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CONTRACT NO. LOG MSSP 2025-05-028-MDC

CONSTRUCTION OF WAREHOUSE, PERIMETER FENCE, OIL WATER SEPARATOR AND WATERWELL FOR AGUTAYA DPP PR NO. \$1-ADP25-001 / PB250311-RA00041

KNOW ALL MEN BY THESE PRESENTS:

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

CORPORATION, POWER The NATIONAL 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. Senator Miriam P. Defensor-Santiago Avenue (formerly BIR Road) corner Quezon Avenue, Diliman, Quezon City, Philippines, represented herein by its Vice President -Small Power Utilities Group, MR. RENE B. BARRUELA, who is duly authorized to represent it in this transaction, hereinafter referred to as NPC;

- and -

R.C. CONSTRUCTION, GADIANO proprietorship duly organized and existing under and by virtue of the laws of Republic of the Philippines with office address at Barangay Poblacion, Araceli, Palawan, Philippines, herein represented by its Owner/General Manager, MR. RAY MART C. GADIANO, who is duly authorized to represent it in this transaction, hereinafter referred to as CONTRACTOR.

WITNESSETH: That -

WHEREAS, on 18 February 2025, NPC posted the Invitation to Bid for the Public Bidding of the Construction of Warehouse, Perimeter Fence, Oil Water Separator and Waterwell for Agutaya DPP;

WHEREAS, there were two (2) prospective bidders who secured the bidding documents and participated in the bidding conducted on 11 March 2025 on the aforesaid undertaking;

WHEREAS, CONTRACTOR's bid offer was considered as the single calculated and responsive bid for the Construction of Warehouse, Perimeter Fence, Oil Water Separator and Waterwell for Agutaya DPP;

WHEREAS, NPC accepted the said bid of the CONTRACTOR;

Contract between NPC and R.C. Gadiano Construction Construction of Warehouse, Perimeter Fence, Oil Water Separator and Waterwell for Agutava DPP Contract No. LOG MSSP 2025-05-028-MDC

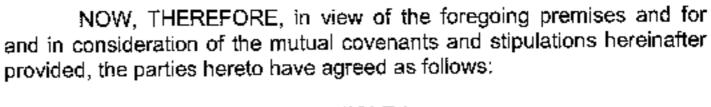
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ARTICLE | **DOCUMENTS COMPRISING THE CONTRACT**

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 Construction of Warehouse, Perimeter Fence, Oil Water Separator and Waterwell for Agutaya DPP under PR No. S1-ADP25-001 / PB250311-RA00041;
- Post Qualification Report dated 10 April 2025;
- 3. Bid Opening/Evaluation Report dated 12 March 2025;
- CONTRACTOR's bid proposal dated 11 March 2025;
- 5. Notice of Award dated 06 May 2025;
- 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 Should there þе any shall govern. above. the latter 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 under this Contract shall essentially consist of, but not limited to the following:

ARCHITECTURAL WORKS

- a. Concrete and masonry works;
- b. All insulation works;
- c. Ceiling works;
- d. Fenestration works;
- e. All painting and varnishing works;

Contract between NPC and R.C. Gadiano Construction Construction of Warehouse, Perimeter Fence, Oil Water Separator and Waterwell for Agutaya DPP Contract No. LOG MSSP 2025-05-028-MDC

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- f. Supply and installation of pre-painted roofing sheets, ridge roll and flashing;
- g. Soil poisoning;
- h. All carpentry and joinery works;
- Tile works;
- j. Waterproofing; and
- k. All other works and services required to complete the project.

CIVIL WORKS

- a. Moving-in including furnishing, supervision, construction, operation and maintenance of general construction facilities and moving-out thereof after completion and acceptance;
- b. Construction of reinforced concrete foundation including all required structural excavation, backfill and proper disposal of all excess excavated materials;
- Complete construction of drainage appurtenances;
- d. Complete construction of waterwell;
- e. Demobilization including clearing of Contractor's camp facilities after the works; and
- f. All other works and services, including those not specifically detailed herein but are required to fully complete the project.

ELECTRICAL WORKS

- Supply, installation and test of complete lighting and power system; and
- All other works and services, including those not specifically detailed herein but are required to fully complete the project.

MINIMUM REQUIRED PERSONNEL

For the duration of the contract, the Contractor shall have the following minimum required personnel assigned to the project:

a) One (1) Project Engineer

Registered Civil Engineer who had supervised at least a project similar in nature as to the type and cost of the proposed project within the last ten (10) years. Must have three (3) years professional experience as Civil Engineer on similar project.

b) One (1) Safety Officer 2

Construction Safety Officer who has completed at least forty (40) hours of Construction Safety and Health Training (COSH) from Occupational Safety and Health Center (OSHC) or Safety Training Organizations (STOs) accredited by the Department of Labor and Employment (DOLE).

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Group / Vice President - Admin and Finance (NPC)

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MINIMUM REQUIRED CONSTRUCTION EQUIPMENT

The list of construction equipment (owned or leased) shall include the following:

1.	Welding Machine (at least 300 A)	1 unit
2.	Oxy-acetylene Gas Cutter	1 unit
	Bar Cutter (at least 25 mm ø capable)	1 unit
4.	Concrete Mixer (at least 1-bagger)	1 unit

CONTRACTOR shall, in accordance with the provisions of, and subject to the conditions contained in the Contract Documents, fully and faithfully furnish all superintendence, labor, materials, supplies, tools and equipment (in accordance with the requirements of the Technical Specifications) for the Construction of Warehouse, Perimeter Fence, Oil Water Separator and Waterwell for Agutaya DPP.

ARTICLE III COMMENCEMENT AND COMPLETION PERIOD

The CONTRACTOR shall complete the works as herein specified within **ONE HUNDRED TWENTY (120) CALENDAR DAYS** which shall become effective from receipt of Notice to Proceed. The contract period is inclusive of five (5) unworkable days, considered unfavorable for the execution of work.

The project is located at Agutaya DPP, Agutaya Island, Palawan.

ARTICLE IV PAYMENT

For and in consideration of the WORK to be undertaken by CONTRACTOR as specified in the preceding Article II hereof, NPC shall pay the CONTRACTOR in Philippine Currency and in accordance with the Contract Documents, the unit and lump sum prices hereof is the total amount of and not exceeding PHILIPPINE PESOS: THREE MILLION FIVE HUNDRED FIFTY TWO THOUSAND EIGHT HUNDRED EIGHTY TWO PESOS AND 85/100 (PHP 3,552,882.85), as indicated in Annex A.

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.

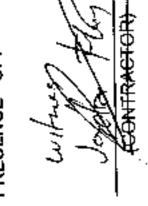
ARTICLE V EXTENSION OF CONTRACT

No extension of contract time shall be granted the CONTRACTOR due to (i) ordinary unfavorable weather conditions; (ii) inexcusable failure or negligence of CONTRACTOR to provide the required supplies,

Contract between NPC and R.C. Gadiano Construction Construction of Warehouse, Perimeter Fence, Oil Water Separator and Waterwell for Agutaya DPP Contract No. LOG MSSP 2025-05-028-MDC

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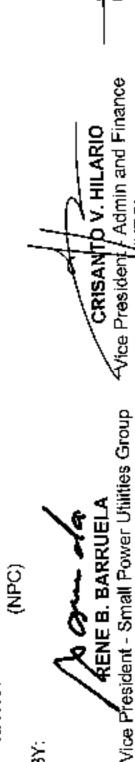
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materials or equipment; and (iii) when the reason given for the extension was already considered in the determination of the original contract time during the conduct of detailed engineering and in the preparation of contract documents agreed upon by the parties before contract perfection.

NPC shall not be liable for any claim associated with the extension of contract time unless it has examined the facts as well as the extent of delay and has agreed in writing that the CONTRACTOR is entitled for an extension of time.

ARTICLE VI ENTIRE CONTRACT

This contract is for one whole, complete work. Partial payments made by NPC and/or the use of parts of the work or its equivalent shall not constitute as acceptance of any part of the work prior to its completion and final acceptance in writing by NPC.

ARTICLE VII CONTRACTOR'S LIABILITY

hereby agree that the employees Parties CONTRACTOR are not employees of NPC. NPC shall not in any way be liable or responsible for any personal injury or damages, including death sustained or caused by any of the employees of the CONTRACTOR, including its sub-contractor, agent, or supplier, whether or not occurring during the performance of their duties. The CONTRACTOR agrees and binds itself to indemnify NPC for whatever injury or damages caused or occasioned by the failure, negligence or conduct of the CONTRACTOR and/or its employees, sub-contractors, agents, suppliers or consultants arising out of in connection with or on the occasion of the performance of the Contract. The CONTRACTOR shall, at all times, stand solely liable and/or responsible for the enforcement of and compliance with all existing laws, rules and regulations; and binds itself to save and hold NPC free and harmless from any and all liability in respect thereof and/or arising therefrom and/or by reason of this Contract and its implementation.

ARTICLE VIII RESPONSIBILITY OF THE CONTRACTOR

The CONTRACTOR shall assume full responsibility for the entire contract work until its final acceptance by NPC and shall be held responsible for any damage or destruction of works until final acceptance.

ARTICLE IX NON-ASSIGNMENT AND NO SUBCONTRACTING

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

Contract between NPC and R.C. Gadiano Construction Construction of Warehouse, Perimeter Fence, Oil Water Separator and Waterwell for Agutaya DPP Contract No. LOG MSSP 2025-05-028-MDC

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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-contract 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.

ARTICLE X 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 XI SUSPENSION OF WORK

NPC or its duly authorized representative shall have the authority to suspend the work, wholly or partly, by written order for period/s as may be deemed necessary due to force majeure, fortuitous event, failure on the part of the CONTRACTOR to correct bad working conditions which are unsafe for workers or third parties, failure to carry out valid orders given by NPC, failure to perform any provisions of this contract, and due to adjustment of plans to suit field conditions as found necessary by NPC during construction. The CONTRACTOR shall immediately comply with work suspension, either wholly or partly.

ARTICLE XII 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

Contract between NPC and R.C. Gadiano Construction Construction of Warehouse, Perimeter Fence, Oil Water Separator and Waterwell for Agutaya DPP Contract No. LOG MSSP 2025-05-028-MDC

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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 XIII REMEDY AND RELIEF

Should there be any dispute or controversy in connection with this Contract, the Parties, as far as practicable, shall settle it amicably. In the event that such dispute or disagreement be not resolved to the parties' satisfaction, the matter shall be submitted to arbitration in the Philippines according to the provisions of Republic Act No. 876, otherwise known as the "Arbitration Law". Provided, however, that disputes within the competence of the Construction Industry Arbitration Commission shall be submitted thereto, Arbitration proceedings shall be without prejudice to the right of the NPC to rescind or terminate this Contract.

Should NPC be constrained to resort to court action to enforce or safeguard its rights and interests under this Contract, the CONTRACTOR shall be liable to NPC for attorney's fees in the amount equivalent to twenty percent (20%) of the sum total claimed in the complaint, exclusive of other damages and the expenses of litigation.

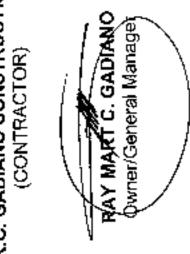
In case of dispute or disagreement arises between NPC and the CONTRACTOR regarding the manner by which the latter is performing works, the CONTRACTOR shall follow the instruction of NPC relative thereto, otherwise, the CONTRACTOR shall have no right to ask for arbitration or go to court for relief.

ARTICLE XIV 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 Ten Percent (10%) of the contract price.

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 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 project, unless the contract duration is extended, in which case the validity of the performance security shall accordingly be extended.

This performance security shall also be answerable for any damages or penalties or any expenses that NPC may suffer as a result of the failure of the CONTRACTOR to perform its obligation under this Contract including the defects liability period of one year. Performance Security shall be entirely confiscated by NPC upon default of 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 the 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.

The performance security shall be discharged by NPC and return to the CONTRACTOR only after the required warranty security/guarantee bond shall have been posted by the CONTRACTOR.

ARTICLE XV **GUARANTEE BOND**

To assure that any structural defects in the WORK shall be corrected by the CONTRACTOR, and to cover third party liabilities, the CONTRACTOR shall post a Guarantee Bond after the final acceptance of the Work. This is also a pre-requisite to the discharge and release to the CONTRACTOR of the retention money. The Guarantee Bond shall remain valid and effective for the period of one (1) year. The Guarantee Bond shall be posted before the release of the ten percent (10%) retention money provided for in the Bidding Documents. This shall be either in the form of Cash, Letter of Credit issued by a Universal or Commercial Bankequivalent to five percent (5%) of the total contract price, or Bank guarantee confirmed by Universal or Commercial bank equivalent to 10% of the total contract price or Surety Bond penal in nature and callable

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upon demand issued by any surety or insurance company duly certified by the Insurance Commission as authorized to issue such security, equivalent to thirty percent (30%) of the total contract price. The CONTRACTOR shall be held responsible for Structural Defects for the number of years mentioned in the Bidding Documents.

ARTICLE XVI LIQUIDATED DAMAGES

Should CONTRACTOR fails to satisfactorily complete the WORK within the stipulated contract time, plus any time extension duly granted and is hereby in default under this Contract, CONTRACTOR shall pay liquidated damages to NPC for each day that the Completion Date is later than the intended Completion Date. The applicable liquidated damages is at least one-tenth (1/10) of one percent (1%) of the cost of the unperformed portion for every day of delay. NPC shall deduct liquidated damages from payments due to CONTRACTOR. Payment of liquidated damages shall not affect the CONTRACTOR's liabilities. Once the cumulative amount of liquidated damages reaches ten percent (10%) of the contract amount, NPC may rescind or terminate this Contract without prejudice to other course of action and remedies available under circumstances.

ARTICLE XVII 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).

Contract between NPC and R.C. Gadiano Construction Construction of Warehouse, Perimeter Fence, Oil Water Separator and Waterwell for Agutaya DPP Contract No. LOG MSSP 2025-05-028-MDC

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ARTICLE XVIII 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 XIX 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 28% day of M_{My} , 2025 at Quezon City, Philippines.

NATIONAL POWER CORPORATION (NPC)

R.C. GADIANO CONSTRUCTION (CONTRACTOR)

BY:

KENE B. BARRUELA Vice President

Small Power Utilities Group

RY:

RAY MART C. GADIANO Owner/General Manager

SIGNED IN THE PRESENCE OF:

ERISANTO V. HILARIO

Vice President, Admin and Finance

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LORLINA E. BOMEDIANO

Sr. Dept. Manager, Finance

Contract between NPC and R.C. Gadiano Construction

Construction of Warehouse, Perimeter Fence, Oil Water Separator

and Waterwell for Agulava DPP

Contract No. LOG MSSP 2025-05-028-MDC

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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 _MAY _2 _8 _2025;2025, personally appeared MR. RENE B. BARRUELA, Vice President - Small Power Utilities Group, NATIONAL POWER CORPORATION, with Document Identification in the form of Company ID No. _APW1300668, known to me and to me known to be the same person who executed the foregoing instrument consisting of twelve (12) 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 Corporation 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. 100__;
Page No. 101_;
Book No. 101_;
Series of 2025.

ATTY, JASON G. DE DELEN
Rebete, 36259

Adm. No. NP-908 Notory Public
Notory Public for Quezon City

My Commission expires on December 31, 2025
No. 7M Panay Ave. cer. Sct. Borroinco St., Q.C., 18P No. 492591; O.C., 1-2-2025
PTR No. 7003822, Q.C.; 1-2-2025
MCLE VII-0019570; 5-30-22

REPUBLIC OF THE PHILIPPINES) QUEZON CITY) S.S

<u>ACKNOWLEDGEMENT</u>

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NATIONAL POWER CORPORATION

Vice President - Small Power Utilities Group B. BARRUELA

Vice President - Admin and Finance CRISANTO V. HILARIO

SIGNED IN THE PRESENCE OF:

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R.C. GADIANO CONSTRUCTION (CONTRACTOR)

RAY MART C. GADIANO Qwner/General Manager

ANNEX A

RUCTION OF WAREHOUSE, PERIMETER FENCE, OIL WATER SEPARATOR AND PR NO. S1-ADP25-001 / PB250311-RA00041 SECTION VII - BILL OF QUANTITIES WATERWELL FOR AGUTAYA DPP CONST

ITEM	PARTICULARS	TOTAL AMOUNT IN FIGURES
NO.		PHIL. PESO
1	Architechtural Works	1,020,121.81
2	Civil Works	1,954,185.58
က	Electrical Works	578,575.46
	TOTAL AMOUNT	3,552,882.85