



**CENTRAL NEGROS ELECTRIC COOPERATIVE, INC.
THIRD PARTY BIDS AND AWARDS COMMITTEE
(CENECO TPBAC)**

Corner Gonzaga – Mabini Streets, Bacolod City

**INVITATION TO BID NO. 01
Series of 2023**

1. The Central Negros Electric Cooperative, Inc. Third Party Bids and Awards Committee (CENECO TPBAC) invites interested bidders to participate in the Competitive Selection Process (CSP) for the **Procurement of CENECO’s 20 MW Base Load Power Supply Requirement for 2023 to 2033** as follows:

Terms of Reference	Description/Remarks	Requirement																																										
Type of Contract		Base Load																																										
Contracted Capacity (MW)		20 MW																																										
Annual Contracted Energy (MWH)		175,200 MWH (regular year) or 175,680 MWH (leap year)																																										
Dependable Capacity	The load carrying ability of a station or system under adverse conditions, except force majeure, for a specified period of time.	20 MW dependable capacity required for bidder to be qualified																																										
Source of Power		Open Technology																																										
Plant Location		Anywhere in the Luzon, Visayas, or Mindanao group of islands in the Philippines connected to the Grid																																										
Plant Capacity		Total installed capacity should be capable of delivering the dependable capacity of 20 MW.																																										
Contract Duration		The Power Supply Agreement (PSA) shall take effect for a period of ten (10) years starting from the target Delivery date of April 26, 2023 to April 25, 2033, unless earlier terminated in accordance with the provisions of the PSA.																																										
Target Delivery Date (MM/DD/YYYY)	Target Delivery Date shall be taken to mean the date of commencement of commercial supply of electricity under the Agreement	April 26, 2023 or until an ERC approval is acquired																																										
Schedule of Delivery (kWh per month)		<table border="1"> <thead> <tr> <th>Month</th> <th>Regular Year</th> <th>Leap Year</th> </tr> </thead> <tbody> <tr><td>January</td><td>14,880,000</td><td>14,880,000</td></tr> <tr><td>February</td><td>14,880,000</td><td>14,880,000</td></tr> <tr><td>March</td><td>13,440,000</td><td>13,920,000</td></tr> <tr><td>April</td><td>14,880,000</td><td>14,880,000</td></tr> <tr><td>May</td><td>14,400,000</td><td>14,400,000</td></tr> <tr><td>June</td><td>14,880,000</td><td>14,880,000</td></tr> <tr><td>July</td><td>14,400,000</td><td>14,400,000</td></tr> <tr><td>August</td><td>14,880,000</td><td>14,880,000</td></tr> <tr><td>September</td><td>14,880,000</td><td>14,880,000</td></tr> <tr><td>October</td><td>14,400,000</td><td>14,400,000</td></tr> <tr><td>November</td><td>14,880,000</td><td>14,880,000</td></tr> <tr><td>December</td><td>14,400,000</td><td>14,400,000</td></tr> <tr><td>Total</td><td>175,200,000</td><td>175,680,000</td></tr> </tbody> </table>	Month	Regular Year	Leap Year	January	14,880,000	14,880,000	February	14,880,000	14,880,000	March	13,440,000	13,920,000	April	14,880,000	14,880,000	May	14,400,000	14,400,000	June	14,880,000	14,880,000	July	14,400,000	14,400,000	August	14,880,000	14,880,000	September	14,880,000	14,880,000	October	14,400,000	14,400,000	November	14,880,000	14,880,000	December	14,400,000	14,400,000	Total	175,200,000	175,680,000
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Currency		Price offer should be in Philippine Peso (Php)																																										
Power Bill Payment		Every 25 th day of the month immediately succeeding each billing period																																										
Tariff Structure (landed cost) <i>Landed cost refers to the final total generation cost to be billed to the DU inclusive of interconnection facilities, transmission charges, metering charges, and any applicable indexations.</i>	Broken down into:																																											
	Capacity Fee	Indicate in Php/kWh																																										
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	Fixed O&M	Indicate in Php/kWh																																										
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Line Rental		For the account of the DU																																										
Escalation	Capacity Fee	No escalation																																										

	Fixed O&M	Annual escalation only, beginning on the first day of the second year of the contract. Indicate escalated rate in Php/kWh to be in effect until next escalation date. In no case shall the rate increase exceed more than 2.50% in price level for local components and 2.11% in price level for foreign components, and 3.00% for foreign exchange based on the prior year's rate. For purposes of contract implementation, inflation and foreign exchange rate shall be the lower of the offered rate, rate limit, or actual rate.
	Variable O&M	Annual escalation only, beginning on the first day of the second year of the contract. Indicate escalated rate in Php/kWh to be in effect until next escalation date. In no case shall the rate increase exceed more than 2.50% in price level for local components and 2.11% in price level for foreign components, and 3.00% for foreign exchange based on the prior year's rate. For purposes of contract implementation, inflation and foreign exchange rate shall be the lower of the offered rate, rate limit, or actual rate.
	Fuel Fee	Computed as Current Fuel Cost + Transportation Cost + Import Duties, Fees, and Taxes, subject to yearly escalation with limitations.
Outage Allowance per Plant		<p>Scheduled outage shall not exceed 600 hours per calendar year.</p> <p>Unscheduled outage shall not exceed 120 hours per calendar year.</p> <p>Any unutilized allowed scheduled and unscheduled outage allowances within a calendar year will not be accumulated for use in the succeeding years of the cooperation period.</p> <p>The DU shall not be obliged to make payment for the total cost, including the Capacity Fee, relative to the unutilized or undelivered energy during the affected intervals and the same unutilized or undelivered energy shall not be forwarded or accumulated to subsequent periods.</p> <p>There shall be no outage allowance for power plants with N-1 capability and contingency reserve.</p> <p>No crediting of Outage Allowance from Scheduled to unscheduled and vice versa</p>
Force Majeure	The DU and the supplier shall jointly establish plans for operating the power plant during force majeure. The supplier shall include recovery from a local or widespread electrical blackout. The supplier shall comply with the emergency procedures and provide contingency plan if a force majeure occurs.	<p>The DU and the Winning Bidder shall agree on the Force Majeure events, as defined in the PSA, and establish the action plans to be followed by both Parties which shall also be incorporated in the PSA.</p> <p>The affected Party shall be excused from the performance of obligations and shall not be considered to be in default in respect of any obligation under the PSA for so long as failure to perform such obligation shall be due to an Event of Force Majeure.</p> <p>The Buyer/Off-taker shall adhere to the responsibilities under the Power Supply Agreement (PSA)</p> <p>The DU shall not be required to make payments for any of the following:</p> <ol style="list-style-type: none"> 1. Capacity that is unavailable; and 2. Capacity that it cannot accept.
Replacement Power		<p>The supplier shall provide replacement power in following cases, except during Force Majeure Events:</p> <ol style="list-style-type: none"> 1. During any delay of the Start of Delivery of Supply; and 2. When its power plant is on scheduled or unscheduled outage to ensure continuity of supply in compliance with the cooperation period. <p>The replacement power rate shall be the actual price of replacement power or the prevailing Wholesale Electricity Spot Market (WESM) rate, whichever is lower, but shall not exceed the Energy Regulatory Commission (ERC)-approved tariff.</p>

		<p>Replacement power shall be the obligation of the Supplier. In the event of failure by the Supplier to provide the replacement power, the EC shall be allowed to source the replacement power at the expense of the Supplier.</p>
Regulatory Approvals		<p>The DU and the Winning Bidder shall file with the ERC the joint application for the approval of the PSA in accordance with ERC Rules in thirty (30) calendar days after confirmation of the Notice of Award. The Winning Bidder shall provide for the legal services of the joint application with full support from the DU.</p> <p>The Supplier shall make the necessary adjustments in accordance with the directive of the ERC. Downward adjustment in the rates shall not be a ground for the termination of the contract and the DU should not be made to shoulder the incremental difference.</p>
Dispatch by Utility		<p>The DU shall have the right to dispatch the power plant up to its dependable capacity following the dispatch protocol in accordance with the economic merit order.</p>
Penalties		<p>The DU shall have the right to impose penalties whenever Supplier fails to comply with its obligations within the cure period stated in the PSA under the following circumstances:</p> <ol style="list-style-type: none"> 1. Payment of damages upon contract termination based on valid grounds; 2. Payment of penalties when Supplier exceeds the allowed scheduled and unscheduled outage allowances; 3. Failure to provide replacement power; 4. Delay in Commercial Operation Date (COD); 5. Failure of power delivery; and 6. Other grounds detailed in the Power Supply Agreement. <p>The DU shall also have the right to forfeit the performance security and bid security in instances enumerated in the Instruction to Bidders.</p> <p>The following are the consequences of Event of Default:</p> <ol style="list-style-type: none"> 1. Either DU or Supplier may initiate termination if the other party is unable to remedy its default within the cure period; and 2. Parties shall arrange Replacement Contracts. Party in default shall pay the price difference of the PSA and the Replacement contract until such time that the DU is able to enter into another contract with a power supplier. <p>The non-defaulting Party may terminate the PSA subject to prior notice which shall not be less than thirty (30) calendar days.</p>
Grounds for Termination		<p>The DU shall have the right to terminate the contract under the following instances:</p> <ol style="list-style-type: none"> 1. Unexcused or failure of Supplier to comply with its material obligations under the contract, including but not limited to the failure of the Supplier to comply with its obligation to deliver the guaranteed capacity from its own plant at target delivery date; 2. Supplier ceases or discontinues the delivery of electricity for a period of ninety (90) consecutive days from its own plant, except in instances allowed under the Agreement; 3. In the event that a law, court order, or decision by a court of competent jurisdiction makes it unlawful for Supplier to supply and deliver electricity to DU or perform any or all of its obligations under the Agreement, or DU to accept delivery of electricity from Supplier or perform any or all obligations under the Agreement;

		<p>4. In the event that Force Majeure occurs that prevents DU from receiving or Supplier from delivering electricity at the delivery points for a period in excess of six (6) consecutive months;</p> <p>5. If no satisfactory solution is reached by the parties when a Change of Law results to (a) any additional charges, fees, taxes, duties, assessments, or other similar amounts become payable, (b) DU is no longer permitted to pass through to its customers any charges, fees, taxes, assessments, or other similar amounts, or (c) DU is no longer permitted to pass through to its customers any amount that it is permitted to pass through as of the date of the Agreement; and</p> <p>6. Other grounds detailed in the Power Supply Agreement.</p>
Technical Specifications of Generator Set		The Bidder shall submit technical specifications of the generation set in accordance with the set requirements prescribed in the Instruction to Bidders.
Take-off Structure		The delivery and metering point shall be at the connection point to either 13.2KV or 69KV distribution line. The cost of connection point shall be borne by the Supplier.
Years of Experience		Matrix of the Bidder's generation portfolio must be supported by copies of its Certificate of Compliance issued by ERC.
Eligibility Requirements		<p>The Bidder shall have experience and technical capability.</p> <p>The Bidder shall submit its organization structure and the qualification of its technical staff, management team and consultants.</p> <p>The Bidder shall submit certificate of good performance from other ECs as proof of their technical qualification, if any.</p> <p>The Bidder shall have available capacity on or before the Target Delivery Date.</p>
Billing Metering Point		Through NGCP Metering Point or as designated by WESM.
Security Deposit		No security deposit
Discounts		<p>Not to be considered, unless offers are equal in which discounts may be considered in the post-qualification process.</p> <p>Pre-requisite for availment of discount must be achievable.</p>
Reduction in Contract Capacity		<p>If there is a reduction in the capacity required by the DU due to:</p> <ol style="list-style-type: none"> 1. migration of Contestable Consumers in relation to the Retail Competition and Open Access (RCOA) Rules, or 2. the Green Energy Option Program (GEOP), or 3. the Net Metering Program, or 4. any issuance by the Philippine Government. <p>the contracted capacity may be adjusted in proportion to all contracted volume and capacity from all suppliers subject to sixty (60) days prior written request by the DU.</p>
Assignability		The Supplier and the DU may not sell, assign, novate or otherwise transfer its rights and obligations under the Agreement without prior approval of the other party.
Financial capacity		<p>Based on the audited financial statements for the year 2021 of the Bidder, the following parameters must be complied:</p> <ol style="list-style-type: none"> 1. Net worth – at least Php715,316,682.00; 2. Debt ratio – up to 0.70; and 3. Quick ratio – at least 1.00.

2. The proposed schedule of activities is as follows:

1	Publication of Invitation to Bid	January 13 and 20, 2023
2	Issuance of Bid Documents	January 13 – February 7, 2023
3	Pre-bid Conference	February 8, 2023
4	Technical Session on Financial Proposal Template	February 14, 2023

5	Issuance of Bid Bulletin and Final Instruction to Bidders	Until February 9, 2023
6	Due Diligence of Bidders	January 13 – February 16, 2023
7	Submission of Bids	February 17, 2023
8	Opening of Bids	February 17, 2023
9	Evaluation of Submitted Bids	February 18, 2023
10	Post-qualification and Detailed Evaluation of Bids	February 19 – 23, 2023
11	Issuance of Notice of Award to Winning Bidder	February 24, 2023
12	Confirmation of Board of Directors	February 27 – March 2, 2023
13	Final Evaluation/Assessment of PSA by NEA	March 3 – 7, 2023
14	Issuance of Notice to Proceed on the Signing of PSA	March 8, 2023
15	Signing of PSA	March 9 – 13, 2023
16	Filing of Joint ERC Petition for Approval of PSA	March 14 – 18, 2023

3. Interested bidders may obtain an electronic copy of the bid documents starting January 13 until February 7, 2023 during Mondays to Fridays from 8:00 AM to 5:00 PM upon:
 - a. Payment of a non-refundable cost of bid documents in the VAT-inclusive amount of Two Hundred Fifty Thousand Pesos (₱ 250,000.00) in cash or cashier's/manager's check payable to CENECO through fund transfer or deposit to CENECO TPBAC-designated bank account and submission of proof thereof to *cenecotpbac@gmail.com*; and
 - b. Submission of the Intent and Confidentiality Undertaking in the form prescribed by the CENECO TPBAC, which includes an enumeration of the bidder's authorized representatives, its official electronic mail address, and its official contact details.
4. The virtual Pre-bid Conference shall be held on February 8, 2023 through Zoom Videoconferencing. Only interested bidders who purchased the bid documents shall be allowed to participate in the virtual Pre-bid Conference. Each bidder shall be allowed a maximum of four (4) representatives.
5. The Bid Opening shall be held on February 17, 2023 from 9:00 AM through Zoom Videoconferencing. Only those who purchased the bid documents shall be allowed to participate in the Bid Opening. Each bidder shall be allowed a maximum of four (4) representatives. Bids shall be opened virtually in the presence of the bidders' representatives.
6. The Google Drive link containing electronic copies of bids must be sent to the CENECO TPBAC's official electronic address, *cenecotpbac@gmail.com*, from 9:00 AM to 9:30 AM on February 17, 2023. Late bids shall no longer be accepted.
7. The CSP shall be conducted in accordance with Department of Energy Department Circular No. DC 2018-02-0003, as amended by DOE Circular No. DC 2021-09-0030 and National Electrification Administration Memorandum No. 2019-007.
8. CENECO TPBAC reserves the right to amend the schedule of activities, reject any or all bids, declare a failure of bidding, or not to award the contract under circumstances allowed by the CSP guidelines without incurring any liability.

For further information, please refer to:

CENECO TPBAC Secretariat
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(SGD) ENGR. NORMAN A. POLLENTES, MBA
TPBAC Chairman