

<b>North – South Commuter Railway (NSCR) Project (Malolos – Tutuban) Package CP01: Elevated Structures, 7 Stations and Depot</b>			
<b>ITEM NO.</b>	<b>REFERENCE CLAUSE/SECTION</b>	<b>CLARIFICATION REQUEST</b>	<b>RESPONSE</b>
<i>Volume I, Part 1 – Bidding Procedures</i>			
1	Section II, Page BDS-3, BDS ITB 14.7 (1) (i)	<p>1. We understand that the Contract amount includes VAT and it shall be paid by the Employer to the Contractor.</p>	<p>For taxes, duties, fiscal charges and levies related to the JICA funded Project, assumed by the Employer on behalf of Japanese companies and their Japanese employees, Bidders shall refer to the following:</p> <p>i) The “Bureau of Internal Revenue (BIR) Memorandum Circular (RMC) No. 8-2017 dated 9 January 2017 Clarifying the Tax Treatment of Value-Added Tax (VAT) on Government Money Payments for OECF Funded Projects under Exchange of Notes Between Republic of the Philippines and the Government of Japan”; and</p> <p>ii) Bidding Documents Volume I. Section II. Bid Data Sheet (BDS) ITB 14.7.</p> <p>1. In accordance with RMC No. 8-2017 article 1., the VAT-registered suppliers and subcontractors of the Japanese companies, shall bill and pass on the twelve percent (12%) to the Japanese companies/contractors. In turn, the Japanese contractors shall include in their billing and pass on the 12% VAT to the concerned executing agency (DOTr). Therefore, VAT (excluding that on imports) shall be incorporated into the Local Unit Prices (PhP) and Local Amounts (PhP) of the Bid Price.</p> <p>However, in accordance with RMC No. 8-2017 article 2., it will be the responsibility of the Japanese Contractor to file the prescribed VAT returns on gross receipts derived from the Project, claim their input taxes from their purchase of goods, properties and services from their suppliers or subcontractors and shall pay the output tax or VAT thereon, after offsetting the creditable or allowable input taxes, considering that the amount</p>

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		<p>2. We understand that the Import Duty and Import VAT for the importation of the materials and machineries by the Contractor shall be exempted. Is our understanding correct?</p> <p>3. Is our following understand about importation correct?</p> <p>a) Import Permanent Materials: Consignee is Employer. The Masterlist with the details must be approved by the Employer.</p> <p>b) Re-export Equipment: The Consignee is the Contractor. The Contractor, instead of paying import duty, the Contractor will submit Bond (Bond amount Net of VAT).</p>	<p>intended for payment of the VAT has already been collected and received by the Japanese contractors or nationals from the executing agency (DOTr) as part of the total billing/invoice price.</p> <p>2. Import Duty and Import VAT for the importation of materials and equipment needed for implementation of the Project (refer to ITB 14.7, 1. i.) shall be paid by the Employer directly to the relevant Philippine government agencies concerned, e.g. the Bureau of Customs. Thus, Duty and VAT on such imported items shall not be included in the Bid Price.</p> <p>3.</p> <p>a) Yes, the Consignee would be the Employer i.e. Department of Transportation (DOTr). Such matters as a Master List may be discussed at the time of Contract negotiation to finalize any outstanding issues.</p> <p>b) No, the Bidders understanding is not correct. For importation the Consignee shall be DOTr. To re-export the equipment the Consignor shall be the Japanese Prime Contractor or JV lead Partner.</p> <p>BDS ITB 14.7, 1. i. provides that the executing agency (DOTr) shall assume all duties and fiscal charges imposed on Japanese companies with respect to the import and re-export of their own materials and equipment.</p> <p>BDS ITB 14.7, 2. provides that in connection with such tax assumption, the Government of the Philippines or its executing agency (DOTr) shall be responsible for the liquidation or</p>

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			<p>settlement of such fiscal levies, duties, taxes and other similar charges which, with regard to import and re-export of equipment, would be settled government agency to government agency.</p> <p>The foregoing paragraphs provide that such taxes shall be assumed by the executing agency (DOTr). The Contractor does not pay import duty, therefore, in this case a Bond would not be applicable.</p>
2	Section II, Page BDS-3, Clause BDS ITB 14.7 (1) (ii)	<p>Bidder understands that the Employer will not withhold Corporate Income Tax Withheld At Source for the Services and Goods.</p> <p>Is Bidder's understanding correct?</p>	Yes, the Bidder's understanding is correct. However, it will be the responsibility of the Contractor to file with the BIR for the Corporate Tax requirements in the Philippines related only for this Project, and then DOTr will settle it.
3	Section II, Page BDS-3, Clause BDS ITB 14.7 (1) (iii)	<ol style="list-style-type: none"> <li>1. Personal Income Tax on foreign employees other than Japanese under a Japanese Contractor will be exempted or not?</li> <li>2. Does Local staff employed by Japanese Main Contractor's Personal Income Tax also be exempted?</li> <li>3. Please advise us the details of the personal tax exemption procedure for Japanese.</li> </ol>	<ol style="list-style-type: none"> <li>1. The Employers assumption of Personal Income Tax <u>will not</u> apply to foreign employees other than Japanese Nationals employed by Japanese contractors.</li> <li>2. The Employers assumption of Personal Income Tax <u>will not</u> apply to Local (Philippine) staff. Only Personal Income Tax of Japanese Nationals employed by Japanese contractors, derived from the implementation of this JICA funded Project, shall be settled by DOTr.</li> <li>3. The details/procedure of the personal tax assumption by the Employer will be the responsibility of the Contractor to coordinate and establish with the BIR following award of Contract.</li> </ol>
4	Section II, Page BDS-4, Clause BDS ITB 18.3 (b)	As stipulated, "The foreign currency portion (United States Dollars) of the fixed portion of the Contract Price shall be adjusted by applying the consumer price index published by the institutional organization in USA."	<p>The U.S. Bureau of Labor Statistics.</p> <p>The Schedule of Adjustment Data will be confirmed during the Contract Negotiations with the successful Bidder.</p>

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		Please specify the institutional organization in USA for the consumer price index.	
5	Section II, Page BDS-4, Clause BDS ITB 20.1	As stipulated, "... Each of the CD ROM should contain all of the respective documents in either Portable Document Format (.pdf) or Microsoft Word (doc./docx),..."  Please clarify our understanding that Excel Format for the Bill of Quantities (BOQ) is not required to include in the CD ROM for the Price Bid as long as PDF data is given.	For the BOQ, both Excel Format and Portable Document Format (.pdf) are required to be included in the CD ROM for the Price Bid envelope.
6	Section II, Page BDS-5, Clause BDS ITB 20.2	As stipulated, "For a Japanese Company bidding as a Corporation, a SPA may be substituted for a Board Resolution with Board Secretary Certificate..."  Please provide SPA specimen format.	No, there is no prescribed or standard format for a SPA. However, the SPA must be provided by the Bidder in the English language and must state that the Company's representative is authorized to sign, to participate to submit the Bid and to negotiate.
7	Section II, Page BDS-5, Clause BDS ITB 34.1	As stipulated, "... The Date for the exchange rate shall be: Thirty (30) days prior to the date for Technical Bid opening."  Bidder would like to confirm that the "Thirty (30) days prior to the date for Technical Bid opening" is July 17, 2018.	Yes, 17 July 2018 is confirmed as being 30 days prior to the date for Technical Bid opening (16 August 2018).
<b><i>Volume II, Part 2 – Work Requirements</i></b>			
8	Section VI, GS 100, Page GS-24, Clause GS 108.3.2 Basis of Payment	Reference Text: "4) The Items for operating... and maintenance cost from Commencement Date up to the end of the Defect Notification Period (DNP)"  Proposed Revised Text: The Items for operating... and maintenance cost from	No. The term "Construction Period" is not defined within the Conditions of Contract for Construction MDB Harmonized Edition June 2010 – General Conditions. The wording "...from Commencement Date up to the end of the Defect Notification Period (DNP)" shall remain.  The Bidder's suggestion is acceptable regarding the release of Site

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		<p>Commencement Date up to the end of the “Construction Period”</p> <p>Based on the Bidding Documents, the Site Office Facilities will be established inside the Contractors Temporary Yard. We assumed that the Temporary Yard will be rented only for the Purpose of Construction and will move our Maintenance Team for DNP to our Branch Office, therefore, our temporary yard rental will be released as soon as practicable to reduce our cost.</p>	Office facilities.
9	Section VI, GS 100, Page GS-29, Clause GS 110.1 Programming Software and Structure Programs	For the purpose of Submission of Bid, may the Bidder propose to submit the Construction Schedule in Microsoft Project Software?	For the purpose of Submission of Bid to the Procuring Agent, the Bidder shall follow the General Specifications (GS) Clause 110.1 “Programming Software and Structure of Programs” for all program submissions, utilizing the latest versions of Primavera.
10	Section VI, GS 100, Page GS-62, Clause GS118.5.2.1, Table 118-1/2/3	May the bidder understand that the Environmental Monitoring for each package will be limited to Sampling Station location as included in each package?	<p>Yes, formal (lab calibrated measurement) environmental monitoring is limited to the items listed and it should be noted that Table 3 refers to both noise and vibration.</p> <p>However, the Bidder should also note that the Contractor is required to monitor the environmental effects of construction as outlined in GS Clause 118.3 Contractor’s Environmental Management and Monitoring Plan and GS Appendix 7.3, Annex 3.</p> <p>The Bidders Outline Contractor’s Environmental Management and Monitoring Plan (CEMMP) will show how the Bidder intends to meet these requirements and some form of environmental monitoring is required at the construction zones, particularly with respect to</p>

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			<p>noise and vibration.</p> <p>The Bidder should also note that in GS Clause 118.7 Special Provisions, GS Clause 118.7.1 PNR Old Stations; specific requirements for vibration monitoring in the vicinity of the old stations during high vibration operations is required.</p> <p>For clarity,GS Clause 118.5.1 Environmental Impact Self-Monitoring Reports (page GS-61) is revised as follows:</p> <p>“The Contractor shall conduct environmental monitoring throughout all stages of construction, of the water quality, air quality, noise and vibration, <del>solid waste and hazardous wastes and contaminated soil</del> at the locations and on the frequencies indicated in the tables below. Maps of these locations are contained in Annexes D and E of Appendix 7.</p> <p>Monitoring Reports shall be in writing and submitted on quarterly basis. The Reports shall include a listing and summary of testing and monitoring results on all aspects <u>(the above monitoring but including environmental incidents/complaints and response, contaminated soil/hazardous waste disposal records, solid waste disposal records, PNR Old Station vibration monitoring records, other environmental monitoring results)</u>, including copies of the laboratory analysis results duly signed by the accredited environmental laboratory.</p> <p>The Contractor is recommended to employ a company who specializes in the monitoring and measurement of the environment items specified herein and shall obtain the Engineer’s approval.”</p>
11	Section VI, TS	Pay Item no. 204 (1) for Test Piles D1500 is provided in the	Item No. 204 (1) in the Technical Specifications (TS) is for the

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	200, Page TS200-82; and Section IV, Bill of Quantities, Page BOQ-13, Clause BOQ 204	TS, however, there is no pay item available for 204.1. Kindly advise to which pay item does the Test Pile be included?	purpose of the Contractor to demonstrate the constructability of his Method Statement, and does not form part of the permanent piling works. Therefore, there is no separate payment item in the BOQ, for which the cost is deemed to be included in the pay items for piles forming parts of the permanent works.