



**FRAMEWORK FOR THE SELECTION OF
CAPTIVE CUSTOMER REPRESENTATIVES-MEMBERS
TO THE THIRD PARTY BIDS AND AWARDS COMMITTEE ("TPBAC")**

The following Framework, approved by the Department of Energy ("DOE") in its letter to Meralco dated 10 June 2019, provides for the procedures and requirements for the selection of captive customer representatives-members to the TPBAC, which shall spearhead and manage the competitive selection process in the procurement by the Manila Electric Company ("Meralco") of its power supply agreements for the captive market.

I. Qualifications of a Captive Customer Representative-Member of the TPBAC

A. Specific Qualifications of Captive Customer Representatives

1. A lawyer who is a representative of the captive customers must:
 - (a) be a member in good standing of the Integrated Bar of the Philippines (IBP);
 - (b) have been engaged in the practice of law for at least ten (10) years; and
 - (c) have proven practice and experience for the past five (5) years in local or international competitive bidding or procurement processes, whether in the private or public sector;
2. A finance officer or accountant with knowledge on electricity pricing who is a representative of the captive customers must:

- (a) if a licensed certified public accountant, be in good standing with the Philippine Institute of Certified Public Accountants;
 - (b) have been engaged in the practice of finance or accountancy for at least fifteen (15) years; and
 - (c) have been engaged in the practice of finance or accountancy in the electric power industry for at least five (5) years.
- 3. A person knowledgeable in technical operations who is a representative of the captive customers must:
 - (a) be a licensed electrical or mechanical engineer;
 - (b) be member in good standing with an accredited professional organization for his/her profession by the Professional Regulatory Commission;
 - (c) have been engaged in the practice of his/her profession for at least fifteen (15) years; and
 - (d) have been engaged in the practice of his/her profession in the electric power industry for at least five (5) years.
- 4. A person with knowledge and/or experience on any local or international competitive bidding procedures who is a representative of the captive customers must:
 - (a) have knowledge, experience, and expertise in local or international competitive bidding or procurement procedures, whether in the private or public sector, for at least fifteen (15) years; and
 - (b) have knowledge, experience, and expertise in local or international competitive bidding or procurement procedures involving an electric power industry participant.

B. Qualifications Common to Captive Customer Representatives

- 1. The representatives of the captive customers:

- (a) must be a resident of a city or municipality within Meralco's franchise area and a captive customer of Meralco;
- (b) must be of good moral character and with no record of a charge for any crime involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts;
- (c) is not, and has not been in the one (1) year immediately preceding the appointment, a director, officer, or employee of Meralco and its subsidiaries, affiliates or related companies, or a director, officer, or employee of Meralco's substantial shareholders and its related companies, or currently a recipient of any retirement benefit from Meralco;
- (d) has not been appointed in Meralco, its subsidiaries, affiliates or related companies as Chairman "Emeritus," "Ex-Officio" Director/Officer or Member of any Advisory Board, or otherwise appointed in a capacity to assist the Board in the performance of its duties and responsibilities within one (1) year immediately preceding his/her appointment;
- (e) is not a relative of a director, officer, or substantial shareholder of Meralco or any of its related companies or of any of its related companies or of any of its substantial shareholders. For this purpose, relatives include spouse, parent, child, brother, sister and the spouse of such child, brother, or sister;
- (f) is not retained, either in his/her personal capacity or through a firm, as a professional adviser, auditor, consultant, agent, or counsel of Meralco, any of its related companies or substantial shareholder, or is otherwise independent of management and free from any business or other relationship within the three (3) years immediately preceding the date of his/her appointment;
- (g) does not engage or has not engaged, whether by himself or with other persons or through a firm of which he/she is a partner, director, or substantial shareholder, in any transaction with Meralco or any of its related companies or substantial shareholders;

- (h) must not have, and must not be connected or affiliated with a person, firm, or entity who has, an Outstanding Dispute or pending or outstanding financial obligations with Meralco in any case, whether civil, criminal, or administrative. Outstanding Dispute refers to any pending judicial/quasi-judicial, administrative, or alternative dispute resolution process with Meralco, its directors and officers, and its subsidiaries, affiliates or related companies, and substantial stockholders;
- (i) must not be a member of the TPBAC of another DU;
- (j) must not be employed, connected or affiliated with, or engaged by or as a third party auctioneer under DOE Department Circular No. DC-2018-02-0003; and
- (k) must not be employed, connected or affiliated with, or engaged by an electric power industry participant (or any person or entity engaged in the generation, transmission, distribution, or supply of electricity) for at least one (1) year immediately preceding the appointment.

Related companies, as used herein, refer to (a) Meralco's holding/parent company, (b) its subsidiaries, and (c) subsidiaries of its holding/parent company.

2. The TPBAC Selection Committee ("Committee") shall recommend to the Board such additional qualifications of the member of the TPBAC as it may deem necessary.

C. Continuing Restrictions on Captive Customer Representatives

The representatives of the captive customers:

- (a) must keep confidential all information accessed in the course of and during period of acting as captive customer representative-member of the TPBAC; and
- (b) must execute an undertaking that he/she shall not be employed, affiliated with or engaged by an electric power industry participant (or any person or entity engaged in the generation or supply of electricity) for at least one (1) year after acting as captive customer representative-member of the TPBAC.

II. Supporting Documents to be Submitted by Prospective Captive Customer Representatives

Any interested captive customer shall submit the following documents to qualify as captive customer representatives of the TPBAC:

A. Specific documentary requirements for captive customer representatives

1. If a lawyer:
 - a. *Certificate of Membership in the Philippine Bar* issued by the Supreme Court of the Philippines;
 - b. *Certificate of Good Standing and No Pending Cases* issued by the Integrated Bar of the Philippines;
 - c. *Document* to prove that: (i) he/she has been engaged in the practice of law for at least ten (10) years; and (ii) he/she has proven practice and experience for the past five (5) years in local or international competitive bidding or procurement processes, whether in the private or public sector. In the absence thereof, *Information Sheet with Contact Details* of a reference person who can attest to the same.
2. If a finance officer or accountant with knowledge on electricity pricing:
 - a. If an accountant, a *Certified True Copy* of his/her *License* issued by the Philippine Regulatory Commission (PRC);
 - b. *Document* to prove that: (i) he/she has been engaged in the practice of finance or accounting for at least fifteen (15) years; and (ii) he/she has proven practice and experience for the past five (5) years in the electric power industry. In the absence thereof, *Information Sheet with Contact Details* of a reference person who can attest to the same.
3. If an electrical or mechanical engineer:
 - a. *Certified True Copy* of his/her electrical or mechanical engineering *License*;
 - b. *Document* to prove that: (i) he/she has been engaged in the practice of his/her profession for at least fifteen (15)

years; and (ii) he/she has proven practice and experience for the past five (5) years in the electric power industry. In the absence thereof, *Information Sheet with Contact Details* of a reference person who can attest to the same.

4. If a person with knowledge and/or experience on any local or international competitive bidding procedures who is a representative of the captive customer:
 - a. *Document* to prove that: (i) he/she has knowledge, experience, and expertise in local and international competitive bidding or procurement procedures, whether in the private or public sector for at least fifteen (15) years; and (ii) he/she has knowledge, experience, and expertise in local or international competitive bidding or procurement procedures involving an electric power industry participant. In the absence thereof, *Information Sheet with Contact Details* of a reference person who can attest to the same.

B. Documentary requirements common to all captive customer representatives:

1. *Barangay Certification* that the captive customer representative is a resident of a city or municipality within Meralco's franchise area;
2. *MERALCO Electricity Bill* showing that the captive customer representative is a customer of Meralco;
3. *NBI Clearance*;
4. *Affidavit* that the captive customer representative:
 - a. is not, and has not been in the one (1) year immediately preceding the appointment, a director, officer, or employee of Meralco and its subsidiaries, affiliates or related companies, or a director, officer, or employee of Meralco's substantial shareholders and its related companies, or currently a recipient of any retirement benefit from Meralco;
 - b. has not been appointed in Meralco, its subsidiaries, affiliates or related companies as Chairman "Emeritus," "Ex-Officio" Director/Officer or Member of any Advisory Board, or otherwise appointed in a capacity to assist the Board in the performance of its duties and responsibilities

within one (1) year immediately preceding his/her appointment;

- c. is not a relative of a director, officer, or substantial shareholder of Meralco or any of its related companies or of any of its related companies or of any of its substantial shareholders. For this purpose, relatives include spouse, parent, child, brother, sister and the spouse of such child, brother, or sister;
- d. is not retained, either in his/her personal capacity or through a firm, as a professional adviser, auditor, consultant, agent, or counsel of Meralco, any of its related companies or substantial shareholder, or is otherwise independent of management and free from any business or other relationship within the three (3) years immediately preceding the date of his/her appointment;
- e. does not engage or has not engaged, whether by himself or with other persons or through a firm of which he/she is a partner, director, or substantial shareholder, in any transaction with Meralco or any of its related companies or substantial shareholders;
- f. must not have, and must not be connected or affiliated with a person, firm, or entity who has, an Outstanding Dispute or pending or outstanding financial obligations with Meralco in any case, whether civil, criminal, or administrative. Outstanding Dispute refers to any pending judicial/quasi-judicial, administrative, or alternative dispute resolution process with Meralco, its directors and officers, and its subsidiaries, affiliates or related companies, and substantial stockholders;
- g. must not be a member of the TPBAC of another Distribution Utility;
- h. must not be employed, connected or affiliated with, or engaged by or as a third party auctioneer under DOE Department Circular No. DC-2018-02-0003; and
- i. must not be employed, connected or affiliated with, or engaged by an electric power industry participant (or any person or entity engaged in the generation, transmission, distribution, or supply of electricity) for at least one (1) year immediately preceding the appointment.

5. *Undertaking* that the captive customer representative:
 - a. shall not be employed, affiliated with, or engaged by an electric power industry participant (or any person or entity engaged in the generation or supply of electricity) for at least one (1) year after acting as captive customer representative-member of the TPBAC; and
 - b. must keep confidential all information accessed in the course of and during the period of acting as captive customer representative-member of the TPBAC.

III. Selection Process for Captive Customer Representatives

1. The Committee shall cause to be posted on Meralco's website an invitation for interested parties to submit proof of qualifications to become captive customer representatives to become part of its TPBAC within seven (7) calendar days from such posting (Submission Deadline). For this purpose, the Committee may do a background check on the integrity, reputation, and character of possible captive customer representatives.
2. After the Submission Deadline, the Committee shall conduct an evaluation to determine those that will qualify based on a "Pass or Fail" Grading System and an interview of prospective captive customer representatives.
3. The Committee shall select prospective captive customer representatives who will be recommended to the Board, for confirmation/approval of appointment.

IV. Tenure of the TPBAC

A. *Tenure*

Members of the TPBAC shall hold office for three (3) years and until his/her successor is duly appointed.

B. *Vacancy*

If any vacancy shall occur among the members of the TPBAC by death, resignation, or removal (other than the expiration of term), such vacancy may be filled in by the Board, upon recommendation of the Committee.

C. Removal

Any member of the TPBAC may be removed from office by a majority of the vote of the Board on any of the following grounds:

- (a) neglect of duty or incompetence;
- (b) serious misconduct;
- (c) material or willful misrepresentation in the application process;
- (d) violation of any provision of this Framework, the relevant policies and procedures of Meralco, and the applicable laws, rules and regulations; and
- (e) other causes as the Committee may recommend to the Board.