



Republic of the Philippines
Tourism Infrastructure & Enterprise Zone Authority

TERMS OF REFERENCE

PROPERTY DEVELOPMENT ADVISORY AND 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 sixty properties and there is a recognized need for the proper and updated valuation of the property. With the TIEZA Board-approved Public-Private Cooperation Program, there is a need to verify and update Highest and Best use (HBU) & Business Studies conducted in order to come up with accurate financial parameters for proper valuation of the property. Updated valuation of the property that includes Market Value and Market Lease/ Rent, are essential in coming up with acceptable financial term sheets thru determination of the Real Property Valuation of the Development and Usufructuary Rights (DUR)/ Superior Interest that includes financial modelling, its maximum and minimum investment value for the purpose of public tender for the development, operation and/ or management of TIEZA's Assets to private sector who has the expertise in land development, operation and management of its properties through Joint Venture, Operation and/ or Management Contract or Lease. DUR is defined as the right to use and possess the land for redevelopment under a Joint Venture (JV) arrangement, either through a Contractual Agreement or a JV company (JVC) into a mixed use commercial, excluding the naked ownership rights of the subject property. In addition, the Commission on Audit has also recommended:

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 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 Property Development Advisory and Appraisal Services, for the Identified TIEZA Assets, specifically the following:





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Table 1. TIEZA Assets for the provision of Property Development Advisory and Appraisal Services.

PROPERTY	AREA (sq. m.)	LOCATION
Pagsanjan Garden Resort	10,967	Barrio Pagsanjan, Pagsanjan, Laguna
Paoay Golf Course (Paoay Area Only)	535,535	Brgy. Suba, Paoay, Ilocos Norte
Agoo Playa Hotel	35,000	Barrio San Nicolas West, Agoo, La-Union
Moalboal	114,700	Basdiot, Moalboal, Cebu City
Boracay – Mt. Luho Property	12,000	Mt. Luho Rd., Balabag, Boracay, Malay, Aklan
Dalaguete Beach Park	22,143	Sitio Dakung Balas, Barangay Casay, Dalaguete, Cebu City
Claveria BLL	9,151	Brgy. Centro I, Claveria, Cagayan
Sta. Fe Hostel	10,002	Sta. Fe, Nueva Vizcaya
Baguio (DOT-CAR Office)	600	Gov. Pack Road, Baguio City
Kabayan Youth Hostel	10,111	Duacan, Kabayan, Benguet

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;

xxx

Thus, for purposes of bidding in the procurement of investigation involving detailed consideration of the operation, maintenance, and overhead expenses, preparation of earning and expense statements, feasibility studies and appraisal services in the determination of Valuation of Land, improvements, other land improvements, and machinery & equipment and its Development and Usufructuary Rights/ Superior Interest



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for TIEZA's listed 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 the investigation, preparation and updating of studies and its 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 PROPERTY DEVELOPMENT ADVISORY AND APPRAISAL SERVICES for the TIEZA's Listed Properties shall be for One Hundred Twenty (120) working day period from the issuance of the "Notice to Proceed."

Suspension of the One Hundred Twenty (120) working 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.

Suspension of One Hundred Twenty (120) working day based on aforementioned/ similar grounds shall be reckoned from TIEZA's receipt of letter/ written endorsement or request for clarification.

Fortuitous events will only be considered in the suspension of the One Hundred Twenty (120) working day if the PROPERTY DEVELOPMENT ADVISORY AND APPRAISAL COMPANY can submit sufficient proof that such fortuitous event has prevented the PROPERTY DEVELOPMENT ADVISORY AND APPRAISAL COMPANY to continue conducting the investigation, preparation, updating, and valuation of TIEZA's listed Properties.

In cases of fortuitous events, a written request for suspension of the One Hundred Twenty (120) working day shall be submitted by the PROPERTY DEVELOPMENT ADVISORY AND APPRAISAL COMPANY to the Business Development Department Manager, and receipt of TIEZA shall be the reckoning point for the suspension of the One Hundred Twenty (120) working day period, in case the request has been approved in writing.

A notice from the Business Development Department (BUDD) shall be issued to the PROPERTY DEVELOPMENT ADVISORY AND APPRAISAL COMPANY on the resumption of running of the One Hundred Twenty (120) working day.





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IV. TECHNICAL REQUIREMENTS

1. The PROPERTY DEVELOPMENT ADVISORY AND 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. (Please refer to the format as **Annex A.**)
- i) The PROPERTY DEVELOPMENT ADVISORY AND APPRAISAL COMPANY must have at least five (5) years' experience in the field and have completed at least three (3) similar studies/ projects in the conduct of highest and best use studies, appraisal as indicated in the required output and at least two (2) other studies/ projects related in nature.

2. MANPOWER

The PROPERTY DEVELOPMENT ADVISORY AND APPRAISAL COMPANY will put together a team of specialists for expeditious and effective execution of the services required and shall ensure that the key personnel to be assigned to TIEZA must have the following:

Table 2. Personnel Qualifications

Team	Responsibility	Minimum Qualifications
Team Leader	Oversees study preparation: Updating of Business Studies conducted, HBU and Appraisal Determine the financial and technical feasibility of the identified Business Studies, HBU options and Appraisal. Evaluate/ approve the work/ reports done by the Financial and Technical Specialists. Should be the one to present the study and result of the study to TIEZA.	Ten (10) years relevant experience in the preparation of Business Studies conducted and HBU study & Appraisal Five (5) year experience in real estate development or related work. Must be a holder of engineering/ architectural/ business degree. Licensed real estate appraiser



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Financial Specialist	Prepare the financial/ cash flow projections to determine feasibility of each of the identified Business Studies, HBU options and Appraisal. Analyze the feasibility of each of the options.	Five (5) years relevant experience in the preparation of financial projections, income and cash flow projections, calculating NPVs and IRRs and other economic measures. Three (3) year experience in preparing financials related to the preparation of Business Studies, HBU and Appraisal. Must be a holder of a business/ economics degree.
Technical Specialist	Prepare technical studies, such as site utilization, land-use and space management studies. Provides an over-all site plan type of structure, estimated project cost and other engineering/ design requirements.	Five (5) year experience in the preparation of Business Studies, HBU, Appraisal and in real estate development Must be holder of engineering/ architectural degree. Licensed engineer/ architect Licensed real estate appraiser
Financial and Technical Assistants	Do research work related to the financial and technical feasibility of the project, including gathering of data to support analysis.	Two (2) year experience in research, finance, project work. Must be a holder of a bachelor's degree.

V. SELECTION CRITERIA FOR SHORTLISTING

Prospective bidders shall follow the guidelines in the preparation of eligibility requirements as stipulated in Sections 24.1 and 24.2 of the Revised IRR of RA 9184.

Bidders shall be shortlisted based on the following:

- Experience and capability of the Property Development Advisory and Appraisal Company and the Team Leader & Key Staff (Please refer to Table 2); (50%)
- Qualification of the Team Leader, Financial Specialist, Technical Specialist and Financial and Technical Assistants, to be assigned in undertaking the Property Development Advisory and Appraisal Services (Please refer to Table 2); (40%)
- Current workload relative to capacity. (10%)



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Bidders must pass the hurdle rate of 70 out of 100 points to be considered shortlisted to participate in the procurement activity.

VI. EVALUATION OF PROPOSAL

The project bids of shortlisted bidders shall be evaluated using the Quality-Cost Based Evaluation Procedures as provided for in R.A. 9184

The criteria for evaluation of the project bids shall be as follows:

- Financial proposal – 30%
- Technical proposal – 70%
 - 30% - Qualifications of the Property Development Advisory and Appraisal Company and its Key Personnel (Please refer to Table 2);
 - 40% - Applicable experience of the Property Development Advisory and Appraisal Company and its Team Leader, Financial Specialist, Technical Specialist and Financial and Technical Assistants (Please refer to Table 2);
 - 30% - Plan of Approach and Methodology.

VII. SCOPE OF SERVICES

1. The PROPERTY DEVELOPMENT ADVISORY AND APPRAISAL COMPANY must submit the Final Project Development Advisory and Appraisal Report, Usufructuary Rights, Investment Value, Updating of previous HBU, Updating of the existing studies, and Highest and Best Use, 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. The Investigation, Updating and Valuation Date shall be as of the last day of inspection.
5. The Value Orientation and Methodology should be as follows:

- a. The premise of the valuation shall be "MARKET VALUE".

Valuation based on Market Value shall adopt the definition set forth by the International Valuation Standards Council (IVSC). Market Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

- b. Methodology to be adopted in arriving an opinion of value are as follows:
 - i. Income Approach as stated in the valuation standard, "provides an indication of value by converting future cash flows to a single current capital value".





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The income methodology uses the present value of free cash flows from leasing out the hypothetical developed subdivided lots over period of the development and usufructuary rights as the basis for market value with presentation on the following:

1. Discounted Cash Flow/ Discounting
2. Internal Rate of Return, or IRR, or the weighted average cost of capital, or WACC.
3. Capital Asset Pricing Model "CAPM" to estimate the cost of equity.

6. Appraisal Report must include the following details:

- a. General market research of the hypothetical development's relevant economic area of operation.
- b. The market research will generate relevant economic data such as:
 1. Market Value
 2. Market Lease/rental rates of properties similar to the hypothetical Development
 3. Marginal Revenues
 4. Marginal Cost
 5. Inflation/escalation rates
 6. Other metrics for input into the financial modeling section of the valuation
- c. Financial modeling that re-creates the hypothetical business using existing highest and best use-basis economic data for measuring potential costs and benefits expected to accrue to the operations. The objective of the financial modeling is to approximate expected free cash flows for use in valuation analysis.
- d. 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.
- e. Summarized result of the investigation and appraisal of interest rights thru Real Property Valuation of TIEZA's Assets and its Development and Usufructuary Rights/Superior Interest
 - i. Market Research
 - ii. Financial Modelling
 - iii. Maximum and minimum Investment Value
 - iv. Other metrics for inputs for financial modelling of the valuation
- f. Summary showing the Market rental rates of properties similar to the hypothetical Development, Marginal revenues, Marginal costs, Inflation/escalation rates, other metrics for input into the financial modeling section of the valuation of TIEZA's listed Properties.
- g. Narrative report showing details of the property.
- h. Plans and pictures of the property.

7. Highest and Best Use (HBU) and Business Studies:

- a. Highest and Best Use (HBU) Report for Identified Properties (refer to Table 3, 4, & 5 below)





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- b. Updated Highest and Best Use (HBU) Report of Identified Property (refer to Table 3 & 4)
 - c. Updated Report of previous Business Studies Conducted of Identified Property (refer to Table 3)
8. Technical Proposal Documents shall include the following:
1. Consultant's Organization and Experience (Brief Description of the background, organization and general experience of the Property Development Advisory and Appraisal Company)
 2. Summary of completed projects undertaken within the last five (5) years (Please refer to the format attached as **Annex B.**)
 3. Certified True Copy of Certificate of Satisfactory Completion issued by the client for completed projects as follows:
At least two (2) certificates of satisfactory completion for similar projects or related evaluation studies conducted.
 4. Technical Approach, Methodology and Work Plan for Performing the Assignment
 5. Team Composition, Task Assignments and Summary of CV Information
 6. Time Schedule for Key Personnel
 7. Activity (Work) Schedule
9. Financial Proposal Documents shall include the Financial Bid (Inclusive of Taxes).
10. Conduct Investigation, Preparation, Updating, and Real Property Valuation based on the required output of TIEZA's listed Properties as follows:

Table 3. Cluster I

PROPERTY	AREA (sq. m.)	LOCATION	Required Output
Agoo Playa Hotel	35,000	San Nicolas West, Agoo, La-Union	1. Updating of previous HBU 2. Simple Fee Valuation: Market Value/ Market Rent 3. Development and Usufructuary Rights/ Superior Interest Valuation
Pagsanjan Garden Resort	10,967	Barrio Pagsanjan, Pagsanjan, Laguna	1. Updating of previous Business Studies Conducted 2. Development and Usufructuary Rights/ Superior Interest Valuation
Claveria BLL	9,151	Brgy. Centro I, Claveria, Cagayan	
Sta. Fe Hostel	10,002	Sta. Fe, Nueva Vizcaya	



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Table 4. Cluster II

PROPERTY	AREA (sq. m.)	LOCATION	Required Output
Baguio (DOT-CAR Office)	600	Gov. Pack Road, Baguio City	1. Highest and Best Use (HBU) 2. Simple Fee Valuation: Market Value/ Market Rent 3. Development and Usufructuary Rights/ Superior Interest Valuation
Kabayan Youth Hostel	10,111	Duacan, Kabayan Benguet	1. Highest and Best Use (HBU) 2. Development and Usufructuary Rights/ Superior Interest Valuation
Boracay – Mt. Luho Property	12,000	Mt. Luho Rd., Balabag, Boracay, Malay, Aklan	
Moalboal	114,700	Basdiot, Moalboal, Cebu City	1. Updating of previous HBU 2. Simple Fee Valuation: Market Value/ Market Rent 3. Development and Usufructuary Rights/ Superior Interest Valuation

Table 5. Cluster III

PROPERTY	AREA (sq. m.)	LOCATION	Required Output
Paoay Golf Course (Paoay Area Only)	535,535	Paoay, Ilocos Norte	1. Development and Usufructuary Rights/Superior Interest Valuation
Dalaguete Beach Park	22,143	Sitio Dakung Balas, Barangay Casay, Dalaguete, Cebu City	1. Simple Fee Valuation: Market Value/ Market Rent

VIII. DUTIES AND RESPONSIBILITIES OF APPRAISAL COMPANY

1. The PROPERTY DEVELOPMENT ADVISORY AND APPRAISAL COMPANY shall:
 - a) Gather relevant data on the aforementioned properties
 - b) Draft the required Project Development Advisory and Appraisal Reports 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 PROPERTY DEVELOPMENT ADVISORY AND 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.





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IX. DUTIES AND RESPONSIBILITIES OF TIEZA

1. Designate a counterpart support team who will work closely with the PROPERTY DEVELOPMENT ADVISORY AND APPRAISAL COMPANY regarding the technical requirements of the activities and a point person who shall coordinate with the PROPERTY DEVELOPMENT ADVISORY AND APPRAISAL COMPANY on the administrative requirements.
2. Provide location guides during the activities to provide assistance to properly identify and locate the Project Site.
3. Furnish the PROPERTY DEVELOPMENT ADVISORY AND APPRAISAL COMPANY with the information concerning the TIEZA Properties including, among others, reference plans and data, and any other material information that may impact on the status and valuation of the same.

X. TERMS AND CONDITIONS OF THE CONTRACT

1. *Indemnity.* The PROPERTY DEVELOPMENT ADVISORY AND 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 PROPERTY DEVELOPMENT ADVISORY AND APPRAISAL COMPANY or any of its personnel or representative.
2. *Solidary Liability of the PROPERTY DEVELOPMENT ADVISORY AND APPRAISAL COMPANY in case it is a Joint Venture.* In case the PROPERTY DEVELOPMENT ADVISORY AND 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 PROPERTY DEVELOPMENT ADVISORY AND 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 PROPERTY DEVELOPMENT ADVISORY AND APPRAISAL COMPANY to perform its obligations exceeds 10% of the Contract Price, TIEZA may rescind or terminate the resulting Contract upon giving the PROPERTY DEVELOPMENT ADVISORY AND 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 PROPERTY DEVELOPMENT ADVISORY AND 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





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become due to the PROPERTY DEVELOPMENT ADVISORY AND APPRAISAL COMPANY under the resulting Contract and/or from the warranty security or other securities posted by the PROPERTY DEVELOPMENT ADVISORY AND APPRAISAL COMPANY, as TIEZA may deem convenient and expeditious under the prevailing circumstance.

4. *Hold Harmless.* The PROPERTY DEVELOPMENT ADVISORY AND 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 PROPERTY DEVELOPMENT ADVISORY AND 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 PROPERTY DEVELOPMENT ADVISORY AND 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 PROPERTY DEVELOPMENT ADVISORY AND APPRAISAL COMPANY may subject TIEZA to the compromise of its security, financial, material and operational loss, and therefore, the PROPERTY DEVELOPMENT ADVISORY AND APPRAISAL COMPANY hereby agrees as follows:
 - a) The PROPERTY DEVELOPMENT ADVISORY AND 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 PROPERTY DEVELOPMENT ADVISORY AND 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 PROPERTY DEVELOPMENT ADVISORY AND APPRAISAL COMPANY to have access to the documents/records in the custody of the PROPERTY DEVELOPMENT ADVISORY AND APPRAISAL COMPANY. For this purpose, TIEZA shall inform the PROPERTY DEVELOPMENT ADVISORY AND APPRAISAL COMPANY in writing of the persons authorized to have access to said documents/records.
 - c) The PROPERTY DEVELOPMENT ADVISORY AND APPRAISAL COMPANY shall prevent any unauthorized person from gaining access to the documents/records described in the preceding Item.



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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 PROPERTY DEVELOPMENT ADVISORY AND APPRAISAL COMPANY, its partners, successors-in-interest, its legal representatives and assigns. Notwithstanding the foregoing, the PROPERTY DEVELOPMENT ADVISORY AND 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 PROPERTY DEVELOPMENT ADVISORY AND 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.

XI. MODE OF PAYMENT

1. The PROPERTY DEVELOPMENT ADVISORY AND APPRAISAL COMPANY shall be paid in a Percentage (%) of Contract Price per Milestone only after the services had been rendered and reports had been submitted, as follows:

Table 6. Milestone of Payment

MILESTONE	Condition for Processing of Payment	% of Contract Price	Due date
1. Submitted the Inception Report in the Conduct of Property Development Advisory and Appraisal	Issuance of Certificate of Acceptance of the Inception Report by AMS as recommended by Business Development Department	10%	Five (5) Days from the Issuance of Notice to proceed





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2. Submitted the outputs for CLUSTER I as Stated in the Scope of Services	Issuance of Certificate of Acceptance for the Reports of CLUSTER I as Stated in the Scope of Services by AMS as recommended by BUDD	30%	Within One Hundred Twenty Days (120) from receipt of Notice to Proceed
3. Submitted the outputs for CLUSTER II as Stated in the Scope of Services	Issuance of Certificate of Acceptance for the Reports of CLUSTER II as Stated in the Scope of Services by AMS as recommended by BUDD	30%	Within One Hundred Twenty Days (120) from receipt of Notice to Proceed
4. Submitted the outputs for CLUSTER III as Stated in the Scope of Services	Issuance of Certificate of Acceptance for the Report of CLUSTER III as Stated in the Scope of Services by AMS as recommended by BUDD	30%	Within One Hundred Twenty Days (120) from receipt of Notice to Proceed

2. Payments will only be processed after TIEZA has accepted the submitted appraisal outputs and 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 more activities has been accomplished under the scope of services, only upon the completion and acceptance of the output per cluster as stated in the scope of services can a Certificate of Acceptance be issued for the corresponding milestone.
4. Only Four (4) Certificates of Acceptance shall be issued by TIEZA to qualify for processing of payment as follows:

Table 7. Certificates of Acceptance per Milestone of Payment

CERTIFICATE OF ACCEPTANCE	
1	Acceptance of the Inception Report in the Conduct of Various Appraisal of TIEZA's listed Properties as stated in the Scope of Services
2	Acceptance of the following: a) Updating of previous Business Studies Conducted b) Updating of previous HBU c) Simple Fee Valuation: Market Value/ Market Rent d) Development and Usufructuary Rights/ Superior Interest Valuation Reports of CLUSTER I as stated in the Scope of Work for TIEZA's listed Properties
3	Acceptance of the following: a) Updating of previous HBU b) Highest and Best Use (HBU) c) Simple Fee Valuation: Market Value/ Market Rent d) Development and Usufructuary Rights/ Superior Interest Valuation Reports of CLUSTER II as stated in the Scope of Work for TIEZA's listed Properties
4	Acceptance of the following: a) Simple Fee Valuation: Market Value/ Market Rent d) Development and Usufructuary Rights/ Superior Interest Valuation Report of CLUSTER III as stated in the Scope of Work for TIEZA's listed Properties





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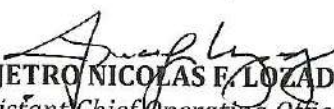
XII. APPROVED BUDGET FOR THE CONTRACT

1. The Financial Proposal shall reflect the cost of the various appraisal services as stated in the scope of services for TIEZA's listed Properties.
2. ABC for the project will be based on the approved estimated cost stated in the Purchase Request in the total amount of **Twelve Million Eight Hundred Seventy Five Thousand Pesos only (PHP 12,875,000.00).**

XIII. 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