

## **ANNEX B: BONDS**

### **B.1 Bid Bond**

The Bid Bond is a guarantee to prevent the Bidders from withdrawing their bids prior to the end of their bid validity period or refusing to sign the GEA Affidavit of Undertaking.

B.1.1. The Bid Bond, in any acceptable form, should be valid until September 17, 2023. Bonds issued by foreign banks shall not be accepted.

B.1.2. A parent company, partner, affiliate, or subsidiary may be allowed to secure the Bid Bond "For the Account" of the Qualified Bidder.

B.1.3. Proof of posting of the Bid Bond, in pdf file, shall be submitted through email at [gea.2@doe.gov.ph](mailto:gea.2@doe.gov.ph) not later than 12:00 NN of June 16, 2023. The original copy of the Bid Bond shall be submitted physically on or before June 22, 2023, and addressed to:

**Undersecretary Felix William B. Fuentebella**  
Green Energy Auction – Bids Evaluation & Awards Committee  
Department of Energy  
4th Floor, Bldg. 5, Energy Center, Rizal Drive  
Bonifacio Global City, Taguig City  
Telephone: (632) 8479-2900

B.1.4. On or before June 18, 2023, the respective authorized representatives of Qualified Bidders whose proof of posting of Bid Bond were duly validated by the GEA-BEAC shall be issued user-specific IDs. Unique IDs shall be issued to a bidder for each of its participating RE facility or phases of the RE Project, proposed RE Project covered by an RE Application, or prospective rooftop-mounted solar power project.

B.1.5. THE CONDITIONS of the security are:

- a) If the Bidder withdraws its Bid during the period of bid validity specified by the Bidder in the Bid Form; or
- b) If the Bidder, having been notified of the acceptance of its Bid by the GEAC during the period of bid validity;
- c) Fails or refuses to sign the Affidavit of Undertaking as specified in Section 9.8 of the GEAP Guidelines when required; or
- d) Fails or refuses to submit the Performance Bond in accordance with the bidding documents.

B.1.6. In exceptional circumstances, the GEAC may request that the Qualified Bidders extend the period of Bid Bond validity for a specified additional period. The request and the Qualified Bidders' responses shall be made in writing or by fax.

B.1.7. A Bidder may refuse the request without forfeiting its Bid Bond. The bid securities of the Bidders who refuse to grant the request for an extension of the validity of their respective bid bonds will have their securities returned to them. However, they are deemed to have waived their right to further participate in the auction.

B.1.8. A Bidder agreeing to the request will not be required or permitted to modify its bid.

B.1.9. Bid Bonds shall be returned immediately to the Winning Bidder who posted the required Performance Bond prior to the expiration of the Bid Bond.

## **B.2 Performance bonds**

The Performance Bond shall guarantee the Winning Bidder's faithful performance of its obligations under the GEAP Guidelines and related agreements.

B.2.1. The Winning Bidder shall post a Performance Bond in the form of an Irrevocable Standby Letter of Credit provided in Annex B, issued by a reputable local or international bank with branches in the Philippines.

B.2.2. The Performance Bond shall be valid for one (1) year and must be renewed annually and submitted to the GEAC at least sixty (60) calendar days prior to its expiry, until such time that the Winning Bidder has achieved commercial operation consistent with Section 9.3.3 hereof.

B.2.3. Existing RE Facilities/Plants that are already under commercial operations or has achieved Commercial Operation Date (COD) shall still be required a Performance Bond to ensure that on the Committed Delivery Date, the Winning Bidder shall comply with its obligations under the GEAP.

B.2.4. The RE Facility of the Winning Bidder shall be covered by a Performance Bond until at least sixty (60) calendar days after the committed supply Delivery Commencement Date.

B.2.5. The Performance Bond shall be returned to the Winning Bidder upon issuance of COE-GET, which shall be issued after the DOE's validation of actual supply Delivery Commencement Date.

B.2.6. If, after verification by the DOE, except for roof-mounted, biomass and Waste-to-Energy projects, the actual capacity delivered exceeds fifty percent (50%) of the Offered Capacity, the Winning Bidder shall, within thirty (30) calendar days from notice, rectify the capacity of its RE Facility to within fifty percent (50%) of its Offered Capacity. Otherwise, the Winning Bidder shall not receive a COE-GET for its RE Facility from the DOE.

B.2.7. The rectification mentioned above refers to a change in the physical characteristics/components of the RE Facility to reflect the increase of its installed capacity (based on achieved Pmax) to not more than fifty percent (50%) above the Offered Capacity.

B.2.8. The amount of the Performance Bond, or any renewal thereof, may be reduced based on the actual completion of the RE Facility with per phase project development.

B.2.9. The Bid Bond shall be released to the Winning Bidder upon posting of the Performance Bond, duly submitted to and received by the DOE through the GEA-BEAC. Failure of the Winning Bidder to post the Performance Bond within the prescribed period shall, in addition to disqualification, have its Bid Bond called in full.

B.2.10. Failure of the Winning Bidder to post the Performance Bond and/or secure the RE Contract for the bid within the prescribed period shall result in the forfeiture of the award and calling of the Bid Bond. In either case, the next in line in the ranking of bids shall be considered.