



NOV 10 2018

NOTICE TO PROCEED

MR. FERNANDO S. MAGNAYON

Asst. Vice President & Head for Commercial Sales

MR. LEON G. PAUSING II

Head for Industrial Sales

PETRON CORPORATION

SMC Head Office Complex, 40 San Miguel Avenue,
Mandaluyong City, Metro Manila

Dear Mr. Magnayon/Mr. Pausing:

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 1- DND Wide Oil and Lubricant Requirements for CY 2018)** with a corresponding contract price in the amount of **FOUR BILLION FOUR HUNDRED SIXTEEN MILLION THREE HUNDRED THIRTY FOUR THOUSAND NINE HUNDRED SEVENTY FOUR PESOS AND 81/100 (PhP4, 416,334,974.81)**, effective upon receipt.

It is assumed that, upon receipt thereof, 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 all 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.

Very truly yours,

DELFIN N. LORENZANA

Secretary



DNL-186664

I acknowledge receipt of this notice on November 13, 2018
Name of the Representative of the Bidder FERNANDO S. MAGNAYON
Authorized Signature

AGREEMENT

Supply and Delivery of DND-Wide Petroleum Requirements Nationwide for CY 2018 (Lot 1)

13 NOV 2018

This Agreement made and entered into this _____ 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 **May 29, 2018** for the Supply and Delivery of DND-Wide Petroleum Requirements Nationwide (Lot 1) in the amount of **PhP4,549,019,692.76**.

WHEREAS, on _____, the Supplier was declared as the Single Calculated and Responsive Bidder (SCRB) for Lot 1 with a bid offer of Four Billion Four Hundred Sixteen Million Three Hundred Thirty-Four Thousand Nine Hundred Seventy-Four and 81/100 Pesos (**PhP4,416,334,974.81**), broken down as follows:

LOT 1	BID PRICE (PhP)
PA	649,655,154.05
PAF	2,210,246,095.54
PN	1,221,641,763.38
GHQ	273,622,760.71
PMA	14,878,241.92
PSG	11,828,288.61
AFPHSC	19,610,811.23
DND PROPER	2,960,114.10
VMMC	7,231,750.51
GA	4,659,994.75
TOTAL	4,416,334,974.81

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 A LOMAS-E JAGS
Legal Officer
TWG for POL (Lot 1)



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. Nonetheless, in the event that the Supplier for Lot 1 is also the supplier of Lot 2 or Lot 3, the AFP may due to exigency of the service, national emergency and/or national security, can allocate fund from Lot 1 to pay Lot 2 or Lot 3 and vice-versa.

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.

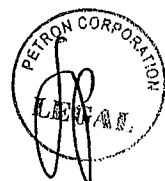
FERNANDO S. MAGNAYON
AVP & Head - Commercial Sales
PETRON CORPORATION

LEON S. MAUSING II
Head - Industrial Trade
PETRON CORPORATION

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

DELFIN N. LORENZANA
Secretary
Department of National Defense

MAJ LIAANNEL LOMASE
Legal Officer
TWG for POL (Lot 1)



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.

1-3 NOV 2018

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

	Passport No./ ID No	Issued at	Expiry date
DELFIN N. LORENZANA	Phil Passport/ID No. _____	_____	_____
Fernando S. Magnayon	Phil Passport No. P 8673618A	Manila	09/11/28
Leon G. Pausing II	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. 384 :
Page No. 77 :
Book No. XII :
Series of 2018

ATTY RAYMOND GERARDO S TANSIP
Notary Public for and in Quezon City
Until December 31, 2018-2019
ADM. MATTER No. NP 072
Roll of Attorney No. 51156
IBP No. 017764/11-28-2017/Quezon City
PTR No. 5720102/1-3-2013/Quezon City
MCA R. Code. License No. V-002; 18848-4 2016
73 Tomas Arguelles St. Santol, Quezon City

Secretary
DELFIN N. LORENZANA
Department of National Defense

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

LEON G. PAUSING II
Head - Industrial Trade
PETRON CORPORATION

