


BY:

BY:


PERFECTO TAN
President
MARK D. TAN
(CONTRACTOR)
TIMOTEO T. DIACOR
Department Manager, SPUG-Visayas
(NPC)
FERNANDO MARTIN Y. ROXAS
President and CEO
(NPC)**CONTRACT NO. LOG MSSP 2024-09-111-MDC****FURNISHING OF LABOR AND MATERIALS FOR THE DRY DOCKING
AND REPAIR OF TUGBOAT NO. 1
PR No. S2-VOD24-013 / EC240725-CM00364**

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 President and CEO, **MR. FERNANDO MARTIN Y. ROXAS**, who is duly authorized to represent it in this transaction, hereinafter referred to as **NPC**;

- and -

SANTIAGO SHIPYARD & SHIPBUILDING CORPORATION, a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with office address at Jose L. Briones Avenue, North Reclamation Area, Cebu City, Philippines, herein represented by its President, **MR. PERFECTO TAN**, who is duly authorized to represent it in this transaction, hereinafter referred to as **CONTRACTOR**.

WITNESSETH: That –

WHEREAS, the President and CEO approved the change of mode of procurement from Public Bidding to Alternative Mode of Procurement – Negotiated Procurement (Emergency Cases) for the Furnishing of Labor and Materials for the Dry Docking and Repair of Tugboat No. 1 per BAC Resolution No. 2024-070 dated 16 July 2024;

WHEREAS, on 23 July 2024, NPC posted the Invitation to Bid for the Alternative Mode of Procurement – Negotiated Procurement (Emergency Cases);

WHEREAS, only one (1) prospective bidder secured the Terms of Reference and participated in the bidding conducted on 05 August 2024;

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

WHEREAS, NPC accepted the said bid of the CONTRACTOR;

Contract between NPC and Santiago Shipyard & Shipbuilding Corporation
Furnishing of Labor and Materials for the Dry Docking and Repair of Tugboat No. 1
Contract No. LOG MSSP 2024-09-111-MDC

(CONTRACTOR)

BY:

PERFECTO TAN
PresidentMARK DOUGLAS D. TAN
(CONTRACTOR)TIMOTEO T. DIACOR
Department Manager, SPUG-Visayas
(NPC)FERNANDO MARTIN Y. ROXAS
President and CEO

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. Terms of Reference for the Furnishing of Labor and Materials for the Dry Docking and Repair of Tugboat No. 1 under PR No. S2-VOD24-013 / EC240725-CM00364;
2. Notice of Award dated 13 September 2024;
3. Result of Bid Opening and Post Qualification dated 20 August 2024;
4. CONTRACTOR's bid proposal dated 02 August 2024;
5. Supplemental/Bid Bulletin Nos. 1, 2 and 3 dated 24, 26 and 30 July 2024;
6. BAC Resolution No. 2024-070 dated 16 July 2024;
7. Notice to Proceed; and
8. 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, DURATION AND LOCATION

CONTRACTOR shall perform the services for the Furnishing of Labor and Materials for the Dry Docking and Repair of Tugboat No. 1 pursuant to and in accordance with the terms, conditions and specifications set forth in the Contract Documents particularly the Terms of Reference (under the title: Furnishing of Labor and Materials for the Dry Docking and Repair of Tugboat No. 1: Section III - Technical Specifications and Section IV - Schedule of Requirements - Bid Price Schedule) within **forty five (45)** calendar days reckoned from the date of contract effectivity as specified in the Notice to Proceed.

Project location is at Santiago Shipyard & Shipbuilding Corporation, Tayud, Consolacion, Cebu.

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**ARTICLE III
PAYMENT**

For and in consideration of the goods and services rendered by the CONTRACTOR to NPC, the latter shall pay the former the total amount of and not exceeding **PHILIPPINE PESOS: FIVE MILLION NINE HUNDRED TWENTY NINE THOUSAND TWO HUNDRED EIGHTY (PHP 5,929,280.00)** inclusive of VAT and subject to appropriate Philippine taxes throughout the duration of the contract period. Payment shall be within sixty (60) days upon submission of invoices, reports and other supporting documents required.

**ARTICLE IV
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.

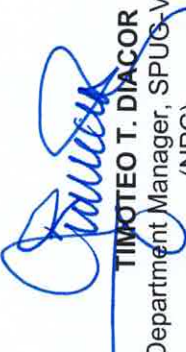
The Insurance Company that will issue Performance Security must be accredited by the Insurance Commission and acceptable to the NPC.

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 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.

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President and CEO

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(CONTRACTOR)

PERFECTO TAN
President

ARTICLE V 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%), NPC may rescind or terminate the Contract without prejudice to other courses of action and remedies open to it.

ARTICLE VI 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.

ARTICLE VII 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 VIII 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.

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President and CEO

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Department Manager, SPUG-Visayas
(NPC)

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(CONTRACTOR)

BY:

PERFECTO TAN
President

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 IX 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 X 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).

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MARK DOUGLAS D. TAN
(CONTRACTOR)

BY:


PERFECTO TAN
President

ARTICLE XI
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 XII
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 XIII
GUARANTEE

The CONTRACTOR shall guarantee that it will repair and/or replace, at its own cost, all repair works and supplied equipment/components against defect in design, workmanship and materials for one (1) year after issuance of Acceptance Certificate by NPC.

The CONTRACTOR shall submit a Warranty Certificate effective from the date of acceptance by NPC.

After the lapse of the warranty period, provided that there are no defects found, NPC shall release the warranty security/certificate.

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 12th day of November, 2024 at Quezon City, Philippines.

NATIONAL POWER CORPORATION
(NPC)

**SANTIAGO SHIPYARD &
SHIPBUILDING CORPORATION**
(CONTRACTOR)

BY:


FERNANDO MARTIN Y. ROXAS
President and CEO

BY:



PERFECTO TAN
President

SIGNED IN THE PRESENCE OF:


TIMOTEO T. DIACOR
Department Manager, SPUG-Visayas
(NPC)


MARK D. TAN
(CONTRACTOR)

FUNDS AVAILABLE


LORLINA E. BOMEDIANO
Sr. Department Manager, Finance

(m)

CERTIFIED FUNDS AVAILABLE	
PERIOD	2024
JOB ORDER	JN F30540
COST CENTER	6582005
AMOUNT	P 5,929,280.00

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

ACKNOWLEDGEMENT

NOV 12 2024 BEFORE ME, a Notary Public for and in Quezon City, Philippines, this day of _____, 2024, personally appeared **MR. FERNANDO MARTIN Y. ROXAS**, President and CEO, **NATIONAL POWER CORPORATION**, with Document Identification in the form of Company ID No. APW20017432, known to me and to me known to be the same person who executed the foregoing instrument consisting of nine (9) 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, 2024
IBP Lifetime No.: _____
PTR No.: _____

Doc. No. 291 ;
Page No. 60 ;
Book No. 6 ;
Series of 2024.

ATTY. RODOLFO M. DE GUZMAN, JR.
Notary Public for Quezon City
Commission No. NP-339(2023-2024)
Commission Expires on 31 December 2024
Roll No. 44291

IBP No. 307797; 01/31/2023; Tarlac
PTR No. 5661363; 01/12/2024; Quezon City
MCLE No. VII-0016459; 4/27/2022; Pasig City
4th Floor Gabriel Y. Itchon Building
Senator Defensor-Santiago Avenue (formerly BIR Road)
Corner Quezon Avenue, Diliman, Quezon City


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REPUBLIC OF THE PHILIPPINES)
QUEZON CITY) S.S

ACKNOWLEDGEMENT

BEFORE ME, a Notary Public for and in Quezon City, Philippines, this _____ day of _____, 2024, personally appeared **MR. PERFECTO TAN**, President, **SANTIAGO SHIPYARD & SHIPBUILDING CORPORATION**, with Identification Document in the form of UMID ID, issued by CRN-0111-4023623-8 at SSS, on _____, known to me and to me known to be the same person who executed the foregoing instrument consisting of nine (9) 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, 2024
IBP Lifetime No.: _____
PTR No.: _____

Doc. No.: 421
Page No.: 86
Book No.: 181
Series of 2024.