



NATIONAL HOME MORTGAGE FINANCE CORPORATION

4/F Filomena Building III, 104 Amorsolo St., Legaspi Village, Makati City
Telephone No. 819-59-97/893-15-01 local 224/386



TERMS OF REFERENCE

FOR THE PROCUREMENT OF REAL ESTATE APPRAISAL SERVICES

BACKGROUND

The National Home Mortgage Finance Corporation (NHMFC), which was created in 1977 by virtue of Presidential Decree No. 1267, is a government institution responsible for increasing the availability of affordable housing loans that would finance or support the acquisition of housing units of Filipinos through the development and operation of a secondary market for home mortgages.

The Asset Valuation Division (AVD) of the NHMFC is responsible for the technical requirements of the Corporation's programs relative to the conduct of ocular inspection and property appraisal. It is tasked to give an opinion of value for the real estate properties underlying the non-performing accounts and updated or regular accounts, including the collaterals being offered by real estate developers and other originating institutions under the Housing Loan Receivables Purchase Program (HLRPP), and other fixed assets of the Corporation.

With the current thrust of the Corporation to boost its performance in order to provide better service, the AVD is looking to engage with a reputable appraisal company in order to sufficiently serve the appraisal requirements of the NHMFC programs.

I. OBJECTIVES

To procure the appraisal services of a reputable appraisal company in order to:

- A. Provide quality and timely appraisal/valuation to **one hundred sixty (160)** NHMFC properties located in the following areas:

LOCATION OF PROPERTY	NUMBER OF ACCOUNTS
National Capital Region	
NCR	8
LUZON	
BULACAN	3
CAVITE	17
LAGUNA	13

RIZAL	12
PANGASINAN	5
MINDANAO	
DAVAO CITY	2
CAGAYAN DE ORO CITY	72
OPOL, MISAMIS ORIENTAL	28
TOTAL	160

- B. To provide quality and timely appraisal services to all the programs of the Corporation on an **on-call basis**, such as but not limited to, the Buyer-Initiated Disposal of Assets - Non-Performing Loans (BIDA-NPL), disposal of acquired assets of the Corporation, Special Project accounts, and for accounts applied under the Housing Loan Receivables Purchase Programs and other properties located in various areas nationwide.

II. SCOPE OF WORK / DELIVERABLES

- A. Conduct of ocular inspection of the property and ascertain its physical state insofar as the same affects its value;
- B. Conduct of appropriate and diligent research on the value of the property through inquiries with banks, real estate property brokers, listings of recent properties for sale, sold, or published thru classified ads and thru the internet;
- C. Verification and disclosure on the following:
- Presence of road or legal right-of-way;
 - Exact location of the property through physical inspection or investigation with appropriate government agencies dealing with real property such as the Assessor's Office, Tax Mapping Office, Land Registration Authority (LRA), Department of Environment and Natural Resources (DENR) or any other agency that ascertains the legal, physical existence, and exact location of real properties;
 - Encroachment on or of the property subject of appraisal, if obvious, including improvements thereon;
 - Existence and availability of basic service utilities such as water, electricity, transportation, road networks, etc.;
 - History of severity of flooding caused by rainfall and other causes either natural or man-made;
 - Presence of informal settlers either within the property itself or its immediate vicinity;
 - Topography and elevation of the property with respect to road level;
 - Land erosions particularly for properties bounded by bodies of water;

- Presence of waterways, canal or other similar structures that run through or bounds the property; and
- If located within the fault line's five (5)-meter buffer zone.

D. Generation of Appraisal Report in Short Form. A template shall be provided as the basis for purposes of uniformity in the presentation of data (see Appendix "A"). However, the winning bidder may opt to use their own template for ease of computation of values as long as the data fields indicated in the attached NHMFC template are all represented and filled out, which may differ only in format with that of their suggested template and other enhancements, if any.

For HLRPP accounts under Section I.B:

Aside from the appraisal report in short form, an appraisal report in narrative form is also required per subdivision/project, together with a summary of appraisal values of each property inspected per subdivision/project, and an outline of specifications for site development and house models as basis of appraisal values.

For accounts under Section I.A:

- E. Generation of a Vicinity/Location Map of the subject property indicating the landmarks near the subject property, if any.
- F. Photographs of the subject property showing the façade and/or interior of the housing unit, side and rear views of the unit, and view of the street where the property is abutted/situated should be provided.
- G. For purposes of place marking the account in the NHMFC Geographical Mapping System, GPS coordinate readings (latitude and longitude) on at least one (1) corner of the property that is directly abutting the servicing road is also required.

For accounts under Section I.B:

- E. Generation of a Vicinity/Location Map of the subject property indicating the landmarks near the subject property, if any, for BIDA-NPL and AAD accounts. However, such is no longer needed for properties under the HLRPP, since it is already one of the requirements for application to the program and is being provided by the project proponent.
- F. Photographs of the subject property showing the façade and/or interior of the housing unit, side and rear views of the unit, and view of the street where the property is abutted/situated should be provided. Under the HLRPP, photographs of land development including amenities of the subdivision should also be provided.

Moreover, soft copies of both the short and narrative forms of appraisal report are also required for submission;

- G. For purposes of place-marking the account in the NHMFC Geographical Mapping System, GPS coordinate readings (latitude and longitude) on at least one (1) corner of the property that is directly abutting the servicing road is also required.

III. QUALIFICATION REQUIREMENTS

The NHMFC is looking for a reputable appraisal company with qualifications as follows:

- A. Must have platinum membership from PhilGeps;
- B. Must have at least five (5) years of experience in real estate appraisal;
- C. Must have undertaken similar projects/contracts with private or government agencies;
- D. Must have a roster of licensed real estate appraisers in the organization. Preference is given to companies with region-based appraisers based in Luzon, Visayas and Mindanao, in order to provide cost-effective and timely appraisal service.

Bidders must submit curriculum vitae for each appraiser/member of the team who will undertake the project and a photocopy of the respective PRC ID for licensed appraisers.

Further, the Bidder must indicate in the Team Composition the regional appraiser/member who will be assigned to undertake the appraisal of properties located in different regions, if any,

- E. All appraisers that are included in the roster of the organization must be in good standing or have been affirmed and sworn to by the Bidder that said appraisers have no derogatory record or are in good standing.

IV. APPROVED BUDGET FOR THE CONTRACT

The Approved Budget for the Contract (ABC) is **EIGHT MILLION PESOS (Php 8,000,000.00)**, inclusive of all applicable taxes and will be sourced from corporate funds, broken down as follows:

1. Batch under Section I.A., amounting to **NINE HUNDRED THOUSAND PESOS (Php 900,000.00)**; and
2. Accounts under Section I.B shall not exceed the rates indicated in the table below and the maximum amount that the winning bidder may be paid for the services rendered shall not exceed **SEVEN MILLION ONE HUNDRED THOUSAND PESOS (Php 7,100,000.00)**.

TYPE OF ACCOUNT		NCR	OUTSKIRTS OF NCR	LUZON	VISAYAS	MINDANAO
BIDA-NPL/ AAD Accounts						
Lot with Improvement						
First lot	Base Fee	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00
Per succeeding lot within same subdivision		4,250.00	4,250.00	4,250.00	4,250.00	4,250.00
Lot Only						
First Lot	Base Fee	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00
Per succeeding lot within same subdivision		1,875.00	1,875.00	1,875.00	1,875.00	1,875.00
TOPE*						
TOPE*	For assignment of one (1) to five (5) accts. per subdivision and per increments of five thereafter	-	1,120.00	1,120.00	1,120.00	1,120.00
HLRPP Accounts						
Preliminary Appraisal per subdivision project with one (1) house model	Base Fee	7,000.00	7,000.00	7,000.00	7,000.00	7,000.00
Per succeeding house model w/in the same subdivision project		2,500.00	2,500.00	2,500.00	2,500.00	2,500.00
TOPE*	For assignment of one (1) up to five (5) unit models per project and per increments of 5 units thereafter	-	1,120.00	1,120.00	1,120.00	1,120.00

Per account (with borrower) after preliminary appraisal		1,500.00	1,500.00	1,500.00	1,500.00	1,500.00
TOPE*	For assignment of one (1) up to five (5) accts. per subdivision and per increments of 5 accts. thereafter	-	1,120.00	1,120.00	1,120.00	1,120.00

*Outskirts of NCR include Bulacan, Cavite, Laguna, and Rizal

*TOPE : Transportation and Out-of-Pocket Expenses

V. DURATION OF CONTRACT

- A. Appraisal works for accounts under Section I.A shall be completed within **EIGHTY (80)** calendar days, to commence one (1) day from the date of issuance of the Notice to Proceed.
- B. However, the contract duration for the appraisal of accounts on on-call basis under Section I.B shall be for a period of one (1) year reckoned from the date of issuance of the Notice to Proceed.

VI. PAYMENT TERMS

NHMFC shall pay the amount covering the fees/expenses per account based on the offer of the lowest and responsive bidder. Each billing shall consist of the fees and expenses for the total number of appraisal reports delivered. Payment for each delivery billing shall be processed and released within twenty (20) working days after written acceptance of the reports delivered.

VII. MODE OF PROCUREMENT

The project shall be procured through Competitive Bidding as provided under Section 10 of Republic Act No. 9184 and its Implementing Rules and Regulations.

VIII. REPORTING

- A. For Accounts under Section I.A:

Submission of appraisal reports shall be done weekly, which shall commence within seven (7) calendar days from the date of issuance of the Notice to Proceed (NTP), not exceeding the total duration specified under Section V.A. The number of appraisal reports to be submitted shall follow the proposed

delivery schedule of the winning bidder per week. Each submission of appraisal reports shall be covered by a transmittal letter indicating the summary of appraisal reports being delivered with remarks on the properties reported, the corresponding statement of account per delivery, and soft copies of the reports delivered.

B. For Accounts under Section I.B:

Delivery of appraisal reports shall be done within eight (8) working days for BIDA-NPL accounts and HLRPP projects requiring preliminary appraisal and four (4) working days for account appraisal (with borrower) of HLRPP from the date the Notice of Assignment issued by the NHMFC-Asset Valuation Division is received by the winning bidder, regardless of the number of accounts assigned per issue. Issuance of the Notice of Assignment from the AVD shall commence within five (5) working days from the date of issuance of the Notice to Proceed (NTP), via electronic mail or NHMFC courier, which the winning bidder shall acknowledge receipt of. Each delivery of the appraisal report shall be covered by a transmittal letter bearing the control number indicated in the Notice of Assignment, the summary of appraisal reports with remarks on the properties reported per delivery, the corresponding statement of account per assignment, and soft copies of the reports delivered.

IX. MONITORING AND ASSESSMENT

The AVD shall monitor the reporting progress of the winning bidder, taking into account the number of appraisal reports and its conformity with the contents of the Notice of Assignment issued, with a specific control number per issue. The amount for progress/delivery billing shall then be assessed by the AVD upon written acceptance of the report after evaluation.

Each report shall be evaluated by the AVD with respect to consistency in the account information and based on the scope of works stipulated in the contract within three (3) working days after delivery of each batch of appraisal reports. Any submitted appraisal report which contains inconsistencies shall be returned to the winning bidders for rectification. However, for returned accounts under Section 1.B, the inconsistencies in the returned report must be rectified and sent back to the AVD within two (2) days from the date it was returned to the winning bidder. Payment shall only be processed upon written acceptance of all the reported accounts assigned per batch. The assessed billing shall then be forwarded to the concerned units for payment processing.

X. INCONSISTENCY IN SPECIFICATION

In case there is a discrepancy between the location of properties as generated from the NHMFC database and the location indicated in the TCT covering the

said property, the location indicated in the latter shall prevail. Consequently, the correct location of the property should be indicated in the remarks section of the report, including house number, if any.

Further, if any inconsistency is found in any of the items under this Terms of Reference, the interpretation of the NHMFC on the said inconsistency shall prevail.

XI. COMPLIANCE WITH LAWS, RULES AND REGULATIONS GOVERNING PROCUREMENT

By submitting its bid, interested parties expressly signify acquiescence to compliance with the provisions of Republic Act No. 9184, its Implementing Rules and Regulations (IRR) and all issuances from the Government Procurement Policy Board, and all other agencies exercising regulatory authority over this transaction. Specific restrictions and/or guidelines as may be provided by the GPPB, or other government agencies and entities exercising supervisory or regulatory functions over NHMFC and/or the subject matter of this procurement shall be included and made an integral part of the contract. Contract provisions, especially, although not limited to those involving contract implementation and termination, running contrary to any restriction or issuance by GPPB, and/or other government agencies and entities exercising supervisory or regulatory functions over NHMFC and/or the subject matter of this procurement, as well as any established process/procedure of NHMFC, shall be removed or modified accordingly. Submission of bid, thus serves as agreement and consent of interested bidders to see to it that any and all additional requirements apart from what is stated in the relevant laws, rules and regulations governing this procurement, which other government agencies or entities may require, shall be complied with.

Any information which bidders may acquire from NHMFC through this procurement shall be, as far as applicable and practicable shall be governed by the provisions of the Data Privacy Act.

Any and all additional expenses which may be deemed necessary for NHMFC to effectively and efficiently execute the contract for this procurement shall be included in the determination of the lowest calculated bid.

The bid must contain any and all additional charges, which shall be imposed by the interested bidder. Any charge not included therein may not be imposed by the interested bidder during contract drafting and execution.

Any provision which may hinder, or create a more onerous requirement detrimental to the performance of functions of NHMFC in the ordinary course of business, may not be included in the contract proper.


XII. LIQUIDATED DAMAGES

NHMFC shall impose a penalty per day of delay in the submission of appraisal reports equivalent to one-tenth (1/10) of 1% of the total amount to be billed per delivery batch, as provided for under Republic Act No. 9184 and its Implementing Rules and Regulations.

The NHMFC reserves the right to accept or reject any Bid, to annul the bidding process and/or to reject all Bids at any time prior to contract award, without thereby incurring any liability to the affected Bidder or Bidders.

Recommended by:

THE TECHNICAL WORKING GROUP



Rundstedt B. Jalbuna
Head



Rubirosa M. Alvarado
Asst. Head



Edmundo P. Garais
Member



Rolan Molina
Member



Christopher H. Tiongco
Member

APPROVED:

THE BIDS AND AWARDS COMMITTEE (BAC)


PAZ DIVINA A. CABALLERO
Member

CAROLINA C. CORTEZ
Member
(Not present)

ATTY. DANTE M. PATAPAT
Member

ROMEO S. ROLDAN
Vice-chairperson

MA. VICTORIA L. ALPAJARO
Chairperson