

Salient Features of the Proposed Department Circular for the Awarding of New Petroleum Service Contracts

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Department Circular (DC) for the Philippine Conventional Energy Contracting Program (PCECP) for Petroleum

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Legal Basis

1. Presidential Decree No. 87:

“ The Oil Exploration and Development Act of 1972 ”

2. Republic Act (RA) No. 7638:

“ The Department of Energy (DOE) Act of 1992 ”

3. DOE Department Circular No. DC2014-02-0005:

“ Reiterating a Transparent and Competitive System of Awarding Service and Operating Contracts for Petroleum and Coal Prospective Areas, Repealing for this Purpose Department Circular Nos.DC2011-12-0010 and DC2012-02-0003 ”



Creation of the Review and Evaluation Committee (REC)

Chair: Undersecretary-in-charge of the Energy Resource Development Bureau (ERDB)

Vice Chair: Assistant Secretary

Members: Director of the ERDB
Director of the Financial Services (FS)
Director of the Legal Services (LS)
Director of the Information Technology and Management Services (ITMS)



Creation of REC Secretariat / TWG

Head: Assistant Director of the ERDB

TWG Members: (Chiefs of the following DOE Units)

- Petroleum Resources Development Division (PRDD)
- Coal and Nuclear Minerals Division (CNMD)
- Conventional Energy Resource Compliance Division (CERCD)
- Upstream Conventional Energy Legal Services Division (UCELSD)
- Information Services Division (ISD)
- Information and Data Management Division (IDMD)
- DOE Field Offices (LFO, VFO, MFO) shall assist the TWG in the performance of its functions in their respective area/s of jurisdiction

Secretariat Members:

- Supervising Science Research Specialist and Staff of PRDD's Research and Evaluation Section



Who Can Apply?

1. All Applicants, either local or foreign, should be ***technically, legally*** and ***financially*** qualified.
2. Applicants may be an individual company or group of companies forming a joint venture / consortium;



What Application to File?

1. **Modes of Application** – Interested parties may apply for areas that are:
 - a. Pre-Determined by the DOE (with Data Packages) and/or;
 - b. Nominated by applicants for the REC's approval
2. One Application – One Contract Area Policy;



Application Procedures – Pre-Determined Areas (PDAs)

Identification of Pre-Determined DOE Areas

- Pre-determined areas shall be approved by the REC;
- Additional areas may be proposed by the REC as deemed appropriate;
- **Data packages** shall be made available for each DOE area



Publication of DOE Areas

- Published by DOE in two (2) newspapers and at the DOE website;
- Initiates a **180-calendar-day** application period;
- Promotional activities/Road Shows outside of the Philippines may be done



Application Period

- Submit Application Letter with complete legal, technical and financial documents;
- Payment of **Php 200,000** application fee;
- **Deadline of Application** (180th day after publication, 1100H)
- **Opening of Application** (180th day after publication, 1300H) – applicants shall be notified if qualified or not based on **completeness** of submitted documents



Application Procedures – Nominated Areas

Identification of Applicant's Own Area of Interest

- An applicant shall first ensure compliance to the [Petroleum Area Specifications](#);



Area Nomination

- Requires a Nomination Letter including:
 - ✓ **Technical Description and Maps** of nominated area/s; and
 - ✓ **Certification of Non-Overlap** from the DOE-ITMS;



DOE's Approval/Rejection of the Applicant's Area

- DOE shall notify within fifteen (15) working days upon receipt of nomination;
- Upon approval, nominating party shall be given (15) working days to:
 - ✓ Submit Application Letter with complete legal, technical, financial documents;
 - ✓ Payment of **Php 200,000** application fee;
 - ✓ **Publish** the nominated area, existence of application and invitation for challenge



Application Area Specifications for Nominated Areas

The DOE Information and Technology Management Services (ITMS) shall verify the following:

1. Area boundaries should adhere to the prescribed ***Petroleum Blocking and Monitoring System***;
2. Nominated areas ***must not coincide / overlap*** with existing energy contracts;
3. Coverage/Extent:
 - **Onshore**: 50,000 – 750,000 hectares
 - **Offshore**: 80,000 – 1,500,000 hectares

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Publication of the existence of the application for challenge

- The nominating applicant shall cause ***the publication of the existence of application on the nominated area/s*** with an invitation for challenge in two (2) newspapers of general circulation which shall include the following:
 1. *Timeline for the Contracting Program*
 2. *Location Map and Technical Description of the Area under challenge*
 3. *Notice/Reminder that Applications shall be prepared and submitted in accordance with the PCECP Guidelines*
 4. *Other information that the REC deems appropriate*
- Initiates a **60-calendar-day** challenge period per **area under challenge**



Challenge Period

- Submit an Application Letter including complete legal, technical and financial documents;
- Payment of non-refundable application fee of **Php 1,000,000** upon submission documents;
- **Deadline of Application** (60th day after publication, 1100H)
- **Opening of Application** (60th day after publication, 1300H) – applicants shall be notified if qualified or not based on **completeness** of submitted documents



Evaluation and Awarding Process

Evaluation of Applications

- **15-working-day** evaluation period pursuant to the DOE Citizen's Charter;
- The REC shall adhere to an established [Evaluation Criteria](#)



Endorsement to the Secretary

- Highest-ranked applicant who initially meets the REC Criteria shall be selected and endorsed by the REC (5 working days) to the Secretary;
- All applicants shall be notified of the results of the REC's evaluation



Endorsement of Secretary to the President/Awarding of PSC

- Endorsement of PSC by DOE Secretary to the President for signature (5 working days);
- Payment of processing fee by the winning applicant (Php0.48/hectare);
- Finalization and execution of PSC



PCECP Evaluation Criteria

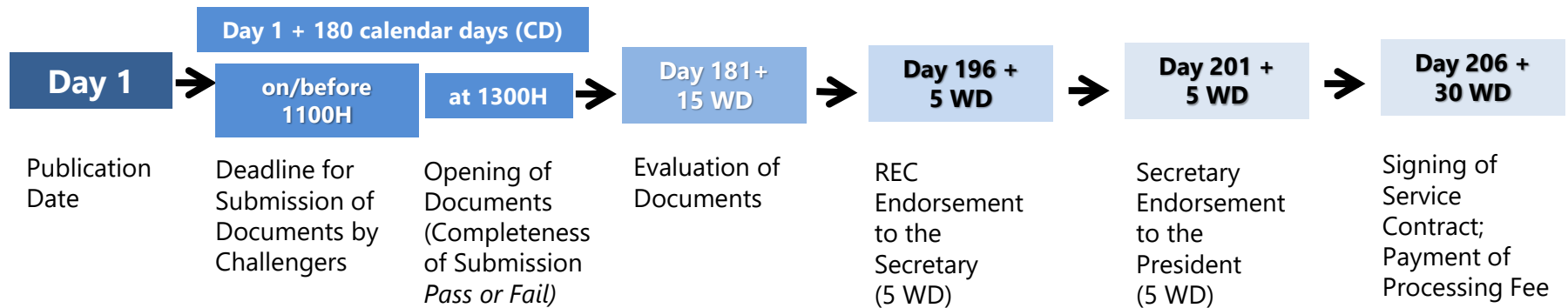
EVALUATION CRITERIA	KEY ELEMENTS	WEIGHT (%)
WORK PROGRAM	Resource potential and exploration approach	40%
	Work commitment	
	Development concepts	
FINANCIAL QUALIFICATIONS	Evidence of available funds	40%
	Finance track record	
TECHNICAL QUALIFICATIONS	Experience and track record	20%
LEGAL QUALIFICATIONS	Completeness and validity of required legal documents	PASS or FAIL

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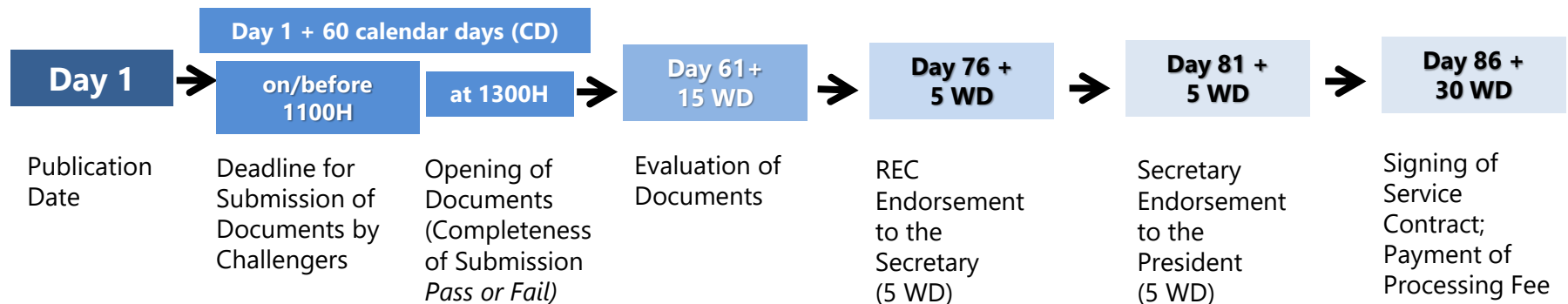


Timeline (Publication of Application to Awarding)

Pre-Determined Areas



Nominated Areas



THANK YOU

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