



Contract Agreement Form

THIS Contract of Agreement executed and entered into this 26th day of August, 2020 at Odiongan, Romblon, Philippines by and between:

The **ROMBLON STATE UNIVERSITY**, a public Higher Education Institution, created and operating pursuant to Batas Pambansa Blg. 393 and R.A. 9721, with principal office at Brgy. Liwanag, Odiongan, Romblon, Philippines represented herein by its **President, MERIAN P. CATAJAY-MANI, Ed.D., CESE**, and hereinafter referred to as "**PROCURING ENTITY**",

LD'S CONSTRUCTION AND SUPPLIES, a registered business entity existing under the laws of the Philippines with business address at Sitio Torrel, Brgy. Dapawan, Odiongan, Romblon, Philippines represented herein by its **Proprietor, LALAIN F. DELA CRUZ** and hereinafter referred to as "**SUPPLIER**".

WITNESSETH

WHEREAS, the PROCURING ENTITY conducted a public bidding for the **PROCUREMENT OF CONSTRUCTION MATERIALS & SUPPLIES (ABC: PhP1,493,645.00, QTY; 7052) with Solicitation No. RSU-20-031** at RSU-Main Campus, Odiongan, Romblon on July 27, 2020.

WHEREAS, the bid amount of **One Million Four Hundred Ninety Three Thousand Four Hundred Thirty Nine Pesos Only (PhP1,493,439.00)** by the "**SUPPLIER**" was declared as the winning bid and hereinafter considered and called the Contract Price.

NOW THEREFORE, for and in consideration of the foregoing premises and of the mutual covenants and provisions hereafter set forth, the parties hereto have agreed and do hereby mutually agree as follows:

1. Advance Payment and Terms of Payment

- 1.1 Advance payment shall be made only after prior approval of the President, and shall not exceed fifteen percent (15%) of the Contract amount, unless otherwise directed by the President or in cases allowed under Annex "D" of RA 9184.
- 1.2 All progress payments shall first be charged against the advance payment until the latter has been fully exhausted.
- 1.3 For Goods supplied from abroad, unless otherwise indicated in the Special Conditions of Contract (SCC), the terms of payment shall be as follows:
 - (1.3.a) On Contract Signature: Fifteen Percent (15%) of the Contract Price shall be paid within sixty (60) days from signing of the Contract and upon submission of a claim and a bank guarantee for the equivalent amount valid until the Goods are delivered and in the form provided in Section VIII. Bidding Forms.
 - (1.3.b) On Delivery: Sixty-five percent (65%) of the Contract Price shall be paid to the Supplier within sixty (60) days after the date of receipt of the Goods and upon submission of the documents (i) through (vi) specified in the Special Conditions of Contract (SCC) provision on Delivery and Documents.
 - (1.3.c) On Acceptance: The remaining twenty percent (20%) of the Contract Price shall be paid to the Supplier within sixty (60) days after the date of



submission of the acceptance and inspection certificate for the respective delivery issued by the Procuring Entity's authorized representative. In the event that no inspection or acceptance certificate is issued by the Procuring Entity's authorized representative within forty five (45) days of the date shown on the delivery receipt, the Supplier shall have the right to claim payment of the remaining twenty percent (20%) subject to the Procuring Entity's own verification of the reason(s) for the failure to issue documents (vii) and (viii) as described in the Special Conditions of Contract (SCC) provision on Delivery and Documents.

2. Warranty

- 2.1 The Supplier warrants that the Goods supplied under the Contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials, except when the technical specifications required by the Procuring Entity provides otherwise.
- 2.2. The Supplier further warrants that all Goods supplied under this Contract shall have no defect, arising from design, materials, or workmanship or from any act or omission of the Supplier that may develop under normal use of the supplied Goods in the conditions prevailing in the country of final destination.
- 2.3 In order to assure that manufacturing defects shall be corrected by the Supplier, a warranty shall be required from the Supplier for a minimum period specified in the Special Conditions of Contract (SCC). The obligation for the warranty shall be covered by, at the Supplier's option, either retention money in an amount equivalent to at least one percent (1%) of every progress payment, or a special bank guarantee equivalent to at least one percent (1%) of the total Contract Price or other such amount if so specified in the Special Conditions of Contract (SCC). The said amounts shall only be released after the lapse of the warranty period specified in the Special Conditions of Contract (SCC); provided, however, that the Supplies delivered are free from patent and latent defects and all the conditions imposed under this Contract have been fully met.
- 2.4 The Procuring Entity shall promptly notify the Supplier in writing of any claims arising under this warranty. Upon receipt of such notice, the Supplier shall, within the period specified in the Special Conditions of Contract (SCC) and with all reasonable speed, repair or replace the defective Goods or parts thereof, without cost to the Procuring Entity.
- 2.5 If the Supplier, having been notified, fails to remedy the defect(s) within the period specified in General Conditions of Contract (GCC) Clause 17.4, the Procuring Entity may proceed to take such remedial action as may be necessary, at the Supplier's risk and expense and without prejudice to any other rights which the Procuring Entity may have against the Supplier under the Contract and under the applicable law.

3. Liquidated Damages

- 3.1 If the Supplier fails to satisfactorily deliver any or all of the Goods and/or to perform the Services within the period(s) specified in this Contract inclusive of duly granted time extensions if any, the Procuring Entity shall, without prejudice to its other remedies under this Contract and under the applicable law, deduct from the Contract Price, as liquidated damages, the applicable rate of one tenth (1/10) of one (1) percent of the cost of the unperformed portion for every day



of delay until actual delivery or performance. The maximum deduction shall be ten percent (10%) of the amount of contract. Once the maximum is reached, the Procuring Entity may rescind or terminate the Contract pursuant to General Conditions of Contract (GCC) Clause 23, without prejudice to other courses of action and remedies open to it.

4. The following documents shall be attached, deemed to form, and be read and construed as integral part of this Agreement, to wit:

- 4.1 the Supplier's Bid, including the Technical and Financial Proposals, and all other documents/statements submitted (e.g. bidder's response to clarifications on the bid), including corrections to the bid resulting from the Procuring Entity's bid evaluation;
- 4.2 the Schedule of Requirements;
- 4.3 the Technical Specifications;
- 4.4 the General Conditions of Contract;
- 4.5 the Special Conditions of Contract;
- 4.6 the Performance Security; and
- 4.7 the Entity's Notice of Award.

5. 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 goods and services and to remedy defects therein in conformity in all aspects with the provision of the Contract.

6. The Entity hereby covenants to pay the Supplier in consideration of the provision of goods and services and the remedying of defects therein, the Contract Price or such other sum as may become payable under the provisions of this Contract at the time and in the manner prescribed by this Contract.

Approved and signed by the Head of Procuring Entity

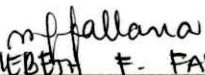
IN WITNESS whereof the parties hereto have caused this Agreement to be executed in accordance with the laws of the Republic of the Philippines on the day and year first above written.


MERIAN P. CATAJAY-MANI, Ed. D., CESE
 University president
 Romblon State University


LALAIN F. DELA CRUZ
 Proprietor
 LD'S CONSTRUCTION AND SUPPLIES

Signed in the Presence of:


TOMAS T. FERNANDEZ
 Witness


MARIBETH F. FALLARIA
 Witness



ACKNOWLEDGMENT

Republic of the Philippines
 () S. S.

BEFORE ME, this 26 AUG 2020 day of Odiongan, 2020 in Odiongan, Philippines personally came and appeared before me in the following:

	I.D. No.	Place of Issue	Date of Issue
MERIAN P. CATAJAY-MANI, Ed.D., CESE	<u>01-01</u>	<u>Odiongan, Romblon</u>	<u>July 30, 2020</u>
LALAIN F. DELA CRUZ	<u>19984015</u> CEDULA	<u>Brgy. Dapawan</u> <u>Odiongan, Romblon</u>	<u>Jan. 2, 2020</u>

Known to me to be the same persons who executed the foregoing instrument consisting of four (4) pages including the page on which this Acknowledgement is written and they confirmed and acknowledged to me that the same is their own free and voluntary deed and that of the agency which they respectively represent.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal on the day, year and place written.

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 Book No. XXVII
 Series of 2020

LUIS JAY FORMILLEZA JR
 NOTARY PUBLIC
 UNTIL DECEMBER 31, 2021
 IBP NO. 11342-1/21/20
 PTR NO. 5502356-1/21/20
 BOTH ISSUED AT ODIONGAN, ROMBLON
 MCLE NO. VI-0022945/10710-2019
 ROLL NO. 43123/RC NO. 02092020-02
 RTC BR. 02/1-28-2020