

ASSET DISPOSITION PROGRAM COMMITTEE (ADP COM)

SELECTION OF THE WINNING BIDDER FOR THE LONG-TERM LEASE AND DEVELOPMENT OF A THIRTY-SEVEN (37)-HECTARE PARCEL OF LAND IN THE NEW CLARK CITY (NCC) INTO A SOLAR POWER PLANT

Bid Bulletin No. 3, s. 2023
(12 April 2023)

In connection with the ongoing bidding for the long-term lease of the 37-hectare parcel of land located in the New Clark City, Capas, Tarlac, we are hereby issuing this bid bulletin to inform interested Private Sector Participants (PSPs) of the following:

Additional Responses to the Queries from the Prospective Bidders

In addition, please be advised of the following clarifications on the indicated subject matters:

Item No.	Questions/Clarifications from the Prospective Bidders	Clarification/Answer
1	What are the relevant requirements and procedures of the local power grid company (substation) for the connection/tapping of the solar photovoltaic power plant? We will highly appreciate if BCDA could assist us and refer this question to Shin Clark Power Corporation.	Bidders may directly contact Shin Clark Power Corporation (SCPC) for the relevant requirements and procedures in the connection/tapping of the solar photovoltaic power plant. BCDA, as a committed partner, will extend all necessary and reasonable assistance to the Winning Bidder which include the endorsement to Shin Clark Power Corporation (SCPC).
2	May we request for the clear copy of the survey plan that was shown on sheet no. 21/70 (Annex B) of the Terms of Reference (TOR).	Yes. You may access and download the the map with technical descriptions of the Subject Property via this link: https://bit.ly/3ZFO6NI
3	During the pre-bid conference, we are informed that the bidder must be engaged in the power sector for 5 years and not in solar power	Pursuant to the Article VII Section Subsection 2.1.b of the Terms of Reference, as amended by Bid Bulletin No. 1, s. 2023, the Bidder

	<p>generation. The presentation materials during the pre-bid show the same as well. The amended TOR on Bid Bulletin 01 reflects 5 years in the solar power sector.</p> <p>May we please get a clarification if a bidder will qualify if it has been engaged in power generation for 5 years using other technologies?</p>	<p>should have been in the business of solar power generation, design, and construction for at least five (5) years. Should the Bidder fall short of this requirement, it will not be qualified.</p>
4	<p>Could you please provide a topographic map of the 37-hectare land?</p>	<p>You may access and download the the topographic map of the Subject Property via this link: https://bit.ly/3ZFO6NI</p>
5	<p>Could we satisfy the Php 500 million minimum requirement from the available credit line in the country of incorporation?</p>	<p>We will only accept the credit line supported by the Stand-by Letter of Credit issued by a reputable universal or commercial bank regulated by the <i>Bangko Sentral ng Pilipinas</i> (BSP).</p>
6	<p>Can the Winning Bidder assign the lease to the Winning Bidder's sister company, subsidiary, or Special Purpose Company ("SPC or SPV") to lease the land and develop the solar project?</p>	<p>Yes, provided that the Winning Bidder shall obtain the <u>prior written approval</u> of BCDA before any assignment can be made. Provided further that the Assignee (sister company) has the same or superior qualification of the Assignor.</p>
7	<p>Article V Section 1 (Revised TOR) states that the turnover/transfer of ownership of permanent structures, facilities and improvements introduced by Winning Bidder on the property to BCDA, at no cost to BCDA, upon termination of the Contract of Lease due to breach of contract, default or upon expiration of the initial lease period regardless of any exercise by the Winning Bidder of the option to renew the lease period.</p> <p>The above specific details (in bold font) seem to be inconsistent with the Bid Bulletin No. 01 s. 2023 Article III Section 4, which states that if the Winning Bidder renews the Contract of Lease, there is no need to turnover the possession of the improvements to BCDA upon the</p>	<p>There are no inconsistencies in the provisions of the revised Terms of Reference and the Bid Bulletin No. 1.</p> <p>The permanent structures, facilities and improvements introduced by the Winning Bidder on the leased property shall automatically be owned by BCDA after 25 years (the initial lease term) whether or not there is a renewal of the Contract of Lease.</p> <p>Should there be a renewal, the winning bidder shall continue to enjoy possession of the leased property as well as the permanent structures, facilities and improvements despite the transfer of ownership to BCDA.</p>

	expiration of the initial 25-year lease.	
8	Will BCDA be able to provide an estimate of the CUSA/estate management fees to the bidders prior to the submission of bid on April 27, 2023?	<p>Please note that the deadline of submission of bids has been moved to May 2, 2023 at 11:00 A.M.</p> <p>The Estate Management Corporation and the Estate Association are yet to be formed. Thus, BCDA cannot provide yet the estimated CUSA/estate management fees.</p> <p>Should an association be formed, membership of locators is mandatory. As such, all fees to be imposed by the association shall be paid by the locator and remitted to BCDA or its designated representative (e.g., Estate Management Company).</p> <p>Prior to the creation of the Association and/or the Estate Management Company, BCDA shall be responsible in determining the rates to be paid by the locator (e.g. membership fees, Common Usage Service Area (CUSA) Fee, etc.). Any rate adjustments thereafter shall be reviewed by BCDA and/or the Association / Estate Management Company, taking into consideration the projected expenses for the ensuing years.</p>
9	Relative to the question of bidder and the response of BCDA pertaining to Article VII Section 2.2.1.c., may we further clarify whether the relative financial documents of the parent company, subsidiary/ies or affiliate/s of the SPV are acceptable and may be submitted as proof of financial capability?	Yes, for parent companies only subject to the submission of a Statement of Financial Capability issued by the entity's corporate secretary, the certification must be under oath or affirmation and notarized.
10	Under the technical capability requirements and the response of BCDA on the bidder's clarification	No. It is important to BCDA that the Winning Bidder itself meets the technical capability requirement.

	<p>pertaining to Article VII Section 2.2.1.b. (Five (5) years in the energy sector particularly in Power Generation), may we confirm whether the 5-year requirement may apply to the parent company or subsidiaries of the SPV?</p>	<p>This is to ensure the success of the project.</p>
11	<p>What is the timeline of Shin Clark Power Corporation (SCPC) for the upgrading of existing facilities to accommodate the capacity addition from the solar project (i.e. transformer, etc.)?</p>	<p>SCPC's timeline is demand based. They will immediately start as soon as the demand projection shows the need for an upgrade.</p>
12	<p>What is the timeline for the interconnection of Shin Clark Power Corporation (SCPC) to the nearest National Grid Corporation of the Philippines (NGCP) substation?</p> <p>Given the existing load and projected power requirements of SCPC mentioned by BCDA, it may not be able to receive the entire capacity of the solar project. Thus, this may require exporting the excess capacity to the national grid.</p>	<p>The 69kV transmission line connecting NCC Substation to Dolores Substation is scheduled to be completed by the end of 2023.</p> <p>The Winning Bidder may enter into an agreement with SCPC for the use of the 69kV transmission line either to deliver the generated power to NGCP substation and/or the offtake of the generated power by SCPC.</p>
13	<p>On Section 2, Article VII – Technical Capability</p> <p>During the pre-bid conference, participants are informed that the bidder must be engaged in the power sector for 5 years and not in solar power generation. The presentation materials during the pre-bid reflect the same as well. However, the amended TOR on Bid Bulletin 01 reflects 5 years in the solar power sector. Will BCDA consider the 5 year experience of a bidder in other power generation technologies as compliant in this requirement?</p>	<p>Refer to the response number 3 of this Bid Bulletin.</p>
14	<p>On the Eligibility Documents on Annex G-1</p> <p>The bidder is required to submit a Tax Clearance Certificate together with the Eligibility Statement. On Paragraph 7.1, Section 7, Article VII, the bidder</p>	<p>All bidders must submit as attachment to its Eligibility Statement (Annex G-1), including but not limited to, a copy of its 2021 Tax Clearance Certificate issued by the Bureau of Internal Revenue (BIR).</p>

	<p>must submit a Tax Clearance Certificate. May we clarify if the Tax Clearance Certificate submitted with the Eligibility Statement will be considered for the Post-qualification or do we need to re-submit?</p>	<p>The Bidder with the Highest Ranked Bid must pass a post-qualification process to verify the accuracy and authenticity of all the documents submitted to BCDA including the original copy of the 2021 Tax Clearance Certificate issued by the BIR.</p>
15	<p>On the classification of the land DOE Service Contract requires that the land must be classified as "Industrial". May we clarify if the 37 hectare subject land is classified as Industrial and if not, will DOE recognize that there is no need for conversion of the same?</p>	<p>The New Clark City (NCC) is part of the Clark Special Economic Zone. Under the Master Development Plan of the NCC, the Property is classified as "White Zone" - developments and parameters are flexible and subject to BCDA's approval. Thus, land conversion is not necessary for this Property.</p>
16	<p>Section 4, Article II of TOR and Paragraph 1, Section 1, Article 1 of Draft Contract of Lease</p> <p>We suggest to amend the last paragraph of Section 4 to be consistent with Paragraph a, Section 3, Article II.</p> <p>Suggested provision:</p> <p><i>"The Winning Bidder shall use the Leased Property exclusively for the development of the large-scale solar Photovoltaic (PV) power plant with a minimum capacity of 25 megawatts (MW), including support facilities, unless there is a prior written consent from BCDA. The Winning Bidder shall commence the development of the large-scale solar PV power plant within three (3) years from signing of the Contract of Lease and its Commercial Operations on or before the third anniversary of the signing of the Contract. Unless the delay is due to causes beyond the control of either Party, any violation of this provision shall give the Lessor the right to automatically terminate the</i></p>	<p>We maintain the last paragraph of Section 4, Article II of the TOR.</p> <p>For clarity, however, Article II Section 3 of the draft Contract of Lease is hereby reworded.</p> <p>Section 3. Limitations on the Use. – The LESSEE shall use the Leased Property exclusively for the development of a <u>solar Photovoltaic (PV) power plant</u> as may be applicable under RA 9513, the "Renewable Energy Act of 2008" and the <u>Permitted Use</u> provided in the Comprehensive Master Development Plan (CMDP) which was developed in accordance with the principles of "green, smart, and disaster-resilient developments".</p> <p>In addition:</p> <p>a. <u>the LESSEE may introduce support facilities necessary for the commercial operation of the solar power plant which may include the following:</u></p> <p>i. <u>Office facilities</u></p> <p>ii. <u>Staffhouse/Dormitory for use of in-house personnel</u></p>

	<p><i>Contract of Lease without need of judicial intervention and action.”</i></p>	<p>iii. <u>Ancillary carpark</u> iv. <u>Utility installation for Private Use of the Lessee</u> v. <u>Stock room</u></p> <p>b. <u>the LESSEE may introduce other facilities that are not included in the list above provided the LESSEE secures prior written approval from BCDA.</u></p> <p>c. the LESSEE shall secure all necessary permits, licenses and clearances from the appropriate government agencies to ensure that its operations in the Leased Property comply with existing rules and regulations (the Consents); and</p> <p>d. In case of pre-termination of this Agreement, provided that the LESSEE has fully settled all of its unpaid obligations under this Agreement, LESSEE shall not be entitled to recover all civil works and permanent improvements in the Leased Property, but shall be entitled to recover al Apparatus installed at the Leased Property.</p>
<p>17</p>	<p>On paragraph F, Section 1, Article XIII of the Contract of Lease in relation to Section 3, Article II of the Contract of Lease</p> <p>We suggest to amend paragraph F, Section 1, Article XIII to be consistent with Section 3, Article II</p> <p>Suggested provision:</p> <p><i>“(f) Use by the LESSEE of the Leased Property for purposes other than that the Permitted Use set out in Section 2(c), Article II (LESSEE’s Rights)</i></p>	<p>Paragraph F, Section 1, Article XIII of the draft Contract of Lease is hereby reworded:</p> <p><u>(f) Use by the LESSEE of the Leased Property for other purposes in violation of Article II Section 3.</u></p>

	<i>hereof, unless prior written consent from the LESSOR is obtained; or"</i>	
18	<p>On the Financial Assistance to the PAPS and estimate of CUSA</p> <p>Will BCDA be releasing the estimate for the PAPS and the CUSA prior to the bid submission date? Appreciate to finalize this amount before the bid submission.</p>	<p>As to the Financial Assistance refer to the response in the Bid Bulletin No. 1, s. 2023.</p> <p>In relation to the Common Usage Service Area (CUSA) fee, please refer to the response Item No. 8 of this Bid Bulletin.</p>
19	<p>On Article III Section 2 Bid Parameters:</p> <p>a. Discount rate at 8%</p> <p>Will this be a fixed rate? Every bidder would have its own beta.</p>	<p>The discount rate of eight percent (8%) is fixed.</p>
20	<p>On Paragraph a.2, Section 2, Article III</p> <p>Will BCDA consider lowering the minimum lease rate per square meter per annum?</p>	<p>No</p>
21	<p>On Article III Section 2 Bid Parameters: Share on 2% of the Gross Revenues upon start of commercial operations</p> <p>For the purpose of determining the BCDA's share, the gross revenue of the winning bidder shall include the proceeds resulting from the sale of the renewable energy produced to off-takers through the Power Supply Agreement (PSA) or Wholesale Electricity Spot Market (WESM), utilized electricity for its own commercial operations using the PSA rate, and other income incidental to and arising from the renewable energy generation, transmission and sale of electric power</p> <p>Clarification on the highlighted portion, does this refer to power purchases for station-use?</p>	<p>Yes</p>
22	<p>On Paragraph c, Section 2, Article III of the TOR</p>	<p>No</p>

	<p>In computing the 2% of revenues, will BCDA consider <u>removing</u> the following highlighted items:</p> <p>For the purpose of determining the BCDA' share, the gross revenue of the Winning Bidder shall include the proceeds resulting from the sale of the renewable energy produced through Power Supply Agreement (PSA) or Wholesale Electricity Spot Market (WESM), utilized electricity for its own commercial operations using the PSA rate, and other income incidental to and arising from the renewable energy generation, transmission and sale of electric power.</p>	
23	<p>On Article III Section 3 Minimum Capital Investment:</p> <p>Minimum of 1B prior to commercial operations</p> <p>Is this the same provision based on Lease agreement Article V Section 1: Committed Investment 1B for 3 years: Does this mean that the 1B can be infused over the 3-yr period or before commercial operations whichever is earlier.</p>	Yes
24	<p>On Bid bulletin No. 1, s. 2023 Article VII Section 2.2.1.c</p> <p>The Net Worth of the Bidder/s should be based on the 2022 Audited Financial Statements (AFS) with stamped "RECEIVED" by the Bureau of Internal Revenue (BIR) or its equivalent in the country of incorporation</p> <p>Will BCDA accept Tentative Filing of 2022 FS with BIR stamped?</p>	Yes
25	<p>On Article IV Lease Payments, Term and Renewal</p>	No. Lease payment is exclusive of all applicable taxes and fees.

	<p>Section 1 : Non-refundable advance lease payment for 2 years applied to year 3 and 4</p> <p>Section 2: Rent-free period of 2 years; Complete development for 3 years</p> <p>Section 3: Lease of 25 years paid before the year; Share in Actual Revenue at 15 days after end of quarter</p> <p>Section 6: 6% per annum late payment fee</p> <p>Section 7: Taxes all dues of the lessee including RPT</p> <p>Does this include w/tax on lease?</p>	
26	<p>On Article V: Rights and Responsibilities of the parties</p> <p>1.5 Clear the property and pay the Financial Assistance of the Project Affected Persons (PAP) in accordance with the Schedule of Payment and/or Financial Assistance (FA) assessment to be provided by BCDA once actual number of PAP's are determined</p> <p>As per pre-bid, the estimated cost is at P37M; should this be paid one-time or staggered? If staggered, shall this affect the construction phase?</p>	<p>The payment of the Financial Assistance (FA) shall depend on the agreement between the Winning Bidder and the PAPs. Note, however, that the Winning Bidder must start its commercial operation within three (3) years from the signing of the Contract of Lease.</p> <p>Thus, the immediate clearing of the PAPs must be given priority to accomplish the construction and commercial operation timeline of the Project.</p>
27	<p>On Article V: Rights and Responsibilities of the parties</p> <p>Section 2: As-is; where is clause</p> <p>How are future obligations arising from years prior to the lease agreement? Shall this be shouldered by the lessee?</p>	Yes
28	<p>On Article VII - ELIGIBILITY CHECK, EVALUATION OF BIDS AND SELECTION OF WINNING BIDDER</p> <p>iii. Net worth of at least 500M presents in AUDITED FS</p> <p>In cases of JV, does combined audited net worth equal to 500M accepted? Meaning, separately less than 500M.</p>	Yes

29	<p>On LEASE AGREEMENT</p> <p>Section 5: Security Deposit</p> <p>i. Lease payment of 2 years under section 1 - managers check; cashiers check, non-interest bearing security deposit; refundable after expiration of contract.</p> <p>May this be payable after the consumption of the 2 years advance deposit?</p>	No
30	<p>On Section 6: Replenishment of Security Deposit</p> <p>What are the instances wherein there are charges to the security deposit and needs to be replenished?</p>	Refer to Article IV Sections 5 and 7 of the draft Contract of Lease.
31	<p>On Article V - PERFORMANCE / INVESTMENT COMMITMENTS</p> <p>Section 1</p> <p>i. Committed investment 1B for 3 yrs</p> <p>a. Employ at least 20 workers</p> <p>Are there any specifics for the employment of workers? Should this be from the PAPs or from the area within the NCC?</p>	<p>It is not mandatory for the Winning Bidder to employ the PAPs or residents of communities within or adjacent to the New Clark City. However, we highly encourage this practice as this would create goodwill between the Winning Bidder and the locals.</p> <p>For further guidance, we refer you to Republic Act (R. A.) No. 6685 - an act requiring contractors to hire at least 50% of labour requirements and at least 30% of skilled labour to be taken from residents from the province in which the project is to be undertaken.</p>
32	<p>On Article V - PERFORMANCE / INVESTMENT COMMITMENTS</p> <p>Section 2 Performance Bond (OR)</p> <p>a. Cash, cashiers, managers check 5% of total investment commitment</p> <p>b. Bank guarantee - 10% of the total investment commitment</p> <p>c. Surety bond issued by GSIS or any reputable private insurer at 30% of total investment commitment</p>	<p>For banks, you may refer to the latest List of <i>Bangko Sentral ng Pilipinas (BSP)</i> Supervised Financial Institutions that can be found in its official website - https://www.bsp.gov.ph/ .</p> <p>On the other hand, the Bidder may refer to the latest List of Insurance Companies Authorized to Act as Sureties from the Insurance</p>

	What is the list of reputable banks for insurance and performance bonds?	Commission's official website - https://www.insurance.gov.ph/ .
33	<p>On Section 4: Default on the Performance Bond</p> <p>Not later than sixty days prior to the expiration of the Performance Security Bond, the LESSEE shall submit to the LESSOR an accounting of all costs and expenses incurred in the implementation of the Project. If the total costs and expenses should fall short of the Investment Commitment, the LESSOR shall call upon the Performance Security Bond to the extent of the actual deficit. The call on the Performance Security Bond shall be evidenced by a sworn certificate attesting to the amount of the deficit signed by the President/CEO and/or EVP and COO of the Lessor. The sworn certificate shall substantially be in that form acceptable to the GSIS/surety company/bank.</p> <p>Investment commitment is at P1B; what if the actual cost and expenses is less than the commitment however, the infusion of capital is at 1B shall the performance bond be forfeited?</p>	Yes
34	<p>On the Overhead Transmission Lines</p> <p>Will BCDA allow the use of barangay road beside / near the site for shorter overhead transmission lines? We attach the site photo with the encircled proposed location.</p>	No. The Winning Bidder should comply with the Master Development Plan (MDP) for the New Clark City (NCC). The NCC MDP mandates that all transmission lines within NCC shall be underground.



This Bid Bulletin No. 3 is being issued to amend, revise, modify and update previous postings/issuances pertaining to the items discussed above related to the subject disposition.

Thank you for your continued interest in the BCDA's Asset Disposition Program.

(SGD.)

HEDDA LOURDES Y. RULONA
Chairperson

(SGD.)

RITCHIE P. PACLIBAR
Vice Chairperson

(SGD.)

MADONNA M. CINCO
Member

(ON LEAVE)

LIBERTY P. DE LEON
Member

(SGD.)

RYAN S. GALURA
Member

(SGD.)

JENNIFER A. MALLO
Member

SPP2023-0005