



GSIS INSURANCE BIDS AND AWARDS COMMITTEE (GIBAC)

Project title: Reinsurance of the Industrial All Risk Insurance of the NATIONAL POWER CORPORATION

Bid Bulletin No. 1
July 7, 2017

This bid bulletin is issued to amend, modify and clarify items in the Bidding Documents of the “Reinsurance of the Industrial All Risk Insurance of the NATIONAL POWER CORPORATION”. This shall form an integral part of the Bidding Documents.

I. Under Bid Data Sheet:

ITB Clause	From	To
12.1(b)	1. Statement of at least two (2) ongoing and/or two (2) expired similar insurance policy/ies or reinsurance binder/s, issued within the last two years prior to the deadline for the submission and receipt of bids. xxx; and xxx	1. Statement of at least two (2) ongoing and/or expired similar insurance policy/ies or reinsurance binder/s, issued within the last two years prior to the deadline for the submission and receipt of bids. xxx; and xxx

II. Under Checklist of Documents:

From	To
1. Statement of at least two (2) ongoing and/or two (2) expired similar insurance policy/ies or reinsurance binder/s, issued within the last two years prior to the deadline for the submission and receipt of bids. xxx; and xxx	1. Statement of at least two (2) ongoing and/or expired similar insurance policy/ies or reinsurance binder/s, issued within the last two years prior to the deadline for the submission and receipt of bids. xxx; and xxx

III. Bidders' Queries

Bidder's Query	Response
<p>We note that the GSIS is still deliberating if you will allow bidders to submit stand-alone MH and/or stand-alone S&T policies to help fulfill the requirements:</p> <ul style="list-style-type: none"> - at least two (2) similar policies; - the total premium of the samples should be at least 50% of the ABC; and - the largest policy among the samples should be at least 25% of the ABC 	<p>For the purpose of this project, the largest similar contracts shall refer to Industrial All Risk (IAR) Insurance. To fulfill the requirement of at least 50% bidders may submit Marine Hull and/or Sabotage & Terrorism in addition to the IAR.</p>
<p>May we ask why the IAR policy was extended from 2012 to 2015?</p>	<p>Policy extensions became necessary due to the series of failures of bidding conducted.</p>
<p>We would like to ask for the exact locations / addresses / latitude & longitude (whichever is available) of the various facilities to be covered under IAR. This includes the power plants and other utility assets, among others.</p>	<p>The locations of the various facilities shall be provided to prospective bidders who have purchased and will purchase the bidding documents.</p>
<p>We note that the GSIS will still negotiate with the NPC if the Machinery Damage Additional Deductible Clause will still be applied. If so, we look forward to receiving the list of additional deductibles.</p>	<p>The deductible for IAR will apply. The Institute Machinery Damage Additional Deductible Clause is hereby deleted.</p>
<p>We note that the NPC/GSIS will provide bidders with the NPC's typhoon contingency plans</p>	<p>The contingency plans shall be provided to prospective bidders who have purchased and will purchase the bidding documents.</p>
<p>We would like to clarify item 2.2.2 of the service agreement:</p> <p>Does this mean that the winning bidder needs to provide relevant foreign training / seminars to at least three (3) people from the NPC who are involved in the administration and/or placement of the NPC's insurance policies?</p> <p>Do the three (3) people all have to go to the same training / seminar or can they be sent to different training / seminars at one (1) participant per training / seminar?</p>	<p>The intention of the SLA is for the winning bidder/reinsurer to provide one (1) foreign training/seminar to at least three (3) NPC personnel involved in the administration and/or placement of the insurance policies. The 3 NPC participants will have to attend the same training/seminar.</p>
<p>Assuming that a lead market is already allocated to us, are we still allowed to approach other reinsurers for quotations so long as they were not allocated to anyone else?</p>	<p>Yes. But the lead market shall be maintained by the prospective bidder.</p>
<p>In the case of the NPC IAR, since there are several sections - IAR, Marine Hull, and S&T, will we allocate one lead market per line of business or will we just allocate one lead market for the entire program?</p>	<p>Bidders should submit one Lead Market for the contract to bid.</p>

<p>We note that you will coordinate with your Accounting Dept in order to provide winning bidders with certification that the CWT was remitted to the BIR. This is on top of providing winning bidders with the 2307 form.</p>	<p>Per our Controller Group, Form 2307/2306 is the form used to remit the 2% CWT to BIR.</p>
<p>We note that bidders were provided with the details of Marine Hull claims for 2015 and 2016. May we ask for the details of the Marine Hull claims from 2010 up to 2014 as well?</p>	<p>The details of the Marine Hull claims from 2010 up to 2014 shall be provided to prospective bidders who have purchased and will purchase the bidding documents.</p>
<p>Please advise status of current martial law in Mindanao affecting NPC property and what is NPC doing about it (if anything) or whether they do not see an issue on their business operation?</p>	<p>We will provide the current status of martial law in Mindanao, as well as the confirmation on the incident of extortion demands affecting NPC property, if any, as soon as we get the information from our concerned group.</p>
<p>Please confirm that they have received no threats, incidents or extortion demands in the last 5 years.</p>	<p>Relative to this, please be informed that there are no diesel power plants nor power barges located in Northern Mindanao specifically in Marawi City, Lanao Del Sur and Iligan City, Lanao Del Norte. NPC's power plants are located in the eastern and western parts of Mindanao. (sic)</p> <p>Also, it is noteworthy to mention, that the GSIS has issued a certification that there are no reported losses under the S&T cover for the last 5 years.</p>
<p>For the Marine Hull cover, may we request the following updates as follows:</p> <ol style="list-style-type: none"> 1. Confirmation on the two claim declared and please provide claim details including adjusters preliminary report. 2. Any recent condition surveys conducted on the power barges during the last two years. 	<ol style="list-style-type: none"> 1. Adjusters' and Surveyor's reports for the subject claims not yet available. Awaiting submission. 2. No condition surveys were conducted during the last two years. However, risk surveys were done for PB113 and PB116 in May 2015 and for PB106 in April 2016.
<p>Are the values for the newly installed gensets already included in the sum insured previously presented?</p>	<p>The values of the gensets commissioned and unitized in 2016 were already considered in the total sum insured as of 31 December 2016. However, there are gensets already commissioned by unitized in 2016 and 2017. These will still be considered in the schedule of assests as of 31 December 2017.</p> <p>Unitization is an accounting process that will translate/summarize all elements of the cost of a project to newly installed property units classified under various Subsidiary Ledger accounts or Primary Account codes, which may be tangible or intangible.</p>

<p>For Sabotage and Terrorism cover, may we request the following information, as follows:</p> <ol style="list-style-type: none"> 1. Exact mailing address of NPC and exact location of each plant 2. Please confirm cover to be at full value with no policy limit 3. Applicable deductible 4. Expiring premium (if you are aware) 5. Any applicable extension of cover as it seems there is none 6. Please confirm cover to include T&D lines up to 1,000m from premises and if yes, if the values provided include the T&D line values 7. Please provide estimated value of 1,000m of T&D lines 	<p>For Sabotage and Terrorism cover, may we request the following information, as follows:</p> <ol style="list-style-type: none"> 1. NPC's mailing address: <p style="margin-left: 40px;">National Power Corporation BIR Road corner Quezon Avenue Diliman, Quezon City 1100</p> <p style="margin-left: 40px;">For the locations, please refer to above response.</p> 2. The sum insured is up to Full Value for power plants and Declared Value (As Agreed) for power barges. 3. Applicable deductible: <p style="margin-left: 40px;">The insured shall bear the first amount of loss:</p> <ul style="list-style-type: none"> o Assets above 100 Million – 10% of the loss or minimum of Php1,000,000 o Assets 50 Million to 100 Million – 10% of the loss or minimum of Php500,000 o Assets below 50 Million – 10% of the loss or minimum of Php250,000 4. Expiring premium is Php2,850,000 for the policy period 31 July 2016/2017. 5. An Automatic Extension clause for a period of ninety (90) days in case of failure of bidding is provided for in the expiring policy. 6. S&T policy covers Transmission and Distribution (T&D) Lines up to 1000-meter radius from a power plant/substation perimeter fence. 7. Consistently, the sum insured are inclusive of the T&D Lines of up to 1000-meter radius only.
<p>Reference to Item no. 6 of Section I Invitation to Bid, please clarify if the requirement for Market Allocation is one (1) Lead Market for the three lines (IAR, Marine Hull and Sabotage & Terrorism) or we can submit our Lead Market for each line.</p>	<p>Bidders should submit one Lead Market for the contract to bid.</p>
<p>Please advise if the assured has a plan to trade their power barges. If yes, may we know the reason.</p>	<p>Power Barge 110 was sold out by NPC on 08 June 2017. Documentation as to the physical transfer of the barge to the new owner is on-going.</p> <p>Power Barge 111 is for appraisal and for disposal this year, 2017.</p>

<p>We wish to inquire the reason of the increase of sum insured and limit of liability, and decrease of deductible for this renewal.</p>	<p>The increase in the total sum insured is due to the acquisition and installation of new generating sets to various diesel power plants.</p> <p>The deductibles for the IAR, S&T and MH remain the same as expiring. However, for the Machinery Breakdown (MB) cover for power barges, the deductible for IAR will apply.</p>
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IV. The place of the lead market allocation and the bid opening is at the Multipurpose Hall Level 3 Core C, GSIS Building, Financial Center, Macapagal Avenue, Pasay City.

For the information and guidance of all concerned.

(Sgd.) VALERIE K. MARQUEZ
Chairperson
GSIS Insurance Bids and Awards Committee