

TERMS OF REFERENCE

Tax Consulting Services

1. BACKGROUND

BCDA is mandated under Republic Act (RA) No. 7227, as amended by RA No. 7917, to accelerate the sound and balanced conversion into alternative productive uses of the military reservations and their extensions, including the former Clark Air Base in Angeles, Pampanga. Likewise, BCDA is tasked to dispose Metro Manila Camps to finance the development of former military camps and the construction of support infrastructure projects in partnership with the private sector.

In order to accomplish the tasks and contribute to the nation building, BCDA undertakes real estate development projects involving former Metro Manila camps, former U.S. military bases, New Clark City, identified DND/AFP military properties and other projects/activities that will be undertaken by BCDA and its Subsidiaries.

2. OBJECTIVES

The CONSULTANT shall render consulting services to BCDA on the possible tax risk and exposure which may arise from the implementation of real estate and other development projects involving Metro Manila camps, former U.S. military bases, New Clark City and other identified DND/AFP military properties.

3. SCOPE OF SERVICES

- Provide oral and/or summary reply to queries;

The queries shall be regarding BCDA's possible tax risk and exposure related to the implementation of its development projects, pending tax issues before the local government, administrative and judicial bodies, and BCDA's overall business.

The summary reply shall contain the supporting tax laws, rules/regulations and jurisprudence.

- Disseminate to BCDA the monthly Client Advisory Letter (CAL);

The CAL contains new regulations, rulings and jurisprudence relating to generic tax issues. In this regard, application to BCDA will generally require further consideration and advice.

- Attend quarterly meetings to discuss tax issues related to BCDA's business operation, asset disposition program and implementation of developmental projects.

Upon execution of this Contract, the PARTIES shall meet for a walk-through of the various activities involved in the development projects and have a preliminary discussion of identified issues, if any. During the said meeting, the PARTIES shall

agree on the items/areas where BCDA needs advice, as well as the timeline within which the same shall be provided. Depending on the number and complexity of the issues involved, the CONSULTANT shall endeavor to provide a reply within five (5) working days from the meeting and submission of the necessary documents which may be requested.

Thereafter, the PARTIES shall meet quarterly to consider a pre-set agenda of matters of known or potential interest to BCDA. Such quarterly meetings shall likewise serve as brainstorming sessions on planned or ongoing transactions which may have critical tax implications and other potential tax planning opportunities.

At any time during the term and effectivity of this Contract, BCDA may contact the CONSULTANT via phone or email to raise additional issues on which the former needs advice or raise follow-up questions/clarifications on advice previously given. In case of follow-up questions/clarifications, BCDA shall do its best to bring it to the attention of the CONSULTANT within five (5) working days from the time the advice was provided.

In any case and taking into consideration the circumstances, BCDA agrees to give the CONSULTANT a reasonable period (i.e., within 24 to 48 hours, excluding weekends and holidays) to respond.

4. LIMITATIONS ON THE SERVICES

The CONSULTANT shall be limited to an advisory role in the engagements. BCDA shall be responsible for any decision made in connection with or arising from said engagements.

The CONSULTANT shall not render an assurance report under this Contract, nor will the services constitute an audit, review, or other form of assurance on accounting matters, financial statements, or other financial information or internal controls as part of the services.

The CONSULTANT may only present pertinent issues on circumstances where certain provisions in the tax laws are subject to varying or conflicting interpretations and no official guidelines or clarifications were issued by the tax authorities.

The CONSULTANT shall not disclose any confidential information provided by BCDA under this Contract.

5. BCDA OBLIGATIONS

BCDA shall:

1. Provide the CONSULTANT information, resources and assistance including access to records, systems, premises and people required in the performance of the services
2. Communicate on a timely basis any changes in its circumstances that could affect

the performance of this Contract.

3. Assign a BCDA personnel to oversee the following:

- 3.1 Management decisions relating to the services
- 3.2 Use or implementation of the output of the services
- 3.3 Determine whether the services are appropriate for BCDA purposes.

6. PROCUREMENT SELECTION

The CONSULTANT shall be procured through Negotiated Procurement Under Section 53.4 of RA 9184.

7. CONTRACT PRICE AND MANNER OF PAYMENT

For services rendered under the agreement, BCDA shall pay the CONSULTANT a monthly retainer fee in the amount of **Twenty-Eight Thousand Pesos (Php28,000.00)**, inclusive of 12% Value Added Tax (VAT). Payment shall be made within 15 days from submission of an invoice.

Subject to prior written notice, the CONSULTANT is allowed to reimburse a monthly Out-of-Pocket Expenses (OPEs) in the maximum amount of Three Thousand Seven Hundred Fifty Pesos (Php3,750.00), inclusive of 12% VAT. Payment shall be made upon submission of receipts/ details of the OPE.

8. DURATION OF THE SERVICES

This Contract shall be effective for twelve (12) months commencing on _____ **2018** and subject to renewal upon mutual agreement of the Parties.

9. TERMINATION

Each PARTY reserves the right to cancel the Contract without necessity of judicial proceedings if, in its discretion, the other PARTY has:

- 1.1 Violated any of the provisions, terms and conditions of this Contract;
- 1.2 Been found liable for committing acts constituting just or authorized causes for termination under the law; or
- 1.3 Been found liable for committing acts detrimental to BCDA and/ or its Project.

Any PARTY shall notify the other, in writing, of the latter's failure to comply with the terms of the Contract. If the defaulting party should fail to remedy the situation within five (5) calendar days from receipt of said notice, the notifying PARTY shall terminate the Contract through a written Notice of Termination.

Within the thirty (30) days from the expiration of the term or from receipt of the Notice of Termination under the immediately preceding provision, the CONSULTANT shall, without need of demand, turn over to BCDA all original copies of documents and records provided to the former by the latter in the course of the rendition of the consulting services.

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