



Republic of Philippines
DEPARTMENT OF EDUCATION

DepEd Complex, Meralco Avenue, Pasig City
 Trunk Line (08) 632-13-61, Website <http://www.deped.gov.ph>



Abigail D. Echano
 LG&M CORPORATION's Witness

PROJECT: Development, Printing and Delivery of Self-Learning Modules (SLMs) Quarter 4 (English, Science, Mathematics, Filipino, Araling Panlipunan, Edukasyon sa Pagpapakatao, Music, Arts, Physical Education and Health (Grades 4, 5, 6, 7, 8, 9 and 10)

CONTRACT NO.: 2021-BLR2(22to031)-BIV-CB-004-083

CONTRACT AGREEMENT

THIS AGREEMENT made and entered into this JUN 22 2021 day of _____ 2021 by and between **DEPARTMENT OF EDUCATION**, located at DepEd Complex, Meralco Avenue, Pasig City, Philippines, represented herein by its Undersecretary, **DIOSDADO M. SAN ANTONIO**, as per DepEd Order No. 023, s. 2021 (hereinafter referred to as "DEPED"); and **LG&M CORPORATION** represented herein by its Authorized Representative, **HERBERT U. CRUZ**, with office address at G. Araneta Ave., Cor. Maria Clara St., Quezon City, Metro Manila, Philippines (hereinafter referred to as "LG&M CORPORATION").

DEPED and LG&M CORPORATION are collectively called "PARTIES."

WHEREAS, DEPED invited bids for the development, printing and delivery of Self-Learning Modules Quarter 4 consisting of sixty (64) Line Items and received bids from twenty-nine (29) bidders; DEPED opened, read, and evaluated the bids of the twenty-nine (29) bidders and declared LG&M CORPORATION as having the lowest calculated bid for Line Item No. 34; after evaluation, DEPED post-qualified and declared the bid of LG&M CORPORATION as the lowest calculated responsive bid for Line Item No. 34 in the sum of **PHILIPPINE PESOS THIRTY-SEVEN MILLION, ONE HUNDRED EIGHTY-TWO THOUSAND, ONE HUNDRED SEVENTY-EIGHT and 98/100 (PhP 37,182,178.98) ONLY**, (hereinafter called the "Contract Price") detailed as follows:

Line Item No.	Item Description	Quantity	Amount (PhP)
34	Araling Panlipunan Q4 Grade 9	651,633	37,182,178.98

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.

HERBERT U. CRUZ
 LG&M CORPORATION

ATTY. ARIZ DELSON ACAY CAWILAN
 DEPED's Witness

DIOSDADO M. SAN ANTONIO
 DEPED


Abigail D. Echano

LG&M CORPORATION's Witness


HERBERT U. CRUZ

LG&M CORPORATION


ATTY. ARIZ DELOSON ACAY CAWILAN

DEPED's Witness


DIOSDADO M. SAN ANTONIO

DEPED

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 Specifications;
 - c. General and Special Conditions of the Contract; and
 - d. Bid Bulletin No. 1 dated 24 April 2021.
 - ii. **LG&M CORPORATION'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 **LG&M CORPORATION's** conforme thereto; and
 - v. Other contract documents required by existing laws and/or **DEPED** in the PBD. **LG&M CORPORATION** agrees 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 contract shall be performed in accordance with the delivery schedules indicated in the Notice to Proceed (NTP), or in any subsequent instruction duly issued by **DEPED**.
4. **LG&M CORPORATION** 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 **LG&M CORPORATION** is in default of any of its obligation under this contract. **LG&M CORPORATION** shall be responsible for the extension of its performance security and/or undertake to renew its performance security whenever necessary, and without need of prior notice or instruction from the **DEPED**, to ensure that it is in force and effect for the whole duration of the contract 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 VI. Schedule of Requirements of the bidding documents and shall comply with the following minimum required technical specifications:

Abigail D. Echano

LG&M CORPORATION's Witness

HERBERT U. CRUZ

LG&M CORPORATION

ATTY. ARIZ DELSON ACAY CAWILAN

DEPED's Witness

DIOSDADO M. SAN ANTONIO

DEPED

Description	Specifications
Module Size	<ul style="list-style-type: none"> 8.25" x 10.75"
Paper Requirements	<ul style="list-style-type: none"> Cover- Foldcote cal. <u>10</u> or better, Solid white Inside Pages-Uncoated textpaper, <u>60 gsm</u> or better, Brightness: <u>80%</u>, Opacity: <u>90%</u>
Colors	<ul style="list-style-type: none"> Cover - <u>4 / 1</u> with <u>Overprint Varnish</u> or better Inside Pages - <u>1 Color</u>
Binding	<ul style="list-style-type: none"> <u>Saddle Stitched</u> or better
Packaging	<ul style="list-style-type: none"> Type of Material-<u>Polyethylene Plastics</u> Size- <u>30" x 33"</u> Thickness/Gauge - <u>.002"</u> Capacity - <u>80 to 100 copies per Polyethylene</u> Plastic Strap - <u>Plastic Twine</u> or better Packaging Tape - Size: <u>50.8mm</u> or <u>2"</u> or better Color: <u>Transparent</u> or <u>brown</u> Proposed Packaging Details <ol style="list-style-type: none"> The SLMs together with the label containing the delivery details shall be compactly arranged and compressed inside the Polyethylene Plastic. Delivery details shall be printed in clean white paper. For loose sets, SLMs shall be wrapped in plastic or brown kraft paper. Package must be secured by packaging tape or better. <p>NOTE: The suppliers may use their own corrugated box with their company's name/logo, etc. on their own account without any additional cost to the government, provided that these are unused boxes. Delivery details however should be firmly placed outside the box.</p>

Any proposal to deliver items of equivalent, higher or superior technical specifications, in lieu of the abovestated, 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.

- Goods with defects or non-compliant with the required specifications shall be rejected by **DEPED** and replaced by **LG&M CORPORATION** in accordance with the warranty provisions in the bidding documents. **DEPED** shall have the option to inspect **LG&M CORPORATION's** premises covered by the Contract, at any time or stage of contract

implementation, to monitor and assess **LG&M CORPORATION's** capacity to discharge its contractual obligations.

7. The procured goods or items contemplated under this Contract shall be inspected by **DEPED** Inspectorate Team duly constituted for this Project prior to delivery to the project sites in accordance with the provisions of the Special Conditions of the Contract, the Schedule of Requirements, or otherwise indicated in other parts of the bidding documents.

8. **LG&M CORPORATION** shall deliver the goods in accordance with the Delivery Schedule to the various project sites as indicated in the Distribution List. Goods delivered to sites other than those indicated in the Distribution List without **DEPED's** written authorization and/or approval may be rejected by the latter. Violation of this provision, based on documents and reports submitted and validated by the authorized receiving personnel may be a cause for the termination of the Contract.

9. In case **LG&M CORPORATION** encounters condition(s) impeding timely delivery of the goods, **LG&M CORPORATION** shall promptly notify **DEPED** in writing of such condition(s). As a rule and on account of the emergency nature of this project, no work suspensions and/or contract delivery period extension shall be allowed.

10. The Contract Price shall be paid to **LG&M CORPORATION** in accordance with the following disbursement procedures:

10.1. An advance payment not to exceed fifteen percent (15%) of the Contract Price shall be allowed and paid within sixty (60) calendar days from signing of the contract. An irrevocable Letter of Credit or Bank Guarantee of an equivalent amount must be submitted, and shall remain valid until the goods are delivered, and accompanied by a claim for advance payment.

10.2. **LG&M CORPORATION** may submit a request for payment based on Progress Reports which shall be attached to the progress billing and include the following: (i) cumulative quantities of items delivered based on the schedule of deliveries and other relevant terms and conditions of the Contract; (ii) Inspection and Acceptance Reports (IARs), including certification by **LG&M CORPORATION**, duly signed and dated by the authorized representative of the **DEPED** indicating that the items have been delivered in accordance with the Contract. Other documents in support of a request for payment may be prescribed by **DEPED** pursuant to existing disbursement, accounting and auditing rules and procedures.

Abigail D. Echano

LG&M CORPORATION's Witness

HERBERT U. CRUZ

LG&M CORPORATION

ATTY. ARIZ DELSON ACAY CAWILAN

DEPED's Witness

DIOSDADO M. SAN ANTONIO

DEPED


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DEPED's Witness


DIOSDADO M. SAN ANTONIO
DEPED

10.3. Subject to the recoupment of the advance payment contemplated in Clause 10.1. above, and retention contemplated in the immediately succeeding clause, payment shall be made to **LG&M CORPORATION** within sixty (60) days from submission of the documents specified in SCC Clause 2.2 and other documents as may be prescribed by **DEPED**, in the following manner:

10.3.1. For the initial progress payment, a minimum of twenty-five percent (25%) of the Contract Price of the line item shall be paid to **LG&M CORPORATION** upon a minimum of twenty-five percent (25%) delivery and acceptance of the items by **DEPED's** authorized representative;

10.3.2. 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.

11. 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 required under Section 62 of R.A. 9184 and its revised IRR.

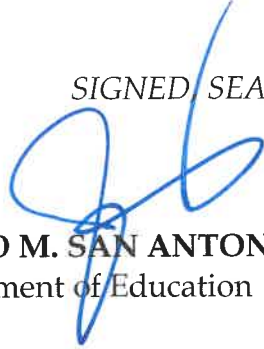
12. **LG&M CORPORATION** shall be liable for liquidated damages for the delay in its performance in an amount equal to one-tenth (1/10) of one percent (1%) of the cost of the delayed goods scheduled for delivery, for every day of delay until such goods are finally delivered and accepted by **DEPED**. **DEPED** shall deduct the liquidated damages from any money due or which may become due to **LG&M CORPORATION**, or collect from any of the securities or warranties posted by **LG&M CORPORATION**, 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.

13. Subcontracting of any portion of the Project, which must not be more than twenty percent (20%) of the contracted goods, shall not relieve **LG&M CORPORATION** of any liability or obligation under this Contract. **LG&M CORPORATION** shall be responsible for the acts, default or negligence of any subcontractor and its agents, servants or workmen as fully as if these were **LG&M CORPORATION's** own acts, default or negligence, or those of its agents, servants or workmen.

14. 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:



DIOSDADO M. SAN ANTONIO
Department of Education



HERBERT U. CRUZ
LG&M CORPORATION

SIGNED IN THE PRESENCE OF:



ATTY. ARIZ DELSON ACAY CAWILAN
Department of Education's Witness



Abigail D. Echano
LG&M CORPORATION's
Witness

CERTIFIED FUNDS AVAILABLE: ₱ 37,182,178.98



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 JUN 22 2021 2021 personally appeared:

NAME

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

DIOSDADO M. SAN ANTONIO
Department of Education

HERBERT U. CRUZ
LG&M CORPORATION

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 seven (7) 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. 4 ;
Page No. 2 ;
Book No. XV ;
Series of 2021.

ATTY. TOMAS B. BAGA, JR.
NOTARY PUBLIC
UNTIL DECEMBER 31, 2021
ALM. NO. NP-017 (2020-2021)
ATTYS. ROLL NO. 13003
IBP NO. 156177/2-5-2021
PTR NO. CP 0624050, 1/19/21 COT.
MCLE NO. VI-0028822
RGH BLDG. TIMOG COR. PANAY AVE. Q.C.

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