

September 10, 2024

NOTICE OF AWARD

Subject: REI No. : 2024-06-072
Project Title : Consultancy Services for Comprehensive Reorganization

Attention: **MS. ROSSANA A. FAJARDO**
SGV Consulting Leader, ASEAN Business Consulting Leader
SyCip, Gorres, Velayo, & Co.

Dear Ms. Fajardo:

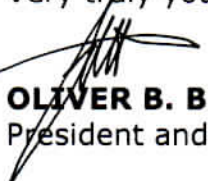
This is to advise *SyCip, Gorres, Velayo, & Co.* on the acceptance of its bid to undertake the aforementioned project in the amount of *One Million Nine Hundred Forty-Four Thousand One Hundred Thirty-Five Pesos and 20/100 (PhP 1,944,135.20)*, in accordance with our Request for Expression of Interest Dated July 12, 2024.

Contract Duration : Seventy-five (75) calendar days from receipt of Notice to Proceed (exclusive of the period of approval by the Governing Board and GCG)

Please be advised that the performance security shall be submitted to the Company within ten (10) days from receipt of Notice of Award.

Kindly signify your agreement by signing on the space provided for below and return the original copy to us.

Very truly yours,



OLIVER B. BUTALID
President and CEO

CONFORME:



ROSSANA A. FAJARDO
(Signature over Printed Name)

7 B SEP 2024
(Date)

September 25, 2024

MS. ROSANNA A. FAJARDO

SGV Consulting Leader, ASEAN Business Consulting Leader

SYCIP, GORRES, VELAYO & CO.

6760, Ayala Avenue

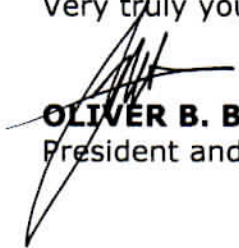
Makati City

NOTICE TO PROCEED

This is to advise *SyCip, Gorres, Velayo, & Co.* that your offer for **Consultancy Services for Comprehensive Reorganization** with Project No.: 2024-06-072, amounting to **One Million Nine Hundred Forty-Four Thousand One Hundred Thirty-Five Pesos and 20/100 (PhP 1,944,135.20)** has been accepted by the Company.


You are hereby directed to proceed with the service upon receipt of this notice.

Very truly yours,



OLIVER B. BUTALID
President and CEO

Conformer:



ROSSANA A. FAJARDO

Authorized Representative

27 SEP 2024

Date

**CONSULTANCY SERVICES
FOR COMPREHENSIVE REORGANIZATION**

KNOW ALL MEN BY THESE PRESENTS:

This Contract made and entered into this ____ day of _____
in Taguig City, by and between:

PHILIPPINE NATIONAL OIL COMPANY (PNOC), a government-owned and controlled corporation duly organized and existing under and by virtue of Presidential Decree No. 334, as amended, with office address at PNOC Bldg. 6, Energy Center, Rizal Drive, Bonifacio Global City, Taguig City, and represented herein by its President and CEO **MR. OLIVER B. BUTALID**, hereinafter referred to as "**COMPANY**";

and

SYCIP, GORRES, VELAYO & CO. (SGV), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with office address at 6760 Ayala Avenue, Makati City, and represented herein by the SGV Consulting Leader, ASEAN Business Consulting Leader, **MS. ROSSANA A. FAJARDO**, duly authorized for this purpose and hereinafter referred to as "**CONTRACTOR**";

WITNESSETH:

WHEREAS, the Company has recalibrated its mission, vision and strategic objectives to align with the plans and programs of the Department of Energy (DOE), with a specific focus on accelerated renewable energy development, energy efficiency and conservation, and development of other energy technologies;

WHEREAS, the Company requires the services of a consultant to review and redesign its existing organizational structure and staffing pattern vis-a-vis the requirements of its new mission, vision and strategic objectives;

WHEREAS, the Company invited bids for the project, "Consultancy Services for Comprehensive Reorganization", and has accepted a bid by the Contractor for the amount of **ONE MILLION NINE HUNDRED FORTY-FOUR THOUSAND ONE HUNDRED THIRTY-FIVE PESOS AND 20/100 (PHP1,944,135.20)**, inclusive of Value Added Tax (VAT) and all other applicable taxes and charges (hereinafter referred to as "Contract Price");

NOW, THEREFORE, for and in consideration of the foregoing premises, and of the terms and conditions herein set forth, the parties hereto agree as follows:


1. In this Contract, words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract referred to.
2. The following documents, as required by the 2016 Revised Implementing Rules and Regulations of Republic Act No. 9184, shall be deemed to form and be read and construed as part of this Contract, viz:
 - a. Philippine Bidding Documents (PBDs)
 - i. General and Special Conditions of Contract; and
 - ii. Supplemental or Bid Bulletins, if any;
 - b. Winning bidder's bid, including:
 - i. Eligibility requirements; Technical and Financial Proposals; and all other documents/statements submitted;
 - ii. Bid form, including all the documents / statements contained in the Bidder's bidding envelopes as annexes, and all other documents submitted (e.g. Bidder's response to request for clarifications on the bid), including corrections to the bid, if any, resulting from the Procuring Entity's bid evaluation;
 - c. Performance Security;
 - d. Notice of Award of Contract and the Bidder's Conforme thereto; and
 - e. Other contract documents that may be required by existing laws and/or the Company. The Contractor agrees that additional contract documents or information prescribed by the GPPB that are subsequently required for submission after contract execution, such as the Notice to Proceed, Variation Orders, and Warranty Security, shall likewise form part of the Contract.
3. In consideration of the payments to be made by the Company to the Contractor as mentioned herein, the Contractor hereby covenants with the Company to provide the services in accordance with the terms and conditions set forth in this Contract and to remedy any and all defects.
4. Progress payment shall be in accordance with the schedule and conditions in the Terms of Reference, thus:
 - a. Upon completion of the Organizational Assessment, Formulation of the Design Framework and Strategic Action (Phase I) – Payment of 40% upon receipt of the billing statement with complete supporting documents;
 - b. Upon completion of the Crafting of Organizational and Staffing Design, Cost-Benefit Analysis, and Revising of Reorganization

- Plan (Phase II) – Payment of 50% upon receipt of the billing statement with complete supporting documents; and
- c. Upon approval of the Reorganization Plan by the Board of Directors (Final Output) – Payment of 10% upon receipt of the billing statement with complete supporting documents
5. Liquidated Damages is at least equal to one-tenth (1/10) of one (1%) of the cost of the unperformed portion for everyday of delay until actual delivery or performance.
6. Project duration is a total of seventy-five (75) calendar days reckoned from receipt of the Notice to Proceed, exclusive of the time taken by the Company to review and approve each milestone deliverable and the final output.
7. The Company hereby covenants to pay the Contractor the Contract Price or such other sum as may become payable under the provisions of the Contract.

IN WITNESS WHEREOF, the parties have caused this Contract to be executed in accordance with the laws of the Republic of the Philippines on the day and year first above written.

PHILIPPINE NATIONAL OIL COMPANY

by:



OLIVER B. BUTALID
President and CEO

SYCIP, GORRES, VELAYO & CO.

by:



ROSSANA A. FAJARDO
SGV Consulting Leader
ASEAN Business Consulting Leader

SIGNED IN THE PRESENCE OF:



Atty. Arolf E. Suyom



Ismael Ralph R. Tapaz III

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF Taguig) S.S.
Makati City

BEFORE ME, a Notary Public for and in the above jurisdiction, this _____
day of OCT 29 2024, personally appeared:

<u>NAME</u>	<u>IDENTIFICATION</u>	<u>DATE ISSUED/ EXPIRY</u>
PNOC By: OLIVER B. BUTALID	Driver's License No. G01-08-018980	Expiration Date: 2033/01/19
SGV By: ROSSANA A. FAJARDO	PRC ID No. 0080935	Expiration Date: 2026/11/20

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

The foregoing instrument, consisting of four (4) pages including this page where this Acknowledgement is written, signed by the parties and their instrumental witnesses, sealed with my notarial seal, refers to a contract of Consultancy Services for Comprehensive Reorganization.

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

Doc. No. 356 ;
Page No. 73 ;
Book No. 1 ;
Series of 2024.

Atty. Mary Kathleen F. Cruz
Notary Public for Makati City
Commission No. M-341, valid until December 31, 2025
Roll No. 91469
PTR No. MKT-10104963 - 01/23/2024; Makati City
IBP OR No. 417018 - 02/17/2024
6760 Ayala Avenue, Makati City, Metro Manila 1226

Special Conditions of Contract

GCC Clause	
1.1(g)	The Funding Source is the Government of the Philippines (GoP) through the approved 2024 Corporate Operating Budget (COB)
6.2(b)	N/A
7	N/A
8	N/A
10	No further instructions.
12	The Authorized Representatives are as follows: For the Procuring Entity: Oliver B. Butalid For the Consultant: Rossana A. Fajardo
15.1	The addresses are: Procuring Entity: Philippine National Oil Company Attention: Oliver B. Butalid Address: Building 6, Energy Center, Rizal Drive, BGC, Taguig City 1634 Facsimile/Tel. No.: 87897662 Email Address: Consultants: Sycip, Gorres, Velayo & Co. Attention: Rossana A. Fajardo Address: 6760 Ayala Avenue, Makati City Facsimile/ Tel. No.: 028910307 Email Address: info@sgv.com.ph
15.2	Notice shall be deemed to be effective as follows: (a) in the case of personal delivery, private courier or registered mail, on delivery; (b) in the case of electronic mail (email), on the date and time the email is sent, whether or not the same was acknowledged by the recipient. It shall be the recipient's responsibility to check their email for that purpose.
18.3	<i>State here Consultant's account where payment may be made.</i>
19	No further instructions.
20	No additional provision.
22	Contract effectivity date is indicated in the Notice to Proceed.
24	Refer to the Terms of Reference.
34.2	Any and all disputes arising from the implementation of this contract shall be submitted to arbitration in the Philippines according to the provisions of Republic Acts 876 and 9285, as required in Section 59 of the IRR of RA 9184.
35.1	The drawings, specifications, designs, reports, other documents and software prepared by the Consultant for the Procuring Entity under this Contract that shall become and remain the property of the Procuring Entity are indicated in the Terms of Reference.
38.1(d)	N/A
39.5	The Consultant may change its Key Personnel only for justifiable reasons as may be determined by the Procuring Entity, such as

	<p>death, serious illness, incapacity of an individual Consultant, resignation, among others, or until after fifty percent (50%) of the Personnel's man-months have been served.</p> <p>Violators will be fined an amount equal to the refund of the replaced Personnel's basic rate, which should be at least fifty percent (50%) of the total basic rate for the duration of the engagement.</p>
42.1	<p>Within ten (10) days from receipt of the Notice of Award from the Procuring Entity, but in no case later than the signing of the contract by both parties, the Consultant shall furnish the performance security in any of the following forms:</p> <p>Surety Bond (callable upon demand issued by a surety or insurance company duly-certified by the Insurance Commission as authorized to issue as such) – Thirty Percent (30%) of Total Contract Cost, or PHP 583,240.56;</p> <p>Bank Draft / Guarantee, Irrevocable Letter of Credit issued by a Universal or Commercial Bank: Provided, however, that it shall be confirmed or authenticated by a Universal or Commercial Bank, if issued by a Foreign Bank – Five Percent (5%) of Total Contract cost, PHP 97,206.76</p> <p>Cash, Cashier's / Manager's Check, confirmed by a Universal or Commercial Bank – Five Percent (5%) of Total Contract Cost, or PHP 97,206.76</p>
42.4(c)	No further instructions.
52.1	The total ceiling amount in Philippine Pesos is the awarded Contract Price inclusive of all applicable government taxes.
52.2	No further instructions.
53.2	No additional instructions.
53.4	N/A
53.5(a)	No advance payment is allowed.
53.5(c)	The interest rate is zero (0).
55.6	No further instructions.