



[Signature]
 NIKKA TRADING's Witness

PROJECT: Mass Production, Supply, Distribution, Configuration, Testing, Commissioning, Training, and Maintenance of TVL Tools and Equipment Packages to Public Senior High Schools (Cabinets, Various Tools and Equipment)

CONTRACT NO.: 2021-BLR4(007to008)-BV-CB-010-U15

CONTRACT AGREEMENT

THIS AGREEMENT made and entered into this 25 day of August 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. cor. Valera 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, supply, distribution, configuration, testing, commissioning, training and maintenance of TVL Tools and Equipment Packages consisting of nine (9) Lots and received bids from five (5) bidders; DEPED opened, read, and evaluated the bids of the five (5) bidders and declared **NIKKA TRADING** as having the lowest calculated bid for Lot No. 1; after evaluation, DEPED post-qualified and declared the bid of **NIKKA TRADING** as the lowest calculated responsive bid for Lot No. 1 in the sum of **PHILIPPINE PESOS TWENTY-THREE MILLION, FOUR HUNDRED EIGHTY-SIX THOUSAND, THREE HUNDRED FOUR and 25/100 (PhP 23,486,304.25) ONLY**, (hereinafter called the "Contract Price") detailed as follows:

Lot No.	Description	Items	Quantity	Amount (PhP)
1	Agricultural Machines (MI-LOT 1)	Chainsaw, Portable	175	23,486,304.25
		Cutter, Grass	555	
		Mower, Lawn	20	
		Sprayer, Power	345	
		Tractor, Hand, with implements	325	

[Signature]
ARIZ DELSON ACAY D. CAWILAN,
 JONATHAN R. ZULUETA
 NIKKA TRADING
 DEPED's Witness

[Signature]
LEONOR MAGTOLIS BRIONES
 Department of Education

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.
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 2, 2021; and
 - e. Bid Bulletin No. 2 dated June 8, 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 the period as may be prescribed in 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


NIKKA TRADING's Witness



ARIZ DELSON ACAY D. CAWILAN
NIKKA TRADING


LEONOR MAGTOLIS BRIONES
Department of Education

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.


NIKKA TRADING's Witness

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 No. 1 dated June 2, 2021 and Bid Bulletin No. 2 dated June 8, 2021, and must be in accordance with the final 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.


JONATHAN R. ZULUETA
NIKKA TRADING

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.


ARIZ DELSON
DEPED's Witness

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.


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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

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 as shown in the table below shall reckon from the date of issuance of Certificate of Final Acceptance by **DEPED**.

Chainsaw, Portable	One year (parts and service)
Cutter, Gas	
Sprayer, Power	
Mower, Lawn	One year (parts and service); succeeding two years (service)
Tractor, Hand, with Implements	


NIKKA TRADING's Witness


JONATHAN R. ZULUETA
NIKKA TRADING


ARIZ DELSON
ACAY D. CAWILAN
DEPED's Witness


LEONOR MAGTOLIS BRIONES
Department of Education

[Signature]
NIKKA TRADING's Witness

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**, 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.

[Signature]
JONATHAN R. ZULUETA
NIKKA TRADING

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

SIGNED, SEALED AND DELIVERED BY:

[Signature]
LEONOR MAGTOLIS BRIONES
Secretary
Department of Education

[Signature]
JONATHAN R. ZULUETA
Authorized Representative
Nikka Trading

SIGNED IN THE PRESENCE OF:

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

[Signature]
NIKKA TRADING's Witness

[Signature]
LEONOR MAGTOLIS BRIONES
Department of Education

CERTIFIED FUNDS AVAILABLE: ₱ 23,486,304.25

[Signature]
MA. KHUNNA L. CATALAN
Chief Accountant

[Signature]
NIKKA TRADING's Witness

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 25 2021 2021 personally appeared:

NAME

GOVERNMENT ISSUED ID

(Number, Issued On, Issued By)

LEONOR MAGTOLIS BRIONES
Department of Education

JONATHAN R. ZULUETA
Nikka Trading

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. 32 ;
Page No. 8 ;
Book No. 6 ;
Series of 2021.



NOTARY PUBLIC SHERLUCK JUN C. VILLEGAS

[Signature]
Notary Public for Makati City
Appt. No. M-260 until Dec. 31, 2022
Unit 3C LTA Building, 118 Perea St.
Legaspi Village, Makati City
Roll No. 70942
IBP No. 159267 / 06-03-2021 / Pasig City
PTR No. 8533523 / 01-04-2021 / Makati City
MCLE Compliance No. VI-0028223/August 13, 2019

[Signature]
JONATHAN R. ZULUETA
NIKKA TRADING

[Signature]
ARIZ DELSON A CAY D. CAWILAN
DEPED's Witness

[Signature]
LEONOR MAGTOLIS BRIONES
Department of Education

Annex "A"

Lot 1. Agricultural Machines

Item No.	Description	Technical Specifications
1	Chainsaw, Portable	<p>Functional Specifications: Must be able to cut limb, buck, and prune trees, branches, or wood</p> <p>Performance Specifications: Cut trees or wood with cutting capacity as specified in the Design Specifications</p> <p>Design Specifications:</p> <ol style="list-style-type: none"> 1. Engine Power: 1 KW (minimum) 2. Engine Type: Gasoline, air-cooled, single cylinder, two-stroke; 3. Displacement at least 52cc 4. Rated speed: 3000 5. Guide Bar size: 16 inches 6. Toolkit includes sparkplug wrench, flat screw driver, file and allen wrench; 7. With User's Manual in English which includes: <ol style="list-style-type: none"> a. Diagram of the parts with their names. b. Assembly instructions, c. Operating procedures on how to use the equipment d. Safety pre-cautions when using the equipment. e. Basic troubleshooting and maintenance procedures.
2	Cutter, Grass	<p>Functional Specifications: Must be able to cut grass for preparing a new garden space</p> <p>Performance Specifications: Removes or cut grass with at least 1 kilowatt engine capacity</p> <p>Design Specifications:</p> <ol style="list-style-type: none"> 1. Engine type: Gasoline, air-cooled, two-stroke, single cylinder gasoline; 2. Engine power: 1kw (minimum); 3. Displacement: at least 40.2cc; 4. Idling speed: 2800rpm (min); 5. Fuel Tank Capacity: 850ml (minimum) 6. Rated speed: 3000rpm 7. With User's Manual in English which includes: <ol style="list-style-type: none"> a. Diagram of the parts with their names. b. Assembly instruction c. Operating procedures on how to use the equipment d. Basic troubleshooting and maintenance procedures.

3	Mower, Lawn	<p>Functional Specifications: Used for severing and reducing the height of the plants, grass, etc.</p> <p>Performance Specifications: Must able to shave and reduce the height of the plants, grass, etc. as specified in the Design Specifications</p> <p>Design Specifications:</p> <ol style="list-style-type: none"> 1. Type: Lawn Mower; 2. Deck Material: Steel; 3. Dimensions: <ol style="list-style-type: none"> a. Cutting width: 46cm x cutting height: 30 to 80 mm b. Front Wheel diameter: 8 inches (minimum), rear wheel diameter: 11 inches (minimum); 4. Power source (minimum): 4 HP, 4-Stroke, single cylinder, air-cooled gasoline engine; 5. Power rating (minimum): 139cc, Electric start/pull start; 6. Capacity (minimum); <ol style="list-style-type: none"> a. Grass bag collection capacity: 70 liters b. Fuel capacity: 1.3 Liter, c. Oil tank capacity: 0.5L; 7. Safety features: Self-propelled, adjustable soft grip handle; 8. With User's Manual in English which includes: <ol style="list-style-type: none"> a. A diagram of the parts with their names, b. Assembly instruction c. Operating procedures on how to use the equipment. d. Safety pre-cautions when using the equipment e. Basic troubleshooting and maintenance procedures
4	Sprayer, Power	<p>Functional Specifications: Must be able to spray a liquid for projection of water, weed killer, crop performance materials and pest maintenance chemicals</p> <p>Performance Specifications: Sprays with operating spraying pressure at least 20 bar</p> <p>Design Specifications:</p> <ol style="list-style-type: none"> 1. Type: Portable Power sprayer; 2. Engine Type: 4 - stroke, gasoline engine; 3. Power rating: 1.0 HP (minimum); 4. Operating Pressure: 20 bar (minimum); 5. Tank Capacity: 20 liters (minimum); 6. Includes accessories (but not limited to); <ol style="list-style-type: none"> a. Spray lance,

		<ul style="list-style-type: none"> b. Hose c. Connectors <ul style="list-style-type: none"> 7. With pressure control function to adjust the pressure; 8. With User's Guide in English that contains: <ul style="list-style-type: none"> a. Diagram of the parts with their names, b. Operating procedure on how to use the equipment, c. Safety pre-caution when using the equipment d. Basic troubleshooting and maintenance 9. Should have Manufacturer name of Trademark and electrical ratings (in English) permanently marked on the item.
5	Tractor, Hand, with implements	<p>Functional Specifications: Used to run or deliver a high torque at slow speeds for the purposes of hauling agricultural implements (single furrow plough, disc plough and rototiller) towed behind or mounted on equipment with source of power</p> <p>Performance Specifications: Must be able to perform with implements mentioned on the Design Specifications</p> <p>Design Specifications:</p> <ul style="list-style-type: none"> 1. Power: 10 hp (min.), Two-wheeled tractor type; 2. Drive: 2WD; 3. Average travelling speed (forward) 2km/hr; 4. Type of Engine: Diesel; 5. With linkage to Main farm implements; 6. With User's Manual in English which includes: <ul style="list-style-type: none"> a. Diagram of the parts with their names; b. Assembly instructions c. Operating procedures d. Safety pre-cautions when using the equipment e. Basic troubleshooting and maintenance procedures; 7. Includes the following Main farm implements: <ul style="list-style-type: none"> a. Single-furrow plough - Material: High Carbon steel, b. Disc Plough - Material: High Carbon steel, c. Rototiller - Material: High Carbon steel, 8. With spare tire for transport purposes; 9. With wheel cage at least 18 inches; 10. Packed with shipping protective wooden box, 11. Includes training on basic operation for three (3) personnel from recipient school; 12. DELIXI