



PHILIPPINE RUN HUI's Witness

Shane Gonzalo

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- C117

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 **PHILIPPINE RUN HUI TRADING CORPORATION** represented herein by its Authorized Representative, **RICHARD CO GONZALO**, with office address at 17 Lincoln St., Del Monte, Quezon City, Metro Manila, Philippines (hereinafter referred to as "PHILIPPINE RUN HUI").

RICHARD CO GONZALO
 PHILIPPINE RUN HUI

DEPED and **PHILIPPINE RUN HUI** 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 **PHILIPPINE RUN HUI** as having the lowest calculated bid for Lot No. 3; after evaluation, **DEPED** post-qualified and declared the bid of **PHILIPPINE RUN HUI** as the lowest calculated responsive bid for Lot No. 3 in the sum of **PHILIPPINE PESOS SIXTY-THREE MILLION, ONE HUNDRED SEVENTY-SEVEN THOUSAND, SIX HUNDRED SEVENTEEN and 00/100 (PhP 63,177,617.00) ONLY**, (hereinafter called the "Contract Price") detailed as follows:

ARIZ DELSON ACAY D. CAWILAN
 DEPED's Witness

LEONOR MAGTOLIS BRIONES
 Department of Education

Lot No.	Description	Items	Quantity	Amount (PhP)
3	Cookery Equipment (MI-LOT 3)	Combination Broiler and Griddle	46	63,177,617.00
		Gas Range with Oven, 4 Burners	2,776	
		Griller, Salamander	46	
		Meat Chopper Machine	46	
		Stock Pan Burner	304	

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. **PHILIPPINE RUN HUI'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 **PHILIPPINE RUN HUI's** conforme thereto; and
 - v. Other contract documents required by existing laws and/or DepEd in the PBD. **PHILIPPINE RUN HUI** 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 **PHILIPPINE RUN HUI** 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 **PHILIPPINE RUN HUI** to **DEPED** upon receipt and final acceptance at **PHILIPPINE RUN HUI'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 **PHILIPPINE RUN HUI** 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. **PHILIPPINE RUN HUI** 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 **PHILIPPINE RUN HUI** is in default of any of its obligation under this contract. **PHILIPPINE RUN HUI**



Shanie Gonzalo
PHILIPPINE RUN HUI's Witness



RICHARD CO GONZALO
PHILIPPINE RUN HUI


ARIZ DESON ACAY D. CAWILAN
DEPED's Witness


LEONOR MAGTOLIS BRIONES
Department of Education


Share Gonzalo
PHILIPPINE RUN HUI's Witness


ARIZ DELOS REYES D. CAHALAN
RICHARD CO GONZALO
PHILIPPINE RUN HUI
DEPED's Witness


LEONOR MAGTOLIS BRIONES
Department of Education

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.

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.
7. Goods with defects or non-compliant with the required specifications during pre-delivery inspection shall be replaced immediately by **PHILIPPINE RUN HUI**, 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 **PHILIPPINE RUN HUI** in accordance with the warranty provisions in the bidding documents. **DEPED** shall have the option to inspect **PHILIPPINE RUN HUI's** premises covered by the Contract, at any time or stage of contract implementation, to monitor and assess **PHILIPPINE RUN HUI'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 **PHILIPPINE RUN HUI'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 **PHILIPPINE RUN HUI** encounters condition(s) impeding timely delivery of the goods, **PHILIPPINE RUN HUI** 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 **PHILIPPINE RUN HUI** 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


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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. **PHILIPPINE RUN HUI** 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 **PHILIPPINE RUN HUI**, 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 **PHILIPPINE RUN HUI** 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 **PHILIPPINE RUN HUI** 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 periods as shown in the table below shall reckon from the date of issuance of Certificate of Final Acceptance by **DEPED**.

Combination Broiler and Griddle	One year (parts and service)
Griller, Salamander	
Gas Range with Oven, 4 Burners	One year (parts and service); succeeding two years (service)
Meat Chopper Machine	
Stock Pan Burner	


PHILIPPINE RUN HUI's Witness


RICHARD CO GONZALO
PHILIPPINE RUN HUI



ARIZ DELSON ACAY D. CAWILAN
DEPED's Witness


LEONOR MAGTOLIS BRIONES
Department of Education

12. **PHILIPPINE RUN HUI** 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 **PHILIPPINE RUN HUI**, or collect from any of the securities or warranties posted by **PHILIPPINE RUN HUI**, 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


RICHARD CO GONZALO
Authorized Representative
Philippine Run Hui Trading Corporation

SIGNED IN THE PRESENCE OF:


ARIZ DELSON ACAY D. CAWILAN
DEPED's Witness


PHILIPPINE RUN HUI's Witness

CERTIFIED FUNDS AVAILABLE: ₱63,177,617.-

MA. RHUNNAL CATALAN
Chief Accountant

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

ACKNOWLEDGMENT

BEFORE ME, a Notary Public in and for CITY OF MANILA, 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

RICHARD CO GONZALO
Philippine Run Hui
Trading 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 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. 400
Page No. 81
Book No. 34
Series of 2021.

ATTY. HENRY E. ADASA
NOTARY PUBLIC CITY OF MANILA
UNTIL DECEMBER 31, 2021
NOTARIAL COMMISSION 2020-097 MLA
IBP NO. 141253 - 01/04/2021, PASIG
PTR NO. 9826148 - 01/05/2021 MLA
ROLL NO. 29879, TIN: 172-528-020
MCLC COMPL. NO. VII-0000265
URBAN DECA HOMES MANILA, B-2, UNIT 359

Shane Gonzalo
PHILIPPINE RUN HUI's Witness

Ariz Delson Acay D. Cawilan
RICHARD CO GONZALO
PHILIPPINE RUN HUI
DEPED's Witness

Leonor Magtolis Briones
LEONOR MAGTOLIS BRIONES
Department of Education

Lot 3. Cookery Equipment

Item No.	Description	Technical Specifications
1	Combination Boiler and Griddle	<p>Brand/Model: REICH Boiler and Griddle (Combination)</p> <p>Functional Specifications: Used to cook food using direct or reflected heat or to an overhead burner or surface maintained at high temperature</p> <p>Performance Specifications: Should be with rear gas connection, equipped with manual control, removable drip pan, full stainless steel body and heavy casting that can retain heat</p> <p>Design Specifications:</p> <ol style="list-style-type: none"> 1. Type: Tabletop Gas Combination of Broiler and Griddle; 2. Body Shape: Rectangular; 3. Body Material: Stainless Steel 304, 0.8mm (minimum); 4. Cooking surface material: Cast Iron; 5. Dimension: 600mm x 505mm x 360mm (minimum); 6. Cooking Area: 595mm x 410mm (minimum), 1/2 flat & 1/2 grooved cooking plate 7. Fuel: LPG; 8. Number of Burner: 2 (minimum); 9. Comes with Piezo Igniter; 10. Accessories: heavy duty LPG hose, LPG Regulator and Hose clamp; 11. Packed in carton box with bubble wrap; 12. With Instruction Manual in English that contains operation guide, maintenance/ troubleshooting procedure and list of parts
2	Gas Range with Oven, 4 Burners	<p>Brand Model: REICH Gas Range with Oven (4 burners)</p> <p>Functional Specifications: Must be used for cooking any kind of dishes, oven light and conventional cooking</p> <p>Performance Specifications: Should be auto ignition, automatic oven thermostat, full stainless steel with oven safety valve for comfortable cooking</p> <p>Design Specifications:</p> <ol style="list-style-type: none"> 1. Type: 4 Burner Gas Range with Oven;

		<ol style="list-style-type: none"> 2. Material: 304 Stainless Steel 0.8 mm thick with top glass lid; 3. Dimensions Depth= 54 cm x Width = 50 cm x Height = 82 cm (minimum); 4. Fuel Source: LPG; 5. Power Source and Rating for electronic controls: 220 VAC, 60 Hz with power cord 1.5 meters long with attached standard male plug type A or provide adapter plug 10A, 220V; 6. Oven Capacity: 54 liters (minimum); 7. Number of burners: 4; 8. With automatic electronic ignition; 9. With glass oven door; 10. No. of Oven burners (minimum): 1; 11. Temperature range: 0 to at least 250 degrees Centigrade; 12. Number of burners: 1 (minimum); 13. Includes timer and temperature control; 14. Fully-insulated oven (oven exterior should not get too hot to touch) and see-thru glass oven door; 15. Package includes: <ol style="list-style-type: none"> a. 1 unit gas range with oven; b. 1 set heavy-duty LPG hose with regulator and hose clamp; 16. Provided with instruction manual in English that contains: <ol style="list-style-type: none"> a. Operation guide, b. Maintenance guide, and c. Troubleshooting procedures.
3	Griller, Salamander	<p>Brand/Model: REICH Griller, Salamander</p> <p>Functional Specifications: Used for broiling, browning, caramelizing, glazing, grilling and toasting foods</p> <p>Performance Specifications: Should be handheld or like an oven, comes with a cooking grate and grease pan, can produce significant heat for quick cooking of foods</p> <p>Design Specifications:</p> <ol style="list-style-type: none"> 1. Type: Salamander Griller, Electric; 2. Material: Stainless Steel body; 3. Overall dimensions: Length: 500 mm x Width: 260 mm x Height: 280 mm (minimum);

		<ol style="list-style-type: none"> 4. Power Source: Voltage: 220 Volts, 50 Hz/ 60 Hz with royal cord 1.5 meter (minimum) long with attachment Standard Type A male plug or provide plug adapter 10A/220V 5. Power rating: 2,000 Watts (minimum); 6. Variable Temperature setting: 50°C to 250°C; 7. Capacity: 10 liters (minimum); 8. Grill can be adjusted to four (4) positions minimum; 9. No sharp edges and surfaces; plastic insulated handle; 10. Packaging: Carton box with foam; 11. Comes with an English manual that contains operation guide, safety guide, maintenance /troubleshooting procedure.
4	Meat Chopper Machine	<p>Brand/Model: REICH Meat Chopper Machine</p> <p>Functional Specifications: Used for meat chopping equipment design to produce small or very small lean meat and fat particles</p> <p>Performance Specifications: Must be able to meet the capacity and speed specified in the Design Specifications</p> <p>Design Specifications:</p> <ol style="list-style-type: none"> 1. Type: Electric food bowl cutting/chopping machine; 2. Body Material: Polished Aluminum Alloy; 3. Bowl and Blade Material: 304 Stainless Steel; 4. Bowl Capacity: 5 Liters (minimum); 5. Productivity Speed: 80 kg/h; 6. Dimensions: 525mm x 420mm x 410mm (minimum); 7. Power Source: 220 Volts 60 Hz. with power cord 1.5 meter (minimum) long with attachment of standard Type A male plug or provide plug adapter 10A/220V; 8. Power Rating: 370 Watts (minimum); 9. Packed and shipped with wooden box; 10. Rust-free with no rough surfaces; 11. Comes with an English manual that contains operation guide, safety guide, maintenance/ troubleshooting procedure and list of parts
5	Stock Pan Burner	<p>Brand/Model: REICH Stock Pan Burner</p> <p>Functional Specifications:</p>

		<p>Used for cooking pastas, soups and sauces</p> <p>Performance Specifications: Should be equipped with an adjustable valve, easy to remove drip pan and allows quick, efficient, and even cooking of food</p> <p>Design Specifications:</p> <ol style="list-style-type: none"> 1. Type: Stock Pan Burner; 2. Material: stainless steel body, cast iron burner; 3. Overall Dimension: W: 18 inches x D: 21 inches x H: 18 inches (minimum); 4. Power Source: LPG; 5. Three ring cast iron burner; 6. Fitting size: 3/4 inch NPT gas inlet; 7. With Drip pan easily remove for cleaning and adjustable legs; 8. Accessories: heavy duty LPG hose, LPG regulator and hose clamp; 9. Preferably with a packing case or wooden crate; 10. Comes with English user's manual that contains operation guide, maintenance and troubleshooting procedure
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