

JOINT REVIEW AND EVALUATION COMMITTEE

RULES AND PROCEDURES ON THE APPLICATION FOR AND AWARD OF COAL OPERATING CONTRACT (COC) IN THE BANGSAMORO AUTONOMOUS REGION IN MUSLIM MINDANAO

I. Application Procedures for Nominated Areas

A. **Request for Area Verification.** The process of nomination shall commence by requesting an Area Verification of the Area of Interest (AOI) from the Ministry of Environment, Natural Resources and Energy – Energy Management and Development Services - Information Technology Management Section (MENRE-EMDS-ITMS), through the submission of the following:

1. Letter of Intent (LOI); and,
2. Location Map of the AOI with the corresponding Technical Description wherein the area shall conform with the existing coal blocking system:
Maximum area for nomination = 15 coal blocks per coal region
(1 coal block = 2 minutes of latitude by 1 1/2 minutes of longitude with an area of approximately 1,000 hectares)

B. **Submission of Letter of Nomination.** Within fifteen (15) calendar days from receipt of the Area Verification Map and Report, the applicant shall submit a Letter of Nomination to the Joint REC and attach therewith a copy of the said Area Verification Map and Report. After the lapse of such 15-day period, the Area Verification Map and Report shall no longer be valid.

C. **Approval / Disapproval of Nomination.** Within twenty (20) working days from receipt of the Letter of Nomination, the Joint REC shall inform the nominating applicant through written notice of the approval/disapproval of the Nomination.

The Joint REC, for sufficient and valid cause, may at any given time disapprove any or all nomination/s or application/s submitted.

D. **Publication and Application by the Nominating Party.** Once the nomination is approved, the Joint REC shall direct the nominating applicant to comply, within fifteen (15) calendar days from receipt of the notice from the Joint REC, with the following:

1. Pay a non-refundable application fee of Php 200,000.00 per area in accordance with Item III.C of this Rules and Procedures;
2. After payment of the application fee, publish, at its own expense, a notice of application for the nominated area/s with the invitation for challenge in two (2) broadsheets of general circulation following the template for publication in **Annex "A"** (Notice of Application with Invitation for Challenge) of this Rules and Procedures; and

3. Submit to the MENRE-EMDS the complete application documents listed in Annex "B" (Checklist of Documentary Requirements) of this Rules and Procedures.

In the event the nominating applicant fails to comply with any of the foregoing, the nomination shall be deemed abandoned, and the area shall be considered open for new nominations.

The Joint REC shall cause the posting of the Notice of Application with Invitation for Challenge in the respective websites of the DOE and MENRE from the publication date until the deadline for submission of documents provided under Item I.E of this Rules and Procedures.

- E. **Challenge Process.** Within sixty (60) calendar days from the date of publication, parties interested in the same nominated area, shall pay the application fee prescribed in Section 9 of the IEB Circular and submit to the MENRE-EMDS their respective application documents listed in Annex "B" of this Rules and Procedures.

Only application documents stamped received by the MENRE-EMDS on or before 1100H of such deadline shall be accepted.

- F. **Pre-Challenge Conference.** Within twenty (20) calendar days from the publication date, the Joint REC shall conduct a Pre-Challenge Conference at the MENRE Conference Room or in any other designated venue as may be determined by the Joint REC.

- G. **Opening of Application Documents.** The Joint REC shall open the application documents at exactly 1400H of the last day for submission thereof.

During the opening of application documents, the Joint REC-TWG shall check the completeness of the documents submitted using the checklist in Annex "B" of this Rules and Procedures.

Applications with incomplete documents shall be automatically disqualified.

- H. **Supplemental Advisory.** The Joint REC may issue supplemental advisories regarding the conduct of the opening of application documents.

II. Requirements for Submission of COC Applications

- A. **Qualifications of COC Applicant.** Applicant must be a corporation or partnership with at least sixty percent (60%) of its capitalization is owned by Filipinos duly registered with the Securities and Exchange Commission (SEC), or cooperative, organized or authorized for the purpose of engaging in coal exploration and development.

In relation thereto, the applicant shall comply with Section 2-A of Commonwealth Act (CA) No. 108 or the "Anti-Dummy Law" and Republic Act (RA) No. 7042 or the "Foreign Investments Act of 1991."

- B. **Submission of Application.** Applicant/s shall submit a Letter of Application and three (3) complete sets of legal, technical, and financial documents in accordance with Annex "B" of this Rules and Procedures.

Each application shall cover only one area of interest with the corresponding number of coal blocks as nominated and published.

Only Exploration Work Program in the application for COC that conforms to the Work Program Documentation, as required in Item II.1 of Annex "B" of this Rules and Procedures, shall be accepted.

- C. **Formatting Specifications.** Submitted application/s must be in both paper and digital (USB Drive in Microsoft Word or PDF format) copies. Times New Roman, 12 font size, and single line spacing are recommended. Figures shall be submitted in an appropriate format, no smaller than A3 size. For legibility, figures and maps shall be submitted at a larger scale (1:10,000) as appendices.

- D. **Application Fees.** Applicants shall pay the application fee per area, as follows:

A non-refundable application fee of Php 200,000.00 per area, i.e., Php 100,000.00 to the DOE and Php 100,000.00 to the MENRE shall be paid by the applicant, net of all charges such as documentary stamp taxes and wire/cable charges, which shall be for the account of the applicant.

The DOE and the MENRE shall separately issue Orders of Payment (OP) to the applicant/s. Payments may be made in cash, manager's cheque, direct over-the-counter bank deposit or via wire/bank transfer payable separately to the "Department of Energy" and the "Ministry of Environment, Natural Resources, and Energy" through the following bank details:

For the DOE:

Account Name : DOE Trust Fund
Account Number: 0052-1155-58
Bank Address : Land Bank of the Philippines, Buendia Branch
Swift Code : TLBPPHMM
Beneficiary : Department of Energy, Energy Center, BGC, Taguig City

For the MENRE:

Account Name : MENRE
Account Number: _____
Bank Address : Land Bank of the Philippines, Cotabato City
Swift Code : _____
Beneficiary : Ministry of Environment, Natural Resources, and Energy

E. **Official Addressees.** Both the original paper and the digital copies of any application/s shall be addressed to the Joint REC Co-Chairpersons:

The Co-Chairpersons
Joint Review and Evaluation Committee

Department of Energy
Energy Center, Rizal Drive
Bonifacio Global City (BGC),
Taguig City, Metro Manila,
1632 Philippines

and

Ministry of Environment, Natural Resources, and Energy
Bangsamoro Government Center
Rosary Heights VII, Cotabato City
9600 Philippines

The application documents may be sent by courier, registered mail, or hand delivered and must be stamped received by the MENRE-EMDS not later than the deadlines provided in this Rules and Procedures.

III. Evaluation and Awarding Procedures

A. **Substantive Evaluation of Application Documents.** Within two (2) working days from the opening of application documents, the Joint Secretariat shall consolidate and transmit to the Joint REC-TWG all applications that passed the completeness check for further substantive legal, technical, and, financial evaluations.

Within thirty (30) working days from receipt of the application documents, the Joint REC-TWG shall conduct and complete a substantive evaluation based on the following criteria:

1. Legal Qualification	Pass or Fail
2. Work Program	40%
3. Technical Qualification	20%
4. Financial Qualification	40%
Total	100%
<i>*Bona fide Bangsamoro-resident</i>	+5%

In accordance with Section 11 Article XIII of RA No. 11054, should there be a tie between applicants' scores after the legal, technical, and financial evaluation, the tie shall be broken as follows:

1. Between a *bona fide* Bangsamoro-resident applicant and non-resident applicant, the Joint REC shall endorse the *bona fide* Bangsamoro-resident applicant.
2. Between two (or more) *bona fide* Bangsamoro-resident applicants, or two (or more) non-resident applicants, the BG-REC shall recommend the applicant to be jointly endorsed by the Joint REC.

B. Curing Period pursuant to Section 14 of IEB Circular.

1. If, during the opening of application documents, only one application was received, the applicant shall be declared as a Sole Applicant. A Sole Applicant shall be allowed to submit curing documents within thirty (30) calendar days from receipt of the notice.
2. Failure to timely submit the curing documents shall result in the automatic disqualification of the application.

C. Transmittal of the Substantive Evaluation Results. The Joint REC-TWG shall, within seven (7) working days from completion of the substantive evaluation, convene and consolidate the results thereof, and transmit its recommendation to the Joint REC.

D. Joint REC Action on the Substantive Evaluation Results. Within seven (7) working days from receipt of the Joint REC-TWG's recommendation, the Joint REC shall convene and deliberate on the same.

The Joint REC may, at its discretion, confirm, modify, reverse, or set aside the Joint REC-TWG's recommendation, which shall be final. The Joint REC may issue such other orders as it deems necessary.

E. Issuance of Notice of Qualification. Upon determination by the Joint REC of a winning applicant, the Joint Secretariat shall, within fifteen (15) working days, issue a Notice of Qualification, together with six (6) execution copies of the COC to be signed by the authorized representative/s of the winning applicant. No deviation from the Model Contract and its Accounting Procedures shall be allowed.

F. Payment of Processing Fee. Within fifteen (15) calendar days from receipt of Notice of Qualification, the winning applicant shall pay the required processing fee in accordance with Section 16 of the IEB Circular, and submit to the Joint REC the six (6) signed execution copies of the COC.

G. Recommendation to Award a COC. Within fifteen (15) working days from receipt of the signed execution copies and proof of payment of the required processing fee, the Joint REC shall recommend to the DOE Secretary and the MENRE Minister the award of a COC to the winning applicant.

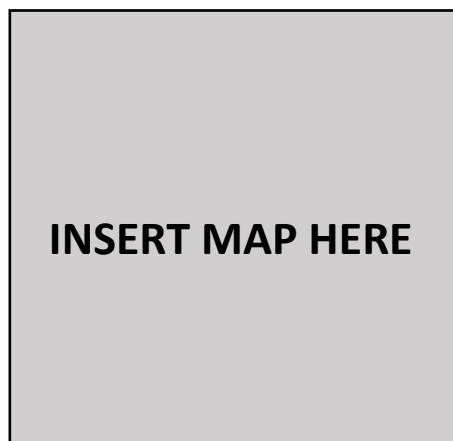
The DOE Secretary and the MENRE Minister may convene the Joint REC for any questions or inquiries pertaining to the review and evaluation undertaken.

- H. **Joint Awarding of COC.** Pursuant to Section 13 of the IEB Circular, the DOE Secretary and the MENRE Minister shall jointly award the COC to the winning applicant.

ANNEX A

NOTICE OF APPLICATION FOR COAL OPERATING CONTRACT PURSUANT TO THE INTERGOVERNMENTAL ENERGY BOARD (IEB) CIRCULAR

This is to inform the public that **<NAME OF PARTICIPATING COMPANY>** is applying for **<NO. OF COAL BLOCKS>** Coal Blocks located in **<MUNICIPALITY AND PROVINCE>** as seen in the map below and is bounded by the following geographical coordinates:



BLOCK	COORDINATES	
	LATITUDE	LONGITUDE

Interested applicants may likewise submit their respective applications for the above nominated area in accordance with, and subject to, the timeline and procedures stipulated under the Joint Review and Evaluation Committee (Joint REC) Rules and Procedures on Application and Award of Coal Operating Contract (COC) in the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM).

A. Timeline

- i. Publication Date – Day 1
- ii. Pre-submission Conference – Twenty (20) calendar days from the publication date, at the Ministry of Environment, Natural Resources, and Energy (MENRE) Conference Room or in any other designated venue as may be determined by Joint REC.
- iii. Deadline for the Submission of documents by Applicants – Sixty (60) calendar days (2 months) from the publication date on or before 1100H at the MENRE Energy Management and Development Services (EMDS) or in any other designated venue as may be determined by the Joint REC.
- iv. Opening of Documents – Sixty (60) calendar days (2 months) from the publication date (same day of deadline for the submission of documents by applicants), 1400H, at the MENRE Conference Room or in any other designated venue as determined by the Joint REC.

B. Application and Awarding Process: For details on the application procedures, documentary requisites, and awarding process for COC, please refer to the IEB Circular and its Rules and Procedures, copy of which may be obtained from the Department of Energy (DOE) and/or MENRE.

For further information, you may visit the DOE and MENRE's webpage on COC Application at www.doe.gov.ph and www.menre.bangsamoro.gov.ph, respectively, or you may contact the DOE - Coal and Nuclear Minerals Division (CNMD) at telephone numbers (02) 8840 2254 or (02) 8479 2900 loc. 266 or email at cnmd@doe.gov.ph, or MENRE-EMDS at telephone number (064) 421 4387 or email at emds@menre.bangsamoro.gov.ph.

ANNEX B

CHECKLIST OF DOCUMENTARY REQUIREMENTS ON THE APPLICATION FOR COAL OPERATING CONTRACT IN THE BANGSAMORO AUTONOMOUS REGION IN MUSLIM MINDANAO

I. LEGAL DOCUMENTATION	DOCUMENT FORMAT
<input type="checkbox"/> 1) Duly filled-out covering information sheet (DOE-MENRE Format).	<i>Original and digital</i>
<input type="checkbox"/> 2) SEC Certificate of Registration or Incorporation.	<i>Certified True Copy and digital</i>
<input type="checkbox"/> 3) SEC Articles of Incorporation and By-Laws (The corporate purpose of the applicant shall include the exploration and development of coal resources).	<i>Certified True Copy and digital</i>
<input type="checkbox"/> 4) General Information Sheet (GIS) stamped-received by the SEC and not more than 12 months old at the time of filing of application.	<i>Certified True Copy and digital</i>
<input type="checkbox"/> 5) Certificate of Authority from the Board of Directors of the applicant authorizing designated representative/s to apply, negotiate, sign any document and execute the Coal Operating Contract (COC). The said Certificate of Authority shall be executed under oath by the Corporate Secretary.	<i>Original and digital</i>
<input type="checkbox"/> 6) For partnership or cooperative, applicants shall submit equivalent legal documents as specified in item nos. 2 – 5 above, issued or authenticated by the appropriate governing authorities.	<i>Original and digital</i>
<input type="checkbox"/> 7) Proofs of payment for processing / application fee (DOE and MENRE Official Receipt) and publication	<i>Original and digital</i>

Covering Information Sheet

Company Name:		
Address of the Applicant:		
Telephone No.:	Fax No.:	Mobile Phone No.:
Email Address:		Website:
Area Applied for:		
Proposed Signature Bonus:		
Proposed Development Assistance Fund:		
Proposed Training Assistance Fund:		
<p style="text-align: center;">It is certified that the foregoing information are true and correct. It is understood that any omission or misrepresentation of the required information shall be sufficient cause for the rejection of this application.</p> <p style="text-align: center; margin-top: 50px;">_____ Authorized Representative Name and Signature</p>		

II. TECHNICAL DOCUMENTATION	DOCUMENT FORMAT
1) Work program	
<input type="checkbox"/> a) Geological Report (Narrative presentation of the following available data such as geology, coal quality, resource estimate, if available, indicating presence of coal resources at depth).	<i>Digital and printed</i>
<input type="checkbox"/> b) Proposed Exploration Work Program (Narrative discussion of the different exploration strategies and methodologies to be employed in delineating coal resources at depth with subsequent manpower complement and projected expenditures on annual basis for each activity with respect to the area or areas specified in the proposal).	<i>Digital and printed</i>
<input type="checkbox"/> c) Schedule of works and manpower requirements in Gantt Chart.	<i>Digital and printed</i>
<input type="checkbox"/> d) Projected exploration expenditures.	<i>Digital and printed</i>
2) Technical documentation	
<input type="checkbox"/> a) Technical and industrial resources available to the applicant for the exploration of coal resources.	<i>Digital and printed</i>
<input type="checkbox"/> b) Technical and industrial qualifications, eligibilities and work-related experiences, achievements and track records of the applicant and its employees related to technical and industrial undertakings.	<i>Digital and printed</i>
<input type="checkbox"/> c) Operational organization and management structures relative to administration, financial and technical aspects of the applicant.	<i>Digital and printed</i>

III. FINANCIAL DOCUMENTATION

DOCUMENT FORMAT

1) For corporations existing for more than 2 years at the time of filing:

- | | | |
|--------------------------|---|--|
| <input type="checkbox"/> | a) Audited Financial Statements (FS) for the last two (2) years from the filing date and latest Unaudited FS duly signed by the responsible official such as the President and/or Chief Finance Officer if the Audited FS is more than six (6) months old at the time of filing. | <i>Original and digital</i> |
| <input type="checkbox"/> | b) Bank Certification to substantiate the cash balance as of the latest unaudited FS. | <i>Original and digital</i> |
| <input type="checkbox"/> | c) Projected Cash Flow Statement for three (3) years covering fund sources and uses for the particular area applied for, other applied areas, other energy service contract and/or applications, existing service/operating contracts with DOE, MENRE, and other related energy businesses, supported by any of the following documents, if applicable: <ul style="list-style-type: none">- Sales Agreement/Purchase Order of Buyer for projected revenues on existing operations;- Sworn Letter of Commitment from stockholders for additional equity/cash infusion;- Certification of an approved loan/credit line earmarked for the proposed operations. | <i>Original and digital</i> |
| <input type="checkbox"/> | d) Latest income tax return filed and duly validated by the Bureau of Internal Revenue. | <i>Certified True Copy and digital</i> |

2) For newly-organized corporations (existing for two (2) years or less at the time of filing)

- | | | |
|--------------------------|--|-----------------------------|
| <input type="checkbox"/> | a) Audited Financial Statements (FS) or unaudited FS duly signed by the responsible official such as the President and/or Chief Finance Officer. | <i>Original and digital</i> |
| <input type="checkbox"/> | b) Bank Certification to substantiate the cash balance as of the latest unaudited FS. | <i>Original and digital</i> |
| <input type="checkbox"/> | c) Projected Cash Flow Statement for three (3) years covering fund sources and uses for the particular area applied for, other applied areas, other energy service contract and/or applications, existing service/operating contracts with DOE, MENRE, and other related energy businesses, supported by | <i>Original and digital</i> |

any of the following documents, if applicable:

- Sales Agreement/Purchase Order of Buyer for projected revenues on existing operations; *Certified True Copy and digital*
- Sworn Letter of Commitment from stockholders for additional equity/cash infusion; and, *Original and digital*
- Certification of an approved loan/credit line earmarked for the proposed operations. *Original and digital*

3) For Parent Company's guarantee for corporations with insufficient working capital:

- a) Parent Company's financial documents per Coal Application Checklist Items III.1.a and III.1.b. *Original and digital*
- b) Duly notarized Letter of Undertaking/ Support from the Parent Company to fund the Work Program. *Original and digital*
- c) General Information Sheet (GIS) indicating the name of the parent company as the shareholder of the applicant. *Certified True Copy and digital*