

NATIONAL POWER CORPORATION
(NPC)

SIGNED IN THE PRESENCE OF:

SEAOIL PHILIPPINES, INC.
(SUPPLIER)

BY:

FERNANDO MARTIN Y. ROXAS
President and CEO

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

JOHN KARU GERONIMO
(SUPPLIER)

BY:

CHRISTIAN ARVIN G. TOLENTINO
Industrial Sales Business Development Supervisor

CONTRACT NO. LOG MSSP 2023-08-068-NIY

SUPPLY AND DELIVERY OF ENGINE LUBRICATING OIL TO SPUG POWER PLANTS AND BARGES FOR CY 2023 (LOT 4 – PB 108 and LOT 5 – PB 119) P.R. NO. HO-FMG23-006 / PB230703-CMNY168

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. FERNANDO MARTIN Y. ROXAS**, who is duly authorized to represent it in this transaction, hereinafter referred to as **NPC**;

- and -

SEAOIL PHILIPPINES, INC., a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal address at 22nd Floor, The Taipan Place Building, F. Ortigas Jr. Road, Brgy. Ortigas Center, San Antonio, Pasig City, herein represented by its Industrial Sales Business Development Supervisor, **MR. CHRISTIAN ARVIN G. TOLENTINO**, who is duly authorized to represent it in this transaction, hereinafter referred to as **SUPPLIER**;

WITNESSETH : That –

WHEREAS, on 10 June 2023, NPC posted the Invitation to Bid for Public Bidding for the Supply and Delivery of Engine Lubricating Oil to SPUG Power Plants and Barges for CY 2023;

WHEREAS, there were two (2) prospective bidders who secured the bidding documents and participated in the bidding conducted on 05 July 2023;

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CY 2022 (Lots 4 & 5)
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President and CEO

SIGNED IN THE PRESENCE OF:

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

SEAOIL PHILIPPINES, INC.
(SUPPLIER)
BY:

JOHN CARLO GERANIMO
(SUPPLIER)

CHRISTIAN ARVIN G. TOLENTINO
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WHEREAS, the SUPPLIER's bid offer for the Supply and Delivery of Engine Lubricating Oil to SPUG Power Plants and Barges for CY 2023 (Lots 4 & 5) was considered the lowest calculated and responsive bid;

WHEREAS, NPC accepted the bid offer 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. Bidding Documents for the Supply and Delivery of Engine Lubricating Oil to SPUG Power Plants and Barges for CY 2023 (HO-FMG23-006 / PB230703-CM00168);
2. Supplemental/Bid Bulletin Nos. 1 & 2 dated 20 June 2023 and 23 June 2023;
3. Supplier's Proposal (Eligibility/Technical & Financial Components) dated 04 July 2023;
4. Bid Opening Report dated 05 July 2023;
5. Post-qualification Report dated 17 July 2023;
6. Notice of Award dated 14 August 2023;
7. Notice to Proceed; and
8. The Performance Security to be filed by SUPPLIER in accordance with this Contract.

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

Supply and delivery of Engine Lubricating Oil as specified in Section VI-Technical Specifications and Section VII-Schedule of Requirements.

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The quantity of Engine Lubricating Oil to be delivered shall be in accordance with Section VI-Technical Specifications (Part I), subject to the provisions of Clause TS-7.1, Purchase Price and Clause TS-8.3, Contract Amount and Implementation.

The monthly breakdown of ELO requirements based on the approved ELO Procurement Plan of NPC, are indicated in Section VII-Schedule of Requirements, Part III-Summary of Monthly ELO Requirements. Said monthly breakdown is for the Supplier's planning purposes and an actual ELO demand requirement shall be provided to the Supplier pursuant to Section VI-Technical Specifications (Part I), Clause TS-6.1(b), Securing Engine Lubricating Oil Supplies.

In the event of a supply shortage and/or allocation of lube oil supplies imposed by the Philippine Government, or any of its instrumentalities, Supplier shall sell to NPC the said volumes as a minimum subject to the implementing rules and regulations issued by the Government agency of the Philippines exercising supervision over lube oil utilization and supplies.

ARTICLE III
CONTRACT PERIOD AND LOCATION

The supply and delivery of Engine Lubricating Oil shall cover the period of six (6) months. The quantities of ELO to be delivered are indicated in Section VII-Schedule of Requirement, Part II-Table of Delivery Points.

In case the contracted quantity cannot be lifted by NPC during the contract period of six (6) months, the NPC shall continue lifting ELO from the Supplier pursuant to Section VI-Technical Specifications (Part I), Clause TS-7.2, Total Contract Price. On the other hand, if the total contract price has been used up and there is still remaining volume for delivery, the same shall no longer be lifted.

The locations of ELO deliveries are indicated in Section VII-Schedule of Requirements, Part II-Table of Delivery Points.

ARTICLE IV
ENGINE LUBRICATING OIL SPECIFICATIONS

The Supplier shall guarantee to supply and deliver ELO in accordance with the quality specifications as indicated in Section VI-

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Technical Specifications, Part II-Technical Data Sheets, Attachments "A", "B", and "C". The Supplier shall furnish NPC the Quality Certificate for each and every ELO delivery via mode of delivery as specified in Section VI-Technical Specifications (Part I), Clause TS-9.0-Transportation.

The Supplier shall provide American Petroleum Institute (API)/European Automobile Manufacturers Association (ACEA)/Japanese Automotive Standards Organization (JASO) certification that their product is included in any of the above organization to assure the correctness of the technical specifications submitted in the technical data sheets.

ARTICLE V
CONTRACT PRICE AND TERMS OF PAYMENT

The Total Contract Price for the various delivery points set forth in Annex "A" shall be in the amount of and not exceeding **PHILIPPINE PESOS TEN MILLION FOUR HUNDRED SEVENTY THREE THOUSAND TWO HUNDRED EIGHTY TWO (₱ 10,473,282.00)**. The Total Contract Price is inclusive of excise tax and the Twelve Percent (12%) E-VAT.

NPC shall pay the SUPPLIER in accordance with the provisions of the Bidding Documents.

ARTICLE VI
PERFORMANCE SECURITY

To guarantee the faithful performance of the SUPPLIER's obligation under this Contract, the SUPPLIER 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 reputable local Universal or Commercial Bank if issued by a Foreign Bank equivalent to Five Percent (5%) of the contract price.
- b. 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

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security which shall be Thirty Percent (30%) of the total contract price.

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 remain valid and effective for the duration of the contract including the contract extension period, plus sixty (60) days from NPC's acceptance or from the last delivery period unless otherwise the delivery schedule is amended. The Performance Security shall also answer for any damages and expenses that NPC may suffer as a result of the failure of the SUPPLIER to perform its contractual obligations herein without prejudice to the other legal remedies which may be resorted to by NPC. The bond shall be released sixty (60) days after the last delivery period following the date of completion of the Supplier's performance obligations under the Contract and the issuance of certification to that effect by NPC, including any warranty obligations, unless otherwise specified in the bid documents, provided there are no claims against the SUPPLIER and/or its bondsmen.

Any extension of the delivery period, which may be granted to the SUPPLIER, shall be considered as given and any modification of the Contract shall be considered as authorized with the express consent of the surety.

ARTICLE VII
LIQUIDATED DAMAGES

Should SUPPLIER fails to satisfactorily complete the delivery of engine lubricating oil within the stipulated contract time, plus any time extension duly granted, and is thereby in default under this Contract, SUPPLIER shall pay NPC for liquidated damages, not by way of penalty, an amount equal to one tenth (1/10) of one percent (1%) of the cost of the undelivered engine lubricating oil for every day of delay until actual delivery or performance. Once the amount of liquidated damages reaches ten percent (10%), NPC may rescind or terminate the contract without prejudice to other course of action and remedies open to it.

To be entitled to such liquidated damages, NPC does not have to prove that it has incurred actual damages. Such amount shall be deducted from any money due or which may become due to the SUPPLIER, or collected from any securities or warranties posted by the SUPPLIER, whichever is convenient to NPC. The forfeiture of the

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