



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



Republic of the Philippines
BANGSAMORO AUTONOMOUS REGION IN MUSLIM MINDANAO
Ministry of Finance, and Budget and Management
Bangsamoro Government Center, Rosary Heights VII, Cotabato City

INVITATION FOR NEGOTIATED PROCUREMENT DUE TO TWO-FAILED BIDDINGS

CONSULTANCY SERVICES FOR OPERATIONAL DUE DILIGENCE ON AL-AMANAH ISLAMIC INVESTMENT BANK OF THE PHILIPPINES (MFBM NP No. 2024-01)

1. The **Ministry of Finance, and Budget and Management Regular Bids and Award Committee** (MFBM-RBAC) intends to procure CONSULTANCY SERVICES FOR OPERATIONAL DUE DILIGENCE ON AL-AMANAH INVESTMENT BANK OF THE PHILIPPINES with an Approved Budget for the Contract (ABC) of **FIVE MILLION PESOS (PHP 5,000,000.00)**.
2. The Regular Bids and Award Committee (RBAC) now invites technically, legally, and financially capable suppliers for the said project.
3. The procurement procedure for this requirement is Negotiated Procurement for Two-Failed Bidding pursuant to 53.1 of the Revised Implementing Rules and Regulations of Republic Act No. 9184, otherwise known as the "Government Procurement Reform Act".

The selection of successful offer shall be based on the best and final offer that will be submitted on the set deadline by the BAC and which would meet the minimum technical requirements.

4. The interested bidders may obtain further information from the Ministry of Finance, and Budget and Management-Regular Bids and Awards Committee (RBAC) Secretariat at the address given below from **February 7, 2024 to February 14, 2024** (except holidays), Monday to Friday, at 8:00 AM - 5:00 PM.
5. The Regular Bids and Awards Committee (RBAC) will hold a **Negotiation Meeting** on **9:00 AM of February 13, 2024** at MFBM Conference Room, MFBM Building, Bangsamoro Government Center, Rosary Heights VII, Cotabato City, which shall be open to prospective bidders and shall be

conducted through face to face and/or virtual meeting.

6. Five (5) copies of the proposals (one original and four copies) must be submitted to the RBAC which must be duly received by the RBAC Secretariat through manual or electronic submission at the office address indicated above or at email address mfbmbac@gmail.com on or before **9:00 AM of February 15, 2024**. Late submission shall not be accepted. **Opening of the bid proposal** shall be on **10:00 AM on February 15, 2024**.
7. Interested bidders shall submit the attached documents (see Annex "A") in sealed envelopes, labeled as "Negotiated Procurement for Two-Failed Biddings", with the title of the procurement project, name of the bidder, address, the contact details of the bidder, addressed to the BAC.
8. Also attached herein the Terms of Reference marked as Annex "B".
9. The Ministry of Finance, and Budget and Management reserves the right to accept or reject any bid, to annul the negotiation process, and to reject at any time prior to contract award, without thereby incurring any liability to the affected bidder/s.
10. For further information, please refer to:

The Secretariat

Regular Bids and Awards Committee
Ministry of Finance, and Budget and Management
MFBM Building, Bangsamoro Government Center, Gov. Gutierrez Avenue
Rosary Heights VII, Cotabato City
Tel. No. (064) 557-2717
Email: mfbmbac@gmail.com

Approved by:

(SGD)
NAILA Z. DIMARAW, CPA, JD
Chairperson
Regular Bids and Awards Committee
Ministry of Finance, and Budget and
Management

CHECKLIST FOR CONSULTING SERVICES

Consulting Services for Operational Due Diligence on Al-Amanah Islamic Investment
Bank of the Philippines

ENVELOPE NO.1: ELIGIBILITY AND TECHNICAL COMPONENTS

Description	Remarks
I. Eligibility Requirements	
a. Eligibility Documents Submission Form	
II. Technical Requirements	
a. Technical Proposal Submission Form (TPF 1)	
b. Consultant’s Reference (TPF 2)	
c. Comments and Suggestions of Consultant on the Terms of Reference (TOR) (TPF 3)	
d. Description of Methodology and Work Plan for Performing the Project (TPF 4)	
e. Team Composition and Task (TPF 5)	
f. Notarized Curriculum Vitae (CV) following TPF 6 for the Proposed Professional Staff that meets the minimum qualifications (Each nominated personnel shall attach a copy of his/her valid identification card)	
g. Time schedule for Professional Personnel (TPF 7)	
h. Activity Work Schedule (TPF 8)	
i. Omnibus Sworn Statement i.1. Authority of the signatory, i.e., the Secretary’s Certificate OR the Special Power of Attorney (SPA) OR, the Owner’s Affidavit, whichever is applicable.	
j. Bid Security	

ENVELOPE NO.2: FINANCIAL COMPONENT

FINANCIAL REQUIREMENTS	Remarks
a. Financial Proposal Submission Form (FPF 1)	
b. Detailed Scope of Works	
c. Summary of Costs (FPF 2)	
d. Breakdown of Price per Activity (FPF 3)	
e. Breakdown of Renumeration per Activity (FPF 4)	
f. Duly signed cash flow by quarter or payment schedules f.1. Reimbursement per activity (FPF 5) f.2. Miscellaneous Expenses (FPF 6)	

Eligibility Documents Submission Form

[Date]

[Name and address of the Procuring Entity]

Ladies/Gentlemen:

In connection with your Request for Expression of Interest dated *[insert date]* for *[Title of Project]*, *[Name of Consultant]* hereby expresses interest in participating in the eligibility and short listing for said Project and submits the attached eligibility documents in compliance with the Eligibility Documents therefor.

In line with this submission, we certify that:

a) *[Name of Consultant]* is not blacklisted or barred from bidding by the GoP or any of its agencies, offices, corporations, LGUs, or autonomous regional government, including foreign government/foreign or international financing institution; and

b) Each of the documents submitted herewith is an authentic copy of the original, complete, and all statements and information provided therein are true and correct.

We acknowledge and accept the Procuring Entity's right to inspect and audit all records relating to our submission irrespective of whether we are declared eligible and short listed or not.

We further acknowledge that failure to sign this Eligibility Document Submission Form shall be a ground for our disqualification.

Yours sincerely,

Signature

Name and Title of Authorized Signatory

Name of Consultant

Address

TECHNICAL PROPOSAL FORMS

Notes for Consultants

The following summarizes the content and maximum number of pages permitted for the Technical Proposal. A page is considered to be one printed side of A4 or letter sized paper.

Cover Letter

Use TPF 1. Technical Proposal Submission Form.

Experience of the Firm

Maximum of *[insert acceptable number of pages]* introducing the background and general experience of the Consultant, including its partner(s) and subconsultants, if any.

Maximum of *[insert acceptable number of pages]* completed projects in the format of TPF 2. Consultant's References illustrating the relevant experience of the Consultant, including its partner and subconsultants, if any. No promotional material should be included.

General approach and methodology, work and staffing schedule

Use TPF 4. Description of the Methodology and Work Plan for Performing the Project, TPF 5. Team Composition and Task, TPF 7. Time Schedule for Professional Personnel, and TPF 8. Activity (Work) Schedule.

If subcontracting is allowed, add the following: If the Consultant will engage a subconsultant for the portions of the Consulting Services allowed to be subcontracted, the Consultant shall indicate which portions of the Consulting Services will be subcontracted, identify the corresponding subconsultant, and include the legal eligibility documents of such subconsultant.

Curriculum Vitae (CV)

Use TPF 6. Format of Curriculum Vitae (CV) for Proposed Professional Staff.

Comments on the terms of reference and data and facilities to be provided by the Procuring Entity

Not more than *[insert acceptable number of pages]* using TPF 3. Comments and Suggestions of Consultant on the Terms of Reference and on Data, Services, and Facilities to be Provided by the

TPF 1. TECHNICAL PROPOSAL SUBMISSION FORM

[Date]

[Name and address of the Procuring Entity]

Ladies/Gentlemen:

We, the undersigned, offer to provide the consulting services for [Title of Project] in accordance with your Bidding Documents dated [insert date] and our Bid. We are hereby submitting our Bid, which includes this Technical Proposal, and a Financial Proposal sealed under a separate envelope.

In accordance with **ITB** Clause 21.1, we confirm that the information contained in the eligibility documents submitted earlier together with the Expression of Interest remain correct as of the date of bid submission.

If negotiations are held during the period of bid validity, *i.e.*, before [insert date], we undertake to negotiate on the basis of the proposed staff. Our Bid is binding upon us and subject to the modifications resulting from contract negotiations.

In accordance with **GCC** Clause 51, we acknowledge and accept the Procuring Entity's right to inspect and audit all records relating to our Bid irrespective of whether we enter into a contract with the Procuring Entity as a result of this Bid or not.

We understand you are not bound to accept any Bid received for the selection of a consultant for the Project.

We acknowledge that failure to sign this Technical Proposal Submission Form and the abovementioned Financial Proposal Submission Form shall be a ground for the rejection of our Bid.

We remain,

Yours sincerely,

Authorized Signature:
Name and Title of Signatory:
Name of Firm:
Address:

TPF 2. CONSULTANT'S REFERENCES

Relevant Services Carried Out in the Last Five Years That Best Illustrate Qualifications

Using the format below, provide information on each project for which your firm/entity, either individually, as a corporate entity, or as one of the major companies within an association, was legally contracted.

Project Name:		Country:
Location within Country:		Professional Staff Provided by Your Firm/Entity(profiles):
Name of Client:		Nº of Staff:
Address:		Nº of Staff-Months; Duration of Project:
Start Date (Month/Year):	Completion Date (Month/Year):	Approx. Value of Services (in Current US\$):
Name of Associated Consultants, if any:		Nº of Months of Professional Staff Provided by Associated Consultants:
Name of Senior Staff (Project Director/Coordinator, Team Leader) Involved and Functions Performed:		
Narrative Description of Project:		
Description of Actual Services Provided by Your Staff:		

Consultant's Name: _____

TPF 3. COMMENTS AND SUGGESTIONS OF CONSULTANT ON THE TERMS OF REFERENCE AND ON DATA, SERVICES, AND FACILITIES TO BE PROVIDED BY THE PROCURING ENTITY

On the Terms of Reference:

- 1.
- 2.
- 3.
- 4.
- 5.

On the data, services, and facilities to be provided by the Procuring Entity:

- 1.
- 2.
- 3.
- 4.
- 5.

**TPF 4. DESCRIPTION OF THE METHODOLOGY AND WORK PLAN FOR
PERFORMING THE PROJECT**

TPF 5. TEAM COMPOSITION AND TASK

1. Technical/Managerial Staff		
Name	Position	Task

2. Support Staff		
Name	Position	Task

3 Where applicable, indicate relationships among the Consultant and any partner and/or subconsultant, the Procuring Entity, the Funding Source and other parties or stakeholders.

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TPF 6. FORMAT OF CURRICULUM VITAE (CV) FOR PROPOSED PROFESSIONAL STAFF

Proposed Position: _____

Name of Firm: _____

Name of Staff: _____

Profession: _____

Date of Birth: _____

Years with Firm/Entity: _____ Nationality: _____

Membership in Professional Societies: _____

Detailed Tasks Assigned: _____

Key Qualifications:

[Give an outline of staff member's experience and training most pertinent to tasks on project. Describe degree of responsibility held by staff member on relevant previous projects and give dates and locations. Use about half a page.]

Education:

[Summarize college/university and other specialized education of staff members, giving names of schools, dates attended, and degrees obtained. Use about one quarter of a page.]

Employment Record:

[Starting with present position, list in reverse order every employment held. List all positions held by staff member since graduation, giving dates, names of employing organizations, titles of positions held, and locations of projects. For experience in last ten years, also give types of activities performed and client references, where appropriate. Use about two pages.]

Languages:

[For each language, indicate proficiency: excellent, good, fair, or poor in speaking, reading, and writing.]

Certification:

I, the undersigned, certify that to the best of my knowledge and belief, these data correctly describe me, my qualifications, and my experience.

Commitment:

I also commit to work for the Project in accordance with the time schedule as indicated in the contract once the firm is awarded the Project.

Date: _____
[Signature of staff member and authorized representative of the firm] Day/Month/Year

Full name of staff member:
Full name of authorized representative:

SUBSCRIBED AND SWORN to before me this ___ day of [month] [year] at [place of execution], Philippines. Affiant/s is/are personally known to me and was/were identified by me through competent evidence of identity as defined in the 2004 Rules on Notarial Practice (A.M. No. 02-8-13-SC). Affiant/s exhibited to me his/her [insert type of government identification card used], with his/her photograph and signature appearing thereon, with no. _____.

Witness my hand and seal this ___ day of [month] [year].

NAME OF NOTARY PUBLIC

Serial No. of Commission _____
Notary Public for _____ **until** _____
Roll of Attorneys No. _____
PTR No. __, [date issued], [place issued]
IBP No. __, [date issued], [place issued]
Doc. No. ____
Page No. ____
Book No. ____
Series of ____.

TPF 8. ACTIVITY (WORK) SCHEDULE

A. Field Investigation and Study Items

	<i>[1st, 2nd, etc. are months from the start of project.]</i>												
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	
Activity (Work)													

B. Completion and Submission of Reports

Reports	Date
1. Inception Report	
2. Interim Progress Report (a) First Status Report (b) Second Status Report	
3. Draft Report	
4. Final Report	

OMNIBUS SWORN STATEMENT

REPUBLIC OF THE PHILIPPINES)
CITY/MUNICIPALITY OF _____) S.S.

AFFIDAVIT

I, *[Name of Affiant]*, of legal age, *[Civil Status]*, *[Nationality]*, and residing at *[Address of Affiant]*, after having been duly sworn in accordance with law, do hereby depose and state that:

1. ***Select one, delete the other:***

If a sole proprietorship: I am the sole proprietor or authorized representative of *[Name of Consultant]* with office address at *[address of Consultant]*;

If a partnership, corporation, cooperative, or joint venture: I am the duly authorized and designated representative of *[Name of Consultant]* with office address at *[address of Consultant]*;

2. ***Select one, delete the other:***

If a sole proprietorship: As the owner and sole proprietor or authorized representative of *[Name of Consultant]*, I have full power and authority to do, execute and perform any and all acts necessary to participate, submit the bid, and to sign and execute the ensuing contract for *[Name of the Project]* of the *[Name of the Procuring Entity]**[insert “as shown in the attached duly notarized Special Power of Attorney” for authorized representative]*;

If a partnership, corporation, cooperative, or joint venture: I am granted full power and authority to do, execute and perform any and all acts necessary to participate, submit the bid, and to sign and execute the ensuing contract for *[Name of the Project]* of the *[Name of the Procuring Entity]*, accompanied by the duly notarized Special Power of Attorney, Board/Partnership Resolution, or Secretary’s Certificate, whichever is applicable;

3. *[Name of Consultant]* is not “blacklisted” or barred from bidding by the Government of the Philippines or any of its agencies, offices, corporations, or Local Government Units, foreign government/foreign or international financing institution whose blacklisting rules have been recognized by the Government Procurement Policy Board;

4. Each of the documents submitted in satisfaction of the bidding requirements is an authentic copy of the original, complete, and all statements and information provided therein are true and correct;

5. *[Name of Consultant]* is authorizing the Head of the Procuring Entity or its duly authorized representative(s) to verify all the documents submitted;

6. **Select one, delete the rest:**

If a sole proprietorship: The owner or sole proprietor is not related to the Head of the Procuring Entity, members of the Bids and Awards Committee (BAC), the Technical Working Group, and the BAC Secretariat, the head of the Project Management Office or the end-user unit, and the project consultants by consanguinity or affinity up to the third civil degree;

If a partnership or cooperative: None of the officers and members of *[Name of Bidder]* is related to the Head of the Procuring Entity, members of the Bids and Awards Committee (BAC), the Technical Working Group, and the BAC Secretariat, the head of the Project Management Office or the end-user unit, and the project consultants by consanguinity or affinity up to the third civil degree;

If a corporation or joint venture: None of the officers, directors, and controlling stockholders of *[Name of Consultant]* is related to the Head of the Procuring Entity, members of the Bids and Awards Committee (BAC), the Technical Working Group, and the BAC Secretariat, the head of the Project Management Office or the end-user unit, and the project consultants by consanguinity or affinity up to the third civil degree;

7. *[Name of Consultant]* complies with existing labor laws and standards; and

8. *[Name of Consultant]* is aware of and has undertaken the following responsibilities as a Bidder:

- a) Carefully examine all of the Bidding Documents;
- b) Acknowledge all conditions, local or otherwise, affecting the implementation of the Contract;
- c) Made an estimate of the facilities available and needed for the contract to be bid, if any; and
- d) Inquire or secure Supplemental/Bid Bulletin(s) issued for the *[Name of the Project]*.

9. *[Name of Bidder]* did not give or pay directly or indirectly, any commission, amount, fee, or any form of consideration, pecuniary or otherwise, to any person or official, personnel or representative of the government in relation to any procurement project or activity.

IN WITNESS WHEREOF, I have hereunto set my hand this ___ day of ___, 20__ at _____, Philippines.

[Bidder's Representative/Authorized Signatory]

SUBSCRIBED AND SWORN to before me this ___ day of *[month]* *[year]* at *[place of execution]*, Philippines. Affiant/s is/are personally known to me and was/were identified by me through competent evidence of identity as defined in the 2004 Rules on Notarial Practice (A.M. No. 02-8-13-SC). Affiant/s exhibited to me his/her *[insert type of government identification card used]*, with his/her photograph and signature appearing thereon, with no. _____.

Witness my hand and seal this ___ day of *[month]* *[year]*.

NAME OF NOTARY PUBLIC

Serial No. of Commission _____

Notary Public for _____ **until** _____

Roll of Attorneys No. _____

PTR No. __, *[date issued]*, *[place issued]*

IBP No. __, *[date issued]*, *[place issued]*

Doc. No. ____

Page No. ____

Book No. ____

Series of ____.

Bid-Securing Declaration

(REPUBLIC OF THE PHILIPPINES)

CITY OF _____) S.S.

X-----X

Invitation to Bid *[Insert reference number]*

To: *[Insert name and address of the Procuring Entity]*

I/We, the undersigned, declare that:

1. I/We understand that, according to your conditions, bids must be supported by a Bid Security, which may be in the form of a Bid-Securing Declaration.
2. I/We accept that: (a) I/we will be automatically disqualified from bidding for any contract with any procuring entity for a period of two (2) years upon receipt of your Blacklisting Order; and, (b) I/we will pay the applicable fine provided under Section 6 of the Guidelines on the Use of Bid Securing Declaration, within fifteen (15) days from receipt of written demand by the procuring entity for the commission of acts resulting to the enforcement of the bid securing declaration under Sections 23.1(b), 34.2, 40.1 and 69.1, except 69.1 (f), of the IRR of RA 9184; without prejudice to other legal action the government may undertake.
3. I/We understand that this Bid-Securing Declaration shall cease to be valid on the following circumstances:
 - a. Upon expiration of the bid validity period, or any extension thereof pursuant to your request;
 - b. I am/we are declared ineligible or post-disqualified upon receipt of your notice to such effect, and (i) I/we failed to timely file a request for reconsideration or (ii) I/we filed a waiver to avail of said right;
 - c. I am/we are declared as the bidder with the Highest Rated Responsive Bid, and I/we have furnished the performance security and signed the Contract.

IN WITNESS WHEREOF, I/We have hereunto set my/our hand/s this ____ day of [month] [year] at [place of execution].

[Insert NAME OF BIDDER'S AUTHORIZED REPRESENTATIVE]
[Insert signatory's legal capacity]

Affiant

SUBSCRIBED AND SWORN to before me this __ day of [month] [year] at [place of execution], Philippines. Affiant/s is/are personally known to me and was/were identified by me through competent evidence of identity as defined in the 2004 Rules on Notarial Practice (A.M. No. 02-8-13-SC). Affiant/s exhibited to me his/her [insert type of government identification card used], with his/her photograph and signature appearing thereon, with no. _____.

Witness my hand and seal this ____ day of [month] [year].

NAME OF NOTARY PUBLIC

Serial No. of Commission _____
Notary Public for _____ **until** _____
Roll of Attorneys No. _____
PTR No. __, [date issued], [place issued]
IBP No. __, [date issued], [place issued]
Doc. No. ____
Page No. ____
Book No. ____
Series of _____.

FINANCIAL PROPOSAL FORMS

Notes

for

Consultants

The following summarizes the content of the Financial Proposal.

Cover Letter

Use FPF 1. Financial Proposal Submission Form, which is an acknowledgement that, in preparation and submission of the Technical and Financial Proposals, Consultants have:

- (a) followed the applicable rules and guidelines indicated in this ITB;
- (b) not taken any action which is or constitutes a corrupt, fraudulent, or coercive practice as defined in the applicable rules and guidelines; and
- (c) agrees to allow the Procuring Entity and the Funding Source, at their option, to inspect and audit all accounts, documents, and records relating to the its Bid and to the performance of the ensuing contract.

Costs of Consulting Services

Use FPF 2. Summary of Costs; FPF 3. Breakdown of Price per Activity; FPF 4. Breakdown of Remuneration per Activity; FPF 5. Reimbursables per Activity; and FPF 6. Miscellaneous Expenses.

FPF 1. FINANCIAL PROPOSAL SUBMISSION FORM

[Date]

[Name and address of the Procuring Entity]

Ladies/Gentlemen:

We, the undersigned, offer to provide the consulting services for [Title of Project] in accordance with your Bidding Documents dated [insert date] and our Bid (Technical and Financial Proposals). Our attached Financial Proposal is for the sum of [amount in words and figures]. This amount is exclusive of the local taxes, which we have estimated at [amount(s) in words and figures].

Our Financial Proposal shall be binding upon us subject to the modifications resulting from Contract negotiations, up to expiration of the bid validity period, *i.e.*, [Date].

In accordance with GCC Clause 51, we acknowledge and accept the Procuring Entity's right to inspect and audit all records relating to our Bid irrespective of whether we enter into a contract with the Procuring Entity as a result of this Bid.

We confirm that we have read, understood and accept the contents of the Instructions to Bidders (ITB), the Bid Data Sheet (BDS), General Conditions of Contract (GCC), Special Conditions of Contract (SCC), Terms of Reference (TOR), the provisions relating to the eligibility of Consultant and the applicable guidelines for the procurement rules of the Funding Source, any and all Bid bulletins issued and other attachments and inclusions included in the Bidding Documents sent to us.

We understand you are not bound to accept any Bid you receive.

We remain,

Yours sincerely,
Authorized Signature:
Name and Title of Signatory:
Name of Firm:
Address:

FPF 2. SUMMARY OF COSTS

Costs	Currency(ies) ¹	Amount in Philippine Peso
Subtotal		
Local Taxes		
Total Amount of Financial Proposal		_____

¹ In cases of contracts involving foreign consultants, indicate the exchange rate used.

FPF 3. BREAKDOWN OF PRICE PER ACTIVITY

Activity No.: _____	Activity No.: _____	Description: _____
Price Component	Currency(ies) ²	Amount in Philippine Peso
Remuneration		
Reimbursables		
Miscellaneous Expenses		
Subtotal		_____

² In cases of contracts involving foreign consultants, indicate the exchange rate used.

FPF 4. BREAKDOWN OF REMUNERATION PER ACTIVITY

Activity No. _____		Name: _____		
Names	Position	Input ³	Remuneration Currency(ies) Rate	Amount
Regular staff				
Local staff				
Consultants				
Grand Total				_____

³ Staff months, days, or hours as appropriate.

FPF 5. REIMBURSABLES PER ACTIVITY

Activity No: _____

Name: _____

No.	Description	Unit	Quantity	Unit Price In	Total Amount In
1.	International flights _____	Trip			
2.	Miscellaneous travel expenses	Trip			
3.	Subsistence allowance	Day			
4.	Local transportation costs ⁴				
5.	Office rent/accommodation/ clerical assistance				
	Grand Total				_____

⁴ Local transportation costs are not included if local transportation is being made available by the Entity. Similarly, in the project site, office rent/accommodations/clerical assistance costs are not to be included if being made available by the Entity.

FPF 6. MISCELLANEOUS EXPENSES

Activity No. _____ Activity Name: _____

No.	Description	Unit	Quantity	Unit Price	Total Amount
1.	Communication costs between _____ and _____ (telephone, telegram, telex)				
2.	Drafting, reproduction of reports				
3.	Equipment: vehicles, computers, etc.				
4.	Software				
	Grand Total				_____

FORM OF CONTRACT AGREEMENT

THIS AGREEMENT, made this *[insert date]* day of *[insert month]*, *[insert year]* between *[name and address of Procuring Entity]* (hereinafter called the “Entity”) and *[name and address of Consultant]* (hereinafter called the “Consultant”).

WHEREAS, the Entity is desirous that the Consultant execute *[name and identification number of contract]* (hereinafter called “the Works”) and the Entity has accepted the bid for *[insert the amount in specified currency in numbers and words]* by the Consultant for the execution and completion of such Consulting Services and the remedying of any defects therein.

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. In this Agreement, 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) General and Special Conditions of Contract;
 - (b) Terms of Reference
 - (c) Request for Expression of Interest;
 - (d) Instructions to Bidders;
 - (e) Bid Data Sheet;
 - (f) Addenda and/or Supplemental/Bid Bulletins, if any;
 - (g) Bid forms, including all the documents/statements contained in the Bidder’s bidding envelopes, as annexes, and all other documents/ statements submitted (*e.g.*, bidder’s response to request for clarifications on the bid), including corrections to the bid, if any, resulting from the Procuring Entity’s bid evaluation;
 - (h) Eligibility requirements, documents and/or statements;
 - (i) Performance Security;
 - (j) Notice of Award of Contract and the Bidder’s conforme thereto;
 - (k) Other contract documents that may be required by existing laws and/or the Entity.
3. In consideration of the payments to be made by the Entity to the Consultant as hereinafter mentioned, the Consultant hereby covenants with the Entity to execute and complete the Consulting Services and remedy any defects therein in conformity with the provisions of this Consultant in all respects.

4. The Entity hereby covenants 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.

Binding Signature of Procuring Entity

Binding Signature of Consultant

[Addendum showing the corrections, if any, made during the bid evaluation should be attached with this agreement]

TERMS OF REFERENCE

CONSULTING SERVICES FOR OPERATIONAL DUE DILIGENCE ON AL-AMANAH ISLAMIC INVESTMENT BANK OF THE PHILIPPINES

I. BACKGROUND

Cognizant of the pressing need to establish Islamic Finance (IF) as a component driver of socio-economic development in the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) as provided in the 2nd Bangsamoro Development Plan 2023-2028, the Bangsamoro Government, through the Technical Working Group for Islamic Finance, has formulated a roadmap for the promotion and development of Islamic Finance in the region.

The IF roadmap identifies Islamic banking as one of the core sectors of a functional Islamic Finance system. Islamic banking refers to a banking business with objectives and operations that do not involve *riba* (interest) as prohibited by the Shariah and which conducts its business transactions in accordance with Shariah principles.

Under Section 32, Article XIII of the Republic Act No. 11054 (RA No. 11054), otherwise known as the Bangsamoro Organic Law, it is provided that:

The Bangsamoro Government, the Bangko Sentral ng Pilipinas, the Department of Finance, and the National Commission on Muslim Filipinos shall jointly promote the development of an Islamic banking and finance system, to include, among others, the establishment of a *Shari’ah* Supervisory Board and the promotion and development of *Shari’ah*-compliant financial institution. The Bangko Sentral ng Pilipinas shall determine the type of organizational structure to be created and its composition.

XXX

Moreover, it is further provided under Section 33, Article XII of the RA No. 11054 that:

Within six (6) months from the establishment of the Bangsamoro Transition Authority, the

Intergovernmental Fiscal Policy Board shall determine the participation of the Bangsamoro Government in the Al-Amanah Islamic Investment Bank of the Philippines and the Southern Philippine Development Authority as provided in Presidential Decree No. 690, as amended.
XXX

The Al-Amanah Islamic Investment Bank of the Philippines (AAIIBP) traces its beginnings in the creation of Philippine Amanah Bank in 1973 by virtue of the passage of Presidential Decree (PD) No. 264. Through the issuance of PD No. 542 in the following year, it became the first and only bank in the Philippines that is based on Islamic concept of banking, following the no-interest and partnership principles.

In 1990, RA No. 6848 was passed creating the charter of AAIIBP as an Islamic bank primary to promote and accelerate the socio-economic development of the autonomous region by performing banking, financing, and investment operations and to establish and participate in agricultural, commercial, and industrial ventures. Since 2008, AAIIBP has been operated as a subsidiary of the government-owned Development Bank of the Philippines (DBP). In 2012, DBP has received government approval to sell its 99.88% stake in AAIIBP.

Taking all the foregoing, the BARMM Government is likely considering a major participation in AAIIBP. To complement the financial due diligence on AAIIBP, an operational due diligence that will integrate strategic operational plan, financial rehabilitation plan, and infrastructure development plan is needed to optimize value creation and minimize risk for the Bangsamoro Government.

II. OBJECTIVES

The MFBM will engage the services of a consultant who will conduct operational due diligence on AAIIBP which aims to:

- a. Provide information on AAIIBP's activities and how its various departments operate;
- b. Evaluate operating structure's shortcomings and potential hazards;
- c. Identify actions and investments needed to accelerate value creation;
and

- d. Determine measures to improve its operations, business model and financial position, and infrastructure development.

III. SCOPE OF WORK AND EXPECTED OUTPUT

The Consultant shall perform the following:

1. Plan, design, and conduct operational due diligence process which includes the following features:
 - a. Detailed review of operational due diligence questionnaire/checklist which may include organizational and operative documents, audited financial statements, valuation policy, business continuity policy, Environmental, social and governance (ESG) policy and reports, and compliance manual.
 - b. Thorough onsite meeting and interview with key personnel, from senior managers to staff performing day-to-day activities including the back office to obtain understanding of control environment and assess the effectiveness of risk mitigation techniques;
 - c. Detailed analysis to identify and quantify analysis to identify and quantify earnings before interest, taxes, depreciation and amortization (EBITDA) adjustments, liabilities, risk exposures, and opportunities for working capital, human capital (HR), information technology (IT), finance and accounting, supply chain, and operations taking into account a range of factors from market and best practice, and regulatory requirements;
 - d. Interviews of key service providers to supplement and validate information provided by managers and assess the effectiveness and independence of their activities;
 - e. Reporting on the results of the operational due diligence; and
 - f. Periodic risk-based reviews as needed.
2. Provide detailed recommendations on the following:
 - 2.1 Strategic operations which may include manpower streamlining, recruitment, capacity development and officer training programs, and branch rationalization.

- 2.2 Business model and/or financial rehabilitation strategies.
- 2.3 Infrastructure development which includes installation of automated teller machines, online banking, and electronic fund transfer services, fintech, domestic and international remittances, establish centralized cash management service unit, deposit pickup cash delivery, payroll, check warehousing check writing, account sweeping, and bills payment.
3. Participate and provide technical advice in meetings related to AAIIBP;
4. Submit regularly progress reports to MFBM as specified in Part VII; and
5. Perform such other duties as may be necessary and relevant to the abovementioned objectives.

IV. IMPLEMENTATION ARRANGEMENTS

Throughout the process, the Consultant will work in close coordination with the MFBM Bangsamoro Finance Office.

V. PROJECT DURATION /PERIOD OF ENGAGEMENT

The Consultant shall be engaged for a period of four (4) months reckoned from the issuance of the Notice to Proceed (NTP) or commencement of the undertaking according to the date indicated in the NTP. This period includes preparatory work, actual due diligence/review, meetings, feedback/reporting, and documentation/writing.

VI. APPROVED BUDGET FOR THE CONTRACT AND MODE OF PROCUREMENT

The Approved Budget for the Contract (ABC) for this Project under the Ministry of Finance, and Budget and Management (MFBM) is Five Million Pesos only (PHP 5,000,000.00), inclusive of all applicable taxes and fees, remuneration / professional fees, and all incidental expenses such as printing of reports / deliverables, transportation / fuel, communications, etc.

This Consulting Contract is a fixed price contract. Any extension of the period of engagement, as approved by the Head of Procuring Entity (HoPE)

or his/her authorized representative, shall not involve any additional cost to the MFBM.

The Project shall be procured through competitive bidding in accordance with Republic Act (RA) No. 9184, its Revised Implementing Rules and Regulations (IRR), and related issuances.

VII. DELIVERABLES AND PAYMENT SCHEDULE

Payment shall be in accordance with the following schedule of submission of reports / outputs / deliverables in two (2) printed copies (if applicable) and/or electronic files e-mailed and/or saved in a USB flash drive, subject to the usual government accounting and auditing rules:

Report/Output/Deliverable	Timeline	Payment (% of Contract Cost)
<p>Inception Report</p> <ul style="list-style-type: none"> - includes the description of the Consultant’s appreciation / understanding of the Project after consultation / dialogue with the HoPE and/or target, work plan, and due diligence questionnaire or checklist. 	<p>Within three (3) weeks from issuance of NTP</p>	<p>25%</p>
<p>Draft operational due diligence report, which includes:</p> <ul style="list-style-type: none"> - Results of the review of operational due diligence questionnaire/checklist which includes organizational and operative documents, audited financial statements, valuation policy, business continuity policy, ESG policy and reports, and compliance manual. - Results of the onsite meeting and interview with key personnel - Results of the detailed analysis to identify and quantify analysis to identify and quantify EBITDA adjustments, 	<p>Within one (1) months from submission of the inception report</p>	<p>25%</p>

liabilities, risk exposures, and opportunities for working capital, HR, IT, finance and accounting (F&A), supply chain, and operations - Results of the interviews of key service providers - Other relevant information		
Detailed Recommendations a. Strategic operations b. Business Model and/or Financial Rehabilitation Strategies c. Infrastructure Development	Within one (1) month from the submission the draft operational due diligence report	25%
Final operational due diligence report and detailed recommendations	Within one (1) month from the submission of the detailed recommendations	25%

Each tranche payment to the Consultant shall be released upon MFBM's review and acceptance of the deliverables above, and completeness of all necessary documents required for the processing of payment.

VIII. RESPONSIBILITIES OF THE MFBM

The MFBM shall:

- a. Designate a project manager and/or focal person who shall monitor the progress of the Project, work closely, and render cooperation with the Consultant;
- b. Review the deliverables and check the completeness of all necessary documents required for the processing of payment; and
- c. Coordinate with the target, the IFPB and its Secretariat, and other concerned officials of the Bangsamoro Government.

IX. QUALIFICATIONS OF THE SERVICE PROVIDER AND ITS PERSONNEL

Prospective Consultants should be a Firm that has been involved in conducting operational due diligence projects and designing strategic

operational plan, business model and financial rehabilitation plan and infrastructure development plan for at least fifteen (15) years, with preferably at least five (5) involving Islamic banks and government institutions.

Preferably, the Firm should be proficient in Philippine laws and other government policy issuances including taxation, Bangko Sentral ng Pilipinas issuances and Civil Service Commission rules, Islamic banking business model and product development, and with prior relevant experience in dealing with companies and government institutions in the Philippines particularly the BARMM.

The Firm shall form a Team for this Project, the number of members of which may depend on the strategy and resources of the Firm, provided the following are met:

- a. The Lead must have a post-graduate degree in finance, economics, accounting, business, law, or related fields, and at least ten (10) years of experience in conducting operational due diligence projects and designing strategic operational plan, business model and financial rehabilitation plan, and infrastructure development plan involving Islamic banks and government institutions;
- b. Majority of the team members must have a degree in finance, economics, accounting, business, law, or related fields, and at least five (5) years of experience in conducting operational due diligence projects and designing strategic operational plan, business model and financial rehabilitation plan, and infrastructure development plan involving Islamic banks and government institutions;
- c. The most junior member must have a degree in finance, economics, accounting, business, law, or related fields, and a minimum of two (2) years of experience in conducting operational due diligence projects and designing strategic operational plan, business model and financial rehabilitation plan, and infrastructure development plan involving Islamic banks and government institutions; and
- d. At least one dedicated member for each area of the Project.

Prospective Firms are required to submit the following documents for verification purposes:

- a. List of completed and ongoing projects similar to the Project or relevant accompanied with documentary proofs of the Firm, including level of involvement of the nominated Team members, for the last three (3) years; and
- b. Curriculum vitae (CV) of each team member.

X. SHORT-LISTING

There will be short-listing to determine the most qualified consultants from those that submitted eligibility documents to undertake the project. Eligible consultant/s shall be rated by each Bids and Awards Committee (BAC) member based on the following criteria:

Criteria	Maximum Points	Minimum Points
Applicable Experience of the Consultant	50	25
Qualification of Principal and Key Staff to be Assigned to the Project	30	15
Current Workload Relative to Capacity	20	10
Total	100	50

XI. EVALUATION OF PROPOSAL

The proposal/s will be evaluated using the Quality-Cost Based Evaluation (QCBE) method and through individual rating pursuant to the Revised IRR of RA No. 9184 and the Manual of Procedures for the Procurement of Consulting Services, with the Technical Proposal allocated seventy percent (70%) and the Financial Proposal thirty percent (30%).

Criteria for Evaluation	Percentage
Technical Proposal	70
Financial Proposal	30
Total	100

Further, the rating for the Technical Proposal will be based on the following criteria:

Criteria for Technical Evaluation	Maximum Points	Minimum Points
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Quality of Personnel to be Assigned	50	25
Experience and Capability of the Consultant	20	10
Plan of Approach/Methodology	30	15
Total	100	50

The BAC will multiply the average score of each qualified consultant's Technical Proposal with the percentage value allowed as weight for Technical Proposals (70%).

As regards the Financial Proposal, the BAC shall compute the ratings in this manner:

- a. The consultant with the lowest price gets 100 points (assuming it is within the ABC).
- b. The scores of the other consultants will be computed using the formula:

$$Sf = 100 \times FI/F$$

In which Sf is the financial score, FI is the lowest Financial Proposal and F is the Financial Proposal under consideration.

The financial score will be multiplied by the percentage value allowed as weight for Financial Proposals (30%).

The BAC will then add the resulting products of both operations for each consultant. The sum will become the total score for the consultant.

XII. CONFIDENTIALITY OF DATA AND INFORMATION

The Consultant shall be engaged by the MFBM and shall submit outputs directly to the designated project manager within MFBM for review and endorsement for payment. The Consultant shall not use nor disseminate these documents for their own research purposes without the prior written consent of the MFBM Minister. All the materials, data, and information used and generated through the project shall be under the sole ownership of MFBM. The Consultant shall, at all times, keep the confidentiality of such materials, data, and information, and shall not use nor disseminate these materials, data, and information for their own purposes without the prior written consent of the MFBM.

XIII. DISPUTE RESOLUTION

Should any dispute related to the Contract and/or rights of the parties arise, the same shall be submitted to mutual consultation, mediation, and arbitration, in the order of application. The venue of the proceedings shall be in Cotabato City.

In case of a court suit, the venue shall be the courts of competent jurisdiction in Cotabato City, to the exclusion of all other courts.

Any amendment or additional terms and conditions to the Contract must be in writing, signed and acknowledged by the Parties.

