

CONTRACT AGREEMENT

FOR THE

Procurement of One (1) Unit Passenger Van for NORSU Bais Campus

THIS CONTRACT is made and entered into this ____ day of _____, 2020 by and between:

NEGROS ORIENTAL STATE UNIVERSITY, a State University organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office address at Kagawasan Ave., Main Campus, Dumaguete City, Negros Oriental, Philippines, duly represented by **DR. JOEL P. LIMSON**, hereinafter referred to as **OWNER**.

and

PONCE AUTOMOBILE CORPORATION, of Araneta St., Singcang, Bacolod City, Negros Occidental, duly represented by **MR. JEREMY S. AUREA** by virtue of a Special Power of Attorney dated August 3, 2020 authorized by Geoffrey Garland Ponce, hereinafter referred to as **SUPPLIER**.

WITNESETH:

WHEREAS, a public bidding was conducted on August 5, 2020 at the BAC Office of Negros Oriental State University, Kagawasan Avenue, Dumaguete City for the project "**Procurement of One (1) Unit Passenger Van for NORSU Bais Campus**";

WHEREAS, the NORSU Bids and Awards Committee recommended to the University President that the project shall be awarded to **PONCE AUTOMOBILE CORPORATION**, its offer being the most advantageous to the Philippine Government;

WHEREAS, time is the essence of this contract;

NOW, THEREFORE, for and in consideration of the foregoing premises and other covenants hereinafter named, the parties agree as follows:

ARTICLE I. CONTRACT DOCUMENTS


The following documents shall be attached, deemed to form, and be read and construed as integral part of this Agreement, to wit:

- (a) The Bid Form and the Price Schedule by the Bidder;
- (b) The Schedule of Requirements;
- (c) The Technical Specifications;
- (d) The General Conditions of Contract;
- (e) The Special Conditions of Contract;
- (f) The Performance Security; and
- (g) Eligibility requirements, documents and/or statements;
- (h) Performance Security;
- (i) Notice of Award of Contract and the Bidder's conforme thereto;
- (j) Abstract of Bids
- (k) Resolution of the BAC recommending the award of the project to the winning bidder;
- (l) Other contract documents that may be required by existing laws and/or the Entity.

ARTICLE II – SCHEDULE OF REQUIREMENTS

The inclusions in the delivery of the items in this contract are as follows:

1. Passenger Van (1 unit)



Ponce Automobile Corporation
Araneta St., Singang, Bacolod City, Phils.
Tel # (034) 434-8051 / 433-1199 / 707-4010 / Fax (034) 433-2807

BID PRICE SCHEDULE

ITEM	ITEM & SPECIFICATION	QTY	Agency's Approved Budget for the Contract (in peso)	BIDDER'S PRICE PROPOSAL	UNIT COST	TOTAL UNIT COST
	ONE UNIT PASSENGER VAN		2,000,000.00			
	<i>Specifications:</i> Model and Type: 2.5-Liter 4 in-Line DOHC 16-Valve Variable Turbo-charged (VGT) Diesel YD25DDTi Bore x Stroke: 85mm x 100mm; Displacement: 2498cc Compression Ratio: 15:1, 2020 Model Maximum Power(Ps (HP)/rpm): 129(127.22/3,200rpm) Maximum Torque N-m(kg-m)/rpm: 356(36.30)/1,400-2000rpm Fuel System: Common Rail Direct Injection Fuel Tank Capacity (Liters): 65; Transmission: 5 Speed Manual Front/Rear Suspension: Torsion Bar with Stabilizer/ Rigid Axle with Leaf Spring Front/Rear Brakes: Ventilated Disc/Leading and Trailing Drums Braking Technologies: Load Sensitive Valve (LSV) + Anti-Lock Braking System (ABS) + Brake Assist (BA) Overall Length x Width x Height: 3,230x1,880x2,285 Wheelbase (mm): 2,940 Tread (Front and Rear) mm: 1,635 Color: White Other Specs:	1 unit	2,000,000.00	2020 Nissan Nv350 Urban Premium MT	2,000,000.00	2,000,000.00
	Must have Branch Dealership and Service Center in Dumaguete City with NOBSU Basis Campus LOGO (decal stickers to be approved by the end user) Comprehensive with TPL insurance under GSIS and registration Red Plate: Warranty Certificate for 3 years or (100,000) Early Warning Device with Vehicle manual and standard tools Winning bidder must have an authorized operational local service center of the vehicle brand at least 5 years or more Company Operation in the vehicle business Delivery Period: 30 calendar days					
			Total: PHP 2,000,000.00			

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ARTICLE III – DELIVERY, INSPECTION AND TESTING

The work to be performed by the SUPPLIER under this contract shall commence after seven (7) calendar days upon receipt and acceptance of the Notice to Proceed from NORSU by the SUPPLIER. The delivery of “Procurement of One (1) Unit Passenger Van for NORSU Bais Campus” shall be completed within **Thirty (30) Calendar Days** upon receipt of Notice to Proceed. All hardware components must be 100% functional and in good operating condition.

Intensive testing should be done by the SUPPLIER together with the authorized representatives (including the end-user) of the OWNER to achieve functionality and benefits of the equipment. The SUPPLIER must provide an actual result of the testing of the hardware validated by the end-user.

ARTICLE IV – WARRANTY

The warranty period for the contract shall be Three (3) years free warranty on parts and services from the receipt of Certificate of Final Acceptance by the end-user. A warranty certificate for three (3) years or (100,000 km) for the Red Plate. Also included is the registration and a comprehensive with TPL insurance under GSIS. The SUPPLIER hereby warrants compliance with the requirements stipulated under this contract including the hardware equipment supplied.

ARTICLE V – MAINTENANCE/TECHNICAL SUPPORT

During the warranty period, the SUPPLIER shall provide regular scheduled PMS on the said vehicle on site, must have branch dealership or tie up service center in Dumaguete City and an authorized operational local service center of the vehicle brand, in case of malfunctioning or any other related problem wholly or partly attributable to the operating condition of the said vehicle.

Winning bidder shall also provide decal stickers to be approved by the end-user with “NORSU Bais Campus Logo” and an early warning device with vehicle manual and standard tools. With at least 5 years or more Company Operation in the Vehicle Business.

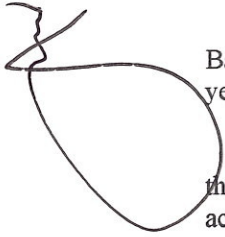
During warranty period, all parts beyond repair shall be in Intensive testing and should be done by the SUPPLIER together with the authorized representatives (including the end-user) of the OWNER to achieve functionality and benefits of the equipment. The SUPPLIER must provide an actual result of the testing of the vehicle validated by the end-user.

ARTICLE VI – THE CONTRACT SUM

The OWNER for and in consideration of the faithful and satisfactory fulfillment of the contract by the SUPPLIER in accordance with the terms and conditions of all contract documents and subject to the deduction herein provided, shall pay to the SUPPLIER in Philippine Currency the sum of **Two Million Pesos Only (PHP 2,000,000.00)**.

ARTICLE VII – PERFORMANCE SECURITY

In accordance with the Instruction to Bidders and General Conditions of the contract, the SUPPLIER shall furnish and file per acceptance to the OWNER a Performance Security in accordance with Section 39 of the Revised Implementing Rules and Regulations of RA 9184 to guaranty the full and faithful performance of this Agreement to answer for any liability that maybe suffered by the OWNER resulting from the violation of the SUPPLIER of labor laws and other laws. PROVIDED, that in the event of the recession or termination of this contract for breach thereof, the Performance Security, at the option of the OWNER shall be automatically forfeited in favor of the OWNER and becomes immediately payable and collectible by the OWNER, otherwise, the Performance Security shall remain and continue in full force until the aforementioned obligations as to the completion and faithful compliance of the contract, liquidated damages and cost of labor and materials shall have been duly satisfied, discharged, settled and paid by the SUPPLIER.



The Performance Security shall be denominated on Philippine Pesos and posted in favor of the OWNER in an amount equal to the following schedule:

Form of Performance Security	Amount of Performance Security (Not less than the required percentage of the Total Contract Price)
a) Cash or cashier's/manager's check issued by a Universal or Commercial Bank. For biddings conducted by LGUs, the cashier's/manager's check may be issued by other banks certified by the BSP as authorized to issue such financial instrument	Five percent (5%)
b) Bank draft/guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank: Provided, however, that it shall be confirmed or authenticated by a Universal or Commercial Bank, if issued by a foreign bank. For biddings conducted by LGUs, bank draft/guarantee, or irrevocable letter of credit may be issued by other banks certified by the BSP as authorized to issue such financial instrument.	
c) Surety bond callable upon demand issued by a surety or insurance company duly certified by the Insurance Commission as authorized to issue such security.	Thirty percent (30%)

ARTICLE VIII – LIQUIDATED DAMAGES

Should the SUPPLIER refuse to satisfactorily comply with its undertakings, and is hereby in default under this contract, the SUPPLIER shall be liable for damages for the delay and shall pay the OWNER for liquidated damages and not by way of penalty, an amount equivalent to one-tenth (1/10) of one percent (1%) of the cost of unperformed portion thereof, for every day of delay until the same is finally performed/completed and accepted by the OWNER.

It is understood that the damages herein provided are fixed and agreed liquidated damages and to be entitled to such damages, the OWNER need not prove that it has incurred actual damages. Such amount shall be deducted from any money due or which may become due to SUPPLIER under the contract and/or collect such liquidated damages from the performance security posted by the SUPPLIER, whichever is convenient to the OWNER.

In no case, however, shall the total sum of liquidated damages exceed ten percent (10%) of the total contract price, in which event the contract shall automatically be terminated by the OWNER and the erring SUPPLIER'S performance security shall be forfeited. The amount of the forfeited performance security shall be set aside from the amount of the liquidated damages that the SUPPLIER shall pay OWNER under this section and the other appropriate sanctions that may be imposed to the former.

ARTICLE IX – SUPPLIER'S LIABILITY

The SUPPLIER shall assume full responsibility, agrees and binds itself to indemnify the OWNER for any loss, damage, destruction and/or injury that may be incurred during the period of delivery until the period of acceptance for acts attributed to negligence, fault, misconduct or unlawful acts of the SUPPLIER and its personnel.

ARTICLE X – CANCELLATION/TERMINATION OF CONTRACT

The OWNER has the right to terminate or cancel the contract without need of judicial action at any time on reasonable grounds, such as, but not limited to: unsatisfactory service and performance or violation of the terms and conditions of this contract, by giving the SUPPLIER at least fifteen (15) calendar days of written notice in advance to that effect, which Notice shall be final and binding on all parties.

Within thirty (30) days after the termination, cancellation, or rescission of this contract, the parties shall settle their respective accountabilities as of the date of termination, cancellation, or rescission.

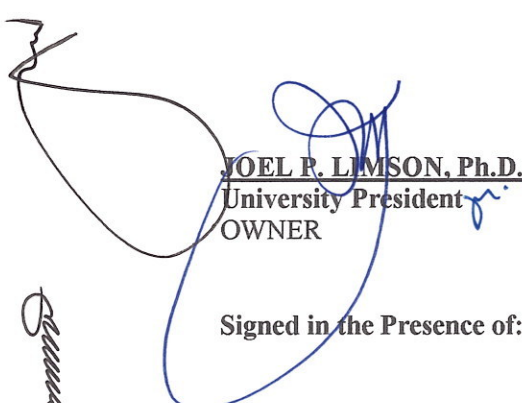
ARTICLE XI – VENUE OF COURT ACTION

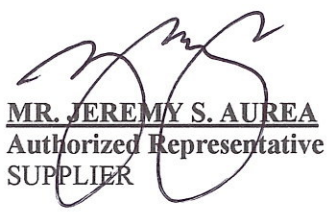
Should any court action be instituted by the NORSU or SUPPLIER arising from this contract, the parties hereby agree that the venue thereof shall be the proper court in the province of Negros Oriental.

IN WITNESS WHEREOF, the parties have hereunto set their hands this DEC 02 2020 day of 2020 at NORSU Main Campus I, Kagawasan Avenue, Dumaguete City, Philippines.

NEGROS ORIENTAL STATE UNIVERSITY
Kagawasan Avenue, Dumaguete City


PONCE AUTOMOBILE CORPORATION
Araneta St., Singcang, Bacolod City, Negros Occidental 6100


JOEL R. LIMSON, Ph.D.
University President
OWNER


MR. JEREMY S. AUREA
Authorized Representative
SUPPLIER

Signed in the Presence of:


RECTO S. REYES, DBA
Campus Administrator - Bais
End-User


Rudolf Daniel O. Parreno
Branch Manager
Nissan Dumaguete

ACKNOWLEDGMENT

Republic of the Philippines]
 Province of Negros Oriental } S.S
 City of Dumaguete]

DEC 02 2020

BEFORE ME, a Notary Public, for and in the City of Dumaguete, Philippines, this ___ day of _____ 2020, personally appeared the parties with their competent evidence of identity which bears their pictures and signatures, to wit:

Name	Identification Card/No.	Valid Until
JEREMY S. AUREA	Driver's license J01-000-001483	
JOEL P. LIMSON, Ph. D.	School ID No. 101101	

That they are the same persons who executed the foregoing instrument and acknowledged that the same is their free and voluntary act and deed consisting of ten (6) pages including this page whereon this acknowledgement is written, is signed by the parties and their instrumental witnesses on each and every page thereof and sealed with my Notarial Seal.

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

Doc. No. 107 ;
 Page No. 43 ;
 Book No. xii ;
 Series of 2020 .

Francis
ATTY. FRANCIS RILEY J. SANCHEZ
 NOTARY PUBLIC
 COMMISSION NO. 024-2019 UNTIL 31 DECEMBER 2020
 FOR DUMAGUETE CITY, SUALAN, BACANG, VALENCIA
 DAWN, ZARAGOZA, CITA, DUTONG, NEGROS ORIENTAL
 IBP NO. 0786101
 TR NO. 218775
 MCLE COMPLIANCE NO. 01809210 UNTIL 10 APRIL 2017
 ROLL NO. 07257 24 MAY 2017

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