effective Date” means the date on which this Contract comes into full force and effect.
- (f) “Foreign Currency” means any currency other than the currency of the Philippines.
- (g) “Funding Source” means the FY 2015 General Appropriations Act.
- (h) “GCC” means these General Conditions of Contract.
- (i) “Government” means the Government of the Philippines (GOP).
- (j) “Local Currency” means the Philippine Peso (Php).
- (k) “Member,” in case the **Consultant** is a Joint Venture (JV) of two (2) or more entities, means any of these entities; and “Members” means all these entities.
- (l) “Party” means the **NEDA** or the **Consultant**, as the case may be, and “Parties” means both of them.
- (m) “Personnel” means persons hired by the **Consultant** or by any Sub-**Consultant** as employees and assigned to the performance of the Services or any part thereof; “Foreign Personnel” means such persons who at the time of being so hired had their domicile outside the Government’s country; “Local Personnel” means such persons who at

the time of being so hired had their domicile inside the Philippines; and “Key/Organic Personnel” means the Personnel referred to in GCC Clause 37.

- (n) “SCC” means the Special Conditions of Contract by which the GCC may be amended or supplemented.
- (o) “Services” means the work to be performed by the **Consultant** pursuant to this Contract and as required in the TOR.
- (p) “Sub-**Consultant**” means any person or entity to whom/which the **Consultant** subcontracts any part of the Services in accordance with the provisions of GCC Clause 46.
- (q) “Third Party” means any person or entity other than the Government, the **NEDA**, the **Consultant** or a Sub-**Consultant**.

## 2. Headings

The headings shall not limit, alter or affect the meaning of this Contract.

## 3. Law Governing Contract and Services

- 3.1. This Contract, its meaning and interpretation, and the relation between the Parties shall be governed by the Applicable Law.
- 3.2. The **Consultant** shall perform the Services in accordance with the Applicable Law and shall take all practicable steps to ensure that any Sub-**Consultant**, as well as the Personnel of the **Consultant** and any Sub-**Consultant**, complies with the Applicable Law. The **NEDA** shall notify the **Consultant** in writing of relevant local customs, and the **Consultant** shall, after such notification, respect such customs. The **Consultant** shall comply with, and strictly observe any law regarding workmen’s health and safety, workmen’s welfare, compensation for injuries, minimum wage, hours of labor and other labor laws.

## 4. Language

This Contract has been executed in the English language, which shall be the binding and controlling language for all matters relating to the meaning or interpretation of this Contract.

## 5. Consultants and Affiliates Not to Engage in Certain Activities

- 5.1. The **Consultant** agrees that, during the term of this Contract and after its termination, the **Consultant** and any entity affiliated with the **Consultant**, as well as any Sub-Consultant and any entity affiliated with such Sub-Consultant, shall be disqualified from providing goods, works, or consulting services for any project resulting from or closely related to this Contract other than the Services and any continuation thereof provided there is no current or future conflict.

5.2. The **Consultant** shall not engage, and shall cause their Personnel as well as their Sub-Consultants and their Personnel not to engage, either directly or indirectly, in any of the following activities:

- (a) during the term of this Contract, any business or professional activities in the Government's country which would conflict with the activities assigned to them under this Contract;
- (b) for full-time foreign staff during his/her assignment under this Contract either in his name or through the Consulting Firm, in any business or professional activities in the Philippines other than the performance of his duties or assignment under this Contract, and
- (c) after the termination of this Contract, any business or professional activities in the Government's country which would conflict with the activities that have been assigned to them under this Contract.

## 6. **Authority of Member in Charge** (*in case of JV*)

The JV Members hereby authorize \_\_\_\_\_, to act on behalf of the **Consultant** in exercising all the **Consultant's** rights and obligations towards the **NEDA** under this Contract, including without limitation the receiving of instructions and payments from the **NEDA**.

## 7. **Entire Agreement**

This Contract, including the documents specified in Section 37.2.3 of the IRR, contains all covenants, stipulations and provisions agreed by the Parties. No agent or representative of either Party has authority to make any statement, representation, promise, or agreement not set forth herein of which the Parties shall not be bound by or be liable for.

## 8. **Modification**

No modification of the terms and conditions of this Contract, including any modification of the scope of the Services shall be allowed. Pursuant to **GCC** Clause 12 hereof, however, each Party shall give due consideration to any proposal for modification made by the other Party.

## 9. **Relationship of Parties**

9.1. Nothing contained herein shall be construed as establishing a relation of employer and employee or of principal and agent as between the **NEDA** and the **Consultant**. The **Consultant**, subject to this Contract, has complete charge of its Personnel and Sub-Consultants, if any, performing the Services and shall be fully responsible for the Services performed by them or on their behalf hereunder and the timely delivery of outputs.

9.2. The **Consultant** shall during the performance of the Services be an independent contractor, retaining complete control over its Personnel,

conforming to all statutory requirements with respect to all its employees, and providing all appropriate employee benefits.

## 10. Authorized Representatives

Any action required or permitted to be taken, and any document required or permitted to be executed, under this Contract by the **NEDA** or the **Consultant** may be taken or executed by the following officials.

For the **NEDA**: Hon. Rolando G. Tungpalan

For the **Consultant**: \_\_\_\_\_

## 11. Good Faith

The Parties undertake to act in good faith with respect to each other's rights under this Contract and to adopt all reasonable measures to ensure the realization of the objectives of this Contract.

## 12. Operation of the Contract

The Parties recognize that it is impractical for this Contract to provide for every contingency which may arise during the life of this Contract, and the Parties hereby agree that it is their intention that this Contract shall operate fairly as between them, and without detriment to the interest of either of them; and that, if during the term of this Contract either Party believes that this Contract is operating unfairly, the Parties shall use their best efforts to agree on such action as may be necessary to remove the cause or causes of such unfairness, but no failure to agree on any action pursuant to this Clause shall give rise to a dispute subject to arbitration in accordance with **GCC** Clause 32 hereof.

## 13. Notices

13.1. Any notice, request or consent required or permitted to be given or made pursuant to this Contract shall be in writing. Any such notice, request or consent shall be deemed to have been given or made when received by the concerned party, either in person or through an authorized representative of the Party to whom the communication is addressed, or when sent by registered mail, telex, telegram or facsimile to such Party at the following addresses:

**NEDA**: National Economic and Development Authority  
Attention: Hon. Rolando G. Tungpalan, Deputy Director-General  
Address: #12 Saint Josemariá Escrivá Drive, Ortigas Center, Pasig City 1605  
Telephone: 631-0960 to 65 local 608  
Facsimile: 631-2186  
Email Address: **RGTungpalan@neda.gov.ph**

**Consultant**: \_\_\_\_\_  
Attention: \_\_\_\_\_  
Address: \_\_\_\_\_  
Facsimile: \_\_\_\_\_



Email Address: \_\_\_\_\_

13.2. Notice shall be deemed to be effective as follows:

- (a) in the case of personal delivery or registered mail, on delivery;
- (b) in the case of facsimiles, within four (4) hours following confirmed transmission; or
- (c) in the case of telegrams, within four (4) hours following confirmed transmission.

13.3. A Party may change its address for notice hereunder by giving the other Party notice of such change pursuant to the above provisions with respect to **GCC** Clause 13.2.

## **14. Warranty as to Eligibility**

14.1. The **Consultant** represents, warrants, and confirms that it, as well as its Sub-Consultant, if any, is eligible, *i.e.*, has the legal personality to act as a **Consultant** in accordance with the eligibility documents submitted for this project.

14.2. The **Consultant** shall fulfill its obligations under this Contract by using knowledge according to the best accepted professional standards. The **Consultant** shall exercise all reasonable skill, care and diligence in the discharge of duties agreed to be performed and shall work in the best interest of the GOP.

## **15. Confidentiality**

Except with the prior written consent of the **NEDA**, the **Consultant** and the Personnel shall not at any time communicate to any person or entity any confidential information acquired in the course of the Services, nor shall the **Consultant** and the Personnel make public the recommendations formulated in the course of, or as a result of, the Services. For purposes of this clause, “confidential information” means any information or knowledge acquired by the **Consultant** and/or its Personnel arising out of, or in connection with, the performance of the Services under this Contract that is not otherwise available to the public.

## **16. Payment**

16.1. In consideration of the Services performed by the **Consultant** under this Contract, the **NEDA** shall make to the **Consultant** such payments and in such manner as is provided by **GCC** Clause 49 of this Contract. However, the **NEDA** may refuse to make payments when the terms and conditions of the contract are not satisfactorily performed by the **Consultant**.

16.2. Payment will be made to the **Consultant** through check to be picked-up by the **Consultant's** representative at the **NEDA** Cashier's office.

16.3. A retention payment of 10% shall be withheld. It shall be based on the total amount due to the Consulting Firm prior to any deduction and shall be

retained from every progress payment until 50% of the value of Study, as determined by **NEDA**, are completed. If, after 50% completion, the Study is satisfactorily done and on schedule, no additional retention shall be made; otherwise, the 10% retention shall be imposed.

- 16.4. The total “retention money” shall be due for release upon approval of the Final Report. The Consulting Firm may, however, request the substitution of the retention money for each progress billing with irrevocable standby letters of credit from a commercial bank, bank guarantees or surety bonds callable on demand, of amounts equivalent to the retention money substituted for and acceptable to **NEDA**, provided that the project is on schedule and is satisfactorily undertaken. Otherwise, the 10% retention shall be made. Said irrevocable standby letters of credit, bank guarantees and/or surety bonds, to be posted in favor of **NEDA** shall be valid for the duration of the contract.

## **17. Currency of Payment**

All payments shall be made in Philippine Pesos.

## **18. Liability of the Consultant**

The **Consultant’s** liability under this Contract shall be as provided by the laws of the Republic of the Philippines. If the **Consultant** is a joint venture, all partners to the joint venture shall be jointly and severally liable to the **NEDA**.

## **19. Insurance to be Taken Out by the Consultant**

- 19.1. The **Consultant**, at its own cost, shall be responsible for taking out or maintaining any insurance policy against any risk related to the project.
- 19.2. The **NEDA** undertakes no responsibility in respect of life, health, accident, travel or any other insurance coverage for the Personnel or for the dependents of any such Personnel.

## **20. Effectivity of Contract**

This Contract shall take effect on the date of the **Consultant’s** receipt of the NTP.

## **21. Commencement of Services**

The **Consultant** shall begin carrying out the Services starting from the effectivity date of this Contract, as mentioned in **GCC** Clause 20.

## **22. Expiration of Contract**

Unless sooner terminated pursuant to **GCC** Clauses 25 or 26 hereof, this Contract shall terminate one (1) month after the issuance by **NEDA** of the Certificate of Completion and Satisfactory Service or such other time period as the parties may agree in writing.

## 23. Force Majeure

- 23.1. For purposes of this Contract the terms “force majeure” and “fortuitous event” may be used interchangeably. In this regard, a fortuitous event or force majeure shall be interpreted to mean an event which the **Consultant** could not have foreseen, or which though foreseen, was inevitable. It shall not include ordinary unfavorable weather conditions; and any other cause the effects of which could have been avoided with the exercise of reasonable diligence by the **Consultant**.
- 23.2. The failure of a Party to fulfill any of its obligations hereunder shall not be considered to be a breach of, or default under, this Contract insofar as such inability arises from an event of force majeure, provided that the Party affected by such an event has taken all reasonable precautions, due care and reasonable alternative measures, all with the objective of carrying out the terms and conditions of this Contract.
- 23.3. Unless otherwise agreed herein, force majeure shall not include:
- (a) any event which is caused by the negligence or intentional action of a Party or such Party’s Sub-Consultants or agents or employees;
  - (b) any event which a diligent Party could reasonably have been expected to both take into account at the time of the conclusion of this Contract and avoid or overcome in the carrying out of its obligations hereunder;
  - (c) insufficiency of funds or failure to make any payment required hereunder; or
  - (d) the **NEDA**’s failure to review, approve or reject the outputs of the **Consultant** beyond a reasonable time period.
- 23.4. A Party affected by an event of force majeure shall take all reasonable measures to remove such Party’s inability to fulfill its obligations hereunder immediately or within a reasonable time.
- 23.5. A Party affected by an event of force majeure shall notify the other Party of such event as soon as possible, and in any event not later than fifteen (15) days following the occurrence of such event, providing evidence of the nature and cause of such event, and shall similarly give notice of the restoration of normal conditions as soon as possible.
- 23.6. The Parties shall take all reasonable measures to minimize the consequences of any event of force majeure.
- 23.7. Any period within which a Party shall, pursuant to this Contract, complete any action or task, shall be extended for a period equal to the time during which such Party was unable to perform such action as a direct and proximate result of force majeure.

- 23.8. During the period of their inability to perform the Services as a direct and proximate result of an event of force majeure, the **Consultant** shall be entitled to continue receiving payment under the terms of this Contract as well as to be reimbursed for additional costs reasonably and necessarily incurred by it during such period for the purposes of the Services and in reactivating the Services after the end of such period, provided that such costs are still within the total contract price. However, the foregoing provision shall not apply if the **NEDA** suspends or terminates this Contract in writing, notice thereof duly received by the **Consultant**, pursuant to GCC Clauses 24 and 25 hereof with the exception of the direct and proximate result of force majeure.
- 23.9. Not later than fifteen (15) days after the **Consultant**, as the direct and proximate result of an event of force majeure, has become unable to perform a material portion of the Services, the Parties shall consult with each other with a view to agreeing on appropriate measures considering the circumstances.
- 23.10. In the case of disagreement between the parties as to the existence, or extent of force majeure, the matter shall be submitted to arbitration in accordance with GCC Clause 32 hereof.

## **24. Suspension**

- 24.1. The **NEDA** shall, by written notice of suspension to the **Consultant**, suspend all payments to the **Consultant** hereunder if the **Consultant** fail to perform any of their obligations due to their own fault or due to force majeure or other circumstances beyond the control of either party (e.g. suspension of civil works being supervised by the **Consultant**) under this Contract, including the carrying out of the Services, provided that such notice of suspension:
- (a) shall specify the nature of the failure; and
  - (b) shall request the **Consultant** to remedy such failure within a period not exceeding thirty (30) days after receipt by the **Consultant** of such notice of suspension.
- 24.2. The **Consultant** may, without prejudice to its right to terminate this Contract pursuant to **GCC** Clause 26, by written notice of suspension, suspend the Services if the **NEDA** fails to perform any of its obligations which are critical to the delivery of the **Consultant's** services such as, non-payment of any money due the **Consultant** within forty-five (45) days after receiving notice from the **Consultant** that such payment is overdue.

## **25. Termination by the NEDA**

- 25.1. The **NEDA** shall terminate this Contract when any of the following conditions attends its implementation:
- (a) Outside of force majeure, the **Consultant** fails to deliver or perform the Outputs and Deliverables within the period(s) specified in the Contract, or within any extension thereof granted by the **NEDA** pursuant to a request made by the **Consultant** prior to the delay;

- (b) As a result of force majeure, the **Consultant** is unable to deliver or perform a material portion of the Outputs and Deliverables for a period of not less than sixty (60) calendar days after the **Consultant's** receipt of the notice from the **NEDA** stating that the circumstance of force majeure is deemed to have ceased;
- (c) In whole or in part, at any time for its convenience, the Head of the **NEDA** may terminate the Contract for its convenience if he has determined the existence of conditions that make Project Implementation economically, financially or technically impractical and/or unnecessary, such as, but not limited to, fortuitous event(s) or changes in law and National Government policies;
- (d) If the **Consultant** is declared bankrupt or insolvent as determined with finality by a court of competent jurisdiction; in which event, termination will be without compensation to the **Consultant**, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the **NEDA** and/or the **Consultant**;
- (e) In case it is determined prima facie that the **Consultant** has engaged, before or during the implementation of this Contract, in unlawful deeds and behaviors relative to contract acquisition and implementation, such as, but not limited to, the following: corrupt, fraudulent, collusive and coercive practices; drawing up or using forged documents; using adulterated materials, means or methods, or engaging in production contrary to rules of science or the trade; and any other act analogous to the foregoing. For purposes of this clause, corrupt, fraudulent, collusive, and coercive practices shall have the same meaning as that provided in *ITB Clause 3.1(a)*;
- (f) The **Consultant** fails to remedy a failure in the performance of their obligations hereunder, as specified in a notice of suspension pursuant to GCC Clause 13.2 hereinabove, within thirty (30) days of receipt of such notice of suspension or within such further period as the **NEDA** may have subsequently approved in writing;
- (g) The **Consultant's** failure to comply with any final decision reached as a result of arbitration proceedings pursuant to GCC Clause 32 hereof; or
- (h) The **Consultant** fails to perform any other obligation under the Contract.

25.2. In case of termination, written notice shall be understood to mean fifteen (15) days for short term contracts, *i.e.*, four (4) months or less, and thirty (30) days for long term contracts.

## 26. Termination by the Consultant

The **Consultant** must serve a written notice to the **NEDA** of its intention to terminate this Contract at least thirty (30) calendar days before its intended termination. This

Contract is deemed terminated if no action has been taken by the **NEDA** with regard to such written notice within thirty (30) calendar days after the receipt thereof by the **NEDA**. The **Consultant** may terminate this Contract through any of the following events:

- (a) The **NEDA** is in material breach of its obligations pursuant to this Contract and has not remedied the same within sixty (60) calendar days following its receipt of the **Consultant's** notice specifying such breach;
- (b) The **NEDA's** failure to comply with any final decision reached as a result of arbitration pursuant to **GCC** Clause 32 hereof
- (c) As the direct and proximate result of force majeure, the **Consultant** is unable to perform a material portion of the Services for a period of not less than sixty (60) days; or
- (d) The **NEDA** fails to pay any money due to the **Consultant** pursuant to this Contract and not subject to dispute pursuant to **GCC** Clause 30 hereof within eighty four (84) days after receiving written notice from the **Consultant** that such payment is overdue.

## **27. Procedures for Termination of Contracts**

The following provisions shall govern the procedures for the termination of this Contract:

- (a) Upon receipt of a written report of acts or causes which may constitute ground(s) for termination as aforementioned, or upon its own initiative, the **NEDA** shall, within a period of seven (7) calendar days, verify the existence of such ground(s) and cause the execution of a Verified Report, with all relevant evidence attached;
- (b) Upon recommendation by the **NEDA**, the Head of the **NEDA** shall terminate this Contract only by a written notice to the **Consultant** conveying such termination. The notice shall state:
  - (i) that the contract is being terminated for any of the ground(s) aforementioned, and a statement of the acts that constitute the ground(s) constituting the same;
  - (ii) the extent of termination, whether in whole or in part;
  - (iii) an instruction to the **Consultant** to show cause as to why the contract should not be terminated; and
  - (iv) special instructions of the **NEDA**, if any.

The Notice to Terminate shall be accompanied by a copy of the Verified Report;

- (c) Within a period of seven (7) calendar days from receipt of the Notice of Termination, the **Consultant** shall submit to the Head of the **NEDA** a verified

position paper stating why this Contract should not be terminated. If the **Consultant** fails to show cause after the lapse of the seven (7) day period, either by inaction or by default, the Head of the **NEDA** shall issue an order terminating this Contract;

- (d) The **NEDA** may at anytime before receipt of the **Consultant's** verified position paper withdraw the Notice to Terminate if it is determined that certain services subject of the notice had been completed or performed before the **Consultant's** receipt of the notice;
- (e) Within a non-extendible period of ten (10) calendar days from receipt of the verified position paper, the Head of the **NEDA** shall decide whether or not to terminate this Contract. It shall serve a written notice to the **Consultant** of its decision and, unless otherwise provided, this Contract is deemed terminated from receipt of the **Consultant** of the notice of decision. The termination shall only be based on the ground(s) stated in the Notice to Terminate; and
- (f) The Head of the **NEDA** may create a Contract Termination Review Committee (CTRC) to assist him in the discharge of this function. All decisions recommended by the CTRC shall be subject to the approval of the Head of the **NEDA**.

## **28. Cessation of Services**

Upon termination of this Contract by notice of either Party to the other pursuant to **GCC** Clauses 25 or 26 hereof, the **Consultant** shall, immediately upon dispatch or receipt of such notice, take all necessary steps to bring the Services to a close in a prompt and orderly manner and shall make every reasonable effort to keep expenditures for this purpose to a minimum. With respect to documents prepared by the **Consultant**, and equipment and materials furnished by the **NEDA** or purchased by the **Consultant** under this Contract, the **Consultant** shall proceed as provided, respectively, by **GCC** Clauses 33 or 34 hereof.

## **29. Payment Upon Termination**

Upon termination of this Contract pursuant to **GCC** Clauses 25 or 26 hereof, the **NEDA** shall make the following payments to the **Consultant**:

- 29.1 in the case of termination pursuant to **GCC** Clause 25.1(b) hereof, reimbursement of any reasonable cost incident to the prompt and orderly termination of this Contract including the cost of the return travel of the Personnel and their eligible dependents.

## **30. Disputes about Events of Termination**

If either Party disputes whether an event specified in **GCC** Clause 25.1 or in **GCC** Clause 26 hereof has occurred, such Party may refer the matter to arbitration pursuant to **GCC** Clause 32 hereof, and this Contract shall not be terminated on account of such event except in accordance with the terms of any resulting arbitral award.

### **31. Cessation of Rights and Obligations**

Upon termination of this Contract pursuant to **GCC** Clauses 25 or 26 hereof, or upon expiration of this Contract pursuant to **GCC** Clause 22, all rights and obligations of the Parties hereunder shall cease, except:

- (a) such rights and obligations as may have accrued on the date of termination or expiration;
- (b) the obligation of confidentiality set forth in **GCC** Clause 15 hereof; and
- (c) the **Consultant**'s obligation to permit inspection, copying and auditing of their accounts and records set forth in **GCC** Clauses 47.1(b) and 47.1(c) hereof, any right which a Party may have under the Applicable Law.

### **32. Dispute Settlement**

- 32.1. Should any dispute related to this Contract and/or rights of the Parties arise, the same shall be submitted to mutual consultation, mediation and arbitration, in the order of application. The venue of the proceedings shall be in Pasig City.
- 32.2. In case of a court suit, the venue shall be the courts of competent jurisdiction in Pasig City, to the exclusion of all other courts.

### **33. Documents Prepared by the Consultant and Software Developed to be the Property of the NEDA**

- 33.1. All plans, drawings, specifications, designs, reports, other documents and software prepared by the **Consultant** for the **NEDA** under this Contract shall become and remain the property of the **NEDA**, and the **Consultant** shall, prior to termination or expiration of this Contract, deliver all such documents to the **NEDA**, together with a detailed inventory thereof. The **Consultant** may retain a copy of such documents and software. Future use, reproduction, distribution or citation of such property by the **Consultant** for any purpose is prohibited unless written consent is given by the **NEDA**.
- 33.2. Computer programs developed by the **Consultant** under this Contract, if any, shall be the sole and exclusive property of the **NEDA**; provided, however, that the **Consultant** may use such programs for its own use with prior written approval of the **NEDA**. If license agreements are necessary or appropriate between the **Consultant** and third parties for purposes of development of any such computer programs, the **Consultant** shall obtain the **NEDA**'s prior written approval to such agreements. In such cases, the **NEDA** shall be entitled at its discretion to require recovering the expenses related to the development of the program(s) concerned.

### **34. Equipment and Materials Furnished by the NEDA**

Equipment and materials which may be made available to the **Consultant** by the **NEDA**, or purchased by the **Consultant** out of this Contract, shall be the property of



the **NEDA** and shall be marked accordingly. Upon termination or expiration of this Contract, the **Consultant** shall make available to the **NEDA** an inventory of such equipment and materials and shall turnover to **NEDA** such equipment and materials in accordance with the **NEDA's** instructions. While in possession of such equipment and materials, the **Consultant**, unless otherwise instructed by the **NEDA** in writing, shall insure it in an amount equal to their full replacement value. The **NEDA** is not obliged to provide equipment and materials to the **Consultant** under this Contract.

### **35. Services, Facilities and Property of the NEDA and**

The **NEDA** is not obliged to provide services, facilities and property to the **Consultant** under the Contract but may provide assistance to the **Consultant** to the extent possible pursuant to GCC Clauses 45. The **Consultant** shall be responsible for the provision of the necessary project office space, which shall be within close proximity to **NEDA**, for the key/organic personnel and support staffs as well as the Government's detailed personnel, including the necessary office equipment and furniture for the conduct of the Study.

### **36. Consultant's Actions Requiring NEDA's Prior Approval**

The **Consultant** shall obtain the **NEDA's** prior approval in writing before taking any of the following actions:

- a. entering into a subcontract for the performance of any part of the Services, it being understood that:
  - (i) the selection of the Sub-Consultant and the terms and conditions of the subcontract shall have been approved in writing by the **NEDA** prior to the execution of the subcontract; and
  - (ii) the **Consultant** shall remain fully liable for the performance of the Services by the Sub-Consultant and its Personnel pursuant to this Contract. The approval by the Government of the assignment of any part of said services or of the engagement by Consulting Firm of sub-contractors to perform any part of the same shall not relieve the Consulting Firm of any obligations under this Contract;
- b. replacement, during the performance of the contract for any reason, of any Personnel as listed in the **Consultant's** Proposal of this Contract requiring the **NEDA's** prior approval.

### **37. Personnel**

- 37.1. The **Consultant** shall employ and provide such qualified and experienced Personnel and Sub-Consultants as are required to carry out the Services.
- 37.2. The position, agreed job description and estimated period of engagement in the carrying out of the Services of each of the **Consultant's** Key/Organic Personnel are described in the Proposal of the **Consultant**.

- 37.3. The Key/Organic Personnel listed in the Proposal of the **Consultant** are hereby approved by the **NEDA**. In respect of other Key/Organic Personnel which the **Consultant** proposes to use in the carrying out of the Services, the **Consultant** shall submit to the **NEDA** for review and approval a copy of their biographical data and, in the case of Key/Organic Personnel to be assigned within the GOP, a copy of a satisfactory medical certificate attached. If the **NEDA** does not object in writing; or if it objects in writing but fails to state the reasons for such objection, within twenty-one (21) calendar days from the date of receipt of such biographical data and, if applicable, such certificate, the Key/Organic Personnel concerned shall be deemed to have been approved by the **NEDA**.
- 37.4. The **NEDA** may request the **Consultants** to perform additional services not covered by the original scope of work but are determined by the **NEDA** to be critical for the satisfactory completion of the Services.
- 37.5. No changes shall be made in the Key/Organic Personnel, except for justifiable reasons beyond the control of the **Consultant**, and only upon prior approval of the **NEDA**. The **Consultant** may change its Key/Organic Personnel only for reasons of death, serious illness, incapacity of an individual **Consultant**, or until after fifty percent (50%) of the Personnel's man-months have been served.
- 37.6. If it becomes justifiable and necessary to replace any of the Personnel, the **Consultant** shall forthwith provide as a replacement a person of equivalent or better qualifications. If the **Consultant** introduces changes in Key/Organic Personnel for reasons other than those mentioned above, the **Consultant** shall be fined an amount equal to the refund of the replaced Personnel's basic rate, which should be at least fifty percent (50%) of the total basic rate for the duration of the engagement.
- 37.7. Any of the Personnel provided as a replacement under **GCC** Clauses 37.5 and 37.8, the rate of remuneration applicable to such person as well as any reimbursable expenditure the **Consultant** may wish to claim as a result of such replacement, shall be subject to the prior written approval by the **NEDA**. Except as the **NEDA** may otherwise agree, the **Consultant** shall bear all additional travel and other costs arising out of or incidental to any removal and/or replacement, and the remuneration to be paid for any of the Personnel provided as a replacement shall not exceed the remuneration which would have been payable to the Personnel replaced.
- 37.8. If the **NEDA** finds that any of the Personnel has committed serious misconduct or has been charged with having committed a criminal action as defined in the Applicable Law, or has reasonable cause to be dissatisfied with the performance of any of the Personnel, then the **Consultant** shall, at the **NEDA**'s written request specifying the grounds therefore, forthwith provide as a replacement a person with qualifications and experience acceptable to the **NEDA**.
- 37.9. The **Consultant** shall hold the Government free from any and all liabilities, suits, actions, demands or damages arising from death or injuries to persons or

properties, or any loss resulting from or caused by its personnel incident to or in connection with the services under this Contract. The Consulting Firm shall agree to indemnify, protect and defend at its own expense the Government and its agents from and against all actions, claims and liabilities arising out of acts done by the Consulting Firm or its personnel in the performance of the services, including the use of, or violation of any copyrighted materials, patented invention, article or appliance.

### **38. Working Hours, Overtime, Leave, etc.**

- 38.1. Working hours and holidays for Key/Organic Personnel are the responsibility of the **Consultant**. The **Consultant** shall ensure that the working hours and holidays allocated to Key/Organic Personnel are appropriate for the timely accomplishment of the outputs and deliverables of the **Consultant**. Any travel time prior to and after contract implementation shall not be considered as part of the working hours.
- 38.2. The Key/Organic Personnel shall not be entitled to claim payment for overtime work, sick leave, or vacation leave from the **NEDA** since these items are already deemed covered by the **Consultant's** remuneration. All leaves and holidays to be allowed to the Personnel are the responsibility of the **Consultant**. Taking of leave or holiday by any Personnel should not delay the progress and adequate supervision of the Services nor in any way prejudice the outputs and deliverables of the **Consultant**.
- 38.3. If required to comply with the provisions of **GCC** Clause 40.1 hereof, adjustments with respect to the estimated periods of engagement of Key/Organic Personnel set forth in the **Consultant's** Proposal may be made by the **Consultant** by prior written notice to the **NEDA**, provided that the aggregate of such adjustments shall not cause payments under this Contract to exceed the ceilings set forth in **GCC** Clause 48.1 of this Contract. Any other such adjustments shall only be made with the **NEDA's** prior written approval.

### **39. Performance Security**

- 39.1. Within ten (10) calendar days from receipt of the Notice of Award (NOA) from the **NEDA** but in no case later than the signing of the contract by both parties, the **Consultant** shall furnish the performance security, which shall be denominated in Philippine Pesos and posted in favor of the **NEDA** in an amount equal to the percentage of the total contract price in accordance with the following schedule and form prescribed below:

Form of Performance Security	Amount of Performance Security (Equal to Percentage of the Total Contract Price)
(a) Cash or cashier's/manager's check issued by a Universal or Commercial Bank.	Five percent (5%)

(b) Bank draft/guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank: Provided, however, that it shall be confirmed or authenticated by a Universal or Commercial Bank, if issued by a foreign bank.	
(c) Surety bond callable upon demand issued by a surety or insurance company duly certified by the Insurance Commission as authorized to issue such security; and/or	Thirty percent (30%)
(d) Any combination of the foregoing.	Proportionate to share of form with respect to total amount of security

- 39.2. The performance security posted in favor of the **NEDA** shall be forfeited in the event it is established that the **Consultant** is in default in any of its obligations under the contract.
- 39.3. The performance security shall remain valid until issuance by the **NEDA** of the Certificate of Final Acceptance.
- 39.4. The performance security may be released by the **NEDA** and returned to the **Consultant** after the issuance of the Certificate of Final Acceptance or Completion subject to the following conditions:
- (a) There are no pending claims against the **Consultant** or the surety company filed by the **NEDA**; and
  - (b) The **Consultant** has no pending claims for labor and materials filed against it.
- 39.5. In case of a reduction of the contract value, the **NEDA** shall allow a proportional reduction in the original performance security, provided that any such reduction is more than ten percent (10%) and that the aggregate of such reductions is not more than fifty percent (50%) of the original performance security.

#### 40. Standard of Performance

- 40.1. The **Consultant** shall perform the Services and carry out their obligations hereunder with all due diligence, efficiency and economy, in accordance with generally accepted professional techniques and practices, and shall observe sound management and engineering theories and practices, and employ appropriate advanced technology and safe and effective equipment, machinery, materials and methods.
- 40.2. The **Consultant** shall always act, in respect of any matter relating to this Contract or to the Services, as faithful advisers to the **NEDA**, and shall at all

times support and safeguard the **NEDA's** legitimate interests in any dealings with Sub-Consultants or third parties.

40.3. The **Consultant** shall furnish to the **NEDA** such information related to the Services as the **NEDA** may from time to time reasonably request.

40.4. The **Consultant** shall at all times cooperate and coordinate with the **NEDA** with respect to the carrying out of its obligations under this Contract.

#### **41. Consultant Not to Benefit from Commissions Discounts, etc.**

The **Consultant** shall not accept for their own benefit any trade commission, discount or similar payment in connection with activities pursuant to this Contract or to the Services or in the discharge of their obligations hereunder, and the **Consultant** shall use its best efforts to ensure that any Sub-Consultants, as well as the Personnel and agents of either of them, similarly shall not receive any such additional remuneration.

#### **42. Procurement by the Consultant**

If the **Consultant**, as part of the Services, has the responsibility of advising or procuring goods, works or services, for the **NEDA**, the **Consultant** shall comply with any applicable procurement guidelines of the Funding Source, and shall at all times exercise such responsibility in the best interest of the **NEDA**. Any discounts or advantages obtained by the **Consultant** in the exercise of such procurement responsibility shall be for the benefit of the **NEDA**.

#### **43. Specifications and Designs**

43.1. The **Consultant** shall prepare all specifications and designs using the metric system and shall embody the best design criteria applicable to Philippine conditions. The **Consultant** shall specify standards which are accepted and well-known among industrial nations.

43.2. The **Consultant** shall ensure that the specifications and designs and all documentation relating to procurement of goods and services for this Contract are prepared on an impartial basis so as to promote national and international competitive bidding.

#### **44. Reports**

44.1. The deliverables for the subject Study as enumerated below shall be submitted by the Consulting Firm in four (4) hard copies to **NEDA** for review and/or payment processing. An electronic/soft copy shall also be submitted to **NEDA** on the date/period specified hereunder:

<u><b>Deliverable</b></u>	<u><b>Timeline</b></u>
VE/VA Work Plan	Within seven (7) working days from date of NTP

Preliminary VE/VA Report	Within two (2) months from date of Work Plan approval
Final VE/VA Report (including supporting tables, projections, software and electronic files)	Ten (10) working days from date of receipt of <b>NEDA</b> final comments

44.2. The **Consultant** shall submit to the **NEDA** all reports, deliverables and documents in English.

#### 45. Assistance on Government Requirements

45.1. **NEDA** or other concerned government agencies/entities, may assist the **Consultant**, Sub-Consultants, and Personnel in the payment of such taxes, duties, fees and other impositions as may be levied under the Applicable Law by providing information on the preparation of necessary documents for payment thereof.

45.2. **NEDA** or other concerned government agencies/entities, shall use its best efforts to ensure that the Government shall:

- (a) provide the Consultant, Sub-Consultants, and Personnel with work permits and such other documents as shall be necessary to enable the Consultant, Sub-Consultants, or Personnel to perform the Services;
- (b) arrange for the foreign Personnel and, if appropriate, their eligible dependents to be provided promptly with all necessary entry and exit visas, residence permits, and any other documents required for their stay in the Philippines for the duration of the Contract;
- (c) facilitate prompt clearance through customs of any property required for the Services and of the necessary personal effects of the foreign Personnel and their eligible dependents;
- (d) issue to officials, agents and representatives of the Government all such instructions as may be necessary or appropriate for the prompt and effective implementation of the Services; and
- (e) grant to foreign Consultant, any foreign Sub-Consultant and the Personnel of either of them the privilege, pursuant to the Applicable Law, of bringing into the Government's country reasonable amounts of foreign currency for purposes of the Services or for the personal use of the foreign Personnel and their dependents.

#### 46. Subcontract

46.1. Subcontracting of any portion of the Consulting Services does not relieve the **Consultant** of any liability or obligation under this Contract. The **Consultant**

will be responsible for the acts, defaults, and negligence of any sub-Consultant, its agents, servants or workmen as fully as if these were the **Consultant's** own acts, defaults, or negligence, or those of its agents, servants or workmen.

- 46.2. Sub-Consultants disclosed and identified during the procurement process may be changed during the implementation of this Contract, subject to compliance with the required qualifications and the approval of the **NEDA**.

## **47. Accounting, Inspection and Auditing**

- 47.1. The **Consultant** shall:

- (a) keep accurate and systematic accounts and records in respect of the Services hereunder, in accordance with internationally accepted accounting principles and in such form and detail as shall clearly identify and accurately establish all costs actually incurred, as well as relevant time changes, and the bases thereof;
- (b) permit the **NEDA** or its designated representative and or the designated representative of the Funding Source at least once for short-term Contracts, and annually in the case of long-term Contracts, and up to one year from the expiration or termination of this Contract, to inspect the same and make copies thereof as well as to have them audited by auditors appointed by the **NEDA**; and
- (c) permit the Funding Source to inspect the **Consultant's** accounts and records relating to the performance of the **Consultant** and to have them audited by auditors approved by the Funding Source, if so required.

- 47.2. The basic purpose of this audit is to verify payments under this Contract and, in this process, to also verify representations made by the **Consultant** in relation to this Contract. The **Consultant** shall cooperate with and assist the **NEDA** and its authorized representatives in making such audit. In the event the audit discloses that the **Consultant** has overcharged the **NEDA**, the **Consultant** shall immediately reimburse the **NEDA** an amount equivalent to the amount overpaid. If overpayment is a result of the **Consultant** having been engaged in what the **NEDA** (or, as the case may be, the Funding Source) determines to constitute corrupt, fraudulent, or coercive practices, as defined in **GCC** Clause 25.1(e) and under the Applicable Law, the **NEDA** shall, unless the **NEDA** decides otherwise, terminate this Contract.

- 47.3. The determination that the **Consultant** has engaged in corrupt, fraudulent, coercive practices shall result in the **NEDA** and/or the Funding Source seeking the imposition of the maximum administrative, civil and criminal penalties up to and in including imprisonment.

## **48. Contract Cost**

- 48.1. Except as may be otherwise agreed under **GCC** Clause 8, payments under this Contract shall not exceed **Six Million Pesos (PhP6,000,000.00)**, inclusive of

all applicable Government taxes and charges, professional fees, and other incidental and administrative costs (i.e., transportation expenses, printing and reproduction of reports, cost of conduct of workshops and meetings including, food, venue, and equipment rental, and other expenses deemed necessary for the project). The **Consultant** shall notify the **NEDA** as soon as cumulative charges incurred for the Services have reached eighty percent (80%) of this ceiling.

- 48.2. The cost of the Services shall be payable in Philippine Pesos.
- 48.3. This Consulting contract shall be a fixed price contract. Any extension of the contract period shall not involve any additional cost to the Government.

## 49. Payment Schedule

- 49.1 Payments of services do not relieve the **Consultant** of any obligation hereunder.
- 49.2 Remuneration shall be determined on the basis of acceptance by **NEDA** of the **Consultant's** deliverables/outputs. Personnel - Any replacement approved by the Procuring Entity in accordance with *ITB Clause 26.4* shall be provided by the **Consultant** at no additional cost.
- 49.3 Further, it is understood that the remuneration rates shall cover:
  - a. Such salaries and allowances as the **Consultant** shall have agreed to pay to the Personnel as well as factors for social charges and overhead;
  - b. The cost of backstopping by home office staff not included in the Personnel list in the **Consultant's** proposal; and
  - c. The **Consultant's** fee.
- 49.4 Bonuses or other means of profit-sharing shall not be allowed as an element of overhead. Any rates specified for persons not yet appointed shall be provisional and shall be subject to revision, with the written approval of **NEDA**.
- 49.5 Billings and payments in respect of the Services shall be made as follows:
  - a. Billing for payment shall be in accordance with the following delivery schedule, subject to the usual Government accounting and auditing requirements:

Description	Payment
Upon <b>NEDA</b> Approval of the Work Plan	10%
Upon <b>NEDA</b> Approval of the Preliminary VA Report	25%
Upon <b>NEDA</b> Approval of the Draft Final VA Report	40%



<b>Description</b>	<b>Payment</b>
Upon <b>NEDA</b> Approval of the Final VA Report and Documentation of the VE/VA Study	25%
<b>TOTAL</b>	<b>100%</b>

- b. Should any discrepancy be found to exist between actual payment and costs incurred by the **Consultant**, the **NEDA** may add or subtract the difference from any subsequent payments. No interest shall be paid for delayed payments.
- 49.6 Activity Schedule- Should the rate of progress of the Services, or any part hereof, be at any time in the opinion of the **NEDA** too slow to ensure that the Services are completed in accordance with the Staffing Schedule, the **NEDA** shall so notify the **Consultant** in writing and the **Consultant** shall at its sole cost and expense, there upon take such steps as necessary, subject to the **NEDA's** approval or as reasonably required by the **NEDA**, to expedite progress so as to ensure that the Services are completed in accordance with the Activity Schedule.
- 49.7 Final payment pursuant to GCC Clause 50 shall be made by the Procuring Entity after the final report has been submitted by the **Consultant** and approved by the Procuring Entity.
- 49.8 Termination - Upon the receipt or giving of any notice referred to in GCC Clause 27 and if the **Consultant** is not in default under this Contract and has partly or substantially performed its obligation under this Contract up to the date of termination and has taken immediate steps to bring the Services to a close in prompt and orderly manner, there shall be an equitable reduction in the maximum amount payable under this Contract to reflect the reduction in the Services, provided that in no event shall the **Consultant** receive less than his actual costs up to the effective date of the termination, plus a reasonable allowance for overhead and profit.
- 49.9 No additional payment for variation order, if any, shall be allowed for this Contract.

## **50. Final Payment**

- 50.1 The final payment shall be made only after the final report as revised based on **NEDA** comments, and a final statement, identified as such, shall have been submitted by the **Consultant** and approved by the **NEDA**. The Services shall be deemed completed and finally accepted by the **NEDA** and the final report and final statement shall be deemed approved by the **NEDA** ninety (90) calendar days after receipt of the final report and final statement by the **NEDA** unless the **NEDA**, within such ninety (90)-day period, gives written notice to the **Consultant** specifying in detail deficiencies in the Services, the final report or final statement. The **Consultant** shall thereupon promptly make any necessary corrections within a maximum period of ninety (90) calendar days, and upon completion of such corrections, the foregoing process shall be repeated.

- 50.2 Any amount which the **NEDA** has paid or caused to be paid in accordance with this clause in excess of the amounts actually payable in accordance with the provisions of this Contract shall be reimbursed by the **Consultant** to the **NEDA** within thirty (30) days after receipt by the **Consultant** of notice thereof. Any such claim by the **NEDA** for reimbursement must be made within twelve (12) calendar months after receipt by the **NEDA** of the final report and a final statement approved by the **NEDA** in accordance with the above.

## **51. Liquidated Damages for Delay**

If the **Consultant** fails to deliver any or all of the Services within the period(s) specified in this Contract, the **NEDA** shall, without prejudice to its other remedies under this Contract and under the Applicable Law, deduct from the contract price, as liquidated damages, a sum equivalent to one-tenth of one percent of the price of the unperformed portion of the Services for each day of delay based on the approved contract schedule up to a maximum deduction of ten percent (10%) of the contract price. Once the maximum is reached, the **NEDA** may consider termination of this Contract pursuant to **GCC** Clause 25 without prejudice to any further action it may take to recover whatever losses incurred due to non-performance of the **Consultant**. To be entitled to such liquidated damages, **NEDA** does not have to prove that it has incurred actual damages. Such amount shall be deducted from any money due or which may become due the Consulting Firm under the contract and/or collect such liquidated damages from the retention money or other securities posted by the Consulting Firm, whichever is convenient to **NEDA**.

# Section III. Terms of Reference<sup>3</sup>

## Consulting Services for the Conduct of Value Engineering/Value Analysis (VE/VA) Study for Water Security in Metro Manila

### 1. RATIONALE

- 1.1** The National Government (NG) is continuously pursuing the most cost-efficient and cost-effective measures in supporting broad-based economic / inclusive growth in the country by maximizing the utilization of NG's limited financial resources without compromising the attainment of the country's development goals and thrusts under the 2011-2016 Philippine Development Plan (PDP).
- 1.2** Considering the major contribution of infrastructure development in achieving inclusive growth, NG has introduced, as one of its strategic measures, VE/VA<sup>4</sup> as a way of optimizing investments in major public infrastructure projects/programs to: (a) ensure that these projects/programs are not overdesigned or over-specified; (b) minimize cost overruns, project implementation delays and changes in scopes of works; and (c) ensure that the projects' full functionalities are achieved at the most appropriate designs and least costs.

### 2. BACKGROUND

#### 2.1. State of Water Supply Availability in Metro Manila

In 2011, the University of the Philippines – National Engineering Center (UP-NEC) conducted a water demand study for the Metro Manila areas served by the Concessionaires of the Metropolitan Waterworks and Sewerage System (MWSS)<sup>5</sup>. Comparing the anticipated water demand with the current production capacity of the Concessionaires, it was projected that Metro Manila will experience water supply deficit

---

<sup>3</sup>The Terms of Reference (TOR) can also be downloaded from the **NEDA** website: <http://www.neda.gov.ph>

<sup>4</sup>VE/VA, as defined by the Society of American Value Engineers International (SAVE International), is the systematic application of recognized techniques by a multi-disciplined team that identifies the functions of a product or service; establishes a worth for that function; generates alternatives through the use of creative thinking; and provides the needed functions, reliably at the lowest cost.

<sup>5</sup> Republic Act (RA) No. 6234 (1971) created MWSS *"to ensure an uninterrupted and adequate supply and distribution of potable water for domestic and other purposes at just and equitable rates."*

The Concessionaires of MWSS are **Manila Water Co., Inc. (MWCI) for the East Zone** (covering parts of Quezon City and Manila; Marikina; Mandaluyong; Makati; Pasig; Pateros; San Juan; Taguig; Rizal Province – Angono, Antipolo, Baras, Binangonan, Cainta, Cardona, Jala-Jala, Morong, Pililia, Rodriguez, San Mateo, Tanay, Taytay, Teresa) and **Maynilad Water Services, Inc. (MWSI) for the West Zone** (covering parts of Quezon City, Manila and Makati; Malabon; Navotas; Muntinlupa; Caloocan; Pasay; Parañaque; Las Piñas; Valenzuela; Cavite Province – Imus, Bacoor, Kawit, Noveleta, Cavite City, Rosario).

around 2020 if no buffer capacity for demand is assumed, or around 2017 if a 15% buffer capacity for demand is provided<sup>6</sup>.

In addition to the looming water supply deficit, it is noted that approximately 95% of the water supply for Metro Manila is currently provided by the Angat Reservoir System. Given that the country is prone to various natural disasters such as earthquakes and drought (especially during El Niño events), damage to the Angat Dam and its downstream waterworks as well as prolonged drought may severely affect water supply service provision in Metro Manila.

## **2.2. Water Security Legacy Plan of MWSS**

In 2012, MWSS, in its *Water Security Legacy Plan*, has laid out its water resources development, management, and protection strategies to address the looming water supply deficit in Metro Manila, including, but not limited to the following:

- a. Securing and maximizing Angat Dam and all its appurtenant structures and assets through the Angat Dam and Dyke Strengthening Project (ADDSP), Angat Water Utilization and Aqueduct Improvement Project (AWUAIP), and Angat Water Transmission Improvement Project (AWTIP), among others (*full implementation of AWUAIP and AWTIP will be able to recover the water lost due to leaks in the aqueducts, and thereby conveying nearly 100% of the 4,100 million liters per day [MLD] capacity of the Angat River*);
- b. Development of a long-term, redundant water source to Angat Dam, i.e., the proposed Laiban - Kaliwa Dam System under the New Centennial Water Source Project (NCWSP), which is expected to provide an additional 2,400 MLD of raw water for Metro Manila<sup>7</sup>;
- c. Development of other short-term water sources as well as utilization of new water technologies for back-up, short-term water sources, e.g., desalination of Laguna de Bay, new public-private partnership (PPP) projects, and potential management of floodwaters (in coordination with the Department of Public Works and Highways [DPWH] at flood mitigation in Marikina and Laguna de Bay);
- d. Management and protection of Umiray, Angat, Ipo, La Mesa, and Marikina watersheds; and
- e. Implementation of demand management strategies and non-revenue water (NRW) reduction programs by the Concessionaires.

---

<sup>6</sup> It is estimated that the water demand projections for the concession areas by 2037 will be around 6,000 MLD more than the existing total water supply system of 4,100 MLD. (Source: In Pursuit of Legacy: 2012 MWSS Annual Report)

<sup>7</sup> Kaliwa Dam alone will only be able to provide an additional 600 MLD of water. With Laiban Dam, an additional 1,800 MLD of raw water will be provided.

Meanwhile, the joint initiative of MWSS' Concessionaires through the Common Purpose Facilities (CPF)<sup>8</sup> includes the following projects:

- a. Umiray-Angat Trans basin Rehabilitation Project (UATP), which aims to upgrade the damaged facilities in Umiray to ensure water supply availability; and
- b. Sumag River Diversion Project (SRDP), which will have an estimated additional yield of 200 MLD

To date, only the AWUAIP has reached project completion<sup>9</sup>, while SRDP and ADDSP are currently in the implementation phase<sup>10</sup>, and UATP is being prepared for rebidding<sup>11</sup>. Meanwhile, with the various outstanding issues in the possible implementation of the Laiban Dam<sup>12</sup>, it was decided by MWSS to implement first the Kaliwa Dam component of NCWSP, and was subsequently approved by the **NEDA Board-ICC**<sup>13</sup>. It should be noted that the implementation of Kaliwa Dam alone will yield only an additional 600 MLD, and with a much reduced structure life span due to heavy siltation along Kaliwa River.

Considering full implementation, the above projects will only be able to satisfy future water demand up to 2022<sup>14</sup>, as shown in the *figure below*. This is without considering extreme weather events such as the El Niño phenomenon, which would affect water supply further.

Consequently, the 2011-2016 PDP called for the identification and development of new water sources for Metro Manila to eliminate the risks arising from being dependent on a single water source for present and future consumption needs of the population.

---

<sup>8</sup> CPF is a Joint Venture (JV)/Joint Undertaking of the two (2) Concessionaires of MWSS, i.e., Maynilad Water Services, Inc. (MWSI) and Manila Water Company, Inc. (MWCI) *"for the operation, maintenance, renewal, and as appropriate, the decommissioning of the Common Purpose Facilities and the performance of such other functions relating to the Concessions pursuant to and in accordance with the provisions of the Concession Agreements."* Under the JV/Joint Undertaking, which was executed between the parties on 31 July 1997, with the approval of MWSS, the Concessionaires jointly and equally share management and operating responsibilities for the Common Purpose Facilities.

<sup>9</sup> AWUAIP Phase 2 was completed on March 2013. (Source: [http://mwss.gov.ph/?page\\_id=6](http://mwss.gov.ph/?page_id=6))

<sup>10</sup> Notice to Proceed for SRDP was issued to the contractors on 15 April 2014, while the conduct of detailed engineering design for ADDSP started on 01 October 2014. (Sources: <http://mwss.gov.ph/?p=1584> and <http://mwss.gov.ph/?p=1569>, accessed on 19 March 2015)

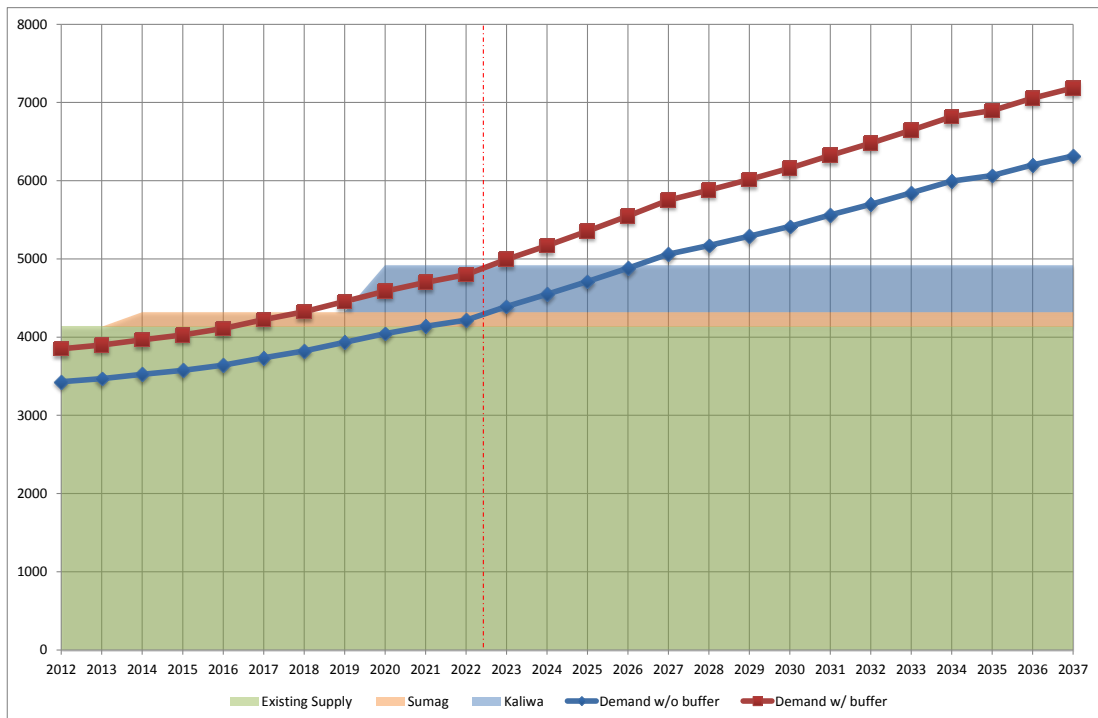
<sup>11</sup> Re-bidding due to an initial failure of bid. Status as of 30 November 2014.

(Source: <http://mwss.gov.ph/?p=2913>, accessed on 20 March 2015)

<sup>12</sup> As of 2012, approximately 3,000 families already live within the potential reservoir/inundation area of Laiban Dam.

<sup>13</sup> NCWSP was approved by the ICC and confirmed by the NEDA Board on 20 January 2014 and 29 May 2014, respectively.

<sup>14</sup> Including a 15% buffer capacity for demand.



Projected annual water demand-supply projections for Metro Manila

### 3. OBJECTIVE

The objective of this VE/VA Study is to utilize the NCWSP study, and all other studies, to identify and quantify all the existing and possible new sources of water supply for Metro Manila such as those mentioned in Section 2.2 of this TOR and to develop and recommend optimal solutions and/or combinations thereof which address the looming threats to water security in Metro Manila.

### 4. SCOPE OF CONSULTANT'S SERVICES

The consulting services shall involve, but not necessarily be limited to, the following activities:

- 4.1. Preparation of the general and detailed work plan for the conduct of the VE/VA study. The work plan shall include the timetable/schedule for each of the activities (such as Gantt Chart).
- 4.2. Conduct secondary data and information gathering, and review the various relevant documents and other pertinent data needed in the conduct of VE/VA. Review of pre-feasibility studies (pre-F/S) and/or feasibility studies (F/S) undertaken on the project and other pertinent data needed in the conduct of the VE/VA Study including, but not limited to: validation of estimated project costs and preparation of a cost, life-cycle cost and/or other appropriate models.

- 4.3. Undertake primary data gathering such as interviews, focus group discussions (FGD), and/or brainstorming workshops with relevant individuals, agencies, institutions, etc.
- 4.4. Preparation of a comprehensive briefing document on the VE/VA study goals, work plan, schedule, project description, study team roster, and essential plans of the general layout and other critical project features.
- 4.5. Conduct the VE/VA study using the six-phase job plan (refer to **Annex A**) as illustrated in the *Value Analysis (VA) Handbook of NEDA (2009)*<sup>15</sup>, which has developed guidelines and analytical tools on value analysis.

*As previously mentioned, the VE/VA study shall cover other possible options/activities in addition to those activities that are already described in the MWSS' Water Security Legacy Plan. The value options must consider the following policies and principles of the Government on water resources development, among others:*

- a. IWRM<sup>16</sup>. IWRM has been identified in the PDP as the overall strategy for: (a) the effective protection and regulation of water for security and ecosystem health; (b) the provision of responsive services for present and future needs; (c) the improved effectiveness, accountability and synergy among water-related institutions and stakeholders; and (d) adaptive and proactive responses to emerging as well as future challenges, such as climate change adaptation (CCA) and disaster risk reduction and management (DRRM).
- b. Eco-efficiency<sup>17</sup>. As an overarching strategy in the pursuit of water security, the PDP calls for eco-efficient approaches/interventions in the development of water infrastructure.
- c. NG policies on new water source development. The PDP calls for surface water development over groundwater source development particularly in areas where groundwater over-extraction and depletion, land subsidence, and saltwater intrusion is of highest concern including in Metro Manila. Further, the policy of the National Water Resources Board (NWRB), through its Board Resolution No. 001-0904 issued on September 2004 on suspension of new groundwater source

---

<sup>15</sup> For reference, the Value Analysis Handbook for NEDA (2009) may be downloaded from: <http://www.neda.gov.ph/wp-content/uploads/2014/01/Value-Analysis-Handbook.pdf>

<sup>16</sup> IWRM is a framework which promotes the coordinated development and management of water, land, and related resources in order to maximize the resultant economic and social welfare in an equitable manner without compromising the sustainability of vital ecosystems.

<sup>17</sup> Eco-efficiency promotes innovation and a paradigm shift from market-based efficiency to eco-efficiency, "eco" meaning both economic and ecological, resulting in resource-saving and efficient use in order to achieve decoupling economic well-being with natural resource use. Eco-efficient infrastructure means physical infrastructure that adopt the sustainable processes of design, construction, and operation and maintenance with less environmental impacts.

For more concrete examples, please refer to NEDA's audio-visual presentation on EEWIN found in: <https://www.youtube.com/watch?v=1k4mmyl0J1M>

*development in areas served by MWSS should be taken into consideration in the course of the study.*

- 4.6.** Preparation of the VE/VA Report for the proposed options. *The VE/VA Report should be in accordance with the standards/formats provided by NEDA, and with the NEDA VA Handbook (2009).*

*The Report shall also include the associated costs, benefits, and risks involved vis-à-vis the proposed options, highlighting the best options for delivering the intended outputs, which would yield the highest value for money (VfM), e.g., lowest lifecycle/whole-of-life costs based on secondary data or estimates.*

*The Report shall also include an analysis of possible financing schemes, e.g., whether National Government (NG) funding, Official Development Assistance (ODA), Public-Private Partnership (PPP), or hybrid arrangement, including an analysis of financing risks.*

- 4.7.** Conduct of coordination meetings with concerned agencies/institutions, as needed
- 4.8.** Conduct of meetings/presentations to **NEDA** or to **NEDA's** identified committees such as the **NEDA** Board-Committee on Infrastructure (INFRACOM) and the Sub-Committee on Water Resources (SCWR).
- 4.9.** Conduct of other activities, as needed, prior to the formulation of the draft final VE/VA report.

In addition to the specified scope of works mentioned above, the Consulting Firm may propose additional works/services to enhance the Study, provided it shall bear no additional cost to Government. The scope of any additional proposed works by the Consulting Firm shall be established within the submission of its Work Plan of the Study, which is seven (7) days upon the Consulting Firm's receipt of the Notice to Proceed (NTP), subject to the approval of **NEDA**.

**NEDA** may assign personnel to the **Consultant** as may be agreed upon for the purpose of capacity-building and technology transfer, and participate in the conduct of VE/VA study. The same shall not bear additional cost to Government.

## **5. TIMELINES AND DELIVERABLES**

- 5.1.** The **Consultant** is expected to submit a VE/VA Report with options recommendations and combinations thereof on how to address the threats to water security in Metro Manila including possible structural measures (e.g., development of new water sources and alternative locations for new sources of water, new and cost-effective technologies, etc.) and non-structural interventions (e.g., water demand management programs, water conservation advocacy measures, etc.), as well as justifying the potential alternatives through either improved quantity of water supply (in MLD), improved cost, and/or increased implementability of the proposed alternatives.



The recommended options shall aim to enhance the 2012 Water Security Legacy Plan of MWSS by considering options that use the principles of IWRM, river basin (RB) approach, eco-efficient water infrastructure, etc. Moreover, the recommended options should be shown to be feasible or potentially viable for further development.

## 5.2. Commencement Date and Period of Implementation

The study shall be completed within a period of ***four (4) months***, inclusive of the presentations to the SCWR and INFRACOM, commencing from the date of the NTP. Refer to **Annex B** for an illustration of the indicative implementation timelines for the study.

## 5.3. Table of Deliverables

The following deliverables/outputs (in 5 hard and soft copies) will be expected from the Consulting Firm to be submitted to **NEDA** on the day/date specified below and based on the agreed general Work Plan:

Deliverables	Timelines
<p><b><u>VE/VA Work Plan</u></b></p> <p>Work Plan for the conduct of VE/VA on the project, which will include the following:</p> <ul style="list-style-type: none"> <li>• Description of the Work Plan, which includes the methodology and mechanics/approach in conducting the VE/VA study, and work timetable. The methodology to be used should be consistent with the six (6)-phase job plan or similar methodology/principle. The <b>NEDA</b> VE/VA Handbook shall be used as reference; and</li> <li>• List of main activities and tasks to be undertaken by the Consulting Firm to develop the VE/VA Report, which shall also indicate the sequence and relationships between tasks and provide a realistic estimate of start and duration of each task.</li> </ul>	<p>Within seven working (7) days upon the Consulting Firm's receipt of the notice to proceed (NTP) from <b>NEDA</b> to commence the VE/VA study.</p>
<p><b><u>Preliminary VE/VA Report</u></b></p> <p>Report on initial findings of the VE/VA study</p>	<p>Within two (2) months after the <b>NEDA</b> approval of the Work Plan</p>
<p><b><u>Presentations to the SCWR and INFRACOM</u></b></p> <p>Presentations to the INFRACOM-SCWR of the Preliminary VE/VA Report, Draft Final Report, and Final Report</p>	<p>The earliest available schedule of the SCWR meeting upon receipt by <b>NEDA</b> of the Report</p>

Deliverables	Timelines
Presentation to the INFRACOM of the Draft Final Report	The earliest available schedule of the INFRACOM meeting upon receipt by <b>NEDA</b> of the Report
<b><u>Final VE/VA Report</u></b>  Report incorporating comments/recommendations from the SCWR and INFRACOM, as applicable, after the submission of the draft VE/VA Report and presentation to the INFRACOM	Ten (10) working days after INFRACOM final comments.

*Note: The VE/VA report should contain the required format/information as indicated in the standards/formats to be provided by **NEDA** and should be in accordance with the format provided for in the **NEDA** Value Analysis (VA) Handbook (2009).*

## 6. EXPERTISE REQUIREMENTS AND QUALIFICATIONS

The proposed Study shall be undertaken by a Consulting Firm<sup>18</sup> composed of the following key experts and their corresponding qualifications

### 6.1. Team Leader

- At least a bachelor's degree in the field of engineering or natural sciences, with a minimum of ten (10) years of experience in public infrastructure planning, design and/or construction;
- At least seven (7) years of relevant work experience in the conduct of VE/VA at various stages in the development of major infrastructure projects (e.g., options analysis during pre-F/S or F/S preparation);
- Premium shall be given to bidders whose proposed team leaders are Certified Value Specialists (CVS)<sup>19</sup> under SAVE International or similar certification bodies;

### 6.2. Water Resources Engineer/Planner

- At least a bachelor's degree in the field of engineering or natural sciences, with specialization in water resources engineering and/or planning;
- At least ten (10) years of relevant work experience inclusive of local and international work/training in water resources engineering and/or planning (e.g., water resources master planning, F/S preparation for projects within the water resources sector, preferably in the water supply sector);

<sup>18</sup>The engagement of local **Consultants** will be prioritized as long as the six (6)-phase job plan or similar methodology illustrated in the VA Handbook is followed.

<sup>19</sup> CVS is the highest level of certification attainable through SAVE International. Designation is reserved for Value Methodology (VM) practitioners, VM Program Managers, and VM Academia, who have demonstrated expert level experience and knowledge in the practice of the VM.

### 6.3. Hydrologist

- At least a bachelor's degree in the field of engineering or natural sciences with specialization in water resources engineering and/or planning;
- At least ten (10) years of relevant work experience in the field of water resources engineering/hydrology/hydraulics (e.g., water resources master planning, F/S preparation for projects within the water resources sector, preferably in the water supply sector);

### 6.4. Economist

- At least a bachelor's degree in the field of economics, finance and/or related fields; and
- At least ten (10) years of relevant work experience in analyzing funding/financing aspects of projects and financial/economic impact of major public infrastructure, preferably in economic/financial analyses of water resources projects.

The Consulting Firm may propose additional experts other than those listed herein, as it deems necessary, as long as such proposal is consistent with its proposed approach and methodology and without additional cost to Government. Moreover, the Consulting Firm may propose an expert to undertake more than one (1) activity/expertise, provided that: (i) all the necessary expertise required in delivering the desired output/s are present in the Team; (ii) the activities proposed to be undertaken by each expert should be consistent with the proposed approach and methodology; and (iii) the merging of expertise shall not prejudice the outputs.

## 7. APPROVED BUDGET FOR THE CONTRACT (ABC)

- 7.1. The ABC for the proposed study **SIX MILLION AND 00/100 PESOS(PhP6,000,000.00)**, inclusive of all applicable Government taxes and charges, professional fees, and other incidental and administrative costs (i.e., transportation expenses, printing and reproduction of reports, cost of conduct of workshops and meetings including, food, venue, and equipment rental, and other expenses deemed necessary for the project).
- 7.2. Note that this consulting contract shall be a fixed price contract. Any extension of contract time shall not involve any additional cost to **NEDA**.

## 8. PAYMENT SCHEDULE

- 8.1. The schedule of payment is as follows:

Description	Payment
Upon <b>NEDA</b> Approval of the Work Plan	10% of ABC
Upon <b>NEDA</b> Approval of the Preliminary VA Report	25% of ABC
Upon <b>NEDA</b> Approval of the Draft Final VA Report	40% of ABC

Description	Payment
Upon <b>NEDA</b> Approval of the Final VA Report and Documentation of the VE/VA Study	25% of ABC

- 8.2.** An advance payment shall be made to cover mobilization costs, but shall not exceed 15% of the contract amount, subject to the posting of an irrevocable standby letter of credit issued by an entity acceptable to **NEDA** and of an amount equal to the advance payment. The advance payment shall be repaid by the Consulting Firm by deducting from his subsequent billings/payments such sum as agreed upon during contract negotiations until fully liquidated within the duration of the contract.

## **9. IMPLEMENTATION ARRANGEMENT / RESPONSIBILITIES**

### **9.1. Responsibilities of NEDA**

- a. Shall evaluate all request for payments/billings and determine the acceptability/correctness of the same;
- b. Shall have the option to have up to five (5) Government personnel participate in the critical stages of the Study for the purpose of on-the-job capacity building/technology transfer;
- c. Shall provide, upon the request of the Consulting Firm, available information/data and also, if available, copies of previous related studies subject to the execution of a Non-Disclosure Agreement, if necessary;
- d. Shall supervise and provide the over-all guidance to the Consulting Firm on the general direction of the Study based on the project/Study objectives as well as on relevant country policies and development plans, and will direct the engaged Consulting Firm and/or the VE/VA Team on the succeeding or next steps to be undertaken during the course of the Study;
- e. Shall facilitate and coordinate with other Government agencies and private utility operators in the request for necessary interview meetings and document collection in advance of the VE/VA study; and
- f. Extend assistance in the coordination, preparation, and arrangement of venue, equipment, materials and other logistics for the various meetings.

### **9.2. Responsibilities of the Consulting Firm**

- a. Shall be responsible for the conduct of the Study and the timely delivery of results/outputs as indicated under Section 6.3 of this TOR;
- b. Shall shoulder all expenses required in the conduct of the Study, including travel costs and lodging of Government personnel during field visits, except for their salaries;

- c. Shall: (a) carry out the services with sound engineering theories and practices to ensure that the final works will provide the most economical and feasible development for the Study; (b) accept full responsibility for the consulting services to be performed under this TOR for which the Consulting Firm is liable to **NEDA**; and (c) comply with, and strictly observe any laws regarding workmen's health and safety, workmen's welfare, compensation for injuries, minimum wage, hours of labor and other labor laws;
- d. Shall: (a) keep accurate and systematic records and accounts in respect of the services in such form and detail as is customary and sufficient to establish accurately that the costs and expenditures under this TOR have been duly incurred; and (b) permit the duly authorized representatives of the Government from time to time to inspect its records and accounts as well as to audit the same;
- e. Shall not assign nor sub-contract any part of the professional engineering services under this TOR to any person or firm, except with prior written consent of **NEDA**. The approval by the Government to the assignment of any part of said services or to the engagement by the Consulting Firm of sub-contractors to perform any part of the same shall not relieve the Consulting Firm of any obligations under this TOR;
- f. Shall, during or after the conclusion or termination of the Study, limit its role to the provision of the services and hereby disqualifies itself and any other contractor, consulting engineer or manufacturer with which it is associated or affiliated, from the provision of goods and services other than the services herein, except as **NEDA** may otherwise agree;
- g. Shall prohibit full-time foreign staff during his assignment under this TOR to engage, directly or indirectly, either in his name, or through the Consulting Firm, in any business or professional activities in the Philippines other than the performance of his duties or assignment under this TOR;
- h. Shall not at any time communicate to any person or entity any information disclosed to them for the purpose of this services, nor shall the Consulting Firm make public any information as to the recommendations formulated in the course of or as a result of the services, except with prior consent of **NEDA**;
- i. Shall agree that nothing contained herein shall be construed as establishing or creating between the Government and the Consulting Firm, the relationship of employer and employee or principal and agent, it being understood that the position of the Consulting Firm and anyone else performing the services is that of an independent contractor;
- j. Shall hold the Government free from any and all liabilities, suits, actions, demands, or damages arising from death or injuries to persons or properties, or any loss resulting from or caused solely by the **Consultant's** personnel incident to or in connection with the services under this TOR. The Consulting Firm shall

agree to indemnify, protect and defend at its own expense the Government and its agents from and against all actions, claims and liabilities arising out of acts done solely by the Consulting Firm or its staff in the performance of the services, including the use of, or violation of any copyrighted materials, patented invention, article or appliance; and

- k. Shall provide on-the-job capacity building/technology transfer to the Government's personnel detailed to the Project.

## 10. OWNERSHIP OF THE OUTPUTS/REPORTS/DOCUMENTS

All submitted outputs/reports/documents under this contract, including but not limited to tracings, as-built drawings, estimates, digital information, computer model and data, specifications, investigations and studies completed or partially completed, inspection logs, and photographs, shall be the property of **NEDA** upon completion of the work / full payment of the contract or termination of the Agreement.

## 11. CONFORMANCE WITH EXISTING LAWS

The procurement process for this undertaking shall be executed in accordance with Republic Act (RA) No. 9184, otherwise known as the Government Procurement Reform Act (GPRA) and its Revised Implementing Rules and Regulations (IRR).

## 12. SELECTION CRITERIA FOR SHORTLISTING

Prospective Consultancy Firms must have at least 10 years of similar and/or relevant experience related to this TOR and will be rated based on the criteria shown in **Annex C** ("Criteria for Shortlisting"). Prospective bidders are required to submit the following:

- a. Copies of *Certificate of Project Completion and Acceptance* or equivalent Certification from their previous related studies/projects within the past 10 years;
- b. Company profile; and
- c. Curriculum Vitae (CV) of Key Experts highlighting their relevant work experience.

*Note the following:*

*Similar experience/studies refer to contracts with scope of works covering the conduct of pre-F/S preparation, full-blown F/S preparation, and detailed engineering design, which demonstrate the utilization of VE/VA principles such as the conduct of options analysis, in the water supply subsector<sup>20</sup>. Similar experience/studies shall also include the*

---

<sup>20</sup>The water supply subsector is one of the subsectors of the water resources sector. The other subsectors under the water resources sector are the following: (a) sanitation and sewerage; (b) irrigation; and (c) flood management.

*conduct of water resource assessments and water balance studies for the preparation of river basin master plans and/or watershed management plans.*

*Relevant experience/studies include conduct of pre-F/S preparation, full-blown F/S preparation, and detailed engineering for projects in the water resources sector (other than those under the water supply subsector which are considered as similar experience/studies), which demonstrate the utilization of VE/VA principles such as the conduct of options analysis. Relevant experience/studies shall also include VE/VA studies for projects belonging in other infrastructure sectors (e.g., transport sector, power sector, etc.).*

*The Team Leader and other Key Experts are requested to indicate: (1) their role in a specific project; (2) the exact duration (in man-months) that they have worked on the project; and (3) a brief description of the tasks that they have carried out (such as experience in the conduct of VE/VA or options analysis).*

The Consulting Firms will be evaluated using the Quality-Cost Based Evaluation/Selection QCBE/QCBS) procedure under RA No. 9184/GPRA and its IRR at 80% for the Technical Proposal and 20% for the Financial Proposal. The prospective Consulting Firms shall follow the guidelines in the preparation of eligibility requirements pursuant to Section 24.1 and Section 24.2 of the Revised IRR of the GPRA.

### **13. RETENTION PAYMENT<sup>21</sup>**

- 13.1** A retention payment of ten percent (10%) shall be withheld. It shall be based on the total amount due to the Consulting Firm prior to any deduction and shall be retained from every progress payment until 50% of the value of Study, as determined by **NEDA**, is completed. If, after 50% completion, the Study is satisfactorily done and on schedule, no additional retention shall be made; otherwise, the 10% retention shall be imposed.
- 13.2** The total "retention money" shall be due for release upon approval of the Final Report. The Consulting Firm may, however, request the substitution of the retention money for each progress billing with irrevocable standby letters of credit from a commercial bank, bank guarantees, or surety bonds callable on demand, of amounts equivalent to the retention money substituted for and acceptable to **NEDA**, provided that the project is on schedule and is satisfactorily undertaken. Otherwise, the 10% retention shall be made. Said irrevocable standby letters of credit, bank guarantees and/or surety bonds, to be posted in favor of **NEDA** shall be valid for the duration of the contract.

---

<sup>21</sup>Per Annex "E" of the Revised IRR of RA No. 9184

## 14. LIQUIDATED DAMAGES<sup>22</sup>

- 14.1.** Where the Consulting Firm refuses or fails to satisfactorily complete the work within the specified contract time, plus any time extension duly granted and is hereby in default under the contract, the Consulting Firm shall pay **NEDA** for liquidated damages, and not by way of penalty, an amount, as provided in the conditions of contract, equal to at least one tenth (1/10) of one (1) percent of the cost of the unperformed portion of the works for every day of delay. Should the amount of liquidated damages reaches ten percent (10%) of the contract amount, **NEDA** shall at its own discretion terminate the contract without prejudice to any further action it may take to recover whatever losses incurred due to non-performance of the Consulting Firm.
- 14.2.** To be entitled to such liquidated damages, **NEDA** does not have to prove that it has incurred actual damages. Such amount shall be deducted from any money due or which may become due the Consulting Firm under the contract and/or collect such liquidated damages from the retention money or other securities posted by the Consulting Firm whichever is convenient to **NEDA**.

---

<sup>22</sup>Per Annex “E” of the Revised IRR of RA No. 9184



## **Annex A: The Six (6)-Phase Job Plan:**

1. **Information Phase-** the **Consultant** will review existing and proposed projects design, objectives, and preliminary cost information. The team should understand the limitations of the projects as well as the expected benefits.
2. **Function Analysis Phase-** the **Consultant** should define the projects' functions and review and analyze these functions to determine which need improvement, elimination, or creation to meet the goals.
3. **Creativity Phase-** the **Consultant** will employ professional creative techniques to identify other ways to perform the function(s).
4. **Evaluation Phase-** the **Consultant** will follow a structured evaluation process to select those ideas that offer the potential for value improvement while delivering the function(s)/objectives and considering performance requirements and resource limits.
5. **Development Phase-** the **Consultant** will develop the selected ideas into alternatives (or proposals) with a sufficient level of documentation to allow decision-makers to determine which alternative should be implemented.
6. **Presentation Phase-** the **Consultant** will develop a workshop report and/or presentation that document and convey the adequacy of the alternative(s) developed by the **Consultant** to the **NEDA-Project Steering Committee**.

## Annex B: Timeline

Activity	Month 1												Month 2												Month 3												Month 4												
Issuance of notice to proceed/commence																																																	
Orientation/Leveling off																																																	
Preparation and Submission of work plan																																																	
1 <sup>st</sup> presentation																																																	
NEDA approval of work plan																																																	
VE/VA study																																																	
Preparation and Submission of Preliminary VE/VA report																																																	
2 <sup>nd</sup> Presentation																																																	
NEDA review/approval of Preliminary VE/VA report																																																	
Preparation and Submission of Draft Final report																																																	
3 <sup>rd</sup> presentation																																																	
NEDA review/approval of Draft Final report																																																	
Incorporation of NEDA comments by Consultants and																																																	
Finalization / incorporation of NEDA additional																																																	
Submission of Final VE/VA Report																																																	

### Annex C: Criteria for Shortlisting

	<b>RATING FACTOR</b>		<b>POINTS/WEIGHT</b>
<b>I</b>	<b>Experience and Capability of the Firm</b> <ul style="list-style-type: none"> <li>▪ Completed consulting services of size, complexity and technical specialty comparable to job under consideration, including quality of performance</li> <li>▪ Other completed consulting services related to the job under consideration</li> <li>▪ Known cases of prior performance, including quality of work conforming to obligations and cost of services</li> </ul>	<b>Subtotal</b>	<b>50</b>
<b>II</b>	<b>Quality of Key Personnel Who May Be Assigned to the Project</b>	<b>Subtotal</b>	<b>30</b>
<b>III</b>	<b>Job Capacity</b> <ul style="list-style-type: none"> <li>▪ Absorptive capacity to do additional works other than those currently being undertaken</li> </ul>	<b>Subtotal</b>	<b>20</b>
	<b>Total</b>		<b>100</b>

# Section IV. Proposal Forms

Technical Proposal Forms..... 77

Financial Proposal Forms ..... 87

Form of Contract Agreement..... 91

Omnibus Sworn Statement ..... 93

Section V: Appendices.....89

## TECHNICAL PROPOSAL FORMS

### Notes for Consultants

The following summarizes the content for the Technical Proposal.

#### Cover Letter

Use TPF 1. Technical Proposal Submission Form.

#### Experience of the Firm

Introduction of the background and general experience of the **Consultant**, including its partner(s) and subcontractors, if any.

Indicate completed projects in the format of TPF 2. Consultant's References illustrating the relevant experience of the **Consultant**, including its partner and subcontractors, if any. No promotional material should be included.

#### General approach and methodology, work and staffing schedule

Use TPF 4. Description of the Methodology and Work Plan for Performing the Project, TPF 5. Team Composition and Task, TPF 7. Time Schedule for Professional Personnel, and TPF 8. Activity (Work) Schedule.

*If subcontracting is allowed, add the following:* If the **Consultant** will engage a subcontractor for the portions of the Consulting Services allowed to be subcontracted, the **Consultant** shall indicate which portions of the Consulting Services will be subcontracted, identify the corresponding subcontractor, and include the legal eligibility documents of such subcontractor.

#### Curriculum Vitae (CV)

Use Staff. Sample published studies/papers of the **Consultant**/Staff should be attached to the CV.

In addition, the expert should submit a signed written commitment stating that the expert shall work for the Project once awarded the contract. A zero rating shall be given to a nominated expert if the expert:

- (1) failed to state nationality on the CV; or
- (2) the CV is not signed in accordance with paragraph above.

#### Comments on the terms of reference and data and facilities to be provided by the NEDA

Use TPF 3. Comments and Suggestions of Consultant on the Terms of Reference and on Data, Services, and Facilities to be Provided by the **NEDA**

## TPF 1. TECHNICAL PROPOSAL SUBMISSION FORM

---

*[Date]*

*[Name and address of the NEDA]*

Ladies/Gentlemen:

We, the undersigned, offer to provide the consulting services for *[Title of Project]* in accordance with your Bidding Documents dated *[insert date]* and our Bid. We are hereby submitting our Bid, which includes this Technical Proposal, and a Financial Proposal sealed under a separate envelope.

If negotiations are held during the period of proposal validity, *i.e.*, before *[insert date]*, we undertake to negotiate on the basis of the proposed staff. Our Proposal is binding upon us and subject to the modifications resulting from contract negotiations.

In accordance with **GCC** Clause 16 we acknowledge and accept the **NEDA**'s right to inspect and audit all records relating to our Proposal irrespective of whether we enter into a contract with the **NEDA** as a result of this Proposal or not.

We understand you are not bound to accept any Proposal received for the selection of a **Consultant** for the Project.

We remain,

Yours sincerely,

Authorized Signature:  
Name and Title of Signatory:  
Name of Firm:  
Address:

## TPF 2. CONSULTANT'S REFERENCES

### Relevant Services Carried Out in the Last Ten Years That Best Illustrate Qualifications

Using the format below, provide information on each project for which your firm/entity, either individually, as a corporate entity, or as one of the major companies within an association, was legally contracted.

Project Name:		Country:
Location within Country:		Professional Staff Provided by Your Firm/Entity(profiles):
Name of Client:		Nº of Staff:
Address:		Nº of Staff-Months; Duration of Project:
Start Date (Month/Year):	Completion Date (Month/Year):	Approx. Value of Services (in Current US\$):
Name of Associated <b>Consultants</b> , if any:		Nº of Months of Professional Staff Provided by Associated <b>Consultants</b> :
Name of Senior Staff (Project Director/Coordinator, Team Leader) Involved and Functions Performed:		
Narrative Description of Project:		
Description of Actual Services Provided by Your Staff:		

**Consultant's Name:** \_\_\_\_\_

**TPF 3. COMMENTS AND SUGGESTIONS OF CONSULTANT ON THE TERMS OF  
REFERENCE AND ON DATA, SERVICES, AND FACILITIES TO BE PROVIDED BY  
THE NEDA**

---

On the Terms of Reference:

- 1.
- 2.
- 3.
- 4.
- 5.

On the data, services, and facilities to be provided by the **NEDA**:

- 1.
- 2.
- 3.
- 4.
- 5.



#### **TPF 4. DESCRIPTION OF THE METHODOLOGY AND WORK PLAN FOR PERFORMING THE PROJECT**

---

## TPF 5. TEAM COMPOSITION AND TASK PROJECTS

---

1. Technical/Managerial Staff		
Name	Position	Task

2. Support Staff		
Name	Position	Task

## TPF 6. FORMAT OF CURRICULUM VITAE (CV) FOR PROPOSED PROFESSIONAL STAFF

---

Proposed Position: \_\_\_\_\_

Name of Firm: \_\_\_\_\_

Name of Staff: \_\_\_\_\_

Profession: \_\_\_\_\_

Date of Birth: \_\_\_\_\_

Years with Firm/Entity: \_\_\_\_\_ Nationality: \_\_\_\_\_

Membership in Professional Societies: \_\_\_\_\_

---

Detailed Tasks Assigned: \_\_\_\_\_

---

### Key Qualifications:

*[Give an outline of staff member's experience and training most pertinent to tasks on project. Describe degree of responsibility held by staff member on relevant previous projects and give dates and locations. ]*

---

### Education:

*[Summarize college/university and other specialized education of staff members, giving names of schools, dates attended, and degrees obtained.]*

---

### Employment Record:

*[Starting with present position, list in reverse order every employment held. List all positions held by staff member since graduation, giving dates, names of employing organizations, titles of positions held, and locations of projects. For experience in last ten years, also give types of activities performed and client references, where appropriate. ]*

---

### Studies/Papers/Written Reports:

*[Attach sample studies/papers/reports with corresponding Certificate of Completion/Acceptance.]*

---

**Trainings Facilitated:**

*[Indicate client, participants/trainees, subject matter.]*

---

**Engagement as Resource Person/Speaker:**

*[Indicate client, participants, subject matter.]*

---

**Languages:**

*[For each language, indicate proficiency: excellent, good, fair, or poor in speaking, reading, and writing.]*

---

**Certification:**

I, the undersigned, certify that to the best of my knowledge and belief, these data correctly describe me, my qualifications, and my experience.

\_\_\_\_\_  
*[Signature of staff member and authorized representative of the firm]*

Date: \_\_\_\_\_  
Day/Month/Year

Full name of staff member: \_\_\_\_\_

Full name of authorized representative: \_\_\_\_\_

TPF 7. TIME SCHEDULE FOR PROFESSIONAL PERSONNEL

			Months (in the Form of a Bar Chart)												Number of Months
Name	Position	Reports Due/Activities	1	2	3	4	5	6	7	8	9	10	11	12	
															Subtotal (1)
															Subtotal (2)
															Subtotal (3)
															Subtotal (4)

Full-time: \_\_\_\_\_  
Reports Due: \_\_\_\_\_  
Activities Duration: \_\_\_\_\_  
Location \_\_\_\_\_

Part-time: \_\_\_\_\_  
  
Signature:\_\_\_\_\_  
(Authorized representative)

Full Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_

## TPF 8. ACTIVITY (WORK) SCHEDULE

### A. Field Investigation and Study Items

	<i>[1st, 2nd, etc. are months from the start of project.]</i>												
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	
Activity (Work)													
_____													
_____													
_____													
_____													

### B. Completion and Submission of Reports

Reports	Date
1. VE/VA Work Plan	
2. Preliminary VE/VA Report	
3. Final VE/VA Report	

## FINANCIAL PROPOSAL FORMS

---

### Notes for Consultants

The following summarizes the content of the Financial Proposal.

#### Cover Letter

Use FPF 1. Financial Proposal Submission Form, which is an acknowledgement that, in preparation and submission of the Technical and Financial Proposals, **Consultants** have:

- (a) followed the applicable rules and guidelines indicated in this ITB;
- (b) not taken any action which is or constitutes a corrupt, fraudulent, or coercive practice as defined in the applicable rules and guidelines; and
- (c) agrees to allow the **NEDA**, at their option, to inspect and audit all accounts, documents, and records relating to the Proposal and to the performance of the ensuing contract.

#### Costs of Consulting Services

Use FPF 2. Summary of Costs; FPF 3. Breakdown of Price per Activity.

## FPF 1. FINANCIAL PROPOSAL SUBMISSION FORM

---

*[Date]*

*[Name and address of the NEDA]*

Ladies/Gentlemen:

We, the undersigned, offer to provide the consulting services for *[Title of Project]* in accordance with your Bidding Documents dated *[insert date]* and our Proposals (Technical and Financial Proposals). Our attached Financial Proposal is for the sum of *[amount in words and figures]*. This amount is exclusive of the local taxes, which we have estimated at *[amount(s) in words and figures]*.

Our Financial Proposal shall be binding upon us subject to the modifications resulting from Contract negotiations, up to expiration of the proposal validity period, *i.e.*, *[Date]*.

In accordance with **GCC** Clause 47, we acknowledge and accept the **NEDA**'s right to inspect and audit all records relating to our Proposal irrespective of whether we enter into a contract with the **NEDA** as a result of this Proposal.

We confirm that we have read, understood and accept the contents of the Instructions to Bidders (ITB), General Conditions of Contract (GCC), Special Conditions of Contract (SCC), Terms of Reference (TOR), the provisions relating to the eligibility of **Consultant** and the applicable guidelines for the procurement rules of the Funding Source, any and all Bid bulletins issued and other attachments and inclusions included in the Bidding Documents sent to us.

We understand you are not bound to accept any Proposal you receive.

We remain,

Yours sincerely,  
Authorized Signature:  
Name and Title of Signatory:  
Name of Firm:  
Address:



## FPF 2. SUMMARY OF COSTS

---

Costs	Currency(ies) <sup>23</sup>	Amount in Philippine Peso
Subtotal		
Local Taxes		
Total Amount of Financial Proposal		_____

---

<sup>23</sup>In cases of contracts involving foreign **Consultants**, indicate the exchange rate used.

### FPF 3. BREAKDOWN OF PRICE PER ACTIVITY

---

Activity No.:_____	Activity No.:_____	Description:_____
Price Component	Currency(ies) <sup>24</sup>	Amount in Philippine Peso
Subtotal		_____

---

<sup>24</sup>In cases of contracts involving foreign **Consultants**, indicate the exchange rate used.

## FORM OF CONTRACT AGREEMENT

---

THIS AGREEMENT, made this *[insert date]* day of *[insert month]*, *[insert year]* between *[name and address of NEDA]* (hereinafter called the “Entity”) and *[name and address of Consultant]* (hereinafter called the “**Consultant**”).

WHEREAS, the Entity is desirous that the **Consultant** execute *[name and identification number of contract]* (hereinafter called “the Works”) and the Entity has accepted the bid for *[insert the amount in specified currency in numbers and words]* by the **Consultant** for the execution and completion of such Consulting Services and the remedying of any defects therein.

### NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. In this Agreement, words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract hereinafter referred to.
2. The following documents shall be attached, deemed to form, and be read and construed as part of this Agreement, to wit:
  - (a) General and Special Conditions of Contract;
  - (b) Terms of Reference
  - (c) Request for Expression of Interest;
  - (d) Instructions to Bidders;
  - (e) Addenda and/or Supplemental/Bid Bulletins, if any;
  - (f) Proposal forms, including all the documents/statements contained in the **Consultant**’s proposal envelopes, as annexes;
  - (g) Eligibility requirements, documents and/or statements;
  - (h) Performance Security;
  - (i) Credit line issued by a licensed bank, if any;
  - (j) Notice of Award of Contract and the **Consultant**’s conforme thereto;
  - (k) Other contract documents that may be required by existing laws and/or the Entity.
3. In consideration of the payments to be made by the Entity to the **Consultant** as hereinafter mentioned, the **Consultant** hereby covenants with the Entity to execute and complete the Consulting Services and remedy any defects therein in conformity with the provisions of this **Consultant** in all respects.
4. The Entity hereby covenants to pay the **Consultant** in consideration of the execution and completion of the Consulting Services, the Contract Price or

such other sum as may become payable under the provisions of this Contract at the times and in the manner prescribed by this Contract.

IN WITNESS whereof the parties thereto have caused this Agreement to be executed the day and year first before written.

Binding Signature of **NEDA**

---

Binding Signature of Contractor

---

*[Addendum showing the corrections, if any, made during the evaluation of proposals should be attached with this agreement]*

## OMNIBUS SWORN STATEMENT

---

REPUBLIC OF THE PHILIPPINES )  
CITY/MUNICIPALITY OF \_\_\_\_\_ ) S.S.

### AFFIDAVIT

I, *[Name of Affiant]*, of legal age, *[Civil Status]*, *[Nationality]*, and residing at *[Address of Affiant]*, after having been duly sworn in accordance with law, do hereby depose and state that:

1. *Select one, delete the other:*

*If a sole proprietorship:* I am the sole proprietor of *[Name of Consultant]* with office address at *[address of Consultant]*;

*If a partnership, corporation, cooperative, or joint venture:* I am the duly authorized and designated representative of *[Name of Consultant]* with office address at *[address of Consultant]*;

2. *Select one, delete the other:*

*If a sole proprietorship:* As the owner and sole proprietor of *[Name of Consultant]*, I have full power and authority to do, execute and perform any and all acts necessary to represent it in the procurement for *[Name of the Project]* of the *[Name of the NEDA]*;

*If a partnership, corporation, cooperative, or joint venture:* I am granted full power and authority to do, execute and perform any and all acts necessary and/or to represent the *[Name of Consultant]* in the procurement process as shown in the attached *[state title of attached document showing proof of authorization (e.g., duly notarized Secretary's Certificate issued by the corporation or the members of the joint venture)]*;

3. *[Name of Consultant]* is not "blacklisted" or barred from bidding by the Government of the Philippines or any of its agencies, offices, corporations, or Local Government Units, foreign government/foreign or international financing institution whose blacklisting rules have been recognized by the Government Procurement Policy Board;
4. Each of the documents submitted in satisfaction of the procurement requirements is an authentic copy of the original, complete, and all statements and information provided therein are true and correct;
5. *[Name of Consultant]* is authorizing the Head of the **NEDA** or its duly authorized representative(s) to verify all the documents submitted;

6. *Select one, delete the rest:*

*If a sole proprietorship:* I am not related to the Head of the **NEDA**, members of the Bids and Awards Committee (BAC), the Technical Working Group, and the BAC Secretariat, the head of the Project Management Office or the end-user unit, and the project **Consultants** by consanguinity or affinity up to the third civil degree;

*If a partnership or cooperative:* None of the officers and members of [*Name of Consultant*] is related to the Head of the **NEDA**, members of the Bids and Awards Committee (BAC), the Technical Working Group, and the BAC Secretariat, the head of the Project Management Office or the end-user unit, and the project **Consultants** by consanguinity or affinity up to the third civil degree;

*If a corporation or joint venture:* None of the officers, directors, and controlling stockholders of [*Name of Consultant*] is related to the Head of the **NEDA**, members of the Bids and Awards Committee (BAC), the Technical Working Group, and the BAC Secretariat, the head of the Project Management Office or the end-user unit, and the project **Consultants** by consanguinity or affinity up to the third civil degree;

7. [*Name of Consultant*] complies with existing labor laws and standards; and
8. [*Name of Consultant*] is aware of and has undertaken the following responsibilities as a Proponent:
- a) Carefully examine all of the Bidding Documents;
  - b) Acknowledge all conditions, local or otherwise, affecting the implementation of the Contract;
  - c) Made an estimate of the facilities available and needed for the contract to be bid, if any; and
  - d) Inquire or secure Supplemental/Bid Bulletin(s) issued for the [*Name of the Project*].

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_ day of \_\_, 20\_\_ at \_\_\_\_\_, Philippines.

\_\_\_\_\_  
[*Consultant's Representative/Authorized Signatory*]

[*JURAT*]

# Section V. Appendices

## **I. Description of Services**

Give detailed descriptions of the Services to be provided, dates for completion of various tasks, place of performance for different tasks, specific tasks to be approved by Client, etc.

## **II. Reporting Requirements**

List format, frequency, and contents of reports; persons to receive them; dates of submission; etc. If no reports are to be submitted, state here “Not applicable.”

## **III. Key/Organic Personnel and Sub-Consultants**

List under:

1. Titles [and names, if already available], detailed job descriptions and minimum qualifications, and staff-months of service, and estimated periods of engagement for each, including a copy of a satisfactory medical certificate.
2. Same information as in no. 1 for Key foreign Personnel to be assigned to work outside the Government’s country.
3. Same information as in no.1 for Key Local Personnel.
4. List of approved Sub-**Consultants** (if already available) and Counterpart personnel (if allowed); same information with respect to their Personnel as in no.’s 1 and 2.

## **IV. Breakdown of Contract Price**

List here the elements of cost, including expenditures in foreign currency(ies) denominated and payable in Philippine Peso, used to arrive at the itemized breakdown of the contract price:

1. Monthly rates for Personnel (Key/Organic Personnel and other Personnel)
2. Reimbursable expenditures
3. Applicable taxes

## **V. Services and Facilities Provided by the Client**

Give detailed description of the services and facilities made available to the **Consultant**, and the time and manner of its availment.