

BY:


ROSHEENAH CARLA D. RIOS
Sales Executive


ARVIN D. QUINSAGA
(SUPPLIER)

BY:


ATTY. ROGEL T. TEVES
Vice President, Power Engineering Services


SERGIO P. VILLAFUERTE
Manager, Project Mgmt. Dept.
(NPC)

CONTRACT NO. LOG MSSP 2022-09-095-JPP

**SUPPLY, DELIVERY, INSTALLATION, TEST AND COMMISSIONING
OF 2 x 30 KW MODULAR DIESEL GENSETS,
ASSOCIATED ELECTRICAL EQUIPMENT & BALANCE OF PLANT FOR
THE ELECTRIFICATION OF NEW AREA IN PAAROL ISLAND,
BANGUINGUI, SULU
S4-PIC22-001 / PB220111-HG00512 (PB4)**

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 Vice President, Power Engineering Services, **ATTY. ROGEL T. TEVES**, who is duly authorized to represent it in this transaction, hereinafter referred to as **NPC**;

- and -

IHI TURBO INTERNATIONAL TRADE, INC., a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with office address at Rios Bldg., 193 Doña Soledad Extension Cor. Hawaii St., BLS Brgy. Don Bosco, Parañaque City, Philippines, herein represented by its Sales Executive, **MS. ROSHEENAH CARLA D. RIOS**, who is duly authorized to represent it in this transaction, hereinafter referred to as **SUPPLIER**.

WITNESSETH: That -

WHEREAS, the procurement had undergone three (3) failed biddings last 11 January 2022, 02 May 2022 and 31 May 2022;

WHEREAS, on 15 July 2022, NPC posted the Invitation to Bid for the 4th Public Bidding for the Supply, Delivery, Installation, Test and Commissioning of 2 x 30 kW Modular Diesel Gensets, Associated Electrical Equipment & Balance of Plant for the Electrification of New Area in Paarol Island, Banguingui, Sulu;


WHEREAS, only one (1) prospective bidder secured the bidding documents and participated in the bidding conducted on 03 August 2022;

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Associated Electrical Equipment & Balance of Plant for the Electrification of New Area in Paarol
Island, Banguingui, Sulu
Contract No. LOG MSSP 2022-09-095-JPP

(SUPPLIER)

BY:

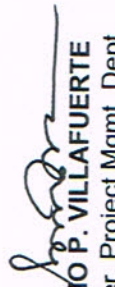

ROSHEENA CARLADO RIOS
Sales Executive


ALVIN B. SUBARBALLO
(SUPPLIER)

(NPC)

BY:


ATTY. ROGEL T. TEVES
Vice President, Power Engineering Services


SERGIO P. VILLAFUERTE
Manager, Project Mgmt. Dept.
(NPC)

WHEREAS, SUPPLIER's bid offer was considered as the single 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:

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, Test and Commissioning of 2 x 30 kW Modular Diesel Gensets, Associated Electrical Equipment & Balance of Plant for the Electrification of New Area in Paarol Island, Banguingui, Sulu, PR No. S4-PIC22-001/ PB220111-HG00512 (PB4);
2. Supplemental/Bid Bulletin No. 1 dated 27 July 2022;
3. Notice of Award dated 27 September 2022;
4. Post Qualification Report dated 06 September 2022;
5. Bid Opening Report dated 05 August 2022;
6. SUPPLIER's bid proposal dated 25 July 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 WORKS

The Supplier's scope of work under this Project shall generally consist of the following:

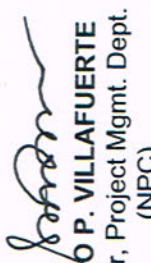
- a) Design, manufacture, factory test, deliver, installation of electro-mechanical equipment, associated auxiliaries and electrical equipment as enumerated in Table 1.0, Section VI-TS, Clause GW-1.0 of the bidding documents;

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BY:


ROSHEENA D. RIOS
Sales Executive


ALVIN B. CUYAYAN
(SUPPLIER)


SERGIO P. VILLAFUERTE
Manager, Project Mgmt. Dept.
(NPC)

BY:


ATTY. ROGEL T. TEVES
Vice President, Power Engineering Services

EQUIPMENT / FACILITIES TO BE SUPPLIED / INSTALLED BY SUPPLIER					
Plant Sites	No. & Capacity of Prime Duty DG Set	No. & Capacity of 480V/13.8 kV Generator Transformers 3Ø, 60 Hz (kVA)	No. of Generator Control & Protection Panels (Sets)	Power, Control & Instrumentation Cables (Lot)	Voltage Rating and Connection (V)
1. Paarol DPP	2 x 30 kW	2 x 50	2	1	480V/3Ø
Total No. of DG Sets	2	2			

- b) Delivery of labor and supervision, materials and supplies, tools and equipment for the construction of associated civil and architectural works, as applicable, such as foundations for equipment, appurtenant buildings/structures and other related works. It shall include detailed design of associated civil/structural works for all equipment to be supplied by the Supplier and as specified herein;
- c) Inspection, test and commissioning of equipment and machinery to ascertain that they are functioning in accordance with the contract provisions and guarantees; and
- d) Training of NPC personnel covering electrical, mechanical, instrumentation and control systems, troubleshooting including the supply of manufacturer's software needed in programming the DG Sets control setting and electro/digital governing system including other digital components that require exclusive programs from the Manufacturer with free update throughout the operating life of the generating sets.

The Supplier shall also provide all other related works not specifically mentioned in the Specifications but are necessary to complete the Works so as to be ready for commercial operation in accordance with the intent of the Contract. It is understood that all costs pertinent thereto are included in the Schedule of Requirements.

ARTICLE III PROJECT DURATION

The Supplier shall complete the works as specified within **Two Hundred Forty (240) Calendar Days** which shall become effective from receipt of the Notice to Proceed. The total contract period is inclusive of twenty (20) rainy/unworkable days, considered unfavorable for the execution of works at site.

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BY: 
ROSHEENA GARCIA D. RIOS
Sales Executive

ARTICLE IV
TOTAL CONTRACT PRICE AND PAYMENT TERMS

The Total Contract Price shall be in the amount of and not exceeding **PHILIPPINE PESOS NINETEEN MILLION NINE HUNDRED FORTY SIX THOUSAND (PHP 19,946,000.00)**.

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.

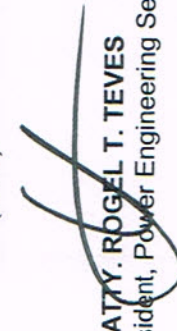
- a. Cash, Manager's/Cashier's Check, Bank Draft/Guarantee issued by a Universal or Commercial Bank or Irrevocable Letter of Credit issued by a Universal or Commercial Bank. Provided however, that it shall be confirmed or authenticated by a reputable local Universal or Commercial Bank if issued by a Foreign Bank equivalent to 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.
- 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.


MARVIN B. SWANAGUIO
(SUPPLIER)


SERGIO P. VILLAFUERTE
Manager, Project Mgmt. Dept.
(NPC)

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ATTY. ROGEL T. TEVES
Vice President, Power Engineering Services

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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, Clause GCC-5 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.


ALVIN B. SUMBAGULO
(SUPPLIER)

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.

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ATTY. ROGEL T. TEVES
Vice President, Power Engineering Services

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

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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-contractor 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-contractor 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-contractor, 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 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

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