

INVITATION TO BID

The Power Sector Assets and Liabilities Management (PSALM) Corporation Privatization, Bids and Awards Committee (*the Committee*) invites interested parties to participate and bid for the privatization of the **650 MW Malaya Thermal Power Plant** called the “Plant”, and the land underlying the Plant called the “Land”, located at Brgy. Malaya, Pililla, Rizal, collectively (the “*Purchased Assets*”). The Asset is being privatized on an “as is, where is” basis.

Interested parties must first submit a Letter of Interest (*LOI*) to the Committee, which shall state the full name, address, telephone and fax number of the interested party, and name of the principal contact, and shall be signed by an authorized representative. All LOIs must be received by the Committee at the PSALM Office with address at the **24th Floor Vertis North Corporate Center 1, Astra corner Lux Drives, Vertis North, Mindanao Avenue, 1105 Quezon City, Philippines**, not later than **5:00 p.m. from 05 October to 19 November 2018** (the *LOI Submission Deadline*). Only interested parties that submit an LOI by the LOI Submission Deadline shall be allowed to participate in the privatization activities of the Asset.

As a prerequisite to the receipt of the Bidding Package, interested parties shall execute a Confidentiality Agreement and an Undertaking pursuant to Section 78 of RA 9136, both in the forms provided by PSALM, and pay a non-refundable fee in the amount of **One Hundred Fifty Thousand Philippine Pesos (PHP150,000.00)** (the *Participation Fee*). The Participation Fee shall either be in cash, manager’s check, or cashier’s check. All bank charges, if any, shall be for the account of the interested party. The Participation Fee must be paid on or before **5:00 p.m. on 20 November 2018**, and the Confidentiality Agreement and Undertaking must be received by the Committee on or before **5:00 p.m. on 20 November 2018** to entitle an interested party further participation in the privatization of the Asset. The forms of Confidentiality Agreement and Undertaking are downloadable from the PSALM website www.psal.gov.ph.

The Bidding Package, which includes the Bidding Procedures, shall be issued during office hours (9:00 a.m. to 5:00 p.m.) from **05 October 2018 until 20 November 2018** (the *Deadline*) at the PSALM Office. Only interested parties that have been issued the Bidding Package by the Deadline, or consortium (as described below), will be allowed to participate further in the privatization of the Asset. The Bidding Procedures can be downloaded from the PSALM website www.psal.gov.ph.

Interested parties that submit the LOI must be the party that will participate in the privatization process, submit a bid and enter into the pertinent agreements. Once an interested party submits the Confidentiality Agreement and Undertaking

and pays the Participation Fee, such interested party may no longer be substituted in the privatization process, except through a consortium in accordance with the terms and conditions of the Bidding Procedures.

Interested parties, its parent company, stockholders, subsidiaries, affiliates, directors or officers or any of their relatives within the fourth civil degree of consanguinity or affinity, legitimate or common law, having conflict, dispute or unsettled issue, arising out of, or in connection with the EPIRA or its Implementing Rules and Regulations, the DOE, PSALM, NPC or TRANSCO, which affect the privatization of NPC assets or TRANSCO or the appointment of Independent Power Producer (IPP) Administrators, namely: (i) an unresolved issue, as determined by the inter-agency committee, arising from the renegotiation of contracts with IPPs mandated by Section 68 of the EPIRA; and (ii) any unpaid account arising from contractual obligations with the DOE, PSALM, NPC or TRANSCO; and those who were disqualified from participating in PSALM's bidding activities by reason of fraudulent acts or who committed fraud or breach in the provisions of any agreement with PSALM are disqualified from participating in this bidding.

The schedule of the bidding activities shall be as follows:

Due Diligence : **05 October 2018** until two (2) days before
Bid Submission Deadline
Pre-Bid Conference : **17 October 2018, 2:00 p.m.** at the PSALM Office
Bid Submission Deadline : **14 December 2018, 12:00 noon** at the PSALM Office

References to the dates and times shall be based on Philippine Standard Time. Should any of the above dates fall on a holiday, the deadline shall be extended to the same time of the immediately succeeding business day in Quezon City.

A Tax Clearance Certificate (TCC), together with the latest income and business tax returns, shall be submitted as part of the Documentary Deliverables provided under the Bidding Procedures.

A two-envelope bidding system will be adopted. Interested Parties will be required to post a bid security equivalent to **Three Hundred Ten Million Philippine Pesos (PHP 310,000,000.00)** in the form of an irrevocable letter of credit that must be acceptable to the Committee.

LOIs, Confidentiality Agreements and Undertakings shall be addressed and submitted to: The Chairperson, Privatization, Bids and Awards Committee, PSALM Corporation, 24th Floor Vertis North Corporate Center Tower 1, Astra corner Lux Drives, Vertis North, Mindanao Avenue, 1105 Quezon City, Metro Manila, Philippines. Inquiries such as requests for clarifications shall be addressed to the Chairperson, Privatization, Bids and Awards Committee (PBAC) and emailed to the PBAC Secretariat at pbacsecretariat@psalm.gov.ph

The Committee reserves the right to accept or reject any interested party or bidder or proposals or bids therefrom, or any part thereof, and/or to waive any defects contained therein and accept the offer advantageous to the Government,

without offering any reason whatsoever. It does not assume any obligation to compensate or indemnify parties for any expense or loss that they may incur as a result of their participation in the privatization process, nor does it guarantee that an award will be made. Finally, it reserves the right to modify, supplement, or change the Bidding Procedures and other aspects of the privatization process at any time, including the schedule and the venue provided herein, for any reason whatsoever and without giving prior notice. Interested parties and/or bidders will be notified subsequently of such modifications, supplements or changes.

(Sgd.) IRENE JOY BESIDO-GARCIA

Chairperson

PSALM Privatization, Bids and Awards Committee