

CONTRACT NO. LOG MSSP 2019-07-037-ZCT

**CONTRACT FOR THE
LEASE OF 2.0 MW MODULAR DIESEL GENERATING
SETS FOR DINAGAT DIESEL POWER PLANT
LOCATED AT DINAGAT ISLAND, SURIGAO DEL NORTE
MinP19Z998SI / S3-DIN19-018**

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 Office Building Complex, BIR Road corner Quezon Avenue, Diliman, Quezon City, Philippines, represented herein by its President and CEO, **MR. PIO J. BENAVIDEZ**, who is duly authorized to represent it in this transaction, hereinafter referred to as **LESSEE**;

- and -

MONARK EQUIPMENT CORPORATION, a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with office address at #13 Economia Street, Bagumbayan, Quezon City, Philippines herein represented by its General Manager, **MR. ROLANDO L. CHU**, who is duly authorized to represent it in this transaction, hereinafter referred to as **LESSOR**.

WITNESSETH: That –

WHEREAS, on 30 May 2019, NPC advertised the Invitation to Bid for the Lease of 2.0 MW Modular Diesel Generating Sets for Dinagat Diesel Power Plant (MinP19Z998SI);

WHEREAS, only one (1) prospective bidder secured the bidding documents and participated in the bidding conducted on 18 June 2019 on the aforesaid undertaking;

WHEREAS, LESSOR's bid offer is the single calculated and responsive bid;

WHEREAS, LESSEE accepted the said bid of the LESSOR;

Contract between NPC and Monark Equipment Corporation
Lease of 2.0 MW Modular Diesel Genset for Dinagat DPP at Dinagat Is., Surigao Del Norte
Contract No. LOG MSSP 2019-07-037-ZCT

MONARK EQUIPMENT CORPORATION
(LESSOR)

SIGNED IN THE PRESENCE OF:


NATIONAL POWER CORPORATION
(LESSEE)

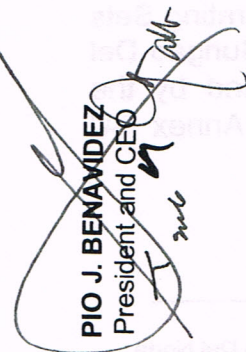
BY:

BY:


ROLANDO L. CHU
General Manager


MICHAEL L. DE OCAMPO
(LESSOR)


JUDITH M. MOJICA
Manager, Controllers Dept.
(LESSEE)


PIO J. BENAVIDEZ
President and CEO
(LESSEE)

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Handwritten mark


ROLANDO L. CHU
General Manager

BY:

ARTICLE III
COMMENCEMENT AND COMPLETION PERIOD

The delivery, installation, testing and commissioning of the modular generating sets shall be completed by the LESSOR in twenty (20) calendar days reckoned from NPC's issuance of the Notice to Proceed. Commercial operation of the plant shall commence after the completion of the works.

The contract period shall be six (6) months minimum and twelve (12) months maximum commencing on the first day of commercial operation with LESSEE given the sole prerogative to terminate the contract after the minimum period.

ARTICLE IV
TOTAL CONTRACT PRICE AND PAYMENT TERMS

The Total Contract Price of the lease shall be in the amount of **PHILIPPINE PESOS TWENTY MILLION THREE HUNDRED TWENTY THOUSAND NINE HUNDRED NINETY TWO PESOS (PHP 20,320,992.00).**

The Total Contract Price specified above shall be paid in accordance with the provisions of Clause GCC-10 of the Bidding 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 LESSOR.


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

ARTICLE V
PERFORMANCE SECURITY

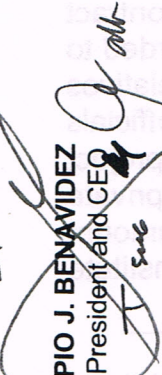
To guarantee the faithful performance of its obligations under the Contract, LESSOR shall, at its own expense and at the time of the execution of the Contract or immediately thereafter, or upon receipt of the award or immediately thereafter, post a Performance Security (penalty bond) in favor of NPC in an amount equivalent to five percent (5%) of the total contract price in the form of cash, or cashier's/ manager's check or bank draft/guarantee, 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, or in an amount equal to thirty percent (30%) of the total contract price in the form of Surety Bond callable upon demand and penal in nature issued by a surety or

SIGNED IN THE PRESENCE OF:


MICHAEL L. DE OCAMPO
(LESSOR)


JUDITH M. MOJICA
Manager, Contrbilers Dept.
(LESSEE)

NATIONAL POWER CORPORATION
(LESSEE)


PIO J. BENAVIDEZ
President and CEO
Sure

BY:

Contract between NPC and Monark Equipment Corporation
Lease of 2.0 MW Modular Diesel Genset for Dinagat DPP at Dinagat Is., Surigao Del Norte
Contract No. LOG MSSP 2019-07-037-ZCT

03/10/2019

