

The Republic of the Philippines

Sale of the

**650 MW Malaya Thermal Power Plant
and Its Underlying Land
Located in Pililla, Rizal**

(Third Round of Public Bidding)



POWER SECTOR
ASSETS & LIABILITIES
MANAGEMENT CORPORATION

Supplemental Bid Bulletin No. 7

18 June 2020

**SUPPLEMENTAL BID BULLETIN NO. 7
FOR THE SALE OF THE 650 MW MALAYA THERMAL POWER PLANT
AND ITS UNDERLYING LAND LOCATED IN PILILLA, RIZAL
(THIRD ROUND OF PUBLIC BIDDING)**

1. NOTICE TO BIDDERS

Bidders are hereby notified of the amendments, revisions, modifications and clarifications to the Bidding Procedures dated 31 January 2020 for the Sale of the 650 MW Malaya Thermal Power Plant and Its Underlying Land located in Pililla, Rizal.

In accordance with the Bidding Procedures, Bidders are required to acknowledge receipt and acceptance of the terms and conditions of the Bidding Procedures and each Supplemental Bid Bulletin on the space provided in the Letter of Transmittal accompanying this Supplemental Bid Bulletin.

Failure to acknowledge receipt and acceptance of the terms and conditions of the Bidding Procedures and each Supplemental Bid Bulletin may cause the Bid to be considered as not responsive to the Bidding Procedures, which could result in the disqualification and/or rejection of the Bid.

In any case, it is conclusively presumed that the Bidder in preparing the Bid has taken into account the information and procedures set forth herein in the Bidding Procedures and in the subsequent Supplemental Bid Bulletins.

2. AMENDMENT TO SECTION IB-03 BIDDING SCHEDULE

In view of the third-party updating of the Malaya TPP financial valuation prior to PSALM Board of Director's setting of the Minimum Bid Price, the Privatization, Bids and Awards Committee (PBAC) hereby amends the following activities under Section IB-03 (Bidding Schedule) of the Bidding Procedures:

Activity	From	To
Release of Final APA to Qualified Bidders	30 June 2020 or not later than 7 days prior to Bid Submission Deadline*	<u>14 July 2020</u> or not later than 7 days prior to Bid Submission Deadline
Release of Minimum Bid Price to Qualified Bidders through a SBB	Immediately after PSALM Board's approval of the Minimum Bid Price*	Immediately after PSALM Board's approval of the Minimum Bid Price
Bid Submission Deadline	12:00 noon, 16 July 2020*	12:00 noon, <u>30 July 2020</u>
Issuance of Notice of Award and PSALM executed APA to Winning Bidder	30 July 2020 or within 30 days from declaration of the Highest-Ranking Bidder**	<u>31 August 2020</u> or within 30 days from declaration of the Highest-Ranking Bidder
<u>Approval and Execution of Deed of Assignment, if applicable</u>		<u>Within five (5) working days from acceptance of the Notice of Award by the Winning Bidder</u>

Activity	From	To
Submission to PCC	03 August 2020**	<u>04 September 2020 or earlier as agreed by Parties</u>
Issuance of the Certificate of Effectivity of the APA to the Winning Bidder	2 business days from receipt of PCC clearance or 27 August 2020**	<u>23 September 2020</u> or 2 business days from receipt of PCC clearance
Closing	Within 30 days from Winning Bidder's receipt of the Certificate of Effectivity or 23 September 2020**	<u>23 October 2020</u> or within 30 days from Winning Bidder's receipt of the Certificate of Effectivity
Closing Date	2 business days from Closing or 25 September 2020**	<u>25 October 2020</u> or 2 business days from Closing

* per SBB No. 6 dated 21 May 2020

** per SBB No. 4 dated 14 April 2020

All other scheduled bidding-related activities that are not included in the above table are deemed not affected by this issuance and shall push through as scheduled per previous SBB issuances.

3. AMENDMENT TO IB-12 CONTENTS OF BIDS

Section IB-12, item A.1 is hereby amended as follows:

FROM:

- Four (4) sets of the duly executed APA for Malaya Thermal Power Plant including schedules, and other required documentation, except Schedule C - Financial Bid/Purchase Price of the APA which shall not be submitted with the First Bid Envelope. Each page of the APA shall be initialed or signed in full by the authorized signatory/ies of the Bidder, except the signature pages, which must bear the full signature of such signatory/ies. The APA shall be submitted in the same form and sequential order as it was issued to the Bidder by PSALM and shall be acknowledged before a Notary Public in the Philippines.

PSALM shall fill in the date on the cover page of the APA the ate that a Winning Bidder is declared.”

TO:

- Four (4) sets of the duly executed APA for Malaya Thermal Power Plant including schedules, and other required documentation, except Schedule C - Financial Bid/Purchase Price of the APA which shall not be submitted with the First Bid Envelope, and Schedule Q - Form of Deed of Accession for the Operation and Maintenance Service Contract (OMSC) which shall only be executed by the Bidder if it intends to continue the use of the services of PSALM's OMSC Contractor. Should the Bidder intend to discontinue the use of the services of PSALM's OMSC Contractor, it must submit a letter to the PBAC, explaining therein how it intends to operate the Purchased Assets. The said letter shall form part of the documents included in the Bidder's First Bid Envelop.

Each page of the APA shall be initialed or signed in full by the authorized signatory/ies of the Bidder, except the signature pages, which must bear the full signature of such signatory/ies. The APA shall be submitted in the same form and sequential order as it was issued to the Bidder by PSALM and shall be acknowledged before a Notary Public in the Philippines.

PSALM shall fill in the date on the cover page of the APA the date that a Winning Bidder is declared.”

4. **AMENDMENT TO SECTION IB-22 OBLIGATIONS OF THE NEXT HIGHEST-RANKING BIDDER**

Section IB-22, items A and C are hereby amended, as follows:

FROM:

- A. PSALM may, at its option, execute and deliver the APA delivered by the Next Highest-Ranking Bidder which submitted a Financial Bid which is at least equal to the Minimum Bid Price, if: (1) the Highest-Ranking Bidder is post-disqualified; (2) the Highest-Ranking Bidder fails to accept the Notice of Award from PSALM; (3) PSALM and the Highest-Ranking Bidder fails to execute the APA; or (4) after the Closing Date and within the Bid Validity of the Bid of the Next Highest-Ranking Bidder, the Highest-Ranking Bidder does not comply with, withdraws, terminates or repudiates the APA executed by it.

PSALM shall notify the Next Highest-Ranking Bidder of its selection by written notice (Substitute Selection Notice). The Next Highest-Ranking Bidder shall assume the status of the Winning Bidder on the date of receipt of the Substitute Selection Notice.

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- C. The Next Highest-Ranking Bidder, upon assumption of the status of Winning Bidder, shall extend the expiration date of its Bid Security.

TO:

- A. PSALM may, at its option, execute and deliver the APA delivered by the Next Highest-Ranking Bidder which submitted a Financial Bid which is at least equal to the Minimum Bid Price, if: (1) the Highest-Ranking Bidder is post-disqualified; (2) the Highest-Ranking Bidder fails to accept the Notice of Award from PSALM; (3) PSALM and the Highest-Ranking Bidder fails to execute the APA; or (4) after the Closing Date and within the Bid Validity of the Bid of the Next Highest-Ranking Bidder, the Highest-Ranking Bidder does not comply with, withdraws, terminates or repudiates the APA executed by it.

PSALM shall notify the Next Highest-Ranking Bidder of its selection by written notice (Substitute Selection Notice). The Next Highest-Ranking Bidder shall assume the status of the Highest-Ranking Bidder on the date of receipt of the Substitute Selection Notice.

Xxx

- C. The Next Highest-Ranking Bidder, upon assumption of the status of **Highest-Ranking Bidder**, shall extend the expiration date of its Bid Security.

5. **AMENDMENT TO SECTION GP-01 DEFINITIONS**

The following capitalized terms and their variations shall be supplemented and amended, as follows:

Assignee shall be the special purpose corporation wholly-owned by the **Winning Bidder, which shall assume all the rights and obligations of the Winning Bidder. Notwithstanding the Winning Bidder's Assignment to the Assignee, both the Assignee and the Winning Bidder shall be solidarily liable for all obligations of the Buyer until Closing Date.**

Buyer shall mean the Winning Bidder **or its Assignee** with whom PSALM enters into the APA for the sale of the Purchased Asset. From the Effective Date, the Winning Bidder shall be referred to as the "Buyer".

6. **AMENDMENT TO SECTION IB-23 FAILURE OF BIDDING**

Section IB-23 Failure of Bidding of the Bidding Procedures dated 31 January 2020 is hereby supplemented, following the last paragraph, as follows:

"Should there be a failure of bidding due to only one bid received, PSALM shall declare a "Failure of Bidding" and immediately conduct a negotiated sale with the lone bidder in accordance with Schedule 13 - Negotiation Procedure. During the negotiated sale, IB-18 (Opening and Evaluation of the First Bid Envelope (Legal Component)) and IB-20 (Opening and Evaluation of the Second Bid Envelope (Financial Component)) processes shall be adopted in the evaluation of bid of the lone bidder."

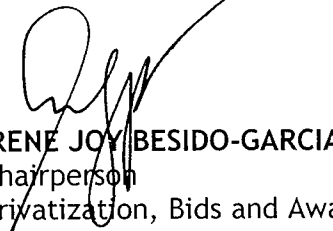
Schedule 13 - Negotiation Procedure is attached as Annex A to this Supplemental Bid Bulletin.

7. **MISCELLANEOUS PROVISIONS**

- a. Unless inconsistent with the provisions of this Supplemental Bid Bulletin No. 7, the provisions of the Bidding Procedures remain effective and binding to the Bidders.
- b. If any one or more of the provisions of the Bidding Procedures or Supplemental Bid Bulletin Nos. 1, 2, 3, 4, 5, 6 and 7 (collectively, the "Procedural Documents") is held to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions of each and all Procedural Documents will not be affected thereby. To the extent permitted by Philippine Law, each Bidder waives any provision of law which renders any provision of any of the Procedural Documents invalid, illegal or unenforceable in any respect.

Please be guided accordingly.

Quezon City, 18 June 2020.



IRENE JOY BESIDO-GARCIA
Chairperson
Privatization, Bids and Awards Committee



ABEL PANGASINAN

SCHEDULE 13 - NEGOTIATION PROCEDURE

The foregoing provides the procedure for the Negotiated Sale with the lone bidder in the event that the third round of public bidding for the sale of 650 MW Malaya Thermal Power Plant and its underlying land (Purchased Assets) is declared a failure due to the participation of only one bidder.

1. The Bid submitted by the lone Bidder during the Third Round of Public Bidding shall be accepted by the PBAC as its Offer for the Negotiated Sale.
2. The PBAC shall designate the time and venue for the opening of the Offer submitted by the lone Bidder. The Offer shall be opened under the direction of the PBAC and in the presence of COA representative/s.
3. The Negotiated Sale shall cover the sale of the Purchased Assets, as described in IB-04 (Subject of Bid) in an "AS IS, WHERE IS" basis.
4. The First Bid Envelope of the lone Bidder shall be opened and evaluated first in accordance with IB-18 (Opening and Evaluation of the First Bid Envelope (Legal Component)). If the First Bid Envelope is rated "failed", the Second Bid Envelope shall be returned unopened.
5. If the First Bid Envelope is rated "passed", the Second Bid Envelope shall be opened and evaluated in accordance with IB-20 (Opening and Evaluation of the Second Bid Envelope (Financial Component)). The Financial Bid of the lone Bidder must be equal to or higher than the Minimum Bid Price to qualify for the award subject to the verification of the accuracy, authenticity and completeness of all the documents submitted in the Bid, Documentary Deliverables, and other documents submitted or information furnished during the Third Round of Bidding process.
6. The lone Bidder shall be disqualified from the Negotiated Sale if it submits an Offer that is:
 - a. Not in the prescribed form;
 - b. Unsigned;
 - c. With erasures;
 - d. Incomplete; or
 - e. Below the Minimum Bid Price.
7. Modification, alteration, withdrawal or cancellation of the Offer shall not be allowed once the Offer has been submitted.
8. The Notice of Award shall be issued to the lone Bidder if it passes the evaluation of its Offer in accordance with IB-21 (Award to the Winning Bidder).