



# NEGROS OCCIDENTAL ELECTRIC COOPERATIVE

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## INVITATION TO BID

1. Pursuant to the Department of Energy (DOE) Circular No. DC2018-02-0003 series of 2018 and DC2021-09-0030 series of 2021, the Negros Occidental Electric Cooperative (NOCECO) through the Third Party Bids and Awards Committee (TPBAC), invites all interested and qualified bidders to participate in the Competitive Selection Process (CSP) for the Procurement of 10MW Base Load Power Supply.

### 2. TERMS OF REFERENCE

TERMS OF REFERENCE	DESCRIPTION
TYPE OF CONTRACT	Base Load
TECHNOLOGY	Open Technology
CONTRACT CAPACITY	10 MW
CONTRACTED ENERGY	87,600 MWH for Regular Year 87,840 MWH for Leap Year
DEPENDABLE CAPACITY	100% of the contracted capacity
PLANT CAPACITY	Minimum generating capacity shall be no less than the contracted capacity of NOCECO
CONTRACT DURATION	<p>10 years beginning on 26 December 2023, unless otherwise terminated in accordance with the provision of the PSA. The commencement date of the contract shall start EITHER ON</p> <p>a) 26<sup>th</sup> day of December 2023, assuming the ERC approval is acquired by both parties, whether provisional or final.</p> <p>b) the next immediate 26th of the month following the approval of ERC,</p> <p>Throughout the duration of the contract, authorized representatives from NOCECO and the winning bidder shall meet not later than the first billing period of the 5th year of the contract period to discuss any concern arising from the implementation of the contract to ensure that arrangements between Parties proceed on a mutually satisfactory basis.</p> <p>Grounds for what will be considered the satisfactory basis will be discussed further in the draft Power Supply Agreement.</p>
TARGET DELIVERY DATE	December 26, 2023 or upon receipt of ERC approval

<p><b>TARIFF STRUCTURE (LANDED COST)</b></p> <p>Landed cost refers to the final total generation cost to be billed to the EC inclusive of interconnection facilities, transmission charges, metering charges and any applicable indexations except on Capacity Fee and Fixed Operations and Maintenance.</p>	<table border="1" data-bbox="802 182 1325 749"> <thead> <tr> <th>Tariff Components</th> <th>Cost in Php/kWh</th> </tr> </thead> <tbody> <tr> <td>Capital Recovery</td> <td></td> </tr> <tr> <td>Fixed Operation and Maintenance</td> <td></td> </tr> <tr> <td>Variable Operation and Maintenance</td> <td></td> </tr> <tr> <td>Fuel Fee</td> <td></td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>• No indexation, increase or escalation on Capital Recovery Fee (CRF) and Fixed O&amp;M</li> <li>• The total bid amount for the CRF and the Fixed O&amp;M shall not exceed Php 2.40/kWh</li> <li>• Variable O&amp;M fees shall be based on actual cost.</li> <li>• Fuel cost shall be pass-through based on actual cost in Php for every kWh generated, complete with actual invoices and references</li> </ul> <p><i>Note:</i></p> <p><i>Fixed O&amp;M is for the cost incurred by the generator that is independent of the amount of energy generated by the power plant</i></p> <p><i>Variable O&amp;M is for the cost incurred by the generator that is dependent on the amount of energy generated by the power plant</i></p>	Tariff Components	Cost in Php/kWh	Capital Recovery		Fixed Operation and Maintenance		Variable Operation and Maintenance		Fuel Fee	
Tariff Components	Cost in Php/kWh										
Capital Recovery											
Fixed Operation and Maintenance											
Variable Operation and Maintenance											
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<p>CURRENCY FOR THE OFFER</p>	<p>Php/kWh</p>										
<p>LINE RENTAL</p>	<p>Charged to NOCECO</p>										
<p>SECURITY DEPOSIT</p>	<p>Security Deposit shall not be required from NOCECO</p>										
<p>OUTAGE ALLOWANCE PER PLANT</p>	<p>Zero outage allowance</p>										
<p>REPLACEMENT POWER</p>	<p>Supplier shall be obliged to look for and provide the Replacement Power (RP) for the following events:</p> <ol style="list-style-type: none"> <li>1.Delay of supply of contracted capacity on target delivery date.</li> <li>2.Outages, scheduled or un-scheduled</li> </ol> <p>NOCECO shall pay the Supplier with the RP rate equivalent to the ERC approved contract rate or actual, whichever is lower.</p> <p>In the event that Supplier cannot provide NOCECO with a replacement power, NOCECO shall be allowed to source the replacement power at the expense of the Supplier.</p>										

<p>FORCE MAJEURE</p>	<p>(a) Force Majeure events may include without limitation:</p> <ul style="list-style-type: none"> <li>i. acts of God;</li> <li>ii. acts of war or the public enemy, whether war be declared or not declared, invasion, armed conflict or act of foreign enemy, blockade, embargo, revolution and public disorders, including insurrection, rebellion, civil commotion, sabotage, riots, and violent demonstrations;</li> <li>iii. strikes, lockouts, riots, labor disputes, in any such case which are widespread or nationwide (i.e., excluding those directed only at a Party);</li> <li>iv. floods, tidal waves, explosions, fires, earthquakes, typhoons and other natural calamities;</li> <li>v. accidents of navigation or breakdown or injury of vessels, accidents to harbors, docks, canals, or other assistance to or adjuncts of shipping or navigation;</li> <li>vi. failure of the Visayas grid and/or inability of NGCP to transmit power from SELLER to BUYER;</li> <li>vii. expropriation or compulsory acquisition by any Governmental Authority of all or any material part of the facilities of the Power Plant, including any sub-transmission or substation facilities to which such facilities are connected;</li> <li>viii. change in Applicable Requirements in force from time to time after the date hereof;</li> <li>ix. arbitrary, capricious, or unreasonable denial, conditioning, variation, termination, or voiding of, or failure or delay in granting or renewing, any Governmental Permit required for such Party's performance of its material obligations hereunder, notwithstanding such Party's due application therefor and diligent efforts to obtain the same;</li> <li>x. unavailability of fuel not due to the fault of the SELLER; and</li> <li>xi. any other event of similar nature which prevents SELLER from delivering electricity to BUYER, or prevents BUYER from receiving electricity from SELLER.</li> </ul> <p>(b) Force Majeure shall not include, among other things:</p> <ul style="list-style-type: none"> <li>i. lack of funds for the performance of any obligation hereunder;</li> <li>ii. fluctuations in the Peso-Dollar exchange rate; and</li> <li>iii. ordinary or extraordinary inflation.</li> </ul> <p>Neither Party shall be liable for any failure or delay in the performance of its obligations under the contract in case of, but only to the extent caused by, any event of Force Majeure; provided, that the relief granted by this provision shall be available only if and to the extent the Party claiming relief has and continues to take all steps reasonably within its control to mitigate the effects of such Force Majeure event, and in no event shall late payment or non- payment of money due be excused.</p> <p>The Party seeking to rely on an event of Force Majeure to excuse failure or delay in the performance of its obligations pursuant to this provision shall notify the other Party as soon as reasonably possible of the nature of Force Majeure claimed and the extent to which the Force Majeure claimed</p>
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	<p>affects the Party’s obligation under the contract, and such Party shall resume the performance of its obligations as soon as reasonably possible after the event of Force Majeure no longer exists.</p> <p>NOCECO shall not be required to make payments for any of the following:</p> <ul style="list-style-type: none"> <li>&gt;&gt;Capacity that is unavailable</li> <li>&gt;&gt;Capacity that it cannot accept</li> </ul> <p>During Force Majeure, actual metered quantity shall be applied. Penalties on the off-taker shall not be imposed</p>
<p>PENALTIES</p>	<p>The SELLER shall be penalized (monetary, etc) in cases of the following events and circumstances:</p> <ul style="list-style-type: none"> <li>i. Delay in Delivery on Target Delivery Date.</li> <li>ii. Given that the requirement states that there is no “Outage Allowance”, the SELLER shall be penalized should it fail to provide Replacement Power if the main power plant source cannot deliver power, resulting in a failure of delivery of power; and</li> <li>iii. Other provisions found in this PSA.</li> </ul> <p>During Force Majeure, the actual metered quantity shall be applied. Penalties on the off-taker shall not be imposed. No penalty shall be imposed on the off-taker if there is a reduction of energy purchased due to the implementation of Open Access (RCOA). Revision of monthly minimum energy off-take shall be undertaken by both parties.</p>
<p>GROUND FOR TERMINATION</p>	<p>Material breach of the defaulting party's obligations under the PSA, subject to a prescribed cure period. The grounds for termination shall be discussed by NOCECO and the winning bidder.</p> <p>NOCECO may terminate the Agreement by written notice to the SELLER in cases of:</p> <ul style="list-style-type: none"> <li>i. Events of default <ul style="list-style-type: none"> <li>a. The unexcused or willful failure of SELLER to comply with its material obligations under this Agreement, including but not limited to the failure of the SELLER to deliver the Contracted Capacity on Target Delivery Date and after a grace period of thirty (30) days from the time of notice of demand from NOCECO in accordance with the PSA; and</li> <li>b. SELLER ceases or discontinues to deliver electricity for a period of forty-five (45) consecutive days, except in instances allowed under this Agreement.</li> </ul> </li> <li>ii. Expiration of Term and/or Upon Mutual Agreement</li> <li>iii. Non-fulfillment of conditions of effective date;</li> <li>iv. Non-concurrence of Effective Date or Target Delivery Date</li> <li>v. Events of Force Majeure; and</li> <li>vi. When the SELLER fails to supply for a period of Sixty (60) days for reasons wholly attributable to its fault and/or negligence, provided that, the Supplier fails to</li> </ul>

	<p>take reasonable actions or remedies to solve its inability to deliver capacity and energy.</p> <p>vii. ERC delayed approval, whether provisional or final, of more than one (1) year upon application for joint approval of the PSA.</p> <p>The SELLER may terminate the Agreement by written notice to NOCECO when:</p> <ul style="list-style-type: none"> <li>i. NOCECO Discontinue Operations</li> <li>ii. NOCECO Declares bankruptcy; or</li> <li>iii. Any financial obligation of NOCECO is not paid within any applicable grace period.</li> </ul>
REDUCTION IN CONTRACTED CAPACITY	<p>Contracted capacity may be adjusted in proportion to all contracted volume and capacity from all suppliers if there is a reduction in the capacity due to RCOA implementation and any other issuances by the Philippine government in which NOCECO is obliged to comply. Revision of monthly minimum energy off-take shall be undertaken by both parties.</p>
REGULATORY APPROVALS	<p>NOCECO and Supplier shall file with the ERC the joint application for the approval of the PSA in accordance with ERC Rules within thirty (30) calendar days upon signing of PSA. The Power Supplier shall make the necessary adjustments in accordance with the directive of the ERC. The Supplier shall provide for the legal services of the joint application, with full support from NOCECO.</p> <p>Downward adjustment in the rates shall not be a ground for the termination of the contract and NOCECO shall not be made to shoulder the incremental difference.</p>
TECHNICAL SPECIFICATIONS	<p>Bidders shall provide technical specifications of the generator set which will be useful during the actual plant operation</p>
ELIGIBILITY REQUIREMENTS	<p><b>Technical capability/qualification:</b> Technical capability / qualification of technical staff and organizational structure shall be required.</p> <p><b>Years of Experience:</b> For non-newly built power plant - Certificate of Good Performance/track record with other customers shall be required. In the case of newly built power generating plants, Power Supplier shall submit its technical capability/qualification of technical staff and organizational structure.</p>
FINANCIAL CAPACITY	<p>2020 and 2021 Audited Financial Statement must have a debt ratio not exceeding 50%. As the power supply agreement is a long-term contract, NOCECO wanted to be assured of the financial stability of the power supplier. The data required would allow NOCECO to assess if the bidder is in good financial standing.</p>

### 3. **INDICATIVE SCHEDULE OF ACTIVITIES**

Activities	Target Dates*
Publication of Invitation to Bid	April 14, 2023 & April 21, 2023
Issuance of Bid Documents	April 17, 2023
Pre-Bidding Conference	May 8, 2023
Issuance of Bid Bulletin and Final Instruction to Bidders	May 22, 2023
Due Diligence of the Bidders	April 14, 2023- May 21, 2023
Submission and Opening of Bids	June 6, 2023
Post Qualification and Evaluation of Bids	June 7, 2023- June 23, 2023
Issuance of Notice of Award	July 13, 2023
Final Evaluation/Assessment of PSA by NEA	July 27, 2023
Issuance of Notice to Proceed and the signing of PSA	August 3, 2023
Joint Application of PSA for ERC approval	August 10, 2023

4. Upon due notice to the participants, the NOCECO TPBAC may amend the above schedules.
5. Complete set of Bid Document may be acquired upon payment of a non-refundable Bid Documents fee and securing official receipt through the BAC Secretariat. Payment may be deposited to:  
  
Bank/Branch : BDO-Kabankalan City  
Account Name: NOCECO  
Account No.: 3060000861
6. Venues for the pre-bidding and bid opening shall be announced through bid bulletins. Only bidders who purchased bid documents shall be allowed to attend the pre-bidding and the bid opening.
7. NOCECO TPBAC reserves the right to amend the schedule of activities, reject any or all bids, declare failure of bidding in accordance to CSP Rules and other pertinent issuance that may be applicable and assumes no obligation to compensate or indemnify any bidder for expenses or losses that may be incurred in the preparation of bid nor does it guarantee that an award will be made.

For further inquiries, please refer to:

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TPBAC Chairperson