

NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY RESEARCH AND DEVELOPMENT PROGRAM

Terms of Reference (TOR) for Consultancy Services for the Conduct of A Study on the Development of Economic Models for Socioeconomic Analysis

I. Background/Rationale

As the nation's premier economic planning agency, the National Economic and Development Authority (NEDA) needs to keep abreast with the emerging techniques in conducting economic policy analysis. In addition to the existing range of tools used in performing various economic analyses, there is a need to further strengthen the agency's capacity to conduct policy experiments by utilizing more sophisticated methods and implementing more accurate models.

For this reason, the NEDA has identified 3 key economic models that look at the economy at different scales and together provide complementary information to decision making and rigorous policy analysis namely, (1) Computable General Equilibrium Model or CGEM, (2) Regional Growth Estimation Model or the RGEM, and (3) Social Sector Model or the SSM.

- **Computable General Equilibrium Model (CGEM)** - one of the most widely used techniques in economic modeling and conducting policy analysis. It estimates the overall effects to the economy of changes in policy, technological advancement, and other exogenous shocks. It also captures the broader picture of economic impacts especially when the expected effects of policy reforms are complex and have gone through various transmission mechanisms. In terms of scope of analysis, CGE models are more elaborate than partial equilibrium models as the latter only assesses impacts of policy shocks to selected interconnected markets, assuming the behaviour of the rest of the economy remains fixed or unchanged.
- **Regional Growth Estimation Model (RGEM)** - a model that deals with the linkages between national and regional economies. It is required for planning in spatial consideration which requires geographical converge of plans, programs and activities among national government agencies and between national government agencies and local units (LGUs) to maximize effectiveness. The model will enable policy makers to produce timely assessment, which could anticipate the movement of both the regional and the national economy and could guide policy makers in their decision-making.
- **Social Sector Model (SSM)** - a model that can quantify the potential impacts of shocks or proposed policies (i.e. price hike and wage hike) of certain region/s to the national economy. It can establish the linkages/connections between the macro and micro economy and analyze the impact of policy shifts on employment generation and poverty reduction. It is a useful tool that can help the government find a proper policy mix to balance various policy objectives.

To provide consistency in the definition of economic variables used in all 3 economic models (e.g., same definition for income in all 3 models) and ensure that the result of one model can be used as an input to another model (e.g. output of CGEM will be used as input to SSM), the National Policy and Planning Staff (NPPS) deemed it important that the proposed studies be undertaken by only one reputable research firm.

II. Objectives and Scope of Work

The 3 economic models are envisioned to be interoperable and complementary, such that they are consistent in the use of economic variables and that the result of one model can be used as an input to another; and they should use the same statistical software.

A. Development of a CGEM of the Philippine Economy for Policy Analysis

The aim of the study is to develop a CGEM for NEDA that is capable of estimating the economic impact of various economic events and policies (e.g. fiscal, trade, and exchange rate) on GDP growth, returns to capital, land, and labor (i.e. returns, rent, wages), among others.

Specifically, the study will entail the following activities, among others:

1. Develop a theoretical framework and methodology of a CGEM for the Philippines;
2. Build a CGEM that can be calibrated to analyze the impact of changes in policy variables and/or economic shocks using an appropriate statistical software;
3. Generate a user manual that contains the theoretical framework of the CGEM: equations, variables used including sources, and procedures for conducting simulations or sensitivity analysis, updating parameters, and error diagnostics;
4. Enhance the capacity of technical staff in updating the CGEM and conducting policy analysis using the model through hands-on trainings and exercises and ensure technology transfer in updating, re-estimating, and calibrating the model; and
5. In addition to the specified scope of work mentioned above, the consulting firm/individual may propose additional works/services to enhance the study, provided it shall bear no additional cost to the Government.

B. Development of a RGEM for the Philippines

The central goal of the study is to strengthen the capacity of NEDA to assess economic development with strong consideration on the spatial dimension through the development of a RGEM. It envisages an economic model that can capture the structure and dynamism of the economy of the different regions of the Philippines. The model will be suitable for projecting the annual gross regional domestic product (GRDP) of all the regions in the Philippines.

It will also include projections on how changes in the GRDP in one region will affect the national economy. The study will entail a medium-term framework and a clear assessment of all the regional economic indicators to include GDP growth target per region, and investment paths. The model will also be capable of determining the impact to the GRDP given any change in the variables used in the model.

Specifically, the study will entail the following activities, among others:

1. Prepare an inventory/review of existing models related to strengthening the national-regional linkage in development planning;

2. Prepare the possible set of indicators for the model, including scoping for available regional indicators, determining their frequency and accessibility;
3. Develop a RGEM with projection estimates. Discussion of problems that may be encountered should be presented during simulation and estimation. Lessons from past models may be drawn to present various options and solutions to these problems;
4. Build a RGEM using appropriate statistical software;
6. Generate a user manual that contains the theoretical framework of the RGEM, the equation, the variables used including sources, and the procedures for running the model, updating parameters, and error diagnostics;
5. Enhance the capacity of NEDA staff on how to use and update the RGEM and ensure technology transfer in updating, re-estimating, and calibrating the model; and
6. In addition to the specified scope of work mentioned above, the consulting firm/individual may propose additional works/services to enhance the study, provided it shall bear no additional cost to the Government.

C. Development of a SSM for Policy Analysis

The project aims to develop a model that links economic output, prices, wages, employment and poverty; clearly identifying the channels through which socioeconomic shocks impact the social sector outcomes such as poverty and employment. In particular, the model shall show the impact of (a) regional wage-setting policies; and (b) regional price-setting policies (i.e., commodity price, fare hike) on poverty incidence and employment and unemployment. It will also estimate the required income or needed support so that the family remains at its original welfare level at the baseline (i.e., family income before the price increase).

Specifically, the study will entail the following activities, among others:

1. Develop a theoretical framework & methodology of a SSM for policy analysis;
2. Data gathering of relevant indicators;
3. Build a SSM using appropriate statistical software, with accompanying file/model in excel format showing all the impact results/summary of all outcome variables);
4. Conduct a consultative workshop among NEDA staff and key sectors to solicit comments/suggestions to enhance the initial social sector model;
5. Generate a user manual, which includes a concise operational manual on the execution of the model using the software and a step-by-step procedure in conducting simulations or sensitivity analysis, updating of parameters, and error diagnostics;
6. Engage and capacitate the NEDA personnel that will be assigned as counterpart staff to ensure technology transfer in conducting policy analysis (using the SSM through hands-on training and exercises), updating, re-estimating, and calibrating the model; and

7. In addition to the specified scope of work mentioned above, the consulting firm/individual may propose additional works/services to enhance the study, provided it shall bear no additional cost to the Government.

III. Deliverables/Timelines/Payment Schedule

Implementation Period. Each research undertaking shall be simultaneously completed within 8 months (32 weeks), with 18 person-months (72 person-weeks) of work for the consultants, commencing from the date of receipt by the consultant/s of the Notice to Proceed (NTP). The main outputs will be the 3 economic models: (1) the CGEM; (2) the RGEM; and (3) the SSM, including the development of an operations manual for each of the studies. Billing for non-reimbursable item, which includes fees for remuneration shall be in accordance with the delivery schedule below and subject to the usual government accounting and auditing requirements.

1. For each research study, the following are the expected outputs in developing the 3 economic models:

Deliverables	Timeline	Payment Schedule of Consultant Fee
Inception Report (3 hard copies for each study with electronic copy), which includes, among others, the work plan that identifies in detail the theoretical framework, possible set of indicators, approaches and methodologies to be utilized in the development of the model, detailing the data requirements, anticipated bottlenecks and proposed solutions)	Within 4 weeks upon receipt of the Notice to Proceed (NTP)	15% upon acceptance of the report by NEDA
Consultative Meetings , which includes consultative discussion with NEDA staff.	For each research study, at least 5 times within 24 weeks upon receipt of the NTP	-----
Interim Report (3 hard copies for each of the study with electronic copy and electronic copies of the 3 economic models), containing the result of the preliminary set of indicators and preliminary outputs/runs.	Within 16 weeks upon receipt of the NTP	20% upon acceptance of report by NEDA-NPPS
Draft Final Report (3 hard copies with electronic copy for each study and electronic copies of the 3 economic models), which integrates the final inputs, comments and recommendations from NEDA, and contains the detailed specifications of the model including the operations manual) (<i>With Final Model</i>)	Within 24 weeks upon receipt of NTP	20% upon acceptance of the report by NEDA
Presentation (3 hard copies for each of the study with electronic copy and the 3 economic models), to the NEDA officials and staff for evaluation, comments, and suggestions.	Within 26 weeks upon receipt of NTP	-----

Capacity Building (24 hours for each study for at least 30 NEDA Sector Staff ¹ and Regional Offices participants, which includes presentation of theory, estimation processes, trouble shooting and updating of the model, if necessary, preparation of lecture materials, and initial operations manual)	For CGE, within 28 weeks upon receipt of NTP	10% upon completion of the training
	For RGEM, within 29 weeks upon receipt of NTP	10% upon completion of the training
	For SSM, within 30 weeks upon receipt of NTP	10% upon completion of the training
Revised Final Report (5 hard copies with electronic copy for each study and electronic copies of the 3 economic models), which takes into account the final comments from NEDA, and includes the technical description of the final model, limitations of the model, assumptions and parameters used, lessons learned during the training, revised final user's manual on data gathering and processing, step-by-step procedure for running each of the models with illustrative examples showing the results of the simulations)	Within 32 weeks upon receipt of NTP	15% upon acceptance of the report by NEDA

Note: highlighted portion may need to be further discussed and consolidated.

2. The Team Leader/Consultant for each project is expected to provide orientation/briefing on each of the output reports mentioned above to the concerned personnel of the NEDA, as needed.
3. Billing for reimbursable items, which include expenses incurred for the production costs of manuals, for meeting and consultations, training and capacity building of NEDA personnel on the models, among others, may be requested not more than once a month based on the actual expenses incurred and supported by official receipt/documents. In the absence of official receipts/documents when claiming for reimbursable costs, the Consultant may also be allowed to submit a certification of actual disbursements made under the oath.

IV. Mode of Procurement and Approved Budget for the Contract (ABC)

1. The mode of procurement for the consulting services shall be undertaken through competitive public bidding, in accordance with RA 9184 and its Revised IRR.
2. Fund for the research project shall be sourced from the NEDA Survey, Research, Exploration and Development Fund.
3. The ABC for the research study including the three economic models is **NINE MILLION SIX HUNDRED SEVENTY-THREE THOUSAND 00/100 PESOS (PhP9,673,000.00)**, inclusive of all applicable government taxes, fees and service charges. The following budget breakdown for the study is as follows:

¹50 NEDA staff, including from NROs, for RGEM.

Particulars	Total Contract Price (PhP)
I. Non-Reimbursable Expenses/Remuneration	8,019,000.00
II. Reimbursable Expenses	1,654,000.00
Consultation meetings	
Capacity Building for 3 days for each study(including venue, food for NEDA Technical Personnel, and accommodation)	
• 30 pax for CGEM and SSM	
• 50 pax for RGEM (including NROs)	
Training supplies, materials, and other incidentals	
Manuals for each study (softcopy in PDF form and at least 5 hard copies)	
GRAND TOTAL	9,673,000.00

4. The contract shall be a fixed contract. Any extension thereof, as requested by the Firm/Consultants and approved by NEDA, shall be of no additional cost to the latter.
5. All manuals, reports, materials, references, etc. acquired for the Project shall be turned over to NEDA at the conclusion of the research project.
6. The amount of **EIGHT MILLION NINETEEN THOUSAND PESOS (PhP8,019,000.00)**, shall be allocated as billing for the remuneration of consultant. This shall be in accordance with the following delivery schedule and subject to the usual government accounting and auditing requirements.

Particulars	Payment Allocation and Amount
Upon submission and acceptance of inception reports of the 3 models	15%
Upon submission and acceptance of interim reports of the 3 models and electronic copies of the 3 economic models	20%
Upon submission and acceptance of draft final reports of the 3 economic models and electronic copies of the 3 economic models	20%
Completion of capacity building for NEDA staff of the 3 models	30%
Upon submission and acceptance of revised final reports and the 3 economic models	15%
TOTAL	PhP 8,019,000.00

7. The amount of **ONE MILLION SIX HUNDRED FIFTY-FOUR THOUSAND PESOS (PhP1,654,000.00)**, shall be allocated for the reimbursable costs of *actual expenses incurred* such as, but not limited to (i) supplies and logistics; (ii) meetings/consultations with NEDA; (iii) conduct of capacity building; and (iv) production of reports. Reimbursable costs shall be paid upon submission to NEDA of the appropriate monthly billing statements and the corresponding official receipts/certificate under oath of actual disbursements.

V. Implementation Arrangement

Consultancy Services and Responsibilities of the Consultant

The consultants (whether through sole proprietorship/association/partnership/corporation) shall render services equivalent to 8 months, with 6 person-months of work for the consultants, for each of the 3 economic models including the training of NEDA staff. A team leader shall coordinate/supervise all members working on the 3 economic models. Aside from the oversight function, the team leader may be assigned as a consultant in the study.

1. The Team Leader will be responsible in ensuring that the 3 economic models are:
 - i. Consistent in the use of economic variables and that the result of one model can be used as an input to another; and
 - ii. The 3 models use the same statistical software.
2. The consultants shall ensure the appropriate technology transfer to the NEDA counterpart personnel by providing overall guidance and direction in the development, execution, implementation, and management of the models;
3. Develop and complete, but not limited to, the following:
 - i. Inception and Interim Reports which are to be prepared in consultation with the National Policy and Planning Staff (NPPS) and the National Development Office for Policy and Planning of NEDA;
 - ii. Draft Comprehensive Final Report (DCFR);
 - iii. Revised Comprehensive Final Report (RCFR); and
 - iv. Operations manual for each of the economic models.
4. Present the simulation results to the NEDA management/officials for review, comments and/or approval;
5. Conduct 3-day capacity building workshops for each of the economic models within Metro Manila for at least 30 NEDA staff², including, but not limited to, the provision of venue (inclusive of food and accommodation as applicable), preparation of workshop materials/kits, acquisition of supplies, subject to approval of NEDA;
6. For the RGEM, the consultant may conduct consultation meetings with the NEDA Regional Offices (NROs) as necessary for the purpose of enhancing the framework and/or analysis related to the study subject to usual accounting and auditing rules;
7. Submit to NEDA monthly billing statements, including official receipts/documents (reimbursable items); and
8. Be physically available for consultations at the NEDA Central Office at least twice a month or as necessary during the duration of the research study.

² 50 NEDA staff, including from NROs, for RGEM.

Responsibilities of NEDA

The NEDA, through the Program Management Office (PMO), shall be responsible for the following:

1. Assist in coordinating with the NPPS to solicit comments and input related to the study;
2. Provide technical and secretariat support to the study by coordinating meetings between the individual consultant and appropriate units in NEDA as well as in consolidating and processing of comments/recommendations/inputs;
3. Assign NEDA technical staff counterpart who will work closely with the consultant;
4. Provide working space for the consultant within the NEDA premises;
5. Assist the consultant in the reservation for hotel accommodation of participants from the NEDA Regional Offices during the capacity building for the RGEM; and
6. Pay the consultant in accordance with the schedule provided in this TOR.

NEDA shall be the executing agency for the consultancy service. It shall define the acceptability of the deliverables and shall be the approving authority for all operations-related activities, including payment of the consultant.

VI. Qualification Requirements and Criteria for Selection

Qualification Requirements. The research project shall be undertaken by a consultancy firm, whose key/organic personnel that will be assigned to carry out the research studies shall have minimum qualifications as stated herein:

For the Team Leader (can be the expert in any of the three models/studies):

Qualifications	
Education	Educational attainment in economics, statistics, or applied mathematics (with MA and/or PhD an advantage).
Experience	<ul style="list-style-type: none">▪ Minimum 3 years experience as project manager/supervisory experience (at least 1 with certificate of project completion/acceptance of work);▪ Involvement in similar and/or relevant consulting or professional services of size, complexity and technical specialty comparable to the job under consideration;
	<ul style="list-style-type: none">▪ Good presentation and training facilitation skills with proven command in the use of written and spoken English and excellent communication skills as evidenced by involvement as resource person, facilitated/organized training-workshops, presented a paper on similar and/or related undertakings.
Training	<ul style="list-style-type: none">▪ Good presentation and training facilitation skills with proven command in the use of written and spoken English and excellent communication skills as evidenced by involvement as resource person, facilitated/organized training-workshops, presented a paper on similar and/or relevant undertakings.

For the Consultants of Each Model:

	Qualifications
Education	<ul style="list-style-type: none"> ▪ Educational attainment in economics, statistics, or applied mathematics (with MA and/or PhD an advantage).
Experience	<p><u>CGEM</u></p> <ul style="list-style-type: none"> ▪ Minimum 3 years experience in developing and using CGE models, structural econometric modeling, macroeconomic analysis, and valuation of economic impact; ▪ Has done actual consulting work in the development of a CGE model using statistical software; ▪ Involvement in similar and/or relevant consulting or professional services of size, complexity and technical specialty comparable to the job under consideration; ▪ Good presentation and training facilitation skills with proven command in the use of written and spoken English and excellent communication skills as evidenced by involvement as resource person, facilitated/organized training-workshops, presented a paper on similar and/or related undertakings; ▪ Must have at least two (2) written and completed reports on similar work engagement (at least 1 with certificate of project completion/ acceptance of work). <p>Note:</p> <ul style="list-style-type: none"> * Similar contracts shall be defined as those contracts that involve the conduct of computable general equilibrium or partial equilibrium macroeconomic models of an economy costing at least 10 % of ABC. * Relevant contracts shall be defined as those contracts that involve the conduct of economic valuation, econometric modelling, and quantitative analysis of an economy costing at least 20% of ABC. <p><u>RGEM</u></p> <ul style="list-style-type: none"> ▪ Minimum 3 years experience in structural econometric modeling, forecasting, macroeconomic analysis and economic valuation, and other similar and/or relevant activities; ▪ Has done actual consulting work in the development of a structural macroeconomic model, preferably a model involving spatial analysis; ▪ Involvement in similar and/or related consulting or professional services of size, complexity and technical specialty comparable to the job under consideration; ▪ Good presentation and training facilitation skills with proven command in the use of written and spoken English and excellent communication skills as evidenced by involvement as resource person, facilitated/organized training-workshops, presented a paper on similar and/or relevant undertakings; ▪ Must have at least 2 written and completed reports on similar and/or relevant work engagement (at least 1 with certificate of project completion/ acceptance of work). <p>Note:</p> <ul style="list-style-type: none"> * Similar contracts shall be defined as those contracts that involve the conduct of economic valuation, quantitative analysis, macroeconomic development planning, development of structural economic models used for the projection of gross regional GDP costing at least 10 % of ABC.

	<p>* Relevant contracts shall be defined as those contracts that involve the conduct of economic valuation, modelling, quantitative analysis, macroeconomic development planning, and macroeconomic forecasting costing at least 20% of ABC.</p> <p>SSM</p> <ul style="list-style-type: none"> ▪ Minimum 3 years experience in structural econometric modeling, forecasting, macroeconomic analysis, economic valuation, and other similar and/or relevant activities; ▪ Has done actual consulting work in the development of a structural macroeconomic model using statistical software; ▪ Involvement in similar and/or relevant consulting or professional services of size, complexity and technical specialty comparable to the job under consideration; ▪ Good presentation and training facilitation skills with proven command in the use of written and spoken English and excellent communication skills as evidenced by involvement as resource person, facilitated/organized training-workshops, presented a paper on similar and/or relevant undertakings; ▪ Must have at least 2 written and completed reports on similar and/or relevant work engagement (at least 1 with certificate of project completion/ acceptance of work). <p>Note:</p> <p>* Similar contracts shall be defined as those contracts that involve the conduct of economic valuation, modelling, quantitative analysis, macroeconomic development planning, socio-economic analysis, and development of models used for estimating potential impacts of shocks or proposed policies at the regional level on national employment and poverty incidence of at least 10% of ABC.</p> <p>* Relevant contracts shall be defined as those contracts that involve the conduct of economic valuation, modelling, quantitative analysis, macroeconomic development planning, socio-economic analysis, and development of models used for impact analysis of at least 20% of ABC.</p>
Training	<ul style="list-style-type: none"> ▪ Knowledgeable in structural econometric modelling, forecasting, macroeconomic analysis, economic valuation, and other similar and/or relevant trainings using statistical softwares; ▪ Has accumulated significant hours of training in structural econometric modelling, forecasting, macroeconomic analysis and/or economic valuation, and other similar and/or relevant training as participant or resource person; ▪ Involved in training-workshops as resource person and/or presented technical research paper on similar and/or relevant research studies; ▪ Outstanding analytical skills and numeracy, proficiency with statistical/data analysis spreadsheets or software packages (e.g., Excel, Eviews, STATA, among others).

Criteria for Selection. Shortlisting and selection of qualified candidates is rated based on Criteria for Shortlisting:

Rating Factor (Hurdle Rate: 70%)	For Consulting Firms
I. Applicable Experience of the Consulting Firm in Conducting Research on Econometric Modelling	10

II. Qualification of the Consultant/s or Officers, key/organic personnel of the Firm who may be assigned to the job	80
a. Education	
b. Experience (<i>Previous Engagements in Similar and/or Relevant Contracts</i>)	
c. Training	
III. Absorptive Capacity of Consultant/Consulting Firm	10
TOTAL	100

Note:

* Consultants will be rated based on the required qualification of the respective models they will be assigned to and on the requirement for the Team Leader if so assigned.

* A total rating of at least 70% and no score less than 50% for each major criterion should be obtained to be qualified.

* Key Personnel refers to officers and organic staff as well as personnel who may be nominated for the required services provided such personnel submits a commitment under oath (notarized) that he/she commits to perform such services should the Consultant is awarded the contract.

* As part of the submission of eligibility documents, the duration of trainings attended must be indicated in hours. Otherwise, the training/s will not be considered in the evaluation. Training Certificates should be ready if and when required.

* A firm should obtain a Financial Capacity of at least 100% to be shortlisted based on the hereunder formula. Otherwise, a firm must submit a Credit Line Commitment (CLC) to supplement its Financial Capacity. Financial Capacity (FC) = (Net Current Assets/Amount Pertaining to the 2-Month Costs of the Total Contract Fees for Ongoing/Committed Projects) x 100

* For newly formed firms, the submission of CLC will be acceptable in order to support the Firm's financial capacity.

1. Prospective individual consultants are required to submit the following eligibility requirements:

- a. Valid Tax Clearance Certificate;
- b. PhilGEPS Online Registration Number; and
- c. Curriculum Vitae (CV) highlighting all completed and ongoing contracts regardless of relevance/similarity to the subject undertaking within the last twenty (20) years;
- d. At least one (1) Certificate of Project Completion and Acceptance or equivalent Certification from their previous related studies/projects within the past twenty (20) years; and

2. Prospective Consulting Firms are required to submit the following eligibility requirements:

- a. Class "A" Documents

Legal Documents

- i. Registration certification from the Securities and Exchange Commission (SEC), Department of Trade and Industry (DTI) for sole proprietorship, or Cooperative Development Authority (CDA) for cooperatives, or any proof of such registration;
- ii. Valid Mayor's permit issued by the city or municipality where the principal place of business of the prospective bidder is located; and
- iii. Valid Tax Clearance Certificate per Executive Order (EO) No. 398, Series of 2005, reviewed and approved by the Bureau of Internal Revenue (BIR).

Technical Documents

- i. Statement of the prospective bidder of all its ongoing and completed government and private contracts (properly labeled), including contracts awarded but not yet started, if any, whether similar, relevant or not similar/relevant in nature and complexity to the contract to be bid as defined in the EDS, within the relevant period.
- ii. Statement of the consultant specifying its nationality and confirming that those who will actually perform the service are registered professionals authorized by the appropriate regulatory body to practice those professions and allied professions in accordance with Clause 1.2, including their respective updated curriculum vitae (CVs) that show, at the very least, the consultant's educational background, related training and relevant experience (in months and years with detailed description/discussion on the nature and scope of works/services rendered).
- iii. At least one (1) Certificate of Project Completion and Acceptance or equivalent Certification from their previous related studies/projects within the past twenty (20) years; and

Financial Document

The consultant's audited financial statements, showing, among others, the consultant's total and current assets and liabilities, stamped "received" by the BIR, or its duly accredited and authorized institutions, for the preceding calendar year which should not be earlier than two (2) years from the date of bid submission.

b. Class "B" Document

Valid JVA, in case a JV is already in existence. In the absence of a JVA, duly notarized statements from all the potential JV partners stating that they will enter into and abide by the provisions of the JVA in the instance that the bid is successful, shall be included in the bid. Failure to enter into a JV in the event of a contract award shall be ground for the forfeiture of the bid security. Each JV partner shall submit the legal eligibility documents. The submission of technical and financial documents by any of joint venture partners constitutes compliance.

3. Participating shortlisted Consultants shall be evaluated using the Quality-cost Based Selection procedure under Republic Act No. 9184, or the Government Procurement Reform Act (GPRA), and its Revised Implementing Rules and Regulations (IRR), with the following weights:
 - i. Technical Proposal : 80%
 - ii. Financial Proposal : 20%

VII. Retention Payment

1. A retention payment of 10 percent shall be withheld. It shall be based on the total amount due to the Firm/Consultants (net of the estimated cost for the conduct of the survey) prior to any deduction and shall be retained from every progress payment until 50 percent of the value of the Project, as determined by NEDA, is completed. If, after 50 percent completion, the Project is satisfactorily done and on schedule, no additional retention shall be made; otherwise, the 10 percent retention shall be imposed.
2. The total "retention money" shall be due for release upon approval of the Completion Report. The Consultant 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 percent 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.

VIII. Liquidated Damages

1. Where the contractor 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 contract, the contractor shall pay NEDA for liquidated damages, and not by way of penalty, an amount, as provided in the conditions of the contract, equal to at least 1/10 of 1 percent of the cost of the unperformed portion of the works for every day of delay.
2. The maximum deduction shall be 10 percent of the amount of contract. Once the cumulative amount of liquidated damages reaches 10 percent of the amount of the contract, 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 Consultant.
3. 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 contractor under the contract.

IX. Extension of Contract

1. Extension of contract duration may be granted by NEDA in case of any necessary contract variation or additional work that would render the completion of the project as originally scheduled impossible, provided that the consultant is not at fault with respect to the circumstances causing the need for such contract extension. Any contract extension shall be at no cost to NEDA.
2. Any request for extension of contract duration shall be made by the Consultant in writing including the full details of the circumstances underpinning the request as well as the justification/s for such extension. NEDA, upon receipt of the Consultant's request, shall make a determination on the validity thereof, and shall agree with the Consultant on the appropriate amount of extension of contract duration should it find said request justifiable and meritorious.
3. No extension of contract time shall be granted the consultant due to inexcusable failure or negligence to provide the requirement;
4. No extension of contract time shall be granted when the reason given to support the request for extension was already considered in the determination of the contract time during the conduct of detailed preparation of the contract documents as agreed upon by the parties before contract perfection.