

**INVITATION TO NEGOTIATE AND SUBMIT OFFER
(Third Round of Negotiated Sale Process)**

The Power Sector Assets and Liabilities Management (PSALM) Corporation Privatization Bids and Awards Committee (*the Committee*) invites interested parties to join the third round of negotiated sale process and thus submit offers for the privatization of the **Malaya Thermal Power Plant** (the “Plant”), and the land underlying the Plant (the “Land”), collectively the “Purchased Assets”. The Purchased Assets located in Pililla, Rizal are being privatized on an “as is, where is” basis.

The Minimum Offer Price (MOP) for the Purchased Assets in this third round of negotiated sale process is **One Billion Eight Hundred Forty-Five Million Two Hundred Twenty-Two Thousand Philippines Pesos (PHP1,845,222,000)**. A Financial Offer submitted lower than the MOP shall be rejected outright.

An interested party must first submit a Letter of Interest (LOI) to the Committee, which shall state the full name, address, telephone and fax number of the said interested party and name of the principal contact and shall be signed by the interested party’s duly authorized representative. All LOIs must be received by the Committee through email address pbacsecretariat@psalm.gov.ph or at the PSALM Office with address at the **24th Floor Vertis North Corporate Center 1, Astra corner Lux Drives, North Avenue, 1105 Quezon City, Philippines**, which deadline shall be no later than **3:00 p.m. of 05 March 2021** (the *LOI Submission Deadline*). Only interested parties that submit an LOI by the LOI Submission Deadline shall be allowed to participate in the third round of negotiated sale process for the Purchased Assets.

The Negotiation Package may be secured from PSALM upon submission of a duly executed and notarized Confidentiality Agreement and an Undertaking pursuant to Section 78 of RA 9136, both in the forms provided by PSALM. The duly executed Confidentiality Agreement and Undertaking must be received by the Committee on or before **3:00 p.m. of 05 March 2021** to entitle an interested party further participation in the third round of negotiated sale process for the Purchased Assets. The forms for the Confidentiality Agreement and Undertaking are downloadable from the PSALM website www.psalm.gov.ph.

The Negotiation Package, which includes the Negotiation Procedures and the Asset Purchase Agreement, shall be issued during core office hours (9:00 a.m. to 3:00 p.m.) from **05 February 2021 until 05 March 2021** (the *Deadline*) at the PSALM Office. Only interested parties that have been issued the Negotiation Package by the Deadline, or consortium (as described below), will be allowed to participate further in the third round of negotiated sale process for the Purchased Assets. The Negotiation Procedures can be downloaded from the PSALM website www.psalm.gov.ph.

Interested parties who submit the LOI must be the one to participate in the third round of negotiated sale process, submit an offer and enter into the pertinent agreements mentioned above. Once an interested party submits the duly executed Confidentiality Agreement and Undertaking, such interested party may no longer be substituted in the third round of negotiated sale process, except through a consortium or joint venture in accordance with the terms and conditions of the Negotiation Procedures.

Any interested party, said party's 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, who has any conflict, dispute or unsettled issue with PSALM, DOE, DOF, NPC or TRANSCO, or who has a pending litigation case or arbitration case against PSALM, DOE, DOF, NPC or TRANSCO, arising out of any issue, or contractual obligation, or any matter relating to the EPIRA or its Implementing Rules and Regulations, are disqualified from participating in this third round of negotiated sale. Such disqualification also covers a scenario where there is:

- (i) any unresolved issue arising from contracts or renegotiation of contracts with IPPs or from provision of law; and
- (ii) any unpaid account arising from contractual obligations with PSALM, DOE, DOF, NPC or TRANSCO.

Those who were previously disqualified from participating in other bidding or negotiated sale activities of PSALM by reason of fraudulent acts, or those who committed fraud or breach in the provisions of any agreement with PSALM are also disqualified to participate in this negotiation.

The schedule of the third round of negotiated sale activities shall be as follows:

Due Diligence	: 05 February 2021 until two (2) business days prior to Offer Submission Deadline
Pre-Negotiation Conference	: 09 March 2021, 2:00 p.m. through video conferencing or webcasting
Offer Submission Deadline	: 23 April 2021, 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 valid 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 Negotiation Procedures.

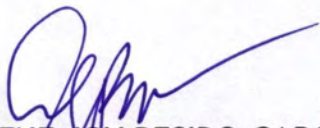
A one-envelope system will be adopted. Interested Parties will be required to post an offer security equivalent to at least **Ten Percent (10%) of the Offer Price** in the form of Cash, Manager's Check or Cashier's Check or an irrevocable letter of credit that must be acceptable to the Committee.

LOIs, duly executed Confidentiality Agreements and Undertakings shall be addressed and submitted to:

The Chairperson
PSALM Privatization Bids and Awards Committee (PBAC)
24th Floor Vertis North Corporate Center Tower 1
Astra corner Lux Drives
North Avenue, 1105 Quezon City, Philippines

Inquiries such as requests for clarifications shall be addressed to the Chairperson, 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 negotiating party or proposals or offers 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 third round of negotiation process, nor does it guarantee that an award will be made. Finally, it reserves the right to modify, supplement, or change the Negotiation Procedures and other aspects of the third round of negotiated sale 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 negotiating parties will be notified subsequently of such modifications, supplements or changes.



IRENE JOY BESIDO-GARCIA
Chairperson
PSALM Privatization Bids and Awards Committee
(05, 06, 07 February 2021)