



INVITATION TO BID

GENERAL INFORMATION:

The **Zamboanga City Electric Cooperative, Inc. (ZAMCELCO, Inc.)**, through its **Third-Party Bids and Awards Committee (TPBAC)** invites interested power generators to participate in the Competitive Selection Process (CSP) for the procurement of **40 MW Firm, Base Load Capacity** for the period 2022 to 2028, the conclusion of ZAMCELCO's approved franchise.

ZAMCELCO caters to the franchise area coverage consisting of Ninety-Eight (98) barangays, ninety (90) of which are in the mainland and eight (08) are off-grid (island barangays). For the period 2021 to 2030, the cooperative is in need of Forty (40) megawatts minimum, based on its load profile or projected demand growth.

ELIGIBILITY REQUIREMENTS:

A Bidder must be a Generation Company that owns and operates or is capable of building and operating Firm, Baseload Power Plant with a Certificate of Compliance issued by the Energy Regulatory Commission and Certificate of Endorsement from the Department of Energy (DOE) and a track record in the construction and operation of Firm, Baseload Power Plant to be eligible to participate in this Competitive Selection Process.

Bidding is restricted to Corporations and/or Joint Venture with at least sixty percent (60%) interest or outstanding capital stock belonging to Filipino citizens in compliance with Section 2, Article XII of the 1987 Philippine Constitution if source or sources of energy involves exploration, development, and utilization of natural resources. Otherwise, there is no limitation to ownership if fuel used is hydrocarbon like coal, oil, natural gas, etc.

Bidding will be conducted in compliance with the ERC Resolution 13, Series of 2015; DOE Circular No. DC2018-02-003; and NEA Memorandum 2019-007. Criteria for eligibility check, examination, and evaluation of bids and post qualification shall be in accordance with the NEA Procurement Guidelines and Simplified Bidding Procedures for Electric Cooperative.

INFORMATION MEMORANDUM:

A complete set of Bid Documents may be purchased by the interested Bidders from January 10, 2022 to January 24, 2022 from the address below upon submission of Letter of Intent and payment of a non-refundable fee of Five-Hundred Thousand Pesos (Php 500,000.00), which describes the rules and regulations of this Competitive Selection Process and the methodology for evaluating bid proposals. Payment of the Participation Fee shall be

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made in person through a Bidder's Authorized Representative at ZAMCELCO's Main Office during office hours only, or deposit to **Bank of Commerce Account No. 029-00-001214-7**.

Only bidders who have successfully secured the Bidding Documents will be invited to the *PRE-BID CONFERENCE*, which will take place on **January 28, 2022, at 9:00 AM At ZAMCELCO's Compound** or at a designated new venue depending on the number of participants. Availability of the Bid Document will be on **January 18, 2022**, at the following address:

THE THIRD-PARTY BIDS AND AWARDS COMMITTEE (TPBAC)
Business Address: ZAMCELCO Main Office, MCLL Highway, Putik, Zamboanga City
E-mail Address: sulay.talla@zamcelco.com.ph

Contact Person:

SULAY IV A. TALLA (<i>TPBAC Secretariat Chairperson</i>)	Mobile No. +639173011083
NEIL FRANCIS M. DONGUINES	Mobile No. +639058159686

Interested Generation Companies or proponents may obtain further information concerning the Competitive Selection Process in person or write the ZAMCELCO TPBAC. The communication shall be addressed to the TPBAC Chairman, through the Secretariat, at this email address: sulay.talla@zamcelco.com.ph.

The pre-bid conference and opening of bid proposals shall be done face-to-face or in person except when the IATF shall issue strict guidelines that shall render "face-to-face meetings" impracticable in which case the TPBAC shall issue guidelines for a virtual conference. The submission of bids shall be filed personally. However, should a bidder wish to submit his bid via courier service, the same shall be deemed submitted only upon the actual date of receipt by the TPBAC.

The following table shows the Transaction Schedule or the Competitive Selection Process (CSP) activities:

Activity	Time	Date
1st Publication of Invitation to Bid		January 10, 2022
2nd Publication of Invitation to Bid		January 17, 2022
Availability of the Bidding Documents		January 18, 2022
Pre Bid Conference	9:00 AM	January 28, 2022
Deadline for purchase of Bid Documents		March 09, 2022
Submission, Receipts and Opening of Bids	9:00 AM	March 09, 2022
Bid Evaluation and Declaration of Lowest Calculated Bid		March 11, 2022
Post-Qualification, Detailed Evaluation of Bids of Lowest Calculated and Deadline of the TWG recommendation to the TPBAC		March 22, 2022
Recommendation to Award		March 28, 2022
Notice of Award		April 28, 2022
PSA Signing		May 16, 2022
Joint Filling		May 20, 2022

Handwritten signature



The TPBAC reserves the authority to change bidding schedules, waive minor deviations, reject any and all offers, declare a bidding failure, and refuse to award at any time prior to contract award in accordance with existing laws and regulations, without thereby incurring any liability to the affected Bidder or Bidders.

MELBURGO S. CHIU

TPBAC Chairperson

Noted/Approved:

MS. HELEN MAE Q. IJIRANI

Deputy-Chief Management Officer, IM

ENGR. GANNYMEDE B. TIU

Acting General Manager



ZAMCELCO Terms of Reference for 40 MW Firm, Baseload

SUBJECT MATTER	DESCRIPTION	REQUIREMENTS
Type of Contract	Firm: Base Load	Single contract from a single power plant for Baseload Capacity
Contracted Capacity (MW)	40 MW, 24/7	<ul style="list-style-type: none"> ➤ Minimum guaranteed block power supply from a single Source Power Plant. ➤ Delivery and metering of Contract Quantity at ZAMCELCO's Connection and Metering points to the Grid. ➤ Guaranteed Supply of Base Load Capacity for the duration of the Power Sales Agreement (PSA) ➤ Option to reduce contract quantities due to Retail Competition and Open Access (RCOA) equivalent to the load and associated energy of the Contestable Customer.
Contracted Energy (kWh per year)	350,400,000 kWh	<ul style="list-style-type: none"> ➤ Indicative Energy requirement of ZAMCELCO for the whole duration of the contract energy period based on the DDP and PSPP or any generating plant that is/are available to supply ZAMCELCO's power supply requirements before the target delivery date.
Dependable Capacity (MW)	40 MW, Firm, Baseload and 24/7 supply	<ul style="list-style-type: none"> ➤ The dependable capacity is reckoned at the receiving point of ZAMCELCO
Contract Duration	Seven (7) years	<ul style="list-style-type: none"> ➤ Start delivery of electricity upon issuance of ERC Provisional or Final Approval or the Supply Effective Date of the PSA until Eighty-Four (84) calendar months thereafter unless terminated earlier.
Target Delivery Date (MM/DD/YYYY)	April 26, 2022 or upon approval of ERC	<ul style="list-style-type: none"> ➤ 26th day of April 2022 assuming ERC approval of the PSA is acquired by both parties, whether provisional or final; or the next immediate 26th day of the month following the approval of ERC. ➤ If the supplier assumes the delivery of energy to ZAMCELCO with the final approval or provisional



		approval from the ERC, then the rate to be used must be indicated.
Schedule of Delivery	Firm, Baseload and 24/7 supply	➤ Replacement power should be provided during planned and unplanned outages.
<p>Tariff Structure (Landed cost/Referred at the Receiving/Connection Point)</p> <p>Landed cost refers to the final total generation cost to be billed to the EC inclusive of interconnection facilities, transmission charges, metering charges and any applicable indexations except on Capacity Fee</p>	<p>Bidder to indicate its proposed prices with the following components:</p> <p>True Cost of Generation Rate:</p> <p>a.) Capital Recovery Fee- (Php/kw-month)</p> <p>b.) Fixed Operation and Maintenance Fee- (Php/kw-month)</p> <p>c.) Variable Operation and Maintenance Fee- (Php/kWh)</p> <p>d.) Fuel Fee- (Php/kwh)</p>	<p>➤ The Bidder shall specify formula for base fee adjustment affected by factor such as CPI, FOREX & Escalation due to fuel degradation & others.</p> <ul style="list-style-type: none"> • No indexation or escalation on Capital Recovery Fee (CRF) • Fixed O&M fee shall be indexed on Philippine Peso • Variable O&M fee shall be indexed on FOREX and Philippine CPI • Fossil fuel is passed on charge based on actual market price but limited to guaranteed fuel rate per Li/kWh • Lube Oil is based on local market price Li/kWh • For RE, CRF can be indexed to average FOREX during the construction period • Present leveled cost of electricity for the 7 years term <p>➤ The bidder must fill-up the Total Project Cost Template, as deemed applicable, and may present basis and calculation of fees proposed to be provided by ZAMCELCO.</p> <p>➤ The Bidder must submit sample bills in excel format for the process of evaluation</p> <p>➤ Suspension of CRF payments during a pandemic shall only be granted when government restrictions are so extreme, such that Member Consumers/Owners of ZAMCELCO are restricted from making payments.</p>
Outage Allowance per plant	Depending on the technology, annual scheduled and unscheduled outages shall not exceed the values set in Table 1, Annex A of the ERC Resolution No. 10, Series of 2020 entitled "A Resolution Adopting the interim Reliability Performance Indices	<p>➤ The Bidder must reflect the indicative breakdown of Scheduled and Unscheduled Outages.</p> <ul style="list-style-type: none"> • Scheduled Outages: not more than the average number of days allowed of the particular technology in Annex A of ERC Resolution No. 10, Series of 2020, for each Contract Year during which times reduced or no deliveries will be available to the Buyer. • Unscheduled Outages: not more than the average number of days allowed of the particular technology in Annex A of ERC Resolution No. 10, Series of 2020, for each



	<p>and Equivalent Outage Days per year of Generation Units”, on the number of allowable outage allowance whichever is favorable to ZAMCELCO. Major maintenance outage allowance shall not exceed 720 hours once every five (5) years counted from the most recent major maintenance of the Source Power Plant.</p>	<p>Contract Year during which times reduced or no deliveries will be available to the Buyer.</p> <ul style="list-style-type: none"> ➤ Any unutilized Allowed Scheduled and Unscheduled Outage allowances within a calendar year will not be accumulated for use during the succeeding years of the cooperation period. ➤ In the event that the supplier failed to deliver the scheduled contracted energy, the supplier shall be liable for the deficiency, and shall shoulder the corresponding charges and costs. ➤ Scheduled outages shall be declared by the Supplier at the start of each operating year. The actual schedule shall however be determined by the Grid System Operator. ➤ For planned outages, at least two (2) days advance notice before the day of the outage. ➤ For unplanned outages, the Supplier shall inform immediately the EC on the time interval that outage occurred.
<p>Force Majeure</p>	<ul style="list-style-type: none"> ➤ A Force Majeure event shall include, but not be limited to, any of the following: <ol style="list-style-type: none"> a) acts of God, war or acts of the public enemy, whether war be declared or not; b) public disorders, civil disturbance, insurrection, rebellion, sabotage, acts of terrorism, riots, violent demonstrations, blockade, revolution, expropriation, requisition, confiscation, nationalization, export or import restriction or other restrictions, rationing or allocations imposed by any Governmental Authority; c) any effect of unusual elements, including fire, volcanic eruption, landslide, earthquakes, floods, lightning, typhoons, tsunami, perils of sea, or other unusual natural calamities; d) strikes or lockouts or other collective or industrial action by workers or employees; e) air crash, train wrecks or accidents of navigation or breakdown or injury of vessels, accidents to airports, harbors, docks, canals or other assistances to or adjuncts of airline, shipping or navigation, epidemic or quarantine, including failures or delays in transportation; f) radioactive contamination or ionizing radiation; or g) Any System Emergency, and h) Transmission Failure ➤ <u>Effects of Force Majeure.</u> <ol style="list-style-type: none"> a) Except for the obligations of either Party to make any required payments which are already due and demandable under this Contract, the Parties shall be excused from performing their respective obligations under this 	



Contract and shall not be liable for damages or otherwise if and only to the extent that they are unable to so perform or are prevented from performing by reason of the Force Majeure

- b) The non-performing Party shall promptly notify the other Party of the existence of Force Majeure within 24 hours from the occurrence thereof.
- c) The obligation of either Party, which arose before the occurrence of the event that caused the suspension of performance, shall be excused as a result of the Force Majeure.

➤ Term Extension due to Force Majeure Events

- a) The reduced monthly Contract Quantities resulting from the said Force Majeure shall correspond to extension of the Term of this Contract in proportion to the total reduction of energy affecting on the monthly contract quantity pursuant to certain conditions.
- b) If Force Majeure event occurs, the Term shall be extended by a period equal to that during which the effect of the Force Majeure applies; provided, however, that if such effect applies for a period in excess of ninety (90) days, the parties hereto will meet to discuss the basis and terms upon which the arrangements set out in this Contract may be continued. If no agreement is reached within thirty (30) days from the end of the 90-day period, then either Party may, upon giving to the other not less than thirty (30) days' notice, terminate this Contract.
- c) Extension of the PSA due to Force Majeure is subject to ERC's review and approval

➤ The electric cooperative shall not be required or make payments for any of the following:

- (a) Capacity that is unavailable; and
- (b) Capacity that it cannot accept

➤ Neither Party shall be liable for any failure or delay in the performance of its obligations under the PSA if such failure or delay arises out of, but only to the extent caused by, any events of Force Majeure; Provided that the relief granted by the condition in the Force Majeure shall be available only if and to the extent that the Party claiming has and continues to take all steps reasonably within its control to mitigate the effects of such Force Majeure event, and in no event shall late payment or non-payment of money due be excused by any event of Force Majeure.

➤ The Party seeking to rely on an event of Force to excuse failure of delay in the performance of its obligations pursuant to the above condition hereof shall notify the other party as soon as reasonably possible of the nature of the force majeure claimed and to the extent the Force Majeure claimed affects the party's obligation under the Force Majeure Agreement, and such Party shall resume the performance of its obligations as soon as reasonably possible after the event of Force Majeure ceases to exist.

➤ Such other Force Majeure conditions shall be included to the PSA including Epidemic/ Pandemic and all other calamities subject to local and national government regulations and policies.



<p>Replacement Power</p>	<ul style="list-style-type: none"> ➤ During any period of outage whether within and/or beyond the Allowable Outage, the Power Provider shall be responsible in providing the EC with replacement power from the Grid at the Power Provider's expense to ensure continuity of supply in compliance with the cooperation period. ➤ If the outage of the power station extends beyond the Allowable Outage, except for reasons other than Force Majeure events, the Power Provider shall shoulder the additional costs over and above the Contract Price if the EC continues to draw replacement power from the Grid or other sources. ➤ Replacement power shall be the obligation of the supplier. In the event of failure by the Power Provider to provide the contracted capacity or no available replacement power from the Grid or other sources, the EC shall be allowed to source replacement power at the expense of the Power Provider. The Power Provider for its penalty, shall deduct the amount of replacement power not supplied from the Contract Capacity. ➤ Replacement power should be based on ERC-approved rate. If said ERC-approved rate is lower than the existing rate, the difference should be translated to lower the actual rate passed on to the consumer.
<p>Currency</p>	<ul style="list-style-type: none"> ➤ Price offer should be in Philippine Peso.
<p>Regulatory Approvals</p>	<ul style="list-style-type: none"> ➤ The Power Provider shall make the necessary adjustments in accordance with the directives of the ERC. Downward adjustment in the rates shall not be a ground for the termination of the contract and ZAMCELCO should not be made to shoulder the incremental difference. ➤ The terms and conditions under the PSA, including tariff shall be subject to approval of ERC.
<p>Penalties</p>	<ul style="list-style-type: none"> ➤ The Supplier shall be penalized (monetary, etc.) in cases of the following events and circumstances: <ul style="list-style-type: none"> • Delay in COD; • Failure of delivery of power; • Failure of provision of replacement power; and • Violation under the PSA: <ul style="list-style-type: none"> ○ Upon PSA signing, the winning Power Provider shall submit the contract and the Timeline of Activities of the Engineering, Procurement and Construction (EPC) contractor for the power generating facility to be completed. One (1) year of material non-performance based on the submitted Timeline of Activities that is not due to Force Majeure events shall be a sufficient ground for unilateral termination of the PSA by the EC. The EC will also call on the Performance Bond.
<p>Grounds Termination Contract for of</p>	<ul style="list-style-type: none"> ➤ The Agreement shall terminate on the Scheduled Termination Date. ➤ The Agreement may also be terminated in any of the following instances: <ul style="list-style-type: none"> • By written agreement of the Parties.



	<ul style="list-style-type: none"> • If a Change in Circumstances shall have occurred and the Parties fail to agree on amendments to the contract. ➤ If a Party is prevented from the performance of the obligations on account of an extended event of Force Majeure; <ul style="list-style-type: none"> • By the Buyer, if the Seller fails to remedy a Seller Event of Default; or • By the Seller, if the Buyer fails to remedy a Buyer Event of Default. ➤ The Buyer/Off-taker may terminate the Agreement by written notice to the Supplier in cases of: <ul style="list-style-type: none"> • Events of default; • Non-occurrence of Commercial Operation Date; • Expiration of cooperation period and/or Upon Mutual Agreement; • Non-fulfilment of conditions for effective date; • Events of Force Majeure; and • When the Supplier fails to supply for a period of Sixty (60) days for reason wholly attributable to its fault and/or negligence, provided that, the Supplier fails to take reasonable actions or remedies to solve its inability to deliver capacity and energy ➤ The Supplier may terminate the Agreement by written notice to the Buyer/Off-taker when the Buyer/Off-taker: <ul style="list-style-type: none"> • Discontinue operations; • Declares bankruptcy; or • Any financial obligation of the Customer is not paid when due within any applicable grace period.
<p>Source of Power</p>	<p>➤ Open Technology</p>
<p>Plant Capacity</p>	<p>The Power Provider must state in the offer the following:</p> <ol style="list-style-type: none"> a) Total Installed Capacity b) Number of generating units and installed capacity of each unit c) Dependable Capacity d) Plant standby capacity (Pmin) e) Black start capability – In extreme situation during a blackout in the Mindanao Grid, the Power Plant in contract with ZAMCELCO may be called upon by the Grid System Operator to serve as black start power plant, in which case delivery to ZAMCELCO shall be suspended until the Grid normalizes. A black start is the process of restoring an electric power station or a part of an electric grid to operation without relying on the external electric power transmission network to recover from a total or partial shutdown.
<p>Technical Specifications</p>	<p>The Power Provider shall include the following technical specifications of the generating units:</p> <ol style="list-style-type: none"> a) Cold start-up time b) Hot start-up time c) Ramp up and ramp down rates d) Minimum stable load and e) For coal plant, the boiler type, the fuel rate, the fuel design, etc. f) For other technologies, similar information as stated above.



Eligibility Requirements	<ul style="list-style-type: none">➤ Bidders should provide evidence that it is the Owner and/or Operator of the Source Power Plant and that the Source Power Plant has sufficient available capacity to supply the baseload capacity for the term of the PSA➤ Corporations, joint ventures, and partnerships with an international company may participate as a bidder provided, they comply with all requirements of law and regulatory agencies and the TOR, consistent with the intention of ZAMCELCO to contract with a single power plant. Capitalization of Bidders, whose source or sources of energy involves exploration, development, and utilization of natural resources, must be at least sixty percent (60%) Filipino owned in compliance with Section 2, Article XII of the 1987 Philippine Constitution.➤ Bidders must have the following appendices or list of:<ul style="list-style-type: none">• Technical capability/qualification of technical staff and organization structure• The supplier shall have available capacity on or before the COD.• Experience and technical capability/qualification of Management Team/consultants comprising of the firm.
Other Terms and Conditions	<ul style="list-style-type: none">➤ Except for the newly built power plant, all power plant/s that is/are available to supply the ZAMCELCO's power supply requirements, the Matrix of the Bidder's generation portfolio must be supported by copies of its COC's issued by ERC as well as copies of its GCMR and GCIS submissions to ERC for the last five (5) years. The said matrix shall state the following for each power plant:<ul style="list-style-type: none">• Name, installed and dependable Capacity in Kw• Type of Power Plant according to fuel or energy resource• Location and Year completed and commissioned➤ No required Security Deposit from the electric cooperative➤ Payment of bill shall be on the 60th day following the issuance and receipt of the power bill➤ Prompt Payment Discount and other discounts, if any.➤ Value Added Services




Pursuant to DOE Department Circular No. DC 2018-02-003, the incumbent members of the ZAMCELCO Third Party Bids and Awards Committee (*for brevity*, TPBAC), hereby recommend unanimously the Terms of Reference presented herein.


MELBURGO S. CHIU
TPBAC Chairman


ENGR. FREDERIX R. BACO
TPBAC Member


ENGR. MARLON F. PAROT, PEE
TPBAC Member

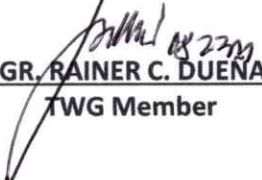

MR. BERNIE R. BARLISO
TPBAC Member


ATTY. GIOVANNI L. LUISTRO
TPBAC Member


ENGR. JOSEPH L. TORIBIO
TWG Chairman


MS. PRICILLA A. ALVAREZ, CPA
TWG Member


ENGR. RONEL JAY S. RAMIREZ
TWG Member


ENGR. RAINER C. DUENAS
TWG Member


ENGR. SULAY IV A. TALLA
TPBAC Secretary