



# **MARINDUQUE ELECTRIC COOPERATIVE, INC.**

**BOAC • BUENAVISTA • MOGPOG • GASAN • STA. CRUZ • TORRIJOS**

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## **BID BULLETIN NO. 2019-007**

**30 November 2019**

### **COMPETITIVE SELECTION PROCESS (CSP) FOR A NEW POWER PROVIDER (NPP) OF MARELCO TO SUPPLY POWER IN MARINDUQUE THROUGH LONG-TERM (2022-2037) POWER SUPPLY AGREEMENT**

### **REVISED INSTRUCTION TO BIDDERS (ITB)**

#### **TO ALL PARTICIPATING BIDDERS:**

We would like to furnish you copy of the revised Instruction to Bidders (ITB) and the Terms of Reference taking into consideration all the legitimate issues, concerns and suggestions discussed and agreed upon during the Second Pre-Bid Conference. This Bid Bulletin is issued to address once and for all the requirements of MARELCO in our desire to have a dependable, efficient and reliable New Power Provider (NPP) and at the same time address the risks and challenges the Bidders may encounter in the preparation of their bids and in power development.

Comments and clarifications may be sent on or before December 6, 2019 so that all concerns are addressed and clarified before or during the Third Pre-Bid Conference to be held on December 9, 2019 prior to establishment and release of the final rules.

Thank you.

SGD. ENGR. MATTHEW L. PRINCIPE  
TPBAC Chairman

# **REVISED INSTRUCTION TO BIDDERS (ITB)**

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## **Competitive Selection Process (CSP) for a New Power Provider (NPP) of MARELCO to Supply Power through Long-Term (2022-2037) Power Supply Agreement**

### **INSTRUCTION TO BIDDERS (ITB)**

This Instructions to Bidders is issued in compliance with Section 8.4.2.5 of the “Policy for the Competitive Selection Process in the Procurement by the Distribution Utilities of Power Supply Agreement for the Captive Market” (2018 CSP Policy) issued under Department of Energy Circular No. DC2018-02-0003, and derived from the standard Philippine Bid Documents (PBD) issued by the Government Procurement Policy Board.

#### **A. GENERAL**

##### **1. Scope of Bid**

- 1.1. The Marinduque Electric Cooperative, Inc. (MARELCO), through its Third Party Bids and Awards Committee (TPBAC), is conducting a Competitive Selection Process (CSP) for its New Power Provider (NPP) to supply power with Guaranteed Delivered Capacity of 16 MW for the years 2022-2037 through long-term Power Supply Agreement.
- 1.2. The Winning Bidder referred to as the New Power Provider (NPP) of MARELCO shall construct power plants at three (3) different locations with the Guaranteed Delivered Capacity indicated in Table 1. The generating capacity may come from any type of power plant and the site on which the new power plants will be constructed may be acquired or leased by NPP.

Table 1. Plant Location and Guaranteed Delivered Capacity

Location	Preferred Site	Guaranteed Delivered Capacity
between Boac and Mogpog	Bantad or Janagdong	8 MW
between Gasan and Buenavista	Bancoro or Daykitin	4 MW
between Sta. Cruz and Torrijos	Cagpo	4 MW

- 1.3. The NPP’s annual generation shall also meet MARELCO’s annual RE Portfolio Standard (RPS) requirements under the Renewable Energy Act of 2008 (RE Law) from 2022 to 2024 as indicated in Table 2. The RPS shall be complied with by constructing and operating at least one (1) renewable energy power plant. This may be one or all of the power plants required in Section 1.2 or separate power plant(s) in case the three (3) power plants in Table 1 are all fossil-fueled (i.e., non-renewable). The RPS level in 2024 shall be part or component of the RPS compliance from 2025 to 2037

Table 2. MARELCO RPS Requirement

Year	Annual Energy Demand (kWh)	RPS Requirement (%)	RPS Requirement (kWh)
2022	73,725,111	3%	2,211,753
2023	78,054,293	4%	3,122,171
2024	82,349,369	5%	4,117,468

- 1.4. MARELCO will conduct another CSP before 2024 for new capacity to meet the peak demand and RPS requirement beyond 2024.
- 1.5. The details of the requirements and technical specifications are contained in the Terms of Reference (TOR) in ANNEX A.

## 2. Source of Funds

- 2.1. Payments to NPP shall be made by MARELCO from the collection of generation charges from its member-consumers, according to the Subsidized Approved Generation Rate (SAGR) approved by the Energy Regulatory Commission (ERC). Further, subsidy shall be disbursed by the Power Sector Assets and Liabilities Management Corporation (PSALM) for the NPP to recover its costs according to the True Cost Generation Rate (TCGR), in accordance with Section 4 of the “Guidelines for the Setting and Approval of Electricity Generation Rates and Subsidies for Missionary Electrification Areas” adopted under ERC Resolution No. 11, Series of 2005.

## 3. Definition of Terms

**Allowed Outage** – or Outage Allowance refers to maximum number of Scheduled and Unscheduled Outage Hours per year that Bidder stipulates in its Bid Proposal provided for in

Section 16 for which the NPP will be excused under the PSA, if accepted by TPBAC as reasonable outage hours, from penalties for the outages of its generating and interconnection facilities.

**Bid** - refers to the complete set of documents submitted by the Bidder in response to, and in accordance with the Bidding Documents, including the Eligibility Requirements (Legal Requirements, Technical Requirements, Financial Requirements, and Class "B" Documents), the Technical and Financial Proposal, including the USB flash drives containing said Proposals, the Bid Security and the agreements/certifications required to be accomplished and submitted by the Bidder's authorized representative.

**Bid Bulletin** - refers to an official communication bearing additional information that clarify, modify and/or amend provisions of and/or related to the Instruction to Bidders (**ITB**) and the procurement process.

**Bidder** - refers to an eligible power supplier competing for the award of the Power Supply Agreement. A power supplier is said to be eligible if it meets all the eligibility requirements issued by the TPBAC and has paid Bid participation fees (i.e., "purchased Bidding Documents").

**Bidding Documents** - refer to documents issued by the TPBAC as basis for Bids and furnishing all information necessary for prospective Bidders to prepare a Bid.

**Bid Proposal** - refer to the technical proposals and financial proposals of the Bidders collectively.

**Bid Security** - refers to the amount described in Section 15 put up by the Bidder to ensure that Bidder will complete the bidding process.

**Board of Directors (BOD)** - refers to the MARELCO Board of Directors empowered and responsible to ratify and confirm all previous actions of the TPBAC. It shall be mandated to declare the final winner of the bidding conducted and approve the Notice of Award endorsed by the TPBAC.

**Capital Recovery Rate (CRR)** – or Fixed Cost 1 (FC1) refers to the fixed costs component of the price to recover the capital or investment of the New Power Provider (NPP).

**Capacity Credit Factor** – refers to the factor that is applied to the Dependable Capacity of the generating unit to determine its Credited Capacity.

**Capacity Utilization Factor** – refers to the level of utilization of the Contracted Capacity which is measured by the energy consumption of MARELCO drawn from the power supply of



NPP expressed in percent of the total energy that could have been supplied if the Guaranteed Generating Capacity was fully utilized for the total number of hours of the billing month.

**Commercial Operation Date (COD)** - refers to the date whereby the NPP is obligated to supply the Guaranteed Delivered Capacity and RPS which shall not be more than one (1) year from the Effective Date.

**Competitive Selection Process (CSP)** - refers to the process where MARELCO implement a competitive bidding and contracting of its long-term power supply in accordance with the policies and regulations issued by government agencies including DOE, ERC and NEA.

**Conditions Precedent** - refers to the requirements and conditions that must have been satisfied to achieve the Effective Date.

**Confidentiality Agreement** - refers to an agreement through which the parties agree not to disclose information relating to the submissions of Bidders and the EC Information for Due Diligence provided to the Bidders. This applies to the members of the MARELCO BOD, TPBAC, TPBAC-TWG, Management, and Consultants/Advisors as well as and the Bidders.

**Connection Point** - refers to the location prescribed by MARELCO where the NPP Guaranteed Generation Capacity and generation shall be supplied and measured. It also refers to the location of the circuit breaker to be controlled by the System Operator to operationally connect and disconnect the power facilities of the NPP in accordance with the Philippine Distribution Code.

**Contracted Capacity** - refers to the total Guaranteed Delivered Capacity in MW to be supplied by the NPP to MARELCO for the Contract Period.

**Contract Period** - refers to the fifteen-year period commencing on the Commercial Operation Date.

**Credited Capacity** - refers to the ability of (or the capacity credited to) the power plant to supply power during peak periods. It is equal to the Dependable Capacity of the generating unit multiplied by the applicable Capacity Credit Factor of the power plant technology.

**Delivered Capacity** - refers to the sustained capacity of the power plant that is delivered and available at the Connection Point. It is the sum of the Credited Capacity of the generating units of the power plant net of the own-use power of the plant and the line losses.

**Dependable Capacity** - refers to the sustained capacity of the generating unit or the power plant after adjusting the Rated Capacity to environmental conditions upon installation and is measured at the terminal of the generating unit or the bus where all generating units are connected.

**Effective Date** – refers to the first business day following the day on which all the requirements in the Conditions Precedent shall have occurred and satisfied.

**Electric Cooperative (EC)** - refers to a distribution utility organized under Presidential Decree No. 269 or as otherwise provided under EPIRA. Unless otherwise qualified, this particularly refers to Marinduque Electric Cooperative, Inc. (MARELCO).

**Final Instructions to Bidders** - refers to the last and final Instructions to Bidders issued by the TPBAC through a Bid Bulletin before the submission and opening of the Bids and which supersedes all previous inconsistent directives relative to the Bidding Documents and the Bidding Process.

**Financial Proposal** - refers to the price offer of the Bidder in accordance with the requirements in Section 16 of this ITB.

**Fixed Operation & Maintenance Rate (FOMR)** – or Fixed Cost 2 (FC2) refers to the fixed costs component of the price which do not vary with changes in energy generation or supply.

**Fuel Rate (FR)** – or Variable Cost 2 (VC2) refers to the cost of fuel, including transport.

**Generation Company (GENCO)** refers to a person or an entity authorized by the ERC to operate a facility used in the generation of the electricity or a company that owns and operates a power generating plant that produces electricity.

**Guaranteed Delivered Capacity** - refers to the Contracted Capacity which is the minimum capacity that must be available at the Connection Points to supply MARELCO.

**Information Memorandum** - refers to the document issued by MARELCO that describe the Transaction and provide relevant information about the CSP for NPP to be conducted by MARELCO.

**Instruction to Bidders (ITB)** – refers to the bidding procedures and requirements set up by the MARELCO TPBAC for the purpose of conducting this CSP for NPP.

**Lowest Calculated Bid (LCB)** - refers to the Bid Proposal with the lowest Long-Term Levelized Price as determined and calculated based on the Evaluation Methodology set forth in Section 28 of this ITB.

**Lowest Calculated Responsive Bid (LCRB)** - refers to the Bid which was determined to be the LCB and is found to be responsive to all the requirements and conditions for eligibility and bidding after post-qualification.

**Notice of Award** - refers to the official written communication issued by the MARELCO Board of Directors awarding the Power Supply Agreement to the Bidder with the Lowest Calculated Responsive Bid (LCRB).

**Notification Date** - refers to the date that the NPP received the notification of ERC's final approval of the PSA.

**Operating Year** - refers to the 365 days starting December 26 of a year to December 25 of the following year whereby the Annual Operating and Maintenance Program, which contains the approved Scheduled Outage of the NPP, are set.

**Power Supply Agreement (PSA)** - refers to a contract between the NPP (the Winning Bidder) and MARELCO that provides the commercial terms and conditions for the supply of electricity by the NPP to MARELCO as approved by the ERC.

**Pre-Bid Conference** - refers to the meeting/s organized by the TPBAC and attended by the prospective Bidders prior to the date of Bidding for the purpose of clarifying provisions in the Instruction to Bidders and other matters related to Bidding.

**Rated Capacity** - refers to the capacity of generating unit or power plant based on the nameplate of the generating equipment.

**Scheduled Outage** - refers to the outage of the plant generating units and equipment planned by the NPP for preventive maintenance as approved by the System Operator prior to the Operating Year in accordance with the PSA.

**Scheduled Outage Hours** - the number of hours that the Guaranteed Delivered Capacity is not available totally or partially due to the Scheduled Outage of the NPP's power plant.

**System Operator** - refers to the entity who is authorized to operate and control in real-time the Island Grid of Marinduque in accordance with the Philippine Distribution Code and/or other applicable codes and guidelines. The System Operator shall prepare the Annual Operating and Maintenance Program of the Island Grid of Marinduque and shall be responsible to schedule and dispatch the generating units of the NPP in accordance with the PSA and applicable codes and guidelines issued by the government.

**Third Party Bids and Awards Committee (TPBAC)** - refers to the special committee organized by MARELCO in accordance with the Department Circular issued by the DOE to conduct the competitive selection or bidding process or the CSP for NPP and acts as a recommendatory body to the MARELCO Board of Directors.

**TPBAC-Technical Working Group (TBAC-TWG)** - refers to the selected institutional, technical and financial personnel of MARELCO authorized to formulate its least cost power supply plan and provide technical support to the TPBAC in the conduct of the CSP for NPP.

**Technical Proposal** - refers to the part of the Bid containing the technical details of the Bidder's offer as required in Section 17 of this ITB.

**Transaction** - refers to the MARELCO 2019 Competitive Selection Process (CSP) for New Power Provider to supply power to MARELCO for the Contract Period from 2022 to 2037.

**True Cost Generation Rate (TCGR)** – refers to the total price approved by the ERC comprising CRR, FOMR, VOMR, and FR to cover the total cost of the NPP for the development, construction, operation and maintenance of the power plant(s).

**Unscheduled Outage** –refers to the forced outages and short-term unplanned outages for repairs that are not part of the approved Scheduled Outage.

**Unscheduled Outage Hours** - the number of hours that the Guaranteed Delivered Capacity is not available totally or partially due to Unscheduled Outage of the NPP's power plant.

**Variable Operation and Maintenance Rate (VOM)** – or Variable Cost 1 (VC1) refers to the operation and maintenance costs component of the price which vary with the amount of energy generated or supplied.

**Winning Bidder** - refers to the Bidder determined by TPBAC as having the Lowest Calculated Responsive Bid for approval by the Board of Directors.

#### 4. Transaction Schedule

- 4.1. This Competitive Selection Process for New Power Provider (the “Transaction”) shall follow the schedule listed in Table 3. The TPBAC reserves the right to change any of these schedules. The TPBAC shall give appropriate and timely notice to participating Bidders in the event of changes in schedule.

Table 3. Transaction Schedule

Activity	Date
Publication of Invitation to Bid	August 3 & 10, 2019
Launch of Transaction	August 5, 2019
Deadline for Payment of CSP Participation Fee	August 16, 2019
Last day of Issuance of Bidding Documents	August 16, 2019

Pre-bid conference	August 28, 2019
Second Pre- Bid Conference	October 22, 2019
Issuance of Revised Instruction to Bidders	November 30, 2019
Last day of Submission of Comments to Revised ITB	December 6, 2019
Third Pre-Bid Conference	December 9, 2019
Issuance of Final Instruction to Bidders	December 17, 2019
Deadline of Submission of Bids (12:00 NN, PHL. Standard Time)	January 14, 2020
Opening of Bids (1:00 PM, Philippine Standard Time)	January 14, 2020
Issuance of Notice to Bidder with the Lowest Calculated Bid	January 14, 2020
Last day of Post-qualification of Bidder with LCB	February 4, 2020
Confirmation and Announcement of Winning Bidder	February 4, 2020
Notification of Bidder with the Lowest Calculated Responsive Bid	February 4, 2020
Last Day of Finalization of Power Supply Agreement	February 18, 2020
Award of Contract	February 18, 2020
Last day of submission of Performance Security	March 4, 2020
Signing of Power Supply Agreement	March 4, 2020
Issuance of Notice to Proceed to Winning Bidder	March 4, 2020
Joint Application of PSA for ERC Approval	March 31, 2020

## **B. BIDDING DOCUMENTS**

### **5. Constituent Documents**

5.1. For the purposes of this CSP, the following comprise the Bidding Documents:

- (a) Information Memorandum;
- (b) Invitation to Bid;
- (c) Terms of Reference (Annex A);
- (d) this Instructions to Bidders; and
- (e) Bid Forms (Annex B).

## **6. Clarification and Amendment of Bidding Documents**

- 6.1. Bidders who paid the bidding participation fee (i.e., purchased the Bidding Documents) may request for clarification(s) on and/or interpretation of any part of the Bidding Documents. Such request must be in writing and submitted to MARELCO TPBAC at least fifteen (15) calendar days before the deadline of submission of bids.
- 6.2. MARELCO TPBAC shall respond to the said request by issuing a Bid Bulletin to be made available to all Bidders. The last Bid Bulletin shall be issued by TPBAC at least seven (7) calendar days before the Deadline of Submission of Bids.
- 6.3. Bid Bulletins may also be issued upon MARELCO TPBAC's initiative for purposes of clarifying or modifying any provision of the Bidding Documents. Any modification to the Bidding Documents shall be identified as an amendment.
- 6.4. Any Bid Bulletin issued by MARELCO TPBAC shall also be posted at the websites of MARELCO, NEA, and DOE and at any conspicuous place in the premises of MARELCO's office. It shall be the responsibility of all Bidders who have properly secured the Bidding Documents to inquire about and secure Bid Bulletins that may be issued by MARELCO TPBAC. However, Bidders who have submitted Bids before the issuance of the Bid Bulletin must be informed and allowed to modify or withdraw their Bids.

## **7. Pre-Bid Conferences**

- 7.1. Pre-bid conferences shall be held at the venue and on the dates indicated in the Invitation to Bid, ITB and Bid Bulletins to clarify and address the Bidders' questions on the pertinent technical and financial components of this CSP. Only bidders who have purchased the Bidding Documents shall be allowed to participate in the pre-bid conferences.
- 7.2. The decisions of the TPBAC amending any provision of the Bidding Documents shall be issued in writing through a Bid Bulletin.

## **C. BIDDER'S ELIGIBILITY, RESPONSIBILITIES AND DISQUALIFICATION**

### **8. Eligible Bidders**

8.1. The following entities shall be eligible to participate in this bidding:

- (a) Duly licensed individuals or sole proprietorships,
- (b) Partnerships duly organized under the laws of the Philippines,
- (c) Corporations duly organized under the laws of the Philippines, and
- (d) Joint Ventures and Consortiums to be duly organized under the laws of the Philippines, provided they have submitted duly notarized agreements to enter into Joint Venture Agreement, backed by Board Resolutions of parties' mother companies guaranteeing full support to the JV/Consortium and clearly stating the level of participation of partners/parties in case they win the bidding and formalize the JV or a Project Company.

- 8.2. Bidders who will build, own, and operate renewable energy power plants shall comply with the ownership requirements of the RE Law and the Philippine Constitution. Bidders shall be allowed to procure from other companies (i.e., sub-contract) to satisfy the RPS requirements, provided the RE company complies with the requirements of the RE Law and the Philippine Constitution; provided further that the RE company to be contracted by the Bidder shall comply with and submit the documentary requirements for eligibility specified under Section 14.
- 8.3. Bidders shall not be under a declaration of ineligibility for corrupt and fraudulent practices issued by any government or other entity in accordance with Section 39 hereof.
- 8.4. The Bidder must have a generation portfolio of an aggregated total plant capacity of 10 MW regardless of technology and has been in the business of power generation in the last five (5) years, provided that in the case of renewable energy, the Bidder or its RE subcontractor shall have been in the RE power generation business for a minimum of two (2) years. Furthermore, the power generation business track record of the Bidder or its RE subcontractor shall be of the same RE technology offered in this Transaction.
- 8.5. For the purpose of confirmation, the Bidder must provide copies of its Certificates of Compliance (COCs) issued by ERC as well as copies of its Generation Company Information Sheet (GCIS) and Generation Company Management Report (GCMR) submitted to ERC for the last five (5) years. In case of renewable energy providers, minimum of two years of the above certificates and reports shall be allowed.
- 8.6. The Bidder must have a Net Worth of at least Four Hundred Million Pesos (PhP400,000,000.00). The value of the Bidder's Net Worth shall be based on the latest Audited Financial Statements (AFS) submitted to the Bureau of Internal Revenue (BIR) for the last two (2) years.

## **9. Bidder's Responsibilities**

- 9.1. The Bidder is responsible for the following:
  - (a) Having taken steps to carefully examine all the Bidding Documents
  - (b) Having acknowledged all conditions, local or otherwise, affecting the implementation of the PSA



- (c) Having made an estimate of the facilities and equipment available and needed to implement the PSA
- (d) Having complied with its responsibility to inquire about or secure Bid Bulletin/s
- (e) Ensuring that each of the documents submitted is in satisfaction of the CSP requirements, is an authentic copy of the original, complete, and all statements and information provided therein are true and correct
- (f) Authorizing MARELCO TPBAC to verify all the documents submitted
- (g) Ensuring that the signatory is the duly authorized representative of the Bidder and granted full power and authority to do, execute, and perform any and all acts necessary to participate, submit the Bid, and to sign and execute the ensuing PSA, accompanied by the duly notarized Special Power of Attorney, Board/Partnership Resolution, or Secretary's Certificate, whichever is applicable
- (h) Complying with existing labor laws and standards
- (i) Ensuring that it did not give or pay, directly or indirectly, any commission, amount, fee, or any form of consideration, pecuniary or otherwise, to any person or official, personnel or representative of MARELCO and MARELCO TPBAC.
- (j) Bidder bears the risk for failure to observe any of the above responsibilities.

- 9.2. The Bidder, by the act of submitting its Bid, shall be deemed to have inspected relevant sites, determined the general characteristics and conditions of the PSA, and examined all instructions, forms, terms, and requirements in the Bidding Documents.
- 9.3. MARELCO TPBAC will not assume any responsibility regarding erroneous interpretations or conclusions by Bidders out of the Bidding Documents.
- 9.4. Before submitting their Bids, the Bidders are deemed to have become familiar with all existing laws, decrees, ordinances, acts, and regulations of the Republic of the Philippines which may affect the PSA in any way.
- 9.5. The Bidder shall bear all costs associated with the preparation and submission of its Bid. MARELCO TPBAC shall in no case be responsible or liable for those costs, regardless of the conduct or outcome of the CSP.
- 9.6. The Bidder should note that MARELCO TPBAC will accept Bids only from those that have paid the applicable fee for the Bidding Documents at the office indicated in the Invitation to Bid.

## **10. Due Diligence**

- 10.1. The Bidder, by the act of submitting its Bid, shall be deemed to have done due diligence on the subject of this Transaction. The Bidders may conduct due diligence until December 27, 2019.
- 10.2. The Bidders shall be given the following pertinent technical and financial information of MARELCO:
  - (a) Directory of MARELCO, BOARD OF DIRECTORS & MANAGEMENT, TPBAC members and TPBAC-TWG members;
  - (b) Demand and Energy Forecast of MARELCO (2021-2040);
  - (c) 8760 Load Curve of MARELCO (2018);
  - (d) Single Line Diagram showing the existing and proposed configuration
  - (e) Utility Statistics and Operational (Technical and Financial) Performance;
  - (f) Audited Financial Statements (2014-2018); and
  - (g) Payment Performance Certifications from NPC-SPUG, PSALM, NEA, and other Financial Institutions.

- 10.3. If the Bidder desires to conduct on-site due diligence on MARELCO, they may coordinate with the TPBAC, who shall coordinate the schedule. The Bidder must request the TPBAC in writing with the specific agenda and proposed schedule of visit. The TPBAC has the right to reject request for visits if the data needed have already been provided to Bidders and/or the agenda is deemed not relevant to this Transaction.
- 10.4. Any cost associated with the conduct of due diligence shall be for the sole account of the Bidders.
- 10.5. All MARELCO Information for Due Diligence provided to the Bidders are confidential. Bidders are prohibited from distributing these information to persons or entities other than the Bidder or its official representatives.

## **11. Disqualification of Bidder**

- 11.1. In addition to the grounds specified in Section 15.7, which also result in the forfeiture of the Bid Security, the following are also grounds for the rejection of the Bids and/or the disqualification of the Bidders:
- (a) Failure to submit all the requirements in accordance with and as provided for in Section 14;
  - (b) Failure to submit a Bid Security as provided for in Section 15;
  - (c) Bidders with conflict of interest as provided for in Section 12.1 and Section 13.2;
  - (d) In the event of collusion as provided for in Section 39;
  - (e) Commission of any of the corrupt practices listed in Section 41; and
  - (f) Failure to submit any of the following documents, together with the Bid, on Bid submission deadline:
    - i. Board Resolution/Secretary's Certification of the Bidder's Authorized Representative to the MARELCO-CSP process and the Transaction, and Authorized Signatory/ies to the Bidding Documents and the PSA;
    - ii. Omnibus Sworn Statement (Annex D-1).
    - iii. Acceptance of Bidding Documents (Annex D-2);
    - iv. Confidentiality Agreement (Annex D-3);
    - v. Certification by Authorized Representative that documents submitted are originals or certified true copies thereof (Annex D-4);
    - vi. Declaration of Relationship/Conflict of Interest (Annex D-5); and

- vii. Declaration against Blacklisting and Commission of Corrupt Practices (ANNEX D-6).

## 12. Conflict of Interest

12.1. All Bidders found to have conflicting interests shall be disqualified to participate in this CSP, without prejudice to the imposition of appropriate administrative, civil, and criminal sanctions. A Bidder may be considered to have conflicting interests with another Bidder in any of the events described in paragraphs (a) through (c), and a general conflict of interest in any of the circumstances set out in paragraphs (d) through (g) below:

- (a) A Bidder has controlling shareholders in common with another Bidder;
- (b) A Bidder receives or has received any direct or indirect subsidy from any other Bidder;
- (c) A Bidder has the same legal representative as that of another Bidder for purposes of this CSP;
- (d) A Bidder has a relationship, directly or through third parties, that puts it in a position to have access to information about or influence on the Bid of another Bidder or influence the decisions of MARELCO TPBAC regarding this CSP;
- (e) A Bidder submits more than one Bid in this CSP;
- (f) A Bidder participated as a consultant in the preparation of the design or technical specifications of this CSP; and
- (g) A Bidder lends, or temporarily seconds, its personnel to firms or organizations which are engaged in consulting services for this CSP, if the personnel would be involved in any capacity on the same project.

## **D. PREPARATION OF BIDS**

### **13. Documents Comprising the Bid**

13.1. The Bid shall consist of the following:

- (a) Eligibility Requirements as enumerated in Section 14;
- (b) Bid Security as required in Section 15;
- (c) Financial Proposal in accordance with Section 16; and
- (d) Technical Proposal in accordance with Section 17.

13.2. All Bidding Documents shall be accompanied by a sworn affidavit of the Bidder's officers, directors, and controlling stockholders that they are not related to the members of MARELCO's Board of Directors, General Manager and officers, members of MARELCO TPBAC, members of MARELCO TPBAC-TWG, members of MARELCO TPBAC Secretariat, and MARELCO consultants for this CSP, by consanguinity or affinity up to the third civil degree (Annex D-5). Such relationships will result in the automatic disqualification of a Bidder.

13.3. Bids not addressing or providing all of the required items shall be considered non-responsive and, thus, automatically disqualified.

### **14. Eligibility Requirements for Bidders**

14.1. The Bidder shall submit Class "A" and Class "B" documents detailed in Sections 14.2 and 14.3 for the TPBAC to ascertain its eligibility for the Bid:

14.2. Class "A" Documents

14.2.1. Legal Documents

- a) Department of Trade and Industry (DTI) business name registration or registration certificate from Securities and Exchange Commission (SEC) or Cooperative Development Authority (CDA), whichever may be appropriate under existing laws of the Philippines.

- b) Articles of Incorporation and By-Laws or a Memorandum of Association or Partnership duly certified by the relevant authorities, as may be applicable
- c) Mayor's/Business permit issued by the city or municipality where the principal place of business of the prospective bidder is located, or the equivalent document for Exclusive Economic Zones or Areas. In cases of recently expired Mayor's/Business Permits, it shall be accepted together with the official receipt as proof that the bidder has applied for renewal within the period prescribed by the concerned local government unit, provided that the renewed permit shall be submitted as a post-qualification requirement.
- d) Taxpayer's Identification Number (TIN) [BIR registration/certification]
- e) Documentary proof of Bidder's compliance with Tax obligations, such as:
  - i. BIR VAT Registration
  - ii. Proof of VAT payments for the past six (6) months
  - iii. Tax Clearance from the BIR to prove bidder's full and timely payment of taxes to the government
  - iv. A certification under oath from Bidder's responsible officers that the Bidder is free and clear of all liabilities with the government.
- f) General Information Sheet submitted to SEC

#### 14.2.2. Technical Documents

- a) Company profile highlighting experiences and expertise of the company and/or key officers in power plant operation
- b) Matrix of the Bidder's ongoing projects and generation portfolio which must be supported by valid and updated Certificate of Compliance issued by Energy Regulatory Commission (ERC) and/or Service Contracts from the Department of Energy (DOE) as well as copies of its Generation Company Information Sheet (GCIS) and Generation Company Management Report (GCMR) submissions to ERC for the last five (5) years (2 years in the case RE). Said matrix shall state the following for each power plant:
  - i. The name of the power plant;
  - ii. Installed and dependable capacity of the power plant;
  - iii. Type of power plant according to fuel or energy resource;
  - iv. Location (address) of the power plant;
  - v. Year the power plant was built and commissioned; and

- vi. Number and average duration of scheduled and unscheduled outages for the last five (5) years or the actual outage data for new power plants operating for less than five years supported by a certification issued by the System Operator or client distribution utility.
- c) Statement, in matrix form, of customers with whom the Bidder have power supply contract. The statement shall include, for each customer, the following:
- i. Name and address of company
  - ii. Telephone, cellphone and fax numbers, website URL, and e-mail address of the company
  - iii. Name and position of authorized contact person(s)
  - iv. Telephone and cellphone number and e-mail address of contact person(s)

#### 14.2.3. Financial Documents

- a) The Bidder's Audited Financial Statements, stamped "received" by the Bureau of Internal Revenue (BIR) for the last two (2) years, showing, among others, the Bidder's total and current assets and liabilities. Complete set of financial statement includes the following:
- i. Balance Sheet
  - ii. Income Statement
  - iii. Statement of Changes in Equity
  - iv. Cash Flow Statement
  - v. Notes to Financial Statement
  - vi. Statement of Management Responsibility for Financial Statement
  - vii. Financial Ratios indicating liquidity measurement ratio, debt ratio, profitability ratio and operating performance ratio

#### 14.3. Class "B" Documents

- a) Secretary's Certificate designating the Bidder's authorized representative/s who will sign (a) the documents required in this Bid, and (b) the Power Supply Agreement (PSA), bearing certified sheets containing at least three (3) specimens of full signature and three (3) initials of the designated representative/s;

- b) A document containing the name, address and contact details, including telephone number/s, fax number/s and email address/es, of Bidder duly signed by the authorized representative/s;
- c) Omnibus Sworn Statement in accordance with Annex D-1 of this ITB;
- d) Acceptance of Bidding Documents (Annex D-2);
- e) Confidentiality Agreement (Annex D-3); and
- f) A certification issued by Bidder or its authorized representative that each of the documents submitted in satisfaction of the Instructions to Bidders is an original or a true and faithful reproduction or copy of the original (Annex D-4).
- g) Affidavit of Disclosure of Relations in accordance with Section 12 and Annex D-5;
- h) Statement that the Bidder is not banned or blacklisted from bidding by the government or any of its agencies and other private corporations or electric cooperatives and LGUs including its non-inclusion in the Consolidated Blacklisting Report issued by the Government of the Philippines (GOP) (Annex D-6)
- i) A letter authorizing the TPBAC or its duly authorized representative/s to verify all of the documents submitted;
- j) Any other document, in support of documents already submitted, that may be required by the TPBAC for clarification purposes during post-qualification.

14.4. The Bidder shall indicate "N/A" for requirements that are not applicable to them.

14.5. To be considered eligible and qualified for contract award, a Bidder must comply with the requirements indicated in Section 13. Only the Proposal from Bidders that are complete based on the Eligibility Requirements listed in Section 14, shall be opened. Otherwise, said Proposals shall be returned unopened.

14.6. Failure to submit the requirements in Section 13.1 is ground for rejection of the Bid and/or the disqualification of the Bidder. However, the TPBAC reserves the right to waive the consideration of minor deviations in the Bids received which do not affect the substance and validity of the Bids.



## 15. Bid Security

- 15.1. The Bidder shall submit a Bid Security in the amount of Five Million Pesos (Php5,000,000.00) only in the form of cashier's check or manager's check issued to Marinduque Electric Cooperative, Inc. or MARELCO and only by a Universal or Commercial Bank.
- 15.2. Submission of a Bid Security is understood to mean that the Bidder shall enter into a PSA with MARELCO and furnish the required Performance Security within ten (10) calendar days from receipt of the Notice of Award, and commits to pay the corresponding amount as fine in the event it violates any of the conditions stated therein.
- 15.3. Any Bid not accompanied by an acceptable Bid Security shall be rejected by MARELCO TPBAC.
- 15.4. Bid Securities shall not be returned to Bidders after the opening of Bids and before the PSA signing, except to those that failed to comply with the Eligibility Requirements in accordance with the preliminary examination in Section 25 and subsequently the Bid was not opened.
- 15.5. For Bidders whose Bid were not disqualified, their Bid Security shall be returned only after the Winning Bidder has signed the PSA and complied with the Performance Security requirements in Sections 33 and 34.
- 15.6. Upon signing and execution of the PSA and the posting of the Performance Security, the successful Bidder's Bid Security will be returned.
- 15.7. The Bid Security may be forfeited under any of the following conditions:
  - (a) A Bidder withdraws its Bid after bid opening during the period of Bid validity which shall be for at least 120 days.
  - (b) A Bidder has a finding against the veracity of the post-qualification requirements
  - (c) A Bidder submits eligibility requirements containing false information or falsified documents
  - (d) A Bidder submits Bids that contain false information or falsified documents, or conceals such information in the Bids in order to influence the outcome of eligibility screening or any other stage of the CSP

- (e) A Bidder allows the use of one's name, or used the name of another for the purposes of this CSP
- (f) A Bidder withdraws a Bid, or refuses to accept an award, or enter into the PSA with MARELCO, after the Bidder had been adjudged as having submitted the LCRB
- (g) A Bidder refuses or fails to post the required Performance Security within the prescribed time
- (h) A Bidder refuses to clarify or validate in writing its Bid during post-qualification within a period of seven (7) calendar days from receipt of the request for clarification
- (i) A Bidder attempts to unduly influence the outcome of the CSP in his favor
- (j) The successful Bidder fails to sign the PSA

## 16. Financial Proposal

16.1. The Financial component of the Bid shall be accomplished and submitted using the Financial Bid Forms prescribed in Annex B.

16.2. The Financial Proposal of the Bidder shall detail the following bid variables for each power plant technology that may affect the calculated long-term Levelized Price detailed in Section 27:

- (a) Price components
  - i. Fixed Cost 1 (*FC1*) for Capital Recovery
  - ii. Fixed Cost 2 (*FC2*) for Fixed O&M
  - iii. Variable Cost 1 (*VC1*) for Variable O&M
  - iv. Variable Cost 2 (*VC2*) for Fuel
- (b) Allowed Outage
  - i. Scheduled Outage Hours
  - ii. Unscheduled Outage Hours

16.3. MARELCO shall enter into PSA with the NPP with the following price structure:

$$\begin{aligned} Fees_{month}^{TOTAL} &= [FC1_{month}^{local} + FC2_{month}^{local} + FC2_{month}^{foreign} + VC1_{month}^{local} + VC1_{month}^{foreign} \\ &+ VC2_{month}^{local} + VC2_{month}^{foreign}] * Q \end{aligned}$$

Where,

$Fees_{month}^{TOTAL} = \text{Total charges for a billing month in PHP}$

$Q = \text{Quantity in kWh delivered by the NPP}$

$FC1$ ,  $FC2$ ,  $VC1$ , and  $VC2$  are the local and foreign components of the price. The superscript distinguishes local from foreign components, while the subscripts denote the value of that price for the billing month.

$FC1$  and  $FC2$  are the fixed cost component for capital recovery and fixed O&M, respectively which shall be a function of Capacity Utilization Factor (ranging from 1% to 100%) that will be calculated monthly according to:

$$CUF = \frac{Q}{CC * (H_T - H_{TO} - H_{TFM})}$$

$CC = \text{Contracted Capacity equal to the Guaranteed Delivered Capacity}$

$H_T = \text{Total number of hours of the billing month}$

$H_{TO} = \text{Equivalent Outage Hours}$

$H_{TFM} = \text{Equivalent Hours of Outages due to Forced-Majeure}$

16.4. The Bid Price for each power plant technology offered by the Bidder shall be based on September 2019 reference market prices and indexes that will be reflected in the PSA as indicated in Table 4. This shall be referred to as the “Base Price” or TCGR for the month of September 2019.

Table 4: Reference Market Price and FOREX (September 2019)

Index	Value	Source
PHCPI	120.6	Summary Inflation Report Consumer Prices Index (2012-100), All Income Households, All Items <a href="http://www.psa.gov.ph">www.psa.gov.ph</a>
USCPI	256.759	Consumer Price Index for All Urban Consumers (CPI-U) (1982-84=100): U.S. city average, by expenditure category, September 2019 <a href="http://www.bls.gov">www.bls.gov</a>
Bunker C (IFO380)	466.93 \$/MT	Ship & Bunker, Singapore Bunker Prices, IFO380 Average of daily price for September 2019 <a href="https://shipandbunker.com/">https://shipandbunker.com/</a>
Diesel	PHP46.1789/LITER	DOE Price Watch, South Luzon Prevailing Retail Pump Prices, Marinduque Ave. of Low/Hi of all weeks of all stations in September 2019 <a href="https://www.doe.gov.ph/oil-monitor?q=retail-pump-prices-south-luzon">https://www.doe.gov.ph/oil-monitor?q=retail-pump-prices-south-luzon</a>
LNG	USD10.14/MMBTU	World Bank Commodities Price Data (The Pink Sheet), Natural Gas,

		LNG Japan, September 2019 <a href="http://www.worldbank.org">www.worldbank.org</a>
FOREX	<i>PHP52.1052/USD</i>	Daily Pesos per U.S. Dollar Rate, Monthly Ave. for September 2019 <a href="http://www.bsp.gov.ph">www.bsp.gov.ph</a>

- 16.5. With no exception, Bidder’s proposal for all unbundled rates with local components shall be quoted in Philippine Pesos per kilowatt-hour (PhP/kWh) and U.S. Dollars per kilowatt-hour (USD/kWh) for offers with foreign component as specified in Annex B. No other foreign currency other than USD shall be accepted.
- 16.6. The Base Prices may have local (PHP) and foreign (USD) components that may or may not be indexed to applicable inflation and fuel indexations, except for the Capital Recovery Rate (FC1) which shall be indexed only for one year from Effective Date and shall only have a local (PHP) component. If indexed, whether partially or fully, local components shall be indexed to the Philippine Consumer Price Index (PHCPI), while the foreign (USD) component shall indexed to the United States of America Consumer Price Index (USCPI) and shall be converted to the Philippine currency (PHP) using the applicable Foreign Exchange Rate (FOREX). Foreign currency other than USD shall not be accepted.
- 16.7. The Bidder shall provide the price of FC1 in PHP/kWh corresponding to the Capacity Utilization Factor ranging from 1% to 100% in increments of 1% in accordance with the Bid Forms in Annex B.
- 16.8. Costs for lubricating oil and biomass fuel shall be included in VC1.

## 17. Technical Proposal

- 17.1. The Technical Proposal shall detail the plan on how the Bidder will carry out the development, financing, construction, connection to grid, operation, and maintenance of the power plant(s) to supply the Guaranteed Delivered Capacity of 16MW power and RPS requirements of MARELCO and the committed Project Milestones. The plan shall include, but not necessarily be limited to the following:
- (a) Committed key project milestone schedule of proposed power plant(s), in number of weeks after any date not later than the Effective Date, including but not limited to, the following:
    - i. Project financial closing with lenders;
    - ii. Commencement of construction;

- iii. Completion of site preparation, foundation, and civil works;
  - iv. Installation of generating units and other key components of the plant(s);
  - v. Testing and commissioning; and
  - vi. Commercial operation;
- (b) Development and Engineering, Procurement, and Construction (EPC) Plan describing the methodology, process, and schedule that shows the feasibility and credibility that proposed power plant(s) will be available on the scheduled Commercial Operation Date;
- (c) Typical Annual Operating and Maintenance Program for an Operating Year including, but not limited to dispatch schedule and outage schedule of generating units and power plants
- (d) Fuel Supply Plan indicating:
- i. Long-term availability;
  - ii. Contingency supply; and
  - iii. Key terms of the Fuel Supply Agreement;
- (e) Financing Plan including, but not limited to, detailed description of where the funds will originate (debt financing and equity financing) and expenditures according to project milestones;
- (f) Risk Management Plan from development to operations including, but not limited to, pertinent information on project insurance and bonding program to be put in place;
- (g) Organizational structure and Technical Capability of Key Personnel and Manpower requirements

## **18. Alternative Bids**

18.1. Bidders shall submit offers that comply with the requirements of the Bidding Documents. Alternative Bids shall not be accepted. For this purpose, an Alternative Bid is an offer made by a Bidder in addition or as a substitute to its original Bid which may be included as part of its original Bid or submitted separately therewith for purposes of bidding. Alternative Bids such as Build, Operate, and Transfer (BOT) Schemes shall not be accepted. The GENCO shall assume responsibility in construction, operations and maintenance of the power plants. A Bid with options is considered an Alternative Bid regardless of whether said Bid proposal is contained in a single envelope or submitted in two (2) or more separate Bid envelopes.

## **19. Bid Validity**

- 19.1. Bids shall remain valid for a period of at least one hundred twenty (120) calendar days from the Deadline of Submission and Opening of Bids.
- 19.2. The TPBAC may request the Bidder to extend the validity of Bid to a longer period if the PSA has not been awarded after 120 days from Deadline of Submission and Opening of Bids.

## **20. Format and Signing of Bids**

- 20.1. The Bidder shall provide three (3) copies of the Bid, one (1) original and two (2) photocopies. The Bid shall be printed or written in black indelible ink. In the event of any discrepancy between the original and the copies, the original shall prevail.
- 20.2. All pages of each document submitted and all pages and all portions of the pages where corrections and/or amendments have been made, shall be signed by the Bidder's authorized representative. Failure to do so shall be a ground for the rejection of the Bid.
- 20.3. Any interlineations, erasures, or overwriting shall be valid only if they are signed or initialed by the duly authorized representative of the Bidder.
- 20.4. The Financial Proposal shall be presented in the official Bid Form both in hard and soft/electronic copy. The soft/electronic copy shall be submitted in a USB Flash drive placed in a sealed envelope marked "Financial Proposal (Electronic Copy)". The excel file shall be password-protected to avoid inadvertent modification of the Bid. In case of discrepancy between the hard and soft copy, the original hard copy shall prevail.
- 20.5. The Bidder shall be responsible for keeping the password until requested during the Bid Opening. The TPBAC shall not be accountable for the electronic file that may be corrupted during bid opening.

20.6. The electronic copy of documents, comprising the Eligibility Requirements, Technical Proposal and Financial Proposal shall be in PDF format with filenames descriptive of the content. The files shall be organized and sequenced in the same order prescribed in Sections 13.1 and 14 and the Checklist of Eligibility and Bid Requirements (Annex C) saved in three USB flash drives. These PDF files are separate from the Excel file format for the Financial Proposal (Bid Form).

## 21. Sealing and Marking of Bids

<p>Name of Bidder Address of Bidder</p> <p>The THIRD-PARTY BIDS AND AWARDS COMMITTEE (TPBAC) Marinduque Electric Cooperative, Inc. (MARELCO)</p> <p><b>“BID FOR A NEW POWER PROVIDER (NPP) OF MARELCO TO SUPPLY POWER THROUGH LONG-TERM (2022-2037) POWER SUPPLY AGREEMENT”</b></p> <p>MARELCO Head Office, Ihatub, Boac, Marinduque</p> <p>WARNING: DO NOT OPEN BEFORE 1:00 PM OF JANUARY 14, 2020</p>
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21.1. The Bids shall be submitted in one (1) sealed main Bid envelope (or box) bearing the signature of the authorized representative/s to secure the seal and labelled as follows:

21.2. The main Bid envelope shall contain three (3) non-transparent sealed envelopes bearing the name and address of the Bidder, signed by the authorized representative to secure the seal and marked as follows:

ENVELOPE A: ORIGINAL,

ENVELOPE B: COPY 1, and

ENVELOPE C: COPY 2

which, in turn, shall each contain three (3) separate non-transparent sealed envelopes bearing the name and address of the Bidder, signed by the authorized representative to secure the seal and labelled as follows:

ENVELOPE 1: Bid Security and Eligibility Requirements,

ENVELOPE 2: Technical and Financial Proposal

ENVELOPE 3: USB flash drive containing the electronic copy of the Bid (Eligibility Requirements, Technical Proposal, Financial Proposal and Excel Bid Form)

The specific contents of ENVELOPE 1 are listed in Sections 14 and 15 and summarized in the Checklist of Eligibility and Bid Requirements (Annex C). The Bidder shall strictly adhere to the requirements listed to avoid disqualification.

ENVELOPE 1 shall contain five (5) items:

a) one (1) envelope containing the Bid Security to be labelled as follows:

Envelope 1-1: Bid Security;

b) four (4) folders containing the Eligibility Requirements as listed in Section 14 and in Checklist of Eligibility and Bid Requirements to be labelled as follows:

Folder 1-1: Class "A" Documents - Legal Documents

Folder 1-2: Class "A" Documents - Technical Documents

Folder 1-3: Class "A" Documents - Financial Documents

Folder 1-4: Class "B" Documents

ENVELOPE 2 shall contain two (2) items: two (2) folders containing hard copies of the Financial Proposal (Bid Form) and the Technical Proposal;

Folder 2-1: Financial Proposal (Bid Forms)

Folder 2-2: Technical Proposal

ENVELOPE 3 shall contain one (1) envelope containing the electronic copy of the Bid in USB flash drive to be labelled as follows::



Envelope 3-1: Electronic Copy of the Bid

- 21.3. The Bidder shall properly accomplish and completely fill up all forms and documents submitted with the Bid. All documents shall be properly organized and sequenced in the same order they appear in Sections 13.1 and 14 and the Checklist of Eligibility and Bid Requirements (Annex C). The first page of individual documents shall be properly labeled with a document tab or separator for easy distinction of individual documents.
- 21.4. The Bidder shall strictly adhere to the foregoing requirements to avoid disqualification. If all envelopes are not sealed, securely signed and marked as required, the TPBAC will not assume responsibility for the misplacement or premature opening of the Bid and shall be rejected outright.

## **E. SUBMISSION AND OPENING OF BIDS**

### **22. Deadline for Submission of Bids**

- 22.1. Bids must be received by MARELCO TPBAC on or before 12:00 PM (Philippine Standard Time) of January 14, 2020 at the MARELCO Center for Interactive Learning Center (MCIL), Marelco Main Office, Ihatub, Boac, Marinduque. The Bid is considered received by the TPBAC the moment it is dropped into the Bid submission drop box. Any Bid submitted thereafter shall be declared "Late" and shall not be accepted by MARELCO TPBAC.
- 22.2. The TPBAC and the Bidders shall synchronize their time pieces with the Philippine Standard Time (as provided for in RA 10535 or the Philippine Standard Time Act of 2013) of the exact time schedule of Bid Submission and Opening. The Philippine Standard Time shall be displayed prominently on the venue hall for Bid Submission on the Bid Submission date.
- 22.3. In case of fortuitous events such as typhoon, earthquake and other similar calamities, the TPBAC shall have the right to postpone the submission and opening of bids and inform all prospective bidders through issuance of Bid bulletin.

### **23. Modification and Withdrawal of Bids**

- 23.1. The Bidder may modify its Bid after it has been submitted, provided that the modification is received by MARELCO TPBAC prior to 12:00 PM of deadline of submission of bids. The Bidder shall not be allowed to retrieve its original Bid but shall be allowed to submit another Bid equally sealed and properly identified, marked as “TECHNICAL MODIFICATION” or “FINANCIAL MODIFICATION” and stamped “received” by MARELCO TPBAC. Bid modifications received after 12:00 PM of deadline of submission of bids shall not be considered and shall be returned to the concerned Bidders unopened.
- 23.2. A Bidder may, through a Letter of Withdrawal, withdraw its Bid after it has been submitted for valid and justifiable reasons, provided that the Letter of Withdrawal is received by MARELCO TPBAC prior to 12:00 PM of deadline of submission of bids. The Letter of Withdrawal must be executed by the authorized representative of the Bidder identified in the Omnibus Sworn Statement, a copy of which should be attached to the letter.
- 23.3. The Bidder may withdraw its Bid prior to the deadline for submission and receipt of Bids, provided that the corresponding letter of withdrawal contains a valid authorization requesting for such withdrawal.
- 23.4. A Bidder who has acquired the Bidding Documents may also express its intention not to participate in the CSP through a letter which should reach and be stamped by MARELCO TPBAC before 12:00 PM of deadline of submission of bids. A Bidder that withdraws its Bid shall not be permitted to submit another Bid, directly or indirectly, for the same CSP.
- 23.5. No Bid may be modified after 12:00 PM of deadline of submission of bids. No Bid may be withdrawn in the interval between 12:00 PM of deadline of submission of bids and the expiration of the period of Bid validity specified by the Bidder on the Financial Bid Form. Withdrawal of a Bid during this interval shall result in the forfeiture of the Bidder’s Bid Security.

## **24. Opening of Bids**

- 24.1. MARELCO TPBAC shall open the Bids in public at 1:00 PM of January 14, 2020 at the MARELCO Center for Interactive Learning, Ihatub, Boac, Marinduque. In case the Bids cannot be opened as scheduled due to justifiable reasons, MARELCO TPBAC shall take custody of the Bids submitted and reschedule the opening of Bids on the next working day or at the soonest possible time through the issuance of a Notice of Postponement to be posted at the websites of MARELCO, NEA, and DOE.
- 24.2. Bidder's duly authorized representative/s may be present at the time, date and place when the Bid Proposals will be opened. Otherwise, Bidder shall be considered to have waived its right to witness said opening. Representatives of the Bidders who are present shall sign a register evidencing their attendance.
- 24.3. Letters of Withdrawal shall be read out and recorded during Bid opening, and the envelope containing the corresponding withdrawn Bid shall be returned to the Bidder unopened. If the withdrawing Bidder's representative is in attendance the original Bid and all copies thereof shall be returned to the representative during the Bid opening. If the representative is not in attendance, the Bid shall be returned unopened by registered mail.

## **F. PRELIMINARY EXAMINATION OF BIDS**

### **25. Examination of Eligibility Requirements**

- 25.1. The TPBAC shall open ENVELOPE 1 (Bid Security and Eligibility Requirements) first, to determine the compliance with Bid Security and eligibility of the Bidder. The documents in ENVELOPE 1 submitted by each Bidder shall be examined and checked using a non-discretionary "pass/fail" criterion. If a required document is present, the Bid shall be rated "PASSED" for that particular requirement. If the amount and form of Bid Security and all the documents listed in Section 14 and Annex C hereof are rated "PASSED", the Bid shall be rated "PASSED". Otherwise, it shall be rated "FAILED".
- 25.2. ENVELOPE 2 and 3 of Bidders who failed the Eligibility and Bid Security check shall no longer be opened and shall be returned to the Bidder.

25.3. The TPBAC shall open ENVELOPE 2 and 3 of each Bidder that was rated “PASSED” for eligibility.

## 26. Evaluation of Compliance with Guaranteed Delivered Capacity, RPS Requirements and NPC TCGR

26.1. The Financial Proposal (Bid Form) shall be examined for compliance to the Bid requirement:

- (a) Financial Bid is presented in the official Bid Form (hardcopy)
- (b) Presence of electronic copy of Financial Bid (in Ms Excel format)

26.2. Before the evaluation of bid price, the Bid shall be examined for compliance with the following requirements:

- (a) Guaranteed Delivered Capacity at each power plant location;
- (b) RPS minimum annual energy requirement for 2022-2023; and
- (c) Base Price offered is equal or lower than NPC TCGR.

26.3. The TPBAC-TWG shall open the electronic copy of the Financial Bid Form to ascertain compliance to the minimum Guaranteed Delivered Capacity indicated in Table 1 of Section 1.1 and the minimum RPS Energy Requirement indicated in Table 2 of Section 1.3.

26.4. The Delivered Capacity for each location shall be at least equal to or greater than the Guaranteed Delivered Capacity requirement for the location and will be calculated as:

$$DeliveredCapacity_{location}^{all\ type} = \sum_{location}^{all\ types} [CreditedCapacity - (OwnUse + LineLosses)]$$

$$CreditedCapacity = DependableCapacity * Ng * CCF$$

$$DependableCapacity = RatedCapacity * AdjFactor$$

Where,

$DeliveredCapacity_{location}^{all\ types}$  = Delivered Capacity at Connection Point from all types of power plants in a location that will be available in year 2022

$CreditedCapacity$  = Credited Capacity of power plant installed in a location in year 2022

$OwnUse + LineLosses$  = Power plant own-use plus the point-to-point connection line losses

$Ng$  = Number of generating units of the power plant

$CCF$  = applicable Capacity Credit Factor for the power plant technology as provided in Table 5.

Table 5: Capacity Credit Factor Per Plant Technology

Power Plant Type	Capacity Credit Factor (CCF)
Solar without Storage	0%
Solar with Storage	6.25% per <i>AutonomyHour</i>
Hydro	70%
Biomass	80%
Peaking Diesel	100%
LNG	100%
Bunker C	100%

For Solar with Storage, the *AutonomyHour* will be calculated as:

$$AutonomyHour = \frac{Storage\ Capacity\ in\ MWH}{Rated\ Capacity\ in\ MW}$$

26.5. The expected energy generation by RE that shall meet the minimum RPS energy requirement in 2022-2024 will be calculated as follows:

$$Energy_{year}^{RE} = \sum_{year}^{all\ RE\ types} (Capacity_{year}^{RE} * Capacity\ Factor^{RE} * 8760)$$

For 2022, the total available RE energy supply for RPS requirement is:

$$RPS_{Energy}_{2022} = Energy_{2022}^{RE}$$

For 2023 and 2024, the total available RE energy supply for RPS requirement is:

$$RPS_{Energy}_{year} = RPS_{Energy}_{year-1} + Energy_{year}^{RE}$$

For 2025-2037, the RPS energy required from NPP shall be equal to the RPS requirement in 2024.

Where,

$RPSEnergy_{year}$  = total energy supply available for RPS from all existing RE plants for the year

$Energy_{year}^{RE}$  = total energy from newly installed RE plants for the year

$Capacity_{year}^{RE}$  = total Guaranteed Delivered Capacity of new power plant of type RE installed for the year

$Capacity\ Factor^{RE}$  = Capacity Factor of power plant type RE as provided in Table 6.

Table 6: Capacity Factor of Power Plant

RE Power Plant	Capacity Factor (%)
Solar	15%
Hydro	60%
Biomass	72%
Peaking Diesel	15.6%
LNG	Calculated based on Residual Energy after RE and Peaking Diesel Dispatch
Bunker-C Diesel	

26.6. The Base Price offered by the Bidder will be evaluated and compared with the NPC TCGR in accordance with the evaluation methodology described in Section 27 using the annual energy dispatch for 2024 but without applying any inflation and taxes. For purposes of this evaluation, the power plant included in the offer solely to comply with RPS (i.e., not intended to meet the Guaranteed Delivered Capacity in 2022) shall be excluded from the calculations. Any RE power plant offered by the Bidder with a Credited Capacity higher than zero for the year 2022 shall be considered as part of the plant(s) for the Guaranteed Delivered Capacity. The average NPC TCGR for 2018 that will be used as benchmark for the evaluation is **PHP12.5954/kWh**.

26.7. If a Bid does not comply with the Bid Form requirements and the minimum Guaranteed Delivered Capacity, RPS energy requirements, and NPC TCGR benchmark above, its Bid Price shall not be calculated anymore, and the Bid Offer shall be deemed disqualified.

## G. EVALUATION OF BID PRICE

### 27. Evaluation Methodology

27.1. The Financial Proposal of Bidders shall be evaluated by calculating the Long-Term Levelized Price over a 15-year period, considering the applicable inflation of indexable components of the Bid Price, foreign currency exchange rate, and incremental price addition due to Outage Allowance.

27.2. **Inflated Prices.** For purposes of evaluating the Bid, the consumer and fuel prices and foreign exchange rate provided in Table 7 shall be used to inflate the Base Price offered by the Bidder.

Table 7: Consumer Price and Fuel Inflation and Foreign Exchange Rate

Index	Value	Source
PHCPI	2.74 % p.a.	Summary Inflation Report Consumer Prices Index (2012-100), Year-on-Year Inflation Rates in the Philippines, All Items, Jan 2013-Dec 2018, <a href="http://www.psa.gov.ph/business/price-indices">http://www.psa.gov.ph/business/price-indices</a>
USCPI	1.5 % p.a.	Summary of annual and Semi-annual indexes, Consumer Price Indexes for all urban consumer (CPI), U.S. city ave. and selected metropolitan areas, annual average and percent change, 2008-2018 (1982-84=100) <a href="https://www.bls.gov/cpi/">https://www.bls.gov/cpi/</a>
Oil (Diesel & Bunker)	1.41% p.a.	World Bank Commodities Price Forecast [2019-2030] for Crude Oil (constant US dollars), release date October 2019 <a href="http://www.worldbank.org">www.worldbank.org</a>
LNG	-2.07% p.a.	World Bank Commodities Price Forecast [2019-2030] for Japan LNG (constant US dollars), release date October 2019 <a href="http://www.worldbank.org">www.worldbank.org</a>
FOREX	PHP52.1052/USD	Daily Pesos per U.S. Dollar Rate, Monthly Ave. for September 2019 <a href="http://www.bsp.gov.ph">www.bsp.gov.ph</a>

27.3. The following formula shall be used to calculate the inflated prices for 2022 to 2037:

$$FC1_{year}^{local} = FC1_{2019}^{local} * (1 + PHCPI)^2 \quad [\text{note: FC1 indexed from 2019 to 2021}]$$

$$FC2_{year}^{local} = k_{FC2}^{local} * FC2_{2019}^{local} * (1 + PHCPI)^{year-2019} + (1 - k_{FC2}^{local}) * FC2_{2019}^{local}$$

$$FC2_{year}^{foreign} = k_{FC2}^{foreign} * FC2_{2019}^{foreign} * FOREX * (1 + USCPI)^{year-2019} + (1 - k_{FC2}^{foreign}) * FC2_{2019}^{foreign} * FOREX$$

$$VC1_{year}^{local} = k_{VC1}^{local} * VC1_{2019}^{local} * (1 + PHCPI)^{year-2019} + (1 - k_{VC1}^{local}) * VC1_{2019}^{local}$$

$$VC1_{year}^{foreign} = k_{VC1}^{foreign} * VC1_{2019}^{foreign} * FOREX * (1 + USCPI)^{year-2019} + (1 - k_{VC1}^{foreign}) * VC1_{2019}^{foreign} * FOREX$$

$$VC2_{year}^{local} = k_{VC2}^{local} * VC2_{2019}^{local} * (1 + a_{fuel})^{year-2019} + (1 - k_{VC2}^{local}) * VC2_{2019}^{local}$$

$$VC2_{year}^{foreign} = k_{VC2}^{foreign} * VC2_{2019}^{foreign} * FOREX * (1 + a_{fuel})^{year-2019} + (1 - k_{VC2}^{foreign}) * VC2_{2019}^{foreign} * FOREX$$

where,

*FC1*, *FC2*, *VC1*, and *VC2* are the local and foreign components of the Bid Prices described in the previous section, the superscript distinguishes local from foreign components, while the subscripts denote the value of that price for the given year.

*PHCPI* equal to 2.74% per annum is the inflation value to be used for the local components, based on the average inflation rates for past 5 years from Philippine Consumer Price Index, all items, found in <http://www.psa.gov.ph/business/price-indices>.

*USCPI* equal to 1.5% per annum is the indexation value to be used for the foreign components, based on average inflation rates for past 5 years from the USA Consumer Price Index, all items, found in <https://www.bls.gov/cpi/>.

*FOREX* is the foreign exchange rate equal to **PhP52.1052/USD** based on September 2019 month average foreign exchange rate at Bangko Sentral ng Pilipinas, <http://www.bsp.gov.ph/>.

*a<sub>fuel</sub>* is the annual inflation for the applicable fuel type. For diesel (LFO) and Bunker-C (IFO or HFO) the inflation rate is 0.94% while for LNG -2.04%.



$k_x^y$   $k$  is the indexation parameter in percent with an effective value between 0 (for no indexation) to 1 (for full indexation). The subscript  $x$  refers to the price component being indexed, while the superscript  $y$  distinguishes local from foreign components.

27.4. **Generation Price per Year.** The generation price per year per technology type shall be the sum of the local and foreign components in Philippine Pesos per kWh (PHP/kWh) calculated for every year.

$$GenPrice_{year} = FC1_{year}^{local} + FC2_{year}^{local} + FC2_{year}^{foreign} + VC1_{year}^{local} + VC1_{year}^{foreign} + VC2_{year}^{local} + VC2_{year}^{foreign}$$

27.5. **Generation Price After Tax.** The generation price per year shall be applied with the applicable taxes depending on the type of technology. Table 8 following the equation indicates the Value Added Tax (VAT) to be applied per technology.

$$GenPrice_{year}^{AfterTax} = GenPrice_{year} * (1 + VAT)$$

Table 8: Applicable Taxes (VAT)

Type of Power Plant	VAT
Renewable Energy	0%
Non-Renewable	12%

27.6. **Energy Dispatch.** The generation cost shall be computed based on simulated dispatch of power plants following the Merit Order Table in Table 9 and Capacity Factors in Table 6 for purposes of evaluation. The monthly peak demand and energy forecasts for dispatching are shown in Table 10. The total monthly energy shall be allocated to each offered technology. RE technologies shall have priority dispatch over non-renewable technologies and peaking diesel.

Table 9: Merit Order Table

Order	Plant Type	Type of Dispatch
1	Hydro	Priority
2	Solar	Priority
3	Biomass	Priority
4	Peaking Diesel	Allocated
5	LNG	Dispatchable
6	Bunker-C	Dispatchable

Table 10: Monthly Peak and Energy Dispatch

Month	Hours	2022		2023		2024-2037	
		Peak (MW)	Energy (kWh)	Peak (MW)	Energy (kWh)	Peak (MW)	Energy (kWh)
January	744	12	5,485,148	13	5,807,239	14	6,126,793
February	744	12	5,057,543	13	5,354,524	14	5,649,167
March	672	13	5,123,895	14	5,424,773	14	5,723,281
April	744	13	6,318,242	14	6,689,253	15	7,057,341
May	720	13	6,922,788	14	7,329,298	15	7,732,606
June	744	13	6,878,553	14	7,282,466	15	7,683,196
July	720	13	6,318,242	14	6,689,253	15	7,057,341
August	744	13	6,546,790	14	6,931,221	15	7,312,624
September	744	13	6,613,143	14	7,001,470	15	7,386,738
October	720	13	6,281,380	14	6,650,226	15	7,016,166
November	744	13	6,259,262	14	6,626,809	15	6,991,461
December	720	13	5,920,126	14	6,267,760	15	6,612,654
ANNUAL		13	73,725,112	14	78,054,293	15	82,349,369

27.7. **RE Dispatch.** The monthly energy dispatch for RE technologies shall be equal to the Capacity offered in the Bid multiplied by the corresponding Capacity Factor for the technology type shown in Table 6, multiplied by number of hours for the month calculated as.

$$Energy_{month}^{RE\ type} = Capacity_{month}^{RE\ type} * CapacityFactor^{RE\ type} * HR_{month}$$

where,

$$Energy_{month}^{RE\ type} = \text{dispatch of an RE Plant in a month}$$

$$Capacity_{month}^{RE\ type} = \text{Delivered Capacity of RE Plant in a month}$$

$$CapacityFactor^{RE\ type} = \text{Capacity Factor of RE Plant provided in Table 5.}$$

$$HR_{month} = \text{No. of hours in the month}$$

27.8. **Peaking Diesel Dispatch.** The dispatch of the Peaking Diesel, if any, will be an allocation based on 15.6% Capacity Factor which will be applied to the Peaking Demand of the month which is estimated at 20% of the peak demand provided in Table 10.<sup>1</sup>

$$Energy_{month}^{Peaking} = Demand_{month}^{Peaking} * CapacityFactor^{Peaking} * HR_{month}$$

where,

$$Energy_{month}^{Peaking} = \text{dispatch of a Peaking Diesel Plant in a month}$$

$$Demand_{month}^{Peaking} = \text{Peaking Demand of the month equal to 20\% of the monthly peak demand provided in Table 9}$$

$$CapacityFactor^{Peaking} = \text{Capacity Factor of Peaking Plant provided in Table 6.}$$

27.9. **Baseload Plant Dispatch.** The expected monthly dispatch of baseload LNG and Bunker-C Diesel plants shall be computed as the total monthly energy dispatch less the energy dispatch of all the RE plants and the Peaking Diesel plants according to the following equations:

$$Energy_{month}^{Baseload} = Energy_{month}^{Total} - \sum_{\text{month}}^{\text{all RE types}} (Energy_{month}^{RE \text{ type}}) - Energy_{month}^{Peaking}$$

where,

$$Energy_{month}^{Baseload} = \text{dispatch of a Baseload Plant in a month}$$

27.10. **CUF and Monthly Prices.** The Capacity Utilization Factor (CUF) for the Peaking Diesel and Baseload Plant for each month shall then be calculated as the ratio of the energy dispatch of the month and the total energy production of the power plant if the capacity is fully utilized (i.e., 100% utilization) which is the product of Guaranteed Delivered Capacity and the number of hours in the month.

$$CUF_{month}^{Baseload} = \frac{Energy_{month}^{Baseload}}{Capacity_{month}^{Baseload} * HR_{month}}$$

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<sup>1</sup> The Capacity Factors and Peaking Demand were obtained from the Power Plant Screening Curve for Marinduque to get the least-cost mix of baseload and peaking plants using 2018 8760-hour load

$$CUF_{month}^{Peaking} = \frac{Energy_{month}^{Peaking}}{Capacity_{month}^{Peaking} * HR_{month}}$$

where,

$Capacity_{year}^{Peaking}$  = Guaranteed Delivered Capacity of the peaking diesel power plant

$Capacity_{year}^{Baseload}$  = Guaranteed Delivered Capacity of the baseload power plant

**27.11. Annual Generation Costs.** The total annual generation cost shall be the sum of the annual generation costs for each of the renewable, peaking, and baseload power plants taken from the monthly Generation Costs using the inflated generation prices after tax in accordance with Section 27.2 to Section 27.5.

$$GenCost_{year}^{TOTAL} = GenCost_{year}^{RE} + GenCost_{year}^{Peaking} + GenCost_{year}^{Baseload}$$

$$GenCost_{year}^{RE} = \sum_{month}^{all\ RE\ types} (GenPrice_{month}^{RE\ type, After\ Tax} * Energy_{month}^{RE\ type})$$

$$GenCost_{year}^{Peaking} = \sum_{month}^{all\ Peaking} (GenPrice_{month}^{Peaking, After\ Tax} * Energy_{month}^{Peaking})$$

$$GenCost_{year}^{Baseload} = \sum_{month}^{all\ Baseload} (GenPrice_{month}^{Baseload, After\ Tax} * Energy_{month}^{Baseload})$$

**27.12. Average Generation Price.** The Average Generation Price (or the blended price from all types of power plants at the level of their respective dispatch) is calculated by dividing the total annual generation costs in Section 27.11 by the annual energy dispatch.

$$GenPrice_{year}^{AVE} = \frac{GenCost_{year}^{TOTAL}}{Energy_{year}^{TOTAL}}$$

**27.13. Adjusted Generation Price due to Allowed Outage.** The Outage Allowance is a Bid variable to encourage operational efficiency and reliability (i.e., the lower the Allowed Outage proposed, the more efficient the NPP is or and the more reliable its power plants are). For purposes of evaluation, the calculated Average Generation Price in Section 27.12 shall be adjusted to take into account the Outage Allowance proposed by the Bidder. The adjusted generation price shall be calculated by substituting an Operating Reserve Price (the penalty price) to the Average Generation Price for the equivalent energy of the all the Scheduled Outage Hour and Unscheduled Outage Hour of all power plants according to the following equations:

$$GenPrice_{year}^{ADJ} = GenPrice_{year}^{Generated} + GenPrice_{year}^{Outage}$$

$$GenPrice_{year}^{Generated} = \frac{GenCost_{year}^{AVE} * [Energy_{year}^{TOTAL} - Energy_{year}^{OUTAGE}]}{Energy_{year}^{TOTAL}}$$

$$GenPrice_{year}^{Outage} = \frac{GenPrice_{year}^{Reserve} * [Energy_{year}^{OUTAGE}]}{Energy_{year}^{TOTAL}}$$

where,

*GenPrice<sub>year</sub><sup>ADJ</sup> = Adjusted Generation Price due to Allowed Outage*

*GenPrice<sub>year</sub><sup>Generated</sup> = Component of the Adjusted Generation Price from the net energy generated by the power plants at Average Generation Price*

*GenPrice<sub>year</sub><sup>Outage</sup> = Component of the Adjusted Generation Price from the equivalent outage energy at substituted Operating Reserve Price*

*GenPrice<sub>year</sub><sup>Reserve</sup> = Substitute Operating Reserve Price (penalty price) for the equivalent annual energy of Outage Allowance. For purpose of evaluation, a Operating Reserve Price of PHP21.6319/kWh shall be used to adjust the generation price<sup>2</sup>*

**27.14. Adjusted Generation Costs.** The Adjusted Generation Costs are calculated by applying the Adjusted Generation Price to Total Annual Energy:

$$GenCost_{year}^{ADJ} = GenPrice_{year}^{ADJ} * Energy_{year}^{TOTAL}$$

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<sup>2</sup> Estimate for a Peaking Diesel as Operating Reserve with annual generation at 10-15% capacity factor

27.15. **Discounted Adjusted Generation Cost.** The adjusted annual generation costs (due to Allowed Outage) from 2022 to 2037 shall be added together and translated to their discounted value in 2021 using Present Worth Factors (PWF). A discount rate equal to the PHCPI shall be used.<sup>3</sup>

$$PWGenCost_{2021} = \sum_{2022}^{2037} \frac{GenCost_{year}^{ADJ}}{(1 + PHCPI)^{year-2021}}$$

27.16. **Long-Term Levelized Price.** The Long-Term Levelized Price shall be calculated by determining the 2019 discounted value of the annuitized Adjusted Generation Cost, divided by the average of the annual energy forecast for the 15-year period.

$$LevelizedPrice = \frac{PWGenCost_{2021}}{\frac{AnnuityFactor * (1 + PHCPI)^2}{\sum_{2022}^{2037} (Energy_{year}^{Annual}) / n}}$$

where

$$AnnuityFactor = \frac{(1 + PHCPI)^n - 1}{PHCPI * (1 + PHCPI)^n}$$

$n = 15$  years

## H. COMPARISON AND SELECTION OF LOWEST CALCULATED BID.

### 28. Lowest Calculated Bid

28.1. The Bid with the lowest calculated Long-Term Levelized Price will be deemed the Lowest Calculated Bid (LCB) and shall be subjected to the next stage of evaluation, which is Post Qualification and Detailed Evaluation of Technical Proposal.

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<sup>3</sup> PHCPI was used to discount to present day value (PW) to take the perspective of consumers (not producers).

## 29. Tied Bids

29.1. In case of tied Bids, that is, if multiple Bidders have the same calculated Long-Term Levelized Price, tied Bidders shall be required to submit a new Financial Proposal to compete with each other. The new financial proposal shall undergo the same process of evaluation detailed in Section 27.

## 30. Evaluation of Technical Proposal

30.1. The Technical Proposal shall be evaluated based on the requirements detailed in Section 17. The planned power plant projects of the Bidder shall exhibit technical feasibility and credibility that power plant(s) will be available to supply the Guaranteed Delivered Capacity on Commercial Operation Date. The following plans must provide details and exhibit the technical feasibility and soundness of the project from development, engineering and business operation points of view:

- (a) Development Plan;
- (b) Engineering, Procurement, and Construction (EPC) Plan;
- (c) Operating and Maintenance Plan;
- (d) Fuel Supply Plan;
- (e) Financing Plan; and
- (f) Risk Management Plan from development to operations;

## 31. Post Qualification

31.1. MARELCO TPBAC shall determine to its satisfaction whether the Bidder that is evaluated as having submitted the Lowest Calculated Bid complies with and is responsive to all the requirements and conditions specified in Annex C.

31.2. For the Eligibility Requirements, the Bidder shall show proof of technical and financial capacity to develop, construct, operate and maintain the proposed power plants through the following:

- (a) *Track record as generating company.* List of similar projects owned, developed, constructed, and operated by the Bidder in the last five (5) years [2 years for RE], indicating and describing the project type, key project features and location. Provide convincing evidence of the Bidder's good track record and performance in the power generation business;
- (b) *Committed site for the proposed power plant(s).* Convincing evidence that Bidder will be able to acquire ownership of right, title, or interest in the

proposed site(s), a letter from the land owner or appropriate government agency indicating that Bidder will be able to acquire such right if the Bidder is awarded the PSA under this Transaction. In case of land lease, letter from the landowner of their commitment to lease the land for the plant site should the Bidder be awarded the PSA will suffice;

- (c) *EPC arrangement.* Convincing evidence that Bidder can successfully develop and construct the power plant(s) such as letter from prospective EPC contractor with reputable track record with whom the Bidder has been arranging for the project in response to this Bid. Include a list of power plant EPC projects of the contractor(s) in the last five (5) years and the contact details (persons, address, telephone numbers, fax numbers, and email addresses) of the clients of the EPC Contractor; and
- (d) *Fuel supply arrangement.* Convincing evidence that Bidder has been arranging with prospective fuel supplier for long-term fuel supply for the project, if applicable. Bidder shall have received sufficient assurances that a reliable supply of fuel will be available under competitive price and supply terms as evidenced by letters from prospective fuel suppliers.

31.3. The Bidder shall show proof of financial capacity to develop, construct, operate and maintain the proposed power plants, if awarded the PSA, through the following:

- (a) Company profile and history, including:
  - i. Current and Previous experience with financing (equity and debt) of projects of the type and size being proposed,
  - ii. Brief narrative highlighting the key financial performance and history, for the last five (5) years or as many as exist if less than five (5), together with supporting documents, business license number, and tax identification number among others,
- (b) Statement of the Bidder's Net Worth which must be supported by the two (2) latest Audited Financial Statements (Balance Sheet, Income Statement, and Statement of Cash Flows) stamped "received" by the BIR, for the preceding calendar year which should not be earlier than two (2) years from the date of bid submission.
- (c) Convincing evidence that the Bidder can finance the equity component of the investment such as Board resolutions and commitment letters from investors and partners; and



- (d) Convincing evidence that Bidder has strong credit backing and can successfully arrange financing for the project such as letter from prospective project financiers.

31.4. A negative determination shall result in rejection of the Bidder's Bid, in which event MARELCO TPBAC shall proceed to the next Lowest Calculated Bid, with a fresh period to make a similar determination of that Bidder's capabilities to perform satisfactorily. If the second Bidder, however, fails the post qualification, the procedure for post qualification shall be repeated for the Bidder with the next Lowest Calculated Bid, and so on until the LCRB is determined for recommendation of PSA award. If the Bidder with the Lowest Calculated Bid fails the criteria for post qualification, the TPBAC shall immediately notify in writing of its post disqualification and the grounds for it.

31.5. A positive determination shall result in the declaration of the Bidder as the Bidder with the Lowest Calculated Responsive Bid (LCRB).

## **I. CONTRACT AWARD**

### **32. Award of Power Supply Agreement**

32.1. MARELCO shall award the PSA to the Bidder whose Bid has been determined to be the Lowest Calculated Responsive Bid (LCRB).

32.2. Notwithstanding the issuance of the Notice of Award, award of PSA shall be subject to the posting of the Performance Security and signing of the PSA.

### **33. Performance Security**

33.1. To guarantee the faithful performance by the successful Bidder of its obligations under the PSA, it shall post a Performance Security within a maximum period of ten (10) calendar days from the receipt of the Notice of Award from MARELCO TPBAC and in no case later than the signing of the PSA.

33.2. Performance Security shall be in the following form:

- (a) Cashier's check or manager's check issued by a Universal or Commercial Bank in the amount of Thirty-Five Million Pesos (Php35,000,000.00); or
- (b) Bank Guarantee or Irrevocable Letter of Credit equivalent to 5% of the proposed cost of Power plant issued by a Universal bank with a branch in Marinduque (i.e., PNB, RCBC, LBP).

33.3. Failure of the successful Bidder to comply with the above-mentioned requirement shall constitute sufficient grounds for the annulment of the award and forfeiture of the Bid Security, in which event MARELCO TPBAC shall have a fresh period to initiate and complete the post-qualification of the second Lowest Calculated Bid. The procedure shall be repeated until Lowest Calculated Responsive Bid is identified and selected for recommendation of PSA award. However, should no Bidder pass post-qualification, MARELCO TPBAC shall declare the CSP a failure.

#### **34. Signing of the PSA**

34.1. MARELCO shall enter into a PSA with the successful Bidder upon posting of the Performance Security.

34.2. The following documents shall form part of the PSA:

- (a) The PSA itself
- (b) Bidding Documents
- (c) The successful Bidder's Bid and all other documents submitted
- (d) Performance Security
- (e) Notice of Award of PSA

## **J. MISCELLANIOUS PROVISIONS**

### **35. Clarification of Bids**

35.1. To assist in the evaluation, comparison and post-qualification of the Bids, MARELCO TPBAC may ask in writing any Bidder for a clarification of its Bid. All responses to requests for clarification shall be in writing. Any clarification submitted by a Bidder in respect to its Bid that is not in response to a request by MARELCO TPBAC shall not be considered.

### **36. Reservation Clause**

36.1. Notwithstanding the eligibility or post-qualification of a Bidder, MARELCO TPBAC reserves the right to review its qualifications at any stage of this CSP if it has reasonable grounds to believe that a misrepresentation has been made by the said Bidder, or that there has been a change in the Bidder's capability to undertake the project from the time it submitted its eligibility requirements. Should such review uncover any misrepresentation made in the eligibility and CSP requirements, statements or documents, or any changes in the situation of the Bidder which will affect its capability to undertake the project so that it fails the preset eligibility or Bid evaluation criteria, MARELCO TPBAC shall consider the said Bidder as ineligible and shall disqualify it from submitting a Bid or from obtaining an award or PSA.

36.2. MARELCO TPBAC reserves the right to reject any and all Bids, declare a Failure of Bidding at any time prior to PSA award, or not to award the PSA, without thereby incurring any liability, and make no assurance that a PSA shall be entered into as a result of the CSP if there is prima facie evidence of collusion between officers or employees of MARELCO, or between MARELCO TPBAC and any of the Bidders, or if the collusion is between or among the Bidders themselves, or between a Bidder and a third party, including any act which restricts, suppresses or nullifies, or tends to restrict, suppress, or nullify competition.

### **37. Process to be Confidential**

37.1. MARELCO officers and employees and Members of MARELCO TPBAC as well as its Secretariat and TWG are prohibited from making or accepting any kind of communication with any Bidder regarding the evaluation of their Bids until the issuance of the Notice of Award.

37.2. Any effort by a Bidder to influence MARELCO TPBAC in its decision in respect of Bid evaluation, Bid comparison, or PSA award will result in the rejection of the Bidder's Bid.

### **38. Failure of Bidding**

38.1. MARELCO TPBAC may declare a failure of CSP under any of the following conditions:

- (a) Only one (1) or No Bids are received;
- (b) All prospective Bidders are declared ineligible;
- (c) All Bids that comply with all the CSP requirements fail post-qualification; or
- (d) The Bidder with the LCRB refuses, without justifiable cause, to accept the award of PSA, and no award is made.

### **39. Fraudulent and Corrupt Practices**

39.1. The MARELCO BOD, Management, the TPBAC, the TPBAC-TWG and the Bidders shall observe the highest standard of ethics for the duration of the Transaction and during the execution of all agreements. In pursuance of this policy, the following definitions shall apply:

- (a) "Corrupt practice" means behavior on the part of officials in the public or private sectors by which they improperly and unlawfully enrich themselves and/or others, or induce others to do so, by misusing the position in which they are placed, and it includes the offering, giving, receiving, or soliciting of anything of value to influence the action of any such official involved in this Transaction or in contract execution; entering into any agreement or transaction manifestly and grossly disadvantageous to the Electric Cooperative and its member-consumers, whether or not any person profited or will profit thereby;
- (b) "Fraudulent practice" means a misrepresentation of facts in order to influence the process or outcome of this Transaction or the execution of an agreement to the detriment of the ECs, and includes collusive practices among Bidders (prior to or after Bid submission) designed to establish Bid prices at artificial, non-competitive levels and to deprive the Electric Cooperative and its member-consumers of the benefits of free and open competition.

- (c) “Collusive practices” means a scheme or arrangement between two or more Bidders, with or without the knowledge of the Electric Cooperative or its member-consumers, designed to establish Bid prices at artificial, non-competitive levels;
- (d) “Coercive practices” means harming or threatening to harm, directly or indirectly, persons, or their property to influence their participation in this Transaction or affect the execution of an agreement.

39.2. The TPBAC will reject a proposal for award if it determines that the Bidder recommended for award has engaged in corrupt, fraudulent, coercive and collusive practices in competing for the Power Supply Agreement (PSA).

39.3. MARELCO TPBAC will declare a Bidder ineligible to be awarded the PSA if it at any time determines that the Bidder has engaged in corrupt or fraudulent practices in competing for, or in executing, a PSA.

39.4. MARELCO TPBAC will seek to impose the maximum civil, administrative, and/or criminal penalties available under the applicable laws on individuals and organizations deemed to be involved in corrupt, fraudulent, collusive, coercive, and obstructive practices.

#### **40. Protest Mechanism and Dispute Resolution**

40.1. Any decision of MARELCO TPBAC at any stage of this CSP may be contested in accordance with Section 13 of the 2018 CSP Policy issued by DOE.

40.2. A Bidder may file for a written request for reconsideration within three (3) days from receipt of written notice or verbal notification. The TPBAC shall decide within seven (7) days from receipt of written request for reconsideration.

40.3. In case the request for consideration is denied by TPBAC, the decision of the TPBAC may be appealed further by writing a written protest to the governing Board of MARELCO. This formal protest must be filed within seven (7) calendar days from receipt of written notice denying their request for reconsideration.

- 40.4. A protest must be made by filing a verified position with the governing Board of MARELCO or its duly authorized officers, accompanied with the payment of a non-refundable protest fee of One Million Pesos (PHP 1,000,000.00). Payment of protest fee shall be in the form of a Cashier's Check or Manager's Check issued to Marinduque Electric Cooperative, Inc. and issued by a Universal or Commercial Bank with a branch in Marinduque.
- 40.5. The verified position paper shall contain the following information:
- (a) Name of Bidder and Address
  - (b) Name of Bidding Transaction
  - (c) Brief statement of facts, issue to be resolved, and such other matters and information pertinent and relevant to the proper resolution of the protest
- 40.6. The position paper is verified by an affidavit that the affiant has read and understood the contents thereof and that all allegations therein are true and correct to his personal knowledge or based on authentic records. An unverified position shall be considered unsigned and produces no legal effect and as such will lead to the outright dismissal of the protest. Non-payment of the protest fee shall also mean outright dismissal of protest.
- 40.7. Protests shall be resolved by the MARELCO governing Board or its authorized officers within seven (7) calendar days of receipt of written protest. The decision of the Board or its authorized officers shall be final. Court action may be resorted to after protests have been resolved with finality.

## **ANNEX A – TERMS OF REFERENCE**

# **TERMS OF REFERENCE (TOR)**

## **For the Competitive Selection Process (CSP) for a New Power Provider (NPP) to Supply Power to Marinduque through Long-Term (2022-2037) Power Supply Agreement**

### **1. INTRODUCTION**

MARELCO is conducting Competitive Selection Process for a New Power Provider (NPP) to supply the power requirements of Marinduque pursuant to the private sector participation in the generation sector under the Electric Power Industry Reform Act of 2001 (R.A. 9136) in Missionary Areas referred to as NPC-SPUG Areas.

Upon signing of a long-term Power Supply Agreement (PSA), the NPP shall submit to MARELCO a Work Plan with details of Tasks including Timeline of Activities that clearly provides all works that are necessary to be able to perform its obligations as generator in place of NPC-SPUG.

MARELCO, NPC-SPUG, and the NPP will altogether sign a Phase-In Phase-Out (PIPO) Agreement so NPC-SPUG can gradually redeploy its resources to other Missionary Areas as the NPP assumes the generation function that will eventually displace NPC-SPUG.

MARELCO will update annually the Marinduque Power Supply Plan and will procure through CSP every two (2) years or as needed additional capacity to maintain security of supply in Marinduque.

This TOR is issued in compliance with Section 8.4.1 of the “Policy for the Competitive Selection Process in the Procurement by the Distribution Utilities of Power Supply Agreement for the Captive Market” issued under DOE Circular No. DC2018-02-0003, and Section 2 of ERC Resolution No. 13, Series of 2015, “A Resolution Directing all Distribution Utilities to Conduct a Competitive Selection Process in the Procurement of their Supply to the Captive Market”.

## 2. SUPPLY REQUIREMENTS AND CONTRACT

### 2.1. Supply Requirements

- 2.1.1. The NPP of MARELCO shall construct power plants with Guaranteed Delivered Capacity of 16 MW to supply power in Marinduque from 2022 to 2037.
- 2.1.2. The NPP's annual generation shall also meet MARELCO's annual RE Portfolio Standard (RPS) requirements under the Renewable Energy Act of 2008 (RE Law) from 2022 to 2024 as indicated in Table 1.

Table 1. MARELCO RPS Requirement

Year	Annual Energy Demand (kWh)	RPS Requirement (%)	RPS Requirement (kWh)
2022	73,725,111	3%	2,211,753
2023	78,054,293	4%	3,122,171
2024	82,349,369	5%	4,117,468

- 2.1.3. The RPS level in 2024 shall be part or component of the RPS compliance from 2025 to 2037. MARELCO will conduct another CSP before 2024 for new capacity to meet the peak demand and RPS requirement beyond 2024.

### 2.2. Supply Contract and Cooperation Period

- 2.2.1. MARELCO will sign a Power Supply Agreement (PSA) with the winning Bidder, herein referred to as NPP, for long-term power supply whose Commercial Operation Date (COD) shall be one (1) year or earlier after the Effective Date. The PSA shall be valid for fifteen (15) years.
- 2.2.2. If upon COD, the NPP fails to deliver the requirements under the PSA, it shall be a ground for termination of the agreement.

## 3. BASIC TERMS



### 3.1. Plants and Capacities

- 3.1.1. The New Power Provider shall construct and operate one (1) power plant in three (3) locations with the preferred sites and minimum Guaranteed Delivered Capacity per location indicated in Table 2.

Table 2. Guaranteed Delivered Capacity of Power Plants

Location	Preferred Site	Guaranteed Delivered Capacity
between Boac and Mogpog	Bantad or Janagdong	8 MW
between Gasan and Buenavista	Bancoro or Daykitin	4 MW
between Sta. Cruz and Torrijos	Cagpo	4 MW

- 3.1.2. The power plants shall be completed and ready for operation on Commercial Operation Date.
- 3.1.3. The lot on which the power plant will be constructed may be acquired or leased.
- 3.1.4. The generating units of the power plants shall have a maximum of 2.8 MW Rated Capacity. In the case of modular RE such as solar power plant, the modules shall be configured such that an equivalent generating unit with maximum Rated Capacity of 2.8 MW is achieved (e.g., 2x2.8MWp of solar arrays). The generating units in a power plant shall also have identical Rated Capacity and Make/Brand.
- 3.1.5. The RPS shall be complied with by at least one (1) renewable energy power plant. This may be one or all of the power plants required in Section 4.1.1 or separate power plant(s) in case the three (3) power plants in Table 2 are all fossil-fuelled (i.e., non-renewable). RE power plants for RPS may be installed by module each year from 2022 to 2024 provided that the energy generation of the installed plant(s) can meet the RPS energy requirements.
- 3.1.6. The NPP shall employ only brand-new generating units and equipment. The Name of the Supplier from which the generating units and other equipment will be sourced, the capacity of the generating units (in MW), the minimum stable loading or P-min (in MW) shall be indicated in the Technical Proposal.
- 3.1.7. The power plant(s) shall be capable of delivering the Guaranteed Delivered Capacity power at the Connection Point at 13.2 KV to 14.2 KV voltage as will be dispatched by the System Operator.

- 3.1.8. There shall be an isolation transformer between the generating units and the 13.2 KV interconnection lines. The impedance of the isolation transformer shall be sized to properly coordinate the protection system of the power plant and the distribution lines of MARELCO. The NPP shall provide MARELCO copy of the power system coordination study which include the appropriate impedance of the isolation transformer(s).
- 3.1.9. The generating units and the power plants must be capable of being synchronized with the grid. There shall be synchronizing equipment and synchronizing relay or synchronism check relay.
- 3.1.10. The generating units and the power plants must be capable of load sharing.
- 3.1.11. The generating units must be able to operate at 0.9 power factor (PF) leading and 0.85 PF lagging.
- 3.1.12. Each power plant in the three (3) locations shall be capable of black starting.
- 3.1.13. Each power plant in the three locations shall be capable of operating in island mode.
- 3.1.14. The NPP shall provide SCADA for its plants with Remote Terminal Unit that will be linked to MARELCO's SCADA once it is in place.
- 3.1.15. The NPP shall also install kWh meters and data loggers for all generating unit and the Revenue Metering Equipment at all Connection Points, and submit data as required by MARELCO for its data analytics system. The Revenue Metering Equipment shall be Intelligent Electronic Device which shall be linked with MARELCO's automated metering system (to be installed in the future) and shall be capable of being remotely accessed.
- 3.1.16. The generating facilities and equipment of the NPP shall comply with all the requirements for Embedded Generators including the capabilities of generating units prescribed by the latest edition of the Philippine Distribution Code.
- 3.1.17. The NPP shall provide access to and allow inspection of plant equipment by MARELCO as needed. Likewise, the winning NPP shall provide access to DOE, NEA and ERC personnel in the discharge of oversight and regulatory functions

## **3.2. Interconnection**

- 3.2.1. The delivery and metering point shall be at the following Connection Points:

- a) Between Boac and Mogpog: 13.2 kV Bus at Janagdong Substation in Mogpog, Marinduque;
- b) Between Gasan and Buenavista: 13.2 kV Bus at Daykitin Substation (future) in Buenavista, Marinduque; and
- c) Between Sta Cruz and Torrijos: 13.2 kV Bus at Cagpo Substation in Torrijos, Marinduque

- 3.2.2. The interconnection of the NPP power plants shall be 13.2 KV double circuit.
- 3.2.3. The switchgear at the Connection Point for the interconnection of the power plant shall be tied to the 13.2 kV Bus of MARELCO substation through a circuit breaker. Isolating switches, if the breaker is not draw-out type, shall also be provided.
- 3.2.4. The existing power distribution system of MARELCO with the proposed substation at Daykitin, Buenavista is shown in Figure 1. The interconnection scheme for the NPP's power plants is illustrated in Figure 2.
- 3.2.5. The RE plant for RPS, if separate from the power plants at the prescribed three (3) locations, may be connected at the power plant or at the Connection Point which shall have separate metering equipment. The number of circuits for RE-RPS plant is at the discretion of the NPP.
- 3.2.6. The interconnection of the power plants shall comply with all the requirements for Embedded Generators including the requirements at the Connection Point prescribed by the latest edition of the Philippine Distribution Code.
- 3.2.7. The cost of installation, operation and maintenance, and system loss of Point-to-Point connection including the switchgear at the Connection Point and its bus tie shall be borne by the NPP.
- 3.2.8. The NPP shall turn-over to MARELCO the switchgear at the Connection Point for ownership, operation, control and maintenance.

### MARELCO EXISTING POWER DISTRIBUTION SYSTEM SINGLE LINE DIAGRAM

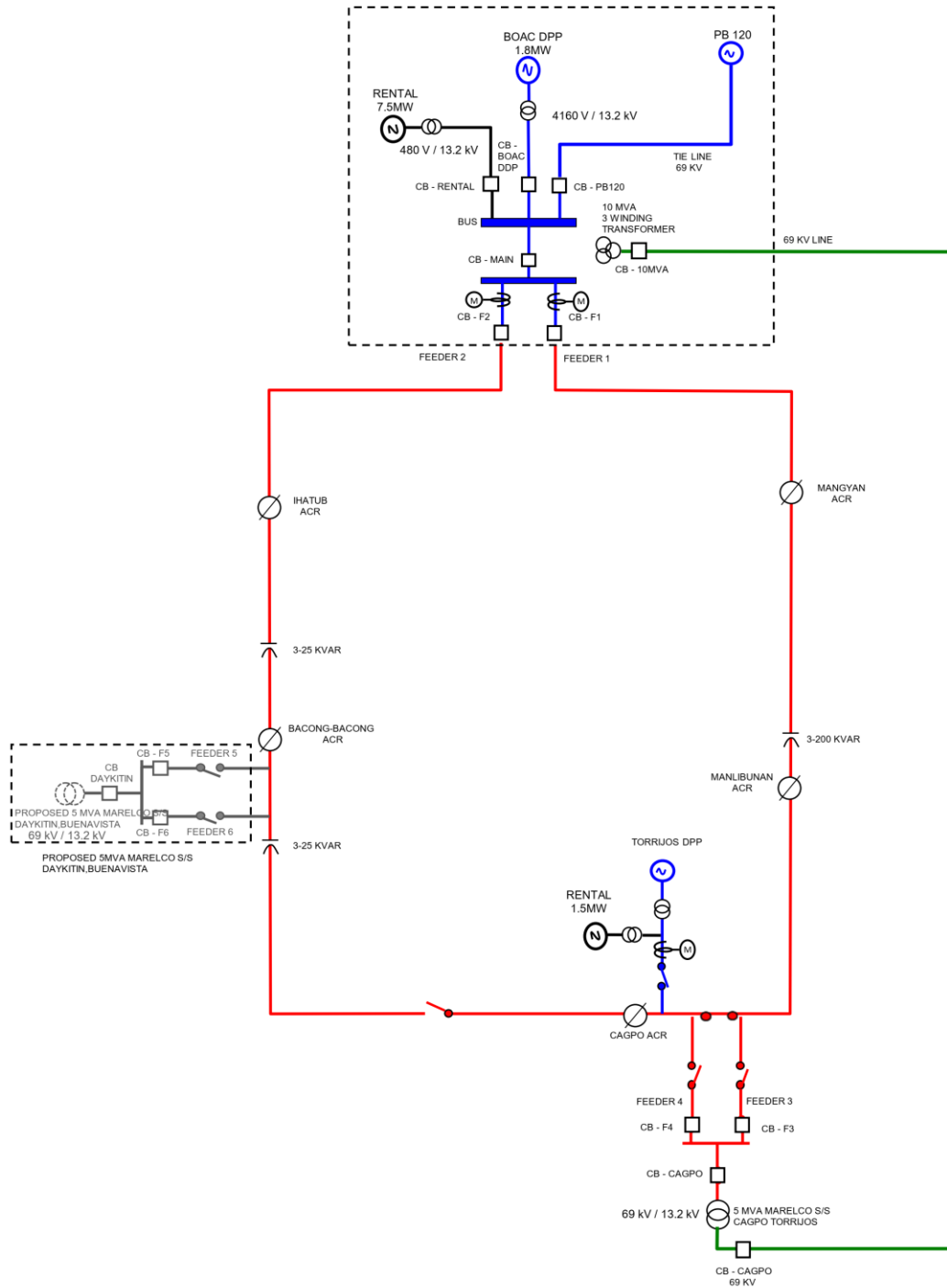


Figure 1. Existing Power Distribution System of MARELCO

**MARELCO'S PROPOSED POWER DISTRIBUTION SYSTEM  
 SINGLE LINE DIAGRAM**

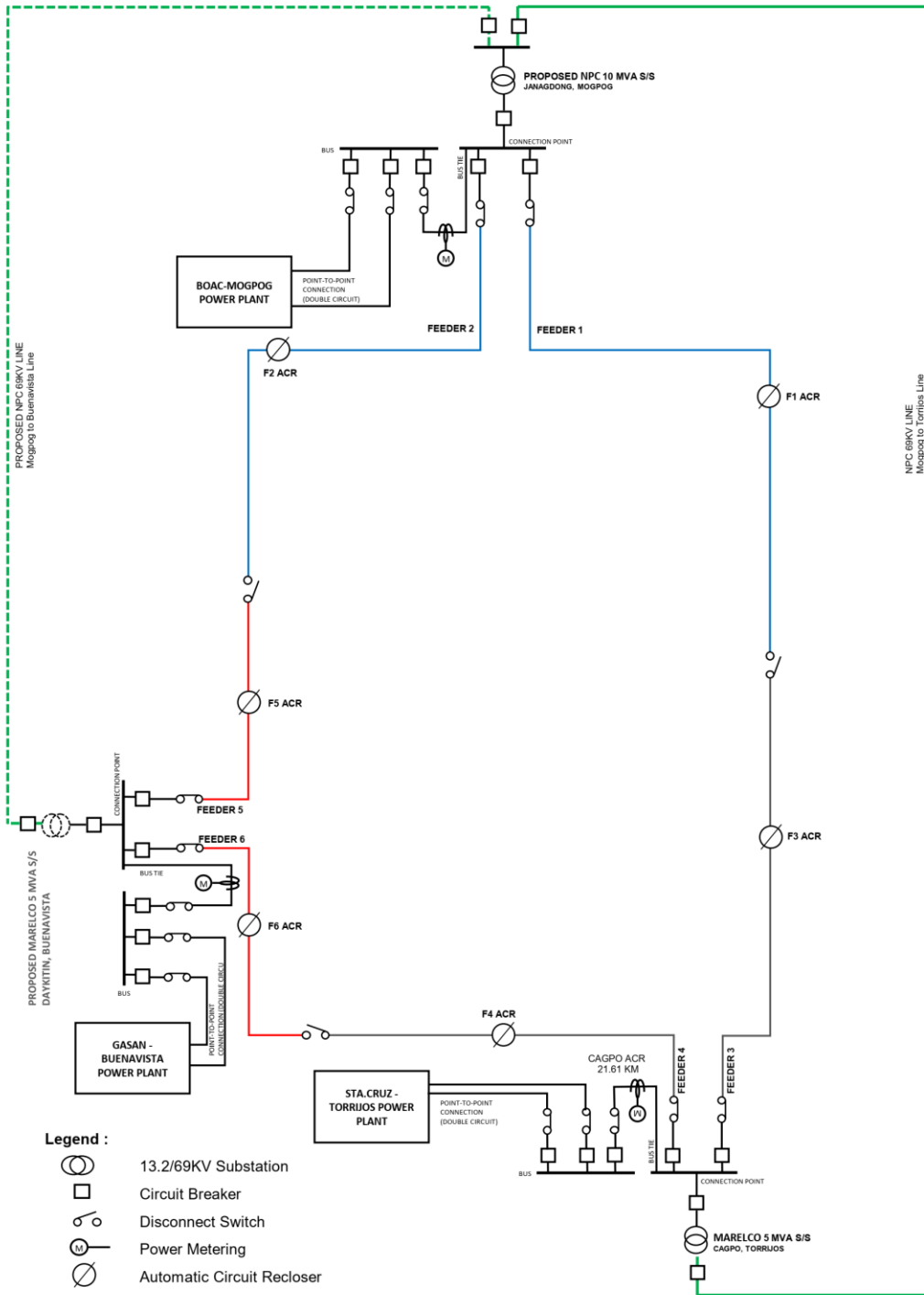


Figure 2. Proposed Interconnection of NPP Power Plants

**3.3. Outage Allowance**

- 3.3.1. The NPP shall be allowed limited scheduled and an unscheduled outages of the power plants. The NPP shall indicate in its Bid the proposed Scheduled Outage Hours and Unscheduled Outage Hours provided. Scheduled Outages are those outages planned by the NPP as approved by the System Operator prior to the Operating Year.
- 3.3.2. Unutilized outage allowance shall not be carried forward to subsequent contract year. Allowance for Scheduled Outage cannot be borrowed by the Unscheduled Outage and. Likewise, the allowance for vice-versa Unscheduled Outage cannot be borrowed by the Scheduled Outage.
- 3.3.3. Should either Scheduled Outage Hours or Unscheduled Outage Hours exceeds the allowed outages for any billing month, the fixed cost components of the price shall be reduced proportionate to the undelivered capacity.

#### **3.4. Fuel Requirements**

- 3.4.1. Prior to PSA signing, the winning NPP shall conduct its own CSP for fuel, secure a long-term fuel supply contract (minimum of 5 years), and provide a copy thereof to MARELCO. The NPP shall submit Renewal or New Fuel Supply Agreement six (6) months before the effectivity of the contract.
- 3.4.2. The winning NPP shall ensure that fuel in stock is always good for at least forty-five (45) days including one month normal operation.
- 3.4.3. The winning NPP shall allow inspection of fuel stores by MARELCO upon request.

#### **3.5. Force Majeure**

- 3.5.1. MARELCO and the NPP shall jointly establish plans for operating the power plant during Force Majeure. Such plan shall include recovery from local or widespread electrical black out. The NPP shall comply with the Emergency Procedures and provide contingency plan if a Force majeure occurs.
- 3.5.2. From PSA signing, one (1) year of material non-performance based on the submitted Timeline of Activities that is not due to Force Majeure events shall be sufficient grounds for unilateral termination of the PSA by MARELCO.
- 3.5.3. Force majeure are events beyond the control of both parties or unforeseeable circumstances that prevent parties from fulfilling a contract. Parties shall notify and give details on the Force Majeure events to be excused. Period for remedy

shall be defined during the finalization of the PSA. However, prolonged Force Majeure for more than 180 days may lead to termination of the agreement.

3.5.4. Fuel supply shortage is justifiable only if caused by Force Majeure events.

### **3.6. Payment**

3.6.1. Payment for Power billing shall be on or before the 25th day of the following month.

3.6.2. All payments shall be in Philippine Pesos (PhP).

### **3.7. Price Components**

3.7.1. The Price Components shall be broken down as follows:

- a) Capital Recovery Fee (including profit), local
- b) Fixed Operation and Maintenance (local and foreign-USD)
- c) Variable Operation and Maintenance including lube oil (local and foreign-USD)
- d) Fuel (local and foreign-USD) including transport

3.7.2. Currencies of each price component may include local (PhP/kWh) and foreign (USD/kWh). Foreign currency shall be converted to PhP using 2019 Foreign Exchange rate published by Banko Sentral ng Pilipinas.

3.7.3. Applicable taxation based on type of energy source (that is, whether renewable or non-renewable);

3.7.4. CRF shall be indexed only once and up to one year from the Effective Date.

3.7.5. FOM and VOM shall be indexed according to monthly Philippine CPI for local and USCPI for foreign using the value as of September 2019 as base.

3.7.6. The proposed NPP True Cost Generation Rate must be below the NPC's current TCGR.

## **4. QUALIFICATION AND SELECTION**

#### **4.1. Qualification of Bidder**

- 4.1.1. Prospective Bidders shall have an aggregate generation portfolio of at least 10 MW regardless of technology at the time of submission of bid and has been in the business of fossil fuel power generation for at least five (5) years or two (2) years for renewable energy to qualify.
- 4.1.2. Prospective Bidders shall have a Net Worth in the amount of at least Four Hundred Million Pesos (PhP400,000,000.00) as proven by Audited Financial Statements for the last two (2) years to qualify.
- 4.1.3. Corporation, Joint Venture, Consortium and Partnership with International Company can join provided they comply with all the requirements such as submission of Joint Venture agreement among others.
- 4.1.4. Renewable Energy power plant for RPS may be subcontracted.

#### **4.2. Selection of NPP**

- 4.2.1. Bidders with the Lowest Calculated Levelized Price in accordance with the Evaluation Methodology specified in the Instruction to Bidders shall be selected as the Lowest Calculated Bid and shall be subjected to Post Qualification.

### **5. OTHER TERMS AND CONDITIONS**

Other terms and conditions including assignability, events of default, dispute resolution, change in law and other pertinent provisions shall be defined during the finalization of the PSA.

### **6. LIST OF ACRONYMS**



COC	Certificate of Compliance
COD	Commercial Operations Date
CSP	Competitive Selection Process
CRF	Capital Recovery Fee
CPI	Consumer Price Index
ERC	Energy Regulatory Commission
FOM	Fixed O&M Fee
GCIS	Generation Company Information Sheet
GCMR	Generation Company Management Report
MARELCO	Marinduque Electric Cooperative, Inc.
NPC-SPUG	National Power Corporation – Small Power Utilities Group
NPP	New Power Provider
PIPO	Phase-in, Phase-out
PSA	Power Supply Agreement
RE	Renewable Energy
SCADA	Supervisory Control and Data Acquisition
TOR	Terms of Reference
VOM	Variable O&M Fee

Submitted by:

THIRD PARTY BIDS AND AWARDS COMMITTEE

ENGR. MATTHEW L. PRINCIPE

Chairman

ENGR. MICHEL L. VASQUEZ

Vice-Chairman

CARMENCITA B. GAAN

Member

ATTY. ALFREDO L. DE LUNA

Member

ENGR. ADRIAN LOZANO

Member

## **ANNEX B – BID FORMS**

### **Financial Proposal**

- Form 1: ALL POWER PLANTS
- Form 2: HYDRO
- Form 3: SOLAR
- Form 4: BIOMASS
- Form 5: PEAKING DIESEL
- Form 6: LNG
- Form 7: BUNKER C
- Form 8: Evaluation Parameters



# MARINDUQUE ELECTRIC COOPERATIVE, INC.

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MARELCO CSP2019

FINANCIAL PROPOSAL (FORM 1: ALL POWER PLANTS)

Page 1 of 14

Name of the Bidder					
Proposal Validity (days)		Contract Duration (years)	15	Delivery Year	2022

1 Power Plant Location 1 Between Gasan and Buenavista		Year	Unit Rated Capacity (MW)	Unit Dependable	No. of units	Unit P-min (MW)	Plant Scheduled Outage (hrs)	Plant Unscheduled Outage (hrs)	Plant Own-Use & Line Losses (MW)
1.1	SOLAR	2022							
		2023							
		2024							
1.2	HYDRO	2022							
		2023							
		2024							
1.3	BIOMASS	2022							
		2023							
		2024							
1.4	PEAKING DIESEL	2022							
	LNG	2022							
	BUNKER C	2022							
1.5	TOTALS (2022 Only)	2022							

2 Power Plant Location 1 Between Boac and Mogpog		Year	Unit Rated Capacity (MW)	Unit Dependable	No. of units	Unit P-min (MW)	Plant Scheduled Outage (hrs)	Plant Unscheduled Outage (hrs)	Plant Own-Use and Line Losses
2.1	SOLAR	2022							
		2023							
		2024							
2.2	HYDRO	2022							
		2023							
		2024							
2.3	BIOMASS	2022							
		2023							
		2024							
2.4	PEAKING DIESEL	2022							
	LNG	2022							
	BUNKER C	2022							
2.5	TOTALS (2022 Only)	2022							

3 Power Plant Location 1 Between Sta. Cruz and Torijos		Year	Unit Rated Capacity (MW)	Unit Dependable	No. of units	Unit P-min (MW)	Plant Scheduled Outage (hrs)	Plant Unscheduled Outage (hrs)	Plant Own-Use and Line Losses
3.1	SOLAR	2022							
		2023							
		2024							
3.2	HYDRO	2022							
		2023							
		2024							
3.3	BIOMASS	2022							
		2023							
		2024							
3.4	PEAKING DIESEL	2022							
	LNG	2022							
	BUNKER C	2022							
3.5	TOTALS (2022 Only)	2022							

4 STORAGE FOR SOLAR		Year	Unit Rated Capacity (MW)	Storage Capacity	No. of units
4.1	Plant between Gasan and Buenavista	2022			
		2023			
		2024			
4.2	Plant between Boac and Mogpog	2022			
		2023			
		2024			
4.3	Plant between Sta. Cruz and Torijos	2022			
		2023			
		2024			
4.4	TOTALS (2022 Only)	2022			



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## MARELCO CSP2019

FINANCIAL PROPOSAL (FORM 2: HYDRO)

Page 2 of 14

Name of the Bidder

5		Local Component (%)	Foreign Component (%)
<b>INDEXATION (Portion of Price Component that will be indexed)</b>			
5.1	Fixed Cost No. 1 (FC1) - Capital Recovery		0.00%
5.2	Fixed Cost No. 2 (FC2) - Fixed O&M		
5.3	Variable Cost No. 1 (VC1) - Variable O&M		
5.4	Variable Cost No. 2 (VC2) - Fuel, including Transport		

6		Fixed Cost No. 1 (FC1) Capital Recovery		Fixed Cost No. 2 (FC2) Fixed O&M	
<b>FIXED COSTS (September 2019 Reference Price)</b>		Local (PHP/kWh)	Foreign (USD/kWh)	Local (PHP/kWh)	Foreign (USD/kWh)
6.1	Bid Price				

7		Variable Cost No. 1 (VC1) Variable O&M		Variable Cost No. 2 (VC2) Fuel, including Transport	
<b>VARIABLE COSTS (September 2019 Reference Price)</b>		Local (PHP/kWh)	Foreign (USD/kWh)	Local (PHP/kWh)	Foreign (USD/kWh)
7.1	Bid Price			0.0000	0.0000

Name and Signature of Authorized Representative

Date



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## MARELCO CSP2019

### FINANCIAL PROPOSAL (FORM 3: SOLAR)

Page 3 of 14

Name of the Bidder

5		Local Component (%)	Foreign Component (%)
INDEXATION (Portion of Price Component that will be indexed)			
5.1	Fixed Cost No. 1 (FC1) - Capital Recovery		0.00%
5.2	Fixed Cost No. 2 (FC2) - Fixed O&M		
5.3	Variable Cost No. 1 (VC1) - Variable O&M		
5.4	Variable Cost No. 2 (VC2) - Fuel, including Transport		

6		Fixed Cost No. 1 (FC1) Capital Recovery		Fixed Cost No. 2 (FC2) Fixed O&M	
FIXED COSTS (September 2019 Reference Price)		Local (PHP/kWh)	Foreign (USD/kWh)	Local (PHP/kWh)	Foreign (USD/kWh)
6.1	Bid Price				

7		Variable Cost No. 1 (VC1) Variable O&M		Variable Cost No. 2 (VC2) Fuel, including Transport	
VARIABLE COSTS (September 2019 Reference Price)		Local (PHP/kWh)	Foreign (USD/kWh)	Local (PHP/kWh)	Foreign (USD/kWh)
7.1	Bid Price			0.0000	0.0000

Name and Signature of Authorized Representative

Date



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## MARELCO CSP2019

FINANCIAL PROPOSAL (FORM 4: BIOMASS)

Page 4 of 14

Name of the Bidder

5		INDEXATION (Portion of Price Component that will be indexed)	Local Component (%)	Foreign Component (%)
5.1	Fixed Cost No. 1 (FC1) - Capital Recovery			0.00%
5.2	Fixed Cost No. 2 (FC2) - Fixed O&M			
5.3	Variable Cost No. 1 (VC1) - Variable O&M			
5.4	Variable Cost No. 2 (VC2) - Fuel, including Transport			

6		FIXED COSTS (September 2019 Reference Price)	Fixed Cost No. 1 (FC1) Capital Recovery		Fixed Cost No. 2 (FC2) Fixed O&M	
	Local (PHP/kWh)		Foreign (USD/kWh)	Local (PHP/kWh)	Foreign (USD/kWh)	
6.1	Bid Price					

7		VARIABLE COSTS (September 2019 Reference Price)	Variable Cost No. 1 (VC1) Variable O&M		Variable Cost No. 2 (VC2) Fuel, including Transport	
	Local (PHP/kWh)		Foreign (USD/kWh)	Local (PHP/kWh)	Foreign (USD/kWh)	
7.1	Bid Price			0.0000	0.0000	

Name and Signature of Authorized Representative

Date



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## MARELCO CSP2019

Name of the Bidder

INDEXATION (Portion of Price Component that will be indexed)		Local Component (%)	Foreign Component (%)
5.1	Fixed Cost No. 1 (FC1) - Capital Recovery		0.00%
5.2	Fixed Cost No. 2 (FC2) - Fixed O&M		
5.3	Variable Cost No. 1 (VC1) - Variable O&M		
5.4	Variable Cost No. 2 (VC2) - Fuel, including Transport		

FIXED COSTS (September 2019 Reference Price)		Fixed Cost No. 1 (FC1) Capital Recovery		Fixed Cost No. 2 (FC2) Fixed O&M	
Bid Price at Capacity Utilization Factor, CUF (%)		Local (PHP/kWh)	Foreign (USD/kWh)	Local (PHP/kWh)	Foreign (USD/kWh)
6.001	100%		0.0000		
6.002	99%		0.0000		
6.003	98%		0.0000		
6.004	97%		0.0000		
6.005	96%		0.0000		
6.006	95%		0.0000		
6.007	94%		0.0000		
6.008	93%		0.0000		
6.009	92%		0.0000		
6.010	91%		0.0000		
6.011	90%		0.0000		
6.012	89%		0.0000		
6.013	88%		0.0000		
6.014	87%		0.0000		
6.015	86%		0.0000		
6.016	85%		0.0000		
6.017	84%		0.0000		
6.018	83%		0.0000		
6.019	82%		0.0000		
6.020	81%		0.0000		
6.021	80%		0.0000		
6.022	79%		0.0000		
6.023	78%		0.0000		
6.024	77%		0.0000		
6.025	76%		0.0000		
6.026	75%		0.0000		
6.027	74%		0.0000		
6.028	73%		0.0000		
6.029	72%		0.0000		
6.030	71%		0.0000		

Name and Signature of Authorized Representative

Date





# MARINDUQUE ELECTRIC COOPERATIVE, INC.

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## MARELCO CSP2019

FINANCIAL PROPOSAL (FORM 5: PEAKING DIESEL)

Page 6 of 14

Name of the Bidder

FIXED COSTS (September 2019 Reference Price)		Fixed Cost No. 1 (FC1) Capital Recovery		Fixed Cost No. 2 (FC2) Fixed O&M	
		Local (PHP/kWh)	Foreign (USD/kWh)	Local (PHP/kWh)	Foreign (USD/kWh)
Bid Price at Capacity Utilization Factor, CUF (%)					
6.031	70%		0.0000		
6.032	69%		0.0000		
6.033	68%		0.0000		
6.034	67%		0.0000		
6.035	66%		0.0000		
6.036	65%		0.0000		
6.037	64%		0.0000		
6.038	63%		0.0000		
6.039	62%		0.0000		
6.040	61%		0.0000		
6.041	60%		0.0000		
6.042	59%		0.0000		
6.043	58%		0.0000		
6.044	57%		0.0000		
6.045	56%		0.0000		
6.046	55%		0.0000		
6.047	54%		0.0000		
6.048	53%		0.0000		
6.049	52%		0.0000		
6.050	51%		0.0000		
6.051	50%		0.0000		
6.052	49%		0.0000		
6.053	48%		0.0000		
6.054	47%		0.0000		
6.055	46%		0.0000		
6.056	45%		0.0000		
6.057	44%		0.0000		
6.058	43%		0.0000		
6.059	42%		0.0000		
6.060	41%		0.0000		
6.061	40%		0.0000		
6.062	39%		0.0000		
6.063	38%		0.0000		
6.064	37%		0.0000		
6.065	36%		0.0000		
6.066	35%		0.0000		
6.067	34%		0.0000		
6.068	33%		0.0000		
6.069	32%		0.0000		
6.070	31%		0.0000		

Name and Signature of Authorized Representative

Date



# MARINDUQUE ELECTRIC COOPERATIVE, INC.

**BOAC • BUENAVISTA • MOGPOG • GASAN • STA. CRUZ • TORRIJOS**

Ihatub, Boac Marinduque 4900 Tel. Nos. (042) 332-1043/332-1044 Fax No. (042) 332-1837 Hotline (042) 332-2266

## MARELCO CSP2019

Name of the Bidder

6		FIXED COSTS (September 2019 Reference Price)	Fixed Cost No. 1 (FC1) Capital Recovery		Fixed Cost No. 2 (FC2) Fixed O&M	
			Local (PHP/kWh)	Foreign (USD/kWh)	Local (PHP/kWh)	Foreign (USD/kWh)
		Bid Price at Capacity Utilization Factor, CUF (%)				
6.071		30%		0.0000		
6.072		29%		0.0000		
6.073		28%		0.0000		
6.074		27%		0.0000		
6.075		26%		0.0000		
6.076		25%		0.0000		
6.077		24%		0.0000		
6.078		23%		0.0000		
6.079		22%		0.0000		
6.080		21%		0.0000		
6.081		20%		0.0000		
6.082		19%		0.0000		
6.083		18%		0.0000		
6.084		17%		0.0000		
6.085		16%		0.0000		
6.086		15%		0.0000		
6.087		14%		0.0000		
6.088		13%		0.0000		
6.089		12%		0.0000		
6.090		11%		0.0000		
6.091		10%		0.0000		
6.092		9%		0.0000		
6.093		8%		0.0000		
6.094		7%		0.0000		
6.095		6%		0.0000		
6.096		5%		0.0000		
6.097		4%		0.0000		
6.098		3%		0.0000		
6.099		2%		0.0000		
6.100		1%		0.0000		

7		VARIABLE COSTS (September 2019 Reference Price)	Variable Cost No. 1 (VC1) Variable O&M		Variable Cost No. 2 (VC2) Fuel, including Transport	
			Local (PHP/kWh)	Foreign (USD/kWh)	Local (PHP/kWh)	Foreign (USD/kWh)
7.1		Bid Price				

Name and Signature of Authorized Representative

Date



# MARINDUQUE ELECTRIC COOPERATIVE, INC.

**BOAC • BUENAVISTA • MOGPOG • GASAN • STA. CRUZ • TORRIJOS**

Ihatub, Boac Marinduque 4900 Tel. Nos. (042) 332-1043 / 332-1044 Fax No. (042) 332-1837 Hotline (042) 332-2266

## MARELCO CSP2019

FINANCIAL PROPOSAL (FORM 6: LNG)

Page 8 of 14

Name of the Bidder

5 INDEXATION (Portion of Price Component that will be indexed)		Local Component (%)	Foreign Component (%)
5.1	Fixed Cost No. 1 (FC1) - Capital Recovery		0.00%
5.2	Fixed Cost No. 2 (FC2) - Fixed O&M		
5.3	Variable Cost No. 1 (VC1) - Variable O&M		
5.4	Variable Cost No. 2 (VC2) - Fuel, including Transport		

6 FIXED COSTS (September 2019 Reference Price)		Fixed Cost No. 1 (FC1) Capital Recovery		Fixed Cost No. 2 (FC2) Fixed O&M	
Bid Price at Capacity Utilization Factor, CUF (%)		Local (PHP/kWh)	Foreign (USD/kWh)	Local (PHP/kWh)	Foreign (USD/kWh)
6.001	100%		0.0000		
6.002	99%		0.0000		
6.003	98%		0.0000		
6.004	97%		0.0000		
6.005	96%		0.0000		
6.006	95%		0.0000		
6.007	94%		0.0000		
6.008	93%		0.0000		
6.009	92%		0.0000		
6.010	91%		0.0000		
6.011	90%		0.0000		
6.012	89%		0.0000		
6.013	88%		0.0000		
6.014	87%		0.0000		
6.015	86%		0.0000		
6.016	85%		0.0000		
6.017	84%		0.0000		
6.018	83%		0.0000		
6.019	82%		0.0000		
6.020	81%		0.0000		
6.021	80%		0.0000		
6.022	79%		0.0000		
6.023	78%		0.0000		
6.024	77%		0.0000		
6.025	76%		0.0000		
6.026	75%		0.0000		
6.027	74%		0.0000		
6.028	73%		0.0000		
6.029	72%		0.0000		
6.030	71%		0.0000		

Name and Signature of Authorized Representative

Date



# MARINDUQUE ELECTRIC COOPERATIVE, INC.

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## MARELCO CSP2019

Name of the Bidder

6	FIXED COSTS (September 2019 Reference Price)		Fixed Cost No. 1 (FC1) Capital Recovery		Fixed Cost No. 2 (FC2) Fixed O&M	
			Local (PHP/kWh)	Foreign (USD/kWh)	Local (PHP/kWh)	Foreign (USD/kWh)
		Bid Price at Capacity Utilization Factor, CUF (%)				
6.031		70%		0.0000		
6.032		69%		0.0000		
6.033		68%		0.0000		
6.034		67%		0.0000		
6.035		66%		0.0000		
6.036		65%		0.0000		
6.037		64%		0.0000		
6.038		63%		0.0000		
6.039		62%		0.0000		
6.040		61%		0.0000		
6.041		60%		0.0000		
6.042		59%		0.0000		
6.043		58%		0.0000		
6.044		57%		0.0000		
6.045		56%		0.0000		
6.046		55%		0.0000		
6.047		54%		0.0000		
6.048		53%		0.0000		
6.049		52%		0.0000		
6.050		51%		0.0000		
6.051		50%		0.0000		
6.052		49%		0.0000		
6.053		48%		0.0000		
6.054		47%		0.0000		
6.055		46%		0.0000		
6.056		45%		0.0000		
6.057		44%		0.0000		
6.058		43%		0.0000		
6.059		42%		0.0000		
6.060		41%		0.0000		
6.061		40%		0.0000		
6.062		39%		0.0000		
6.063		38%		0.0000		
6.064		37%		0.0000		
6.065		36%		0.0000		
6.066		35%		0.0000		
6.067		34%		0.0000		
6.068		33%		0.0000		
6.069		32%		0.0000		
6.070		31%		0.0000		

Name and Signature of Authorized Representative

Date



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## MARELCO CSP2019

FINANCIAL PROPOSAL (FORM 6: LNG)

Page 10 of 14

Name of the Bidder

6		FIXED COSTS (September 2019 Reference Price)	Fixed Cost No. 1 (FC1) Capital Recovery		Fixed Cost No. 2 (FC2) Fixed O&M	
			Local (PHP/kWh)	Foreign (USD/kWh)	Local (PHP/kWh)	Foreign (USD/kWh)
		Bid Price at Capacity Utilization Factor, CUF (%)				
6.071		30%		0.0000		
6.072		29%		0.0000		
6.073		28%		0.0000		
6.074		27%		0.0000		
6.075		26%		0.0000		
6.076		25%		0.0000		
6.077		24%		0.0000		
6.078		23%		0.0000		
6.079		22%		0.0000		
6.080		21%		0.0000		
6.081		20%		0.0000		
6.082		19%		0.0000		
6.083		18%		0.0000		
6.084		17%		0.0000		
6.085		16%		0.0000		
6.086		15%		0.0000		
6.087		14%		0.0000		
6.088		13%		0.0000		
6.089		12%		0.0000		
6.090		11%		0.0000		
6.091		10%		0.0000		
6.092		9%		0.0000		
6.093		8%		0.0000		
6.094		7%		0.0000		
6.095		6%		0.0000		
6.096		5%		0.0000		
6.097		4%		0.0000		
6.098		3%		0.0000		
6.099		2%		0.0000		
6.100		1%		0.0000		

7		VARIABLE COSTS (September 2019 Reference Price)	Variable Cost No. 1 (VC1) Variable O&M		Variable Cost No. 2 (VC2) Fuel, including Transport	
			Local (PHP/kWh)	Foreign (USD/kWh)	Local (PHP/kWh)	Foreign (USD/kWh)
7.1		Bid Price				

Name and Signature of Authorized Representative

Date



# MARINDUQUE ELECTRIC COOPERATIVE, INC.

**BOAC • BUENAVISTA • MOGPOG • GASAN • STA. CRUZ • TORRIJOS**

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## MARELCO CSP2019

Name of the Bidder

5 INDEXATION (Portion of Price Component that will be indexed)		Local Component (%)	Foreign Component (%)
5.1	Fixed Cost No. 1 (FC1) - Capital Recovery		0.00%
5.2	Fixed Cost No. 2 (FC2) - Fixed O&M		
5.3	Variable Cost No. 1 (VC1) - Variable O&M		
5.4	Variable Cost No. 2 (VC2) - Fuel, including Transport		

6 FIXED COSTS (September 2019 Reference Price)		Fixed Cost No. 1 (FC1) Capital Recovery		Fixed Cost No. 2 (FC2) Fixed O&M	
		Local (PHP/kWh)	Foreign (USD/kWh)	Local (PHP/kWh)	Foreign (USD/kWh)
Bid Price at Capacity Utilization Factor, CUF (%)					
6.001	100%		0.0000		
6.002	99%		0.0000		
6.003	98%		0.0000		
6.004	97%		0.0000		
6.005	96%		0.0000		
6.006	95%		0.0000		
6.007	94%		0.0000		
6.008	93%		0.0000		
6.009	92%		0.0000		
6.010	91%		0.0000		
6.011	90%		0.0000		
6.012	89%		0.0000		
6.013	88%		0.0000		
6.014	87%		0.0000		
6.015	86%		0.0000		
6.016	85%		0.0000		
6.017	84%		0.0000		
6.018	83%		0.0000		
6.019	82%		0.0000		
6.020	81%		0.0000		
6.021	80%		0.0000		
6.022	79%		0.0000		
6.023	78%		0.0000		
6.024	77%		0.0000		
6.025	76%		0.0000		
6.026	75%		0.0000		
6.027	74%		0.0000		
6.028	73%		0.0000		
6.029	72%		0.0000		
6.030	71%		0.0000		

Name and Signature of Authorized Representative

Date



# MARINDUQUE ELECTRIC COOPERATIVE, INC.

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## MARELCO CSP2019

FINANCIAL PROPOSAL (FORM 7: BUNKER C)

Page 12 of 14

Name of the Bidder

6	FIXED COSTS (September 2019 Reference Price)		Fixed Cost No. 1 (FC1) Capital Recovery		Fixed Cost No. 2 (FC2) Fixed O&M	
			Local (PHP/kWh)	Foreign (USD/kWh)	Local (PHP/kWh)	Foreign (USD/kWh)
Bid Price at Capacity Utilization Factor, CUF (%)						
6.031	70%		0.0000			
6.032	69%		0.0000			
6.033	68%		0.0000			
6.034	67%		0.0000			
6.035	66%		0.0000			
6.036	65%		0.0000			
6.037	64%		0.0000			
6.038	63%		0.0000			
6.039	62%		0.0000			
6.040	61%		0.0000			
6.041	60%		0.0000			
6.042	59%		0.0000			
6.043	58%		0.0000			
6.044	57%		0.0000			
6.045	56%		0.0000			
6.046	55%		0.0000			
6.047	54%		0.0000			
6.048	53%		0.0000			
6.049	52%		0.0000			
6.050	51%		0.0000			
6.051	50%		0.0000			
6.052	49%		0.0000			
6.053	48%		0.0000			
6.054	47%		0.0000			
6.055	46%		0.0000			
6.056	45%		0.0000			
6.057	44%		0.0000			
6.058	43%		0.0000			
6.059	42%		0.0000			
6.060	41%		0.0000			
6.061	40%		0.0000			
6.062	39%		0.0000			
6.063	38%		0.0000			
6.064	37%		0.0000			
6.065	36%		0.0000			
6.066	35%		0.0000			
6.067	34%		0.0000			
6.068	33%		0.0000			
6.069	32%		0.0000			
6.070	31%		0.0000			

Name and Signature of Authorized Representative

Date



# MARINDUQUE ELECTRIC COOPERATIVE, INC.

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## MARELCO CSP2019

Name of the Bidder

6		FIXED COSTS (September 2019 Reference Price)	Fixed Cost No. 1 (FC1) Capital Recovery		Fixed Cost No. 2 (FC2) Fixed O&M	
			Local (PHP/kWh)	Foreign (USD/kWh)	Local (PHP/kWh)	Foreign (USD/kWh)
		Bid Price at Capacity Utilization Factor, CUF (%)				
6.071		30%		0.0000		
6.072		29%		0.0000		
6.073		28%		0.0000		
6.074		27%		0.0000		
6.075		26%		0.0000		
6.076		25%		0.0000		
6.077		24%		0.0000		
6.078		23%		0.0000		
6.079		22%		0.0000		
6.080		21%		0.0000		
6.081		20%		0.0000		
6.082		19%		0.0000		
6.083		18%		0.0000		
6.084		17%		0.0000		
6.085		16%		0.0000		
6.086		15%		0.0000		
6.087		14%		0.0000		
6.088		13%		0.0000		
6.089		12%		0.0000		
6.090		11%		0.0000		
6.091		10%		0.0000		
6.092		9%		0.0000		
6.093		8%		0.0000		
6.094		7%		0.0000		
6.095		6%		0.0000		
6.096		5%		0.0000		
6.097		4%		0.0000		
6.098		3%		0.0000		
6.099		2%		0.0000		
6.100		1%		0.0000		

7		VARIABLE COSTS (September 2019 Reference Price)	Variable Cost No. 1 (VC1) Variable O&M		Variable Cost No. 2 (VC2) Fuel, including Transport	
			Local (PHP/kWh)	Foreign (USD/kWh)	Local (PHP/kWh)	Foreign (USD/kWh)
7.1		Bid Price				

Name and Signature of Authorized Representative

Date





# MARINDUQUE ELECTRIC COOPERATIVE, INC.

**BOAC • BUENAVISTA • MOGPOG • GASAN • STA. CRUZ • TORRIJOS**

Ihatub, Boac Marinduque 4900 Tel. Nos. (042) 332-1043/332-1044 Fax No. (042) 332-1837 Hotline (042) 332-2266

## MARELCO CSP2019

### FINANCIAL PROPOSAL (EVALUATION PARAMETERS)

Page 14 of 14

Name of the Bidder

**TABLE I: General Parameters**

Parameter	Value	Unit
FOREX	52.1052	PHP/USD
USCPI inflation	1.50%	p.a.
PHPCPI inflation	2.74%	p.a.
Fuel Inflation, Fuel Oil	1.41%	p.a.
Fuel Inflation, LNG	-2.07%	p.a.
Discount Rate	2.74%	p.a.
Contract Period	15	years
Operating Reserve Price	21.6319	PHP/kWh

**TABLE II. Monthly Peak and Energy Demand, Annual Energy Forecasts**

Month	Hours	2022		2023		2024		2025-2037	
		Peak (MW)	Energy (kWh)	Peak (MW)	Energy (kWh)	Peak (MW)	Energy (kWh)	Peak (MW)	Energy (kWh)
January	744	12	5,485,148	13	5,807,239	14	6,126,793	14	6,126,793
February	744	12	5,057,543	13	5,354,524	14	5,649,167	14	5,649,167
March	672	13	5,123,895	14	5,424,773	14	5,723,281	14	5,723,281
April	744	13	6,318,242	14	6,689,253	15	7,057,341	15	7,057,341
May	720	13	6,922,788	14	7,329,298	15	7,732,606	15	7,732,606
June	744	13	6,878,553	14	7,282,466	15	7,683,196	15	7,683,196
July	720	13	6,318,242	14	6,689,253	15	7,057,341	15	7,057,341
August	744	13	6,546,790	14	6,931,221	15	7,312,624	15	7,312,624
September	744	13	6,613,143	14	7,001,470	15	7,386,738	15	7,386,738
October	720	13	6,281,380	14	6,650,226	15	7,016,166	15	7,016,166
November	744	13	6,259,262	14	6,626,809	15	6,991,461	15	6,991,461
December	720	13	5,920,126	14	6,267,760	15	6,612,654	15	6,612,654
<b>ANNUAL ENERGY (kWh)</b>			<b>73,725,112</b>		<b>78,054,293</b>		<b>82,349,369</b>		<b>82,349,369</b>

**TABLE III: Capacity Factors**

Power Plant	Capacity Factor, %
Solar	15%
Hydro	60%
Biomass	72%
Peaking Diesel	15.6%

**TABLE IV: Capacity Credit Factor (CCF)**

Power Plant	CCF, %
Solar w/o Storage	0%
Solar with Storage*	6%
Hydro	70%
Biomass	80%
Peaking Diesel	100%
LNG	100%
BUNKER C	100%

\* Note: Solar with battery storage CCF is 6.25% per Autonomy Hour

Name and Signature of Authorized Representative

Date

## **ANNEX C – CHECKLIST OF ELIGIBILITY REQUIREMENTS AND PROPOSAL**

- **Checklist for Contents of Main Envelope**
- **Checklist for Contents of Envelopes A, B and C**
- **Checklist for Contents of Eligibility Requirements**

CHECKLIST FOR CONTENTS OF MAIN ENVELOPE			
Item	LABELS	PASS	FAIL
A	ENVELOPE A (ORIGINAL)		
B	ENVELOPE B (COPY 1)		
C	ENVELOPE C (COPY 2)		

CHECKLIST FOR CONTENTS OF ENVELOPES A, B, and C			
Item	LABELS	PASS	FAIL
1	ENVELOPE 1: Bid Security and Eligibility Requirements		
1.1	Envelope 1-1: Bid Security		
1.2	Folder 1-1: Class "A" Documents - Legal Documents		
1.3	Folder 1-2: Class "A" Documents - Technical Documents		
1.4	Folder 1-3: Class "A" Documents - Financial Documents		
1.5	Folder 1-4: Class "B" Documents		
2	ENVELOPE 2: Technical and Financial Proposal		
2.1	Folder 2-1: Financial Proposal (Bid Forms)		
2.2	Folder 2-2: Technical Proposal		
3	ENVELOPE 3: USB flash drive containing the electronic copy of the Bid (Eligibility Requirements, Technical Proposal, Financial Proposal and Excel Bid Form)		
3.1	Envelope 3-1: Electronic Copy of the Bid		

CHECKLIST FOR CONTENTS OF ELIGIBILITY REQUIREMENTS			
Item	DESCRIPTION	PASS	FAIL
1.2	Folder 1-1: Class "A" Documents - Legal Documents		
a	Department of Trade and Industry (DTI) business name registration or registration certificate from Securities and Exchange Commission (SEC) or Cooperative Development Authority (CDA), whichever may be appropriate under existing laws of the Philippines.		
b	Articles of Incorporation and By-Laws or a Memorandum of Association or Partnership duly certified by the relevant authorities, as may be applicable		
c	Mayor's/Business permit issued by the city or municipality where the principal place of business of the prospective bidder is located, or the equivalent document for Exclusive Economic Zones or Areas. In cases of recently expired Mayor's/Business Permits, it shall be accepted together with the official receipt as proof that the bidder has applied for renewal within the period prescribed by the concerned local government unit, provided that the renewed permit shall be submitted as a post-qualification requirement.		
d	Taxpayer's Identification Number (TIN) [BIR registration/certification]		
e	Documentary proof of Bidder's compliance with Tax obligations, such as:		
	i. BIR VAT Registration		
	ii. Proof of VAT payments for the past six (6) months		
	iii. Tax Clearance from the BIR to prove bidder's full and timely payment of taxes to the government		
	iv. A certification under oath from Bidder's responsible officers that the Bidder is free and clear of all liabilities with the government.		
f	General Information Sheet submitted to SEC		



CHECKLIST FOR CONTENTS OF ELIGIBILITY REQUIREMENTS			
Item	DESCRIPTION	PASS	FAIL
1.3	Folder 1-1: Class "A" Documents - Legal Documents		
a	Company profile highlighting experiences and expertise of the company and/or key officers in power plant operation		
b	Matrix of the Bidder's ongoing projects and generation portfolio which must be supported by valid and updated Certificate of Compliance issued by Energy Regulatory Commission (ERC) and/or Service Contracts from the Department of Energy (DOE) as well as copies of its Generation Company Information Sheet (GCIS) and Generation Company Management Report (GCMR) submissions to ERC for the last five (5) years (2 years in the case RE). Said matrix shall state the following for each power plant:		
	i. The name of the power plant;		
	ii. Installed and dependable capacity of the power plant;		
	iii. Type of power plant according to fuel or energy resource;		
	iv. Location (address) of the power plant;		
	v. Year the power plant was built and commissioned; and		
	vi. Number and average duration of scheduled and unscheduled outages for the last five (5) years or the actual outage data for new power plants operating for less than five years supported by a certification issued by the System Operator or client distribution utility.		
c	Statement, in matrix form, of customers with whom the Bidder have power supply contract. The statement shall include, for each customer, the following:		
	i. Name and address of company		
	ii. Telephone, cellphone and fax numbers, website URL, and e-mail address of the company		
	iii. Name and position of authorized contact person(s)		
	iv. Telephone and cellphone number and e-mail address of contact person(s)		

CHECKLIST FOR CONTENTS OF ELIGIBILITY REQUIREMENTS			
Item	DESCRIPTION	PASS	FAIL
1.4	Folder 1-3: Class "A" Documents - Financial Documents		
a	The Bidder's Audited Financial Statements, stamped "received" by the Bureau of Internal Revenue (BIR) for the last two (2) years, showing, among others, the Bidder's total and current assets and liabilities. Complete set of financial statement includes the following:		
	i. Balance Sheet		
	ii. Income Statement		
	iii. Statement of Changes in Equity		
	iv. Cash Flow Statement		
	v. Notes to Financial Statement		
	vi. Statement of Management Responsibility for Financial Statement		
	vii. Financial Ratios indicating liquidity measurement ratio, debt ratio, profitability ratio and operating performance ratio		

CHECKLIST FOR CONTENTS OF ELIGIBILITY REQUIREMENTS			
Item	DESCRIPTION	PASS	FAIL
1.5	Folder 1-4: Class "B" Documents		
a	Secretary's Certificate designating the Bidder's authorized representative/s who will sign (a) the documents required in this Bid, and (b) the Power Supply Agreement (PSA), bearing certified sheets containing at least three (3) specimens of full signature and three (3) initials of the designated representative/s;		
b	A document containing the name, address and contact details, including telephone number/s, fax number/s and email address/es, of Bidder duly signed by the authorized representative/s;		
c	Omnibus Sworn Statement in accordance with Annex D-1 of this ITB;		
d	Acceptance of Bidding Documents (Annex D-2);		
e	Confidentiality Agreement (Annex D-3); and		
f	A certification issued by Bidder or its authorized representative that each of the documents submitted in satisfaction of the Instructions to Bidders is an original or a true and faithful reproduction or copy of the original (Annex D-4).		
g	Affidavit of Disclosure of Relations in accordance with Section 12 and Annex D-5;		
h	Statement that the Bidder is not banned or blacklisted from bidding by the government or any of its agencies and other private corporations or electric cooperatives and LGUs including its non-inclusion in the Consolidated Blacklisting Report issued by the Government of the Philippines (GOP) (Annex D-6)		
i	A letter authorizing the TPBAC or its duly authorized representative/s to verify all of the documents submitted;		
j	Any other document, in support of documents already submitted, that may be required by the TPBAC for clarification purposes during post-qualification.		

## **ANNEX D – OTHER FORMS**

Annex D-1 – Omnibus Sworn Statement

Annex D-2 – Acceptance of the Bidding Documents

Annex D-3 – Confidentiality Agreement and Undertaking

Annex D-4 – Certification of Submission of Original or CTC

Annex D-5 – Certification Regarding Relationship and Against Conflict of Interest

Annex D-6 – Certification Against Blacklisting and Graft and Corrupt Practices

## **ANNEX D-1: Omnibus Sworn Statement**

REPUBLIC OF THE PHILIPPINES )

CITY/MUNICIPALITY OF \_\_\_\_\_ ) S.S.

### **AFFIDAVIT**

I, [Name of Affiant], of legal age, [Civil Status], [Nationality], and residing at [Address of Affiant], after having been duly sworn in accordance with law, do hereby depose and state that:

1. I am the duly authorized and designated representative of [Name of Bidder] with office address at [Address of Bidder];
2. I am granted full power and authority to do, execute and perform any and all acts necessary to participate, submit the Bid, and to sign and execute the ensuing Power Supply Agreement (PSA) with MARELCO for the provision of 16 MW for Marinduque Grid, accompanied by the duly notarized Special Power of Attorney, Board/Partnership Resolution, or Secretary's Certificate, whichever is applicable;
3. Each of the documents submitted in satisfaction of the requirements of the Competitive Selection Process is an authentic copy of the original, complete, and all statements and information provided therein are true and correct;
4. [Name of Bidder] is authorizing MARELCO TPBAC to verify all the documents submitted;
5. None of the officers, directors, and controlling stockholders of [Name of Bidder] are related to the members of MARELCO's Board of Directors and Management, members of MARELCO TPBAC, members of MARELCO TPBAC-TWG, members of MARELCO TPBAC Secretariat, and MARELCO project consultants, by consanguinity or affinity up to the third civil degree;
6. [Name of Bidder] complies with existing labor laws and standards; and
7. [Name of Bidder] is aware of and has undertaken the following responsibilities as a Bidder:
  - a) Carefully examine all of the Bidding Documents;
  - b) Acknowledge all conditions, local or otherwise, affecting the implementation of the PSA;
  - c) Make an estimate of the facilities available and needed for the PSA to be bid, if any; and
  - d) Inquire about or secure Supplemental/Bid Bulletin(s).
8. [Name of Bidder] did not give or pay directly or indirectly, any commission, amount, fee, or any form of consideration, pecuniary or otherwise, to any person or official, personnel or representative of the government and or MARELCO in relation to any procurement project or activity.



IN WITNESS WHEREOF, I have hereunto set my hand this \_\_ day of \_\_, 2019 at \_\_\_\_\_,  
Philippines.

\_\_\_\_\_  
Bidder's Representative / Authorized Signatory

SUBSCRIBED AND SWORN to before me this \_\_ day of [Month] 2019 at [Place of Execution],  
Philippines. Affiant/s is/are personally known to me and was/were identified by me through  
competent evidence of identity as defined in the 2004 Rules on Notarial Practice (A.M. No. 02-8-13-SC).  
Affiant/s exhibited to me his/her [insert type of government identification card used], with his/her  
photograph and signature appearing thereon, with no. \_\_\_\_\_ and his/her Community Tax Certificate  
No. \_\_\_\_\_ issued on \_\_ at \_\_\_\_\_.

Witness my hand and seal this \_\_ day of [Month] 2019.

NAME OF NOTARY PUBLIC

Serial No. of Commission \_\_\_\_\_

Notary Public for \_\_\_\_\_ until \_\_\_\_\_

Roll of Attorneys No. \_\_\_\_\_

PTR No. \_\_\_\_ [date issued], [place issued]

IBP No. \_\_\_\_ [date issued], [place issued]

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Series of \_\_\_\_

## ANNEX D-2: Acceptance of the Bidding Documents

### ACCEPTANCE OF THE BIDDING DOCUMENTS

Date

The Chairman  
THIRD PARTY BIDS AND AWARDS COMMITTEE  
Marinduque Electric Cooperative, Inc.  
Ihatub, Boac, Marinduque 4900

Subject: Marinduque Electric Cooperative, Inc. Competitive Selection Process for a New Power Provider

Sir/Madam:

We refer to the Bidding Documents issued in relation to the above subject.

[Bidder's name] hereby declares, represents and warrants that:

1. [Bidder's name] has read and understood each and every section and page of the Bidding Documents, the provisions, terms and conditions thereof and any amendment, supplement or modification thereto, including the Transaction Information Memorandum and Supplemental Bid Bulletins, and accepts and agrees to be bound and to fully abide by and comply with the terms and conditions thereof and any amendment, supplement or modification thereto as well as the decisions of the TPBAC;
2. [Bidder's name] waives any right it may have to seek and obtain a writ of injunction or prohibition or restraining order against MARELCO to prevent or restrain this Transaction or any proceeding related thereto, the holding of any other bidding or any proceeding related thereto, the selection of the Winning Bidder and the execution of the Power Supply Agreement. Such waiver shall, however, be without prejudice to the right of the undersigned to question the lawfulness of any disqualification or the rejection of their Bid by appropriate administrative or judicial processes not involving the issuance of a writ of injunction or prohibition or restraining order;
3. [Bidder's name] shall, at all times, comply with Philippine Law; and
4. [Bidder's name] unconditionally and irrevocably waives any defect, deviation, fault or infirmity in this Transaction and the whole process conducted by MARELCO

[Bidder's name]

By:

Signature  
Printed Name  
Title/Designation

Witnessed by:

\_\_\_\_\_

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES )

[City] ) S.S.

BEFORE ME, a Notary Public, for and in the above jurisdiction, personally appeared the following:

NAME	PASSPORT NO.	DATE/PLACE ISSUED
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known to me and to me known to be the same persons who executed the foregoing Acceptance of the Bidding Documents consisting of two (2) pages including this page where the acknowledgment is written and they acknowledged to me that the same is their own free and voluntary act and deed and the corporation represented.

WITNESS MY HAND AND SEAL, on the date and at the place first above written.

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## **ANNEX D-3: Confidentiality Agreement and Undertaking**

### **CONFIDENTIALITY AGREEMENT AND UNDERTAKING**

Date

The Third Party Bids and Award Committee  
Marinduque Electric Cooperative, Inc.  
Ihatub, Boac, Marinduque 4900

Subject: Marinduque Electric Cooperative, Inc. Competitive Selection Process for a New Power Provider

Sir/Madam:

We refer to the Bidding Documents issued in relation to the above subject.

Capitalized terms used but not defined herein shall have the meaning given in the Bidding Documents.

“Confidential Information” as referred herein shall mean and include any and all information, whether written, oral or otherwise, concerning the business, operations, prospects, finances, or other affairs of the EC and the Bidders, their affiliates, associates and/or subsidiaries. Said information includes, without limitation, documents, product specifications, data, know-how, compositions, designs, sketches, photographs, graphs, drawings, past, current, and planned research and development, current and planned marketing or distribution methods and processes, customer lists, current and anticipated customer requirements, price lists, market studies, computer software and programs, database technologies, systems, structures and architectures, historical financial statements, business plans, financial projections and budgets, historical and projected sales, capital spending budgets and plans, current or prospective financing sources, the names and backgrounds of personnel, personnel training techniques and materials, and any portion or section of, or attachment to, the Bidding Documents, or other documents and materials prepared in connection with this Transaction, however such information is documented, that has been or may hereafter be provided, made available or shown to [Bidder’s name] or is otherwise obtained from the review of the documents or properties of, and discussions with, the MARELCO and the Bidders, their affiliates, associates and/or subsidiaries, by [Bidder’s name], irrespective of the form of the communication or reproduction or storage, and also includes all notes, analyses, compilations, studies, summaries, and other materials prepared by [Bidder’s name] containing or based, in whole or in part, on any information included in the foregoing.

The following information will not constitute “Confidential Information” for purposes of this Undertaking: (a) information which [Bidder’s name] can prove was already in its possession and was available to it on a non-confidential basis prior to disclosure by the MARELCO and/or the disclosing Bidders; (b) information which is obtained by [Bidder’s name] from a third person which, insofar as is known to [Bidder’s name], is not prohibited from disclosing the information under a contractual, legal or fiduciary obligation to [Bidder’s name]; and (c) information which is or becomes generally available to the public other than as a result of a breach of this Undertaking by [Bidder’s name] .

[Bidder's name] hereby declares, represents and warrants that:

1. [Bidder's name] acknowledges that, in connection with its receipt and acceptance of the Bidding Documents, including the Transaction Information Memorandum and Supplemental Bulletins, and its participation in the Transaction, it will have access to Confidential Information.
2. In consideration of its receipt of Confidential Information, [Bidder's name] warrants and undertakes that all Confidential Information shall be held and treated in strict confidence and shall not communicate, publish, sell, trade or otherwise disclose to anyone, except to its officers, directors, employees, advisors and consultants, and subsidiaries and affiliates and the latter's officers, directors, employees, advisors and consultants who need to know the Confidential Information for purposes of preparation and evaluation of the [Bidder's name]'s Bid and in connection with its participation in this Transaction and each of the aforementioned persons will be informed and advised by [Bidder's name] of the confidential nature of such information and the obligations under this Undertaking. Prior to making any such disclosures, however, [Bidder's name] shall obtain an undertaking of confidentiality, substantially in the same form and content as this Confidentiality Agreement and Undertaking, from each such person.
3. [Bidder's name] further warrants and undertakes that it will use the Confidential Information only to prepare and evaluate its Bid and to decide whether or not it will proceed with and participate in the Transaction.
4. [Bidder's name] acknowledges that the confidentiality obligations set forth in this document shall terminate three (3) years after date hereof or on the date on which disclosure is no longer restricted either under the applicable Philippine Law or under the terms and conditions specified in the Bidding Documents and the Power Supply Agreement.

[Bidder's name] By:

Signature

Printed Name

Title/Designation

Witnessed by:

\_\_\_\_\_

\_\_\_\_\_

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES )

[City] ) S.S.

BEFORE ME, a Notary Public, for and in the above jurisdiction, personally appeared the following:

NAME	PASSPORT NO.	DATE/PLACE ISSUED
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known to me and to me known to be the same persons who executed the foregoing Confidentiality Agreement and Undertaking consisting of three (3) pages including this page where the acknowledgment is written and they acknowledged to me that the same is their own free and voluntary act and deed and the corporation represented.

WITNESS MY HAND AND SEAL, on the date and at the place first above written.

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**ANNEX D-4: Certification of Submission of Original or CTC**

**CERTIFICATION OF SUBMISSION OF ORIGINAL OR CERTIFIED**

**TRUE COPIES OF DOCUMENTS AND AUTHORIZATION FOR  
TPBAC TO VERIFY SAID DOCUMENTS**

I, (NAME OF AUTHORIZED REPRESENTATIVE), of (Bidder's Name), with office address at \_\_\_\_\_ after having been sworn to according to law, hereby depose and state that:

I am the authorized representative of (Bidder's name) as per Board Resolution No. \_\_\_\_\_, dated \_\_\_\_\_, submitted in accordance with this Transaction;

1. (Bidder's name) is a company organized and existing under the laws of the Republic of the Philippines and is participating as a Bidder in this Transaction;
2. All of the documents submitted by (Bidder's name) in satisfaction of the Instructions to Bidders and submitted as part of this Transaction are originals or certified true and correct copies of the original document(s).
3. (Bidder's name) hereby authorizes the Third-Party Bids and Awards Committee (TPBAC) or its duly authorized representative/s to verify all of the documents submitted by (Bidder's name).

\_\_\_\_\_  
(AUTHORIZED REPRESENTATIVE)

SUBSCRIBED AND SWORN TO before me this \_\_\_ day of \_\_\_\_2019 at \_\_\_\_\_ City, Philippines, the following who is personally known to me exhibiting to me the following:

Affiant	Competent Evidence of Identity	
	Type of ID	ID Number and Expiry Date

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## **ANNEX D-5: Certification Regarding Relationship and Against Conflict of Interest**

### **CERTIFICATION REGARDING RELATIONSHIP AND AGAINST CONFLICT OF INTEREST**

I, (NAME OF AUTHORIZED REPRESENTATIVE), of (Name of Bidder) with office address at \_\_\_\_\_ after having been sworn to according to law, hereby depose and state that:

1. I am the authorized representative of (Bidder's name) as per Board Resolution No. \_\_\_\_, dated \_\_\_\_\_, submitted in accordance with this Transaction;
2. (Bidder's name) is a company organized and existing under the laws of the Republic of the Philippines and is participating as a Bidder in this Transaction;
3. (Bidder's name) will not submit more than one Bid in this bidding process;
4. (Bidder's Name):
  - (i) does not have the same legal representative as any other Bidder in this Transaction for purposes of this Bid;
  - (ii) has not participated as a consultant in the preparation of the design or technical specifications of the subject of the Bid; and
  - (iii) does not lend, or temporarily second, its personnel to firms or organizations which are engaged in consulting services for the preparation related to procurement for or implementation of the project, if the personnel would be involved in any capacity on the same project.
5. Further, none of (Bidder's name)'s officers is related to the head of MARELCO by consanguinity or affinity up to the third civil degree or any of their officers or employees having direct access to information that may substantially affect the result of the Bidding, such as, but not limited to, the members of the TPBAC- Technical Working Group (TPBAC-TWG), the members of the Third Party Bids and Awards Committee (TPBAC), the TPBAC Secretariat and MARELCO Board of Directors and Management.
6. (Bidder's name) acknowledges and accepts that relationship of the nature described above or failure to comply with the foregoing provisions will result in the rejection of (Bidder's name) Bid.

---

AUTHORIZED REPRESENTATIVE



SUBSCRIBED AND SWORN TO before me this \_\_\_ day of \_\_\_\_2019 at \_\_\_\_\_ City, Philippines,  
the following who is personally known to me exhibiting to me the following:

Affiant	Competent Evidence of Identity	
	Type of ID	ID Number and Expiry Date

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## **ANNEX D-6: Certification Against Blacklisting and Graft and Corrupt Practices**

### **CERTIFICATION AGAINST BLACKLISTING AND GRAFT AND CORRUPT PRACTICES**

I, (NAME OF AUTHORIZED REPRESENTATIVE), of (Bidder's Name) with office address at \_\_\_\_\_ after having been sworn to according to law, hereby depose and state that:

1. I am the authorized representative of (Bidder's name) as per Board Resolution No. \_\_\_\_, dated \_\_\_\_\_, submitted in accordance with this Transaction;
2. (Bidder's name) is a company organized and existing under the laws of the Republic of the Philippines and is participating as a Bidder in this Transaction;
3. (Bidder's name) is:
  - a. Free and clear of all liabilities (including taxes, customs duties, among others) with the government.
  - b. Not "blacklisted" or barred from Bidding by the Government or any of its agencies, offices, corporations or LGUs, including its non-inclusion in the Consolidated Blacklisting Report issued by the Government of the Philippines (GOP).
4. (Bidder's name) has never been engaged in nor will it at any time engage in corrupt, fraudulent, coercive and/or collusive practices in competing for contracts including, but not limited to, Power Supply Agreements (PSAs) beginning from the commencement of the transaction until the complete execution of all agreements, when applicable.
5. In accordance herewith, (Bidder's name) acknowledges and accepts the applicability to it of Section 39 of the Instructions to Bidders.
6. (Bidder's name) further understands and accepts that the Third Party Bid and Awards Committee will reject any Bidder and/or refuse award the PSA to such Bidder which it determines to have engaged in corrupt, fraudulent, coercive and/or collusive practices in any stage of this Transaction.

7. Finally, (Bidder's name) understands and accepts that the TPBAC may also declare a Bidder ineligible, either indefinitely or for a stated period of time, and may disqualify the Bidder outright if it determines that the said Bidder has engaged in corrupt or fraudulent practices at any time in the past.

\_\_\_\_\_  
AUTHORIZED REPRESENTATIVE

SUBSCRIBED AND SWORN TO before me this \_\_\_ day of \_\_\_\_ 2019 at \_\_\_\_\_ City,  
Philippines, the following who is personally known to me exhibiting to me the following:

Affiant	Competent Evidence of Identity	
	Type of ID	ID Number and Expiry Date

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