

**CAVITE BUS RAPID TRANSIT PROJECT**  
**INFORMATION MEMORANDUM**

**I. BACKGROUND**

Under Republic Act No. 7160, otherwise known as the Local Government Code of 1991 ("LGC"), Provincial Governments have the authority to pursue road infrastructure development in response to the needs of their residents. The LGC allows provinces to enter into joint ventures and other cooperative agreements with the private sector to effectively implement and finance projects for the benefit of the public. Similarly, the participation of the private sector in the delivery of basic services is encouraged to ensure the viability of local autonomy as an alternative strategy for sustainable development. Pursuant to its mandate as a local government unit (LGU), the Province may implement transport facilities including toll roads such as this Project through public-private partnership (PPP).

In accordance with Section 18 of the of Republic Act No. 7160 of the LGC, LGUs may acquire, develop, lease, encumber, alienate, or otherwise dispose of real or personal property held by them in their proprietary capacity and to apply their resources and assets for productive, developmental, or welfare purposes.

On 6 February 2012, the Provincial Government of Cavite ("the Province") enacted Provincial Ordinance No. 002-S-2012 or the Provincial Government of Cavite's PPP Code ("Cavite PPP Code") prescribing, among others, the procedure for Unsolicited Proposals received from private sector proponents.

On April 2023, an Unsolicited Proposal was submitted to the Province by Megawide Construction Corporation and Maplecrest Group, Inc., collectively called "Private Sector Proponent" (PSPs) for the development, financing, design, maintenance and operation of a Bus Rapid Transit that will serve parts of the Province of Cavite and provide a link to Metro Manila via Parañaque Integrated Terminal Exchange (PITX).

Upon careful evaluation of the unsolicited proposal, the PPP - Selection Committee (PSC) of the Provincial Government of Cavite resolved to approve the Project and favorably endorse the project of the private sector proponents to Governor Juanito Victor C. Remulla, Jr. Thereafter, on 26 October 2023, the Governor issued a Certificate approving the Project and giving original proponent status to Megawide Construction Corporation and Maplecrest Group, Inc.

The PPP Code of the Philippines was promulgated on 05 December 2023. In accordance with the Public-Private Partnership (PPP) Code and the PPP Governing Board Resolution No. 2023-12-02, which provides for the Interim Guidelines on PPP Projects whose processing has commenced by the effectivity of Republic Act No.

11966 and before the effectivity of its Implementing Rules and Regulations, the PPP-Selection Committee invited the Proponents to engage in detailed negotiations on the terms and conditions of the joint venture for the BRT Project. The Parties then conducted carefully scheduled detailed negotiations which successfully concluded on 12 March 2024.

The Implementing Rules and Regulations of the PPP Code of the Philippines became effective on 07 April 2024. Thus, the Provincial Government of Cavite complied with all the applicable requirements for the project and the approval of the Project from the Appropriate Approving Authority was given last June 2024.

## II. OBJECTIVES

This project aims to:

- Improve the connectivity between the Cities/Municipalities of Cavite;
- Improve road network carrying capacity in the Cities/Municipalities of Cavite;
- Initiate a form of transit-oriented development which would attract developments nearby its stations and alignment.
- Provide high quality development in the surrounding areas of the Bus Rapid Transit System;
- Offer a new form of public transport that has the potential to significantly enhance the mobility of those that live and work in the surrounding areas;

## III. SCOPE OF WORK AND DELIVERABLES

The scope of works of this Project shall include but not limited to the preparation of a feasibility study and other relevant studies to formulate the proposal for the development, financing, design, operation and maintenance of a Bus Rapid Transit (BRT) and Point to Point System (P2P). The BRT will provide a means of transportation within Kawit, Imus, General Trias, Tanza, and Trece Martires while the P2P System will provide a link to Metro Manila via the Paranaque Integrated Terminal Exchange (PITx). The project will have two (2) main phases:

	Phase 1 <i>(operations on 2026)</i>	Phase 2 (2036)
Terminal Construction and O&M	Terminal 1 to Terminal 2	Terminal 3
Station Construction and O&M	27 Stations	+20 Stations
BRT alignment	15 kilometers (from Station 1 to Station 27)	+13.79 kilometers (from Stations 27 to New Capitol Building of Province of Cavite)
P2P alignment	26.5 kilometers (from PITX to Terminal 2)	34.11 kilometers (from PITX to Terminal 3)

The Project must have a total of thirty seven (37) stations and three (3) terminals. The station design must be able to accommodate a minimum of one (1) bus at given time and provide 24/7 CCTV System, passenger information displays and adequate lighting. The terminals must be able to accommodate minimum of two (2) bays for each terminal and four (4) transport bays for feeder lines. The terminals must also have a ticketing office and restrooms. The road surface shall be constructed with Asphalt-Concrete Pavement (ACP).

The bidder shall provide the necessary studies for the most rational project alignment, plans and program of works, Environmental Impact Assessment for the preparation of Environmental Impact Statement (EIS) and Gender-Responsive Social Impact Assessment, which shall include the following major activities, among others:

### **3.1 PRE-CONSTRUCTION STAGE**

#### **a. DETAILED FIELD INVESTIGATION**

The proposed bidder shall conduct its own independent field investigation to identify:

1. Best alignment configuration and bridge sites to be indicated in the general plan and profile of the alignment.
2. Potential likelihood of environmental issues, disaster risks, and flooding considered in the alignment selection.
3. Resource base and economic development potentials to be included in financial and economic assessments, as required.
4. Other parameters that will likely influence cost, design, financial and economic viability, operations and maintenance of the expressway, including future expansions.

#### **b. ALIGNMENT PRE-SELECTION**

1. Identify possible alternative alignments and/or structural configurations considering among others: (a) technical difficulties, (b) proposed access points or connectivity to existing road networks, investment requirements, (d) impact on the environment and social aspect of the project, (e) traffic potential, and (f) other potential benefits to the Province of Cavite.

#### **c. RIGHT-OF-WAY (ROW)/PROPERTY ACTION PLAN (RAP)**

1. Prepare Right-of-way cost estimates to be part of the overall project cost.
2. Prepare a RAP integrated in the main proposal containing the following: (a) general description of the lands, structures/improvements, and crops/trees to be acquired as ROW; (b) profile of Project Affected Persons (PAPs); (c) pricing of property based on estimated market values, tax declarations, and recent sales.

d. TECHNICAL DESIGN

1. Provide justification of the Technical Design to be included in the project proposal.
2. The Technical Design should include, among others the following: (1) Codes, Standards, Manual/References, (2) General Design Criteria/Parameters, (3) Detailed Project Components, (4) Basic Structural, Architectural, Electrical, Mechanical, Hydraulic, Sanitary Design and Analysis, (5) Typical Section Drawings and Perspectives, (6) Minimum Performance Standards and Specifications.

e. BASIC ENGINEERING DESIGN

1. Prepare the Basic Engineering Design to be used for estimating project cost.
2. Basic Design should include: (1) Location Map, (2) Thematic Maps, (3) Alignment Plan and Profile, and (4) Typical Sections.

f. TECHNICAL AND OPERATIONAL FEASIBILITY

1. Prepare a General Operations and Maintenance Plan for the facilities to ensure the safe and efficient operation of the Bus Rapid Transit System in accordance with the requirements specified in the Minimum Performance Standards and Specifications (MPSS) that will govern the partial and full operation of the project.

g. FINANCIAL VIABILITY ASSESMENT

1. Present the investment or development costs attendant to the implementation of the project including, among others the: (1) Construction Cost, (2) Pre-Construction Cost and Detailed Engineering Design, (3) Administrative and Consultancy Cost, (4) Quality Assurance and Pre-Operating Cost, (5) Contingencies, (6) Right-of-Way Acquisition Cost, (7) Interest During Construction,

- (8) Financing Fees and (9) DSRA, as applicable.
2. Present the forecasted Average Daily Traffic per segment for the operating years of the Bus Rapid Transit System.
  3. Present the proposed Rates per bus and proposed future escalations.
  4. Present the Income Statement and Cash Flows for the Project
  5. Demonstrate the financial feasibility of the Project by presenting the computed Financial Internal Rate of Return (FIRR), Interest Rates, Debt-Equity Ratio and Weighted Average Cost of Capital (WACC).
  6. Present proposed revenue shares for the Provincial Government of Cavite.

#### **h. ECONOMIC VIABILITY ASSESMENT**

1. Present the estimated Net Economic Benefits of the Project by analyzing the Economic Benefits (reduction in Vehicle Operating Costs [VOC] and Travel Time Costs [TTC]) versus the Costs Flows (Capital Expenditures and Operation & Maintenance Expenditures).
2. Demonstrate the Economic Viability of the Project by presenting the computed Net Present Value (NPV), Benefit-Cost Ratio (BCR) and Economic Internal Rate of Return (EIRR), Economic Benefit-Cost Ratio (EBCR) and Economic Net Present Value (ENPV)
3. Provide a Sensitivity Analysis to demonstrate the economic viability of the Project despite potential changes in the assumptions used in the calculations due to underlying risk factors.

#### **i. ENVIRONMENTAL IMPACT ASSESMENT**

1. An Environmental Compliance Certificate (ECC) shall be secured prior to the commencement of the project. The Private Sector Proponent (PSP) shall cause the preparation of the environmental impact assessment/study for the project to be submitted to the Environmental Management Bureau as one of the requirements for ECC application. The ECC shall be applied in the name of the PGC and PSP.
2. Provide an Environmental Impact Assessment for the

implementation of the Project, which shall include, among others the following: (1) Analysis of the Potential Impacts, (2) Climate Change Adaptation Measures, (3) Disaster Risk Reduction Measures, and (4) Environmental Management Measures.

**j. GENDER AND DEVELOPMENT**

1. Provide a Gender and Development Guideline/Framework for the development, design, construction and implementation of the Project.
2. The framework should be included in the proposal and should include, among others the following: (a) GAD Baseline, (b) Gender Analysis, (c) Project GAD Checklist and Score Sheet.

**k. PROJECT IMPLEMENTATION TIMELINE**

1. Present the proposed implementation schedule of the Project.
2. The proposed timeline should include the general description of the activities and their respective durations.

**3.2 CONSTRUCTION STAGE**

The Contractor shall perform the following construction activities but is not limited to the following:

**d. MOBILIZATION/DEMOBILIZATION**

The Contractor shall mobilize and bring out into work, all personnel, plant and equipment, in accordance with the approved construction program, equipment moving and utilization schedule and manpower schedule, from its regular place of business to the site to undertake the contract.

Mobilization shall include the obtaining and transporting to job-site of equipment, materials, tools, personnel, constructional plant and all necessary items for the execution and completion of the work and shall also include the setting up and verification of all equipment and instruments until it is rendered operable.

Demobilization shall include dismantlement and removal from the site of the Contractor's materials and equipment and all temporary facilities. It shall also include a clean-up of the site after completion of the contract as well as transportation from the site of the Contractor's personnel.

e. SITE CLEARING AND PROPER WASTE DISPOSAL

General site clearing operations include, but are not limited to the removal of demolished materials and objectionable matter, protection of existing structures/facilities left functional and clearing to allow for new construction. The Contractor is obliged to provide barricades, coverings, or other types of protection necessary to prevent damage to existing structures and facilities. Likewise, the Contractor should dispose materials, trash and debris in a safe and acceptable manner in accordance with applicable laws and ordinances.

Burying and burning of trash and debris at the site shall not be permitted. Trash and debris shall be removed from the site at regular intervals to prevent these from accumulating and ultimately delaying the course of the work.

f. SITEWORKS

1. Excavation, Foundations, Anchorage

The design and quality of structural materials to be used shall be in conformity to the governing laws and to the acceptable engineering practices. Footings, foundation elements and/or anchorage systems shall be of the appropriate type, of adequate size/s and capacity in order to safely sustain the superimposed loads under seismic forces, lateral earth pressure or any condition of external forces that may affect the stability of the structure.

The PSP or its contractor shall source the needed quarry materials for the project only from quarries with valid permits (either issued by the Mines and Geosciences Bureau or the concerned Provincial Governor).

The contractor shall provide soil filling materials, grading and other soil protection measures of the building and other elements along the site, in response to the results of soil and materials testing.

- i. Subgrade Preparation
- ii. Aggregate Subbase Course
- iii. Aggregate Base Course

iv. Asphalt-Concrete Pavement

g. OCCUPATIONAL SAFETY AND HEALTH PROGRAM

All activities must conform with the relevant health and safety protocols.

h. TRAFFIC MANAGEMENT

i. REMOVAL OF OBSTRUCTIONS (trees and other structures)

The PSP shall determine all the trees that will be affected by the project and apply for tree cutting permit to concerned agencies.

All historical artifacts or other similar effects shall be treated in accordance to relevant laws.

j. OTHER STRUCTURE AND FACILITIES RELEVANT TO THE PROJECT

k. DEVIATIONS/REQUEST FOR VARIATIONS/CHANGE ORDERS

1. Pertaining to the approved plans/drawings
2. Submitted for evaluation and approval of the Province pursuant to the JVA.

### 3.3 POST CONSTRUCTION

Submission of as-built plans, all manuals, certificates and warranties of installed items.

## IV. PROJECT DURATION

The proposed project implementation is divided into two (3) categories:

1. ROW Acquisition

- Duration to be determined by the bidder
- ROW can be programmed per segment or phase

2. Detailed Engineering Design Stage (DED)

- Duration to be determined by the bidder
- Starts upon approval and significant completion of the acquisition of right of



way (ROW)

### 3. Construction Stage

- Duration of specified by the bidder to complete construction
- Starts upon approval of DED drawings per segment

The Project duration is estimated to be a total of eighteen (18) months for the first phase, excluding delays due to acquisition of ROW.

## V. PROJECT COST

The estimated investment / project cost for the implementation of the proposed project should amount to **ONE BILLION EIGHT HUNDRED SEVENTY THOUSAND PESOS (PhP 1,870,000,000.00)** covering expenditures for: (1) Construction Cost; (2) Pre-Construction and Detailed Engineering Design; (3) Administrative and Consultancy; (4) Quality Assurance and Pre- Operating Cost; (5) Contingencies; (6) Right of Way Acquisition (ROW) and Utilities Relocation; (7) Financing Fees; and (8) other Indirect Costs.

The proposed mode of partnership for this Project will be undertaken through a Joint Venture Agreement between the PSP and the Provincial Government of Cavite.

The PSP will undertake the financing, design, construction, operation and maintenance of the project at no cost to the Provincial Government of Cavite for a thirty-year period, after which the whole facility shall be turned over to the Government.

## VI. APPLICABLE LAWS / REGULATIONS

The challenger or comparative PSP may refer to the relevant provisions of the following documents, as deemed necessary and applicable for the project:

- 1987 Philippine Constitution
- RA 7160 - An Act Providing For A Local Government Code Of 1991 (Sec. 20)
- RA 10173 - Data Privacy Act Of 2012
- RA 6957- As Amended By RA 7718 - Act Authorizing the Financing, Construction, Operation and Maintenance of Infrastructure Projects by the Private Sector, and for Other Purposes.

- **Republic Act No. 11966:** the Public-Private Partnership (PPP) Code of the Philippines
- **PROVINCIAL ORDINANCE NO. 002-S-2012:** the Provincial Government of Cavite's PPP Code
- **RA 917-** An Act to Provide for an Effective Highway Administration, Modify Apportionment of Highway Funds and Give Aid to the Provinces, Chartered Cities and Municipalities in the Construction of Roads and Streets, and for Other Purposes
- **RA 10121** - An Act Strengthening the Philippine Disaster Risk Reduction and Management System, Providing for the National Disaster Risk Reduction and Management Framework and Institutionalizing the National Disaster Risk Reduction and Management Plan, Appropriating Funds Therefor and for Other Purposes
- **DA ADMINISTRATIVE ORDER NO. 1 SERIES OF 2017** - Entitled Guidelines on the Issuance of Certification for Land Use Reclassification
- **JOINT DILG, DA, DAR AND HLURB JOINT MEMORANDUM CIRCULAR - MEMORANDUM CIRCULAR NO. 54** - Prescribing the Guidelines Governing Section 20 of Ra 7160 Otherwise Known as the Local Government Code of 1991 Authorizing Cities and Municipalities to Reclassify Agricultural Lands Into Non-Agricultural Uses
- **RA 7586** - An Act Providing for the Establishment and Management of National Integrated Protected Areas System, Defining Its Scope and Coverage, and for Other Purposes
- **RA 11038** - An Act Declaring Protected Areas and Providing for their Management, Amending for this Purpose Republic Act No. 7586, otherwise known as the "National Integrated Protected Areas System (NIPAS) Act of 1992", and for other Purposes
- **RA NO. 7942** - Philippine Mining Act of 1995
- **PD 1586** - Philippine Environmental Impact Statement System
- **RA 9003** - Ecological Solid Waste Management Act of 2000
- **RA 6969** - Toxic Substances and Hazardous and Nuclear Waste Control Act of 1990

- **RA 8749** - Philippine Clean Air Act of 1999
- **RA 9275** - Philippine Clean Water Act of 2004
- **PRESIDENTIAL DECREE NO. 1559** - Further Amending Presidential Decree No. 705, otherwise known as the "Revised Forestry Code of the Philippines"
- **RA NO. 9147** - Wildlife Resources Conservation and Protection Act
- **PRESIDENTIAL DECREE NO. 856** - Code on Sanitation of the Philippines
- **DPWH DO NO. 197 SERIES OF 2016** - Revised Guidelines in the Preparation of Approved Budget for the Contract
- **PD 1096** - Revising RA 6541 National Building Code of the Philippines
- **DPWH DO NO. 24 SERIES OF 2005** - DPWH Standard Specifications for Public Works and Highways, 2004 Edition: Volume 2 Highways, Bridges and Airports
- **RA 9514** - An Act Establishing a Comprehensive Fire Code of the Philippines, Repealing Presidential Decree No. 1185 and for Other Purposes
- Labor Code of the Philippines
- National Structural Code of the Philippines (NSCP), Volume 1 - Buildings, Towers and Other Vertical Structures, 7<sup>th</sup> Edition 2015
- Philippine Product Standard Agency (PSA) Publications:
  - ▶ PNS 07 Specification for Portland Cement
  - ▶ PNS 16 Specification for Concrete Hollow Blocks
  - ▶ PNS 18 Specification for Concrete Aggregate
  - ▶ PNS 49 Specification for Steel Bars for Concrete Reinforcement
- Uniform Plumbing Code of the Philippines, 2013 First Edition
- Uniform Plumbing Code (UPC), 2006 Edition
- The Code on Sanitation of the Philippines, PD No. 856
- The Water Code of the Philippines, PD No. 1067
- National Plumbing Code of the Philippines (NPCP)

- Philippine Environmental Code (P1)1152)
- NFPA - National Fire Protection Association
- Manufacturers Standardization Society of Valves and Fittings Industry
- DENR Administrative Order 2016-09 (Water Quality Guidelines and General Effluent Standards of 2016)
- Department of Health Standards (DOH)
- Naval Facility Design Manual (NAVFAC DM) 5.7 - Water Supply System
- Local Water Utilities Administration (LWUA) - Technical Standards Manual
- Local Water Utilities Administration (LWUA) - Water Supply Feasibility Studies Methodology Manual
- Republic Act No. 7279 Urban Development Housing Act (UDHA)
- Republic Act No. 8974 Right of Way Acquisition Law as Amended by Republic Act No. 10752
- DILG Memorandum Circular 2009-005 from the amended DILG MC 2008-143
- Republic Act No. 9729 Climate Change Act
- Republic Act No. 10121 Disaster Risk Reduction Management

## **VII. DUTIES AND RESPONSIBILITIES**

In consideration of the Joint Venture undertaking, and to achieve the goals of the Joint Venture as stated herein, the Parties must commit to the following:

### **Obligations of the Province**

The Province shall:

- (a) Assist the SPC in securing the Certificate of Turnover of the Additional ROW or its equivalent document in favor of the SPC, and any other documents necessary for the implementation of the Project from other local government units, the national government and any of its agencies or instrumentalities, and/or other third parties;

- (b) Assist the SPC in acquiring the necessary rights of way for the Project, including the Additional ROW free from all structures, occupants, liens, claims, and encumbrances either through negotiation or coordination with relevant local government units;
- (c) Automatically grant to the SPC the necessary permits, licenses and/or franchises to operate and maintain the BRT System, including the collection of tolls, fees, rentals, and other charges, provided that, in case the permits, licenses and/or franchises are vested upon a Government Authority other than the Provincial Government of Cavite, the Provincial Government of Cavite shall provide all necessary Assistance to secure the grant of the necessary permits, licenses and/or franchises from the relevant Government Authority;
- (d) Assist the SPC in procuring the appropriate franchise, licenses and permits with the LTFRB;
- (e) Vest upon the SPC the exclusive authority to perform all the obligations and responsibilities for the operation of the BRT System;
- (f) Assist the SPC in securing the issuance of all government permits, licenses, and authorizations required for Province of Cavite to perform its obligations, issue all such permits and licenses within its authority to issue in favor of the SPC, including the third-party bus operators, and Assist in securing all required government permits, licenses and authorizations, such as but not limited to, the Environmental Compliance Certificate (ECC) from the Department of Environment and Natural Resources, the Certificate of Public Convenience and/or Operating Franchise from LTFRB, authorization/endorsements from DOTr and any other permit, authorization, approval, or license required for the Project and other requirements by government regulatory agencies for the smooth implementation of the Project;
- (g) Assist the SPC in ensuring the peaceful, unimpeded and free access and possession of the Additional ROW by the SPC;
- (h) Allow interconnection with any BRT project that may be approved during the term of this JVA, provided the SPC shall be allowed to participate in the competitive challenge subject to Relevant Rules and Procedures;
- (i) Undertake that the Project will be fully implemented, not hampered and enjoined;
- (j) Provide such reasonable Assistance in relation to the SPC's registration, application, and qualification for tax exemptions and other investment incentives allowed by the applicable laws of the Republic of the Philippines;
- (k) Acquire Additional ROW as necessary, provided all costs associated with such acquisition shall be borne by the SPC, provided further that such

acquisition shall only be undertaken should the SPC be unable to acquire the Additional ROW independently of the Province of Cavite;

### **Obligations of the Private Sector Proponent**

The Private Sector Proponent shall:

- (a) Invest cash in the amount sufficient to cover the equity requirements of the Project as prescribed in the Equity Requirement;
- (b) Acquire Additional ROW and other lands necessary for the Project;
- (c) Secure the Certificate of Turnover of the Additional ROW;
- (d) Undertake the necessary activities for the construction and development of the BRT System as well as the Operation and Maintenance of the BRT System;
- (e) Undertake the necessary activities for the Operation and Maintenance of Commercial Assets;
- (f) Plan, develop, design, and build the Project in compliance with: (i) the relevant approved Detailed Design; all relevant Rules and Procedure and the Environmental Compliance Certificate, prepared and approved in accordance with this JVA; (iii) the MPSS; and (iv) Prudent Industry Practice;
- (g) Effect the purchase and, if needed, importation, of owner-supplied materials and supplies for the construction and implementation of the Project;
- (h) Evaluate and select the architect, general contractor, suppliers, quantity surveyor, specialty contractors, and consultants to be engaged or employed for the implementation and completion of the Project, and coordinate and evaluate their work for the purpose of effecting the completion of the Project;
- (i) Provide and employ the manpower requirements for the day-to-day operations of the Project, and be responsible for the training, management, and payment of all salaries and benefits of all employees engaged for the Project;
- (j) As necessary, construct structures on any portion of the Lancaster Alignment and Additional ROW to be used for the temporary housing for construction workers, temporary office or staging area for its contractors, a batching plant or such other structures as may be necessary or preferable

for other purposes connected with the development;

- (k) To engage with the cities and municipalities for the establishment of feeder services that will allow passengers to have better access to the BRT and P2P alignment.
- (l) Construct other structures, improvements, and facilities for the Project necessary for the implementation of the Project;
- (m) Collect Farebox Revenues, Terminal Fees, and Commercial Revenues in accordance with the JVA; and
- (n) Perform any other act necessary for the proper implementation of the Project.