Republika ng Pilipinas
PANGASIWAAN NG TUBIG AT ALKANTARILYA SA KALAKHANG MAYNILA
Metropolitan Waterworks and Sewerage System
REGULATORY OFFICE
Katipunan Road, Balara, Quezon City 1105, Philippines

ELIGIBILITY DOCUMENTS

CONSULTANCY SERVICES FOR RESTRUCTURING OF THE RATES OF MWSS CONCESSIONAIRES
Contract No. RO-CS2015-003

August 2015

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PART I

Section I. Request for Expression of Interest

Republika ng Pilipinas
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Metropolitan Waterworks and Sewerage System
REGULATORY OFFICE
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REQUEST FOR EXPRESSION OF INTEREST

CONSULTANCY SERVICES FOR RESTRUCTURING OF THE RATES OF MWSS CONCESSIONAIRES
CONTRACT NO. RO-CS2015-003

The Metropolitan Waterworks and Sewerage System - Regulatory Office (MWSS-RO), through the MWSS-RO Corporate Operating Budget for 2015 intends to apply the sum of **Eleven Million Four Hundred Eighty Two Thousand Six Hundred Sixty Pesos (PhP11, 482,660.00)** being the Approved Budget for the Contract (ABC) to payments under the contract for Consultancy Services for the Restructuring of the Rates of MWSS Concessionaires (Contract No. RO-CS2015-003). Bids received in excess of the ABC shall be automatically rejected at the opening of the financial proposals.

The MWSS-RO now calls for the submission of eligibility documents for the above-mentioned Consultancy Services. The consultancy services include a review of the existing tariff structure and development of a new structure that would be responsive to the needs of customers and operators.

The three (3) main tasks under the scope of work for the consultancy services are as follows:

a. Review of the current rate setting mechanisms and its tariff structure – including the determination of the interplay of the tariff structure and revenue requirements of the MWSS concessions;
b. Determination of the most appropriate tariff structure/design – including the establishment of the appropriate charges for various services and/or fixed charges based on the situation being faced by the MWSS concessions; and
c. Capacity building or hands-on training on rate determination and restructuring for the Regulatory Office.

The tasks shall be performed by four (4) consultants, two (2) international and two (2) local who have extensive experience in rate review and rate design and analysis specifically in the establishment of water/sewer tariff structures under a privatized arrangement.

Interested consultants must submit their Request for Expression of Interest (RFEI) and secure Eligibility Documents upon payment of a non-refundable fee of One Thousand Pesos (PhP1, 000.00) on or before 24 August 2015, 4:00 P.M. at the MWSS-RO Bids and Awards Committee (BAC), c/o Office of the Financial Regulation Area, 3rd Floor Engineering Building, MWSS Complex, Katipunan Road, Balara, Quezon City. The deadline for submission of the accomplished Eligibility Documents shall be at 12:00 NN of 25 August 2015 at aforementioned address. Applications for eligibility will be evaluated based on a non-discretionary “pass/fail” criterion.

The BAC shall draw up the short list of consultants from those who have submitted Expression of Interest /Eligibility Documents and have been determined as eligible in accordance with the provisions of Republic Act 9184 (RA 9184), otherwise known as the “Government Procurement Reform Act”, and its Implementing Rules and Regulations (IRR). The short list shall not exceed five (5) prospective bidders who will be entitled to submit bids. The criteria and rating system for short listing are:

CRITERIA	RATING
Applicable Experience of Consultant/Firm	50 points
Adequacy of Qualification of Key Staff that may be assigned	30 points
Current Workload Relative to Job capacity	20 points

An eligible consultant should pass the minimum score of 70 points to be included in the short list.

Bidding will be conducted through open competitive bidding procedures using non-discretionary “pass/fail” criteria as specified in the IRR of RA 9184. Bidding is open to all interested bidders, whether local or foreign, subject to the conditions for eligibility provided in the IRR of RA 9184.

The Procuring Entity shall evaluate bids using the Quality-Based Evaluation/Selection (QBE/QBS) procedure. The criteria and rating system for the evaluation of bids shall be provided in the Instructions to Bidders.

The official timer for purposes of determining the official time shall be the bundy clock located at the 3rd Floor of the MWSS-RO guard reception area.

The contract shall be completed within ninety (90) days.

The MWSS-RO reserves the right to reject any and all bids, annul the bidding process, or not award the contract at any time prior to contract award, without thereby incurring any liability to the affected bidder or bidders.

The MWSS-RO reserves the right to reject any and all bids, annul the bidding process, or not award the contract at any time prior to contract award, without thereby incurring any liability to the affected bidder or bidders.

For further information, please refer to:

MWSS-Regulatory Office Bids and Awards Committee
Attention: BAC Secretariat
c/o Office of the Financial Regulation Area
3rd Floor, Engineering Building, MWSS Complex
Katipunan Road, Balara, Quezon City
Telephone Number: 435-8901

(SGD) GERARDO A. SULLANO
Chairman, MWSS-RO BAC

Section II. Eligibility Documents

1. Eligibility Criteria

1.1. The following persons/entities shall be allowed to participate in the bidding for Consulting Services:

(a) Duly licensed Filipino citizens/sole proprietorships;

(b) Partnerships duly organized under the laws of the Philippines and of which at least sixty percent (60%) of the interest belongs to citizens of the Philippines;

(c) Corporations duly organized under the laws of the Philippines and of which at least sixty percent (60%) of the outstanding capital stock belongs to citizens of the Philippines;

(d) Cooperatives duly organized under the laws of the Philippines, and of which at least sixty percent (60%) interest belongs to citizens of the Philippines; or

(e) Persons/entities forming themselves into a joint venture, *i.e.*, a group of two (2) or more persons/entities that intend to be jointly and severally responsible or liable for a particular contract: Provided, however, That Filipino ownership or interest thereof shall be at least sixty percent (60%). For this purpose, Filipino ownership or interest shall be based on the contributions of each of the members of the joint venture as specified in their JVA.

1.2. When the types and fields of Consulting Services involve the practice of professions regulated by law, those who will actually perform the services shall be Filipino citizens and registered professionals authorized by the appropriate regulatory body to practice those professions and allied professions specified in the **EDS**.

1.3. If the Request for Expression of Interest allows participation of foreign consultants, prospective foreign bidders may be eligible subject to the qualifications stated in the **EDS**.

1.4. Government corporate entities may be eligible to participate only if they can establish that they (a) are legally and financially autonomous, (b) operate under commercial law, and (c) are not dependent agencies of the GOP or the Procuring Entity.

2. Eligibility Requirements

2.1. The following eligibility requirements shall be submitted on or before the date of the eligibility check specified in the Request for Expression of Interest and Clause 5 for purposes of determining eligibility of prospective bidders:

(a) Class "A" Documents –

Legal Documents

(i) Registration certificate from Securities and Exchange Commission (SEC), Department of Trade and Industry (DTI) for sole proprietorship, or Cooperative Development Authority (CDA) for cooperatives, or any proof of such registration as stated in the **EDS**;

(ii) Mayor's permit issued by the city or municipality where the principal place of business of the prospective bidder is located;

(iii) Tax clearance per Executive Order No. 398, Series of 2005, as finally reviewed and approved by the BIR

Technical Documents

(iv) Statement of the prospective bidder of all its ongoing and completed government and private contracts, including contracts awarded but not yet started, if any, whether similar or not similar in nature and complexity to the contract to be bid, within the relevant period provided in the **EDS**. The statement shall include, for each contract, the following:

(iv.1) the name and location of the contract;

(iv.2) date of award of the contract;

(iv.3) type and brief description of consulting services;

(iv.4) consultant's role (whether main consultant, subcontractor, or partner in a JV)

(iv.5) amount of contract;

(iv.6) contract duration; and

(iv.7) certificate of satisfactory completion or equivalent document specified in the **EDS** issued by the client, in the case of a completed contract;

(v) Statement of the consultant specifying its nationality and confirming that those who will actually perform the service are registered professionals authorized by the appropriate regulatory body to practice those professions and allied professions in accordance with Clause 1.2.

Financial Document

(vi) The consultant's audited financial statements, showing, among others, the consultant's total and current assets and liabilities, stamped "received" by the BIR or its duly accredited and authorized institutions, for the preceding calendar year which should not be earlier than two (2) years from the date of bid submission.

(b) Class “B” Document –

Valid joint venture agreement (JVA), in case a joint venture is already in existence. In the absence of a JVA, duly notarized statements from all the potential joint venture partners stating that they will enter into and abide by the provisions of the JVA in the instance that the bid is successful, shall be included in the bid. Failure to enter into a joint venture in the event of a contract award shall be ground for the forfeiture of the bid security. Each partner of the joint venture shall submit the legal eligibility documents. The submission of technical and financial documents by any of the joint venture partners constitutes compliance.

2.2. In the case of foreign consultants, the foregoing eligibility requirements under Class “A” Documents may be substituted by the appropriate equivalent documents, if any, issued by the foreign consultant’s country.

2.3. The eligibility requirements or statements and all other documents to be submitted to the BAC must be in English. A translation of the documents in English certified by the appropriate embassy or consulate in the Philippines must accompany the eligibility requirements under Classes “A” and “B” Documents if they are in other foreign language.

2.4. Prospective bidders may obtain a full range of expertise by associating with individual consultant(s) and/or other consultants or entities through a JV or subcontracting arrangements, as appropriate. However, subcontractors may only participate in the bid of one short listed consultant. Foreign Consultants shall seek the participation of Filipino Consultants by entering into a JV with, or subcontracting part of the project to, Filipino Consultants.

2.5. If a prospective bidder has previously secured a certification from the Procuring Entity to the effect that it has previously submitted the above-enumerated Class “A” Documents, the said certification may be submitted in lieu of the requirements enumerated in Clause 2.1 above.

3. Format and Signing of Eligibility Documents

3.1. Prospective bidders shall submit their eligibility documents through their duly authorized representative on or before the deadline specified in Clause 5.

3.2. Prospective bidders shall prepare an original and copies of the eligibility documents. In the event of any discrepancy between the original and the copies, the original shall prevail.

3.3. The eligibility documents, except for unamended printed literature, shall be signed, and each and every page thereof shall be initialed, by the duly authorized representative/s of the prospective bidder.

3.4. Any interlineations, erasures, or overwriting shall be valid only if they are signed or initialed by the duly authorized representative/s of the prospective bidder.

4. Sealing and Marking of Eligibility Documents

4.1. Unless otherwise indicated in the EDS, prospective bidders shall enclose their original eligibility documents described in Clause 2.1, in a sealed envelope marked "ORIGINAL – ELIGIBILITY DOCUMENTS". Each copy of shall be similarly sealed duly marking the envelopes as "COPY NO. ___ - ELIGIBILITY DOCUMENTS". These envelopes containing the original and the copies shall then be enclosed in one single envelope.

4.2. The original and the number of copies of the eligibility documents as indicated in the EDS shall be typed or written in indelible ink and shall be signed by the prospective bidder or its duly authorized representative/s.

4.3. All envelopes shall:

(a) contain the name of the contract to be bid in capital letters;

(b) bear the name and address of the prospective bidder in capital letters;

(c) be addressed to the Procuring Entity's BAC specified in the EDS;

(d) bear the specific identification of this Project indicated in the EDS; and

(e) bear a warning "DO NOT OPEN BEFORE…" the date and time for the opening of eligibility documents, in accordance with Clause 5.

4.4. If the eligibility documents are not sealed and marked as required, the Procuring Entity will assume no responsibility for its misplacement or premature opening.

5. Deadline for Submission of Eligibility Documents

Eligibility documents must be received by the Procuring Entity's BAC at the address and on or before the date and time indicated in the Request for Expression of Interest and the **EDS**.

6. Late Submission of Eligibility Documents

Any eligibility documents submitted after the deadline for submission and receipt prescribed in Clause 5 shall be declared "Late" and shall not be accepted by the Procuring Entity.

7. Modification and Withdrawal of Eligibility Documents

7.1. The prospective bidder may modify its eligibility documents after it has been submitted; provided that the modification is received by the Procuring Entity prior to the deadline specified in Clause 5. The prospective bidder shall not be allowed to retrieve its original eligibility documents, but shall be allowed to submit another set equally sealed, properly identified, linked to its original bid marked as "ELIGIBILITY MODIFICATION" and stamped "received" by the

BAC. Modifications received after the applicable deadline shall not be considered and shall be returned to the prospective bidder unopened.

7.2. A prospective bidder may, through a letter of withdrawal, withdraw its eligibility documents after it has been submitted, for valid and justifiable reason; provided that the letter of withdrawal is received by the Procuring Entity prior to the deadline prescribed for submission and receipt of eligibility documents.

7.3. Eligibility documents requested to be withdrawn in accordance with this Clause shall be returned unopened to the prospective bidder concerned. A prospective bidder may also express its intention not to participate in the bidding through a letter which should reach and be stamped by the BAC before the deadline for submission and receipt of eligibility documents. A prospective bidder that withdraws its eligibility documents shall not be permitted to submit another set, directly or indirectly, for the same project.

8. Opening and Preliminary Examination of Eligibility Documents

8.1. The Procuring Entity's BAC will open the envelopes containing the eligibility documents in the presence of the prospective bidders' representatives who choose to attend, at the time, on the date, and at the place specified in the **EDS**. The prospective bidders' representatives who are present shall sign a register evidencing their attendance.

8.2. Letters of withdrawal shall be read out and recorded during the opening of eligibility documents and the envelope containing the corresponding withdrawn eligibility documents shall be returned unopened to the withdrawing prospective bidder. If the withdrawing prospective bidder's representative is present during the opening, the original eligibility documents and all copies thereof shall be returned to the representative during the opening of eligibility documents. If no representative is present, the eligibility documents shall be returned unopened by registered mail.

8.3. A prospective bidder determined as "ineligible" has three (3) calendar days upon written notice or, if present at the time of the opening of eligibility documents, upon verbal notification, within which to file a request for reconsideration with the BAC: Provided, however, that the request for reconsideration shall not be granted if it is established that the finding of failure is due to the fault of the prospective bidder concerned: Provided, further, that the BAC shall decide on the request for reconsideration within seven (7) calendar days from receipt thereof. If a failed prospective bidder signifies his intent to file a request for reconsideration, in the case of a prospective bidder who is declared ineligible, the BAC shall hold the eligibility documents until such time that the request for reconsideration or protest has been resolved.

8.4. The eligibility documents envelopes and modifications, if any, shall be opened one at a time, and the following read out and recorded:

(a) the name of the prospective bidder;

(b) whether there is a modification or substitution; and

(c) the presence or absence of each document comprising the eligibility documents vis-à-vis a checklist of the required documents.

8.5. The eligibility of each prospective bidder shall be determined by examining each bidder's eligibility requirements or statements against a checklist of requirements, using non-discretionary "pass/fail" criterion, as stated in the Request for Expression of Interest, and shall be determined as either "eligible" or "ineligible." If a prospective bidder submits the specific eligibility document required, he shall be rated "passed" for that particular requirement. In this regard, failure to submit a requirement, or an incomplete or patently insufficient submission, shall be considered "failed" for the particular eligibility requirement concerned. If a prospective bidder is rated "passed" for all the eligibility requirements, he shall be considered eligible to participate in the bidding, and the BAC shall mark the set of eligibility documents of the prospective bidder concerned as "eligible." If a prospective bidder is rated "failed" in any of the eligibility requirements, he shall be considered ineligible to participate in the bidding, and the BAC shall mark the set of eligibility documents of the prospective bidder concerned as "ineligible." In either case, the BAC chairperson or his duly designated authority shall countersign the markings.

9. Short Listing of Consultants

9.1. Only prospective bidders whose submitted contracts are similar in nature and complexity to the contract to be bid as provided in the **EDS** shall be considered for short listing.

9.2. The BAC of the Procuring Entity shall draw up the short list of prospective bidders from those declared eligible using the detailed set of criteria and rating system to be used specified in the **EDS**.

9.3. Short listed consultants shall be invited to participate in the bidding for this project through a Letter of Invitation to Bid issued by the BAC of the Procuring Entity.

9.4. Only bids from short listed bidders shall be opened and considered for award of contract. These short listed bidders, whether single entities or JVs, should confirm in their bids that the information contained in the submitted eligibility documents remains correct as of the date of bid submission.

Section III. Eligibility Data Sheet

Eligibility Data Sheet

Eligibility Documents	
1.2	Any key member of the proposed team of consultants has never been a partner, director, officer, or employee of the MWSS Corporate Office, Regulatory Office or any of its Concessionaires, their subsidiaries or affiliates in the past 5 years immediately preceding the day submission of bids. Any key member of the proposed team of consultants has no familial relationship within the 3rd civil degree of consanguinity or affinity with any of the employees or officers of the MWSS Corporate Office, the Regulatory Office or any of its Concessionaires, their subsidiaries or affiliates, or representatives of the current members of the Bids and Awards Committee of the MWSS Corporate Office or the Regulatory Office.
1.3	No further instructions.
2.1(i)	No additional requirements.
2.1(iv)	The statement of all ongoing and completed government and private contracts shall include all such contracts within ten (10) years prior to the deadline for the submission and receipt of eligibility documents.
2.1(iv.7)	Certificate of satisfactory completion or any document issued by the client stating therein that the project was satisfactorily completed.
4.2	Each prospective bidder shall submit one (1) original and four (4) copies of its eligibility documents.
4.3(c)	**MWSS RO-BAC Secretariat** MWSS Regulatory Office 3rd Flr. Engineering Bldg, MWSS Compound Katipunan Road, Balara, Quezon City Telephone No. 436-32-26
4.3(d)	Consultancy Services for Restructuring of the Rates of MWSS Concessionaires Contract No. RO-CS2015-003.
5	The address for submission of eligibility documents is **MWSS RO-BAC Secretariat** MWSS Regulatory Office 3rd Flr. Engineering Bldg, MWSS Compound Katipunan Road, Balara, Quezon City Telephone No. 436-32-26 The deadline for submission of eligibility documents is 12:00 NN of 24 August 2015.
8.1	The place of opening of eligibility documents is

	MWSS-Regulatory Office Main Conference Room Office of the Chief Regulator 3rd Floor, Engineering Building, MWSS Complex Katipunan Road, Balara, Quezon City The date and time of opening of eligibility documents is 1:00PM of 25 August 2015.
9.1	Similar contracts shall refer to completed projects as follows: a. Designed tariff structure, tariff levels, and billing and collection systems for water and sewer and power utilities. Rate Design analysis, evaluation of rate structure whereby the utility's existing rate structure is reviewed for conformance with several rate design criteria or objectives, such as fairness/equity, resource conservation, industry practice, etc. b. Conducted customer bill impact analyses among the current and any proposed rate designs, willingness-to pay and affordability studies. Performed and provided economic, public finance, management consulting services and financial services to government and privatized water utilities and other corporations. The consultant should have completed at least one (1) project for each of the foregoing items, otherwise, the consultant shall be disqualified.
9.2	Criteria for the short listing of consultants. **<u>Criteria</u>** — **<u>Rating</u>** **I. Applicable Experience** — **50 points** Completed consulting services of size, complexity and technical specialty to the contract to be bid — 40 points Other completed consulting services related to the contract under consideration — 10 points **II. Quality of Staff that may be Assigned** — **30 points** Key Staff Education — 6 points Key Staff Experience — 24 points **III. Current Workload Relative to Capacity** — **20 points** Firm's Productivity — 10 points Firm's Workload — 10 points

Section IV. Consultant’s Confidential Application for Eligibility

CONSULTANT'S CONFIDENTIAL APPLICATION FOR ELIGIBILITY
Consultancy Services for Restructuring of the Rates of MWSS Concessionaires
Contract No. RO-CS2015-003

Date:____________________

The Chairman
MWSS-RO Bids and Awards Committee (MWSS-RO BAC)

Gentlemen:

I ________________________ of legal age, with postal address at ________________________ ___________________, under oath, hereby deposes and states:

1. That I am the ____________________________ of _________________________ duly authorized to make this statement, as evidence by the attached written authority from the proprietor/governing board of the firm;
2. I understand that any information found to be false or misrepresentation of my firm/company would constitute grounds for disqualification; and
3. That I hereby present the attached Information for Eligibility and to Bid with the Metropolitan Waterworks and Sewerage System – Regulatory Office (MWSS-RO).

IN WITNESS WHEREOF, I hereby affix my signature this ___day of _______, 2015 at _______________, Philippines.

____
AFFIANT

SUBSCRIBED AND SWORN TO before me this ___ day of __________, 2015, affiant exhibiting to me his/her Community Tax Certificate No. _______________ issued on _________ at ________________________, Philippines.

NOTARY PUBLIC

Until _______________
PTR No. _______________
Date _______________
Place _______________
TIN _______________

Doc. No.: _______
Page No.: _______
Book No.: _______
Series of ________

A. GENERAL INFORMATION

A.1 Name of Primary Firm/Company:____

a. Acronym : ___________________________
b. Year Established : ___________________________
c. Main Office Address :Street#:_____________ Street Name ________________
Town/City Name:________________________________
Postal Code:______ Region: ________________
d. Phone Number : ___________________ e. Email Address ____________
f. Fax Number : ___________________ g. Telex Number_____________
h. Former Names of the Firm/Company:____
____

i. Type of Organization (please check all that apply):

[ ] Sole Proprietorship [ ] Corporation
[ ] Partnership [ ] Others __________________

j. Type of Consulting Services Offered (please check all that apply)

[ ] Advisory and Review Services [ ] Pre-Investment or Feasibility Study
[ ] Design [ ] Construction Supervision
[ ] Management and Related Services [ ] Other Technical Services or Special Studies

A.2 Contact Person 1

a. Name : ____
b. Designation : ____
c. Phone Number : ____
d. Specimen Signature : ____

A.3 Contact Person 2

a. Name : ____
b. Designation : ____
c. Phone Number : ____
d. Specimen Signature : ____

B. ASSOCIATE FIRMS

B.1 Firm 1

a. Acronym : ___________________________
b. Year Established : ___________________________
c. Main Office Address :Street#:_____________ Street Name _________________
Town/City Name:__________________________________
Postal Code:______ Region: _________________
d. Phone Number : ___________________ e. Email Address ____________
f. Fax Number : ___________________ g. Telex Number_____________
h. Former Names of the Firm/Company:____
____

i. Type of Organization (please check all that apply):

[ ] Sole Proprietorship [ ] Corporation
[ ] Partnership [ ] Others ___________________

j. Type of Consulting Services Offered (please check all that apply)

[ ] Advisory and Review Services [ ] Pre-Investment or Feasibility Study
[ ] Design [ ] Construction Supervision
[ ] Management and Related Services [ ] Other Technical Services or Special Studies

B.2 Firm 2

a. Acronym : ___________________________
b. Year Established : ___________________________
c. Main Office Address :Street#:_____________ Street Name _________________
Town/City Name:__________________________________
Postal Code:______ Region: _________________
d. Phone Number : ___________________ e. Email Address ____________
f. Fax Number : ___________________ g. Telex Number_____________
h. Former Names of the Firm/Company:____
____

i. Type of Organization (please check all that apply):

[ ] Sole Proprietorship [ ] Corporation
[ ] Partnership [ ] Others ___________________

j. Type of Consulting Services Offered (please check all that apply)

[ ] Advisory and Review Services [ ] Pre-Investment or Feasibility Study
[ ] Design [ ] Construction Supervision
[ ] Management and Related Services [ ] Other Technical Services or Special Studies

C. OWNERSHIP (complete a separate form for the Primary Firm and each Associate Firm)

Name of Firm/Company: ____

Name(s) of Owner/Stockholders /Partners	**Tax ID Number*/PRC No.* /Passport No.** TIN** *Local **Foreign	**Nationality**

D. PERSONNEL (complete a separate form for the Primary Firm and each Associate Firm)

Name of Consultant : ____

Business Address : ____

a. Number of Key Technical Personnel by Professional Category:		Number of Technical Support Personnel by Professional Category:	
1. Accountants		1. Accountants	
2. Economists		2. Economists	
3. Industrial Engineers		3. Industrial Engineers	
4. Others (please specify)		4. Others (please specify)	
		c. Number of Administrative Staff:	
	TOTAL NO. OF PERSONNEL: (a+b+c)		

d. Names of Professional Staff that may be Assigned to this Project	TaxID No.*/PRC No.*/Passport No.** * Local ** Foreign	Professional Category	Status*	Nationality

D.1 Personnel Biodata (complete a separate form for the Primary Firm and each Associated Firm for all personnel listed in Section D that may be assigned to this project)

1. Name : ____
2. Date of Birth : ____
3. Nationality : ____
4. Education and Degrees : ____
5. Specialty : ____
6. Registration : ____
7. Length of Service with the Firm : _____Year from ____ (months) _____ (year)
   To ____ (months) _____ (year)
8. Years of Experience : ____
9. Training: : (indicate significant training since graduation and inclusive dates of attendance)
   ____
10. If Item 7 is less than ten (10) years, give name and length of service with previous employers for a ten (10)-year period (attached additional sheet/s), if necessary:

Name and Address of Employer	Length of Service
__________________________	_____ year(s) from _______ to ______
__________________________	_____ year(s) from _______ to ______
__________________________	_____ year(s) from _______ to ______

11. Work Experience:

    This should cover personnel years of experience. (Attach as many pages as necessary to show involvement of personnel in projects. 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, locations of projects and description of duties. For experience in last ten years, also give types of activities performed and client references, where appropriate).

E. CLASS “A” DOCUMENTARY REQUIREMENTS

E.1 Legal Documents

E.1.1 Registration/Licenses

	Registration/ License #	Place of Registration	Date of Reg. (mm/dd/yy)	Expiration Date (mm/dd/yy)
DTI Business Name Registration (if sole proprietorship)				
SEC (if partnership or corporation) Certificate				
SEC Registration (if Foreign Consultant)				
CDA Registration Certificate (for Cooperatives)				
Valid and Current MAYOR’S Permit				
Tax Clearance Certificate				

Note: In case of foreign consultants, the above requirements may be substituted by the appropriate equivalent documents issued by the foreign consultant’s country.

Percentage of ownership of the firm’s assets:

Filipino : _______%
Other Nationalities : _______%

E.2 Technical Documents

E.2.1 Experience (complete a separate form for the Primary Firm and each Associate Firm)

A. Consultant's **Comparable** Work Experience - List of (maximum of 10 for all firms) government and private consulting services contracts of size, complexity and technical specialty **comparable** to the project under consideration completed by the Firm/Company for the last preceding 10 years. Cost must be in Philippine Pesos computed on the date of the signing of the contract.

a.1. Designed tariff structure, tariff levels, and billing and collection systems for water and sewer and power utilities. Rate Design analysis, evaluation of rate structure whereby the utility's existing rate structure is reviewed for conformance with several rate design criteria or objectives, such as fairness/equity, resource conservation, industry practice, etc.

Name of Firm/Company : ______________________________

Contract Name	**Location**	**Name of Client**	**Contract Date (mm/dd/yy)**		**Cost of Consultancy Contract**	**% Participation**	**Primary or Associate Firm P or A**	**Category of Service Rendered**
			Start	**Actual Completion**				
1.								
2.								
3.								
4.								
5.								
6.								
7.								
8.								
9.								
10.								

Category of Services Rendered: A – Advisory and Review Services, P – Pre-Investment or Feasibility Studies, D – Detailed Design, C – Construction Supervision, M – Management and Related Services, O – Other Technical Services or Special Studies

Note: Attach certified copy of Certificate of Satisfactory Completion issued by the Client (Annex E)

b. Consultant's **Related** Work Experience – List of (maximum of 10 for all firms) government and private consulting services contracts related to the project under consideration completed by the Firm/Company for the last preceding 10 years. Cost must be in Philippine Pesos computed on the date of the signing of the contract.

Name of Firm/Company : ________________________________

Contract Name	**Location**	**Name of Client**	**Contract Date (mm/dd/yy)**		**Cost of Consultancy Contract**	**% Participation**	**Primary or Associate Firm P or A**	**Category of Service Rendered**
			Start	**Actual Completion**				
1.								
2.								
3.								
4.								
5.								
6.								
7.								
8.								
9.								
10.								

Category of Services Rendered: A – Advisory and Review Services, P – Pre-Investment or Feasibility Studies, D – Detailed Design, C – Construction Supervision, M – Management and Related Services, O – Other Technical Services or Special Studies

Note: Attach certified copy of Certificate of Satisfactory Completion issued by the Client (Annex E)

c. List of on-going government and private contracts including contracts already awarded but not yet started. Cost must be in Philippine Pesos computed on the date of the signing of the contract.

Name of Firm/Company : ______________________________

Contract Name	Location	Name of Client	Contract Date (mm/dd/yy)		Cost of Consultancy Contract	% Participation	Primary or Associate Firm **P or A**	Category of Service Rendered
			Start	Actual Completion				
1.								
2.								
3.								
4.								
5.								
6.								
7.								
8.								
9.								
10.								

Category of Services Rendered: A – Advisory and Review Services, P – Pre-Investment or Feasibility Studies, D – Detailed Design,
C – Construction Supervision, M – Management and Related Services, O – Other Technical Services or Special Studies

E.2.2 Project Profile (complete a separate form for the Primary Firm and each Associate Firm for all projects listed in Section E.2.1)

Name of Firm/Company : ________________________________

<table>
<tr><td colspan="2">Project Name:</td><td>Country:</td></tr>
<tr><td colspan="2">Location within Country:</td><td>Professional Staff Provided by Your Firm/Entity:</td></tr>
<tr><td colspan="2">Name of Client:</td><td>No. of Staff:</td></tr>
<tr><td colspan="2">Address:</td><td>No. of Staff-Months; Duration of Project:</td></tr>
<tr><td>Start Date (Month/Year):</td><td>Completion Date (Month/Year):</td><td>Total Project Costs (in PhP):
Approx. Value of Services (in PhP):</td></tr>
<tr><td colspan="2">Name of Associated Consultants, if any:</td><td>No. of Months of Professional Staff Provided by Associated Consultants:</td></tr>
<tr><td colspan="3">Name of Senior Staff (Project Director/Coordinator, Team Leader) Involved and Functions Performed:</td></tr>
<tr><td colspan="3">Narrative Description of Project:</td></tr>
<tr><td colspan="3">Description of Actual Services Provided/Being Provided by Your Staff:</td></tr>
</table>

E.2.3 Statement On Citizenship & Professional Registration

Date of Issuance

JOEL C. YU
Chief Regulator
MWSS Regulatory Office
Katipunan Road, Balara, Quezon City

Attention : The Chairman
Bids and Award Committee

Dear Sir/Madame:

In compliance with the requirements of the MWSS Regulatory Office BAC for the bidding of the Consultancy Services for Restructuring of the Rates of MWSS Concessionaires Contract No.RO-CS2015-003, I hereby certify that:

- I am _(Nationality)_ citizen wishing to participate in the bidding.
- I have the technical and financial capabilities to satisfactorily render the required services.

I certify further that all of the owners/principals/partners and key staff of _____(Name of the Bidder___ possess the required professional licenses issued by the Professional Regulation Commission or other appropriate regulatory body.

Very truly yours,

Name and Signature of Authorized Representative
Position
Name of the Bidder

E.3 Financial Document *(complete a separate form for the Primary and each Associate Firm)*

Name of Firm/Company : ____

Summary of the Consultant's audited financial statements, showing, among others, the Consultant's total and current assets and liabilities, stamped "RECEIVED" by the Bureau of Internal Revenue (BIR) or its duly accredited and authorized institutions, for the preceding calendar year which should not be earlier than two (2) years from the date of bid submission.

		Year 20__
1.	Total Assets	
2.	Current Assets	
3.	Total Liabilities	
4.	Current Liabilities	
5.	Net Worth (1-3)	
	Net Working Capital (2-4)	

Annual volume of gross fees for the last five (5) years in Philippine Pesos

- Year 2010: ________________
- Year 2011: ________________
- Year 2012: ________________
- Year 2013: ________________
- Year 2014: ________________

Bank Information

Name of Bank and Branch	Present Credit Line Amount	**EFFECTIVE PERIOD** From Date mm/dd/yy To Date mm/dd/yy

Submitted by:

Name and Signature of Authorized Representative
Position
Date : ______________________

Note:Attach latest audited Financial Statement stamped received by the BIR (Annex F)

F. CLASS "B" DOCUMENTARY REQUIREMENTS

F.1 Valid Joint Venture Agreement (JVA)

KNOW ALL MEN BY THESE PRESENTS:

That this JOINT VENTURE AGREEMENT is entered into By and Between ____________, of legal age, ___________*(civil status)*______, owner/proprietor of ________________________________ and a resident of ____________________________.

- and -

_________________________, of legal age, _______*(civil status)*___ owner/proprietor of ________________ a resident of ____.

That both parties agree to join together their manpower, equipment, and what is needed to facilitate the Joint Venture to participate in the Eligibility, Bidding and Undertaking of the here-under stated project to be conducted by the MWSS Regulatory Office.

NAME OF PROJECT	CONTRACT AMOUNT

That both parties agree to be jointly and severally liable for the entire assignment.

That both parties agree that ___________________and/or _______________________ shall be the Official Representative of the Joint Venture, and is granted full power and authority to do, execute and perform any and all acts necessary and/or to represent the Joint Venture in the bidding as fully and effectively and the Joint Venture may do and if personally present with full power of substitution and revocation.

That this Joint Venture Agreement shall remain in effect only for the above stated Project until terminated by both parties.

Done this __________ day of ___________, in the year of our Lord _____________.

W I T N E S S E S

_________________________________ _________________________________

ACKNOWLEDGEMENT

BEFORE ME, A Notarial Public in and for ____________, this _________ day of _____________ personally appeared the following:

NAME: ___________________________ Community Tax Certificate No: _____________
Issued on: _________________
Issued at: __________________

NAME: ___________________________ Community Tax Certificate No: _____________
Issued on: _________________
Issued at: __________________

Known to me to be the same person who executed the foregoing instrument acknowledge the same to their own free and voluntary act and deed as well as that of the entity/corporations herein represented.

WITNESS MY HAND AND NOTARIAL SEAL on the date and place above written.

NOTARY PUBLIC

Until _______________
PTR No. _______________
Date _______________
Place _______________
TIN _______________

Doc. No.: _______
Page No.: _______
Book No.: _______
Series of ________

INSTRUCTIONS

1.0 The Applicant shall accomplish/answer all items in the Application using the English language. Answers must be given to all questions in the aforesaid statement. All blanks shall be properly filled up. If necessary, additional sheets may be added to the form or if the form has limited space, it can be reproduced and enlarged to suit the Applicant's needs. Documents submitted on forms or in any format other than that prescribed in the aforesaid Statement shall be considered non-complying and will be rejected outright. Forms that may require attachments shall be clearly marked, and provided with "dog ear", i.e., Annex A, Annex B, etc.

2.0 The information/data submitted by the interested Firm/Company are to be used by the MWSS-RO in determining, according to its judgment and discretion, the eligibility and qualification of prospective Firm/Company. In view thereof, the interested Firm/Company is encouraged to communicate with the MWSS-RO for any clarification or interpretations on the documents as request for reconsideration will not be entertained on any erroneous interpretations or conclusions made by the Applicant. An interested Firm/Company submitting its qualifications as prospective Firm/Company for review and consideration waives any claim against any decision thereon. The signing by the Firm/Company or his duly authorized representative of the Registry Application Statement acknowledges the truth and correctness of all statements made thereon; otherwise, the Firm/Company shall be liable for perjury as provided in the Revised Penal Code.

3.0 The following documents shall, among others, comprise the Consultant's Application for Eligibility:

General Information

Annex A: Original copy of the appointment/designation of the Authorized Person to sign and submit application for eligibility from the Owner/Governing Board of the firm with specimen signature and photographs (2x2). If Corporation, it should be in the form of a Board Resolution certified by the Board Secretary.

Annex B: Prospective Bidder's certified copy of valid Certificate of Registration of Business Name from the Department of Trade and Industry (DTI), if Sole Proprietor, or;

Prospective Bidder's certified copy of Certificate of Registration from the Securities and Exchange Commission (SEC), if Partnership or Corporation or Foreign Consultant, or;

Prospective Bidder's certified copy of Registration from Cooperative Development Authority (CDA), if Cooperative.

Annex C: Prospective Bidder's certified copy of valid and current Mayor's permit.

Annex D: Prospective Bidder's certified copy of valid and current Tax Clearance Certificate.

Annex E: Prospective Bidder's certified copy of Certificate of Satisfactory Completion issued by the Client (attachment to Sections E.2.1.a. and E.2.1.b)

Annex F: Latest audited Financial Statement stamped "RECEIVED" by the BIR or its duly authorized agents (attachment to Item E.3)

4.0 Each page of the annexes, attachments and other supporting documents shall be marked in the right top corner, i.e. Annex A, page 1 of 5; Annex A page 2 of 5; etc, as the case may be.

5.0 The MWSS-RO reserves the right to accept or reject any application without any liability to the affected applicants or any obligation to inform the applicants of the grounds for the action taken thereon.

6.0 Definitions and terms

Acronym

Abbreviation of the firm/company's name.

Annual volume of gross fees

The gross annual fees earned by the firm for the previous five (5) years.

Associate Firms

Information about firms/companies joining with the primary firm/company listed in Section B for purposes of eligibility application for the contract in question.

Category of Service Rendered

The nature of service rendered whether A-Advisory and Review Services, P-Pre-Investment or Feasibility Studies, D-Detailed Design, C-Construction Supervision, O-Other Technical Services or Special Studies

Name of Client

The name of the client firm.

Consultant's On-Going and Awarded Contracts

A list of all on-going contracts including private contracts already awarded but not yet started.

Consultant's Comparable Work Experience

A list of the firm's most comparable contracts (maximum of 10 for all firms combined) successfully completed by the firm/company for the last 10 years. "Comparable" means consulting services of size, complexity and technical specialty, comparable to the job under consideration including quality of performance.

Consultant's Related Work Experience

A list of the most related contracts (maximum of 10 for all firms combined) successfully completed by the firm/company for the last 10 years. "Related" means consulting services related to the job under consideration.

Contact Person 1
The name, designation and telephone number of an employee who can answer questions concerning the application statement.

Contact Person 2
The name, designation and telephone number of an additional employee who can answer questions concerning the application statement.

Contract Date Actual Completion
The month, day, year of the contract's actual completion.

Contract Date Start
The month, day, year the contract started.

Contract Name
The name of each contract listed.

Cost of Consultancy Contract
The cost in Philippine Peso of the consultancy contract computed on the date of the contract signing.

Date Degree Awarded
The month, day and year the degree was awarded to the employee.

Date of Assignment
The month, day and year when the employee began working on the contract and the month, day and year when the employee finished working in the contract.

Degrees
A list of all degrees earned by the employee.

Description of Project
A narrative description of the project giving a summary explanation of the size, purpose, objectives and benefits of the project.

Description of Actual Services Provided/Being Provided
A narrative description of the work done for the contract assignment. It is very important to complete this item thoroughly and in detail. Descriptions should be detailed and specific with regard to what was done and how it was done.

Email Address
The email address of the head office.

Estimated Completion
The month, day and year the contract is scheduled to be complete.

Experience
This section must be completed for the primary firm and all associate firms listed in Section B.

Fax Number
The fax number of the head office.

Former Names of the Firm/Company
A list of all names the firm has previously used in conducting business.

Main Office Address
The address of the firm/company's head office.

Institution
The name of the institution where the degree was earned.

Key Staff Assigned
The name, identification number and assignment dates for each employee assigned to the contract.

Location
The name of the location where the contract took place.

Name of Associate Firm/Company

The associate consultant firm name.

Name of Primary Firm/Company

The firm name of the primary consultant submitting the application.

Names of Key Personnel that May Be Assigned

The names of key personnel of the firm/company that will possibly be appointed for the particular contract in question.

Names of Owners/Stockholders/Partners

The names of all persons who have ownership in the firm/company.

Nationality

The name of the country of citizenship for the person concerned.

Number of Administrative Staff

The number of administrative staff employed by the firm/company.

Number of Key Technical Personnel by Professional Category

The number of principal technical personnel employed by the firm/company categorized by professional category.

Number of Technical Support Personnel by Professional Category

The number of technical support personnel employed by the firm/company categorized by professional category.

Percentage Participation

The firm's percent participation in the contract in the case of associate firms working together on the contract based on cost.

Primary or Associate Firm

For the listed contract indicate if the firm/company was the prime consultant or the associate consultant.

Professional Category

The nature or professional expertise of each employee listed using the categories listed in items "a" and "b" under Section D.

Tax ID Number/PRC Number/Passport Number

A unique number identifier for each name listed.

Telephone Number

The telephone number of the head office.

Type of Organization

The category that describes the ownership of the firm/company.

Work Experience

The list of contract/employment the employee has been assigned.

Year Established

The year the firm/company was established.

Years with Firm

The number of years the employee has worked for the firm.

Section V. Terms of Reference

TERMS OF REFERENCE (TOR)
Consultancy Services for the Restructuring of the Rates of MWSS Water Concessionaires

Background

Water is a basic necessity. To ensure that everyone has access to the tap, water should be utilized in the best and most-valued uses by imposing a reasonable price on it and developing appropriate tariff structures that meet social and economic goals.

Tariffs or rates should therefore be designed in a manner that is equitable across customer classes and provide revenue sufficiency and stability to the utilities.

The current tariff structure of Manila Water Company, Inc. (MWCI) and Maynilad Water Services, Inc. (MWSI), or collectively referred hereafter as Concessionaires, is composed of three (3) types of charges: (1) Water Charge; (2) Environmental and Sewerage Charge; and (3) Maintenance Service Charge.

Water Charge is composed of Basic Charge and the Foreign Currency Differential Adjustment (FCDA). The Basic Charge has a tariff table for each of the following types of customer classification with the corresponding consumption blocks:

1. Residential – 9 consumption blocks
2. Semi-Business – 9 consumption blocks
3. Business Group I (or Commercial) – 33 consumption blocks
4. Business Group II (or Industrial) – 33 consumption blocks

Customers are classified under Business Groups I and II are based on the Philippine Standard Industrial Classification or PSIC. FCDA is expressed as a percentage of Basic Charge that is subject to quarterly review and adjusted based on the impact of the foreign currency exchange rate movements.

Environmental Charge is applied as a percentage of the Water Charge to all customers. Currently, it is 20% of the Water Charge for both Concessionaires. Sewerage Charge is applied as a percentage of Water Charge to non-residential customers that are connected to the sewerage facilities of the Concessionaires. Currently, it is 30% of Water Charge for MWCI and 20% for MWSI.

Maintenance Service Charge (MSC) is a fixed charge per month based on the meter size of the service connection. MSC ranges from Php1.50 to Php50.00 for meter sizes 13mm to 200mm, respectively.

In addition to the tariff structure that applies to regular customers, the MWSS Regulatory Office (RO) implemented customer-related Implementing Rules and Regulations (IRRs) after the 2nd Rate Rebasing determinations for the two Concessionaires. The RO also approved for implementation a new set of IRRs to take effect after the 2013 Rate Rebasing determinations. Some of these IRRs effectively modify the current tariff structure for certain group of customers.

For these reasons, the existing water and sewer tariff structures of the water Concessionaires which are being adopted since the commencement of the Concession Agreement (CA) have to be reviewed and eventually enhanced to appropriately achieve said goals.

Objectives of the Study

The RO is looking for experienced Consultants who will undertake a study to determine the most appropriate tariff design/structure of the Concessionaires to achieve the most desirable balance among the following:

1. Rates must be equitable across customer classes
2. Rate structure must provide sufficient revenue;
3. Rate structure must promote conservation;
4. Rates can be easily implemented;
5. Water and sewerage services must be affordable;
6. Rates must comply with provisions of the CA and other existing laws and ordinances

The Consultants will recommend to RO the tariff structure which may use some combinations of elements, which may include but not limited to the following:

1. Base or fixed charge;
2. Volumetric or variable charge;
3. Two-part Tariff Structure (has fixed and variable elements); and
4. Increasing block tariff structure

The Consultants will also conduct a hands-on training/seminar on the rate-making processes which will discuss in great detail the determination of the appropriate tariff structure that the same will recommend to RO.

Scope and Limitations

This study will cover the following tasks: 1) review of current rate making methodology and its tariff structure; 2) determination of the most appropriate tariff structure/design; and, 3) capacity building or hands-on training on rate determination and restructuring.

The alternative tariff structure/design that will be proposed by the Consultants should be an enhancement of what is existing but should not totally depart from the intents of the CA.

Scope of the Study

This TOR enumerates the major tasks of this study which shall be completed within the period of 3 months.

Task 1: Review of Current Rate Making Methodology and its tariff structure

1.1 Review of the CA provisions relevant to rate restructuring

The rate setting activity starts with the determination of the revenue requirement, followed by the tariff or rate structure/design. These two (2) processes are normally incorporated in a single activity/project, but they can be done separately as in the case of MWCI and MWSI where the determination of revenue requirements was already completed based on the most recent rate rebasing process and the rate translation was done using the existing tariff structure instead of a restructured tariff. Nevertheless, the Consultants are still expected to review the relevant provisions of the CA in the conduct of their study of the water tariff restructuring.

Section 9.2 of the CA provides discussions on how the Standard Rates for water shall be adjusted every year in accordance with Rates Adjustment Limit, Rate Structure Adjustments, Rate Adjustment Procedures and Changes to Basis of Rates which may be relevant, among other provisions of the CA.

The consultants are expected to assess current information on hand and determine other information to be required from RO or the Concessionaires.

1.2 Review of water and sewerage tariff setting methodology and rate structure on the basis of the CA and the most current rate rebasing model

The water and sewerage tariff setting methodology can be found under Section 9.4 of the CA. On the other hand, Article 1 of the same provides the definitions of the parameters or factors used in the determination of water rates such as ADR, Cash flows, Charging Year, Connection Charge, Consumer Price Index, E (Extra Ordinary Price Adjustment), Expenditures, Future Cash flows, Grounds for Extra-Ordinary Price Adjustment (GEA), Net Present Value, Opening Cash Position, Receipts, Standard Rates, etc.

To facilitate the review on the existing Tariff Setting Methodology and structure, shown below are the building blocks of the Revenue Requirement of the Water Concessionaires based on the CA/ respective Final 2013 Financial Models, and the Rate Structure as provided in their respective 2013 Standard Rates.

A. Building Blocks or Components of the Revenue Requirement

The revenue requirement based on the final 2013 Financial Models has the following building blocks/components:

1) Additive inverse of Opening Cash Position (OCP) or NPV (Prior 5-Yr Historical Net Cash Flows)

$$OCP_{5\text{-year Historical}} = \textit{NPV of Actual /Prior 5-Year Net Cash Flows or NPV5-YrHist ((Revenue} - \textit{(Expenditure + (+/-OCPprior RR)))}$$

2) NPV of the Future Cash flows which consists of the following projected expenditures for 2013-2037:

MWSI

Operating Expenses
+/- Change in Working Capital
(Revenues/Opex)
Capital Expenditures
Concession Fees/Assets
Tax on EBIT

MWCI

Operating Expenses
Capital Expenditures
Concession Fees/Assets
Corporate Income Tax
(Loss) gain on disposal of property
and Equipment
+/- Working Capital

B. *Rate Structure*

1) Basic Water Charge
2) FCDA
3) Environmental Charge
4) Sewerage Charge
5) Maintenance Service Charge
6) Other Charges (C*onnection Charge, etc.)*

The consultants are expected to assess current information on hand and determine the information to be required from RO or the Concessionaires.

1.3 Review of existing customer classification and analyze corresponding block rates based on the CA, Resolutions and IRRs issued by the RO and MWSS Board of Trustees

The following are the existing Customer Classifications used by the Concessionaires per CA and existing IRRs and their corresponding basic charges per block based on the resulting Standard Rates of the 2013 Rate Rebasing *(please see Annex A-1 and Annex A-2)*.

A. *Customer Classifications*

1.) Residential

2.) Semi-business

3.) Business Group I (Commercial)

4.) Business Group II (Industrial)

The definition of each customer class is provided under Schedule 5 of the CA. However, some of these definitions were already revised by the IRRs issued by the RO and the MWSS Board of Trustees.

The review of the existing classification may lead to the determination of an alternative rate classification.

B. *Basic Charges per Customer Classifications*

Please see Annexes "A-1" and "A-2" (Standard Rates for Maynilad and Manila Water)

Task 2: Determination of the Most Appropriate Tariff Structure/Design

2.1 Determination of the total revenue requirements of the Concessionaires on the basis of the Final Rate Rebasing model and the use of appropriate billing determinants

A. The consultants should use the Final Rate Rebasing Models of both Water Concessionaires for their respective Total Revenue Requirements.

B. Also provided in the said models are the billing determinants such as the historical and projected number of connections and cubic meter consumptions which are significant in designing the rates. The billing determinants per customer class/block should be requested later from the Concessionaires.

2.2 Determination of an alternative tariff structure/design

The intent of the review of the existing tariff structure of the Concessionaires is to identify and evaluate alternative tariff structures that would make tariffs equitable across customer classes and recover the revenue requirement as reflected in their existing 2013 Rate Rebasing Model, consistent with the objectives set forth in this TOR.

The alternative tariff structure should also address the following issues:

A. <u>On Minimum Rate/Charge</u>

a. The Consultants should assess the propriety of the existing Minimum Charge for Residential Class which is also considered as Lifeline Rate by MWSI and MWCI.

   Lifeline rate as defined by MWCI is "*the discounted rate given to low-income households (consuming 10 cubic meters and below), such as informal settlers, in areas identified in the company's concession*".

   On the other hand, MWSI has their lifeline rate as a discounted rate for residential consumption of 10 cubic meter or less *(please see Standard Rates for MWSI).*

   These definitions may be in contrast with the objectives of providing discounts for lifeline consumers if they have to pay their discounted rates not on the basis of their actual consumption but on the 10 cu. m. minimum use.

   It is imperative that the Consultants should assess the need to treat the current minimum charge separately from the Lifeline Charge.

b. The Consultants should evaluate if the minimum charge is still applicable for all customer classes or in the alternative tariff structure when the cost of service studies indicate better ways of distributing costs to customers based on their respective demand on the system.

c. If the Consultants will still consider minimum charge for the first tariff block, it should be clarified whether zero "0" consumption is included from this flat rate.

B. <u>On Lifeline Rate</u>

Lifeline rates are only applied to residential customers of both water concessionaires consuming 10 cu.m. or less.

a. As discussed under the minimum rate/charge, lifeline rate should be assessed on its need to be treated separately from minimum charge. If the discount will be deducted from the rate of the lifeline customers without charging it to other customers, this will not make the Concessionaires whole in terms of revenues. The said discount is expected to reduce the annual revenue collections of the Concessionaires.

b. If a separate lifeline rate has to be set up, the Consultants should establish a reasonable maximum lifeline consumption for these customers. The existing 10 cu.m.lifeline consumption may also be retained if still acceptable based on their study.

c. The treatment of lifeline customers for both Concessionaires should be uniform. The current treatment for MWSI is based on 10. cu. m. consumption applicable across the board for all residential customers while MWCI only applies lifeline discounts to their identified areas.

C. Senior Citizen Discount /Charge

The Senior Citizen Discount or grant is being implemented by both water Concessionaires by virtue of Republic Act No. 9994 otherwise known as the Expanded Senior Citizens Act of 2010.

In their implementation, the Concessionaires provide 5% discount on the monthly water consumption not exceeding 30 cu.m. by households of senior citizen customers and the grant of 50% discount on water consumption of DSWD-accredited senior citizens centers, residential care institutions or group homes that are run by government organizations or non-stock, non-profit domestic corporations.

The Senior Citizen's discounted rate reduces the revenues allowed to be collected by the Concessionaires. The Consultants should also assess and evaluate this case which is similar to the lifeline discount.

D. Environmental Charge

This is a universal surcharge. This is 20% of the applicable water charge for all consumers of both Concessionaires.

The Consultants should evaluate this charge on the basis of the cost of service principle and assess whether or not a utility-specific environmental rate for the two Concessionaires should be applied.

E. Sewerage Charge

This is a surcharge that is applied only to Non-domestic Customers of both Concessionaires. This is 30% of the applicable water charge for non-domestic consumers of MWCI while 20% for the applicable water charge for the same consumers of MWSI.

In the review of the current sewerage charge, the consultant should evaluate the need to establish charges to "sewer only customers." These are customers that source their water from other sources but are connected to the sewerage facilities of the Concessionaires.

The Consultants should evaluate this charge on the basis of the cost of service principle and assess whether or not a uniform utility-specific sewerage rate for the two (2) Concessionaires should be applied.

F. Determination of an Appropriate MSC

The amount of MSC was determined and being implemented since 1997. The amount of the charge depends on the size of the water meter. However, the MSC did not change since then.

The Consultants should determine the propriety of the MSC. If the maintenance charge is already part of the water service charge based on their study, then it may not be appropriate to make a separate charge, unless it will be excluded from the existing water service charge during rate setting. Otherwise, if the MSC is not part and parcel of the water service charge, then it should be updated in accordance with the cost of service principle.

G. Customer Classification

The review of the existing customer classifications should address the issue of whether or not these classifications are still appropriate, especially with the new IRRs. Some of the IRRs allow for the use of Customer Class charges that crosses from one class to another.

The Consultants should determine if the current classifications already address the intents of the IRRs or if there is a need for reclassification of the existing classes. They should also assess if a redefinition of customer classification is necessary for clarity.

The cost allocation per customer class should adhere to the cost of service or cost causation principles.

H. Connection charges

The connection charge although provided under Sec. 9.5 of the CA and certain IRRs should also be included in the Consultants' evaluation as to whether or not it is consistent with the cost of service principle.

I. Increasing Consumption Blocks

This "conservation" rate structure is typically used by communities with water scarcity issues to reflect the burden on those who use more of the limited supply. The current structure is made up of 9 consumption blocks for Residential and Semi-business, while 33 blocks for Commercial and Industrial.

The existing structure should be reviewed and evaluated by the Consultants as to its applicability vis-à-vis the other rate elements used for classifying costs in order to achieve the objectives expressed in this TOR.

J. Over or Under Recovery in the Revenues

Customer mix changes over time and this leads to changes in the revenues collected by the Concessionaires. Ideally, the result of these changes should be revenue neutral or should not have any impact on the allowable revenues of the Concessionaires being under the revenue cap setting. It is therefore the role of the RO to see to it that the Concessionaires are kept whole with the revenues they collect.

The Consultants should appraise whether it is necessary to create an Automatic Recoupment Adjustment or similar true-up mechanism that will enable the Concessionaires to attain their annual revenue requirement.

The true-up mechanism may represent a separate line item in the bill supposing the Consultants find it to be a sound revision to the present practice.

2.3 Determination of the rate impact based on the recommended restructured rates for the respective concessionaires.

Alternative rate structure may affect the customer classes differently; hence, the Consultants are expected to identify and determine their impact and consider other options that may minimize the same to maintain the affordability of water rates.

Task 3: Capacity Building or Hands-on Training on Rate Determination and Restructuring

The Consultants shall also conduct capacity building or hands-on training/seminar for the staff of the RO. The training/seminar will discuss topics related to rate-making processes, which include, but not limited to the following:

3.1 Introduction to Rate Development

a. Rate Setting in General

b. Water Regulation in the Philippines vs. Water Regulation in Other Jurisdictions

c. RORB vs. Incentive/Performance-Based Regulation (PBR)
d. Other Rate Making Methodologies under Concession Agreements

3.1 Financial Analysis: Planning Requirements for Utilities
a. Using Financial Statements
b. The use of financial ratios to analyze and compare utilities' performance
c. The Discounted Cash Flow Methodology

3.2 Setting the Revenue Requirement or Building Blocks
a. Review of options: price cap, revenue cap, RORB or Cash Flows
b. Understanding the strength and weaknesses of each approach
c. Determining utility input requirements and establishing the revenue requirements or building blocks
d. Establishment of above-the-line and below-the-line expenses

3.3 Designing Rates: Strategies and Techniques
a. Establishing Rate Structure/Design Objectives
b. Function of single rate design, block rate design, etc.
c. Categorizing costs: customer cost, volumetric and demand/capacity costs
d. Allocation of cost per customer segment

3.5 Discussion on the recommended Rate Restructuring for the water concessionaires which will cover the following rate making processes:
a. Objectives of Rate Restructuring
b. Translation of the Revenue Requirements into Specific Rates

Reports

The Consultants' report will be used by MWSS Board of Trustees, RO and the Concessionaires in the implementation of the Standard Rates. The Consultants will be required to produce the following, as major deliverables in this study:

Deliverable / Report	Timeline
1. Inception Report *Inception Report will include the detailed methodology for the conduct of the Rate Restructuring Exercise. The Consultants will also make a presentation to the RO regarding the Inception Report, which may include a briefing on the recent Rate Structure initiatives within the water sector and the utilities sector in general.*	10 days from commencement date

2. Monthly Progress Status Report *This summarizes major activities undertaken, progress on studies made, issues identified, encountered, resolved or outstanding, man-days spent during the reporting period and planned activities for the following month*	End of the 1st and 2nd month after commencement date
3. Conduct of capacity building or in-house training for MWSS RO staff *This involves facilitating a classroom-type training / workshop on the general concepts, as well as key topics covered by the study*	Not later than 80 days after commencement date
4. Final Report (*in printed and electronic copies)*	End of the 3rd month after commencement date

All reports are to be submitted in 5 copies (printed and electronic).

<u>Expected Duration of the Study</u>

The Consultants are expected to complete the study within a period of 90 days after issuance of the Notice to Proceed. The training will also be conducted not later than ten (10) days prior to the end of project.

<u>Team Composition</u>

	<u>No. of Person/s</u>	<u>No. of Man-Days</u>
Senior International* Consultant(Project Manager)	1	31.50
Senior Local Consultant(Economic/Finance Expert)	1	51.00
Mid-Level International* Consultant(Rate Design Specialist)	1	87.00
Mid-Level Local Consultant(Quantitative Analyst)	1	52.00
TOTAL Man-Days		221.50

** International consultants are those with relevant experience in at least three (3) countries, excluding the country of his/her origin.*

1. Senior International Consultant/Project Manager (1) – (30%)

    The Chief Economic and Finance Expert shall act as the Project Manager. He/she shall be responsible for the development of a detailed framework or methodology/conduct of the review of the current tariff schedule of MWSS Concessionaires. He/she will be responsible for presenting its findings to the RO EXECOM, as well as the timely submission of all deliverables under this engagement.

    He/she must have a bachelor's degree in economics and/or finance, preferably with a masteral degree and must have at least 10 years solid work in economic and financial analysis of regulatory and privatization issues in water/sewer or power sector and must have at least 5 years experience as a project manager of a team of economists and rate experts conducting full tariff review for water or power sector.

2. Senior National Consultant/ Economic/Finance Expert (1)-(25%)

    The Senior Economic and Finance Expert shall review current water and sewerage tariff structure and government policies as they relate to rate setting. He/she shall analyze existing and historical tariffs to determine the basis of rate setting, including relationship between rates and costs (marginal versus average) the tariff adjustment process, and treatment of financial and social objectives. The Economic/Finance Expert will also assess the affordability of water bills for various social groups of the two water Concessionaires.

    He/she must have a bachelor's degree in Economics and/or Finance preferably with a masteral degree, with 10 years extensive relevant experience in Rate Design Analysis specifically in water/sewer tariff structuring. He/she must have worked closely with many clients, in different countries to complete projects ranging from development of regulatory frameworks, privatization by concession, price control mechanism, cost and tariff studies, and demand and willingness-to-pay analysis.

3. Mid-Level International Consultant/Rate Design Specialist (1)-(25%)

    The Rate Design Specialist shall review incentives to consumers implicit in the present tariff regime and their impact on demand management. Assess the adequacy of present tariffs to support future requirements in the light of projected capital expenditures, concession fees, operating expenses and demand based on the recently approved business plan, evaluate alternative tariff structure that meet government objectives and consistent with the Concession Agreement provisions. He/she shall develop an up-to-date socio-economic model of the Concessionaire's customer base to help regulators to understand their respective tariff strategy.

    He/she must have a Bachelor's Degree in Economics, Finance or Accountancy, preferably with a masteral degree and must have at least 5 years of extensive experience in the field of utility management, economics and finance with specific knowledge in the areas of utility rate design and cost of service analysis.

4. Mid-Level National Consultant/Quantitative Analyst (1)-(20%)

The Quantitative Data Analyst shall be responsible for the development of computerized trends of customer usage to aid in determining the number of steps rates and the amount of consumption allowed in each of the blocks for the water and sewer customers. He/she shall prepare a twelve-month billing analysis for the rate study. He/she shall also prepare impact analysis that provides a comparison of the total amount of current water/sewer bill to the proposed water/sewer bill to be able to see the cost effect on the various consumption levels. It can also help identify situations where rate shocks could happen and will help RO to study the effect of cost on a range of customers for each of the rate proposal.

He/she must have a Bachelor’s Degree in Economics, Finance, or Statistics, preferably with a masteral degree and must have at least 5 years of extensive experience in utility rate studies and customer bill impact analyses among current and any proposed rate designs in electric, gas, water and wastewater utilities. He/she must have a range of analytical and research skills including qualitative and quantitative analysis of data, strong mathematical and numerical skills and has an extensive understanding of national surveys and statistics that covers housing, demographics and other socio-economic aspects and adept at using database management software

Constraints

To ensure fairness and objectivity, the following constraints shall apply:

1. The consultant firm and any key member of the proposed team of consultants never had any previous professional relationship or engagement, directly or indirectly with the MWSS Corporate Office or any of its Concessionaires, their subsidiaries or affiliates in the past 5 years immediately preceding the day of submission of bids;

2. Any key member of the proposed team of consultants has never been a partner, director, officer, or employee of the MWSS Corporate Office, Regulatory Office or any of its Concessionaires, their subsidiaries or affiliates in the past 5 years immediately preceding the day submission of bids;

3. Any key member of the proposed team of consultants has no familial relationship within the 3rd civil degree of consanguinity or affinity with any of the employees or officers of the MWSS Corporate Office, the Regulatory Office or any of its Concessionaires, their subsidiaries or affiliates, or representatives of the Philippine Contractors Association, or current members of the Bids and Awards Committee of the MWSS Corporate Office or the Regulatory Office;

4. The provision of Section 47 (Disclosure of Relations) of the Implementing Rules and Regulations of Republic Act No. 9184 (RA 9184) shall apply to all personnel of the consultant; and

5. All other provisions of RA 9184 and its IRR shall also apply to the consultant firm and any key member of the proposed team of consultants.

Terms of Payment

Deliverables/Milestones	***Percent of Contract Value***
1. Advance Payment	15%
2. Inception Report	10% less recovery of advance payment
3. 1st Monthly Progress Report	15% less recovery of advance payment
4. 2nd Monthly Progress Report	20% less recovery of advance payment
5. Conduct of Capacity Building for the RO	25% less recovery of advance payment
6. Final Report	30% less recovery of advance payment

Assistance to be provided by the RO

The RO shall provide the following assistance to the Consultants:

1. The RO shall assist the Consultants in obtaining the necessary information from the Concessionaires;

2. The RO shall make its personnel available to support this undertaking; and

3. The venue, materials and other logistic requirements for the training phase shall be for the account of the RO.

Republic of the Philippines

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Government Procurement Policy Board