

**JOINT REVIEW AND EVALUATION COMMITTEE
RESOLUTION NO. 08-002 S. 20 23**

**APPROVAL AND ADOPTION OF THE RULES AND PROCEDURES ON THE APPLICATION
AND AWARD OF PETROLEUM SERVICE CONTRACTS
IN THE BANGSAMORO AUTONOMOUS REGION IN MUSLIM MINDANAO**

WHEREAS, the Intergovernmental Energy Board (IEB) Circular on the Joint Award of Petroleum Service Contracts (Petroleum SCs) and Coal Operating Contracts (COCs) in the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) (the "IEB Circular") was signed on 06 July 2023 and took effect on 04 August 2023;

WHEREAS, Section 2 of the IEB Circular provides for the creation/composition of the Joint Review and Evaluation Committee (Joint REC) to carry out their responsibilities set forth in the Circular, while Section 4 of the same creates the Joint REC Technical Working Group (Joint REC-TWG) and Joint Secretariat to assist the Joint REC in all activities related to the implementation of the Circular;

WHEREAS, Section 17 of the IEB Circular provides that the Joint REC shall, upon the effectivity of the IEB Circular, issue the necessary rules and procedures to implement the provisions of the Circular;

WHEREAS, during the 1st Joint REC meeting held on 23 August 2023 at the Department of Energy – Office of the Secretary (OSEC) Conference Room in BGC, Taguig City, Metro Manila, the Joint REC-TWG presented to the Joint REC the draft of the Rules and Procedures on the Application and Award of Petroleum SCs in the BARMM, along with the respective Annexes, for the Joint REC's review and approval;

NOW, THEREFORE, in consideration of the aforementioned premises, the Joint REC unanimously resolved as follows:

APPROVE and ADOPT the Rules and Procedures on the Application and Award of Petroleum SCs in the BARMM; and,

DIRECT the Joint REC-TWG to finalize the model Petroleum Service Contract in accordance with the approved rules and procedures, for presentation to the Joint REC on its next scheduled meeting.

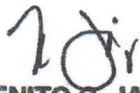
Approved and adopted this 23rd day of Aug, 2023 at BGC, Taguig City.



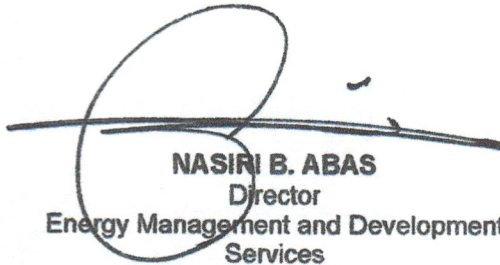
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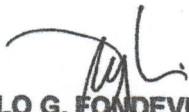
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JOINT REVIEW AND EVALUATION COMMITTEE

RULES AND PROCEDURES ON THE APPLICATION FOR AND AWARD OF PETROLEUM SERVICE CONTRACT (SC) 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 which shall be in accordance with the prescribed Petroleum Blocking and Monitoring System that divides the entire Philippine archipelago into meridional blocks of four (4) latitudinal arc-minutes by three (3) longitudinal arc-minutes (4' x 3') with WGS 84 Geographic Coordinates with each block covering an area of approximately 4,000 hectares (40 square kilometers).

Pursuant to Section 18(b) of Presidential Decree (PD) No. 87, the contract area shall not be less than 50,000 hectares (500 square kilometers) nor more than 750,000 hectares (7,500 square kilometers) for onshore areas, or not less than 80,000 hectares (800 square kilometers) nor more than 1,500,000 hectares (15,000 square kilometers) for offshore areas.

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 a 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 the 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.D 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 in accordance with 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 ("Challengers"), shall pay the Challengers' 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. Application Procedures for Pre-Determined Areas

Interested parties may apply for Petroleum SCs on Pre-Determined Areas (PDAs) offered by the Joint REC.

- A. **Selection of PDAs.** The DOE and the MENRE shall identify and submit a list of areas that may be offered for application, with the respective Location Maps and Technical Descriptions thereof, to the Joint REC for approval. PDAs shall refer to areas identified to have petroleum potential and open for application as approved by the Joint REC.
- B. **Publication and Promotional Activities.** The Joint REC shall cause the publication of the PDAs with Invitation for Application in at least two (2) broadsheets of general circulation and shall likewise post the same on the respective websites of the DOE and the MENRE.

The Joint REC may conduct promotional activities, both locally and abroad, to promote the PDAs to ensure maximum participation of prospective investors and stakeholders.

- C. **Applications for PDA.** Within one hundred and eighty (180) calendar days from the date of publication, applicants 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.

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

- E. **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.

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

III. Requirements for Submission of all Petroleum SC Application/s

A. **Qualifications of a Petroleum SC Applicant**

1. Applicant/s may be any local/foreign company or group of companies forming a joint venture/consortium, organized or authorized for the purpose of engaging in petroleum exploration and development.

2. If an applicant is a joint venture/consortium, it shall submit a copy of the Joint Venture Agreement (JVA). The designated Operator must meet all legal, technical, and financial requirements, and submit the application on behalf of the joint venture/consortium.
3. Members (Non-Operator) of the joint venture/consortium, on the other hand, must be legally and financially qualified. The working capital of each member of the joint venture/consortium shall be *pro-rata* based on its participating interest in the proposed work program and budget.

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 Nominated Area or PDA as published.

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. For legibility, figures and maps shall be submitted at a larger scale (1:10,000) as appendices.

D. Application Fees. An application fee per area shall be paid by the applicant, with details as follows:

1. ***For Nominating or PDA Applicants***, a non-refundable application fee of Php 200,000.00 per area, i.e., Php 100,000.00 to DOE and Php 100,000.00 to MENRE shall be paid by the applicant, net of all charges such as documentary stamps and wire/cable charges, which shall be for the account of the applicant.
2. ***For Challenger/s of Nominated Areas***, a non-refundable fee of Php 1,000,000.00 per area, i.e., Php 500,000.00 to the DOE and Php 500,000.00 to the MENRE, shall be paid by the Challenger, net of all charges such as documentary stamps and wire/cable charges, which shall be for the account of the Challenger.

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 copy and the digital copy 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.

IV. Evaluation and Awarding Procedure.

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 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>	<i>+5%</i>

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 Petroleum SC 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 the 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 Petroleum SC.

G. Recommendation to Award a Petroleum SC. Within 15 working days from the submission to the Joint REC of the signed execution copies and payment of the required processing fee, the Joint REC shall recommend to the DOE Secretary and the MENRE Minister the endorsement to the President of the award of a Petroleum SC 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.