

**INVITATION TO APPLY FOR ELIGIBILITY  
AND TO SUBMIT A PROPOSAL**

**COMPETITIVE SELECTION FOR THE JOINT VENTURE DEVELOPMENT  
OF THE ELECTRIC POWER DISTRIBUTION SYSTEM  
NEW CLARK CITY**

The Bases Conversion and Development Authority (“**BCDA**”) invites all interested private sector participants (“**PSPs**”) to submit proposals for the purpose of entering into an incorporated joint venture (“**JV**”) with BCDA for the financing, design and engineering, establishment, construction, development, and operation and maintenance of the electric power distribution system in New Clark City over a proposed 25-year concession period, which may be extended for an additional period of 25 years subject to compliance with the conditions for renewal of the legislative franchise and other conditions stipulated in the JV Agreement and applicable Concession Documentation (the “**Project**”), pursuant to the 2017 Guidelines on the Privatization and Disposition of BCDA Properties - Procedures for Entering into Joint Venture (JV) Agreements with Private Entities (the “**BCDA Guidelines**”).

**General Project Description**

The Project will provide the infrastructure for the distribution of electricity to locators and other facilities within New Clark City.

The Project involves the financing, design and engineering, establishment, construction, development, and operation and maintenance of a smart and resilient power distribution system to meet the electricity demand requirements of customers in New Clark City. The Project will be undertaken in phases (assuming that the term of the JV Agreement shall be extended in accordance with the Concession Documentation) and is expected to build the following:

- A double circuit, 230kV overhead transmission line connecting from the National Grid Corporation of the Philippines substation to a suitable substation location at the New Clark City;
- Point of delivery, 230kV-69kV substation with 4x150MVA transformer with sufficient single outage contingency (“**N-1**”) capacity;
- Multiple number of distribution substations utilizing Gas Insulated Switchgears technology (a minimum of six (6) lots of 69kV-13.8/23kV substation with 3x25/33MVA transformers and switchyards for all four (4)-phases) to be strategically put up throughout New Clark City;
- A 69kV, three (3)-phase underground polyvinyl chloride (“**PVC**”) concrete-encased conduits to connect all substations;
- A 13.8/23kV, three (3)-phase underground PVC concrete-encased conduits distribution feeders for site reticulation electricity supply together with corresponding Ring Main Units switchgears;
- Charging stations for electric vehicles; and
- Smart Grid systems to be deployed in stages, which includes Advanced Metering Infrastructure (AMI), SCADA and Communications, Demand Management System, 13.8/0.38kV Smart Transformer features, Advanced Distributed Management Systems (ADMS), smart meters, Active Volt-Var Control (AVVC), Fault Detection, Isolation, and Restoration (FDIR), substation and feeder monitoring (SFM), among others.

Based on the estimated projections of BCDA, the total Project cost over the duration of the Project concession is estimated to total approximately PHP6.3 Billion in 2018 real prices.

The Phase 1 requirement is a distribution electricity infrastructure with N-1 capacity to cater for at least 49MW electricity demand of the pioneering locators of New Clark City. Phase 1 shall be implemented in such a manner as will ensure the availability of supply of electricity to the sports complex within New Clark City in time for hosting the 2019 Southeast Asian Games.

The BCDA shall secure a legislative franchise from the Congress of the Philippines for the Project assignable to the JV as BCDA's contribution to the JV.

### **Instructions to Private Sector Participants**

The Instructions to Private Sector Participants (“IPSP”), which describe the procedures that shall be followed in connection with the competitive selection by BCDA of its private partner for the Project, are issued in three parts: (i) IPSP: Volume 1 — Eligibility Documents; (ii) IPSP: Volume 1 – Forms and Annexures; and (iii) IPSP: Volume 2 — Competitive Selection Documents and IPSP: Volume 2 – Forms and Annexures.

Interested PSPs may secure a copy of IPSP: Volume 1 — Eligibility Documents (excluding the IPSP: Volume 1 – Forms and Annexures), which details the requirements for interested PSPs to be found eligible to submit Proposals for the Project, free of charge. Interested PSPs shall be entitled to receive IPSP: Volume 1 – Forms and Annexures (which details the forms and annexures that are required for interested PSPs to submit the Eligibility Documents) and an information memorandum upon submission of a letter of intent and payment of a fee in the amount of Five Hundred Thousand Philippine Pesos (PHP500,000.00), payable in cash or manager's check issued by a bank in the Philippines to BCDA, which payment shall be non-refundable. The foregoing documents will be made available at the BCDA Corporate Center, 2nd Floor Bonifacio Technology Center, 31<sup>st</sup> Street corner 2<sup>nd</sup> Avenue, Bonifacio Global City, Taguig City. Interested PSPs may likewise download from <http://www.bcda.gov.ph/bids> a copy of IPSP: Volume 1 — Eligibility Documents (excluding the IPSP: Volume 1 – Forms and Annexures). In determining the eligibility and pre-qualification of a PSP, the non-discretionary “pass-fail” criterion shall be applied.

IPSP: Volume 2 — Competitive Selection Documents details the requirements and procedures for the submission of Proposals and IPSP: Volume 2 - Forms and Annexures details the forms and annexures that are required for submission of Proposals, with the end-view of determining to whom the Project shall be awarded. All PSPs which satisfy the eligibility and pre-qualification requirements shall be provided IPSP: Volume 2 — Competitive Selection Documents and IPSP: Volume 2 — Forms and Annexures without additional cost. The issuance of IPSP: Volume 2 - Competitive Selection Documents and IPSP: Volume 2 — Forms and Annexures shall be announced at a later date.

### **Eligibility Requirements**

Each entity submitted to fulfill any of the Eligibility Requirements must certify that it has no Unsatisfactory Performance Record. The term “Unsatisfactory Performance Record” shall be defined in IPSP: Volume 1 – Eligibility Documents.

A PSP shall be considered eligible upon compliance with the following minimum eligibility requirements:

### 1. Legal Capacity

The PSP must be a partnership, a corporation, or a consortium. If a consortium: (a) its members must be natural or legal persons or sole proprietorships, and (b) if the consortium become the Winning PSP, its members shall cause the incorporation of a special purpose company (“**SPC**”).

The PSP (or SPC, in case of a Consortium) must meet the nationality and ownership requirements under the Constitution and other applicable laws and issuances in relation to the Project.

### 2. Technical Eligibility

The PSP or the entities nominated to fulfill the technical eligibility requirement must have satisfactorily completed the following:

#### 2.1. Design and Construction Experience

2.1.1. The Design and Construction Experience Requirement may be fulfilled by the PSP (or its Affiliate), a Consortium Member (or its Affiliate), or a Contractor. There shall be no aggregation of experience amongst the foregoing entities.

2.1.2. The PSP may nominate one entity or separate entities to fulfill the Design Experience Requirement and Construction Experience Requirement, respectively, provided that only one entity shall be nominated to fulfill the Design Experience Requirement and only one entity shall be nominated to fulfill the Construction Experience Requirement.

2.1.3. The entity nominated to fulfill the Design Experience Requirement must have satisfactorily completed the design of all of the following eligible projects, whether locally or abroad, within the past ten (10) years from the date of issuance of IPSP: Volume 1 – Eligibility Documents:

<b>Minimum Requirements</b>
Substation using Gas Insulated Switchgear with capacity in excess of 50MVA (11kV up to 230kV)
11kV and above underground cable or overhead line network, up to 230kV
240/460V LV reticulation

2.1.4. The entity nominated to fulfill the Construction Experience Requirement must have satisfactorily completed the construction of all of the following eligible projects, whether locally or abroad, within the past ten (10) years from the date of issuance of IPSP: Volume 1 – Eligibility Documents:

<b>Minimum Requirements</b>
Substation using Gas Insulated Switchgear with capacity in excess of 50MVA (11kV up to 230kV)
11kV and above underground cable or overhead line network, up to 230kV
240/460V LV reticulation

2.1.5. The combined project cost of the completed projects submitted in compliance with the Design Experience Requirement must be in the amount of at least PHP1 Billion. The combined project cost of the completed projects submitted in compliance with the Construction Experience Requirement must be in the amount of at least PHP1 Billion.

If a single entity fulfills the Design Experience Requirement and the Construction Experience Requirement, the same projects may be relied upon by such entity to satisfy such requirements.

The project cost shall be converted to their equivalent prices as at the Eligibility Documents Submission Date by applying the official historical annual inflation rates of the countries where the criteria projects are located using the indicator "inflation, consumer prices (annual %)" from the World Bank Databank (<http://databank.worldbank.org/data/home.aspx>) as the source and the foreign exchange rates prevailing as of the Eligibility Documents Submission Date. In submitting past project values to meet the above criteria, each PSP shall submit both the relevant original contract prices and its methodology for determining the equivalent prices as at the Eligibility Documents Submission Date.

## 2.2. Operation and Maintenance Experience

The PSP (if the PSP is a partnership or corporation) or a Consortium Member that is neither a natural person nor a sole proprietorship (if the PSP is a consortium) must have experience in the satisfactory operation and maintenance of power distribution systems and meet all of the following requirements:

<b>Minimum Requirements</b>
Must have completed at least ten (10) full years of operation and maintenance of power distribution systems within the last ten (10) years immediately preceding the date of issuance of IPSP: Volume 1 — Eligibility Documents
Must have current load capacity in excess of 50MW

The Consortium Member whose qualification is being submitted to comply with the Operation and Maintenance Experience Requirement shall be required to contribute and maintain at least fifteen (15%) equity ownership in the SPC if the Consortium is declared as the Winning PSP.

### 2.3. Smart Grid Experience

The PSP (if the PSP is a partnership or corporation) or a Consortium Member that is neither a natural person nor a sole proprietorship (if the PSP is a consortium) must have experience associated with the following smart grid components:

<b>Minimum Requirements</b>
Roll out of smart metering projects that include the building of Metering Data Management System (MDMS) and other network architecture
Experience with implementing substation automation based on IEC61850 standard
Have operating experience in distribution utility SCADA/DMS/OMS, including software implementation

The Consortium Member whose qualification is being submitted to comply with the Smart Grid Experience Requirement shall be required to contribute and maintain at least ten percent (10%) equity ownership in the SPC if the Consortium is declared as the Winning PSP.

### 2.4. Qualified Key Personnel

The PSP (or its Affiliates), Consortium Members (or their Affiliates) or a Contractor must have, among their personnel, individuals with the required qualifications and experience for the positions of Design Manager, Construction Manager, Operations Manager, and Power Trading Manager, as further stipulated in IPSP: Volume 1 - Eligibility Documents.

The PSP shall ensure that personnel identified shall be employed or engaged by the PSP (or its Affiliates), Consortium Member (or their Affiliates) or Contractor, provided that the Operations Manager shall be employed or engaged by the Winning PSP.

## 3. Financial Eligibility

The PSP, or Consortium Member, or an Affiliate of the PSP / Consortium Member that will guarantee the obligations of the PSP / Consortium Member under the Concession Documentation, (or an aggregation of such entities) must be able to demonstrate the capability to provide the minimum amount of equity to be used in financing the completion of the entire for the Project, through the following:

- a. A: (i) minimum net worth equivalent to at least PHP 6.3 Billion (Six Billion Three Hundred Million Philippine Pesos) or its equivalent as of its latest audited financial statements, which must be dated not earlier than December 31, 2017, or (ii) deposit equivalent to the minimum equity required set aside or earmarked for the Project;
- i. in case of natural person or sole proprietorship: Certified true copy of the latest income tax returns for the previous three financial years, the latest of which must be dated not earlier than December 31, 2017, stamped "received" by the Bureau of Internal Revenue;

- ii. in case the Financial Capability Requirement will be fulfilled through a set-aside deposit: a notarized certification from the relevant bank as proof of set-aside deposit indicating the name of the account holder and the amount of the set-aside deposit;
- b. In addition, a notarized statement/certification from a domestic universal/commercial bank or any international bank recognized by the *Bangko Sentral ng Pilipinas* attesting that the nominated entity is banking with them, is in good financial standing, and is qualified to obtain credit accommodations from such banks to finance the Project.

For the purpose of computing the minimum Net Worth of the PSP that is a Consortium, the minimum Net Worth of any Consortium Member or any Affiliate of a Consortium Member that will guarantee the obligations of a Consortium Member (as applicable) may be aggregated.

#### 4. Additional Eligibility Criteria

The PSP, including all Consortium Members, nominated Contractors and PSP Industry Affiliates, must likewise execute a notarized Acceptance of Criteria and Waiver of Rights to Enjoin Activity, which shall contain a statement stipulating that such entity has:

- a. Accepted the qualification criteria established by the JVSC of BCDA; and
- b. Waives, to the fullest extent allowable by law, any right it may have to, and shall not seek or obtain, any writ of injunction or prohibition or restraining order, or any other form of coercive judicial, quasi-judicial or administrative writ, process or issuance, or any other similar remedy or course of action intended to have similar effect, including but not limited to any claim for payment of costs, fees, expenses or damages, in any jurisdiction, against BCDA, its JVSC, its Affiliates, or any of the BCDA Advisers or any other entity as would prevent, suspend, restrain or in any manner forestall, hinder or render inconvenient any stage of the Competitive Selection Process, the award of the JV Agreement and other relevant Concession Documentation to the Winning PSP, or the carrying out of the awarded JV Agreement and other relevant Concession Documentation.

#### Activity Schedule

The following schedules shall be strictly observed:

<b>Activity</b>	<b>Schedule</b>
1. Issuance of IPSP: Volume 1 – Eligibility Documents and Issuance and Purchase of IPSP: Volume 1 – Forms and Annexures	16 May 2018
2. Pre-Eligibility Conference	29 May 2018
3. Deadline for Submission of Eligibility Documents	18 June 2018
4. Opening of Eligibility Documents	18 June 2018
5. Announcement of Eligible PSPs	29 June 2018

This Competitive Selection Process is being administered by the BCDA Joint Venture Selection Committee (JVSC) for the Electric Power Distribution System – New Clark City.

BCDA, through its JVSC, reserves the right to reject, at any time prior to the signing of the JV Agreement, any or all proposals without thereby incurring any liability to the affected PSPs, to waive any minor defects therein, and to accept the offer that it deems most advantageous to the Philippine government.

BCDA, through its JVSC, reserves the right to amend, revise, modify, clarify, or supplement any portion of the IPSP, including the foregoing activity schedule, provided that the BCDA shall provide updated versions thereof free of charge to all those eligible to receive the updated versions as described in the applicable IPSP.

For any queries, please contact:

**Nena D. Radoc**

**Chairperson**

**JVSC for the Electric Power Distribution System – New Clark City**

Bases Conversion and Development Authority

BCDA Corporate Center

2<sup>nd</sup> Floor, Bonifacio Technology Center

31<sup>st</sup> Street corner 2<sup>nd</sup> Avenue

Bonifacio Global City, Taguig City

E-mail: twg\_power@bcda.gov.ph

**DISCLAIMER**

The information contained in this IAESP and other documents provided to PSPs, whether verbally or in documentary or any other form, by or on behalf of the BCDA, is provided to the PSPs on the terms and conditions set out in the Invitation Documents and such other terms and conditions subject to which such information is provided.

Information provided in the Invitation Documents to the PSPs is on a wide range of matters, some of which may depend upon interpretation of law. The information given is not intended to be an exhaustive account of statutory requirements and should not be regarded as a complete or authoritative statement of law. BCDA accepts no responsibility for the accuracy or otherwise for any interpretation or opinion on law expressed herein.

BCDA, its employees and its advisors make no undertaking, assurance, representation or warranty and shall have no liability to any person, including any PSP, under any law, statute, rule or regulation, principle of restitution or unjust enrichment or otherwise for any loss, damages, cost or expense which may arise from or be incurred or suffered on account of anything contained in the Invitation Documents or otherwise, including the accuracy, adequacy, correctness, completeness, or reliability of the Invitation Documents and any assessment, assumption, statement, or information contained therein or deemed to form part of the Invitation Documents, or arising in any way from participation in the Competitive Selection Process.