



PROJECT : **Supply, Testing and Delivery of Service Vehicles for the DepEd Engineers/Architects and Selected School Division Offices (SDOs) (Lot No. 1)**

CONTRACT NO. : **2019-10-AdmS4(036)&AdmS2(049)-BI-CB031-C140**

CONTRACT

THIS CONTRACT made and entered into this 17 day of JUNE 2020 by and between the **DEPARTMENT OF EDUCATION**, located at DepEd Complex, Meralco Avenue, Pasig City, Philippines, represented herein by its Authorized Representative, **ALAIN DEL B. PASCUA**, Undersecretary for Administration, as per Department Order No. 038, s. 2019, amendments to DO Nos. 67 s. 2016 & 006 s.2019 (hereinafter referred to as the "**DepEd**") of the one part; and **CARWORLD, INC.**, represented herein by its Authorized Representative, **ROSANA C. ALCAZAR**, with office address at Jose Abad Santos Ave., City of San Fernando, Pampanga, Philippines, (hereinafter referred to as "**Carworld**") of the other part.

WHEREAS, **DepEd** posted and invited bids for certain goods and ancillary services stated in the above-mentioned project consisting of two (2) Lots, and received bids from three (3) bidders; **DepEd** opened, read, and evaluated the bids of the three (3) bidders and declared **Carworld** as having the lowest calculated bid for Lot No. 1; after evaluation, **DepEd** post-qualified and declared the bid of the **Carworld** as the lowest calculated responsive bid for Lot No. 1;

WHEREAS, **DepEd** passed and approved Resolution to Award No. 2019-10-AdmS4(036)&AdmS2(049)-BI-CB-031, dated 19 February 2020, in favor of **Carworld, Inc.**, for Lot No. 1, in the sum of **PHILIPPINE PESOS TWO HUNDRED NINETEEN MILLION and 00/100 (PhP 219, 000, 000.00) ONLY**, (hereinafter called the "**Contract Price**"), broken down as follows:

Lot No.	Description	Quantity	Amount
1	Service Vehicles	146 units	P219,000,000.00

NOW, THEREFORE, PREMISES CONSIDERED, the parties hereby agree as follows:

1. In this **Contract**, words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract referred to;

ARTHUR I. SALAZAR
 Carworld's Witness

ROSANA C. ALCAZAR
 Carworld

ANNABELLE R. PANGAN
 DepEd's Witness

ALAIN DEL B. PASCUA
 DepEd

2. The following documents shall be deemed to form, be read and construed as part of the Contract:

- a) **Carworld's** Bid, including the Technical and Financial Proposals, and all other documents/statements submitted;
- b) Resolution to Award No. 2019-AdmS4(036)&Adms2(049)-BI-CB-031 dated 19 February 2020 and its Annexes;
- c) Notice of Award;
- d) Schedule of Requirements;
- e) Technical Specifications;
- f) General and Special Conditions of the Contract;
- g) Performance Security;
- h) Bid Bulletin No. 1, dated 05 November 2019;


ARTHUR L. SALAZAR
Carworld's Witness

3. The items shall be delivered within **one hundred eighty (180) calendar** days from the date of receipt of **Carworld** of the Notice to Proceed (NTP) or from the date as may be indicated in the Notice to Proceed;

4. **Carworld** shall post a Performance Security within ten (10) calendar days from receipt of the Notice of Award in the form and amount prescribed in the Notice of Award. The performance security shall be posted in favor of **DepEd**, and shall be forfeited in the event it is established that **Carworld** is in default of any of its obligation under the contract. The performance security shall be in force and effect until thirty (30) days from issuance by **DepEd** of the Certificate of Final Acceptance and must be co-terminus with the Project. For this purpose, **Carworld** undertakes to renew its performance security whenever necessary and without need of prior notice or instruction from **DepEd**, to ensure that it is in force and effect for the whole duration of the contract delivery period and until a Certificate of Final Acceptance is duly issued;

5. The goods supplied under this Contract should conform to Section VI-Schedule of Requirements and Section VII-Technical Specifications and the standards mentioned therein;

6. In consideration of the **Contract Price** mentioned herein to be paid by **DepEd** to **Carworld**, **Carworld** hereby covenants to provide all of the incidental and additional services as specified in Section VI - Schedule of Requirements, and should be in accordance with the terms and/or specifications indicated therein or otherwise contemplated by the parties;


ROSANA C. ALAZAR
Carworld


ANNABELLE PANGAN
DepEd's Witness


ALAIN DELA PASCUA
DepEd

7. **Carworld** hereby covenants to provide all of the materials, notifications, and information pertaining to spare parts manufactured or distributed by **Carworld**, such as but not limited to the spare parts as **DepEd** may elect to purchase from **Carworld**, provided that this election shall not relieve **Carworld** of any warranty obligations under this **Contract**;


ARTHUR J. SALAZAR
Carworld's Witness

8. **Carworld** hereby covenants to provide advance notification to **DepEd** in the event of termination of production of the spare parts, in sufficient time to permit **DepEd** to procure needed requirements and to furnish, at no cost, to **DepEd**, the blueprints, drawings, and specifications of the spare parts, upon request by **DepEd**;


ROSANA C. ALCAZAR
Carworld

9. Goods delivered with defects or non-compliant with the required specifications shall be rejected by **DepEd** and replaced or repaired by **Carworld**. **DepEd** shall have the option to inspect **Carworld's** premises covered by the contract, at any time or stage of contract implementation, to monitor and assess **Carworld's** capacity to discharge its contractual obligations;

10. **Carworld** shall deliver the goods to the Project Site as defined in Section VI. Schedule of Requirements. Goods delivered to another project site other than **DepEd - Central Office** without **DepEd's** authorization and/or approval may be rejected by the latter. Violation of this provision, based on documents, reports submitted and validated by the authorized receiving personnel may be a possible cause for termination of the **Contract**;


ANNABELLE R. PANGAN
DepEd's Witness

11. The procured goods or items contemplated under this **Contract** shall be inspected and/or tested by **DepEd** either prior to delivery, at **Carworld's** premises, or at the delivery sites, or both, in accordance with the provisions of Special Conditions of Contract and the Schedule of Requirements, or otherwise indicated in other parts of the bidding documents;


ALAIN DEL B. PASCUA
DepEd

12. In case **Carworld** encounters condition(s) impending timely delivery of the goods, **Carworld** shall notify **DepEd** in writing of such condition(s) and any request for work suspension and/or contract delivery period extension shall be promptly done as soon as circumstances providing justification for such requests have become apparent. **Carworld** must provide sufficient proof to support any request for work suspension and/or contract delivery period extension;

13. The **Contract Price** shall be paid to **Carworld** through the Government disbursement procedures as follows:

13.1. Upon submission of an irrevocable letter of credit or Bank Guarantee issued by a Universal or Commercial Bank, advance payment not to exceed fifteen percent (15%) of the contract amount shall be allowed and paid within sixty (60) calendar days from signing of the contract;

13.2. Payment shall be made to the **Carworld** on the basis of per unit cost of the actual deliveries. Payment shall be made as promptly as possible after the date of acceptance of Goods at the Project Site and upon submission of the documents (i) to (viii) specified in SCC Clause 6.2 and other documents required in accounting and auditing rules and regulations.

13.3. The retention money or special bank guarantee shall be released only at the lapse of the warranty in SCC Clause 17.3.

14. Payments shall be subject to the "Warranty" provision in the form of either retention money in an amount equivalent to at least one percent (1%) of every progress payment, or a Special Bank Guarantee in the amount equal to at least one percent (1%) of the Contract Price as required under Section 62 of R.A. 9184 and its revised IRR;

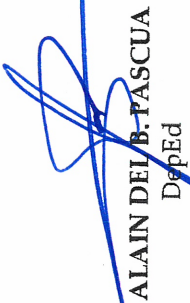
15. **Carworld** shall be liable for the damages for the delay in its performance of the Contract and shall pay **DepEd** liquidated damages, not by way of penalty, in an amount equal to one-tenth (1/10) of one percent (1%) of the cost of the delayed goods scheduled for delivery for every day of delay 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 **Carworld**, or collect from any of the securities or warranties posted by **Carworld**, whichever is convenient to **DepEd**. Once the cumulative amount of liquidated damages reaches ten percent (10%) of the Contract Price, **DepEd** may, at its option, and taking into account the greater advantage to the government, rescind the **Contract**, without prejudice to other causes of action and remedies open to **DepEd**;

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 arbitration in the Philippines according to the provisions of Presidential Decree No. 242 and Executive Order No. 292. Provided,


ARTURO I. SALAZAR
Carworld's Witness


ROSANA C. ALCAZAR
Carworld



ANNABELLE R. PANGAN
DepEd's Witness

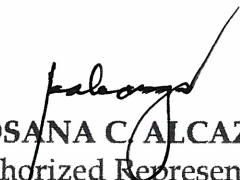

ALAIN DEL B. PASCUA
DepEd

however, that by mutual Contract, the parties may agree in writing to resort to other alternative modes of dispute resolution.

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


SIGNED, SEALED AND DELIVERED BY:



ALAIN DEL B. PASCUA
Undersecretary
Authorized Representative
DEPED


ROSANA C. ALCAZAR
Authorized Representative
CARWORLD, INC.


SIGNED IN THE PRESENCE OF:


ANNABELLE R. PANGAN
DepEd's Witness


ARTHUR L. SALAZAR
Carworld's Witness

Funds Available: ₱219,000,000 -  MA. RHUNNA CATALAN Chief Accountant	OS No. 06-102161-2020-04-03807 Amount: ₱219,000,000 /
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Approved by:


SECRETARY LEONOR MAGTOLIS-BRIONES
DepEd Secretary
17 JUN 2020

REPUBLIC OF THE PHILIPPINES)
PASIG CITY, METRO MANILA) S.S

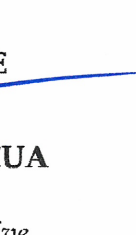
ACKNOWLEDGMENT

BEFORE ME, a Notary Public in and for _____,
Philippines, this ____ day of _____ 2020 personally appeared:


NAME
ALAIN DEL B. PASCUA
Undersecretary
Authorized Representative
DEPED

GOVERNMENT ISSUED ID
(Number, Issued On, Issued By)

Philippine Passport No. EC7146422
Mar 17, 2021


ROSANA C. ALCAZAR
Authorized Representative
CARWORLD, INC.

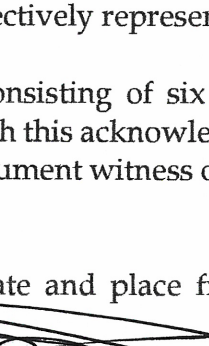
Philippine Passport No. EC5520490
Sep 27, 2020

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 six (6) 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 of the contract.

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

Doc. No. 55;
Page No. 6;
Book No. XXI;
Series of 2020.


NOTARY PUBLIC
Until December 31, 2020
NOTARY PUBLIC
A.C./01/03/20
BAR ROLL - 19289
TIN - 120-343-403
IBP NO. 580446

WITNESSED AND SWORN TO BY ME THIS JUN 17 2020