



PAMPANGA I ELECTRIC COOPERATIVE, INC.

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June 17, 2021

Supplemental Bulletin No. 2021-06

Procurement of 36MW Baseload Power Supply Agreement

This has reference to the written requests for clarification submitted by the Bidders last to June 16, 2021. In this regard, the responses of the TPBAC are stated in the attached document. This document shall form part of the Bidding Document (Instruction to Bidders).

For your information and guidance.

Approved by: **PELCO 1 TPBAC**

Noted by:


ENGR. OLIVER S. VERGARA, MEM
TPBAC Chairman


ENGR. ALLAN E. DAVID
OIC-General Manager

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AREA COVERAGE:

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No.	Bidder	Document/ Clause No. / Source Data	Description	Bidder's Questions/Clarifications/Comments	PELCO 1 Response
1	SCPC	Item 27 of the SB No. 3	<p>ITB, Page 14: Documents comprising the bid, Item 2</p> <p>Suggestion: [1] For purposes of clarity and to avoid confusion as to the requirement, we suggest that the Bidder should submit a sworn affidavit of non-affiliation to PELCO 1's officers, instead of each of the Bidder's officers, directors and controlling stockholders submitting each affidavit.</p> <p>PELCO 1 Response: [1] Item No. 2. "The Bid shall be accompanied by a sworn affidavit of the Bidder's authorized representative stating that none of Bidder's officers, directors, and/or controlling stockholders are related to the members of PELCO 1 Board of Directors, General Manager/OIC, members of TPBAC, TWG, Secretariat, by consanguinity or affinity up to the third civil degree. Such relationships will result in the automatic disqualification of a Bidder."</p>	<p>The said requirement is already embedded in item 6 of the Omnibus Sworn Statement. Please confirm if the Omnibus Sworn statement will suffice for this requirement.</p>	<p>The Omnibus Sworn Statement is sufficient.</p>
2	SCPC	Item 47 of the SB No. 3	<p>ITB, Page 19: Technical Bid, Item 5</p> <p>Question: [1] Please confirm that the Organization Structure should reflect the key officers of the Bidders set out in the Bidder's GIS?</p> <p>PELCO 1 Response: [1] Yes</p>	<p>Kindly specify the list of officers position you want to be included.</p>	<p>The Board of Directors and the Management Officers of the Bidder. Also, include the Key Technical Officers of the Plant.</p>
3	SCPC	Item 73 of the SB No. 3	<p>ITB, Page 35: Reservation Clause, item 1.c</p> <p>Clarification: Please kindly expound on the instances surrounding the possibility that the PSA will not redound to the benefit of PELCO 1 or the PSA in no longer necessary.</p> <p>PELCO 1 Response: If the offered bid price or contract price is higher than what PELCO 1's is expecting to received from the Bidders, or higher than existing contract price of PELCO 1 to its current power supplier. If there is a significant reduction in the energy purchase of PELCO1 due to continuous pandemic or due to RCOA/RE Law/GEOP/Net metering.</p>	<p>Kindly clarify what you mean by "if offered bid price or contract price is higher than what PELCO 1 is expecting...". Does this mean that PELCO 1 have a "reserve price" or a "ceiling price" on the bid price and/or LCOE? If there is, may we suggest that the "reserve price" or "ceiling price" be made public during the opening of financial bids for transparency similar to CSPs of other DUs.</p>	<p>PELCO 1 does not have a "Reserve Price". However, the Monthly Generation Rates 2018-2021 of PELCO 1's current power supplier are posted at PELCO 1 website under the Rate portion. The Generation Rates are gross of the 50% applicable discounts from the power supplier.</p>
4	SCPC	Revised ITB, Page 23, Item 9.a	<p>As a back-up copy of the Bid Form, in case the file in the USB flash drive is corrupted, Bidders shall submit to the TPBAC Secretariat, via TPBAC official email (tpbac@pelco1.org.ph and pelco1tpbac@gmail.com), an electronic copy of the password-protected Bid Form on the bid opening date, at about 11:00 AM.</p>	<p>Please confirm if Bidders should email on or before 11AM at the Bid Opening date or will it only be emailed upon request in case of USB corruption.</p>	<p>Without any further notice, Bidder must send thru email the back-up copy of the Bid Form (password protected Excel format) at about 11:00AM on the bid opening date.</p>

5	SCPC	Revised ITB, Page 28, Item 3	<p>Post-Qualification</p> <p>3. If the TPBAC determines that the Bidder with the LCB passes all the criteria for post-qualification, it shall declare the said Bid as the Lowest Calculated Responsive Bid ("LCRB"), and recommend to the PELCO 1 Board the award of the PSA to the said Bidder.</p>	<p>Please specify the "criteria for post-qualification" and how it is used in the evaluation considering that the main intention of the CSP as per EPIRA and DOE is to provide the least cost of power to the customers.</p>	<p>Bidder is required to present the original copies of the documents. The criteria include the showing of proof or convincing evidence of technical and financial capability to supply the required capacity and energy. The required documents are outlined in the revised "Annex C" of the ITB (version June 16, 2021).</p>
6	SCPC	Revised ITB, Page 18	<p>Fuel Index</p>	<p>We would like the TPBAC to reconsider the following suggestion raised during the Pre-Bid Conference 2:</p> <p>Reference Market Prices, Indices, ForEx:</p> <p>Using the base fuel index of 94.92 USD/MT, and applying the escalation of 1.59% p.a. yields a forecast fuel index that is significantly higher than, and not representative of, the World Bank Commodity Price Data (The Pink Sheet) projection.</p> <p>Since the TPBAC used the World Bank forecast, we suggest to set the base fuel index to the 2021 world bank forecast at, 78 USD/MT, and set the escalation to the average annual rate of change of the world bank forecast only for 2022 to 2030, at -2.47%. Using this base index and the computed rate of change, the resulting annual forecast is almost equal to the world bank forecast.</p> <p>During the said Pre-Bid Conference, the TPBAC explained that they used the 2016 to 2030 average to capture the longer-term behavior of the Newcastle Index. If the TPBAC sticks to the 15-year average change, we suggest to set the base index to the average of 2015, as setting it to the original March 2021 index will disproportionately skew the forecast indices to the high side.</p>	<p>For evaluation purposes, the Fuel price index is set to 73.28 USD/MT, consistent with the fuel escalation rate of 1.59%.</p> <p>These values were taken from the 5-year historical and 10-year forecast average monthly data (Australian Coal Price) in the World Bank Commodity Price data.</p>

11	TEC	Revised ITB, Annex C, T13		Please advise on the acceptable proof of availability of contingency fuel supply for at least 30-day running period	Certification issued by the Bidder's Officer who is responsible in the management, monitoring, control and inventory of the fuel supply, supported by fuel inventory and fuel consumption reports in Jan 2021 to May 2021. Also, provide the fuel supply plan of 2021 certified by the competent authority of the Bidder.
12	TEC	Revised ITB, Annex C, F2		Kindly confirm also what value or limit should the Credit Line Certification cover in case the NFCC is negative.	The Credit Line Certificate must be sufficient to cover at least 30% of the one (1) year contract cost.

Abbreviation of Bidders:

- 1 TeaM Energy Corp. ("TEC")
- 2 Sem-Calaca Power Corp. ("SCPC")
- 3 AC Energy Corp. ("ACEN")
- 4 Solar Philippines Power Project Holdings Inc. ("SPPPHI")
- 5 Energy Development Corp. ("EDC")
- 6 Therma Luzon Inc. ("TLI")
- 7 Masinloc Power Partners Co. Ltd. ("MPPCL")
- 8 SN Aboitiz Power - Magat, Inc. ("SNAPMI")

7	SCPC	Bid Form	Indices Application	<p>We would like the TPBAC to reconsider the following comment raised during the Pre-Bid Conference 2:</p> <p>On the application of the indices in the Bid Form.</p> <p>In the Use Escalation option in Cells D1 to D8 of the "Computation" sheet: while the indices are applied to different price components, not using a specific index applies to all the price components using the index. For example, if the Bidder chooses not to use a PHCPI index, both the FOM and the VOM are affected.</p> <p>We suggest that the choice whether to use a specific escalation or not is applied to each price component. For example, a bidder may choose to use PHCPI index on the VOM and not to use PHCPI index on the FOM. The current structure of the Bid Form does not provide options for this.</p>	The Bid Form (version Jun 3, 2021) was revised accordingly. The newly revised Bid Form (version Jun 17, 2021) provides the options for the escalations.
8	SCPC	Revised ITB, Page 16 & 50 Annex F	NFCC Computation: Value of Outstanding Works Undelivered Portion	<p>Computing for the NFCC requires the value of all outstanding contracts: since the value of our outstanding contracts decrease by the day as we continue providing our customers electric power, what date should we use when computing for this?</p> <p>As of the start of Supply of this Contract? As of the date of submission of the bids? As of the end of the last financial year?</p>	NFCC must be computed Based on May 31, 2021 cut-off data.
9	SCPC	Revised ITB, Page 45 Annex C	F2. Calculation sheet of the Unrestricted Net Worth of the Bidder certified by the Finance Manager or any Authorized Officer of the Bidder. The Unrestricted Net Worth must show at least 30% of the equivalent one (1) year contract cost of the PSA.	<p>How do we compute for the 1st year Contract Cost?</p> <p>Since the start of the Contract is September 26, 2022, do we use the estimated kWh for September 26, 2022 to September 25, 2023? Or do we use the full year 2023 estimated kWh?</p> <p>What price do we use? Do we use the base price computed in Cell D22 of the "Computation" sheet of the Bid Form? Do we add Line Rental only, or VAT only, or both Line Rental and VAT as in Cell D27?</p> <p>Or do we use the escalated prices as in Cell H22 or H27?</p> <p>Or is the 1st Year Contract Cost already computed in Cell H34? Or do we use the Net Present Value (NPV) as in Cell H36?</p>	To compute the equivalent one (1) year contract cost, use the estimated energy of 308,000,000 kWh multiply by the basic energy charge (base rate, including Line Rental and VAT)
10	TEC	Revised ITB, F1.g	Audited Financial Statement and Financial Ratios	Please advise the specific formula for Operating Performance Ratio	The Operating Performance Ratio was removed in the revised ITB (version June 16, 2021).