

E SUBMISSION AND OPENING OF BIDS

ITB 23 Deadline for Submission of Bids

- 23.1 Bids must be received by OMECO TPBAC on or before 12:00 PM (Philippine Standard Time) of April 15, 2021 at the OMECO Main Office, San Jose, Occidental Mindoro.¹ 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 OMECO TPBAC.
- 23.2 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.
- 23.3 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.

ITB 24 Modification and Withdrawal of Bids

- 24.1 The Bidder may modify its Bid after it has been submitted, provided that the modification is received by OMECO TPBAC prior to 12:00 PM 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 "BID SECURITY AND ELIGIBILITY REQUIREMENTS MODIFICATION", "TECHNICAL AND FINANCIAL PROPOSAL MODIFICATION" or "ELECTRONIC COPY OF THE BID MODIFICATION" and stamped "received" by OMECO 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.
- 24.2 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 OMECO TPBAC prior to 12:00 PM deadline of submission of bids. The Letter of Withdrawal must be executed by the duly authorized representative of the Bidder identified in the Omnibus Sworn Statement, a copy of which should be attached to the letter.
- 24.3 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.

¹ In consideration with the COVID-19 Pandemic and Community Quarantine, the venue of submission and opening of bids may be held in Metro Manila.

- 24.4 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 OMECO TPBAC before 12:00 PM 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.
- 24.5 No Bid may be modified after 12:00 PM deadline of submission of bids. No Bid may be withdrawn in the interval between 12:00 PM 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.

ITB 25 Opening of Bids

- 25.1 OMECO TPBAC shall open in public the Bids at 1:00 PM of April 15, 2021 at the OMECO Main Office San Jose, Occidental Mindoro. In case the Bids cannot be opened as scheduled due to justifiable reasons, OMECO 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 OMECO, NEA, and DOE.
- 25.2 Due to the uncertainties brought by the current public health crisis (COVID-19), the venue of submission and opening of bids shall be held in Metro Manila. Final schedule and venue will be announced through a Bid Bulletin.
- 25.3 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.
- 25.4 In order to ensure the transparency and integrity of the bidding process Observers are invited to witness the Submission and Opening of Bids while at the same time keeping Bidder's confidential information. Observers may witness via Facebook Live or may go to OMECO APEC Hall, Main Office, San Jose, Occidental Mindoro for the live free viewing.

The following process and mechanism shall be observed during the opening of bids:

- i. The electronic copy of the Financial Proposal in Excel format saved in a USB will be opened and read by the computer of the TPBAC for evaluation of bid. The screen of this computer can be seen only by the TPBAC, TPBAC-TWG, the Authorized Representative of the Bidder whose bid is being evaluated, and the Independent Observer.
- ii. The TPBAC, the TPBAC-TWG, the Authorized Representative of the Bidder and the Independent Observer shall verify whether the information

in the computer screen and the hard copy of the financial bid form are exact replica.

- iii. The computer program for the evaluation of the bid shall calculate the levelized price of the Bidder and will flash to the computer and the large screen that can be viewed by the public. The TPBAC, the TPBAC-TWG, the Authorized Representative of the Bidder and the Independent Observer shall attest to the fact that the calculated levelized price of the Bidder as it appear in the computer screen and the calculated levelized price that is flashed in the large screen are one and the same.
 - iv. The submitted financial proposal shall also indicate the Bidder's calculated levelized price. This part of the hard copy of the bid form shall also be flashed to the large screen.
 - v. It is expected that the evaluation computer program of the TPBAC and the Bidder's bid form will give the same calculated levelized price following the equations in the Evaluation Methodology ITB 28. In the event that the results are different, the TPBAC shall use the output of the evaluation computer program as final evaluation of the bid.
- 25.5 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

ITB 26 Examination of Eligibility Requirements

- 26.1 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 **ITB 14** and **Annex C** hereof are rated "**PASSED**", the Bid shall be rated "**PASSED**". Otherwise, it shall be rated "**FAILED**".
- 26.2 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.
- 26.3 The TPBAC shall open ENVELOPE 2 and 3 of each Bidder that was rated "PASSED" for eligibility.

- 26.4 The TPBAC shall prepare the minutes or notes of the proceedings of the Bid opening that shall include, as a minimum: (a) Abstract of Bids as read including names of Bidders, presence of Bid Security, and findings of preliminary examination; and (b) attendance sheet. The TPBAC members, Bidders, and Observers shall sign the abstract of Bids as read.
- 26.5 The TPBAC shall ensure the integrity, security, and confidentiality of all submitted bids. The Abstract of Bids as read and the minutes of the Bid Opening shall be made available to the public upon written request and payment of PhP 100.00/page to recover cost of materials.

ITB 27 Evaluation of Compliance with Net Dependable Capacity Under Single Outage Contingency and RPS Requirements

- 27.1 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); and
 - (b) Presence of electronic copy of Financial Bid (in Ms Excel format).
- 27.2 Before the evaluation of bid price, the Bid shall be examined for compliance with the following requirements:
- (a) Dependable Capacity at each power plant location;
 - (b) Single Outage Contingency Unit for SAMARICA; and
 - (c) RPS requirements for each location
- 27.3 The TPBAC-TWG shall open the electronic copy of the Financial Bid Form to ascertain compliance to the minimum Net Dependable Capacity Under Single Outage Contingency indicated in Table 1 and RPS requirements indicated in Table 2.
- 27.4 The Net Dependable Capacity Under Single Outage Contingency at SAMARICA shall be calculated as follows:

$$R-1_Dependable_Capacity = Total_Dependable_Capacity - Max_Loading_{Largest_Unit}$$

$$Total_Dependable_Capacity = \sum Unit_Dependable_Capacity$$

$$Unit_Dependable_Capacity = Unit_Rated_Capacity * Adj_Factor * CCF$$

Where:



R-1_Dependable_Capacity – the Net Dependable Capacity Under Single Outage Contingency

Total_Dependable_Capacity – the Total Guaranteed Capacity that will be available at the Connection Point

Unit_Dependable_Capacity – the capacity of the generating unit after adjusting the rated capacity by factors including environmental conditions, allocation of own-use and system losses

Unit_Rated_Capacity – the capacity of the generating unit in the nameplate

Adj_Factor – the fraction of the generating unit capacity to be applied to the *Unit_Rated_Capacity* to take into account the environmental conditions, plant own-use and system losses

CCF – the applicable Capacity Credit Factor for the power plant technology as provided in **Table 6**.

Table 6: 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%
LNG	100%
Bunker C	100%
LFO Diesel	100%

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

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

- 27.5 The energy for the RPS requirements shall be calculated by multiplying the capacity of the R.E. source to the Availability Factor for the type of technology shown in Table 9 and number of hours for the month,

$$Energy_{month}^{RPS\ Requirements} = Capacity_{month}^{RPS\ Requirements} * AvailabilityFactor^{RPS\ Requirements} * HR_{month}$$

Where:

$Energy_{month}^{RPS\ Requirements}$ – dispatch of an RE Source in a month

$Capacity_{month}^{RPS\ Requirements}$ – Dependable Capacity of RE Source in a month

$AvailabilityFactor^{RPS\ Requirements}$ – Availability Factor of RE Plant provided in **Table 10**

HR_{month} – No. of hours in the month

- 27.6 If a Bid does not comply with the Bid Form requirements and the minimum Dependable Capacity Under Single Outage Contingency and RPS requirements, its Bid Price shall not be calculated anymore, and the Bid Offer shall be deemed disqualified.

G EVALUATION OF BID PRICE

ITB 28 Evaluation Methodology

- 28.1 The Financial Proposal of Bidders shall be evaluated by calculating the Levelized Price over a three and a half year. Considering the applicable inflation of indexable components of the Bid Price and incremental price addition due to Outage Allowance.
- 28.2 **Inflated Prices.** For purposes of evaluating the Bid, the consumer and fuel prices provided in **Table 7** shall be used to inflate the Base Price offered by the Bidder.

Table 7: Consumer Price and Fuel Inflation

Index	Value	Source
PHCPI	2.5% p.a.	Summary Inflation Report Consumer Prices Index (2012-100), Year-on-Year Inflation Rates in the Philippines, All Items, Jan 2015-Dec 2019, http://www.psa.gov.ph/business/price-indices
Oil (Diesel & Bunker)	6.61% p.a.	World Bank Commodities Price Forecast [2020-2030] for Crude Oil (constant US dollars), release date April 2020 www.worldbank.org
LNG	-0.81% p.a.	World Bank Commodities Price Forecast [2020-2030] for Japan LNG (constant US dollars), release date April 2020 www.worldbank.org

- 28.3 The following formula shall be used to calculate the inflated prices for 2021 to 2026:

$$FC2_{year} = k * FC2_{2020} * (1 + PHCPI)^{year-2020} + (1 - k) * FC2_{2020}$$

$$VC1_{year} = k * VC1_{2020} * (1 + PHCPI)^{year-2020} + (1 - k) * VC1_{2020}$$

$$VC2_{year} = k * VC2_{2020} * (1 + a_{fuel})^{year-2020} + (1 - k) * VC2_{2020}$$

Where:

FC2, *VC1*, and *VC2* – are the components of the Bid Prices described in the previous section, while the subscripts denote the value of that price for the given year.

PHCPI – equal to 2.5% 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>.

a_{fuel} – is the annual inflation for the applicable fuel type. For diesel (LFO) and Bunker-C (IFO or HFO) the inflation rate is 6.61% while for LNG -0.81%.

k – is the indexation parameter in percent with an effective value between 0 (for no indexation) to 1 (for full indexation).

- 28.4 **Generation Price per Year.** The generation price per year in Philippine Pesos per kWh (PHP/kWh) per technology type shall be the sum of the four (4) price components:

$$GenPrice_{year} = FC1_{year} + FC2_{year} + VC1_{year} + VC2_{year}$$

- 28.5 **Generation Price After Tax.** The generation price per year shall be applied with the applicable taxes depending on the type of technology. **Table 8** specifies 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%

- 28.6 **Energy Dispatch.** The generation cost shall be computed based on simulated dispatch of power plants following the Merit Order shown in **Table 9** and Availability Factors in **Table 10** for purposes of evaluation. The annual dispatch per area are shown in **Table 11**. The total monthly energy shall be allocated to each offered technology. RE technologies shall have priority dispatch over non-renewable technologies.

Table 9: Merit Order Table

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

Table 10: Availability Factor of Power Plant*

Power Plant	Availability Factor (%)
Solar	15%
Hydro	60%
Biomass	72%
LNG	85% or Residual Energy after RE whichever is lower
Bunker-C Diesel	85% or Residual Energy after RE and LNG whichever is lower
LFO Diesel	Residual Energy after RE, LNG and Bunker-C Diesel

*assumed constant in all months for purposes of evaluation

Table 11: Annual Dispatch per Area

TABLE II: Annual Dispatch per Area													
SAMARICA													
Month	Hours	2021		2022		2023		2024		2025		2026	
		Peak (MW)	Energy (MWh)	Peak (MW)	Energy (MWh)	Peak (MW)	Energy (MWh)	Peak (MW)	Energy (MWh)	Peak (MW)	Energy (MWh)	Peak (MW)	Energy (MWh)
January	744			17.01	7,881	18.12	8,396	19.25	8,920	20.41	9,453	21.58	9,997
February	744			15.65	8,106	16.67	8,635	17.71	9,174	18.77	9,723	19.85	10,282
March	672			16.41	7,948	17.48	8,467	18.57	8,995	19.68	9,534	20.82	10,082
April	744			18.38	9,336	19.58	9,946	20.8	10,566	22.04	11,199	23.31	11,843
May	720			19.34	10,102	20.6	10,761	21.89	11,432	23.2	12,117	24.53	12,814
June	744			18.38	9,176	19.58	9,774	20.80	10,384	22.05	11,006	23.32	11,639
July	720	13.89	7,321	15.91	7,823	16.95	8,332	18.01	8,852	19.08	9,382	20.18	9,922
August	744	13.63	7,670	15.61	8,195	16.63	8,729	17.67	9,274	18.72	9,829	19.8	10,394
September	744	13.27	7,651	15.19	8,175	16.18	8,708	17.19	9,252	18.22	9,805	19.27	10,370
October	720	14.77	8,494	16.91	9,075	18.02	9,667	19.14	10,271	20.29	10,885	21.45	11,511
November	744	15.1	8,887	17.52	9,496	18.66	10,115	19.83	10,746	21.02	11,390	22.23	12,045
December	720	14.91	8,327	17.06	8,897	18.19	9,478	19.33	10,069	20.49	10,672	21.66	11,285
ANNUAL ENERGY (MWh)			48,350		104,329		111,008		117,930		124,595		132,185

*Occidental Mindoro Electric Cooperative, Inc.
Competitive Selection Process for Short-Term Power Supply*

Month	Hours	Balete											
		2021		2022		2023		2024		2025		2026	
		Peak (MW)	Energy (MWH)	Peak (MW)	Energy (MWH)	Peak (MW)	Energy (MWH)	Peak (MW)	Energy (MWH)	Peak (MW)	Energy (MWH)	Peak (MW)	Energy (MWH)
January	744			3.89	1,803	4.13	1,920	4.40	2,040	4.67	2,162	4.94	2,287
February	744			3.58	1,854	3.81	1,975	4.05	2,098	4.39	2,224	4.54	2,352
March	672			3.75	1,818	4.00	1,937	4.25	2,058	4.50	2,181	4.75	2,306
April	744			4.20	2,136	4.48	2,275	4.75	2,417	5.04	2,561	5.33	2,709
May	720			4.42	2,311	4.71	2,461	5.01	2,615	5.31	2,771	5.61	2,931
June	744			4.20	2,099	4.48	2,236	4.75	2,375	5.04	2,517	5.33	2,662
July	720	3.41	1,675	3.64	1,789	3.88	1,906	4.12	2,025	4.37	2,146	4.62	2,269
August	744	3.34	1,754	3.57	1,874	3.80	1,997	4.04	2,121	4.28	2,248	4.53	2,377
September	744	3.25	1,750	3.48	1,870	3.70	1,992	3.93	2,116	4.17	2,243	4.41	2,372
October	720	3.62	1,943	3.87	2,076	4.12	2,211	4.38	2,349	4.64	2,490	4.91	2,633
November	744	3.75	2,033	4.01	2,173	4.27	2,314	4.54	2,458	4.81	2,606	5.08	2,755
December	720	3.66	1,905	3.91	2,035	4.16	2,168	4.42	2,303	4.69	2,441	4.96	2,581
ANNUAL ENERGY (MWH)			11,660		21,637		25,362		26,975		28,589		30,234

Month	Hours	MAPSA											
		2021		2022		2023		2024		2025		2026	
		Peak (MW)	Energy (MWH)	Peak (MW)	Energy (MWH)	Peak (MW)	Energy (MWH)	Peak (MW)	Energy (MWH)	Peak (MW)	Energy (MWH)	Peak (MW)	Energy (MWH)
January	744			6.31	2,923	6.72	3,114	7.14	3,308	7.57	3,506	8	3,708
February	744			5.80	3,007	6.18	3,203	6.57	3,403	6.96	3,606	7.36	3,814
March	672			6.09	2,948	6.48	3,141	6.89	3,336	7.3	3,536	7.72	3,740
April	744			6.82	3,463	7.26	3,689	7.71	3,919	8.18	4,154	8.65	4,390
May	720			7.17	3,747	7.64	3,991	8.12	4,240	8.6	4,494	9.1	4,753
June	744			6.82	3,483	7.26	3,625	7.72	3,852	8.18	4,082	8.65	4,317
July	720	5.52	2,715	5.90	2,901	6.29	3,091	6.68	3,283	7.08	3,480	7.49	3,680
August	744	5.42	2,845	5.79	3,039	6.17	3,238	6.55	3,440	6.94	3,646	7.34	3,855
September	744	5.27	2,838	5.64	3,032	6.00	3,230	6.38	3,432	6.76	3,637	7.15	3,846
October	720	5.87	3,150	6.27	3,366	6.68	3,586	7.10	3,809	7.52	4,037	7.96	4,270
November	744	6.08	3,296	6.50	3,522	6.92	3,752	7.35	3,986	7.79	4,224	8.24	4,467
December	720	5.93	3,089	6.34	3,300	6.75	3,515	7.17	3,735	7.6	3,958	8.04	4,186
ANNUAL ENERGY (MWH)			17,933		31,651		41,175		42,742		46,380		49,029

28.7 Priority Dispatch. The monthly energy dispatch for RE technologies shall be equal to the Capacity offered in the Bid multiplied by the corresponding Availability Factor for the technology type shown in **Table 10**, multiplied by number of hours for the month calculated as.

$$Energy_{month}^{Priority_Dispatch} = Capacity_{month}^{Priority_Dispatch} * AvailabilityFactor^{Priority_Dispatch} * HR_{month}$$

Where:

$Energy_{month}^{Priority_Dispatch}$ – dispatch of an RE Plant in a month

$Capacity_{month}^{Priority_Dispatch}$ – Dependable Capacity of RE Plant in a month

$AvailabilityFactor^{Priority_Dispatch}$ – Availability Factor of RE Plant provided in **Table 10**

HR_{month} – No.of hours in the month

- 28.8 **Dispatchable Plants.** The expected monthly dispatch of LNG, Bunker-C and Diesel plants shall be computed as the total monthly energy dispatch less the energy dispatch of all the RE plants according to the following equations:

$$Energy_{month}^{LNG} = Energy_{month}^{Total} - \sum_{month}^{Priority_Dispatch} (Energy_{month}^{Priority_Dispatch})$$

$$Energy_{month}^{Bunker-C} = Energy_{month}^{Total} - \sum_{month}^{Priority_Dispatch} (Energy_{month}^{Priority_Dispatch}) - Energy_{month}^{LNG}$$

$$Energy_{month}^{LFO\ Diesel} = Energy_{month}^{Total} - \sum_{month}^{Priority_Dispatch} (Energy_{month}^{Priority_Dispatch}) - Energy_{month}^{LNG} - Energy_{month}^{Bunker-C}$$

Where:

$Energy_{month}^{Dispatchable}$ – dispatch of a Dispatchable Plant in a month

$Energy_{month}^{Total}$ – the monthly energy requirement

$Energy_{month}^{Priority_Dispatch}$ – dispatch of RE Plant in a month

- 28.9 **CUF and Monthly Prices.** The Capacity Utilization Factor (CUF) for the Dispatchable 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 Dependable Capacity and the number of hours in the month.

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

Where:

$CUF_{month}^{Dispatchable}$ – Capacity Utilization Factor of the dispatchable power plant in a month

$Capacity_{month}^{Dispatchable}$ – Dependable Capacity of the dispatchable power plant in a month

HR_{month} – Number of Hours in a month

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- 28.10 Annual Generation Costs.** The total annual generation cost shall be the sum of the annual generation costs for each of the priority and dispatchable power plants taken from the monthly Generation Costs using the inflated generation prices after tax in accordance with **ITB 28.2** to **ITB 28.5**.

$$GenCost_{year}^{TOTAL} = GenCost_{year}^{Priority} + GenCost_{year}^{Dispatchable}$$

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

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

- 28.11 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 **ITB Clause 28.10** by the annual energy dispatch.

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

- 28.12 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 and the more reliable its power plants are). For purposes of evaluation, the calculated Average Generation Price in **ITB 28.11** 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 Hours and Unscheduled Outage Hours 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:

$GenPrice_{year}^{ADJ}$ – Adjusted Generation Price due to Allowed Outage

$GenPrice_{year}^{Generated}$ – Component of the Adjusted Generation Price from the net energy generated by the power plants at Average Generation Price

$GenPrice_{year}^{Outage}$ – Component of the Adjusted Generation Price from the equivalent outage energy at substituted Operating Reserve Price

$GenPrice_{year}^{Reserve}$ – 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 price²

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

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

- 28.14 **Discounted Adjusted Generation Cost.** The adjusted annual generation costs (due to Allowed Outage) from 2021 to 2024 shall be added together and translated to their discounted value in 2020 using Present Worth Factors (PWF). A discount rate equal to the PHCPI shall be used.³

$$PWGenCost_{2020} = \sum_{2021}^{2024} \frac{GenCost_{year}^{ADJ}}{(1 + PHCPI)^{year - 2020}}$$

- 28.15 **Levelized Price.** The Levelized Price shall be calculated by determining the 2020 discounted value of the annuitized Adjusted Generation Cost, divided by the average of the annual energy forecast for the 3.5-year period.

$$LevelizedPrice = \frac{\frac{PWGenCost_{2020}}{AnnuityFactor}}{\sum_{2021}^{2024} (Energy_{year}^{Annual}) / n}$$

Where:

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

$n = 3.5 \text{ years}$

² Estimate for a LFO Diesel as Operating Reserve with annual generation at 10-15% capacity factor [Adopted from MARELCO CSP]

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

H COMPARISON AND SELECTION OF LOWEST CALCULATED BID

ITB 29 Lowest Calculated Bid

- 29.1 The Bid with the lowest calculated Levelized Price for Short-Term Power Supply 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.

ITB 30 Tied Bids

- 30.1 In case of tied Bids, that is, if multiple Bidders have the same calculated 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 **ITB 28**.

ITB 31 Evaluation of Technical Proposal

- 31.1 The Technical Proposal shall be evaluated based on the requirements detailed in **ITB 18**. 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;

ITB 32 Post Qualification

- 32.1 OMECO 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**.
- 32.2 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 two (2) years, 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 two (2) 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 the cooperation period, 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.

32.3 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 two (2) years or as many as exist if less than two (2), together with supporting documents, business license number, and tax identification number among others,
- (b) Statement of the Bidder's Unrestricted 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.

- 32.4 A negative determination shall result in rejection of the Bidder's Bid, in which event OMECO 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.
- 32.5 A positive determination shall result in the declaration of the Bidder as the Bidder with the Lowest Calculated Responsive Bid (LCRB).

I CONTRACT AWARD

ITB 33 Award of Power Supply Agreement

- 33.1 OMECO shall award the PSA to the Bidder whose Bid has been determined to be the Lowest Calculated Responsive Bid (LCRB).
- 33.2 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.

ITB 34 Performance Security

- 34.1 To guarantee the faithful performance by the successful Bidder of its obligations under the PSA, posting of Performance Security shall be maximum thirty-five (35) days from issuance of Notice of Award. Should the Winning Bidder needed additional time to complete the arrangement with the bank for a Letter of Credit, a bank certification indicating that the NPP is arranging for an LC in compliance with the Performance Security requirements of the OMECO CSP. The NPP shall be given maximum of additional ten (10) days to submit Performance Security and sign the PSA.
- 34.2 Performance Security shall be equivalent to the amount indicated in **Table 12** in the form of cashier's check or manager's check issued by a Universal or Commercial Bank in favor of OMECO; or Bank Guarantee or Irrevocable Standby Letter of Credit issued by a Universal or Commercial Bank with a branch in Occidental Mindoro in favor of OMECO (i.e., PNB, LBP, MBTC etc.).



Table 12: Performance Security

Lot	Areas	Required Performance Security (PHP)
I	SAMARICA	74,500,000.00
II	Sabluyan	16,000,000.00
III	MAPSA	25,800,000.00

- 34.3 Failure of the Winning Bidder/s 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 OMECO 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, OMECO TPBAC shall declare the CSP a failure.

ITB 35 Signing of the PSA

- 35.1 OMECO shall enter into a PSA with the Winning Bidder/s upon posting of the Performance Security.
- 35.2 The following documents shall form part of the PSA:
- (e) The PSA itself;
 - (f) Bidding Documents;
 - (g) The Winning Bidder's Bid and all other documents submitted;
 - (h) Performance Security; and
 - (i) Notice of Award of PSA.

J MISCELLANEOUS PROVISIONS

ITB 36 Clarification of Bids

- 36.1 To assist in the evaluation, comparison and post-qualification of the Bids, OMECO 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 OMECO TPBAC shall not be considered.



ITB 37 Reservation Clause

- 37.1 Notwithstanding the eligibility or post-qualification of a Bidder, OMECO 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, OMECO TPBAC shall consider the said Bidder as ineligible and shall disqualify it from submitting a Bid or from obtaining an award or PSA.
- 37.2 The HoPE reserves the right to reject any and all Bids, declare a failure of bidding, or not award the contract in the following situations:
- (a) If there is prima facie evidence of collusion between appropriate public officers or employees of the OMECO, or between the 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.
 - (b) If the TPBAC is found to have failed in following the prescribed bidding procedures.
 - (c) For any justifiable and reasonable ground where the award of the contract will not redound to the benefit of the OMECO as follows: (i) if the physical and economic conditions have significantly changed so as to render the project no longer economically, financially or technically feasible as determined by the HoPE; (ii) if the project is no longer necessary as determined by the HoPE.
 - (d) If the bidder is found to have engaged in any anti-competitive behaviour including but not limited to, cross-subsidization, price or market manipulation, or other unfair trade practices detrimental to the encouragement and protection of contestable markets under Section 45 of R.A. 9136.
 - (e) If the bidder is found to have engaged in any Anti-Competitive Behavior and Other Unfair Trade Practices stated in Section 8, Rule 11 of the IRR of R.A. No. 9136.
 - (f) If the bidder is found to have a "conflict of interest" as a competitor consistent with the intent of Section 26-A (g) of PD.269, an amendment to PD.269 by R.A. 10531.
- 37.3 The TPBAC does not assume any obligation to compensate or indemnify parties for any expense or loss that they may incur as a result of their participation in the Bidding nor does it guarantee that an award will be made.

- 37.4 The TPBAC reserves the right to modify, supplement, or change the Bidding Procedures and other aspects of the Bidding Process at any time, including the schedule and the venue provided herein, for any reason whatsoever and without giving prior notice. Interested parties and/or Bidders shall be notified subsequently of such modifications, supplements, or changes.
- 37.5 In any of the foregoing circumstances, the Bidder shall be notified in writing of the rejection of its Bid and/or its disqualification and shall be given an opportunity to be heard and/or respond in writing. Thereafter, the HoPE shall notify the Bidder in writing of its determination whether or not to reject the Bid and/or disqualify the Bidder with finality.

ITB 38 Process to be Confidential

- 38.1 The HOPE, members of the TPBAC, including its staff and personnel, 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.
- 38.2 All OMECO Information for Due Diligence Studies provided to the Bidders is confidential. Bidders are prohibited from distributing this information to other persons or entities other than the Bidder or its official representatives.

ITB 39 Failure of Bidding

- 39.1 OMECO 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.

ITB 40 Protest Mechanism and Dispute Resolution

- 40.1 Decisions of the TPBAC at any stage of the procurement process may be questioned by filing a request for reconsideration within three (3) calendar days upon receipt of written notice. The TPBAC shall decide on the request for reconsideration within seven (7) calendar days from receipt thereof. The bidder shall not be allowed to submit additional documents to correct any defects in the bid submitted.

If a failed bidder signifies his intent to file a request for reconsideration, the TPBAC shall keep the bid envelopes of the said failed bidder unopened and/or duly sealed until such time that the request for reconsideration has been resolved.



- 40.2 In the event that the request for reconsideration is denied, decisions of the TPBAC may be protested in writing to the HoPE: Provided, however, That a prior request for reconsideration should have been filed by the party concerned in accordance with the preceding Section, and the same has been resolved.
- 40.3 The protest must be filed within seven (7) calendar days from receipt by the party concerned of the resolution of the TPBAC denying its request for reconsideration. A protest shall be made by filing a verified position paper with the HoPE concerned, accompanied by the payment of a non-refundable protest fee, which shall be paid in cash in accordance with the following schedule:

INVESTMENT COST RANGE	PROTEST FEE
P50 million and below	0.75% of the Investment Cost
More than P50 million to P100 million	P500,000.00
More than P100 million to P500 million	0.5% of the Investment Cost
More than P500 million to P1 billion	P2,500,000.00
More than P1 billion to P2 billion	0.25% of the Investment Cost
More than P2 billion to P5 billion	P5,000,000.00
More than P5 billion	0.1 % of the Investment Cost

- 40.4 The verified position paper shall contain the following information:

- a) The name of bidder;
- b) The office address of the bidder;
- c) The name of project/contract;
- d) The implementing office/agency or Procuring Entity;
- e) A brief statement of facts;
- f) The issue to be resolved; and
- g) Such other matters and information pertinent and relevant to the proper resolution of the protest.

The position paper is verified by an affidavit that the affiant has read and understood the contents thereof and that the allegations therein are true and correct of his personal knowledge or based on authentic records. An unverified position paper shall be considered unsigned, produces no legal effect, and results to the outright dismissal of the protest.

In addition, the bidder shall likewise certify under oath that:



- a) he has not theretofore commenced any action or filed any claim involving the same issues in any court, tribunal or quasi-judicial agency and, to the best of his knowledge, no such other action or claim is pending therein;
- b) if there is such other pending action or claim, he is including a complete statement of the present status thereof; and
- c) if he should thereafter learn that the same or similar action or claim has been filed or is pending, he shall report that fact within five (5) days therefrom to the HoPE wherein his protest is filed.

Failure to comply with the foregoing requirements shall not be curable by mere amendment of the verified position paper.

