

**CONTRACT AGREEMENT NO. 2020-12-34**

**PURCHASE OF FOOD ITEMS FOR THE IMPLEMENTATION OF SUPPLEMENTAL FEEDING PROGRAM 10<sup>TH</sup> CYCLE (LOT B)**

THIS AGREEMENT made on the 28<sup>th</sup> day of December 2020 between

**DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT REGIONAL OFFICE III**, a national government agency operating under the laws of the Republic of the Philippines, with office address at Diosdado Macapagal Regional Government Center, Barangay Maimpis, City of San Fernando, Pampanga represented by **MARITES M. MARISTELA**, in her capacity as the Regional Director, hereinafter referred to as the **"PROCURING ENTITY"**,

- AND -

**MATTERINEY MARKETING** a company duly registered under DTI No. 2085644 with office address at L3 B2 Real St., Vista Riva, Pulanglupa Uno, Las Piñas City represented by **MR. JAN MICHAEL B. CASTILLO**, hereinafter referred to as the **"SUPPLIER"**; (collectively, the "Parties").

**WHEREAS** the **"PROCURING ENTITY"** invited Bids for certain goods, viz : supply of food commodities as declared in the Purchase Request, attached and marked herein as Annex "A" and has accepted a Bid by the **"SUPPLIER"**; for the supply of the said goods in the sum of **SEVENTY-FOUR MILLION ONE HUNDRED THIRTY-THREE THOUSAND FIFTY-ONE PESOS AND 75/100 (PHP 74,133,051.75)** inclusive of taxes, (hereinafter called "the Contract Price").

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

**1. Introduction and Integral Documents**

- 1.1 In this Agreement words and expressions shall have the same meaning as are respectively assigned to them in the Conditions of Contract referred;
- 1.2 The following documents shall be deemed to form as integral part of this Agreement and be read and construed as part of this Agreement, viz.:
  - 1.2.1 the Technical Specifications and Schedule of Requirements attached herein, is marked as Annex "B";
  - 1.2.2 the Bid Form and the Price Schedule submitted by the Bidder attached herein, is marked as Annex "C";
  - 1.2.3 the Terms of Reference attached herein is marked as Annex "D";
  - 1.2.4 the Entity's Notification of Award attached herein is marked as Annex "E";
  - 1.2.5 the Purchase Order attached herein is marked as Annex "F"; and
  - 1.2.6 the Notice to Proceed attached herein is marked as Annex "G".

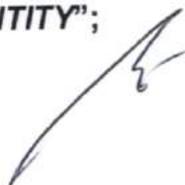


## 2. Goods Supplied

- 2.1 The **"SUPPLIER"** hereby agrees to supply the Goods to **"PROCURING ENTITY"** when requested by Purchase Request in the amounts outlined therein in strict accordance with the specifications, and at the price stated for each item in the Price Schedule in Annex "C", based on the Technical Specifications outlined in Annex "B" and in line with the delivery schedule outlined by each Purchase Request;
- 2.2 The **"SUPPLIER"** shall supply and deliver such goods duly certified by regulating bodies (i.e. Food and Drug Administration (FDA) and Food and Nutrition Research Institute (FNRI) or whichever applies;
- 2.3 **"PROCURING ENTITY"** doesn't warrant that any quantity of Goods will be purchased during the term of this Agreement;
- 2.4 Nothing in this Agreement shall be interpreted as creating an exclusive relationship between the Parties for the supply and delivery of Goods;
- 2.5 The terms and conditions of this Agreement shall apply to all Purchase Requests issued under this Agreement. In case of discrepancy between the terms and conditions of the Purchase Request and the terms and conditions outlined in this Agreement, the terms and conditions outlined in this Agreement shall prevail; and
- 2.6 The **"SUPPLIER"** shall keep all items outlined in the Purchase Order (Annex "F") in stock in ample/sufficient quantities at all times.

## 3. Charges and Payment

- 3.1 The total price for each supply and delivery of Goods and under this Agreement is determined by each Purchase Order in accordance with the Price Schedule in Annex "C" which prices quoted shall be inclusive of all cost including transportation, freight and handling and other incidental expenses maybe incurred to the indicated delivery site;
- 3.2 In connection with this Agreement, **"PROCURING ENTITY"** shall not be charged for the cost of previous storage of any Goods or related costs.
- 3.3 The **"SUPPLIER"** shall issue pertinent delivery receipt to **"PROCURING ENTITY"** upon completion of each delivery and the corresponding invoice in accordance with this Agreement and the relevant Purchase Order;
- 3.4 Billings shall be made for every completed delivery of the minimum required quantity per month per LGU during the implementation of the project;
- 3.5 Payment shall be processed within **15-21** working days upon submission of complete documents in accordance to Ease of Doing Business except on fortuitous event or situations beyond the control of the **"PROCURING ENTITY"** (such as Availability of Notice of Cash Allocation etc.), an extension may warrant upon approval of the **"PROCURING ENTITY"**;



3.6 The "**SUPPLIER**" agrees that payment shall be through CHECK/Advice to Debit Account (ADA) and shall be tendered on a monthly basis in relation to paragraph 3.5 hereof and after acceptance of goods and reconciliation of pertinent documents. The "**SUPPLIER**" must have an account at Landbank of the Philippines (LBP) since it is a universal bank in the Philippines owned by the Philippine government.

3.7 All duties, excise tax and other taxes and revenue charges, if any, shall be for the *supplier's* account. All transactions are subject to withholding of creditable Value Added Tax (VAT) per Revenue Regulation No. 10-93 and local tax regulations adopted by the LGU per SP Ordinance No. 2235-2000.

#### 4. Delivery/Transportation Terms

4.1 The "**SUPPLIER**" shall complete the delivery of the items as stipulated in the provided delivery schedule and food requirements in conformity with paragraph 1.2 hereof;

4.2 All goods are to be delivered and inspected at the Provincial Local Government Unit identified warehouse location within their Province prior distribution of the said Provincial Local Government Unit to the Municipalities/City Local Government Units concerned except for the Province of Bataan and Aurora, where delivery shall be made directly to the Municipal/City Local Government Unit concerned;

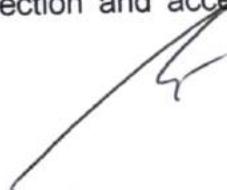
4.3 The "**SUPPLIER**" shall guarantee its deliveries to be free from defects in conjunction to paragraph 6 on Warranty. Any defective/undesirable items thereof that may be discovered by the "**PROCURING ENTITY**" and/or Representative from LGU within the day of Inspection/Acceptance shall be replaced by the "**SUPPLIER**" on the same day of Inspection/Acceptance;

4.4 The "**SUPPLIER**" agrees to bring quality buffer items as ready replacement in case of damages/defects incurred during transportation and/or rejects upon Inspection equivalent to at least five percent (5%) of total quantity PER ITEM REQUEST or more in order to prevent delay on the operation of the Supplemental Feeding Program;

4.4.1 In case the "**SUPPLIER**" failed to bring the required quantity of buffer items, he/she shall provide a service unit to immediately secure the replacement of the rejected items and shall cover all the expenses for such in relation to paragraph 6.2 hereof;

4.4.2 The "**SUPPLIER**" shall ensure no disruption of deliveries to prevent gap in the feeding implementation so the nutritional improvement of beneficiaries will be attained.

4.5 All goods are to be jointly inspected by the Inspection and Acceptance Committee- designated Inspectorate Officer for Goods/Food Commodities at Field Office or DPEO Level, LGU Representative(s) and COA Auditor/Representative(s). Additional inspection and acceptance committee



members may be sent to the area upon discretion of the **"PROCURING ENTITY"**;

- 4.6 All goods are to be **PRELIMINARY ACCEPTED** by the Representative of the Requisitioning Unit/End-User, only upon approval of the Inspection and Acceptance Committee identified above.
- 4.7 Upon Inspection and Acceptance, the Representative of the Requisitioning Unit/End-User will provide Requisitioning Issue Slip Forms (RIS) to the drivers/porters of the Supplier PER RECEIVING LGUs. The drivers/porters will then endorse said RIS Forms to identified representatives of LGUs for their acceptance. The accepted RIS Forms will constitute as the Final ACCEPTANCE of the goods requested by the agency;
- 4.8 The **"PROCURING ENTITY"** will provide a list of Contact person(s) with valid contact numbers per LGU who will sign the receiving portion of the RIS Forms upon acceptance of their assigned goods. Said list of contact person(s) will primarily compose of the following;
- >Provincial/Municipal/City Social Welfare Development Officer  
**(PSWDO/MSWDO/CSWDO)**
  - >ECCD Focal Person/
  - >duly authorized representative of the LGU

The LGUs must be granted at least a two (2) hour notice prior the actual delivery/arrival of goods. Further, the **"SUPPLIER"** shall maintain an open communication line at all times to ensure unhampered delivery of services to LGUs.

- 4.9 The **"SUPPLIER"** shall formulate a substantial Delivery Plan for each Province and LGU respectively, in accordance with the provided delivery schedule and food requirements; estimate time for each delivery (calculating the distance per LGU, travel time per LGU inclusive of traffic, the unloading time and receiving/checking time of LGUs) which Delivery Plan shall be presented to the agency at least week prior the agreed scheduled delivery and implementation.
- 4.10 In case of unforeseen circumstances/situations arising on the part of the **"SUPPLIER"** causing delay in the fulfillment of its contractual duty, the latter shall provide a formal request letter of extension addressed to the HOPE and its BAC for their approval to grant said request. However, **"BOTH PARTIES"** agree that only a maximum of seven (7) calendar days will be granted as the standard extended days of delivery and a maximum of two (2) letter of extension requests shall be granted by the **"PROCURING ENTITY"** for the whole duration of the contract;
- 4.11 The **"PROCURING ENTITY"** accepts no liability for whatever damage the items incurred during transit. The entitlement of the items will only be bestowed to the Agency only upon their receipt and FINAL ACCEPTANCE at the FINAL DESTINATION (LGUs) in relation to paragraph 7.1 hereof;
- 4.12 The **"PROCURING ENTITY"** reserves the right to accept or reject any or all deliveries and impose additional terms and conditions as it may deem proper.



## 5. Breach and Default

- 5.1 In case the **"SUPPLIER"** subject to the provisions of the preceding section has accepted a contract agreement but fails to deliver the required product(s) within the time called for in the same order and no approved extension of agreement granted by the **"PROCURING ENTITY"**, there shall be a penalty of one-tenth of one percent (0.01) of the cost of the unperformed portion for every day of delay.
- 5.2 Thereafter, if the **"SUPPLIER"** has not completed delivery within the approved extended period, herein agreement shall be cancelled together with the award for the undelivered balance from such other source(s) as it may determine, with the difference in price to be charged against the **"SUPPLIER"** in **default**.
- 5.3 Refusal by the **"SUPPLIER"** in **default** to shoulder the price difference shall be a ground for his disqualification from future bids of the same or all items, without prejudice to the imposition of other sanctions as prescribed under RA 9184 and its IRR:
- 5.4 Force Majeure - In the event of inclement weather conditions (i.e. typhoon, flood and other weather disturbances) and other fortuitous events, the **"PROCURING ENTITY"** shall notify the **"SUPPLIER"** at least two 2 days prior to the intended delivery of the goods for its postponement. No extra cost of prolonged storage of goods shall be charged to the **"PROCURING ENTITY"** due to such reschedule of delivery.

## 6. Warranty

- 6.1 The **"SUPPLIER"** agrees that all delivered items (non-perishable) must come with a warranty period of six (6) months to 1 year for non-perishable goods from the date therefrom inclusive of all hidden defects from production/manufacturing applicable for goods such as processed food and those food items that have undergone mechanical and chemical operations.
- 6.2 The **"SUPPLIER"** shall guarantee that the goods supplied and delivered to be free from defects. Any defective/undesirable items thereof that may be discovered by the **"PROCURING ENTITY"**, and representative from LGU within the DAY OF INSPECTION shall be replaced by the **"SUPPLIER"** **ON THE SAME DAY OF ACCEPTANCE** in relation to paragraph 4.4.1 hereof;
- 6.3 The **"SUPPLIER"** shall bring buffer food items in case of rejects upon inspection under such terms provided for in paragraph 4.3 hereof;
- 6.4 In consideration of the payments to be made by the **"PROCURING ENTITY"** to the **"SUPPLIER"** as hereinafter mentioned, the **"SUPPLIER"** hereby covenants with the **"PROCURING ENTITY"** to provide the goods as specified and to remedy defects therein in conformity in all respects with the provisions of this agreement.



## 7. Insurance

7.1 The items supplied under this Agreement shall be fully insured by the **"SUPPLIER"** in a freely convertible currency against loss or damage incidental to production or acquisition, transportation, storage and delivery. The items remain at the risk and title of the **"SUPPLIER"** until the final acceptance of the **"PROCURING ENTITY"** as agreed under paragraph 4.11 hereof ;

7.2 The **"SUPPLIER"** shall at all times defend, indemnify, and hold harmless the **"PROCURING ENTITY"**; its officers, employees, and agents from and against all losses, costs, damages and expenses (including legal fees and costs), claims, suits, proceedings, demands and liabilities of any kind or nature to the extent arising out of or resulting from acts or omissions of the **"SUPPLIER"** or its employees, officers, agents or subcontractors, in the performance of this Agreement. **"PROCURING ENTITY"**; shall promptly notify the **"SUPPLIER"** of any written claim, loss, or demand for which the **"SUPPLIER"** is responsible under this clause;

7.3 This indemnity shall survive the expiration or termination of this Agreement.

## 8. Performance Bond

8.1 The **"SUPPLIER"** agrees to post a Performance Bond to guarantee its faithful performance on its obligation under the Agreement;

8.2 The performance security shall be in an amount equal to the percentage of the total contract price;

8.3 If it is in the form of cash/manager's check, the amount of performance security is five percent (5%) of the total contract price; and

8.4 If it is in the form of a Surety Bond, the amount of performance security is thirty percent (30%) of the contract price.

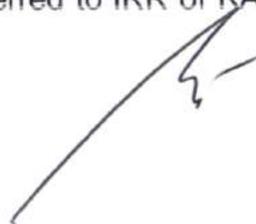
## 9. Miscellaneous

10.1 The **"PROCURING ENTITY"** shall not assume any responsibility regarding erroneous interpretations or conclusions by the **"SUPPLIER"** out of the data it furnishes;

10.2 The **"SUPPLIER"** is deemed to have become familiar with all existing laws, decrees, ordinances, acts and regulations of the Philippines which may affect this Agreement in any way;

## 10. Term and Effectivity

This Agreement shall take effect on **January 2021** and shall be enforced until **April 2021**. The **"PROCURING ENTITY"** shall have the right to terminate this agreement if the **"SUPPLIER"** is willfully violating any of the material conditions, stipulations and covenants of this agreement. Unresolved issues or questions that will surface in the course of this procurement will be referred to IRR of RA 9184 and other pertinent laws and regulations.



**IN WITNESS WHEREOF** the **PARTIES** hereto have caused this **AGREEMENT** to be executed in accordance with the laws of the Republic of the Philippines on the day and year first above written.

For:

**DEPARTMENT OF SOCIAL WELFARE  
AND DEVELOPMENT FIELD OFFICE III**

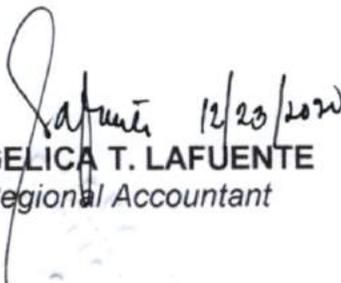
  
**MARITES M. MARISTELA, CESO III**  
*Regional Director*

For:

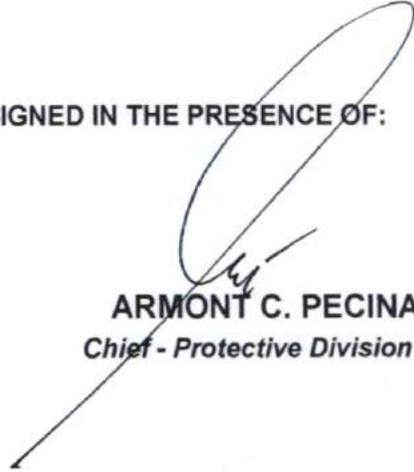
**MATTERINEY MARKETING**

  
**JAN MICHAEL B. CASTILLO**  
*Authorized Representative*

CERTIFIED AS TO AVAILABILITY OF FUNDS:

  
**ANGELICA T. LAFUENTE**  
*Regional Accountant*

SIGNED IN THE PRESENCE OF:

  
**ARMONT C. PECINA**  
*Chief - Protective Division*

**ACKNOWLEDGMENT**

Republic of the Philippines  
Province of Bulacan ) s.s  
City of \_\_\_\_\_

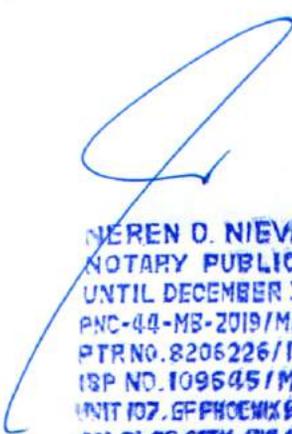
BEFORE ME this 28<sup>th</sup> day of December 2020 at the City of Malolos, Bulacan in the Philippines personally appeared:

NAME	ID DETAILS	Place/Date Issued
MARITES M. MARISTELA, CESO III	ID # 90-0102	QC/July 25, 2019
JAN MICHAEL B. CASTILLO	N24-06-020511	MANILA / JUNE 21, 2017

Known to me to be the same persons who executed the foregoing contract consisting of eight (8) pages including this page, for the purpose set forth therein and they acknowledge to me that the same is their free act and deed.

**WITNESS MY HAND AND NOTARIAL SEAL.**

Doc. No. 267 ;  
Page No. 55 ;  
Book No. 1 ;  
Series of 20 20 ;

  
NEREN D. NIEVA  
NOTARY PUBLIC  
UNTIL DECEMBER 31, 2021  
PNC-44-MB-2019/MALOLOS CITY, BULACAN  
PTR NO. 8206226/I-03/20/MALOLOS, BULACAN  
ISP NO. 109645/MANILA  
UNIT 107, GF PHOENIX BLDG., FAUSTA SUED., BRGY NABOLO  
MALOLOS CITY, BULACAN  
ROLL NO. 73396