37.

CONTRACT NO. LOG MSSP 2024-02-033-JBO

ENRICHMENT PLANTING (VEGETATIVE REHABILITATION) AT MT. MAKILING FOREST RESERVE

PR NO. HO-MWA24-002 / SVP231103-NA00360(SVP4)

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 OIC-OVP, Corporate Affairs Group, MR. EMMANUEL A. UMALI, 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 Brgy. Camagsaan, Camarines Norte, 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 01 February 2024, NPC posted the Invitation to Bid for the 4th Negotiated Procurement – Small Value Procurement for the Enrichment Planting (Vegetative Rehabilitation);

WHEREAS, only one (1) prospective bidder participated in the Negotiated Procurement conducted on 07 February 2024;

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

WHEREAS, NPC accepted the said bid of the CONTRACTOR.

NOW, THEREFORE, in view of the foregoing premises and in consideration of the mutual covenants stipulated hereinafter provided, the parties hereby agree as follows:

Contract between NPC and Capalonga Mangrove Development Association, Inc. Enrichment Planting (Vegetative Rehabilitation) at Mt. Makiling Forest Reserve Contract No. LOG MSSP 2024-02-033-JBO

AFG-LOG- 007.F01 Rev. No. 0 Sheet 1 of 25



VINCENT B. CONCIO

DIC-OM, Watershed Management

Department 4.

(NPC)

EMMANUEL A. UMALI OIC-OVP, Corporate Affairs Group

ARTICLE I DOCUMENTS COMPRISING THE CONTRACT

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

- NPC Terms of Reference for the Enrichment Planting (Vegetative Rehabilitation) under PR No. HO-MWA24-002 / SVP231103-NA00360(SVP4);
- 2. Notice of Award dated 21 February 2024;
- 3. Result of Bid Opening and Post-Qualification Report dated 08 February 2024;
- 4. CONTRACTOR's Bid Proposal dated 06 February 2024;
- 5. Notice to Proceed:
- 6. The Performance Security to be filed by CONTRACTOR in accordance with this Contract; and
- Other related/pertinent documents hereto attached or on file in the office of NPC.

The documents mentioned above shall be collectively 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 PROJECT LOCATION AND CONTRACT DURATION

The project site is within the Mt. Makiling Forest Reserve with an area of **Thirty (30) hectares** only. The CONTRACTOR shall report to NPC-Makban Watershed Area Team, Brgy. Bitin, Bae, Laguna.

The project shall commence immediately upon issuance of the Notice to Proceed and the completion period shall be within **THREE** (3) **YEARS** reckoned from the contract effectivity date stated in the Notice to Proceed (NTP).

ARTICLE III 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:

Contract between NPC and Capalonga Mangrove Development Association, Inc. Enrichment Planting (Vegetative Rehabilitation) at Mt. Makiling Forest Reserve Contract No. LOG MSSP 2024-02-033-JBO

AFG-LOG- 007.F01 Rev. No. 0 Sheet 2 of 25



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VINCENT B. CONCIO
OIC-OM, Watershed Management
Department (N. (NPC)

EMMANUEL A. UMALI

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OIC-OM, Watershed Management

- Perimeter surveying and mapping
 Monumenting/marking of corners
- 3) Blocking of the project area
- Production and/or procurement of seedlings
- 5) Plantation establishment and operation
- 6) Plantation Maintenance
 - a) Ring weeding/cultivation and fertilizer application
 - b) Replanting and fertilizer application
- 7) Plantation Protection
 - a) Fireline construction
 - b) Fireline maintenance
 - c) Pest and disease detection and control
 - d) Foot patrol works

1. Perimeter Surveying and Mapping of Areas to be Planted

- 1.1 Boundary shall be delineated using GPS instruments.
- 1.2 Map scale of the perimeter survey shall be as follows:
 - 1.2.1 1:3,000 for areas 10 hectares and below
 - 1.2.2 **1:5,000** for areas more than 10 hectares up to 30 hectares
 - 1.2.3 **1:7,500** for areas more than 30 hectares up to 50 hectares
 - 1.2.4 1:10,000 for areas more than 50 hectares
- 1.3 Map should be drawn/plotted on an A3-size tracing paper and submitted with its shapefile to reflect the following.
 - 1.3.1. Contour
 - 1.3.2. Blocking
 - 1.3.3. Non-Plantable Area
 - 1.3.4. Planting Layout (baseline, strips)
 - 1.3.5. Offset area (if any)
- 1.4 Technical description and remarks for every point shall be clearly indicated on a duly signed map by a licensed forester / geodetic engineer.
- 1.5 The target area (in hectare) for reforestation should be based on

Contract between NPC and Capalonga Mangrove Development Association, Inc. Enrichment Planting (Vegetative Rehabilitation) at Mt. Makiling Forest Reserve Contract No. LOG MSSP 2024-02-033-JBO

AFG-LOG- 007.F01 Rev. No. 0 Sheet 3 of 25

BY:

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OIC-OM, Watershed Management

the approved contract/UC-EC Plan. Non-plantable areas 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 preferably adjacent to the prescribed project site to complete the required area for planting.

2. Monumenting/marking of corners

For contiguous/non-contiguous area:

PVC pipe (orange color) with 10cm (4-inches) diameter and with height of 60cm filled with concrete shall be installed in all corners of the perimeter with the bottom half or 30cm it buried below ground and the other half or 30 cm of it exposed or above ground. A 24-inch 9mm RSB shall serve as concrete reinforcement inside the pipe. The opposite ends of the RSB shall be bent or looped 2-inches from the tip.

The corresponding UTM coordinates of each corner must be completely engraved or etched on the surface of the PVC.

3. Blocking of the Project Site

- 3.1 Whole project site shall be divided into blocks.
 - 3.1.1 For contiguous area:
 - Block into 10-hectare areas with a dimension of 200 X 500 meters with the short and long ends following the east-west and north-south directions, respectively.
 - 3.1.1 For non-contiguous area:
 - Block into 5-hectare areas with a dimension of 200 X 250 meters.
 - Below 5 hectares, total gross area shall be computed and be treated as a block.
 - 3.1.2 Each block shall be assigned a unique block identification to establish its identity.
- 3.2 Blocking posts using PVC pipes (orange) with 5 cm (2-inch) diameter and length of 100cm filled with concrete shall be installed on all corners of the block. Each post shall be thrusted down to the ground leaving a half or 50 cm exposed or above ground. Coordinates of corner points shall be in UTM format and to be engraved/etched on each PVP pipe. The corresponding assigned number for each block is marked on that side of the post.

Contract between NPC and Capalonga Mangrove Development Association, Inc. Enrichment Planting (Vegetative Rehabilitation) at Mt. Makiling Forest Reserve Contract No. LOG MSSP 2024-02-033-JBO

AFG-LOG- 007.F01 Rev. No. 0 Sheet 4 of 25

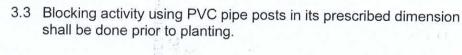
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3.4 Detailed Procedure:

- 3.4.1 To minimize the number of blocks to be established, blocking shall be done as:
 - 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.
 - 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.
 - The width (X-axis) of each block will measure 200 meters per block while the longer axis (Y-axis) will have a length of 500 meters.
 - Assignment of block numbers shall be done following the left-right (west-east) then bottomup (south-north) direction (see illustration on block assignment) – Annex A.

4 Procurement and/or Production of Seedlings

- 4.1 Seedlings shall be potted, healthy, vigorous, and free from pests and diseases.
- 4.2 Seedlings shall have a minimum and maximum height as shown in the Project Profile.
- 4.3 Procured/produced seedlings from other locations shall be delivered to the project site at least one (1) month before outplanting to acclimatize with the local site condition.
- 4.4 The species and quantity of seedlings required are included in Article No. X (Project Profile)

5 Plantation Establishment and Operation

- 5.1 Site preparation
 - 5.1.1 Planting strips shall be established approximating the contour and thoroughly brushed/cleared of weeds

Contract between NPC and Capalonga Mangrove Development Association, Inc. Enrichment Planting (Vegetative Rehabilitation) at Mt. Makiling Forest Reserve Contract No. LOG MSSP 2024-02-033-JBO

AFG-LOG- 007.F01 Rev. No. 0 Sheet 5 of 25

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sirs Group OIC-OM, Watershed Management

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EMMANUEL A. UMALI C-OVP, Corporate Affairs Group prior to planting.

- 5.1.2 Each strip must have a width of 1 meter.
- 5.1.3 Regenerations must be left unharmed.

5.2 Staking

- 5.2.1 Staking shall follow the prescribed spacing.
- 5.2.2 Stakes should be at least 1 meter in height so it can be easily located during hole digging and planting.
- 5.2.3 Locally available materials can be used as stakes.

5.3 Hole digging

- 5.3.1 The hole size (diameter) shall be 2 inches bigger than the potted seedling.
- 5.3.2 The hole depth shall be enough in such a way that the root collar of the planted seedling is level with the ground.

5.4 Seedling transport

- 5.4.1 Seedlings should be carefully transported to the planting site.
- 5.4.2 The use of containers such as sacks, baskets (kaing, wooden boxes, etc.) must not injure or damage the seedlings.

5.5 Planting

- 5.5.1 Planting shall start at the onset of the rainy season (usually after one or two heavy rains).
- 5.5.2 For potted seedlings, the plastic containers shall be carefully removed to avoid breakage of the earthball.
- 5.5.3 Removed plastic bags shall be placed on top of the stakes to serve as location markers and shall be disposed properly by the contractor after inspection.
- 5.5.4 Soil shall be filled into the spaces (putting the topsoil first), then tamped around firmly to prevent the seedling from tilting.
- 5.5.5 A plantation register must be maintained on site. A

Contract between NPC and Capalonga Mangrove Development Association, Inc. Enrichment Planting (Vegetative Rehabilitation) at Mt. Makiling Forest Reserve Contract No. LOG MSSP 2024-02-033-JBO

AFG-LOG- 007.F01 Rev. No. 0 Sheet 6 of 25 ASSOCIATION, INC. CONTRACTOR) copy of which must be submitted as billing attachment for the accomplishments where the planting and/or replanting is required.

Plantation Maintenance

- 6.1 Ring weeding/ spot cultivation, mulching, and fertilizer application.
 - Ring weeding and spot cultivation approximately 50-cm radius around the seedling.
 - Apply mulch approximately 50 cm radius around the seedling (if applicable)
 - 6.1.3 Ring weeding and fertilizer application frequency shall follow the prescribed schedule.

Year	Schedule
1	2 passes (1 month & 3 months after planting) for ring weeding and 1 pass for fertilizer application (1 month after planting)
2	2 passes (quarter 3 & 4) or ring weeding and 1 pass of fertilizer application (quarter 3)
3	2 passes (quarter 1 & 3) for ring weeding and 1 pass of fertilizer application (quarter 3)

- 6.2 Replanting and fertilizer application
 - 6.2.1 Determine the survival rate through the conduct of inventory on the following schedules:
 - About one month after planting; and
 - 6.2.2Conduct replanting if survival rate is less than 90%.
 - 6.2.3 Replanting shall be done only while/during the rainy season in the area.
 - 6.2.4 Apply inorganic fertilizer at the rate of 10 to 20 gm per seedling.
 - Fertilizer shall be applied by mixing it thoroughly with 6.2.5 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.
 - 6.2.6 In steep areas, fertilizer shall be side dressed on the upper and left or right sides of the seedling.

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Contract between NPC and Capalonga Mangrove Development Association, Inc. Enrichment Planting (Vegetative Rehabilitation) at Mt. Makiling Forest Reserve Contract No. LOG MSSP 2024-02-033-JBO

AFG-LOG-007.F01 Rev. No. 0 Sheet 7 of 25

ASSOCIATION, INC. CONTRACTOR

- Most grassland soils are deficient in nitrogen and 6.2.7 phosphorus; hence, nitrogen and phosphorus fertilizers or complete fertilizers shall be applied.
- 6.2.8 Organic fertilizer such as compost, animal manure or green manure can also be used.

Plantation protection

Fireline Construction

- The 10-meter wide fireline shall be free from cogon, grasses & other undesirable vegetation.
- Fireline shall be constructed by clearing an area with 7.1.2 a width of 10 meters around the plantation.
- 7.1.3 If there are trees, either premium or lesser-known species (LKS) that will obstruct the 10-meter wide fireline, these trees shall be protected and avoided to be cut.

7.2 Fireline Maintenance

The 10-meter wide fireline shall be maintained by regular clearing and removing all undesirable vegetation that are highly combustible especially during dry months. It is essential that fireline is maintained to prevent wildfire from crossing the established plantation.

7.3 Pest and disease detection and control

- Inform the Watershed Area Team immediately of any possible signs/ symptoms or outbreak of diseases.
- Seedlings with evident attack of pest and presence of disease should be removed and replaced with healthy and vigorous seedlings.

Patrol works

Foot patrolling should be conducted regularly after the establishment of the plantation to prevent and control any form of destruction to the plantation area.

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Corporate Affairs Group

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AFG-LOG- 007.F01 Rev. No. 0 Sheet 8 of 25

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

The CONTRACTOR shall deploy a Project Manager (PM) or Site Supervisor, which is a graduate of Bachelor of Science in Forestry and/or related courses or undergraduate but with experience in handling vegetative rehabilitation projects (supported by documents/proof of experience). Said PM or Site Supervisor shall supervise all aspects of the projects including monitoring of project activities on a daily basis in coordination with WAT's Project-in-Charge.

ARTICLE V PHOTO DOCUMENTATION

At least two (2) geo-tagged/geo-referenced pictures/photographs shall be taken before, during and after each activity for each of the blocks of the project site/area and labelled accordingly.

The picture/photograph shall be taken on the same spot to clearly distinguish the condition of the area before the conduct of the activity, during the activity and after the activity.

ARTICLE VI WORK PLAN/SCHEDULE

ACTIVITY			SCHEDULE										
	20			YEAR 1			YEAR 2			YEAR 3			
F	IRST PERIOD	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1.	Perimeter Surveying												
2.	Mapping of the refo site									7			
3.	Monumenting of corners												
4.	Blocking of the area									1117			
	SECOND PERIOD												
1.	Production and/or procurement of seedlings												
T	THIRD PERIOD												
1.	Trail Construction												v

Contract between NPC and Capalonga Mangrove Development Association, Inc. Enrichment Planting (Vegetative Rehabilitation) at Mt. Makiling Forest Reserve Contract No. LOG MSSP 2024-02-033-JBO

AFG-LOG- 007.F01 Rev. No. 0 Sheet 9 of 25

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3. Staking 4. Hole Digging 5. Seedling transport/hauli ng 6. **Planting FOURTH PERIOD** 1st - 2nd cycle ring weeding/spot cultivation 2. Trail maintenance 3. Replanting of seedlings 4. Pass fertilizer application 5. Pest and diseases detection and control Patrol works 6. FIFTH PERIOD Trail 1. maintenance 2. Fireline construction 3. Fireline Department 4 (NPC) maintenance 4. Pest and diseases detection and control Patrol works SIXTH PERIOD 3rd cycle ring weeding/spot cultivation and mulching 2. Trail Maintenance 3. Replanting of seedlings 4. Pest and diseases

Contract between NPC and Capalonga Mangrove Development Association, Inc. Enrichment Planting (Vegetative Rehabilitation) at Mt. Makiling Forest Reserve Contract No. LOG MSSP 2024-02-033-JBO

AFG-LOG- 007.F01 Rev. No. 0 Sheet 10 of 25

BY:

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Department 4

VINCENT B. CONCIO

5. Patrol works SEVENTH **PERIOD** 1. 4th cycle ring weeding/cultiv ation 2. Trail maintenance 3. Fireline maintenance 4. Replanting of seedlings 5. Pest and disease detection and control 6. Patrol works **EIGHT PERIOD** Trail 1. maintenance 2. Fireline Maintenance 3. Pest and disease detection and control Patrol works 4. **NINTH PERIOD** 5th cycle ring weeding/spot cult. 2. Trail maintenance 3. Replanting of seedlings Fertilizer 4. application Pest 5. and disease detection and control Patrol works TENTH/FINAL **PERIOD** 6th cycle ring weeding/spot cult.

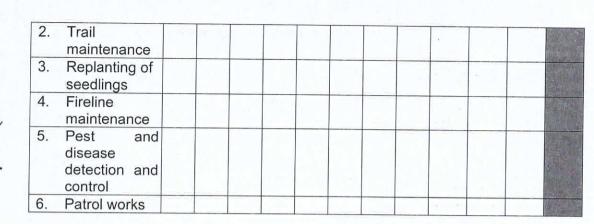
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AFG-LOG- 007.F01 Rev. No. 0 Sheet 11 of 25

detection and

control

BY:



ARTICLE VII PROJECT START UP

The project shall commence immediately upon issuance of Notice to Proceed and shall be completed within three (3) years.

The day one of 1st billing period, as stipulated in Article XI (Mode of Payments), 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 end-user 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.

ARTICLE VIII ACCOMPLISHMENT REPORT

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

The Contractor shall submit a narrative accomplishment report based on the activities completed for every progress-billing period. This 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 monthly accomplishment reports must also be attached as Annexes of

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

ARTICLE IX PROCESSING OF PAYMENT

Inspection Team shall be composed of the following:

WAT's Senior Watershed Management Specialist

Contract between NPC and Capalonga Mangrove Development Association, Inc. Enrichment Planting (Vegetative Rehabilitation) at Mt. Makiling Forest Reserve Contract No. LOG MSSP 2024-02-033-JBO

AFG-LOG- 007.F01 Rev. No. 0 Sheet 12 of 25

BY:

OIC-OM, Watershed Management Department 9

EMMANUEL A. UMALI C-OVP, Corporate Affairs G b. Watershed Management Department representative

c. Representative from NPC Internal Audit Dept., if any

d. Quality Assurance (QA) or equivalent from the respective NPC plants

e. A representative from the LGU shall serve as witness during the inspection of completed activities.

The contractor shall submit/forward at least two (2) sets of the following documents to the concerned Watershed Area Team to warrant inspection of completed activity to wit:

a. Request for inspection

b. Notice of billing

c. Narrative Accomplishment Report (Progress Billing Accomplishment Report)

d. Certification that the laborers hired were already paid for the services rendered and noted by the Barangay Chairman

e. Pictures/photographs of before, during and after the activity

*Note: 1 copy for WAT and 1 copy for Payment Purposes

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.

The Contractor shall submit at least two (2) sets of documents specified as stated in the Scope of Works. (One set for payment purposes and the other set for file of the Area Team)

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.

Inspection Report may either recommend payment for the bill in such amount as may be warranted by actual accomplishments; or for its rejection, as the case may be.

If recommendation is for payment, the billing shall be processed, and payment remitted to the Contractor within the government mandated schedule.

If for rejection, the concerned Watershed Area Team shall notify the Contractor in writing within three (3) working days from receipt of the Inspection Report informing the latter of such fact and explaining the reasons thereof.

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.

Contract between NPC and Capalonga Mangrove Development Association, Inc. Enrichment Planting (Vegetative Rehabilitation) at Mt. Makiling Forest Reserve Contract No. LOG MSSP 2024-02-033-JBO

AFG-LOG- 007.F01 Rev. No. 0 Sheet 13 of 25

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WELESA TOR)

JOHNTON E. WELL (CONTRACTOR)

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Department 4.
(NPC)

BY:

OIC-OM, Watershed Management

OIC-ÓVP, Corporate Affairs Group

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)

ARTICLE X PROJECT PROFILE

Location

Barangay

within the Mt. Makiling Forest Reserve

Municipality

Province

Laguna

Area

Size

ize : 30 hectares

Distance from nearest water source
Distance from the nearest barangay road

: Approx. 1000 meters : Approx. 1000 meters

Climate Type

: Type IV : Slopy/Rolling

Topography: Soil type/pH Vegetative Cover

: Loamy : Brush/Shrubs/

Grass/Sparse tress

Implementation Strategy

Number of Required Seedlings: 12,000 seedlings (inclusive of 20%

mortality allowance)

Choice of Species: At least Five (5) hardwood indigenous tree species

suitable and/or common in the area or equivalent species available during the planting season. Choice of species shall be agreed upon or approved by the

Watershed Area Team

Planting Scheme Spacing:

5m x 5m

Manpower Availability

Estimated available workforce

20

Contract between NPC and Capalonga Mangrove Development Association, Inc. Enrichment Planting (Vegetative Rehabilitation) at Mt. Makiling Forest Reserve Contract No. LOG MSSP 2024-02-033-JBO

AFG-LOG- 007.F01 Rev. No. 0 Sheet 14 of 25

MANUEL A. UMALI

ARTICLE XI PAYMENTS

For and in consideration of the WORKS to be undertaken by the CONTRACTOR as specified in Article II hereof, NPC shall pay the CONTRACTOR in Philippine Pesos and in accordance with the Contract documents the amount of PHILIPPINE PESOS NINE HUNDRED FIFTY FIVE THOUSAND TWENTY FIVE PESOS (PHP 955,025.00) for three (3) years.

The approved Mode of Payment shall be used as guide in determining the actual amount to be paid, as follows:

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 Monumenting/Marking of corners Blocking of the area 	Quarter 1	10 % (less the 10% retention fee) 9.00%
2	2 nd Progress Billing	Seedbed/germination bed preparation Sowing of seeds 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 & pesticide application) Maintenance of transplanted seedlings (e.g. weeding, watering, fertilizer & pesticide application) Seedlings (e.g. weeding, watering, fertilizer & pesticide application) Seedlings have reached a minimum height of 0.40 meter Trail construction	Quarter 1-2 Can be waived by a 100% ➤ seedling procurement	10 % (less the 10% retention fee) 9.00%
3	3rd Progress Billing	 Strip Brushing Staking Hole digging Seedling transport/hauling Planting Minimum 90% seedling survival 	Quarter 3	12 % (less retention fee) 10.80%
4	4 th Progress Billing	 1st-2nd cycle ring weeding/spot cultivation Trail Maintenance Replanting of seedlings 1-pass fertilizer application Pest & diseases detection & control Patrol works 	Quarter 4	8 % (less 10% retention fee) 7.20%
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5	5 th Progress Billing	Fireline construction Trail Maintenance Pest and diseases detection and control Patrol works Minimum 90% seedling survival	Quarter 1-2	15 % (less 10% retention fee) 13.50%

Contract between NPC and Capalonga Mangrove Development Association, Inc. Enrichment Planting (Vegetative Rehabilitation) at Mt. Makiling Forest Reserve Contract No. LOG MSSP 2024-02-033-JBO

AFG-LOG- 007.F01 Rev. No. 0 Sheet 15 of 25

BY:

Department 4

OIC-OM, Watershed Management VINCENT B. CONCIO

OIC-ÓVP, Corporate Affairs Group

OIC-OVP, Corporate Affairs Group

BY:

OIC-OM, Watershed Management

6	6 th Progress Billing	cultivation Replanting of seedlings Fertilizer application (1 pass) Trail Maintenance Pest & diseases detection & control Patrol works Minimum 90% seedling survival	Quarter 3	7.50 % (less 10% retention fee) 6.75%
7	7 th Progress Billing	4 th cycle ring weeding/spot cultivation Replanting of seedlings Fireline Maintenance Trail Maintenance Pest & diseases detection & control Patrol works Minimum 90% seedling survival	Quarter 4	7.50 % (less 10% retention fee) 6.75%
Year 3				
8	8 th Progress Billing	 Trail Maintenance Fireline maintenance Pest & diseases detection & control Patrol works Minimum 90% seedling survival 	Quarter 1-2	15.00 % (less 10% retention fee) 13.50%
9	9 th Progress Billing	 5th cycle ring weeding/spot cultivation Fertilizer application (pass) Trail Maintenance Replanting of seedlings Pest & diseases detection & control Patrol works Minimum 90% seedling survival 	Quarter 3	7.50% (less 10% retention fee) 6.75%
10	Final Payment	 6th cycle ring weeding/spot cultivation Trail maintenance Replanting of seedlings Fireline maintenance Pest & diseases detection & control Patrol works Minimum 90% seedling survival 	Quarter 4	7.50% (less 10% retention fee) 6.75%
Relea	se Retention	 The plantation is properly maintained and protected against forest/wild fire The plantation has 90% survival Certificate of Final Acceptance issued 		≤0.00% (dependent to percentage of survival)

3rd cycle ring weeding/spot

ARTICLE XII 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.

Contract between NPC and Capalonga Mangrove Development Association, Inc. Enrichment Planting (Vegetative Rehabilitation) at Mt. Makiling Forest Reserve Contract No. LOG MSSP 2024-02-033-JBO

AFG-LOG- 007.F01 Rev. No. 0 Sheet 16 of 25

ASSOCIATION, INC.
(CONTRACTOR)

(CONTRACTOR)

RAMIL R. MAVIZ

President

BY:

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OIC-OM, Watershed Management
Department

EMMANUEL A. UMALI C-OXP, Corporate Affairs Group a. Cash, Cashier's/Manager'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 Universal or Commercial Bank, if issued by a foreign bank which shall be Five Percent (5%) of the total Contract Price.

b. Surety Bond callable upon demand and penal in nature issued by a surety or insurance company duly accredited 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 National Power Corporation.

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

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 obligation 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 XIII RETENTION FEE

To further guarantee accomplishment of the contracted services/project targets, an amount equivalent to 10% of the total contract amount shall be retained by the Corporation as retention fee.

Retention fee shall be disbursed to the CONTRACTOR upon satisfactory completion of the contracted services/project targets.

Satisfactory completion is quantified by the following parameters:

a. Ninety (90%) percent survival of the trees planted (including replanted) as validated by the WAT.

Contract between NPC and Capalonga Mangrove Development Association, Inc. Enrichment Planting (Vegetative Rehabilitation) at Mt. Makiling Forest Reserve Contract No. LOG MSSP 2024-02-033-JBO

AFG-LOG- 007.F01 Rev. No. 0 Sheet 17 of 25

EMMANUEL A. UMALI IC-OVP, Corporate Affairs Group

- b. Protected from forest fire.
- c. If portions of the plantation area were burned, the CONTRACTOR shall be allowed to conduct replacement planting, if climatic factors permit, to meet the total area planted and the required 90% survival.
- d. If the percent survival of the established plantation is below Ninety percent (90%), the payment of the retention fee shall be proportionate to the determined percent survival to wit:

89% survival = 99% of the retention fee 88% survival = 98% of the retention fee 87% survival = 97% of the retention fee 86% survival = 96% of the retention fee 85% survival = 95% of the retention fee 84% survival = 94% of the retention fee 83% survival = 93% of the retention fee 82% survival = 92% of the retention fee 81% survival = 91% of the retention fee 80% survival = 90% of the retention fee

The 10% retention fee shall be forfeited in favor of the Corporation if the requirements for satisfactory completion were not met and below 80% survival.

ARTICLE XIV SUBCONTRACTING/ASSIGNMENT

Subcontracting or assigning, wholly or in part, the services/project contracted stated in Article 3 (Scope of Work), is **prohibited**.

Any subcontracting agreement or assignment entered into in violation of this condition shall be considered **null and void**. The Corporation 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.

ARTICLE XV PENALTY FOR DELAY

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.

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.

Contract between NPC and Capalonga Mangrove Development Association, Inc. Enrichment Planting (Vegetative Rehabilitation) at Mt. Makiling Forest Reserve Contract No. LOG MSSP 2024-02-033-JBO

AFG-LOG- 007.F01 Rev. No. 0 Sheet 18 of 25



BY:

VINCENT B. CONCIO
OIC-OM, Watershed Management
Department %.
(NPC)

Delays caused by **force majeure** are not covered by the penalty. The following are cases of **force majeure**:

- 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
- 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.

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.**

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.

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.

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

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

ARTICLE XVI OTHER LIABILITIES

The CONTRACTOR shall be held liable and fully responsible to the safety and welfare of the "pakyaw" laborers contracted under this contract.

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.

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 between NPC and Capalonga Mangrove Development Association, Inc. Enrichment Planting (Vegetative Rehabilitation) at Mt. Makiling Forest Reserve Contract No. LOG MSSP 2024-02-033-JBO

AFG-LOG- 007.F01 Rev. No. 0 Sheet 19 of 25



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BY:

VINCENT B. CONCIO
OIC-OM, Watershed Management
Department 4.
(NPC)

EMMANUEL A. UMALI

OIC-OVP, Corporate Affairs Group

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.

It is the responsibility of the CONTRACTOR for the strict compliance with the requirements of the Philippine Clean Air Act of 1999 (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.

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.

In general, the CONTRACTOR is totally 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.

CONTRACTOR shall maintain presence the area to supervise/manage during critical stages of the Project.

ARTICLE XVII NON-COMPLIANCE

The CONTRACTOR shall 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 nonconformance, 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 XVIII LIABILITY / INDEMNITY FOR LOSS AND /OR DAMAGES

CONTRACTOR shall be liable and shall indemnify NPC for any loss, damages or injury on property of NPC due to, or arising from the fault, negligence, vandalism or other unlawful act of CONTRACTOR'S employees / workers, provided that the loss or damage is made known in writing by NPC to the CONTRACTOR.

Contract between NPC and Capalonga Mangrove Development Association, Inc. Enrichment Planting (Vegetative Rehabilitation) at Mt. Makiling Forest Reserve Contract No. LOG MSSP 2024-02-033-JBO

AFG-LOG- 007.F01 Rev. No. 0 Sheet 20 of 25

BY:

CONTRACTOR

OIC-OM, Watershed Management VINCENT B. CONCIO Department 4

CONTRACTOR shall be held liable to, and indemnify third (3rd) party for from the fault and/or negligence of CONTRACTOR'S employees/workers assigned in the premises of the NPC.

NPC shall at its option, deduct from any money/monies payable to the CONTRACTOR any liability/indemnity incurred arising from the fault or negligence of the latter's workers/employees.

ARTICLE XIX **RISK PROVISIONS**

NPC shall not at any time be liable for damage(s) or loss to any tools, equipment of the CONTRACTOR used or intended for use in the execution of the Contract. In case any tools/equipment is provided to the CONTRACTOR by NPC, the CONTRACTOR shall indemnify NPC for any loss or damages to such tools and equipment whilst in his possession unless the damage/loss is caused by NPC.

CONTRACTOR shall hold NPC free and harmless from any and all liabilities, suits, actions, demands or damages arising from death or injuries to third person, including those in the employ of CONTRACTOR, or any loss resulting from or caused by the CONTRACTOR's personnel, incident to or in connection with the execution of this Contract, and CONTRACTOR shall forever defend NPC from such suits or claims at CONTRACTOR's cost and expense.

Without prejudice to the provisions of the preceding paragraphs, CONTRACTOR shall indemnify NPC for any loss, claims, proceedings, damages or expenses of whatever nature arising out of the execution of the Contract, except if the loss, claim, proceedings, damages or expenses are due to the negligence of NPC.

ARTICLE XX LIQUIDATED DAMAGES AND PENALTIES

Should the contractor fail to deliver any or all of the goods and/or to perform any of the services within the period specified in this contract, inclusive of duly granted time extensions, if any, the CONTRACTOR shall be liable for penalty and agrees to pay NPC, liquidated damages, which shall be deducted from the contract price, in an amount equivalent to 1/10 of 1% of the total of the unperformed services/uncompleted activities per progress period, for each calendar day of delay until said activities included in that progress period is 100% completed. For this purpose, the penalty is on a per progress basis and not only after the thirty-six month duration has elapsed. Once the amount of damages reaches ten percent (10%), NPC may rescind or terminate the contract without prejudice to other courses of action and remedies available to it.

(CONTRACTOR)

BY:

OIC-OM, Watershed Management VINCENT B. CONCIO Department 9

OIC-OVP, Corporate Affairs Group

Contract between NPC and Capalonga Mangrove Development Association, Inc. Enrichment Planting (Vegetative Rehabilitation) at Mt. Makiling Forest Reserve Contract No. LOG MSSP 2024-02-033-JBO

AFG-LOG- 007.F01 Rev. No. 0 Sheet 21 of 25

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OIC-OM, Watershed Management

Department 4

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ARTICLE XXI 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 of 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 XXII 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 XXIII GOVERNING LAW

This Contract shall be governed by and construed in accordance with the laws of the Republic of the Philippines.

ARTICLE XXIV VENUE OF ACTIONS

The parties hereto agree that the venue of action for any cause or causes of action which may arise from this Contract shall be exclusively the proper court of Quezon City, Philippines, only.

Contract between NPC and Capalonga Mangrove Development Association, Inc. Enrichment Planting (Vegetative Rehabilitation) at Mt. Makiling Forest Reserve Contract No. LOG MSSP 2024-02-033-JBO

AFG-LOG- 007,F01 Rev. No. 0 Sheet 22 of 25 NATIONAL POWER CORPORATION

(NPC)

CAPALONGA MANGROVE DEVELOPMENT ASSOCIATION, INC.

(CONTRACTOR)

BY:

MANUEL A. UMALI OIC-OVP, CAG

BY:

SIGNED IN

THE PRESENCE OF:

VINCENT B. CONCIO OIC-OM, WMD 41.

FUNDS AVAILABLE:

NA E. BOMEDIANO OIC-OVP, Admin and Finance

Certificate of Budgetary Inclusion Period:

Certificate of Budgetary Inclusion PD-26-03-5703

CERTIFIED FUNDS AVAILABLE PERIOD JOB ORDER COST CENTER

ACKNOWLEDGEMENT

BEFORE ME, a Notary Public for and in Quezon City, Philippines, this day of MAR 2.7 2024, personally appeared MR. EMMANUEL A. UMALI with NPC ID No. APW1300006, acting in his capacity as OIC-OVP, Corporate Affairs Group of NATIONAL POWER CORPORATION, known to me and to me known to be the same person who executed the foregoing instrument consisting of twenty five (25) pages, including the pages wherein the acknowledgements are written, all pages signed by the 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.

Doc. No. ____; Page No. ____; Book No. ____4 ;

Series of 2024

Notary Public Until December 31, 2024 IBP Lifetime No.: PTR No.: ATTY, RODOLFO M. DE GUZMAN, JR. otary Public for Quezon City Com ssion No. NP-339(2023-2024) Commission Expires on 31 December 264 Rolf No. 44291 IBP No. 307797; 01/31/2023, Tarlac PTR No. 5661363; 01/12/2024; Quezon City MCLE No. VII-0016459; 4/27/2022, Fasty City 4th Floor Gabriel Y. Itchon Building Senator Defensor-Santiago Avenue (formerly BIR Road) Comer Quezon Avenue, Olliman, During Lib

) S.S.

ACKNOWLEDGEMENT

BEFORE ME, a Notary Public for and in Quezon City, Philippines day of MAR 19 2024, 2024, personally appeared MR. R. RAVIZ with ID No. 20149 - 02076 , acting in his capacity of CARAL ON CAMAN CONTENT OF CAMAN CONTENT O	ARAII
President of CAPALONGA MANGROVE DEVELOPMENT ASSOCIATION, I known to be the same person who executed the forgoing instrument consisting twenty five (25) pages the pages wherein the acknowledgements are written pages signed by the parties and their instrumental witnesses, and he acknowledgement that the same is his free and voluntary act and deed and that of Corporation he represents.	INC., ng of n, all

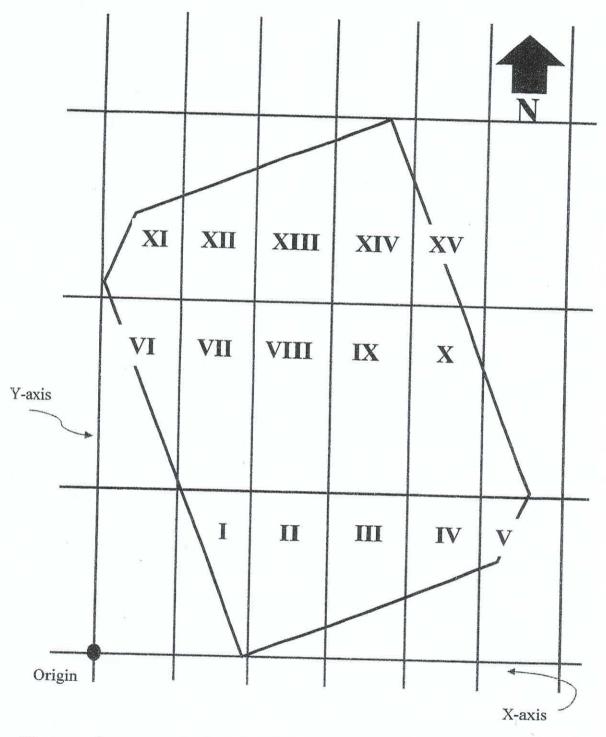
WITNESS MY HAND AND NOTARIAL SEAL, at the place and on the date first above written.

Notary Public	
Until December 31, 2024	
IBP Lifetime No.:	
PTR No.:	

Doc. No. /// Page No. // Book No. /// Series of 2024 ATTY. MICHAEL JOSEPH C. CAPINPIN
Notary Public for Quezon City
Valid Until December 31, 2024
PTR No. 5561390 issued Date 01/02/2024
IBP Lifetime No. 8330
Roli No. 56499
MCLE Compliance No. VII-001874
Valid Until April 14, 2025
Adm. Matter NP 044 (2024-2025)
101 Malakas Lane Brgy, Central Q.C.

Contract between NPC and Capalonga Mangrove Development Association, Inc. Enrichment Planting (Vegetative Rehabilitation) at Mt. Makiling Forest Reserve Contract No. LOG MSSP 2024-02-033-JBO

SAMPLE ILLUSTRATION OF BLOCKING



Distance between vertical lines along X-axis : Distance between horizontal lines along Y-axis:

200 m.

Assignment of Block Numbers

500 m.

W-E (Left to Right) S-N (Bottom-Up)