CONTRACT AGREEMENT

CN-2025-05

THIS CONTRACT made on this ____day of _____, 2025, by and between:

PHILIPPINE PORTS AUTHORITY (PPA), PMO-Zamboanga, a government owned and controlled corporation with office address at R.T. Lim Boulevard, Zamboanga City, herein represented by **ARCIDI S. JUMAANI**, hereinafter referred to as the "PPA";

-AND—

PETROLINE MARKETING, INC., a Corporation with office address at Governor Lim Avenue, Zone 3, Zamboanga City hereinafter represented by **OLIVER N. ONG**, referred to as "Supplier";

-WITNESSETH-

The PPA and the Supplier, in consideration of the mutual covenant and agreement herein, by one to the other, by these presents enter into a Contract, whereby the Supplier shall provide the **One (1) Lot Supply of Petroleum, Oil, Lubricant Products and other Accessories to the PPA, PMO - Zamboanga Office Motor Vehicles, Generator Sets, Rigid Buoyant Boat and Grass Cutters from April 1, 2025 to December 31, 2025** under the following terms and conditions to wit:

RUSSEL P. PAGARUGAN
Representative

Delivery of diesel to a minimum of 400 liters and a maximum of 9,000 liters.

SECTION 1. SCOPE OF WORK:

A. Supply of Petroleum, Oil, Lubricant and other accessories to the PPA, PMO-Zamboanga office motor vehicles, generator sets, rigid bouyant boat and grass cutters from April 1, 2025 to December 31, 2025 as follows:

OLIVER N. ONG
President

AISHAR Y. HADJIRUL
Acting Admin. Division Manager

Qty	Unit	Description	Model	Plate No.
1	unit	Toyota Tamaraw FX-HSPU, Color-Ivory	2002	SHA - 436
1	unit	Isuzu Crosswind (Gray)		SHL - 746
1	unit	Toyota Fortuner , SUV, Lithium	2014	SKZ- 585
1	unit	Isuzu Crosswind	2013	SGD-282
1	unit	Toyota Hi Ace GL Grandia, IE 7 Silver Mettalic	2017	SAB - 4355
1	unit	Toyota Hi Lux Pick Up, Silver Mettalic	2017	SAB - 4346
1	unit	Mitsubishi Montero (Gray)	2018	NAP - 4981
1	unit	Toyota Hi-Lux FX	2020	SOL - 571
1	unit	Motorcycle, Dream (Black)	2001	SK -1315
1	unit	Isuzu D-Max Pick-up (Fire Rescue)	2020	DIV-540
1	unit	Isuzu Manlift	2021	D2-D185
1	unit	Toyota Hi-Lux Pick-up 2.4L	2022	S6 - G951
1	unit	Isuzu, Multipurpose Vehicle with Hydraulic Crane, Arc White	2022	NFL-1899
1	unit	Toyota Hilux 2.4 FX with Rear AC	2024	SND-2282
1	unit	Toyota Hi-Ace 2.8 Commuter Deluxe	2024	SND-2260
1	unit	Rigid Bouyant Boat/Speed Boat		
4	units	Grass Cutter		
1	unit	Generator Set 10 KVA (Port Police Building)		
1	unit	Generator Set, Mobile, 50 KVA (Port Police Building)		
1	unit	Generator Set 75 KVA (Admin. Building)		
1	unit	Generator Set 500 KVA (Powerhouse)		
1	unit	Generator Set 853 KVA (Powerhouse)		
1	set	AKVO Atmospheric Water Generator (Powerhouse)		

ARCIDI S. JUMAANI
Port Manager

B. The Diesel and gasoline fuel will be withdrawn from the service provider's establishment through and approved (PO)/Gas Slip by the agency's authorised representative.
C. Delivery schedule will be the actual refuelling of PMO-Zamboanga service vehicle at gasoline station.
D. The supplier must be responsible in the dispensing fuel and making available at all times for a period on Nine (9) months; and
E. To comply with PPA Bunkering procedure and inspection.

SECTION 2. TERM OF THE CONTRACT:

This Contract shall be effective for a period of Nine (9) months, from **April 1, 2025 to December 31, 2025.** Such term is renewable upon mutual agreement of the parties, subject to the same terms and conditions as herein provided.

SECTION 3. OBLIGATIONS OF THE PARTIES:

A. The SUPPLIER shall:

1.) Be responsible in the dispensing fuel and making available at all times for a period of Nine (9) months;
2.) Submit the Statement of Account to PPA within the first week of the succeeding month; and
3.) Shall provide a Fuel Analysis Certification on every bulk delivery.

B. The PPA shall:

1.) Issue a Purchase Order (PO)/Gas Slip to all driver's every time fuel is withdrawn; and
2.) Process payment after receipt of the Statement of Account from the Supplier.

SECTION 4. CONTRACT PRICE:

The contract prices (inclusive of VAT-12%) shall be paid by PPA based on the scope of work are as follows:

Unit	Description	Unit Cost
Liter	Diesel	P 55.65
Liter	XCS/Gasoline	P 57.70
	Lubricants:	
	Engine Oil	
Liter	Fully Synthetic - Ultron Race	P 390.00
Quart	Fully Synthetic – Ultron Race	P 390.00
Liter	Semi-Synthetic	P 380.00
Quart	Semi-Synthetic	P 380.00
Quart	2T - Powerburn	P 198.00
Quart	Trekker	P 233.00
Liter	Trekker	P 233.00
Liter	HD 40	P 219.00
Quart	HD 40	P 219.00
Quart	All Terrain	P 465.00
Quart	Enduro	P 249.00
Liter	Brake Fluid	P 311.00
Quart	Brake Fluid	P 311.00
Liter	Flushing Oil (E-Flush)	P 176.00
	Gear/ Transmission Oil	

RUSSEL P. PAGARUGAN
Representative

OLIVER N. ONG
Director

ASHAR Y. HADJIRUL
Acting Admin. Division Manager

ARCIDI S. JUMAANI
Port Manager

Bottle	ATF	P 239.00
Quart	ATF	P 239.00
Quart	ATF HTP	P 465.00
Pail	Hydraulic Oil 68	P 3477.00
	Other Accessories:	
PC	Coolant 500ml	P 122.00
PC	Tire Black Big	P 200.00
PC	Car Scent - California Scent	P 230.00
PC	Chamois - Kanebo	P 380.00
PC	VS1	P 210.00

This Contract is based on actual work provided by the Supplier and shall be on need basis only. The total amount of the contract shall not exceed **Seven Hundred Thirty-One Thousand Three Hundred Seventy-Five Only (Php731,375.00).**

In the event that the amount incurred for this contract exceeds the contract amount herein stated, the PPA shall pay the excess, provided, that the PPA shall be notified in writing stating among others the justifiable reason/s for the excess, provided further, that supporting receipts shall be attached thereto.

RUSSEL P. PAGARUGAN
Representative

SECTION 5. PROCEDURE DETAILS

1. The Powerhouse Staff/Authorized Representative applying for bunkering services (Fuel Delivery) shall notify the Chief Safety Officer/Authorized Representative in advance about the activity.

OLIVER N. ONG
President

2. The Powerhouse Staff/Authorized Representative accomplish the Application for Bunkering Service Permit and Pre-Transfer Bunker Checklist secured from SEMS.

3. The Chief Safety Officer/Authorized Representative receives and evaluates the accomplished form and checklist.

4. The Chief Safety Officer/Authorized Representative approves Bunkering Permit, issues Bunkering Precautions Checklist.

ANMAR Y. HADJIRUL
Acting Admin. Division Manager

5. The Chief Safety Officer/Authorized Representative monitors compliance with condition and requirements. Inspect work area.

6. The Fuel Delivery Representative/ Underground Storage Tank Representative starts bunkering, observing the general requirements/safety precautions.

SECTION 6. INSTRUCTIONS DETAILS

A. Pre-transfer Bunker/Fuel

1. The Fuel Delivery Representative/ Powerhouse Staff shall post "Warning/Bunkering" signages in strategic locations of the bunkering area, and provide fire extinguishers on their respective truck.

2. The Fuel Delivery Representative/ Powerhouse Staff shall prohibit hot works or open flame within the vicinity of bunkering area and secure all potential sources of ignition.

ARCIDI S. JUMAANI
Port Manager

3. The Fuel Delivery Representative / Powerhouse Staff shall ensure that the vehicle's engine is turned off during bunkering.

4. The Chief Safety Officer/Authorized Representative personnel shall prohibit hot works or open flame or "Smoking" within 50 meters' radius from the bunkering area and close the vehicular traffic in said area.

B. Actual Transfer of Bunker/Fuel Oil

1. The Fuel Delivery Representative/ Powerhouse Staff shall monitor the pressure gauges of hose lines from leaks and over pressure. Immediately stop the activity if leaking of fuel is observed and resume the activity only after the leak is appropriately repaired and the spilled fuel is completely removed/ cleaned.
2. The Chief Safety Officer/Authorized Representative personnel monitor the compliance with the conditions/requirements by the Fuel Delivery Representative/ Powerhouse Staff.

C. Post Transfer

1. The Chief Safety Officer/Authorized Representative personnel shall inspect the bunkering area for possible leak/spill of fuel and shall require the Fuel Delivery Representative/ Powerhouse Staff for immediate removal of spilled oil, if any.

RUSSEL P. PAGARUGAN
Representative

SECTION 7. TERMINATION OF CONTRACT:

The following shall be considered as justifiable grounds to terminate the contract, to wit:

1.) End of contract term;
2.) Violation of any of the terms and conditions hereof, shall give PPA the right to pre-terminate the contract, including, but not limited to:

   a. Unsatisfactory service; and
   b. Delay in the delivery of supplies covered by the scope of work under this contract, unless, the delay is for justifiable grounds.

OLIVER N. ONG
President

In case of pre-termination of contract due to the fault of the Supplier or after incurring delay, without justifiable grounds, a reduction of the contract price shall be made in proportion to the work actually completed.

PPA shall inform the Supplier by giving at least fifteen [15] calendar days written notice in advance to that effect, which Notice shall be final and binding on both parties.

Within thirty (30) days after termination, cancellation or rescission of this Contract, the Parties shall settle their respective accountabilities as of the date of termination, cancellation or rescission. The action for termination, cancellation or rescission may be done without need of judicial action.

AISHAR Y. HADJIRUL
Acting Admin. Division Manager

SECTION 8. SETTLEMENT OF DISPUTES

Any dispute arising under the Contract shall be settled in the following two (2) ways:

1. Bring the case to Arbitration Commission for settlement. The arbitration award shall be final and binding upon both parties hereto. The arbitration fee shall be borne by losing party unless otherwise decided by the Arbitration Commission.
2. In the absence of Arbitration Commission in Zamboanga City, file a lawsuit before regular courts.

ARCIDI J. JUMAANI
Port Manager

SECTION 9. VENUE:

The parties hereby agreed that the venue of any action arising from this contract shall be in the proper courts of the City of Zamboanga, Philippines.

SECTION 10. EFFECTIVITY

This Contract shall take effect upon its signing by both parties.

IN WITNESS WHEREOF the parties hereto have executed this Agreement under their respective corporate seals and by the hands of their proper officers hereunto duly authorized.

PHILIPPINE PORTS AUTHORITY
By:

ARCIDI S. JUMAANI
Port Manager

PETROLINE MARKETING , INC.
By:

OLIVER N. ONG
President

Signed in the presence of:

AISHAR Y. HADJIRUL
Manager, Administrative Division

AND

RUSSEL P. PAGARUGAN
Representative

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF ZAMBOANGA . . . . . .) S.S.

BEFORE ME, a Notary Public for and in the City of Zamboanga, on this _____ day _____, _____ personally appeared:

Name	I.D. Presented	I.D. No.	Place/Date of Issue
ARCIDI S. JUMAANI	PPA ID	PPA00231995	Manila/ Feb. 3, 1995
OLIVER N. ONG	DRIVER'S LICENSE	J04-82-009751	2.C

Known to me and to me known to be the same persons who executed the forgoing instrument and acknowledged to me that the same is their free act and that they are the representatives of the entities represented. The foregoing instrument refers to as Service Contract consisting of three (3) pages including the page on which this acknowledgement is written, duly signed by the parties and their instrumental witnesses on each and every page thereof.

WITNESS MY HAND AND SEAL this _____ day of 28 MAR 2025, 2025 at Zamboanga City.

Doc. No. 256;
Page No. 53;
Book No. XVII;
Series of 20 25:

HONORIZA KRYSTLE S. MONJARDIN
NOTARY PUBLIC
Until December 31, 2024
Notarial Commission No. 12024-04
Door 3, LK 3 Bldg., Gov. Alvarez St., ZC.
PTR No. 3067100-01/03/2025
IBP No. 499173-01/06/2025
at Zamboanga City
MCLE No. VIII-0009431-06/07/2024
Roll No. 58983