

TERMS OF REFERENCE

ENGAGEMENT OF AN INDEPENDENT APPRAISER

1.0 BACKGROUND

The Philippine Guarantee Corporation (PHILGUARANTEE) with business address at 17/F BDO Towers Valero (former CitiBank), Valero St., Makati City intends to engage the services of an Appraisal Company/Independent Appraiser (hereafter it will be called AC/IA). The said AC shall conduct an appraisal in the Province of Sarangani to provide a market value¹ for the properties listed below being offered as collateral where a cement grinding plant project will be built.

2.0 OBJECTIVES

This activity is for the procurement of the services of an AC/IA to conduct an appraisal of **Abbah King Cement Corporation's (AKCC)** properties being offered as collateral to PHILGUARANTEE located in Sarangani.

The objective of this undertaking is to ensure that the location and description of the properties stated in the submitted documentation are accurate and, equally important, to determine the market value of the properties as sites of a proposed cement grinding plant in order to make informed decision about possible credit guarantee for the aforementioned project.

Property Description

The properties, subject of appraisal, consist of nine (9) contiguous lots located in Barangay Kablakan (now Malbang), Maasim, Sarangani Province to wit:

| Title No. | Registered Owner | Location | Lot No. | Survey No. | Lot Area (sqm) |
|----------------|-------------------------|---|---------|---|----------------|
| 148-2021001655 | Abbah King Cement Corp. | Barangay Kablakan (Now Malbang), Maasim, Sarangani Province | 1 | GSD-12-004246 AR Portion of PSU-149862 | 15,841.00 |
| 148-2021001656 | Abbah King Cement Corp. | Barangay Kablakan (Now Malbang), Maasim, Sarangani Province | 2 | GSD-12-004246 AR Portion of PSU-149862 | 15,840.00 |
| 148-2021001659 | Abbah King Cement Corp. | Barangay Kablakan (Now Malbang), Maasim, Sarangani Province | 3 | GSD-12-004246 AR Portion of PSU-149862 | 15,841.00 |
| 148-2021001658 | Abbah King Cement Corp. | Barangay Kablakan (Now Malbang), Maasim, Sarangani Province | 4 | GSD-12-004246 AR Portion of PSU-149862 | 15,841.00 |
| 148-2021001657 | Abbah King Cement Corp. | Barangay Kablakan (Now Malbang), Maasim, Sarangani Province | 5 | GSD-12-004246 AR Portion of PSU-149862 | 15,841.00 |
| 148-2021001660 | Abbah King Cement Corp. | Barangay Kablakan (Now Malbang), Maasim, Sarangani Province | 6 | GSD-12-004246 AR Portion of PSU-149862 | 15,841.00 |
| 148-2021001662 | Abbah King Cement Corp. | Barangay Kablakan (Now Malbang), Maasim, Sarangani Province | 7 | GSD-12-004246 AR Portion of PSU-149862 | 15,841.00 |
| 148-2021001661 | Abbah King Cement Corp. | Barangay Kablakan (Now Malbang), Maasim, Sarangani Province | 8 | GSD-12-004246 AR Portion of PSU-149862 | 15,841.00 |
| 148-2021001654 | Abbah King Cement Corp. | Barangay Kablakan (Now Malbang), Maasim, Sarangani Province | 9 | GSD-12-004246 AR Portion of PSU-149862 | 15,841.00 |
| | | | | | 142,568.00 |

¹ **MARKET VALUE** - The estimated amount for which a property should be exchanged on the date of valuation between a willing buyer and willing seller in arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion.

The Proposal

The AC/IA shall submit its proposal in accordance with this TOR.

Likewise, the proposal shall be submitted together with the required documents indicated in the Request for Quotation (RFQ). To ensure the quality of the service, the "AC/IA" must submit the following documents and must possess the following qualifications:

1. Latest PHILGEPS Accreditation Certificate;
2. Latest SEC Accreditation/Registration Certificate;
3. The appraisal company's most recent notarized certification, signed by its President, that the appraisal company or any of its directors/partners/officers/appraisers has received no adverse judgment in any administrative, civil, or criminal case involving its appraisal business;
4. The "Certificate of Membership" and the latest "Certification of Good Standing" are issued by a duly registered association of appraisal companies;
5. The Service Provider has been established or existed for more than ten (10) years in the appraisal industry; and
6. Management's competence and the expertise of their respective appraisal teams and employees (List of Accomplishments to show competence/expertise in appraisal)

*Note: The qualified AC/IA with the necessary expertise and experience and the one with the **lowest calculated and responsive quote** will be considered for the award.*

3.0 SCOPE OF WORK AND TIME SCHEDULE

3.1. Ocular Inspection

The ocular inspection will be conducted within three (3) calendar days after PHILGUARANTEE has provided the AC/IA with all the required documents such as Titles, Tax Declarations and Authorization to Inspect to conduct the appraisal of the properties.

3.2 Appraisal Report

The signed final appraisal report shall be submitted within fifteen (15) calendar days after PHILGUARANTEE has provided the AC/IA with all the required documents such as Titles, Tax Declarations and Authorization to Inspect to conduct the appraisal of the properties and Notice to Proceed.

The appraisal report as per Philippine Valuation Standards (PVS) should include the following:

1. Market Value (MV), as defined in the PVS, should indicate the methods and the approaches to values used.
2. Property Location and Identification
3. Neighborhood Data
4. Community Facilities and Utilities
5. Land Data and Description of Improvements
6. Highest and Best Use
7. Method of Valuation
8. Analysis of Comparative Properties

9. Comparative Listings
10. Comparative Market Data and Listings with comparative analysis external and internal factors (sources of information)
11. Government Assessments
12. Limiting Conditions
13. Factors affecting values
14. Appraisal/Summary and Breakdown Cost/Value of each property
15. Construction Features of the property if there is any
16. Vicinity Map, Layout Plan and Approved Lot Plan (if available) to pinpoint the location of the property
17. Proof of actual ocular inspection and latest pictures of the properties
18. Indicate information (or Hazard Assessment Report from government or any office in authority) regarding the physical state and geographical situation of the property.
(e.g., Hazards- seismic/fault line, volcanic, flood, typhoon, tsunami, storm surge, etc.)

4.0 QUALIFICATIONS OF THE AC/IA AND ITS SERVICES

- 4.1 The AC/IA shall warrant that all reports are based on best appraisal practices. The report shall also include the appraisal date, purpose, method/s used and standards of valuation. The process of appraisal and the report shall comply with the Philippine Valuation Standards (PVS) or International Valuation Standards (IVS).
- 4.2 To ensure the quality of the service, the AC/IA must possess the following:
 - a. Valid License to Operate
 - b. Employees that will conduct the appraisal have the capacity and valid license to appraise the properties; and
 - c. At least ten (10) years' experiences in the business of appraisal services in the Philippines
 - d. PHILGEPS Accredited
- 4.3 The AC/IA shall provide at its expense technical services, labor, equipment, supervision, and other related works necessary in the performance of the services.
- 4.4 The AC/IA hereby warrants the honesty, fitness, and reliability of its personnel during the ocular inspection. They shall always abide by the property owner's security rules and regulations within the premises.
- 4.5 Performing an appraisal engagement with professional competence involves special knowledge and skill. An appraiser should possess a level of knowledge of appraisal principles and theory and a level of skill in the application of such principles that will enable him or her to identify, gather, and analyze data, consider, and apply appropriate appraisal approaches and methods, and use professional judgment in developing the estimate of value.

5.0 INFORMATION TO BE PROVIDED BY THE EMPLOYER

To ensure effective valuation of the property described, PHILGUARANTEE shall provide the necessary information and documents needed by the AC/IA in the conduct of its appraisal works.

6.0 PAYMENT OF SERVICE FEES

5.1 Approved Budget of the Contract (ABC)

The total approved budget for the contract is Sixty Thousand Pesos Only (₱60,000.00). Service fee payment shall be subject to receipt and acceptance of the Final Appraisal Report, to be paid within seven (7) working days) after receipt of the Statement of Account (SOA) and other requirements.

Note: Quotations should not exceed the approved budget

5.2 Other Consideration

PHILGUARANTEE shall charge a penalty rate of 5% of the contract price per day of delay in the submission of the appraisal report. However, after three (3) days of delay, PHILGUARANTEE will have the right to terminate the contract.



EVANGELINE MAURA Q. GOTANGCO
Vice President, CAMD 

CONFORME:

I/We hereby signify my/our conformity to the above requirements and confirm that the same shall be fully complied/delivered.

| | |
|----------------------------|-------------------------------|
| Name of Firm: _____ | Represented by: _____ |
| Address: _____ | (SIGNATURE OVER PRINTED NAME) |
| | Position Title: _____ |