



MACTAN ELECTRIC COMPANY, INC

LAPU-LAPU CITY

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“Invitation to Submit Proposals for 20MW MEZ1 Power Supply”

1. General Information:

In compliance with Philippine Economic Zone Authority (PEZA) Board Resolution No. 23-227, titled “PEZA Policy guidelines for the Competitive Selection Process (CSP) in the Procurement of Supply Requirement of Public Economic Zones” dated September 7, 2023 and Section 1.2.4 of the Lease Concession Agreement executed between MECO and PEZA.

Mactan Electric Company, Inc. (MECO) the Franchisee for the conveyance, construction and distribution of electric energy in the City of Lapu-lapu and the municipality of Cordova under Republic Act (RA) 10890 and a Certificate of Public Convenience and Necessity (CPCN), thru its MEZ1-CSP Bids and Awards Committee (MEZ1-CSP-BAC) is inviting qualified bidders to offer its proposal for a contract quantity of 20MW for the period December 26, 2024 to December 25, 2029 for the supply to Mactan Economic Zone 1 Locators.

The MEZ1 CSP process shall be govern by the PEZA board resolution no. 23-227 dated September 7, 2023 and guidelines establish in accordance to the resolution as included in the Bidding documents.

2. Pre-Qualification Requirements:

Interested Power Generation Companies to participate in this CSP are required to submit and comply with the “Pre-Qualification Requirements” as indicated below. In addition, it shall secure the bidding documents from Secretariate after compliance to (a) by showing the original official receipt of the payments.

- a. Payment of non-refundable fee of Eight Hundred Thousand Pesos (Php 800,000.00) VAT excluded. Account Details shall be inquired from the MECO-CFO.

- b. Notarized Letter of Intent indicating the full name of the company, primary address, contact details (landline, mobile, email, etc.) signed by an authorized representative and shall subscribe to the bidding process.
- c. Oath of undertaking on non-legal action against MEZ₁-CSP-BAC, MECO and PEZA, its representatives, officers & BOD, related to the CSP process and procedure/s format prescribed by the MEZ₁-CSP-BAC.
- d. Original or Certified True Copies of all corporate/ legal documents (e.g. Board Resolution, Powers of Attorney) evidencing grant of authority invested in the individual submitting the Bid and making representation on behalf of the bidder.
- e. Duly notarized non-disclosure undertaking prescribed by the MEZ₁-CSP-BAC.
- f. Scanned copy of the payment of the non-refundable fee.

Power Generation companies that complied with the above shall be allowed to participate in the CSP. The above requirement shall be submitted to the Secretariate on or before September 02, 2024, during office hours.

3. Terms of Reference:

a.	GENERAL INFORMATION	Mactan Electric Company, Inc. (MECO) in compliance with Philippine Economic Zone Authority (PEZA) Board Resolution No. 23-227 dated September 7, 2023 requires a 20MW power supply for Mactan Economic Zone 1 (MEZ ₁) locators.
b.	Requirement	This scheduled power supply procurement requires a Firm offer from any conventional, new or emerging technology that has the capability and character to supply BASE LOAD for the duration of the term.
c.	Contracted Capacity	20MW at 100% Load factor to be delivered at the MEZ ₁ trading node with an option to nominate at no less than 50% subject to extension for the undelivered portion.
d.	Nominated Power Plant	The nominated power plant must have a rated capacity of no less than four (4) times of the capacity requirement and must have the available capacity required. Must have secured necessary permits from ERC, DOE, DENR and must be a WESM member. It shall indicate its generator WESM transaction node.
e.	Term	Cooperation period of 5 years. Delivery starting December 26, 2024 to December 25, 2029 subject to the final approval of PEZA Director General.

f.	Replacement Power	Provide replacement power at the same or lower cost during force or scheduled outage and during force majeure
g.	Energy Price	<p>CRF : (kWh) Fixed for the duration of the Contract</p> <p>Foreign O & M : (kWh) Fixed or Index</p> <p>Local O & M : (kWh) Fixed or Index</p> <p>Fuel rate: : (kWh) Fixed or Index (with Fuel Shock)</p> <p>Note:</p> <ol style="list-style-type: none"> Should the offer will not be fixed rate, the FOM & LOM indexation shall only be limited to CPI and FOREX. Fuel rate $\text{Fuel Rate} = \text{Fuel Rate}_{\text{Base}} \times \left(\frac{\text{New Castle}_{\text{current}}}{\text{New Castle}_{\text{base}}} \right) \times \left(\frac{\text{FOREX}_{\text{current}}}{\text{FOREX}_{\text{base}}} \right)$
h.	Tariff Structure	$\text{Cost} = BCQ \times \left[CRF + LOM \times \frac{PHP \text{ CPI}_{\text{current}}}{PHP \text{ CPI}_{\text{base}}} + FOM \times \frac{FOREX_{\text{current}}}{FOREX_{\text{base}}} \right] + HCQ \times \text{Fuel Rate}$ <p>Where:</p> <p>BCQ = Bilateral Contract Quantity HCQ = Actual Delivered Quantity LOM = Local O & M FOM = Foreign O & M PHP CPI = Local CPI FOREX = Foreign Exchange Rate</p>
i.	Bid Security	Bidders should submit a bid security with an amount of Fifty-five Million Pesos (Php55,000,000.00) in a form of Managers Cheque, Bank Guarantee or Surety bond in favor to MECO. The Bid Security will be returned to losing bidders upon completion of the whole CSP. However, if the bidder terminates its participation prior to the conclusion of the CSP, the bid security will be forfeited in favor to MECO.

j.	Performance bond	The winning bidder shall submit a Performance bond equivalent to three (3) months of the total energy price offered within five (5) calendar days after the execution of the PSA
k.	Outage allowance	The Forced and Scheduled outage allowance shall be in accordance or better than the latest standards promulgated by the responsible government agency
l.	Taxes and Value-Added-Tax (VAT)	The Energy Fee is exclusive of VAT, whose VAT shall be on the account of the MEZ1 Customers/Locators. MECO shall remit the collection from its MEZ1 Customers/Locators except in respect of any portion thereof that applies to VAT zero -rated customers.
m.	Prompt Payment Discount (PPD)	The bidder may provide a PPD if payment is made within ten (10) calendar days after receipt of SOA.
n.	Power Plant Performance	Performance records submitted and received by respective government agencies for the last five (5) years in operating the power plant. (e.g. AF, heat rate and rated degradation, SOX, NOX,CO2, etc.)
o.	Billing Cycle/Period	26th day of the previous month up to 25th day of the current month.
p.	Protest Fee	0.1% of the total gross contract price and is non-refundable

4. Bidders Instruction:

Prospective Bidders shall obtain a copy of the Pre-Qualification Documents at MEZ1-CSP-BAC Secretariate at MECO Building, Sangi Road, Pajo, Lapu-lapu City on as prescribe below before 5:00pm in and shall submit the same as prescribed. Further the Prospective Bidders shall present proof of payment of the non-refundable fee before it can be given the documents.

Only prospective Bidders that have complied with Pre-Qualification documents and proof of payment of the non- refundable fee are the only party allowed to submit clarificatory question/s or participate in any of the Conference. Each Prospective Bidders will only have three (3) representatives allowed to join in the pre-bid conference.

Submissions of CSP documents shall be addressed to the MEZ1- CSP- BAC Chairman through the CSP Secretariat at MECO Building, Sangi Road, Pajo, Lapu-lapu City.

Bidders should adhere to all instruction specified in the Rules and Guideline for the Conduct of the 20 MW CSP on the Procurement of the Power Supply for Mactan Economic Zone 1 (MEZ1).

5. Timeline

Particulars	Date/time	Venue
I. Availability of Bid Documents	Same day of the first publication August 16, 2024	MEZ1-CSP-BAC Secretariate
II. Submission Pre-Qualification Requirements	August 19 to September 2, 2024	MEZ1-CSP-BAC Secretariate
III. Pre -Bid Conference	August 28, 2024 @ 10 am	TBA
IV. Issuance of Bid bulletin (if necessary)		Notice
V. Bid Submission deadline and Bid Opening	September 13, 2024 @ 3pm and opening @ 3:30 pm	TBA
VI. Post evaluation of bids by the TWG	September 16 to 24, 2024	MECO conference room
VII. Notice of Award to winning bidder	September 30, 2024	TBA
VIII. PSA Negotiation and Review	October 7 to 9, 2024	MECO conference room
IX. PSA Signing	October 15, 2024	MECO conference room
X. Filing to PEZA for approval	October 21, 2024	PEZA Manila

MEZ1-CSP-BAC reserves the right and discretion to change timeline for whatever purpose and shall inform the affected parties by electronic notice.

Without any imposed formalities, conditions or incurring any liability to any affected bidders, MEZ1-CSP-BAC further reserves at any point in the timeline, the right to reject

any or all submissions, may waive any minor defects therein, decide or resolve matters arising from this exercise as it considers the most beneficial and advantageous conditions to MEZ1 locators.

For further clarification please refer to:

Ms. Jacinta T. Rusiana (sgd.)
MEZ1-CSP-BAC Secretariate
Contacts: 09171171675/ jacintajbfl@gmail.com

Approved by:

MEZ1-CSP-BAC (sgd.)

Engr. Gilbert Pagobo	-	Chairman
Mr. Emmanuel D. Cortero	-	Vice-Chairman
Ms. Maria Elena A. Salac	-	Member
Mr. Tomas Borromeo Jr.	-	Member
Atty. Mishelle Anne Rubio-Aguinaldo	-	Member