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Vice President, Admin and Finance ALEXANDER P. JAPON



CONTRACT NO. LOG MSSP 2022-03-015-MGF

REHABILITATION OF SAN JOSE SUBSTATION PERIMETER FENCE LOCATED AT BRGY. MAGBAY, SAN JOSE, OCCIDENTAL MINDORO PR No. S1-OCS22-001/ PB211214-NC

KNOW ALL MEN BY THESE PRESENTS:

This Contract made and entered into in Quezon City, Philippines, by and between:

The NATIONAL POWER CORPORATION, a governmentowned 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 Vice President of SPUG, MR. LARRY I. SABELLINA, who is duly authorized to represent it in this transaction, hereinafter referred to as NPC;

- and -

M.C. MARTINEZ CONSTRUCTION a sole proprietorship duly organized and existing under and by virtue of the laws of Republic of the Philippines with office address at 139 Pagasa A, Bagong Sikat, San Jose, Occidental Mindoro, Philippines, herein represented by its Project Engineer ENGR. SANTIAGO T. REYES, JR., who is duly authorized to represent it in this transaction, hereinafter referred to as CONTRACTOR.

WITNESSETH: That -

WHEREAS, on 20 November 2021, NPC posted the Invitation to Bid for the Public Bidding of Rehabilitation of San Jose Substation Perimeter Fence located at Brgy. Magbay, San Jose, Occidental Mindoro;

WHEREAS, only one (1) prospective bidder secured the bidding documents and participated in the bidding conducted on 14 December 2021 on the aforesaid undertaking;

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 M.C. Construction Rehabilitation of San Jose Substation Perimeter Fence Contract No. LOG MSSP 2022-03-015-MGF

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BY:

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:

- Bidding Documents for the Rehabilitation of San Jose Substation Perimeter Fence (PR No. S1-OCS22-001 / PB211214-NC);
- 2. Post-qualification Report dated 07 January 2022;
- 3. Bid Opening Report dated 14 December 2021;
- 4. Notice of Award dated 01 March 2022;
- 5. Notice to Proceed; and
- 6. The Performance Security to be filed by CONTRACTOR in accordance with this Contract.

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

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

ARTICLE II SCOPE OF WORK

The works and services to be performed under this Contract shall essentially consist of, but not limited to the following. The details are contained in "Annex A" showing the summarized Bill of Quantities:

- 1. Mobilization and establishment of the Contractor's complete construction camp, equipment and other facilities;
- 2. Complete rehabilitation of San Jose Substation perimeter fence from its foundation up to the reinstallation of interlink wire fence;
- 3. Demobilization and removal/clearing of the Contractor's equipment, construction camp/facilities;

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4. All other required works to complete the project.

ARTICLE III COMMENCEMENT AND COMPLETION PERIOD

The CONTRACTOR shall complete the works within **ninety (90)** calendar days. The contract period is inclusive of five (5) unworkable days considered unfavorable for the execution of works. The contract duration shall be reckoned from the date of contract effectivity as specified in the Notice to Proceed.

ARTICLE IV PAYMENTS

For and in consideration of the WORKS 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 hereof in the total amount of and not exceeding PHILIPPINE PESOS ONE MILLION FOUR HUNDRED FOURTEEN THOUSAND SIX HUNDRED TWENTY SIX AND 52/100 (PhP 1,414,626.52).

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 EXTENSION OF CONTRACT TIME

No extension of contract time shall be granted the CONTRACTOR due to (i) ordinary unfavorable weather conditions; (ii) inexcusable failure or negligence of CONTRACTOR to provide the required supplies, materials or equipment; and (iii) when the reason given for the extension was already considered in the determination of the original contract time during the conduct of detailed engineering and in the preparation of contract documents agreed upon by the parties before contract perfection.

NPC shall not be liable for any claim associated with the extension of contract time unless it has examined the facts as well as the extent of delay, and has agreed in writing that the CONTRACTOR is entitled for an extension of time.

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ARTICLE VI ENTIRE CONTRACT

This is an entire contract for one whole complete work and that partial payments made by NPC, or the use of parts of the work, or its equivalent, shall not constitute as an acceptance of any part of the work before its entire completion and final acceptance in writing by NPC.

ARTICLE VII CONTRACTOR'S LIABILITY

The Parties hereby agree that the employees of the CONTRACTOR are not employees of NPC. NPC shall not in any way be liable or responsible for any personal injury or damages, including death sustained or caused by any of the employees of the CONTRACTOR, including its sub-contractor, agent, or supplier, whether or not occurring during the performance of their duties. The CONTRACTOR agrees and binds itself to indemnify NPC for whatever injury or damages caused or occasioned by the failure, negligence or conduct of the CONTRACTOR and/or its employees, sub-contractors, agents, suppliers or consultants arising out of on in connection with or on the occasion of the performance of the Contract. The CONTRACTOR shall, at all times, stand solely liable and/or responsible for the enforcement of and compliance with all existing laws, rules and regulations; and binds itself to save and hold NPC free and harmless from any and all liability in respect thereof and/or arising therefrom and/or by reason of this Contract and its implementation.

ARTICLE VIII RESPONSIBILITY OF THE CONTRACTOR

The CONTRACTOR shall assume full responsibility for the entire contract work until its final acceptance by NPC and shall be held responsible for any damage or destruction of works until final acceptance.

ARTICLE IX NON-ASSIGNMENT AND NO SUBCONTRACT

The CONTRACTOR shall not, without the written approval of NPC, assign, transfer, pledge, sub-contract, or make any other disposition of interest in this Contract. Any unapproved assignment, transfer, pledge, sub-contracting or any other disposition, shall be sufficient ground for NPC to terminate or cancel this Contract motu proprio, without need of judicial action. Should NPC give its written approval, such consent shall not relieve the CONTRACTOR of its responsibilities under the Contract. The CONTRACTOR shall ensure that the terms and conditions of any sub-contract shall comply and conform with the terms and conditions of this Contract. The CONTRACTOR shall be responsible for the observance by the sub-contractor of the terms and conditions of this Contract.

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NATIONAL POWER CORPORATION

If any portion of the project sub-contracted is not performed faithfully in accordance with the contract, the sub-contractor shall be removed or replaced immediately upon the written request of NPC, provided, however, that any failure of NPC to make such request shall not relieve the CONTRACTOR of its obligations under the contract. NPC shall not be responsible for the delays or costs incurred by the CONTRACTOR because of the disapproval or removal of the sub-contractor, or because of the late submission of its approval.

ARTICLE X 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 XI SUSPENSION OF WORK

NPC or its duly authorized representative shall have the authority to suspend the work, wholly or partly, by written order for period/s as may be deemed necessary due to force majeure, fortuitous event, failure on the part of the CONTRACTOR to correct bad working conditions which are unsafe for workers or third parties, failure to carry out valid orders given by NPC, failure to perform any provisions of this contract, and due to adjustment of plans to suit field conditions as found necessary by NPC during construction. The CONTRACTOR shall immediately comply with work suspension, either wholly or partly.

ARTICLE XII PRETERMINATION

Notwithstanding any provision to the contrary, NPC has the right to terminate, cancel and/or rescind this contract motu proprio, without need of judicial action, in case of breach thereof by the CONTRACTOR, by giving at least ten (10) day written notice, which shall be final and binding on all parties. Upon receipt of NPC's notice, the CONTRACTOR cannot remove, withdraw or pull-out any equipment, machinery, tool, material and supply brought to the project site without the written approval of NPC.

Any misrepresentation made by the CONTRACTOR in the submission of documents, or suppression of material facts, which if known could have disqualified the contractor gives NPC the immediate right or recourse to motu proprio, without need of judicial action, rescind, abrogate or otherwise terminate the Contract.

Within thirty (30) days after termination, cancellation or rescission of this Contract, the Parties shall settle their respective accountabilities as

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SIGNED IN THE PRESENCE OF:

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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 XIII REMEDY AND RELIEF

Should there be any dispute or controversy in connection with this Contract, the Parties, as far as practicable, shall settle it amicably. In the event that such dispute or disagreement be not resolved to the parties' satisfaction, the matter shall be submitted to arbitration in the Philippines according to the provisions of Republic Act No. 876, otherwise known as the "Arbitration Law". Provided, however, that disputes within the competence of the Construction Industry Arbitration Commission shall be submitted thereto, Arbitration proceedings shall be without prejudice to the right of NPC to rescind or terminate this Contract.

Should NPC be constrained to resort to court action to enforce or safeguard its rights and interests under this Contract, the CONTRACTOR shall be liable to NPC for attorney's fees in the amount equivalent to twenty percent (20%) of the sum total claimed in the complaint, exclusive of other damages and the expenses of litigation.

In case of dispute or disagreement arises between NPC and the CONTRACTOR regarding the manner by which the latter is performing works, the CONTRACTOR shall follow the instruction of NPC relative thereto, otherwise, the CONTRACTOR shall have no right to ask for arbitration or go to court for relief.

ARTICLE XIV PERFORMANCE SECURITY

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

- a. Cash, Manager's/Cashier's Check, Bank Draft/Guarantee issued by a Universal or Commercial Bank or Irrevocable Letter of Credit issued by a Universal or Commercial Bank. Provided however, that it shall be confirmed or authenticated by a Universal or Commercial Bank if issued by a Foreign Bank which shall be Ten Percent (10%) 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.

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

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 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. Performance Security shall be entirely confiscated by NPC upon default of 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 the 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.

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.

Vice President, Admin and Finance ALEXANDER P. JAPON

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ARTICLE XV 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 release to the CONTRACTOR of the retention money. The Guarantee Bond shall 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. CONTRACTOR shall be held responsible for Structural Defects for the number of years mentioned in the Bidding Documents.

ARTICLE XVI LIQUIDATED DAMAGES

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, 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 one percent (1%) of the cost of the unperformed portion for every day of delay. NPC shall deduct liquidated damages from payments due to CONTRACTOR. Payment of liquidated damages shall not affect the CONTRACTOR's liabilities. Once the cumulative amount of liquidated damages reaches ten percent (10%) of the amount of this Contract, NPC may rescind or terminate this Contract without prejudice to other course of action and remedies available under circumstances.

ARTICLE XVII WARRANTY CLAUSE

CONTRACTOR 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 CONTRACTOR will not subcontract any portion or portions of the scope of work of the Contract awarded to him to any official

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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; 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 CONTRACTOR and/or his representative and/or the erring NPC official(s) and employee(s).

ARTICLE XVIII 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 XIX 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.

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IN WITNESS WHEREOF, the par Contract this day ofPhilippines.	ties hereto have signed this , 2022 at Quezon City,
NATIONAL POWER CORPORATION (NPC)	M.C. MARTINEZ CONSTRUCTION (CONTRACTOR)
BY: LARRY I SABELLINA Vice President, SPUG	BY: ENGR. SANTIAGO T. REYES, JR Project Engineer
ALEXANDER P. JAPON Vice President, Admin and Finance (NPC)	RESENCE OF:
FUNDS AVAILABLE LORLINA E. BOMEDIANO Senior Department Manager, Finance	2012 NOA ECOOTI4 5384012 \$1,414,626,52

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ACKNOWLEDGEMENT



BEFORE ME, a Notary Public for and in Quezon City, Philippines, this 18 MAR day of ______, 2022, personally appeared ENGR. SANTIAGO T. REYES, JR., Project Engineer, M.C. MARTINEZ CONSTRUCTION, with Identification Document in the form of _____, issued by _____ at _____, on _____, known to me and to me known to be the same person who executed the foregoing instrument consisting of twelve (12) 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.

Doc. No.: 441 Page No.: 49 Book No.:

Series of 2022.

ATTY, EUGPHIA & BORLAS
Notary Public fo/ DC., Intil 12/31/2022
A.M. No. IP 156.6/23/2021, Quezon City
No. 3 Mahinhinds L. U.P. Village Dil. 1101 Quezon City
Roti No. 37584; MCLE No. VI-0012895, 9/27/2018
IBP No. 172264, II5/2022, QC; PTR No. 2444772, 1/5/20, QC
Tel. Nos. 8925-7/1; 77535536; 0917-6257044; 0906-4291581
Emplicationfastaw@yahoo.com

PTR No.:

Notary Public

Until December 31, 2022 IBP Lifetime No.:

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ACKNOWLEDGEMENT

BEFORE ME, a Notary Public for and in Quezon City, Philippines, this _____ day &f 4 MAR 2022 , 2022, personally appeared MR. LARRY I. SABELLINA, Vice President - SPUG, NATIONAL POWER CORPORATION, with Document Identification in the form of Company ID No. APW1301867, known to me and to me known to be the same person who executed the foregoing instrument consisting of twelve (12) 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.

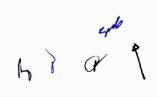
WITNESS MY HAND AND NOTARIAL SEAL, at the place and on the date first above written.

Doc. No. ____; Page No. ____; Book No. ____; Series of 2022. Notary Public Until December 31, 2022 IBP Lifetime No.:_____ PTR No.:

IBP NO. 201948; UZ/UB/ZUZZ; RSM PTR No. 2614399; 02/08/2022; Quezon City MCLE No. VI-0025196; 04/08/19, Pasin Lily 4th Floor NPC Office Building Quezon Ave. cor. BIR Road Ditiman, Ocean Cit,

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NATIONAL POWER CORPORATION

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Vice President, SP

SIGNED IN THE PRESENCE OF:

M.C. MARTINEZ CONSTRUCTION (CONTRACTOR)

ВҮ:

GO T. REYES

ANNEX "A"

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

SECTION VII - BILL OF QUANTITIES

REHABILITATION OF SAN JOSE SUBSTATION PERIMETER FENCE LOCATED AT BRGY. MAGBAY, SAN JOSE, OCCIDENTAL MINDOI

PR No. S1-OCS22-001/PB211214-NC

Item No.	Description of Work or Materials	Work to be Done	Reference	Unit	Unit Quantity	Unit Price in Pesos	Total Amount
CW 1.0	Reinstallation of Existing Interlink Wire Perimeter Fence dismantle & re-install in (including steel post, barbed wires and other accessories) the grouted rockwall		NPC TS & Drawing L. m.	L. n.	157	1,162.12	182,452.84
CW 2.0	CW 2.0 Demolition of Existing Retaining Wall Foundation	excavate, demolish & dispose	NPC TS & Drawing L. m.	Ë.	157	221.98	34,850.86
CW 3.0	CW 3.0 New Foundation of Interlink Wire Perimeter Fence						
CW 3.1	CW 3.1 Grouted Rockwall	furnish and construct	NPC TS & Drawing L. m.	Ë.	157	7,626.26	1,197,322.82
	(Including excavation, gravel bedding, san and gravel filters and upvc weep holes)						
	TOTAL AMOUNT: ONE MILLION FOUR HUNDRED FOURTEEN THOUSAND SIX HUNDRED TWENTY SIX AND 52/100 PESOS	FOURTEEN THOUSAND	SIX HUNDRED TWE	NTY SI	X AND 52/1	00 PESOS	1.414.626.52