CONTRACT FOR THE REPAIR OF PATROL BOAT OF PPA-PMO BATANGAS

This Contract made and entered into this 05 NOV 2020, in the City _____, Philippines, by and between:

PHILIPPINE PORTS AUTHORITY, PMO-BATANGAS a government instrumentality created under Presidential Decree No. 857, as amended, with principal office at PPA New Administration Building, Diversion Rd., Calicanto, Batangas City, represented herein by its Port Manager, **JOSELITO O. SINOCRUZ**, and hereinafter referred to as "**PPA**";

\- and -

COMMODORE MARITIME SOLUTIONS INC. a corporation duly registered with the Securities and Exchange Commission in accordance with Philippine laws, with office address at 1 Apacible St., Philamlife Village, Las Piñas City, represented herein by its President, **JOHN PAUL D. AGUSTIN** and hereinafter referred to as the **"CONTRACTOR"**

WITNESSETH

WHEREAS, PPA owns an MP1211 Patrol Boat used for harbor patrol and inspection of facilities;

WHEREAS, a report was received that parts of the Patrol Boat were already malfunctioning and requested therein the repair of the same;

WHEREAS, necessary documents for the procurement of repair and maintenance services were prepared;

WHEREAS, the Request for Quotation (RFQ) for the subject services was posted at PhilGEPS, PPA websites as well as PMO-Bulletin Board;

WHEREAS, the RFQ was also sent to suppliers thru email and personal service;

WHEREAS, in response to the RFQ, only the CONTRACTOR submitted its quotation together with all the documentary requirements for the said project;

WHEREAS, after opening of quotation on 23 October 2020, the bid of the CONTRACTOR in the amount of **NINE HUNDRED NINETY FIVE THOUSAND PESOS (PHP 995,000.00)** is lower than the Approved Budget for the Contract (ABC) of **ONE MILLION PESOS (PHP 1,000,000.00);**

WHEREAS, pursuant to BAC Resolution B022-2020, award of the contract was made to the CONTRACTOR;

WHEREAS, the CONTRACTOR duly accepted the award by signing in the "Conforme" on the said Notice of Award (NOA);

NOW, **THERFORE**, for and in consideration of the foregoing premises, mutual covenants, stipulations and agreements, PPA and the CONTRACTOR have agreed, as they do hereby agree, and contract as follows:

1. The following documents shall constitute integral parts of this Contract, as fully as if the contents of said documents are reproduced, incorporated and set forth herein, to wit:

a. Request for Quotation;
b. CONTRACTOR's accomplished Price Quotation Form;
c. Notice of Award of Contract and the CONTRACTOR's "Conforme" thereto;
d. Certificate of Availability of Funds
e. Other pertinent documents as may be required by existing laws and/or of PPA.

2. All contract documents are and shall remain as property of PPA.

3. The words and expressions in this Contract shall have the same meaning respectively assigned to them in the contract documents referred to above.

4. It is expressly agreed and understood that in case of any irreconcilable conflict between this Contract and the provisions of any of the Contract Documents, the former shall be controlling.

5. For and in consideration of the full, satisfactory and faithful performance of the CONTRACTOR of all its undertakings provided under this Contract, PPA hereby agrees to pay the CONTRACTOR the amount of **NINE HUNDRED NINETY FIVE THOUSAND PESOS (PHP 995,000.00)**.

Any progress payment shall be subject to retention money of one percent (1%). Such retention shall be based on the total amount due to the CONTRACTOR. Retention money shall be released after the lapse of One (1) year

6. The aforementioned amount shall be inclusive of Value Added Tax of twelve percent [12%], as provided in the Financial Proposal of the CONTRACTOR which forms part of this Contract. Except as provided for under existing laws, it is hereby expressly agreed upon and understood that the stipulated contract amount shall not be subject to upward adjustment for any cause or reason.

It is hereby expressly agreed upon and understood that the any payment shall not be construed as acceptance of defective items/units and any of its accessories.

6. The warranty period for the items/units delivered shall commence upon acceptance thereof by PPA.

7. PPA shall promptly notify the CONTRACTOR in writing of any claims arising under this warranty. Upon receipt of such notice, the CONTRACTOR shall, within three (3) days and with all reasonable speed, test, repair, or replace the defective items/units or parts thereof, without cost to PPA.

8. Any payment due and payable to the CONTRACTOR may be set off against liquidated damages payable to PPA by the CONTRACTOR under this Contract.

9. All payments shall be subject to existing government accounting and auditing rules and regulations.

10. The CONTRACTOR agrees and obligates itself to repair the Patrol Boat within Thirty (30) calendar days upon CONTRACTOR's receipt of the Notice to Proceed.

11. Should the CONTRACTOR refuse or fail to satisfactorily comply with its undertaking, and is hereby in default under the Contract, the CONTRACTOR shall be liable for damages for the delay and shall pay PPA for liquidated damages and not by way of penalty, an amount equivalent to one-tenth [1/10] of one percent (1%) of the cost of the unperformed

portion thereof, for every day of delay until the same is finally performed/completed and accepted by PPA.

12. It is understood that the damages herein provided are fixed and to be entitled to such damages, PPA need not prove that it has incurred actual damages. Such amount shall be deducted from any money due or which may become due the CONTRACTOR under the contract and/or collect such liquidated damages from the securities or warranties posted by the SUPPLIER, whichever is convenient to PPA.

13. The Parties likewise, hereby agree and understood that the employees of the CONTRACTOR are not employees of PPA, hence, PPA shall not in any way be liable or responsible for any personal injury or damage, including death sustained or caused by any of the employees of the CONTRACTOR during the performance of their duties. The CONTRACTOR agrees and binds itself to indemnify PPA for whatever injuries or damages caused by occasion or contributed to by the failure, negligence or conduct of the CONTRACTOR and/or its employees, agents, suppliers or consultants arising out or in connection with or on the occasion of the performance of this Contract. The CONTRACTOR shall at all times, stand solely liable and/or responsible for the enforcement of, and compliance with all existing laws, rules and regulations and binds itself to save and hold PPA free and harmless from any and all liability in respect thereof and/or arising therefrom and/or by reason of this Contract and its implementation.

14. The CONTRACTOR agrees and binds itself to hold PPA free and harmless from any damage, claims and rights to action by third parties arising out of or by reason of this Contract and all injuries that may be suffered by PPA and/or its employees due to failure, negligence, delay, or conduct on the part of the CONTRACTOR and its employees in the performance of their obligations under this Contract.

15. Should there be any dispute or controversy in connection with this Contract or difference between the Parties arising from the interpretation of this Contract, the Parties hereto shall, as far practicable, settle the same amicably. In the event that such dispute or disagreement be not resolved to their mutual satisfaction, the matter shall be submitted to arbitration in the Philippines in accordance with the provisions of Republic Act No. 9285, otherwise known as the "Alternative Dispute Resolution Act of 2004". Provided, that the arbitration proceeding shall be without prejudice to the right of PPA to rescind or terminate this Contract.

16. Should PPA be constrained to resort to court to enforce or safeguard its rights and interests under this Contract, the CONTRACTOR shall be liable to PPA for attorney's fees in an amount equivalent to twenty percent [20%] of the total sum claimed in the complaint, exclusive of other damages and expenses of litigation. Venue of all court actions in connection with arising out of this contract shall be laid exclusively in the proper court of the City of Manila.

17. Notwithstanding any provision to the contrary, the PPA has the right to terminate, cancel and/or rescind this Contract *motu proprio*, in case of breach thereof by the CONTRACTOR, or upon failure of the CONTRACTOR to comply strictly with any of the terms and conditions of this Contract, without need of judicial action by giving at least fifteen (15) days written notice to the effect to the CONTRACTOR, which Notice shall be final and binding on all parties.

18. The CONTRACTOR shall provide and do everything necessary to perform its obligations under this Contract according to the true intent and meaning of all the Contract Documents taken together.

19. The CONTRACTOR shall not assign, transfer, subcontract, or make any other disposition of its interest in this Contract. Any assignment, transfer, sub-contract, or any other disposition shall be sufficient ground for PPA to terminate or cancel this

Contract, *motu proprio* without the need of judicial action pursuant to Article VIII, Section 8.03 hereof.

20. All taxes, licenses, permits, fees or charges of whatever form, kind or nature or which may be due to the national or local government units and/or its instrument/agencies in account of the performance and completion of the work stipulated herein, and all necessary and incidental expenses relative thereto, including the cost of notarization of this Contract shall be borne and paid for by the CONTRACTOR on its own account. Should PPA completed to advance the same, PPA is hereby authorized to deduct the amount advance from whatever amount due the CONTRACTOR from the PPA.

21. This Contract shall become effective upon signing by the Parties hereof.

IN WITNESS WHEREOF, the Parties have hereto signed this Contract on the date and place first above-mentioned.

PHILIPPINE PORTS AUTHORITY

By:

JOSELITO D. SINOCRUZ
Port Manager
PMO-Batangas

COMMODORE MARITIME SOLUTIONS INC

By:

JOHN PAUL D. AGUSTIN
President

Signed in the presence of:

JEFREN P. PANGANIBAN

ARDEE G. OCAMPO

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
City of _____) S.S.

BEFORE ME, a Notary Public for and in the City _____, this 05 NOV 2020, personally appeared the following:

NAME	PROOF OF IDENTITY	DATE/PLACE
JOSELITO O. SINOCRUZ	PPA ID No. 00022018	Manila
JOHN PAUL D. AGUSTIN	DL# N08-92-026420	17-Jan-2019/Las Piñas

known to me to be the same persons who executed the foregoing instrument and acknowledged to me that the same is their own free act and deed as well as the free and voluntary act of the entities they represent and that they are duly authorized to represent the same.

This foregoing instrument is a Contract for the **CONTRACT FOR THE REPAIR OF PATROL BOAT OF PPA PMO-BATANGAS,** consisting of FIVE (5) pages, including this page on which this Acknowledgment is written, signed by the parties and their instrumental witnesses on each and every page thereof.

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

ELISEO G. LONTOK
NOTARY PUBLIC
UNTIL DEC 31, 2021
ISSUED ON JAN. 3, 2020
ISSUED AT BATANGAS CITY
IBP LIFETIME ROLL NO. 00823
ROLL OF ATTORNEY'S NO. 29327
MCLE COMPLIANCE NO. VI-0003978
OCTOBER 11, 2017

NOTARY PUBLIC

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