

Republic of the Philippines



Bidding Documents

Sale of the Main Fuel Tank (Receiving Tank) and Associated Pipeline, and Remaining Fuel and Lube Oil, at Iligan Diesel Power Plant

6 August 2013

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Section I. Invitation to Bid

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INVITATION TO BID

For the Sale of the Main Fuel Tank (Receiving Tank) and Associated Pipeline, and Remaining Fuel and Lube Oil, at Iligan Diesel Power Plant

1. The Power Sector Assets and Liabilities Management Corporation (PSALM), through its Bids and Awards Committee for the Disposal of Unserviceable Assets from Sold Plants and Other Unserviceable Assets (BAC-Disposal), now invites bids for the Asset listed below.

ITEM	DESCRIPTION	QTY	Minimum Bid Price (PhP)
1.	Main Fuel Tank (Receiving Tank) and Associated Pipeline;	1 lot	32,000,000.00
2.	Remaining Fuel Oil Stock*, with estimated volume (@15°C) as follows: a. IFO - 2,266,125.26 li b. IDO - 73,873.29 li c. ELO - 7,435.00 li	1 lot	
* Fuel and Lube Oil deliveries were made in 2006, 2009, 2010 and 2013.			

2. The following may purchase the Bid Documents and submit bids:
- a) Industrial and/or power plant owners or operators using Industrial Fuel Oil (IFO), Industrial Diesel Oil (IDO) and Engine Lubricating Oil (ELO); or
 - b) Waste Oil Treaters, accredited by the Environmental Management Bureau of the Department of Environment and Natural Resources (DENR-EMB), with:
 - i. treatment capacity of at least twenty thousand (20,000) liters per day; and
 - ii. available storage capacity within the TSD Facility commensurate to an estimated fuel and lube oil volume of 2.2 Million liters vis-a-vis treatment capacity.
3. The sale is on an “AS-IS, WHERE-IS” basis.
4. The price offer submitted shall be VAT-inclusive.
5. Interested parties must have no current conflict or dispute with the Seller or its representatives.

6. Bidding will be conducted through open competitive bidding using a non-discretionary “pass/fail” criterion.
7. A complete set of Bidding Documents may be purchased by interested parties beginning 6 August 2013 up to 30 August 2013 from the address below and upon payment of a nonrefundable fee of PhP10,000.00.
8. PSALM will hold a Pre-Bid Conference on 23 August 2013, 1:30 PM, at the Filipinas Hall, 6th Floor Bankmer Building, Ayala Avenue, Makati City, which shall be open to all interested parties who have purchased the Bidding Documents.
9. Bids must be delivered to the address below on or before **4 September 2013, 12:00NN**. All Bids must be accompanied by a Bid Security in any of the acceptable forms and in the amount stated in ITB Clause 12.
10. Bid opening shall be on **4 September 2013 at 1:30 PM** at the Filipinas Hall, 6th Floor, Bankmer Building, 6756, Ayala Avenue, Makati City.
11. PSALM reserves the right to accept or reject any bid, to annul the bidding process, and to reject all bids at any time prior to contract award, without thereby incurring any liability to the affected bidder or bidders.
12. For further information, please refer to:

Chairperson, Bids and Awards Committee for the
Disposal of Unserviceable Assets of Sold Plants and Other Disposable Assets
c/o The BAC-Disposal Secretariat
Power Sector Assets and Liabilities Management Corporation
3rd Floor, Bankmer Building, 6756, Ayala Avenue, Makati City
Telephone No. (02) 902-9000 local 9109
e-mail: Disposal_BACSec@psalm.gov.ph

(SGD) RICO P. VALDELLON
BAC-Disposal Chairperson

Section II. Instructions to Bidders **(ITB)**

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1. Scope of Bid

- 1.1. PSALM (hereinafter referred to as the “Seller”) wishes to receive bids for the sale of the Main Fuel Tank (Receiving Tank) and associated Pipeline and Remaining Fuel and Lube Oil located at Iligan Diesel Power Plant.
- 1.2. The name, identification and quantity specific to this bidding are provided in **Section V. List of Assets**.
- 1.3. The sale is on an “AS-IS, WHERE-IS” basis.
- 1.4. The sale is on a “TAKE ALL” basis, selective withdrawal is prohibited.

2. The Minimum Bid Price for the sale of the Asset is Thirty Two Million Philippine Pesos (Php32,000,000.00).

- 2.1. Any bid lower than this amount shall not be accepted.

3. Corrupt, Fraudulent, Collusive, and Coercive Practices

- 3.1. The Seller as well as the bidder/buyer shall observe the highest standard of ethics during the bidding and execution of the contract. In pursuance of this policy, the Seller defines, for the purposes of this provision, the terms set forth below as follows:
 - 3.1.1. “corrupt practice” means behavior on the part of officials in the public or private sectors by which they improperly and unlawfully enrich themselves, others, or induce others to do so, by misusing the position in which they are placed, and it includes the offering, giving, receiving, or soliciting of anything of value to influence the action of any such official in the sale process or in contract execution; entering, on behalf of the Government, into any contract or transaction manifestly and grossly disadvantageous to the same, whether or not the public officer profited or will profit thereby, and similar acts as provided in Republic Act 3019.
 - 3.1.2. “fraudulent practice” means a misrepresentation of facts in order to influence a sale process or the execution of a contract to the detriment of the Seller, and includes collusive practices among bidders (prior to or after bid submission) designed to establish bid prices at artificial, non-competitive levels and to deprive the Seller of the benefits of free and open competition.
 - 3.1.3. “collusive practices” means a scheme or arrangement between two or more bidders, with or without the knowledge of the Seller, designed to establish bid prices at artificial, non-competitive levels.

- 3.1.4. “coercive practices” means harming or threatening to harm, directly or indirectly, persons, or their property to influence their participation in a sale process, or affect the execution of a contract;
- 3.1.5. “obstructive practice” is:
 - 3.1.5.1. deliberately destroying, falsifying, altering or concealing of evidence material to an administrative proceedings or investigation or making false statements to investigators in order to materially impede an administrative proceedings or investigation of the Seller; or
 - 3.1.5.2. acts intended to materially impede the exercise of the inspection and audit rights of the Seller.
- 3.2. The Seller will reject a proposal for award if it determines that the bidder recommended for award has engaged in any of the practices mentioned in this clause for purposes of competing for the contract.
- 3.3. Further, the Seller will seek to impose the maximum civil, administrative, and/or criminal penalties available under applicable laws on individuals and organizations deemed to be involved in any of the practices mentioned in this clause.

4. Eligible Bidders

- 4.1. The following persons shall be eligible to participate in this bidding:
 - 4.1.1. Duly licensed Filipino citizens/sole proprietorships;
 - 4.1.2. Partnerships duly organized under the laws of the Philippines and of which at least sixty percent (60%) of the interest belongs to citizens of the Philippines;
 - 4.1.3. Corporations duly organized under the laws of the Philippines, and of which at least sixty percent (60%) of the outstanding capital stock belongs to citizens of the Philippines;
 - 4.1.4. Cooperatives duly organized under the laws of the Philippines, and of which at least sixty percent (60%) belongs to citizens of the Philippines; and
 - 4.1.5. Persons/entities forming themselves into a Joint Venture (JV), i.e., a group of two (2) or more persons/entities that intend to be jointly and severally responsible or liable for a particular contract: Provided, however, that Filipino ownership or interest of the JV concerned shall be at least sixty percent (60%).

5. Pre-Bid Conference

- 5.1. A pre-bid conference shall be held on 23 August 2013, 1:30 PM, at the Pilipinas Hall, 6th Floor Bankmer Building, Ayala Avenue, Makati City, to clarify and address the bidders' questions on the Eligibility and Financial Components of this Project.
- 5.2. Bidders are encouraged to attend the pre-bid conference to ensure that they fully understand the Seller's requirements. Non-attendance of the bidder, however, will in no way prejudice its bid.
- 5.3. Any statement made at the pre-bid conference shall not modify the terms of the Bidding Documents unless such statement is specifically identified in writing as an amendment thereto and issued as a Supplemental/Bid Bulletin.

6. Due Diligence

- 6.1. A written site visit request must be addressed to the BAC Secretariat at least two (2) days before the scheduled visit.
- 6.2. The site visit period is from 6 to 30 August 2013 during regular working days from 9:00AM to 4:00 PM.
- 6.3. The Seller representative/s will make every effort to accommodate each bidder's requests for site visits.
- 6.4. Each bidder may be represented by a maximum of six (6) persons. PSALM, however, reserves the right to restrict the number of persons.
- 6.5. During the scheduled site visits, bidders will be accompanied by the Seller's representative/s.
- 6.6. Each bidder is allowed a maximum of one (1) site visit.

7. Bidder's Responsibilities

- 7.1. The bidder is responsible for the following:
 - 7.1.1. Having taken steps to carefully examine all of the Bidding Documents;
 - 7.1.2. Having acknowledged all conditions, local or otherwise, affecting the implementation of the contract;
 - 7.1.3. Having made an estimate of the value of the Assets;
 - 7.1.4. Having complied with its responsibility to inquire or secure Supplemental/Bid Bulletin(s);
 - 7.1.5. Ensuring that each of the documents submitted in satisfaction of the bidding requirements is certified true copy of the original, complete, and all statements and information provided therein are true and correct;

- 7.1.6. Authorizing the Seller or its duly authorized representative/s to verify all the documents submitted; and
 - 7.1.7. Ensuring that the signatory is the duly authorized representative of the bidder and granted full power and authority to do, execute and perform any and all acts necessary and/or represent the bidder in the bidding, with the duly notarized Secretary's Certificate attesting to such fact, if the bidder is a corporation, partnership, cooperative, or joint venture;
 - 7.1.8. Failure to observe any of the above responsibilities shall be at the risk of the bidder concerned.
- 7.2. The bidder is expected to examine all instructions, forms, terms and specifications in the Bidding Documents. Failure to furnish information or documentation required in the Bidding Documents shall result in the rejection of the bid and disqualification of the bidder.
 - 7.3. It shall be the sole responsibility of the bidder to determine and satisfy itself by such means as it considers necessary or desirable as to all matters pertaining to the asset to be bid, including; (a) the location of the asset; (b) climatic conditions; (c) transportation facilities; and (d) other factors that may affect the cost, duration, and execution or implementation of this Project.
 - 7.4. The Seller shall not assume any responsibility regarding erroneous interpretations or conclusions by the prospective or eligible bidder out of the data furnished by the Seller.
 - 7.5. The bidder shall bear all costs associated with the preparation and submission of his bid, and the Seller will in no case be responsible or liable for reimbursement/payment of those costs, regardless of the conduct or outcome of the bidding process.
 - 7.6. Before submitting their bids, the bidder is deemed to have become familiar with all existing laws, decrees, ordinances, acts and regulations of the Philippines which may affect the bidding in any way.
 - 7.7. The bidder should note that the Seller will accept bids only from those that have paid the non-refundable fee for the Bidding Documents at the office indicated in the **Invitation to Bid (ITB)**.

8. Clarification and Amendment of Bidding Documents

- 8.1. Bidders who have purchased the Bidding Documents may request for clarifications on any part of the Bidding Documents for an interpretation. Such a request must be in writing and submitted to the Seller at the address indicated in the Invitation to Bid at least six (6) calendar days before the deadline set for the submission and receipt of bids.
- 8.2. Supplemental/Bid Bulletins may be issued upon the Seller's initiative for purposes of clarifying or modifying any provision of the Bidding Documents not later than two (2) calendar days before the deadline for

the submission and receipt of bids. Any modification to the Bidding Documents shall be identified as an amendment.

9. Language of Bid

- 9.1. The bid, as well as all correspondence and documents relating to the bid exchanged by the bidder and the Seller, shall be written in English.

10. Documents Comprising the Bid: Eligibility Component

- 10.1. The first envelope shall contain the following Eligibility Documents in current status:

- 10.1.1. Registration certificate from the Securities and Exchange Commission (SEC), Department of Trade and Industry (DTI) for sole proprietorship, or Cooperative Development Authority (CDA) for cooperatives;
- 10.1.2. Mayor's permit issued by the city or municipality where the principal place of business of the prospective bidder is located;
- 10.1.3. Latest Income and Business Tax Returns (within six months prior to bidding date). Newly established entities who have not filed any Income and Business Tax Returns shall instead submit a notarized certification stating that it is not required to submit an Income or Business Tax Return;
- 10.1.4. Tax Clearance (per E.O. 398 Series of 2005);
- 10.1.5. Completely filled up FORM No. 4 Omnibus Sworn Statement;
- 10.1.6. Completely filled up FORM No. 6 Bidder's Undertaking;
- 10.1.7. Bid security in accordance with ITB Clause 12; and
- 10.1.8. Valid joint venture agreement (JVA), in case a joint venture is already in existence.

In the absence of a JVA, duly notarized statements from all the potential joint venture partners stating that they will enter into and abide by the provisions of the JVA in the instance that the bid is successful, shall be included in the bid. Failure to enter into a joint venture in the event of a contract award shall be ground for the forfeiture of the bid security.

Each partner of the joint venture shall submit the Eligibility Documents 10.1.1. to 10.1.4.

Eligibility Documents 10.1.5. to 10.1.8. are to be submitted by the authorized representative of the JVA.

11. Documents Comprising the Bid: Financial Component

11.1. The second envelope shall contain the duly accomplished Bid Form (Form No. 1).

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12. Bid Security

12.1. The bid security, issued in favor of the Seller shall be equal to the following:

Form of Bid Security	Amount of Bid Security (Equal to Percentage of the Bid Price)
a) Cash; or b) Cashier's/Manager's check; or c) Stand-By Letter of Credit (Form No. 5) issued by a Universal or Commercial Bank: Provided, however, that it shall be confirmed or authenticated by a Universal or Commercial Bank, if issued by a foreign bank; or d) Any combination of the above.	Ten percent (10%)

12.2. The bid security should be valid for at least one hundred twenty (120) Days from the date of the bid opening. Any bid not accompanied by an acceptable bid security shall be rejected by the Seller as being non-responsive.

12.3. No bid securities shall be returned to bidders after the opening of bids and before contract signing, except to those that failed or are declared as post-disqualified, upon submission of a written waiver of their right to file a protest. Without prejudice on its forfeiture, bid securities shall be returned only after the bidder with the highest bid has signed the contract and furnished the performance security, but in no case later than the expiration of the bid security validity period indicated in ITB Clause 13.

12.4. Upon signing and execution of the contract pursuant to ITB Clause 25, and the posting of the performance security pursuant to ITB Clause 26, the successful bidder's bid security will be discharged, but in no case later than the bid security validity period as indicated in the ITB Clause 13.

12.5. The bid security may be forfeited:

12.5.1. if a bidder:

- 12.5.1.1. withdraws its bid during the period of bid validity specified in ITB Clause 13;
- 12.5.1.2. fails to submit the requirements within the prescribed period;
- 12.5.1.3. *submits* the requirements within the prescribed period but finding against their veracity as stated in ITB Clause 21; TC
- 12.5.1.4. submits eligibility requirements containing false information or falsified documents;
- 12.5.1.5. submits bids that contain false information or falsified documents, or the concealment of such information in the bids in order to influence the outcome of eligibility screening or any other stage of the public bidding;
- 12.5.1.6. allows the use of one's name, or using the name of another for purposes of public bidding;
- 12.5.1.7. withdraws a bid, or refuses to accept an award, or refuses to enter into contract with the Government without justifiable cause, after the bidder had been adjudged as having submitted the Highest Responsive Bid;
- 12.5.1.8. refuses or fails to post the required performance security within the prescribed time;
- 12.5.1.9. refuses to clarify or validate in writing its bid during post-qualification within a period of five (5) calendar days from receipt of the request for clarification;
- 12.5.1.10. performs any documented attempt to unduly influence the outcome of the bidding in his favor;
- 12.5.1.11. or any of its potential joint venture partners, fail to enter into the joint venture after the bid is declared successful; or
- 12.5.1.12. performs all other acts that tend to defeat the purpose of the competitive bidding, such as habitually withdrawing from bidding, submitting late Bids or patently insufficient bid, for at least three (3) times within a year, except for valid reasons.
- 12.5.2. if the successful bidder:
 - 12.5.2.1. fails to sign the contract in accordance with ITB Clause 25; or
 - 12.5.2.2. fails to furnish performance security in accordance with ITB Clause 26.

13. Bid Validity

- 13.1. Bids shall remain valid for at least 120 Days from the date of the opening of bids.
- 13.2. In exceptional circumstances, prior to the expiration of the Bid validity period, the Seller may request bidders to extend the period of validity of their bids. The request and the responses shall be made in writing. The

bid security described in ITB Clause 12 should also be extended corresponding to the extension of the bid validity period at the least. A bidder may refuse the request without forfeiting its bid security, but his bid shall no longer be considered for further evaluation and award. A bidder granting the request shall not be required or permitted to modify its bid.

14. Format and Signing of Bids

- 14.1. Bidders shall submit their bids through their duly authorized representative using the appropriate forms provided in Section VI. Bidding Forms, on or before the deadline specified in ITB Clause 16 in two (2) separate sealed bid envelopes, which shall be submitted simultaneously. The first envelope shall contain the Eligibility Component of the bid under ITB Clause 10, and the second envelope shall contain the Financial Component of the bid under ITB Clause 11.
- 14.2. Forms as mentioned in ITB Clause 14 must be completed without any alterations to their format, and no substitute form shall be accepted.
- 14.3. The bidder shall prepare and submit an original of the first and second envelopes as described in ITB Clause 10 and ITB Clause 11. In the event of any discrepancy between the original and the copies, the original shall prevail.
- 14.4. The bid shall be signed, and each and every page thereof shall be initialed, by the duly authorized representative/s of the bidder.
- 14.5. Any interlineations, erasures, or overwriting shall be valid only if they are signed or initialed by the duly authorized representative/s of the bidder.

15. Sealing and Marking of Bids

- 15.1. Bidders shall enclose their certified true copy of Eligibility Component described in ITB Clause 10 in one sealed envelope marked "ORIGINAL - ELIGIBILITY COMPONENT", and the original of their Financial Component described in ITB Clause 11 in another sealed envelope marked "ORIGINAL - FINANCIAL COMPONENT", sealing them all in an outer envelope marked "ORIGINAL BID".
- 15.2. The copy of the first and second envelopes shall be similarly sealed duly marking the inner envelopes as "COPY - ELIGIBILITY COMPONENT" and "COPY - FINANCIAL COMPONENT" and the outer envelope as "COPY", respectively. These envelopes containing the original and the copy shall then be enclosed in one single envelope.
- 15.3. Each bidder shall submit one (1) original and one (1) copy of its Eligibility Component and Financial Component. Each set of documents must be securely fastened in a legal size folder enclosed in a sealed and properly labeled envelope. The original and the copy of the Bid shall be typed or

written in indelible ink and shall be signed by the bidder or its duly authorized representative/s.

15.4. All envelopes shall:

- 15.4.1. contain the name of the Asset to be bid in capital letters;
- 15.4.2. bear the name and address of the bidder in capital letters;
- 15.4.3. be addressed to the Seller's BAC-Disposal stated in the Invitation to Bid;
- 15.4.4. bear a warning "DO NOT OPEN BEFORE..." the date and time for the opening of bids, in accordance with **ITB Clause 19**.
- 15.4.5. If all envelopes are not sealed and marked as required, the Seller will assume no responsibility for the misplacement or premature opening of the bid.

16. Deadline for Submission of Bids

- 16.1. Bids must be received by the Seller's BAC-Disposal at the Filipinas Hall, 6th Floor Bankmer Bldg., 6756, Ayala Avenue, Makati City, on or before 4 September 2013, 12:00 noon.

17. Late Bids

- 17.1. Any bid submitted after the deadline for submission and receipt of bids prescribed by the Seller, pursuant to **ITB Clause 16**, shall be declared "Late" and shall not be accepted by the Seller.

18. Modification and Withdrawal of Bids

- 18.1. The bidder may modify its bid after it has been submitted; provided that the modification is received by the Seller prior to the deadline prescribed for submission and receipt of bids. The bidder shall not be allowed to retrieve its original bid, but shall be allowed to submit another bid equally sealed, properly identified, linked to its original bid marked as "ELIGIBILITY MODIFICATION" or "FINANCIAL MODIFICATION" and stamped "received" by the BAC. Bid modifications received after the applicable deadline shall not be considered and shall be returned to the bidder unopened.
- 18.2. A bidder may, through a Letter of Withdrawal, withdraw its bid after it has been submitted, for valid and justifiable reason; provided that the Letter of Withdrawal is received by the Seller prior to the deadline prescribed for submission and receipt of bids. Bids requested to be withdrawn shall be returned unopened to the bidders.
- 18.3. A bidder may also express its intention not to participate in the bidding through a letter which should reach and be stamped "received" by the BAC-Disposal before the deadline for submission and receipt of bids. A

bidder that withdraws its bid shall not be permitted to submit another bid, directly or indirectly, for the same contract.

18.4. No bid may be modified after the deadline for submission of bids.

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19. Opening and Preliminary Examination of Bids

- 19.1. The BAC-Disposal shall open the first bid envelopes of bidders in public at the Filipinas Hall, 6th Floor Bankmer Bldg., 6756, Ayala Avenue, Makati City on 4 September 2013, 1:30 p.m. to determine each bidder's compliance with the documents prescribed in **ITB Clause 10**. For this purpose, the BAC-Disposal shall check the submitted documents of each bidder against a checklist of required documents to ascertain if they are all present, using a non-discretionary "pass/fail" criterion. If a bidder submits the required document, it shall be rated "passed" for that particular requirement. In this regard, bids that fail to include any requirement or are incomplete or patently insufficient shall be considered as "failed". Otherwise, the BAC-Disposal shall rate the said first bid envelope as "passed".
- 19.2. Immediately after determining compliance with the requirements in the first envelope, the BAC-Disposal shall forthwith open the second bid envelope of each remaining eligible bidder whose first bid envelope was rated "passed". The second envelope of each complying bidder shall be opened within the same day. In case one or more of the requirements in the second envelope of a particular bid is missing, incomplete or patently insufficient, and/or if the submitted bid price is lower than the minimum bid price, the BAC-Disposal shall rate the bid concerned as "failed". Only bids that are determined to contain all the bid requirements for both components shall be rated "passed" and shall immediately be considered for evaluation and comparison.
- 19.3. Letters of withdrawal shall be read out and recorded during bid opening, 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 the submission and receipt of bids, provided that the corresponding Letter of Withdrawal contains a valid authorization requesting for such withdrawal, subject to appropriate administrative sanctions.
- 19.4. If a bidder has previously secured a certification from the Seller to the effect that it has previously submitted the above-enumerated Eligibility Documents, the said certification may be submitted in lieu of the requirements enumerated in **ITB Clause 10**, items 10.1.1. to 10.1.8.
- 19.5. Each partner of a joint venture agreement shall likewise submit the requirements in ITB Clauses 10.1.1. to 10.1.4. Submission of documents

required under ITB Clauses 10.1.5. to 10.1.8. by any of the joint venture partners constitutes compliance.

- 19.6. A bidder determined as “failed” has three (3) calendar days upon written notice or, if present at the time of bid opening, upon verbal notification, within which to file a request or motion for reconsideration with the BAC-Disposal: Provided, however, that the motion for reconsideration shall not be granted if it is established that the finding of failure is due to the fault of the bidder concerned: Provided, further, that the BAC-Disposal shall decide on the request for reconsideration within five (5) calendar days from receipt thereof. If a failed bidder signifies his intent to file a protest, the BAC-Disposal shall keep the bid envelopes of the said failed bidder unopened and/or duly sealed until such time that the protest has been finally decided by the Seller, after which said bid envelopes together with the Bid Security shall be returned to the bidder.
- 19.7. The Seller shall prepare the minutes of the proceedings of the bid opening that shall include, as a minimum: (a) names of bidders, their bid price, bid security, findings of preliminary examination; and (b) attendance sheet. The BAC-Disposal members shall sign the abstract of bids as read.

20. Clarification of Bids

- 20.1. To assist in the evaluation and post-qualification of the bids, the Seller may ask in writing any bidder for a clarification of its bid. All responses to requests for clarification shall be in writing. Any clarification submitted by a bidder in respect to its bid and that is not in response to a request by the Seller shall not be considered.

21. Post-Qualification

- 21.1. Within seven (7) calendar days, from the opening of bids, the BAC-Disposal shall conduct and accomplish a post-qualification of the bidder with the highest bid, to determine whether the bidder with the highest bid complies with and is responsive to all the requirements and conditions specified in ITB Clause 4, ITB Clause 10, ITB Clause 11 and Section IV. Schedule of Requirements.
- 21.2. If the BAC-Disposal determines that the bidder with the highest bid passes all the criteria for post-qualification, it shall declare the said bid as the Highest Responsive Bid, and recommend to the PSALM President the award of contract to the said bidder at its submitted bid price.
- 21.3. Within a period not exceeding seven (7) calendar days from the date of receipt of the recommendation of the BAC-Disposal, the PSALM President shall approve or disapprove the said recommendation.
- 21.4. If, however, the BAC-Disposal determines that the bidder with the highest bid fails the criteria for post-qualification, it shall immediately

notify the said bidder in writing of its post-disqualification and the grounds for it. The post-disqualified bidder shall have seven (7) calendar days from receipt of the said notification to request from BAC-Disposal, if it so wishes, a reconsideration of this decision. The BAC-Disposal shall evaluate the request for reconsideration, if any, using the same non-discretionary criteria, and shall issue its final determination of the said request within seven (7) calendar days from receipt thereof.

- 21.5. Immediately after the BAC-Disposal has notified the first bidder of its post-disqualification, and notwithstanding any pending request for reconsideration thereof, the BAC-Disposal shall initiate and complete the same post-qualification process on the bidder with the second highest bid. If the second bidder fails, the procedure for post-qualification shall be for the bidder with the next highest bid, and so on until the Highest Responsive Bid is determined for award.

22. Protests on Decisions of the BAC-Disposal

22.1. Decisions of the BAC-Disposal with respect to the conduct of bidding may be protested in writing to the PSALM President: Provided, however, that a prior motion for reconsideration should have been filed by the party concerned. The protest must be filed within seven (7) calendar days from receipt by the party concerned of the resolution of the BAC-Disposal denying its motion for reconsideration. A protest may be made by filing a verified position paper with the PSALM President, accompanied by the payment of a non-refundable protest fee. The non-refundable protest fee shall be in an amount equivalent to no less than one percent (1%) of the bid amount. The verified position paper shall contain the following information;

- 22.1.1. The name of bidder;
- 22.1.2. The office address of the bidder;
- 22.1.3. The name of project/contract;
- 22.1.4. A brief statement of facts;
- 22.1.5. The issue to be resolved; and
- 22.1.6. Such other matters and information pertinent and relevant to the proper resolution of the protest.

22.2. The position paper is verified by an affidavit that the affiant has read and understood the contents thereof and that the allegations therein are true and correct of his personal knowledge or based on authentic records. An unverified position paper shall be considered unsigned, produces no legal effect, and results to the outright dismissal of the protest.

23. Reservation Clause

- 23.1. Notwithstanding the eligibility or post-qualification of a bidder, the Seller reserves the right to review its qualifications at any stage of the sale process if it has reasonable grounds to believe that a misrepresentation has been made by the said bidder, or that there has been a change in the bidder's capability to undertake the project from the time it submitted its eligibility requirements. Should such review uncover any misrepresentation made in the eligibility and bidding requirements, statements or documents, or any changes in the situation of the bidder which will affect its capability to undertake the project so that it fails the preset eligibility or bid evaluation criteria, the Seller shall consider the said bidder as ineligible and shall disqualify it from obtaining an award or contract. TC
- 23.2. Based on the following grounds, the Seller reserves the right to reject any and all bids, declare a Failure of Bidding at any time prior to the contract award, or not to award the contract, without thereby incurring any liability, and make no assurance that a contract shall be entered into as a result of the bidding:
 - 23.2.1. If there is prima facie evidence of collusion between appropriate public officers or employees of the Seller, or between the BAC-Disposal and any of the bidders, or if the collusion is between or among the bidders themselves, or between a bidder and a third party, including any act which restricts, suppresses or nullifies or tends to restrict, suppress or nullify competition;
 - 23.2.2. If the Seller's BAC-Disposal is found to have failed in following the prescribed bidding procedures; or
 - 23.2.3. In addition, the Seller shall likewise declare a failure of bidding when:
 - 23.2.3.1. Less than two (2) entities is issued the Bidding package;
 - 23.2.3.2. Less than two (2) bids is received by Bid Submission Deadline;
 - 23.2.3.3. All prospective bidders are declared ineligible;
 - 23.2.3.4. All bids fail to comply with all the bid requirements or fail post-qualification; or
 - 23.2.3.5. The bidder with the Highest Responsive Bid refuses, without justifiable cause, to accept the award of contract and no award is made.

24. Contract Award

- 24.1. Subject to ITB Clause 21, the Seller shall award the contract to the bidder whose bid has been determined to be the Highest Responsive Bid.
- 24.2. Prior to the expiration of the period of bid validity, the Seller shall notify the successful bidder in writing that its bid has been accepted, through a

Notice of Award received personally or sent by registered mail, receipt of which must be confirmed in writing within two (2) days by the bidder with the Highest Responsive Bid and submitted personally or sent by registered mail to the Seller.

24.3. Notwithstanding the issuance of the Notice of Award, award of contract shall be subject to the following conditions:

- 24.3.1. Submission of the valid JVA, if applicable, within ten (10) calendar days from receipt by the bidder of the notice from the BAC-Disposal that the bidder has the highest bid;
- 24.3.2. Posting of the performance security in accordance with ITB Clause 26; and
- 24.3.3. Approval by higher authority, if required.

25. Signing of the Contract

25.1. At the same time as the Seller notifies the successful bidder that its bid has been accepted, the Seller shall send the Contract Form to the bidder, which contract has been provided in the Bidding Documents, incorporating therein all agreements between the parties;

25.2. Within ten (10) calendar days from receipt of the Notice of Award, the successful bidder shall post the required performance security and sign and date the Contract and return it to the Seller.

25.3. The Seller shall enter into contract with the successful bidder within the same ten (10) calendar day period provided that all the documentary requirements are complied with.

25.4. The following documents shall form part of the contract:

- 25.4.1. Contract Agreement (Form No. 3);
- 25.4.2. Bidding Documents;
- 25.4.3. Supplemental/Bid Bulletins, if any;
- 25.4.4. Winning bidder's bid (Form No. 1), including the Eligibility and Financial Components, and all other documents/statements submitted;
- 25.4.5. Performance Security; and
- 25.4.6. Notice of Award of Contract.

26. Performance Security

26.1. To guarantee the faithful performance by the winning bidder of its obligations under the contract, it shall post a performance security within a maximum period of ten (10) calendar days from the receipt of the Notice of Award from the Seller and in no case later than the date of signing of the contract;

26.2. The performance security shall be in an amount equal to the percentage of the total contract price in accordance with the following schedule:

Form of Performance Security	Amount of Performance Security (Equal to Percentage of the Bid Price/Offer)
a) Cash; or b) Cashier's/Manager's check; or c) Stand-By Letter of Credit (Form No. 5) issued by a Universal or Commercial Bank: Provided, however, that it shall be confirmed or authenticated by a Universal or Commercial Bank, if issued by a foreign bank; or d) Any combination of the above.	Ten percent (10%)

26.3. Failure of the successful bidder to comply with the above-mentioned requirement shall constitute sufficient grounds for the annulment of the award and forfeiture of the bid security, in which event the Seller shall initiate and complete the post qualification of the second highest bid. The procedure shall be repeated until the highest bid is identified and selected for contract award. However, if no bidder passed post-qualification, the BAC-Disposal shall declare the bidding a failure.

27. Payment

27.1. Within ten (10) calendar days from Effective Date, the Buyer shall pay a one-time full payment of his bid price in accordance with the payment instruction to be issued by the Seller;

27.2. The payment shall be made in Philippine Peso.

28. Notice to Proceed

28.1. Within three (3) calendar days from receipt of payment under ITB Clause 27, the Seller shall issue the Notice to Proceed.

29. Withdrawal/Removal of the Assets

29.1. Within fifteen (15) calendar days from receipt of the Notice to Proceed, the Buyer shall start withdrawal/removal of the asset.

- 29.2. The Buyer shall obtain prior written clearance/consent from ALDEVINCO, Holcim and MPC before entering its premises and conducting any activity. The Buyer shall comply with all safety rules, security regulations, working schedules and other regulations implemented at the plant/site.
- 29.3. Withdrawal is allowed only during office hours (8:00 AM - 5:00 PM) from Monday to Friday.

Section III. General Conditions of Contract

GCC

1. Definitions

GCC

- 1.1. In this Contract, the following terms shall be interpreted as indicated:
- 1.1.1. “Affiliate” shall have the meaning defined in Rule 4(c) of the Implementing Rules and Regulations of the EPIRA or Republic Act No. 9136, otherwise known as the “*Electric Power Industry Reform Act of 2001*”.
 - 1.1.2. “ALDEVINCO” means Alson’s Development and Investment Corporation, the entity which owns the land underlying the Assets.
 - 1.1.3. “Asset” means the Main Fuel Tank and associated pipeline and remaining fuel oil located at Lugait, Misamis Oriental, and remaining fuel and lube oil stock located at Iligan Diesel Power Plant in Iligan City, Lanao del Norte in Mindanao which the Buyer is required to use, withdraw/remove, handle, transport, store, treat, and/or re-sell under the Contract.
 - 1.1.4. “BAC-Disposal” means the committee created under Memorandum Order No. 2012-013 dated 16 October 2012 tasked with the divestment or disposal of unserviceable assets of sold plants and other disposable assets.
 - 1.1.5. “Buyer” means the winning bidder/awardee for the sale of the asset.
 - 1.1.6. “Certificate of Final Acceptance” means the document issued by the Seller certifying completion by the Buyer of its obligations under this Contract.
 - 1.1.7. “Contract Price” means the price payable to the Seller under the Contract for the sale of the Asset.
 - 1.1.8. “Contract” means the agreement entered into between the Seller and the Buyer, as recorded in the Contract Form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
 - 1.1.9. “Day” means calendar day.
 - 1.1.10. “Effective Date” of the Contract shall be the date of the notarization of the Contract.
 - 1.1.11. “GCC” means the General Conditions of Contract contained in this Section.
 - 1.1.12. “Holcim” means Holcim Philippines-Lugait Plant, in which compound the Main Fuel Tank (Receiving Tank) and Associated Pipeline are located.
 - 1.1.13. “Implementing Unit” refers to the unit of the Seller that is tasked with the implementation of this Contract. GCC

- 1.1.14. "MPC" means the Mapalad Power Corporation, the current operator of IDPP.
- 1.1.15. "Philippine Law" shall mean (i) the 1987 Constitution of the Republic of the Philippines and all Philippine laws, statutes, treaties, rules, codes, ordinances, regulations, certificates, decisions, orders, memoranda, circulars, decrees, resolutions, directives, rulings, interpretations, approvals, licenses, and permits of any Governmental Body, and (ii) judgments, decrees, injunctions, writs, orders or like actions of any court, arbitrator or other administrative, judicial or quasi-judicial tribunal or agency of competent jurisdiction, in each case: (a) that apply to these Bidding Procedures and the proposed privatization and performance of the Final Transaction Documents by the parties thereto; and (b) as amended, supplemented, replaced, interpreted by a duly authorized Governmental Body, or otherwise modified from time to time.
- 1.1.16. "Seller's country" is the Philippines.
- 1.1.17. "Seller" means the Power Sector Assets and Liabilities Management Corporation.
- 1.1.18. "The Project Site," where applicable, means the place or places named in ITB Clause 1.
- 1.1.19. "Verified Report" refers to the report submitted by the Implementing Unit to the PSALM President setting forth its findings as to the existence of grounds or causes for termination and explicitly stating its recommendation for the issuance of a Notice to Terminate.

2. Governing Law and Language

- 2.1. This Contract shall be interpreted in accordance with the laws of the Republic of the Philippines.
- 2.2. This Contract has been executed in the English language, which shall be the binding and controlling language for all matters relating to the meaning or interpretation of this Contract. All correspondence and other documents pertaining to this Contract exchanged by the parties shall be written in English.

3. Notices

- 3.1. Any notice, request, or consent required or permitted to be given or made pursuant to this Contract shall be in writing. Any such notice, request, or consent shall be deemed to have been given or made when received by the concerned party, either in person or through an authorized representative of the Party to whom the communication is addressed, or when sent by registered mail, telex, telegram, or facsimile to such Party at the address specified below, which shall be effective

when delivered and duly received or on the notice's effective date, whichever is later.

The Seller's address for Notices is:

EMMANUEL R. LEDESMA, JR.
President and CEO, PSALM Corporation
7F Bankmer Building, 6756 Ayala Avenue, Makati City 1226
Tel.: (02) 840-5046; Fax: (02) 840-5341

GCC

The Buyer's address for Notices is:

[Insert address including, name of contact, fax and telephone number]

- 3.2. A Party may change its address for notice hereunder by giving the other Party notice of such change.

4. Scope of Contract

- 4.1. The Buyer's scope of work is specified in Section IV. Schedule of Requirements and the Asset for sale is specified in Section V. List of Assets.

5. Buyer's Responsibilities

- 5.1. It is the sole responsibility of the Buyer, whenever the performance of the obligations in this Contract requires that the Buyer obtain permits, approvals, and other licenses from relevant government authorities.
- 5.2. The Buyer shall be answerable for all liabilities and/or obligations arising from the use, withdrawal/removal, handling, transport, storage, treatment, and/or re-sale of the Asset, including any spills, accidents or any related incidents that may arise and shall hold the Seller, ALDEVINCO, Holcim and MPC, free and harmless from any damages or claims from third parties/persons.

- 5.3. The Buyer shall pay all costs involved in the performance of the foregoing responsibilities.

6. Taxes and Duties

- 6.1. The Buyer shall be entirely responsible for all the necessary taxes, stamp duties, license fees and others imposed for the completion of this Contract.

GCC

7. Performance Security

- 7.1. Within ten (10) calendar days from receipt of the Notice of Award from the Seller but in no case later than the signing of the contract by both parties, the successful bidder shall furnish the performance security as prescribed in ITB Clause 26.
- 7.2. The performance security posted in favor of the Seller shall be forfeited in the event it is established that the winning bidder is in default in any of its obligations under the contract.
- 7.3. The performance security shall remain valid for one hundred eighty (180) calendar days from Contract Effectivity but in no case earlier than the issuance by the Seller of the Certificate of Final Acceptance. In any event that the Seller grants the Buyer's request for time extension, the performance security shall be extended by the Buyer by the same number of days granted.
- 7.4. The performance security may be released by the Seller and returned to the Buyer after the issuance of the Certificate of Final Acceptance by the Seller subject to the following conditions:
 - 7.4.1. Completion of all the requirements specified under Section IV. Schedule of Requirements; and
 - 7.4.2. The Buyer has no pending claims for labor and materials filed against it.

8. Use of Contract Documents and Information

- 8.1. The Buyer shall not, except for purposes of performing the obligations in this Contract, without the Seller's prior written consent, disclose this Contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the Seller. Any such disclosure shall be made in confidence and shall extend only as far as may be necessary for purposes of such performance.
- 8.2. Any document, other than this Contract itself, enumerated in GCC Clause 8.1 above shall remain the property of the Seller and shall be returned (all copies) to the Seller on completion of the Buyer's performance under this Contract if so required by the Seller.

GCC

9. Inspection by the Seller

- 9.1. The Seller or its representative shall have the right to inspect the withdrawal/removal of the Asset, clean up of the area of work and if applicable, TSD facility of the Buyer to confirm their conformity to the Contract.
- 9.2. The Seller, or its designated representative, shall bear all of its own costs and expenses incurred in the inspection.

10. Delays in the Buyer's Performance

- 10.1. Withdrawal/removal of the Asset shall be made by the Buyer in accordance with the time schedule prescribed by the Seller in **Section IV. Schedule of Requirements**.
- 10.2. If at any time during the performance of this Contract, the Buyer should encounter conditions impeding timely withdrawal/removal of the Asset, the Buyer shall promptly notify the Seller in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the Buyer's notice, and upon causes provided for under **GCC 14**, the Seller shall evaluate the situation and may extend the Buyer's time for performance, in which case the extension shall be ratified by the parties by amendment of Contract.
- 10.3. Except as provided under **GCC 14**, a delay by the Buyer in the performance of its obligations shall render the Buyer liable to the imposition of liquidated damages pursuant to **GCC 11**, unless an extension of time is agreed upon pursuant to GCC Clause 10.2 without the application of liquidated damages.

11. Liquidated Damages

- 11.1. Subject to **GCC 10** and **GCC 14**, if the Buyer fails to satisfactorily comply with all the requirements under **Section IV. Schedule of Requirements** within the period(s) specified in this Contract inclusive of duly granted time extensions, if any, the Seller shall, without prejudice to its other remedies under this Contract and under the applicable law, impose, as liquidated damages, a sum equivalent to one-half of one percent (1/2 of 1%) of the Contract Price per day of delay.

GCC

12. Settlement of Disputes

- 12.1. If any dispute or difference of any kind whatsoever shall arise between the Seller and the Buyer in connection with or arising out of this Contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.

- 12.2. If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the Seller or the Buyer may give notice to the other party of its intention to commence arbitration, as hereinafter provided, as to the matter in dispute, and no arbitration in respect of this matter may be commenced unless such notice is given.
- 12.3. Any dispute or difference in respect of which a notice of intention to commence arbitration has been given in accordance with this Clause shall be settled by arbitration. Arbitration may be commenced prior to or after the sale of the Asset under this Contract.
- 12.4. In the case of a dispute between the Seller and the Buyer, the dispute shall be resolved in accordance with Republic Act 9285 (“R.A. 9285”), otherwise known as the “Alternative Dispute Resolution Act of 2004.
- 12.5. Notwithstanding any reference to arbitration herein, the parties shall continue to perform their respective obligations under the Contract unless they otherwise agree; and the Buyer shall pay the Seller any monies due the Seller.

13. Liability of the Buyer

- 13.1. The Buyer’s liability under this Contract shall be as provided by the laws of the Republic of the Philippines.

14. Force Majeure

- 14.1. The Buyer shall not be liable for forfeiture of its performance security, liquidated damages, or termination for default if and to the extent that its delay in performance or other failure to perform its obligations under the Contract is the result of a *force majeure*.
- 14.2. For purposes of this Contract the terms “*force majeure*” and “fortuitous event” may be used interchangeably. In this regard, a fortuitous event or *force majeure* shall be interpreted to mean an event which the Buyer could not have foreseen, or which though foreseen, was inevitable. It shall not include ordinary unfavorable weather conditions; and any other cause the effects of which could have been avoided with the exercise of reasonable diligence by the Contractor. Such events may include, but not limited to, acts of the Seller in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions, and freight embargoes.
- 14.3. If a *force majeure* situation arises, the Buyer shall promptly notify the Seller in writing of such condition and the cause thereof. Unless otherwise directed by the Seller in writing, the Buyer shall continue to perform its obligations under the Contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the *force majeure*.

15. Termination for Default and Unlawful Acts

- 15.1. The Seller shall terminate this Contract for default and forfeit the Buyer's full payment and performance security when any of the following conditions attends its implementation:
 - 15.1.1. In case the delay in the withdrawal/removal exceeds a time duration equivalent to twenty five percent (25%) of the specified contract time plus any time extension duly granted to the Buyer;
 - 15.1.2. The Buyer fails to perform any other obligation under the Contract;
 - 15.1.3. In case it is determined *prima facie* that the Buyer has engaged, before or during the implementation of this Contract, in unlawful deeds and behaviors relative to contract implementation. Unlawful acts include, but are not limited to, the following:
 - 15.1.3.1. Corrupt, fraudulent, and coercive practices as defined in ITB Clause 3;
 - 15.1.3.2. Drawing up or using forged documents;
 - 15.1.3.3. Any other act analogous to the foregoing.

16. Procedures for Termination of Contracts

- 16.1. The following provisions shall govern the procedures for termination of this Contract:
 - 16.1.1. Upon receipt of a written report of acts or causes which may constitute ground(s) for termination as aforementioned, or upon its own initiative, the Implementing Unit shall, within a period of seven (7) calendar days, verify the existence of such ground(s) and cause the execution of a Verified Report, with all relevant evidence attached;
 - 16.1.2. Upon recommendation by the Implementing Unit, the PSALM President shall terminate this Contract only by a written notice to the Buyer conveying the termination of this Contract. The notice shall state:
 - 16.1.2.1. that this Contract is being terminated for any of the ground(s) afore-mentioned, and a statement of the acts that constitute the ground(s) constituting the same;
 - 16.1.2.2. the extent of termination, whether in whole or in part;
 - 16.1.2.3. an instruction to the Buyer to show cause as to why this Contract should not be terminated; and
 - 16.1.2.4. special instructions of the Seller, if any.

- 16.1.3. The Notice to Terminate shall be accompanied by a copy of the Verified Report;
- 16.1.4. Within a period of seven (7) calendar days from receipt of the Notice of Termination, the Buyer shall submit to the PSALM President a verified position paper stating why this Contract should not be terminated. If the Buyer fails to show cause after the lapse of the seven (7) day period, either by inaction or by default, the PSALM President shall issue an order terminating this Contract;
- 16.1.5. The Seller may, at any time before receipt of the Buyer's verified position paper, withdraw the Notice to Terminate if it is determined that certain items or works subject of the notice had been completed or performed before the Buyer's receipt of the notice;
- 16.1.6. Within a non-extendible period of ten (10) calendar days from receipt of the verified position paper, the PSALM President shall decide whether or not to terminate this Contract. It shall serve a written notice to the Buyer of its decision and, unless otherwise provided, this Contract is deemed terminated from receipt of the Buyer of the notice of decision. The termination shall only be based on the ground(s) stated in the Notice to Terminate; and
- 16.1.7. The Buyer must serve a written notice to the Seller of its intention to terminate the contract at least thirty (30) calendar days before its intended termination. The Contract is deemed terminated if it is not resumed in thirty (30) calendar days after the receipt of such notice by the Seller.

17. Assignment of Rights

- 17.1 The Buyer shall not assign his rights or obligations under this Contract, in whole or in part, except with the Seller's prior written consent.

18. Contract Amendment

- 18.1 Subject to applicable laws, no variation in or modification of the terms of this Contract shall be made except by written amendment signed by the Parties.

19. Application

- 19.1 These General Conditions shall apply to the extent that they are not superseded by provisions of other parts of this Contract.

Section IV. Schedule of Requirements

TC

SCHEDULE OF REQUIREMENTS

Use/Withdrawal/Removal/Treatment/Transport/Clean Up

- 1.1. The Assets shall be sold on an “AS IS, WHERE IS” basis.
- 1.2. The BUYER may use, withdraw/remove, handle, transport, store, treat and/or sell the Assets as the BUYER sees fit, provided, that in the use, withdrawal/removal, handling, transport, storage, and/or sale of the Assets, the BUYER must fully comply with Philippine Law, including R.A. No. 8479 and its IRR and R.A. No. 6969, as may be applicable; provided further that for purposes of treatment and re-sale, the BUYER shall submit the following documents, all of which should be current and/or valid:
 - 1.2.1. Environmental Compliance Certificate (ECC). Such ECC should state a waste oil treatment capacity of at least twenty thousand (20,000) liters per day of waste oil;
 - 1.2.2. Discharge Permit;
 - 1.2.3. Permit to Operate;
 - 1.2.4. Transporter Registration Certificate (TRC) issued by the DENR-EMB;
 - 1.2.5. DOE-OIMB Acknowledgement;
 - 1.2.6. TSD Registration Certificate issued by the DENR-EMB;
 - 1.2.7. The BUYER shall exhibit a minimum Storage Capacity inside TSD equivalent to:

$$\text{Min SC} = \text{TV} - (\text{TC} \times 30)$$

Where:

- Min SC = Bidder’s required Minimum Available Storage Capacity, in liters
- TV = Fuel and Lube Oil Volume to be treated (2,154,610.90 liters)
- TC = Bidder’s TSD’s waste oil treatment capacity, in liters per day
- 30 = 30 (calendar) days fuel hauling period

- 1.3. Upon award of the Contract, the BUYER shall assume all duties, liabilities and obligations with respect to the Assets, including those arising from events and acts related to the BUYER's use, withdrawal/removal, handling, transport, storage, treatment, and/or re-sale of the Assets.
- 1.4. For purposes of withdrawal, transport, handling and treatment, the BUYER shall withdraw/remove any or all of the Assets in the following order:

IFO

1. IDPP1, Receiving Tank
2. IDPP2 Service Tank A
3. IDPP2 Service Tank B
4. IDPP2 Tank 2
5. IDPP2 Buffer Tank A
6. IDPP2 Buffer Tank B
7. IDPP1 Storage Tank
8. IDPP1 Service Tank A
9. IDPP1 Service Tank B
10. IDPP1 Buffer Tank A
11. IDPP1 Buffer Tank B

IDO

1. IDPP2 Day Tank A
2. IDPP2 Tank 2
3. IDPP1 Storage Tank 1
4. IDPP1 Service Tank

ELO

1. Lube Oil Tank

The Buyer may commence withdrawal of IFO, IDO and ELO simultaneously. The Buyer shall immediately clean (free of sludge) each tank after it has been emptied of its contents. Withdrawal of the contents of all the tanks shall be completed within thirty (30) calendar days from commencement of the withdrawal.

The Buyer shall treat the IFO, IDO and ELO in accordance with DENR Department Administrative Order No. 2004-36.

The Buyer shall dismantle and remove the receiving tank and associated pipeline within thirty (30) calendar days after Buyer has completely removed the contents.

- 1.5. The bidder shall obtain prior written clearance/consent from ALDEVINCO, Holcim, and MPC before entering its premises and conducting any activity.

Section V. List of Assets

TC

LIST OF ASSETS

I. Fuel Oil and Lube Oil

A. Iligan Diesel Power Plant 1

1. Industrial Fuel Oil

Location	Estimated Volume (liters @ 15° C)	Remarks
Receiving tank	394,748.21	Exceeded max. viscosity limit.
Storage Tank	1,300,845.29	Max. viscosity limit.
Buffer Tank A	31,032.81	Replenished stock
Buffer Tank B	31,108.84	Replenished stock
Service Tank A	65,421.46	Replenished stock
Service Tank B	65,259.54	Replenished stock
Total	1,888,416.15	

2. Industrial Diesel Oil

Location	Estimated Volume (liters @ 15° C)	Remarks
Storage Tank 1	22,335.67	Exceeded color limit.
Service Tank	39,694.05	Exceeded color limit.
Total	62,029.72	

3. Engine Lubricating Oil

Location	Estimated Volume (liters @ 15° C)	Remarks
Lube Oil Tank	7,435.00	Water content exceeded the limit of 0.1% by volume.
Total	7,435.00	

B. Iligan Diesel Power Plant 2

1. Industrial Fuel Oil

Location	Estimated Volume (liters @ 15° C)	Remarks
Tank 2	216,074.66	Exceeded max. viscosity limit.
Service Tank A	58,418.56	Exceeded max. viscosity limit.
Service Tank B	58,418.56	Exceeded max. viscosity limit.
Buffer Tank A	22,431.80	Exceeded max. viscosity limit.
Buffer Tank B	22,365.53	Exceeded max. viscosity limit.
Total	377,709.11	

2. Industrial Diesel Oil

Location	Estimated Volume (liters @ 15° C)	Remarks
Tank 2	9,584.77	
Day Tank A	2,258.80	
Total	11,843.57	

II. Main Fuel Tank and Associated Pipeline

	Remarks
<p>HFO Receiving Tank - mild steel plate welded construction, with insulation, 9,335,000 liters capacity, 30.86 m. dia. X 13.72 m. high, 8 mm thick bottom plate, 6 mm to 16 mm side plates, 4.7 mm thick top plate, cone roof, complete with piping installation equipped with: 3 - Rotary Gear Transfer Pump - Gormann-Rupp CO., 100 mm size, driven by a 30 KW, 230/460 V, 1775 rpm electric motor, complete with pipings ladder, level indicator, air vent and foundation. With fuel filter, brand Keckley and 3 control panels.</p>	<p>Located inside ALDEVINCO and/or HOLCIM Compound.</p>
<p>Associated Fuel Pipeline - 200 mm dia. Sch 40 B.I. Pipe, approximately 0.8 km long from jetty to receiving tank; and 1.0 km. long from receiving tank up to Main Power Plant Tank Farm, with outer and inner concrete coatings, welded construction pipe with adequate support and clamping devices.</p>	<p>The Associated Fuel Pipeline covered by the Sale is only that portion which is outside of the jurisdiction of Iligan City (below the Provincial Boundary Line as indicated in the figure titled 'Heavy Fuel Supply Line Diagram from Tanker Ship to Bulk Receiving Tank' in Section VII. Fuel Inventory Report, Fuel Analysis Results, and Site Map.</p>

Notes:

1. Estimated fuel oil volumes are based on the joint PSALM-NPC-COA inventory conducted in November 2012.
2. Except for IDPP I Buffer and Service Tanks, fuel oil remarks are based on results of fuel analysis conducted by PETRON Corp. in January 2012.
3. In June 2013, PSALM and MPC has entered into a MOA wherein PSALM allows MPC to use the fuel in the buffer and service tanks of IDPP, and MPC agrees to replenish the same prior to bid opening date. The MOA was entered into to help ease the rotating brownouts in the Mindanao Grid in the fastest and most feasible way. *Specifications of the replenishment fuel are provided in Section VII.*

TC
Section VI. Bidding Forms

Bid Form

Date: _____

To: The BAC-Disposal Chairperson
Power Sector Assets and Liabilities
Management Corporation
3rd Floor Bankmer Bldg., Ayala Avenue
Makati City 1226

Gentlemen and/or Ladies:

Having examined the Bidding Documents including Bid Bulletin Numbers *[insert numbers]*, the receipt of which is hereby duly acknowledged, we, the undersigned, offer to purchase *the main fuel tank (receiving tank) and associated pipeline, and remaining fuel and lube oil, at Iligan Diesel Power Plant*, in conformity with the said Bidding Documents, for the sum of _____ (PHP _____) *[total Bid amount in words and figures]*.

If our Bid is accepted, we undertake to provide a performance security in the form, amount, and within the period specified in the Bidding Documents.

If awarded, we undertake to take ownership, use, withdraw/remove, handle, transport, store, treat, and/or re-sell the assets in accordance with the withdrawal/removal schedule specified in Section IV Schedule of Requirements.

We agree to abide by this Bid for the Bid Validity Period specified in **ITB Clause 13** and it shall remain binding upon us and may be accepted at any time before the expiration of that period.

Until a formal Contract is prepared and executed, this Bid, together with your written acceptance thereof and your Notice of Award, shall be binding upon us.

We certify/confirm that we comply with the eligibility requirements as provided under **ITB Clause 4** of the Bidding Documents.

Dated this _____ day of _____ 2013.

[signature]

[in the capacity of]

Duly authorized to sign Bid for and on behalf of _____

Form of Bid Security (Irrevocable Letter of Credit)

Date: _____

MR. EMMANUEL R. LEDESMA, JR.
President and CEO
Power Sector Assets and Liabilities
Management Corporation
7th Floor, Bankmer Building,
6756 Ayala Avenue, Makati City 1226

Name of Project: Sale of the Main Fuel Tank (Receiving Tank) and Associated Pipeline, and
Remaining Fuel and Lube Oil, at Iligan Diesel Power Plant

WHEREAS, _____, hereinafter called "Buyer", has undertaken in pursuance to the sale of the Main Fuel Tank (Receiving Tank) and Associated Pipeline, and Remaining Fuel and Lube Oil, at Iligan Diesel Power Plant, and whereas it has been stipulated by you in the said Contract that the Buyer shall furnish an irrevocable standby Letter of Credit for a sum specified therein as security for the faithful compliance of Buyer's obligations in accordance with the Contract.

WHEREAS, we have agreed to guarantee this obligation by the Buyer.

THEREFORE, we hereby affirm that we are guarantors and responsible to you, on behalf of Buyer, up to the total amount of _____ and we undertake to pay you, upon first written demand declaring the Buyer to be in default under the Contract and without cavil, or argument, any sum or sums within the limits of (amount of guarantee) as aforesaid, without you needing to prove or to show grounds or reasons for your demand for the sum specified therein.

This irrevocable guarantee is valid until 2 January 2014.

The SBLC shall be drawable at our office in Metro Manila, Philippines.

This certification is being issued in favor of the said Buyer in connection with the requirements of bidding of Power Sector Assets and Liabilities Management Corporation for the above-mentioned contract. We are aware that any false statements issued by us make us liable for perjury.

Name and Signature of Authorized
Financing Institution Officer : _____
Official Designation : _____

Concurred By:

Name & Signature of Buyer's
Authorized Representative : _____
Official Designation : _____

Note:
The amount committed should be machine validated.

Contract Agreement Form

THIS AGREEMENT made this ____ day of _____ 2013 between *Power Sector Assets and Liabilities Management Corporation* of the Philippines (hereinafter called “the Seller”) of the one part and _____ [*name of Buyer*] of _____ [*city and country of Buyer*] (hereinafter called “the Buyer”) of the other part:

WHEREAS the Seller invited Bids for the sale of the Main Fuel Tank (Receiving Tank) and Associated Pipeline, and Remaining Fuel and Lube Oil, at Iligan Diesel Power Plant and has accepted a Bid by the Buyer in the sum of _____ [*contract price in words and figures*] (hereinafter called “The Contract Price”).

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. In this Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract referred to.
2. The following documents shall be deemed to form and be read and construed as part of this Agreement, viz.:
 - (a) the Bid Form (Form No. 1) submitted by the bidder;
 - (b) the Schedule of Requirements;
 - (c) the General Conditions of Contract; and
 - (d) the Seller’s Notification of Award.
3. In consideration of the payments to be made by the Buyer to the Seller as hereinafter mentioned, the Buyer hereby covenants with the Seller to use, withdraw/remove, handle, transport, store, treat, and/or re-sell the Assets therein in conformity in all respects with the provisions of The Contract.
4. The Buyer hereby covenants to pay the Seller, in consideration of the Assets, the Contract Price or such other sum as may become payable under the provisions of the Contract at the time and in the manner prescribed by The Contract.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed in accordance with the laws of the Republic of the Philippines on the day and year first above written.

BF

Signed, sealed, and delivered by _____ the
_____ (for the Seller).

(Seller)

Signed, sealed, and delivered by _____, the
_____ (for the Buyer).

(Buyer)

Witnessed by:

Republic of the Philippines)
_____) s.s.

ACKNOWLEDGMENT

BEFORE ME, a Notary Public for and in _____, Philippines, this
___ day of _____, 2013, personally appeared:

Name	Identification Document	Issued on	Issued at

BF

known to me and to me known to be the same person who executed the foregoing instrument consisting of three (3) pages, including the page whereon this Acknowledgment is written, all pages signed by both parties and their instrumental witnesses, and they acknowledged before me that the same is their free and voluntary act and deed and that of the Corporation they represents.

WITNESS MY HAND AND NOTARIAL SEAL, on the date and place first above written.

Notary Public

Doc. No. ____;
Page No. ____;
Book No. ____;
Series of 2013.

Republic of the Philippines)
City/Municipality of _____) S.S.

Omnibus Sworn Statement

A F F I D A V I T

I, (name of bidder's authorized representative), of legal age, (Civil Status), (Nationality), and residing at (Address of the Signatory), after having been duly sworn in accordance with law, do hereby depose and state that:

1. I am the duly authorized and designated representative of (Name of bidder) with office address at _____;
2. I am granted full power and authority to do, execute and perform any and all acts necessary and/or to represent the (Name of bidder) in the bidding [as stated in the duly notarized Secretary's Certificate hereto attached *(if applicable)*];
3. In connection with the bidding for the sale of the Main Fuel Tank (Receiving Tank) and Associated Pipeline, and Remaining Fuel and Lube Oil, at Iligan Diesel Power Plant, I am responsible for:
 - (a) Having taken steps to carefully examine all of the Bidding Documents;
 - (b) Having acknowledged all conditions, local or otherwise, affecting the implementation of the Contract;
 - (c) Having made an estimate of the Assets for the contract to be bid; and
 - (d) Having complied with its responsibility to inquire or secure Supplemental/Bid Bulletin/s as provided under ITB Clause 7.1.4.
4. Each of the documents submitted in satisfaction of the bidding requirements is an authentic copy of the original, complete, and all statements and information provided therein are true and correct;

(Name of bidder) is not disqualified or prohibited by any government body or court from participating in any bidding of a

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government body or entering into any kind of contract with a government body;

(Name of bidder), its parent company, stockholders, subsidiaries, affiliates, directors or officers and their relatives within the fourth degree of consanguinity or affinity or common law, have no conflict, dispute or unsettled issue arising out of, or in connection with the EPIRA or its Implementing Rules and Regulations with the Seller, which affect the sale/disposal of the Seller's assets.

5. (Name of bidder) is authorizing the Seller or its duly authorized representative(s) to verify all the documents submitted with the Bureau of Internal Revenue, the Department of Environment and Natural Resources, the Department of Energy, and any other appropriate governmental body;
6. (Name of bidder) is not related to the Seller, members of the Bids and Awards Committee (BAC-Disposal), the Technical Working Group, and the BAC-Disposal Secretariat, by consanguinity or affinity up to the third civil degree; and
7. (Name of bidder) complies with existing labor laws and standards.

IN WITNESS WHEREOF, I have hereunto set my hand this ___ day of ___, 2013 at _____, Philippines.

Bidder's Representative/Authorized Signatory

SUBSCRIBED AND SWORN TO before me this ___ day of _____ 2013, Philippines.

NOTARY PUBLIC

Doc. No.
Page No.
Book No.
Series of 2013

**Form of Performance Security
(Irrevocable Standby Letter of Credit)**

Date: _____

MR. EMMANUEL R. LEDESMA, JR.
President and CEO
Power Sector Assets and Liabilities
Management Corporation
7th Floor, Bankmer Building,
6756 Ayala Avenue, Makati City 1226

Name of Project: Sale of the Main Fuel Tank (Receiving Tank) and Associated Pipeline, and Remaining Fuel and Lube Oil, at Iligan Diesel Power Plant

WHEREAS, _____, hereinafter called "Buyer" has undertaken in pursuance to the *sale of the Main Fuel Tank (Receiving Tank) and Associated Pipeline, and Remaining Fuel and Lube Oil, at Iligan Diesel Power Plant*, and whereas it has been stipulated by you in the said Contract that the Buyer shall furnish an irrevocable standby Letter of Credit for a sum specified therein as security for the faithful compliance of Buyer's obligations in accordance with the Contract.

WHEREAS, we have agreed to guarantee this obligation by the Buyer.

THEREFORE, we hereby affirm that we are guarantors and responsible to you, on behalf of Buyer, up to the total amount of _____ and we undertake to pay you, upon first written demand declaring the Buyer to be in default under the Contract and without cavil, or argument, any sum or sums within the limits of (amount of guarantee) as aforesaid, without you needing to prove or to show grounds or reasons for your demand for the sum specified therein.

This irrevocable guarantee is valid until [Date], one hundred eighty (180) calendar days from Contract Effectivity.

The SBLC shall be drawable at our office in Metro Manila, Philippines.

This certification is being issued in favor of the said Buyer in connection with the requirements of bidding of Power Sector Assets and Liabilities Management Corporation for the above-mentioned contract. We are aware that any false statements issued by us make us liable for perjury.

Name and Signature of Authorized Financing Institution Officer : _____
Official Designation : _____

Concurred By:

Name & Signature of Buyer's Authorized Representative : _____
Official Designation : _____

Note: The amount committed should be machine validated.

Bidder's Undertaking

Date: _____

To: The BAC-Disposal Chairperson
Power Sector Assets and Liabilities
Management Corporation
3rd Floor Bankmer Bldg., Ayala Avenue
Makati City 1226

Gentlemen and/or Ladies:

Mindful of the nature and purpose of the Project and to ensure that the government's interests therein are fully protected, we unconditionally and voluntarily represent and warrant that:

- a. We accept, agree to be bound, and fully abide by and comply with the terms and conditions of the Bidding Documents and all Supplemental/Bid Bulletins or amendments, supplement or modification thereto as well as the decisions of the BAC-Disposal;
- b. Waive any and all claims and causes of action against the BAC-Disposal and PSALM in the event that the bidding, selection and/or award be (i) stopped or terminated by PSALM; or (ii) restrained, enjoined, declared invalid or is set aside by a court of competent jurisdiction or any Government Body for any reason whatsoever;
- c. Waive any defect, deviation, fault or infirmity in the bidding process conducted by the BAC-Disposal or by PSALM up to and including the date hereof;
- d. Waive any right to seek and obtain a writ of injunction or prohibition or restraining order against the BAC-Disposal and PSALM and/or any third party to prevent or restrain the bidding process or any proceedings related thereto, the holding of a bidding or any proceeding related thereto, the selection of the highest bidder and winning bidder, and any draw on or forfeiture of the Bid Security. Such waiver shall, however, be without prejudice to the right of the undersigned to question the lawfulness of any disqualification or the rejection of their Bid by appropriate administrative or judicial processes not involving the issuance of a writ of injunction or prohibition or restraining order, except only as provided under Section 78 of the Republic

**Section VII. Fuel Inventory
Report, Fuel Analysis Results,
and Site Map**