CONTRACT NO. LOG MSSP 2025-01-009-MDC

SUPPLY OF LABOR AND MATERIALS FOR THE ESTABLISHMENT,
MAINTENANCE AND PROTECTION FOR THE 50-HECTARES
ENRICHMENT PLANTING PROJECT OF MAKILING-BANAHAW
WATERSHED AREA TEAM
PR NO. HO-MWA25-001 / PB241210-RG00546

KNOW ALL MEN BY THESE PRESENTS:

This Contract made and entered into in Quezon City, Philippines, by and between:

The NATIONAL POWER CORPORATION, a government-owned and controlled corporation duly organized and existing under and by virtue of Republic Act No. 6395, as amended, with its principal office address at Gabriel Y. Itchon Building, Senator Miriam P. Defensor-Santiago Avenue (formerly BIR Road) corner Quezon Avenue, Diliman, Quezon City, Philippines, represented herein by its Senior Vice President and Chief Operating Officer, ATTY. MELCHOR P. RIDULME, who is duly authorized to represent it in this transaction, hereinafter referred to as NPC;

- and -

CAPALONGA MANGROVE DEVELOPMENT ASSOCIATION, INC., a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with office address at Barangay Camagsaan, Capalonga, Camarines Norte, Philippines, herein represented by its President, MR. RAMIL R. RAVIZ, who is duly authorized to represent it in this transaction, hereinafter referred to as CONTRACTOR.

WITNESSETH: That -

WHEREAS, on 20 November 2024, NPC posted the Invitation to Bid for the Public Bidding of the Supply of Labor and Materials for the Establishment, Maintenance and Protection for the 50-Hectares Enrichment Planting Project of Makiling-Banahaw Watershed Area Team;

WHEREAS, only one (1) prospective bidder secured the Bidding Documents and participated in the bidding conducted on 10 December 2024;

WHEREAS, CONTRACTOR's bid offer was considered as the single calculated and responsive bid;

WHEREAS, NPC accepted the said bid of the CONTRACTOR;

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NOW, THEREFORE, in view of the foregoing premises and for and in consideration of the mutual covenants and stipulations hereinafter provided, the parties hereto have agreed as follows:

ARTICLE I DOCUMENTS COMPRISING THE CONTRACT

The following documents are hereby incorporated and made part of this Contract as though fully written out and set forth herein insofar as they are not inconsistent with the terms hereof:

- 1. Bidding Documents for the Supply of Labor and Materials for the Establishment, Maintenance and Protection for the 50-Hectares Enrichment Planting Project of Makiling-Banahaw Watershed Area Team under PR No. HO-MWA25-001 / PB241210-RG00546;
- 2. Notice of Award dated 30 January 2025;
- 3. Post Qualification Report dated 16 January 2025;
- 4. Bid Opening/Evaluation Report dated 11 December 2024;
- 5. CONTRACTOR's bid proposal dated 07 December 2024;
- 6. Notice to Proceed; and
- 7. The Performance Security to be filed by CONTRACTOR in accordance with this Contract.

The documents mentioned above shall collectively be referred to as "Contract Documents".

In the event that there is any discrepancy/inconsistency between the provisions of the Contract and the Contract Documents mentioned above, the latter shall govern. Should there be any inconsistency/discrepancy, among the Contract Documents, the document with the latest date shall prevail.

ARTICLE II SCOPE OF WORK

The works and services to be performed by the Contractor for this undertaking shall essentially consist of, but not limited to the following:

- 1. Perimeter surveying and mapping
- 2. Monumenting/marking of corners
- 3. Blocking of the project area
- 4. Production and/or procurement of seedlings
- 5. Plantation establishment and operation
- 6. Plantation Maintenance
 - 3.1 Ring weeding/cultivation and fertilizer application
 - 6.2 Replanting and fertilizer application
- 7. Plantation Protection
 - 7.1 Fireline Construction
 - 7.2 Fireline Maintenance
 - 7.3 Pest and disease detection and control
 - 7.4 Foot patrol works

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PERIMETER SURVEYING AND MAPPING OF AREAS TO BE PLANTED

- 1. Boundary shall be delineated using GPS instrument.
- 2. Map scale of the perimeter survey shall be as follows:
 - 2.1 1: 3,000 for areas 10 hectares and below
 - 2.2 1 : 5,000 for areas more than 10 hectares up to 30 hectares
 - 2.3 1 : 7,500 for areas more than 30 hectares up to 50 hectares
 - 2.4 1: 10,000 for areas more than 50 hectares
- 3. Map should be drawn/plotted on an A3-size paper and submitted with shapefile to reflect the following.
 - 3.2 Contour
 - 3.3 Blocking
 - 3.4 Non-Plantable area
 - 3.5 Planting Layout (baseline, strips)
 - 3.6 Offset area (if any)
- Technical description and remarks for every point shall be clearly indicated in the map duly signed and sealed by a licensed forester/geodetic engineer.
- 5. The total available area (in hectare) for enrichment planting is the target based on the approved contract/UC-EC Plan. Non-plantable areas shall not be included in the target area that will be planted such as rocky portions, vegetated areas, rivers, road networks, steep ridges/ravines, waterlogged areas, among others shall not be included in the target area that will be planted. In such cases, the contractor shall provide for the additional areas adjacent to the prescribed project site in order to complete the required area for planting.

MONUMENTING/MARKING OF CORNERS

For contiguous/non-contiguous area:

PVC pipe (orange color) with 10cm (4-inches) diameter and height of 60cm (24-inches) filled with concrete and 30 cm (12-inches) exposed shall be installed on all corners of the project site's perimeter. Corner pipes shall be marked/engraved with northing and easting values (in km).

BLOCKING OF THE PROJECT SITE

- 1. The whole project site shall be divided into blocks.
 - 1.1 For contiguous area:
 - 1.1.1 Block into 10-hectare areas with dimensions of 200 X 500 meters with the short and long ends following the east-west and north-south directions, respectively.
 - 1.2 For non-contiguous area:
 - 1.2.1 Block into 5-hectare areas with dimensions of 200 X = 250 meters.
 - 1.2.2 Below 5 hectares, total gross area shall be computed and be treated as a block.

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- 1.3 Each block shall be assigned a unique block identification to establish its identity.
- 2. Corner points shall be on GPS reading/survey.
- 3. Blocking shall be reflected/indicated on the map.
- 4. PVC pipe orange-colored posts with dimension of 2-inch x 100cm filled with concrete and with 50 cm exposed shall be installed at the corners of the blocks in such a way that one side faces a block. The corresponding code for that block is marked on that side of the PVC post.
- 5. Blocking activity using PVC pipe posts in its prescribed dimension shall be done prior to planting. Blocking plan/design shall be reflected on the map to be submitted by the Contractor. This shall be the basis of evaluation during the inspection of the blocking posts to be established later on the ground.
- 6. Detailed Procedure:
 - 6.1 In order to minimize the number of blocks to be established, blocking shall be done as:
 - 6.1.1 The X-axis shall coincide (tangent) with the southernmost point/corner of the project area while the Y-axis shall be tangent to the westernmost point/corner of the project area.
 - 6.1.2 The point of origin (O) shall be determined by the intersection of the X and Y axes, which correspond to the east-west and north-south directions, respectively.
 - 6.1.3 The width (X-axis) of each block will be 200 meters while the length (Y-axis) will be 500 meters.
 - 6.1.4 Assignment of block numbers shall be done following the left-right (west-east) then bottom-up (south-north) direction.
 - 6.1.5 Whenever appropriate, blocks shall be established to cover the other areas, which spans across the block.

PROCUREMENT AND/OR PRODUCTION OF SEEDLINGS

- 1. Seedlings shall be potted, healthy, vigorous and free from pests and diseases.
- Seedlings shall have a minimum height of 0.40 meters and a maximum height of 0.80 meters from the root collar (same size category shall be planted together in the field to avoid intra-specific competition)
- 3. Procured/produced seedlings from other locations shall be delivered at the project site at least one (1) month before out planting to acclimatize with the local site condition.
- 4. The species and quantity of seedlings required are included in Project Profile.

PLANTATION ESTABLISHMENT AND OPERATION

- 1. Site preparation
 - 1.1 Site preparation prior to out-planting shall be a combination of either strip brushing, ring weeding/spot clearing or any other

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method/strategy depending on species suitability.

If using strip brushing method, planting strips measuring at least 1 meter wide along the contour shall be cultivated, followed by removal/exposure of roots and rhizomes, leaving approximately 2-meter-wide uncultivated strips between the cultivated strips.

Number of planting strips depends on the configuration of the

plantation site.

If using ring weeding, approximately 50-cm radius around the seedling shall be cultivated, uproot all roots and rhizomes and loosen the soil.

Staking

2.1 Staking at prescribed spacing should be done.

2.2 Stakes should be at least 1 meter in height so it can be easily located during hole digging and planting.

2.3 Locally available materials can be used as stakes, provided the gathering and collection shall be approved and supervised by a representative of concerned WAT.

Hole digging

3.1 For all plastic bag size, a clearance of 2 inches around seedlings should be considered in determining the hole size to fit the seedlings into the hole.

3.2 The hole depth depends on the size of the bag. It should have a clearance of 2 inches around the pot and 3 inches from the base to determine the hole depth.

Seedling transport

4.1 Seedlings should be carefully transported to the planting site from the nursery.

4.2 To avoid damage/injury during transport, use containers such as sacks, baskets (kaing), wooden boxes etc.

4.3 Prior to seedling transport, seedlings may not be watered for more firm attachment of roots to the soil.

Planting

5.1 Planting should start at the onset of the rainy season (usually after one or two heavy rains).

5.2 For potted seedlings, be sure to remove the plastic container (polyethylene bags) and avoid breaking the earthball.

5.3 Put the removed plastic bags on top of the stakes to serve as location marker and evidence that the plastic bag was removed. (However, after inspection, the Contractor shall collect the plastic bags for proper disposal).

5.4 When putting the seedling into the planting hole, the upper part of the earthball must be slightly lower than the edge of the hole. Soil is filled into the spaces (putting the topsoil first), then tamped firmly all around to prevent from inclining.

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PLANTATION MAINTENANCE

- 1. Ring weeding / spot cultivation, mulching and fertilizer application
 - 1.1 Ring weeding and spot cultivation shall be approximately 50cm radius around the seedling, uproot all roots and rhizomes and loosen the soil.
 - 1.2 Mulch is approximately 50-cm radius around the seedling; mulch thickness about 10-cm; remove mulch prior to ring weeding then replace after each ring weeding.
 - 1.3 Fertilizer application frequency is as follows:

Year	Schedule
1	2 passes (1 month & 3 months after planting)
2	2 passes (quarter 1 & 3)
3	2 passes (quarter 1 & 3)

- 2. Replanting and fertilizer application
 - 2.1 Replanting is required if the survival rate is less than 85%.
 - 2.2 Inventory should be done one month after out planting to determine the survival rate, and then replanting should be done.
 - 2.3 Any additional replanting should be done during the next planting season.
 - 2.4 To determine the survival rate, a 10% random sampling using the strip method will be done during the following dates:
 - 2.4.1 About one month after planting; and
 - 2.4.2 At the end of the rainy season during year 1; and
 - 2.4.3 Every maintenance that passes for the 2nd and 3rd year.
 - 2.5 To boost the seedling growth, inorganic fertilizer shall be applied at the rate of 10 to 20 gm per seedling.
 - 2.6 Fertilizer is applied by mixing it thoroughly with the soil used to fill up the holes or side dressed in drills at about 10 to 15 cm distance around the base of the seedling.
 - 2.7 In steep areas, fertilizer should be side dressed on the upper and left or right sides of the seedling.
 - 2.8 Most grassland soils are deficient in nitrogen and phosphorus; hence, nitrogen and phosphorus fertilizers or complete fertilizers should be applied.
 - 2.9 Organic fertilizers such as compost, animal manure, or green manure can also be used.

PLANTATION PROTECTION

- 1. Pest and disease detection and control
 - 1.1 Regularly conducts seedling inspection for possible signs/symptoms or outbreaks of diseases.
 - 1.2 Inform the Watershed Area Team immediately of any possible signs/symptoms or outbreak of diseases.
 - 1.3 Seedlings with evident attack of pests and presence of disease should be removed and replaced with healthy and

vigorous seedlings.

2. Patrol works

- 2.1 Foot patrolling should be conducted regularly to prevent and control any form of destruction to the plantation area.
- 2.2 Prepare and submit monthly patrol report which shall form part of the attachments for every progress billing.
- 2.3 In case of force majeure events (i.e. typhoon, fire, etc.), a damage report (complete with a map showing the extent of the damaged area, photo documentation and proposed rehabilitation plan) should be submitted to the Watershed Area Team within seven (7) days after its occurrence.

SOURCE OF MANPOWER/WORKFORCE

The CONTRACTOR's workforce in the conduct of these activities must comprise at least ninety (90%) percent local community residents.

The CONTRACTOR shall deploy a Project Manager (PM) or Site Supervisor, which is a graduate of Bachelor of Science in Forestry. Said PM or Site Supervisor shall supervise all aspects of the projects with close coordination with the project site WAT. PM should be present in the area at least 3 full working days per week to supervise/manage daily activities, payment of wages of laborers, and supply deliveries, among others.

PHOTO DOCUMENTATION

- 1. At least two (2) pictures / photographs with date indicated in one corner shall be taken before, during and after each activity.
- The picture/photograph must be geotagged and shall be taken on the same spot to clearly distinguish the condition of area before the conduct of the activity, during the activity and after the activity.
- 3. Captions should be included for each picture stating the activity undertaken and its location

WORK PLAN/SCHEDULE

ACTIVITY SCHEDULE

70.11.1			1 YEAR 2 Q Q Q Q Q 3 4 1 2 3			•						
	YE	AR 1			YE	\R 2			YE	AR 3		
FIRST PERIOD	Q	Q	Q	Q	Q	Q	Q	Q	Q	Q	Q	Q
	1	2	3	4	1	2	3	4	1	2	3	4
1. Perimeter Surveying												
2. Mapping of the enrichment site	300 M											
3. Monumenting of corners	\$\$\\\			Ì								
4. Blocking of the area												

	YE	AR 1			YEA	R 2			YE/	YEAR 3			
SECOND PERIOD	Q	Q	Q	Q	Q Q Q Q				Q	Q	Q	Q	
	1	2_	3	4	1	1 2 3 4				2	3	4	
 Production and/or procurement of seedlings 										1		<u> </u>	

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	YE	AR ′	1		YE	AR 2			YE.	AR :	3	:
THIRD PERIOD	Q	Q	Ø	Q	Q	Q	Q	Q	Q	Q	Q	Q
	1	2	3	4	1	2	3	4	1	2	3	4
1. Trail construction												:
2. Site preparation												:
3. Staking												
4. Hole digging												
5. Seedling transport												
6. Planting			See See									

· · · · · · · · · · · · · · · · · · ·	YE	AR 1							YE	AR 3	}	
FOURTH PERIOD	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	N D	Q 3	Q 4
 1. 1st – 3rd cycle ring weeding/spot cultivation 												
2. Trail maintenance												
3. Replanting (if less than 85% survived)					••••							:
4. 1st and 2nd passes fertilizer application to planted and replanted seedlings												
5. Pest and disease detection and control				Jackson of the second			·					1 .
6. Patrol works												

	YE	AR 1	i		YEA	AR 2	₹2			AR 3	3	
FIFTH PERIOD	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4
1. 1st cycle ring weeding cultivation												
2. Trail maintenance												
3. Fertilizer application			!	Ī <u>-</u>								
4. Pest and disease detection and control				T								
5. Patrol works						A. 60						

	YE	AR 1	l		YE	4R 2			YE	AR 3	3	
SIXTH PERIOD	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	S D	Q 4	Q 1	Q 2	Qα	Q 4
1. 2 nd cycle ring weeding/spot cultivation												
2. Trail maintenance					:							
3. Replanting of seedlings												
4. Fertilizer application												
5. Pest and disease detection and control												
6. Patrol works												

	YE	AR 1	1		YE	4R 2			YE.	AR:	3	
SEVENTH PERIOD	Q	Q	Q	Q	Q	Q	Q	Q	Q	Q	Q	Q
	1	2	3	4	1	2	3	4	1	2	3	4
1. 3 rd cycle ring weeding/spot cultivation												
2. Trail maintenance												

	YE	AR 1	-		YE	AR 2			YEAR 3				
EIGHT PERIOD	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	
1. 1st cycle ring weeding/spot cultivation									3.00 (A) 3.00 (A)				
2. Fertilizer application													
3. Trail maintenance		<u> </u>											
4. Pest and diseases detection and control													
5 Patrol works		<u> </u>											

- · · · · · · · · · · · · · · · · · · ·	YE	AR 1	l		YE	AR 2	- !		YE	AR:	3	
NINTH PERIOD	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4
1. 2 nd cycle ring weeding/spot cultivation			7									
2. Trail maintenance												
3. Replanting of seedlings						Ī						
4. Fertilizer application										ļ		
5. Pest and disease detection and control				1								

Contract between NPC and Capalonga Mangrove Development Association, Inc. Supply of Labor and Materials for the Establishment, Maintenance and Protection for the 50-Hectares Enrichment Planting Project of Makiling-Banahaw Watershed Area Team Contract No. LOG MSSP 2025-01-009-MDC

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6. Patrol works									<u> </u>			
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	YE	AR 1	1		YE/	4R 2			YE	AR 3	3	
TENTH PERIOD	Q	Q	Q	Q	Q	Q	Q	Q	Q	Q	Q	Q
	1	2	3	4	1	2	3	4	1	2	3	4
1. 3 rd cycle ring weeding/spot cultivation												
2. Pest and disease detection and control					!	;						35
3. Patrol works												

PROJECT START UP

Upon issuance by NPC and acknowledgment of CONTRACTOR of the Notice to Proceed, the latter shall be allowed a maximum of seven (7) calendar days to mobilize its group/workforce.

The day one of the 1st billing period shall be on the 8th day after acknowledgment of Notice to Proceed. However, said day one of the 1st billing period may be adjusted earlier depending on the readiness of the Contractor to start the project, in any case, the Contractor shall formally notify the enduser of exact date of their day one.

Before officially commencing work, the Contractor shall seek first a clearance from the Chairman of the barangay where the project is located.

ACCOMPLISHMENT REPORT

The Contractor shall submit an accomplishment report based on the activities completed for every progress-billing period.

The report shall contain information on how many laborers were utilized and the detailed accomplishment per day per activity. It may also include significant experiences, problems encountered and recommendations for the improvement of the project implementation.

The report shall be attached to the notice of billing and request for inspection for every completed activity per progress-billing period.

MODE OF PAYMENT

The Contractor shall be paid on a progressive billing scheme.

Payments to the Contractor shall be made only in response to the Request for Inspection and properly filled-up Notice of Progress Billing.

Payment schedule based on progress billing period shall be strictly followed.

The Mode of Payments shall be used as guide in determining the actual amount to be paid to the Contractor.

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PROCESSING OF PAYMENT

- 1. Inspection Team shall be composed of the following:
 - 1.1 WAT's Senior Watershed Management Specialist
 - 1.2 Watershed Management Department representative
 - 1.3 A representative from the LGU shall serve as witness during the inspection of completed activities.
- 2. The contractor shall forward the following documents to the concerned Watershed Area Team to warrant inspection of completed activity to wit:
 - 2.1 Request for inspection
 - 2.2 Notice of billing
 - 2.3 Narrative Accomplishment Report (Progress Billing Accomplishment Report)
 - 2.4 Certification that the laborers hired were already paid for the services rendered and noted by the Barangay Chairman.
 - 2.5 Inspection report of particular billing period with pictures/photographs of before, during, and after the activity.
- 3. Upon receipt of the request for inspection and notice of billing, the Watershed Area Team will coordinate with Watershed Management Department Head Office (WMD-HO) personnel and convene the Inspection Team to cause an inspection within ten (10) working days.
- 4. The contractor shall prepare two (2) sets of documents of the completed activities as stated in the Scope of Works. (One set for payment purposes and the other set for file of the Area Team).
- 5. The Contractor shall be on site during the conduct of inspection and validation of completed activities.
- The sampling method and sampling intensity to be employed during inspection shall be determined by the concerned WAT. This must be subsequently explained to the Contractor and Inspection Team prior to the inspection.
- 7. Inspection Report may either recommend payment for the bill in such amount as may be warranted either by actual accomplishments; or for its rejection, as the case may be.
- 8. If recommendation is for payment, the billing shall be processed, and payment remitted to the Contractor within the government mandated schedule.
- 9. If for rejection, the concerned Watershed Area Team shall notify the Contractor in writing within three (3) working days from receipt of the

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Inspection Report informing the latter of such fact and explaining the reasons thereof.

- 10. NPC shall have the right to suspend payments on the contract or impose such conditions as may be appropriate if the results of the inspection indicate that accomplishments are below targets as specified in the contract.
- 11. Suspension of payments, if imposed, shall be lifted until such time the Contractor overcomes any shortfall in performance. However, climatic factors shall be considered to permit the performance of such work. (e.g. planting/replanting if still rainy season).

SUBCONTRACTING/ASSIGNMENT

Subcontracting or assigning, wholly or in part, the services/project contracted stated in Scope of Work, is **prohibited**.

Any subcontracting agreement or assignment entered into in violation of this condition shall be considered **null and void**. NPC shall not be answerable for any or all claims brought against the subcontractor, by its workers or by third parties.

This prohibition does not cover the traditional practice of availing labor services, known as "pakyaw system" widely prevalent in the countryside.

PENALTY FOR DELAY

- 1. The contract consists of ten (10)-progress period, which shall be completed as scheduled. One quarter is equivalent to ninety (90) calendar days or 3 months. All activities included in each progress period shall be accomplished on or before its expiration.
- 2. The Contractor shall be liable for **penalty** and agrees to pay the Corporation liquidated damages, in an amount equivalent to 1/10 of 1% of the total value of the **unperformed** services/uncompleted activities per progress period, for each calendar day of delay until said activities included in that particular progress period is 100% completed. For this purpose, it is clear that penalty is on a per progress period basis and **not** only after the thirty-six-month duration has elapsed.
- 3. Force majeure shall refer to those events which could not be foreseen, or which though foreseen, were inevitable to make it impossible for the Contractor to carry out, in whole or in part, the obligations under the contract.
- 4. Delays caused by **force majeure** are not covered by the penalty. The following are cases of **force majeure**:
 - a. Those due to human causes such as civil wars, armed invasion, revolution, rebellion, insurgency, riots, strikes, armed blockades, civil disturbance/disobedience and other analogous causes; and

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b. Those due to natural causes such as earthquakes, typhoons, storms, floods, prolonged drought, epidemics, and other similar phenomena.

In case of **force majeure**, the Contractor shall notify NPC and the Watershed Area Team in writing, within seven (7) days after its occurrence, describing the same and its effects upon the performance of the contract.

6. NPC shall, within **five (5) days** upon receipt of the notice, meet and decide on the most appropriate course of action to take under the circumstances, which may include **suspension of work** or **termination of the contract**.

7. In case of suspension of work, the contract may be extended for a period equivalent to that for which the contractor was prevented from performing the work if climatic factors still warrant the performance of such work.

8. In the event of termination, the contractor, upon receipt of the notice, shall take immediate steps to end the work in a prompt and orderly manner minimizing expenditures as far as practicable.

9. NPC shall not be liable to the Contractor except for work or services performed before the date of termination and for actual costs incurred in connection with the liquidation of work.

10. The Contractor shall turn over to NPC all records and documentation made as of the date of termination.

OTHER LIABILITIES

- The Contractor shall be held liable and fully responsible to the safety and welfare of the "pakyaw" laborers contracted under this contract.
- 2. The Contractor is obliged to exercise due care so as not to endanger life and property in the vicinity of the Works where he operates in connection with this Contract. He shall be liable for all damages incurred in any manner by acts of negligence of his own, or his agents, employees, or workmen. In the event of minor accidents and/or more serious scenario such as fatal accidents, the Corporation shall not be held liable and is free from any financial obligations.
- 3. The Contractor shall be responsible for the strict compliance with the provision of the Philippine Laws affecting labor and operation of Work under the contract, including child labor-related enactments, and other relevant rules. He shall also be responsible for the payment of all indemnities arising out of any labor accident which may occur in the execution of the Works and for which he may be responsible under Republic Act 3428, as amended, known as the Workmen's Compensation Law.
- 4. It is the responsibility of the Contractor for the strict compliance with the requirements of the Philippine Clean Air Act of 1999

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(R.A. 8749) and Philippine Clean Water Act of 2004 (R.A. 9275). The Contractor shall be liable for any damages/destructions to the environment including penalties that will be imposed by the Department of Environment and Natural Resources (DENR) arising from non-compliance of the requirements thereof, in any manner by his acts or negligence, or by his agents, employees, or workmen in the execution of the Works.

- 5. Payment of all forms of taxes, such as value added tax (VAT) including municipal licenses and permits, and others that may be imposed by the Philippine Government or any of its agencies and political subdivisions in connection with the Contract shall be for the account of the Contractor.
- 6. In general, the Contractor is responsible for the execution of the Works and therefore, takes upon himself all the technical, legal and economic risks and all obligations which could arise therefrom or connected therewith. The overall responsibility of the Contractor includes the responsibility for actions or omissions of his own personnel or by his agents, employees, or workmen.
- 7. The Contractor shall maintain presence in the area to supervise/manage during critical stages of the Project.
- 8. In the event of minor accidents and/or more serious scenario such as fatal accidents, the NPC shall not be held liable and is free from any financial obligations.

NON-COMPLIANCE

The CONTRACTOR should be held responsible for failure of the project because of negligence, non-satisfactory performance or abandonment. The CONTRACTOR shall pay all costs, which may be attributed to the non-conformance until such time the area is turned over to NPC. In this case, if climatic factor still permits, the contract shall be awarded to the next ranked eligible bidder following the conditions stated in R. A. 9184 or the "Government Procurement Reform Act".

ARTICLE III PROJECT DURATION AND LOCATION

The contract duration shall be completed within three (3) years reckoned from the date of issuance of the Notice to Proceed.

The Enrichment Planting Project site is located at the Makiling-Banahaw Geothermal Reservation (MBGR), Barangay San Jose, San Pablo City, Laguna with an area of fifty (50) hectares.

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ARTICLE IV
TOTAL CONTRACT PRICE

The Total Contract Price shall be in the amount of and not exceeding PHILIPPINE PESOS: ONE MILLION FIVE HUNDRED EIGHTY EIGHT THOUSAND SEVEN HUNDRED FORTY PESOS (PHP 1,588,740.00).

The Total Contract Price specified above shall be paid in accordance with the provision of Section IV-GCC, Clause 2 of the Bidding Documents.

The CONTRACTOR must comply with BIR Revenue Regulation No. 17-2024 dated 17 September 2024.

MODE OF PAYMENT

Payment No.	Nature of Payment	Basis/Indicator of Payment	Date Due/Year	Total Cost Percentage
YEAR 1	, , , , , , , , , , , , , , , , , , ,			
1	1 st Progress Billing	-Perimeter surveying -Mapping of the refo site -Blocking of the area (in map) -Monumenting/marking of corners	Quarter 1	10.00% (Less 10% retention fee) 9.00%
2	2 nd Progress Billing	-Seedbed/germination bed preparation -Sowing of seed -Gathering and preparation of soil -Potting of soil medium -Preparation of potbeds & pot arrangements -Transplanting of seedlings -Maintenance of seedlings (e.g. weeding, watering, fertilizer and pesticide application) -Maintenance of transplanted seedlings (e.g. weeding, watering, fertilizer and pesticide application) -Seedlings have reached a minimum height of 0.40 meter	Quarter 2 can be waived by a 100% seedling procurement	10.00% (Less 10% retention fee) 9.00%
3	3 rd Progress Billing	-Trail construction -Strip brushing -Staking -Hole digging -Seedling transport/hauling -Planting -Minimum 85% seedling survival	Quarter 3	12.00% (Less 10% retention fee) 10.80%
4	4 th Progress Billing	-1st-3rd cycle ring weeding/spot cultivation -Trail maintenance -Replanting of seedlings -1st-2nd passes fertilizer application -Pest and diseases detection & control -Patrol works -Minimum 85% seedling survival	Quarter 4	8.00% (Less 10% retention fee) 7.20%
YEAR 2			•	
5	5 th Progress Billing	-1st cycle ring weeding cultivation -Fireline construction -Trail maintenance -Pest and diseases detection and control -Patrol works	Quarter 1	15.00% (Less 10% retention fee) 13.50%
		-Fireline and trail maintenance -Pest and diseases detection and control -Patrol works	Quarter 2	
6	6 th Progress Billing	-2nd cycle ring weeding, spot cultivation -Replanting of seedlings -Fertilizer application (1st pass) -Trail maintenance -Pest and diseases detection control	Quarter 3	7.50% (Less 10% retention fee)
		-Pest and diseases detection control -Patrol works -Minimum 85% seedling survival		6.75%

Contract between NPC and Capalonga Mangrove Development Association, Inc. Supply of Labor and Materials for the Establishment, Maintenance and Protection for the 50-Hectares Enrichment Planting Project of Makiling-Banahaw Watershed Area Team Contract No. LOG MSSP 2025-01-009-MDC

AFG-LOG-007.F01 Rev. No. 0 Sheet 14 of 21 OF:

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7	7 th Progress	-3rd cycle ring weeding/spot cultivation	Quarter 4	7.50%
	Billing	-Pest and diseases detection and control		
İ		-Fireline maintenance		(Less 10%
		-Trail Maintenance		retention fee)
		-Patrol works		
\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \		-Minimum 85% seedling survival	<u></u>	6.75%
YEAR 3	T _at			· - - <u> </u>
8	8 th Progress	-1st cycle ring weeding/spot cultivation	Quarter 1	15.00%
	Billing	-Fireline maintenance		(Less 10%
		-Trail maintenance		retention fee)
		-Pest and diseases detection and control		
		-Patrol works		13.50%
		-Fireline and trail maintenance	Quarter 2	
		 -Pest and diseases detection and control 		
<u> </u>		-Patrol works		
9	9 th Progress	 -2nd cycle ring weeding/spot cultivation 	Quarter 3	7.50%
	Billing	-Fertilizer application (2nd pass)		(Less 10%
		-Trail maintenance		retention fee)
1		-Replanting of seedlings		
		-Pest and diseases detection and control		6.75%
		-Patrol works		:
		-Minimum 85% seedling survival		
10	10 th & Final	-3 rd cycle of ring weeding/spot cultivation	Quarter 4	7.50%
	Payment	-Trail and fireline maintenance	1	(Less 10%
		-Pest and diseases detection control		retention fee)
		-Patrol works		1
		-Minimum 85% seedling survival		6.75%
	Release of	-The plantation is properly maintained and		10.00%
	Retention	protected against forest/wildfire		
		-The plantation has 85% survival based on		
		100% tree inventory		1
		-Certificate of Final Acceptance issued		

ARTICLE V PERFORMANCE SECURITY

To guarantee the faithful performance of the CONTRACTOR's obligation under this Contract, the CONTRACTOR shall post a performance security which shall remain valid and effective during the contract duration.

- a. Cash, Manager's/Cashier's Check, Bank Draft/Guarantee issued by a Universal or Commercial Bank or Irrevocable Letter of Credit issued by a Universal or Commercial Bank. Provided however, that it shall be confirmed or authenticated by a reputable local Universal or Commercial Bank if issued by a Foreign Bank equivalent to Five Percent (5%) of the contract price.
- b. Surety Bond callable upon demand and penal in nature issued by a Surety or Insurance Company duly certified by the Insurance Commission as authorized to issue such security which shall be Thirty Percent (30%) of the total contract price.

The Insurance Company that will issue Performance Security must be accredited by the Insurance Commission and acceptable to the NPC.

The performance security shall be valid for the duration of the contract and shall remain valid and effective until after sixty (60) days from NPC's final acceptance of the item. The Performance Bond shall also be answerable for any damages or penalties or any expenses that NPC may suffer as a result of

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the failure of the CONTRACTOR to perform its obligations under this Contract. The Performance Bond shall be entirely forfeited by NPC upon default of the CONTRACTOR.

In case of surety bond, any extension of the contract time granted to the CONTRACTOR, shall be considered as given, and any modification of the Contract shall be considered as authorized, as if with the expressed consent of the surety, provided that such extension or modifications falls within the effective period of the said surety bond. However, in the event that such extension of the contract time would be beyond the effective period of the surety bond first posted, it shall be the sole obligation of the CONTRACTOR to post an acceptable Performance Security within ten (10) calendar days after the contract time extension has been granted by NPC.

ARTICLE VI LIQUIDATED DAMAGES

Should CONTRACTOR fails to satisfactorily deliver any or all of the Goods and/or to perform the services within the period(s) specified in this Contract inclusive of duly granted time extensions if any, NPC shall, without prejudice to its other remedies under this Contract and under the applicable law, deduct from the Contract Price, as liquidated damages, the applicable rate of one tenth (1/10) of one (1) percent of the cost of unperformed portion for every day of delay until actual delivery or performance. Once the amount of liquidated damages reaches ten percent (10%) of the contract amount, NPC may rescind or terminate the Contract without prejudice to other courses of action and remedies open to it.

ARTICLE VII NON-ASSIGNMENT AND NO SUB-CONTRACTING

The CONTRACTOR shall not, without the written approval of NPC, assign, transfer, pledge, sub-contract, or make any other disposition of interest in this Contract. Any unapproved assignment, transfer, pledge, sub-contracting or any other disposition, shall be sufficient ground for NPC to terminate or cancel this Contract motu proprio without need of judicial action. Should NPC give its written approval, such consent shall not relieve the CONTRACTOR of its responsibilities under the Contract. The CONTRACTOR shall ensure that the terms and conditions of any sub-contractor shall comply and conform with the terms and conditions of this Contract. The CONTRACTOR shall be responsible for the observance by the sub-contractor of the terms and conditions of this Contract.

If any portion of the project sub-contracted is not performed faithfully in accordance with the contract, the sub-contractor shall be removed or replaced immediately upon the written request of NPC, provided, however, that any failure of NPC to make such request shall not relieve the CONTRACTOR of its obligations under the contract. NPC shall not be responsible for the delays or costs incurred by the CONTRACTOR because of the disapproval or removal of the sub-contractor, or because of the late submission of its approval.

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ARTICLE VIII AGREEMENT MODIFICATION

No modification, alteration or waiver of any provision of this agreement shall be binding upon the Parties unless evidenced by a written amendment signed by the Parties.

ARTICLE IX SUSPENSION OF WORK

NPC may suspend the work wholly or partly by written order for a certain period of time, as it deems necessary due to force majeure or any fortuitous events as defined in the contract. The CONTRACTOR shall take all reasonable steps to minimize the costs allocable to the work covered by such order during work stoppage.

Before the suspension order expires, the procuring entity concerned shall either lift such order or terminate the work covered by the same. If the suspension order is lifted, or if the period of the order expires, the CONTRACTOR shall have the right to resume work. Appropriate adjustments shall be made in the delivery or contract schedule, or contract price, or both, and the contract shall be modified accordingly.

ARTICLE X PRE-TERMINATION

Notwithstanding any provision to the contrary, NPC has the right to terminate, cancel and/or rescind this contract motu proprio, without need of judicial action, in case of breach thereof by the CONTRACTOR, by giving at least ten (10) day written notice, which shall be final and binding on all parties. Upon receipt of NPC's notice, the CONTRACTOR cannot remove, withdraw or pull-out any equipment, machinery, tool, material and supply brought to the project site without the written approval of NPC.

Any misrepresentation made by the CONTRACTOR in the submission of documents, or suppression of material facts, which if known could have disqualified the CONTRACTOR gives NPC the immediate right or recourse to motu proprio, without need of judicial action, rescind, abrogate or otherwise terminate the Contract.

Within thirty (30) days after termination, cancellation or rescission of this Contract, the Parties shall settle their respective accountabilities as of the date of termination, cancellation, or rescission, including the refund of any and all advances made, plus legal interest from the date of receipt of the amount or amount advanced.

ARTICLE XI WARRANTY CLAUSE

CONTRACTOR hereby warrants that it or its representative has not offered or paid, directly or indirectly, any government officer and NPC official or employee any consideration or commission for the Contract nor has it or its representative exerted or utilized any corrupt or unlawful influence to secure or solicit this Contract for any consideration or commission; that the CONTRACTOR will not subcontract any portion or portions of the scope of work of the Contract awarded to it to any official or employee of the NPC and to the relatives within the 3rd degree of consanguinity or affinity of NPC's officials who are directly and indirectly involved in Contract awards or project execution; and that if any commission is being paid to a private person; it shall disclose the name of said person and the amount being paid; and that any violation of this Warranty shall constitute sufficient ground for the rescission or cancellation of this Contract; or the reduction from the Contract Price of the consideration or commission paid without prejudice to the filing of any action for the violation of RA No. 3019 as amended (otherwise known as the Anti-Graft and Corrupt Practices Act) and/or other applicable laws against the CONTRACTOR and/or its representative and/or the erring NPC official(s) and employee(s).

ARTICLE XII JOINT AND SEVERAL LIABILITY

The liability of the CONTRACTOR and/or any and all of the entities representing it on any manner under this Contract or relating thereto is joint and several, and for this reason NPC may proceed against any or all of them.

ARTICLE XIII VALIDITY CLAUSE

If any term or condition of this Contract is held invalid or contrary to law, the validity of the other terms and conditions hereof shall not be affected thereby.

ARTICLE XIV EFFECTIVITY

This Contract shall become effective upon receipt of the Notice to Proceed.

ARTICLE XV VENUE OF ACTION

The parties hereto agree that the venue of action for any cause or causes of action which may arise in connection with this Contract, after failure to settle the same amicably, shall be exclusively in the proper courts of Quezon City.

IN WITNESS WHEREOF, the parties hereto have signed this Contract this 25th day of February, 2025 at Quezon City, Philippines. NATIONAL POWER CORPORATION **CAPALONGA MANGROVE** (NPC) DEVELOPMENT ASSOCIATION, INC. (CONTRACTOR) BY: BY: ATTY. MELICHOR P. RIDULME Senior Vice President & COO President SIGNED IN THE PRESENCE OF ROSAORO CORTIZ (CØNTRACTOR) OlC-Dept. Manager, WMD (NPC) **FUNDS AVAILABLE** Clet- eles LORLINA E. BOMEDIANO Sr. Department Manager, Finance

REPUBLIC OF THE PHILIPPINES) QUEZON CITY) S.S.

ACKNOWLEDGEMENT

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`.	BEFORE ME, a Notary Public for and in Quezon City, Philippines, this
FEB	2 5 2025 day of, 2025, personally appeared ATTY. MELCHOR
	P. RIDULME, Senior Vice President & COO, NATIONAL POWER
	CORPORATION, with Document Identification in the form of Company ID No.
	APW1300003, known to me and to me known to be the same person who
	executed the foregoing instrument consisting of eighteen (18) pages, including
	the pages wherein the acknowledgements are written, all pages signed by
	both parties and their instrumental witnesses and he acknowledged before me
	that the same is his free and voluntary act and deed and that of the Company
	he represents.
	*

WITNESS MY HAND AND NOTARIAL SEAL, at the place and on the date first above written.

Notary Public
Until December 31, 2025
IBP Lifetime No.:
PTR No.:

Doc. No. __2ga__; Page No. __sa__; Book No. ___; Series of 2025.

ATTY. LUDY B) ARAGONA
Notary public for Quezon City
Commission No. NP-393 (2024-2025)
Commission Expires on 31 December 2025
Roll No. 84558
IBP No. 500293; 01/06/25; Quezon City
PTR No. 6990482; 01/03/25; Quezon City
MCLE No. VIII-0014714; 10/16/24; Quezon City
4th Floor Gabriel Y. Itchon Building Senator Miniam
P. Defensor-Santiago Avenue (formerly BIR Road)
Corner Quezon Avenue, Diliman, Quezon City

REPUBLIC OF THE PHILIPPINES) QUEZON CITY) S.S

<u>ACKNOWLEDGEMENT</u>

BEFORE ME, a Notary Public for and in Quezon City, Philippines, this day of 17 2005, 2025, personally appeared MR. RAMIL R. RAVIZ, President, CAPALONGA MANGROVE DEVELOPMENT ASSOCIATION, INC., with Identification Document in the form of penses ucens, issued by at page at page, on the pages, known to me and to me known to be the same person who executed the foregoing instrument consisting of eighteen (18) pages, including the pages wherein the acknowledgements are written, all pages signed by both parties and their instrumental witnesses and he acknowledged before me that the same is his free and voluntary act and deed and that of the Company he represents.

WITNESS MY HAND AND NOTARIAL SEAL, at the place and on the date first above written.

Doc. No.: 47 Page No.: 46 Book No.: XVIII Series of 2025. Notary Public
Until December 31, 2025
IBP Lifetime No.:_____
PTR No.:_____

ATTY. CONCEPCION P. VILLAREÑA

NOTARY PUBLIC FOR QUEZON CITY

UNTIL DECEMBER 31, 2025

ADM. MATTER NO. NP 021 (2024-2025)

ROLL NO 30457 / 05-49-1980

IBP NO 461667 / 10-29-24

PTR NO. 3989524 / 01-02-25

MCLE NO VII-0006994 / 09-21-2021