

## NOTICE OF NON-AWARD

This is to inform all concerned of the disposition of the PNOC Board of Directors on the following Energy Supply Base Port Development Projects:

1. Construction of New Pier
2. Flattening of the Hilly Area
3. Consulting Services for the Construction Management of New Pier and Flattening of the Hilly Area

Please see attached Secretary's Certificate.

We thank you for your interest in our projects and wish you well in your future endeavors.

Sincerely,



**ATTY. RONALD C. CHUA**  
Chairperson  
Special Bids and Awards Committee

## SECRETARY'S CERTIFICATE

The undersigned, **ATTY. JESUS JOEL MARI D. ARZAGA**, Corporate Secretary of the Philippine National Oil Company (hereinafter, **PNOC**), a corporation with original charter created under P. D. 334, as amended, with principal office at PNOC Building 6, Energy Center, Rizal Drive, Bonifacio Global City, Taguig, Metro Manila,

### **HEREBY CERTIFIES AND STATES THAT:**

In a regular meeting held on 18 August 2023, at which a quorum was present, the Governing Board of Directors of PNOC passed the following resolution:

### **Resolution No. 2874, S'2023**

WHEREAS, upon the approval of the Board on January 20, 2023 of the Management's recommendation to proceed with the bidding and construction for the expansion and upgrading of the existing port and facilities at the Energy Supply Base (ESB), the Special Bids and Awards Committee, which was constituted on February 21, 2023, conducted the following public bidding exercises for the purpose of the procurement of the services required for the expansion/upgrading works:

<b>Project Title</b>	<b>Approved Budget for the Contract (ABC)</b>	<b>Public bidding</b>
1. Consulting Services for the Construction Management of the Construction of New Pier (ESB Port Development Option 1 Scheme B) and Flattening of the Hilly Area (Phase 1)	Php43,951,025.00	March 21, 2023 to May 18, 2023
2. Construction of New Pier	Php1,492,039,036.17	April 20, 2023 to June 1, 2023
3. Flattening of the Hilly Area	Php53,540,000.00	June 20, 2023 to July 11, 2023

WHEREAS, from the public bidding conducted for the said projects, and after the bids were

subjected to legal, technical, and financial evaluation in accordance with Republic Act No. 9184 and its revised Implementing Rules and Regulations, the following bidders emerged as the winning bidders:

<b>Bidder</b>	<b>Project</b>	<b>Bid Amount</b>
Woodfields Consultants, Inc. as the Single Rated and Responsive Bidder	Consulting Services for the Construction Management of the Construction of New Pier (ESB Port Development Option 1 Scheme B) and Flattening of the Hilly Area (Phase 1)	Php43,801,600.00
HG-III Construction and Development Corp. as the Lowest Calculated and Responsive Bidder	Construction of New Pier	Php1,371,806,726.63
W. Rivera Const. and Equipt. Rentals, Inc. as the Lowest Calculated and Responsive Bidder	Flattening of the Hilly Area	Php38,540,799.26

WHEREAS, on the basis of the foregoing results, the Special Bids and Awards Committee submitted on August 14, 2023 its recommendations to the Board of Directors to approve the award of these contracts;

WHEREAS, on August 15, 2023, the Risk Management Committee met to evaluate the recommendations of the Special Bids and Awards Committee. During the meeting, it opted to consult various stakeholders in the energy industry including, DOE Officials, PNOC representatives, the UP National Engineering Center Team, and Offshore Wind (OSW) developers, to assess the technical, economical, financial feasibility of the intended developments. The committee, therefore, decided to defer consideration of the recommendations of the Special Bids and Awards Committee, pending the results of its consultation with the said parties;

WHEREAS, in its meeting on August 18, 2023, the Risk Management Committee, after its consultative meeting with various parties, took special attention to the following:

1. The study and design of the PNOC ESB Port Development was conducted in 2019. PNOC has secured an approved budget to undertake the renovation or upgrade of the existing port in ESB. In March 2023, the design presentation made by PNOC concluded that the port can be repurposed, to consider design to accommodate OSW. However, the presentation of Woodfields Consultants Inc. (WCI) did not mention any of that.
2. The design of the port is no longer responsive to the mandate/directive of EO 21. PNOC has done some work contracted to WCI. However, output was in 2019 and was based on the old TOR which did not include OSW as main consideration.
3. The construction phase of OSW projects will be heavy by 2027 to 2030. Thus, the necessity of an OSW dedicated port to cater both the requirements of the construction and the O&M phase. With the specifications presented, only the O&M requirements can be satisfied.

WHEREAS, foregoing considered, the Risk Management Committee resolved to recommend to the Board not to approve the award of these contracts;

WHEREAS, upon careful evaluation of the recommendation of the Risk Management Committee, the Board determined that the changing energy landscape of the country requires PNOC to perform a more strategic role in support of the Government's efforts and directives to accelerate the development of OSW resources to reduce the country's dependence on imported fossil fuels;

WHEREAS, the Board also determined that the design of the ESB Port Development Project, as conceptualized in 2019 for a commercial general cargo port, is not responsive and appropriate for prospective OSW developments;

WHEREAS, present circumstances require PNOC to shift to another direction to supplement and strengthen the efforts of the government by developing a port that is solely dedicated for OSW developments;

WHEREFORE, having determined that the physical and economic conditions have significantly changed so as to render the project no longer economically, financially, or technically feasible, and no longer necessary, that the award of the contract will not redound to the benefit of the government, the BOARD RESOLVED to exercise its right to not award the contracts, in accordance with Section 41 of Republic Act No. 9184;

RESOLVED ACCORDINGLY, That the Board of Directors hereby directs the issuance of a Notice of Non-Award to the concerned bidders to apprise them of the foregoing decision of the body;

RESOLVED FURTHER, That as a result of the foregoing, the Board hereby enjoins the Special Bids and Awards Committee to return the amounts paid by the bidders to secure the bid documents for the said projects;

RESOLVED FURTHERMORE, That the Board hereby tasks the Management to inform the Congress on the foregoing decision of the body.


This Secretary's Certificate is hereby issued upon the request of the Office of the General Counsel in advance and subject to the ratification of the minutes of 18 August 2023 meeting.

Done this 29<sup>th</sup> day of August 2023 at Taguig City, Philippines

  
**ATTY. JESUS JOEL MARI D. ARZAGA**  
Corporate Secretary

SUBSCRIBED AND SWORN TO before me this 08/29/2023 at Taguig, Metro Manila, Affiant, in his capacity as Corporate Secretary of PNOC, exhibiting to me his Driver's License with No. N02-12-006175 expiring on 8 September 2032.

Doc. No. 63 ;  
Page No. 14 ;  
Book No. IV ;  
Series of 2023.

  
**CARL PHILIP N. BATUCAN**  
Appointment No. 56 (2022-2023)  
Notary Public for Taguig City  
Until 31 December 2023  
PNOC Bldg. VI, Energy Center, Rizal Drive  
Bonifacio Global City, Taguig  
Roll No. 67061  
PTR No. A-5701182/Taguig City/01-12-2023  
IBP No. 289325/01-17-2023  
MCLE Compliance No. VII-0009702

