

CONTRACT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

CONTRACT FOR THE ONE (1) LOT PROVISION OF VARIOUS SUPPLIES AND MATERIALS FOR THE 853 KVA GENERATOR SET FOR PPA, PMO-ZAMBOANGA, ZAMBOANGA CITY.

THIS AGREEMENT made on this _____ day of MAY 27 2020 in the City of Zamboanga, by and between:

PHILIPPINE PORTS AUTHORITY, PORT MANAGEMENT OFFICE, ZAMBOANGA CITY, (PPA, PMO-Zamboanga City, for brevity), is a port management unit established by the Philippine Ports Authority, a government corporation organized and existing under and by virtue of P.D. 505 as amended by PD 857, with local unit address located at R. T. Lim Boulevard, Zamboanga City, herein represented by its Port Manager, ENGR. ARCIDI S. JUMAANI, who is duly authorized to represent the unit in this transaction, herein referred to as the "PROCURING ENTITY"; and

and

MINDANAO LABORATORY SERVICES, a sole proprietorship duly organized and existing with Philippine laws, with address at Davao Street, Aluba, Macasandig, Cagayan de Oro City, herein represented by its General Manager, MANUEL B. RODAJE, JR., who is duly authorized to represent the unit in this transaction, hereinafter called the "SUPPLIER"

Both shall be collectively referred herein as PARTIES.

WITNESSETH THAT:

WHEREAS, the PPA invited Bids for certain goods and ancillary services, to undertake government project within the area of its jurisdiction in order to improve the services of the port in the City of Zamboanga;

WHEREAS, the SUPPLIER has participated in the bids proceeding conducted by the PPA and has accepted the offer and duly complied with all the requirements set by law for the supply of goods and services to be utilized for the said project;

NOW, THEREFORE, for and in consideration of the foregoing premises, the PARTIES hereby agree to enter into this CONTRACT subject to the terms and conditions hereunder stipulated, thus:

- 1.) SPECIFICATIONS FOR EQUIPMENT: One (1) Lot Provision of various supplies and materials for the 853KVA Generator Set for Philippine Ports Authority, PMO-Zamboanga, Zamboanga City;

2.) **CONTRACT PRICE:** The agreed total contract price for the supply and delivery of the mentioned-contract is (PhP4,662,501.98), Philippine Currency;

3.) **CONTRACT DOCUMENTS:** The following documents shall be deemed to form and be read and construed as part of this Agreement, viz.:

- (a) Invitation to Bid;
- (b) Bid Documents consisting of the following:
 - 1) Instruction to Bidders;
 - 2) Bid Data Sheet;
 - 3) General Conditions of Contract;
 - 4) Special Conditions of Contract;
 - 5) Schedule of Requirements;
 - 6) Technical Specifications; and
 - 7) Bidding Forms
- (c) Contractor's Bid Proposal consisting of two (2) envelopes, namely: 1st Envelope-Eligibility and Technical Bid Requirements/Documents; and 2nd Envelope-Financial Bid Requirements; including all documents/statements contained therein;
- (d) Performance Security;
- (e) Computed Net Financial Contracting Capacity (NFCC);
- (f) Notice of Award of Contract bearing the SUPPLIER'S "Conforme" thereto;
- (g) Notice to Proceed;
- (h) Other pertinent documents as may be required by existing laws and/or the PPA.

4.) **CONSIDERATION.** In consideration of the payments to be made by the PPA to the SUPPLIER as hereinafter mentioned, the SUPPLIER hereby covenants with the PPA to provide the goods and services and to remedy defects therein in keeping with the principle of good faith in the performance of obligations and in conformity with the provisions of the Contract in all respects. On the other hand, the PPA hereby covenants to pay the SUPPLIER, upon fulfillment of its obligation incumbent upon it under this Contract, to pay the Contract Price in the mode and manner acceptable to both parties;

5.) **WARRANTIES.** The SUPPLIER hereby warrants that all supply and delivery of the above-mentioned contract procured by PPA under this CONTRACT shall be free of any hidden defects whatsoever and the principle of CAVEAT EMPTOR shall not apply. In case of breach of said warranties, the SUPPLIER shall REPLACE the goods, materials or equipment without delay equivalent to such specifications, as to quality or quantity, as mentioned under par. 1 hereof;

5.a) **COVERED WARRANTY AND ITS PERIOD:** Further, in consonance with the provisions of the procurement law and its revised implementing rules and regulations, the SUPPLIER shall post a WARRANTY SECURITY, in the form of a Special Bank Guarantee or by a Retention Money equivalent to at least one percent (1%) but shall not exceed five percent (5%) of the total contract price within a minimum warranty period of ONE (1) YEAR, after acceptance of the delivered supplies. The said warranty security shall only be released after the lapse of the warranty period as herein provided

or after the supplier has faithfully corrected the manufacturing defects of the procured goods. Provided however, that the supplies delivered are free from patent and latent defects and all conditions imposed under the contract have been fully met.

6.) **LIQUIDATED DAMAGES IN CASE OF DELAY.** In case of any breach of this CONTRACT, to include breach of the warranties as herein set forth, unless, the SUPPLIER immediately complied with the conditions set forth under par. 5 hereof, the aggrieved party shall be entitled to a liquidated damages of an amount equivalent to [1/10] of (1%) of the cost of the unperformed portion thereof, for every day of delay; In no case, however, shall the total sum of liquidated damages exceed ten percent (10%) of the total contract price, in which event the Contract shall automatically be terminated by the PPA and the erring SUPPLIER's performance security shall be forfeited. The amount of the forfeited performance security shall be set aside from the amount of the liquidated damages that the SUPPLIER shall pay the PPA under this section and the other appropriate sanctions that may be imposed to the former.

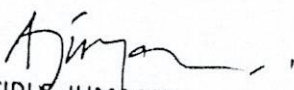
7.) **CONSTRUCTION OF TERMS.** In this Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract referred to.

8.) **AMENDMENTS.** Any change, alterations, modifications or amendments introduced after the execution and signing of this contract shall be made in writing and with the consent of both parties.

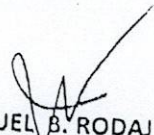
9.) **EFFECTIVITY.** This Contract shall be effective upon its signing by both parties.

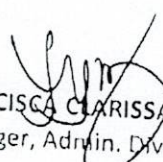
IN WITNESS whereof the parties have hereunto set their hands on the date and place above written.

PHILIPPINE PORTS AUTHORITY,
PMO-ZAMBOANGA, ZAMBOANGA CITY
By:

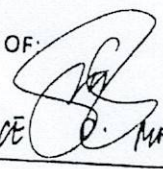

ARCIDI S. JUMAANI
Port Manager

MINDANAO LABORATORY SERVICES
By:


MANUEL B. RODAJE, JR.
General Manager


FRANCISCA CLARISSA P. DAGOY
Manager, Admin. Division

SIGNED IN THE PRESENCE OF:


JANICE O. MABONLI

ACKNOWLEDGEMENT
(For the Philippine Ports Authority)

REPUBLIC OF THE PHILIPPINES
CITY OF Cagayan de Oro, S.S.

BEFORE ME, A Notary Public, for and in the City of Cagayan de Oro on this _____ day of MAY 27 2020 personally appeared:

NAME	ID Presented	I. D. No.	Place/Date of Issue
<u>ARCIDI S. JUMAANI</u>	<u>PPA ID</u>	<u>PPA00231995</u>	<u>Manila/Feb. 3, 1995</u>
<u>MANUEL B. RODAJE, JR.</u>	<u>PHILIPPINE PASSPORT</u>	<u>PSD41150A</u>	<u>13 NOV 2017</u>

Known to me and to me known to be the same persons who executed the foregoing instrument consisting of four (4) pages including the page on which this acknowledgement is written, duly signed by the parties and their witness on each and every page thereon and that the same is hereby executed with their free and voluntary act and deed, as well as the free and voluntary act of the corporation they represent.

The foregoing instrument refers to a Contract for the One (1) Lot Provision of various supplies and materials for the 853KVA Generator Set for Philippine Ports Authority, PMO-Zamboanga, Zamboanga City to be delivered within thirty (30) calendar days upon receipt of Notice to Proceed;

WITNESS MY HAND AND SEAL this _____ day of MAY 27 2020 at Cagayan de Oro

Doc. No. 464
Page No. 93
Book No. XXXIV
Series of 2020

NOTARY PUBLIC

JAYFRANCIS D. BAGO
Notary Public MC 2019-103
Until December 31, 2020
Roll of Attorney's No. 58951
IBP Lifetime Member No. 05913 Mis. Or.
PTR No. 4550227 / January 3, 2020
TIN 413-610-232