CONTRACT AGREEMENT

KNOW ALL MEN BY THOSE PRESENTS: 15 APR 2024

This **AGREEMENT** is made and executed this ___ day of **March 2024** in City of Malolos, Bulacan by and between:

> **BULACAN STATE UNIVERSITY,** a state educational institution, duly organized and exists under and by virtue of the laws of the Philippines, with its principal office address at Brgy. Guinhawa, City of Malolos, Bulacan, represented by its University President, **Dr. TEODY C. SAN ANDRES,** and hereinafter referred to as the **ENTITY;**
>
> -and-
>
> **LABOTECH TRADING,** a corporation duly organized and existing under and by virtue of the laws of the Philippines, with the principal address at #8 San Antonio Avenue, San Antonio Valley 1, Paranaque City, represented by its Sales Representative, **Mr. ELVIN S. TEVES**, and hereinafter referred to as the **SUPPLIER,**

WITNESSETH, THAT:

WHEREAS, the ENTITY has to supply and deliver the foregoing Equipment under **"SUPPLY AND DELIVERY OF EQUIPMENT FOR CHEMISTRY LABORATORY IN BULSU SAN RAFAEL CAMPUS"** in accordance with its specifications, herein referred to as "**Equipment**", and thus open the bid for interested bidders;

WHEREAS, the SUPPLIER is declared to have the lowest calculated and responsive bid on January 8, 2024 through the Resolution No. 2024-013-GOODS;

WHEREAS, the SUPPLIER warrants and has represented to the ENTITY that it has the capability, competence, and sufficient resources to supply/deliver the aforesaid equipment specifically mentioned in the offer, thus offered the bid for **EIGHT HUNDRED EIGHTEEN THOUSAND FORTY-EIGHT AND 48/100 PESOS (₱818,048.48)** hereinafter called ("the Contract Price");

WHEREAS, in view of the foregoing warranties, the ENTITY has accepted the SUPPLIER'S offer in complete reliance on the foregoing representations made by the ENTITY, subject to and in accordance with the terms and conditions hereinafter set forth.

NOW, THEREFORE, both parties, for and in consideration of the terms and conditions set forth in this agreement and in the documents, appended thereto, do hereby agree as follows:

ARTICLE 1. CONTRACT DOCUMENTS

The following documents are incorporated hereto and made an integral part of this agreement:

(a) The Bids Form and the Price Schedule submitted by the Bidder
(b) The Schedule of Requirements
(c) The Technical Specifications
(d) The General Conditions of the Contract
(e) The Special Conditions of the Contract
(f) The Supplements to the Bid Documents; and
(g) The Entity's Notification Award

ARTICLE 2. RIGHTS AND OBLIGATIONS OF THE SUPPLIER

1. The SUPPLIER is obligated to deliver/supply the equipment specifically identified in the quotation made by the latter to the ENTITY. The equipment to be provided by the SUPPLIER shall be as specified in the Schedule of Requirements and shall conform with the standards mentioned in the Technical Specifications as attached hereto;

DR. TEODY C. SAN ANDRES
MR. ELVIN S. TEVES
MR. CHRISTOPHER C. PLAMENCO
MS. AUBREY ALIGAM
MS. JOANHA CHRISTINE T. BORJA

2. **PACKAGING:** The SUPPLIER must provide such packaging of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract and in accordance with existing industry standards.

3. **WARRANTY:** A warranty shall be required from the SUPPLIER in order to assure that defects either patent or latent shall be corrected by the latter.

   The obligation for the warranty shall be covered by 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 at the option of the SUPPLIER.

   The said amounts shall only be released after the lapse of the warranty period or in the case of Expendable Supplies, after consumption and in case of Non-Expendable, after one (1) year from the delivery thereof. Provided, however, that the supplies delivered are free from patent and latent defects and all the conditions imposed under the contract have been fully met.

4. If the goods or equipment furnished found to be defective during the warranty period as when they are unfit or cannot be utilized for the use for which it is intended, the SUPPLIER shall immediately repair or replace the same which shall not be later than seven (7) days from the notice or as required. Otherwise, the ENTITY can undertake the repair or replacement of the defective goods but at the SUPPLIER's expense which can be deducted to any accounts payable of the latter.

   However, this provision shall not apply to ordinary wear and tear of the goods or equipment.

5. The SUPPLIER represents and warrants that it has all the necessary permits, licenses, registrations and all other government requirements relative to the manufacture, production or supply of the goods or services.

6. SPARE PARTS is referred to as an extra component, equipment, tools, instruments or parts of machinery or apparatus that replace the ones that are damaged or worn out. The SUPPLIER is required to provide any or all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the SUPPLIER:

   6.1. Such spare parts as the ENTITY may elect to purchase from the supplier, provided that this election shall not relieve the supplier of any warranty obligations under the contract;

   6.2. Such spare parts that the ENTITY may be able to purchase from other suppliers/manufacturers but are compatible with the goods procured; and

   6.3. In the event of termination of production of the spare parts:

      a. Advance notification to the ENTITY of the pending termination, in sufficient time to permit the ENTITY to procure needed requirements; and

      b. Following such termination, furnishing at no cost to the ENTITY the blueprints, drawings, and specifications of the spare parts, if requested.

   The supplier is likewise required to issue a Certification that spare parts, particularly those that are product-specific, shall continue to be manufactured by them within a period of time of three (3) years from the date of complete delivery.

ARTICLE 3. RIGHTS AND OBLIGATIONS OF THE ENTITY

1. **INSPECTION AND TESTS:** The ENTITY and/or its duly authorized representative must commence the inspection and acceptance process within twenty-four (24) hours from delivery of the equipment and shall complete the same as soon as practicable.

   1.1 The ENTITY may reject any equipment or any part thereof that fail to pass any test and/or inspection or do not conform to the specifications. The SUPPLIER should either rectify or replace such rejected goods or parts thereof or make alterations necessary to meet the specifications at no cost to the ENTITY, and shall repeat the test and/or inspection, at no cost to the ENTITY upon giving a notice pursuant to the contract.

   1.2 The SUPPLIER should agree in the contract that neither the execution of a test and/or inspection of the goods or any part thereof, nor the attendance by the ENTITY or its representative, shall release the SUPPLIER from any warranties or other obligations under the contract.

ARTICLE 4. INTELLECTUAL PROPERTY RIGHTS

DR. TEODY C. SAN ANDRES

MR. ELVIN S. TEVES

MR. CHRISTOPHER C. PLAMENCO

MS. AUBREY ALIGAM

MS. JOANHA CHRISTINE T. BORJA

The ENTITY should not be liable for any infringement of intellectual property rights arising from the use of the goods procured. In case there are third-party claims of such infringement of patent, trademark, or industrial design rights, the supplier must hold the ENTITY free and harmless against such claims.

ARTICLE 5. TAXES AND DUTIES

The SUPPLIER must also be entirely responsible for all taxes, duties, license fees, and other related expenses, incurred until delivery of the contracted goods to the ENTITY.

ARTICLE 6. LIMITATIONS OF LIABILITY

The SUPPLIER shall indemnify and hold harmless the ENTITY, its officers or employees from and against any liabilities, damages, claims, suits of all kinds, and costs and expenses arising from the defect of the goods or services, in cases of criminal negligence or willful misconduct, and in the case of infringement of intellectual property rights of the SUPPLIER, whether in contract, tort or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs except if such liabilities, damages, claims, suits, costs and expenses are due to the gross negligence of the ENTITY.

ARTICLE 7. TERM

The SUPPLIER hereby covenants with the ENTITY to provide the goods and services within **Sixty (60) Calendar Days**, upon receipt of Notice to Proceed.

The time of delivery can only be extended should the delay be attributable to the fault of the ENTITY, or by force majeure, war, rebellion, strikes, epidemics, fires, riots, or acts of the civil or military authorities and upon written approval of the ENTITY by any of its duly authorized representative signatory.

Any request for extension that remains unacted upon by the ENTITY within Seven (7) days from receipt thereof by the ENTITY shall be considered a disapproval of the same. Any delivery made beyond the original period of delivery shall be considered delayed.

However, other than those causes stated above, the Supplier shall pay the ENTITY for Liquidated Damages (LD), an amount equal to TWO-TENTH of ONE PERCENT (0.002) of the cost of the unperformed portion for every day of delay until finally delivered or performed and accepted by the ENTITY without further demand needed.

The ENTITY shall deduct the LD from payments or any money due or which may due the Supplier under this Contract and/or collect such liquidated damages from the retention money or other securities posted by the Supplier whichever is convenient to the ENTITY.

Once the cumulative amount of liquidated damages reaches ten percent (10%) of the amount of this contract, the Supplier voluntarily agrees to have the contract rescinded by the ENTITY.

ARTICLE 8. TERMS OF PAYMENT

The ENTITY hereby covenants to pay the Supplier in consideration of the provisions of the goods and services, the Contract Price of **EIGHT HUNDRED EIGHTEEN THOUSAND FORTY-EIGHT AND 48/100 PESOS (₱818,048.48)** or such other sum as may become payable under the provisions of the Contract at the time and in manner prescribed by the contract provided that the Supplier has satisfactorily complied with its contracted obligation and/or provides remedy to defects if necessary.

Payment must be through the Government disbursement procedure, subject to the payment and warranty provisions in the General Conditions of Contract, the Special Conditions of Contract, the IRR of R.A. 9184, and applicable Government Procurement Policy Board Resolutions.

Price escalation is not allowed. For the given scope of work in the contract as awarded, the price must be considered as a fixed price, except under extraordinary circumstances as determined by the NEDA in accordance with the Civil Code of the Philippines, upon recommendation of the Procuring Entity concerned, and upon prior approval of the GPPB. Any request for price escalation under extraordinary circumstances should be submitted by the concerned entity to the NEDA with the endorsement of the Procuring Entity. The burden of proving the occurrence of extraordinary circumstances that will allow for price escalation shall rest with the entity requesting for such escalation. NEDA shall only respond to such request after receiving the proof and the necessary documentation.

ARTICLE 9. PERFORMANCE BOND

As a measure of guarantee for the faithful performance of and compliance with his obligations under this contract, the SUPPLIER posted Performance Security in the form of Performance Bond issued by

DR. TEODY C. SAN ANDRES | MR. ELVIN S. TEVES | MR. CHRISTOPHER C. PLAMENCO | MS. AUBREY ALIGAM | MS. JOANHA CHRISTINE T. BORJA

Pacific Union Insurance Company amounting to Two Hundred Forty-Five thousand Four Hundred Fourteen & 54/100 (Php 245,414.54) which is thirty Percent (30%) of the contract price as specified in the Bidding Documents.

ARTICLE 10. VENUE OF ACTION

RESOLUTION OF CONFLICTS: In the event of any conflict arising from this Contract between the ENTITY and the SUPPLIER, the parties shall endeavor to settle their conflicts amicably, failing which, the same shall be submitted to arbitration or to the jurisdiction of the courts of City of Malolos, to the exclusion of all other courts upon the discretion of the ENTITY.

In the event that any of the parties herein is compelled to resort to court action to enforce the provisions of this Agreement, the parties herein waive any other venue and submit to the exclusive jurisdiction of the courts in the province of Bulacan, to the exclusion of all courts after exhausting their best efforts in settling their dispute amicably. The guilty party shall then be held liable to pay damages to the innocent party in such amount as shall be proven in court including attorney's fees equivalent to twenty-five percent (25%) of the amount being claimed.

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.

BULACAN STATE UNIVERSITY

Dr. TEODY C. SAN ANDRES
University President, BulSU

LABOTECH TRADING

Mr. ELVIN S. TEVES
Sales Representative

SIGNED IN THE PRESENCE OF:

Mr. CHRISTOPHER C. PLAMENCO
OIC-Vice ~~President for~~ Administration and Finance

Luis A. Lorenzo II

Ms. AUBREY ALIGAM
Supplier's Witness

Funds Available:

JOANNA CHRISTINE T. BORJA, CPA
Head, System Accounting Office

REPUBLIC OF THE PHILIPPINES
MALOLOS CITY, BULACAN) S.S.
)

ACKNOWLEDGMENT

BEFORE ME, a Notary Public for and in the Province/City of MALOLOS CITY, BULACAN this 15 APR 2024, 2024, personally came and appeared:

Name	Valid ID No.	Date/Place
DR. TEODY C. SAN ANDRES	PASSPORT NO. P6511781A	MARCH 22, 2018/ DFA MANILA
MR. ELVIN S. TEVES	LICENSE NO. N02-20-022426	

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

The foregoing instrument is an agreement consisting of five (5) pages (exclusive of attachments), including this page on which this acknowledgment is written and signed by the parties hereto and their instrument witnesses on the left-hand margin of each and every page hereof.

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

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Series of 2024

ATTY. AL JOSEPH T. JAVIER
Notary Public for the Province of Bulacan
Until December 31, 2024
National Commission No PNC-52-MB-2023 (2023-2024)
Attorneys Roll No 71550
IBP No 403177/January 5, 2024
PTR No. 3096710/January 03, 2024/Bulacan
MCLE Compliance No VII-00116110 issued
On 28 February 2022 Valid until 14 April 2025
City of Malolos, Bulacan

DR. TEODY C. SAN ANDRES
MR. ELVIN S. TEVES
MR. CHRISTOPHER C. PLAMENCO
MS. AUBREY ALIGAM
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