



[Signature]
 MERIT STAINLESS' 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- CMD

CONTRACT AGREEMENT

THIS AGREEMENT made and entered into this 26 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 **MERIT STAINLESS STEEL, INC.** represented herein by its Authorized Representative, **RHODA GRACE G. TULAYAO**, with office address at S. Dela Cuesta St., Taytay, Rizal, Philippines (hereinafter referred to as "**MERIT STAINLESS**").

DEPED and **MERIT STAINLESS** 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 **MERIT STAINLESS** as having the lowest calculated bid for Lot No. 7; after evaluation, **DEPED** post-qualified and declared the bid of **MERIT STAINLESS** as the lowest calculated responsive bid for Lot No. 7 in the sum of **PHILIPPINE PESOS EIGHT MILLION, TWENTY THOUSAND, THREE HUNDRED and 00/100 (PhP 8,020,300.00) ONLY**, (hereinafter called the "Contract Price") detailed as follows:

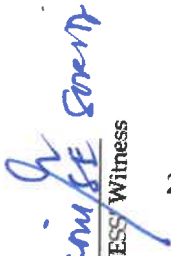
| Lot No. | Description | Items | Quantity | Amount (PhP) |
|---------|--|---------------------------------|----------|--------------|
| 7 | Sewing Machines and Accessories (MI-LOT 7) | 3 Thread Overlock | 100 | 8,020,300.00 |
| | | Bar Tack Machine | 7 | |
| | | Feed off the Arm | 7 | |
| | | Single Needle Lockstich Machine | 500 | |

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.

[Signature]
 ARIZ DELSON ACAY D. CAWILAN
 RHODA GRACE G. TULAYAO
 MERIT STAINLESS
 DEPED's Witness

[Signature]
 LEONOR MAGTOLIS BRIONES
 Department of Education


JESSICA MARIE SORIANO
MERIT STAINLESS Witness


RHODA GRACE G. TULAYAO
MERIT STAINLESS


ARIZ DELSON ACAY D. CAWILAN
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 2, 2021; and
 - e. Bid Bulletin No. 2 dated June 8, 2021.
 - ii. **MERIT STAINLESS'** 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 **MERIT STAINLESS'** conforme thereto; and
 - v. Other contract documents required by existing laws and/or DepEd in the PBD. **MERIT STAINLESS** 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 **MERIT STAINLESS** 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 **MERIT STAINLESS** to **DEPED** upon receipt and final acceptance at **MERIT STAINLESS'** 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 **MERIT STAINLESS** 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. **MERIT STAINLESS** 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 **MERIT STAINLESS** is in default of any of its obligation under this contract. **MERIT STAINLESS** 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.


MERIT STAINLESS' Witness


ARIZ DELSON ACAY D. CAWILAN
DEPED's Witness


LEONOR MAGTULIS BRIONES
Department of Education

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 **MERIT STAINLESS**, 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 **MERIT STAINLESS** in accordance with the warranty provisions in the bidding documents. **DEPED** shall have the option to inspect **MERIT STAINLESS'** premises covered by the Contract, at any time or stage of contract implementation, to monitor and assess **MERIT STAINLESS'** 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 **MERIT STAINLESS'** 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 **MERIT STAINLESS** encounters condition(s) impeding timely delivery of the goods, **MERIT STAINLESS** 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 **MERIT STAINLESS** 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.


JESSICA LOUISE GATO
MERIT STAINLESS Witness


RHODA GRACE G. TULAYAO
MERIT STAINLESS


ARIZ DELSON ACAY D. CAWILAN
DEPED's Witness


LEONOR MAGTOLIS BRIONES
Department of Education

10.2. **MERIT STAINLESS** 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 **MERIT STAINLESS**, 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 **MERIT STAINLESS** 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 **MERIT STAINLESS** 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 (parts and service) and succeeding two years (service) shall reckon from the date of issuance of Certificate of Final Acceptance by **DEPED**.

12. **MERIT STAINLESS** 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 **MERIT STAINLESS**, or collect from any of the securities or warranties posted by **MERIT STAINLESS**, whichever is convenient to **DEPED**. Once the cumulative amount of liquidated damages reaches ten percent (10%) of the

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MERIT STAINLESS' Witness

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:

[Signature]
LEONOR MAGTOLIS BRIONES
Secretary
Department of Education

[Signature]
RHODA GRACE G. TULAYAO
Authorized Representative
Merit Stainless Steel, Inc.

SIGNED IN THE PRESENCE OF:

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

[Signature]
MERIT STAINLESS' Witness

CERTIFIED FUNDS AVAILABLE: ₱8,020,000.-

[Signature]
MA. RHUNNAL L. CATALAN
Chief Accountant

[Signature]
LEONOR MAGTOLIS BRIONES
Department of Education

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

[Signature]
RHODA GRACE G. TULAYAO
MERIT STAINLESS

[Handwritten signature]

Jessica Lomas
MERIT STAINLESS' Witness

REPUBLIC OF THE PHILIPPINES)
_____, METRO MANILA) S.S
CITY OF MARIXINA

ACKNOWLEDGMENT

BEFORE ME, a Notary Public in and for **CITY OF MARIXINA**, Philippines,
this ____ day of **26 AUG 2021** personally appeared:

NAME

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

LEONOR MAGTOLIS BRIONES
Department of Education

RHODA GRACE G. TULAYAO
Merit Stainless Steel, 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 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. 170;
Page No. 37;
Book No. 432;
Series of 2021.

ATTY. JASON ROBERT C. JOSEF
Notary Public for Marikina City
Notarial Commission Appointment No. 12
Commission Expires on December 31, 2021
NOTARY PUBLIC
By virtue of Resolution dated June 22, 2021 in B.M. No. 3795
Attorney's Roll No. 41334
IBP Life Member Roll No. 014389 / 02-04-16 / Pasig City
MCLE No. VI-0020529 / 03-18-19 / Pasig City
PTR No. 8665554 / 01-04-21 / Marikina City
Tel. No. (027) 616-88-35/ (027) 956-5345 / Cell. No. 0917-8143100

[Handwritten signature]
ARIZ DELSON ACAY D. CAWILAN
RHODA GRACE G. TULAYAO
MERIT STAINLESS
DEPED's Witness

[Handwritten signature]
LEONOR MAGTOLIS BRIONES
Department of Education

Lot 7. Sewing Machines and Accessories

| Item No. | Description | Technical Specifications |
|----------|-------------------|--|
| 1 | 3 Thread Overlock | <p>Functional Specifications: These machines are used for edging, hemming, or seaming, additionally over locker sewing machines that come with built -in blades will also trim excess fabric along the edges to prevent fraying</p> <p>Performance Specifications: Must be able to sew any kinds of fabric and make an overlock stitch design, can cope up to its capacity</p> <p>Design Specifications:</p> <ol style="list-style-type: none"> 1. Type: Overlock Machine; 2. Body Shape: rectangular table with stand; 3. Material: metal and wood; 4. No. of threads: 3; 5. Stitch Length: 0 to 5 mm; 6. Stitch Formation: Overlockstitch; 7. Stitches per minute: 1,200 -1600; 8. Wattage: 300 To 400 Watts; 9. Needle Type: DC -27 Size 11 or equivalent; 10. With fully assembled sturdy table and a 220 -240 V AC, 60 HZ, single phase, clutch motor; 11. Table Size: L= 42 inches (+ & - 1 inch) X W= 20 inches (+ & - 1 inch), Height =30 inches (+ & - 1 inch); 12. Dual Pedal Stand; 13. Comes with carton box; 14. Comes with English manual that contains users guide, list of parts, maintenance guide, safety guide; 15. With service centers located in major cities in the Philippines; 16. Includes 25 Pcs. spare needles; 17. Ready to use |
| 2 | Bar Tack Machine | <p>Functional Specifications: Used where the garments in high pressure such as belt loop, pocket corner at the end of zipper and in that place where more strength is required to support extra load</p> <p>Performance Specifications:</p> |

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|---|------------------|--|
| | | <p>Must be able to sew any kinds of fabric with lockstitch design and cope up to its capacity</p> <p>Design Specifications:</p> <ol style="list-style-type: none"> 1. Type: Industrial Sewing Machine; 2. Body shape: rectangular table with stand; 3. Material: metal and wood; 4. Stitch formation: lockstitch; 5. Maximum sewing speed: 1,500 To 1,800 stitches per minute; 6. Maximum sewing hickness: 0 To 8 mm; 7. Flat bed treadle 4 legs, thread stand and bobbin winder, wooden table; 8. Power in watts: 300 to 400 watts; 9. Voltage: 220 volts AC, 60 HZ, single phase; 10. Table Size: L=42 inches (+&-1 inch), W=20 inches (+ & - 1 inch); 11. Height: 30 inches (+ & - 1 inch); 12. Comes with 1.5 meter power cord flat blade attachment plug (Type A plug); 13. Comes with English manual that contains users guide, list of parts, maintenance guide, safety guide; 14. With service centers located in major cities in the Philippines; 15. Includes 25 pcs. spare needles; 16. Ready to use |
| 3 | Feed off the Arm | <p>Functional Specifications:</p> <p>A chain stitch machine for sewing multi thread chainstitch on garments</p> <p>Performance Specifications:</p> <p>Must be able to sew any kinds of fabrics with chain stitch design</p> <p>Design Specifications:</p> <ol style="list-style-type: none"> 1. Type: Industrial Sewing Machine; 2. Body shape: rectangular table with stand; 3. Material: metal, wood; 4. Power in Watts: 300 to 400 Watts; 5. Voltage: 220 To 240 Volts AC, 50 to 60 HZ, single phase; 6. Stitches per minute: 1,800 Minimum; 7. Flat bed treadle, 4 legs, thread stand and bobbin winder, wooden table; 8. Table Size: L= 42 inches (+ & -1 inch, W= 20 inches (+ & - 1 inch); 9. Height: 30 inches (+ & - 1 inch); |

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| | | <ul style="list-style-type: none"> 10. Maximum sewing thickness: 0 to 10 mm; 11. Stitch length: 0 to 4 mm; 12. Comes with 1.5 M power cord with flat blade attachment plug (Type A plug); 13. With service centers located in major cities in the Philippines; 14. Includes 25 pcs. spare needles; 15. Ready to use |
| 4 | Single Needle Lockstitch Machine | <p>Functional Specifications: Used for sewing fabric, leather, etc. Particularly one that uses threads such as an upper and lower thread. The arm also secures a presser foot which presses the fabric while sewing</p> <p>Performance Specifications: Must be able to sew any kinds of fabric, leather, etc. with lockstitch design</p> <p>Design Specifications:</p> <ul style="list-style-type: none"> 1. Type: Lockstitch Machine; 2. Body shape: rectangular table with stand; 3. Material: metal, wood; 4. Stitches per minute: 1,500 to 2,000; 5. Stitch length range: 0 to 5 mm; 6. Needle type: Db X 1, sizes 9 to 18 or equivalent; 7. Power: 220 to 240 V AC, 50/60 HZ, single phase; 8. Wattage: 300 to 400 watts; 9. Industrial clutch motor; 10. Needle bar stroke: 0 to 32 mm; 11. Functional complete accessories (thread stand, bobbin winder, knee lifter, oil pan or reservoir); 12. Table Size: 42 inches (+ & - 1 inch) X W= 20 inches (+ & - 1 inch); 13. Height: 30 inches (+ & - 1 inch); 14. Additional spare: <ul style="list-style-type: none"> a. 25 Pcs. Bobbin Spool Metal b. 25 Pcs. Bobbin Case Metal c. 5 Pcs. Zipper Foot Metal d. 5 Pcs. Invisible Zipper Foot Metal e. 5 Pcs. Shirring Foot Metal f. 25 Spare Needle; 15. Comes with carton box; 16. Comes with English manual that contains users guide, list of parts, maintenance guide, |

| | | |
|--|--|--|
| | | <p>safety guide;</p> <p>17. With service centers located in major cities in the Philippines;</p> <p>18. Ready to use</p> |
|--|--|--|