

# TERMS OF REFERENCE

## Procurement of Consulting Services for the Third-Party Certifying Body of the John Hay Management Corporation for the ISO 14001:2015

### I. INTRODUCTION

#### Background

1. The John Hay Management Corporation (JHMC) is a government-owned and controlled corporation, a member of the Bases Conversion and Development Authority (BCDA). As the estate manager of The John Hay Special Economic Zone (JHSEZ) and implementing arm of the BCDA, it is committed to fulfill its mission and vision to be a tourist and investment destination that enforces efficient and effective regulation, ensures sustainable multiple use of the forest watershed and contributes to national economic growth and job generation.
2. Among its core values is stewardship and passion for the environment, hence, JHMC endeavors to promote environmentally responsible business processes, programs and services. The EMS has been proven to enable JHMC to reduce its environmental impacts and increase its operating efficiency. In its framework, it will help JHMC achieve its environmental goals through consistent review, evaluation, and improvement of its environmental performance.

In fact, it is one of the strategic objectives for the Performance Agreement between the Governance Commission for GOCCs (GCG) and JHMC for the years now. This is consistent with our vision, mission and mandate, which is to transform Camp John Hay into a sustainable tourism destination North of the Philippines, with Innovative approaches to promote investments, improve employment opportunities and quality services, ALL, while *preserving the environment*. The JHMC, will then be able to improve its ability to achieve its environmental targets. Furthermore, JHMC aligns itself with the policy of the state to promote sustainable development by encouraging the business and / or industrial sector to engage in environmental improvement activities and advance self- regulation and mandatory compliance with environmental standards. It is in this light that it wants to obtain and maintain an ISO 14001:2015 Certification.

3. From 2018 – present, JHMC is able to maintain its Certification to ISO 14001:2015: Environmental Management Systems. In the coming years, JHMC aspires for continued ISO 14001 certification, hence the engagement of highly technical individuals is necessary to assist it in realizing the same and ensure conformance to ISO 14001 standards, hence, the need to avail of the services of a Certifying Body (CB).
4. The scope of services and **Certification to ISO 14001:2015** can solely be obtained, proven and performed by an Accredited Certifying Body, hence, it is not a function of any employee of JHMC.

### II. OBJECTIVES

To engage the services of an independent and accredited Certifying Body (CB) competent and qualified to assess conformity and provide the necessary written certification and monitor the same to ensure that JHMC's services meet the necessary requirements of ISO 14001:2015 for a period of three (3) years from November 2021 to November 2023.

### III. APPROVED BUDGET FOR THE CONTRACT

The approved budget for the procurement of the Consultancy Service as reflected in the CY 2021 Corporate Operating Budget is **Four Hundred Thousand Pesos (PhP 400,000.00)**, inclusive of all communication, transportation and professional consultancy service fees and all applicable taxes.

### IV. SCOPE OF SERVICES

The **CERTIFYING BODY** shall provide the following services:

Activities	Service/s Required
1. Pre-Assessment Audit	<ul style="list-style-type: none"> <li>● Prepare and submit Pre-Assessment Audit Plan not later than two (2) weeks prior to certification audit;</li> <li>● Conduct Pre-Assessment Audit; and</li> <li>● Prepare and submit to JHMC an audit report detailing observations, opportunities for improvement (OFI) and any non-conformity (NC) to ISO 14001:2015 standards or on documented procedures after the completion of the on-site audit, or as agreed upon by JHMC and the CB.</li> <li>● It shall evaluate JHMC's conformity with the requirements of ISO 14001:2015 as they relate to its compliance obligations and shall not grant certification until conformity can be demonstrated, taking into consideration provisional clauses in the standard.</li> </ul>
2. Conduct of Certification Audit for ISO 14001:2015.	<ul style="list-style-type: none"> <li>● Prepare and submit Certification Audit Plan;</li> <li>● Conduct Certification Audit; and</li> <li>● Prepare and submit to JHMC an audit report detailing observations, opportunities for improvement (OFI) and any non-conformity (NC) to ISO 14001:2015 standards or on documented procedures after the completion of the on-site audit, or as agreed upon by JHMC and the CB.</li> <li>● It shall evaluate JHMC's conformity with the requirements of ISO 14001:2015 as they relate to its compliance obligations and shall not grant certification until conformity can be demonstrated, taking into account the provisional clauses in the standard.</li> </ul>
3. Issuance of ISO 14001:2015 Certificate of Registration and Registrations Schedule (Accreditation) valid for three (3) years	<ul style="list-style-type: none"> <li>● Issue to JHMC the Certificate of Registration and Registration Schedule (Accreditation) within ten (10) working days after the conduct of the Certification Audit.</li> </ul>
4. Conduct of two (2) Surveillance Audits (2020 and 2021)	<ul style="list-style-type: none"> <li>● Prepare and submit to JHMC an Audit Report detailing observations, opportunities for improvement (OFI) and any non-conformity (NC) to ISO 14001:2015 standards or on documented procedures within five (5) working days after the conduct of the on-site audit.</li> </ul>

## V. REQUIREMENTS AND QUALIFICATIONS

1. The **CERTIFYING BODY** shall be licensed or **accredited** to undertake ISO 14001 certification audits and activities by either ANAB, UKAS, IAS or other internationally accepted accreditation bodies for ISO 14001:2015.
2. The **CERTIFYING BODY** shall submit to JHMC the following:
  - a. Company Profile highlighting related projects;
  - b. Scope of work and implementation methodology; and
  - c. Curriculum vitae of proposed certification/ surveillance team members.
  - d. Accreditation or License to Undertake ISO 14001:2015 Activities
3. To avoid conflict of interest, certifying bodies that have provided environment management systems consulting services or site-specific auditors training to any unit or group in JHMC within two (2) years prior to the re-certification shall be automatically disqualified as **CERTIFYING BODY** of JHMC for the ISO 14001:2015.
4. The **CERTIFYING BODY** shall include in their audit activities a mechanism to address client appeals. If resolution on good terms cannot be reached between **JHMC** and the **CERTIFYING BODY** on the result of the audit, JHMC shall be afforded the right to lodge appeals about decisions of the audit team to an independent arbitrator. Independently, legal remedy is available to both parties.
5. All information reviewed and recorded by the **CERTIFYING BODY's** Audit Team shall be treated in the strictest confidentiality at all times.
6. The **CERTIFYING BODY** shall adhere to the agreed scope of services or deliverables as approved by **JHMC**. Changes in the agreed arrangements shall likewise be with the prior consent of JHMC.
7. The **CERTIFYING BODY** shall provide the full report of the audit (pre-assessment, transition, re-certification, surveillance, etc.) containing the approved details provided in Section IV of this TOR, within five (5) working days after the conduct of each audit activity.
8. The Audit Team of the **CERTIFYING BODY** should satisfy the following qualifications:
  - a. Qualified to conduct audit in the name of the **CERTIFYING BODY**;
  - b. At least one (1) of the team member shall have a relevant sector-specific experience for all the processes which apply to the scope of the ISO 14001 certification;
  - c. Hands-on experience on the EMS process scope, particularly on special economic zone and regulatory office operations, forest and environment management and business development, projects and events management;
  - d. No member of the Audit Team shall have provided consultancy services for the establishment of the JHMC - EMS within two (2) years prior to the audit;
  - e. For each subsequent audit cycle, different auditors should be assigned with the exemption of at least one (1) auditor of the initial Audit Team. This audit team member should participate in all audits of the three (3)- year audit cycle.

- f. The list of audit team members that will be assigned to any of the three (3) – year cycle audit, must be submitted to JHMC at least 10 days prior to the scheduled audit.
  - g. The replacement of any team member, in any of the three (3) – year audit cycle, shall require a prior written approval from the JHMC.
9. The **CERTIFYING BODY**'s Audit Team shall abide with the auditing principles, terminologies and guidelines as specified in ISO 19011:2018- Guidelines for Auditing Management Systems for environmental management systems.

## **VI. TERMS AND CONDITIONS OF THE ENGAGEMENT**

### **A. The CERTIFYING BODY shall:**

1. Organize an Audit Team which will conduct the Pre-assessment, certification and/or Surveillance audits, *whichever is applicable*, within the agreed timeframe;
2. Issue the Certificate of Registration and Registration Schedule (Accreditation) which is valid for three (3) years within ten (10) working days after the commencement of the Certification Audit;
3. Conduct Surveillance Audits on the second (2<sup>nd</sup>) and third (3<sup>rd</sup>) year of the Certificate of Registration/ Registration Schedule; and
4. Provide the transportation, communication and accommodation cost of the Audit Team members.
5. Provide logistical needs of its auditors during the pre-assessment, certification and surveillance audits such as laptops, supplies, reproduction of audit materials, and travel meals and snacks, if necessary;

### **B. The JHMC shall:**

1. Designate a counterpart support team comprised of the members of the EMS Core Team of the JHMC who will work closely with the **CERTIFYING BODY** regarding the technical and administrative requirements of the activities, including progress monitoring;
2. Provide logistical requirements during the pre-assessment, certification and surveillance audits, meeting venues, equipment (LCD projector, laptops, etc.), supplies, reproduction of audit materials, and meals and snacks, if necessary;
3. Provide location guides within areas to be audited that will form part of the establishment of JHMC's conformance to the standard during the audit activities;
4. Ensure availability and participation of concerned staff during the conduct of the audits, and other activities necessary in the course of the audit process; and
5. Pay the total engagement cost of **Four Hundred Thousand Pesos (PhP 400,000.00)**, inclusive of twelve percent (12%) VAT. The amount shall be payable to the **CERTIFYING BODY** in accordance with the following schedule and expected outputs as stated in Section VII of this TOR:

Percentage	Activity	Output Required for the Payment	Cost (in PhP)
20%	Application/ Pre-Assessment	Pre-Assessment Audit Report	80,000.00
30%	Certification Audit and Reporting	Certification Audit Report, Registration Schedule  Issuance of Certificate of Registration to ISO 14001:2015 Valid for Three (3) years	120,000.00
25%	First Surveillance Audit and Reporting	2nd Year Surveillance Audit Report	100,000.00
25%	Second Surveillance Audit and Reporting	3rd Year Surveillance Audit Report	100,000.00
<b>TOTAL</b>			<b>400,000.00</b>

Each of the required outputs, must be accepted by the EMS Core Team Leader, and approved by the OPCEO or the authorized JHMC Representative.

## VII. EXPECTED OUTPUTS

The certifying body shall undertake the following services with the corresponding expected output:

Activity	Outputs
1. Pre-Assessment Audit.	<ul style="list-style-type: none"> <li>● Pre- Assessment Audit Plan</li> <li>● Pre-Assessment Audit; and</li> <li>● Audit Report detailing observations, opportunities for improvement (OFI) and any non-conformity (NC) to ISO 14001:2015 standards or on documented procedures within five (5) working days after the conduct of the on-site audit.</li> </ul>
2. Certification Audit	<ul style="list-style-type: none"> <li>● Certification Audit Plan</li> <li>● Certification Audit; and</li> <li>● Audit report detailing observations, opportunities for improvement (OFI) and any non-conformity (NC) to ISO 14001:2015 standards or on documented procedures within five (5) working days after the conduct of the on-site and/or remote audit.</li> </ul>
3. Issuance of ISO 14001:2015 valid for three (3) years	<ul style="list-style-type: none"> <li>● Certificate of Registration; and</li> <li>● Registration Schedule (Accreditation)</li> </ul>

4. Conduct of two (2) Surveillance Audits (2022 and 2023)	<ul style="list-style-type: none"> <li>● Audit Report detailing observations, opportunities for improvement (OFI) and any non-conformity (NC) to ISO 14001:2015 standards or on documented procedures within five (5) working days after the conduct of the on-site audit.</li> </ul>
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### VIII. CONTRACT TERM

The Contract shall remain in force and effect for a period of **three (3) years** and effective until the full delivery of the requirements and acceptance by the JHMC, subject to extension should the need be determined, and in accordance with provisions of applicable laws, such as, but not limited to, the Procurement Law.

### IX. MODE OF PROCUREMENT

The mode of procurement for the consulting services shall be through Alternative Mode of Procurement (AMP)- Small Value Procurement (SVP).

Proposals shall be evaluated based on *Quality-Cost Based Evaluation (QCBE)*. The criteria and rating system for the selection of the winning certifying body are as follows:

Evaluation Criteria	Weight
Technical Proposal	
a. Applicable experience and Track Record  No. of Years of experience – 10% <ul style="list-style-type: none"> <li><input type="checkbox"/> 1-3 Years = 5%</li> <li><input type="checkbox"/> 3-5 Years= 8%</li> <li><input type="checkbox"/> 6 Years and above = 10%</li> </ul> Similar projects completed within the last five (5) years – 10% <ul style="list-style-type: none"> <li><input type="checkbox"/> Less than 5 projects completed in the last 5 years = 5%</li> <li><input type="checkbox"/> 6 or more projects completed in the last 5 years = 10 %</li> </ul> Similar Projects conducted for government institutions within the last five (5) years – 10% <ul style="list-style-type: none"> <li><input type="checkbox"/> Less than 5 government projects in the last 5 years = 5%</li> <li><input type="checkbox"/> 6 or more government projects in the last 5 years = 10 %</li> </ul> Client Feedback – 10% Computation: % Satisfaction Rating of their top 5 Clients / 10 = % weight	40%

<p>b. Qualification of Audit Team</p> <p>Audit team members with solid hands-on experience in EMS and qualified to conduct EMS audits in the name of the CB – 10%</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> 1-3 Years = 5%</li> <li><input type="checkbox"/> 3-5 Years= 8%</li> <li><input type="checkbox"/> 6 Years and above = 10%</li> </ul> <p>Audit team members with relevant public sector specific experience and / or similar or related nature to JHMC Operations (Public Administration; Regulatory Agency) – 10%</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> 1-3 Years = 5%</li> <li><input type="checkbox"/> 3-5 Years= 8%</li> <li><input type="checkbox"/> 6 Years and above = 10%</li> </ul> <p>Audit Team members have minimum three (3) years auditing experience on EMS ISO 14001 Certification– 10%</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> 1-3 Years = 5%</li> <li><input type="checkbox"/> 3-5 Years= 8%</li> <li><input type="checkbox"/> 6 Years and above = 10%</li> </ul> <p>Educational Attainment /Applicable accreditation of audit team member – 10%</p>	40%
<p>c. Plan of Approach and Methodology</p> <p>Substance of Proposal – 10%</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Proposal that is containing essentials that are responsive to all Terms and Conditions of the TOR (10%)</li> </ul> <p>Clarity of Proposal and Methodology -5%</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Proposal must be clear, and certification process, scheme and methodology must be defined</li> </ul> <p>Completeness of Proposal – 5%</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Proposal must be defined from start to finish of engagement</li> </ul>	20%
<b>TOTAL</b>	<b>100%</b>