

**CONTRACT FOR SUPPLY AND DELIVERY OF
FAB FIRE STATION PUMPER FIRE TRUCK**

KNOW ALL MEN BY THESE PRESENTS:

This AGREEMENT is made and entered into this SEP 02 2014 2014 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, **DEOGRACIAS G.P. CUSTODIO**, hereinafter referred to as the "**AFAB**".

- and -

PALMER-ASIA INC., a duly organized and existing corporation under Philippine laws, with business address at 33 EDSA, Bangkal, Makati City, represented herein by its President and General Manager, **ANGEL P. PALMIERY**, hereinafter referred to as the "**SUPPLIER**";

WHEREAS, the AFAB invited Bids for certain goods and ancillary services viz, **SUPPLY AND DELIVERY OF FAB FIRE STATION PUMPER FIRE TRUCK**, 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 **SEVEN MILLION EIGHT HUNDRED THIRTY NINE THOUSAND PESOS (PhP 7,839,000.00)**, 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. General and Special Conditions of the Contract;
- c. the other documents/statements contained in the bidding envelopes submitted by the SUPPLIER;
- d. the additional Post-Qualification Documents submitted by the SUPPLIER;
- e. the Invitation to Bid and Bid Documents issued to the SUPPLIER including Bid Bulletin/s (if any) and Minutes of Pre-Bid Conference;
- f. the Resolution of the Bids and Awards Committee declaring the Lowest Complying Responsive Bidder and Recommendation for Award;
- g. the Entity's Notice of Award with the SUPPLIER's conforme thereto;
- h. the SUPPLIER's Performance Bond;
- i. other requirements of laws, rules and regulations and executive orders applicable thereto; and
- j. all other Bidding Documents/Statements not specifically mentioned herein but are part of the bidding process.

2. The AFAB hereby covenants to pay the SUPPLIER, in consideration of the provision of the goods and services, the Contract Price or such other sum as may become payable under the provisions of the Conditions of Contract, upon complete and satisfactory delivery of the goods.

3. 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.

4. 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.

5. 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, as the case may be.

6. The SUPPLIER shall guarantee that the goods are free from manufacturing defects for a minimum period of one (1) year reckoned from the date the goods are accepted by the AFAB. 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.

7. 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 ten percent (10%) of every process payment, as the case may be, or a special bank guarantee equivalent to at least ten percent (10%) of the total contract price. The said amounts shall only be released after the lapse of the warranty period; *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.

8. Should the Supplier refuses or fails to satisfactorily complete the work within the specified contract time, plus any time extension duly granted and is hereby in default under the Contract, the SUPPLIER shall pay the AFAB for liquidated damages and not by way of penalty, an amount, as provided in the Conditions of the Contract, equal to at least 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 the AFAB.

To be entitled to such liquidated damages, the AFAB need not prove that it has incurred actual damages. Such amount shall be deducted from any money due or which may become due to the SUPPLIER, or collected from any securities or warranties posted by the SUPPLIER, whichever is convenient to the AFAB.

9. In no case shall the total sum of liquidated damages exceed ten percent (10%) of the total contract price, in which event, the AFAB shall automatically rescind the Contract, forfeit the SUPPLIER's Performance Security, and takeover the implementation of the Contract, at the SUPPLIER's cost.

In case the delay in the completion of work exceeds a time duration equivalent to ten percent (10%) of the specified contract time plus any time extension duly granted to the SUPPLIER, the AFAB shall automatically rescind the Contract, forfeit the SUPPLIER's Performance Security, and takeover the implementation of the Contract, at the SUPPLIER's cost.

The amount of the forfeited Performance Security shall be aside from the amount of liquidated damages that the SUPPLIER shall pay the AFAB under the provisions of this Paragraph and the imposition of other appropriate sanctions.

10. 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 one hundred twenty (120) calendar days from date of commencement, 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).

11. Republic Act No. 9184, also known as "The Government Procurement Reform Act", and its Implementing Rules and Regulations, as well as issuances of the Government Procurement Policy Board (GPPB), shall apply to this Contract.

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**

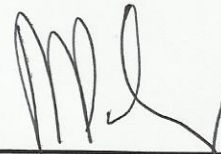
BY:



DEOGRACIAS G.P. CUSTODIO
Chairman and Administrator

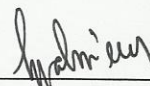
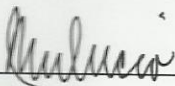
PALMER-ASIA INC.

BY:



ANGEL P. PALMIERY
President and General Manager

SIGNED IN THE PRESENCE OF:



ACKNOWLEDGEMENT

Republic of the Philippines)

Mariveles, Bataan) S.S.

BEFORE ME, this SEP 02 2014 of 2014 in Mariveles, Bataan, personally appeared:

NAME	COMPETENT EVIDENCE OF IDENTITY	DATE & PLACE OF ISSUE/EXPIRY
DEOGRACIAS G.P. CUSTODIO	Driver's License No. NO1-94-163908	October 10, 2014 Quezon City
ANGEL P. PALMIERY	<u>Driver's License No. NO4-86-037-461</u>	<u>2/18/2016 Marikina City</u>

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 "Contract for Supply and Delivery of FAB Fire Station Pumper Fire Truck" 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.

VINCENT EMMANUEL I. CRUZ
Notary Public
PTR No. 0223232; Mariveles, Bataan; 01-06-14
IBP No. 924010; Bataan; 01-02-14
Roll of Attorneys No. 49679
FAB Post Office, Mariveles, Bataan

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Series of 2014.