

CONTRACT FOR THE SUPPLY AND DELIVERY OF ONE (1) UNIT BRAND NEW VEHICLE 4X2 PICK-UP

This CONTRACT entered into this ___ day of ~~NOV 30 2023~~ 2023 by and between:

PORO POINT MANAGEMENT CORPORATION, a government-owned and controlled corporation registered and operating by virtue of laws of the Republic of the Philippines, with office address at Gov. Joaquin L. Ortega Avenue, Barangay Poro, San Fernando, La Union, duly represented herein by its President and Chief Executive Officer, **ATTY. FELIX S. RACADIO**, pursuant to PPMC Board Resolution 2023-02-20 (Annex "A"), hereinafter referred to as "**PPMC**"

-and-

NISSAN COMMONWEALTH, INC., a corporation duly organized under and by virtue of the laws of the Republic of the Philippines, with office address at 41 Commonwealth Avenue, Barangay Holy Spirit, Quezon City, duly represented herein by its Sales Manager, **MR. MARLON M. PERALTA**, pursuant to Secretary's Certificate (Annex "B"), hereinafter referred to as the "**SUPPLIER**"

PPMC and the SUPPLIER shall be referred to individually as "Party" and collectively as "Parties".

ANTECEDENTS

Whereas, PPMC needs to procure one (1) unit brand new vehicle 4x2 pick-up vehicle (vehicle) which is necessary for its patrol operations within the Poro Point Freeport Zone;

Whereas, on 19 April 2023, PPMC's Bids and Awards Committee (BAC) for the Procurement of Goods (PPMC-BAC) commenced the procurement activities and invited bids for the supply and delivery of vehicle through competitive public bidding in accordance with Section 35.1 (c) of RA 9184;

Whereas, the PPMC-BAC in its Resolution PB 2023-05-02 dated 22 May 2023 resolved to declare a Failure of Public Bidding and recommended for the re-bidding and re-posting of the Invitation to Bid pursuant to Sections 35.2 and 35.3 of RA 9184 and its Implementing Rules and Regulations (RIRR). The said Resolution and recommendation were approved by PPMC Board in its Resolution 2023-05-069 dated 25 May 2023;

Whereas, on 2 June 2023, PPMC-BAC again commenced the re-publication/ re-posting of the invitation to bid and other bidding documents for procurement of vehicle. However, per its Resolution PB 2023-07-01 dated 31 July 2023, PPMC-BAC resolved to declare a Failure of Public Bidding and recommended for the conduct of Negotiated Procurement after Two Failed Biddings in accordance with Section 53.1 of the Alternative Methods of Procurement. The said Resolution and recommendation were approved by PPMC Board in its Resolution 2023-08-106 dated 4 August 2023;

On 23 August 2023, PPMC-BAC resorted to Negotiated Procurement due to Two-Failed Biddings under the Alternative Methods of Procurement and invited bids and requested for proposals to different suppliers. After evaluation, the PPMC-BAC found the quotation of the Supplier as the Single Calculated and Responsive Quotation. Consequently, the PPMC-BAC issued Resolution PB 2023-09-01 recommending the award of the Contract to the Supplier;

Whereas, on September 15, 2023 PCEO Atty. Felix S. Racadio approved the PPMC-BAC recommendation awarding this Contract to the Supplier;

Now Therefore, for and in consideration of the foregoing premises and the mutual covenants, agreements and stipulations herein contained, the parties hereby bind themselves and agree to the following:

1. PRODUCT PRICES

The components of one (1) unit brand new vehicle 4x 2 Pick-Up, its specifications and costs are specified in Annex "C," duly signed by the parties and made an integral part of this CONTRACT.

2. DELIVERY PERIOD

The delivery shall be made within thirty (30) calendar days from receipt of Notice to Proceed, without need of demand, at PPMC's Office in accordance with the Supplier's conformity with the Terms of Reference (Documents for Negotiated Procurement After Two Failed Biddings) and Technical Specification of the procurement of vehicle.

3. CONTRACT COST

PPMC shall pay the SUPPLIER the amount of One Million Five Hundred Ninety Two Thousand Pesos (Php 1,592,000.00) specifically described in Financial Requirements/Price Quotation, hereto attached as Annex "D", in consideration of the complete and satisfactory completion of the supply and delivery of one (1) unit brand new vehicle 4x2 Pick-up as described in Annex "D."

4. PERFORMANCE SECURITY

The SUPPLIER shall secure and post in favor of PPMC a Performance Security, which must be in compliance with the requirements of R.A. 9184 and its Implementing Rules and Regulations (IRR):

- a. Performance Security- To guarantee performance of **SUPPLIER'S** obligations under this CONTRACT and in accordance with the bidding documents. The Performance Security shall be in accordance with 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 Bank or Commercial Bank; (b) Bank draft/guarantee or irrevocable letter of credit issued by a Universal Bank or Commercial Bank: Provided, however, that it shall be confirmed or authenticated by a Universal Bank or Commercial Bank, if issued by a foreign bank. | Five percent (5%) |
| (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%) |

5. DELIVERIES

- a. Items ordered shall be as indicated in Annex "C" hereof together with the specifications and quantities stated therein.
- b. All deliveries must be accompanied by the **SUPPLIER'S** Invoice, duly signed by the **SUPPLIER** and stating correctly the name of items, quantity, unit price and total cost as what appear in this CONTRACT.
- c. Failure to comply with the above requirements shall be a ground for rejection of such deliveries, subject to the penalties provided as a consequence of such delay.

6. INSPECTION OF DELIVERIES

- a. All deliveries shall be subject to inspection by the duly authorized PPMC representative. Final acceptance or rejection of deliveries shall be the responsibility of the duly authorized **PPMC** representative.
- b. Acceptance shall be indicated on the invoices by the receiving duly authorized **PPMC's** representative duly signed by such representative on top of his/her printed/typewritten name.

7. LIQUIDATED DAMAGES

- a. When the **SUPPLIER** fails to satisfactorily deliver the one (1) unit brand new vehicle 4x2 Pick-Up as described in this CONTRACT within the specified delivery schedule, inclusive of duly granted time extension, if any, the **SUPPLIER** shall be liable for damages for the delay and shall pay the **PPMC** liquidated damages, not by way of penalty, an amount equal to one-tenth (1/10)

of one percent (1%) of the cost of the delayed motor vehicle scheduled for delivery for every day of delay until such motor vehicle are finally delivered and accepted by **PPMC**.

- b. **PPMC** need not prove that it has incurred actual damages to be entitled to liquidate 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 **PPMC**. In no case shall the total sum of liquidated damages exceed ten percent (10%) of the total contract price, in which event **PPMC** shall automatically terminate this **CONTRACT** and impose appropriate sanctions over and above the liquidated damages to be paid BY **SUPPLIER**, otherwise, **PPMC** shall immediately require the **SUPPLIER** to pay.

8. REVOCATION AND TERMINATION OF CONTRACT

PPMC reserves the right to cancel **CONTRACT** on the following additional grounds:

- a. Any serious attempts or unlawful act to defraud the government;
- b. Any undue influence exerted upon any **PPMC's** officer and/or employee through intimidation, bribery or unlawful means;
- c. Non- delivery of the motor vehicle on time by the **SUPPLIER**;
- d. Any breach by the **SUPPLIER** of the terms and conditions of this **CONTRACT** including its Annexes; and/or
- e. Other grounds for Termination of Contracts for Goods, Supplies, and Materials as provided under Annex "D" of RA 9184 and its RIRR.

9. WARRANTY AND WARRANTY SECURITY

- a. The **SUPPLIER** warrants that for a period of three (3) years from receipt of Certificate of Acceptance, it has to correct manufacturing and/or delivery defects, if any, on all item/s mentioned in Annex "C", hereof.
- b. The obligation for the warranty shall be covered by either retention money in an amount equivalent to at least one percent (1%) but not to exceed five percent (5%) of every progress payment, or a special bank guarantee equivalent to at least one percent (1%) but not to exceed five percent (5%) of the total contract price. The said amounts shall only be released after the lapse of the warranty period.

10. MANNER OF PAYMENT

In consideration of the supply and delivery of 1 brand new 4x2 pick-up vehicle, **PPMC** undertakes to pay the Supplier the amount of Php 1,592,000.00 in accordance with its Financial Bid Form (Annex D) within 15 days from the issuance

the Certificate of Acceptance less the retention money provided under Section 9 (b).

11. ATTACHMENTS

The following shall be made an integral part of this Contract:

- a. Document for Negotiated Procurement After Two Failed Biddings (Contract for the Supply and Delivery of One Unit Brand New 4x2 Pick-Up Vehicle) dated August 2023;
- b. Checklist of Documents for Submission;
- c. Invitation for Negotiation for the Negotiated Procurement After Two Failed Biddings (Contract for the Supply and Delivery of One Unit Brand New 4x2 Pick-up Vehicle);
- d. Form 1: Supplier's conformity with the Technical Specifications;
- e. Form 2: Supplier's conformity with the Terms and Conditions;
- f. Supplier's Financial Bid Form;
- g. Notice of Award and Bidder's Conformance;
- h. Omnibus Sworn Statement; and
- i. Other contract documents that may be required by existing laws and/ or by PPMC. The contractor agrees that additional contract documents or information prescribed by GPPB that are subsequently required for submission after the contract execution shall likewise form part of the contract.

12. OTHER PROVISIONS

- a. The parties agree that in case of litigation, the venue of action for any cause or causes of action that may arise from this CONTRACT shall be exclusively filed in proper courts of City of San Fernando, La Union at the exclusion of other courts.
- b. Should **PPMC** be constrained to resort to court action to enforce or safeguard its rights and interest under this CONTRACT, the **SUPPLIER** shall be liable to **PPMC** attorney's fees in an amount equivalent to TWENTY FIVE PERCENT (25%) of the total claims, exclusive interest, damages, and expenses of litigation.
- c. The **SUPPLIER** hereby warrants that it has not given nor promised to give money, gift or any material favor/ consideration to any official or employees of **PPMC** to secure this CONTRACT and that any violation of this warranty shall be sufficient ground for **PPMC** to revoke or cancel the same without necessity of judicial action by giving written notice to that effect to the **SUPPLIER**. It is clearly understood that any payment or failure of **PPMC** to demand compliance with any terms and conditions of this CONTRACT or any act of liberality on the part of **PPMC** shall not be construed or considered as a waiver on the part of **PPMC** for the enforcement of any provision of this CONTRACT nor shall it relieve the **SUPPLIER** of any of its obligations provided hereunder. If any provision of this CONTRACT be declared null and void unconstitutional by any competent court, the rest not so declared shall remain binding and has force and effect.

13. EFFECTIVITY OF THE CONTRACT

This CONTRACT shall be binding and has force and effect upon signing the same.

14. OGCC REVIEW

This CONTRACT may be reviewed by the Office of the Government Corporate Counsel (OGCC) and its comments, suggestions and directives shall form part hereof.

15. AMENDMENTS

No modification of this CONTRACT or any of its provision shall be made except by written amendments, which shall be signed by both parties hereto.

IN WITNESS WHEREOF, the parties hereto set their hands and affixed their signatures this ____ day of _____ 2023 in the City of San Fernando La Union.

PORO POINT MANAGEMENT CORPORATION

NISSAN COMMONWEALTH, INC.

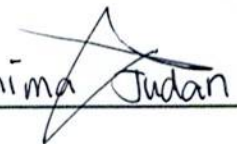
By:

By:



ATTY. FELIX S. RACADIO
President and CEO


MR. MARLON M. PERALTA
Account Specialist

SIGNED IN THE PRESENCE OF



Lenima Judan



DARMS ANGELES



ACKNOWLEDGMENT

Republic of the Philippines)
 Province of La Union) SS.
 City of San Fernando)

BEFORE ME, a Notary Public, in and for the above jurisdiction, personally appeared:

| NAME | GOVERNMENT ISSUED I.D. | DATE/ PLACE OF ISSUE |
|-----------------------------------|----------------------------------|-------------------------------|
| Poro Point Management Corporation | | |
| Atty. Felix S. Racadio | | |
| Nissan Commonwealth, Inc. | | |
| Mr. Marlon M. Peralta | Driver's License - NO2-Q7-359151 | Aug 09 2023 CARANATAN CITY |

Known to me and to me known to be the same persons who executed the foregoing CONTRACT and they acknowledged to me that the same is the product of their true, voluntary act and deed and that of corporations they represent.

The foregoing CONTRACT consists of seven (7) pages, including the page on which this acknowledgment is written and duly signed by the parties and their instrumental witnesses on each and every page hereof.

IN WITNESS WHEREOF, I have hereunto affixed my signature and notarial seal the _____ day of NOV 30 2023, 2023 in the City of San Fernando, La Union, Philippines.

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 Series of 2023

DONATO B. CALOZA
 Notary Public for the Province of La Union
 Notarial Commission No. 2022-02-005
 until December 31, 2023; TIN: 106-049-985
 P. Blacasa Ctr., San Fernando City, La Union
 PTR No. 2081145; 1/3/2023
 Roll No. 26705; 4/1/1976
 IBP OR No. 259836; 12/23/2022
 La Union Chapter