



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: 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.: 2022-BLR4(007to008)-BIV-CB-003-C002

CONTRACT

THIS CONTRACT made and entered into this 13th day of October 2022 by and between DEPARTMENT OF EDUCATION, located at DepEd Complex, Meralco Avenue, Pasig City, Philippines, represented herein by its Undersecretary and Chief of Staff, EPIMACO V. DENSING III, CPA, MBA, as per Department Order No. 023, s. 2021 and Office Order 00-OSEC-2022-047 (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 Street cor. Valero Street, 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 supply, distribution, configuration, testing, commissioning, training and maintenance of TVL Tools and Equipment Packages consisting of five (5) Lots and received bids from six (6) bidders; DEPED opened, read, and evaluated the bids of the six (6) bidders and declared NIKKA TRADING as having the lowest calculated bid for Lot No. 2; after evaluation, DEPED post-qualified and declared the bid of NIKKA TRADING as the lowest calculated responsive bid for Lot No. 2 in the sum of PHILIPPINE PESOS FORTY MILLION, ONE HUNDRED SEVENTY-SIX THOUSAND, SEVEN HUNDRED EIGHTEEN and 68/100 (PHP40,176,718.68) ONLY, (hereinafter called the "Contract Price") detailed as follows:

Lot No.	Description	Amount (PhP)
2	BREAD AND PASTRY AND COOKERY EQUIPMENT (MI-LOT 2)	40,176,718.68

NOW THIS CONTRACT WITNESSETH AS FOLLOWS:

- In this Contract, words and expressions shall have the same meaning as are respectively assigned to them in the Conditions of Contract referred to.

Andromeda
 NIKKA TRADING's Witness


Jonathan R. Zulueta
 JONATHAN R. ZULUETA
 NIKKA TRADING

Rose C. La Rosa
 ROSE C. LA ROSA
 DEPED's Witness

Epimaco V. Densing III
 EPIMACO V. DENSING III, CPA, MBA
 Department of Education


NIKKA TRADING's Witness

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 Contract, 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 29 April 2022, and Bid Bulletin No. 2 dated 17 May 2022.
 - 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.


JONATHAN R. ZULUETA
NIKKA TRADING

3. 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 obligations under this contract. NIKKA TRADING 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.

4. The goods and services referred to in this Contract shall be delivered to the Project Site/s as indicated in the allocation list duly provided by the end-user within **120 CALENDAR DAYS** from the issuance of the Notice to Proceed or as may be indicated in the NTP.

5. DEPED shall have the right to visit and 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.

6. Prior to and for purposes of inspection, NIKKA TRADING shall ensure convenient access to the goods for inspection. NIKKA TRADING shall assign personnel to undertake the handling, unpacking, assembly, commissioning,


RAOC C. CA ROSA
DEPED's Witness


EPIMACO V. DENISING III, CPA, MBA
Department of Education

dissassembly, repacking, resealing, and sorting of the goods prior to, during and after the inspection.

7. The goods shall be inspected by the DepEd Inspectorate Team at **NIKKA TRADING'S** warehouse prior to delivery. A turnaround period of not more than **THIRTY (30) WORKING DAYS** from the time of the receipt of the request for Pre-Delivery Inspection shall be given to **DEPED** to schedule the inspection.
8. The goods must conform to and comply with the standards mentioned in Section VI. Schedule of Requirements of the Bidding Documents, and must be in accordance with the final technical specifications as approved by the Bids and Awards Committee based on the samples submitted by **NIKKA TRADING**, and reflected in the post-qualification report, which is hereto attached as Annex "A" and made an integral part hereof.

Any proposal by **NIKKA TRADING** to deliver goods of different technical specifications, in lieu of those of the approved bids or samples, shall not be allowed. However, under justifiable circumstances, delivery of goods of equivalent, higher or superior technical specifications may be permitted, subject to the evaluation and favorable recommendation of the **DEPED's** end-user or implementing unit, and the approval of the herein authorized signatory. In any such case, the proposal by **NIKKA TRADING** for substitution shall be in writing and shall not result in any additional cost or undue burden to **DEPED**.

9. Goods with defects or are non-compliant to the required technical specifications during pre-delivery inspection shall be immediately replaced by **NIKKA TRADING**. The replacement goods for this reason shall be subject to re-inspection. Goods with defects or non-compliant with the required technical specifications upon delivery shall be rejected, orally or in writing, by **DEPED** and replaced by **NIKKA TRADING** in accordance with the warranty provisions in the bidding documents.

Goods are considered defective when they are unfit for the use for which it is intended or its fitness for such use is diminished to such an extent that, had the **DEPED** been aware thereof, it would not have acquired it or would have given a lower price for it.

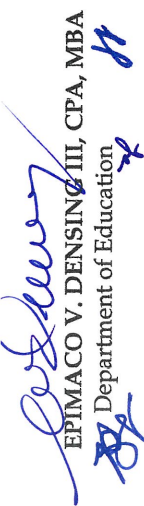
Defects in the goods can either be patent or latent. A patent defect is one that is apparent to the buyer or normal observation. It is an apparent or obvious defect. On the other hand, a latent defect is one that is not apparent to the buyer by reasonable observation. A latent defect is hidden or one that is not immediately determinable.

10. In case **NIKKA TRADING** encounters condition(s) impeding timely delivery of the goods, **NIKKA TRADING** shall promptly notify **DEPED** in writing of such condition(s). Any request for work suspension and/or contract period extension


NIKKA TRADING's Witness


JONATHAN R. ZULUETA
NIKKA TRADING


DEPED's Witness


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shall be promptly done in writing as soon as circumstances for such request have become apparent. **NIKKA TRADING** must provide sufficient proof to support any request for work suspension and/or contract period extension.

11. The Contract Price shall be paid to **NIKKA TRADING** in accordance with the following disbursement procedures:

11.1. 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.

11.2. **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 goods 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 goods have been delivered in accordance with the Contract.

Other documents in support of a request for payment may be required by **DEPED** pursuant to existing disbursement, accounting and auditing rules and procedures.

11.3. Subject to the recoupment of the advance payment contemplated in Clause 12.1 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:

11.3.1. For the initial progress payment, a minimum of twenty-five percent (25%) of the Contract Price shall be paid to **NIKKA TRADING** upon delivery of at least twenty-five percent (25%) of the goods and acceptance of the same by **DEPED**'s authorized representative;

11.3.2. Final payment shall consist of the retention money to be released at the expiration of the warranty period, or the remaining amount in case it has been utilized pursuant to the warranty provision.

12. 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.


JONATHAN R. ZULUETA
NIKKA TRADING


RASC C. CA ROSA
DEPED's Witness


EPIMACO V. DENISING III, CPA, MBA
Department of Education


12.1. The warranty period as shown in the table below, for the delivered and accepted goods in compliance with the bidding documents, shall reckon from the date of issuance of Certificate of Final Acceptance by **DEPED**.


Commercial Stand Mixer with Complete Attachment	1 year (part and service), succeeding 2 years (service)
Decker Oven	
Mechanical Dough Roller	
Gas range w/ oven, 4 burners	
Stock Pan Burner	

13. **NIKKA TRADING** shall be liable for liquidated damages 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 accumulated 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.
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 Contract. Should such dispute not be resolved amicably, it shall be submitted to arbitration in the Philippines according to the provisions of R.A. No. 876, or the "Arbitration Law" and R.A. 9285, or the "Alternative Dispute Resolution Act of 2004."

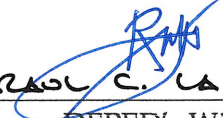
IN WITNESS WHEREOF, the Parties hereto have caused this Contract to be executed in accordance with governing laws on the day and year first above written.

SIGNED, SEALED AND DELIVERED BY:


EPIMACO V. DENSING III, CPA, MBA
 Undersecretary and Chief of Staff
 Department of Education


JONATHAN R. ZULUETA
 Authorized Representative
 Nikka Trading

SIGNED IN THE PRESENCE OF:


RAUL C. LA ROSA
DEPED's Witness


ANTONIA ROSA
NIKKA TRADING's Witness

CERTIFIED FUNDS AVAILABLE: ₱40,176,718.68


MA. RHUNNAL. CATALAN
Chief Accountant
Chief Accountant


NIKKA TRADING's Witness


JONATHAN R. ZULUETA
NIKKA-TRADING


RAUL C. LA ROSA
DEPED's Witness


EPIMACO V. DENISING III, CPA, MBA
Department of Education

REPUBLIC OF THE PHILIPPINES)
_____MAKATI CITY_____, METRO MANILA) S.S

ACKNOWLEDGMENT
MAKATI CITY

BEFORE ME, a Notary Public in and for _____, Philippines,
this ____ day of OCT 13 2022 2022 personally appeared:

[Signature]
NIKKA TRADING's Witness

NAME

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

EPIMACO V. DENSING III, CPA, MBA
Department of Education

JONATHAN R. ZULUETA
Nikka Trading

PASSPORT NO. P6219471A
ISSUED ON FEBRUARY 28, 2018
ISSUED BY DFA NCR WEST

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. 232 ;
Page No. 49 ;
Book No. 50 ;
Series of 2022.

[Signature]
C. LA ROSA
DEPED's Witness



NOTARY PUBLIC

ATTY. SHERLUCK JUN C. VILLEGAS
Notary Public for Makati City
Appt. No. M-260 until Dec. 31, 2022
Unit 30 LTA Building, 118 Perea St.
Legaspi Village, Makati City
Roll No. 70942
IBP No. 244653 / 06-30-2022/ Pasig City
PTR No. 8852016 / 01-03-2022/ Makati City
MCLE Compliance No. VII-0020669/April 14, 2025

[Signature]
EPIMACO V. DENSING III, CPA, MBA
Department of Education