

CONTRACT NO. LOG MSSP 2020-09-046-GRJ

**FURNISHING OF LABOR AND MATERIALS FOR DRY DOCKING AND SHIP REPAIR OF PB 114
PR NO. S1-B1420-001/PB200309-JC00058 (PB2)**

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

- and -

CHESTEEL MARINE INDUSTRIAL CORPORATION, a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines with office address at #7 E. Rodriguez, Tanza, Navotas City, Philippines herein represented by its Vice President, Operation, **MR. TEODORO L. YONGCA**, who is duly authorized to represent it in this transaction, hereinafter referred to as **CONTRACTOR**.

WITNESSETH: That -

WHEREAS, on 19 February 2020, NPC advertised the Invitation to Bid for the Public Bidding for the Furnishing of Labor and Materials for the Dry Docking and Ship Repair of PB 114;

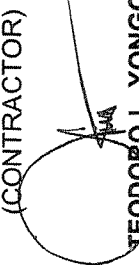
WHEREAS, only one (1) prospective bidder secured the bidding documents and participated in the bidding conducted on 03 July 2020 on the aforesaid undertaking;

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

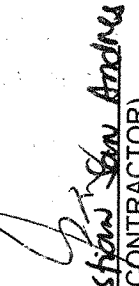
WHEREAS, NPC accepted the said bid of the CONTRACTOR;


Contract between NPC and Chesteel Marine Industrial Corporation
Furnishing of Labor and Materials for Dry Docking and Ship Repair of PB 114
Contract No. LOG MSSP 2020-09-046-GRJ


AFG-LOG-007.F01
Rev. No. 0
Sheet 1 of 7

(CONTRACTOR)

TEODORO L. YONGCA
Vice President Operation

BY:


CHRISTIANA SAN ANDINA
(CONTRACTOR)


LARRY V. SABELLINA
Manager, Luzon Operations Dept.
(NPC)

(NPC)

PIO J. BENAVIDEZ
President and CEO

BY:

Handwritten mark

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 Furnishing of Labor and Materials for Dry Docking and Ship Repair of PB 114 (PR No. S1-B1420-001/PB200309-JC00058) PB2;
2. Supplemental/Bid Bulletin Nos. 1 & 2 dated 11 and 25 June 2020;
3. CONTRACTOR's bid proposal dated 02 July 2020 as reflected in Annex A;
4. Bid Opening Report dated 03 July 2020;
5. Post-qualification Report dated 28 July 2020;
6. Notice of Award dated 01 September 2020;
7. Notice to Proceed; and
8. 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 WORK AND DURATION

CONTRACTOR shall perform the services for the Furnishing of Labor and Materials for Dry Docking and Ship Repair of PB 114 pursuant to and in accordance with the terms, conditions and specifications set forth in the Contract Documents particularly the Terms of Reference (under the

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AFG-LOG-007.F01
Rev. No. 0
Sheet 2 of 7

(CONTRACTOR)

TEOBORO L. YONGCA
Vice President Operation

BY:

Christian Low Andres
CHRISTIAN LOW ANDRES
(CONTRACTOR)

LARRY T. SABELLINA
Manager, Luzon Operations Dept.
(NPC)

(NPC)


PIO J. BENAVIDEZ
President and CEO

BY:

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CHESTEEL MARINE INDUSTRIAL CORP.

(CONTRACTOR)

BY: 
TEODORO L. YONGCA
Vice President Operation

title: Furnishing of Labor and Materials for Dry Docking and Ship Repair of PB 114: Section VI – Part I – Technical Specifications and Section VII – Schedule of Requirements – Bid Price Schedule) within forty five (45) calendar days, reckoned from the date of contract effectivity as specified in the Notice to Proceed.

**ARTICLE III
PAYMENT**

For and in consideration of the goods and services rendered by the CONTRACTOR to NPC, the latter shall pay the former the total amount of **SEVEN MILLION EIGHT HUNDRED NINETY TWO THOUSAND SEVEN HUNDRED NINETY TWO PESOS (PHP 7,892,792.00)**, inclusive of VAT and subject to appropriate Philippine taxes throughout the duration of the contract period. Payment shall be within sixty (60) days upon submission of invoices, reports and other supporting documents required by.


**ARTICLE IV
PERFORMANCE SECURITY**


To guarantee the faithful performance of its obligations under the Contract, CONTRACTOR shall post a performance security which shall remain valid and effective during the contract duration. The Performance security maybe in any of the following forms:

- a. Cash, Cashier's/Manager'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 Five Percent (5%) 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; The Insurance Company that will issue Performance Security must be acceptable by National Power Corporation.


The Performance Security/Bond shall initially answer for any or all damages and losses that may be suffered by NPC as a result of the failure of the CONTRACTOR to perform any of its obligations under this Contract. The Performance Security/Bond shall be released by NPC at

SIGNED IN THE PRESENCE OF:

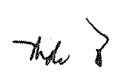
BY: 
Christian Saw Andres
(CONTRACTOR)


LARRY I. SABELLINA
Manager, Luzon Operations Dept.
(NPC)

NATIONAL POWER CORPORATION (NPC)

BY: 
PIO J. BENAVIDEZ
President and CEO

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the expiration or termination of this Contract provided that there are no pending claims filed against the CONTRACTOR by NPC.

**ARTICLE V
WARRANTY CLAUSE**

CONTRACTOR hereby warrants that it or its representative has not offered or paid, directly or indirectly, any government officers and NPC official or employee any consideration or commission for the Contract nor has it or its 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 the service awarded to it (to any official or employee of the NPC and to the relatives within the 3rd degree of consanguinity or affinity of the NPC's officials and employees; 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 civil or criminal action under the Anti-Graft Law and other applicable laws against the CONTRACTOR and/or his representative and NPC officials/employees involved.

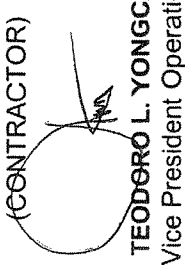
**ARTICLE VI
GUARANTEE**

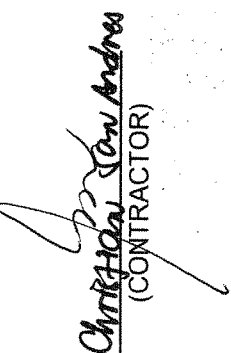
The CONTRACTOR shall guarantee that he will repair and/or replace, at his own cost all repair works and supplied equipment/components against defect in design, workmanship and materials for one (1) year after issuance of Acceptance Certificate by NPC.

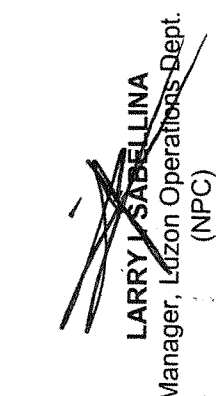
**ARTICLE VII
LIQUIDATED DAMAGES**

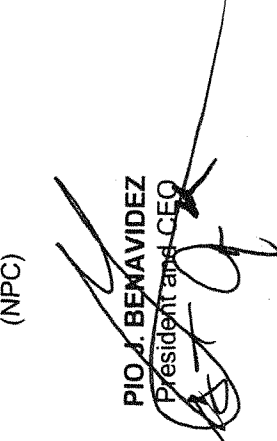
Should CONTRACTOR fails to satisfactorily deliver any or all the GOODS and/or perform the services within the period specified in this Contract, NPC shall, without prejudice to its other remedies under this Contract and under the applicable law, deduct from the Contract Price, as liquidated damages, a sum equivalent to one tenth (1/10) of one percent (1%) of the total Contract price for every day of delay until actual delivery or performance. Once the amount of liquidated damages reaches ten percent (10%) of the amount of this Contract, NPC may rescind the Contract without prejudice to other course of action and remedies open to it.

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BY: 
(CONTRACTOR)
TEODORO L. YONGCA
Vice President Operation

BY: 
(CONTRACTOR)
Christina Con Andrea

BY: 
LARRY SABELLINA
Manager, Ldizon Operations Dept.
(NPC)

BY: 
(NPC)
PIO J. BENAVIDEZ
President and CEO

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ARTICLE VIII
VENUE OF ACTION

The parties hereto hereby agree that the venue of action for any cause or causes of action which may arise from this Contract shall be exclusively the proper court of Quezon City, Philippines.

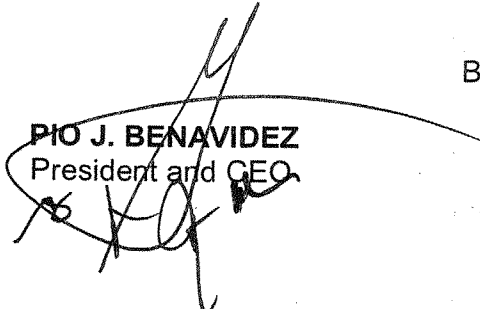
IN WITNESS WHEREOF, the parties hereto have signed this Contract this 29th day of September, 2020 at Quezon City, Philippines.


NATIONAL POWER CORPORATION
(NPC)

CHESTEEL MARINE INDUSTRIAL CORPORATION
(CONTRACTOR)


BY:

BY:


PIO J. BENAVIDEZ
President and CEO


TEODORO L. YONGCA
Vice President, Operation

SIGNED IN THE PRESENCE OF:


LARRY L. SABELLINA
Manager, Luzon Operations Dept.
(NPC)


Christian San Andres
(CONTRACTOR)

FUNDS AVAILABLE


ALEXANDER P. JAPON
Sr. Department Manager, Finance

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CERTIFIED FUNDS AVAILABLE	
PERIOD:	2020
JOB ORDER:	JO # 300504
COST CENTER:	CE# 588510
AMOUNT:	₱ 1,892,792.00

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