

**ASSET DISPOSITION PROGRAM (ADP)**

**COMPETITIVE CHALLENGE FOR THE SELECTION OF  
BCDA'S JOINT VENTURE PARTNER FOR THE PRIVATIZATION AND  
DEVELOPMENT OF THE BONIFACIO SOUTH POINTE**

**ADP Supplemental Notice No. 1**

23 November 2017

In connection with the Pre-Bid Conference for the subject *Competitive Challenge*, held last 21 November 2017, 10:00 a.m., at the BCDA Corporate Center, we are forwarding herewith the *Highlights* of the said event, including a copy of the *Presentation* given by BCDA (Annex "A").

Thank you for your continued interest in BCDA's Asset Disposition Program.

**FOR THE JOINT VENTURE SELECTION COMMITTEE**

  
**NENA D. RADO**  
Chairperson

**HIGHLIGHTS OF THE PRE-BID CONFERENCE FOR THE  
COMPETITIVE CHALLENGE FOR THE SELECTION OF  
BCDA'S JOINT VENTURE PARTNER FOR THE PRIVATIZATION AND  
DEVELOPMENT OF THE BONIFACIO SOUTH POINTE**

21 November 2017, BCDA Corporate Center  
2<sup>nd</sup> flr, Bonifacio Technology Center, 31<sup>st</sup> St., 2<sup>nd</sup> Ave., Bonifacio Global City, Taguig

1. The Chairperson of the BCDA Joint Venture Selection Committee (JVSC), Atty. Nena D. Radoc, called the conference to order at 10:00 a.m.
2. Chairperson Radoc introduced the members of the JVSC and the representative from the Office of the Government Corporate Counsel (OGCC) comprising the BCDA Panel for the Pre-Bid Conference. The BCDA Panel were:
  - Atty. Nena D. Radoc, *Chairperson, JVSC*
  - Mr. Arrey A. Perez, *Member, JVSC*
  - Atty. Edilberto R. Rebato, *Member, JVSC*
  - Engr. Richard Brian Cepe, *Member, JVSC*
  - Engr. Vergel Q. Paras, *Member, JVSC*
  - Atty. Bernadette C. Balao, *OGCC Representative*
3. Chairperson Radoc, assisted by the other members of the BCDA Panel, then gave a *presentation* providing the prospective proponents/attendees with pertinent information relative to the *Competitive Challenge* procedure being undertaken for the Bonifacio South Pointe Property.

A copy of the *BCDA Presentation* is hereto attached.

4. After the presentation, the prospective proponents were allowed to ask questions/clarifications in connection with the *Competitive Challenge* procedure as well as on the provisions of the TOR. Following were questions/clarifications raised by the prospective proponents, and the respective answers to each:

	<b>QUESTIONS/CLARIFICATIONS</b>	<b>ANSWERS</b>
1	In connection with the deadline for requests for clarification which is on 04 December 2017, may we know when the prospective bidders (i.e., interested proponents who have purchased the TOR) could get the response/s to their request/s for clarification?	Requests for clarification regarding this Terms of Reference (TOR) shall be addressed only to the JVSC Chairperson. The JVSC shall respond to the clarification inquiries from prospective bidders through Supplemental Notices, which shall be issued within reasonable time after receipt of inquiries.
2	Does the Php2 billion Upfront Cash already include the amount	No, the Php2 billion Upfront Cash which the Winning PSE is required

	<p>that needs to be advanced by the Winning Private Sector Entity (PSE) to cover the total cost of relocation and functional replication of all structures and facilities of the BNS, PMC, ASCOM, SSU and DACC found within the Property?</p>	<p>to pay to BCDA upon signing of the resulting JVA is separate from the funds which needs to be advanced by the Winning PSE to cover the total cost of relocation and functional replication of all structures and facilities found within the Property.</p> <p>It is clarified that the total cost of relocation and functional replication advanced by the Winning PSE shall be recoverable, without interest, against the BCDA's Minimum Annual Secured Revenue (MASR) in five (5) equal annual installments beginning on the immediately succeeding year after the completion of the functional replication works.</p>
3	<p>Is there any estimate as to the total cost for the relocation and functional replication of all structures and facilities of the BNS, PMC, ASCOM, SSU and DACC found within the Property?</p>	<p>For the structures and facilities within the 11.5-hectare ASCOM/SSU/DACC parcel, the approved replication budget in the Memorandum of Agreement (MOA) between BCDA and the Department of National Defense-Armed Forces of the Philippines (DND-AFP) is PhP 450Million.</p> <p>As to the structures and facilities within the 21.6-hectare BNS/PMC parcel, the estimated replacement cost is approximately PhP1.554billion. The BCDA and the DND-AFP have yet to execute the pertinent MOA for this.</p> <p>It is clarified that, the total budget for the relocation and functional replication of all structures and facilities within the whole Property shall be determined only upon completion and approval of the corresponding Detailed Architectural and Engineering Designs (DAED).</p>
4	<p>Supposing no bid was submitted to challenge the SM Land, Inc. (SMLI) Proposal, and SMLI gets the Property at their proposed Net Present Value (NPV) of PhP12.22 Billion, would not this be a problem with the Commission on</p>	<p>The conduct of this <i>Competitive Challenge</i> is supported by and pursuant to the final decision of the Supreme Court.</p>

	Audit (COA) given that the current appraised value of the Property is at PhP29.82 Billion?	
5	Are the annual cashflow amounts in SMLI's Financial Proposal gross amounts?	Yes, the annual cashflow amounts in SMLI's Financial Proposal are gross amounts.
6	Regarding the development plan for the Property, as recommended in the MDP-Bonifacio South, must the Winning Proponent strictly follow the same or is this still open for possible changes?	<p>The Winning Proponent may, before or during project implementation, but subject to BCDA approval, re-distribute the FARs among the lots or propose changes to the development plan for the Property, as recommended in the MDP-Bonifacio South; Provided, that such revision of the plan shall still comply with the maximum allowable GFA for the Property.</p> <p>The Detailed Development Plan for the Property, which the Winning Proponent must submit to BCDA for approval, should conform to the MDP-Bonifacio South. The Winning Proponent may propose changes to the land use plan based on the current best uses for the Property. Any such changes to the plan shall, however, be subject to BCDA's approval.</p>
7	Would it be accurate to say that, essentially, the subject of this <i>Competitive Challenge</i> is the Financial Proposal of SMLI?	<p>That is correct. A prospective proponent wishing to challenge the SMLI's Proposal need only submit a better <i>Financial Proposal</i>.</p> <p><i>Financial Proposals</i> shall be evaluated based on the resulting NPV per square meter, computed using the template provided by BCDA in the TOR, consisting of Upfront Cash and MASRS for 20 years discounted at 10% rate.</p>
8	Regarding the draft Joint Venture Agreement (JVA), are the provisions still negotiable?	It might be possible to make some adjustments on certain provision of the JVA, provided that such changes/adjustments will not be contrary to the provisions in the TOR. Any changes in the draft contract can be allowed during the negotiations if it would improve the terms for BCDA.

9	When will BCDA provide the Winning Proponent with the DAED which will be the basis for the implementation of the functional replication works?	For the structures and facilities within the ASCOM/SSU/DACC parcel, the DAED is expected to be completed by June 2018.  In the case of the structures and facilities within the BNS/PMC parcel, BCDA and the DND-AFP are currently coordinating for the execution of the MOA with the Philippine Navy after which the corresponding DAED shall follow.
10	Kindly confirm that the proposed business structure is for an unincorporated JV?	Yes, SMLI's proposal is for an unincorporated JV, also referred to as a contractual JV.
11	After 20 years, would BCDA still be expecting some more remittances from the Winning Bidder?	As the source of these cashflows is BCDA's 10% share in the Property, should there be remaining BCDA units after 20 years, these units will have to be transferred to BCDA.
12	BCDA requires for the Winning Bidder to shoulder all costs for the relocation of all existing utilities (i.e., power, water, sewer, communication, gas, others) on or bordering the Property underground. Is this condition considered in the SMLI's Proposal?	Yes, this is part of the agreement in the <i>Certification of Successful Negotiation</i> between BCDA and SMLI.
13	When you say that the Title to the Property will be transferred to the Winning Bidder under a <i>Deed of Trust</i> , what does this mean?	The Title to the Property will be transferred to the Winning Bidder with an annotation that, " <i>the Winning Bidder is holding the Title in trust by virtue of a Joint Venture Agreement with BCDA.</i> "
14	Is the Real Property Tax (RPT) for the Property updated?	Based on the ruling that we have in our favor, the Property is exempt from taxes. However, once the Property is transferred to the Winning Bidder, then the Winning Bidder will have to shoulder the RPT.

There being no more questions from the Prospective Proponents, and there being no other matters to discuss, the Pre-Bid Conference was adjourned at 11:15 a.m.