



REQUEST FOR QUOTATION
(Small Value Procurement)

Name of Project : **Appraisal Services for various PPA Assets**
(BAC-PGCS-216-2019)

Approved Budget for the Contract : **₱ 525,000.00**

Deadline for Submission : **15 July 2019**

Please quote your best quotation in line with the attached Terms of Reference. Service Providers are required to submit their valid and current Mayor's/Business Permit, PhilGEPS Registration Number, Income/Business Tax Returns, and Omnibus Sworn Statement.

Quotations shall be submitted in person to the Property Management Division, Administrative Services Department, PPA Corporate Bldg., Bonifacio Drive, South Harbor, Port Area, Manila. Quotations/documents sent to any other department/s or email address will not be considered.

For further information, please refer to:

BAC Secretariat, Philippine Ports Authority
5th Floor, PPA Bldg., A. Bonifacio Drive,
South Harbor, Port Area, Manila
Telephone/Fax No. 527-4735
527-8356 to 83 loc. 539
PPA Website: www.ppa.com.ph

for 
MARK JON S. PALOMAR
Chairperson, HO-BAC-EP/PGCS

TERMS OF REFERENCE

2019 RE-APPRAISAL OF PORT PROPERTY, PLANT AND EQUIPMENT (PPE) ON SELECTED PORTS

I. Project Description

1. The purpose of this project shall include the determination of the individual Appraised Value of the land and the Replacement Cost New, Accumulated Depreciation and Carrying Value as of June 30, 2019 of all other PPEs owned by Authority, as follows:
 - 1.1. Land
 - 1.2. Buildings and Port Facilities
 - 1.3. Heavy Machineries and Equipment
2. Actual inspection of the PPEs and confirmation of its physical existence, area/description and actual economic condition shall be conducted. Inventory List of properties for appraisal shall be provided by the Treasury Department for reference.

II. Scope of Services

The Appraiser shall conduct re-appraisal of the properties owned by PPA in order to establish a fair and reasonable valuation for Management information covering the following areas:

- a. Sasa Port, Davao, PMO Davao
- b. Makar Wharf, General Santos, PMO Socsargen
- c. Iloilo Commercial Port Complex, Baseport of Iloilo, PMO Panay/Guimaras
- d. Terminal Port of Dumangas, Iloilo, PMO Panay/Guimaras

III. Appraisal Procedure and Methodology

1. The Appraisal shall be performed applying the two traditional approaches to value, namely, the **MARKET DATA APPROACH** and the **COST APPROACH** and using fully acceptable valuation techniques and principles.

The **MARKET DATA APPROACH** shall be used mainly for the valuation of natural land. It is reached primarily on a comparison of the subject property with other similar land properties which have been sold recently, plus current asking prices and offers, thereby establishing a measure of market reaction to the subject property. In the process of comparison, adjustments are usually made on the actual sale prices of the properties to account for differences in the properties. Functional or economic divergencies are considered, as well as location and physical variations, and adjustments made accordingly.

The **COST APPROACH** shall be used for the valuation of all other properties including reclaimed areas. It requires, in addition to an estimate of the value of the subject by comparison with similar property, an estimate of the current cost to

reproduce or replace the improvements and estimates of the extent to which the subject improvements have depreciated. Estimates shall be based on reasonable determinants being used in the industry.

REPLACEMENT COST, NEW shall be based on the cost of reproducing a new replica property as of appraisal date, based on current cost of construction materials and labor, including reasonable contractor's overhead, profit and fees and all other attendant cost associated with its acquisition and installation in place.

CARRYING VALUE/SOUND VALUE shall be based upon the Replacement Cost, New, as defined, less an allowance for accumulated depreciation as evidenced by the observed condition in comparison with new or like kind with consideration of physical deterioration and functional and economic factors deemed relevant.

The appraisal service shall determine the physical existence, area/description, actual economic condition and inventory of all properties as reflected in the PPA Schedule of PPE.

The appraisal service shall likewise determine the assessed value of the land based from the records of the City/Municipality Assessor's Office and the BIR Zonal Value of all land properties appraised.

IV. Specification of Services

1. For the valuation of land:
 - 1.1 Conduct a personal inspection and undertake a thorough investigation and record of the utility, environment, market condition, sales and holding prices of similar land and supplemented by informed local opinions, records and judgement.
 - 1.2 Secure the Assessed Value per square meter from the City/Municipal Assessor's Office
 - 1.3 Secure the Zonal Value per square meter from the Bureau of Internal Revenue/BIR website.
 - 1.4 There shall be a separate valuation for the natural land and the reclaimed areas.
2. Valuation of other Port Properties Plant and Equipment
 - 2.1 Undertake detailed inspection of the buildings, other land improvements, piers, wharves, breakwaters, causeways, roads and pavements to determine:
 - Nature and extent of construction
 - Quality and materials of construction
 - Dimensions and configuration
 - Physical condition
 - Remaining Useful Life

and for each location, investigate current cost of materials, manufactured plant and equipment and contractor's practices.

- 2.2 As required by the COA/PFRS, parts and/or accessory/ies (particularly detached parts) shall have separate valuation, such as but not limited to the following:
 - Fender Piles, Mooring Bollard and Mooring Cleat which were formerly lumped with Wharves and Piers
 - Lighted Buoy/Marker Buoy formerly lumped with Navigational Aids
- 2.3 Conduct physical inventory of the machinery and equipment to determine the following:
 - Technical Specification
 - Details of installation
 - Utility and condition of maintenance
 - Physical condition
- 2.4 Conduct necessary research and gather basic price information and statistics to establish current prices for materials, labor, manufactured plant and equipment.
- 2.5 Using appropriate appraisal technique, price in detail the items as physically inventoried, giving due consideration to all elements of cost to arrive at an estimate of the Replacement Cost, New (CRN).
- 2.6 Guided by physical conditions as recorded during field inspection, adjust the Accumulated Depreciation to arrive at the individual Carrying Value (CV) or Sound Value (SV) of the property.

3. Exit Conference

- 3.1 The Appraiser shall conduct an exit conference with the respective PMOs having jurisdiction over the appraised properties to secure conformity on the Appraisal Report.
- 3.2 The Appraisal Reports should bear their signatures before these are submitted by the Appraiser to the Office of the Assistant for Finance and Administration.

V. Submission of Appraisal Report

1. The Appraisal Reports shall be submitted within 25 working days after inspection of the properties to the Assistant General Manager for Finance and Administration in two (2) copies and electronic copy in pdf format.
2. Materials and Bindings:

Cover	Thick Moroccan Board or better
Binder	Ring Binder
Pages	Book Paper Substance 20

3. Each Appraisal Report shall include as attachment the following:
 - 3.1 Location map/s indicating the land area and location of the buildings and other structures inside the port.
 - 3.2 Picture of each building, structure, heavy equipment and others.
4. The Appraisal Reports shall include the following column headings:
 - 4.1 Acquisition Date
 - 4.2 Asset Description (to include the total area in square meters). For the land area, include also the applicable Assessed Value and BIR Zonal Value per square meter.
 - 4.3 Cost per PPA Books
 - 4.4 Replacement Cost, New
 - 4.5 Accumulated Depreciation as of June 30, 2019
 - 4.6 Carrying Value/Sound Value as of June 30, 2019

VI. Payment

1. Total Bid Price shall include among others, the transportation fare, food and hotel accommodations, Professional Fees, other contingencies and 12% Value Added Tax.
2. The Contract Price shall be subject to Expanded Withholding Tax and Final Withholding Tax on VAT.
3. Full Payment upon submission of the Final Appraisal Reports.

VII. Approved Budget for the Contract

The Approved Budget for the Contract (ABC) is P525,000.00