



**PROJECT:** Mass Production and Supply of Science and Mathematics Equipment Packages to Public Elementary for Grades 1 to 3 & Grades 4 to 6, Public Junior High School for Grades 7 to 10 and Public Senior High School for Grades 11 to 12 (Core and Stem)

**CONTRACT NO.:** 2021-BLR4(001to006)-BV-CB-009-426

**CONTRACT AGREEMENT**

*THIS AGREEMENT* made and entered into this      day of AUG 26 2021 2021 by and between DEPARTMENT OF EDUCATION, located at DepEd Complex, Meralco Avenue, Pasig City, Philippines, represented herein by its Secretary, LEONOR MAGTOLIS BRIONES, as per Department Order No. 023, s. 2021 (hereinafter referred to as "DEPED"); and NIKKA TRADING represented herein by its Authorized Representative, JONATHAN R. ZULUETA, with office address at Unit 1014 Cityland Herrera Tower, V.A. Rufino St. corner Valero St., Salcedo Village, Makati City, Metro Manila, Philippines (hereinafter referred to as "NIKKA TRADING").

DEPED and NIKKA TRADING are collectively called "PARTIES."

WHEREAS, DEPED invited bids for the mass production and supply of Science and Mathematics Equipment Packages consisting of sixteen (16) Lots and received bids from eight (8) bidders; DEPED opened, read, and evaluated the bids of the eight (8) bidders and declared NIKKA TRADING as having the single calculated bid for Lot No. 2; after evaluation, DEPED post-qualified and declared the bid of NIKKA TRADING as the single calculated responsive bid for Lot No. 2 in the sum of PHILIPPINE PESOS NINETY-THREE MILLION, TWO HUNDRED SEVENTY-ONE THOUSAND, EIGHT HUNDRED ONE and 64/100 (PhP 93,271,801.64) ONLY, (hereinafter called the "Contract Price") detailed as follows:

Lot No.	Description	Amount (PhP)
2	DEVELOPED SCIENCE AND MATHEMATICS EQUIPMENT (MP-LOT 2)	93,271,801.64

**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.

NIKKA TRADING's Witness

JONATHAN R. ZULUETA  
 NIKKA TRADING

ARIZ DELSON ACAY D. CAWLAN  
 DEPED's Witness

LEONOR MAGTOLIS BRIONES  
 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 Specifications;
  - c. General and Special Conditions of the Contract;
  - d. Bid Bulletin No. 1 dated June 1, 2021;
  - e. Bid Bulletin No. 2 dated June 4, 2021;
  - f. Bid Bulletin No. 3 dated June 9, 2021; and
  - g. Bid Bulletin No. 4 dated June 15, 2021.
- ii. NIKKA TRADING'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 NIKKA TRADING's conforme thereto; and
- v. Other contract documents required by existing laws and/or DepEd in the PBD. NIKKA TRADING 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 goods supplied by NIKKA TRADING under this Contract shall be picked-up or hauled by the third-party logistics provider designated by DEPED. Risk and title to the goods shall pass from NIKKA TRADING to DEPED upon receipt and final acceptance at NIKKA TRADING's warehouse. However, assembly, installation, start-up and/or commissioning of items, in cases where they are necessary, shall remain to be the responsibility and for the account of NIKKA TRADING notwithstanding inspection and acceptance at its warehouse or premises.

4. The goods shall be ready for pick-up or hauling by the third party logistics within **one hundred fifty-four (154) calendar days** from receipt of NIKKA TRADING of the Notice to Proceed.

5. NIKKA TRADING 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 NIKKA TRADING is in default of any of its obligation under this contract. NIKKA TRADING shall be responsible for the extension of its performance security and/or undertake to renew its

NIKKA TRADING's Witness

JONATHAN R. ZULUETA  
NIKKA TRADING

DEPED's Witness

ARIZ DELSON XCAV D. CAWILAN

Department of Education

LEONOR MAGTOLIS BRIONES

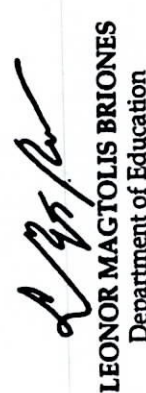
performance security whenever necessary, and without need of prior notice or instruction from the **DEPED**, to ensure that it is in force and effect for the whole duration of the contract and until a Certificate of Final Acceptance is duly issued.

6. The goods supplied under this Contract should conform to and comply with the standards mentioned in Section VI. Schedule of Requirements of the Bidding Documents, as amended by Bid Bulletin Nos. 1, 2, 3 and 4 dated June 1, 2021, June 4, 2021, June 9, 2021 and June 15, 2021 respectively, and must be in accordance with the technical specifications, a copy of which is hereto attached as Annex "A" and made an integral part hereof. 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.
7. Goods with defects or non-compliant with the required specifications during pre-delivery inspection shall be replaced immediately by **NIKKA TRADING**, and replacement items shall be subjected to re-inspection. Goods with defects or non-compliant with the required specifications upon delivery shall be rejected by **DEPED** and replaced by **NIKKA TRADING** in accordance with the warranty provisions in the bidding documents. **DEPED** shall have the option to inspect **NIKKA TRADING's** premises covered by the Contract, at any time or stage of contract implementation, to monitor and assess **NIKKA TRADING's** capacity to discharge its contractual obligations.
8. The procured goods or items contemplated under this Contract shall be inspected by **DEPED** Inspectorate Team prior to pick-up or hauling from **NIKKA TRADING's** warehouse 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.
9. In case **NIKKA TRADING** encounters condition(s) impeding timely delivery of the goods, **NIKKA TRADING** shall promptly notify **DEPED** Procurement Management Service-Contract Management Division (ProcMS-CMD) 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 **NIKKA TRADING** 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

  
NIKKA TRADING's Witness

  
JONATHAN R. ZULJETA  
NIKKA TRADING

  
ARIZ DELSON ACAY D. CAWILAN  
DEPED's Witness

  
LEONOR MAGTOLIS BRIONES  
Department of Education

valid until the goods are delivered, and accompanied by a claim for advance payment.

10.2. **NIKKA TRADING** 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 **NIKKA TRADING**, 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.

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 **NIKKA TRADING** 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 shall be paid to **NIKKA TRADING** 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 three percent (3%) of every progress payment or a Special Bank Guarantee in the amount equal to three percent (3%) of the Contract Price required under Section 62 of R.A. 9184 and its revised IRR.

11.1. The warranty period of one year shall reckon from the date of issuance of Certificate of Final Acceptance by **DEPED**.

12. **NIKKA TRADING** 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 **NIKKA TRADING**, or collect from any of the securities or warranties posted by

  
NIKKA TRADING's Witness

  
JONATHAN R. ZULUETA  
NIKKA TRADING

  
ARIZ DELSON ACAY D. CAWILAN  
DEPED's Witness


  
LEONOR MAGTOLIS BRIONES  
Department of Education


NIKKA TRADING, 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. 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:

  
**LEONOR MAGTOLIS BRIONES**  
Secretary  
Department of Education

  
**JONATHAN R. ZULUETA**  
Authorized Representative  
Nikka Trading

SIGNED IN THE PRESENCE OF:

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

  
NIKKA TRADING's Witness

CERTIFIED FUNDS AVAILABLE: ₱93,271,801.64

  
**MA. RHUNNAL. CATALAN**  
Chief Accountant  
Chief Accountant

8-26-2021  
**ORIGINAL SIGNED**  
**CERTIFIED DUPLICATE COPY**  
CMDCDC-2021C126-010

  
NIKKA TRADING's Witness

  
JONATHAN R. ZULUETA  
NIKKA TRADING

  
ARIZ DELSON ACAY D. CAWILAN  
DEPED's Witness

  
LEONOR MAGTOLIS BRIONES  
Department of Education

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

**ACKNOWLEDGMENT**

BEFORE ME, a Notary Public in and for MAKATI CITY, Philippines,  
this \_\_\_ day of AUG 26 2021 2021 personally appeared:

**NAME**

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

**LEONOR MAGTOLIS BRIONES**  
Department of Education

**JONATHAN R. ZULUETA**  
Nikka Trading

*Phil. Passport No. PG219471A  
Issued on 2/28/2018; DFA*

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.

**ATTY. OSIAS M. MERIOLES, JR.**  
NOTARY PUBLIC

UNTIL DECEMBER 31, 2021

No. 33 J. P. Rizal Ext., Comembo, Makati City, Philippines

PTR NO. 0025587 / 01/04/2021 / MAKATI CITY

IBP NO. 137120 / 12/29/2020

ROLL NO. 52598 / APPT. NO. M-134

Tel. No. (02) 8882-7282

Doc. No. 745;  
Page No. 70;  
Book No. 96;  
Series of 2021.

*Ariz Delsa Acay B. Camilan*  
NIKKA TRADING's Witness  
  
*Ariz Delsa Acay B. Camilan*  
DEPED's Witness  
  
*Leonor Magtolis Briones*  
Department of Education

6-26-2021 6  
**ORIGINAL SIGNED**  
**CERTIFIED DUPLICATE COPY**  
CMDCDC-2021C126-010

**Annex "A"**

**Lot No. 2. DEVELOPED SCIENCE AND MATHEMATICS EQUIPMENT**

Item No.	Description	Technical Specifications
1	BLR-developed Blackboard Compass  Quantity: 6,028	<p><b>Functional Specifications:</b> used to aid teacher in constructing/ drawing circles on board</p> <p><b>Performance Specifications:</b> should be able to draw visible/ large circles on board</p> <p><b>Design Specifications:</b> please see technical drawing</p>
2	BLR-developed Blackboard Protractor  Quantity: 6,028	<p><b>Functional Specifications:</b> used to aid teacher in constructing/ drawing angles, arcs, and circles on board</p> <p><b>Performance Specifications:</b> should be able to draw visible/ large angles, arcs, and circles on board</p> <p><b>Design Specifications:</b> please see technical drawing</p>
3	BLR-developed Convection Tank (Thermocline Apparatus)  Quantity: 11,395	<p><b>Functional Specifications:</b> used to demonstrate liquid convection</p> <p><b>Performance Specifications:</b> should be able to demonstrate liquid convection</p> <p><b>Design Specifications:</b> please see technical drawing</p>
4	BLR-developed Heat Conductivity Apparatus  Quantity: 21,145	<p><b>Functional Specifications:</b> Used to demonstrate the different thermal (heat) conductivities of five (5) different metals</p> <p><b>Performance Specifications:</b> must be able to demonstrate the different thermal (heat) conductivities of five (5) different metals, with copper as the first metal, followed by aluminum, brass, mild steel and stainless steel.</p> <p><b>Design Specifications:</b> please see technical drawing</p>
5	BLR-developed Light Source (Single Slit)  Quantity:14,940	<p><b>Design Specifications:</b> please see technical drawing</p>
6	BLR-developed	<p><b>Functional Specifications:</b> used to demonstrate</p>

	Set of Coils (Transformer) Quantity: 11,730	transformer principle  <b>Performance Specifications:</b> should be able to demonstrate transformer principle  <b>Design Specifications:</b> please see technical drawing
7	BLR-developed Variable Power Supply with 5 pcs. Terminal Board Quantity: 11,730	<b>Functional Specifications:</b> used to provide variable AC and DC voltages for student group work  <b>Performance Specifications:</b> should be able to provide variable AC and DC voltages for student group work  <b>Design Specifications:</b> please see technical drawing
8	BLR-developed Fresh Water Aquarium with Stand Quantity: 1,883	<b>Functional Specifications:</b> Used to keep aquatic plants and animals  <b>Performance Specifications:</b> Must be able to demonstrate interaction among plants and animals in a marine-like environment.  <b>Design Specifications:</b> please see technical drawing
9	BLR-developed: Fraction Set Quantity: 18,745	<b>Functional Specifications:</b> used to demonstrate part-to-whole concept using shapes  <b>Performance Specifications:</b> must be able to demonstrate fraction as a concept using whole and fractional part of a circle and square  <b>Design Specifications:</b> please see technical drawing
10	BLR-developed: Linear Pair/ Angle Demonstrator Quantity: 20,810	<b>Functional Specifications:</b> used to demonstrate kinds of angles and some angle relationship  <b>Performance Specifications:</b> must be able to demonstrate acute, obtuse, and right angle and deduct the said angles' definitions  <b>Design Specifications:</b> please see technical drawing
11	BLR-developed: Manipulative Electricity Consumption Meter Model,	<b>Functional Specifications:</b> used to demonstrate electricity consumption  <b>Performance Specifications:</b> must be able to demonstrate electricity consumption in meter reading



	blackboard Quantity: 1,883	<b>Design Specifications:</b> please see technical drawing
12	BLR-developed: Manipulative Water Consumption Meter Model, blackboard  Quantity: 1,883	<b>Functional Specifications:</b> used to demonstrate water consumption  <b>Performance Specifications:</b> must be able to demonstrate water consumption in meter reading  <b>Design Specifications:</b> please see technical drawing
13	BLR-developed: Models of 7-sided to 12-sided Regular Polygons  Quantity: 18,830	<b>Functional Specifications:</b> used to demonstrate regular polygons  <b>Performance Specifications:</b> must be able to demonstrate 7-sided to 12-sided regular polygon  <b>Design Specifications:</b> please see technical drawing
14	BLR-developed: Number Blocks  Quantity: 9,330	<b>Functional Specifications:</b> used in number recognition and fundamental operation  <b>Performance Specifications:</b> must be sturdy when thrown and show specific number and/or operation; be able to perform like dice  <b>Design Specifications:</b> please see technical drawing
15	BLR-developed: Place Value Chart with decimal pockets  Quantity: 1,883	<b>Functional Specifications:</b> used to visualize whole and decimal numbers' place value  <b>Performance Specifications:</b> must be able to hold number cards and some base ten blocks  <b>Design Specifications:</b> please see technical drawing