

**CONTRACT AGREEMENT**

**KNOW ALL MEN BY THOSE PRESENTS:**

This **AGREEMENT** is made and executed this \_\_\_\_ day of **December 2019** by and between

The **BULACAN STATE UNIVERSITY**, a government institution of higher learning duly organized and existing under R.A. 7665 with office address at the City of Malolos, Bulacan, represented herein by **Dr. CECILIA N. GASCON**, University President, duly authorized to represent it in this transaction (hereinafter called "the Entity")

-And-

The **FASTBOOKS EDUCATIONAL SUPPLY, INC.** represented by **Ms. JULITA M. CONCEPCION**, President and General Manager, with the principal address at 1239 Instruccion St., Sampaloc, Manila (hereinafter called "the Supplier") of the other part:

-witnesseth that-

**WHEREAS**, the **ENTITY** intends to procure **PROCUREMENT OF LIBRARY BOOKS FOR BULACAN STATE UNIVERSITY** (hereinafter called "the Goods");

**WHEREAS**, the **SUPPLIER** offers to supply/deliver the foregoing books;

**WHEREAS**, the **SUPPLIER** warrants and has represented to the **ENTITY** that it has the capability, competence, and sufficient resources to supply/deliver the aforesaid books specifically mentioned in the offer, thus offered the bid for **TWO MILLION TWO HUNDRED EIGHTY-SIX THOUSAND TWO HUNDRED NINETY-TWO PESOS (Php 2,286,292.00)** 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 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 books specifically identified in the quotation made by the latter to the **ENTITY**. The books 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. CECILIA N. GASCON

Ms. JULITA M. CONCEPCION

Dr. JAIME P. PULUMBARIT

Ms. PATRISHA CONCEPCION

FELICITAS G. MIRABUENOS

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 and after 3 years from completion of delivery 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:

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

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

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

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

- b. Following such termination, furnishing at no cost to the Procuring 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

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 **Seven (7) Calendar Days**, upon receipt of Notice to Proceed.

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 approval of the ENTITY.

However, other than those causes stated above, the Supplier shall pay the Entity for Liquidated Damages (LD), an amount equal to one tenth (1/10) of one (1) percent 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 **TWO MILLION TWO HUNDRED EIGHTY-SIX THOUSAND TWO HUNDRED NINETY-TWO PESOS (Php 2,286,292.00)** 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 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.

ACKNOWLEDGMENT

DR. CECILIA N. GASCON

REPUBLIC OF THE PHILIPPINES

MALOLOS CITY, BULACAN

) S.S.  
)

BEFORE ME, a Notary Public for and in the Province/City of  
MALOLOS CITY, BULACAN this 18 DEC 2019, 2019, personally came and  
appeared:

Name	Presented I.D. Number	Issued at/ Date
DR. CECILIA N. GASCON	B.S.U. I.D.# 2015-0286	City of Malolos, Bulacan / August 30, 2015
MS. JULITA M. CONCEPCION		

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.

Doc. No. 249  
Page No. 51  
Book No. 23  
Series of 2019

Dr. JAIME P. PULUMBARIT

TEODULO E. CRUZ  
NOTARY PUBLIC  
UNTIL DEC. 31. 2020  
IBP NO. 055849 11-29-18 [FOR 2019]  
PTR NO. 1858064 12-03-18 [FOR 2018]  
CITY OF MALOLOS  
ROLL NO. 38635 5.14.93  
MCLE NO. VI-0008475 04-25-18

MS. PATRISHA CONCEPCION

FELICITAS G. MIRABUENOS