

Contract Agreement

THIS AGREEMENT made this 24th day of February 2012 between PHILIPPINE HEALTH INSURANCE CORPORATION (PHIC) REGIONAL OFFICE 8 of the Philippines (hereinafter called "the Entity") of the one part and TACLOBAN FIVE STAR GRAPHIC PRINTING PRESS INC. located at 161 P. Burgos St., Tacloban City (hereinafter called "the Supplier") of the other part:

WHEREAS the Entity invited Bids for the Supply of Various Office Equipment (ITB 11-099-14) Lots 2 & 3 as follows:

Item No.	Product Description	QTY	Unit Price	Total Price
LOT 2 Furniture & Fixtures				
1	CHAIR, for conference table, mid-back w/ arm rest, ergonomic, fully upholstered seat and backrest	18 pcs	1,800.00	P32,400.00
2	CHAIR, Clerical for SG 17 and below, ergonomic, midback w/o armrest	38 pcs	2,500.00	P106,400.00
3	CHAIR, Junior Executive for SG 18-23, Ergonomic, Midback w/ armrest	2 pcs	3,800.00	P7,600.00
4	FILING CABINET, filing, gauge # 20, steel, 3-drawer	2 pcs	5,800.00	P11,600.00
5	STORAGE CABINET - Plain gray finish, double door, size 72h x 36w x 18d	3 pcs	9,300.00	P27,900.00
6	TABLE, clerical table for SG 17 and below, main table: W1200 x D600 x H750 with side table: W900 x D450 xH637 ergonomic, mobile, pedestal W400 x D560 x H580 gray steel	11 pcs	9,600.00	P99,000.00
7	TABLE, Conference Table, 8-seater, Oval/Rectangular Type	1 pc	11,800.00	P11,800.00
8	FILING CABINET, 4-drawer w/ lock, gray	1 pc	11,800.00	P11,800.00
9	LOCKER, Steel, 15-doors	1 pc	23,000.00	P23,000.00
10	SAFETY VAULT, mosler brand, JFC-4 w/ cash locker	4 pcs	46,995.00	P199,980.00
TOTAL PROJECT COST for LOT 2				P536,480.00
LOT 3 Communication and Documentation Equipment				
1	TELEPHONE, digital, cordless	6 units	1,000.00	P6,000.00
2	RECORDER, IC Recorder, 4GB	1 unit	11,800.00	P11,800.00
3	Digital SLR Camera	1 unit	34,850.00	P39,850.00
TOTAL PROJECT COST for LOT 3				P57,650.00
TOTAL PROJECT COST FOR LOTS 1 & 3				P594,130.00

WHEREAS the Supplier is willing and capable to supply and deliver all of the above-mentioned furniture, communication and documentation equipment:

WHEREAS, the Entity has accepted a Bid by the Supplier for the supply of those goods in the sum of **FIVE HUNDRED NINETY FOUR THOUSAND ONE HUNDRED THIRTY PESOS (P594,130.00)** (hereinafter called "the Contract Price").

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 shall be deemed to form and be read and construed as part of this Agreement, viz.,

- the Bid Form and the Price Schedule submitted by the Bidder;
- the Schedule of Requirements;
- the Technical Specifications;
- the General Conditions of Contract;
- the Special Conditions of Contract; and
- the Entity's Notification of Award.

3. In consideration of the payments to be made by the Entity to the Supplier as hereinafter mentioned, the Supplier hereby covenants with the Entity to provide the goods and services within 30 days upon receipt of the Notice to Proceed and to remedy defects therein in conformity in all respects with the provisions of the Contract.

4. The Entity hereby covenants to pay the Supplier in consideration of the provision of the goods and services and the remedying of defects therein, the Contract Price or such other sum as may become payable under the provisions of the contract at the time and in the manner prescribed by the contract.

5. As per Section 62 (Warranty) of the RIRR of R.A. 9184, to assure that manufacturing defects shall be corrected by the supplier, a warranty security shall be required from the contract awardee for a minimum period of three (3) months in the case of Expendable Supplies, or a minimum of one (1) year, in the case of Non-Expendable Supplies, after acceptance by the procuring entity of the delivered supplies.

The warranty shall be covered by either retention money in an amount equivalent to at least ten percent (10%) of every progress payment, or a special bank guarantee equivalent to at least ten percent (10%) of the total contract price.

6. The Entity will also apply a penalty as provided for in R.A. 9184 for delayed delivery as specified below:

The applicable rate is one tenth (1/10) of one (1) percent of the cost of the unperformed portion/undelivered goods for every day of delay.

The maximum deduction shall be ten percent (10%) of the amount of contract. Once the cumulative amount of liquidated damages reaches ten percent (10%) of the amount of the contract, the procuring entity shall rescind the contract, without prejudice to other courses of action and remedies open to it.

