

CONTRACT FOR SUPPLY AND DELIVERY OF DISTRIBUTION TRANSFORMERS

KNOW ALL MEN BY THESE PRESENTS:

This AGREEMENT is made and entered into this ____ day of _____ 2017 in Mariveles, Bataan, by and between:

The **AUTHORITY OF THE FREEPORT AREA OF BATAAN**, a body corporate created and existing under Republic Act No. 9728, with office address at the 2nd Floor AFAB Administration Building, Freeport Area of Bataan (FAB), Mariveles, Bataan, represented herein by its Chairman and Administrator, **EMMANUEL D. PINEDA**, hereinafter referred to as the "AFAB".

- and -

FBF INDUSTRIAL SALES & SERVICES, a duly organized and existing corporation under Philippine laws, with office address at Manahan St., Tenejero, Balanga City, Bataan, represented herein by its Owner, **FROILAN B. FLORES**, who is likewise duly authorized, hereinafter referred to as the "SUPPLIER";

WHEREAS, the AFAB invited Bids for certain goods and ancillary services viz, **SUPPLY AND DELIVERY OF DISTRIBUTION TRANSFORMERS**, hereinafter referred to as the "PROJECT", and has accepted a Bid by the SUPPLIER for the supply of those goods and services in the sum of **Five Million One Hundred Ninety Six Thousand Five Hundred Seventy Six Pesos (PHP 5,196,576.00)**, hereinafter called the "CONTRACT PRICE":

WITNESSETH:

1. In this Agreement 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 shall be deemed integral parts of this Agreement and the terms and conditions embodied therein shall be deemed reproduced herein by reference and/or incorporation:
 - a. the Bid Form, the Price Schedule, the Schedule of Requirements, and the Technical Specifications submitted by the SUPPLIER;

- b. the other documents/statements contained in the bidding envelopes submitted by the SUPPLIER;
 - c. the additional Post-Qualification Documents submitted by the SUPPLIER;
 - d. the Invitation to Bid and Bid Documents issued to the SUPPLIER including Bid Bulletin/s (if any) and Minutes of Pre-Bid Conference;
 - e. the Resolution of the Bids and Awards Committee declaring the Lowest Complying Responsive Bidder and Recommendation for Award;
 - f. the Entity's Notice of Award with the SUPPLIER's conforme thereto;
 - g. the SUPPLIER's Performance Bond;
 - h. Special Conditions of the Contract, attached herewith as Annex "A";
 - i. Other requirements of laws, rules and regulations and executive orders applicable thereto.
3. The SUPPLIER shall furnish all labor, materials, equipment and supplies, and the performance of all operations necessary for the complete implementation of the PROJECT, all in strict compliance with the terms and conditions of this Agreement, as well as all the applicable terms and conditions of the documents listed in Section 2 above.
4. Payment for the Project shall be made upon the actual and satisfactory delivery of the goods by the SUPPLIER, as evidenced by a Certificate of Acceptance to be issued by the AFAB.
5. In relation to this Contract, the SUPPLIER shall pay taxes in full and on time and that failure to do so will entitle the AFAB to suspend payment of the services delivered by the SUPPLIER.
6. The SUPPLIER is the sole employer of all the workers assigned under this Contract and shall be solely responsible and liable for strict compliance with all pertinent labor legislation, rules and regulations. No employer – employee relationship exists between the FAB and the SUPPLIER or any of the workers in the SUPPLIER's employ. Neither is there deemed any agency, partnership, license or joint venture. The SUPPLIER holds the FAB absolutely free and clear by any of the said workers, for any reason whatsoever.
7. The terms and conditions herein set forth shall be automatically modified by the applicable provisions of laws, rules and regulations, especially as

they pertain to minimum wage rates and other statutory benefits of the workers.

8. The SUPPLIER shall guarantee his goods from manufacturing defects for a minimum period of three (3) years reckoned from the date the goods/supplies are accepted by the AFAB, inclusive of delivery charge. Defects found within the guarantee period shall be immediately corrected by the SUPPLIER upon receipt of written notice from the AFAB. Should the SUPPLIER fail to correct said defects after a period of fifteen (15) days, the AFAB shall undertake the necessary corrective measures at the expense of the SUPPLIER.
9. The obligation for the warranty as provided in the preceding paragraph shall be covered by either retention money in an amount equivalent to at least one percent (1%) of every process payment, or a special bank guarantee equivalent to at least one percent (1%) of the total contract price, as the case may be. The said amounts shall only be released after consumption of goods/supplies; *Provided*, however, that the supplies delivered are free from patent and latent defects and all the conditions imposed under this Contract have been fully met.
10. Should the SUPPLIER fail to satisfactorily deliver goods under the contract within the specified delivery schedule, inclusive of duly granted extensions, if any, the SUPPLIER shall pay liquidated damages, and not by way of penalty, in the amount equivalent to one tenth (1/10) of one percent (1%) of the cost of the unperformed portion of the PROJECT for each calendar day of delay, including Sundays and Holidays, but not more than ten percent (10%) of the contract amount, until the work is completed and accepted by the AFAB, in accordance with the formula and conditions set forth in the existing rules and prevailing rules and regulations; *Provided*, that the payment of liquidated damages shall not in any manner relieve the SUPPLIER from its obligations and responsibilities under this Contract.
11. The SUPPLIER shall commence the execution of this Agreement within seven (7) calendar days from receipt of the Notice to Proceed, and must comply with its obligations under this Agreement within the date stated in the Special Conditions of the Contract attached herewith as Annex "A", unless otherwise terminated for failure of the SUPPLIER to perform its obligations under this Contract, in line with the Guidelines on Termination of Contracts issued by the Government Procurement Policy Board (GPPB Resolution No. 018-2004 dated December 2004).
12. This Agreement shall take effect upon the date of receipt by the SUPPLIER of the Notice to Proceed from the AFAB.


IN WITNESS WHEREOF, the parties have set their hands on the date and at the place first written above.

**AUTHORITY OF THE FREEPORT
AREA OF BATAAN**

**FBF INDUSTRIAL SALES &
SERVICES**

BY:

BY:

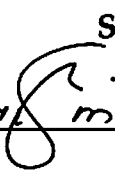


EMMANUEL D. PINEDA
Chairman and Administrator

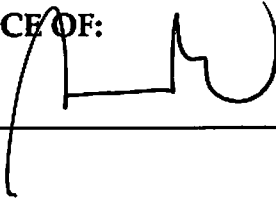


FROILAN B. FLORES
Owner

SIGNED IN THE PRESENCE OF:



CHERRY MARIAND



ACKNOWLEDGEMENT

Republic of the Philippines)
Mariveles, Bataan) S.S.

BEFORE ME, this _____ of JUL 2017 in Mariveles, Bataan, personally
appeared:

NAME	COMPETENT EVIDENCE OF IDENTITY	DATE & PLACE OF ISSUE/EXPIRY
EMMANUEL D. PINEDA	Passport No. EC4011784	22 Apr 2015/DFA Manila/ 21 Apr. 2020
FROILAN B. FLORES	Driver's License No. N02-87- 055940	06 Oct 2016/LTO/05 Oct 2019

both known to me to be the same persons who executed the foregoing instrument
and they acknowledged to me that the same is their own free and voluntary will and
deed, as well as that of the corporations they represent.

This instrument refers to a "SUPPLY AND DELIVERY OF DISTRIBUTION
TRANSFORMERS" that consists of five (5) pages including the page whereon this
acknowledgement is written, and which is signed by the Parties and their
instrumental witnesses on each and every page thereof and sealed with my notarial
seal.

IN WITNESS WHEREOF, I have hereunto set my hand on the date and at the
place first written above.

Doc. No. 330 ;
Page No. 67 ;
Book No. X411 ;
Series of 2017.

ABIGAIL F. ALMARIO
NOTARY PUBLIC for Bataan
N.C. No. 2016-003-ML until 12/31/17
FAB Post Office Bldg., Mariveles, Bataan
PTR No 617851, Mar Bat 01/03/2017
IBP No 1030333, Mar. Bat 01/03/17
Roll No 5181d