



**PROJECT INFORMATION MEMORANDUM FOR THE  
TABACO CITY SEPTAGE MANAGEMENT PROGRAM  
COMPETITIVE CHALLENGE**



## **DISCLAIMER**

The Tabaco City Government (the "LGU") has prepared this Project Information Memorandum (PIM) to provide interested parties with information that may be useful to them in making their bids. While the drafters of this document exerted their best effort to provide a fair and comprehensive description of the Project based on the Project Documents and other available information, this PIM does not purport to be all-inclusive or to contain all of the information that a Prospective Challenger may consider material or desirable in making its decision to participate in the Competitive or Swiss Challenge.

No representation or warranty, expressed or implied, is made, and no responsibility of any kind is or will be accepted by the LGU and the Government of the Philippines or any of its agencies, with respect to the accuracy of this Memorandum. The LGU may amend or replace any of the information contained in this PIM at any time, without giving any prior notice or without providing any reason.

In furnishing this PIM, the LGU undertakes no obligation to provide recipients with access to any additional information, or to update, or to correct any inaccuracies that may become apparent in this PIM or any other information made available in connection with the Project prior to the actual Competitive or Swiss Challenge. Additional information shall be provided at appropriate times during the formal Competitive or Swiss Challenge process.

All information in this PIM is qualified by the terms and conditions of the Instructions to Challengers (ITC) and its Annexes, including the Minimum Performance Standards and Specifications (MPSS) and its Annexes. In case of any conflict between the information and terms in this PIM and the ITC, the information and terms in the ITC shall prevail.

No person has been authorized to give any information or make any representation not contained in this PIM and, if given or made, any such information or representation may not be relied upon as having been authorized by the LGU and any other agency of the Philippine Government.

## **1.0 PROFILE OF TABACO CITY**

Tabaco City is a 4th class component city in the Province of Albay, Philippines. It is one of the three-component cities of the province, along with Legazpi and Ligao. Tabaco City is one of the eight towns and cities that share jurisdiction over Mayon Volcano, the country's most active volcano to date. Composed of 47 barangays, the city has a population of 140,961 people based on the 2020 census.

The city has a total land area of 117.45 square kilometers, including the islands of San Miguel located in the Lagonoy Gulf. It takes approximately 10-12 hours of land travel from Metro Manila mainly through the Maharlika Highway.

## **2.0 PROJECT BACKGROUND AND RATIONALE**

Part of the thrust of every local government unit is to ensure and promote the general welfare, right to a balanced ecology, health and safety of the people as mandated by Section 16 of Republic Act 7160, otherwise known as the Local Government Code. Republic Act 9275, otherwise known as the Philippine Clean Water Act of 2004, also mandates local government units to be responsible in the management and improvement of water quality within their respective territorial jurisdictions. Further, the Philippine Clean Water Act of 2004 likewise mandates local government units to appropriate the necessary land, including the required right-of-way/road access to the land, for the construction of a septage treatment facility.

The Philippine Clean Water Act bolsters Presidential Decree No. 198 as it requires the implementation of an effective Septage and Sewage Management Program (SSMP). In relation thereto, the National Sewerage and Septage Management Program (NSSMP) has targeted that by the year 2020, all local government units shall have developed their own septage management programs while highly urbanized cities shall have developed sewerage systems as well.

In 2021, the LGU of Tabaco City enacted City Ordinance No. 050-2021 entitled, "*Enacting a City Code pursuing a Public-Private Partnership for the People (P4) Approach towards Development, Providing for the Procedure for selecting the Private Sector Proponent, Adopting a Contract Management Framework, and Providing Appropriations and for other Purposes.*" As part of the socio-economic and industrial development of the City, and in compliance with the Philippine Clean Water Act of 2004, the LGU of Tabaco City is planning to implement its Septage Management Program through a BOT framework and in accordance with the aforementioned City Ordinance No. 050-2021.

The LGU has accepted the proposal of Trident Enviro Solutions Inc (the "Proponent") to enter into a 25-year Contractual BOT (Build-Operate-Transfer) arrangement for the implementation of the Septage Management Project (the "Project"). A Certificate of Successful Negotiation was issued on June 08, 2023. Pursuant to the LGU P4 Code, the LGU will commence the Competitive or Swiss Challenge Proper for the Project.

The Proponent's Unsolicited Proposal for the Project involves the financing, design, construction, and operation and maintenance of an all-mechanized septage treatment facility

(SpTP) with a rated capacity of 30 cubic meters per day (CMD). The Project shall also include the supply of manpower, equipment and vacuum trucks to ensure the collection, treatment and disposal of septage volume.

Septage shall be collected from the connected establishments within the city via a predetermined clustering schedule set by TAWAD (Tabaco Water District). The septage shall then be treated to ensure that the effluent and the by-products of the process are disposed of in compliance with the Department of Environment and Natural Resources Administrative Order (DENR AO) 2016-08 – Water Quality Guidelines and General Effluent Standards of 2016, amended by the DAO 2021-19.

**3.0 PROJECT OBJECTIVES AND ECONOMIC BENEFITS**

The Project aims to provide services for the sanitation requirements of Tabaco City, consistent with the duty of the LGU to ensure and promote the general welfare, right to a balanced ecology, health and safety of the people.

The Project is likewise expected to generate income for the LGU and employment opportunities for the people of Tabaco City, following the Tabaco-First Policy. The LGU’s overall business environment is also expected to improve with the implementation of the Project.

Based on data from Tabaco City’s Water District from year 2022, there is a total of 16,356 active connections, broken down as follows:

<b>Customer Type</b>	<b>Number of Connections</b>	<b>% Desludgeable</b>	<b>Desludgeable Customers</b>
Residential Connections	15,253	95%	13,766
Commercial/Government/ Semi-commercial Connections	1,103	95%	995
All Service Connections	16.356	95%	14,761

To date, there is no centralized wastewater treatment or access to efficient and environmentally compliant sanitation services at the household level. Households and other establishments are mostly relying on septic tanks as the only form of sanitation process.

Most establishments rely on private siphoning services to empty or clean their septic tanks. However, the frequency and methodology of these private siphoning services were observed to be insufficient, as they have been reported to operate mostly without proper business permits and clearances, DOH-accreditations or DENR approved treatment plant regulations.

As a coastal city with bodies of water that need to be protected, the irresponsible disposal of waste should prove to be more stringent and calls for urgent attention in setting up the city's septage treatment plant.

#### **4.0 PROJECT COMPONENTS**

The Project involves the financing, design, construction, operation and maintenance of the Septage Treatment Facility through a BOT Modality with the following components:

- a. Provision of an all-mechanized SpTP with a rated capacity of 30 cubic meters per day (CMD), and of ancillary facilities;
- b. Provision of desludging services and facilities;
- c. Provision of the necessary manpower, manuals, and processes for the operation of the Project facilities; and
- d. Conduct Demographic Review, Septage Collection, Transport, Treatment and Disposal of Septage

#### **5.0 PROJECT SITE**

The Project will be constructed at Barangay San Vicente, with an estimated area of 2,000 sq.m., within the general area of the Materials Recovery Facility (MRF) and other waste processing & segregation areas. It is a portion of the LGU's land with Property Identification Number 208-00-0035-007024. The proposed site is also deemed to be far away enough from the housing area as seen in the aerial photo so as not to cause a public nuisance.

The Project Site is fully owned by the LGU, and can be accessed through Ligao-Tabaco road, approximately 1 kilometer from the project location.

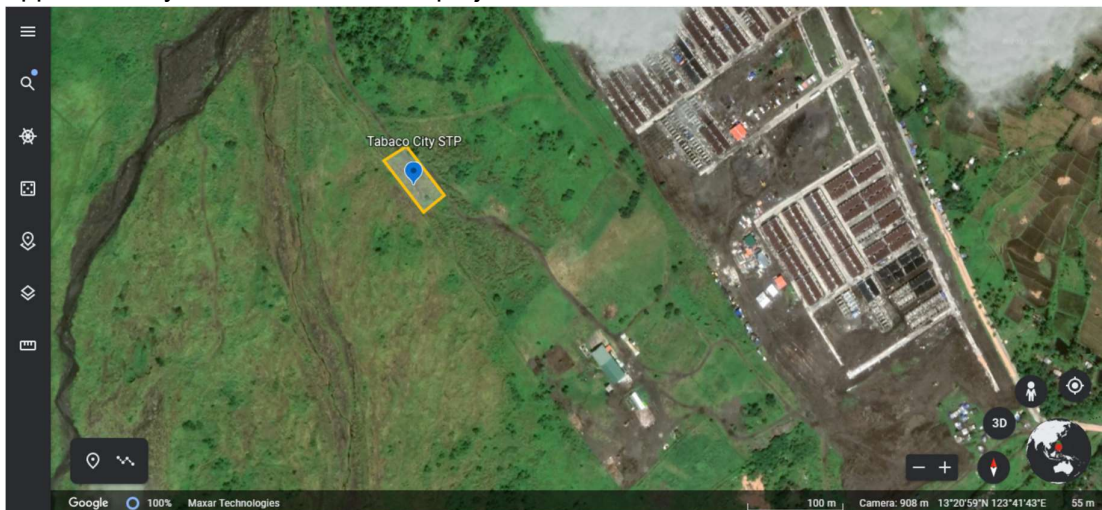


Figure 1: Aerial View of the Proposed Septage Treatment Plant Site

## **6.0 PROPOSED PPP STRUCTURE**

The PSP (Private Sector Partner) shall propose a Build-Operate-Transfer (BOT) modality under PPP, and be required to fully finance, design, construct, operate, and maintain a septage treatment plant with a volume of 30 CMD to the City and provide statistics, Septage Collection and Transport, Treatment and Disposal of Septage throughout the 25-year contractual term.

### **1. Private Sector Partner's Responsibilities**

- a. Obtain all relevant permits, including, but not limited to, business permit, building permit, Environmental Compliance Certificate (ECC) or ECC-CNC (Certificate of Non-Coverage) from DENR, Environmental Sanitation Clearance (ESC) from the Center for Health Development (CHD) of the Department of Health (DOH), and water discharge permit from DENR;
- b. Finance, design and construct the project facilities in accordance with the Minimum Performance Standard Specifications (MPSS);
- c. Manage, maintain, and operate the constructed facilities in accordance with the MPSS for a period of 25 years;
- d. Provide the necessary manpower, manuals and processes for the operation of the Project facilities and in compliance with Key Performance Indicators;
- e. Practice the Tabaco-First Policy and give priority to Tabaco City residents in hiring staff and employees for the plant, especially for non-specialized roles or job descriptions;
- f. Provide desludging trucks for the conduct of the demographic review, septage collection and transport, treatment and disposal of septage; and
- g. Coordinate with TAWAD and the LGU in clustering and scheduling of desludging.

### **2. Tabaco City LGU Responsibilities**

- a. Serve as the regulatory and monitoring body for the Project;
- b. Provide the Project Site, and deliver peaceful and uninterrupted possession of the Project Site, Right-of-Way (ROW) to the PSP;
- c. Issue Certificates of Completion and Acceptance of the Project;
- d. Assist the PSP in obtaining permits from local and national government agencies and other relevant regulatory authorities for the operation of the site;
- e. Enforce the collection of the Environmental Fee through TAWAD (Tabaco City Water District); and

- f. Subject to confidentiality restriction, provide all information that the PSP may reasonably require for the Project.

3. Tabaco City Water District (TAWAD) Responsibilities

- a. Serve as the collecting body for the Environmental Fee on a monthly basis from its service connections;
- b. Remit the funds collected from Environmental Fees, which are considered private funds, to the PSP on a monthly basis, net of the collection fee;
- c. Provide monthly job orders to the PSP based on the clustering schedule for the PSP to desludge the connected establishments (i.e. households, commercial, industrial & government establishments) and
- d. Coordinate with the PSP and aid in information & education campaigns with regard to sanitation & the Philippine Clean Water Act

## **7.0 SALIENT ELIGIBILITY REQUIREMENTS**

The ITC shall provide further details on the qualification requirements and documents to be submitted by the prospective Challengers. The Eligibility Requirements provided here are intended to provide guidance to prospective Challengers.

1. **Legal Requirements**. PSP must be duly registered with the SEC and be at least sixty percent (60%) Filipino owned. If a consortium, the ownership interest of Filipino Consortium Members in the Consortium must be at least sixty percent (60%)

2. **Technical Eligibility Requirements**

a. Design & Construction Experience

- The PSP must have successfully undertaken construction and operation of a septage or sewage treatment plant under a BOT modality with the minimum capacity of fifteen (15) CMD within the last five (5) years.
- The PSP must have an ongoing BOT sewage or septage treatment plant project whose effluent of which passes the General Effluent Standards as stipulated by the DAO 2016-08 & amended by DAO 2021-19.
- The PSP must have a valid license issued by the Philippines Contractors Accreditation Board (PCAB) for at least Small B Classification (Sewerage and Sewage Treatment/Disposal Plant) and License Category C (General Building).

b. Operation and Maintenance Experience

- The PSP must have successfully undertaken, within the last five (5) years operation of a septage or sewage treatment plants with similar technology to its proposed technology for The Project that has successfully passed the General Effluent Standards as stipulated by the DAO 2016-08 & amended by DAO 2021-19, and complies with the Fertilizer & Pesticide Regulation Act & DA standards for Biosolids Utilization.

4. **Financial Eligibility Requirements**. The PSP must have the following:

- a. Proof of financial capacity through a duly notarized NFCC with a value of at least Seventy Million Pesos (PHP 70,000,000.00).
- b. Demonstrated its borrowing capacity to fully finance the Project based on its proposed CAPEX.
- c. Demonstrated that a domestic universal/commercial bank or an international bank with a subsidiary branch in the Philippines, or any international bank recognized by the Bangko Sentral ng Pilipinas attested that the PSP is one of its current clients for at least 3 three (3) years and has not defaulted on any of its obligations.

## **8.0 OVERVIEW AND TIMELINE OF COMPETITIVE CHALLENGE**

Upon the issuance of the Original Proponent Status:

Table 1: Swiss Challenge Indicative Timeline

<b>Milestone</b>	<b>Indicative Date</b>
Availability and Issuance of Tender Documents for Purchase	April 18 – April 25, 2024
Pre-Bid Conference	May 06, 2024
Submission of Comparative Proposal (i.e. Qualification, Technical and Financial Proposals)	June 25, 2024
Determination of Winning Proponent	June 25, 2024
Issuance of Notice of Award	July 03, 2024
Signing of Memorandum of Agreement with winning Private Sector Proponent	August 02, 2024



The original proposal was evaluated by the LGU and accepted as an Unsolicited Proposal with the Original Proponent Status granted on January 11, 2023. The Challengers now have the opportunity to develop and submit their Comparative Proposals to the P4-SC as part of the Competitive Challenge. The evaluation process indicated in the tender documents will determine the winning qualified Challenger.

The Original Proponent will have the opportunity to match the financial proposal of the winning Challenger and, if it does, it will be awarded the contract. If the Original Proponent is unable to match, however, the Project will be awarded to the winning bid from among the comparative Challengers.

### **9.0 POINTS OF CONTACT**

The direct contact for Tabaco City's PPP may be contacted through the following:

**Name:** REYNOLD P. MARTIREZ  
**Address:** LLORENTE STREET BRGY. QUINALE,  
TABACO CITY HALL, TABACO CITY, ALBAY  
**Cell No:** 09214038993  
**Email:** martirez.reynold@yahoo.com

A complete set of the ITC, which contains the detailed Eligibility Requirements may be acquired by the Prospective Challengers from the address above upon payment of a non-refundable fee in the amount of Two Hundred Fifty Thousand Pesos (PhP 250,000.00) through the following modes:

- Payment in Manager's Check to
- Cash/Check Deposit using the following details:

**Bank:** LANDBANK  
**Account Name:** TABACO CITY TRUST FUND  
**Account Type:** CURRENT ACCOUNT  
**Account Number:** 002782 – 1012 – 37  
**Swift Code:**

Send your proof of payment to the emails indicated above with the subject:

**“Septage Bidder\_ [Company Name]\_ Payment”**