

CONTRACT NO. LOG MSSP 2020-11-082-ALC

UPGRADING/RETROFITTING OF GENERATOR UNIT NO. 2  
GOVERNOR SYSTEM OF AGUS 5 HYDROELECTRIC POWER PLANT  
MG-A5M19-003 / PB201016-SV

BY:   
AUDIE N. VEGA  
General Manager

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 BIR Road corner Quezon Avenue, Diliman, Quezon City, Philippines, represented herein by its Vice President, Mindanao Generation, **MR. EDMUNDO A. VELOSO, JR.**, who is duly authorized to represent it in this transaction, hereinafter referred to as **NPC**;

- and -

**INTEGRATED POWER & CONTROL PROVIDER INC.**, a corporation duly organized and existing under and by virtue of the laws of Republic of the Philippines with office address at 8070 Tanguile St., cor Estrella Avenue, Makati City, Philippines herein represented by its General Manager, **MR. AUDIE N. VEGA** who is duly authorized to represent it in this transaction, hereinafter referred to as **SUPPLIER**.

WITNESSETH: That -

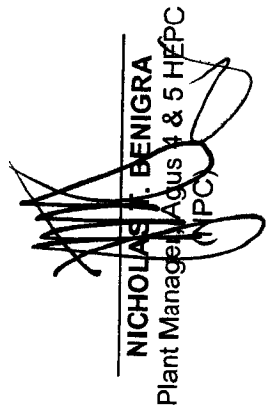
WHEREAS, on 25 September 2020, NPC advertised the Invitation to Bid for the Public Bidding for the Upgrading/Retrofitting of Generator Unit No. 2 Governor System of Agus 5 Hydroelectric Power Plant;

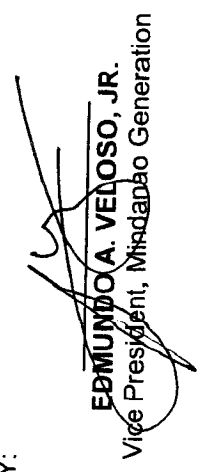
WHEREAS, only one (1) prospective bidder secured the bidding documents and participated in the bidding conducted on 16 October 2020 on the aforesaid undertaking;

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

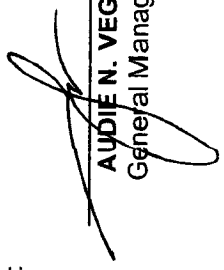


(SUPPLIER)  
CORNELIO T. FAJATIN, JR.  
VP-Sales/Operations Manager

  
NICHOLAS J. BENIGRA  
Plant Manager, Agus 4 & 5 HEPP  
(NPC)

BY:   
EDMUNDO A. VELOSO, JR.  
Vice President, Mindanao Generation

Contract between NPC and Integrated Power & Control Provider Inc.  
Upgrading/Retrofitting of Generator Unit No. 2 Governor System of Agus 5 HEPP  
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BY:   
AUDIE N. VEGA  
General Manager

WHEREAS, NPC accepted the said bid of the SUPPLIER;

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:

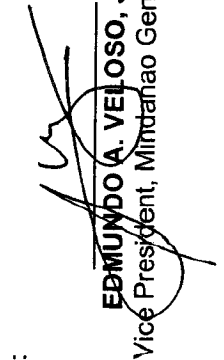
1. Bid Documents for the Upgrading/Retrofitting of Generator Unit No. 2 Governor System of Agus 5 HEPP (MG-A5M19-003);
2. Supplemental/Bid Bulletin Nos. 1 & 2 dated 29 September 2020 & 02 October 2020;
3. Bid Opening Report dated 19 October 2020;
4. Post-qualification Report dated 03 November 2020;
5. SUPPLIER's bid proposal dated 12 October 2020 as reflected in Annex A;
6. Notice of Award dated 26 November 2020;
7. Notice to Proceed; and
8. The Performance Security to be filed by SUPPLIER in accordance with this Contract.

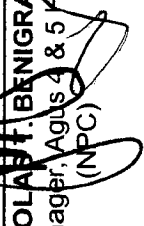
The documents mentioned above shall collectively be referred to as "Contract Documents".

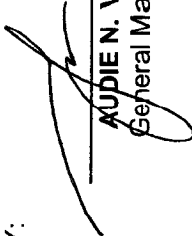
In the event that there is any discrepancy/inconsistency between the provisions of the Contract and the Contract Documents mentioned above, the former shall govern. Should there be any inconsistency/discrepancy, among the Contract Documents, the document with the latest date shall prevail.



(SUPPLIER)  
CORNELIO T. FAJATIN, JR.  
VP-Sales/Operations Manager

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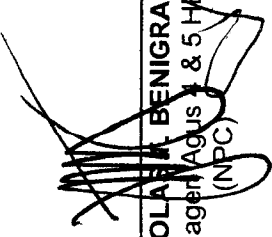
**ARTICLE II**  
**SCOPE OF CONTRACT**

SUPPLIER 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 Bid Documents and Technical Specifications) for the Upgrading/Retrofitting of Generator Unit No. 2 Governor System of Agus 5 Hydroelectric Power Plant. Scope and related services to be provided by the SUPPLIER are contained in the Terms of Reference and Annex "A" showing the Bid Price Schedule.

(SUPPLIER)  
CORNELIO T. FAJATIN, JR.  
VP-Sales/Operations Manager

**ARTICLE III**  
**COMMENCEMENT AND COMPLETION PERIOD**

SUPPLIER shall complete all the works within **two hundred ten (210) calendar days** from the date of contract effectively as specified in the Notice to Proceed.

  
NICHOLAS M. BENIGRA  
Plant Manager (Agus 1 & 5 HEPC (NPC))

**ARTICLE IV**

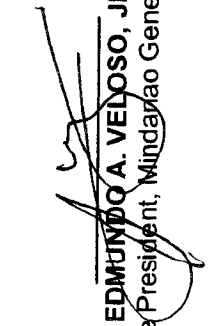
**TOTAL CONTRACT PRICE AND PAYMENT TERMS**

The Total Contract Price shall be in the amount of **PHILIPPINE PESOS EIGHTEEN MILLION NINE HUNDRED SEVENTY NINE THOUSAND EIGHT HUNDRED NINETY EIGHT PESOS (PHP 18,979,898.00)**.

The Total Contract Price specified above shall be paid in accordance with the provisions of Sec. IV/GCC Clause 10 of the Bid 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 SUPPLIER.

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

BY:   
EDMUNDO A. VELOSO, JR.  
Vice President, Mindanao Generation

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BY:

BY:

AUDIEN N. VEGA  
General Manager

CORNELIO T. FAJATIN, JR.  
VP-Sales/Operations Manager

NICHOLAS J. BENIGRA  
Plant Manager, Agus 1 & 5 HEPC  
(NPC)

EDMUNDO A. VELOSO, JR.  
Vice President, Mindanao Generation

**ARTICLE V  
PERFORMANCE SECURITY**

To guarantee the faithful performance of its obligations under the Contract, SUPPLIER 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 reputable local 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 issued by a surety or insurance company duly certified by the Insurance Commission as authorized to issue such security or submission of Performance Securing Declaration. 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 remain valid and effective until after sixty (60) days from NPC's final acceptance of the item. The Performance Bond shall also be answerable for any damages or penalties or any expenses that NPC may suffer as a result of the failure of the SUPPLIER to perform its obligations under this Contract. The Performance Bond shall be entirely forfeited by NPC upon default of SUPPLIER.

In case of surety bond, any extension of the contract time granted to the SUPPLIER, 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 such 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 SUPPLIER to post an acceptable Performance Security within ten (10) days after the contract time extension has been granted by NPC

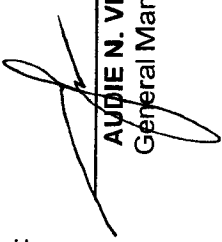
**ARTICLE VI  
GUARANTEE BOND**

To assure that manufacturing defects shall be corrected by the SUPPLIER or its manufacturer, the SUPPLIER shall post a Guarantee

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AUDIE N. VEGA  
General Manager

Bond after the performance of the contract pursuant to the provision contained in Sec IV/GCC Clause 17 of the Bid Documents. This is also a pre-requisite to the discharge and return to the SUPPLIER of the Performance Bond. This shall remain valid for twelve (12) months after the final acceptance of the goods by the end user. The obligation of the warranty shall be covered by, at the SUPPLIER's option, either retention money in an amount equivalent to at least one percent (1%) but not to exceed five percent (5%) of every progress payment, or a special bank guarantee equivalent to at least one percent (1%) but not to exceed five percent (5%) of the total Contract Price. The said amount shall only be released after the lapse of the warranty period, provided, however, that the GOODS supplied are free from patent and latent defects and all the conditions imposed under the contract have been fully met.

**ARTICLE VII**  
**LIQUIDATED DAMAGES**

Should SUPPLIER fail to satisfactorily deliver any or all the GOODS and/or perform the services within the period specified in this Contract inclusive of duly granted time extensions, if any, 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 contract cost of the delay/unperformed portion for every day of delay until actual delivery or performance. Once the amount of liquidated damages reaches ten percent (10%), the NPC may rescind the contract without prejudice to other course of action and remedies open to it.

**ARTICLE VIII**  
**WARRANTY CLAUSE**

SUPPLIER 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 SUPPLIER will not subcontract any portion or portions of the scope of work of the Contract awarded to him to any official or employee of NPC and to the relatives within the 3<sup>rd</sup> 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 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 of cancellation of this Contract; or the reduction from the Contract Price of

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SIGNED IN THE PRESENCE OF:

NATIONAL POWER CORPORATION  
(NPC)

BY:

  
EDMUNDO A. VELOSO, JR.  
Vice President, Mindanao Generation

  
NICHOLAI F. BENIGRA  
Plant Manager, Agus 4 & 5 HEPC  
(NPC)

  
(SUPPLIER)  
CORNELIO T. FAJATIN, JR.  
VP-Sales/Operations Manager