



**Tourism Infrastructure and
Enterprise Zone Authority**

**Development, Operation, and Management of the
150-room 3-Star Hotel (Businessman's Hotel) inside the
Clark TIEZA-Tourism Enterprise Zone, Clark Special
Economic Zone, Pampanga**

Project Information Memorandum

09 March 2022

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1 Context

Pursuant to Section 2 of Republic Act No. 9593, otherwise known as the “Tourism Act of 2009”, tourism has been declared as an “indispensable element of the national economy and an industry of national interest and importance, which must be harnessed as an engine of socio-economic growth and cultural affirmation to generate investment, foreign exchange and employment, and to continue to mold an enhanced sense of national pride for all Filipinos.” Tourism, as a catalyst for socioeconomic growth, is one of the fastest-growing economic sectors for its significant contribution on employment generation, infrastructure development, investments, and social inclusiveness. It has consistently played a critical role in the economic growth of the Philippines prior to the year 2020 with sustained growth in foreign and domestic tourist arrivals across the country. In 2019, tourism contributed 12.7% share to the country’s gross domestic product (GDP) and generated 5.71 million jobs.

However in March 2020, the tourism industry experience a decline in its economic growth due to the travel restrictions and lockdowns implemented by the government due to the COVID-19 pandemic. The quarantine measures led to closure of businesses, loss of jobs, and an overall economic recession throughout many countries. The global standstill in the tourism industry has caused thousands of tourism enterprises to cease operations resulting in the displacement of millions of tourism workers.

Recognizing tourism as a major economic driver to stimulate economic growth amidst the pandemic, the government has undertaken active and substantial measures to rebuild and recover the economy. The Department of Tourism is now looking at domestic tourism to revive the industry. The DOT received a Safe Travel Stamp from the World Travel and Tourism Council (WTTC) in recognition of the agency’s adoption of health and global standardized protocols that will ensure safe travel during the COVID-19 pandemic. The Safe Travel is the stamp of approval given by the international organization to certify compliance with its global health standards to allow for safe travels.

To support DOT’s objective to promote domestic tourism, TIEZA seeks to develop the 20-hectare Clark TIEZA-Tourism Enterprise Zone, located inside the Clark Special Economic Zone in Pampanga, into a sustainable integrated tourism complex that is envisioned to be an all-day tourist destination that will host an array of tourism enterprises such as shopping enterprise, theme park, hotels, villas, MICE facility, etc that will encourage tourists to stay within the property for at least an overnight stay. The varying tourism enterprises that will give a complete experience to tourists who travel for business, but may indulge with several leisure activities offered within the zone.

Considering the property’s proximity to major international gateways such as Clark International Airport and Subic Freeport, accessibility to major expressways, and future infrastructure developments in nearby areas such as Bulacan Airport, Clark railway, and New Clark City, the Clark TIEZA-TEZ will be an excellent choice for local and international travellers alike.

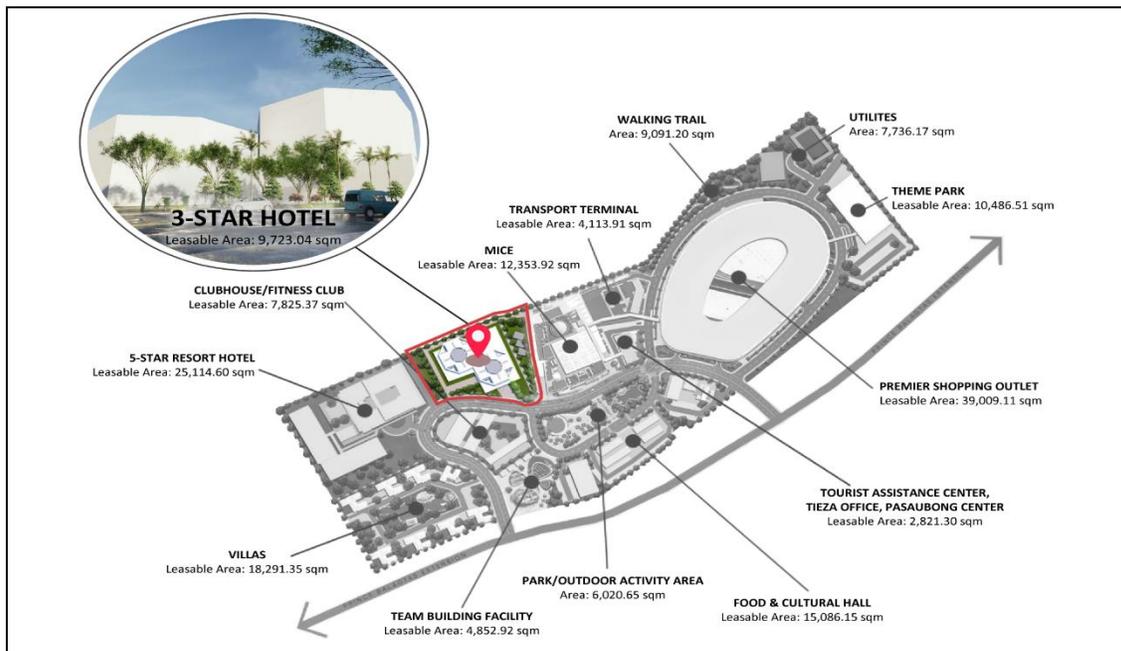
2 Overview

Poised to become the next Philippine urban center, Clark has a huge potential in attracting tourists. In the past five years, the government has been infusing infrastructure projects in Clark in an effort to develop into a major international gateway and premiere economic hub in Central Luzon. With the expansion of the Clark International Airport, the continuous improvement of access roads to the New Clark City and the growing popularity of sports tourism, Clark has emerged to be a potential destination for business and tourism-related investments.

Based on the Clark Development Corporation (CDC) Annual Report 2019, tourist arrivals in Clark, Pampanga had been on a 5-year upward trend before the pandemic hit in 2020. In 2018, the number of passengers that arrived in Clark International Airport totalled to 1,327,801. This accounted for 680,220 domestic arrivals and 647,581 international arrivals. Meanwhile, in 2019, CIA registered 4 million passenger movements which consisted of 1.78 million international passengers and 2.2 million domestic passengers. The expected rise in the number of tourists will drive the demand for increased hospitality and accommodation service for business and lifestyle.

The Clark TIEZA-Tourism Enterprise Zone (TEZ) is a 20-hectare greenfield property located along Prince Balagtas Extension, Clark Special Economic Zone. As per its tourism development masterplan, the property is envisioned to be an all-day tourist destination anchored on Premier Shopping Outlet that is intended to be a smart, disaster-resilient, and people-friendly tourism estate. The tourism complex entails the development of the following tourism enterprises:

- | | |
|----------------------------|--|
| 1. Premier Shopping Outlet | 7. Fitness Club |
| 2. 5-Star Hotel | 8. 3-Star Hotel (Businessman's Hotel) |
| 3. M.I.C.E. Facility | 9. Tourist Assistance Center |
| 4. Transport Terminal | 10. Villas |
| 5. Food and Cultural Hall | 11. Team Building facilities |
| 6. Theme Park | 12. Utilities and open space |



The development, operation, and management of the 150-room 3-Star Hotel (the “**Project**”) is to be undertaken through Public-Private Partnership in accordance with the TIEZA Joint Venture Guidelines and its Annexes (collectively, the “**TIEZA JV Guidelines**”).

The 3-Star Hotel has a land area of 9,0723.04 sq. m out of the 20-hectare Clark TIEZA-TEZ. The entire property is under a leasehold agreement between TIEZA and Clark Development Corporation (CDC) for twenty-five years (25) from 04 February 2009 until 03 February 2034, renewable to another twenty-five years (25) as per Article III of the said lease agreement. Currently, TIEZA and CDC are in negotiation to amend the existing lease agreement to extend the lease period to another twenty-five (25) years or until February 2059.

The Project is an excellent investment opportunity and advantages owing to the following factors:

- The proposed development is in a strategic location with international gateways, which makes it highly accessible to tourists.
- It is located inside a government registered Tourism Enterprise Zone which which makes all tourism enterprises located therein eligible for fiscal and non-fiscal incentives under R.A. 11534 and R.A. 9593.
- The property is surrounded by various tourist destinations and host to varying tourism activities which provides for a consistent increase in tourist arrivals and tourism spending.
- Has institutional support from DOT, LGU, CDC, and TIEZA via government infrastructure projects.
- TIEZA shall undertake the horizontal development (roads, walkway, utilities, power and water supply system, drainage system) of the property to ensure that it is ready for the development of tourism enterprises therein.

Furthermore, the development is expected to have a positive impact in the host community by:

- Addressing the backlog of 2,000 beds from CDC’s target of 5,000 beds
- Increasing employment opportunities in the area
- Stimulating business activities within the community and neighbouring area

Key elements of the Project are summarized in Table 2 below:

Table 1 : Project Overview

Feature	Terms
Project Scope	<ul style="list-style-type: none"> • Development, operation, and management of a 150-room 3-Star Hotel inside the Clark TIEZA-TEZ. • The development, operation, and management of the enterprise shall adhere to the minimum development standards formulated inside the tourism estate, the Department of Tourism’s National Accommodation Standards, and other related development rules and regulations that will be contained in the Tender Documents to be issued.
Concession Period	<p>12-25 years <i>*subject to the result of negotiation between TIEZA and CDC on the extension of the leasehold agreement</i></p>

Legal Framework	TIEZA JV Guidelines ¹
PPP Structure	Contractual Joint Venture (JV)
Revenue Source	To be determined by the Winning Bidder based on the proposed development which may include but not limited to the following: <ul style="list-style-type: none"> • Revenue on room rentals; • Revenue on Food and Beverage; • Revenue from in-house events/functions; and • Revenue from concessionaires.
Bid Parameter	To be disclosed in the Terms of Reference
Minimum Initial Annual Fixed Fee for TIEZA	To be disclosed in the Terms of Reference
TIEZA Percentage Share in Gross Revenue	To be disclosed in the Terms of Reference
Project Site	9,723.04 sq. m lot inside the Clark TIEZA TEZ, Prince Balagtas Extension Road, Clark Special Economic Zone

3 Competitive Selection Timetable

The key dates for the competitive selection process are outlined in Table 2 below.

Table 2. Competitive Selection Timetable

Milestone	Indicative Date
Submission and Acceptance of Initial Required Documents	09 March 2022 – 04 April 2022 12NN
Initial Meeting for Interested Proponents	20 April 2022 2PM
Deadline of Submission of Eligibility Documents	04 May 2022 12NN
Opening of Eligibility Documents	04 May 2022 2PM
Deadline of Evaluation of Eligible Proponents	19 May 2022

¹ <https://tieza.gov.ph/assets-management/investment/list-of-tieza-properties/>

Notice of Results to Eligible and Non-eligible Proponents	26 May 2022
Issuance of Terms of Reference to Eligible Proponents	09 June 2022
Pre-selection Conference	23 June 2022
Deadline of submission of Technical and Financial Proposals	25 July 2022 12NN
Opening of Technical Proposals: Preliminary Evaluation and Rating of Submission	25 July 2022 2PM
Presentation to the JVSC of Technical Proposals by Eligible Proponents	08 August 2022
Notice to Eligible Proponents	22 August 2022
Opening and Evaluation of Financial Proposal	22 August 2022 – 06 September 2022
Approval of Winning Proponent	21 September 2022
Awarding of the Winning Proponent	06 October 2022

The actual schedule may be changed by the JVSC at any time as it may deem reasonable.

4 Online Submission and Virtual Meetings

In line with the government’s directive to ensure safety and prevent the spread of COVID-19, the TIEZA JVSC resolved to adopt the use of the electronic/online submission and virtual online meetings in the conduct of all Joint Venture Selection activities pursuant to the following conditions:

1. The submission of the required document may be submitted:
 - a. At the Office of the JVSC- Secretariat located at the 7th Floor Tower I of the Double Dragon Plaza, Double Dragon Meridian Park, Macapagal Avenue corner EDSA Extension, Pasay City (the “Office of the JVSC Secretariat”); or
 - b. Through electronic mail through the jvsc.secretariat@tieza.gov.ph For electronic mail submission, a hard copy of the documents must be submitted to TIEZA within seven (7) working days after the submission of the documents through electronic mail. No modification or alteration of documents shall be allowed after the online submission. The interested proponent shall submit the duly-accomplished Certification stating that the contents of the digital copy are one and the same with the hard copies to be submitted. Should there be any discrepancy between the hard copy and the digital copy, the latter shall prevail. All documents transmitted via electronic mail shall be sent to jvsc.secretariat@tieza.gov.ph

2. The documents shall be in a clear .PDF/.IMG/.JPG/.TIFF/.GIF/.PNG format with the password provided by their respective representatives to the members of the Joint Venture Selection Committee during the opening of bids through video conferencing taking into consideration the provisions of Section 2.5 of the TIEZA JV Guidelines.

4. The documents shall be arranged accordingly based on the sequence provided in the Tender Documents using a standard file name.

TIEZA shall conduct virtual/online meetings such as Interested Proponents' Conference, Pre-Selection Conference and other meetings with the Proponents. Provided, that if the JVSC requires face to face or physical conduct of JV Selection activities, the same must be in accordance with the protocols under existing alert level during the time of the said meeting.

5 Points of Contact

The Secretariat for the JVSC and the Public-Private Partnership Center may be contacted through the following information:

MS. CATHERINE E. STA. CLARA <i>Project Officer</i> CLARK TIEZA-TOURISM ENTERPRISE ZONE Address : 7th Floor, Tower 1, Double Dragon Plaza, Double Dragon Meridian Park Macapagal Avenue corner EDSA Extension, 1302, Bay Area, Pasay City Tel : 0917-846-6056 Email : jvsc.secretariat@tieza.gov.ph and cestaclara.tieza@gmail.com Website : www.tieza.gov.ph	
ATTY. MARIA LERMA L. ADVINCULA <i>Director IV</i> PROJECT DEVELOPMENT SERVICE Public-Private Partnership Center Address : 8th Floor, One Cyberpod Centris, EDSA cor. Quezon Avenue Brgy. Pinyahan, Quezon City Tel : (+632) 8709-4146 loc 6301 or 6102 Email : lladvincula@ppp.gov.ph Website : www.ppp.gov.ph	