



**PROJECT:** Printing and Delivery of Grade 4 Learning Resources

**CONTRACT NO.:** 2020-BLR2(003)-BIV-CB013-CO48

**CONTRACT AGREEMENT**

**THIS AGREEMENT** made and entered into this 4<sup>th</sup> day of February 2021 by and between **DEPARTMENT OF EDUCATION**, located at DepEd Complex, Meralco Avenue, Pasig City, Philippines, represented herein by its Assistant Secretary, **ALMA RUBY C. TORIO**, as per Department Order No. 67, s. 2016 (hereinafter referred to as "**DepEd**"); and **FORGEMS MARKETING COMPANY, INC.**, represented herein by its Authorized Representative, **CELINE MARIE T. MONTALLA**, with office address at 8C Cortijos Bldg., 25 Eisenhower St., Greenhills, San Juan City, Philippines (hereinafter referred to as the "**FORGEMS MARKETING**").

**DepEd** and **FORGEMS MARKETING** are collectively called "**PARTIES.**"

**WHEREAS, DepEd** invited bids for the printing and delivery of Grade 4 Learning Resources consisting of four (4) Lots, and received bids from nine (9) bidders; **DepEd** opened, read, and evaluated the bids of the nine (9) bidders and declared **FORGEMS MARKETING** as having the lowest calculated bid for Lot No. 2; after evaluation, **DepEd** post-qualified and declared the bid of **FORGEMS MARKETING** as the lowest calculated responsive bid for Lot No. 2 in the sum of **PHILIPPINE PESOS TWENTY-SEVEN MILLION, FOUR HUNDRED EIGHTY-EIGHT THOUSAND, THREE HUNDRED SEVENTY-THREE AND 64/100 (PhP27,488,373.64) ONLY**, (hereinafter called the "**Contract Price**") detailed as follows:

Lot No.		Description	Quantity	Amount (in Php)
2	Zone 2	ESP TX	639,787	27,488,373.64
		ESP TM	15,322	

**NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:**


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

*[Signature]*  
**CELINA MONTALLA**  
 FORGEMS MARKETING's Witness


*[Signature]*  
**CELINE MARIE T. MONTALLA**  
 FORGEMS MARKETING

*[Signature]*  
**ARIZ DELSON ACAY D. CAWILAN**  
 DEPED's Witness

*[Signature]*  
**ALMA RUBY C. TORIO**  
 Department of Education


  
MARIEL T. MONTALLA  
FORGEMS MARKETING's Witness

  
MARIE T. MONTALLA  
FORGEMS MARKETING


  
ARIZ DEILSON ACAY D. CAWILAN  
DEPED's Witness

  
ALMA RUBY C. TORIO  
Department of Education

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 Agreement, viz:
  - i. Philippine Bidding Documents (PBD);
    - a. Schedule of Requirements;
    - b. Technical Specification;
    - c. General and Special Conditions of the Contract; and
    - d. Bid Bulletin No. 1 dated 4 November 2020 and Bid Bulletin No. 2 dated 6 November 2020;
  - ii. **FORGEMS MARKETING's** bid, including the Eligibility requirements, Technical and Financial Proposals, and all other documents or statements submitted;
  - iii. Performance Security;
  - iv. Notice of Award of Contract and **FORGEMS MARKETING's** conforme thereto; and
  - v. Other contract documents required by existing laws and/or DepEd in the PBD. **FORGEMS MARKETING** agree that additional contract documents or information prescribed by the GPPB that are subsequently required for submission after the contract execution, such as the Notice to Proceed, Variation Order, and warranty Security, shall form part of the Contract.
3. The items shall be ready for pick up/hauling within **one hundred fifty (150) calendar days** from receipt of **FORGEMS MARKETING** of the Notice to Proceed or as may be indicated in the Notice to Proceed;
4. **FORGEMS MARKETING** shall post a Performance Security within ten (10) calendar days from receipt of the Notice of Award in the form and amount prescribed therein. The performance security shall be posted in favor of **DepEd**, and shall be forfeited in the event it is established that **FORGEMS MARKETING** is in default of any of its obligation under this contract. The Supplier shall be responsible for the extension of its performance security and/or undertakes to renew its performance security whenever necessary, and without need of prior notice or instruction from the Procuring Entity, 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 and services supplied under this Contract should conform to and comply with the standards mentioned in Section VII. Technical Specifications and in Section VI. Schedule of Requirements of the Bidding Documents, or as amended by subsequently issued Bid Bulletin, if any, and must be in accordance with the technical specifications of the items as

  
ARIZ DELSON ACAY D. CAWILAN  
FORGEMS MARKETING's Witness

  
CELINE MARIE I. MONTALLA  
FORGEMS MARKETING

  
ARIZ DELSON ACAY D. CAWILAN  
DEPED's Witness

  
ALMA RUBY C. TORIO  
Department of Education

offered in the bid; or in case where samples were submitted and evaluated during the post-qualification stage of the procurement, in accordance with the technical specifications of the approved samples. Any proposal to deliver items of equivalent, higher or superior technical specifications, in lieu of those of the approved bids or samples shall be discretionary to DepEd and is subject to the evaluation and recommendation of the end-user or implementing units and the approval of the herein authorized representative and signatory;

6. Goods with defects or non-compliant with the required specifications shall be rejected by **DepEd** and replaced by **FORGEMS MARKETING**. **DepEd** shall have the option to inspect **FORGEMS MARKETING's** premises covered by the contract, at any time or stage of contract implementation, to monitor and assess **FORGEMS MARKETING's** capacity to discharge its contractual obligations;
7. The procured goods or items contemplated under this Contract shall be inspected by **DepEd** either prior to pick-up/hauling at **FORGEMS MARKETING's** premises, or at the project site, or both, in accordance with the provisions of Special Conditions of the Contract, the Schedule of Requirements, or as otherwise indicated in other parts of the bidding documents;
8. In case **FORGEMS MARKETING** encounters condition(s) impeding timely delivery of the goods, **FORGEMS MARKETING** shall promptly notify **DepEd** in writing of such condition(s) and any request for work suspension and/or contract delivery period extension shall be promptly done in writing as soon as circumstances providing justification for such requests have become apparent. **FORGEMS MARKETING** must provide sufficient proof to support any request for work suspension and/or contract delivery period extension;
9. The Contract Price shall be paid to **FORGEMS MARKETING** in accordance with the following disbursement procedures:
  - 9.1. 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;
  - 9.2. **FORGEMS MARKETING** may submit a request for payment based on **FORGEMS MARKETING's** monthly Progress Reports which shall be attached to the progress billing and include the following: (i) cumulative quantities of items picked up/hauling based on the schedule of hauling and other relevant terms and

*John*  
CAREY MONTALLA  
FORGEMS MARKETING's Witness

*Montalla*  
CELINE MARIE T. MONTALLA  
FORGEMS MARKETING

*Ariz*  
ARIZ DELSON ACAY D. CAWILAN  
DEPED's Witness

*Alma*  
ALMA RUBY C. TORIO  
Department of Education

conditions of the contract; (ii) Inspection and acceptance reports (IARs), including certification by Supplier, and duly accomplished and signed by the authorized representative of the **DepEd**. Other documents in support of a request for payment may be prescribed by **DepEd** pursuant to existing disbursement, accounting and auditing rules and procedures;

9.3. Subject to the recoupment of the advance payment contemplated in Clause 9.1 above, and retention contemplated in the immediately succeeding clause, payment shall be made to **FORGEMS MARKETING** within sixty (60) days after the date of acceptance of the Goods at **FORGEMS MARKETING's** premises and upon submission of other documents required under this Contract, in the following manner:

9.3.1. For the initial progress payment, a minimum of twenty-five percent (25%) of the Contract Price per lot shall be paid to **FORGEMS MARKETING** upon pick-up/hauling by the third-party logistics provider of a minimum of twenty-five percent (25%) of the requirement per lot and acceptance by DepEd's authorized representative;

9.3.2. Final payment shall constitute release of the retention money in case of expiry of the warranty period, or whatever is left of it, after it has been called for use under the warranty provision.

10. Payments shall be subject to the Warranty provision in the form of either retention money in an amount equivalent to: (a) at least one percent (1%) of every progress payment; (b) a Special Bank Guarantee equivalent to at least 1% of the Contract Price; or (c) such amount representing compliance or delivery as may be applicable, as required under Section 62 of R.A. 9184 and its revised IRR;


11. **FORGEMS MARKETING** shall be liable for liquidated damages for the delay in its performance of the Contract in an amount equal to one-tenth (1/10) of one percent (1%) of the cost of the delayed goods scheduled for pick-up/hauling, for every day of delay until such goods are finally picked up/hailed and accepted by **DepEd**. **DepEd** shall deduct the liquidated damages from any money due or which may become due to **FORGEMS MARKETING**, or collect from any of the securities or warranties posted by **FORGEMS MARKETING**, whichever is convenient to **DepEd**. Once the cumulative amount of liquidated damages reaches ten percent (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;

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

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

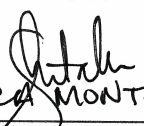
SIGNED, SEALED AND DELIVERED BY:

  
**ALMA RUBY C. TORIO**  
*Assistant Secretary*  
DEPARTMENT OF EDUCATION

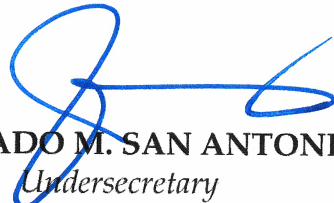
  
**CELINE MARIE T. MONTALLA**  
*Authorized Representative*  
FORGEMS MARKETING

SIGNED IN THE PRESENCE OF:

  
**ARIZ DELSON ACAY D. CAWILAN**  
DEPED's Witness

  
**CARIE MONTALLA**  
FORGEMS MARKETING's Witness

APPROVED BY:

  
**DIOSDADO M. SAN ANTONIO**  
*Undersecretary*  
DEPARTMENT OF EDUCATION

CERTIFIED FUNDS AVAILABLE: ₱27,488,373.64

  
**MA. RHUNNA L. CATALAN**  
*Chief Accountant*

REPUBLIC OF THE PHILIPPINES)  
\_\_\_\_\_QUEZON CITY, METRO MANILA ) S.S

**ACKNOWLEDGMENT**

BEFORE ME, a Notary Public in and for QUEZON CITY  
Philippines, this \_\_\_\_ day of FEB 04 2021 20\_\_ personally appeared:

NAME	GOVERNMENT ISSUED ID <i>(Number, Issued On, Issued By)</i>
<b>ALMA RUBY C. TORIO</b> <i>Assistant Secretary</i> Department of Education	A07-02-059045, MARCH 27, 2018 LTO - LA UNION
<b>CELINE MARIE T. MONTALLA</b> <i>Authorized Representative</i> FORGEMS MARKETING	P38275045, NOV 13, 2019 DFA NCR EAST

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 hereof.

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

Doc. No. 172;  
Page No. 26;  
Book No. 31;  
Series of 2020-2021

*C. Villaverde*  
**NOTARY PUBLIC**  
ATTY. CONSUELO M. VILLAR  
Notary Public for Quezon City  
(Until December 31, 2021)  
PTR No. 01-0327114-2011 QC  
ICR No. 01-0327114-2011 QC  
Reg. No. 0327114-2011 QC  
R. No. 16-0327114-2011 QC  
R. No. 16-0327114-2011 QC  
R. No. 16-0327114-2011 QC  
R. No. 16-0327114-2011 QC

*Ariz Delson Acay D. Cawilan*  
ARIZ DELSON ACAY D. CAWILAN  
DEPED's Witness  
  
*Celine Marie T. Montalla*  
CELINE MARIE T. MONTALLA  
FORGEMS MARKETING  
  
*Alma Ruby C. Torio*  
ALMA RUBY C. TORIO  
Department of Education  
  
*Cate Montalla*  
CATE MONTALLA  
FORGEMS MARKETING's Witness