



NOTICE TO PROCEED

DEC 05 2018

MR. MANUELITO C. SIANGHIO

Commercial Division Head

MS. EVANGELINE O. DEL ROSARIO

Marketing Manager

Authorized Representatives

HERMA SHIPYARD, INC.

3rd Floor, Herma Building, 94 Scout Rallos Street

Brgy. Sacred Heart, Quezon City

Dear Mr. Sianghio/Ms. Del Rosario:

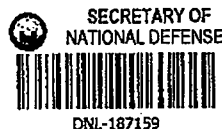
In view of the approved Contract Agreement hereto attached, hereby issued is a Notice to Proceed in relation to the Procurement for the Dry-docking and other Related Repairs of *BRP ARTEMIO RICARTE (PS37)* for the Philippine Navy with a corresponding contract price in the amount of **THREE HUNDRED NINE MILLION THREE HUNDRED EIGHTY TWO THOUSAND THREE HUNDRED FOURTEEN PESOS (PhP309,382,314.00)**, 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,

DELFIN N. LORENZANA
Secretary



I acknowledge receipt of this Notice on

Name of the Representative of the Bidder

Dec. 11, 2018

Evangelina O. del Rosario
Evangelina O. del Rosario

Contract Agreement

KNOW ALL MEN BY THESE PRESENT:

This Agreement made and entered into on DEC 10 2018 in Quezon City, Philippines by and between:

The **DEPARTMENT OF NATIONAL DEFENSE (DND)**, represented by the Secretary of National Defense, **HONORABLE DELFIN N LORENZANA** with office address at Department of National Defense, Camp General Emilio Aguinaldo, Quezon City, (hereinafter referred to as "the procuring Entity").

and

HERMA SHIPYARD, INCORPORATED, a incorporation organized and existing under the law of the Republic of the Philippines with office address at 3rd Floor, Herma Building, 94 Scout Rallos Street, Brgy. Sacred Heart, Quezon City duly represented by **EVANGELINE O DEL ROSARIO**, the authorized Representative. (hereinafter referred to as "the Supplier").

WITNESSETH:

WHEREAS, on 06 April 2018, the Secretary of National Defense (SND) approved and issued Acquisition Decision Memorandum (ADM) No. 2018-006 dated 02 April 2018 pertaining to the immediate implementation of the procurement for the Drydocking and Other Related Repairs of BRP ARTEMIO RICARTE (PS37) of the Philippine Navy with a total Approved Budget for the Contract (ABC) of **Three Hundred Thirteen Million Three Hundred Eighty Two Thousand Three Hundred Sixteen Pesos and 19/100 (Php313,382,316.19)**;

WHEREAS, the DND Bids and Awards Committee (Committee for brevity) conducted the first Submission and Opening of Bid Envelope (SOBE) for the project on 17 July 2018, where the two (2) bidders participated namely: Josefa Slipways, Inc. and Herma Shipyard, Inc. were declared as ineligible to bid, whereby declaring the failure of bidding for the project pursuant to Section 35.1 (b) of the RIRR of RA9184;

WHEREAS, after the conduct of necessary bidding procedure, the Committee conducted the SOBE for the rebidding of the project on 30 August 2018, where Herma Shipyard was found to be eligible to bid for the project, while Josefa Slipways was declared ineligible to bid for failure to comply with Tab F (Bid Securing Declaration) in the bidding documents;

WHEREAS, on 04 September 2018, the Committee denied the Motion for Reconsideration (MR) filed by Josefa Slipways, Inc. and Subsequently declared Herma Shipyard, Inc as the Single Calculated Bidder (SCB) with a bid in the

M. Lorenzana
HON. DELFIN N LORENZANA
Secretary of National Defense

E. O. Del Rosario
Ms. Evangeline O Del Rosario
Authorized Rep., HSI

N. Galindo
CDR NESTOR C GALINDO JR PN (GSC)
Head, Technical Working Group

D. Llanuza
CPT DIANE MARRYLL C LANUZA JAGS PN
Legal Officer, TWG

amount of Php309,382,314.00, through Resolution Nos. DND/PN-DDORR-BRPRICARTE-PS37-18-R-01 and 02 and the subsequent conduct of Post-Qualification;

WHEREAS, on 20 September 2018, the PQ Team presented the result of their evaluation on the SCRB. The Committee, upon recommendation of the Post-Qualification Team, issued DND BAC Resolution No. DND/PN-DDORR-BRPRICARTE-PS37-18-R-04 declaring the proponent as the Single Calculated Responsive Bidder ("SCRB") for the project and recommended the issuance of the Notice of Award ("NOA") in favor of HERMA SHIPYARD, INCORPORATED.

WHEREAS, upon the recommendation of the DND Bids and Awards Committee ("DND BAC"), the SND approved and issued the Notice of Award on October 05, 2018 which was duly conformed by the contractor on 05 October 2018.

NOW THEREFORE, in view of the foregoing premises and for and consideration of the mutual covenants and stipulation hereinafter provided, the Procuring Entity and the Supplier have agreed as follows:

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

2. The following documents shall deemed to form and be read and construed as part of this agreement:

- a. General Condition of the Contract;
- b. Special Condition of the Contract;
- c. Technical Specification;
- d. Schedule of Requirements;
- e. Financial Proposal;
- f. Eligibility/Technical Components;
- g. Performance Security; and
- h. Notice of Award

3. Each and every page of the above-mentioned documents must be signed by the Legal Officer of the Technical Working Group (TWG) of the Project and the Contractor or his duly authorized representative.

4. In consideration of the payments to be made by the Entity to Contractor as hereinafter mentioned, the Contractor hereby covenants with the Entity to provide the goods and services and to remedy defects therein in conformity in all respect with the provisions of the Contract.

5. All charges for the incidental expenses there to (i.e., bank commission, documentary stamp, tax, cable, etc) shall be for the account of the Supplier.

ms
HON. DELFIN N LORENZANA
Secretary of National Defense

ms
Ms. Evangeline O Del Rosario
Authorized Rep., HSI

ms
CDR NESTOR C GALINDO JR PN (GSC)
Head, Technical Working Group

ms
CPT DIANE KARRYL C LANUZA JAGS PN
Legal Officer, TWG

6. The Procuring Entity hereby covenants to pay the Contractor, 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 provision of the contract at the time and in the manner prescribed by the contract.

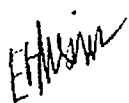
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in accordance with the laws of the Republic of the Philippines on the date and at the place stated above.

HERMA SHIPYARD, INC.

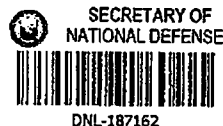
DEPARTMENT OF NATIONAL DEFENSE

By:

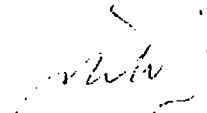
By:


Ms. Evangeline O Del Rosario
Authorized Rep., HSI


HON. DELFIN N LORENZANA
Secretary of National Defense



Signed in the presence of:


CDR NESTOR C GALINDO JR PN (GSC)
Head, Technical Working Group


CPT DIANE KARRYLL C LANUZA JAGS PN
Legal Officer, TWG

ACKNOWLEDGEMENT

Republic of the Philippines)
~~QUEZON CITY~~) SS

Before me, A Notary Public for and in Quezon City, this DEC 10 2018 day of _____ appeared the following persons presenting to me their respective identification, to wit:

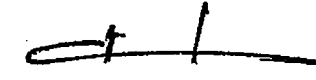
	Competent Evidence of Identity No.	Issued at	Expiry Date
Evangeline O Del Roasrio	EG 5555 213	30 Sept 15	29 Sept 24
DELFIN N LORENZANA	DO 001046A	03 SEPT 16	02 SEPT 2021

Known to me and me to known to be the same persons who executed and voluntarily signed the foregoing Contract Agreement which they acknowledge 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 consists of four (4) pages including this page where the acknowledgement is written duly signed by the parties and their instrumental witness thereof.

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

Doc. No. 149 :
 Page No. 31 :
 Book No. XV :
 Series of 2018 :



ARCHIVALD F. DE MATA
 Notary Public
 Until December 31, 2018
 PTS No. 099528; January 9, 2018; Pasig
 RPL No. 88003
 Appointment Commission No. 192 (2017-2018)
 RPL No. 88010, Roll of Attorneys
 MCLE Certificate No. M-0013926 (February 12, 2016)
 Suite 1107 Telete East Tower
 Philippine Stock Exchange Center
 Exchange Plaza, Ortigas Center, Pasig City

ms. evangeline
HON. DELFIN N LORENZANA
 Secretary of National Defense

Ms. Evangeline
Ms. Evangeline O Del Rosario
 Authorized Rep., HSI

N/472
CDR NESTOR C GALINDO JR PN (GSC)
 Head, Technical Working Group

N/472
CPT DIANE KARRYL C LANUZA JAGS PN
 Legal Officer, TWG