

Request for Quote/Proposal (RFQ/RFP)

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|---|---|
| Commodity/Service Required: | Consulting Firm for Establishing a Futures and Forwards Market for Electricity in the Philippines |
| Type of Procurement: | One-Off Purchase Agreement |
| Type of Contract: | Fixed Price |
| Term of Contract: | 12-18 months |
| Contract Funding: | USAID |
| This Procurement supports: | USAID – Energy Secure Philippines Activity |
| Submit Proposal to: | Jan Ranizen F. Vitan Grants and Procurement Analyst, ESP RTI International jvitan@energysecure.ph |
| Date of Issue of RFP: | 23 October 2023 |
| Date Questions from Supplier Due: | 03 November 2023 Send your questions to: jvitan@energysecure.ph |
| Date Proposal Due: | 10 November 2023 not later than 5:00 PM Manila time |
| Approximate Date Purchase Order Issued to Successful Bidder(s): | 01 December 2023 |

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|--|--------------------|
| Method of Submittal: | |
| Email to: jvitan@energysecure.ph | |
| Respond via e-mail with attached document in MS Word / pdf format. The Bidder/Seller agrees to hold the prices in its offer firm for 90 days from the date specified for the receipt of offers, unless another time is specified in the addendum of the RFP/RFQ. | |
| Solicitation Number: | ESP-RFQ_P-2023-325 |

Attachments to RFP:

1. Attachment “A” – Commodity Specifications
2. Attachment “B” – Instructions to Bidders/Sellers
3. All PO Terms and Conditions are listed on our website at forth at:
<https://www.rti.org/sites/default/files/rti-purchase-order-terms-and-conditions-v1.16.pdf>,
http://www.rti.org/files/PO_FAR_Clauses.pdf or for commercial items:
http://www.rti.org/files/PO_FAR_Clauses_Commercial_Items.pdf (hereinafter the “Terms”).
 Supplier’s delivery of products, performance of services, or issuance of invoices in connection with this purchase order establishes Supplier’s agreement to the Terms. The Terms may only be modified in writing signed by both parties.



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All bidders/sellers are responsible to carefully review each attachment and follow any instructions that may be relevant to this procurement.

Attachment A

Commodity Specifications or Statement of Work

Statement of Work

Indicate a description of the activity/service that is expected from the supplier. Provide product specifications or service expectations (both if applicable). Include deliverables, timelines, and any special terms and conditions.

Description of Activity/Service:

This document describes the objectives, approach, methodology, deliverables and timeline to develop the roadmap for the proposed establishment of an electricity futures and/or forwards market in the Philippines. The purpose of the study is to provide a comprehensive analysis to help stakeholders and decision makers capacitate and make informed decisions about the feasibility and potential benefits of such markets, as well as analyze the technical, financial, regulatory, institutional and market aspects related to the implementation of an electricity futures and/or forwards market.

Product or Service Expectations (both if applicable):

The primary objective of this study is to formulate a roadmap for the establishment of an electricity futures and/or forwards market in the Philippines with the following major activities:

- a. Survey of current laws, policies, rules and regulations that are relevant for the establishment of electricity futures and/or forwards market.
- b. Propose policy, legal, institutional and regulatory framework that will govern the establishment and operation of an electricity futures and/or forwards market, including the role of relevant entities in the implementation thereof primarily SEC, ERC and DOE, specifically:
 - i. Recommend the appropriate design and steps for implementation of an electricity futures and/or forwards market in the Philippines;
 - ii. Recommend the appropriate policies, regulations, design specifications, participants, product offerings appropriate in the context of Philippine power sector and relevant in mitigating price impact, infrastructure development, legal instruments and other relevant components for the establishment and development of an electricity futures and/or forwards market in the Philippines
- c. Assess the technical infrastructure required for the establishment of the futures and/or forwards market for electricity as proposed in item (b).
- d. Identify potential risks, including operational, liquidity, and legal risks, and offer recommendations to minimize these risks associated with the establishment and development of the electricity futures and/or forwards market in the Philippines as proposed in item (b).
- e. Identify and analyze the economic benefits, risks, and potential effects of introducing futures and/or forwards market for electricity as proposed in item (b).

- f. Determine the readiness of market participants, including electricity generators, distributors, consumers, financial institutions, etc., to participate in ~~an~~ the electricity futures and/or forwards market as proposed in item (b).
- g. Identify and implement capacity building strategies for all concerned entities whose roles are recognized as crucial in the successful implementation of electricity futures and/or forwards market.

Identify and implement capacity building strategies for all concerned entities whose roles are recognized as crucial in the successful implementation of electricity futures and/or forwards market.

Approach and Methodology

The Study will be conducted in phases identified below. In all phases, the Study shall be conducted in consideration of the following factors:

- i. impact on electricity consumers;
- ii. capacity of all stakeholders to adopt and leverage on forwards and/or futures market; and
- iii. availability and competition among power producers.

a. Preliminary Research

1. Review of existing literature on electricity markets, futures and/or forwards markets, and regulatory frameworks in the Philippines and other relevant countries.
2. Identification of key stakeholders, including government agencies, industry associations, market players, and financial institutions.

b. Technical Analysis

1. Assessment of the technical requirements for establishing an electricity futures and/or forwards market, including trading platforms, data systems, clearing and settlement systems, and communication networks.
2. Evaluation of the integration of renewable energy sources, demand forecasting, and grid stability considerations in the futures and/or forwards market framework.
3. Capacity and needs assessment of all stakeholders in adopting/implementing/regulating futures and/or forwards market.

c. Economic and Financial Analysis

1. Analysis of potential economic benefits, such as price stability, risk management, improved investment prospects, as well as improved price discovery, transparency and competitiveness of the electricity markets.
2. Modeling of different pricing scenarios and potential impacts on electricity prices for consumers.
3. Examination of the financial implications for market participants and their ability to manage price volatility.

d. Institutional, Policy, Regulatory and Legal Assessment

1. Analysis of the current policy, legal and regulatory framework for electricity trading in the Philippines, including relevant laws, regulations, and licensing requirements.

2. Identification of regulatory barriers and potential adjustments needed to accommodate an electricity futures and/or forwards market.
3. Examination of international best practices and lessons learned from countries with established electricity futures and/or forwards markets.

e. Capacity Building

1. Assess capacities of key stakeholders in the deployment of electricity futures and/or forwards market and identify possible interventions to ensure readiness in their disposal of their respective functions;
2. Deploy capacity building strategies

f. Stakeholder Consultations

1. Conduct interviews, surveys and focus group discussions with key stakeholders, including electricity generators, distribution utilities, retail electricity suppliers, consumers, regulatory authorities, financial institutions, and relevant government agencies.
2. Obtain insights into the perceptions, concerns, and readiness of stakeholders to participate in an electricity futures and/or forwards market.

g. Risk Assessment

1. Identification and analysis of potential risks associated with the establishment and operation of an electricity futures and/or forwards market.
2. Identification and/or evaluation of risk mitigation strategies, including regulatory safeguards, market surveillance mechanisms, and crisis management plans.

h. Recommendations

1. Compilation of findings from each phase into a comprehensive feasibility report.
2. Development of a set of actionable recommendations for the implementation of an electricity futures and/or forwards market in the Philippines.
3. Proposal of a phased approach for the establishment of the market, including pilot programs and capacity-building measures.

Research Questions and Hypotheses

The study will address the following research questions and hypotheses:

- a. What are the potential benefits of introducing an electricity futures and/or forwards market in terms of price stability, risk management, investment opportunities, and availability and competition among power producers?
- b. How would the establishment of an electricity futures and/or forwards market impact electricity prices for consumers in different scenarios?
- c. What are the technical requirements and challenges associated with implementing an electricity futures and/or forwards market, including market platforms, data systems, communication networks, clearing and settlement and risk management?
- d. What types of products are appropriate in the context of the Philippine electricity market?

- e. How can renewable energy integration, demand forecasting, and grid stability be accommodated within the framework of an electricity futures and/or forwards market?
- f. What adjustments, if any, are needed in the current institutional, policy, legal and regulatory framework to facilitate the operation of an electricity futures and/or forwards market?
- g. To what extent are key stakeholders, such as generators, distributors, consumers, financial institutions, market operators, regulators and other government agencies and stakeholders prepared to participate in an electricity futures and/or forwards market?
- h. What are the potential risks associated with the establishment of an electricity futures and/or forwards market and how can they be effectively mitigated?

Deliverables, Timelines, Special Terms and Conditions:**Deliverables**

- a. Inception Report including survey of existing literature and previous attempts to establish an Electricity Futures and/or Forwards Market in the Philippines
- b. Inception Workshop to further refine the objectives and development roadmap for the development of the proposed Electricity Futures and/or Forwards Market
- c. Draft Memorandum of Agreement among key stakeholders (e.g. DOE, ERC, SEC, PEMC, IEMOP, etc.).
- d. Interim report/s and presentation/s of findings and recommendations to key stakeholders and relevant government agencies, including:
 - 1) Determination of legal feasibility of an Electricity Futures and/or Forwards Market in the Philippines within six (6) months from Inception Report.
 - 2) The proposed market structure and design as well as products/contracts to be traded.
 - 3) The proposed enabling policies, legal instruments and specific regulations (such as, but not limited to, proposed Memorandum Circulars for Electricity Futures Market or the Electricity Forwards Market, as may be determined by the parties), design specifications, product offerings, infrastructure, legal instruments and other relevant components of the electricity futures and/or forwards market.
 - 4) Timeline and roadmap for implementation.
- e. Comprehensive report including all analyses, findings, and recommendations.

This study is anticipated to be conducted over a period of 12-18 months. The determination of the legal feasibility of an Electricity Futures and/or Forwards Market in the Philippines is anticipated within six (6) months from the Inception Report.

Pricing

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| Item # | Quantity to be Purchased | Description of Preferred Commodity or Services Specifications | Unit of Measure | Unit Fixed Price (Each) | Total Fixed Price (Each) | Lead Time Availability (Number of days for delivery after the contract is signed) |
|--------------------|--------------------------|---|-----------------|-------------------------|--------------------------|---|
| 1 | | | | | | |
| 2 | | | | | | |
| 3 | | | | | | |
| 4 | | | | | | |
| 5 | | | | | | |
| | | VAT Tax | | | | |
| Total Value | | | | | | |

Additional Information for Delivery Schedule:

By signing this attachment, the bidder confirms he has a complete understanding of the specifications and fully intends to deliver items that comply with the above listed specifications.

Signature:

Title:

Date:

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Attachment “B”

Instructions to Bidders/Sellers

1. **Procurement Narrative Description:** The Buyer (RTI) intends to purchase commodities and/or services identified in Attachment A. The Buyer intends to purchase the quantities (for commodities) and/or services (based on deliverables identified in a Statement of Work). The term of the Ordering Agreement shall be from Award Date to the Delivery date of the Offeror unless extended by mutual agreement of the parties. The Buyer intends to award to a single “approved” supplier based on conformance to the listed specifications, the ability to service this contract, and selling price. We reserve the right to award to more than one bidder. If an Ordering Agreement is established as a result of this RFQ/RFP, supplier understands that quantities indicated in the specifications (Attachment A) are an estimate only and RTI does not guarantee the purchase quantity of any item listed.
2. **Procuring Activity:** This procurement will be made by **Research Triangle Institute (RTI International)**, located at

RTI International c/o USAID Energy Secure Philippines Activity
Unit 1409&1410, One Park Drive, 9th Ave. cor 11th Drive, BGC, Taguig City

(insert full address of the office)

who has a purchase requirement in support of a project funded by

USAID Philippines

(insert client’s name)

RTI shall award the initial quantities and/or services and any option quantities (if exercised by RTI) to Seller by a properly executed Purchase Order as set forth within the terms of this properly executed agreement.

3. **Proposal Requirements.** All Sellers will submit a quote/proposal which contains offers for all items and options included in this RFQ/RFP. All information presented in the Sellers quote/proposal will be considered during RTI’s evaluation. Failure to submit the information required in this RFQ/RFP may result in Seller’s offer being deemed non-responsive. Sellers are responsible for submitting offers, and any modifications, revisions, or withdrawals, so as to reach RTI’s office designated in the RFQ/RFP by the time and date specified in the RFQ/RFP. Any offer, modification, revision, or withdrawal of an offer received at the RTI office designated in the RFQ/RFP after the exact time specified for receipt of offers is “late” and may not be considered at the discretion of the RTI Procurement Officer. The Seller’s proposal shall include the following:
 - (a) The solicitation number:
 - (b) The date and time submitted:
 - (c) The name, address, and telephone number of the seller (bidder) and authorized signature of same:
 - (d) Validity period of Quote:

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- (e) A technical description of the items being offered in sufficient detail to evaluate compliance with the requirements in the solicitation. This may include product literature, or other documents, if necessary.
 - (f) If RTI informs Seller that the Commodity is intended for export and the Commodity is not classified for export under Export Classification Control Number (ECCN) “EAR99” of the U.S. Department of Commerce Export Administration Regulations (EAR), then Seller must provide RTI the correct ECCN and the name of Seller’s representative responsible for Trade Compliance who can confirm the export classification.
 - (g) Lead Time Availability of the Commodity/Service.
 - (h) Terms of warranty describing what and how the warranties will be serviced.
 - (i) Special pricing instructions: Price and any discount terms or special requirements or terms (special note: pricing must include guaranteed firm fixed prices for items requested).
 - (j) Payment address or instructions (if different from mailing address)
 - (k) Acknowledgment of solicitation amendments (if any)
 - (l) Past performance information, when included as an evaluation factor, to include recent and relevant contracts for the same or similar items and other references (including points of contact with telephone numbers, and other relevant information)
 - (m) **Special Note:** *The Seller, by his response to this RFQ/RFP and accompanying signatures, confirms that the terms and conditions associated with this RFQ/RFP document have been agreed to and all of its attachments have been carefully read and understood and all related questions answered.*
4. **Forms:** Sellers (potential bidders or suppliers) must record their pricing utilizing the format found on Attachment “A”. Sellers must sign the single hardcopy submitted and send to address listed on the cover page of this RFQ/RFP.
5. **Questions Concerning the Procurement.** All questions in regards to this RFQ/RFP to be directed to

Jan Ranizen F. Vitán, Grants and Procurement Analyst

(insert name of procurement officer)

at this email address:

jvitan@energysecure.ph

(insert email address of the procurement officer).

The cut-off date for questions is *(insert date)*.

03 November 2023

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6. **Notifications and Deliveries:** Time is of the essence for this procurement. Seller shall deliver the items or services no later than the dates set forth in the contract that will be agreed by both parties as a result of this RFQ/RFP. The Seller shall immediately contact the Buyer's Procurement Officer if the specifications, availability, or the delivery schedule(s) changes. Exceptional delays will result in financial penalties being imposed of Seller.
7. **Documentation:** The following documents will be required for payment for each item:
 - (a) A detailed invoice listing Purchase Order Number, Bank information with wiring instructions (when applicable)
 - (b) Packing List
 - (c) All relevant product/service documentation (manuals, warranty doc, certificate of analysis, etc.)
8. **Payment Terms:** Refer to RTI purchase order terms and conditions found in <https://www.rti.org/sites/default/files/rti-purchase-order-terms-and-conditions-v1.16.pdf> , http://www.rti.org/files/PO_FAR_Clauses.pdf, or [http://www.rti.org/files/PO_FAR_Clauses Commercial Items.pdf](http://www.rti.org/files/PO_FAR_Clauses_Commercial_Items.pdf). Payment can be made via wire transfer or other acceptable form. Sellers may propose alternative payment terms and they will be considered in the evaluation process.
9. **Alternative Proposals:** Sellers are permitted to offer "alternatives" should they not be able to meet the listed requirements. Any alternative proposals shall still satisfy the minimum requirements set forth in Attachment A Specifications.
10. **Inspection Process:** Each item shall be inspected prior to final acceptance of the item. All significant discrepancies, shortages, and/or faults must be satisfactorily corrected and satisfactorily documented prior to delivery and release of payment.
11. **Evaluation and Award Process:** The RTI Procurement Officer will award an agreement contract resulting from this solicitation to the responsible Seller (bidder) whose offer conforms to the RFQ/RFP will be most advantageous to RTI, price and other factors considered. The award will be made to the Seller representing the **best value** to the project and to RTI. For the purpose of this RFQ/RFP, price, delivery, technical and past performance are of equal importance for the purposes of evaluating, and selecting the "best value" awardee. RTI intends to evaluate offers and award an Agreement without discussions with Sellers. Therefore, the Seller's initial offer should contain the Seller's best terms from a price and technical standpoint. However, RTI reserves the right to conduct discussions if later determined by the RTI Procurement Officer to be necessary.

The evaluation factors will be comprised of the following criteria:

- (a) **PRICE**. Lowest evaluated ceiling price (inclusive of option quantities).
- (b) **DELIVERY**. Seller provides the most advantageous delivery schedule.
- (c) **TECHNICAL**. Items/Services shall satisfy or exceed the specifications described in RFQ/RFP Attachment A.
- (d) **PAST PERFORMANCE** - Seller can demonstrate his/her capability and resources to provide the items/services requested in this solicitation in a timely and responsive manner.
- (e) **OTHER EVALUATION CRITERIA**.

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| Warranty and Payment Terms |
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12. **Award Notice.** A written notice of award or acceptance of an offer, mailed or otherwise furnished to the successful supplier within the time acceptance specified in the offer, shall result in a binding contract without further action by either party.
13. **Validity of Offer.** This RFP in no way obligates RTI to make an award, nor does it commit RTI to pay any costs incurred by the Seller in the preparation and submission of a proposal or amendments to a proposal. Your proposal shall be considered valid for 90 days after submission.
14. **Representations and Certifications.** Winning suppliers under a US Federal Contract are required to complete and sign as part of your offer RTI Representations and Certifications for values over \$10,000.
15. **Anti- Kick Back Act of 1986.** Anti-Kickback Act of 1986 as referenced in FAR 52.203-7 is hereby incorporated into this Request for Proposal as a condition of acceptance. If you have reasonable grounds to believe that a violation, as described in Paragraph (b) of FAR 52.203-7 may have occurred, you should report this suspected violation to the RTI's Ethics Hotline at 1-877-212-7220 or by sending an e-mail to ethics@rti.org. You may report a suspected violation anonymously.
16. **The John S. McCain National Defense Authorization Act for fiscal year 2019 - section 889.** RTI cannot use any equipment or services from specific companies, or their subsidiaries and affiliates, including Huawei Technologies Company, ZTE Corporation, Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, and Dahua Technology Company ("Covered Technology"). In response to this request for proposal, please do not provide a quote which includes any Covered Technology. Any quote which includes Covered Technology will be deemed non-responsive. Additionally, if the United States Government is the source of funds for this RFP, the resulting Supplier shall not provide any equipment, system, or service that uses Covered Technology as a substantial or essential component

Acceptance:

Seller agrees, as evidenced by signature below, that the seller's completed and signed solicitation, seller's proposal including all required submissions and the negotiated terms contained herein, constitute the entire agreement for the services described herein.

By: *(Seller Company Name)*

Signature: _____

Title:

Date: