

## **TERMS OF REFERENCE**

### **I. Name of Project**

Consultancy Services for Rural Agro-Enterprise Partnership for Inclusive Development (RAPID) Growth

### **II. Purpose**

Commission the services of a third-party consultant (firm) in the implementation of the RAPID Growth project specifically in the performance of activities that will facilitate the investment of equity funds in the identified project beneficiaries or investee firms.

### **III. Approved Budget for the Contract**

The approved budget for this project is **PESOS: TWO MILLION FOUR HUNDRED THOUSAND (Php2,400,000.00)**.

Travelling expenses, which includes hotel accommodation, transportation, food and other incidental expenses, of the consultants to be assigned to the project shall be for the account of SB Corp, subject to applicable government laws and rules on accounting and auditing.

### **IV. Scope of Work**

#### **1. Investment Advisory**

- a. Analyzes financial reports, business assessment results, financial projections, appraisal reports, due diligence documents and other information or references relevant to the valuation of the shares of stock and business operations of an investee company under the Innovation Fund Component of the RAPID Project administered by SB Corp;
- b. Conducts follow up interviews with prospective investee companies and field visits, as necessary to further validate inputs received for analysis;
- c. Advises SB Corp and the prospective investee companies on the valuation methods to be used and on the fair valuation of the shares of stock and business operations of a prospective investee company;
- d. Prepares Term Sheets specifying the amounts of investment and the terms and conditions for investing equity funds by SB Corp in the investee companies, on a per company basis;
- e. Negotiates with the investee companies to secure their conforme

to the Term Sheets, or to accommodate revisions proposed by the investee companies, concurred in by SB Corp.;

- f. Conducts training or coaching for selected SB Corp personnel at the Head Office and the Regional Offices in the valuation of shares of stock of investee companies, the preparation of Term Sheets, negotiation of deals and other pertinent processes involved in mergers and acquisitions, particularly for SMEs;
- g. Analyzes the ownership and capital structures of prospective investee firms and provide advisory services on how to increase capacity to absorb equity investments without relinquishing control;
- h. Provide advisory services to investee firms on how to incorporate (if not yet a corporation), or how to increase authorized, subscribed and paid-up capital (if already incorporated), taking into account the needed capital structure to absorb needed equity financing;
- i. Advise the Regional Offices of SB Corp in conducting due diligence activities on the prospective investee firms focusing on gathering information to determine scales of operations and the values of the companies' assets;
- j. Prepares regular reports for submission to the SB Corp on the progress of activities conducted, including issues and challenges encountered and adopted or proposed solutions;
- k. Performs other assessment, facilitation, advisory, reporting and coordination work as may be required by SB Corp from time to time.

## 2. Business Assessment and Facilitation

- a. Conduct rapid industry and market assessments of selected commodities in Mindanao, including but not limited to coffee, cacao, coconut and processed fruits and nuts, to determine or validate opportunities for increased participation and business expansion in the value chains of these commodities;
- b. Assess past and planned business operations of potential investee companies identified by SB Corp to establish the viability of entry into new market segments in the value chains, or of expansion and increased penetration of existing segments;
- c. Assess the prospects of commercialization of new technologies in

processing, or new process improvements or new products and services within the value chains of the selected commodities;

- d. Review Business Plans of prospective investee firms and prepare or affirm financial projections for the planned business operations based on validated and or additional sets of assumptions;
- e. Determine or assess Investment Requirements for the planned business operations and the Financing Strategies for these investments;
- f. Analyze the ownership and capital structures of prospective investee firms and provide advisory services on how to increase capacity to absorb equity investments without relinquishing control;
- g. Provide advisory services to investee firms on how to incorporate (if not yet a corporation), or how to increase authorized, subscribed and paid-up capital (if already incorporated), taking into account the needed capital structure to absorb needed equity financing;
- h. Assist the Regional Offices of SB Corp in conducting due diligence activities on the prospective investee firms focusing on gathering information to determine scales of operations and the values of the companies' assets;
- i. Prepares regular reports for submission to the SB Corp on the progress of assessment and advisory/ facilitation services provided to prospective investee companies, including issues and challenges encountered and adopted or proposed solutions;
- j. Performs other assessment, facilitation, advisory, reporting and coordination work as may be required by SB Corp from time to time.

## **V. Expected Output**

1. Business Plan with analysis of ownership and capital structures of prospective investee companies and advisory on the increase capacity to absorb equity investment.
2. Term Sheets specifying the amount of investment and terms and conditions for investing equity fund in the investee companies;

## **VI. Qualification of Consultant/Service Provider**

### **A. Company/Corporation**

1. Duly registered with appropriate government agencies and must have at least five (5) year of experience in consulting services involving agriculture-based micro, small and medium enterprises;

2. Has provided consulting services in the areas of business assessment and facilitation and investment advisory;
3. Can engage the following experts to be assigned in the project:
  - a. *One (1) Investment Advisor* with the following minimum qualifications:
    - i. Graduate of a four-year course on any of the following fields: Business Administration, Management, Economics, Agricultural Economics, Agribusiness, Financial Management, or related fields.
    - ii. A Masteral Degree in any of the above fields is not required but will be a plus factor. Related technical competencies will also be considered as plus factors such as agricultural sciences, food processing, investment packaging, business valuation, business registration and incorporation, etc.
    - iii. At least ten (10) years collective work experience in investment banking or investment packaging and facilitation, with substantial years under mergers and acquisitions contexts and at least three (3) years conducting these for MSMEs, preferably in the agribusiness or agricultural sectors.
    - iv. Has at least 2 years collective work experience in conducting training and coaching, providing business advisory services and providing assistance to start up, early stage or expanding companies, including helping them with business registration, and developing financing strategies for their business plans.
  - b. *Three (3) Business Assessment and Facilitation Experts* with the following minimum qualifications:
    - i. Graduate of a four-year course on any of the following fields: Business Administration, Management, Economics, Agricultural Economics, Agribusiness, Financial Management, or related fields.
    - ii. A Masteral Degree in any of the above fields is not required but will be a plus factor. Related technical competencies will also be considered as plus factors such as agricultural sciences, food processing, investment packaging, business valuation, business registration and incorporation, etc.
    - iii. At least five (5) years collective work experience in conducting industry and market studies, feasibility studies and financial projections and related competency areas, with at least three (3) years conducting these for MSMEs, preferably in the agribusiness or agricultural sectors.

- iv. Has at least 2 years collective work experience in conducting training and coaching, providing business advisory services and providing assistance to start up, early stage or expanding companies, including helping them with business registration, and developing financing strategies for their business plans.

#### **VII. Duration of Contract**

The contract for the above-mentioned project will be valid for a period six (6) months renewable for another six (6) months.

#### **VIII. Schedule of Payment**

Winning bidder will be paid based on progress billing subject to the following:

- 25% of the Total Contract Price for every five (5) investee companies (minimum) submitted out of 20 identified investee companies with result of business assessment (business plan, financial projections, and market viability), and Term Sheet (valuation proposal);

#### **IX. Evaluation**

All proposals shall be evaluated using the **Quality Cost Based Evaluation/Selection (QCBE/QCBS)** and shall undergo the following processes:

- a) The technical proposal together with the financial proposal shall be considered in the ranking of consultants. The technical proposals, with its corresponding weight of 70%, shall be evaluated first using the criteria provided hereunder:

i.	Experience and Capability of Service Provider	–	25%
ii.	Quality of Personnel to be assigned to the Project	–	25%
iii.	Plan of Approach and Methodology	–	50%
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			100%

Note: The minimum **St (Technical Score)** required to pass is **80%**.

- b) The Financial Proposal, on the other hand, which has a weight of 30% will be evaluated using the following formula:

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

Where:

**Sf** - is the financial score of the Financial Proposal under consideration,

**FI** - is the lowest Financial Proposal, and

**F** - is the Financial Proposal under consideration.

**100-** points given to the lowest Financial Proposal (FI)

- c) Using the formula  $S = St \times T\% + Sf \times F\%$ , the Bids shall then be ranked according to their combined **St** and **Sf** using the weights (**St** is the technical score of the Technical Proposal under consideration; **Sf** is the financial score of the Financial Proposal under consideration; **T** = the weight given to the Technical Proposal; **F** = the weight given to the Financial Proposal;  $T + F = 1$ ) indicated below:
- T = .7; and
- F = .3;
- d) The BAC shall rank the consultants in descending order based on the combined numerical ratings of their technical and financial proposals and identify the Highest Rated Bid.
- e) The HoPE shall approve or disapprove the recommendations of the BAC within two (2) calendar days after receipt of the results of the evaluation from the BAC.
- f) After approval by the HoPE of the Highest Rated Bid, the BAC shall, within three (3) calendar days, notify the consultant with the Highest Rated Bid.

## **X. Documents for Submission**

In order to properly evaluate the proposal, bidders must submit the following documents:

1. Consultancy Services Documents Submission Form (Annex A)
2. Valid PhilGEPS Registration Certificate (Platinum Membership)
3. Registration Certificate from:
  - a. Securities and Exchange Commission (SEC) for partnerships or corporations; or
  - b. Department of Trade and Industries (DTI) for sole proprietorships; or
  - c. Cooperative Development Authority (CDA) for cooperatives
4. Statement of Ongoing and Completed Government and Private Contracts including contracts awarded but not yet started (Annex B);
5. Certificates of Satisfactory Service Rendered/Certificates of Completion or its equivalent;
6. Curriculum Vitae for the Proposed One (1) Investment Advisor and three (3) Business Assessment and Facilitation Expert (Annex C)
7. Statement of the consultant specifying its nationality and confirming that those who will actually perform the service are experienced professionals (Annex D)
8. Description of the Methodology and Work Plan for Performing the Project

Prepared by:

A handwritten signature in black ink, appearing to read 'Norbert Paul Gerena', with a long horizontal flourish extending to the right.

**NORBERT PAUL GERENA**  
Interim Project Coordinator

**ANNEX A**

**CONSULTANCY SERVICES DOCUMENTS SUBMISSION FORM**

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*[Date]*

*[Name and address of the Procuring Entity]*

Ladies/Gentlemen:

In connection with your Request for Submission of Proposal dated *[insert date]* for *[Title of Project]*, *[Name of Consultant]* hereby expresses interest in participating in the aforementioned Project and submits the attached documents in compliance therewith.

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 or not.

We further acknowledge that failure to sign ("wet" or physical signature) this Consultancy Services Document Submission Form and any attached documents which require signature shall be a ground for our disqualification.

Yours sincerely,

Signature  
Name and Title of Authorized Signatory  
Name of Consultant  
Address



**Annex B**

**STATEMENT OF ONGOING AND COMPLETED GOVERNMENT AND PRIVATE CONTRACTS INCLUDING CONTRACTS AWARDED BUT NOT YET STARTED**

This is to certify that           (consultant)           has the following ongoing and awarded but not yet started contracts:

Name of Contract	Location of Contract	Date Awarded	Brief Description of Consulting Services	Consultant Is:	Amount of Contract	Contract Duration	Certificate of Satisfactory Completion or its equivalent
				A. Main Consultant B. Subconsultant C. Partner In A JV			

\_\_\_\_\_  
Name and Signature of Authorized Representative

Date:

## Annex C

### Format of Curriculum Vitae (CV) for Proposed Professional Staff

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Proposed Position: \_\_\_\_\_

Name of Firm: \_\_\_\_\_

Name of Staff: \_\_\_\_\_

Profession: \_\_\_\_\_

Date of Birth: \_\_\_\_\_

Years with Firm/Entity: \_\_\_\_\_ Nationality: \_\_\_\_\_

Membership in Professional Societies: \_\_\_\_\_

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Detailed Tasks Assigned: \_\_\_\_\_

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#### 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.]*

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#### 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.]*

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#### 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.]*

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**Languages:**

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

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**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.

\_\_\_\_\_  
[Signature of staff member and authorized representative of the firm] Date: \_\_\_\_\_  
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 \_\_\_\_.

**STATEMENT OF THE CONSULTANT'S NATIONALITY**

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*[Name and address of the Procuring Entity]*

Ladies/Gentlemen:

In compliance with the requirements of the **Small Business Corporation**, for the **[Project Title]** under **[Reference No.]**, I/We hereby declare the following:

1. [Select one and delete the rest]

*[If domestic entity bidder]* That (Name of Bidder) is a domestic *sole proprietorship/partnership/corporation/joint venture* organized or formed under the laws of the Philippines;

*[If foreign entity bidder]* That (Name of Bidder) is a foreign *sole proprietorship/partnership/corporation/joint venture* organized or formed under the laws of the (Name of Country);

*[If foreign entity bidder]* That (Name of Bidder) is registered with the Securities and Exchange Commission and/or any agency authorized by the laws of the Philippines;

2. That the following are/is the proposed Consultants:

Name of Proposed Consultant	Proposed Position	Nationality	Proof of Identification
1.			
2.			
3.			
4.			

3. That attached herewith are the Curriculum Vitae of the abovementioned personnel (*Annex/es \_\_\_\_\_*); and

4. That the undersigned is/are the authorized representative/s for this public bidding as evidenced by herewith attached notarized authority.

Very truly yours,

Signature: \_\_\_\_\_

Name and Title of Authorized Signatory: \_\_\_\_\_

Name of Consultant/Company: \_\_\_\_\_

Address: \_\_\_\_\_

Contact Nos: \_\_\_\_\_