



**Republic of the Philippines  
Province of Aklan  
Municipality of Kalibo**

**REHABILITATION OF MUNICIPAL SLAUGHTERHOUSE, OPERATION  
AND MAINTENANCE OF THE WHOLE KALIBO MEAT PLANT**

**Project Information Memorandum**

25 March 2019

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## 1. Overview

The rehabilitation of Municipal Slaughterhouse, operation, and maintenance of the whole Kalibo Meat Plant (the “**Project**”) of the Municipality of Kalibo (the “**Municipality**”) is a Public-Private Partnership Project to be undertaken in accordance with General Ordinance No. 002, series of 2015 entitled “*An Ordinance enacting the Public-Private Partnership (PPP) Code of the Province of Aklan*” which was adopted by the Municipality of Kalibo by enacting Resolution No. 2015-324 entitled “*Resolution Adopting by Reference the Public-Private Partnership (PPP) Ordinance of the Province of Aklan for PPP Projects of the Municipality of Kalibo and Authorizing the Municipal Mayor to Issue the Appropriation Executive Order*” (“**PPP Code**”). Furthermore, the corresponding Implementing Rules and Regulation embodied in the Municipality’s Executive Order No. 021, Series of 2015 entitled “*An Executive Order providing the Implementing Rules and Regulations of the Provincial Public-Private Partnership (PPP) Code of the Province of Aklan for Kalibo PPP Projects*” (“**IRR**”) shall also be applicable.

The Project is expected to cover the upgrading and rehabilitation of the municipal slaughterhouse and operation of the whole Kalibo Meat Plant in order to comply with the National Meat Inspection Services (“**NMIS**”) requirement and the Good Manufacturing Practices (“**GMP**”) provisions, and to maintain the Double “AA” accreditation.

The Project is expected to provide the Municipality with a sustainable and environmentally friendly Municipal Slaughterhouse and Kalibo Meat Plant. Specifically, the benefits expected from the Project include:

- Access by residents of the Municipality to clean and secure meat products
- Operation of Kalibo Meat Plant compliant with environmental laws and regulation, ensuring continued compliance with standards under
- Employment generation associated with the construction, operation, and maintenance of the Project

The Project, which involves the rehabilitation of the existing Kalibo Slaughterhouse, and the operation and maintenance of the Kalibo Meat Plant for a period of Twenty-Eight (28) years is the subject of the unsolicited proposal submitted to the Municipality by the Philippine Slaughterhouse Management Operation, Inc., (the “**Original Proponent**”).

Key elements of the transaction are summarized below:

| <b>Feature</b>                 | <b>Terms</b>  |
|--------------------------------|---|
| Project Scope                  | The Project involves the provision of the following infrastructure facilities: <ul style="list-style-type: none"> <li>▪ Upgrading of the existing municipal slaughterhouse</li> <li>▪ Construction of wastewater treatment facility</li> <li>▪ Holding Pen</li> <li>▪ Ice Plant and Cold Storage</li> </ul>   |
| Indicative Cost                | Up to Php 30.0 million  |
| Scheme                         | Contractual Joint Venture   |
| Concession Period              | The Project shall have a Term of Twenty-Eight (28) years commencing from the effective date of the JV agreement. The construction period shall be completed within 12 months from receipt of Notice to Proceed.   |
| Revenue Source                 | Slaughter fees  |
| Bid Parameter                  | Highest initial percentage share of the gross slaughter fees given to the Municipality  |
| Project Site                   | The Project shall be situated in Barangay Tinigao, Kalibo, Aklan where the existing Kalibo Slaughterhouse is located. It has an area of 1,884 square meters and is about 1.5 kilometers away from the Poblacion of Kalibo, Aklan  |
| Obligation of the Municipality | <ul style="list-style-type: none"> <li>▪ Provide the existing slaughterhouse and the corresponding right-of-ways</li> <li>▪ Warrant that the slaughter of any kind of animal intended for sale and consumption within the market shall be performed only in the accredited slaughterhouse</li> <li>▪ Undertake preliminary site preparation work referring to landfill to the Project Site enough to raise the KMP site to a level above the water level</li> </ul> |

## 1.1 Competitive Challenge Timetable

The competitive challenge process is expected to take approximately \_\_\_\_\_ months from the dates of issuance of Tender Documents. Key dates are outlined the table below:

| <b>Milestone</b>   | <b>Party Responsible</b>                             | <b>Target Date</b>    |
|--|--|-----------------------|
| Initial Publication of Invitation for Comparative Proposals                            | Municipality   | March 4 and 6, 2019   |
| Second Publication of Invitation for Comparative Proposals                             | Municipality   | March 11 and 13, 2019 |
| Submission of Expression of Interest   | Comparative PSP                                      | March 18, 2019        |
| Availability and Issuance of Tender Documents for Purchase                             | Municipality   | March 25, 2019        |
| Submission of Comparative Proposal- First Envelope (Qualification Documents)           | Comparative PSP                                      | April 15, 2019        |
| Completion of Evaluation of Qualification Documents                                    | Municipality   | April 25, 2019        |
| Pre-Selection Conference   | Municipality, Comparative PSP and Original Proponent | May 6, 2019           |
| Submission of Comparative Proposal- Second Envelope (Technical and Financial Proposal) | Comparative PSP                                      | May 27, 2019          |
| Completion of Evaluation of Technical and Financial Proposal                           | Municipality   | June 6, 2019          |
| Deadline for Original Proponent to Match the Highest Complying Bid                     | Original Proponent                                   | June 14, 2019         |
| Determination of the Winning Proponent   | Municipality   | June 15, 2019         |
| Contract Signing and Issuance of Notice of Award                                       | Municipality   | July 10, 2019         |
| Submission of and compliance with the Post-Award Requirements                          | Winning Proponent                                    | July 25, 2019         |
| Issuance of Notice of Compliance with Post-Award Requirements                          | Municipality   | August 14, 2019       |

The actual schedule may be changed by the PPP-SC at any time as it may deem reasonable. The Comparative PSP, as well as the Original Proponent, shall be notified by the PPP-SC of changes in the target dates through Supplemental Notices.

## **1.2 The Project as an Unsolicited Proposal**

The Project was evaluated by the Municipality and accepted as an Unsolicited Proposal with the Original Proponent Status granted on 15 May 2018. Challengers now have the opportunity to develop and submit their Comparative Proposals to the PPP-SC. The initial percentage share of the gross slaughter fees given to the Municipality is the single bid parameter that will determine the winning qualified Challenger.

The Original Proponent will have the opportunity to match the financial proposal of the winning Challenger and, if it does, it will be awarded the contract. If the Original Proponent is unable to match, however, the Project will be awarded to the winning qualified Challenger.

## **2. Points of Contact**

The PPP-SC Secretariat may be contacted through the following information:

### **JENNIFER POLICARPIO-ITULID**

PPP-SC Seretariat

Kalibo Municipal Hall, Arc. Reyes Street

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## **3 General Municipal Profile**

The Ati-Atihan Town of Kalibo, the provincial capital of the Province of Aklan is the hub of political, social, economic, and religious activities. It is composed of 16 Barangays, 8 of which are coastal and 2 are island barangays accessible only by boats.

The thriving economy of the Municipality was recognized and awarded based on Cities and Municipalities Competitiveness Index (“**CMCI**”) 2014 of the National Competitiveness Council Philippines.

### **3.1 Location**

The municipality of Kalibo is particularly located at the center of all coastal municipalities of Aklan, where the big Aklan River has its mouth. It is bounded on the North by the Sibuyan Sea, on the South by the Municipality of Banga, on the West by the Municipalities of Lezo and Numancia and on the East by the Municipality of New Washington.

The whole area of the municipality is generally flat that favors rapid economic and urbanization growth. This is characterized by intensive agriculture and high density of urban development. Soils suitable for diversified crops are estimated to be 1,111 hectares which is considered good (have properties favorable forrated use). For tree crops, 1,555 hectares are declared highly suitable or good (alluvial soils). The present area which is approximately 1150 hectares planted to rice is predominantly classified as highly suitable for rice and diversified farming and the rest of the area (435 hectares) is considered fair.

The Municipality of Kalibo is predominantly an agricultural domain occupying the biggest portion of the total area. This is the reason why the major thrust of the Municipality is making Kalibo as the center of agricultural-based economic industry and eco-tourism. This land classification is mostly planted to agricultural crops like rice, coconuts, bananas, corns, root crops and vegetables. Some areas were also devoted to fishpond and backyard livestock production. It is subsequently followed by built-up classification (comprises residential, commercial, industrial, institutional, parks/playground, infrastructure utilities and other uses) followed by special uses (quarrying,

grazing land and tourism purposes). Forestland (Mangrove Reforestation project) occupies a minimum area of more or less 220 hectares out of the total land area.

### **3.2 Population**

As a bustling Municipality and urban capital of the province, Kalibo has the largest population among the 17 towns garnering 13.93% of the total Provincial population.

This is explained by the rapid in-migration from neighboring municipalities, provinces and even cities because of the socio-economic potential of the Municipality wherein better employment opportunities and presence of social amenities like light, water, telecommunications, recreation centers, business centers and educational institutions are basically available and still growing in numbers.

For this year 2014, the total projected population of Kalibo is 80,138 with a Population Density of 15.79 or approximately 16 persons in every hectare or 1,579 persons in every square kilometer of the area. The whole municipality of Kalibo was already classified as an Urban Community per 1990 NSO Census of population.

The municipality has a higher growth rate of 1.80% compared to the provincial growth rate of 1.73%. This is due to the in-migration from neighboring towns in order to seek for better education, business and employment opportunities.

## **4. Project Information**

### **4.1 Market Assessment**

The primary target market for the Project is meat dealers/retailers engaged in selling meat products in the local market and/or privately owned shops. In Kalibo alone, there a number of licensed meat dealer and more than 60 meat retailers. There is also an available market among investors involved in the processed meat production and there are a handful of registered processed meat producers.

Aside from meat local retailers in Kalibo, there are 17 other municipalities in Aklan whose meat requirements can be catered by the Project. At present, the existing Municipal Slaughterhouse has the capacity to slaughter with an average of 115-125 heads of hog per day, large cattle average is between 6-8 heads per day, while carabao averages 4-6 per day.

### **4.2 Preliminary Technical Specifications**

Once rehabilitated, the Municipal Slaughterhouse will leave the old system behind. To comply with the provisions of GMP and to provide a Hygienic way of slaughter, the Project shall be introducing the following modern structural innovations:

- Improvement of the building structure of the Municipal Slaughterhouse;



- Compliance with the system mandated by NMIS including: (1) from the holding pen to the stunning box the pig must walk for at least 5 meters to prevent contamination and (2) the walk way should have a water sprinkler to clean the pig;
- Holding pens will be renovated to hold numerous pigs and will have a projection design for possible increase in the near future;
- A modern stunning gun will be provided for the killing of pigs and cows;
- Introduction of design innovation in entry point for the pigs and cows to be slaughtered;
- Fabrication of Stainless Steel Sticking and Bleeding Tables;
- Fabrication and Installation of Scalding Baths;
- Construction and Installation of Splitting and Evisceration Area; and
- Other equipment including but not limited to hands-free water faucet, boot hanger in butcher's quarters, dehairing tables, gambrels, and innards washing area.

### 4.3. Environmental Compliance

Safeguards in the implementation of the Project including, but not limited to, the following:

- All mitigating measures in the submitted Environmental Performance Report and Management Plan ("**EPRMP**") shall be implemented;
- Implement proper housekeeping practices to prevent generation of obnoxious odor and proliferation of flies.
- Implement waste minimization, segregation, re-use and other ecological waste management practices.
- Ensure the effective operation of its Wastewater Treatment Facility ("**WTF**") ensure compliance with the effluent standards of the Department of Environment and Natural Resources ("**DENR**").
- Planting of trees shall undertake either within the project site and/or in other areas as part of the proponent's social and environmental program.