

PURCHASE CONTRACT

This PURCHASE CONTRACT (the "CONTRACT") is entered into and executed by and between:

PHILIPPINE AMUSEMENT AND GAMING CORPORATION (PAGCOR), a government owned and controlled corporation created and existing by virtue of Presidential Decree 1869, as amended, with office address at the PAGCOR Executive Office, Fifth (5th) Floor, New World Manila Bay Hotel, M.H Del Pilar cor. Pedro Gil Sts. Malate, Manila, represented in this act by its **Branch Manager for Casino Filipino Davao, NESTOR B. GALGO**, hereinafter referred to as "**PAGCOR**"

-and-

BK SYSTEMS PHILS., INC., a corporation duly organized and existing under the laws of the Republic of the Philippines, with office address at Warehouse 11 Manjos Industrial Compound A. Sandoval Avenue Pinagbuhatan, Pasig City, represented in this act by its Sales Manager, **DESIREE P. TABLANTE**, duly authorized for this purpose by a Secretary's Certificate dated February 26, 2018, hereto attached as Annex "A", hereinafter referred to as the "**SUPPLIER**".

ANTECEDENTS:

WHEREAS, PAGCOR, has a requirement for the Supply and Delivery of Bingo Bulbs and IC for the Repair and Maintenance of Existing Bingo Equipment under ITB No. DC18-01-003DAV;

WHEREAS, considering that all the requirements were met, PAGCOR conducted a Direct Contracting in accordance with Section 50 (c) of Republic Act No. 9184 (Government Procurement Reform Act) and its Revised Implementing Rules and Regulations for the procurement of the Project;

WHEREAS, the SUPPLIER has submitted the single calculated responsive quotation for the Project;

WHEREAS, PAGCOR has accepted the bid of the SUPPLIER, subject to the terms and conditions hereunder stipulated;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements hereunder specified, PAGCOR and the SUPPLIER hereby enter into this Purchase Contract, under the following terms, conditions and specifications:

TERMS AND CONDITIONS

The rights and obligations of the parties are set forth as follows:

1. The SUPPLIER shall undertake the Supply and Delivery of Bingo Bulbs and IC for the Repair and Maintenance of Existing Bingo Equipment under ITB No. DC18-01-003DAV with the following technical specifications:

QTY.	TECHNICAL SPECIFICATIONS
120 pcs.	BULB, Bingo Flashboard T10X28MM, 28V – 3W, BA95
10 pcs.	IC (ULN2068B)
16 pcs.	IC (74LS259N)
PAGCOR Representative at the Project Site is: - Mr. Anthony A. Paris, Bingo Opns. Officer or Mr. Edd M. Tingin, Asst. Mobile Bingo Officer, Bingo Department, Tel. (02) 523-3678	

2. The total contract price shall be in the amount of **Nineteen Thousand Pesos (PhP19,000.00)**, VAT Exclusive, Zero-rated transaction.

PAGCOR and the SUPPLIER agree that the contract price already includes all applicable taxes, fees and charges required by the government. The SUPPLIER holds PAGCOR free from liability for any or all taxes arising out of this transaction.

The price herein agreed shall be considered as fixed price, and therefore not subject to price adjustment and escalation during contract implementation, except under extraordinary circumstances and upon prior approval of the Government Procurement Policy Board (GPPB) pursuant to Section 61 of Republic Act (R.A.) No. 9184 and its revised Implementing Rules and Regulations (IRR) and the Revised Guidelines for Contract Price Escalation.

3. The SUPPLIER shall complete within **Thirty (30) calendar days** the supply and delivery of said items from the date of receipt of the Notice to Proceed. The SUPPLIER shall deliver at the **Bingo Department (BD), PAGCOR House Annex, 1105 UN Avenue cor. Maria Orosa St., Ermita Manila.**
4. PAGCOR shall pay the total amount of **Nineteen Thousand Pesos (PhP19,000.00)**, VAT Exclusive, Zero-rated transaction, based on the following schedule:

99% of the total contract price upon completion of the supply and delivery subject to PAGCOR's acceptance [Issuance of the Inspection and Acceptance Report (IAR)] in writing of the items described in the contract.	Eight Hundred Sixty Thousand Three Hundred Ten Pesos (PhP18,810.00)
1% Retention to be paid after one (1) year from the formal acceptance (issuance of the IAR), if and when no patent and latent defects are noted	Eight Thousand Six Hundred Ninety Pesos (190.00)

Handwritten signature and initials in the right margin, possibly reading 'Jaf' and 'G'.

(Issuance of a Certificate of No Patent and Latent Defect).	
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OR

100% of the total contract price, provided that the goods supplied are free from patent and latent defects and all conditions imposed under the contract have been fully met; subject to PAGCOR's acceptance (issuance of the IAR) in writing of the items described in the contract and upon submission of a Special Bank Guarantee equivalent to at least one percent (1%) of the total amount valid for three (3) months from issuance of the IAR	Nineteen Thousand Pesos (PhP19,000.00)
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- The SUPPLIER shall complete the supply and delivery of goods within the time agreed by both parties. Should the SUPPLIER 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 unperformed portion 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.

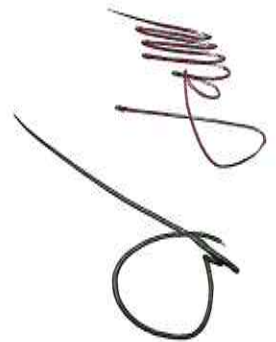
In case the SUPPLIER still fails to deliver the item after the lapse of thirty (30) days from the supposed date of delivery, in addition to the penalties agreed upon, PAGCOR shall have the option to terminate the Contract.

- In the event that the SUPPLIER fails to comply with its undertakings under this Contract, PAGCOR shall be released from its obligations without prejudice to its rights of restitution, recovery and damages.
- In the event that facts and circumstances arise or are discovered which render this Contract 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.
- No terms or conditions of this Contract shall be deemed waived and no breach or default excused unless such waiver shall be in writing and signed by the party affected.
- The rights or obligations under this Contract 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 Contract or any interest in it may not be assigned without the prior written consent of the other party.

10. This Contract 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.
11. This Contract 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 Contract shall be binding UNLESS executed in writing by the parties. No waiver of any of the provisions of this Contract 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.
12. The relationship between the parties shall be limited to the performance of the terms and conditions of this Contract. 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 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.
13. 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 Contract, to the exclusion of all other courts and venues. This exclusive venue provision shall apply even in cases for declaration of nullity of this Contract in its entirety or in part and in cases arising after or by reason of the declaration of nullity of this Contract in its entirety or in part.
14. The SUPPLIER hereby further warrants and represents that:
 - a. The goods and specifications shall be described in no. 1 of this Contract.
 - b. It has good title to the goods described in the Request for Quotation, 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 **Fifteen (15) calendar days** from receipt of advice from PAGCOR upon receipt of the notice. Failure to replace the defective items within the same period shall make the SUPPLIER liable for a penalty of one-tenth of one percent (1/10 of 1%) of the total cost of the unperformed portion for each day of delay, including Sundays and Holidays.

Handwritten signature in red ink, possibly reading 'J. Dela Cruz', with a large black circle drawn below it.

- e. PAGCOR accepts no liability for the damage of the goods during transit. Title to the goods 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.
- g. Without prejudice to the manufacturer's warranty, in order to assure that manufacturing defects shall be corrected by the SUPPLIER, a warranty shall be required from it for a minimum period of **three (3) months** from the date of delivery and acceptance of goods.
- h. The obligation for the warranty shall be covered by either Retention Money or a special bank guarantee equivalent to at least one percent (1%) of the total contract price.
- i. The said amount shall only be released after the lapse of the **three (3) months** period provided the goods supplied are free from patent and latent defects and all conditions imposed under the contract have been fully met.

A handwritten signature in black ink, appearing to be 'MFP' with a large flourish below it.

IN WITNESS WHEREOF, the parties have signed these presents on this _____ day of _____, 2018 at _____.

PHILIPPINE AMUSEMENT AND GAMING CORPORATION
TIN: 033-000-887-972

Represented by:



NESTOR B. GALGO
Branch Manager
TIN:

BK SYSTEMS PHILS., INC
TIN: 204-952-083-000


Represented by:



DESIREE P. TABLANTE
Sales Manager
TIN: 195-277-826-000

Signed in the presence of:



Mary C. P. Lozano





ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
DAVAO CITY) S.S.

BEFORE ME, a Notary Public for and in the City of DAVAO CITY, Philippines, this
_____ day of APR 10 2018, 2018, personally appeared:

NAME **NESTOR B. GALGO** GOVERNMENT ID ISSUED
SSS NO. 03-9714496-7

known to me and known to be the same person who executed the foregoing instrument consisting of seven (7) pages, including the page whereon the acknowledgments is written and acknowledged before me that the same is his free and voluntary act and deed and that of the Corporation he represents.

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

Doc No. 173
Page No. 36
Book No. 20
Series of 2018.



Sheryl T. Gadia
SHERYL T. GADIA
Notary Public for and in the City of Davao
Until December 31, 2019
Notarial Commission Serial No. 2018-017-2019
Roll No. 60019
IBP O.R. No. 025561, 01-08-2018
PTR O.R. No. 9882862, 01-03-18, Davao City
Units 204-205 2nd Floor Yahu Plaza
27 F. Bangoy Street, Davao City

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
PASIG CITY) S.S.

BEFORE ME, a Notary Public for and in the City of PASIG CITY, Philippines, this
day of APR 04 2018, 2018, personally appeared:

NAME	GOVERNMENT ID ISSUED	PLACE OF ISSUE/ DATE OF ISSUE/ VALIDITY
DESIREE P. TABLANTE	SSS I.D. No: 33-2743003-3	

known to me and known to be the same person who executed the foregoing instrument consisting of eight (8) pages, including the page whereon the acknowledgments is written and acknowledged before me that the same is his free and voluntary act and deed and that of the Corporation he represents.

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

Doc No. 17 ;
Page No. 5 ;
Book No. 00111 ;
Series of 2018.

del
ATTY. EDWIN S. CONDAYA
 NOTARY PUBLIC
 PANGLOSS & SAN JUAN
 UNTIL DECEMBER 31, 2018
 PTR NO. 0835 099/01-03-2018
 IBP No. 018004712-19-2017/UNTIL 2018
 ROLL No. 26583
 TIN No. 210-588-191-000
 MCLE V-0004493
 2nd FLOOR ARMAL BLDG. URBANO
 VELASCO AVE. MALINAO, PASIG CITY