



REGION 8 JOINT COMPETITIVE POWER SUPPLY PROCUREMENT (R8 JCPSP)

REFERENCE : **SUPPLEMENTAL BID BULLETIN NO. 04**
ISSUE DATE : **MAY 18, 2024**
FOR : **ALL BIDDERS**

SUBJECT : **AMENDMENTS TO THE INSTRUCTION TO BIDDERS (ITB)**

Pursuant to the Department of Energy (“DOE”) Circular No. DC2023-06-0021, ERC Resolution No. 16, Series of 2023 and the NEA Memorandum No. 2023-057, the R8 JCPSP Joint Bids and Awards Committee (JBAC), hereby issues the following amendments.

ITEM	ITB PROVISION	AMENDMENT
1	ITB – 1 SCOPE OF BID	<p>ITB 1.4 For Lot 1, A Bidder may offer to supply capacity that is less than or equal to 81MW or 50% of the total aggregated baseload requirement for the entire period, in increments of one (1) Megawatt (MW).</p> <p>The contracts shall be awarded to the bidders with the Lowest Calculated Responsive Bid (LCRB) until the total aggregated demand is satisfied.</p> <p>ITB 1.7 In the event multiple Bidders are declared winners, all winning Bidders shall enter into individual Power Supply Agreements (PSAs) with each of the</p>



		participating ECs. The allocation of the offered capacity for each participating EC shall be in increment of 1MW.																								
2	ITB – 3 TRANSACTION SCHEDULE	<p>This transaction shall follow the Transaction Schedule listed in Table 3. JBAC reserves the right to change any of these schedules. The JBAC shall give appropriate and timely notices to participating bidders in the event of changes in schedule.</p> <p style="text-align: center;">Table 3. Transaction Schedule</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="background-color: #c00000; color: white;">ACTIVITIES</th> <th style="background-color: #c00000; color: white;">DATE</th> </tr> </thead> <tbody> <tr> <td>First Publication of Invitation to Bid</td> <td>April 6, 2024</td> </tr> <tr> <td>Payment of Bid Participation Fee and Issuance of Bidding Documents</td> <td>April 8 - 23, 2024</td> </tr> <tr> <td>Second Publication of Invitation to Bid</td> <td>April 13, 2024</td> </tr> <tr> <td>Pre-Bid Conference 1</td> <td>April 23, 2024</td> </tr> <tr> <td>Submission of Comments on Bidding Documents</td> <td>April 20 - 26, 2024</td> </tr> <tr> <td>Pre-Bid Conference 2</td> <td>May 22, 2024</td> </tr> <tr> <td>Submission of Comments on Bidding Documents</td> <td>May 19 - 25, 2024</td> </tr> <tr> <td>Issuance of Final Instruction to Bidders</td> <td>June 3 - 7, 2024</td> </tr> <tr> <td>Submission of Bids</td> <td>June 25, 2024</td> </tr> <tr> <td>Opening of Bids</td> <td>June 25 - 26, 2024</td> </tr> <tr> <td>Post Qualification</td> <td>July 1- 5, 2024</td> </tr> </tbody> </table>	ACTIVITIES	DATE	First Publication of Invitation to Bid	April 6, 2024	Payment of Bid Participation Fee and Issuance of Bidding Documents	April 8 - 23, 2024	Second Publication of Invitation to Bid	April 13, 2024	Pre-Bid Conference 1	April 23, 2024	Submission of Comments on Bidding Documents	April 20 - 26, 2024	Pre-Bid Conference 2	May 22, 2024	Submission of Comments on Bidding Documents	May 19 - 25, 2024	Issuance of Final Instruction to Bidders	June 3 - 7, 2024	Submission of Bids	June 25, 2024	Opening of Bids	June 25 - 26, 2024	Post Qualification	July 1- 5, 2024
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4	<p>ITB – 8 ELIGIBLE BIDDERS</p>	<p>ITB 8.4 Bidders shall be under a declaration of ineligibility for corrupt and fraudulent practices issued by any government or other entity in accordance with ITB-33.</p>
5	<p>ITB – 9 ELIGIBILITY REQUIREMENTS FOR BIDDERS</p>	<p><u>Class “A” Documents</u> <u>Legal Documents</u></p> <ul style="list-style-type: none"> (a) Registration Certificate issued by the Securities and Exchange Commission (SEC), Department of Trade and Industry (DTI) for a sole proprietorship, or Cooperative Development Authority (CDA) for cooperatives; (b) In case a special purpose company is formed for purposes of undertaking the project, proof of registration in accordance with Philippine laws; (c) The Articles of Incorporation and By-Laws or a Memorandum of Association or Partnership duly certified by the relevant authorities, as may be applicable; (d) Valid and current Mayor’s permit or municipal license (2024); (e) BIR Value Added Tax registration; (f) Latest General Information Sheet (GIS), if applicable; (g) Power of Attorney and other documents- Each Bidder must submit the following documents: <ol style="list-style-type: none"> 1. Board Resolution or Secretary’s Certificate evidencing the grant of authority to the individual submitting the Bid and making representation on behalf of the Bidder (Annex E); 2. Sworn Attestation against Corruption and of the qualified Bidder that it is not “blacklisted” or barred from Bidding by the Government or any of its agencies, offices, corporations or LGUs, including its non-inclusion in the



		<p>Consolidated Blacklisting Report issued by the Government of the Philippines (GOP) (Annex D);</p> <ol style="list-style-type: none"> 3. Sworn Undertaking that the Bidder, if applicable, as well as their affiliates, assigns and successors-in-interest, shall abide by the decisions of the JBAC, shall hold the FRECOR 8 and its member ECs harmless from any claim or cause of action arising from the conduct and award of the Project, and shall undertake not to institute or file any case or claim before any court of competent jurisdiction and administrative agency in relation to the conduct and award of the Project, except as provided for under Section 34 (Protest Mechanism) and ERC Resolution No 16, Series of 2023 Article X (Enforcement) (Annex L); 4. Sworn Attestation of No Conflict of Interest (Annex F) – The Bidder must disclose detailed information regarding any existing, potential, or future conflict of interest that a Bidder may have with the JBAC. <p>(h) A valid and updated license, such as Certificate of Compliance of GENCO issued by Energy Regulatory Commission (ERC);</p> <p>(i) Documentary proof of bidder’s compliance with E.O. No. 398, series of 2005, such as:</p> <ol style="list-style-type: none"> 1. Proof of VAT payments for the last two (2) quarters (4th Quarter of 2023 ending December 2023 – 1st Quarter of 2024 ending March 2024). 2. Tax Clearance from the BIR for the year 2023 or 2022 (if 2023 Tax clearance is not yet available) to prove Bidder’s full and timely payment of taxes to the government.
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		<p><u>Technical Documents</u></p> <ul style="list-style-type: none"> (j) Executive Summary - Description of the Bidder's company history and structure, including relevant capabilities in the construction, operation, and maintenance of a power plant or in the supply of electricity to the DUs, ECs, or contestable customers. (k) Organizational Structure showing basic information of the Bidder's legal status and organizational chart. (l) List of projects undertaken over the last ten (10) years (Annex N); (m) Statement in matrix form of all power plants owned/operated (for GENCO), awarded IPPA Contract (for IPPA) in the last five (5) years: <p>The statement shall include, for each power plant, the following (Annex J):</p> <ol style="list-style-type: none"> 1. Name; 2. Location (address); 3. Type according to fuel or energy resource; 4. Installed and dependable capacity; 5. Year the power plant was built and commissioned; 6. Statement shall be supported by a valid Certificate of Compliance and/or License as Wholesale Aggregator issued by the ERC and certification issued by NGCP System Operator (regarding plant outages) 7. The Bidder shall indicate the power plants from which it shall source the electricity. <ul style="list-style-type: none"> (m-1) Number and average duration of scheduled and unscheduled outages for the last five (5) years, if applicable;
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		<p>(n) Proof of Documentation on track record for the last five (5) years of power plants operated by it;</p> <p>(o) Statement in matrix form of all DU Customers for the last three (3) years, if applicable.</p> <p style="padding-left: 40px;">The statement shall include the following:</p> <ol style="list-style-type: none"> 1. name and address of company 2. telephone, cellphone and fax numbers, website URL, and e-mail address of the company; 3. name and position of contact person(s); 4. telephone and cellphone number and e-mail address of contact person(s) <p>(o-1) Statement identifying the Bidder's single largest contract;</p> <p>(o-2) Certificate of Good Standing from at least half of the listed DUs in (o) excluding R8 JCPSP participating ECs.</p> <p><u>Technical Proposal (New Plant)</u></p> <p>The Technical Proposal shall detail the plan on how the Bidder will carry out the development, financing, construction, connection to grid, operation, and maintenance of the power plant(s) to supply the aggregated baseload requirement and the committed project milestones. The plan shall include, but not necessarily be limited to, the following:</p> <p>(p) Key Personnel Experience – curriculum vitae of key personnel of the prospective Bidder showing they have sufficient experience in the electric power industry particularly in the generation sector;</p>
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		<ul style="list-style-type: none"> (q) General information on the power plant(s), specifically the design data (type, including specific fuel, number of units, and capacity), and proposed plant site(s), and proposed grid connection site(s); (r) Committed key project milestone schedule, in months/weeks after Notification Date, of proposed power plant(s) including, but not limited to, the following: <ul style="list-style-type: none"> 1. Project financial closing with lenders; 2. Commencement of construction; 3. Completion of site preparation, foundation, and civil works; 4. Installation of turbine-generating units and other key components of the plant(s); 5. Testing and commissioning; and 6. Commercial operation; (s) Maximum allowable Scheduled and Unscheduled Outage hours for each year; (t) Project Development Plan; (u) Engineering, Procurement, and Construction (EPC) Plan describing the methodology, process, and schedule that shows the feasibility and credibility that proposed power plant(s) will be available on the scheduled commercial operation date; (v) Fuel Supply Plan indicating: <ul style="list-style-type: none"> 1. Long-term availability; 2. Contingency supply; and 3. Key terms of the Fuel Supply Agreement; (w) Financing Plan including, but not limited to detailed description of where the funds will originate (debt financing and equity financing)
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		<ul style="list-style-type: none"> (x) Risk Management Plan from plant development to plants operations including, but not limited to, pertinent information on project insurance and bonding program to be put in place; (y) Proof of Technical Capacity <ol style="list-style-type: none"> 1. List of similar projects owned, developed, constructed, and/or operated by the Bidder in the last five (5) years, indicating and describing the project type, key project features and location; 2. Convincing evidence that Bidder will be able to acquire ownership of right, title, or interest in the proposed site(s) and the right to use the energy resource where applicable, or alternatively, a letter from the land owner or appropriate government agency indicating that Bidder will be able to acquire such right if the Bidder is awarded the PSA under this Transaction. In case of land lease, letter from the landowner of their commitment to lease the land for plant site should the Bidder be awarded the PSA will suffice; 3. Convincing evidence that Bidder can successfully develop and construct the power plant(s) such as letter from prospective EPC contractor with reputable track record with whom the Bidder has been arranging for the project in response to this Proposal. Include a list of power plant EPC projects of the contractor(s) in the last five (5) years and the contact details (persons, address, telephone numbers, fax numbers, and email addresses) of the clients of the EPC Contractor; 4. Convincing evidence that Bidder has been arranging with prospective fuel supplier for long-term fuel supply for the project. Bidder shall have received sufficient
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		<p>assurances that a reliable supply of fuel will be available under competitive price and supply terms as evidenced by letters from prospective fuel suppliers;</p> <p>(z) Proof of Financial Capacity:</p> <ol style="list-style-type: none"> 1. Company profile and history, including: <ol style="list-style-type: none"> i. Previous experience with financing (equity and debt) of projects of the type and size being proposed; or ii. If new company, information on founders and owners and their financial statements; 2. Audited financial statements (balance sheet, income statement, and statement of cash flows) of the Bidder and/or its parent company together with a brief narrative highlighting the key financial performance and history, for the last five (5) years or as many as exist if less than five (5), together with supporting documents, business license number, and tax identification number; and 3. Details of equity and financing plan indicating the capital structure and source of funds with supporting documents; 4. Proof of commitment to the required equity contribution, as specified by the JBAC: <ol style="list-style-type: none"> (a) In the case where the Winning Bidder is a corporation - e.g., treasurer's affidavit attesting to actual paid-up capital, subscription agreement(s) between a shareholder(s) of the Winning Bidder and the Winning Bidder itself covering said equity contribution, or shareholders agreement between
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		<p>and among two (2) or more shareholders of the Winning Bidder undertaking to contribute/subscribe the required equity contribution; or</p> <p>(b) In the case of a consortium - an undertaking of the members thereof to infuse the required equity contribution to the consortium.</p> <p>5. Letter of Credit, Bank Guaranty or Committed Line of Credit, or any proof of firm commitments from a reputable financial institution to provide sufficient credit lines to cover the total estimated cost of the project for prospective generation facilities;</p> <p><u>Financial Documents</u> The Bidder shall submit the following:</p> <p>(a) 2019 - 2023 Audited Financial Statements (AFS) or 2018 – 2022 Audited Financial Statements (if 2023 AFS is not available) showing, among others, the prospective Bidder’s total and current assets and liabilities, stamped “received” by the Bureau of Internal Revenue (BIR). In the absence of BIR-received AFS, email acknowledgment of the submission will suffice. A sworn statement of current assets and liabilities will be accepted in lieu of AFS for Bidders that have been in existence for less than one fiscal year.</p> <p>(b) Details of financial and operating background for the two (2) recent full financial years demonstrating the Bidder’s financial viability;</p>
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		<p>(c) In the case of a consortium, the agreement indicating that the members are jointly and severally liable for the obligations of the Project Proponent under the contract; and</p> <p>(d) Any other relevant information regarding the financial track record and capabilities of the Bidder that it believes would be helpful to the JBAC.</p> <p><u>Class “B” Documents</u></p> <p>(a) A document containing the names, designation, addresses and contact details (including telephone numbers, fax numbers and email addresses) of the Bidder and his authorized representative/s who will sign (a) the documents required in this bid, and (b) the Power Supply Agreement (PSA) (Annex M);</p> <p>(b) A notarized certification issued by the Bidder or his authorized representative that each of the documents submitted is in accordance with the Instructions to Bidders (ITB) is the original or faithful reproduction of the original and authorizing the JBAC or its duly authorized representative/s to review or verify submitted documents (Annex G);</p> <p>(c) Confidentiality Agreement (Annex H);</p> <p>(d) Acceptance of the Bidding Documents (Annex I); and</p> <p>(e) Any other document, in support of documents already submitted, that may be prescribed by the JBAC during post-qualification.</p>
6	<p>ITB – 12 FORMAT AND SIGNING OF BIDS</p>	<p>ITB 12.1</p> <p>The Bidder shall provide one (1) hard copy of the bid and a soft copy. The Bid shall be typed or written in indelible ink and shall be signed by the Bidder or a person or persons duly authorized (supported by either a</p>



		<p>Special Power of Attorney or Secretary Certificate, whichever is applicable) to bind the Bidder to the contract. Only the first page and signatory page of each set of documents shall be signed. However, documents where entries and amendments have been made must be countersigned by the person(s) signing the Bid.</p>
7	<p>ITB – 13 SEALING AND MARKING OF BIDS</p>	<p>Bidders shall submit their bids through their duly authorized representative using the forms specified in the Bidding Documents in one (1) Main Envelope containing the two (2) separate sealed bid envelopes. The first envelope labeled as Envelope 1 shall contain the Legal and Technical components of the bid, including the eligibility requirements, and the second envelope labeled as Envelope 2 shall contain the Financial component of the Bid and the Bid Security.</p> <p>ITB 13.1 Envelopes 1 shall include four (4) folders containing the Eligibility Requirements as listed in <u>ITB 9</u> and in the document “Checklist of Eligibility and Bid Requirement”. They shall be labeled:</p> <ul style="list-style-type: none"> Folder 1.1: Legal Documents Folder 1.2: Technical Documents Folder 1.3: Financial Documents Folder 1.4: Class B Documents <p>Envelope 1 shall also contain a USB flash drive containing the electronic copy of Folder 1.1,1.2,1.3 and 1.4, labeled and arranged accordingly.</p> <p>ITB 13.2 Envelope 2 shall contain two (2) folders labeled as:</p>



		<p>ITB 13.4 The main envelope shall be marked as follows:</p> <p>R8 JCPSP Lot __</p> <p>NAME OF THE BIDDER Address of the Bidder</p> <p>To the R8 JCPSP JBAC RENAGMEC Office, Brgy. San Juan, Sta. Rita, Samar</p> <p>DO NOT OPEN BEFORE June 25, 2024 (9:00AM)</p>
8	ITB – 17 BID SECURITY	<p>ITB 17.2</p> <p>b. Bank draft/ guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank as listed in Annex K; provided, however, that it shall be confirmed or authenticated by a local Universal or Commercial Bank if issued by a foreign bank;</p> <p>ITB 17.5 The Bid Security shall be issued in favor of FRECOR8 Association, Inc.</p>
9	ITB – 18 PERFORMANCE BOND	<p>ITB 18.1 Within ten (10) calendar days from the execution of the PSA, the Winning Bidder shall post a Performance Bond equivalent to the three (3)-month contract cost computed using 65%-100% CUF of the contracted capacity of the proposed PSA using the bid price offered by the Winning Bidder.</p>



		<p>ITB 18.2</p> <p>The Performance Bond shall be issued in favor of the member EC in accordance with the awarded PSA.</p> <p>Performance bond must be in Philippine Peso in the form of:</p> <ol style="list-style-type: none">Cash or cashier's/manager's check issued by a Universal or Commercial Bank or any other banks certified by the Bangko Sentral ng Pilipinas as authorized to issue such financial instrument;Bank draft/ guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank as listed in Annex K; provided, however, that it shall be confirmed or authenticated by a local Universal or Commercial Bank if issued by a foreign bank;In case the Performance bond is issued by an international bank, said security has to be confirmed and validated by its local branch in the Philippines or by a bank that is duly registered and authorized by the BSP. The Performance Bond shall be expressed in or converted to Philippine Peso at the exchange rate prevailing on the date of its issuance.Surety bond callable upon demand issued by a surety or insurance company duly certified by the Insurance Commission as authorized to issue such security.
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		<p>ITB 18.6 The Performance Bond shall be returned to the Winning Bidder after the end of the contract period.</p>
10	ITB – 20 SUBMISSION OF BIDS AND AUTHORIZATION	<p>Bids must be received by the JBAC between 7:00 AM to 9:00 AM (Philippine Standard Time) of June 25, 2024 at Summit Hotel, Robinsons Place, Barangay 77 Marasbaras, Tacloban City, Leyte.</p> <p>Bidder’s representative(s) shall provide a duly notarized Secretary’s Certificate (see Annex E) authorizing them to Submit, Withdraw, and Participate in the Bidding.</p>
11	ITB – 23 OPENING AND PRELIMINARY EXAMINATION OF BIDS	<p>ITB 23.1 The JBAC shall open Bid envelopes in the presence of Bidders’ representatives who choose to attend, on June 25, 2024 9:30 AM (Philippine Standard Time) for Lot 1 and June 26, 2024 9:30 AM (Philippine Standard Time) for Lot 2 at Summit Hotel, Robinsons Place, Barangay 77 Marasbaras, Tacloban City, Leyte.</p> <p>ITB 23.3 Letters of withdrawal shall be read out and recorded, and the envelope containing the corresponding withdrawn Bid shall be returned to the Bidder unopened. If the withdrawing Bidder’s representative is in attendance, the original Bid and all copies thereof shall be returned to the representative during the Bid opening. If the representative is not in attendance, the Bid shall be returned unopened by registered mail. The Bidder may withdraw its Bid prior to the deadline for submission and receipt of Bids, provided that the corresponding letter of withdrawal contains a valid authorization requesting for such withdrawal.</p>



		<p>Representatives of withdrawn bids are not allowed to continue to witness the proceedings.</p>
<p>12</p>	<p>ITB – 24 DETAILED EVALUATION AND COMPARISON OF BIDS</p>	<p>ITB - 24.2 Base Price</p> <p>The Base Price shall have the following components:</p> <ul style="list-style-type: none"> a. Capital Recovery Fee (CRF) b. Fixed Operation and Maintenance Fee (FOM) c. Variable Operation and Maintenance Fee (VOM) d. Fuel Cost (FC) (Average from January 2024 to March 2024) <p>Foreign component of the prices in USD/kWh, shall be converted into local prices in PHP/kWh using the Bangko Sentral ng Pilipinas (BSP) foreign exchange rate (FOREX) of PHP56.9030 as of October 31, 2023.</p> <p>ITB 24.6 Weighted Base Price</p> <p>The Weighted Base Price shall be calculated by applying the weight or frequency of each Capacity Utilization Factor from 65% to 100% to the corresponding fixed cost components of the price at the level of monthly Capacity Utilization Factor (CUF), and the Dispatch Adjustment Factor (DAF) according to the following equations:</p>



		<p><i>WeightedBasePrice</i></p> $= \sum_{CUF=65\%}^{100\%} \{[(CRF_{CUF}^{Local}) + (FOM_{CUF}^{Local})] \times Weight_{CUF}\} \times DAF$ $+ VOM^{Local} + VOM^{Foreign} \times FOREX$ $+ FC^{Local} + FC^{Foreign} \times FOREX$ <p>Where,</p> <p><i>WeightedBasePrice</i> – Weighted average price for the aggregated baseload of Region 8 ECs following the projected 2024 8760-hours load profile for Lot 1 and 2027 8760-hours load profile for Lot 2.</p> <p>CRF_{CUF}^{Local} – Local component to capture the Capital Recovery Fee (including profit) of the Bidder for the given Capacity Utilization Factor</p> <p>FOM_{CUF}^{Local} – Local component to capture the Fixed O&M for the given Capacity Utilization Factor</p> <p><i>DAF</i> – Dispatch Adjustment Factor to account for the unutilized capacity for periods when the demand is below 65% of the Contracted Capacity. Lot 1 DAF= 1.0100 Lot 2 DAF= 1.0120</p> <p>$Weight_{CUF}$ – Weight assigned to the price at given <i>CUF</i> based on the frequency of dispatch in one year (8760 hours) at the level of utilization of contracted capacity at Lot 1 87.87% and Lot 2 87.38% load factor of the baseload according to the following tables.</p>
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Table 4. Lot 1 Weight (Frequency) of Capacity Utilization Factor

CUF	WEIGHT	CUF	WEIGHT	CUF	WEIGHT
100%	15.3653%	88%	2.1347%	76%	1.6781%
99%	2.3059%	87%	2.4315%	75%	1.7123%
98%	2.0548%	86%	2.2945%	74%	1.5297%
97%	2.2717%	85%	2.2603%	73%	2.1575%
96%	2.5685%	84%	2.2831%	72%	2.2831%
95%	2.5000%	83%	2.1575%	71%	2.7169%
94%	2.6598%	82%	1.8836%	70%	2.8425%
93%	2.1575%	81%	1.7580%	69%	2.6256%
92%	2.1918%	80%	1.6781%	68%	2.9680%
91%	2.3059%	79%	1.6210%	67%	2.4315%
90%	2.2260%	78%	1.4726%	66%	2.3288%
89%	2.2831%	77%	1.4498%	65%	10.4110%

Table 5. Lot 2 Weight (Frequency) of Capacity Utilization Factor

CUF	WEIGHT	CUF	WEIGHT	CUF	WEIGHT
100%	15.4224%	88%	2.1233%	76%	1.6438%
99%	2.2831%	87%	2.3858%	75%	1.7009%
98%	2.5571%	86%	2.1005%	74%	1.8493%
97%	2.0434%	85%	2.2260%	73%	1.7009%
96%	2.3630%	84%	1.9521%	72%	2.3059%
95%	2.6484%	83%	2.1347%	71%	2.7511%
94%	2.4658%	82%	1.8607%	70%	2.8995%
93%	2.2603%	81%	1.7694%	69%	2.8539%
92%	2.1119%	80%	1.5068%	68%	2.5799%



91%	2.0091%	79%	1.7352%	67%	2.4087%
90%	2.0091%	78%	1.4954%	66%	2.5685%
89%	2.3288%	77%	1.3356%	65%	11.6096%

**ITB 24.5
Bid Price Offer**

For purposes of evaluation, the price offered by the bidder/s shall be escalated by appropriate inflation factors to determine the projected price for contract years 2024 to 2033 for Lot 1 and 2027 to 2033 for Lot 2. The Capital Recovery and Fixed Operation and Maintenance Fees components shall not be subject to inflation.

For Firm Offer, Energy Fee (FC + VOM) shall be escalated using only the Philippine Inflation Rate.

For Indexed Offer, Variable Operation and Maintenance Fees shall be escalated using only the Philippine Inflation Rate.

Firm Offer:

Thus, for each year, the inflated prices of the bidder shall be computed as follows:

$$\begin{aligned}
 GencoPrice_{Year}^{Local} &= [WeightedCRF_{CUF}^{Local} \\
 &+ (Weighted FOM_{CUF}^{Local}) \times (1 + ir)^{Year-2023}] \\
 &+ (VOM^{Local} + FC^{Local}) \times (1 + ir)^{Year-2023}
 \end{aligned}$$



Indexed Offer:

Thus, for each year, the inflated prices of the bidder shall be computed as follows:

$$GencoPrice_{Year}^{Local} = [WeightedCRF_{CUF}^{Local} + (Weighted FOM_{CUF}^{Local}) \times (1 + ir)^{Year-2023}] + (k_{VOM}^{Local}) \times VOM^{Local} \times (1 + ir)^{Year-2023} + (1 - k_{VOM}^{Local}) \times VOM^{Local} + (k_{FC}^{Local}) \times FC^{Local} \times b_{FC,year}^{Local} + (1 - k_{FC}^{Local}) \times FC^{Local}$$

Where,

- $GencoPrice_{Year}$ – Inflated Genco Price for a given Year
- $GencoPrice_{Year}^{Local}$ – Local component of Inflated Genco Price for a given Year
- $WeightedCRF_{CUF}^{Local}$ – summation of the Capital Recovery Fee multiplied to the Weight assigned to the price at given CUF from 65% to 100% and multiplied to the Dispatch Adjustment Factor.
- $Weighted FOM_{CUF}^{Local}$ – summation of the Fixed Operation and Maintenance Fees multiplied to the Weight assigned to the price at given CUF from 65% to 100% and multiplied to the Dispatch Adjustment Factor.
- k_{VOM}^{Local} – the percentage of the local component of Variable Operation and Maintenance to which inflation is to be applied
- ir – Philippine inflation rate to be applied to the Variable Operation and Maintenance
- k_{FC}^{Local} – the percentage of the local component of fuel to which inflation is to be applied
- $b_{FC,year}^{Local}$ – yearly inflation factor (using values in Table 7) to be applied to local component of fuel price



**ITB 24.10
Levelized Price**

The Levelized Price shall be calculated by determining the “Present Value” (Year 2023) of the annuity (i.e., equivalent annual uniform value) of the Annual Generation Cost divided by annual energy. The base year (t = 0) for the annuity of Annual Generation Cost is Year 2023. Thus, the Levelized Price shall be calculated as follows:

Lot 1

$$\begin{aligned}
 \text{Levelized Price} &= [PWGenCost_{2023}^{Local} + PWGenCost_{2023}^{WESM}] \\
 &\times \frac{1}{Energy_{Year}^{Total}} \\
 PWGenCost_{2023}^{Local} &= \sum_{Year=2024}^{2033} \frac{AnnualGenCost_{Year}^{Local}}{(1 + ir)^{[Year-2023]}} \\
 PWGenCost_{2023}^{WESM} &= \sum_{Year=2024}^{2033} \frac{AnnualGenCost_{Year}^{WESM}}{(1 + ir)^{[Year-2023]}}
 \end{aligned}$$

Where,

- LevelizedPrice* – Calculated Levelized Price or the (equivalent uniform value) of the price offer for the 10-year period (2024-2033) discounted to present value (2023)
- $PWGenCost_{2023}^{Local}$ – Present Worth (at Year 2023) of the local component of total Annual Generation Cost covering 2024 to 2033
- $PWGenCost_{2023}^{WESM}$ – Present Worth (at Year 2023) of the WESM component of total Annual Generation Cost covering 2024 to 2033
- $Energy_{Year}^{Total}$ – sum of Energy per year from 2024-2033




		<p>Lot 2</p> $\text{Levelized Price} = \left[\frac{PWGenCost_{2026}^{Local}}{(AnnuityFactor^{Local}) \times (1 + ir)^3} + \frac{PWGenCost_{2026}^{WESM}}{(AnnuityFactor^{WESM}) \times (1 + ir)^3} \right] \times \frac{1}{Energy_{Year}^{Total}}$ $PWGenCost_{2026}^{Local} = \sum_{Year=2027}^{2033} \frac{AnnualGenCost_{Year}^{Local}}{(1 + ir)^{[Year-2026]}}$ $PWGenCost_{2026}^{WESM} = \sum_{Year=2027}^{2033} \frac{AnnualGenCost_{Year}^{WESM}}{(1 + ir)^{[Year-2026]}}$ $AnnuityFactor^{Local} = \frac{(1 + ir)^N - 1}{ir \times (1 + ir)^N}$ $AnnuityFactor^{WESM} = \frac{(1 + ir)^N - 1}{ir \times (1 + ir)^N}$ <p>Where,</p> <p><i>LevelizedPrice</i> – Calculated Levelized Price or the (equivalent uniform value) of the price offer for the 7-year period (2027-2033) discounted to present value (2023)</p> <p>$PWGenCost_{2026}^{Local}$ – Present Worth (at Year 2026) of the local component of total Annual Generation Cost covering 2027 to 2033</p> <p>$PWGenCost_{2026}^{WESM}$ – Present Worth (at Year 2026) of the WESM component of total Annual Generation Cost covering 2027 to 2033</p> <p>$AnnuityFactor^{Local}$ – Annuity Factor for local component of generation cost</p>
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17	ITB – ANNEX J	Revised. Please refer to ITB per SBB 04 Annex J – Power Plant Matrix
18	ITB – ANNEX K	Added. Please refer to ITB per SBB 04 Annex K – List of Acceptable Banks
19	ITB – ANNEX L	Added. Please refer to ITB per SBB 04 Annex L – Sworn Undertaking
20	ITB – ANNEX M	Added. Please refer to ITB per SBB 04 Annex M – Certification of List of Authorized Representatives
21	ITB – ANNEX N	Added. Please refer to ITB per SBB 04 Annex N – List of Projects Undertaken

Approved By : **R8 JCPSP JBAC**


JANET L. NOTARTE, REE

R8 JCPSP JBAC – Chairman
 May 18, 2024