

CONTRACT NO. LOG MSSP 2022-10-109-MDC

**SUPPLY, DELIVERY, INSTALLATION, TESTING AND COMMISSIONING OF
UNIT NO. 1 EXCITATION SYSTEM AT AGUS 7 HEP
MG-A7M22-042 / PB220905-HG00346**

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 -

QUALITRON CONSTRUCTION & INDUSTRIAL SUPPLIES, a single proprietorship duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with office address at 3F Qualitron Bldg., Consunji St., Brgy. Poblacion, Iligan City, Philippines, herein represented by its Sales Manager, **MS. MARIBETH A. PARAS**, who is duly authorized to represent it in this transaction, hereinafter referred to as **SUPPLIER**.

WITNESSETH: That -

WHEREAS, on 13 August 2022, NPC posted the Invitation to Bid for the Public Bidding of the Supply, Delivery, Installation, Testing and Commissioning of Unit No. 1 Excitation System at Agus 7 HEP;

WHEREAS, there were two (2) prospective bidders who secured the bidding documents and participated in the bidding conducted on 08 September 2022;

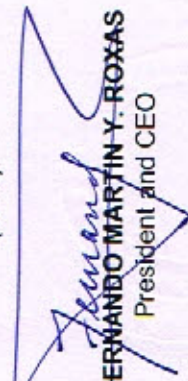
WHEREAS, SUPPLIER's bid offer was considered as the lowest calculated and responsive bid;

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:

Contract between NPC and Qualitron Construction & Industrial Supplies
Supply, Delivery, Installation, Testing and Commissioning of Unit No. 1 Excitation System at
Agus 7 HEP
Contract No. LOG MSSP 2022-10-109-MDC

NATIONAL POWER CORPORATION
(NPC)

BY: 
FERNANDO MARTIN Y. ROXAS
President and CEO

SIGNED IN THE PRESENCE OF:


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



JESSICA A. JOSE
(SUPPLIER)

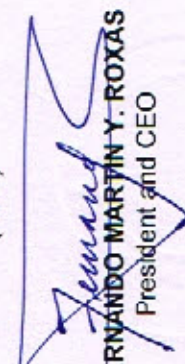
BY:


MARIBETH A. PARAS
Sales Manager

QUALITRON CONSTRUCTION &
INDUSTRIAL SUPPLIES
(SUPPLIER)

BY: 
MARIBETH A. PARAS
Sales Manager

BY: 
JESSICA A. JOSE
(SUPPLIER)

BY: 
FERNANDO MARTIN Y. ROXAS
President and CEO

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

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, Delivery, Installation, Testing and Commissioning of Unit No. 1 Excitation System at Agus 7 HEP/ PR No. MG-A7M22-042 / PB220905-HG00346;
2. Notice of Award dated 20 October 2022;
3. Post Qualification Report dated 04 October 2022;
4. Bid Opening Report dated 09 September 2022;
5. SUPPLIER's bid proposal dated 08 September 2022;
6. Supplemental/Bid Bulletin No. 1 dated 31 August 2022;
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 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

The works and services to be performed by the SUPPLIER shall essentially consist of but are not limited to the following:

1. Dismantling of the existing Excitation System and appurtenances;
2. Supply, delivery, installation, testing and commissioning of Digital Excitation System Unit No. 1, Agus 7 HEP including all appurtenances;
3. Supply of labor, tools, materials, equipment and expertise for the replacement of Excitation System Unit No. 1, Agus 7 HEP;
4. Supply, delivery, installation, testing and commissioning of new Excitation System and appurtenances (Excitation Transformer, Exciter Panel, etc.);
5. Installation of protection system components such as current transformer for the existing excitation transformer overcurrent protection; and
6. All other works not specified in the technical specifications but are necessary for the complete and reliable operation of the excitation system shall be provided by the SUPPLIER.

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BY: 
MARIBETH A. PARAS
 Sales Manager

In addition to the scope of installation, testing and commissioning of the excitation system, the following services shall also be performed:

1. Tagging of cables that would be used for the installation of a new excitation system before the removal of the existing excitation panel;
2. Dismantling of old excitation transformer and hauling to the warehouse for safekeeping; and
3. Installation of panel space heater for the excitation transformer panel including test and commissioning for the space heater.

ARTICLE III
PROJECT DURATION AND LOCATION

The contract duration shall be **THREE HUNDRED (300) CALENDAR DAYS** reckoned from receipt of Notice to Proceed.

The project is located in **Agus 7 Hydro Electric Power Plant, Iligan City, Lanao del Norte.**

The SUPPLIER shall be responsible for visiting the plant site and take particular reference to its accessibility, means of transportation and all other factors that should be considered in carrying out the contract implementation.

ARTICLE IV
TOTAL CONTRACT PRICE AND PAYMENT TERMS

The Total Contract Price shall be in the amount of and not exceeding **PHILIPPINE PESOS TWENTY NINE MILLION (PHP 29,000,000.00) ONLY.**

The Total Contract Price specified above shall be paid in accordance with the provision of Section IV-GCC, Clause 2 of the Bidding Documents.

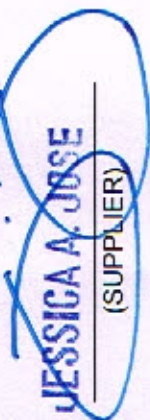
All taxes, custom duties, tariffs, exports, excise and all other taxes assess and charged by the taxing authority of the country of origin upon production, manufacture or shipment of all materials, equipment and supplies to be furnished under the Contract shall be borne by the SUPPLIER.

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

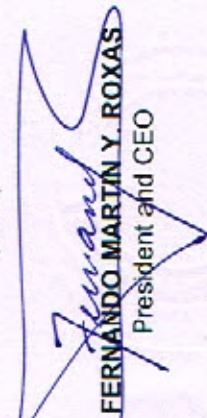
ARTICLE V
PERFORMANCE SECURITY

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

BY: 
JESSICA A. JOSE
 (SUPPLIER)

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

BY: 
FERNANDO MARTIN Y. ROXAS
 President and CEO

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MARIBETH A. PARAS
Sales Manager

BY:

JESSICA A. JOSE
(SUPPLIER)

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

FERNANDO MARTIN Y. ROXAS
President and CEO

BY:

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 security which shall be Thirty Percent (30%) of the total contract price.
- c. Performance Securing Declaration.

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 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 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 the 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) calendar days after the contract time extension has been granted by NPC.

**ARTICLE VI
WARRANTY/GUARANTEE BOND**

To assure that manufacturing defects shall be corrected by the SUPPLIER or its manufacturer, the SUPPLIER shall post a Warranty/Guarantee Bond after the performance of the contract pursuant to the provision contained in Section IV-GCC, Clause 5 of the Bidding 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 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 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.

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**ARTICLE VII
LIQUIDATED DAMAGES**

Should SUPPLIER fail to satisfactorily deliver any or all of the Goods and/or to perform the services within the period(s) 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, the applicable rate of one tenth (1/10) of one (1) percent of the cost of unperformed portion 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 courses of action and remedies open to it.

**ARTICLE VIII
NON-ASSIGNMENT AND NO SUB-CONTRACT**

The SUPPLIER shall not, without the written approval of NPC, assign, transfer, pledge, sub-contract, or make any other disposition of interest in this Contract. Any unapproved assignment, transfer, pledge, sub-contracting or any other disposition, shall be sufficient ground for NPC to terminate or cancel this Contract motu proprio without need of judicial action. Should NPC give its written approval, such consent shall not relieve the SUPPLIER of its responsibilities under the Contract. The SUPPLIER shall ensure that the terms and conditions of any sub-contract shall comply and conform with the terms and conditions of this Contract. The SUPPLIER shall be responsible for the observance by the sub-SUPPLIER of the terms and conditions of this Contract.

If any portion of the project sub-contracted is not performed faithfully in accordance with the contract, the sub-SUPPLIER shall be removed or replaced immediately upon the written request of NPC, provided, however, that any failure of NPC to make such request shall not relieve the SUPPLIER of its obligations under the contract. NPC shall not be responsible for the delays or costs incurred by the SUPPLIER because of the disapproval or removal of the sub-SUPPLIER, or because of the late submission of its approval.

**ARTICLE IX
AGREEMENT MODIFICATION**


No modification, alteration or waiver of any provision of this agreement shall be binding upon the Parties unless evidenced by a written amendment signed by the Parties.

**ARTICLE X
SUSPENSION OF WORK**

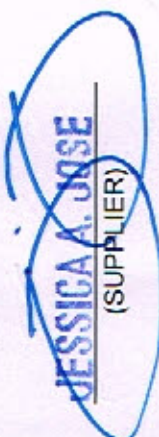
NPC may suspend the work wholly or partly by written order for a certain period of time, as it deems necessary due to force majeure or any fortuitous events as defined in the contract. The SUPPLIER shall take all reasonable steps to minimize the costs allocable to the work covered by such

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QUALITRON CONSTRUCTION &
INDUSTRIAL SUPPLIES
(SUPPLIER)

BY: 
MARIBETH A. PARAS
Sales Manager

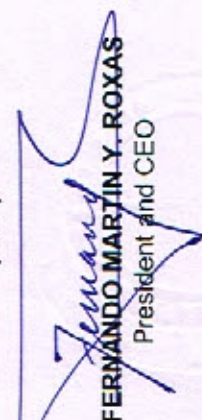
BY:


JESSICA A. JOSE
(SUPPLIER)

SIGNED IN THE PRESENCE OF:

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

NATIONAL POWER CORPORATION
(NPC)

BY: 
FERNANDO MARTIN Y. ROXAS
President and CEO

order during work stoppage.

Before the suspension order expires, the procuring entity concerned shall either lift such order or terminate the work covered by the same. If the suspension order is lifted, or if the period of the order expires, the SUPPLIER shall have the right to resume work. Appropriate adjustments shall be made in the delivery or contract schedule, or contract price, or both, and the contract shall be modified accordingly.

ARTICLE XI **PRE-TERMINATION**

Notwithstanding any provision to the contrary, NPC has the right to terminate, cancel and/or rescind this contract motu proprio, without need of judicial action, in case of breach thereof by the SUPPLIER, by giving at least ten (10) day written notice, which shall be final and binding on all parties. Upon receipt of NPC's notice, the SUPPLIER cannot remove, withdraw or pull-out any equipment, machinery, tool, material and supply brought to the project site without the written approval of NPC.

Any misrepresentation made by the SUPPLIER in the submission of documents, or suppression of material facts, which if known could have disqualified the SUPPLIER gives NPC the immediate right or recourse to motu proprio, without need of judicial action, rescind, abrogate or otherwise terminate the Contract.

Within thirty (30) days after termination, cancellation or rescission of this Contract, the Parties shall settle their respective accountabilities as of the date of termination, cancellation, or rescission, including the refund of any and all advances made, plus legal interest from the date of receipt of the amount or amount advanced.

ARTICLE XII **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 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 execution; 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 or cancellation of this Contract; or the reduction from the Contract Price of the consideration or commission paid without prejudice to the filing of any action for the violation of RA No. 3019 as amended (otherwise known as the Anti-Graft and Corrupt Practices Act) and/or other applicable laws against the

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QUALITRON CONSTRUCTION &
INDUSTRIAL SUPPLIES
(SUPPLIER)

MARIBETH A. PARAS
Sales Manager

BY:

JESSICA A. JOSE
(SUPPLIER)

SIGNED IN THE PRESENCE OF:

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

NATIONAL POWER CORPORATION
(NPC)

FERNANDO MARTIN Y. ROXAS
President and CEO

BY:

SUPPLIER and/or his representative and/or the erring NPC official(s) and employee(s).

ARTICLE XIII
JOINT AND SEVERAL LIABILITY

The liability of the SUPPLIER and/or any and all of the entities representing it on any manner under this Contract or relating to thereto is joint and several and for this reason NPC may proceed against any or all of them.

ARTICLE XIV
VALIDITY CLAUSE

If any term or condition of this Contract is held invalid or contrary to law, the validity of the other terms and conditions hereof shall not be affected thereby.

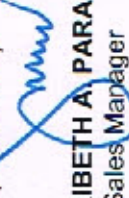
ARTICLE XV
EFFECTIVITY

This Contract shall become effective upon the issuance of the Notice to Proceed.

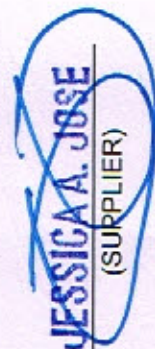
ARTICLE XVI
VENUE OF ACTION

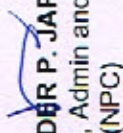
The parties hereto agree that the venue of action for any cause or causes of action which may arise in connection with this Contract shall be exclusively in the proper court of Quezon City, Philippines only.

QUALITRON CONSTRUCTION &
INDUSTRIAL SUPPLIES
(SUPPLIER)

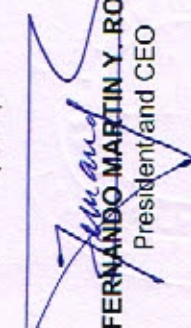
BY: 
MARIBETH A. PARAS
Sales Manager

SIGNED IN THE PRESENCE OF:

BY: 
JESSICA A. JOSE
(SUPPLIER)


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

NATIONAL POWER CORPORATION
(NPC)

BY: 
FERNANDO MARTIN Y. ROXAS
President/and CEO

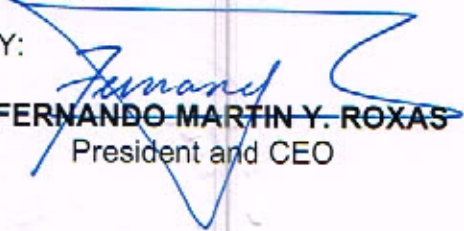
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IN WITNESS WHEREOF, the parties hereto have signed this Contract this 16th day of January, 2023 at Quezon City, Philippines.

NATIONAL POWER CORPORATION
(NPC)

QUALITRON CONSTRUCTION & INDUSTRIAL SUPPLIES
(SUPPLIER)


BY:


FERNANDO MARTIN Y. ROXAS
President and CEO

BY:


MARIBETH A. PARAS
Sales Manager

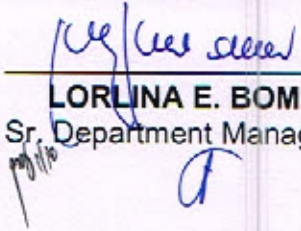
SIGNED IN THE PRESENCE OF:


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


JESSICA A. JOSE
(SUPPLIER)

Per attached (B) PRD-23-10-0414

FUNDS AVAILABLE


LORLINA E. BOMEDIANO
Sr. Department Manager, Finance

oms (S)

CERTIFIED FUNDS AVAILABLE	
PERIOD	2023
JOB ORDER	WO# B148J24
COST CENTER	6644013
AMOUNT	₱ 21,000,000.00

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REPUBLIC OF THE PHILIPPINES)
QUEZON CITY) S.S.

ACKNOWLEDGEMENT

BEFORE ME, a Notary Public for and in Quezon City, Philippines, this _____ day of JAN 16 2023, 2022, personally appeared **MR. FERNANDO MARTIN Y. ROXAS**, President and CEO, **NATIONAL POWER CORPORATION**, with Document Identification in the form of Company ID No. APW20017432, known to me and to me known to be the same person who executed the foregoing instrument consisting of ten (10) pages, including the pages wherein the acknowledgements are written, all pages signed by both parties and their instrumental witnesses and he acknowledged before me that the same is his free and voluntary act and deed and that of the Company he represents.

WITNESS MY HAND AND NOTARIAL SEAL, at the place and on the date first above written.

Notary Public
Until December 31, 2022
IBP Lifetime No.: _____
PTR No.: _____

Doc. No. 365 ;
Page No. 73 ;
Book No. 317 ;
Series of 2023.

ATTY. JASON G. DE BELEN
Roll No. 36259
Adm. No. NP-070 Notary Public
Notary Public for Quezon City
My Commission expires on December 31, 2023
No. 7M Sct. Borromeo St. cor. Panay Ave., Q.C.
IBP No. 259495; Q.C.; 1-3-2023
PTR No. 4007196; Q.C.; 1-3-2023
MCLE VII-0019570; 5-30-22

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REPUBLIC OF THE PHILIPPINES)
QUEZON CITY) S.S

ACKNOWLEDGEMENT

BEFORE ME, a Notary Public for and in Quezon City, Philippines, this day of 21 2022, personally appeared **MS. MARIBETH A. PARAS**, Sales Manager, **QUALITRON CONSTRUCTION & INDUSTRIAL SUPPLIES**, with Identification Document in the form of OTC 157721045, issued by _____ at Iligan City, on Jan 05, 2022, known to me and to me known to be the same person who executed the foregoing instrument consisting of ten (10) pages, including the pages wherein the acknowledgements are written, all pages signed by both parties and their instrumental witnesses and she acknowledged before me that the same is her free and voluntary act and deed and that of the Company she represents.

WITNESS MY HAND AND NOTARIAL SEAL, at the place and on the date first above written.

DEMOSTRACIONES
NOTARY PUBLIC
Notary Public
Until December 31, 2022
IBPN
IBP Lifetime No.: 11-01-40206
PTR No.: 11-01-300

Doc. No.: 210
Page No.: 44
Book No.: 804
Series of 2022.

Contract between NPC and Qualitron Construction & Industrial Supplies
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