



Philippine Amusement & Gaming Corporation

A Global Corporation with a Global Mindset and a Filipino Heart

March 28, 2012

MR. JAMES P. DY
Senior Account Executive
COLUMBIA TECHNOLOGIES, INC.
1136 – 1146 J. Nakpil St., Malate,
Manila
Telephone Nos. 524-0393 to 94
Fax No. 400-4730

SUBJECT: NOTICE TO PROCEED

Dear Mr. Dy:

This refers to the public bidding for the Supply & Delivery of Six (6) Lots of Various Information Technology Equipment for Madison Square Slot Machine Arcade under ITB No. 12-10-2011HER.


This Notice To Proceed is being issued in your favor for you to start with the delivery of the items under Lot Nos. 1-5 in accordance with the provisions of Purchase Order No. 32031.

You shall complete the delivery of the items within thirty (30) calendar days from receipt of this Notice To Proceed.


You are hereby advised to coordinate with Mr. Menandro T. dela Cruz of Procurement Section at telephone no. 854-7343 for specific instructions regarding the delivery of the items.

Kindly acknowledge receipt of this letter and fax it back to us at fax no. 854-8693.

Very truly yours,


DELIO N. MAGSUMBOL, JR.
Chairman,
Branch Bids and Awards Committee (BBAC)
Casino Filipino - Heritage

Received by:



Company /Date

3-29-12

ANNEX "A": TERMS AND CONDITIONS

1. The total price stated in the PO already includes all applicable taxes, fees and charges required by the government. Columbia Technologies, Inc. holds PAGCOR free from liability for any or all taxes arising out of this transaction.

The prices herein agreed shall not be subject to any increase or upward adjustment for any reason or cause whatsoever.

2. Columbia Technologies, Inc. shall complete the supply and delivery of the goods within the time prescribed in the PO. Should Columbia Technologies, Inc. incur delay in its performance, it shall pay a penalty of one-tenth of one percent (1/10 of 1%) of the total cost of the undelivered goods for each day of delay. The maximum deduction shall be ten percent (10%) of the amount of the contract. Once the cumulative amount of liquidated damages reaches ten percent (10%) of the amount of the contract, PAGCOR shall have the option to rescind the contract, without prejudice to other courses of action and remedies open to it.

In case Columbia Technologies, Inc. still fails to deliver the item after the lapse of 30 days from the supposed date of delivery, in addition to the forfeiture of the bond and the penalties agreed upon, PAGCOR shall have the option to terminate the purchase.

3. In the event that Columbia Technologies, Inc. fails to comply with its undertakings under this PO, PAGCOR shall be released from its obligations without prejudice to its rights of restitution, recovery and damages.
4. In the event that the facts and circumstances arise or are discovered which renders this PO disadvantageous to the Government, the parties hereto agree immediately to re-negotiate its terms and conditions, or at the option of PAGCOR terminate the same.
5. No terms or conditions of this PO shall be deemed waived and no breach or default excused unless such waiver or excuse shall be in writing and signed by the party affected.
6. The obligations under this PO are of a personal nature and compliance thereof may not be assigned or subcontracted to another without the written consent of the other party. This PO or any interest in it may not be assigned without the prior written consent of the other party.
7. This PO contains all the covenants and stipulations agreed upon by the parties and shall be modified, revised or amended only upon written agreement of both parties.
8. This PO constitutes the entire contract between the parties pertaining to the subject matter contained in it, and supersedes all prior and contemporaneous agreements, representations, warranties and understandings of the parties. No supplement, variation or amendment of this PO shall be binding UNLESS executed in writing by the parties. No waiver of any of the provisions of this PO shall be deemed, or shall constitute, a waiver of any other provision, whether similar or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding UNLESS in writing and signed by the party making the waiver.
9. The relationship between the parties shall be limited to the performance of the terms and conditions of this PO. Nothing herein shall be construed to create a general partnership/agency/employer-employee or any other relationship between the parties, or to authorize any party to bind the other except as set forth in herein, or to borrow money on behalf of another party, or to use the credit of any party for any purpose other than what has been set forth herein.

Signature over Printed Name of Supplier

JAMES P. AT

10. The parties, waiving for this purpose any other venue, hereby agree that the courts of the City of Manila shall be the exclusive venue of any and all actions or suits between the parties relative to this PO, to the exclusion of all other courts and venues. This exclusive venue provision shall apply even in cases for declaration of nullity of this PO in its entirety or in part and in cases arising after or by reason of the declaration of nullity of this PO in its entirety or in part.

11. Columbia Technologies, Inc. hereby further warrants and represents that:

a. The goods and specifications shall be as described under the PO.

Lot	Qty	Description	Total per Lot
Lot I	10	Branded Desktop Computer	Php 338,000.00
Lot II	2	Clone Desktop Computer	Php 50,000.00
Lot III	3	Deskjet Printer	Php 67,825.00
	7	Dot Matrix Printer	
Lot IV	11	UPS, 650VA	Php 18,700.00
Lot V	1	Branded Server (Rack mount)	Php 508,000.00
	1	Branded Server (Domain Controller)	
	1	Server Rack, 42U, with accessories	

- b. It has good title to the goods described in the PO, full authority to sell and transfer the same and that the items are sold free and clear of all liens, encumbrances, liabilities and adverse claims, of every nature and description.
- c. It will fully defend, protect, indemnify, and hold PAGCOR harmless from any and all adverse claims that may be made by any party for the possession and/or the use of the goods.
- d. The defective items shall be replaced within seven (7) days upon receipt of notice. Failure to replace the same within the same period shall make Columbia Technologies, Inc. liable for a penalty of one-tenth of one percent (1/10 of 1%) of the total cost of the undelivered item for each day of delay.
- e. PAGCOR accepts no liability for the damage of the goods during transit, risk and title will be deemed to have passed to PAGCOR only upon receipt and final acceptance of the Goods.
- f. It shall pay taxes in full and on time, failure to do so will entitle PAGCOR to suspend payment.

Signature over Printed Name of Supplier


JAMES L. DY

JAMES P. III
Signature over Printed Name of Supplier

- g. Without prejudice to manufacturer's warranty, in order to assure that manufacturing defects shall be corrected by Columbia Technologies, Inc., a warranty shall be required from it for a minimum period of three (3) months after performance of the contract.
- h. The obligation for the warranty shall be covered by either Retention Money equivalent to at least ten percent (10%) of every progress payment or a special bank guarantee equivalent to at least 10% of the total contract price.
- i. The said amounts shall only be released after the lapse of the warranty period provided, however that the goods supplied are free from patent and latent defects and all conditions imposed under the contract have been fully met.
- j. In addition, the goods shall have a warranty of one (1) year from the date of acceptance, without prejudice to foregoing warranties.

12. Schedule of payment: PAGCOR shall pay the total amount of **Nine Hundred Eighty Two Thousand Five Hundred twenty Five Pesos and 00/100 (P 982,525.00)**, VAT exclusive, zero rated transaction, based on any of the following:

- 90% of the total contract price upon completion of supply and delivery, subject to PAGCOR's acceptance in writing of the items described in the PO. 884,272.50
- 10% Retention of the total amount to be paid after three (3) months from the formal acceptance, if and when no latent defects are noted or after consumption, whichever comes first. 98,252.50

-or-

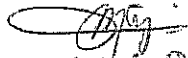
100% of the total contract price to be paid after performance of the contract, provided that the items supplied are free from patent and latent defects and all conditions imposed under the contract have been fully met; subject to PAGCOR's acceptance in writing and upon submission of a Special Bank Guarantee equivalent to at least 10% of the total contract price valid for three (3) months. 982,525.00

TOTAL

13. Performance Security: To guarantee the faithful performance of Columbia Technologies, Inc. obligations under this, it shall post a Performance Security prior to the execution of this PO, in accordance with any of the following schedule:

Form of Security	Amount in Percentage of Total Contract Price
Cash, cashier's/manager's check, bank draft/guarantee confirmed by a Universal or Commercial Bank.	Five Percent (5%) P 49,126.25
Irrevocable letter of credit issued by a Universal or Commercial Bank	Thirty Percent (30 %) P 294,757.50
Surety Bond (which is acceptable to PAGCOR) callable upon demand issued by a surety or insurance company duly certified by the Insurance Commission.	

14. This Annex shall form part of PO No. 32031.


 JAMES P. DY

Signature over printed Name of Supplier