



INVITATION TO BID

COMPETITIVE SELECTION PROCESS (CSP) BY ZAMBOANGA CITY ELECTRIC COOPERATIVE, INC. (ZAMCELCO) FOR EIGHTY-FIVE (85) MW BASE LOAD CAPACITY FOR TEN (10) YEARS POWER SUPPLY AGREEMENT

GENERAL INFORMATION:

The **Zamboanga City Electric Cooperative, Inc. (ZAMCELCO, Inc.)**, through its **Bids and Awards Committee for Competitive Selection Process (BAC-CSP)** invites interested power generators to participate in the Competitive Selection Process (CSP) for the procurement of **85 MW Firm, Baseload Capacity** for the period of ten (10) years.

ZAMCELCO is the sole Distribution Utility in Zamboanga City. Zamboanga City is composed of ninety-eight (98) Barangays, with ZAMCELCO providing services to ninety (90) of them. Among these, eighty-six (86) are Mainland Barangays and four (4) are Off-Grid/Island Barangays. Among the eight (8) barangays not served by ZAMCELCO, four (4) Island Barangays are waived in favor of Qualified Third Party (QTP) and is now being served by NPC, the other four (4) are currently being served and maintained by ZAMSURECO II. For the period of ten (10) years, the cooperative is in need of eighty-five (85) megawatts, 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 through a Competitive Selection Process (CSP) in compliance with the DOE Department Circular No. DC 2023-06-0021 “Prescribing the Policy for the Mandatory Conduct of the Competitive Selection Process by the Distribution Utilities for the Procurement of Power Supply for their Captive Market” where the criteria for eligibility check, examination, evaluation of bids and post qualification shall be in accordance to ERC Resolution No. 16, Series of 2023 and NEA Memorandum No. 2023-057.

INFORMATION MEMORANDUM:

A complete set of Bid Documents may be purchased by the interested Bidders from October 28, 2024 to December 18, 2024 from 8:00 AM-5:00 PM, until December 19, 2024, 9:00 AM, from the address below upon submission of Letter of Intent and payment of a non-refundable fee of Two Million Pesos (Php 2,000,000.00), 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 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 with Account Name ZAMCELCO.**

Only bidders who have successfully secured the Bidding Documents will be invited to the *PRE-BID CONFERENCE*, which will take place on **November 15, 2024, at 10:00 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 **October 28 to December 19, 2024** at the following address:

THE BIDS AND AWARDS COMMITTEE (BAC-CSP)	
<i>Business Address:</i> ZAMCELCO Main Office, MCLL Highway, Putik, Zamboanga City	
<i>E-mail Address:</i> sulay.talla@zamcelco.com.ph & neil.donguines@zamcelco.com.ph	
Contact Person:	
SULAY IV A. TALLA (<i>BAC 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 BAC-CSP. The communication shall be addressed to the ZAMCELCO BAC-CSP Chairperson, through the Secretariat, at these email addresses: sulay.talla@zamcelco.com.ph & neil.donguines@zamcelco.com.ph.

The pre-bid conference and opening of bid proposals shall be done face-to-face. However, attendance to the pre-bid conference is not mandatory but is encouraged and only those who purchased the bid documents are allowed to attend.

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 ZAMCELCO BAC-CSP.

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

TRANSACTION SCHEDULE

This Competitive Selection Process (CSP) for the Generation Company (the “Transaction”) shall adhere to the schedule listed in the Table below. The ZAMCELCO BAC-CSP reserves the right to change any of these schedules. It shall give appropriate and timely notice to participating Bidders in the event of changes in the schedule.

ACTIVITIES	SCHEDULE
1 st Publication of Invitation to Bid	Monday, October 21, 2024
2 nd Publication of Invitation to Bid	Monday, October 28, 2024
Availability of the Bidding Documents	October 28, 2024 to December 18, 2024, from 8:00 AM-5:00 PM, until December 19, 2024, 9:00 AM, ZAMCELCO Main Office, MCLL Highway, Putik, Zamboanga City
Conduct of Pre-Bid Conference	Friday, November 15, 2024, 10:00 AM
Issuance of Bid Bulletin	November 16 to December 3, 2024
Submission of Bids	Thursday, December 19, 2024, Deadline at 9:00 AM
Opening & Evaluation of Bids	Thursday, December 19, 2024, 10:00 AM onwards
Post-Qualification of Bids	Wednesday, January 08, 2025
Issuance of Notice of Award	Wednesday, March 19, 2025
Execution of PSA	Monday, April 07, 2025
PSA Joint Application	Wednesday, May 07, 2025

The ZAMCELCO BAC-CSP 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.

(sgd) ATTY LEIZEL S. LACASTESANTOS
BAC-CSP Chairperson

Approved by:

(sgd) ATTY. ROMMEL S. AGAN, CPA
Chief Management Officer, IM

(sgd) ENGR. GANNYMEDE B. TIU
General Manager



TERM OF REFERENCE

ZAMCELCO Terms of Reference for Baseload

Name of Utility: ZAMBOANGA CITY ELECTRIC COOPERATIVE INC.

Target Date of Publication (as indicated in the PSPP): October 21, 2024

TERMS OF REFERENCE	REQUIREMENT																						
Area/s to be Service	<input checked="" type="checkbox"/> On-Grid <input type="checkbox"/> Off-Grid <input type="checkbox"/> Both On and Off Grid Note: Indicate specific areas to be served for off-grid																						
Demand Requirement	<input checked="" type="checkbox"/> Baseload <input type="checkbox"/> Intermediate <input type="checkbox"/> Peaking																						
Type of Contract	<input checked="" type="checkbox"/> Physical PSA <input type="checkbox"/> Financial PSA																						
Pricing Structure	<input checked="" type="checkbox"/> Capacity-based PSA <input type="checkbox"/> Energy-based PSA																						
Contract Term	<ul style="list-style-type: none"> ➤ Firm: Base Load for ten (10) years ➤ Single contract from a single power plant for Baseload Capacity. ➤ Delivery and metering of Contract Quantity at ZAMCELCO's Connection and Metering points to the Grid. Nominations are therefore referred to at the trading nodes where the delivery and metering points are located in the Grid. ➤ All line rental and congestion charges in the delivery of power shall be for the account of the Supplier. ➤ Guaranteed Supply of Baseload Capacity for the duration of the Power Supply Agreement (PSA). ➤ Option to reduce contract quantities due to Retail Competition and Open Access (RCOA), Green Energy Option Program (GEOP), Renewable Portfolio Standard (RPS), Net-Metering Programs, and other similar government programs equivalent to the load and associated energy of the Contestable Customer. ➤ In the event of non-renewal of the franchise of ZAMCELCO upon its expiration, the existing power supply agreement (PSA) shall continue to take effect for a transitional period of one (1) year. However, its successors-in-interest shall be allowed to terminate the existing agreement earlier and enter into a new power supply agreement unless specified otherwise by Congress. 																						
Dependable Capacity (MW)	➤ 85 MW, Firm, Baseload and 24/7 supply (10 years) The dependable capacity is reckoned at the receiving point of ZAMCELCO.																						
Target Delivery Date	➤ 26th day of July 2025; or the next immediate 26 th day of the month following the approval of ERC, whether provisional or final.																						
Schedule of Delivery	➤ Firm, Baseload and 24/7 supply																						
For Capacity-based PSA	<table border="1"> <thead> <tr> <th>Year</th> <th>Capacity Requirement</th> </tr> </thead> <tbody> <tr><td>Year 1</td><td>85 MW</td></tr> <tr><td>Year 2</td><td>85 MW</td></tr> <tr><td>Year 3</td><td>85 MW</td></tr> <tr><td>Year 4</td><td>85 MW</td></tr> <tr><td>Year 5</td><td>85 MW</td></tr> <tr><td>Year 6</td><td>85 MW</td></tr> <tr><td>Year 7</td><td>85 MW</td></tr> <tr><td>Year 8</td><td>85 MW</td></tr> <tr><td>Year 9</td><td>85 MW</td></tr> <tr><td>Year 10</td><td>85 MW</td></tr> </tbody> </table>	Year	Capacity Requirement	Year 1	85 MW	Year 2	85 MW	Year 3	85 MW	Year 4	85 MW	Year 5	85 MW	Year 6	85 MW	Year 7	85 MW	Year 8	85 MW	Year 9	85 MW	Year 10	85 MW
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Preferred Plant Location, if applicable	➤ The proposed Power Plant should be located within the Mindanao Grid and it shall be existing.																						



<p>Tariff Structure</p>	<table border="1" data-bbox="764 309 1317 475"> <thead> <tr> <th>Component</th> <th>Unit</th> </tr> </thead> <tbody> <tr> <td>CRF</td> <td>Php/kw-month</td> </tr> <tr> <td>FOM</td> <td>Php/kw-month</td> </tr> <tr> <td>VOM</td> <td>Php/kwh</td> </tr> <tr> <td>Fuel</td> <td>Php/kwh</td> </tr> </tbody> </table> <ul style="list-style-type: none"> ➤ The Bidder shall specify the formula for base fee adjustment affected by factors such as CPI, FOREX and escalation due to fuel degradation & others. ➤ Capital Recovery Fee-(Php/kw-month) <ul style="list-style-type: none"> a.) Bidder shall provide the offered rate; b.) It will be the same and have no escalation for the next 10 years; ➤ Fixed Operation and Maintenance Fee-(Php/kw-month) <ul style="list-style-type: none"> a.) Bidder shall provide the offered base rate; b.) It will be adjusted using the bidder adjustment formula and the provided indices by ZAMCELCO for CPIs and exchange rate. ➤ Variable Operation and Maintenance Fee- (Php/kWh) <ul style="list-style-type: none"> a.) Bidder shall provide the offered base rate; b.) It will be adjusted using the bidder adjustment formula and the provided indices by ZAMCELCO for CPIs and exchange rate. ➤ Fuel Fee- (Php/kwh) <ul style="list-style-type: none"> a.) Bidder shall provide the offered base rate and compute the fuel fee rate forecasted for the next 10 years using bidder fuel fee formula ➤ 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 ➤ The Bidder must submit sample bills in excel format for the process of evaluation. <ul style="list-style-type: none"> a.) Suspension of CRF payments during Force Majeure. 	Component	Unit	CRF	Php/kw-month	FOM	Php/kw-month	VOM	Php/kwh	Fuel	Php/kwh
Component	Unit										
CRF	Php/kw-month										
FOM	Php/kw-month										
VOM	Php/kwh										
Fuel	Php/kwh										
<p>Outage Allowances per plant</p>	<ul style="list-style-type: none"> ➤ The Bidder must reflect the indicative breakdown of Scheduled and Unscheduled Outages. ➤ 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 Contract Year during which times reduced or no deliveries will be available to the Buyer. ➤ 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. ➤ For planned outages at least two (2) weeks advance notice before the day of the outage. ➤ For unplanned outages, the Power Provider shall inform immediately ZAMCELCO on the time interval that outage occurred. 										



Force Majeure	<ul style="list-style-type: none"> ➤ Force majeure events are extraordinary events not foreseeable or avoidable, or to an event that could not be foreseen, or which, though foreseen, is inevitable and independent of human will or the EC's participation, whether by active intervention, neglect or failure to act. ➤ The affected party shall be excused from performance to the extent affected by, and shall not be considered to be in default in respect of, any obligation under the PSA (including any obligation of the Member EC to pay the generation charge for the duration of the Force Majeure event) for so long as the failure to perform such an obligation shall be due to an Event of Force Majeure. ➤ The events of and the effect of Force Majeure on the obligations of the parties are provided in the PSA.
Replacement Power	<ul style="list-style-type: none"> ➤ Within the Allowed Outage. The procurement of any Replacement Power within the Allowed Outage shall be the responsibility of the Seller. During such outage, Seller shall source Replacement Power from other suppliers or from the WESM, at its own expense to ensure continuity of power supply in compliance with the cooperation period. ➤ Beyond the Allowed Outage. The procurement of any Replacement Power beyond the Allowed Outage shall be the responsibility of the Seller. In the event of failure by the Seller to provide the Contract Capacity and/or Contract Energy, except for reasons other than Force Majeure events, the Seller shall be responsible in providing the Buyer with the Replacement Power at the expense of the Seller. Provided further, that the rates to be charged for the procurement of Replacement Power shall be at the actual price of the Replacement Power; or b) the approved charge for the PSA, which is lower.
Form of Payment	<ul style="list-style-type: none"> ➤ In Philippine Peso, PHP
Currency	<ul style="list-style-type: none"> ➤ Price offer should be in Philippine Peso.
Regulatory Approvals	<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.
Penalty provisions in cases of delay in construction of the power plant or commencement of commercial operations	<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; and • Failure of provision of replacement power.
Reduction of Contract Capacity and/or Contract Energy	<ul style="list-style-type: none"> ➤ Option to reduce contract quantities due to Retail Competition and Open Access (RCOA) equivalent to the load and associated energy of the Contestable Customer, Green Energy Option Program (GEOP), Renewable Portfolio Standard (RPS), Net-Metering Programs, and other similar government programs.
Grounds for Termination of Contract	<ul style="list-style-type: none"> ➤ The Agreement shall terminate on the last day of the 10th year from the initial delivery date. ➤ The Agreement may also be terminated in any of the following instances, subject to the approval of the ERC: <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, subject to the approval of the ERC;



	<ul style="list-style-type: none"> • By the Buyer, if the Seller fails to remedy a Seller Event of Force Majeure; or • By the Seller, if the Buyer fails to remedy a Buyer Event of Force Majeure. <p>➤ The Buyer/Off-taker may terminate the Agreement by written notice to the Supplier in cases of, subject to the approval of the ERC:</p> <ul style="list-style-type: none"> • Events of default; • Non-occurrence of the Effective Date; • Non-fulfilment of conditions for Effective Date; • Events of Force Majeure; and • When the Seller fails to supply for a period of Sixty (60) days for reason wholly attributable to its fault and/or negligence, provided that, the Seller fails to take reasonable actions or remedies to solve its inability to deliver capacity and energy. <p>➤ The Supplier may terminate the Agreement by written notice to the Buyer/Off-taker when the Buyer/Off-taker, subject to the approval of the ERC:</p> <ul style="list-style-type: none"> • Discontinue operations; or • Declares bankruptcy
<p>Source of Power</p>	<p>➤ Open Technology</p>
<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.
<p>Eligibility Requirements</p>	<p>➤ Bidders should provide actual evidence of an existing and duly registered plant 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.</p> <p>➤ 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.</p> <p>➤ Bidders must have the following appendices or list of:</p> <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 commencement of the PSA. • Experience and technical capability/qualification of Management Team/consultants comprising of the firm. <p>➤ Bidders and/or its affiliates does not have any pending dispute and/or case with ZAMCELCO.</p> <p>➤ Please refer to Annex A of Instruction to Bidders.</p> <p>➤ 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</p>



	<p>in paragraphs (a) through (c), and a general conflict of interest in any of the circumstances set out in paragraphs (d) through (g) below:</p> <ul style="list-style-type: none">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) 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 ZAMCELCO BAC-CSP 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; andg) 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.
Prompt Payment Discount	<p>➤ Prompt Payment Discount, Collection Efficiency Discount, and other discounts, if any.</p>
Other Terms and Conditions	<p>➤ The Bidder's generation portfolio matrix 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:</p> <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 <p>➤ No required Security Deposit from ZAMCELCO</p> <p>➤ Payment of bill shall be on the 60th day following the issuance and receipt of the power bill.</p> <p>➤ Value Added Services</p>