

TOURISM INFRASTRUCTURE AND ENTERPRISE ZONE AUTHORITY (TIEZA)

TERMS OF REFERENCE APPRAISAL SERVICES FOR TIEZA PROPERTIES

I. INTRODUCTION

The Tourism Infrastructure and Enterprise Zone Authority (TIEZA) is a Government Owned and Controlled Corporation created under Republic Act No. 9593 and an attached body corporate of the Department of Tourism (DOT).

TIEZA has forty – nine properties and there is a recognized need for the proper valuation of each property. With the TIEZA Board-approved Public-Private Cooperation Program, updated values for the properties are essential in coming up with accurate financial parameters. In addition, the Commission on Audit has also recommended to:

1. *Xx*
2. *Record the revaluation surplus from the appraisal valuation to establish the accuracy of the Land account;*
3. *Conduct appraisal valuation of the properties for every three or five years or when the fair value of the re-valued land differs materially from its carrying amount as provided in PRFS 16 paragraph 34.*

The TIEZA principal office is located at 6th & 7th Floor, Tower I, Double Dragon Plaza, Double Dragon Meridian Park, Macapagal Park, Macapagal Avenue corner EDSA Extension Bay Area, Pasay City 1302.

The TIEZA through its Bids and Awards Committee is inviting interested and qualified parties to bid for the provision of Appraisal Services and Business Valuation for its various Properties located across the country, specifically the following:

Table 1. Required Appraisal for Identified TIEZA Properties

	TIEZA Property	Location	Area (square meters)
	Cordillera Autonomous Region		
1.	Kabayan Hostel	Brgy. Duacan, Kabayan, Benguet	10,111

	TIEZA Property	Location	Area (square meters)
Region I			
2.	Paoay Golf Course	Brgy. Suba, Paoay, Ilocos Norte and Laoag, Ilocos Norte	770,000
3.	Pagudpud Bagong Lipunan Lodge	Brgy. Pancian, Pagudpud, Ilocos Norte	5,506
4.	Banua Presidential Resthouse	Brgy. Balaoi, Pagudpud, Ilocos Norte	2,442
5.	Claveria Bagong Lipunan Lodge	Centro 1, Claveria, Cagayan	5,166
6.	Sta. Fe Bagong Lipunan Lodge	Brgy. Tactac, Sta. Fe, Nueva Vizcaya	10,002
National Capital Region			
7.	Club Intramuros Golf Course	Bonifacio Drive, Anda Circle, Intramuros, Manila	205,000
8.	Petron lot	Bonifacio Drive cor. Aduana St., Anda Circle, Intramuros, Manila	1,500
Region IV-A CALABARZON			
9.	Pagsanjan Garden Resort	Along Bumbungan River, Bo. Pinagsanjan, Pagsanjan, Laguna	10,900
Region VI			
10.	Boracay Properties	Nabaoy and Caticlan, Malay, Aklan/ Boracay Island, Malay, Aklan	29,312 sq.m.
Region VII			
11.	Balicasag Island Dive Resort	Balicasag Island, Panglao, Bohol	15,000
Region X			
12.	Cagayan de Oro Convention Center	Indahag, Cagayan de Oro	47,000
<i>*Areas based on existing documents with BRDD</i>			

II. BIDDING ON THE PROCUREMENT OF APPRAISAL SERVICES

The scope of services to be performed during the period of consultancy is beyond the function of any TIEZA Employee.

The engagement of independent appraiser is within the purview of "Consultancy Services" enumerated in Annex B of the 2016 Revised Implementing Rules and Regulations (IRR) of R.A. 9184 particularly falling under Section 6.6 Other Technical Services of Special Studies, as follows:

Xxx

"The Special Studies may include the following and other studies not covered under any of the services and studies described above:

Xxx

h) Investigation involving detailed consideration of the operation, maintenance, and overhead expenses; and the preparation of rate schedules; earning and expense statements, feasibility studies, appraisals, evaluations, and material audits or inventories required for certification of force account construction performed by the agencies;

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Thus, for purposes of bidding in the procurement of appraisal services for TIEZA Non-Operating Properties, the winning bid shall be determined by the Quality-Cost Based Evaluation Procedure.

In order, however to achieve proper and efficient procurement of requirements of appraisal services for TIEZA Properties, the Bids and Awards Committee (BAC) shall also take into consideration, aside from the cost, other factors determining the winning bid, such as, but not limited to, contracts with other clients and quality of services rendered, scope of work and implementation methodology.

The minimum requirements prescribed in this Terms of Reference shall be used as basis in evaluation of the technical proposal of the bidder. Compliance of the bidder to said minimum requirements shall be determined using a "pass-fail system".

Correspondingly, the approved Budget for the Contract (ABC) would be the basis for the computation of the Bid Security.

III. CONTRACT DURATION

The Proposed Contract for APPRAISAL SERVICES for the TIEZA Non-Operating Properties shall be for two hundred forty (240) days from the issuance of the "Notice to Proceed."

Suspension of the period 240-day shall be considered in cases of necessity of clarification of ownership documents, area or location of the property or pending an authorization or resolution of a decision point from TIEZA. Fortuitous events will only be considered in the suspension of the 240-day period if the APPRAISAL COMPANY can submit sufficient proof that such fortuitous event has prevented the APPRAISAL COMPANY to continue conducting the appraisal.

A written request for suspension of the 240-day period shall be submitted by the APPRAISAL COMPANY to the Business Development Department Manager, and shall be the reckoning point for the suspension of the 240-day period, in case the request has been approved in writing.

A notice from the Business Development Department shall be issued to the APPRAISAL COMPANY on the resumption of running of the 240-day period.

IV. TECHNICAL REQUIREMENTS

1. The APPRAISAL COMPANY shall submit the following to TIEZA:

- a) Profile highlighting related projects
- b) Certificate of Satisfactory Service from at least two clients for the past three years
- c) Scope of Work and Implementation Methodology
- d) Mayor's/ Business Permit
- e) BIR Certificate of Registration
- f) PhilGEP's Registration Number
- g) Omnibus Sworn Statement
- h) Professional License/ Curriculum Vitae of Key Personnel.

2. MANPOWER

The APPRAISAL COMPANY shall ensure that the personnel to be assigned to TIEZA must have the following:

- At least three (3) years of related experience
- Possess the required professional licenses issued appropriate regulatory body
- He/She must be reliable, honest, courteous and professional.

V. SCOPE OF SERVICES

1. The APPRAISAL COMPANY must submit the Final Appraisal Report in three (3) hard copies, signed and/ or affixed with dry seal, and a digitized copy saved in a USB flash drive.
2. Conduct inspection and identification of the properties.
3. Investigate the utility of the properties.
4. Appraisal Report must include the following details:
 - a. Research and evaluation of the environment, market condition, sales and holding prices for similar land, supplemented by informed local opinions and their records of judgement.
 - b. Summarized result of the investigation and appraisal.
 - c. Summary showing the market value of the property, market sale value and market lease/ rental value.
 - d. Narrative report showing details of the property.
 - e. Plans and pictures of the property.
5. Conduct Business Valuation for Boracay Properties, including value of business interests for Boracay Island Water Company, Inc. (BIWC) under the Joint Venture Agreement of Tourism Infrastructure and Enterprise Zone Authority and Manila Water Company, Inc.
6. For the appraisal of the Boracay Properties, the APPRAISAL COMPANY shall submit a separate Appraisal Report for the former Sludge Drying Bed facility of the BIWC.
7. Land Valuation Reports for TIEZA assets shall include appraisal of both land and any existing improvements.
8. The Appraisal Company shall prioritize four (4) properties for submission, namely;

Table 2. Priority Properties

	TIEZA ASSET	LOCATION
1.	Balicasag Island Dive Resort	Balicasag Island, Panglao, Bohol
2.	Club Intramuros Golf Course	Intramuros, Manila
3.	Petron Lot	Intramuros, Manila
4.	Cagayan de Oro Convention Center	Cagayan de Oro

VI. DUTIES AND RESPONSIBILITIES OF APPRAISAL COMPANY

1. The APPRAISAL COMPANY shall:
 - a) Gather relevant data on the aforementioned properties
 - b) Draft the Appraisal Report based on the data gathered, subject to the approval by the TIEZA
 - c) Ensure the appropriate qualifications of the personnel assigned to conduct the appraisal process
 - d) Provide the transportation, accommodation and other expenses in the conduct of the appraisal, of their personnel
 - e) Ensure the timely submission of the Final Appraisal Report.

2. For the faithful compliance of the terms and conditions of this contract, the APPRAISAL COMPANY shall be required to post a performance bond in favor of TIEZA in the equivalent amount and form according to a schedule provided in the bid documents.

VII. DUTIES AND RESPONSIBILITIES OF TIEZA

1. Designate a counterpart support team who will work closely with the APPRAISAL COMPANY regarding the technical requirements of the activities and a point person who shall coordinate with the APPRAISAL COMPANY on the administrative requirements.
2. Provide location guides during the activities.
3. Furnish the APPRAISAL COMPANY with the information concerning the TIEZA Properties including, among others, ownership documents, reports, and any other material information that may impact on the status and valuation of the same.

VIII. TERMS AND CONDITIONS OF THE CONTRACT

1. *Indemnity.* The APPRAISAL COMPANY shall be responsible for losses and/or damages suffered by TIEZA, its officers, employees and guests, and their properties by reason of the willful, unlawful or negligent act or omission of the APPRAISAL COMPANY or any of its personnel or representative.
2. *Solidary Liability of the Appraisal company in case it is a Joint Venture.* In case the APPRAISAL COMPANY as a supplier is a joint venture, all partners to the joint venture shall be jointly and severally liable to TIEZA.
3. *Liquidated Damages.* In the event that the APPRAISAL COMPANY fails to satisfactorily perform the services stipulated in this Terms of Reference, inclusive of duly granted time extensions, if any, TIEZA shall, without prejudice to its other remedies under the Conditions of Contract and other applicable laws, deduct from the Contract Price as liquidated damages the applicable rate of one

tenth (1/10) of one percent (1%) of the cost of the unperformed portion for every day of delay until actual delivery or performance.

In the event that the total sum of liquidated damages for such delay or inability by the APPRAISAL COMPANY to perform its obligations exceeds 10% of the Contract Price, TIEZA may rescind or terminate the resulting Contract upon giving the APPRAISAL COMPANY written notice at least five calendar days prior to the intended date of termination, without prejudice to other courses of action and remedies open to it.

TIEZA needs not prove that it has incurred actual damages to be entitled to liquidate damages from the APPRAISAL COMPANY, and the same shall not be by way of penalty. TIEZA reserves the right to deduct any and all of the liquidated damages from any money due or which may become due to the APPRAISAL COMPANY under the resulting Contract and/or from the warranty security or other securities posted by the APPRAISAL COMPANY, as TIEZA may deem convenient and expeditious under the prevailing circumstance.

4. *Hold Harmless.* The APPRAISAL COMPANY agrees to hold TIEZA entirely free and harmless from any liability, cause or causes of action, or claims which may be filed by any or all of its personnel by reason of his/her/their employment under the resulting Contract, under the provisions of RA 602, otherwise known as the Minimum Wage Law, RA 4119, otherwise known as the Workmen's Compensation Act, and any other related law or laws which are already in effect, or which may hereafter be enacted, it being expressly agreed and understood that there is absolutely no privity between them and TIEZA, and that they are not employees of TIEZA, and the APPRAISAL COMPANY shall indemnify and/or reimburse TIEZA should the latter pay in advance any said claim, including damages incurred in connection therewith.
5. *Confidentiality.* The APPRAISAL COMPANY agrees that the services covered by the resulting Contract are strictly confidential and that a breach of any of the Terms and Conditions thereof by the APPRAISAL COMPANY may subject TIEZA to the compromise of its security, financial, material and operational loss, and therefore, the APPRAISAL COMPANY hereby agrees as follows:
 - a) The APPRAISAL COMPANY and any of its personnel shall not, during the term of this Contract or anytime thereafter, reveal, disclose or furnish in any manner to any person, firm or corporation, any information relating to TIEZA which the APPRAISAL COMPANY or its personnel may have acquired or which came to its/their knowledge or possession during the performance of their obligations to TIEZA.
 - b) Only persons expressly authorized in writing by TIEZA shall be allowed by the APPRAISAL COMPANY to have access to the documents/records in the custody of the APPRAISAL COMPANY. For this purpose, TIEZA shall inform the APPRAISAL COMPANY in writing of the persons authorized to have access to said documents/records.

- c) The APPRAISAL COMPANY shall prevent any unauthorized person from gaining access to the documents/records described in the preceding Item.
6. *Non-waiver of Rights.* The failure of TIEZA to insist upon the strict performance of any of the terms, conditions and covenants of the resulting Contract shall not be deemed a relinquishment or waiver of any right or remedy that TIEZA may have, nor shall it be construed as a waiver of any subsequent breach or default of the terms, conditions and covenants of the resulting, which in turn shall continue to be in full force and effect. No waiver by TIEZA of any of its rights under this Terms of Reference and the resulting Contract shall be deemed to have been made unless expressed in writing and signed by it.
 7. *Severability.* If any provision of the resulting Contract or of any of its attachments should, for any reason, be held void or unenforceable, the legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired, and shall remain in full force and effect.
 8. *Binding Effect and Assignment of Rights.* The resulting Contract shall be binding upon the APPRAISAL COMPANY, its partners, successors-in-interest, its legal representatives and assigns. Notwithstanding the foregoing, the APPRAISAL COMPANY shall not in any manner assign or transfer its rights and obligations under the resulting Contract without the prior written consent of TIEZA.
 9. *Contract Amendment.* Subject to applicable laws, the resulting Contract may be amended or modified in writing upon mutual agreement of TIEZA and the APPRAISAL COMPANY.
 10. *Application.* Should there be any conflict or inconsistency between the provisions, terms and conditions set forth in this Terms of Reference and those provided in the General and Special Conditions of the Contract, the former shall prevail.

IX. MODE OF PAYMENT

1. The APPRAISAL COMPANY shall be paid by milestone and only after the services have been rendered, as follows:

Table 3. Milestone of Payment

MILESTONE	Condition for Processing of Payment	% of Contract Price	Due date
Submitted ALL FOUR (4) Land Valuation Reports for the 4 PRIORITY Properties (Stated in the Scope of Services)	Issuance of Certificate of Acceptance for ALL FOUR (4) LAND VALUATION REPORTS by AMS as recommended by BUDD	25%	Within 80 days from receipt of Notice to Proceed

Submitted ALL EIGHT (8) Land Valuation Reports for the 8 Properties remaining	Issuance of Certificate of Acceptance for ALL EIGHT (8) LAND VALUATION REPORTS by AMS as recommended by BUDD	35%	Within 160 days from receipt of Notice to Proceed
Submitted Business Valuation Report for Boracay Property	Issuance of Certificate of Acceptance for BUSINESS VALUATION REPORT by AMS as recommended by BUDD	40%	Within 240 days from receipt of Notice to Proceed

2. Payments will only be processed after TIEZA has accepted the submitted appraisal reports through the issuance of a Certificate of Acceptance by the Assets Management Sector (AMS), upon the recommendation of the Business Development Department (BUDD).
3. Regardless if one or several Appraisal Report/s for the LAND VALUATION has been finalized by both TIEZA and the APPRAISAL COMPANY prior to the completion of REQUIRED NUMBER OF LAND VALUATIONS PER MILESTONE, only upon completion and acceptance of all FOUR (4) LAND VALUATION REPORTS for the Priority Properties and ALL EIGHT (8) LAND VALUATION REPORTS for the remaining properties by the AMS, can a Certificate of Acceptance shall be issued for each milestone.
4. Only 3 Certificates of Acceptance shall be issued by the AMS to qualify for processing of payment: *One*, for the completion and acceptance of all four (4) Land Valuation Reports for Priority Assets, *Two*, for the completion and acceptance of all eight (8) Land Valuation Reports for the remaining eight properties and *Three*, for the completion and acceptance of the Business Valuation for Boracay.

X. APPROVED BUDGET FOR THE CONTRACT

1. The Financial Proposal shall reflect the cost of the appraisal services.
2. ABC for the project will be based on the approved estimated cost stated in the Purchase Request, as follows:

Table 4. Approved Budget Contract

	TIEZA Property	Approved Budget Contract
1.	Kabayan Hostel	
2.	Paoay Golf Course	
3.	Pagudpud Bagong Lipunan Lodge	

4.	Banua Presidential Resthouse	
5.	Claveria Bagong Lipunan Lodge	
6.	Sta. Fe Bagong Lipunan Lodge	
7.	Club Intramuros Golf Course	
8.	Petron lot	
9.	Pagsanjan Garden Resort	
10.	Boracay Properties	*Appraisal + Business Valuation
11.	Balicasag Island Dive Resort	
12.	Cagayan de Oro Convention Center	
	APPROVED BUDGET CONTRACT	PHP 3,125,000.00

XI. BASIS FOR EVALUATION OF AWARD

Evaluation and award of contract shall be in accordance with the provisions of Republic Act No. 9184.

RECOMMENDING APPROVAL:


JETRO NICOLAS F. LOZADA
Assistant Chief Operating Officer
 Assets Management Sector

APPROVED/DISAPPROVED


MARK T. LAPID
Chief Operating Officer

List of TABLES FOR THE TERMS OF REFERENCE

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Table 2. Priority Properties

Table 3. Milestone of Payment

Table 4. Approved Budget Contract