

**MINUTES OF THE ACCESS TO SUSTAINABLE ENERGY PROJECT SOLAR HOME SYSTEMS,
WINDOW 1 PRE-BID MEETING**

April 25, 2017
09:00AM to 12:00Noon
Salcedo Room, Makati Sports Club Inc.
Alfaro Street, Salcedo Village, Makati City

Present:

LGU Guarantee Corporation (LGUGC)

Ms. Lydia N. Orial
Mr. Colin W. Steley
Mr. Cipriano A. Ravanes, Jr.

World Bank (WB)

Mr. Ian Driscall
Mr. Roberto La Rocca
Mr. Rowaldo Del Mundo

Others:

1 representative from WB
3 representatives from 2 government institutions
7 representatives from LGUGC
31 representatives from 13 solar system integrators/suppliers

I. Overview of ASEP SHS

Mr. Steley presided and called the meeting to order at 9:30 a.m. After welcoming all the participants to the Pre-Bid Meeting, Mr. Steley shared the general objective of the Meeting which is to gain better understanding of the World Bank Goods Procurement Guidelines following Output-based Procurement, and the specific objectives which are to provide responses to requests for clarifications of suppliers that bought bidding documents, and inform them of the bidding process and the general contract terms and conditions.

Mr. Steley gave a brief introduction about Access to Sustainable Energy Project (ASEP). The project is a grant of 12.8 million (Euros) from European Union (EU) and 2.4 million (US Dollar) from Global Partnership on Output-based Aid (GPOBA). Both grants are administered by the World Bank (WB) and implemented by LGU Guarantee Corporation.

II. Brief Presentation/Explanation by the ASEP-PMO of the following:

- a) Basic Project Data – including Project Description and Duration
Mr. Steley provided the participants a general profile of the project subject for procurement. The 1st bidding window is for the procurement of 10,000 Solar Home System (SHS) packages at 2,500 SHS packages per lot for each of the four (4) selected electric cooperative (EC). It involves the supply, delivery and installation of all SHS packages, provision of tool kits, spare parts and vending machines, and training of the EC technicians and the community-based technicians. The contract duration will be about seven (7) months from the contract signing. The LGUGC will be the Procuring Entity or the Purchaser and the project owner will be the concerned EC.

b) Requirements of Bidding Documents

The bidding process was briefly explained by Mr. Steley. The Invitation for Bid was advertised in the April 10, 2017 edition of the Philippine Star, in the UN Development Business website and in the LGUGC ASEP website. To clarify certain concerns on the bidding, LGUGC conducted a Pre-bid meeting with its Technical Consultants present to address the queries that will be discussed later. The next milestone will be the submission of bids at the LGUGC Conference Room on June 5, 2017 at 9:00AM. Bid opening will be held at the Makati Sports Club at 10:00AM. The bids will be reviewed by the LGUGC Procurement Evaluation Committee (PEC) and ranked to determine the lowest evaluated bid (LEB). The bidder submitting the LEB will be post-qualified. Bidder/s that pass/es the bidding requirements will be awarded the contract.

Mr. Steley explained that the complete set of bidding documents that the bidders purchased at US\$100 is composed of 3 parts. Part 1 contains the bidding procedures; part 2, the supply requirements; and part 3, the contract forms.

Mr. Steley then proceeded to discuss the requests for clarifications sent by some bidders and the corresponding responses of the Technical Consultants.

III. Questions/Comments from Bidders and Replies of LGUGC and other Representatives of Procuring Entity

Mr. Steley then discussed the questions/comments from bidders and the replies for each as follows:

1. Chapter 1 (page 72) states that the first 900 units for each Lot must be installed within 90 days of contract signing, but Chapter 2 (page 75) states that these first 900 units for each Lot must be installed within 120 days of contract signing. Which of these is correct?
 - Chapter 1, page 72, refers to the delivery of the SHS packages, which must be within 90 days of contract signing. Chapter 2, page 75, refers to the installation of the SHS packages, which must be installed within 120 days.
 - There are no further comments from the bidders.
2. On page 86, it says that the Vending solutions must be functional without dependence on cell network. Does this mean that the vending solution cannot depend on call, SMS, 3G, or Wi-Fi?
 - Correct, the Vending Machine and the charging device need to be fully independent from any telecommunications systems and cannot depend on SMS, 3G or Wi-Fi.
 - A bidder clarified if there really is a need to follow that design. Mr. Steley replied in the affirmative stating that not all areas can be assured of available access from any telecommunications systems.
3. One of our lights has a 4m cable and the other 3 have 8m cables. The intention is for the light with the 4m cable to be placed in the same room where the battery unit is stored. Is this acceptable given that the minimum cable length requirement in Section C.1 is 5m?
 - C.2.9. p127. Cables outdoor and from charge controller both state "up to" a prescribed length, but no minimum requirement.
 - Mr. Steley clarified that this will be changed and the cable length will have a minimum requirement of 5m and 8m, not "up to". A bidder asked if this still can be changed and clarified if this is from home run to the main system. Mr. Driscall answered in the negative. Mr. Del Mundo added that the 8m is from the PV module to the battery and the 5m is from the battery to the lighting unit. Replacing the 4m is meant to avoid inter-connection in between.

- Mr. Del Mundo added that no cable connectors should be used for the 8m cable to make up its length as this is from the PV module to the Charge Controller/ Box, while cable connectors are allowed to be used to make up the 5m cables inside the household.
4. Do we need a barcode for each component in our plug-and-play solar home system? Because our solar home system comes as a kit, we only have a barcode on the external packaging (although we do have serial numbers on components).
 - The barcode should be on the external packaging and the solar panel.
 - The need for a barcode on the external packaging is for easy tracking of the repairs on the panel thru the serial number for warranty claims and any other issues.
 5. If we have initiated LG-QTM testing for the product, but will not have the final test results before the bids are due, will we need to do the component level certification from Table 9?
 - Yes.
 - There are no further comments from the bidders
 6. The charge controller is on the PCBA inside the battery box. Does it still require the labelling indicated on page 120?
 - Yes. This is to assist the SBU manage replacement of parts thus requiring labelling.
 - There are no further comments from the bidders.
 7. If we use Lithium Iron Phosphate batteries instead of Lithium Ion batteries (2X lifetime than Li-ion) do we need to still limit DoD to 90%? We typically allow DoD of 95% on our batteries.
 - Yes, DoD limit of 90% will still be imposed.
 - Mr. Del Mundo explained that ECs are the recipient of the SHS. Since ECs are regulated by the Energy Regulatory Commission (ERC), they can recalculate the tariff/price that the EC will charge the consumer. For the initial tariff that the EC will charge, ten (10) years life of the batteries must be assured. The intention of the 90% is to extend the life of the battery. A bidder said that there is no evidence to prove that Lithium Iron Phosphate batteries can have a longer lifetime due to a 5% decrease in DoD. He requested to have a further study on this matter. Mr. Del Mundo asked the bidders to share any information or study that can help on this issue.
 8. Section B.5.1 (page 108) states that the warranty period is 2 years for the entire system, but section B.5.2 states that the warranty on the panel is 10 years. Can you clarify which of these statements regarding warranties is correct?
 - System warranty and Component warranty are different.
 - Mr. Steley stated that both statements are correct. The two (2) years warranty is a System Warranty, including additional service from the winning bidders, to work closely with the EC to ensure that any repairs needed to be done can be undertaken by the EC, while all and any claims will be facilitated by the winning bidder. The 10 years warranty is for the component of the module or panel.
 9. Section C.3.1 states that either pole mounting or roof mounting can be used, but then states that a minimum of 1,250 poles must be provided. Do we have to provide poles if we plan to do roof mounting for all customers?
 - 1,250 poles need to be provided even if they are not used and if all installations are roof-top mounted.

- Mr. Steley emphasized that all suppliers must comply with the tender specifications. Unused poles will be given to the EC.
10. a. Will the predefined token limits be applicable to the whole customer set?
b. Is any flexibility permitted?
- For Q.a., yes, the predefined token limits are applicable to the whole customer set.
 - For Q.b. Mr. Steley requested for clarification of the question. Mr. Karl Skare stated that he wanted to know if top-ups can be undertaken weekly instead of monthly and if the rate can be changed. Mr. Steley answered that flexibility may be allowed depending on marketability/feedback from the Member Consumers and EC requirements. The EC will require control on set rates and must have the ability to do so when needed. Clearly there will be a delay in the activation of the Vending Machines as there is no GSM network.
11. Can you clarify the following language. Is a CSV file good enough to support this? All file formats must be fully open and accessible at the lowest level of data granularity collected by the vending machines to ensure interoperability of the central database if future SHS deployments use vending machines from a different supplier. Suppliers should include with their bid a data model showing all the data fields captured and maintained and organized by customer (MC), asset (SHS) and transaction (vend).
- Yes, as long as it is open and accessible.
 - Mr. Steley added that the bidders will not be allowed to charge additional fees or charges for service to unlock and interpret data collected. Data should be easily transferable to an excel file to be used as needed by the EC.
12. Under Section II, ITB 1.1, page 29: Have the Electric Cooperatives identified the recipients? When the winning bidder arrives on site, are the Recipients of the SHS aware of the Project? Will there be an IEC or community organizing that is needed to be done by the Contractor? Will the EC perform No. 3?
- The recipients of the SHS will be aware of the project. By the time the winning bidder arrives on site, the SBUs should have undertaken Sign up. There will be no requirement for the Supplier to inform the potential recipients nor organize the SHS recipients.
 - Mr. Steley clarified that this will not be part of the supplier requirement. He said that the ASEP Team is working with the 4 ECs regarding mobilization of resources in creating a Solar Business Unit (SBU) which will undertake the socio-economic survey. If the household meets the requirements for the highest service level or lowest service level, the household will then be signed-up. The Supplier will be provided the location of the HH that has been signed-up for an SHS unit.
13. Under Section II, ITB 14.8(a)(iii); (b)(ii) and (c)(v), page 31: Since freight and delivery cost is a major item and for security concerns of the site, will LGUGC provide a list of the location of the recipients, i.e., barangay, sitio, purok and number of recipients per site?
- All closely estimated numbers and locations of the recipients (including barangays, sitios and puroks) are described under Section VII B.1, Overall quantities and locations of systems.
 - The EC will identify the specific HH where the supplier will install the SHS. It will be part of the installation as prescribed in the bidding document. An EC/SBU staff member will accompany the Supplier during the installation process.
14. Under Section II, ITB 17.2 (a), page 32: Will the notarization needed to be authenticated?
- There is no need to authenticate if notarized. Authentication is used by embassies to validate the signatories to a document.

15. Under Section II, ITB 25.1, page 33: Is the bidding an open bidding, where the bids are opened in public, or in the presence of the bidders?
- Bids will be opened in the presence of Bidders and associated project officers/consultants. Please read Section I, ITB 25 of the bidding document.
 - . The bid will be opened in front of the bidders, not in public, following the WB Procurement Guidelines not the Philippine Government Procurement Guideline, which is open to public.
16. Under Section III, ITB 34.6, (3) Bidder, JV partner or Authorized Manufacturer of the solar package offered can provide full IEC 62257-9-5 and/or IEC 62124 certification for the product, page 38: IEC 62257-9-5 relates to solar lanterns as well as renewable energy and hybrid systems with Nominal AC Voltage below 500V and Nominal DC voltage below 750V and nominal below 100kVA. Will this standard be applicable for SHS? What is the basis of this Standard in relation to the SHS below 50 Wp?
- IEC 62257 is a series and 62257-9-5 is specific to Solar Lanterns. We said during the meeting that for purposes of qualification of Bidders for this Window 1 bid, even if they only have certification for IEC 62257-9-5, they are qualified to join.
 - Apart from the SHS Technical Qualification requirements, each major component shall also have certification as listed in the Table 9, Component Standards.
 - There are no further comments from the bidders.
17. Under Section III, ITB 36.1, Project Manager: The proposed manager shall be fluent in English language with certificates proving this., page 41: Does that mean that the Project Manager shall have TOEFL or IELTS certificate to prove fluency in English Language? Will foreign Project Managers including Americans, British, Australian whose mother tongue is English, submit also the same Certificates as Filipinos? Is this requirement not discriminatory because when the Project Managers go to the site, especially in Sultan Kudarat and Cotabato, the recipients have a hard time speaking and understanding English?
- For proficient English speakers, proof of English ability is not required. This is more for communication by field managers with the Implementing Agency and WB.
 - There are no further comments from the bidders.
18. Under Section VII, Chapter 1, Line Item No. 01: Toolbox, page 72: Please define what are included in the toolbox e.g. size of pliers, 6inch/8inch, screw drivers (6inch/8inch/ 5mm/ 7mm/), etc.
- This will be up to the Supplier who knows its system best and what tools are needed to access every part of the SHS delivered.
 - Mr. Steley said that whatever the supplier needs to fully manage / operate / fix / troubleshoot the system should be in the tool box.
19. Under Section VII, Chapter 3, Part A.2; Within a month of Contract signing, a formal meeting will be arranged between the Supplier and the EC during which the MOU that defines the working relationship between the two will be agreed and signed., page 82: A memorandum of understanding (MOU) is a nonbinding agreement between two or more parties outlining the terms and details of an understanding, including each parties' requirements and responsibilities. Why not develop a Memorandum of Agreement during this meeting as the MOA is binding and is like a Contract?
- An 'Agreement' is not required as there are no commercial obligations with the SBU/EC, and thus no penalties. An Understanding will suffice.
 - Mr. Steley said that the agreement with winning bidder/supplier is a non-binding contract. Mr. Del Mundo elaborated that the MOU will be an instrument of the work that needs to be done. Instead of having a meeting and agreeing on what to do, it is better to formalize an understanding and put them on the MOU.

20. Under Section VII, Chapter 3, Part A.5.1; The Supplier shall be responsible for the organization of a secure centralized storage depot for all equipment for each Bid Lot. It is suggested that the Supplier make arrangements with the EC to store all SHS inventory and equipment securely within the EC Head Office or Area (district) office compounds. However, the overall responsibility for security of all SHS inventory and goods will lie with the Supplier, page 87: Can the Supplier provide its own security on the EC Office? What are the rules and documentation for the Supplier to withdraw SHS from the EC? Can the Supplier withdraw during Saturdays and Sundays including Holidays SHS from the EC?
- This detail will have to be negotiated with the EC including subsequent requirements. If, for any reason, the Supplier does not feel satisfied with the security/processes of the EC, then it may find appropriate storage/warehousing as required, given that the full liability remains with the Supplier.
 - This should be a part of the MOU between the EC and Supplier. The Supplier can have an arrangement with EC for a proper and secured storage for the SHS. Mr. Del Mundo said that the ECs volunteered their warehouses to help lessen the cost of the supplier. He added that the ECs have the most secured warehouses.
21. Under Section VII, 8. Sample Photographs of Households, page 165: Based on some of the photos attached to the bid docs, the house is surrounded by tall coconut trees. What if the owner does not want to cut the trees or wants compensation for the coconut tree cut? If the owner does not want the tree cut, should they be denied application / installation of the SHS? What if the cause of the shading are mountains at the time required by the ITB?
- If an owner of the land where the HH is located does not want to cut a coconut tree in proximity of the dwelling, the application will not be denied but the HH should be informed that the tree will lower the potential power output. This fact and/or presence of mountain should be noted in the Installation Acceptance Sheet (IAS).
 - Mr. Steley asked the Supplier to have remarks on the IAS if a HH refused to cut the trees. He added that there will be no compensation in cutting of the trees. The remarks on the IAS will be used to know what happened during Verification.
22. Under Section VII, C.3.4 Wire & Cabling Installation, page 129: What if the 4m cable is too short during installation, will splicing be allowed? Who will shoulder the cost of the additional length of cable? The EC? The MC? Or LGUGC?
- Splicing is not allowed. A joining cable with the correct connectors (Section VII C.2.10) will be required to increase the length of the cable. The Supplier will be required to shoulder the additional length of the cable.
 - Refer to question 3, above, for further elaboration.
23. Under Section VII, Payment/Verification of the installed SHS: How long can LGUGC mobilize the verification of the installed SHS? The WB funded – DOE implemented Rural Power Project took 3 months to start verification of the installed SHS. This has an impact on cost of money on the Supplier side as delays in the verification will increase cost of money.
- The submission by the Supplier of the Installation Tranche Report (ITR) will officially trigger verification of the tranche. By keeping a well-organized process/updating of the Installation Acceptance Sheet (IAS), LGUGC will be able to plan accordingly and request the Verification Agent to undertake the Verification prior to the ITR being submitted. The period for verification is expected to take not more than 15 working days and the period for seeking WB approval is expected to take not more than 5 working days. The disbursement request is expected to be processed within 10 working days.
 - Mr. Steley shared that a GPOBA colleague who has undertaken similar projects has been guiding the LGUGC team in minimizing the verification period and make the process more efficient. Once the

Installation Tranche Report (ITR) is provided by the Supplier to LGUGC, the Verification Agent will be instructed to undertake Verification. Mr. Steley requested the suppliers to update the record every three (3) days to keep track of the installation progress and to prepare ahead of time the verification agent schedule. Being on top of the IAS provided to LGUGC will help LGUGC keep track of the installation leading to a more efficient payment schedule.

24. Under Section VII, LG Certification: If the components are IEC certified, e.g. IEC61215 for solar modules, will the LG certification no longer be required? Which has more precedence, LG or IEC Certification?
 - For system, either LG or IEC (IEC 62257-9-5 and/or IEC 62124) certification is accepted, with no prioritization. For components, the mentioned IEC certifications are required.
 - There are no further comments from the bidders.

25. Completion of installations. The first 900 systems (Tranche A) need to be installed within 120 days of contract effectiveness. Then Tranche B within 150 days, then Tranche C within 180. Does this mean that all 2,500 systems need to be installed within 180 days (about 20 installations per day) from date of contract effectiveness? What if there are delays in the MOAs with the EC and sign up of end users?
 - Mr. Steley said that there has to be a set period for the installation as a parameter. He added that the ASEP Team is assisting the ECs to avoid delays in having each HH available and ready for installation. To cut-down delays, the Supplier and the EC need to be in sync and have the installation plan in place. Mr. Driscoll then reminded the bidders that the design of the project is output-based. So bidders are not expected to manage all risks. If the bidder wants to get paid on time, it needs to manage the risks during the bidding process.

26. The Vending Machine will require significant modifications to existing solutions. The processes of cash collection and control will also need to be established with the ECs and community based Vending merchants. Both these steps take a fair amount of time but will affect the successful implementation of the program. Given this reality, can the deadlines for the installations and the contract tenure be extended?
 - On the first part of the question, on the process of the cash collection and control, there is a requirement for relationship building again. The 100 initial Pilot Installation will provide a good opportunity to iron out all bumps and meet Verification Agent expectations for a successful installation and complete payment. This starts at the preparation of the bid phase. The LGUGC will introduce the winning bidder to the ECs soon after Contracting. This will be the official start of the relationship between the ECs and the winning bidder/Supplier. The Supplier has three (3) months from contract signing for the first delivery. The three (3) month period should be sufficient for the bidder to have a proper assessment of where the Vending Machines will be placed: the entity, as well as the capacity, capability, kind of training needed to have to get the vending machine operating. For the second part of the question, Mr. Steley said that extension of contract is not recommended. An extension of contract will cause the delay of the supplier's payment because the vending machines are actually tied-down to each delivery. Every successful verification of the individual system will get paid. Ms. Oriol added that if the delay is reasonable, the Project Evaluation Committee will check and validate. If the delay is not the supplier's fault, an extension can be given. She stated that the contract term must, however, not go beyond the term of the grant which is until June 2018.

27. Payment timing. Any flexibility to pay on a rolling basis based on completed ITs/IVR/TVRs (e.g., reports submitted monthly for monthly progress payments)?
 - Mr. Steley said that they will entertain ITR as long as this can be worked out with the verification agent and the ITRs are submitted on time. Transparency will mean security in redeeming payment. He reminded

the bidders that each tranche is expected to be delivered within 30 days. Mr. Driscall said that if bidders can deliver the 900 system in 30 days, they get paid.

28. JV. If we partner with others for the bid (supplier, local partner, corporate sponsor), do we need to set up a formal JV? Or can we have a MOA between the parties?

- A bidder can be a fully foreign entity as specified in Paragraph 4.3 as limited only under Par. 4.7 of the ITB. As for foreign bidders, they are allowed to bid as a full foreign entity or in Joint Venture with local firm. It follows the Bank's Procurement Guidelines, not the PH Law. It is fine to subcontract later on.
- Please also review ITB 4.3, p.5

IV. Other Matters

Mr. Steley informed the participants that if they have further questions on the bidding documents, they could still submit their requests for clarifications not later than May 16, 2017. ASEP-PMO will send the responses to these queries on or before May 26, 2017. He then reiterated that the deadline for submission of bids is on June 5, 2017, 09:00 AM, at the LGUGC Conference Room. The bids received will be opened at 10:00 AM the same day at the Makati Sports Club, exact function room to be announced at a later date. Contract signing of the winning bidder(s) is tentatively set in September 2017.

Before adjourning the meeting, Ms. Oriol introduced the members of the Procurement Evaluation Committee to the bidders, the LGUGC staff involved in the project, the members of the ASEP-PMO, the members of the Inter-Agency Technical Working Group, the World Bank (WB) Technical Consultants and the WB Task Team Leader for the Project and the Officer of GPOBA.

There being no other matters to discuss, the meeting was adjourned at 12:55PM.

Prepared by:

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