



NOTICE TO PROCEED

OCT 31 2018

MR. ARCHIE B. GUPALOR
Vice-President and Head, Retail Sales
MR. MARBELSON L. JIZ
Manager, Cards Business Group
PETRON CORPORATION
SMC Head Office Complex, 40 San Miguel Avenue,
Mandaluyong City

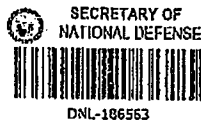
Dear Mr. Gupalor/Mr. Jiz:

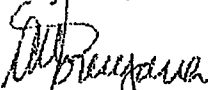
In view of the approved Contract Agreement hereto attached, hereby issued is a Notice to Proceed in relation to the supply and delivery of DND-Wide Petroleum Oil and Lubricant Requirements for CY 2018 (Lot 2 – DND-Wide Oil and Lubricant Requirements for CY 2018) with a corresponding contract price in the amount of TWO HUNDRED SIX MILLION FOUR HUNDRED SEVENTY FOUR THOUSAND SEVEN HUNDRED SIXTY NINE PESOS AND 63/100 (PhP206,474,769.63), effective upon receipt.

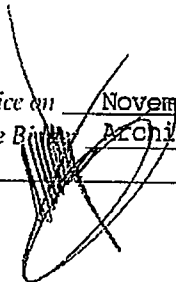
It is assumed that, upon receipt hereof, you shall work within the terms and conditions set forth in the Contract Agreement and strictly conform to the Implementation Schedule.

Please acknowledge receipt and acceptance of this Notice by signing the copies in the space provided below. May we further request that one (1) of the copies of the received Notice be returned to the Department of National Defense.

Truly yours,




DELVIN N. LORENZANA
Secretary

I acknowledge receipt of this Notice on November 6, 2018
Name of the Representative of the Buyer Archie B. Gupalor
Authorized Signature 

AGREEMENT

Supply and Delivery of DND-Wide Oil & Lubricant Requirements Nationwide for CY 2018 (Lot 2)

This Agreement made and entered into this 08 NOV 2018 day of _____ at the DND Conference Room, DND Building, Camp General Emilio Aguinaldo, Quezon City by and between:

The **DEPARTMENT OF NATIONAL DEFENSE (DND)** represented by the Secretary of National Defense, **HON. DELFIN N LORENZANA** with office address at Camp General Emilio Aguinaldo, Quezon City (herein collectively called "the Entity");

-and-

PETRON CORPORATION, (Petron, for brevity) represented by the Asst. Vice President & Head for Commercial Sales, **MR. FERNANDO S. MAGNAYON** and Head for Industrial Trade, **MR. LEON G PAUSING II**, with office address at the SMC Head Office Complex, 40 San Miguel Avenue, Mandaluyong City, Metro Manila (hereinafter called the "Supplier/Contractor");

WITNESSETH:

WHEREAS, DND conducted Public Bidding on August 07, 2018 for the Supply and Delivery of DND-Wide Oil & Lubricant Requirements Nationwide (Lot 2) in the amount of **Php212,465,963.68**.

WHEREAS, on August 09, 2018 the Supplier was declared as the Single Calculated and Responsive Bidder (SCRB) for Lot 2 with a bid offer of **TWO HUNDRED SIX MILLION FOUR HUNDRED SEVENTY-FOUR THOUSAND SEVEN HUNDRED SIXTY-NINE AND 63/100 PESOS (Php206,474,769.63)**, broken down as follows:

UNIT	BID PRICE
PA	62,695,349.67
PAF	51,112,971.41
PN	85,917,435.61
GHQ	3,218,095.24
PMA	503,155.15
PSG	834,985.76
AFPHSC	1,064,565.54
VMMC	191,297.30
DND PROPER	936,913.95
TOTAL	206,474,769.63

WHEREAS, the Notice of Award was issued on _____ and was duly conformed by the Supplier on _____

FERNANDO S. MAGNAYON
AVP & Head - Commercial Sales
PETRON CORPORATION

LEON G. PAUSING II
Head - Industrial Trade
PETRON CORPORATION

GLENN EDWARD C. DAEL
Area Sales Manager, Key Accounts - Industrial Trade
PETRON CORPORATION

DELFIN N. LORENZANA
Secretary
Department of National Defense

MAJ LUANNIE L LOMAS-E JAGS
Legal Officer
TWG for PDB



NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. In this Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract hereto attached as part of the Contract Agreement.

2. Each and every page of this Contract and above-mentioned documents must be signed by the Legal Officer of the Technical Working Group (TWG) of the Project and Supplier or his duly authorized representative as witnesses.

3. The following documents shall be deemed to form and be read and construed as part of this Agreement, viz.:

- (a) the Bid Form and the Price Schedule submitted by the Bidder;
- (b) the Bidding Documents comprising of the eligibility, technical and financial documents submitted by the Supplier during the submission and opening of bids as well as documents submitted during the post-qualification;
- (c) the Schedule of Requirements;
- (d) the Technical Specifications;
- (e) the General Conditions of Contract;
- (f) the Special Conditions of Contract;
- (g) Supplemental Bid Bulletin;
- (h) the Notice of Award; and,
- (i) the Memorandum of Agreement

4. In consideration of the payments to be made by the ENTITY to the Supplier as hereinafter mentioned, the Supplier hereby covenants with the ENTITY to provide the POL products required and the services relevant to its delivery, as well as to remedy defects therein in conformity in all respects with the provisions of the Contract.

5. The ENTITY hereby covenants to pay the Supplier in consideration of the provision of the goods and services and the remedying of defects therein, the Contract Price or such other sum as may become payable under the provisions of the contract at the time and in the manner prescribed by the contract.

6. If during contract implementation, the total contract price for the project would have been consumed notwithstanding that the requirements were not fully delivered in the units/volumes contemplated, no further order in payments under this contract shall be made.

7. For the purpose of bidding requirements, allocation per lots will be implemented, however, in case of war, disaster, national security or increase in operational tempo, the ENTITY may transfer its POL requirements to other location as required for operation support without incurring additional expense; allocation per lots may decrease or increase depending on operational support requirements of the ENTITY.

8. The Supplier shall, at its own expense, repair, maintain, rehabilitate and construct POL facilities and equipment, including warehouses and other storage facilities, for the PROCURING ENTITY equivalent to at least 5.5% of the Contract Price for Lot 2 (Oil & Lubricant Requirements). Details for the implementation are specified in the attached Memorandum of Agreement (Tab I).

FERNANDO S. MAGNAYON
AVP & Head - Commercial Sales
PETRON CORPORATION

LEON Q. RAJISING II.
Head Industrial Trade
PETRON CORPORATION

GLENN EDWARD C. DAEL
Area Sales Manager, Key Accounts - Industrial Trade
PETRON CORPORATION

Department of National Defense

DELFIN N. LORENZANA
Secretary

MAU LUAINNE L. LOMAS-E JAGS
Legal Officer
TWG for POL

9. The Supplier will issue on a monthly/quarterly basis the balances of DND POL Fund to the ENTITY for accounting purposes.

10. This Agreement shall be applicable until the obligated amount has been fully exhausted.

11. The Supplier is expected to have examined all instructions, terms and specifications in the Contract and its attachments. It shall be the Supplier's sole responsibility to determine and to satisfy itself by such means as it considers necessary or desirable as to all matters pertaining to the contract including but not limited to (a) the location and the nature of this Project; (b) climatic conditions; (c) transportation facilities; and (d) other factors that may affect the cost, duration, and execution or implementation of this Project. The ENTITY shall not assume any responsibility regarding erroneous interpretations or conclusions by the SUPPLIER.

12. Conflicting texts and interpretations of this Contract and its attached documents shall be resolved in accordance with the provisions of RA 9184 and its revised IRR.

MAJ LIAINNE L. LOMASE-JAGS
Legal Officer
TWG for POL

Area Sales Manager Key Accounts - Industrial Trade
PETRON CORPORATION

IN WITNESS whereof the parties hereto have caused this Agreement to be executed in accordance with the laws of the Republic of the Philippines on the day and year first above written.

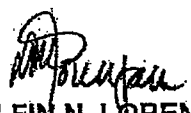
PETRON CORPORATION

DEPARTMENT OF NATIONAL DEFENSE (DND)

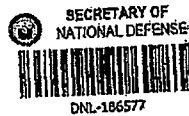
By:

By:


FERNANDO S. MAGNAYON
AVP & Head-Commercial Sales
PETRON CORPORATION


DELFIN N. LORENZANA
Secretary
DEPARTMENT OF NATIONAL DEFENSE


LEON G. PAUSING II
Head-Industrial Trade
PETRON CORPORATION



SIGNED IN THE PRESENCE OF:

GLENN EDWARD C. DAEL
Area Sales Manager, Key Accounts,
Industrial Trade

MAJ LUAINNE L LOMAS-E JAGS
Legal Officer
TWG for AFP POL

ACKNOWLEDGEMENT

Republic of the Philippines)
Quezon City) SS.

Before me, a Notary Public for and in Quezon City, this 08 NOV 2018 day of _____, 2018 appeared the following persons presenting to me their respective identifications, to wit:

DELFIN N. LORENZANA
Fernando S. Magnayon
Leon G. Pausing II

Passport No./ ID No	Issued at	Expiry date
Phil Passport/ID No. _____	_____	_____
Phil Passport No. EC2503648	Manila	10/21/19
Phil Passport No. EC1643733	Manila	07/14/19

Known to me and known to be same persons who executed and voluntarily signed the foregoing Contract which they acknowledged before me as their own free and voluntary act and deed with full authority to sign in that capacity.

This instrument refers to the Contract Agreement and consisting of three (3) pages including this page where the acknowledgment is written duly signed by the parties and their instrument witnesses whereof.

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

Doc. No. 330
Page No. 1
Book No. 11
Series of 2018

ATTY RAYMOND GERARDO S TANSIP
Notary Public for and in Quezon City
Until 08-08-2019
ACT. MATTER No. NP 072
Roll of Attorney No. 51106
IAP No. 017-164311-28-2017 Quezon City
PTR No. 051030211-3-2518 Quezon City
MC & Compliance No. V-002174944 2015
73 Tomas A. Guilles St. Santol Quezon City

DELFIN N LORENZANA
Honorable Secretary
Department of National Defense

FERNANDO S. MAGNAYON
AVP & Head - Commercial Sales
PETRON CORPORATION

LEON G. PAUSING II
Head Industrial Trade
PETRON CORPORATION

