NATIONAL POWER CORPORATION

CONTRACT FOR THE REHABILITATION OF OLD WAREHOUSE, AGUS 2 HPP, BARANGAY PAWAK, SAGUIARAN, LANAO DEL SUR PR No. MA-A2M23-111// REF. NO. INFRA2023-AG2-041

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 NPC Building, BIR Road corner Quezon Avenue, Diliman, Quezon City, Philippines, represented herein by its Plant Manager for Agus 1 & 2 HPPC, Mindanao Generation, MANGURUN T. BAUTIL, PhD., who is duly authorized to represent it in this transaction, hereinafter referred to as NPC;

and -

ASAFA CONSTRUCTION, a single proprietorship duly organized and existing under and by virtue of the laws of Republic of the Philippines with office address at Barangay Malaig. Balindong, Lanao Del Sur Philippines, herein represented by its Manager, SALIC U. BARUANG, who is the duly authorized to represent it in this transaction, hereinafter referred to as CONTRACTOR;

WITNESSETH: That -

WHEREAS, on 14 July 2023, NPC advertised the Invitation to Bid for the Public Bidding for the REHABILITATION OF OLD WAREHOUSE, AGUS 2 HPP, BARANGAY PAWAK, SAGUIARAN, LANAQ DEL SUR;

WHEREAS, three (3) prospective bidders secured the bidding documents but only two submitted and participated in the bidding conducted on 02 August 2023 and the two (2) bidders were declared eligible on the aforesaid undertaking; However, during post evaluation dated 15 August 2023, the Lowest Calculated Bid was non-responsive;

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 for and in consideration of the mutual covenants and stipulations hereinafter

Contract between NPC and Asafa Construction Rehabilitation of Old Warehouse, Agus 2 HPP Contract No. INFRA-AG2-2023-09-031 Sheet 1 of 9

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POWER CORPORATION

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 REHABILITATION OF OLD WAREHOUSE, AGUS 2 HPP, BARANGAY PAWAK, SAGUIARAN, LANAO DEL SUR;
- All other drawings, work program and bidding forms including all the documents now existing on file and/or to be made and agreed upon by the parties during the contract period relative to the works;
- 3. CONTRACTOR's bid proposal dated 02 August 2023 as reflected in Annex A;
- 4. Supplemental / Bid Bulletin No. 2023-CMO-015
- 5. Bid Opening Report dated 02 August 2023;
- Post-qualification Report dated 22 August 2023;
- Notice of Award dated 06 September 2023;
- 8. Notice to Proceed; and
- 9. The Performance Security to be filed by CONTRACTOR in accordance with this Contract.

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

In the event that there is any discrepancy/inconsistency between the provisions of the Contract and the Contract Documents mentioned above, the former shall govern. Should there be any inconsistency/discrepancy, among the Contract Documents, the document with the latest date shall prevail.

#### ARTICLE II SCOPE OF CONTRACT

CONTRACTOR shall, in accordance with the provisions of, and subject to the conditions contained in the Contract Documents, fully and faithfully furnish all superintendence, labor, materials, supplies, tools and equipment (in accordance with the requirements of the Bidding Documents and Technical Specifications) for the REHABILITATION OF OLD WAREHOUSE, AGUS 2 HPP, BARANGAY PAWAK, SAGUIARAN,

Contract between NPC and Asafa Construction Rehabilitation of Old Warehouse, Agus 2 MPP Contract No. INFRA-AG2-2023-09-031 Sheet 2 of 9 ΕΥ.

NATIONAL POWER CORPORATION

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LANAO DEL SUR; The items of work, materials, equipment and/or service mentioned above and listed in the itemized list hereto attached and made an integral part hereof as "ANNEX A", Shall be collectively referred to 'as "WORK".

# ARTICLE IIII

CONTRACTOR shall complete all the works specified in the bidding documents within Seventy (70) calendar days reckoned from the date of contract effectivity as specified in the Notice to Proceed.

#### ARTICLE IV PAYMENTS

For and in consideration of the WORK to be undertaken by CONTRACTOR as specified in the preceding Article II hereof, NPC shall pay the CONTRACTOR in Philippine Currency and in accordance with the Contract Documents, the unit and lump sum prices set forth in Annex "A" hereof in the estimated amount of TWO MILLION FIVE HUNDRED TWENTY ONE THOUSAND FORTY ONE & 10/100 PESOS ONLY (PHP2,521,041.10).

All forms of taxes, such as value added tax (VAT) including municipal licenses and permits, and others that may be imposed by the Philippine Government, or any of its agencies and political subdivisions in connection with the Contract shall be for the account of the CONTRACTOR.

## ARTICLE V PERFORMANCE SECURITY

To guarantee the faithful performance of its obligations under the Contract, CONTRACTOR shall, at its own expense and at the time of the execution of the Contract or immediately thereafter, or upon receipt of the award or immediately thereafter, post a Performance Security in favor of NPC in an amount equivalent to ten percent (10%) of the total contract price in the form of cash, or cashier's/ manager's check or 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 fereign ligank, or in an amount equal to thirty percent (30%) of the total contract price, in the form of surety bond callable upon demand issued by a surety or insurance company duly certified by the Insurance Commission as authorized to issue such security. The Insurance Company that will issue Performance Security must be accredited by the National Power Corporation.

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Contract between NPC and Asafe Construction Rehabilitation of Old Warehouse, Agus 2 HPP Contract No. INPRA-AG2-2023-09-031 Sheet 3 of 9 ΕĶ

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

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

In case of surety bond, any extension of the contract time granted to the CONTRACTOR, shall be considered as given any modification of the contract shall be considered as authorized, as if visit time expressed consent of the surety, provided that such extension or incidifications falls within the effective period of the said surety bond. However, in the event that the extension of the contract time would be beyond the effective period of the surety bond first posted, it shall be the sole opiligation of the CONTRACTOR to post an acceptable Performance Sectivity within ten (10) calendar days after the contract time extension has been granted by NPC.

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

#### ARTICLE VI GUARANTEE BOND

To assure that any structural defects in the WORK shall be corrected by the CONTRACTOR, and to cover third party liabilities, the CONTRACTOR shall post a Guarantee Bond after the final acceptance of the Work. This is also a pre-requisite to the discharge and rejease to the The 'Guarantee' Bond shall CONTRACTOR of the retention money. remain valid and effective for the period of one (1) year. The Guarantee Bond shall be posted before the release of the ten percent (10%) retention money provided for in the Bidding Documents. This shall be either in the form of Cash, Letter of Credit issued by a Universal or Commercial Bank equivalent to five percent (5%) of the total contract price, or Bank guarantee confirmed by Universal or Commercial bank equivalent to 10% of the total contract price or Surety Bond penal in nature and callable upon demand issued by any surety or insurance company duly certified by the Insurance Commission as authorized to issue such security, equivalent to thirty percent (30%) of the total contract price. The CONTRACTOR shall, be held responsible for Structural Defects for the number of years mentioned in the Bidding Documents.

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Contract between NPC and Asafa Construction Rehabilitation of Old Warehouse, Agus 2 HPP Contract No. INFRA-AG2-2023-09-031 Sheet 4 of 9

### ARTICLE VI LIQUIDATED DAMAGE

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

### ARTICLE VIII WARRANTY CLAUSE

CONTRACTOR hereby warrants that he office 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 CONTRACTOR will not subconfined any portion or portions of the scope of work of the Contract awarded of thim 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 injectly and indirectly involved in Contract awards or project prosecution and that, if any commission is being paid to a private person; he strandisclose 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 (ofherwise known as the Anti-Graft and Corrupt Practices Act) and/or other applicable laws against the CONTRACTOR and/or his representative and/or the erring NPC official(s) and employee(s).

#### ARTICLE IX 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.

Contract between NPC and Asafa Construction Rehabilitation of Old Warehouse, Agus 2 HPP Contract No. INFRA-AG2-2023-09-031 Sheet 5 of 9

## ARTICLE X 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.

IN WITNESS WHEREOF, the parties hereto have signed this Contract this day of, 2023 at Iligan City, Philippines.
NATIONAL POWER CORPORATION ASAFA CONSTRUCTION (CONTRACTOR)
MANGURUNG BAUTIL, Ph.D. SALE U. BARVANG
Plant Manager, Agus 1 & 2 HPPC, Manager Mindanao Generation
signed in the presence of:
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ATTY, EDDIE U. TABUELOG CPA
Division Manager, Finance
Mindanao Generation
(NPC) (CONTRACTOR)
FUNDS AVAILABLE:
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ATTY, ROMERO P. PACILAN
Manager Admin. & Finance Department
Mindanao Generation
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Division Manager, Finance, Mil

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ATTY, EDDIE Ů. TABU

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

#### ACKNOWLEDG<u>EMENT</u>

BEFORE ME, a Notary Public for and in Iligan Gity, Philippines, this day of SEP 2073, 2023, personally appeared MANGURUN T. BAUTIL, PhD., Plant Manager, Agus 1 & 2 HPPE; Mindanao Generation with Identification Document in the form of Company No. ID APW 1300651 issued on January 25, 2023, known to me and to me known to be the same person who executed the foregoing instrument consisting of nine (9) pages, including the pages wherein the acknowledgements are written, all pages signed by both parties and their instrumental witnesses and he acknowledged before me that the same is his free and voluntary act and deed and that of the Corporation he represents.

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

Roll No. 14881 / May 2 2000 Notarial Commission No. 23-410

Valid urkil Docember 31, 2024 IBP Lifetime No. 019313 / April 16, 2016 PTR No. 8738504 / January 5, 2023 MCLE Compliance No. VII-0015693

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REHABILITATION OF OLD WAREHOUSE AT AGUS 2 HPP, PAWAK, SAGUIARAN, LANAO DEL SUR PR NO. MA-A2M23-111 / REF., NO. INPRA2023-AG2-041

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1.0	CONSTRUCTION SAFETY & HEALTH PROGRAM	1,00.	LOT	69,369,00	89,369,00
2,0	CEMOLITION OF EXISTING WOODEN STRUCTURE INSIDE * WAREHOUSE, DILAPIDATEDIUSERVICEABLE GUARD JULIPOST INSIDE PERIMETER 1	1.40	LOT	83,025.20	63,025.20
3.0	CLEARDIG WORKS (HAULING OF UNSERVICEABLE ITEMS INSIDE, ROOFING SHEETS AND GRASS TRIMMING OUTSIDE WAREHOUSE INCLUDING CLEARING OF EXISTING FENCE)	1,00	LOT	185,745,60	185,745,00
4.0	GRAVEL SED	64.50	du.M.	2,815,22	181,531.76
5.0	ROOF FRAMING	1,00	ίστ	121,118.55	121,118.55
6.0	ROOF SHEATING	509,12	SQ,M.	> 674.51	410,855,13
7.0	ELECTRICAL WORKS	1,00	ьот	328,104.17	328,104.17
8.0	REPLACEMENT OF PORCELAIN FLOOR TILES, WALL TILES, CERAMIC WATER CLOSET AND CERAMIC LAVATORY	1.00	ĻĢŦ	112,000.00	112,008.09
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10.0	O.D SCHEDULE OF DOORS AND WINDOWS INCLUDING REPLACEMENT OF DILAPIDATED 3'X8" HARDWOOD BASS		LOT	A #15,924.61	419,924.61
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TWO MILLION FIVE HUNDRED TWENTY ONE THOUSAND FORTY ONE & 10/100 PESOS ONLY

Division Manager, Finance, MinG

Plant Manger, Agus 1 & 2 HPPC

ATTY, EDDIE UTABUEI