Call for bidding for the supply and installation supervision of 5,000 Solar Home Systems (SHS) for the service areas of SOCOTECO II and SUKELCO, Mindanao, Philippines

Strengthening Off-grid Lighting with Appropriate Renewable Energy Solutions (SOLARES) Project

Reference: IOB No. SOLARES-SHS-19-01

Questions & Answers
Pre-bid Meeting on 22 August 2019
Questions sent to mfi_mahintana@yahoo.com

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| 1.  | As an International Open Bid, we assume that the bid should be open to all bidders from any country of the world. However, there is restriction regarding the eligibility of bidder's country and origin of products in the bidding documents that Chinese companies and products are not allowed to participate in this bid. The ASEP Window One was also funded by European Union, and we won the bid as a Chinese company with qualified Chinese products. Even though we experienced many hardship due to the improper management of the Contractor, we completed the project through our effort. We are now showing high interests to participate in the SOLARES project in the name of a Chinese company with upgraded Lighting Global Solar Home Systems as an international bidder. We hope that your esteemed company could negotiate with EU to give special permit to allow Chinese companies and Chinese products to bid. This is also to serve the SUKELCO and SOCOTECO II MCs with high quality compatible SHS at reasonable costs. If Chinese companies are not allowed to bid finally, we would like to know if it is allowed that the Chinese made semi products could be assembled in qualified countries such as Philippines or Myanmar. If it is allowed, in theory, the cost of our products would be much higher. But it is a way for us to participate in this project. | To ensure equal treatment of bidders, the purchaser/contracting authority cannot give a prior opinion on the eligibility of bidders and origin of goods. 
The eligibility of bidders and origin of goods/services have been discussed extensively in the bidding documents particularly in the Instructions to Bidders (ITB) 3 and 4 and Section V (Eligible Countries – Rules on Nationality and Origin). Section V in particular states that developing countries (i.e. upper middle income countries) are eligible to participate except for the members of G20 countries such as China, India, Indonesia, Argentina, Brazil, Mexico and South Africa. |
### Technical Design Requirements

2. The request in your bid docs of asking the bidder to provide source code of VMS is unacceptable for us if we are allowed to participate in this bid. We had spent over a million Chinese Yuan in the past two years to develop and perfect our VMS and it is our intellectual property. We believe that we will use this products to bid in many more countries to serve the off-grid households. So, my management had discussed and confirmed that we will not disclose our source code to buyer unless the buyer would like to negotiate with us to buy this intellectual property from us with a satisfied price. Regarding your concern of future VMS maintenance and upgrading, agreement could be reached in the contract or warranty terms to protect your profits.

3. Please indicate clearly how much quantity of sealant the bidder should supply for the 5,000 SHS.

### Payment Arrangements

4. As this project is a supply basis project for the supplier without installation tasks, advance payment of 10% is too low while another 15% will be paid only when the goods arrive at EC warehouse. It means the bidder need to use their own money to support this project same as ASEP Window One. What's worse, another 25% will be paid after half of the 5,000 installation while the supplier will not do installation. So, what is the supplier waiting for? Product quality issue? What if the installation work is not going well because of many other reasons and cause serious delay? Should the supplier suffer delayed payment because of that? From this view, the payment percentage arrangement is unfair for bidders in this bid.

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In this bid, the source code is part of the VM & VMS minimum general requirements. As indicated in Part C.2.8.1 of the Technical Design Requirements of the bid document, the right to own the source code should be included by the bidder in the overall bid price. Alternatively, the bidder may offer a comparative bid price without the source code.

As designed, the “roof-side” pole mounting is the priority (option 1) for PV module mounting, thus, sealant may not be required. However, in cases of “roof-through” pole mounting (ideal for G.I. sheets roofs but not all target households have G.I. roofs), 1 (one) tube (10 ounce) of UV-rated roof sealant is required for at most 10 households. In this connection, the purchaser/contracting authority may publish in its website an addendum (bid bulletin) of the bid document pertaining to the quantity of sealant.

The scope of work of this bidding is not only the supply of goods (SHS & related services) but also the installation supervision by the bidder/supplier to ensure that installations are based on technical standards/quality. Installation supervision implies that the supplier (through its installation supervision team) is required to supervise the installations performed by the CBTs, though the project/purchaser will pay the installation cost (not the supplier). On the issues on delay, as long as the required coordination and installation/supervision plan is observed by the supplier and the ECs/SBUs/CBTs, delay should not be a concern. Please note that the project will be using ODK/mobile-based reporting system to streamline SHS installation, verification and payment processes.
The terms regarding payment is not so clear in the GCC 16.1 (vi) and (vii) as what we discussed in the pre-bid meeting, because the installation will not be going through at a tranche basis separately because the installation of the two ECs will be at the same time. Could you pls further clarify the (vi),(vii), and (viii)?

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<td>It is correct that the installations will be done by the 2 ECs simultaneously or at the same time however the payment will be based on tranches (i.e., for the validated installations). That is, Tranche A will be for the first 2,500 validated installations (maybe a mix/combination of installations from 2 ECs) including full compliance of (1) acceptance of the IAF/R &amp; IVF/R, (2) tool box (70 units), (3) vending machines (50 units), (4) satisfactory instruction to MCs, (5) EC-SBU &amp; CBT training workshop. Tranche B will be for the remaining/last 2,500 validated installations including the full compliance of (1) acceptance of the IAF/R &amp; IVF/R, (2) satisfactory instruction to MCs, (3) delivery of spares, (4) final training workshop.</td>
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