



National Power Corporation

BAC RESOLUTION NO. 2024- 061

CANCELLATION OF PROCUREMENT ACTIVITIES OF PURCHASE REQUISITION NOS. HO-PIB24-001 & HO-PIB24-002 – DESIGN, SUPPLY, DELIVERY, INSTALLATION, TESTING AND COMMISSIONING OF ITBAYAT AND SABTANG ISLAND SOLAR PV-DIESEL HYBRID SYSTEM (WITH ESS)

WHEREAS, the Purchase Requisitions listed below have the following procurement details;

Item No.	PR / REF. NUMBER	PROJECT TITLE	Approved Budget for the Contract (ABC)
1	HO-PIB24-001/ PB231214- CM00400 (PB2)	Design, Supply, Delivery, Installation, Testing and Commissioning of Itbayat Island Solar PV-Diesel Hybrid System (with ESS)	Php 51,949,600.00
2	HO-P1B24-002/ PB231121- CM00356 (NP)	Design, Supply, Delivery, Installation, Testing and Commissioning of Sabtang Island Solar PV-Diesel Hybrid System (with ESS)	Php 57,697,900.00

WHEREAS, all the PRs were advertised, remain active and are publicly accessible on both the NPC and PHILGEPS websites;

WHEREAS, the bid submission for Itbayat and Sabtang Solar PV Power Plant Project was held on 03 April 2024 and 06 June 2024, respectively;

WHEREAS, on 06 May 2024, the Bids and Awards Committee (BAC) approved the recommendation of the Technical Working Group (TWG) to award the contract of Itbayat Solar PV Power Plant Project;

WHEREAS, the submitted bid offers for Sabtang Solar PV Power Plant Project are still under detailed evaluation by the TWG;

WHEREAS, the Vice President of Power Engineering Services (PES) in his memorandum dated 04 June 2024 to Atty. Melchor P. Ridulme, SVP & BAC Chairman, informed the latter that the project site for Itbayat Solar PV Power Plant Project falls within the National Greening Project (NGP) area as verified by DENR-PENRO;

WHEREAS, the PES identified another site for Itbayat Solar PV Power Plant Project which was classified as alienable and disposable, thus, there is no need to secure Special Use Agreement in Protected Areas (SAPA) and Free Prior & Informed Consent (FPIC);

WHEREAS, NPC still needs to secure an Environmental Compliance Certificate (ECC) and pursuant DENR Secretary directive, the ECC application for projects located within the protected areas will be reviewed at the Environmental Management Bureau (EMB) Central Office after being processed at EMB-Regional Office and to be approved only after being cleared by the Biodiversity Management Bureau;

WHEREAS, the timeline for processing the ECC application of the new identified site for Itbayat Solar PV Power Plant Project is uncertain;

WHEREAS, likewise, it was later determined that the portions of Sabtang Solar PV Power Plant Project tie line also falls within the NGP areas;

WHEREAS, the PES explored the most economical option for the Sabtang Solar PV Power Plant tie line route and designs it to the spaces between the adjacent NGP areas, however, this was disregarded due to presence of surface runoff paths which could affect the structures;

WHEREAS, the issue of NGP areas at Sabtang Solar PV Power Plant Project site has been resolved during the PAMB Special Meeting on 28 May 2024 as the PAMO confirmed that site had been turned over to DENR and can already be used for other development activities;

WHEREAS, the PAMB endorsement for Sabtang Solar PV Power Plant Project was finally approved on 28 May 2024 subject to the submission of Geohazard Certification which was already requested from MGB-Region II on 30 May 2024;

WHEREAS, the ECC for Sabtang Solar PV Power Plant was already secured on 13 December 2023, however NPC still needs to apply for SAPA which is usually takes about 1 to 3 years;

WHEREAS, in view of the above situations of both project sites, the Vice President of PES requested for the cancellation of award for Itabayat Solar PV Power Plant Project and deferment of Sabtang Solar PV Power Plant Project;

WHEREAS, Section 35.6 (a) of the 2016 Revised IRR of R.A. No. 9184 provides:

...xxx... the BAC is authorized, upon consultation with the end-user unit, to cancel or terminate the conduct of procurement activities, for any justifiable reason, such as but not limited to

a) the physical and economic conditions have significantly changed so as to render the project no longer economically, financially, or technically feasible, as determined by the end-user unit;

...xxx...

WHEREAS, Section 41 (c.i) of the 2016 Revised IRR of R.A. No. 9184 further provides:

The HoPE reserves the right to reject any and all Bids, declare a failure of bidding, or not award the contract in the following situations:

(a) ...xxx...

(b) ...xxx...

(c) **For any justifiable and reasonable ground where the award of the contract will not redound to the benefit of the GoP, as follows: (i) if the physical and economic conditions have significantly changed so as to render the project no longer economically, financially, or technically feasible, as determined by the HoPE... xxxx...**

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NOW, THEREFORE, We, the Members of the Bids and Awards Committee, resolve, as it hereby resolved, the cancellation/termination of the procurement activities of the above listed Purchase Requisitions (PRs) in order to close the transactions at NPC and PHILGEPS websites pursuant to **Section 35. 6 (a) and Section 41 (c.i)** of the 2016 Revised IRR of Republic Act 9184, meantime that the project sites are not technically feasible and available.

RESOLVED this 18th day of JUNE 2024.

**APPROVED BY:
THE BIDS AND AWARDS COMMITTEE**



ATTY. MELCHOR P. RIDULME
Chairman


ATTY. MANUEL LUIS B. PLOFINO
Vice-Chairman


HOMER S. GALANG
Member


JENALYN AUREA S. TINONAS
Member


ATTY. DELFIN L. BUENAFE II
Member


ROMMEL U. MAMAÑGUN
Member


ATTY. ROGEL T. TEVES
End-User

APPROVED AS RECOMMENDED:


FERNANDO MARTIN Y. ROXAS
President and CEO