

August 5, 2004

**INVITATION TO APPLY FOR ELIGIBILITY AND TO BID
(Re-advertised)**

The National Power Corporation (NPC) of the Republic of the Philippines invites all Steam Coal Suppliers/Producers, foreign and local, to apply for eligibility and to bid for the supply and delivery of steaming coal of Sual and Masinloc Coal-Fired Thermal Power Plants (CFTPPs) coal requirements for CY 2005, (Batch 1).

ELIGIBILITY CRITERIA:

1. The Prospective bidder must have a largest single contract similar to the contract to be bid adjusted to current prices using the wholesale consumer price index completed within the period and valued at least fifty percent (50%) of the Approved Budget for the Contract (ABC) to be Bid.
2. The Prospective bidder must present a commitment from a licensed bank to extend to him a Credit Line if awarded the contract to be bid, or a Cash Deposit Certificate which shall be at least ten percent (10%) of the ABC to be Bid, or must have a Net Financial Contracting Capacity (NFCC) at least equal to the ABC to be Bid.

The complete sets of eligibility requirements/bidding documents are available for issuance at the Office of the Bids and Contracts Services Department (BCSD), NPC, Diliman, Quezon City with telefax No. (632) 922-1622 or email at sediamante@napocor.gov.ph, upon payment of a non-refundable fee of Ten Thousand Pesos (P10,000.00) per schedule per mine source.

Registered prospective bidders shall be evaluated as to eligibility based on a non-discretionary "pass/fail" criteria prescribed in the eligibility requirements/tender documents. Source of funding for these requirements is Internal Cash Generation of National Power Corporation.

The coal volume requirements and quality specifications are tabulated hereunder:

**CY 2005, BATCH 1
(Spot Contract)**

OPEN TENDER

SCHEDULE	PLANT	VOL. (MT)	APPROVED BUDGET FOR THE CONTRACT (ABC)* in US Dollars	PRE-BID CONFERENCE	SUBMISSION OF ELIGIBILITY DOCS/BIDS
I. SCF1-I-CY05 (07.04)	Sual CFTPP	3x65,000	US\$14,625,000.00	Aug. 30, 2004 9:30 A.M. Moriones Rm., Fiesta Hall, NPC Building	Sep. 13, 2004 9:30 A.M. Kanao Rm. Fiesta Hall, NPC Building
II. MCF1-II-CY05 (07.04)	Masinloc CFTPP	12x65,000	US\$58,500,000.00		

*** Load Tolerance not included**

Reference Quality for Above ABC:

GCV – 6322 Kcal/kg. (ARB)

TM – 10% (ARB)

TS – 0.8 (ADB)

ASH – 15% (ADB)

QUALITY SPECIFICATIONS	SCFTPP	MCFTPP
Gross Calorific Value (ARB), Kcal/kg	5,960 - 6,750	5,960-6,750
Total Moisture (ARB), %	8.50 – 17.40	17.4 max
Total Sulfur (ADB), %	0.30 – 1.06	0.70 max
Fuel Ratio	1.40 – 2.3	2.3 max
<u>PROXIMATE ANALYSIS (ADB)</u>		
Ash, %	5– 19	19 max
Volatile Matter, %	24.51 - 38.00	24.60-38.00 max
Fixed Carbon, %	49.65 – 57.10	Report
Inherent Moisture, %	2.50 – 6.50	Report
Hargrove Grindability Index	48 – 70	48-70
<u>ULTIMATE ANALYSIS (DB)</u>		
Nitrogen, %	0.8 - 1.70	1.70
Carbon, %	67.90 – 76.30	Report
Hydrogen, %	3.96 – 5.40	Report
Sulfur, % (combustible)	0.30 – 1.09	Report
Oxygen,%	5.92-12.10	Report
Ash, %	5.30 – 17.49	19 max.
<u>Ash Composition (DB)</u>		
SiO ₂ , %	44.1 – 74.0	74 max.
Al ₂ O ₃ , %	17.8 – 35.0	Report
Fe ₂ O ₃ , %	2.0– 17.45	Report
CaO, %	0.46 – 15.0	Report
MgO, %	0.2 – 2.0	Report
Na ₂ O,%	0.10 -1.50	Report
K ₂ O, %	0.21 – 2.01	Report
TiO ₂ , %	0.5 – 2.0	Report
SO ₃ , %	0.10 – 5.30	Report
P ₂ O ₅ , %	0.01 – 1.38	Report
SiO ₂ + Al ₂ O ₃ , %	91.80 max	Report
Na ₂ O + K ₂ O, %	-	3.50 max
CaO + MgO, %	-	13.50 max.

ASH FUSIBILITY TEMP., °C (Red. Atm.)	SCFTPP	MCFTPP
Initial Deformation Temperature, IDT (°C)	1150 – 1410	1260 min.
Softening, ST	1280 – 1580	Report
Hemispherical, HT	1320 – 1600	Report
Fluid, FT	1350 – 1600	1380 min.
Nominal Size, mm	100 max.	100 max.
Fines, % (0-2 mm)	25 max.	25 max.

Prospective bidders have the option to offer minimum of one (1) lot to a maximum of three (3) lots for Sual CFTPP and one (1) lot to a maximum of twelve (12) lots for Masinloc CFTPP. Shipments shall be in panamax vessel size per delivery schedule. Delivery period shall be as follows:

Sual CFTPP - January to March 2005.
Masinloc CFTPP - January to December 2005

The Bids and Awards Committee (BAC), NPC reserves the right to accept or reject any bid, and to annul the bidding process and reject all bids, at anytime prior to award of contract, without thereby incurring any liability to the affected bidder(s).

Any inquiry regarding the above invitation shall be addressed to the undersigned.

SILVANO C. ZANORIA
SVP, ME & TMS and
Chairman, Bids and Awards Committee