

CONTRACT NO. LOG MSSP 2024-09-117-JVC

A6IC REPLACEMENT OF UNIT 1 GOVERNOR SYSTEM
PR NO. MG-A7M24-005 / PB240702-CM00307

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 -

QUALITRON CONSTRUCTION & INDUSTRIAL SUPPLIES, a sole proprietorship duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with office address at 3rd Flr. Qualitron Bldg. Consunji St., Brgy Poblacion Iligan City, Lanao del Norte, Philippines, herein represented by its Area Manager, **MS. MARIBETH A. PARAS**, who is duly authorized to represent it in this transaction, hereinafter referred to as **SUPPLIER**.

WITNESSETH: That -

WHEREAS, on 11 June 2024, NPC posted the Invitation to Bid for the Public Bidding of the A6IC Replacement of Unit 1 Governor System;

WHEREAS, there were two (2) prospective bidders who secured the bidding documents and participated in the bidding conducted on 16 July 2024;

WHEREAS, SUPPLIER's bid offer was considered as the lowest calculated and responsive bid;

WHEREAS, NPC accepted the said bid of the SUPPLIER;

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:

Contract between NPC and Qualitron Construction & Industrial Supplies
A6IC Replacement of Unit 1 Governor System
Contract No. LOG MSSP 2024-09-117-JVC

BY: (CONTRACTOR)

MS. MARIBETH A. PARAS
Area Manager

BY: (CONTRACTOR)

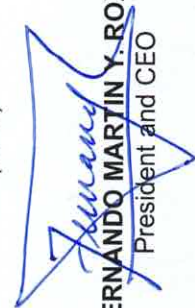
JESSICA A. JOSE
(CONTRACTOR)



CRISANTO V. HILARIO
Vice President, Administration & Finance
(NPC)

BY: (NPC)

FERNANDO MARTIN Y. ROXAS
President and CEO

BY:


FERNANDO MARTIN Y. ROXAS
 President and CEO


CRISANTO V. HILARIO
 Vice President, Administration & Finance (NPC)


JESSICA A. JOSE
 (CONTRACTOR)

BY:


MS. MARIBETH A. PARAS
 Area Manager

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 A6IC Replacement of Unit 1 Governor System under PR No. MG-A7M24-005 / PB240702-CM00307;
2. Notice of Award dated 26 September 2024;
3. Post Qualification Report dated 05 September 2024;
4. Bid Opening/Evaluation Report dated 17 July 2024;
5. SUPPLIER's bid proposal dated 16 July 2024;
6. Supplemental/Bid Bulletin Nos. 1 and 2 dated 28 June 2024 and 08 July 2024;
7. Notice to Proceed; and
8. The Performance Security to be filed by SUPPLIER 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 scope of work cover but not be limited to the following:

1. Conduct factory acceptance tests (FAT) at the digital governor controller manufacturer's facility to be witnessed personally by three (3) NPC representatives. Costs of travel during FAT shall be shouldered by NPC.
2. Preparation of Materials/resources onsite and site evaluation.
3. Removal/dismantling of existing Governor Controller Panel along with the existing governor controller and associated auxiliary parts and components.
4. Supply, Delivery and Installation of new Governor Controller Panel complete with new Digital Governor Controller including all appurtenances.
5. Servicing, inspection and replacement of worn-out components of the existing hydraulic system to optimize performance, increase responsiveness and ensure seamless integration with the new digital controller.
6. Lay-out and installation of control wirings and knobs at control room.
7. Pressurize the whole system and conduct checking of leaks. Retighten if necessary.
8. Conduct gate stroking to ensure the accuracy of the calibration of the

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BY:


MS. MARIBETH A. PARAS
 Area Manager

- whole governor controller system.
9. Conduct pre-commissioning and I/O checking
 10. Conduct final commissioning of the governor controller system
 11. Conduct in-depth training and technology transfer training to Agus 6 Maintenance personnel.
 12. All other works not specified in the technical specifications but are necessary for the complete and reliable operation of the governor system shall be provided by the SUPPLIER.

The following shall be included in the SUPPLIER's scope of work:

1. The SUPPLIER shall be responsible for visiting the delivery site and take particular reference to its accessibility, means of transportation, and all other factors that should be considered in carrying out the contract.
2. Provide equipment, tools, instruments, and consumables necessary during equipment testing for satisfactory completion of the work.

ARTICLE III **PROJECT DURATION AND LOCATION**

The contract duration shall be within **one hundred twenty (120) calendar days** reckoned from receipt of Notice to Proceed.

The materials to be supplied shall be delivered to **Agus 6 and 7 HPPC, Maria Cristina, Fuentes, Iligan City, Lanao del Norte.**

ARTICLE IV **TOTAL CONTRACT PRICE AND PAYMENT TERMS**

The Total Contract Price shall be in the amount of and not exceeding **PHILIPPINE PESOS: TWENTY EIGHT MILLION PESOS (PHP 28,000,000.00) ONLY.**

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

All taxes, custom duties, tariffs, exports, excise and all other taxes assessed and charged by the taxing authority of the country of origin upon production, manufacture or shipment of all materials, equipment and supplies to be furnished under the Contract shall be borne by the SUPPLIER.

In addition, all taxes, fees, insurance and cost of delivery to site shall be borne by the SUPPLIER.

Contract between NPC and Qualitron Construction & Industrial Supplies
 A61C Replacement of Unit 1 Governor System
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BY:


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President and CEO


CRISANTO V. HILARIO
Vice President, Administration &
Finance
(NPC)


JESSICA A. JOSE
(CONTRACTOR)

BY:


MS. MARIBETH A. PARAS
Area Manager

ARTICLE V PERFORMANCE SECURITY

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

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

In case of surety bond, any extension of the contract time granted to the SUPPLIER, 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 SUPPLIER 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 SUPPLIER 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 course of action and

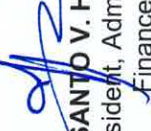
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(CONTRACTOR)

BY:


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Area Manager


JESSICA A. JOSE
(CONTRACTOR)


CRISANTO V. HILARIO
Vice President, Administration & Finance
(NPC)


FERNANDO MARTIN Y. ROXAS
President and CEO
(NPC)

BY:

remedies open to it.

ARTICLE VII

NON-ASSIGNMENT AND NO SUB-CONTRACTING

The SUPPLIER 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 SUPPLIER of its responsibilities under the Contract. The SUPPLIER shall ensure that the terms and conditions of any sub-contractor shall comply and conform with the terms and conditions of this Contract. The SUPPLIER 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 SUPPLIER of its obligations under the contract. NPC shall not be responsible for the delays or costs incurred by the SUPPLIER because of the disapproval or removal of the sub-contractor, or because of the late submission of its approval.

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 SUPPLIER 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 SUPPLIER 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

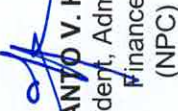
Notwithstanding any provision to the contrary, NPC has the right to terminate, cancel and/or rescind this contract motu proprio, without need of

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BY:


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 Area Manager


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 (CONTRACTOR)


CRISANTO V. HILARIO
 Vice President, Administration & Finance
 (NPC)

BY:


FERNANDO MARTIN Y. ROXAS
 President and CEO

judicial action, in case of breach thereof by the SUPPLIER, 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 SUPPLIER 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 SUPPLIER in the submission of documents, or suppression of material facts, which if known could have disqualified the SUPPLIER 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**

SUPPLIER 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 SUPPLIER 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 SUPPLIER and/or its representative and/or the erring NPC official(s) and employee(s).

ARTICLE XII **JOINT AND SEVERAL LIABILITY**

The liability of the SUPPLIER 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**

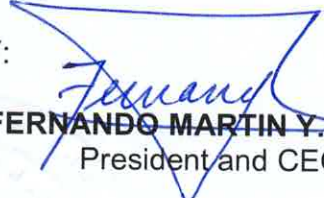
If any term or condition of this Contract is held invalid or contrary to law, the validity of the other terms and conditions hereof shall not be affected thereby.

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IN WITNESS WHEREOF, the parties hereto have signed this Contract
this 21st day of November, 2024 at Quezon City, Philippines.

NATIONAL POWER CORPORATION
(NPC)

BY:

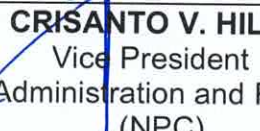

FERNANDO MARTIN Y. ROXAS
President and CEO

**QUALITRON CONSTRUCTION &
INDUSTRIAL SUPPLIES**
(SUPPLIER)

BY:

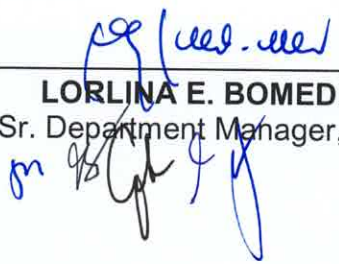

MARIBETH A. PARAS
Area Manager

SIGNED IN THE PRESENCE OF:


CRISANTO V. HILARIO
Vice President
Administration and Finance
(NPC)


JESSICA A. JOSE
(SUPPLIER)

FUNDS AVAILABLE


LORLINA E. BOMEDIANO
Sr. Department Manager, Finance

Certificate of Budgetary Inclusion	
Period:	<u>P1 2025</u>
Account / WO/JO:	<u>B146-J64</u>
CBI Reference No.:	<u>PRD-25-10-093</u>
Cost Center:	<u>664013</u>
Amount	<u>P 25,000,000.00</u>


Salvacion F. Aragon
Manager, BPRD

(5)

CERTIFIED FUNDS AVAILABLE	
PERIOD	<u>2024</u>
JOB ORDER	<u>WO# B146J64</u>
COST CENTER	<u>664013</u>
AMOUNT	<u>P 25,000,000.00</u>

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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 NOV 21 2024 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 ten (10) 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. 42 ;
Page No. 11 ;
Book No. 2 ;
Series of 2024.

ATTY. DIWA RAFAEL B. BONTUYAN
Notary Public for Quezon City
Commission No. NP-401 (2023-2024)
Commission Expires on 31 December 2024
Roll No. 64390
IBP No. 1006807; 02/07/2023; Quezon City
PTR No. 4540803; 04/20/2023; Quezon City
MCLE No. VII-0009839; 02/14/2022; Pasig City
4th Floor NPC Office Building
Quezon Ave. cor. BIR Road
Diliman, Quezon City

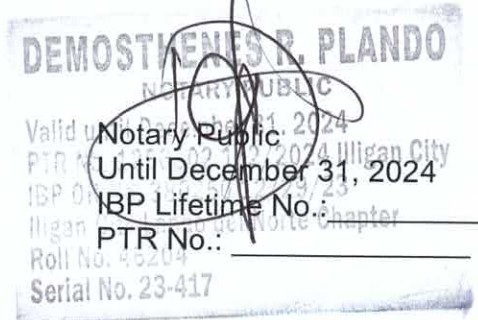
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REPUBLIC OF THE PHILIPPINES)
ILIGAN CITY) S.S

ACKNOWLEDGEMENT

BEFORE ME, a Notary Public for and in Iligan City, Philippines, this
day of NOV 08 2024, 2024, personally appeared **MS. MARIBETH A.
PARAS**, Area Manager, **QUALITRON CONSTRUCTION & INDUSTRIAL
SUPPLIES**, with Identification Document in the form of Driver's license MON-10-001914,
issued by LTO Exp.: 5/5/24 at Iligan City, on 5/5/19, known to
me and to me known to be the same person who executed the foregoing
instrument consisting of ten (10) pages, including the pages wherein the
acknowledgements are written, all pages signed by both parties and their
instrumental witnesses and she acknowledged before me that the same is her
free and voluntary act and deed and that of the Company she represents.

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



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Page No.: 39
Book No.: 217
Series of 2024.

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