



# Bantayan Island Electric Cooperative, Inc. (BANELCO)

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## THIRD PARTY BIDS AND AWARDS COMMITTEE (TPBAC) SUPPLEMENTAL BID BULLETIN NO. 3

### Invitation to Submit Bid for the Supply of Power to Bantayan Island Electric Cooperative, Inc. (BANELCO) COMPETITIVE SELECTION PROCESS (CSP)

This bulletin is issued to clarify the terms in the Bidding Documents and Terms of Reference.

ISSUES/QUERIES/SUGGESTIONS	ANSWERS/CLARIFICATION
<p style="text-align: center;"><b>TERMS OF REFERENCE</b></p> <p>1. What would be the final decision of the BANELCO-TPBAC on the issue of Outage Allowance? Will it be in Outage Hours or in Outage Energy (kWhrs)?</p> <p>2. <b>TOTAL INSTALLED CAPACITY = 15MW + COLD RESEVE + N-1</b></p> <p style="text-align: center;"><b>Where:</b> <b>Total installed Capacity = 15MW + 6.0MW + 6.0MW = 27.0MW.</b></p> <p>Instead of one single big unit (say 6.0MW in your illustration) to comply with the requirements of the Cold Reserve and N-1, will the Qualified Bidder be allowed to supply an equivalent rated capacity but with two units or more (say 2 x 3.0MW, etc.)? The Consortium find it more advantageous and appropriate to size the largest install led generating, the N-1 Contingency Reserve and the Cold Reserve comprising with two or more generating sets with an equivalent aggregate rated capacity instead of just one Single large unit.</p> <p>➤ Does your illustration already included the 25% Spinning Reserve requirement or there is still a need to add this requirement in the equation? Can BANELCO-TPBAC reduce the Spinning Reserve requirement?</p>	<p style="text-align: center;"><b>TERMS OF REFERENCE</b></p> <p>➤ It will be Outage hours as per our approved TOR.</p> <p>➤ <b>"The Cold Reserve and N-1 contingency Gensets should be of the same rated capacity of the largest Genset. The largest genset should be capable to supply the BANELCO's base load during off-peak."</b> This requirement was part of the verified and approved TOR that we submitted to NEA and DOE.</p> <p>On the other hand Spinning Reserve can be reduced to ten percent (10%) as per ERC Resolution no.15 series of 2013 of Adopting the Philippine Small Grid Guidelines Sec. 6.3.1.1.a. "The following Notices shall be issued without delay, by the</p>



When the Contingency Reserve is less than ten percent (10%) of the total Synchronized Generating Unit." Therefore, as forecasted on the year 2021, the base load is 5.34MW plus the station use plus the 10% contingency the biggest unit should be at least 6.5MW.

**BIDDING DOCUMENT #1  
(BIDDING PROCEDURES)**

**1. I-05 ELIGIBILITY REQUIREMENTS**

- Xxxxxxx  
(a) The Bidder must be a domestic company or a corporate body, a joint venture or a consortium, as provided for in Schedule 2 (Statement of Qualifications).
  - Are the members of a consortium can be represented by just one (1) lead consortium-member, which shall be supported by secretary's certificates from each consortium-member to designate a lead consortium member and at least one (1) representative who will sign all the documents and be present at the bid submission date.

**2. I-13 BID SECURITY**

- a.) Xxxxxxx
- b.) Xxxxxxx
- c.) The Bid Security shall be issued in favour of Bantayan Island Electric Cooperative, Inc.;

It shall be in the form of Cash or Manager's Check issued and/or confirmed by a reputable banking institution licensed to do business and is operating in the Philippines, which banking institution the Committee may accept or reject, with or without cause, at its own discretion.

- Can the Bid Security be in the form of standby letter of credit?

**3. I-26 PERFORMANCE BOND**

Upon issuance of the "Certificate of

**BIDDING DOCUMENT #1  
(BIDDING PROCEDURES)**

**1. I-05 ELIGIBILITY REQUIREMENTS**

- The members of a consortium can be represented by just one (1) lead consortium-member, which shall be supported by secretary's certificates from each consortium-member to designate a lead consortium member and at least one (1) representative who will sign all the documents and be present at the bid submission date.

**2. I-13 BID SECURITY**

- The Bid Security should be in Manager's Check.

**I-26 PERFORMANCE BOND**



Effectivity", the Winning Bidder is required to post a Performance Bond under the PSA in favour of Bantayan Island Electric Cooperative, Inc., in the amount of 10% of the Total Project Cost in the form of non-interest bearing Manager's Check or surety bond from a reputable banking institution.

- Since the Financial Bid Form does not ask for this information, are the Qualified Bidders required to include the "Total Project Cost"?

- The Total Project Cost is required to be included during the submission of bids.

**BIDDING DOCUMENT #2  
(SCHEDULES TO THE BIDDING  
PROCEDURES)**

**1. Schedule 2  
Annex A-3  
Financial Information**

- Can the TPBAC clarify the reckoning date for the Certificate?

**2. Schedule 2  
Annex A-4  
Technical Capability Information**

1. XXXXXXX
2. XXXXXXX
3. Copy of the Official Receipts as proof of payment for such contract

- "Considering that the plants of Bidder were built more than five (5) years ago, or beyond the time when receipts are required to be kept by the BIR, is it possible to submit other proof that the Contractor was indeed, contracted and paid for Engineering and Design and for Civil and Electromechanical?"

**3. Schedule 2  
Annex A-6  
Confirmation of Eligibility**

- There is an enumeration in the table, namely "Annex A", "Annex B" and "Annex C".
  - Can the TPBAC clarify if we will just enumerate in a tabular form the

**BIDDING DOCUMENT #2  
(SCHEDULES TO THE BIDDING  
PROCEDURES)**

**1. Schedule 2  
Annex A-3  
Financial Information**

- The reckoning date for the Certificate is 2018.  
(Check Supplemental Bid Bulletin No. 1, item #9)

**2. Schedule 2  
Annex A-4  
Technical Capability Information**

- Submitting other proof such as certifications that the Contractor was indeed, contracted and paid for Engineering and Design and for Civil and Electromechanical is allowed.

**3. Schedule 2  
Annex A-6  
Confirmation of Eligibility**

- The Bidder has to physically attach the actual Annexes with markings.



Annexes? Or does the Bidder have to physically attach the actual Annexes?

4. Schedule 2  
Annex A -7  
Power of Attorney and other documents

In Annex A-7 of the Schedules to the Bidding Procedures shows a template for a Secretary's Certificate.

- Is this a separate and distinct Secretary's Certificate that is required in I-16, page 12 of the Bidding Procedures?

5. Schedule 5  
Annex A [of Schedule 5 of the Bidding Procedures]  
Project Description Checklist

1. Xxxxxxx
2. Xxxxxxx
- 2.1 Xxxxx
- 2.2 Xxxxx
- 2.3 Xxxxx
- 2.4 Plant Capacity Installation

Schedule: provide the information in accordance with the following table:

- Does this imply that the Qualified Bidder will be allowed to install the Total Plant Capacity requirement on a staggered basis per year as long as it will be compliant with the BANELCO's forecasted Gross Demand with Contingency Reserve? What will be BANELCO's Minimum Total Plant Rated Capacity Requirement at the time of the Target Commercial Operation Date (March 01, 2021)?

6. Schedule 6  
FB-1 Financial Bid Form

- 15. Based on the above formula for calculating the  $TCGR_{bid}$ , the following constitute our Financial Bid:

4. Schedule 2  
Annex A -7  
Power of Attorney and other documents

- A separate and distinct Secretary's Certificate is required in Annex A-7 of the Schedules to the Bidding Procedures and for I-16 of the Bidding Procedures.

5. Schedule 5  
Annex A [of Schedule 5 of the Bidding Procedures]  
Project Description Checklist

- As already answered during the Pre Bid conference, the full contracted capacity (15MW plus cold reserve and contingency reserve) should already be available during the first Commercial Operations Date ("COD")

6. Schedule 6  
FB-1 Financial Bid Form



TCGR<sub>bd</sub> = \_\_\_\_\_ P/kWh [up to four decimal places]

- In Bidding Documents No. 1 (Bidding Procedures), I-10 Preparations of Bids item #4 provides that "In each part of the Financial Bid, prices shall be expressed in written words and figures." Does this requirement for the prices in words apply also to FB-2 (Financial Model of the Proposed Tariff)?
- What is the standard fuel price to form part of the Bid Documents for purposes of computing the TCGR.

**7. Schedule 8: Documentary Checklist, Schedule 2- Statement of Qualification Forms, pages 46-48**

- Can these documents be waived by the TPBAC and be considered already complied by the Qualified Bidder and therefore be excluded in the Bid Envelope 1 submission? (These documents are already in the possession of BANELCO-TPBAC)

- The Financial Bid Form (FB-2) or the Financial Model of the Proposed Tariff, the prices shall be expressed in figures up to 4 decimal places equivalent to the figures submitted in FB-1.

- The standard fuel price should be:  
Bunker Fuel Price in PhP = 35.58  
Diesel Fuel Price in PhP = 45.22

**7. Schedule 8: Documentary Checklist, Schedule 2- Statement of Qualification Forms, pages 46-48**

- These documents are required during the bid submission. However, you can get the copies of these documents you have submitted during the prequalification.

**BIDDING DOCUMENT #3**  
**(TRANSACTION DOCUMENTS)**

1. On the requirement for a Distribution Impact Study (DIS): should this include single-phase lateral lines and transformers? Considering also that DIS is quite complicated, expensive and would take no less than 4-months to complete. Therefore given the very short time schedule required to submit the Bid (05Sept. 2019), the Qualified Bidders find it impractical and may not be possible. Moreover, the DIS should be an undertaking of the winning bidder instead of requiring this as a bid document.

**BIDDING DOCUMENT #3**  
**(TRANSACTION DOCUMENTS)**

- The Distribution Impact Study (DIS) will be conducted and to be submitted by the winning bidder.

**OTHER MATTERS:**

1. Will the TPBAC reconcile the definition of the terms "Spinning Reserve" and "Cold Reserve" under the 2017 Philippine Grid Code and the Bid

- The spinning reserve is the generating capacity which is connected to a bus (common connection) and is ready to take the



Documents?

2. Can the TPBAC clarify if the Power Supply Agreement is intended to be capacity fee-based or energy fee-based? The Bid Documents is capacity fee-based, while the Power Supply Agreement is energy-based.
3. Can the TPBAC clarify the location of the metering point?
4. Can the TPBAC confirm if in case of conflict between the Terms of Reference and the Bid Documents, the Terms of Reference shall prevail?
5. Will preference be given to a particular make and brand? The TPBAC should add in their evaluation the quality of the proposed engines, to avoid future issues on reliability and performance.
6. The Bidder request for consistency on the following templates shall be used for each signatory page.

**Name of Bidder**

**Signature**

**Name of Representative  
Designation**

7. If the generators already have 13.8 kV output, will a step-up transformer still be required?
8. Instead of 15 MVA, the Bidders proposed 25 MVA.
9. Can the TPBAC confirm its verbal statement that the requirement for one engine to provide power during off-peak will only be for the first year? Please confirm if the largest generating unit should be able to serve the baseload or

load. The **cold reserve** is the reserve generating capacity which is available for service but not in operation.

- Based on the approved TOR it should be a capacity fee-based.
- The location of the metering point is at the existing power take-off inside the BANELCO Compound.
- The Terms of Reference shall prevail since it is reviewed and approved by NEA and DOE.
- The TPBAC will consider the quality of the proposed engines, among others.
- For consistency, the following shall be used for each signatory page:

**Name of Bidder**

**Signature**

**Name of Representative  
Designation**

- Under Sec. 1.1.3 of the Banelco Transaction Documents for Draft PSA "Rated Voltage: The Power Station shall have a rated voltage of 13.2 KV and shall be capable of being synchronized with the Island Grid". We will still use step-up power transformers for the main reason that we can easily adjust the output voltage if it is under or over-voltage by adjusting the tap changer.
- 25MVA step-up power transformer will be used. ( Check Supplemental Bid Bulletin No. 1 item no 2, dated August 23, 2019)
- The largest generating unit should be able to serve the baseload or the off-peak load of the first contract year plus the required spinning reserve.



should be able to serve the baseload or the off-peak load of the first contract year plus the required spinning reserve.

10. Will the TPBAC allow submission of the Acceptance of Bid Procedures (Schedule 2) after Pre-Bid Conference?

➤ Yes. Acceptance of Bid Procedures (Schedule 2) is part of the checklist for bid submission.

11. A minimum of 2 outgoing feeders will support BANELCO's thrust to improve its system reliability. Is the TPBAC amenable to this proposal?

➤ Since BANELCO have only one (1) primary metering facility, we require only one (1) outgoing feeder.

12. Being optimistic of the growth of the BANELCO franchise area, such that the peak demand that has been forecast by BANELCO will be surpassed by Commercial Operations Date ("COD"). The Bidder suggests that upon COD, the full contracted capacity should already be available.

➤ As already answered during the Pre Bid conference, the full contracted capacity (15MW plus cold reserve and contingency reserve) should already be available during the first Commercial Operations Date ("COD")

13. On the requirement for fuel tanks, as long as the volume capacity is achieved, can the Bidder be allowed flexibility in reducing the number of fuel tanks?

➤ As long as the volume capacity is achieved, the bidder can reduce the number of tanks.

14. In response to the DOE's requirement for the need of the Distribution Utilities for a renewable energy supply component and further reduce the Fuel Oil Consumption Rate of the Plant, the Consortium proposed to submit an alternative option incorporating the following:

a.) Special Fuel Oil blend with Crude Palm Oil to further reduce Sulfur Content

b.) Solar Panel with Energy Storage System (ESS)?

➤ Will the Qualified Bidder be allowed to submit an alternative proposal?

➤ No. As per approved TOR, the source of energy is conventional.

15. ON THE TAKE OFF STRUCTURE FROM THE POWER PLANT TO A DISTRIBUTION LINE OF NO MORE THAN 1.0 KM DISTANCE

➤ Will this item be covered under a supplemental bid bulletin to be issued by the BANELCO-TPBAC. Who will shoulder for the supply and installation of this set minimum connection lines? Will it be BANELCO or the Winning Bidder?

➤ As mentioned in Sec. 2.1 Annex A of Schedule 5 of the Bidding Procedures, The bidder shall shoulder the expenses in constructing the distribution lines in accordance with NEA Standards and Philippine Electrical Code going to BANELCO existing power take off.

16. Given the Bidding schedule wherein the last day of submission of comments and

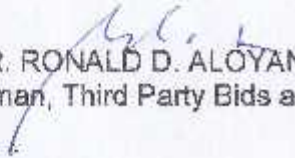
questions on the Bidding Documents of Qualified Bidders of 27 August 2019 and the need for the BANELCO-TPBAC to evaluate and issue answers (Supplemental Bulletin), we find the deadline of submission of Bids of 05 September 2019 hardly workable.

➤ Can extension be granted?

➤ TPBAC understand the predicament of the bidders. We will grant extension upon approval of the Board of Directors of BANELCO.  
( Check Supplemental Bid No. 2, item # 2)

All terms, conditions and instructions to bidders specified in the Bidding Documents and terms of Reference inconsistent with the Bid Bulletin are hereby superseded and modified accordingly.

Issued this 5th day of September 2019 at Bantayan, Cebu.

  
ENGR. RONALD D. ALOYAN  
Chairman, Third Party Bids and Awards Committee