



NOTICE TO PROCEED

Mr. Archie B. Gupalor
Vice President for Retail Sales
Mr. Marbelson L. Jiz
Manager, Cards Business Group
PETRON CORPORATION
SMC Head Office Complex,
40 San Miguel Avenue,
Mandaluyong City

AUG 23 2019

Dear Mr. Gupalor/ Mr. Jiz:

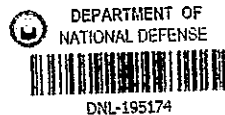
In view of the approved Contract Agreement hereto attached, hereby issued is a Notice to Proceed in relation to the Supply and Delivery of DND-Wide e-POL Requirements Nationwide (Lot 3) for CY 2019 with a corresponding contract price in the amount of **ONE BILLION THREE HUNDRED SIXTY-FIVE MILLION FIVE HUNDRED SEVENTY-SIX THOUSAND FOUR HUNDRED NINETY-FIVE AND 93/100 PESOS (PhP1,365,576,495.93)** with 6.5% **REBATE** amounting to **EIGHTY-EIGHT MILLION SEVEN HUNDRED SIXTY-TWO THOUSAND FOUR HUNDRED SEVENTY-TWO AND 24/100 PESOS (PhP88,762,472.24)**, 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.

Truly yours,

DELFIN N. LORENZANA
Secretary



I acknowledge receipt of this Notice on 9/2/2019
Name of the Representative of the Bidder M.L. Jiz A. B. GUPALOR
Authorized Signature _____

AGREEMENT

Supply and Delivery of DND-Wide Petroleum Requirements Nationwide for CY 2019 (Lot 3)

This Agreement made and entered into this AUG 29 2019 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 called "the Entity" or DND);

-and-

PETRON CORPORATION, (Petron, for brevity) represented by the Vice President and Head, Retail Sales, **MR. ARCHIE B. GUPALOR**, and Manager, Cards Business Group, **MR. MARBELSON L. JIZ**, 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 for the Supply and Delivery of DND-Wide e-POL Card Requirements Nationwide (Lot 3) in the amount of **PhP1,365,576,495.93**.

WHEREAS, on JUN 25 2019, the Supplier was declared as the Single Calculated and Responsive Bidder (SCRB) for Lot 3 with a rebate bid offer of 6.5% of the total ABC. Hence, Contract Price is broken down as follows:

UNIT	BID PRICE
PA	732,000,000.00
PAF	70,000,000.00
PN	400,000,000.00
GHQ	59,473,055.51
PMA	13,000,000.00
PSG	15,323,634.15
AFPHSC	4,452,000.00
DND PROPER	25,062,410.27
PVAO	2,650,000.00
VMMC	833,396.00
NDCP	3,782,000.00
OCD	39,000,000.00
TOTAL	1,365,576,495.93

ARCHIE B. GUPALOR
Vice President and Head, Retail Sales
PETRON CORPORATION

DELFIN N. LORENZANA
Honorable Secretary
Department of National Defense

MARBELSON L. JIZ
Manager, Cards Business Group
PETRON CORPORATION

CPT JEFFERIZ BRYAN ROSMINA JAGS
Legal Officer
TWG for POL



WHEREAS, the Notice of Award was issued on JUL 20 2019 and was duly conformed by the Supplier on AUG 01 2019;

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 Agreement.

2. Each and every page of this Agreement 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 Agreement.

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 Agreement at the time and in the manner prescribed by the Agreement.

6. If during the implementation of this Agreement, 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 Agreement 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

ARCHIBIS GUPALOR
Vice President and Head, Retail Sales
PETRON CORPORATION

MARCELSON L. JIZ
Manager, Cards Business Group
PETRON CORPORATION

DELFIN N. LORENZANA
Honorable Secretary
Department of National Defense

CPT JEFFERIZ BRYAN A SAMRAN JAGS
Legal Officer
TWG for POL



the consumed contract price. The rebate pertaining to AFP's consumption shall be automatically deducted from the relevant invoice to AFP upon payment of the delivered POL products. The amount so deducted or withheld shall be delivered by the AFP 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 deduct the rebate from the purchase price. The SUPPLIER may retain the rebate on behalf of the DND civilian bureaus, to be considered as forming part of the RMC fund.

9. The Supplier shall 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 Agreement 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 Agreement and its attached documents shall be resolved in accordance with the provisions of RA 9184 and its revised IRR.

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

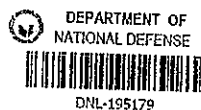
By:


ARCHIE B. GUPALOR
Vice President and Head, Retail Sales
PETRON CORPORATION

**DEPARTMENT OF NATIONAL
DEFENSE (DND)**

By:



DELFIN N. LORENZANA
Honorable Secretary
DEPARTMENT OF NATIONAL DEFENSE

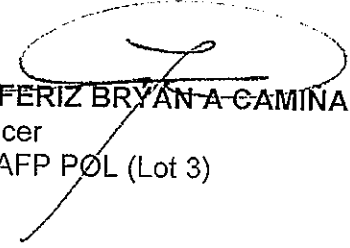


MARBELSON L. Z
Manager, Cards Business Group
PETRON CORPORATION

CPT JEFFERIZ BRYAN A CAMINA JAGS
Legal Officer
TWG for POL

SIGNED IN THE PRESENCE OF:


MARBELSON L. JIZ
Manager, Cards Business Group
PETRON CORPORATION


CPT JEFFERIZ BRYAN A. CAMINA JAGS
Legal Officer
TWG for AFP POL (Lot 3)

ACKNOWLEDGEMENT

Republic of the Philippines)
Quezon City, Manila) SS.

Before me, a Notary Public for and in Quezon City, Philippines, AUG 29 2019 day of August 2019 appeared the following persons presenting to me their respective identifications, to wit:

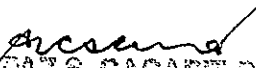
DELFIN N. LORENZANA Archie B Gupalor	Passport No./ ID No	Issued at	Expiry date
	Phil Passport/ID No. _____	_____	_____
	Phil Passport No. P1278162B	DFA NCR EAST	03/29/29


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. 436 :
Page No. 88 :
Book No. XLVI
Series of 2019


DIVINA PAZ S. CACAPIT-SACRAMENTO
Notary Public until 31 December 2019
Notarial Commission No. 131-2018
Attorney's Roll No. 44923
ISP License No. 03661 / PPLM
PTR No. 1725217 / Parañaque / 9 Jan 2019
MCLE No. VI-0008136 / 23 Apr 2018


DELFIN N. LORENZANA
Honorable Secretary
Department of National Defense


ARCHIE B GUPALOR
Vice President and Head, Retail Sales
PETRON CORPORATION

