

RD MANDANAS CONSTRUCTION
(CONTRACTOR)

BY:

ROSALINDA D. MANDANAS
General Manager

CONTRACT NO. LOG MSSP 2020-08-043-MGF

**RENOVATION OF POWERHOUSE AND FACILITIES IMPROVEMENTS
FOR SIBUTU DIESEL POWER PLANT
PR No. S3-SIB20-002 / PB200324-ZT00070**

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 President and CEO, **MR. PIO J. BENAVIDEZ**, who is duly authorized to represent it in this transaction, hereinafter referred to as **NPC**;

- and -

RD MANDANAS CONSTRUCTION a sole proprietorship duly organized and existing under and by virtue of the laws of Republic of the Philippines with office address at Block 30, Lot 5, Progress Homes Subdivision, Del Rosario, Canaman, Camarines Sur, Philippines herein represented by its General Manager, **MS. ROSALINDA D. MANDANAS**, who is duly authorized to represent it in this transaction, hereinafter referred to as **CONTRACTOR**.

WITNESSETH: That -

WHEREAS, on 04 March 2020, NPC advertised the Invitation to Bid for the Public Bidding for the Renovation of Powerhouse and Facilities Improvements for Sibutu Diesel Power Plant;

WHEREAS, only one (1) prospective bidder secured the bidding documents and participated in the bidding conducted on 29 June 2020 on the aforesaid undertaking;

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

Contract between NPC and RD Mandanas Construction
Renovation of Powerhouse and Facilities Improvements for Sibutu Diesel Power Plant
Contract No. LOG MSSP 2020-08-043-MGF

AFG-LOG-007.F01
Rev. No. 0
Sheet 1 of 9

SIGNED IN THE PRESENCE OF:

(CONTRACTOR)

Safar S. Lamalaha

LORNA T. DY

VP, Admin. and Finance
(NPC)

NATIONAL POWER CORPORATION
(NPC)

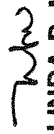
BY:

PIO J. BENAVIDEZ


President and CEO NPC


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(CONTRACTOR)

BY:


ROSALINDA D. MANDANAS
General Manager

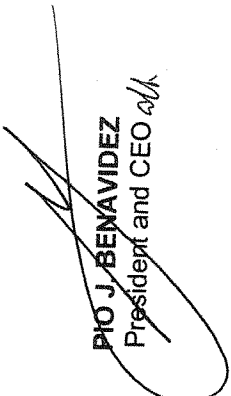
SIGNED IN THE PRESENCE OF:


(CONTRACTOR)
Saturno S. Lamasalan


LORNA T. DY
VP, Admin and Finance
(NPC)

NATIONAL POWER CORPORATION
(NPC)

BY:


PIO J. BENAVIDEZ
President and CEO

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 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 Renovation of Powerhouse and Facilities Improvements for Sibutu Diesel Power Plant located at Sibutu, Tawi-Tawi (PR No. S3-SIB20-002/PB200324-ZT00070);
2. 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. Supplemental/Bid Bulletin Nos. 1, 2, 3 & 4 dated 13 March 2020, 20 March 2020, 08 June 2020 & 17 June 2020;
4. Bid Opening Report dated 30 June 2020;
5. Bid Evaluation/Post-qualification Report dated 15 July 2020;
6. CONTRACTOR's bid proposal dated 29 June 2020 as reflected in Annex A;
7. Notice of Award dated 17 August 2020;
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.

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Contract No. LOG MSSP 2020-08-043-MGF

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(CONTRACTOR)

BY:


ROSALINDA D. MANDANAS
General Manager

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 Renovation of Powerhouse and Facilities Improvements for Sibutu Diesel Power Plant at Sibutu, Tawi-Tawi. 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 III
COMMENCEMENT AND COMPLETION PERIOD

CONTRACTOR shall complete all the works specified in the bidding documents within **two hundred forty (240) 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 **FOURTEEN MILLION NINE HUNDRED SEVENTY THREE THOUSAND FIFTY AND 59/100 PESOS (PHP14,973,050.59)**.

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

Contract between NPC and RD Mandanas Construction
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Contract No. LOG MSSP 2020-08-043-MGF

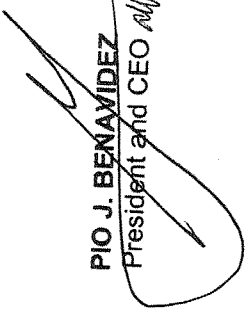
AFG-LOG-007.F01
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Sheet 3 of 9

SIGNED IN THE PRESENCE OF:


(CONTRACTOR)
Sater S. Lamalag


LORNA T. DY
VP, Admin and Finance
(NPC)

BY: NATIONAL POWER CORPORATION (NPC)


PIO J. BENAVIDEZ
President and CEO
(NPC)

BY:

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 reputable local 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 insurance company duly certified by the Insurance Commission as authorized to issue such security. The Insurance Company that will issue Performance Security must be acceptable to 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 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.

**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

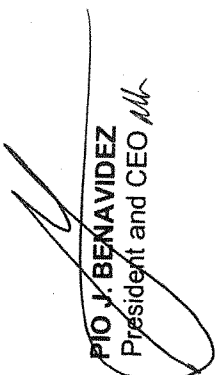
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BY:

ROSALINDA D. MANDANAS
General Manager


(CONTRACTOR)
Sator S. Pamaalan


LORNAT D. Y
VP, Admin and Finance
(NPC)


PIO J. BENAVIDEZ
President and CEO Mr.



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(CONTRACTOR)

BY:

ROSALINDA D. MANDANAS
General Manager

SIGNED IN THE PRESENCE OF:

(CONTRACTOR)
Safar S. Lamanan

LORNA T. DY
VP, Admin and Finance
(NPC)

NATIONAL POWER CORPORATION
(NPC)

BY:

PIO J. BENAVIDEZ
President and CEO
(NPC)

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. The CONTRACTOR shall be held responsible for Structural Defects for the number of years mentioned in the Bidding Documents.

ARTICLE VII
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 VIII
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 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 prosecution; and that if any

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