



Muntinlupa-Cavite Expressway (MCX) Project



Project Snapshot

Project Description

Muntinlupa-Cavite Expressway (MCX) is a 4-kilometer 4-lane toll road from the junction of Daang Reyna and Daang Hari Roads in Las Piñas City/Bacoor, Cavite to South Luzon Expressway (SLEX) near the Susana Heights Interchange in Muntinlupa, traversing the New Bilibid Prison (NBP) Reservation Area. MCX has been in operation since July 2015.

Implementing Agency



Department of Public Works and Highways

Project Proponent



Procurement Mode

Solicited

Concession Period

30 years

Status

Operational since July 24, 2015

PPP Scheme

Build-Transfer-and-Operate (BTO)

***NEDA Board-approved Project Cost**

PhP 2.23 Billion¹

¹ The project cost originally approved was PhP 1.956 billion. The cost increased to PhP 2.23 billion due to Advance Works Improvements payment amounting to PhP 50 million as approved by the ICC-CC on November 29, 2011; and Variation Cost amounting to PhP 223 million.

*National Economic and Development Authority



Project Objectives

The objective of the project is to ease travel for commuters, motorists, and the general public to and from the south of Metro Manila.

The project also aims to deliver strategic benefits to the region such as:

1. Decongested traffic in some parts of Cavite, Las Piñas, and Muntinlupa;
2. Reduced travel time by an average of 45 minutes from Daang Hari to Alabang Interchange;
3. Improved competitiveness of Region IV-A (CALABARZON) as an investment destination; and
4. Enhanced the master plan for the development of the New Bilibid Prison (NBP) complex through which the road will pass.



Key Milestones

NEDA Board Approval	July 18, 2011
Issuance of Notice of Award	December 22, 2011
Contract Signing	April 2, 2012
Start of Construction	October 1, 2012
Construction completion	June 30, 2015
Start of toll operation	July 24, 2015

Project History



Project Identification and Development

MCX, formally referred to in the PPP contract as Daang Hari-SLEX Link Road Project, is in line with the 2011-2016 Philippine Development Plan (PDP) transport sector objective, which is to develop an integrated multimodal logistics/transport system to achieve an “economic corridor” through the development

of smaller towns and rural areas along the corridor. Specifically, it is consistent with the PDP objective of providing dependable access to production areas such as in Cavite, which is a rapidly growing industrial and commercial center in the south of Metro Manila.

The MCX was originally implemented by the Alabang-Sto. Tomas Development, Inc. (ASDI), a subsidiary of the National Development Company (NDC). In August 2009, ASDI undertook the financing, design and construction of the project. To push the project forward, the ASDI, DPWH, Toll Regulatory Board (TRB), and NDC entered into a





Memorandum of Agreement (MOA) for the implementation of the MCX. ASDI and TRB were jointly tasked with the finalization of the appropriate toll rate, while NDC and/or ASDI were given the responsibility of negotiating for the securing of Right-of-Way (ROW). The Agreement provided further that additional ROW shall be acquired through the filing of expropriation cases either by the NDC, TRB, or DPWH. In 2010, it was estimated that around 20 percent of the project works had already been completed by ASDI.

At the start of the Aquino administration, government made the pronouncement that PPPs will be undertaken as the centerpiece of its economic agenda. The national government decided to implement the MCX Project using the amended Build-Operate-Transfer (BOT) Law as its legal framework. After a successful bidding, the project was awarded to the Ayala Corporation on December 22, 2011 making it the first PPP project under the newly minted PPP program.



Project Approval

On April 15, 2011, DPWH submitted its Investment Coordination Committee-Project Evaluation Forms (ICC PE Forms) to the ICC Secretariat for evaluation of the ICC Technical Board (ICC-TB), endorsement of the ICC Cabinet Committee (ICC-CC), and approval of the NEDA Board.

After various discussions in the ICC-TB, ICC-CC, and the NEDA Board, the project was confirmed as approved by the NEDA Board on July 18, 2011.



Project Procurement

On July 20, 2011 after securing the necessary approvals, DPWH published the advertisement of the Invitation to Prequalify to Bid (ITPB). A Prequalification (PQ) Conference with prospective bidders for the project was held on August 8, 2011.

Three (3) entities were pre-qualified on September 30, 2011. On December 12, 2011 during the bid submission deadline, two (2) out of three pre-qualified bidders submitted their technical and financial proposals. These were: (1) Ayala Corporation and (2) South Expresslink Corporation. After evaluation of the proposals, Ayala Corporation was declared as the highest complying bidder based on the bidding parameter approved by the NEDA Board, which is highest concession fee payment to the government.

The Notice of Award (NOA) was issued on December 22, 2011 to Ayala Corporation. Subsequently, Ayala Corporation paid the government an upfront premium payment amounting to a total of PhP 925.01 million. On April 2, 2012, the PPP contract for the Project was executed between the DPWH and Ayala Corporation.



Project Implementation

DPWH completed the procurement of the Independent Consultant (IC) on September 20, 2012 with the issuance of the Notice to Proceed (NTP) to PertConsult International. Subsequently, Ayala Corporation through its Project Management consultant Getinsa Ingeniera, delivered the Detailed Engineering Design (DED) for Segment II to the DPWH and the IC on January 9, 2013. It was then certified by the IC on January 18, 2013.

The construction of the project commenced on October 1, 2012. Ayala Corporation mobilized Makati Development Corporation (MDC) as its construction contractor. Among the project issues encountered includes the delay in the ROW delivery, and the relocation of various utilities and informal settlers families. Moreover, there were changes in project design in terms of MCX's interconnectivity and interoperability with SLEX to accommodate the expansion of the latter project's lane. As a result, the project completion deadline was extended from the original target based on the PPP contract, which is 18 months after the signing date. The project is substantially completed or 99% accomplished on June 30, 2015. Upon completion of the delivery of ROW, the DPWH issued the Notice to Proceed (NTP) to Ayala Corporation on June 29, 2015.

On June 9, 2015, DPWH approved the designation of MCX Tollway, Inc. (MTI) as the facility operator of MCX. MTI is eighty percent

(80%) owned by Ayala Corporation, the remaining twenty percent (20%) is owned by Getinsa Ingeniera S.L., the entity which fulfills the O&M experience requirement. On July 16, 2015, the Toll Operation Certificate (TOC) was granted by the TRB to the MTI upon its compliance with all the requirements of the TRB.

The project is the first of its kind where two (2) toll systems outside of the franchise of Philippine National Construction Corporation (PNCC), will seamlessly connect to provide better passenger experience. After series of discussions and government interventions during negotiations, a MOA on the interoperability of the MCX and SLEX was executed by the parties on July 21, 2015. The MOA on Interoperability and its Addendum provide the framework that governs the interface and integration of the technical operations and toll collection systems between MCX and SLEX to ensure seamless travel access into MCX and SLEX for road users. Further, Manila Toll Expressway Systems, Inc. (MATES), the operator of SLEX, and MTI executed a Toll Collection Services Agreement where MATES was appointed a sub-contractor of MTI for the provision of toll collection services for the MCX toll plaza.

Toll operation commenced on July 24, 2015 upon the project's inauguration by President Benigno S. Aquino III.





Project Outcome and Benefits

- 1.** MCX provides an estimated annual benefit of PhP 400 million worth of fuel savings, and PhP 1.3 billion worth of human hour savings.²
 - MCX cuts short the travel distance to 2 km if traveling south and 3 km if traveling north, helping around 25,000 motorists save travel time, energy, and fuel every day.
 - MCX relieves vehicular congestion in Muntinlupa, Cavite, and Las Piñas areas, specifically along the Daang Hari Road and Commerce Avenue. Prior to MCX operation, build-up of vehicles reached over 1.3 km long during peak hours.
 - MCX significantly reduces travel time to/from Daang Hari/Alabang Interchange by an average of 45 minutes. Through MCX, connecting with the SLEX at the Alabang Interchange will traverse only a total of 8.7 km at a speed of 100 km/hour compared to a total of 9.11 km at 60 km/hour at the Daang Hari free road.
 - MCX can accommodate up to 31,500 car units per lane per day or a daily capacity of 126,000 car units.
 - MCX provides travel convenience to motorists through its open toll collection system where motorists need to pass by only one (1) toll barrier.
 - MCX provides seamless interoperation to/from SLEX such that motorists can easily transfer from one expressway to another without the need to enter/exit through toll barrier.
- 2.** Over 500 jobs were generated during the Project's construction, and operation and maintenance phases.

² Source: Ayala Corporation



Key Learnings

1. The right-of-way (ROW) acquisition, including the relocation of utilities and informal settler families (ISFs) in the project land should be conducted prior to project implementation. This will mitigate risks of incurring additional costs and delays in achieving the project's milestones.
 - It is recommended that land acquisition should be dealt with at an early stage of the project since this carries a large risk for the government. Land acquisition is a lengthy process particularly the expropriation proceedings. The delay in the project's completion on time could have been provided if the ROW was delivered to the concessionaire on time.
2. Potential interface issues with other infrastructure projects should be identified as early as project development and evaluation to help avoid interconnectivity and interoperability issues during project implementation.
 - Clear agreements in relation to the interoperability of SLEX and MCX should have been finalized prior to signing of the concession agreement. This is to prevent any potential disputes that might be raised during implementation of project.



Best Practices

1. An independent consultant (IC) should be engaged during project implementation to provide impartial evaluation to the Implementing Agency and the Project Proponent with regard to certification on progress of works, delivery of obligations by both parties, approval of all documents relating to the construction of the project, among others.

- The engagement of an IC is a best practice for PPP projects particularly during construction period. Independent consultants are helpful in reaching agreements between the parties involved. In some respects, the IC acts as a mediator in preventing disputes as it offers an impartial evaluation of any issues, which can then be presented to the parties for agreement. Without the services of IC, it would be harder for the DPWH to monitor and certify the works conducted by the Project Proponent, and disputes could have easily occurred between the parties.

2. A dedicated PPP unit should be established to effectively implement and monitor the progress of the project from development to operations phase.

- The creation of a dedicated PPP unit is identified as a best practice for a centralized coordination on project implementation concerns and other matters. The DPWH under its Office of the Undersecretary for Planning and PPP established the "PPP Service". The unit is tasked to develop, implement, and monitor its PPP projects. Given the high number of PPP projects that the DPWH is developing and implementing, a dedicated PPP Service is facilitating the management of the projects for a more focused control and oversight into the PPP process of the projects. As such, issues and concerns of its PPP projects, such as MCX, are properly managed through its dedicated personnel who are trained on the PPP framework and processes.





Key Performance Indicators

During the operations phase, the private partner is required to comply with the Key Performance Indicators (KPIs) for operation and maintenance as stipulated in the contract. To ensure the maintenance of the quality of services, the DPWH together with TRB, PPP Center, and other partners are conducting periodic activities for the monitoring and inspection of compliance to KPIs for road maintenance and expressway operation.

Examples of KPI requirements

Road maintenance

- International Roughness Index (IRI) should not be more than three (3) units for the entire expressway.
- The repair in pavements, drainage, lightings, etc. should not exceed the prescribed time.
- Road signage should at all times be clear of obstructions, clean and readable.

Expressway operation

- Queueing length of vehicles at toll plaza should not exceed prescribed time during peak hours.
- Permanent presence of patrol system and 24 hour operations of Toll Operations Center, Emergency Telephone Network and Surveillance Camera Network, etc.
- Immediate response and clearance to accidents or vehicle breakdown.

Testimonials



Chequito Borga
Construction Delivery Driver

“Napakalaki ng tulong ng daan na ito at tsaka mabilis. Kesa dumaan pa ako ng Alabang-Zapote Road. Napaka-traffic.

Noong wala pa itong daan na ito ang biyahe ko dati ay dalawang oras. Ngayon 45 minutes na lang ang biyahe papuntang Coastal galing Calamba. Nakakabalik-balik ako ng lima hanggang anim na beses araw-araw kaysa sa dati na dalawang biyahe lang. Kahit magbayad kami ng toll fee malaking tulong naman sa delivery namin.



Aisa Guiam
Private Motorist

“Something that will greatly contribute to the traffic flow and economy in the South.

Good job to everyone involved in this PPP project.



8th Floor, One Cyberpod Centris, EDSA cor. Quezon Avenue, Brgy. Pinyahan,
Quezon City 1100, Philippines
www.ppp.gov.ph
(+632) 8709-4146
For inquiries: info@ppp.gov.ph