

Section V. Special Conditions of Contract

Notes on the Special Conditions of Contract

Similar to the BDS in Section III, the Clauses in this Section are intended to assist the Procuring Entity in providing contract-specific information in relation to corresponding clauses in the GCC.

The provisions of Section V complement the GCC included in Section IV, specifying contractual requirements linked to the special circumstances of the Procuring Entity, the Procuring Entity's country, the sector, and the Services purchased. In preparing Section V, the following aspects should be checked:

- (a) Information that complements provisions of Section IV must be incorporated.
- (b) Amendments and/or supplements to provisions of Section IV, as necessitated by the circumstances of the specific purchase, must also be incorporated.

However, no special condition which defeats or negates the general intent and purpose of the provisions of Section IV should be incorporated herein.

Handwritten initials and a number '2' in the bottom right corner.

Special Conditions of Contract

GCC Clause	
1.1(g)	The Funding Source is: The Government of the Philippines (GoP) <i>CY 2024 Corporate Operating Budget</i>
6.2(b)	<p>NOTE: <i>It is essential that Consultants that advise PROCURING ENTITIES on the privatization of state owned enterprises or other assets (or on related problems), be prohibited from “switching sides” upon completion of their obligations and then either appearing as purchaser of these enterprises/assets or advising potential purchasers in this context. In these situations, the following provision must be used:</i></p> <p>For a period of two years after the expiration of this Contract, the Consultant shall not engage, and shall cause its Personnel as well as their Sub consultants and its Personnel not to engage, in the activity of a purchaser (directly or indirectly) of the assets on which they advised the Procuring Entity under this Contract nor in the activity of an adviser (directly or indirectly) of potential purchasers of such assets. The Consultant also agree that their affiliates shall be disqualified for the same period of time from engaging in the said activities.</p>
7	Not applicable.
8	Not Applicable.
10	No further instructions.
12	<p>The Authorized Representatives are as follows:</p> <p>For the Procuring Entity: SVP JOVITA V. ARAGONA Office of the Senior Vice President Information Management Sector</p> <p>For the Consultant: _____</p> <p>NOTE: <i>Name of authorized representative to be filled out by winning consultant prior to contract signing.</i></p>
15.1	<p>Procuring Entity: Philippine Health Insurance Corporation Attention: SVP JOVITA V. ARAGONA Office of the Senior Vice President Information Management Sector</p> <p>709 Citystate Centre Bldg., Brgy. Oranbo, Shaw Blvd., Pasig City</p>

m
pl
mlc

	<p>Consultants: <i>[insert name of the Consultant]</i></p> <p>Attention: <i>[insert name of the Consultant's authorized representative]</i></p> <p>Address: _____</p> <p>Facsimile: _____</p> <p>Email Address: _____</p> <p>NOTE: <i>Contact details to be filled out by winning consultant prior to contract signing.</i></p>
15.2	<p>Notice shall be deemed to be effective as follows:</p> <p>in the case of personal delivery or registered mail, on delivery;</p>
18.3	<p><i>State here Consultant's account where payment may be made.</i></p> <p>NOTE: <i>Details of account to be filled out by winning consultant prior to contract signing.</i></p>
19	No further instructions.
20	No additional provision. <i>or, if the Consultant is a joint venture, "All partners to the joint venture shall be jointly and severally liable to the Procuring Entity."</i>
22	None
24	<i>The time period shall be 30% of the Contract price will be paid upon the completion and delivery of items 1-3 of Section III of the TOR; 60% of the Contract price will be paid upon the completion and delivery of items 4-12 of Section III of the TOR; and remaining 10% of the Contract price will be paid upon the completion and delivery of items 13-14 of Section III of the TOR.</i>
34.2	Any and all disputes arising from the implementation of this contract shall be submitted to arbitration in the Philippines according to the provisions of Republic Acts 876 and 9285, as required in Section 59 of the IRR of RA 9184.
35.1	<i>All outputs of the project by the winning proponent such as specifications, design, reports, and other documents, materials, developed by the winning proponent for PhilHealth shall become and remain the property of PhilHealth.</i>
38.1(d)	The Consultant's actions requiring the Procuring Entity's prior

	<p>approval are:</p> <p><i>The winning proponent may retain a copy of the outputs but the use thereof is subject to the restrictions about future use of these outputs and documents are subject to the approval of PhilHealth.</i></p> <p><i>The winning proponent, together with its involved staff or personnel, shall sign a Non-Disclosure Agreement to protect information that are confidential and/or sensitive information in which loss of, misuse of, or unauthorized access to or modification can adversely affect the national interest of the country, conduct of the PhilHealth's processes and activities, and as an organization, or the privacy to which an individual is entitled.</i></p>
39.5	<p>The Consultant may change its Key Personnel only for justifiable reasons as may be determined by the Procuring Entity, such as death, serious illness, incapacity of an individual Consultant, resignation, among others, or until after fifty percent (50%) of the Personnel's man-months have been served.</p> <p>Violators will be fined an amount equal to the refund of the replaced Personnel's basic rate, which should be at least fifty percent (50%) of the total basic rate for the duration of the engagement.</p> <p><i>The list of "Key Personnel" to be assigned to this project shall be submitted indicating their full names, along with their roles, each roles must have a full time named manpower resource per the number specified.</i></p>
42.1	No further instructions.
42.4(c)	No further instructions.
52.1	<p>The total ceiling amount in Philippine Pesos is <i>Fourteen Million Eight Hundred Forty-Three Thousand Five Hundred Sixty-Three Pesos and Fifty-Four Centavos (P14,843,563.54).</i></p> <p>NOTE: <i>The contract amount is to be filled out by the BAC Secretariat prior to contract signing.</i></p>
52.2	No further instructions.
53.2	No additional instructions
53.4	Not applicable
53.5(a)	No advance payment is allowed.
(c)	The interest rate is: <i>GOP funded</i>

	<i>NOTE: For GoP funded projects, interest rate is zero.</i>
55.6	No further instructions.

per
↑
plu

Section VI. Terms of Reference

I. Rationale

Commission on Audit (COA) Resolution No. 2018-001 dated January 30, 2018 under paragraph 7, after a thorough investigation, COA finds Philippine Health Insurance Corporation (PhilHealth) complying with the requirements of Section 7 of Philippine Public Sector Accounting Standards (PPSAS) 1, thus, it should be appropriately classified as a Government Business Enterprise (GBE), later renamed into Commercial Public Sector Entities (CPSEs) per COA Circular No. 2020-013

Based on the said COA Resolution under paragraph 5, Section 7 of PPSAS 1 defined and set out the criteria for the classification of an entity as a GBE, namely:

- a. with the power to contract in its own name;
- b. assigned with financial and operational authority to carry on business;
- c. sells goods and services, in the normal course of its business, to other entities at a profit or full cost recovery;
- d. not reliant on continuing government funding to be a going concern (other than purchases of outputs at arm's length); and
- e. is controlled by a public sector entity

Accordingly, COA properly resolved to reclassify PhilHealth from a Non-GBE to a GBE for it to accordingly adopt the PFRS as its reporting framework.

In 2017, the Philippine Financial Reporting Standards Council (FRSC) adopted the International Financial Reporting Standard (IFRS) 17, Insurance Contracts and issued this as the Philippine Financial Reporting Standards (PFRS) 17 which applies to:

- a. insurance contracts, including reinsurance contracts, it issues;
- b. reinsurance contracts it holds; and
- c. investment contracts with discretionary participation features it issues, provided the entity also issues insurance contracts.

PhilHealth as the social health insurance provider here in the Philippines, is required to comply with PFRS 17 in 2025 in accordance with the Insurance Commission (IC) Circular Letter (CL) No. 2020-62 dated May 18, 2020.

IC CL No. 2018-69 dated December 28, 2018, the implementation of PFRS 17 is bombarded by challenges such as tight timeline, determination of model, lack of clarity lack of resources lack of expertise, tight budget report and disclosure, and

pc
p
mll

lack of IT infrastructure. Under the Philippine jurisdiction, insurers need more time to prepare for the implementation of the said PFRS 17 since it will entail a massive changes in the accounting system.

PhilHealth in its effort to comply with the standard, will demand a complete overhaul of its financial statements including a massive change in its accounting system. This accounting standard will require collaboration among functional groups such as Actuary, Finance, Member Management, Operations, Risk Management and Information Technology in executing an PFRS 17 implementation project.

In view of this, the Corporation shall be contracting the services of an eligible firm to provide business process review of the PHIC operations and an impact assessment of the implementation of PFRS 17. This impact assessment of the implementation of PFRS 17 must also be consistent with the existing implementation of PFRS 9 (for financial assets). As such the existing implementation of PFRS 9 shall also need to be reviewed.

II. Scope of Work

The consultant shall assess PhilHealth's journey towards the transition and adoption of PFRS 17 and other applicable standards. In general, the consultant shall perform a readiness assessment study, analyzing the results, and presenting the findings and recommendations to resolve accordingly.

Detailed activities are as follows:

Phase 1

1. Preparation of inception report on the requirements for the PFRS 17 transition and adoption, and proposed amendments to the implementation of PFRS 9, if any, including the areas of improvement and development.
2. Assessment of readiness of PhilHealth in the implementation of PFRS 17, and required changes to the implementation of PFRS 9, with the minimum activities to be considered as follows:
 - PhilHealth's completeness, accuracy, and readiness of digital financial data on transactional and operational basis, beyond just general ledger (GL) including the reconciliation of GL and sub ledger;
 - PhilHealth's preparation on the implementation of digitalized core business operations including fully digitalized accounting system and process, and compliance to statutory obligations; and
 - PhilHealth's readiness of actuarial system, process, model and data and reporting.
3. Development of PhilHealth functional requirements in compliance with PFRS 17, and proposed amendments to the implementation of PFRS 9, which include the following minimum activities:

me
file - 2

- Preparation of TOR for PFRS 17 system procurement;
- Preparation of accounting reports showing the effect of PFRS 17 compliance including the appropriate adjusting entries for GL posting;
- Recommendation of strategies and tactics in the development of a comprehensive plan for a fully digitalized policy administration system, accounting system, actuarial system and all associated processes including the methodology for subsequent; and
- Recommendation of changes, if any, to the implementation of PFRS 9.

Phase 2

4. Supervision on the implementation of PFRS 17, with the minimum activities to be considered as follows:
 - Provide guidance and assistance in the preparation of required prework based on the result of the readiness assessment and recommendations;
 - Recommend to PhilHealth transition plan on the implementation of PFRS 17 and other applicable accounting standards until the full implementation and roll-out is done; and
 - Orientation of proposed business process based on PFRS 17 to the process owners.

III. Expected Outputs and Deliverables

Phase 1

1. Detailed inception report with the following minimum items to be considered:
 - Define the scope of business process review;
 - Detailed list of requirements of PFRS 17 adoption, and recommended PFRS 9 amendments, such as but not limited to the following:
 - ❖ Transactional and operational requirements (end to end business process);
 - ❖ System requirements (operational, accounting, actuary); and
 - ❖ Others as deemed necessary.
2. Business process review report to cover and address the gaps identified for the critical items identified in the scope of work in addition to the following minimum items:

- Organizational structure;
 - System, workflow and process;
 - Interfaces;
 - Payment and transactions;
 - Actuarial processes and reporting;
 - Business accounting entities;
 - Accounting process; and
 - Reconciliation of GLs and sub-ledgers
3. Business impact analysis and risk assessment report for the benefit of digitalization and core system automation.
 4. Assessment of GL processes and adaptability of GL processes, including but not limited to:
 - i. GL COA in a schema compatible with PFRS 17 and PFRS 9;
 - ii. Separation of investment books and insurance books;
 - iii. Transfer pricing across books;
 - iv. Granularity of accounting for income and expenses;
 - v. State of accrual accounting;
 - vi. Cost allocation compatibility with PFRS 17;
 - vii. Mirror AR/AP for intermediaries relating to benefits payable and contributions receivable;
 - viii. Notional accounting for cash and retained earnings where required, and in a form compatible with PFRS 17; and
 - ix. GL processes and adaptability of GL processes associated with required amendments to the implementation of PFRS 9.
 5. Assessment of actuarial processes and adaptability of actuarial processes and reporting, including but not limited to:
 - i. Definition and implementation of an Insurance Contract Group (ICG) methodology;
 - ii. Definitions of, modelling and estimation of fulfilment cash flows (FCF) which are PFRS 17 compatible;

Handwritten initials/signature

- iii. Determination of appropriate actuarial events for Analysis of Change (AoC) as per PFRS 17;
 - iv. Sequencing and calculations of the effects of change events which are PFRS 17 compatible;
 - v. Methodology for estimation of cash flows from government guarantees; and
 - vi. Methodology for re-estimating FCF, Risk Adjustment (RA), Incurred But Not Yet Reported (IBNR) at the ICG granularity and frequency required by PFRS 17.
6. Assessment of implementability of PFRS 17 processes, and adaptability of underlying processes, including but not limited to:
- i. Specification of interface to data in the policy administration system which are PFRS 17 compatible;
 - ii. Determination of the applicable transition methodology – Full Retrospective Application (FRA), Modified Retrospective Application (MRA), Fair Value Approach (FVA);
 - iii. Determination of the applicable PFRS 17 models – Premium Allocation Approach (PAA), General Measurement Model (GMM), Variable Fee Approach (VFA), and when each should be used;
 - iv. Methodology for calculation of Contractual Service Margin (CSM), and Coverage Units (CU) for release of CSM;
 - v. Methodology for calculation of Loss Component (LC);
 - vi. Methodology for PFRS 17 accounting treatment of government guarantees;
 - vii. Methodology for the release of CSM, FCF, RA, LC, IBNR;
 - viii. Recognition against Other Comprehensive Income (OCI option); and
 - ix. Preparation of financial statements, roll forward reports, and notes to accounts as per PFRS 17.
7. Reassessment of the existing implementation of PFRS 9 processes, and adaptability of underlying processes, including but not limited to
- i. Specification of interface to data in treasury systems and sources of financial instruments data which are PFRS 9 compatible;
 - ii. Application of the classification and measurement methodologies – Fair Value Through Profit & Loss (FVTPL), Fair Value Through Other Comprehensive Income (FVOCI), Amortized Cost (AC);

Handwritten initials: P, P, M

- iii. Reassessment and reapplication of the business model test and SPPI test as required, if necessary;
 - iv. Specific existing treatment of trade receivables and loans;
 - v. Methodology for calculation of interest income using Effective Interest Rates (EIR), or other methods as applied;
 - vi. Calculation of Impairment and PFRS 9 Expected Credit Losses (ECL), and selection of approach – General, Simplified, Credit Adjusted;
 - vii. Treatment for embedded derivatives, if any;
 - viii. Methodology and practice for reclassification of financial assets, if applicable; and
 - ix. Preparation of financial statements, including presentation requirements for classification and measurement, and credit risk, as per PFRS 9.
8. Organizational transformation (OT) report, and recommendations on course of subsequent action, including action prioritization and change management strategies.
 9. Report on key areas requiring business process re-engineering, with reference to business impact, organizational transformation and in the context of business process elements in compliance to the UHC Law.
 10. Clear regulatory compliance report with consideration to digitalized data, audit trails & tracked workflow and core system enhancement.
 11. Modular assessment report on departmental study identifying similar processes and information.

Phase 2

12. TOR in the procurement of system needed in the implementation of PFRS 17.
13. Assessment of policy administration processes and adaptability of policy administration processes, including but not limited to:
 - i. Capture of all accruals, adjustments, settlement transactions in a form compatible with PFRS 17 requirements;
 - ii. Generation of business events, and accounting events in a form compatible with PFRS 17;
 - iii. Process routing & re-routing;
 - iv. Notification and in-tray;

- v. Physical document digitalization;
 - vi. Secure document routing and access;
 - vii. Personnel resource task allocation & reallocation;
 - viii. Monitoring & performance management; and
 - ix. Workflow management.
14. Continuous supervision and guidance on every milestone until the full implementation of PFRS 17.

IV. Qualifications

Only bidders with proven successful track record for its successful completion of related assignments shall be considered. It shall be able to provide the required complement of knowledgeable, skilled, and experienced resources to execute the requirements of the project.

The Consultancy Firm:

1. Must have experience in the end to end implementation of PFRS No.17, 9 and other applicable standards, of at least one large scale national-wide engagement in social security, covering business process re-engineering (BPR), organizational transformation (OT), digitalization, infrastructure, software design and creation, implementation, and post-implementation support, whether local or abroad.
2. Must have a demonstrable reference BPR model and methodology, covering all elements of business processes as stated in Section II-Scope of Work.
3. Must have a reference OT framework, incorporating information digitalization, personnel resource transformation, infrastructure transformation, and consistent with the reference BPR model and methodology
4. Must have at least ten (10) years of experience in implementation, accounting system digitalization implementation, consultancy engagement or combined; with PFRS 17 and PFRS 9 implementation in one of the projects is an advantage.
5. Must have at least five (5) combined completed or ongoing accounting system digitalization implementation engagements.

In order to manifest trust and confidence in and promote the development of Filipino consultancy, Filipino consultants shall be hired whenever the services required for the project are within the expertise and capability of Filipino consultants. Provided however, that in the event Filipino consultants do not have the sufficient expertise and capability to render the services required under

r p ple

the project, as determined by the Head of the Procuring Entity, foreign consultants may be hired.

The Key Personnel:

The winning proponent's team must be composed of highly technical staff, with the following specific requirements:

Key Personnel	Education	Experience	No. (min)
Project Manager	<ul style="list-style-type: none"> • Must be graduate, with a Bachelor of Science degree in Accountancy, Physics, Mathematics, Computer Science, Information Technology, Information Science, Actuarial Science, or Engineering 	<ul style="list-style-type: none"> • Must have at least fifteen (15) years of combined experience in financial services and advisory • Must have conducted at least three (3) consultancy services, training or combined engagements • Must have a working experience as project manager for at least one (1) government agency, involving organizational transformation and business process re-engineering • Managed at least two (2) accounting systems engagements 	1
PFRS 17 Consultant	<ul style="list-style-type: none"> • Must be graduate, with a Bachelor of Science degree in Accountancy, Physics, Mathematics, Computer Science, Information Technology, Information Science, Actuarial Science, or Engineering 	<ul style="list-style-type: none"> • Must have a minimum of ten (10) years of combined experience in management, consultancy, advisory, or corporate services • Should have conducted at least two (2) consultancy services on PFRS 4, 15, 9 or 17; (support this with a list of client companies or organizations) • Preferably, has at least five (5) year of work experience in life, non-life, health insurance, 	1

Handwritten initials/signature

		<p>social security, pension funds, or banking, and preferably involving organizational transformation and business process re-engineering or digitalization</p> <ul style="list-style-type: none"> • Managed at least two (2) accounting systems engagements 	
<p>Consulting Staff</p>	<ul style="list-style-type: none"> • Must be graduate, with a Bachelor of Science degree in Accountancy, Physics, Mathematics, Computer Science, Information Technology, Information Science, or Actuarial Science, or Engineering 	<ul style="list-style-type: none"> • Must have a minimum of ten (10) years of combined experience in financial, systems implementation, or advisory • Preferably, has at least five (5) years of work experience in life, non-life, health insurance, social security, pension funds, or banking, involving at least one (1) project in organizational transformation and business process re-engineering or digitalization • Must possess sound knowledge on PFRS 4, 17, 9, 15 among others 	<p>2</p>
<p>Technical Staff</p>	<ul style="list-style-type: none"> • Must be graduate, with a Bachelor of Science degree in Accountancy, Physics, Mathematics, Computer Science, Information Technology, Information Science, or Actuarial Science, or Engineering 	<ul style="list-style-type: none"> • Must have a minimum of three (3) years of combined experience in financial, systems implementation, or advisory • Preferably, has at least one (1) year of work experience in life, non-life, health insurance, social security, pension funds, or banking, and preferably involving at least one (1) project in organizational transformation and 	<p>2</p>

Handwritten initials and marks

		business process re-engineering or digitalization • Must possess sound knowledge on PFRS 4, 17, 9, 15 among others	
TOTAL			6

The list of “Key Personnel” to be assigned to this project shall be submitted indicating their full name/s (Last Name, First Name, Middle Name) along with their role/s (e.g. Project Manager), each role/s must have a full-time named manpower resource per the number specified. The number of key personnel per above matrix is the minimum requirement, except for the Project Manager.

The prospective proponents shall submit the resumes/curriculum vitae of all key personnel assigned to the project. Each resume must contain the work experiences of each key personnel based on the minimum number of years required as stated in the table above and must include the following details:

- a) Project description (include details whether private or government)
- b) Project duration
- c) Role/s (e.g. Project manager, technical adviser, others)
- d) Number of years of experience
- e) Project status (e.g. Completed, On-going, others)

V. *Payment Terms*

The consultancy firm shall be paid according to the following terms:

Tranches	Percent (%)	Deliverables
Initial	30% of the contract price	Completion and delivery of items 1-3 of section III, Expected Outputs and Deliverables of this TOR
Progress	60% of the contract price	Completion and delivery of items 4-12 of section III, Expected Outputs and Deliverables of this TOR
Final	10% of the contract price	Completion and delivery of item 13-14 of section III, Expected Outputs and Deliverables of this TOR

It is understood that all applicable taxes shall be borne by the **CONSULTANCY FIRM**.

Retention Money of 10% for every payment shall be deducted, which shall be released one year after the completion of the project deliverables.

Handwritten initials/signature

VI. Project Duration

The total project duration is three (3) months for Phase 1 and nine (9) months for Phase 2, exclusive of time provided for review of output and acceptance by PhilHealth, but in case of substantial unanticipated deliverables which are not included in this terms of reference then a contiguous contract shall be undertaken subject to agreement of the parties and procurement rules and regulations.

VII. Project Management or Contract Administration Arrangement

1. The winning proponent shall be under the direct supervision of the Office of the SVP for Fund Management Sector (FMS) with the support of Actuarial Services and Risk Management Sector (ASRMS), Information Management Sector (IMS) and Member Management Group (MMG).
2. Reporting obligations, notices, and approval process including minimum or essential reports' contents. Responsible persons to review and issue approval of the deliverables shall be identified by the FMS of PhilHealth.
3. Ownership of the Deliverables or Outputs: All outputs of the project by the winning proponent such as specifications, designs, reports, and other documents, materials, developed by the winning proponent for PhilHealth shall become and remain the property of PhilHealth, and the winning proponent shall not later than upon termination or expiration of the Contract, deliver all outputs to PhilHealth, together with a detailed inventory thereof. The winning proponent may retain a copy of outputs but the use thereof is subject to the restrictions about future use of these outputs and documents are subject to the approval of PhilHealth.
4. Non-Disclosure Agreement. The winning proponent, together with its involved staff or personnel, shall sign a Non-Disclosure Agreement to protect information that are confidential and/or sensitive information in which the loss of, misuse of, or unauthorized access to or modification can adversely affect the national interest of the country, conduct of the PhilHealth's processes and activities, and as an organization, or the privacy to which an individual is entitled.
5. All Consultancy contracts shall be fixed price contracts. Any extension of contract time shall not involve any additional cost.
6. Copyright. The Intellectual Property Rights in all deliverables shall remain with PhilHealth.
7. For the purpose of security and confidentiality, the following are the arrangements:

Handwritten initials/signature

- a. PhilHealth and the winning proponent shall each keep confidential and shall not, without the written consent of the other party to the Project divulge to any third party any documents, data, or other information of a confidential nature, furnished directly or indirectly by any of the Parties in connection with the Project; or where the winning proponent is the Receiving Party, generated by the winning proponent in the course of the performance of its obligations under the Project and relating to the businesses, finances, winning proponent, employees, or other contacts of the PhilHealth or PhilHealth's use of the System, whether such information has been furnished or generated prior to, during, or following termination of the Project.
- b. Data that may be used like data on patient or persons and licensing health facilities, goods, and services or other data that will encroach into the privacy of or jeopardize the interests of persons, and concerned entities or provide due advantage of third parties are considered confidential.
- c. PhilHealth shall not, without the winning proponent's prior written consent, use any Confidential Information received from the winning proponent for any purpose other than the operation, maintenance and further development and/or completion of the Project. Similarly, the winning proponent shall not, without the PhilHealth's prior written consent, use any Confidential Information received from PhilHealth for any purpose other than those that are required for the performance of the Project.

VIII. Responsibilities

Winning Consultant:

1. Perform the services and carry out the obligations with all assiduousness, efficiency, and economy, in accordance with generally accepted professional techniques and practices, and shall observe sound management practices, and employ appropriate advanced technology and safe methods.
2. Conduct all activities with due care and diligence, in accordance with the Contract and Terms of Reference, and with the skill and care expected of a competent provider of the services required.
3. Acknowledge that any failure to acquaint itself with all such data and information shall not relieve its responsibility for properly estimating the difficulty or cost of successfully performing the Contract.

Handwritten initials/signature

4. Be responsible for the timely provision of all resources, information, and decision making under its control that are necessary to reach a mutually agreed Updated Project Plan within the time schedule specified in the Terms of Reference. Failure to provide such resources, information, and decision making may constitute grounds for termination.

5. Comply with all laws in force in the Philippines. The laws will include all national, provincial, municipal, or other laws that affect the performance of the Contract and are binding upon the winning proponent. The winning proponent shall indemnify and hold harmless PhilHealth from and against any and all liabilities, damages, claims, fines, penalties, and expenses of whatever nature arising or resulting from the violation of such laws by the winning proponent or its personnel, including the sub-contractors and their personnel. The winning proponent shall not indemnify PhilHealth to the extent that such liability, damage, claims, fines, penalties, and expenses were caused or contributed to by a fault of PhilHealth.

6. Abide by all the terms and conditions stipulated in the project contract.

7. Submit to the FMS of PhilHealth the final materials, reports and documents specified in the contract, terms of reference, and agreed upon during negotiation.

IX. Criteria and Rating System for Shortlisting:

1	Company Experience		40%
2	Qualification of Personnel		45%
	a. Education	20%	
	b. Experience	25%	
3	Current Workload		15%
TOTAL			100%

Passing score is 70%.

If more than three (3) bidders qualified the short-listing criteria, only the top three (3) shall be considered.

X. Bid Evaluation Procedure

Detailed evaluation of bids shall use the Quality-Cost Based Evaluation Procedure:

Handwritten initials/signature

Criteria	Weight
Quality (Technical Proposal)	70%
Cost (Financial Proposal)	30%
Total	100%

XI. Technical Evaluation Criteria

1	Organizational Capacity, Capabilities and Experiences of the Consultancy Firm		30%
2	Qualifications and Experiences of Key Personnel to be Assigned to the Project		45%
3	Plan of Approach and Methodology		25%
	The bidder must clearly and comprehensively describe the proposed implementation of PFRS 17 and how to meet all the digitalization requirements.		
	a. Clarity and simplicity	3%	
	b. Feasibility	3%	
	c. Innovativeness	3%	
	d. Adaptability to pandemic	4%	
	e. Comprehensiveness and completeness, thoroughness or adequacy	4%	
	f. Quality and interpretation of project requirements, problems and risks	4%	
	g. Work plan adequacy, completeness, viability, workability	4%	
TOTAL			100%

Passing score is 70%.

XII. Financial Evaluation Criteria

$$\text{Financial Score (FS)} = (F_1/F) * 100$$

Where F₁ = lowest financial proposal among the bidders who passed the Technical Evaluation

Where F = the financial proposal of the bidder

Handwritten initials/signature

Section VII. Bidding Forms

Eligibility Documents Submission Form.....	119
Technical Proposal Forms	120
Omnibus Sworn Statement	130
Bid Securing Declaration	133
Financial Proposal Forms	135
Form of Contract Agreement.....	142

Handwritten initials/signature

ELIGIBILITY DOCUMENTS SUBMISSION FORM

[Date]

[Name and address of the Procuring Entity]

Ladies/Gentlemen:

In connection with your Request for Expression of Interest dated *[insert date]* for *[Title of Project]*, *[Name of Consultant]* hereby expresses interest in participating in the eligibility and short listing for said Project and submits the attached eligibility documents in compliance with the Eligibility Documents therefor.

In line with this submission, we certify that:

- c) *[Name of Consultant]* is not blacklisted or barred from bidding by the GoP or any of its agencies, offices, corporations, LGUs, or autonomous regional government, including foreign government/foreign or international financing institution; and
- d) Each of the documents submitted herewith is an authentic copy of the original, complete, and all statements and information provided therein are true and correct.

We acknowledge and accept the Procuring Entity's right to inspect and audit all records relating to our submission irrespective of whether we are declared eligible and short listed or not.

We further acknowledge that failure to sign this Eligibility Document Submission Form shall be a ground for our disqualification.

Yours sincerely,

Signature
Name and Title of Authorized Signatory
Name of Consultant
Address

TECHNICAL PROPOSAL FORMS

Notes for Consultants

The following summarizes the content and maximum number of pages permitted for the Technical Proposal. A page is considered to be one printed side of A4 or letter sized paper.

Cover Letter

Use TPF 1. Technical Proposal Submission Form.

Experience of the Firm

Maximum of *[insert acceptable number of pages]* introducing the background and general experience of the Consultant, including its partner(s) and subconsultants, if any.

Maximum of *[insert acceptable number of pages]* completed projects in the format of TPF 2. Consultant's References illustrating the relevant experience of the Consultant, including its partner and subconsultants, if any. No promotional material should be included.

General approach and methodology, work and staffing schedule

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

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

Curriculum Vitae (CV)

Use TPF 6. Format of Curriculum Vitae (CV) for Proposed Professional Staff.

Comments on the terms of reference and data and facilities to be provided by the Procuring Entity

Not more than *[insert acceptable number of pages]* using TPF 3. Comments and Suggestions of Consultant on the Terms of Reference and on Data, Services, and Facilities to be Provided by the

2 m / mli

TPF 1. TECHNICAL PROPOSAL SUBMISSION FORM

[Date]

[Name and address of the Procuring Entity]

Ladies/Gentlemen:

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

In accordance with **ITB** Clause 21.1, we confirm that the information contained in the eligibility documents submitted earlier together with the Expression of Interest remain correct as of the date of bid submission.

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

In accordance with **GCC** Clause 51, we acknowledge and accept the Procuring Entity's right to inspect and audit all records relating to our Bid irrespective of whether we enter into a contract with the Procuring Entity as a result of this Bid or not.

We understand you are not bound to accept any Bid received for the selection of a consultant for the Project.

We acknowledge that failure to sign this Technical Proposal Submission Form and the abovementioned Financial Proposal Submission Form shall be a ground for the rejection of our Bid.

We remain,

Yours sincerely,

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

TPF 2. CONSULTANT'S REFERENCES

**Relevant Services Carried Out in the Last Five Years
That Best Illustrate Qualifications**

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

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

Consultant's Name: _____

Handwritten notes:
2
re H
Nile

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

On the Terms of Reference:

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

On the data, services, and facilities to be provided by the Procuring Entity:

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

2 *per pl* *plus*

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

*v m p
mle*

TPF 5. TEAM COMPOSITION AND TASK

1. Technical/Managerial Staff		
Name	Position	Task

2. Support Staff		
Name	Position	Task

3 Where applicable, indicate relationships among the Consultant and any partner and/or subconsultant, the Procuring Entity, the Funding Source and other parties or stakeholders.

--

Handwritten notes:
2
m
pl
mll

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

Proposed Position: _____

Name of Firm: _____

Name of Staff: _____

Profession: _____

Date of Birth: _____

Years with Firm/Entity: _____ Nationality: _____

Membership in Professional Societies: _____

Detailed Tasks Assigned: _____

Key Qualifications:

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

Education:

[Summarize college/university and other specialized education of staff members, giving names of schools, dates attended, and degrees obtained. Use about one quarter of a page.]

Employment Record:

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

Handwritten signature and initials in the bottom right corner of the page.

Languages:

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

Certification:

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

Commitment:

I also commit to work for the Project in accordance with the time schedule as indicated in the contract once the firm is awarded the Project.

Date: _____
[Signature of staff member and authorized representative of the firm]
Day/Month/Year

Full name of staff member: _____
Full name of authorized representative: _____

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

Witness my hand and seal this ___ day of [month] [year].

NAME OF NOTARY PUBLIC

Serial No. of Commission _____
Notary Public for _____ **until** _____
Roll of Attorneys No. _____
PTR No. ___, [date issued], [place issued]
IBP No. ___, [date issued], [place issued]
Doc. No. _____
Page No. _____
Book No. _____
Series of _____.

TPF 7. TIME SCHEDULE FOR PROFESSIONAL PERSONNEL

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

Full-time: _____
 Reports Due: _____
 Activities Duration: _____
 Location _____

Part-time: _____

Signature: _____
 (Authorized representative)

Full Name: _____
 Title: _____
 Address: _____

Handwritten initials/signature

TPF 8. ACTIVITY (WORK) SCHEDULE

A. Field Investigation and Study Items

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

B. Completion and Submission of Reports

Reports	Date
1. Inception Report	
2. Interim Progress Report (a) First Status Report (b) Second Status Report	
3. Draft Report	
4. Final Report	

Handwritten notes:
 ✓ / ✓
 7

OMNIBUS SWORN STATEMENT

REPUBLIC OF THE PHILIPPINES)
CITY/MUNICIPALITY OF _____) S.S.

AFFIDAVIT

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

1. *Select one, delete the other:*

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

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

2. *Select one, delete the other:*

If a sole proprietorship: As the owner and sole proprietor or authorized representative of *[Name of Consultant]*, I have full power and authority to do, execute and perform any and all acts necessary to participate, submit the bid, and to sign and execute the ensuing contract for *[Name of the Project]* of the *[Name of the Procuring Entity]* *[insert "as shown in the attached duly notarized Special Power of Attorney" for authorized representative]*;

If a partnership, corporation, cooperative, or joint venture: I am granted full power and authority to do, execute and perform any and all acts necessary to participate, submit the bid, and to sign and execute the ensuing contract for *[Name of the Project]* of the *[Name of the Procuring Entity]*, accompanied by the duly notarized Special Power of Attorney, Board/Partnership Resolution, or Secretary's Certificate, whichever is applicable;

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

5. *[Name of Consultant]* is authorizing the Head of the Procuring Entity or its duly authorized representative(s) to verify all the documents submitted;

6. **Select one, delete the rest:**

If a sole proprietorship: The owner or sole proprietor is not related to the Head of the Procuring Entity, members of the Bids and Awards Committee (BAC), the Technical Working Group, and the BAC Secretariat, the head of the Project Management Office or the end-user unit, and the project consultants by consanguinity or affinity up to the third civil degree;

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

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

7. *[Name of Consultant]* complies with existing labor laws and standards; and

8. *[Name of Consultant]* is aware of and has undertaken the following responsibilities as a Bidder:

a) Carefully examine all of the Bidding Documents;

b) Acknowledge all conditions, local or otherwise, affecting the implementation of the Contract;

c) Made an estimate of the facilities available and needed for the contract to be bid, if any; and

d) Inquire or secure Supplemental/Bid Bulletin(s) issued for the *[Name of the Project]*.

9. *[Name of Bidder]* did not give or pay directly or indirectly, any commission, amount, fee, or any form of consideration, pecuniary or otherwise, to any person or official, personnel or representative of the government in relation to any procurement project or activity.

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

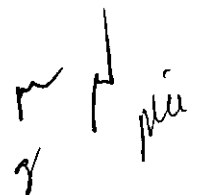
[Bidder's Representative/Authorized Signatory]

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

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

NAME OF NOTARY PUBLIC

Serial No. of Commission _____
Notary Public for _____ **until** _____
Roll of Attorneys No. _____
PTR No. ___, *[date issued]*, *[place issued]*
IBP No. ___, *[date issued]*, *[place issued]*
Doc. No. _____
Page No. _____
Book No. _____
Series of _____.



Bid-Securing Declaration

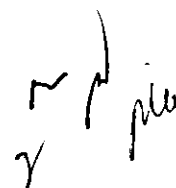
(REPUBLIC OF THE PHILIPPINES)
CITY OF _____) S.S.
X-----X

Invitation to Bid [*Insert reference number*]

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

I/We, the undersigned, declare that:

1. I/We understand that, according to your conditions, bids must be supported by a Bid Security, which may be in the form of a Bid-Securing Declaration.
2. I/We accept that: (a) I/we will be automatically disqualified from bidding for any contract with any procuring entity for a period of two (2) years upon receipt of your Blacklisting Order; and, (b) I/we will pay the applicable fine provided under Section 6 of the Guidelines on the Use of Bid Securing Declaration, within fifteen (15) days from receipt of written demand by the procuring entity for the commission of acts resulting to the enforcement of the bid securing declaration under Sections 23.1(b), 34.2, 40.1 and 69.1, except 69.1 (f), of the IRR of RA 9184; without prejudice to other legal action the government may undertake.
3. I/We understand that this Bid-Securing Declaration shall cease to be valid on the following circumstances:
 - a. Upon expiration of the bid validity period, or any extension thereof pursuant to your request;
 - b. I am/we are declared ineligible or post-disqualified upon receipt of your notice to such effect, and (i) I/we failed to timely file a request for reconsideration or (ii) I/we filed a waiver to avail of said right;
 - c. I am/we are declared as the bidder with the Highest Rated Responsive Bid, and I/we have furnished the performance security and signed the Contract.



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

[Insert NAME OF BIDDER'S AUTHORIZED REPRESENTATIVE]
[Insert signatory's legal capacity]

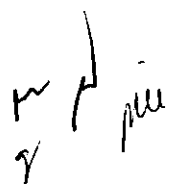
Affiant

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

Witness my hand and seal this ____ day of [month] [year].

NAME OF NOTARY PUBLIC

Serial No. of Commission _____
Notary Public for _____ **until** _____
Roll of Attorneys No. _____
PTR No. __, [date issued], [place issued]
IBP No. __, [date issued], [place issued]
Doc. No. _____
Page No. _____
Book No. _____
Series of _____.



FINANCIAL PROPOSAL FORMS

Notes for Consultants

The following summarizes the content of the Financial Proposal.

Cover Letter

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

- (f) followed the applicable rules and guidelines indicated in this ITB;
- (g) not taken any action which is or constitutes a corrupt, fraudulent, or coercive practice as defined in the applicable rules and guidelines; and
- (h) agrees to allow the Procuring Entity and the Funding Source, at their option, to inspect and audit all accounts, documents, and records relating to the its Bid and to the performance of the ensuing contract.

Costs of Consulting Services

Use FPF 2. Summary of Costs; FPF 3. Breakdown of Price per Activity; FPF 4. Breakdown of Remuneration per Activity; FPF 5. Reimbursables per Activity; and FPF 6. Miscellaneous Expenses.

FPF 1. FINANCIAL PROPOSAL SUBMISSION FORM

[Date]

[Name and address of the Procuring Entity]

Ladies/Gentlemen:

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

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

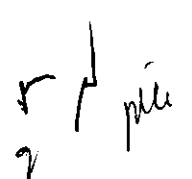
In accordance with GCC Clause 51, we acknowledge and accept the Procuring Entity's right to inspect and audit all records relating to our Bid irrespective of whether we enter into a contract with the Procuring Entity as a result of this Bid.

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

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

We remain,

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

Handwritten initials and signature in the bottom right corner of the page.

FPF 2. SUMMARY OF COSTS

Costs	Currency(ies) ¹	Amount in Philippine Peso
Subtotal		
Local Taxes		
Total Amount of Financial Proposal		_____

¹ In cases of contracts involving foreign consultants, indicate the exchange rate used.

Handwritten signature/initials

FPF 3. BREAKDOWN OF PRICE PER ACTIVITY

Activity No.: _____	Activity No.: _____	Description: _____
Price Component	Currency(ies) ²	Amount in Philippine Peso
Remuneration		
Reimbursables		
Miscellaneous Expenses		
Subtotal		_____

² In cases of contracts involving foreign consultants, indicate the exchange rate used.

Handwritten initials/signature

FPF 4. BREAKDOWN OF REMUNERATION PER ACTIVITY

Activity No.		Name: _____		
Names	Position	Input ³	Remuneration Currency(ies) Rate	Amount
Regular staff				
Local staff				
Consultants				
Grand Total				_____

³ Staff months, days, or hours as appropriate.

me
v *pl* *me*

FPF 5. REIMBURSABLES PER ACTIVITY

Activity No: _____

Name: _____

No.	Description	Unit	Quantity	Unit Price In	Total Amount In
1.	International flights	Trip			
2.	Miscellaneous travel expenses	Trip			
3.	Subsistence allowance	Day			
4.	Local transportation costs ⁴				
5.	Office rent/accommodation/ clerical assistance				
	Grand Total				_____

⁴ Local transportation costs are not included if local transportation is being made available by the Entity. Similarly, in the project site, office rent/accommodations/clerical assistance costs are not to be included if being made available by the Entity.

m
v *n* *pla*

FPF 6. MISCELLANEOUS EXPENSES

Activity No. _____ Activity _____ Name: _____

No.	Description	Unit	Quantity	Unit Price	Total Amount
1.	Communication costs between _____ and _____				
2.	_____ (telephone, telegram, telex)				
3.	Drafting, reproduction of reports				
4.	Equipment: vehicles, computers, etc.				
	Software				-
	Grand Total				

m
r *pl* *misc*

FORM OF CONTRACT AGREEMENT

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

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

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. In this Agreement, words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract hereinafter referred to.
2. The following documents shall be attached, deemed to form, and be read and construed as part of this Agreement, to wit:
 - (a) General and Special Conditions of Contract;
 - (b) Terms of Reference
 - (c) Request for Expression of Interest;
 - (d) Instructions to Bidders;
 - (e) Bid Data Sheet;
 - (f) Addenda and/or Supplemental/Bid Bulletins, if any;
 - (g) Bid forms, including all the documents/statements contained in the Bidder's bidding envelopes, as annexes, and all other documents/ statements submitted (*e.g.*, bidder's response to request for clarifications on the bid), including corrections to the bid, if any, resulting from the Procuring Entity's bid evaluation;
 - (h) Eligibility requirements, documents and/or statements;
 - (i) Performance Security;
 - (j) Notice of Award of Contract and the Bidder's conforme thereto;
 - (k) Other contract documents that may be required by existing laws and/or the Entity.
3. In consideration of the payments to be made by the Entity to the Consultant as hereinafter mentioned, the Consultant hereby covenants with the Entity to execute and complete the Consulting Services and remedy any defects therein in conformity with the provisions of this Consultant in all respects.

4. The Entity hereby covenants to pay the Consultant in consideration of the execution and completion of the Consulting Services, the Contract Price or such other sum as may become payable under the provisions of this Contract at the times and in the manner prescribed by this Contract.

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

Binding Signature of Procuring Entity

Binding Signature of Consultant

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

✓ M file

Section VIII. Appendices

I. Description of Services

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

II. Reporting Requirements

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

III. Key Personnel and Subconsultants

List under:

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

IV. Breakdown of Contract Price

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

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

V. Services and Facilities Provided by the Client

Handwritten initials and signature in the bottom right corner of the page.

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

VI. Consultant's Representations Regarding Costs and Charges

Breakdown of Remuneration Rates, WB funded projects using Quality Based Selection, Selection Based on the Consultant's Qualifications and Single Source Selection.

1. Review of Remuneration Rates

1.1 The remuneration rates for staff are made up of salary, social costs, overheads, fee that is profit, and any premium or allowance paid for projects away from headquarters. To assist the Consultant in preparing for financial negotiations, a sample form giving a breakdown of rates is attached (no financial information should be included in the Technical Proposal). Agreed breakdown sheets shall form part of the negotiated contract.

1.2 The Procuring Entity is charged with the custody of Government funds and is expected to exercise prudence in the expenditure of these funds. The Procuring Entity is, therefore, concerned with the reasonableness of the firm's Financial Proposal, and, during negotiations, it expects to be able to review audited financial statements backing up the Consultant's remuneration rates, certified by an independent auditor. The Consultant shall be prepared to disclose such audited financial statements for the last three years, to substantiate its rates, and accept that its proposed rates and other financial matters are subject to scrutiny. Rate details are discussed below.

(i) Salary

This is the gross regular cash salary paid to the individual in the Consultant's home office. It shall not contain any premium for work away from headquarters or bonus (except where these are included by law or government regulations).

(ii) Bonus

Bonuses are normally paid out of profits. Because the Procuring Entity does not wish to make double payments for the same item, staff bonuses shall not normally be included in the rates. Where the Consultant's accounting system is such that the percentages of social costs and overheads are based on total revenue, including bonuses, those percentages shall be adjusted downward accordingly. Where national policy requires that thirteen (13) months' pay be given for twelve (12) months' work, the profit element need not be adjusted downward. Any discussions on bonuses shall be supported by audited documentation, which shall be treated as confidential.

(iii) Social Costs

Social costs are the costs to the Consultant of staff's non-monetary benefits. These items include, *inter alia*, pension, medical and life insurance

Handwritten initials/signature

costs, and the cost of a staff member being sick or on vacation. In this regard, the cost of leave for public holidays is not an acceptable social cost nor is the cost of leave taken during the Contract if no additional staff replacement has been provided. Additional leave taken at the end of the Contract in accordance with the Consultant's leave policy is acceptable as a social cost.

(iv) Cost of Leave

The principles of calculating the cost of total days leave per annum as a percentage of basic salary shall normally be as follows:

$$\text{Leave cost as percentage of salary}^5 = \frac{\text{total days leave} \times 100}{[365 - w - ph - v - s]}$$

It is important to note that leave can be considered a social cost only if the Procuring Entity is not charged for the leave taken.

(v) Overheads

Overhead expenses are the firm's business costs that are not directly related to the execution of the project and shall not be reimbursed as separate items under the Contract. Typical items are home office costs (partner's time, non-billable time, time of senior staff monitoring the project, rent, support staff, research, staff training, marketing, etc.), the cost of staff not currently employed on revenue-earning projects, and business promotion costs. During negotiations, audited financial statements, certified as correct by an independent auditor and supporting the last three years' overheads, shall be available for discussion, together with detailed lists of items making up the overheads and the percentage by which each relates to basic salary. The Procuring Entity does not accept an add-on margin for social charges, overhead expenses, etc., for staff who are not permanent employees of the firm. In such case, the firm shall be entitled only to administrative costs and fee on the monthly payments charged for subcontracted staff.

(vi) Fee or Profit

The fee or profit shall be based on the sum of the salary, social costs, and overhead. If any bonuses paid on a regular basis are listed, a corresponding reduction in the profit element shall be expected. Fee or profit shall not be allowed on travel or other reimbursable expenses, unless in the latter case an unusually large amount of procurement of equipment is required. The Consultant shall note that payments shall be made against an agreed estimated payment schedule as described in the draft form of the Contract.

(vii) Away from Headquarters Allowance or Premium

Some consultants pay allowances to staff working away from headquarters. Such allowances are calculated as a percentage of salary and shall not draw overheads or profit. Sometimes, by law, such allowances may draw social costs. In this case, the amount of this social cost shall still be shown under social costs, with the net allowance shown separately. For concerned

⁵ Where w = weekends, ph = public holidays, v = vacation, and s = sick leave.

staff, this allowance, where paid, shall cover home education, etc.; these and similar items shall not be considered as reimbursable costs.

(viii) Subsistence Allowances

Subsistence allowances are not included in the rates, but are paid separately and in local currency. No additional subsistence is payable for dependents — the subsistence rate shall be the same for married and single team members.

UNDP standard rates for the particular country may be used as reference to determine subsistence allowances.

2. Reimbursables

2.1 The financial negotiations shall further focus on such items as out-of-pocket expenses and other reimbursables. These costs may include, but are not restricted to, cost of surveys, equipment, office rent, supplies, international and local travel, computer rental, mobilization and demobilization, insurance, and printing. These costs may be either fixed or reimbursable in foreign or local currency.

3. Bank Guarantee

3.1 Payments to the Consultant, including payment of any advance based on cash flow projections covered by a bank guarantee, shall be made according to an agreed estimated schedule ensuring the firm regular payments in local and foreign currency, as long as the services proceed as planned.

Handwritten initials/signature

VII. BREAKDOWN OF AGREED FIXED RATES⁶

[Currencies: _____ 7]

Consultants		1	2	3	4	5	6	7	8
Name	Position	Basic Rate ⁸	Social Charge (__% of 1)	Overhead (__% of 1)	Subtotal	Fee (__% of 4)	Away from Headquarters Allowance (__% of 1)	Total Agreed Fixed Rate	Agreed Fixed Rate (__% of 1)
Philippines									
Home Office									

Signature of Consultant: _____

Date: _____

Authorized Representative: _____

Name: _____

Title: _____

⁶ This model form is given for negotiation purposes only. It is not part of the proposals (technical or financial).

⁷ If different currencies, a different table for each currency should be used.

⁸ Per month, day, or hour as appropriate.

Handwritten marks:
 2 ✓ N file



Handwritten initials and signature:
m
y
file