



SEP 23 2019

NOTICE TO PROCEED

MR. FERNANDO S. MAGNAYON

Vice-President for Commercial Sales

MR. LEON G. PAUSING II

Assistant Vice President for Industrial Trade

PETRON CORPORATION

SMC Head Office Complex, 40 San Miguel Avenue,

Mandaluyong City

Dear Mr. Magnayon/Mr. Pausing II:

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 2019 (Lot 1 – DND-Wide Oil and Lubricant Requirements for CY 2019) with a corresponding contract price in the amount of **THREE BILLION SIX HUNDRED THIRTY TWO MILLION NINE HUNDRED THIRTY NINE THOUSAND FOUR HUNDRED TWENTY EIGHT PESOS (PhP3,632,939,428.00)**, 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 FERNANDO S. MAGNAYON
Authorized Signature _____

SEP 24 2019

AGREEMENT

Supply and Delivery of DND-Wide Petroleum Requirements Nationwide for CY 2019 (Lot 1)

This Agreement made and entered into this 19th day of April 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 Vice President for Commercial Sales, **MR. FERNANDO S. MAGNAYON** and Assistant Vice President 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, a Public Bidding was conducted by the DND BAC 1 on **25 April 2019** for the Supply and Delivery of DND-Wide Petroleum Requirements Nationwide (Lot 1) in the amount of **PhP4,180,512,135.33**.

WHEREAS, on _____, the Supplier was declared as the Single Calculated and Responsive Bidder (SCRB) for Lot 1 with a bid offer of Three Billion Six Hundred Thirty-Two Million Nine Hundred Thirty-Nine Thousand Four Hundred Twenty-Eight and 71/100 Pesos (**PhP3,632,939,428.71**) broken down as follows:

LOT 1	BID PRICE (PhP)
PA	620,662,122.77
PAF	2,047,583,720.00
PN	608,300,986.16
GHQ	288,202,106.93
PMA	13,904,284.69
PSG	14,776,481.91
AFPHSC	27,468,872.96
DND PROPER	1,016,750.82
VMMC	6,852,817.08
GA	4,171,285.41
TOTAL	3,632,939,428.71

FERNANDO S. MAGNAYON
Vice President – Commercial Sales
PETRON CORPORATION

LEON G. PAUSING II
Assistant Vice President – Industrial Trade
PETRON CORPORATION

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

Department of National Defense

Secretary
DELFIN N. LORENZANA

CPT JEFFERIZ-BRYAN A CAMIÑA JAGS
Legal Officer
TWG for POL (Lot 1)

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

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 ENTITY, based on the rebates obtained, shall retain a Repair, Maintenance and Construction (RMC) Fund equivalent to 6.5% of the Total Contract Price. The AFP's share shall be automatically deducted in the

FERNANDO S. MAGNAYON
Vice President - Commercial Sales
PETRON CORPORATION

LEON S. SINGH
Assistant Vice President - Industrial Trade
PETRON CORPORATION

GLENN DUWARD & DAEL
Area Sales Manager, Key Accounts - Industrial Trade
PETRON CORPORATION

Secretary
Department of National Defense
DELFIN N. LORENZANA

CPT DEEERIZBRYAN A CAMINA JAGS
Legal Officer
TWG for POL (Lot 1)

Contract price upon payment of the delivered POL products to be remitted to the BTR for the repair, maintenance, rehabilitation and construction of POL facilities, as well as procurement of additional POL equipment in accordance with the Program of Expenditures (POE's) duly approved by the Head of the Procuring Entity (HoPE). On the other hand, DND civilian bureaus may deposit said rebates to their respective trust receipts for this purpose.

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.

CPT JEFFERIZ-BRYAN A CAMINA JAGS
Legal Officer
TWG for POL

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

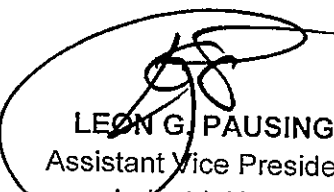
DEPARTMENT OF NATIONAL DEFENSE (DND)

By:

By:


FERNANDO S. MAGNAYON
Vice President – Commercial Sales
PETRON CORPORATION



DELFIN N. LORENZANA
Secretary
DEPARTMENT OF NATIONAL DEFENSE


LEON G. PAUSING II
Assistant Vice President –
Industrial Trade
PETRON CORPORATION



SIGNED IN THE PRESENCE OF:

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


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


CPT JEFFERIZ BRYAN A CAMINA JAGS
Legal Officer
TWG for AFP POL

ACKNOWLEDGEMENT

Republic of the Philippines)
Quezon City) SS.

Before me, a Notary Public for CITY OF MANILA, this SEP 2 2018 day of SEP 2 2018 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. P8673618A	Manila	9/9/28
Leon G. Pausing II	Phil Passport No. P7503584A	Manila	6/8/28


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 four (4) pages including this page where the acknowledgment is written duly signed by the parties and their instrument witnesses whereof.

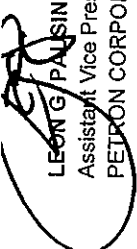
WITNESS MY HAND AND SEAL, on the date and place above written.

Doc. No. 952
Page No. 191
Book No. 54
Series of 2019


ATTY. PEDRO B. GENATO
Notary Public Until Dec. 31, 2019
Notarial Commission 2018-011 Mla.
1150 Gen. Luna St., Ermita Mla.
IBP# 012432 Pasig 7-27-17 until 2019
PTR# Mla 8008954 - 1-3-2019
Roll# 12088,, TIN# 132-436-687
L.CLE Compl. No. VI-0021170 until 4-14-2022


DELFIN N. LORENZANA
Secretary
Department of National Defense


FERNANDO S. MAGNAYON
Vice President – Commercial Sales
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