

INVITATION TO PRE-QUALIFY AND BID

AIRPORT DEVELOPMENT, OPERATIONS AND MAINTENANCE PROJECTS: BACOLOD-SILAY, DAVAO, ILOILO, LAGUINDINGAN, AND NEW BOHOL (PANGLAO)

PROJECT DESCRIPTION

The Bacolod-Silay, Davao, Iloilo, Laguindingan, and New Bohol (Panglao) Airport Development, Operations and Maintenance Projects (the "Projects") aim to improve services at the respective key regional airports by concessioning operations and maintenance to private sector proponents, including required enhancement of airside and landside facilities at the respective airports.

BACOLOD-SILAY INTERNATIONAL AIRPORT

The Bacolod-Silay International Airport is one of the busiest airports in the Philippines in terms of passenger traffic, serving purely domestic flights. Traffic at the Bacolod-Silay International Airport has been growing at an average annual rate of ~ 11.60 % over the period 2008-2012 and is expected to continue to grow. In 2012, it handled approximately 1.3 million passengers – which exceeds the passenger terminal design capacity. Under the proposed concession, the private sector proponent shall take over the operations and maintenance of the airport, undertake immediate expansion of the passenger terminal building, apron, and other airside and landside facilities, and also undertake capacity augmentation of the airport that may be required in the future to cater for future demand throughout the contractual term.



DAVAO INTERNATIONAL AIRPORT

The Davao International Airport is currently the third busiest airport in the Philippines, handling mainly domestic flights, with weekly direct flights to Singapore. Traffic at this airport has been growing at an average annual rate of ~ 13.80% over the period 2008- 2012 and is expected to continue to grow. In 2012, it handled approximately 2.8 million passengers and is expected to breach the design capacity of the existing passenger terminal building over the next few years. Under the proposed concession, the private sector proponent shall take over the operations and maintenance of the airport, undertake immediate expansion of the passenger terminal building, apron, and other airside and landside facilities, and also undertake capacity augmentation of the airport that may be required in the future to cater for future demand throughout the contractual term.



ILOILO INTERNATIONAL AIRPORT

The Iloilo International Airport is currently the fifth busiest airport in the Philippines, handling mainly domestic flights, with weekly direct flights to Singapore and Hong Kong. Traffic at this airport has been growing at an average annual rate of ~ 14.60% over the period 2008-2012 and is expected to continue to grow. In 2012, it handled approximately 1.9 million passengers, which exceeds the design capacity of the existing terminal. Under the proposed concession, the private sector proponent shall take over the operations and maintenance of the airport, undertake immediate expansion of the passenger terminal building, apron, and other airside and landside facilities, and also undertake capacity augmentation of the airport that may be required in the future to cater for future demand throughout the contractual term.



LAGUINDINGAN AIRPORT

The Laguindingan Airport commenced commercial operations in June 2013 to replace the old Lumbia Airport in Cagayan de Oro and is currently the sixth busiest airport in the Philippines. The annual passenger traffic at Cagayan de Oro (courtesy through the Lumbia Airport until the Laguindingan Airport was opened) has been growing at an average rate of ~ 16.40% over the period 2008-2012 and is expected to continue to grow. The Laguindingan Airport handled approximately 1.6 million passengers in 2012, which exceeds the design capacity of the passenger terminal. Under the proposed concession, the private sector proponent shall take over the operations and maintenance of the airport, undertake immediate expansion of the passenger terminal building, apron, and other airside and landside facilities, and also undertake capacity augmentation of the airport that may be required in the future to cater for future demand throughout the contractual term.



NEW BOHOL (PANGLAO) AIRPORT

In 2015, the Department of Transportation (DOTr), through a loan from Japan International Cooperation Agency (JICA), commenced the construction of the New Bohol Airport, located in Panglao Island. The airport is expected to be completed by 2019 and shall replace the existing Tagbilaran Airport.



The Tagbilaran Airport is currently the eleventh busiest airport in the Philippines. Traffic is largely tourist-driven since Bohol is one of the top tourist destinations in the country. It is home to pristine beaches, diving spots, the famous Chocolate Hills, and many more. The Tagbilaran Airport handled 789,800 passengers in 2013, despite its existing terminal being only 850sqm in size. For the last five years, passenger traffic has grown at an average annual rate of 14.58%. While the province of Bohol has a large potential for tourist development, the current airport capacity creates a bottleneck to further development of international and leisure traffic. The New Bohol Airport, which will have a design capacity of 1.7 million passengers, is expected to unlock the traffic potential.

The operations and maintenance of the New Bohol Airport shall be turned over to the private sector proponent upon completion of construction. The proponent shall also be required to develop/expand capacity to cater for future demand throughout its contractual term.

The fact that the traffic at these airports has either exceeded their current design capacities or is nearing the design capacity levels, coupled with the anticipated influx of a growing number of domestic and international passengers in the years to come, the fast and proactive development of these airports is crucial.

With this in mind, the Department of Transportation (DOTr) and its attached agency, the Civil Aviation Authority of the Philippines (CAAP) are inviting Prospective Bidders to submit applications to pre-qualify in bidding to finance, design, construct, operate and maintain the Projects for a period of 30 years for the Bacolod-Silay, Davao, Iloilo, and Laguindingan Airports, and 35 years for the New Bohol (Panglao) Airport.

The Projects will be awarded through competitive bidding following the procurement rules and procedures prescribed under Republic Act No. 6957, as amended by the Republic Act No. 7718 (the "BOT Law") and its 2012 Implementing Rules and Regulations. The Projects will be implemented using an Operate-Add-Transfer ("OAT") contractual arrangement, whereby the implementing agencies (DOTr and CAAP) will concession the expansion, operations and maintenance of the existing airports to private operators ("Concessionaires"). The Concessionaires shall operate the facility on behalf of the implementing agencies in accordance with the specified performance standards and specifications set out in the Concession Agreement.

The Invitation Documents consisting of (i) this Invitation to Pre-Qualify and Bid [ITPQB], (ii) the Project Information Memoranda [PIM], and (iii) the Instructions to Prospective Bidders [ITPB] (including Annexes) may be purchased for a non-refundable fee of PHP 300,000.00 per airport, payable in cash or manager's check issued by a bank in the Philippines made out to the Department of Transportation (DOTr). The (i) ITPB and (ii) PIM will be available at Unit 164, 16th floor, The Columbia Tower, Ortigas Avenue, Mandaluyong City, Metro Manila, Philippines for distribution to interested parties. The specific date for the issuance of the ITPB and PIM will be announced in a General Bid Bulletin that will be posted on the DOTr website.

- Bidding is open to all interested bidders, whether local or foreign, subject to conditions for eligibility under the Invitation Documents, BOT Law, and other existing laws.
- Only those new bidders who have purchased the Invitation Documents for the specific airport shall be allowed to participate in the pre-qualification and bidding process for that airport. Also, please note that the Invitation Documents shall also be publicly available on the DOTr website.
- The Two-Stage/Two-Envelope System for soliciting bids under the BOT Law will be applied. In this process, bidders are first pre-qualified based on minimum legal, technical and financial requirements set by the DOTr and CAAP. Only bidders who pre-qualify or are deemed eligible shall be invited to prepare and submit their Technical and Financial Proposals to the Pre-qualification Bids and Awards Committee ("PBAC") for evaluation. Purchasing pre-qualification documents does not constitute a guarantee of eligibility nor an obligation for the DOTr and CAAP to include such party in the shortlist of pre-qualified bidders which remain subject to the eligibility criteria.
- Interested parties must submit all Qualification Documents by the Qualification Documents Submission Date as provided in the Instructions to Prospective Bidders (including Annexes or supplement bulletins thereof), at Unit 164, 16th floor, The Columbia Tower, Ortigas Avenue, Mandaluyong City, Metro Manila, Philippines.
- The DOTr and CAAP reserve the right to reject any or all bids, declare a failure of bidding, and not award the concession for any justifiable and reasonable ground where an award will not redound to the benefit of the DOTr, CAAP or the Philippine Government.

For further information, please refer to:

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Postings from **24 January 2017** at the DOTr, CAAP, and PPP Center's websites and bulletin boards, and advertised at at least two (2) national newspapers on **24 January 2017**.

CHAIRMAN
PRE-QUALIFICATION, BIDS, AND AWARDS COMMITTEE
DEPARTMENT OF TRANSPORTATION