

## CONTRACT AGREEMENT

*Consulting Services for the Conduct of Feasibility Study for the Revival of Tarlac-San Jose Spur Line and Balagtas-Cabanatuan Spur Line*

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**THIS AGREEMENT** made this 3<sup>rd</sup> day of January 2019 in Pasig City, Philippines, by and between:

The **NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY (NEDA)** with address at NEDA-sa-Pasig Bldg., No. 12 Saint Josemaria Escriva Drive, Ortigas Center, Pasig City, herein represented by its Undersecretary, **JOSE MIGUEL R. DE LA ROSA**, and hereinafter referred to as the “**Procuring Entity**”;

- and -

The **JOINT VENTURE (JV) OF SYSTRA PHILIPPINES INCORPORATED (SPI)** with address at 1601 West Tower Philippine Stock Exchange Center, Ortigas Center, Pasig City, **PHILKOEI INTERNATIONAL, INC. (PKII)** with address at 1701 The Orient Square Building, F. Ortigas Jr. Road, Ortigas Center, Pasig City, and **ANGEL LAZARO AND ASSOCIATES INTERNATIONAL, INC. (ALAI)** with address at LL Building, 160 Panay Avenue, corner EDSA, Quezon City, herein represented by the President of SPI and authorized representative of the Joint Venture, **MARIA RHIZA S. CASTILLO**, and hereinafter referred to as the “**Consultant**”;

**WHEREAS**, upon the invitation of the **Procuring Entity**, the **Consultant** submitted proposal/bid for the Procurement of Consulting Services for the Conduct of Feasibility Study for the Revival of Tarlac-San Jose Spur Line and Balagtas-Cabanatuan Spur Line in the sum of **Fifty-Four Million Nine Hundred Eighty-Eight Thousand Eight Hundred Eighty-Eight and 18/100 Pesos (PHP54,988,888.18)**, inclusive of all applicable government taxes and charges, professional fees, and other incidental and administrative costs which shall be paid in a lump sum basis, hereinafter referred to as the “**Contract Price**”;

**WHEREAS**, the **Procuring Entity** subsequently accepted the proposal/bid of the **Consultant** pursuant to the NEDA Bids and Awards Committee for Consulting Services (NBAC-CS) Resolution No. 256-2018 approved on 19 December 2018.

**NOW THEREFORE**, the **Procuring Entity** and the **Consultant** have agreed on the following terms and conditions:

1. In this Contract, 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 Contract, to wit:

- (a) Bidding Documents, consisting of:
    - i. Request for Expression of Interest;
    - ii. Instructions to Proponents/Bidders;
    - iii. Proposal/Bid Data Sheet;
    - iv. General and Special Conditions of Contract; and
    - v. Terms of Reference;
  - (b) Proposal/Bid forms, including all the documents/statements contained in the Proponent's/Bidder's proposal/bidding envelopes, as annexes, and all other documents/ statements submitted (*e.g.*, proponent's/bidder's response to request for clarifications on the proposal/bid), including corrections to the proposal/bid, if any, resulting from the **Procuring Entity's** proposal/bid evaluation;
  - (c) Bid Bulletin Nos. 1 and 2 issued on 12 November 2018 and 20 November 2018, respectively;
  - (d) Eligibility requirements, documents and/or statements;
  - (e) Performance Security: OIC Bond No. G(13)026524;
  - (f) NBAC-CS Resolution Nos. 170-2018, 172-2018, 193-2018, 197-2018, 239-2018, and 256-2018;
  - (g) Highlights of the Negotiation Meeting held on 17 December 2018;
  - (h) Abstract of Bids;
  - (i) Notice of Award with the Consultant's *conforme* thereto;
  - (j) Notice to Proceed;
  - (k) Addendum and/or Supplement to the Contract, if any; and
  - (l) Other contract documents that may be required by existing laws and/or the Procuring Entity.
3. In consideration of the payments to be made by the **Procuring Entity** to the **Consultant**, the **Consultant** hereby covenants to execute and complete the Consulting Services and remedy any defects therein in conformity with the provisions of this Contract in all respects.
  4. The **Procuring 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 time and in the manner prescribed by this Contract.
  5. The **Consultant** shall submit five (5) hard copies of the deliverables to the **Procuring Entity** for review of concerned entities, and monitoring purposes as well as payment processing. Electronic/soft copies of the deliverable documents shall also be submitted to the Department of Transportation (DOTr), Philippine National Railway (PNR), and the **Procuring Entity** within the timeline indicated herein:

Deliverables	Timeline
Draft Inception Report	Within one (1) month from receipt of Notice To Proceed (NTP)
Draft Interim Report	Within 1.5 months from acceptance of Inception Report



Deliverables	Timeline
Draft VE/VA Report	Within 1.5 months from acceptance of Interim Report
Draft Final Report	Within 1.5 months from acceptance of VE/VA Report
Final Report	Within one (1) month from acceptance of Draft Final Report

6. The **Consultant** shall submit a detailed Work and Financial Plan (WFP) in traceable Excel format to DOTr and PNR for review (copy furnished NEDA for monitoring purposes and payment processing) within ten (10) working days from the date of commencement as indicated in the NTP.
7. During the negotiation meeting held on 17 December 2018, the **Procuring Entity** and the **Consultant** agreed that alignment options that shall be subjected to Value Engineering/Value Analysis (VE/VA) must not be limited to the following initially identified alternative alignment options:
  - a. Closing the loop between San Jose and Cabanatuan;
  - b. Single Spur Line from Tarlac to San Jose via Cabanatuan; and
  - c. Single Spur Line from Balagtas to Cabanatuan ending in San Jose, excluding the line from Tarlac to San Jose.
8. Payment shall be made in accordance with the following delivery schedule;

Description	Payment
Upon acceptance of the Final Inception Report	15%
Upon acceptance of the Final Interim Report	25%
Upon acceptance of the Final VE/VA Report	20%
Upon acceptance of the Draft Final Report	20%
Upon acceptance of the Final Report	20%
<b>TOTAL</b>	<b>100%</b>

9. The Study shall be completed within a period of eleven (11) months, with nine (9) man-months of work for the **Consultant** commencing from the date of receipt of NTP.
10. This Contract shall not create an employer-employee relationship between the **Procuring Entity** and the **Consultant** nor shall the services rendered herein be considered as government service. The **Consultant** shall not be entitled to benefits enjoyed by the regular personnel of the government.
11. Where the **Consultant** 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 **Consultant** shall pay the **Procuring Entity** 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 percent (1%) of the cost of the unperformed portion of the works for every day of delay. Should the


amount of liquidated damages reach ten percent (10%) of the **Contract Price**, the **Procuring Entity** may, 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**.


12. To be entitled to such liquidated damages, the **Procuring Entity** 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 to the **Consultant** under the Contract and/or collect such liquidated damages from the retention money or other securities posted by the **Consultant**, whichever is convenient to the **Procuring Entity**.
13. Any modification, alteration, or addition in the terms of this Contract shall be in writing, and signed by the Parties and/or their authorized representatives, otherwise, it shall not bind the parties hereof.
14. 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.
15. 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.

**IN WITNESS WHEREOF**, the parties have caused this contract to be executed in accordance with the laws of the Republic of the Philippines on the day and year first above written.

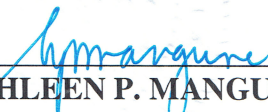
Signed, sealed, and delivered by:


Signed, sealed, and delivered by:

  
**JOSE MIGUEL R. DELA ROSA**  
Undersecretary  
NEDA Central Support Office  
NEDA-sa-Pasig Building  
No. 12 St. Josemaria Escriva Drive  
Ortigas Center, Pasig City

  
**MARIA RHIZA S. CASTILLO**  
President and Authorized Representative  
of the JV of SPI, PKII, and ALAI  
1601 West Tower, Philippine Stock  
Exchange Center, Exchange Road,  
Ortigas Center, Pasig City

Signed in the presence of:

  
**KATHLEEN P. MANGUNE**

  
**PETER S. SAMOZA**



## ACKNOWLEDGMENT

Republic of the Philippines)  
PASIG CITY S.S.

Before me this \_\_\_\_\_ day of JAN 10 2019 in PASIG CITY,  
personally appeared:

Name	Government Issued Identification Document	Date and Place Issued
<b>JOSE MIGUEL R. DE LA ROSA</b> In his capacity as Undersecretary NEDA Central Support Office NEDA-sa-Pasig Bldg. No. 12 Saint Josemaria Escriva Drive Ortigas Center, Pasig City	NEDA- ID No. 316825	Pasig City
<b>MARIA RHIZA S. CASTILLO</b> In her capacity as President and Authorized Representative of the JV of SPI, PKII, and ALAI 1601 West Tower, Philippine Stock Exchange Center, Exchange Road, Ortigas Center, Pasig City	SSS no. 33-1312882-5	Pasig City

all known to me and to me known to be the same persons who executed the foregoing instrument consisting of five (5) pages including this page, together with the documents deemed and construed part of this Contract, on which this acknowledgment is written, duly signed by their instrumental witnesses, and they acknowledged to me that the same is their own free and voluntary act and deed as well as that of the entities which they represent.

**WITNESS MY HAND** on the date and place first hereinabove stated.

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Page No. 57  
Book No. 1  
Series of 2019.

*Jose L. Castillo*  
**ATTY. JOSELITO B. CONSTANTINO**  
Notary Public for  
Pasig, San Juan and Pateros  
Until December 31, 2020  
G/F Pasig City Hall, Brgy. San Nicolas, Pasig City  
ROLL NO. 31102 / 5-04-1981  
IBP NO. 055238 / 11-21-2018  
PTR NO. 5158453 / 01-03-2019  
MCLE NO. VI-0008017 valid until April 14, 2022  
TIN NO. 232-590-923  
APPOINTMENT NO. 53 (2019-2020)  
CONTACT NO. 0949-924-0131 / 0927-311-2426