

CONTRACT AGREEMENT

THIS CONTRACT, made this 17th day of July 2024 between:

The **PUBLIC-PRIVATE PARTNERSHIP CENTER OF THE PHILIPPINES**, an agency of the Government of the Republic of the Philippines attached to the National Economic and Development Authority by virtue of Executive Order No. 8, Series of 2010 and Republic Act No. 11966 or the Public-Private Partnership (PPP) Code of the Philippines, with principal office at 8th Floor, One Cyberpod Centris, EDSA cor. Quezon Ave., Brgy. Pinyahan, Quezon City, Philippines, hereinafter referred to as "**PPP CENTER**" (also "**CLIENT**" or "**PROCURING ENTITY**") and represented by its Executive Director, **MA. CYNTHIA C. HERNANDEZ**.

- and -

PACIFIC RIM INNOVATION AND MANAGEMENT EXPONENTS, INC (PRIMEX)., in association with BDO LLP (United Kingdom), and DT Global International Development Limited UK as sub-consultants, with principal office at 502 and 504 Manila Luxury Condominium, 30 Pearl Drive, Ortigas Center, Pasig City, Metro Manila, Philippines, hereinafter referred to as the "**CONSULTANT**" and represented by its Chairman and President, **RYOHEI ISHII**.

The PPP Center and Consultant shall be collectively referred to as "**Parties**".

ANTECEDENTS

On December 21, 2023, the Head of Procuring Entity approved the recommendation of the Special Bids and Awards Committee (SBAC), through Resolution No. 2023-009, on the following:

1. To resort to negotiated procurement Section 53(d) of RA 9184 and Section 53.4 of the RA 9184 IRR (Adjacent or Contiguous Contract) for the San Ramon Newport Project (**Project**);
2. To issue a Supplemental Annual Procurement Plan and the necessary negotiation documents for the negotiated procurement under Section 53(d) of RA 9184 and Section 53.4 of the RA 9184 IRR prior to negotiation with the existing Consultant for the aforesaid Project; and
3. To authorize the SBAC to negotiate with the existing Consultant for the continuation of the remaining services under the pre-existing Contract for Consultant's Services (CCS) for the Project through an adjacent or contiguous contract following negotiated procurement under Section 53(d) of RA 9184 and Section 53.4 of the RA 9184 IRR.

On December 22, 2023, the Supplemental Procurement Plan (SPP), which includes the Procurement of Project Preparation and Transaction Advisory Services for the San Ramon Newport Project under Section 53.4 of the IRR of RA 9184, was signed by the authorized signatories of the PPP Center.

On December 28, 2023, another SPP was issued to adjust the Approved Budget for the Contract (ABC) for the Project. On the same date, the SBAC issued the Invitation for Negotiated Procurement to BDO LLP (**Original Lead Firm**).

On January 9, 2024, in a digital consultation with the Government Procurement Policy Board – Technical Support Office (GPPB-TSO), the PPP Center was informed that change in association arrangement may be allowed during the transition provided that that new lead firm/new consortium member will comply with the legal, technical and financial eligibility requirements under RA 9184 and its Revised IRR.

On January 10, 2024, the contract negotiation conference between the PPP Center, the Zamboanga City Special Economic Zone Authority (ZCSEZA), and the BDO LLP was held. During the contract negotiation conference, the following items were highlighted:

1. BDO LLP informed PPP Center and ZCSEZA of its difficulty in complying with the legal, technical and eligibility requirements and the posting of the performance security under RA 9184 procurement framework and would explore delegating one of its consortium members as the new Lead Firm.
2. PPP Center informed the Consultant and ZCSEZA that following the closing of the ADB Technical Assistance 7796 and the ongoing review of the Milestones 3c and 3d1 on the ADB Contract for Consultant's Services (CCS), these two (2) milestones will be included in the milestones to be transitioned to RA 9184. Further, the contract amount will be updated from **USD 1,298,154.11** to **USD 1,901,791.98**, inclusive of taxes.

After series of correspondences between BDO LLP and PPP Center, BDO LLP, through its email dated March 11, 2024, formalized the appointment of its consortium member, **Pacific Rim Innovation and Management Exponents, Inc. (PRIMEX)**, as the new Lead Firm for the Project.

On March 14, 2024, the SBAC requested PRIMEX for the submission of its legal, technical and financial eligibility documents pursuant to the requirements under RA 9184 and its revised IRR.

On March 18, 2024 to June 6, 2024, the Consultant submitted the legal, technical, and financial eligibility documents requested by the SBAC.

On May 31, 2024, acting on PRIMEX's request, the PPP Center confirmed that the use of peso currency in the contract can be given due course pursuant to Section 61.4 of the Revised IRR of RA 9184 which provides that *"All contracts shall be denominated and payable in Philippine currency, and this shall be stated in the Bidding Documents. Provided, however, that subject to the guidelines issued by the GPPB, the Procuring Entity may provide in the Bidding Documents that obligations may be paid in foreign currency, which shall be accepted or tradeable by the Bangko Sentral ng Pilipinas."* Therefore, the contract amount and currency will be updated to **One Hundred Six Million Three Hundred Forty-Two Thousand and Five Hundred Two and 15/100 Pesos (PHP 106,342,502.15)**, inclusive of applicable taxes and fees.

The SBAC, assisted by its Technical Working Group (TWG), evaluated the legal, technical, and financial eligibility documents submitted by the Consultant and found the Consultant to be capable of delivering the required services for the San Ramon Newport Project. In brief, the SBAC found the Consultant's legal, technical, and financial eligibility submissions to be complete and in order, and

determined its compliance with the conditions laid down under Section 53.4 of the RA 9184 IRR.

On June 7, 2024 the contract negotiation conference between the PPP Center, ZCSEZA and PRIMEX was held. Given that there are no pending matters to be complied with by the Consultant, the SBAC declared the successful negotiations based on the following premises:

1. The Consultant was able to fully comply with the required eligibility documents and that it was found to be technically, legally, and financially capable to deliver the services and objectives of this consulting assignment;
2. All matters arising in the negotiations process have been resolved and agreed upon by the Parties and the IA; and
3. The Parties, with the concurrence of the IA, agreed on the final draft of the negotiated RA 9184 Contract Agreement.

The Minutes of Contract Negotiation and the Draft Negotiated Contract, duly approved and signed by the PPP Center, the Consultant and the ZCSEZA.

On June 27, 2024, the Notice of Award was issued and conformed with by the Consultant. The Consultant also complied with the posting of the Performance Security based on prescribed form and amount.

The PPP Center and the Consultant then executed this negotiated Contract, with the conformity of the ZCSEZA. The Contract covers the Project Preparation and Transaction Advisory Services for the San Ramon Newport Project wherein the Consultant agreed to undertake the Services in the contract amount of **One Hundred Six Million Three Hundred Forty-Two Thousand and Five Hundred Two and 15/100 Pesos (PHP 106,342,502.15)**, inclusive of applicable taxes and fees.

NOW THE PARTIES AND ZCSEZA AGREE AS FOLLOWS:

1. In this Contract, words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract hereinafter referred to.
2. The following documents shall be attached, deemed to form, and be read and construed as part of this Agreement, to wit:
 - a. Annex A – General and Special Conditions of Contract
 - b. Annex B – Terms of Reference (TOR)
 - c. Annex C - Invitation for Negotiated Procurement
 - d. Annex D - Minutes of Contract Negotiation
 - e. Annex E - Notice of Award of Contract with the Consultant's *Conforme*
 - f. Annex F - Performance Security
 - g. The following Appendices

Appendix I – Description of Services

- Appendix IA – Work Schedule for Planning and Deliverables
- Appendix IB – Personnel Schedule

- Appendix IC – Expanded Team Composition, Assignment and Key Experts' Inputs

Appendix II – Reporting Requirements

Appendix III – Key Personnel and Subconsultants

- Appendix IIIA – Curriculum Vitae of Key and Non-Key Experts

Appendix IV – Breakdown of Contract Price

- F1 – Remuneration – Foreign and Local Key Experts/Personnel
- F2 – Remuneration – Foreign and Local Non-Key Experts/Personnel
- F3 – Reimbursable Expenses – Foreign and Local

Appendix V – Services and Facilities Provided by the Client

Appendix VI – Consultant's Representations Regarding Costs and Charges

Appendix VII – Breakdown of Agreed Fixed Rates

3. In consideration of the payments to be made by the PPP Center to the Consultant as set forth in the TOR, the Consultant agrees with the PPP Center to execute and complete the Consulting Services and remedy any defects therein in conformity with the provisions of this Contract in all respects.
4. The PPP Center agrees to pay the Consultant in consideration of the execution and completion of the Consulting Services, the Contract Price or such other sum as may become payable under the provisions of this Contract at the times and in the manner prescribed by this Contract.

IN WITNESS WHEREOF the parties thereto have caused this Agreement to be executed the day and year first before written.

For and on behalf of Public-Private Partnership Center of the Philippines, Government of the Republic of the Philippines

For and on behalf of Pacific Rim Innovation and Management Exponents, Inc.

[Redacted Signature]

MA. CYNTHIA C. HERNANDEZ
Executive Director

[Redacted Signature]

RYOHEI ISHII
Authorized Representative
Chairman and President



For and on behalf of Zamboanga City Special Economic Zone Authority, Government of the Republic of the Philippines

[Redacted Signature]

RAUL M. REGONDOLA
Chairperson and Administrator