



**TOURISM  
INFRASTRUCTURE AND  
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**MEMORANDUM FOR THE ASSISTANT CHIEF OPERATING OFFICER**

FROM : *ON* HEAD TECHNICAL ASSISTANT  
Office of the Chief Operating Officer

DATE : 20 August 2020

SUBJECT : MASTERPLAN AND DESIGN OF AN INTEGRATED TOURISM  
COMPLEX IN BALACAD, ILOCOS NORTE



This refers to your memo dated 30 June 2020 regarding the Consultancy Service of Berkman International Inc. (BII) for the Masterplan and Design of an Integrated Tourism Complex in Balacad, Ilocos Norte.

While we acknowledge the need to fulfil the agency's obligations to BII as recommended by the Legal Department, after BII had completed the submission of the three deliverables namely: Conceptual Master Plan, Preliminary Master Plan and Final Masterplan, there are still some issues which need to be resolved and documentary requirements need to be submitted prior to the processing of the final payment.

We understand that the inception report was only accepted on December 2017, which was nine (9) months beyond the original project duration indicated in the Memorandum of Agreement (MOA) signed on March 2017. Given the delay in the first deliverable, the other submissions have also been affected. However, we need to put on record the causes of delays of the activities to avoid similar cases in the future and establish mechanisms that can facilitate better coordination with the service provider and the department concerned.

In this regard, we would like to request for some information from your office for submission on or before 15 September 2020. We expect that your office will confer with the Legal Department to consider some legal implications especially in relation to the Government Procurement Reform Law (RA 9184).

The requested information are as follows:

- Minutes of the Meetings with Service Provider before the start of project and during the master plan is being prepared  
This can show the efforts of both parties to facilitate the implementation of the project and mechanisms put in place to complete the deliverables
- Valid justification on the causes of delay per deliverable  
This may include the issues and concerns that caused the delay which may be justified both by the service provider and the department
- Certification of Acceptability from AMS per deliverable and recommendation to the COO for acceptance.  
This may include the highlights of each submission, vital inputs to master plan, their relevance to the thrusts of the agency.

Discuss whether or not the inputs and comments of the agency have been incorporated in the final report.

- Legal justification of contract extension

Since the first contract has already expired even before the first deliverable has been accepted and the full completion of the deliverables took more than two (2) years to complete, we cannot extend the contract from March 2017 until October 2019 without legal basis.

This should also include justification on why penalties and charges should not be imposed on the service provider which had failed to complete on time.

- Overall costs and benefits of having the Master Plan

Discuss briefly how the Balacad master plan can help in making the property more attractive to the investors using the Joint Venture guidelines which strengthens partnership with private sector. This could justify the urgency of accepting all the deliverables including the Final report of the BII.

Thank you and hoping for your continued cooperation on this matter.