



PROJECT: Supply, and Door-to-Door Delivery of School Furniture for Elementary, Junior, and Senior High Schools Using the 10% Allocation for Cooperatives of Persons with Disabilities (PWD) and the 15% Allocation for Different Types of Cooperatives Under CY 2023 School Furniture Program

CONTRACT NO.: 2023-SIF1(005&006)-BI-CB-028-C078

CONTRACT

THIS CONTRACT made and entered into this 29 DEC 2023 day of 2023 by and between the **DEPARTMENT OF EDUCATION**, located at DepEd Complex, Meralco Avenue, Pasig City, represented herein by its Undersecretary and Chief of Staff, **ATTY. MICHAEL WESLEY T. POA**, as per Office Order OO-OSEC-2023-267, dated 17 October 2023 (hereinafter referred to as "**DEPED**"); and **HANDICAPPED PERSONS PRODUCERS COOPERATIVE**, represented herein by its General Manager, **REYNALDO C. PALLON**, with office address at Brgy. Namagbagan, Sta. Maria, Pangasinan (hereinafter referred to as "**HANDICAPPED**"), as per Omnibus Sworn Statement dated August 18, 2023 (hereto attached as Annex "A").

DEPED and **HANDICAPPED** are collectively called **PARTIES**.

WHEREAS, DEPED invited bids for the CY 2023 school furniture program consisting of 7 lots, and received bids from three (3) prospective bidders for Lot No. 3 (Regions X, XI, and CARAGA); **DEPED** opened, read, and evaluated the bids and declared **HANDICAPPED** as having the Lowest Calculated Bid; after evaluation, **DEPED** post-qualified and declared the bid of **HANDICAPPED** as the Lowest Calculated Responsive Bid in the sum of **PHILIPPINE PESOS THIRTY MILLION, TWO HUNDRED SEVEN THOUSAND, FOUR HUNDRED TWENTY and 00/100 (PhP30,207,420.00) ONLY**, (hereinafter called the "Contract Price"), detailed as follows:

Lot No.	Description	Amount (PhP)
3	Learner's table, Teacher's table & Teacher's chair-Wood & Steel Learner's chair-HDPE & Steel	30,207,420.00

NOW THIS CONTRACT WITNESSETH AS FOLLOWS:

1. In this Contract, words and expressions shall have the same meaning 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. Resolution to Award No. 2023-SIF1(005&006)-BI-CB-028 dated October 31, 2023;
 - b. Philippine Bidding Documents;

Mith C. Reyes
 HANDICAPPED'S Witness

REYNALDO C. PALLON
 HANDICAPPED

ANNABELLE PANGAN
 DEPED'S Witness

MICHAEL WESLEY T. POA
 DEPED

Nik F. Rayo
HANDICAPPED's Witness

REYNALDO C. PALLON
HANDICAPPED

ENGR. ANNABELLE R. PANGAN
DEPED

MICHAEL WESLEY T. POA
DEPED

- i. General and Special Conditions of the Contract;
- ii. Schedule of Requirements;
- iii. Technical Specifications; and
- iv. Bid Bulletin No. 1 dated August 24, 2023;

- c. **HANDICAPPED's** bid, including the eligibility requirements, technical and financial proposals, and all other documents or statements submitted;
- d. Performance Security;
- e. Notice of Award (NOA) of Contract and **HANDICAPPED's** conforme thereto; and
- f. Other contract documents required by existing laws and/or DepEd in the Bidding Documents. **HANDICAPPED** agrees that additional contract documents of information prescribed by the Government Procurement Policy Board (GPPB) that are subsequently required for submission after the contract execution such as, but not limited to, Notice to Proceed, Variation Order, and Warranty Security, shall form part of the Contract.

3. **HANDICAPPED** shall post a Performance Security within 10 calendar days from receipt of the NOA in the form and amount prescribed therein. The Performance Security shall be posted in favor of **DEPED**, and shall be forfeited in the event that it is established that **HANDICAPPED** is in default of any of its obligations under this Contract. **HANDICAPPED** shall be responsible for the extension of its performance security and/or undertake to renew its Performance Security whenever necessary, and without the need for prior notice of instruction from **DEPED**, to ensure that it is in force and effect for the whole duration of the Contract and until a Certificate of Final Acceptance is duly issued.

4. The goods and services referred to in this Contract shall be delivered by **HANDICAPPED** at the Schools stipulated in the Allocation list within **ONE HUNDRED TEN (110) calendar days** from the **receipt of the Notice to Proceed (NTP)**. **HANDICAPPED** shall ensure that the goods will be delivered in accordance with Section VI. Schedule of Requirements, which is hereto attached as Annex "B" and made an integral part hereof.

Violation of this provision, based on documents and reports submitted and validated by the authorized receiving personnel may be a cause for the termination of the Contract and shall be subject to liquidated damages pursuant to Section 9 of this Contract.

The delivery terms of this Contract shall be Duties Delivered Paid (DDP) in accordance with INCOTERMS.

5. **DEPED** shall have the right to visit and inspect **HANDICAPPED's** premises covered by the Contract at any time or stage of the contract implementation to monitor and assess **HANDICAPPED's** capacity to discharge its contractual obligations.


Nika L. Ryo
HANDICAPPED's Witness

6. **DEPED** shall have the right to inspect and test or cause the testing of the goods covered by the Contract, at any time or stage of contract implementation. Prior to and for purposes of inspection, **HANDICAPPED** shall ensure convenient access to the goods for inspection. **HANDICAPPED** shall assign personnel to undertake the handling, unpacking, assembly, commissioning, disassembly, repacking, resealing, and sorting of the goods prior to, during, and after inspection.

Pre-delivery and Pre-Implementation Conference shall be conducted prior to the conduct of inspection of goods by the designated DEPED Inspectorate Team, as may be necessary or applicable.


REYNALDO C. PALLON
HANDICAPPED

7. The goods shall be inspected by the designated DepEd Inspectorate Team. **HANDICAPPED** shall coordinate with **DEPED**, through the Procurement Management Service-Contract Management Division (ProcMS-CMD), on the conduct of inspection or pre-delivery inspection (PDI). Any request for inspection or PDI shall be done in writing, and submitted in accordance with SCC Clause 4 of the Bidding Documents.


ENGR. ANNABELLE R. PANGAN
DEPED OFFICIALS

8. The goods and services must conform to and comply with the standards mentioned in Section VII. Technical Specifications of the Bidding Documents, and must be in accordance with the detailed technical specifications and drawings as approved by the Bids and Awards Committee, or as amended by subsequently issued Bid Bulletin, if any, based on the samples submitted by **HANDICAPPED**, and reflected in the post-qualification report, which is hereto attached as Annex "C" and made an integral part hereof.

9. Goods with defects or non-compliant with the required technical specifications upon delivery shall be rejected, orally or in writing, by **DEPED** and replaced by **HANDICAPPED** in accordance with the warranty provisions in the bidding documents. Replacement and/or repair of the goods shall be made within thirty (30) calendar days upon claim or request thereof.


ATTY. MICHAEL WESLEY T. POA
DEPED

10. In case **HANDICAPPED** encounters condition(s) impeding timely delivery of the goods and perform services, **HANDICAPPED** shall promptly notify **DEPED** in writing within five (5) calendar days from notice of such condition(s). Any request for work suspension and/or contract period extension by **HANDICAPPED** shall be promptly done in writing as soon as circumstances for such request have become apparent. **HANDICAPPED** must provide sufficient proof to support any request for work suspension and/or contract period extension.

DEPED accepts no liability for the damage of goods during transit. Risk and title to the goods will not be deemed to have passed to **DEPED** until its receipt and acceptance at the final destination through its authorized receiving personnel.

11. The Contract Price shall be paid to **HANDICAPPED** in accordance with the following disbursement procedures:
 - a. **HANDICAPPED** may submit a request for payment based on the following:


Mith F. Reyes
HANDICAPPED'S Witness


REYNALDO C. PALLON
HANDICAPPED


ENGR. ANNABELLE R. PANGAN
DEPED'S WITNESS


ATTY. MICHAEL WESLEY T. POA
DEPED

- i. Supplier's invoice showing goods' description, quantities of item delivered based on the schedule of deliveries and other relevant terms and conditions of the contract, unit price, and total amount;
- ii. Duly signed Delivery Receipt/s;
- iii. Duly signed Inspection and Acceptance Report/s (IAR/s), including certification by **HANDICAPPED**, as approved by duly authorized DepEd representative, that the items have been delivered on/or properly installed and commissioned in accordance with the Contract; and
- iv. Warranty Certificate.

Other documents in support of a request for payment may be required by **DEPED** pursuant to existing disbursement, accounting, and auditing rules and procedures.

- b. Payment shall be made to **HANDICAPPED** within 60 days after the date of acceptance of Goods at the project site and upon submission of documents specified in SCC Clause 2.2 and other documents as may be prescribed by **DEPED** in the following manner:
 - i. For the initial progress payment, a minimum of 25% of the Contract Price shall be paid to **HANDICAPPED** upon delivery of at least 25% of the goods and acceptance of the same by the duly authorized DepEd representative;
 - ii. Final payment shall consist of the full and final payment of the unpaid inspected and accepted goods, subject to the submission of the required documents under the Bidding Documents.
12. Payment shall be subject to the "Warranty" provision in the form of either retention money in an amount equivalent to three percent (3%) of the progress payment or a Special Bank Guarantee in an amount equal to three percent (3%) of the Contract Price required under Section 62.1 of RA 9184 and its revised IRR.
 - a. A one-year comprehensive and onsite warranty for the delivered goods shall reckon from the date of the issuance of the Certificate of Final Acceptance by **DEPED**; and
 - b. Repair of the goods shall be within the warranty period.

In case **HANDICAPPED** opts for retention money, the amount shall only be released after the lapse of the entire warranty period, unless during the remainder of the warranty period, the retention money is substituted with a special bank guarantee.

13. Each party in the performance of their respective duties and responsibilities under this Contract and in the implementation thereof shall adhere to Republic Act No. 10173, otherwise known as the "Data Privacy Act of 2012." and its Implementing Rules and Regulations and applicable National Privacy Commission issuances. Any gathered data and information should be protected and respected during the term and even after the termination of this Contract. The processing of any gathered data

and information should be in compliance with the confidentiality and privacy requirements under the said law and applicable regulations.

14. **HANDICAPPED** shall be liable for liquidated damages in an amount equal one-tenth (1/10) of one percent (1%) of the cost of the delayed goods scheduled for delivery, for every day of delay until such goods are finally delivered and accepted by **DEPED**. **DEPED** shall deduct the liquidated damages from any money due or which may become due to **HANDICAPPED**, or collect from any of the securities or warranties posted by **HANDICAPPED** whichever is convenient to **DEPED**. Once the accumulated amount of liquidated damages reaches 10% of the Contract Price, **DEPED** may rescind or terminate the Contract, without prejudice to other courses of action and remedies available under the circumstances.
15. **HANDICAPPED** shall indemnify DepEd against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the goods or any part thereof.
16. The **PARTIES** shall make every effort to resolve amicably and by mutual consultation any and all disputes or differences arising between the **PARTIES** in connection with the implementation of the Contract. Should such dispute not be resolved amicably, it shall be submitted to Early Neutral Evaluation pursuant to Republic Act No. 9285 or the "Alternative Dispute Resolution Act of 2004", and its Implementing Rules and Regulations.


IN WITNESS WHEREOF, the **PARTIES** hereto have caused this Contract to be executed in accordance with governing laws on the day and year first above written.

SIGNED, SEALED AND DELIVERED BY:


ATTY. MICHAEL WESLEY T. POA
Undersecretary and Chief of Staff
DEPED


REYNALDO C. PALLON
General Manager
HANDICAPPED

SIGNED IN THE PRESENCE OF:


ENGR. ANNABELLE R. PANGAN
DEPED Business


HANDICAPPED's Witness

CERTIFIED FUNDS AVAILABLE: ₱ 10,007,480.00


MA. RHUNNA L. CATALAN
Chief Accountant
Chief Accountant

REPUBLIC OF THE PHILIPPINES)
Pasig City, METRO MANILA) S.S

ACKNOWLEDGMENT

BEFORE ME, a Notary Public in and for Pasig City, Philippines,
this ____ day of 29 DEC 2023 2023 personally appeared:

NAME	GOVERNMENT ISSUED ID <i>(Number, Issued On, Issued By)</i>
ATTY. MICHAEL WESLEY T. POA Undersecretary and Chief of Staff DEPED	<i>Driver's license</i> M2-08-0044102

Known to me and to me known to be the same persons who executed the foregoing instrument and acknowledge to me that the same is the free and voluntary act and deed of the entities which they respectively represent.

The foregoing instrument is a CONTRACT consisting of seven (7) pages (exclusive of attachments), including this page on which this acknowledgment is written and signed by the parties hereto and their instrument witness on the left-hand margin of each and every page hereof.

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

NOTARY PUBLIC



Jose Miguel A. Fernandez
Attorney's Roll No. 52523
Unit 503 Taipan Place, F. Ortigas Jr. Road, Pasig City
Notary Public for Pasig City
Appointment No. 181 (2022-2023)
IBP No. 305805 (01-27-23) RSM
PTR No. 0173679 (01-24-23) Pasig City

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