

BY:

*Betty U. Buenaobra*  
**BETTY U. BUENAOBRA**  
 President

*Melchor P. Ridulme*  
**MELCHOR P. RIDULME**  
 (SUPPLIER)

*Alexander P. Japon*  
**ALEXANDER P. JAPON**  
 Vice President, Admin & Finance

*Atty. Melchor P. Ridulme*  
**ATTY. MELCHOR P. RIDULME**  
 Officer-In-Charge, NPC

BY:

**CONTRACT NO. LOG MSSP 2022-08-079-ALC**

**SUPPLY, DELIVERY, INSTALLATION, TEST AND COMMISSIONING  
 OF 2 X 600 kW CONTAINERIZED DIESEL GENSETS AND  
 ASSOCIATED ELECTRICAL EQUIPMENT FOR  
 CUYO DIESEL POWER PLANT  
 HO-PIG22-012 / PB220621-NA00178,**

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 BIR Road corner Quezon Avenue, Diliman, Quezon City, Philippines, represented herein by its Officer-In-Charge, NPC, **ATTY. MELCHOR P. RIDULME**, who is duly authorized to represent it in this transaction, hereinafter referred to as **NPC**;

- and -

**PEOPLE'S INTERNATIONAL ENTERPRISES CO.**, a corporation duly organized and existing under and by virtue of the laws of Republic of the Philippines with office address at 1386 E. Rodriguez Sr. Avenue, cor. Mabolo Street, New Manila, Quezon City, Philippines herein represented by its President, **MS. BETTY U. BUENAOBRA**, who is duly authorized to represent it in this transaction, hereinafter referred to as **SUPPLIER**.

**WITNESSETH: That -**

WHEREAS, on 28 May 2022, NPC posted the Invitation to Bid for the Public Bidding for the Supply, Delivery, Installation, Test and Commissioning of 2 x 600 kW Containerized Diesel Gensets & Associated Electrical Equipment for Cuyo Diesel Power Plant;


WHEREAS, there were two (2) prospective bidders who secured the bidding documents and participated in the bidding conducted on 21 June 2022, on the aforesaid undertaking;

Contract between NPC and People's International Enterprises Co.  
 Supply, Delivery, Installation, Test & Commissioning of 2 x 600 kW Containerized Diesel Gensets and Associated Electrical Equipment for Cuyo Diesel Power Plant  
 Contract No. LOG MSSP 2022-08-079-ALC



ATTY. MELCHOR P. RIDULME  
Officer-in-Charge, NPC

BY:

  
(SUPPLIER)ALEXANDER P. JAPON  
Vice President, Admin & Finance

BY:

BETTY U. BUENAOBRA  
President

WHEREAS, SUPPLIER's bid offer was considered as the Single 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:

#### 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. Bid Documents for the Supply, Delivery, Installation, Test and Commissioning of 2 x 600 kW Containerized Diesel Gensets and Associated Electrical Equipment for Cuyo Diesel Power Plant;
2. Bid Submission/Opening Report dated 28 June 2022;
3. Post-qualification Report dated 28 July 2022;
4. SUPPLIER's bid proposal dated 21 June 2022, as reflected in Annex A;
5. Notice of Award dated 22 August 2022;
6. Notice to Proceed; and
7. The Performance Security to be filed by SUPPLIER in accordance with this Contract.

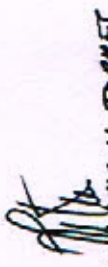
The documents mentioned above shall collectively be referred to as "Contract Documents".

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.

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BY:

ATTY. MELCHOR P. RIDULME  
Officer-In-Charge, NPCALEXANDER P. JAPON  
Vice President, Admin & Finance

(SUPPLIER)

BY:

BETTY U. BUENAOBRA  
President**ARTICLE II**  
**SCOPE OF CONTRACT**

SUPPLIER shall, in accordance with the provisions of, and subject to the conditions contained in the Contract Documents, undertake the Supply, Delivery, Installation, Test and Commissioning of 2 x 600 kW Containerized Diesel Gensets and Associated Electrical Equipment for Cuyo Diesel Power Plant. Scope of Work and related services to be provided by the SUPPLIER are contained in the Bid Documents.

The Supplier's scope of work under this Project shall generally consist of the following:

- Design manufacture, factory test, deliver, installation of electro-mechanical equipment, associated auxiliaries and electrical equipment as enumerated in Table 1.0, Clause GW-1.0;
- Delivery of labor and supervision, materials and supplies, tools and equipment for the construction of civil works including detailed design of associated civil/structural works for all equipment to be supplied by the Supplier and as specified herein;
- Inspection, test and commissioning of equipment and machinery to ascertain that they are functioning in accordance with the contract provisions and guarantees;
- Training of NPC personnel covering electrical, mechanical, instrumentation and control systems, troubleshooting including the supply of manufacturer's software needed in programming the DG set control setting and electro/digital governing system including other digital components that require exclusive programs from the Manufacturer with free update throughout the operating life of the DG sets.

The SUPPLIER shall also provide all other related works not specifically mentioned in the Specifications but are necessary to complete the Works so as to be ready for commercial operation in accordance with the intent of the Contract. It is understood that all costs pertinent thereto are included in the Schedule of Requirements.

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BY:

BETTY U. BUENAOBRA  
President

(SUPPLIER)

ALEXANDER P. JAPON  
Vice President, Admin & FinanceATTY. MELCHOR P. RIDULME  
Officer-In-Charge, NPC

BY:

**ARTICLE III**  
**PROJECT DURATION**

The SUPPLIER shall complete the work as specified within **two hundred seventy (270) calendar days** which shall become effective from receipt of Notice to Proceed. The total contract period is inclusive of twenty (20) rainy/unworkable days, considered unfavorable for the execution of the works at site.

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

The Total Contract Price shall be in the amount of and not exceeding **PHILIPPINE PESOS FORTY ONE MILLION FORTY THOUSAND SEVEN HUNDRED EIGHTY SEVEN & 63/100 PESOS (PHP 41,040,787.63) ONLY.**

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

All taxes, customs 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

**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.

a. Cash Manager's/Cashier's Check, Bank Draft/Guarantee issued by a Universal 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 (5%) of the total contract price.

b. Surety Bond callable upon demand and penal in nature 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.

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MSSP 2022-08-079-ALC



BY:

ATTY. MELCHOR P. RIDULME  
Officer-In-Charge, NPCALEXANDER P. JAPON  
Vice President, Admin & Finance

(SUPPLIER)

BETTY U. BUENAOBRA  
President

## c. Performance Securing Declaration.

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 SUPPLIER to perform its obligation 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**  
**WARRANTY/GUARANTEE BOND**

To assure that manufacturing defects shall be corrected by the SUPPLIER or its manufacturer, the SUPPLIER shall post a Warranty/Guarantee Bond after the performance of the contract pursuant to the provision contained in Section IV, Clause GCC-5 of the Bid Documents. This is also a pre-requisite to the discharge and return to the SUPPLIER of the Performance Bond. This shall remain valid for twelve (12) months after the final acceptance of the goods by the end user. The obligation of the warranty shall be covered by, at the SUPPLIER's option, either retention money in an amount equivalent to at least one percent (1%) but not to exceed five percent (5%) of every progress payment, or a special bank guarantee equivalent to at least one percent (1%) but not to exceed five percent (5%) of the total Contract Price. The said amount shall only be released after the lapse of the warranty period, provided, however, that the GOODS supplied are free from patent and latent defects and all the conditions imposed under the contract have been fully met.

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BY:

  
ATTY. MELCHOR P. RIDULME  
Officer-In-Charge, NPC  
ALEXANDER P. JAPON  
Vice President, Admin & Finance  
(SUPPLIER)  
BETTY U. BUENAOBRA  
President

BY:

## ARTICLE VII LIQUIDATED DAMAGES

Should SUPPLIER fail to satisfactorily deliver any or all the GOODS and/or perform the services within the period 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, a sum equivalent to one tenth (1/10) of one percent (1%) of the contract cost of the delay/unperformed portion for every day of delay until actual delivery or performance. Once the amount of liquidated damages reaches ten percent (10%), the NPC may rescind the contract without prejudice to other course of action and remedies open to it.

## ARTICLE VIII NON-ASSIGNMENT AND NO SUB-CONTRACT

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-contract 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 IX 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.

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President

(SUPPLIER)

ALEXANDER P. JAPON  
Vice President, Admin & FinanceATTY. MELCHOR P. RIDULME  
Officer-In-Charge, NPC

BY:

**ARTICLE X**  
**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 XI**  
**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 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 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 XII**  
**WARRANTY CLAUSE**

SUPPLIER hereby warrants that he or his 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 he or his 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 him to any

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ATTY. MELCHOR P. RIDULME  
Officer-In-Charge, NPC

ALEXANDER P. JAPON  
Vice President, Admin & Finance

(SUPPLIER)

BY:

BETTY U. BUENAOBRA  
President

official or employee of NPC and to the relatives within the 3<sup>rd</sup> 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; he 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 his representative and/or the erring NPC official(s) and employee(s).

### ARTICLE XIII 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 XIV 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 XV EFFECTIVITY

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

### ARTICLE XVI 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 shall be exclusively in the proper court of Quezon City, Philippines, only.

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IN WITNESS WHEREOF, the parties hereto have signed this Contract this \_\_\_\_\_ day of \_\_\_\_\_, 2022 at Quezon City, Philippines.

**NATIONAL POWER CORPORATION**  
(NPC)

**PEOPLE'S INTERNATIONAL ENTERPRISES CO.**  
(SUPPLIER)

BY:



**ATTY. MELCHOR P. RIDULME**  
Officer-In-Charge, NPC

BY:

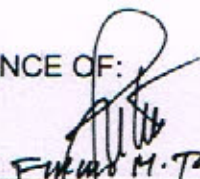


**BETTY U. BUENAOBRA**  
President

SIGNED IN THE PRESENCE OF:



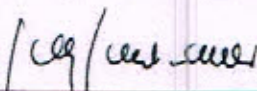
**ALEXANDER P. JAPON**  
Vice President, Admin & Finance  
(NPC)



**FINA M. TORRES**  
(SUPPLIER)

Per attached CBI  
TND-23-08-5675

FUNDS AVAILABLE



**LORRAINE E. BOMEDIANO**  
Sr. Department Manager, Finance

SARLO

CERTIFIED FUNDS AVAILABLE  
2022  
W/O# 3600A03  
4204903  
P 36,643,560.38

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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 23 SEP 2022, personally appeared **ATTY. MELCHOR P. RIDULME**, Officer-In-Charge, **NATIONAL POWER CORPORATION**, with Document Identification in the form of Company ID No. APW130003, known to me and to me known to be the same person who executed the foregoing instrument consisting of eleven (11) 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.

Doc. No. 27 ;  
Page No. 8 ;  
Book No. 5 ;  
Series of 2022.

Notary Public  
Until December 31, 2022  
IBP Lifetime No.: \_\_\_\_\_  
PTR No.: \_\_\_\_\_

**ATTY. RODOLFO M. DE GUZMAN, JR.**  
Notary Public for Quezon City  
Commission No. NP-127(2021-2022)  
Commission Expires on 31 December 2022  
Roll No. 44291  
IBP No. 201548; 02/08/2022; P. 1  
PTR No. 2614399; 02/08/2022; Quezon City  
MCLE No. VI-0025196; 04/08/18; P. 1  
4th Floor NPC Office Building  
Quezon Ave. cor. BIR Rd  
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 \_\_\_\_\_, 2022, personally appeared **MS. BETTY U. BUENAOBRA**, President, **PEOPLE'S INTERNATIONAL ENTERPRISES CO.** with Identification Document in the form of Passport ID P7111451B, issued by DFA at Lucena City, on July 5, 2021, known to me and to me known to be the same person who executed the foregoing instrument consisting of eleven (11) 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.

Notary Public  
Until December 31, 2022  
IBP Lifetime No.: \_\_\_\_\_  
PTR No.: \_\_\_\_\_

Doc. No.: 41  
Page No.: 97  
Book No.: 11  
Series of 2022.

**ATTY. EDWARD T. ONG**

NOTARY PUBLIC

Roll No. 49706

IBP LRN 07814; 08-08-08; QC

117 E. Rodriguez, Sr. Avenue, QC

MCLE Compliance No. 17-0028794; 04-14-2022

Admin. Matter No. 72-059 (2021-2022)

PTR NO 2463287, QC, 01-03-22

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Officer-In-Charge, NPC

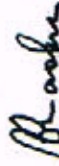


ALEXANDER P. JAPON  
Vice President, Admin & Finance



FIRMO H. DORADO  
(SUPPLIER)

BY:



BETTY U. BUENAOBRA  
President

## ANNEX A

BID PRICE SCHEDULE  
SUMMARYSUPPLY, DELIVERY, INSTALLATION, TEST & COMMISSIONING 2 X 600 KW CONTAINERIZED DIESEL  
GENSETS AND ASSOCIATED ELECTRICAL EQUIPMENT FOR CUYO DPP

HO-PIG22-012 / PB220621-NA00178

ITEM NO	PARTICULARS	FOREIGN CURRENCY (USD)	PHIL. PESO (PHP)	TOTAL PESO EQUIVALENT PHIL. PESO (PHP)
A.	Diesel Generating set(s)	195,647.44	11,977,409.43	22,454,525.48
B.	Power Transformer(s)	54,404.50	4,199,063.63	7,112,479.01
C.	Other Mechanical Works	1,950.00	1,765,267.84	1,869,692.29
D.	Other Electrical Works	-	5,096,000.00	5,096,000.00
E.	Civil Works	-	753,648.00	753,648.00
F.	Spare Parts & Special/Standard Tools	34,701.68	711,173.18	2,569,482.85
G.	Miscellaneous Works	-	1,184,960.00	1,184,960.00
TOTAL AMOUNT		286,703.62	25,687,522.08	41,040,787.63

NOTE:

Forex: P/\$ 54.0050 (as of Bid Opening: 21 June 2022)