

Republic of Philippines  
**DEPARTMENT OF EDUCATION**

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



**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-~~609~~

**CONTRACT AGREEMENT**

*22 JUN 2021*  
 THIS AGREEMENT made and entered into this 22 day of JUN 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 Department Order No. 8, s. 2021 (hereinafter referred to as "DEPED"); and JC PALABAY ENTERPRISES, INC. represented herein by its President, JESCIE L. PALABAY, with office address at 119 Gen. Ordoñez St., Marikina Heights, Marikina City, Metro Manila, Philippines (hereinafter referred to as "JC PALABAY ENTERPRISES, INC.").

DEPED and JC PALABAY ENTERPRISES, INC. 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 JC PALABAY ENTERPRISES, INC. as having the lowest calculated bid for Line Item No. 44; after evaluation, DEPED post-qualified and declared the bid of JC PALABAY ENTERPRISES, INC. as the lowest calculated responsive bid for Line Item No. 44 in the sum of PHILIPPINE PESOS FORTY-FIVE MILLION, TWO-HUNDRED TWENTY-SEVEN THOUSAND, EIGHT HUNDRED ELEVEN and 60/100 (Php 45,227,811.60) ONLY, (hereinafter called the "Contract Price") detailed as follows:

Line Item No.	Item Description	Quantity	Amount (Php)
44	Music Q4 Grade 6	637,730	45,227,811.60

**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.

DANIE P. BONTAR... JC PALABAY ENTERPRISES, INC.'s WITNESS  
 JESCIE L. PALABAY... JC PALABAY ENTERPRISES, INC.  
 ATTY. ARIZ DELSON ACAY CAWILAN... DEPED's Witness  
 DIOSDADO M. SAN ANTONIO... DEPED

  
DANTE BONIFACIO  
JC PALABAY ENTERPRISES, INC.'s WITNESS

  
J.C. PALABAY  
JC PALABAY ENTERPRISES, INC.

ATTY. ARIZ DELSON 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. **J.C. PALABAY ENTERPRISES, INC.'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 **JC PALABAY ENTERPRISES, INC.'s** conforme thereto; and
  - v. Other contract documents required by existing laws and/or **DEPED** in the PBD. **JC PALABAY ENTERPRISES, INC.** 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. **JC PALABAY ENTERPRISES, INC.** 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 **JC PALABAY ENTERPRISES, INC.** is in default of any of its obligation under this contract. **JC PALABAY ENTERPRISES, INC.** 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:

  
**DANJE BASBAS**  
 JC PALABAY ENTERPRISES, INC.'s WITNESS

  
**JESSE L. PALABAY**  
 JC PALABAY ENTERPRISES, INC.

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

  
**DIOSDADO M. SAN ANTONIO**  
 DEPED

Description	Specifications
<b>Module Size</b>	<ul style="list-style-type: none"> <li>8.25" x 10.75"</li> </ul>
<b>Paper Requirements</b>	<ul style="list-style-type: none"> <li>Cover- Foldcote cal. <u>10 or better</u> Solid white</li> <li>Inside Pages-Uncoated textpaper, <u>60 gsm or better</u>, Brightness: <u>80%</u>, Opacity: <u>90%</u></li> </ul>
<b>Colors</b>	<ul style="list-style-type: none"> <li>Cover - <u>4 / 1 with Overprint Varnish or better</u></li> <li>Inside Pages - <u>1 Color</u></li> </ul>
<b>Binding</b>	<ul style="list-style-type: none"> <li><i>Saddle Stitched or better</i></li> </ul>
<b>Packaging</b>	<ul style="list-style-type: none"> <li>Type of Material-<u>Polyethylene Plastics</u></li> <li>Size- <u>30" x 33"</u></li> <li>Thickness/Gauge - <u>.002"</u></li> <li>Capacity - <u>80 to 100 copies per Polyethylene</u></li> <li>Plastic Strap - <u>Plastic Twine or better</u></li> <li>Packaging Tape - Size: <u>50.8mm or 2" or better</u> Color: <u>Transparent or brown</u></li> <li>Proposed Packaging Details               <ol style="list-style-type: none"> <li>The SLMs together with the label containing the delivery details shall be compactly arranged and compressed inside the Polyethylene Plastic.</li> <li>Delivery details shall be printed in clean white paper.</li> <li>For loose sets, SLMs shall be wrapped in plastic or brown kraft paper. Package must be secured by packaging tape or better.</li> </ol> </li> </ul> <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 **JC PALABAY ENTERPRISES, INC.** in accordance with the warranty provisions in the bidding documents. **DEPED** shall have the option to inspect **JC PALABAY ENTERPRISES, INC.'s** premises covered by the Contract, at any time or stage of contract

  
DANTE BENITEZ  
JC PALABAY ENTERPRISES, INC.'s WITNESS

  
JESCIEL PALABAY  
JC PALABAY ENTERPRISES, INC.

  
ATTY. ARIZ DELSON ACAY CAWILAN  
DEPED's Witness

  
DIOSDADO M. SAN ANTONIO  
DEPED

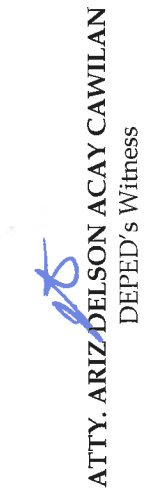
implementation, to monitor and assess **JC PALABAY ENTERPRISES, INC.'s** capacity to discharge its contractual obligations.

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. **JC PALABAY ENTERPRISES, INC.** 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 **JC PALABAY ENTERPRISES, INC.** encounters condition(s) impeding timely delivery of the goods, **JC PALABAY ENTERPRISES, INC.** 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 **JC PALABAY ENTERPRISES, INC.** 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. **JC PALABAY ENTERPRISES, INC.** 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 **JC PALABAY ENTERPRISES, INC.**, 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.



  
DANJE BONIFACIO  
JC PALABAY ENTERPRISES, INC.'s WITNESS

  
JESIEL PALABAY  
JC PALABAY ENTERPRISES, INC.

  
ATTY. ARIZ DELSON ACAY CAWILAN  
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 **JC PALABAY ENTERPRISES, INC.** 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 **JC PALABAY ENTERPRISES, INC.** 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. **JC PALABAY ENTERPRISES, INC.** 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 **JC PALABAY ENTERPRISES, INC.**, or collect from any of the securities or warranties posted by **JC PALABAY ENTERPRISES, INC.**, 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 **JC PALABAY ENTERPRISES, INC.** of any liability or obligation under this Contract. **JC PALABAY ENTERPRISES, INC.** shall be responsible for the acts, default or negligence of any subcontractor and its agents, servants or

workmen as fully as if these were **JC PALABAY ENTERPRISES, INC.'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


  
**JESCIEL L. PALABAY**  
JC PALABAY ENTERPRISES, INC.

*SIGNED IN THE PRESENCE OF:*

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

  
**DANDÉ BONIFACIO**  
JC PALABAY ENTERPRISES,  
INC.'s Witness

CERTIFIED FUNDS AVAILABLE: ₱45,227,811.60

  
**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 22 JUN 2021 day of 2021 personally appeared:

**NAME**

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

**DIOSDADO M. SAN ANTONIO**  
Department of Education

**JESCIE L. PALABAY**  
JC PALABAY ENTERPRISES, INC.

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. 464.  
Page No. 83.  
Book No. XLIII  
Series of 2021.

**ATTY. RUBEN M. AZAÑES, JR.**  
**NOTARY PUBLIC**  
**UNTIL DECEMBER 31, 2021**  
**PTR NO. 0604900 QUEZON CITY**  
**IBP NO. 132791-Quezon City CHAPTER**  
**Roll of Attorney's No.46427**  
**Admin Matter No.004**  
**MCLE-VI-0030360-2-19-2020**  
**TIN:140-394-386-000**  
**UNIT 2 UGF-2 Opulent Bldg.,EDSA,Q.C.**

  
DANTE BAWIT  
JC PALABAY ENTERPRISES, INC.'s WITNESS

  
JESCIE L. PALABAY  
JC PALABAY ENTERPRISES, INC.

  
ATTY. ARIZ DELSON ACAY CAWILAN  
DEPED's Witness

  
DIOSDADO M. SAN ANTONIO  
DEPED