

## CONSULTING SERVICES AGREEMENT

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### THE PUBLIC IS INFORMED:

This Contract is executed between:

**METROPOLITAN WATERWORKS AND SEWERAGE SYSTEM (MWSS)**, a government corporation duly organized and existing under and by virtue of R.A. 6234, as amended, with principal business office at 3rd Floor, Engineering Bldg., MWSS Complex, Katipunan Road, Balara, 1105 Quezon City, Metro Manila, through its **REGULATORY OFFICE (RO)**, herein represented by its Chief Regulator, **PATRICK LESTER N. TY**, duly authorized for this purpose by the MWSS Board of Trustees (BOT) by virtue of a Board Resolution hereto attached,

-and-

**TEST CONSULTANTS, INC. (TCI)**, a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal business office at 3 Julia Vargas Avenue, 1605 Pasig City, Metro Manila, herein represented by **ENGR. DONAMEL M. SAIYARI**, Vice President / COO of TCI, authorized for this purpose.

### A N T E C E D E N T S:

The MWSS RO requires the services of a Consultant to undertake the Establishment of Cost Referencing System for the MWSS Concessionaires' Capital Expenditures (CAPEX) Projects, hereinafter referred to as the "SERVICES,"

The MWSS RO Bids and Awards Committee (MWSS RO BAC) advertised the aforementioned consultancy procurement on 17 October 2020, wherein only one (1) prospective Bidder, TCI, submitted its bid. Hence, the MWSS RO BAC determined TCI as the **SINGLE RATED AND RESPONSIVE BID** for the Consultancy Services for the Establishment of Cost Referencing System for the MWSS Concessionaires' CAPEX Projects under Contract No. RO-CS2020-001;

TCI having represented to the MWSS RO that it has the required professional skills, personnel, and technical resources, has agreed to provide the SERVICES on the terms and conditions set forth in this Contract;

ACCORDINGLY, in consideration of the covenant and agreements hereinafter set forth, the SERVICES to be rendered and the sums of money to be paid, the parties do hereby agree, as follows:

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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 as required by the 2016 revised Implementing Rules and Regulations of Republic Act No. 9184 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) Instruction 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) MWSS BOT Resolution on the approval of ABC and procurement, and on the authority given to the Chief Regulator for the purpose of this procurement.
3. In consideration of the payments to be made by the MWSS RO, TCI agrees to perform the Scope of Work (Tasks 1 to 7) and comply with the Deliverables/Milestones, as indicated below:

#### **SCOPE OF WORK (Tasks 1 to 7)**

##### **Task 1 Review of existing MWSS Standards and Specifications and the Concessionaires' Policy and Procedures on Cost Estimating and Procurement of Contractors**

- 1.1 The Consultant shall study, review and familiarize themselves with the following:
  - 1.1.1 MWSS and the Concessionaires' Standard Drawings and Specifications
  - 1.1.2 The Concessionaires' Cost Estimating Procedure and Policies
  - 1.1.3 The Concessionaires' Procurement Policies and Procedures
  - 1.1.4 The previously completed biddings by the Concessionaires to obtain information from historical project data and costings

##### **Task 2 Develop project baseline references**

- 2.1 The Consultant shall develop the latest database for the following:
  - 2.1.1 Direct Cost
    - 2.1.1.1 Material Cost – to be supported by a survey of the current year's DPWH CMPD for all materials applicable and a canvass from at least three (3) domestic suppliers for materials not included in the CMPD or from three (3) foreign suppliers if the materials cannot be supplied locally.

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- 2.1.1.2 Standard Labor Rate – aligned with the rate prescribed by the Department of Labor and Employment
- 2.1.1.3 Standard Equipment Rate – aligned with the latest ACEL rate as published or derived rates for equipment not listed in the ACEL book
- 2.1.1.4 Standard Equipment and Labor Production Rate based on standard and acceptable engineering and construction practices
- 2.1.2 Indirect Cost
  - 2.1.2.1 Bonds and Insurances
  - 2.1.2.2 Mark-up Cost
  - 2.1.2.3 Permits and Taxes

**Task 3 Develop standard method of measurement**

- 3.1 The Consultant shall develop a standard method of measurement for the basic components of the Concessionaires' typical water and wastewater project. The standard method of measurement shall include, but shall not be limited to, the following:
  - 3.1.1 Work category (civil, electrical, mechanical, instrumentation, etc)
  - 3.1.2 Items of work for each category
  - 3.1.3 Description of Item of Work
  - 3.1.4 Unit of measurement
  - 3.1.5 Measurement condition and rule

**Task 4 Determine the unit prices for each item of work identified**

- 4.1 The Consultant shall establish a benchmark cost database per project categorization. Each of the unit cost in the dataset shall be supported by a derivation backup called Unit Price Analysis ("UPA"). The UPA is a method of deriving unit cost or rate by breaking down the material, equipment, labor, profit and other costs related to a certain work scope.
- 4.2 The Consultant shall develop a procedure in estimating the unit prices of Special Line Items ("SLI") which derived unit prices shall be included in the unit cost data base. These SLIs are those items that can only be determined during construction execution (e.g. shop drawings, working drawings, etc.).
- 4.3 The Consultant shall utilize the Microsoft Excel Spreadsheet, using the unit cost database mentioned above, a working data book that can be used by the MWSS/Concessionaires to update the derived unit cost of each work component (e.g., materials, equipment, labor, etc.) to account for any price escalations including, but not limited to, inflation.
- 4.4 The Consultant shall recommend a suitable computer software that can be adopted by the Concessionaires and the MWSS RO in the future. The computer software should be able to house the data securely and efficiently use the data in generating project cost estimates.

**Task 5 Develop metrics for in-place or constructed cost and accelerated or emergency works of the Concessionaires**

- 5.1 The Consultant shall develop metrics of in-place or constructed cost for the following water and wastewater facilities, which shall not be limited to:
  - 5.1.1 Pipelines

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- 5.1.2 Pump stations
- 5.1.3 Reservoirs
- 5.1.4 Lift stations
- 5.1.5 Water treatment plant
- 5.1.6 Wastewater treatment plant
- 5.1.7 Other regular CAPEX projects

The metrics that will be developed shall be compared against the installed cost of both local and international projects.

- 5.2 The Consultant shall provide guidelines and qualifications of using in place or constructed cost.
- 5.3 The Consultant shall develop metrics and defined techniques to be used in coming up with reference costs in the procurement of contractors and/or suppliers that will undertake the Concessionaires' accelerated or emergency works.
- 5.4 The Consultant shall provide the definition, guidelines and criteria in order for a project to qualify as accelerated or emergency works project.

**Task 6 Develop a degree of accuracy range for estimating the costs at various phases of the project development**

- 6.1 The Consultant shall develop a standard that will determine the required degree of accuracy range estimating project cost at various phases of project development:
  - 6.1.1 Economic studies
  - 6.1.2 Feasibility studies
  - 6.1.3 Scoping
  - 6.1.4 Preliminary or reference design stage
  - 6.1.5 Detailed Design Stage

**Task 7 Reports**

- 7.1 The Consultant shall consolidate all outputs covered by Tasks 2 to 6 into a cost reference data book ("**Data Book**"). The Data Book will be used as a guide for developing and managing project cost. It shall contain (i) assumptions; (ii) limitations (e.g., site-specific conditions, difficulty of working area, varying LGU requirements, stringent subdivision regulations, etc.); (iii) cost database; (iv) guidelines and policies; and (v) a Microsoft Excel Spreadsheet that will aid the Concessionaires in preparing project cost estimates and managing cost as well as provide the MWSS RO a tool in evaluating the cost of a project that has been awarded to a contractor. The Consultant shall submit the following report which shall be presented to the TWG:
  - 7.1.1 A database containing the benchmark cost for each item of works derived by applying the agreed methodologies and exercising sound estimating practices;
  - 7.1.2 A detailed guideline or policy for determining the unit rates of special line items;
  - 7.1.3 A detailed guideline or policy for applying price adjustments (e.g., inflation rate, change in government rules and regulations, foreign exchange rate, etc.); and

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7.1.4 The acceptable accuracy range based on the project level or stage.

Item No.	Deliverables/Milestones	Submission to RO	Amount to be Paid (PhP)
1	Inception Report	Two (2) weeks from commencement date	15% of the Total Contract Price
2	Presentation and Acceptance of Draft Report	Five (5) months from commencement date	45% of the Total Contract Price
3	Approved Final Report	Six (6) months from commencement date	30% of the Total Contract Price
4	Issuance of Certificate of Final Acceptance	One (1) year after the Approved Final Report	10% of the Total Contract Price

4. The MWSS RO agrees to pay TCI the sum of **ELEVEN MILLION FOUR HUNDRED FORTY-EIGHT THOUSAND SIX HUNDRED FORTY AND 0/100 PESOS (PhP 11,448,640.00)**, subject to the above schedule and the MWSS RO's acceptance of the above deliverables/milestones.
5. If any stipulation, clause, term, or condition of this Contract is held invalid or contrary to law, the validity of the other stipulations, clause, terms, and conditions hereof shall not be affected thereby.
6. The Parties hereby agree to amend or modify any provision of this Contract, which might be declared invalid or contrary to law, to conform to the subject and objective thereof. No amendment or modification to this Contract shall be valid or binding on either party unless stipulated in writing, observed and executed with the same formality as this Contract.
7. The Parties represent that they have the requisite power, authority, and capacity to enter into this Contract, and to perform their obligations and undertakings according to the terms and conditions thereof.

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8. The mutual rights and obligations of the MWSS RO and TCI shall be as set forth in the Contract, in particular:

- (a) TCI shall carry out the SERVICES in accordance with the provisions of the Contract; and,
- (b) The MWSS RO shall make payments to TCI in accordance with the provisions of the Contract.

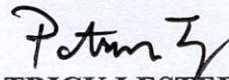
SIGNED by the parties on 10 February 2021 at Quezon City, Philippines.

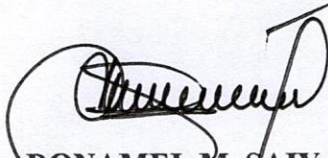
**METROPOLITAN WATERWORKS  
AND SEWERAGE SYSTEM  
REGULATORY OFFICE**

**TEST CONSULTANTS, INC.**

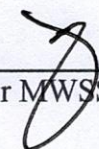
By:


By:

  
**PATRICK LESTER N. TY**  
Chief Regulator, MWSS RO

  
**DONAMEL M. SAIYARI**  
Vice President / COO, TCI

WITNESSES:

  
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For MWSS RO

  
**CINDERELLA J. YKLUNG**  
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For TCI



## ACKNOWLEDGEMENT

Republic of the Philippines)  
Quezon City ) S. S.


**BEFORE ME**, personally appeared:

Name	Identification Document	Date/Place Issued
<b>PATRICK LESTER N. TY</b> <i>representing</i> MWSS Regulatory Office	UMID 006 0067 24830	Quezon City
<b>DONAMEL M. SAIYARI</b> <i>representing</i> Test Consultants, Inc.	PRC 0087921	08/20/2000

They are known to me to be the same persons who executed the foregoing Contract with appendices, and they acknowledged to me that their signatures confirm their voluntary acts and of the corporations they represent.

SIGNED and SEALED on Feb. 11. 2021 at Quezon City.

Doc. 342 ;  
Page 64 ;  
Book 1 ;  
Series of 2021

  
ATTY. JOVENIO B. FULGUERA  
NOTARY PUBLIC  
EXPIRES DEC. 31, 2021  
ROLL OF ATTORNEY NO. 30906  
IBP NO. 080826 / 5.10.2019 / PASIG CITY  
PTR NO. 8894833 - C / 9.24.2019 / Q.C.  
MCLE COMPLIANCE NO. VI-0027923 / VALID  
UNTIL 4.14.2022  
ADD. MWSS BLDG. KATIPUNAN RD. BALARA Q.C.

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