

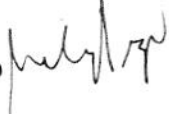


Republic of the Philippines
Tanggapan ng Sangguniang Panlungsod
 2/F City Hall Bldg., J. Miranda Ave., Con. Peq., Naga City
 ☎ 472-79-19 • 473-20-51



ORDINANCE NO. 2019-034
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PRESCRIBING THE TERMS OF REFERENCE (TOR) THAT WILL GOVERN THE IMPLEMENTATION OF THE WASTE-TO-ENERGY (WtE) PROJECT OF THE CITY GOVERNMENT OF NAGA, AND FOR OTHER PURPOSES:-

Author: Honorable City Councilor Mila S.D. Raquid Arroyo 

EXPLANATORY NOTE


In pursuit of the City Government of Naga's commitment to protect the environment and conserve it for the generations to come, and in compliance with pertinent national laws particularly Republic Act No. 9003, the City Government of Naga, in April 2017, approved the implementation of a P260-million sanitary landfill-cum-waste-to-energy facility in San Isidro, Naga City, and in November 2017, it was granted an Environmental Compliance Certificate (ECC) by the Department of Environment and Natural Resources (DENR) for the said project.

The aforementioned facility will occupy 4.85 of the 10-hectare property of the city government in the area, and is projected to handle a maximum of 508,064 cubic meters of municipal solid waste for at least 10 years from the time it starts operation by 2019.

In order to ensure that the solid waste disposal and management program of the City Government will indeed be continuing and sustainable, the city government shall pursue a Waste-to-Energy (WtE) project as it is the only means by which the City may be able to effectively and sustainably dispose and manage its solid waste.

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Sponsor: Honorable City Councilor Mila S.D. Raquid Arroyo 

BE IT ORDAINED, by the Sangguniang Panlungsod of Naga City in session assembled that

SECTION 1. Short Title - This Ordinance shall be known as the "Waste-to-Energy (WtE) Ordinance of Naga City."

SECTION 2. Declaration of Policy and Purpose – (a) Consistent with its 10-year Comprehensive Development Plan (CDP) and the 10-year Solid Waste Management Plan (SWMP), as well as existing national laws, the City Government of Naga shall promote sustainable solid waste management aimed at protecting public health and the environment through solid waste avoidance, volume reduction and waste minimization measures before collection, treatment and disposal in appropriate and environmentally-sound solid waste management facilities in accordance with ecologically sustainable development practices. For the purpose, one key strategy that shall be pursued is the implementation of WtE solutions that will complement and make use of its SLF.

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(b) In pursuit of the foregoing, the City Government shall invite investors interested in implementing WtE solutions under a joint venture arrangement.

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SECTION 3. Definition of Terms - As used in this Ordinance, the following terms shall mean:

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- (a) **CGN** - refers to the City Government of Naga in the province of Camarines Sur;
- (b) **Waste-to-Energy (WtE) Facility** – refers to a component of the Sanitary Landfill located in Barangay San Isidro that seeks to convert municipal solid waste into energy using thermal incineration technology approved by appropriate government entities, preferably the dual combustion system;
- (c) **Unsolicited Proposal** - refers to WtE project proposals submitted to the CGN within ninety (90) days after the publication of this Ordinance without a formal solicitation issued by the City;
- (d) **Competitive Challenge or Swiss Challenge** - refers to a selection process wherein third parties or challengers shall be invited to submit better WtE proposals than the Original Proponent. Accordingly, the proponent who submitted the chosen unsolicited proposal, is accorded the right to match any superior offers given by the chosen challenger;
- (e) **Competitive Negotiation** – refers to the process where the CGN negotiates, based on this Ordinance, with eligible and qualified proponents of WtE unsolicited proposals to arrive at the best combination of quality and price;
- (f) **Original Proponent (OP)** – refers to the proponent of the unsolicited WtE proposal chosen by the CGN through Competitive Negotiation;
- (g) **Challenger WtE Proposal/s** – refers to the proposal/s submitted within sixty (60) days after the publication of the CGN's Notice to Challenge;
- (h) **Chosen Challenger** – refers to the proponent who submitted the WtE proposal which surpassed the proposal of the Original Proponent;
- (i) **Joint Venture Partner (JVP)** – refers to the proponent whose WtE proposal emerged as the winner after the final stage of the Swiss Challenge process;
- (j) **Cost Sharing** - refers to the City's portion of capital expenses associated with the establishment of an infrastructure development facility such as the provision of space, access, infrastructure, right-of-way, and support financing of the project if necessary;
- (k) **Credit Enhancement** - refers to direct and indirect support that CGN may extend to the JVP which may include but are not limited to CGN's assistance in improving or maintaining the financial standing of the JVP for purposes of financing arrangements for the WtE project;
- (l) **Feasibility or Project Study (FS)** - A study accompanying a WtE proposal showing the basis and assumptions of such proposal;
- (m) **Draft Joint Venture Contract (DJVC)** - the draft Joint Venture Contract, accompanying the WtE Proposal, containing all the proponent's proposed terms and conditions of the joint venture agreement between the CGN and the JVP;
- (n) **Joint Venture Contract (JVC)** - the contract between the GCN and the JVP containing all the terms and conditions of the relationship between them in the implementation of the WtE Project and the operations of the WtE Facility signed

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by the City Mayor with prior authority from, and duly ratified by, the Sangguniang Panlungsod;

- (o) **Municipal Solid Waste (MSW)** - Commonly known as trash, garbage, refuse or rubbish, or all and any waste type consisting of everyday items that are discarded by the public, and has the following characteristics:
- (i) Moisture content of around 20.4 % at 4 hours air-dry for biodegradable waste only
 - (ii) Volume of at least 75 tons per day
 - (iii) Deliveries of MSW will take place 8-16 hours per day
 - (iv) The MSW shall include around 1.6 tons of hospital waste; and 1 ton of electronic and other hazardous wastes.
- (p) **Sanitary Land Fill (SLF)** - refers to CGN's sanitary land fill facility located in Barangay San Isidro, Naga City.

Section 4. Authorities - Section 35 of the 1991 LGC and Article 62 of the Implementing Rules and Regulations of the 1991 LGC shall be the governing law, the Law on Partnerships of the Civil Code of the Philippines and other pertinent and appropriate national issuances shall apply together with this Ordinance to guide the development and implementation of the WtE Project;

SECTION 5. The Naga City WtE Project - The Naga City Waste-to-Energy (WtE) Project will be co-located within the San Isidro SLF occupying 4.85 has. of the 10-hectare property of the CGN and is projected to handle around 508,064 cubic meters of municipal solid waste for the next 10 years.

SECTION 6. General Requirements - The following considerations shall guide the CGN in the selection of the best WtE proposal:

- 6.1 The WtE project shall be carried out at the least possible cost to the city government under a joint-venture arrangement;
- 6.2 The WtE project shall make use of a two-hectare lot within the CGN's 10-hectare property hosting the SLF;
- 6.3 The preferred technology is thermal incineration, preferably the dual combustion system, approved by the DOE;
- 6.4 The JVP has put up a forfeitable performance bond equivalent to Ten Million Pesos (P10,000,000.00);
- 6.5 The WtE facility shall be able to process a minimum of 75 tons of municipal solid waste per day.
- 6.6 The WtE facility shall generate the highest energy conversion efficiency among the various proponents.
- 6.7 The proponent shall comply with the pre-operational conditions established by the NSWMC under Section 5 of Resolution No. 669, series of 2016.
- 6.8 The proponent must have been operating a WtE facility anywhere in the world for at least one year.
- 6.8 The WtE solution must include an efficient waste segregation technology for recyclable or reusable material recovery.
- 6.9. The operation of the WtE facility shall not result in loss of livelihood by the **waste segregator/MRF volunteers of the CGN;**

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