



**Republic of the Philippines**

**Sale of a Portion of Agus 5 Hydroelectric  
Power Plant Property  
through Public Auction**

*Located at  
Purok Bagong Silang  
Barangay Ditucalan  
Municipality of Iligan City  
Province of Lanao del Norte*

**Project Reference No.:  
PBAC-REA-PA-A5P-2021-002-01**

**The Bidding Procedures**

**15 September 2021**

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**FORM NO. 1: OFFER TO BID**

**FORM NO. 2: BIDDER INFORMATION SHEET**

**FORM NO. 3: REPRESENTATIONS AND WARRANTIES**

**FORM NO. 4: FORM OF AUTHORIZATION TO VERIFY**

**FORM NO. 5: WAIVER OF LIABILITY**

**ANNEX A : NEGOTIATION PROCEDURES FOR THE NEGOTIATED SALE**

**ANNEX B : DEED OF ABSOLUTE SALE (DOAS)**

## BIDDING PROCEDURES

This Bidding Procedures govern the bidding for the sale of a portion of Agus 5 Hydroelectric Power Plant (HEPP) Property, described as follows:

Lot No.	Indicative Area (in square meters)
3207 (Portion)	48

### PART I - INSTRUCTIONS TO BIDDERS

#### IB-01 ISSUANCE OF THE BIDDING PROCEDURES

Interested Parties may download the Bidding Package at the PSALM website: (<https://www.psal.gov.ph>) which will be available starting on **15 September 2021** or alternatively, electronic copy of the Bidding Package shall be sent by PSALM through electronic mail to Interested Parties. In order for an Interested Party to be allowed further participation in the bidding process, it shall pay a non-refundable fee (the "Participation Fee") in the amount of Five Hundred Pesos (PHP500.00) until one (1) Business Day prior to Bid Submission Deadline.

Only those that have paid the Participation Fee pursuant to the Invitation to Bid shall be considered eligible and allowed further participation in the Bidding Process.

#### IB-02 ADDENDA AND CLARIFICATION OF THE BIDDING PROCEDURES

Any clarification, modification or addendum to the procedure will be officially communicated to the Bidder through a Supplemental Bid Bulletin (SBB).

#### IB-03 BIDDING SCHEDULE

Activity	Date
Pre-bid Conference	23 September 2021, 2:00 p.m.
Bid Submission Deadline	14 October 2021, 2:00 p.m.
Detailed Bid Evaluation and Declaration of Highest-Ranking Bidder/Failure of Bidding	14 October 2021, 2:15 p.m.
Issuance of Notice of Award	Within twelve (12) Business Days from Declaration of Highest-Ranking Bidder
Buyer's Full Payment of Purchase Price/Execution of DOAS	Within ten (10) Business Days from the Issuance of Notice of Award
PSALM's Execution of DOAS	Upon receipt by PSALM of full payment of Purchase Price
Turn-over of the Property to the Buyer	Upon execution of DOAS

The PSALM's Privatization, Bids and Awards Committee (PBAC) may change the Bidding Schedule. Bidders will be officially notified of any change in the schedule through an SBB.

## IB-04 SUBJECT OF THE BID

The Bid shall cover the subject Property below as indicated in the “Offer to Bid” (Form No. 1) which is sold and shall be purchased based on the Property’s description and Minimum Bid Price as follows:

Project Reference No.	Property	Location	Indicative Area (sq. m.)	Minimum Bid Price (MBP)
PBAC-REA-PA-A5P-2021-002-01	A Portion of Lot No. 3207 of the Agus 5 HEPP Property	Purok Bagong Silang, Barangay Ditucalan, Iligan City, Lanao del Norte	48	PHP136,800.00

The Property is more described in the Invitation to Bid (ITB) and Property Profile issued to Bidders.

PSALM reserves the right to withdraw the Property offered for sale, or terminate the Bidding Process, at any time before the Bid Submission Deadline.

## IB-05 BIDDER’S RESPONSIBILITY

1. It is the bidder’s responsibility to carefully examine and study this Bidding Procedures and the subject of the Bid as provided in IB-04. Any error or misstatement in this Bidding Procedures shall not invalidate the Bidding Procedure undertaken; nor shall any such error or misstatement entitle any bidder to any damages whatsoever, or entitle the Winning Bidder to a reduction in the sale price, or release the Winning Bidder from any or all of its/his/her obligations under the Bidding Documents specified in IB-22 (General Conditions) of the Bidding Procedures.
2. The bidder shall likewise be responsible for determining any and all conditions with respect to the Property, which may in any manner affect the price or the nature of the bidder’s bid. Accordingly, the bidder acknowledges that it/he/she has exercised due diligence in investigating the Property and in determining its “as-is, where-is” condition as defined in IB-06 of the Bidding Procedures.
3. The consequences of the bidder’s failure to examine and carefully interpret this Bidding Procedures and the Subject of the Bid as provided in IB-04 shall be borne by the bidder and such bidder shall not be entitled to any relief for its/his/her error or omission.
4. The delivery or release by the PSALM or the PBAC to the bidders of any information regarding the Property shall not give rise to any warranty in respect of such data or information. PSALM gives no warranty regarding the sale of the Property, except for the warranties on ownership of the subject parcel of land.
5. No verbal agreement or conversation between any bidder and any officer, employee or representatives of PSALM or the PBAC or amongst any of the officers,

employees or representatives of PBAC or PSALM shall affect or modify any of the terms and conditions contained in the Bidding Procedures.

6. The bidders shall at all times, comply with the PSALM's COVID-19 health and safety standards while in PSALM's premises.

## **IB-06 CONDITIONS OF THE SALE**

1. **The sale shall be for CASH, and on an "As Is, Where Is" basis.** The bidder further acknowledges that it/he/she has been given every opportunity to examine the Property offered and accepts PSALM's disclaimer of any warranty, implied or otherwise, and that the Property conforms precisely to the description in IB-04 hereof, which description was solely on the basis of information made available to PSALM.
2. Likewise, in submitting a Bid, the bidder understands and acknowledges that the term "as-is, where-is" refers not only to the physical condition, location, boundaries, description, classification or value of the above-mentioned Property, but also to its legal condition, which includes, without limitation, the state and extent of the National Government's rights or interests in the Property, the condition of the certificate of title or other evidence of ownership over the Property, the condition of the Property in respect of real property taxes, occupancy, claims, encumbrances, encroachment or restrictions, and any other condition affecting title to or possession of the Property.
3. PSALM shall not be liable in any way for the presence of any unauthorized person or illegal occupant on the Property or removal of any structure, improvement, receptacle, and waste, if any, it being clearly agreed upon that it shall be the responsibility of the Winning Bidder, at its/his/her own expense, to evict/clear said illegal occupant, structure, receptacle, and waste from the premises. Identification, location, and survey of the Property shall be the responsibility of the Winning Bidder at its/his/her sole expense.
4. The Bid security shall be in an amount at least equal to ten percent (10%) of the Financial Bid, and shall be in the form of cash or manager's check issued by any commercial or universal bank licensed to do business and operating in the Philippines. Bidders who opt to submit Bid Security in the form of cash shall deposit the same through telegraphic transfer subject to submission of proof of fund transfer. Bid Security in the form of Manager's Check/Cashier's Check shall be submitted as part of bid envelope.
5. All Bids shall be expressed in Philippine Pesos only and shall not be lower than the Minimum Bid Price.
6. If the Subject of the Bid is not yet titled in the name of National Power Corporation (NPC)/PSALM, the BUYER shall be responsible for applying for land title thereto. If however, NPC/PSALM has a pending case before any court of competent jurisdiction for the issuance of land title covering the Property, the BUYER shall take over the pending case by substituting NPC/PSALM and shall be responsible for taking all the necessary steps to transfer and register the Title covering the Property in his/her/its name.
7. The BUYER shall register the Property with the appropriate Register of Deeds

and all Taxes, costs, fees and expenses necessary to cause the registration of the Deed of Absolute Sale (DOAS) shall be for the sole account of the BUYER. Any and all permits necessary to transfer title to the Property from the SELLER to the BUYER shall be the responsibility and for the account of the BUYER.

8. The Real Property Tax (RPT) accruing prior to turnover date shall be for the account of the SELLER. RPT accruing from the turnover date shall be for the account of the BUYER.

## **IB-07 ELIGIBLE BIDDER**

Any person (natural or juridical) authorized by law to acquire, own, hold or develop real Property in the Philippines may be allowed to participate in the public bidding, namely:

1. Individual/Sole Proprietor
2. Corporations/Partnership/Cooperative/Association
3. JV or Consortium
4. Government Agencies
5. Government Corporate Entities
6. Local Government Units

## **IB-08 DUE DILIGENCE**

Site due diligence and ocular inspection may be conducted at the option of the bidder during Business Days from the date of publication of the Invitation to bid until one (1) Business Day prior to Bid Submission Deadline, subject to compliance with COVID19-related health and safety standards.

## **IB-09 PRE-BID CONFERENCE**

The Pre-bid Conference will be conducted to discuss the Bidding Procedures and other possible questions and/or clarifications from Bidders on **23 September 2021, 2:00 P.M.**, through video conferencing/webcasting via zoom, webex, google meet or other platforms which will be communicated to prospective bidders. Prospective bidder/s may manifest their intent to join the said videoconferencing by sending an email to the PBAC Secretariat. Thereafter, the Meeting ID will be sent out to the bidder/s prior to the schedule of the pre-bid conference.

## **IB-10 PREPARATION, SUBMISSION AND RECEIPT OF BIDS**

The following documents shall comprise the “Bidding Documents” and shall be submitted to the PBAC on the Bidding date as specified in IB-11 hereof.

Bids shall be composed of two (2) separate envelopes containing the First Bid Envelope (Eligibility Component) and the Second Bid Envelope (Financial Component). The envelopes shall indicate the Project No., Lot No., name of Property and name and address of the Bidder.

- I. The First Bid Envelope shall be marked “**Eligibility Component**” shall containing the following:
  1. Duly accomplished Bidder’s Information Sheet [Form No. 2] as may be applicable if an **Individual** or **Juridical Entity (i.e. Corporation, Partnership, Joint Venture, Cooperative and Association)**, and the **appropriate documents** specified in the said form and enumerated in IB-17 (Post qualifications), whichever is applicable.
  2. Duly accomplished Representations and Warranties Form [Form No. 3]; and
  3. Form of Authority to Verify [Form No. 4].
  
- II. The Second Bid Envelope shall be marked “**Financial Component**” containing the following:
  1. Duly accomplished Offer to Bid [Form No. 1] and Valid Bid Security equivalent to at least 10% of Financial Bid. For the avoidance of doubt, Bid Security in the form of Manager’s Check/Cashier’s Check shall be submitted as part of bid envelope.
  2. Proof of fund transfer or deposit if the Bid Security is in the form of cash.

The Bid envelopes shall be submitted before the Bid Submission Deadline to the PBAC Secretariat who shall stamp “Received” indicating the date and time of receipt. The Bids must be submitted to:

**THE CHAIRPERSON**

Privatization, Bids and Awards Committee  
Power Sector Assets and Liabilities Management Corporation  
24th Floor Vertis North Corporate Center 1  
Astra corner Lux Drives  
North Avenue, Quezon City 1105

PSALM reserves the right to change the date, time and venue for the submission, opening or evaluation of Bids. The bid envelopes shall bear the markings as follows:

<p>FIRST BID ENVELOPE For the Sale of _____ Name of Bidder: _____ Address of Bidder: _____</p> <p>To THE CHAIRPERSON PSALM Privatization, Bids and Awards Committee Power Sector Assets and Liabilities Management Corporation</p>
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<p>SECOND BID ENVELOPE For the Sale of _____ Name of Bidder: _____ Address of Bidder: _____</p> <p>To THE CHAIRPERSON PSALM Privatization, Bids and Awards Committee Power Sector Assets and Liabilities Management Corporation</p>
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The bidder himself/herself or its/his/her duly authorized representative must accomplish the forms. Where a representative has been asked to accomplish the forms, the Bidder must submit a duly notarized Special Power of Attorney expressly: (a) stating the Bidder's acceptance of, and undertaking to comply with, the terms and conditions of the public bidding, (b) acknowledging and confirming the bidder's submissions and representations under the Bidder's Representation and Warranties [Form 3], (c) designating the bidder's representative in the bidding, (d) authorizing said representative to participate in the bidding, including resubmission of bids under IB 14.3 of this Bidding Procedure, and to sign forms, on behalf of the bidder, and (e) containing three (3) specimen signatures of the representative.

If the Bidder is a corporation or a partnership or a cooperative, the bidder must submit a duly notarized Certificate, issued by its Corporate Secretary (for Corporations) or Managing Partner (for Partnerships) or Board Secretary (for Cooperatives), attesting to a board or partnership resolution expressly, (a) authorizing the corporation's or partnership's participation in the public bidding, (b) specifying the lot for which the corporation or partnership shall submit its Bid, (c) approving the corporation's or partnership's acceptance of, and undertaking to comply with, the terms and conditions of the bidding, (d) acknowledging and confirming the corporation's or partnership's submissions and representations under the Bidder's Representation and Warranties [Form 3], (e) designating the corporation's or partnership's representative in the bidding, (f) authorizing the representative to participate in said bidding, including the re-submission of bids contemplated in IB-16.3 of the Bidding Procedures, and to sign the forms, on behalf of the corporation or partnership, and (g) containing three (3) specimen signatures of the representative.



The authorizations prescribed herein shall form an integral part of the Bid inside the First Bid Envelope.

By submitting its/his/her Bid and Bid Security on or before the date of the Bidding, the Bidder shall be deemed to have signified its/his/her acceptance of the terms and conditions of the Bidding, including the terms and conditions of this Bidding Procedures.

### **IB-11 SUBMISSION OF BIDS**

Sealed Bids will be accepted from direct buyers only on **14 October 2021 until 2:00 P.M.** at the 24<sup>th</sup> Floor, Vertis North Corporate Center 1, Astra corner Lux Drives, North Avenue, Quezon City. **The bid box shall be closed at exactly 2:00 P.M.**

However, due to the Covid19 pandemic community quarantine imposed in various parts of the country, Bidders at their option, may submit their Bids through courier services and these must be received by PSALM on or before the Bid Submission Deadline.

Bidders who opt to submit their Bids through courier services shall execute a waiver (Form No. 5- Waiver) which shall be submitted together with their Bids. Failure to submit said duly executed Waiver shall be ground for disqualification of Bidders.

### **IB-12 BID VALIDITY PERIOD**

The Bid shall be valid for a period of forty-five (45) Calendar Days from Bid Submission Deadline.

### **IB-13 BID SECURITY**

1. Each Eligible Bidder shall submit as part of its Bid, a Bid Security equivalent to a minimum of ten percent (10%) of the Bid. The Bid Security shall be in any of the following acceptable forms:
  - a. Cash; or
  - b. Manager's Check issued by a commercial or universal bank licensed to do business in the Philippines.

Bidders who opt to submit Bid Security in the form of cash shall deposit the same through telegraphic transfer at the following PSALM LBP account subject to presentation/submission of proof of deposit/fund transfer:

Name of Bank	:	Land Bank of the Philippines
Branch	:	Paseo de Roxas Branch
Account Name	:	Power Sector Assets and Liabilities Management Corporation (PSALM)
Account Number	:	1802-1019-68
LBP Swift Code	:	TLBPPHMM

2. The Bid Security of the Winning Bidder shall be treated as part of Purchase Price.

The Bid Security of all other Bidders shall be returned immediately without interest upon receipt by PSALM of full payment from the Winning Bidder.

3. The acceptance of the Bid Security shall not bind PSALM to the offer until after receipt by the bidder of the Notice of Award.
4. The occurrence of any of the following events shall cause the automatic forfeiture of the Bid Security in favor of PSALM:
  - a. Withdrawal, whether conditional or otherwise, of the Bid;
  - b. Refusal or failure of the bidder, if declared the winner, to accept the award;
  - c. Refusal or failure of the bidder, if declared the winner, to comply with the terms and conditions of the award;
  - d. Refusal or failure of the bidder, if declared the winner, to fully pay the total bid price on the date indicated on the Notice of Award;
  - e. Material misrepresentation, including falsification, or breach of warranty made in the bidding documents by the bidder, as determined by PSALM; or
  - f. Material non-compliance by the Winning Bidder with the terms and conditions set forth in the bidding documents, as determined by PSALM;
  - g. When bid is below the Minimum Bid Price specified in IB-04 of this Bidding Procedures; or
  - h. Any attempt or act to unduly influence the outcome of the bidding, or any other act that tends to defeat the purpose of a competitive bidding, as determined by the PBAC.
5. The forfeiture of the Bid Security shall not, however, bar PSALM from pursuing all other remedies available under this Bidding Procedures and applicable laws, rules and regulations.

## **IB-14 DISQUALIFICATION OF BIDS**

The PBAC shall disqualify the following Bids:

- a. Bids not in the prescribed form;
- b. Unsigned bids;
- c. Bids with erasures that not initialed, and
- d. Incomplete documentation.

## **IB-15 OPENING AND PRELIMINARY EVALUATION OF BIDS**

1. All Bids shall be opened by the PBAC immediately after the closing of the bid box at 2:00 p.m. on the Bidding Date. Bidders or their duly authorized representatives shall be allowed to attend and witness the proceedings. However, due to current COVID-19 situation, PSALM allows a maximum of two (2) representatives to witness the opening and evaluation of bids. Bidders representative/s who opt to attend and witness the opening and evaluation of Bids shall at all times, comply with PSALM COVID19-related health and safety standards.
2. In the event that the bid opening date will not take place on the said date due to fortuitous event or if the same be declared a non-working holiday, it shall be

held the following working day at the same time and place without further notice.

3. All bids shall be opened at the time, date and place set in the Invitation to Bid under the direction of the PBAC and in the presence of the Commission on Audit (COA) representatives. The Bidder is hereby informed of the COA's ruling that in the event that there is only one bid submitted per project, the bidding on that particular project will be declared a failure, and the Bid of the lone bidder will be considered for the Negotiated Sale.
4. Bid envelopes shall be opened in the order of submission. All Bids shall be individually evaluated in the presence of bidders or their duly authorized representatives, who opt to attend.
5. A tie for the Highest Bid shall be resolved immediately through submission of a revised and signed Offer to Bid. A Bidder shall not submit a Bid lower than its original Bid. This process shall be repeated until the tie is broken.
6. Modification/alteration/withdrawal/cancellation of Bids shall not be allowed once the Bid has been submitted.
7. PSALM reserves the right to waive any formality or defect in the Bidding Documents or other submissions to PBAC, and to accept the Bid it deems most advantageous to the government. In the event of a failed bidding, PSALM reserves the right to resort to other modes of disposition under existing laws, rules and regulations.
8. PSALM 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.

## **IB-16 EVALUATION OF BIDS**

1. The Winning Bidder shall be the bidder who not only has the highest Bid as approved by the PBAC, but also complies with all the terms and conditions contained in this Bidding Procedures and submits the bidding documents specified in IB-10 of this Bidding Procedures, including the annexes thereto.
2. Bids below the Minimum Bid Price shall not be accepted and the Bid Security therefore shall be automatically forfeited in favor of PSALM.
3. In case two or more bidders submit exactly the same Bids and such Bids are the highest submitted, to break the tie, such highest bidders shall re-submit their respective sealed bids within sixty (60) minutes after the tie is determined and declared. The new Bids, however, shall not be lower than the original Bids submitted. If any bidder fails to re-submit a Bid, its/his/her original Bid shall be deemed re-submitted. This procedure shall be followed until the tie is broken.
4. Any material misrepresentation by a bidder, as determined by PSALM, shall be sufficient ground for its/his/her disqualification from the bidding and the automatic forfeiture of its/his/her Bid Security.
5. PSALM reserves the right to reject any or all Bids, including the highest Bid, or to waive any defect or required formality therein.

6. The evaluation of the bids and the award of sale shall be subject to applicable laws, rules, and regulations as well as all governmental approval requirements applicable to the privatization, disposition, and sale of the subject Property.

## **IB-17 POST-QUALIFICATION**

For purposes of post qualification, the original copy of the following Bidders' documents, **whichever is applicable**, shall be inspected and shall be subject to verification:

- a. Certificate of employment and pay slip for the last three (3) months
- b. Valid government-issued IDs
- c. Proof/s of billing
- d. Securities and Exchange Commission (SEC)/Cooperative Development Authority (CDA)/National Electrification Administration (NEA)/Department of Trade and Industry (DTI) registration/HLRUB registration or any equivalent document for cooperative/association
- e. Amended Articles of Partnership, or Incorporation or Cooperation and updated General Information Sheet or any equivalent document for cooperative/association
- f. Valid business permit
- g. Latest ITR, Audited FS and proof/s of income, or funds availability e.g. Bank Certification
- h. SPA of the representative
- i. Secretary's certificate/Resolution of authority to purchase and authorized signatory

## **IB-18 AWARD TO THE WINNING BIDDER**

The Notice of Award (NOA) shall be issued through electronic mail to Highest-Ranking and Responsive bidder as the Winning Bidder. The Winning Bidder shall likewise accept the NOA through email.

In case of rejection of a bid, PSALM shall return the Bid Security to the bidder, unless a ground for its automatic forfeiture exists.

In the event that PSALM determines, after due verification, that the Highest-Ranking Bidder has not completely, fully and faithfully complied with the Bidding Procedures, PSALM shall not serve a Notice of Award upon it and may declare it to be in breach with no right to participate in the Bidding Process, and may further shall draw on and forfeit its entire Bid Security. Then PSALM may, at its option, conduct a verification of the accuracy, authenticity and completeness of all the documents submitted by the Next Highest Ranking Bidder in succession based on rank during the opening and evaluation of the second bid envelope (Financial Component) until a Winning Bidder is determined and a Notice of Award has been issued by PSALM.

Participation in the bidding does not guarantee an award of the sale.

## **IB-19 EXECUTION OF THE SALE AGREEMENT**

Upon full payment of the purchase price, a DOAS shall be executed in favor of the Winning Bidder.

## **IB-20 TRANSFER OF TITLE**

The Winning Bidder understands that the title or any possessory right documents to the Property shall be transferred to it/him/her only upon receipt by PSALM of the full payment of the Purchase Price and after the submission of a duly signed and notarized copy of the DOAS.

## **IB-21 FAILURE OF BIDDING**

There shall be a failure of Bidding in any of these instances:

1. Less than two (2) entities paid the Participation Fee until one (1) Business Day prior to Bid Submission Deadline;
2. Less than two (2) Bids are received by Bid Submission Deadline;
3. No First Bid Envelope is rated "Passed";
4. No Second Bid Envelope is rated "Passed";
5. All Bidders, except one, withdrew from the Bidding Process prior to Bid Submission Deadline;
6. All Bidders, except one, withdrew their Bids prior to the Opening of Bids;
7. No Financial Bid meets the Minimum Bid Price;
8. No Bid has passed the post qualification stage;
9. The Winning Bidder withdrew prior to the issuance of the Notice of Award, or the Winning Bidder refused to accept the same and there is no other post-qualified Bidder;
10. Winning Bidder failed to remit the full payment of the Purchase Price;
11. Winning Bidder failed to execute the DOAS;
12. Turnover of the Property did not happen.

Should there be a failure of Bidding for reason mentioned in Item Nos. 2, 5 and 6 of IB-21, PSALM may negotiate with the lone Bidder and the lone Bidder's Bid shall be considered an offer to buy the Property for the purpose of **Negotiated Sale on cash basis**. The negotiation shall be done in accordance with the Negotiation Procedures attached hereto as Annex "A".

## **IB-22 GENERAL CONDITIONS**

1. PSALM shall deliver the possession of the Property to the Winning Bidder, on an 'As-is, Where-is' basis, upon the execution of the DOAS.
2. Payment of Capital Gains Tax (CGT) shall be for the account of the Winning Bidder. The Bid Price shall be exclusive of any and all taxes. All taxes, fees, and expenses, including but not limited to transfer costs, registration fees, documentary stamps and the like arising from or relating to the sale transaction over the Property shall be borne exclusively by the Winning Bidder.
3. All other taxes and fees incidental and necessary to the sale and transfer of title to the awardee will be assumed by the Winning Bidder.
4. PSALM shall not assume any obligation to compensate or indemnify the bidder for any expense or loss that may be incurred as a result of their participation in

the bidding for the Property nor it will guarantee that an award shall be made.

5. PSALM may modify, supplement or clarify this Bidding Procedure, if warranted, prior to the submission of bids. Any amendment or supplement to this Bidding Procedure or any clarification shall be made only through Supplemental Bid Bulletins. Supplemental Bid Bulletins shall be deemed incorporated into this Bidding Procedure upon their issuance.

To ensure that all Bidders are informed of any such amendment, supplement or clarification, Bidders should make sure that they are registered as such so that notification may be promptly sent to them. It shall be the responsibility of each prospective bidder to inquire about and secure all Supplemental Bid Bulletins. The failure of a bidder to secure Supplemental Bid Bulletins shall constitute a waiver of its/his/her right to be informed thereof.

6. Violation by the Winning Bidder of any of the terms and conditions of this Bidding Procedure shall be a ground for cancellation of the award and the automatic forfeiture of the individual Winning Bidder's Bid Security and any other payment to PSALM. Likewise, any material misrepresentation, or any attempt or act to unduly influence the outcome of the bidding or to defeat the purpose of competitive bidding, as determined by the PBAC, shall be cause for such cancellation of award and forfeiture of payments.

The Winning Bidder shall faithfully comply with and abide by all of its/his/her obligations and representations under the Bidding Documents.

## PART II - DEFINITIONS

In the Bidding Procedures, the following capitalized terms and their variations have the meanings specified in this Section:

<b>Affiliate</b>	Any person which, alone or together with any other person, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with another person. Affiliate shall include a subsidiary company and parent company and subsidiaries, directly or indirectly, of a common parent.
<b>Bid</b>	A signed offer or proposal submitted by a Bidder in compliance with Section IB-10 (Preparation, Submission and Receipt of Bids) which is composed of both the First Bid Envelope (Eligibility Component) and Second Bid Envelope (Financial Component).
<b>Bidder</b>	An interested party to whom the PBAC issues the Bidding Package and has paid the Participation Fee.
<b>Bidding or Bidding Process</b>	The bidding process for the sale of the Property, as outlined in the Bidding Procedures.
<b>Bidding Documents</b>	shall mean the set of documents to be submitted by the Bidders as indicated in IB-10 (Preparation, Submission and Receipt of Bids)
<b>Bidding Package</b>	shall mean the set of documents for the privatization of the Property, which include the Bidding Procedures and the Property Profile
<b>Bidding Procedures</b>	shall mean the procedures that govern the Bidding for the sale of the Property
<b>Bidding Schedule</b>	Shall mean the schedule for the Bidding as set out in Section IB-03 (Bidding Schedule).
<b>Bid Security</b>	Refers to an amount which serves as an expression of intent to participate in the public bidding for the Property, which shall be a minimum of ten percent (10%) of the Financial Bid, in the form of cash, bank manager's check or cashier's check, issued by any commercial or universal bank doing business in the Philippines.
<b>Bid Submission Deadline</b>	The deadline for the submission of Bids set forth in Section IB-03 (Bidding Schedule).
<b>Bid Validity Period</b>	The 45 Calendar Day period which starts from the Bid Submission Deadline.
<b>Business Day</b>	Any day other than a Saturday, Sunday, public holiday in the Republic of the Philippines or Quezon City, or a day on which banks located in Quezon City are authorized by law to be closed.
<b>Business Hours</b>	Shall mean 8:00 a.m. to 12:00 p.m. and 1:00 p.m. to 5:00 p.m. of a Business Day.
<b>Buyer</b>	Shall mean the Winning Bidder with whom PSALM enters into the DOAS for the sale of the Property.
<b>Deed Of Absolute Sale (DOAS)</b>	Shall mean the agreement to be entered into between the PSALM and the BUYER for the sale and purchase of the Property, including the schedules, attachments, and annexes thereto as well as the pertinent

	attachment, annexes and schedules to such schedules, attachments, and annexes, which was distributed to the Bidders as part of the Bidding Procedures.
<b>DOE</b>	The Department of Energy of the Republic of the Philippines.
<b>ERC</b>	The Energy Regulatory Commission.
<b>Financial Bid</b>	shall mean the bid amount as indicated in Form No. 1 (Offer to Bid).
<b>First Bid Envelope</b>	shall have the meaning set forth in <b>Section IB-10</b> (Preparation, Submission and Receipt of Bids).
<b>Government Entity</b>	Any government agency, authority, bureau, department, court, tribunal, legislative body, public official, statutory or legal entity or person (whether autonomous or not), commission, corporation or instrumentality, whether national or local, of the Republic of the Philippines having jurisdiction over these Bidding Procedures, the Bidding Process, and the DOAS.
<b>Highest-Ranking Bidder</b>	The Bidder who submitted the highest Financial Bid during the opening and preliminary evaluation of the Bids
<b>Highest-Ranking and Responsive Bidder</b>	Shall have the meaning set forth in IB-18 (Award to the Winning Bidder).
<b>Minimum Bid Price</b>	Refers to the minimum bid amount which PSALM shall accept from the Bidder as Purchase Price for the Property.
<b>Negotiated Sale</b>	Shall have the meaning set forth in IB-21 (Failure of Bidding)
<b>Negotiation Procedures</b>	Shall mean the procedures that govern the Negotiated Sale of the Property attached as Annex "A" of the Bidding Procedures.
<b>Next Highest-Ranking Bidder</b>	Refers to the bidder with second highest bid provided his bid is not less than the Minimum Bid Price
<b>Notice of Award</b>	Shall have the meaning set forth in Section IB-18 (Award to the Winning Bidder)
<b>NPC</b>	Shall mean the National Power Corporation
<b>PBAC</b>	Shall have the meaning set forth in IB-01 (The Bidding Procedures).
<b>Philippine Law</b>	Shall mean: (i) the 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 privatization and performance of the DOAS by the parties; and (b) as amended, supplemented, replaced, interpreted by a duly authorized Government Entity, or otherwise modified from time to time.
<b>Philippine Peso</b>	The lawful currency of the Republic of the Philippines.
<b>Pre-Bid Conference</b>	Shall have the meaning set forth in IB-08 (Pre-Bid Conference).



<b>Property</b>	Refers to the property for sale through Public Auction subject of this Bid as described in IB-04 (Subject of the Bid).
<b>PSALM</b>	The Power Sector Assets and Liabilities Management Corporation created under Republic Act No. 9136.
<b>Public Auction</b>	Refers to a method of disposal which is open to participation by any interested party; public auction ensures that PSALM would get the highest selling price for the Property offered for sale.
<b>Purchase Price</b>	Refers to the amount a Bidder is willing to pay in order to purchase the Property.
<b>Second Bid Envelope</b>	shall have the meaning set forth in <b>Section IB-10</b> (Preparation, Submission and Receipt of Bids).
<b>Supplemental Bid Bulletins (SBBs)</b>	Amendments, supplements or clarifications to the Bidding Procedures or the Bidding Process that the PBAC may issue, which shall be in writing and numbered sequentially. The SBBs are automatically incorporated into and made an integral part of the Bidding Procedures.
<b>TRANSCO</b>	The National Transmission Corporation, a government-owned and -controlled corporation created by virtue of the Republic Act No. 9136.
<b>Winning Bidder</b>	Refers to the eligible bidder whose Financial Bid has been evaluated by the PBAC as the highest bid, compliant with the requirements of this Bidding Procedures and approved by the PSALM Board of Directors.