

# Q & A

## Pre-Bid Conference: 1st Green Energy Auction Program in the Philippines

Date: 01 June 2022

9:00am-12NN via Zoom

NAME and AFFILIATION	QUESTIONS/COMMENTS	RESPONSES
	We find the amounts prescribed for the Bid Bond and Performance Bond under the TOR to be unreasonably and unrealistically high and beyond the reach of small RE developers. Not only do Qualified Suppliers have to put up back-to-back deposits or other forms of collateral of equivalent value for such bonds, they also have to pay financing fees thereon at the rate of up to 2.5% p.a. based on the total amount of the bonds.	Bid bond: 1M per megawatt (minimum)  We might explore further and get back to you if there's a need to change/update
Marivic Olivar - PWEI	Do you have a preferred or accredited bonding company?	They should be accredited by Philippine Insurance Commission
Ryla Sacdalan, CleanTech Global Renewables, Inc.	On the bid bond, can other company (ex. our project partner) provide the bid bond in behalf of the company that submitted the bidding requirements? Will you accept bonds issued by foreign banks?	It is not acceptable. It should be local bonding companies.
DSCC/CSCC, Roderick Fernandez	If the bidder submits the bid bond but does not submit any bid, will the bid bond be forfeited?	it will be returned to the bidder
Francis Sayre, Philnew Hydro/Philnewriver	For the bid bond, is it allowed to use surety or cash bond, please clarify.	The TOR provides that other acceptable bid bond may be provided.
SCSPI, Rienzi Zano	So bid bond also for solar is based on the AC capacity that will be offered?	yes, AC capacity for solar
	2.2 For the above-described reasons, we respectfully propose that the amounts of the Bid Bond and Performance Bond be reduced to Php25gpOW MW and 5% of .Project Cost. Thus, for a 10MW RE Facility, the Bid Bond and Performance Bond would amount to a more realistic and	will be addressed through Bid Bulletin

DELFIN ELIAS C. SAMS	As per TOR, the Bid Bond will be 1 million pesos per MW. The question is, what if it is 1.85 MW? What would be the corresponding Bid Bond amount?	Php1.85M
Ryla Sacdalan (Cleantech) Date received: 01 June	Can the Bid Bond (in the form of managers' checks, cashiers' checks, Standby Letter of Credit, Bank Guarantee, or Surety Bond) be provided by a partner of the Qualified Bidder for the Project?	The TOR provides that other acceptable bid bond may be provided. This will be further clarified in the Bid Bulletin
	Can the Bid Bond (in the form of managers' checks, cashiers' checks, Standby Letter of Credit, or Bank Guarantee) be issued by a foreign bank?	The TOR provides that other acceptable bid bond may be provided. This will be further clarified in the Bid Bulletin
Renz J. Ayongao	In Annex D: Bidding Data, Forms, and Templates 1.Computation for bid bond is Php1M/MW and then for performance bond is 20% of Project Cost/MW, is it MWac or MWdc? 2.Bid bond validity is 90 days, for Winning Bidder it will be returned immediately as long as it posts Performance Bond but for Losing Bidder will it also be returned immediately or shall it wait until the expiration of the validity period? 3.Performance bond is based on Project Cost of the technology used in the computation of the GEAR price in Philippine Peso, may we know that project cost used?	Project cost will be included in the Bid Bulletin
Ina Q. Guillermo (Biopower)	Please confirm that a Winning Bidder who is already in possession of WESM registration and a Commercial Operations Date from [PEMC] is only required additionally to provide an Affidavit of Undertaking and Performance Bond in order to comply with post bid requirements? Therefore, if the Affidavit of Undertaking is provided whilst the Bid Bond is still valid, can you confirm that there is no need for a Performance Bond?	The Affidavit of Undertaking indicates the commitment of plant to deliver the offered capacity on the declared date. As per clause 1.3 Delivery Commencement Date (Period) shall be any date between 26 December 2022 & 25 December 2025. As such, posting of performance bond is necessary to assure delivery of power on the committed date.

<p>Original:</p> <p>3. Bids must be valid for the duration of the auction process and with the corresponding bid bond valid for ninety (90) calendar days to provide a reasonable time for the GEAC to act if the security is to be called.</p> <p>Comment: For clarity, may we suggest to indicate a time period on the reckoning of the 90 day period for the validity of the bid bond. We suggest that the bid bond be valid at least ninety (90) calendar days from the conduct of the auction on 17 June 2022, i.e. the Bid Bond should be valid until 15 September 2022</p> <p>Suggested wording: 3. Bids must be valid for the duration of the auction process and with the corresponding bid bond valid for at least ninety (90) calendar days from the conduct of the auction on 17 June 2022 (i.e. no earlier than 15 September 2022) to provide a reasonable time for the GEAC to act if the security is to be called.</p>	<p>will be addressed though Bid Bulletin</p>
<p>For purposes of the BID BOND and to ensure completeness of information, what do we indicate in the blanks (“Address” and “Attention”) in the first (1st) paragraph of the SBLC:</p> <p>“A drawing under this Letter of Credit is to be made by delivering to the Issuer at [insert address] (Attention: _____), not later than 5:00p.m. on the Expiry Date specified above</p>	<p>will be addressed though Bid Bulletin</p>

<p>ACEN GEAP Santa Cruz June 3</p>	<p>As suggested also by the banks we have consulted in securing a bid bond, the clauses stricken off below will ensure clarity on when a bid bond will expire.</p> <p>Upon our inquiries with banks, it is the applicant who will have to inform the Bank and apply for any renewal since there are no automatic renewals of SBLCs. Further, the bid bond validity per the TOR is only for 90 days and not for 1 year.</p> <p>Suggested wording/deletion:</p> <p><del>“This Letter of Credit shall expire at 5:00 p.m. (local time) on the stated Expiry Date ((or in the case of a renewed letter of credit, each subsequent twelve (12) month period at 5:00 p.m. (local time)); provided, that this Letter of Credit shall be renewed by the Applicant for a period of one (1) year from the then-effective Expiry Date, at least thirty (30) days prior to the then-effective Expiry Date</del></p>	<p>will be addressed though Bid Bulletin</p>
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