

## Project Title

### Annex A-5: List of Documentary Requirements for the approval of the contract variation, expansion, or extension of an executed PPP contract

No.	Document (should be in searchable format)	Description/Remarks
1	Letter of the LGU/LUC to the Approving Body recommending the variation, expansion, or extension for approval	<p>The letter should indicate the following:</p> <ul style="list-style-type: none"> <li>a. project name</li> <li>b. description of the proposed variation, expansion, or extension for approval</li> <li>c. updated project cost, if the proposed variation, expansion, or extension affects the project cost</li> <li>d. expected output and outcome of the proposed variation, expansion, or extension</li> <li>e. updated implementation period, if the proposed variation, expansion, or extension affects the approved implementation period</li> <li>f. list of all documents being submitted in relation to the proposed variation, expansion, or extension for approval</li> <li>g. the full and unqualified endorsement of the Head of the LGU/LUC submitting the variation, expansion, or extension for approval</li> <li>h. certification that the submission is complete pursuant to the PPP Code and its IRR</li> <li>i. notation by the private partner that the variation, expansion, or extension is acceptable</li> </ul>
2	Report on the requested variation, expansion, or extension	<p>Summary of the LGU/LUC's due diligence on the proposed contract variation, expansion, or extension, which should include the following:</p> <ul style="list-style-type: none"> <li>a. List of all proposed contract variation, expansion, or extension</li> <li>b. Draft Revised PPP contract, in tracked changes, reflecting the proposed revision/s <b>or</b> Draft Addendum to the PPP contract</li> <li>c. Justification for each proposed contract variation, expansion, or extension, with corresponding supporting documents</li> <li>d. Validity and legality of the proposed contract variation, expansion, or extension, based on relevant provisions in the signed PPP contract</li> <li>e. Assessment on whether the private partner is able to deliver its obligations under the new contract</li> <li>f. Report on all previous variations, including a calculation showing the cumulative value of the proposed variations and all previously approved variations</li> </ul>
<b>IMPORTANT NOTE: Only if applicable, the following documents should also be submitted to support the requested variation, expansion, or extension:</b>		
2	Electronic copy of the economic model <i>(if the variation, expansion, or extension will impact the economic viability of the project)</i>	<p>The economic model should:</p> <p><i>Note: The economic model should clearly indicate the economic benefits and costs attributable to (1) the variation, expansion, or extension only, and (2) the project as a whole.</i></p> <ul style="list-style-type: none"> <li>a. be in traceable formula format <ul style="list-style-type: none"> <li>i. assumptions/inputs should be shown in a summary sheet that are linked to the relevant work sheets of the model. This should include bases/references for all hardcoded values.</li> <li>ii. workbook and sheets should be in editable format, and should not be protected</li> <li>iii. there should be no hidden sheets, and no links to external files</li> </ul> </li> <li>b. contain information that are up-to-date and are not older than three (3) years as of the date of submission</li> <li>c. have all monetary values expressed/converted into local currency, i.e., PHP</li> </ul>

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		The economic model should also contain the following: a. economic benefits of the project b. economic costs of the project c. conversion of financial costs to economic costs, using ICC-prescribed shadow factors d. calculation of economic viability - economic internal rate of return - economic net present value, using ICC-prescribed Social Discount Rate - benefits-cost ratio e. sensitivity analysis with respect to changes in costs, benefits, and demand, among others
3	Electronic copy of the Value for Money model <b>(if the variation, expansion, or extension will impact the resulting value for money of the project)</b>	The value for money model should:  <i>Note: The value for money model should clearly indicate the PPP shadow bid and Public Sector Comparator attributable to (1) the variation, expansion, or extension only, and (2) the project as a whole.</i> a. be in traceable formula format i. assumptions/inputs should be shown in a summary sheet that are linked to the relevant work sheets of the model. This should include bases/references for all hardcoded values. ii. workbook and sheets should be in editable format, and should not be protected iii. there should be no hidden sheets, and no links to external files b. have cash flows expressed in nominal terms c. have all monetary values are expressed/converted into local currency, i.e., PHP The value for money model should also contain the following: a. PPP shadow bid b. Public Sector Comparator c. resulting value for money d. sensitivity analysis with respect to changes in the PPP shadow bid and/or the PSC
4	Electronic copy of the financial model <b>(if the variation, expansion, or extension will impact the financial viability of the project)</b>	The financial model should:  <i>Note: The financial model to be submitted should be based on the financial bid of the proponent at bid submission date. Further, the financial model should clearly indicate the revenues and costs attributable to (1) the variation, expansion, or extension only, and (2) the project as a whole.</i> a. be in traceable formula format i. assumptions/inputs should be shown in a summary sheet that are linked to the relevant work sheets of the model. This should include i) bases/references for all hardcoded values and ii) the investment incentives that are intended to be availed of for the project. ii. workbook and sheets should be in editable format, and should not be protected

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		<ul style="list-style-type: none"> <li>iii. there should be no hidden sheets, and no links to external files</li> <li>b. contain information that are up-to-date and are not older than three (3) years as of the date of submission to the Approving Body</li> <li>c. have cash flows expressed in nominal terms</li> <li>d. have all monetary values expressed/converted into local currency, i.e., PHP</li> </ul> <p>The financial model should also contain the following:</p> <ul style="list-style-type: none"> <li>a. balance sheet of the project for its full life cycle</li> <li>b. income statement of the project for its full life cycle</li> <li>c. cash flows statement of the project for its full life cycle, including the following:                             <ul style="list-style-type: none"> <li>-cash flow from operating, investing, and financing activities</li> <li>-free cash flows to firm</li> <li>-free cash flows to equity holders</li> </ul> </li> <li>d. calculations on financial viability                             <ul style="list-style-type: none"> <li>-project internal rates of return</li> <li>-equity internal rates of return</li> <li>-project net present value</li> <li>-equity net present value</li> <li>-weighted average cost of capital</li> <li>-cost of equity components based on established methodologies (e.g., Capital Asset Pricing Model)</li> </ul> </li> <li>e. sensitivity analysis with respect to changes in costs, revenues, and demand, among others</li> <li>f. calculations on bankability based on established methodologies including at minimum the debt service coverage ratio, among others.</li> <li>g. amount and schedule of liabilities of the LGU/LUC (e.g., availability payments, viability gap funding, ROW cost, IC cost, among others)</li> <li>h. for JV projects, proposed profit sharing between the LGU/LUC and the private proponent</li> </ul>
5	Proposed project Parameters Terms and Conditions (PTC) ( <i>if the variation, expansion, or extension will impact the previously submitted PTCs</i> )	<p>The implementing agency should submit its Proposed Parameters Terms and Conditions (PTCs) using the following forms:</p> <p><i>Note: The contents of the submitted proposed PTCs should be consistent with the contents of the submitted financial model.</i></p> <p><b>PTC Form 2 (Government Undertakings, and Other Financial Obligations of the Government)</b> which are compliant with the rules provided under the PPP Code and its IRR.</p> <p><b>PTC Form 4 (Identified Interconnectivity and Interface Risks, and Mitigating Measures)</b> which includes the assessment of the actual and potential interconnectivity and interface risks between the proposed project and other government project/s.</p>

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6	Valuation report on government assets or property, equity contribution of the government and private proponent, and reclaimed land, as applicable <i>(if the variation, expansion, or extension requires new government assets or property, equity contribution, or reclaimed land that were not considered during the previous approval)</i>	<p>A report on the required valuation as determined by a Third Party Appraiser, as applicable based on the PPP Code IRR:</p> <p>The report should not be older than one (1) year from the date of submission.</p> <p>a. For Unsolicited Proposals containing Government Undertakings in the form of payment of ROW related costs and/or contribution of assets, properties and rights*, where the government shall receive an appropriate compensation - <b>valuation of government assets or property</b> .</p> <p>For avoidance of doubt, rights contributed by the government in support of the project (e.g., water rights, right to access government data and system, permit to operate under the name of the government agency, and franchise issued to the agency) do not require valuation, unless subjected by the implementing agency/ies to valuation during the negotiation phase.</p> <p>b. For Joint Ventures - <b>valuation of equity contribution of the government and the private partner</b></p> <p>This should include contribution of assets, properties, and rights, and other allowable Government Undertakings.</p> <p>For avoidance of doubt:                      - cash contributions do not require valuation.                      - rights contributed by the government in support of the project (e.g., water rights, right to access government data and system, permit to operate under the name of the government agency, and franchise issued to the agency) do not require valuation, unless subjected by the implementing agency/ies to valuation during the</p> <p>i. valuation of the equity contribution of the government</p> <p>ii. valuation of the equity contribution of the private partner</p>
8	Project site plan	<p>a. details on the ownership of the proposed project site.</p> <p>b. for transport and road projects, a diagram that illustrates the project alignment, which includes major landmarks and infrastructure/ facilities within/near the project alignment</p> <p>c. Right of Way Acquisition (ROWA)/Resettlement Action Plan (RAP), if applicable</p> <p>i. scope of ROW requirements (e.g., specific location, size and distance, among others, of ROW to be acquired)</p> <p>ii. estimated costs, which must also be specified and itemized in the financial model (if the project does not involve an acquisition of land for the project, indicate 0)</p> <p>iii. at the minimum, the submitted plan(s) should include the following information:</p> <p>1) Project Affected Persons (PAPs):</p> <p>a) estimated number (PAPs, households)</p> <p>b) profile/group: IPs, owners, ISFs, etc.</p> <p>c) compensation package, with estimated amount (per PAP or per household), including livelihood program/Social Development Program, if</p>

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		<table border="1"> <tr> <td data-bbox="558 269 1234 407">2) Affected structures:</td> <td data-bbox="1234 269 1980 305">a) estimated number</td> </tr> <tr> <td data-bbox="558 305 1234 407"></td> <td data-bbox="1234 305 1980 341">b) type: commercial, residential, government asset, etc.</td> </tr> <tr> <td data-bbox="558 341 1234 407"></td> <td data-bbox="1234 341 1980 407">c) compensation package, with estimated amount (per affected structure)</td> </tr> <tr> <td data-bbox="558 407 1234 509">3) Utilities (electricity, water, ICT/Telecoms, etc.):</td> <td data-bbox="1234 407 1980 443">a) estimated number</td> </tr> <tr> <td data-bbox="558 509 1234 576">4) Institutional arrangement on the delivery of the project site</td> <td data-bbox="1234 443 1980 479">b) type of utility</td> </tr> <tr> <td data-bbox="558 576 1234 643">5) Details of ROW acquisition and resettlement activities and implementation period; and</td> <td data-bbox="1234 479 1980 514">c) relocation cost, with amount (per affected utility)</td> </tr> <tr> <td data-bbox="558 643 1234 678">6) Applicable laws, rules and regulations.</td> <td data-bbox="1234 514 1980 550">a) parties involved</td> </tr> <tr> <td data-bbox="558 678 1234 784">d. Requirements under relevant laws, rules, and regulations (e.g. Protected Area Management Board resolution or endorsement for projects to be implemented within protected areas identified under Republic Act (RA) No. 7586, as amended by RA No. 11038), as applicable. In case of reclamation projects, the metes and bounds of the area should be included.</td> <td data-bbox="1234 550 1980 586">b) responsibilities of parties involved</td> </tr> <tr> <td data-bbox="558 586 1234 643"></td> <td data-bbox="1234 586 1980 621">a) activities</td> </tr> <tr> <td data-bbox="558 643 1234 678"></td> <td data-bbox="1234 621 1980 657">b) implementation period</td> </tr> </table>	2) Affected structures:	a) estimated number		b) type: commercial, residential, government asset, etc.		c) compensation package, with estimated amount (per affected structure)	3) Utilities (electricity, water, ICT/Telecoms, etc.):	a) estimated number	4) Institutional arrangement on the delivery of the project site	b) type of utility	5) Details of ROW acquisition and resettlement activities and implementation period; and	c) relocation cost, with amount (per affected utility)	6) Applicable laws, rules and regulations.	a) parties involved	d. Requirements under relevant laws, rules, and regulations (e.g. Protected Area Management Board resolution or endorsement for projects to be implemented within protected areas identified under Republic Act (RA) No. 7586, as amended by RA No. 11038), as applicable. In case of reclamation projects, the metes and bounds of the area should be included.	b) responsibilities of parties involved		a) activities		b) implementation period
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*The LGU/LUC may submit other documents that may help support the case of its request.*