



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) 2022 Rebid and 2023

CONTRACT NO.: 2023c-BLR4(002&006)-BV-CB024-C125

CONTRACT

THIS CONTRACT made and entered into this DEC 29 2023 day of 2023 by and between the **DEPARTMENT OF EDUCATION**, located at DepEd Complex, Meralco Avenue, Pasig City, represented herein by its Undersecretary and Chief of Staff, **ATTY. MICHAEL WESLEY T. POA**, as per Office Order OO-OSEC-2023-267, dated 17 October 2023 (hereinafter referred to as "**DEPED**"); and **PHILIPPINE RUN HUI TRADING CORP.**, represented herein by its President, **RICHARD C. GONZALO**, with office address at #17 Lincoln Street, San Francisco Del Monte, Quezon City (hereinafter referred to as "**PHILIPPINE RUN HUI**") as per Omnibus Sworn Statement dated 14 August 2023 (hereto attached as Annex "A").

DEPED and **PHILIPPINE RUN HUI** are collectively called **PARTIES**.

WHEREAS, DEPED invited bids for the Mass Production and Supply of TVL Tools and Equipment Packages consisting of six (6) lots, and received bids from four (4) bidders for Lot No. 2; **DEPED** opened, read, and evaluated the bid and declared **PHILIPPINE RUN HUI** as having the Next Lowest Calculated Bid for Lot No. 2; after evaluation, **DEPED** post-qualified and declared the bid of **PHILIPPINE RUN HUI** as the Next Lowest Calculated Responsive Bid for Lot No. 2 in the sum of **PHILIPPINE PESOS TEN MILLION, EIGHT HUNDRED SEVENTY-NINE THOUSAND, NINE HUNDRED THIRTY-TWO AND 00/100 (PhP10,879,932.00) ONLY**, (hereinafter called the "Contract Price"), detailed as follows:

Mass Production of Cabinets (MP-LOT 2)				
Lot No.	Item No.	Description	Quantity	Amount (in PhP)
2	1	Cabinet, Design 1 (Storage/tool Cabinet)	270	10,879,932.00
	2	Cabinet, Design 2 (Condiment Cabinet)	86	
	3	Cabinet, Design 3 (Display Cabinet)	40	
	4	Cabinet, Design 4 (Filing Cabinet)	43	
	5	Cabinet, Design 5 (First Aid Cabinet)	141	
	6	Cabinet, Design 6 (Waiter Station Cabinet)	42	
	7	Work Bench with Bench Vise on Four Corners	70	

SHANEICH REAR-CHEN
 PHILIPPINE RUN HUI's Witness

 RICHARD C. GONZALO
 PHILIPPINE RUN HUI

 ARIZ D. CAJULAN
 DEPED's Witness

 ATTY. MICHAEL WESLEY T. POA
 DEPED


NOW THIS CONTRACT WITNESSETH AS FOLLOWS:

1. In this Contract, words and expressions shall have the same meaning 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 Contract, *viz*:
 - a. Resolution to Award No. **2023c-BLR4(002&006)-BV-CB-024** dated 14 November 2023;
 - b. Philippine Bidding Documents;
 - i. General and Special Conditions of the Contract;
 - ii. Schedule of Requirements;
 - iii. Technical Specifications; and
 - iv. Bid Bulletin No. 1 dated 02 August 2023, Bid Bulletin No. 2 dated 09 August 2023, and Bid Bulletin No. 3 dated 17 August 2023.
 - c. **PHILIPPINE RUN HUI's** bid, including the eligibility requirements, technical and financial proposals, and all other documents or statements submitted;
 - d. Performance Security;
 - e. Notice of Award (NOA) of Contract and **PHILIPPINE RUN HUI's** conforme thereto; and
 - f. Other contract documents required by existing laws and/or DepEd in the Bidding Documents. **PHILIPPINE RUN HUI** agrees that additional contract documents of information prescribed by the Government Procurement Policy Board (GPPB) that are subsequently required for submission after the contract execution such as, but not limited to, Notice to Proceed, Variation Order, and Warranty Security, shall form part of the Contract.
3. **PHILIPPINE RUN HUI** shall post a Performance Security within ten (10) calendar days from receipt of the Notice of Award (NOA) in the amount prescribed therein and in accordance with any of the forms prescribed therein and in accordance with any of the forms prescribed in Section 39 of the 2016 revised Implementing Rules and Regulations (IRR) of Republic Act No. 9184, otherwise known as, "An Act Providing for the Modernization, Standardization, and Regulation of the Procurement Activities of the Government and for Other Purposes. The Performance Security shall be posted in favor of **DEPED**, and shall be forfeited in the event that it is established that **PHILIPPINE RUN HUI** is in default of any of its obligations under this Contract. **PHILIPPINE RUN HUI** shall be responsible for the extension of its performance security and/or undertake to renew its Performance Security whenever necessary, and without the need for prior notice of instruction from **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 referred to in this Contract shall be delivered by **PHILIPPINE RUN HUI** at the recipient schools (**Door-to-Door**) within **120 CALENDAR DAYS** from receipt of the Notice to Proceed (NTP). **PHILIPPINE RUN HUI** shall ensure that the goods will be delivered in accordance with the


Shmeich Pearl Chen
PHILIPPINE RUN HUI's Witness


RICHARD C. GONZALO
PHILIPPINE RUN HUI


D. CAWILAN
DEPED's Witness


ATTY. MICHAEL WESLEY T. POA
DEPED

Schedule of Requirements, which is hereto attached as Annex "B" and made an integral part hereof.

Violation of this provision, based on documents and reports submitted and validated by the authorized receiving personnel may be a cause for the termination of the Contract.

- 5. **DEPED** shall have the right to visit and inspect **PHILIPPINE RUN HUI's** premises covered by the Contract at any time or stage of the contract implementation to monitor and assess **PHILIPPINE RUN HUI** capacity to discharge its contractual obligations.

Pre-delivery and Pre-Implementation Conference shall be conducted prior to the conduct of inspection of goods by the designated DepEd Team, as may be necessary or applicable.

- 6. **DEPED** shall have the right to inspect and test or cause the testing of the goods covered by the Contract, at any time or stage of contract implementation. Prior to and for purposes of inspection, **PHILIPPINE RUN HUI** shall ensure convenient access to the goods for inspection. **PHILIPPINE RUN HUI** shall assign personnel to undertake the handling, unpacking, assembly, commissioning, disassembly, repacking, resealing, and sorting of the goods prior to, during, and after inspection.

- 7. The goods shall be inspected by the designated DepEd Inspectorate Team. **PHILIPPINE RUN HUI** shall coordinate with **DEPED**, through the Procurement Management Service-Contract Management Division (ProcMS-CMD), on the conduct of inspection or pre-delivery inspection (PDI). Any request for inspection or PDI shall be done in writing, and submitted in accordance with Special Conditions of Contract (SCC) Clause 4 of the Bidding Documents.

- 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, or as amended by subsequently issued Bid Bulletin, if any, based on the samples submitted by **PHILIPPINE RUN HUI**, and reflected in the post-qualification report, which is hereto attached as Annex "C" and made an integral part hereof.

- 9. 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 **PHILIPPINE RUN HUI** in accordance with the warranty provisions in the bidding documents. The replacement of the goods shall be subject to re-inspection.

- 10. In case **PHILIPPINE RUN HUI** encounters condition(s) impeding timely delivery of the goods, **PHILIPPINE RUN HUI** shall promptly notify **DEPED** in writing within five (5) calendar days from notice of such condition(s). Any request for work suspension and/or contract period extension shall be promptly done in writing as soon as circumstances for such request have become apparent. **PHILIPPINE RUN HUI** must provide sufficient proof to support any request for work suspension and/or contract period extension.


Speneich Pad Chen
PHILIPPINE RUN HUI's Witness


RICHARD C. GONZALO
PHILIPPINE RUN HUI


ARIZ P. CANDILAN
DEPED's Witness


ATTY. MICHAEL WESLEY T. POA
DEPED

DEPED accepts no liability for the damage of goods during transit. Risk and title to the goods will not be deemed to have passed to **DEPED** until its receipt and acceptance at the final destination through its authorized receiving personnel.

11. The Contract Price shall be paid to **PHILIPPINE RUN HUI** in accordance with the following disbursement procedures:

- a. **PHILIPPINE RUN HUI** may submit a request for payment based on the following:
 - i. Supplier's invoice showing goods' description, quantity of goods delivered based on the schedule of delivery and other relevant terms and conditions of the contract, unit price, and total amount;
 - ii. Duly signed Delivery Receipt/s;
 - iii. Duly signed Inspection and Acceptance Report/s (IAR/s), including certification by **PHILIPPINE RUN HUI**, duly signed and dated by the authorized representative of **DEPED** indicating that the goods have been delivered in accordance with the Contract; and
 - iv. Warranty Certificate.

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

b. Payment shall be made to **PHILIPPINE RUN HUI** within sixty (60) days from submission of the documents specified in Special Conditions of Contract (SCC) Clause 2.2 and other documents as may be prescribed by **DEPED** in the following manner:

- i. An advance payment not to exceed fifteen percent (15%) of the contract amount shall be allowed and paid within 60 calendar days from the signing of the contract;
- ii. For every progress payment, **PHILIPPINE RUN HUI** shall be paid upon delivery to at least 25% of the recipient schools with complete goods and acceptance of the same by an authorized representative of **DEPED**
- iii. Final payment shall consist of the full and final payment of the unpaid inspected and accepted goods; and
- iv. Refund/release of retention money shall be at the expiration of the warranty period, or the remaining amount in case it has been utilized pursuant to the warranty provision.

12. Payment shall be subject to the "Warranty" provision in the form of either retention money in an amount equivalent to three percent (3%) of the payment or a Special Bank Guarantee in an amount equal to three percent (3%) of the Contract Price required under Section 62 of RA 9184 and its revised IRR.

- a. A one-year comprehensive warranty for the delivered goods shall reckon from the date of the issuance of the Certificate of Final Acceptance by **DEPED**.


Shari-Chiffon Chen
PHILIPPINE RUN HUI's Witness


RICHARD C. GONZALO
PHILIPPINE RUN HUI


ARIZ D. CAWILAN
DEPED's Witness


ATTY. MICHAEL WESLEY T. POA
DEPED

- b. **PHILIPPINE RUN HUI** shall replace and/or repair the goods that may be requested within three hundred sixty (360) calendar days from the date of acceptance of goods by **DEPED**. Replacement and/or repair of the goods shall be made within thirty (30) calendar days upon claim or request therefor. The replacement goods shall be subject to re-inspection.

In case **PHILIPPINE RUN HUI** opts for retention money, the amount shall be released at the expiration of the warranty period or the remaining amount in case it has been utilized pursuant to the warranty provision unless, during the remainder of the warranty period, the retention money is substituted with a special bank guarantee.

13. Ownership, title, rights, and interest with respect to the contents of the user manuals including all resources, records, or materials used or obtained in the course of this Contract shall vest exclusively with **DEPED**. **PHILIPPINE RUN HUI** hereby irrevocably waives any claim thereto. **PHILIPPINE RUN HUI** shall not, in any manner or for any purpose, use the contents of the user manuals beyond what is expressly allowed for the purpose of accomplishing the terms under this Contract unless express permission of **DEPED** in writing is obtained.

14. Each party, in the performance of their respective duties and responsibilities under this Contract and in the implementation thereof shall adhere to RA 10173, otherwise known as the "Data Privacy Act of 2012" and its Implementing Rules and Regulations and applicable National Privacy Commission issuances. Any gathered data and information should be protected and respected during the term and even after the termination of this Contract. The processing of any gathered data and information should be in compliance with the confidentiality and privacy requirements under the said law and applicable regulations.

15. **PHILIPPINE RUN HUI** 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 **PHILIPPINE RUN HUI**, or collect from any of the securities or warranties posted by **PHILIPPINE RUN HUI**, whichever is convenient to **DEPED**. Once the accumulated amount of liquidated damages reaches 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.

16. 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 Early Neutral Evaluation pursuant to Republic Act No. 9285 or the "Alternative Dispute Resolution Act of 2004", and its Implementing Rules and Regulations.


 Speneidy Pan Chan
 PHILIPPINE RUN HUI's Witness

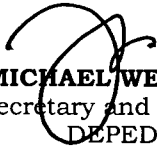

 RICHARD C. GONZALO
 PHILIPPINE RUN HUI


 ARIZ P. CAPULALAN
 DEPED's Witness


 ATTY. MICHAEL WESLEY T. POA
 DEPED


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:


ATTY. MICHAEL WESLEY T. POA
Undersecretary and Chief of Staff
DEPED


RICHARD C. GONZALO
President
PHILIPPINE RUN HUI TRADING CORP.

SIGNED IN THE PRESENCE OF:


ARIZ D. CAWLLAN
DEPED's Witness


Shan-ich Pearl Chen
PHILIPPINE RUN HUI
TRADING CORP's Witness

CERTIFIED FUNDS AVAILABLE: ₱10,879,932.00


MA. RHUNNA L. CATALAN
Chief Accountant

Chief Accountant

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

ACKNOWLEDGMENT

BEFORE ME, a Notary Public in and for PASIG CITY, Philippines,
this ____ day of 29 DEC 2023 2023 personally appeared:

NAME	GOVERNMENT ISSUED ID <i>(Number, Issued On, Issued By)</i>
ATTY. MICHAEL WESLEY T. POA Undersecretary and Chief of Staff DEPED	Driver's Licence NO2-08-0049162


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.

NOTARY PUBLIC

Doc. No. 51
Page No. 12
Book No. 1
Series of 2023.


Jose Miguel A. Fernandez
Attorney's Roll No. 52523
Unit 503 Taipan Place, F. Ortigas Jr. Road, Pasig City
Notary Public for Pasig City
Appointment No. 181 (2022-2023)
IBP No. 305805 (01-27-23) RSM
PTR No. 10173679 (01-24-23) Pasig City

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

ACKNOWLEDGMENT

BEFORE ME, a Notary Public in and for _____, Philippines,
this ____ day of _____ 2023 personally appeared:

NAME	GOVERNMENT ISSUED ID <i>(Number, Issued On, Issued By)</i>
RICHARD C. GONZALO President PHILIPPINE RUN HUI TRADING CORP.	N01-92-142467 , May 25, 2022 , LTO

Known to me and to me known to be the same person who executed the foregoing instrument and acknowledged to me that the same is the free and voluntary act and deed of the entity which he/she respectively represents.


The foregoing instrument is a CONTRACT consisting of six (6) pages (exclusive of attachments), excluding this page on which this acknowledgment is written and signed by the party hereto.

WITNESS MY HAND AND SEAL on the date and place first above written.

DEC
29 Nov 2023

NOTARY PUBLIC

Doc. No. 10 ;
Page No. 2 ;
Book No. 1 ;
Series of 2023.


ATTY. THOMAS VINCENT O. PANTALEON
Notary Public for Quezon City
Roll No. 68210
PTR NO. 4096168, 9 January 2023, Quezon City
IBP No. 239005, 7 November 2022, Quezon City
Adm. Matter No. NP-302(2023-2024)
MCLE Exemption No. VIII - BEP000156, 3 June 2022
Suite 204, Milandre Centre, 982 Quezon Avenue,
Quezon City, 1103

