

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 Room 203, Second (2nd) Floor, PAGCOR House, 1330 Roxas Boulevard, Ermita, Manila, represented in this act by its Assistant Vice President, Procurement Department, **HERNANDO C. APIGO**, hereinafter referred to as "**PAGCOR**";

-and-

BITSOFT TECHNOLOGY CO., a partnership duly registered under the laws of the Republic of the Philippines, with business address at Unit 711 Xavierville Royale Condominium, Xavierville Avenue, Loyola Heights, Quezon City, represented in this act by its Business Development Manager, **ANNLIE L. FRANE**, duly authorized for this purpose by a Partner's Resolution dated May 4, 2017, hereto attached as Annex "A", hereinafter referred to as the "**SUPPLIER**".

Each of **PAGCOR** or **SUPPLIER** may hereinafter be referred to as a "**PARTY**" and collectively referred to as the "**PARTIES**".

ANTECEDENTS:

WHEREAS, **PAGCOR** has a requirement for the Supply and Delivery of Thirteen (13) Lots Various Printer Consumables for Logistics Management Department (LMD) under ITB No. PB17-024COR-04;

WHEREAS, **PAGCOR** conducted a Public Bidding in accordance with the Republic Act 9184 (Government Procurement Reform Act) and its Revised Implementing Rules and Regulations on May 5, 2017 for the procurement of the Project;

WHEREAS, the **SUPPLIER** has submitted the single calculated responsive bid for Lot 8 and lowest calculated responsive bid for Lot 10 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:

PURCHASE CONTRACT - BITSOFT TECHNOLOGY CO.
Supply and Delivery of Thirteen (13) Lots Various Printer Consumables
under ITB No. PB17-024COR-04
(Lots 8 and 10)
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1. The **SUPPLIER** shall undertake the Lots 8 and 10 of the **Supply and Delivery of Thirteen (13) Lots Various Printer Consumables** with the following technical specifications:

Lot	Quantity	UOM	Description
8	1	PC	SUPPLY AND DELIVERY OF TONER CANON, NPG-32 (FOR EXISTING CANON PRINTER)
10	20	PCS	SUPPLY AND DELIVERY OF INK CARTRIDGE EPSON #188, MAX ECO (FOR EXISTING EPSON PRINTER)

Additional Terms and Conditions:

Expiration date of printer consumables should be at least one (1) year from date of delivery / acceptance.

2. The total contract price shall be in the amount of **Twenty-Eight Thousand Five Hundred Seventy-Two Pesos (PhP28,572.00)**, VAT Exclusive, Zero-Rated Transaction, with breakdown as follows:

Lot	Qty	UOM	Description	Unit Cost	Total Cost
8	1	PC	SUPPLY AND DELIVERY OF TONER CANON, NPG-32 (FOR EXISTING CANON PRINTER)	PhP4,572.00	PhP4,572.00
10	4	PCS	INK CARTRIDGE EPSON #188, MAX ECO BLACK (C13T188190) -FOR EXISTING HP PRINTER	PhP1,600.00	PhP6,400.00
	5	PCS	INK CARTRIDGE EPSON #188, MAX ECO CYAN (C13T188290) -FOR EXISTING HP PRINTER	PhP1,100.00	PhP5,500.00
	6	PCS	INK CARTRIDGE EPSON #188, MAX ECO MAGENTA (C13T188390) -FOR EXISTING HP PRINTER	PhP1,100.00	PhP6,600.00
	5	PCS	INK CARTRIDGE EPSON #188, MAX ECO YELLOW (C13T188490) -FOR EXISTING HP PRINTER	PhP1,100.00	PhP5,500.00
SUBTOTAL FOR LOT 10					PhP24,000.00
GRAND TOTAL COST					PhP28,572.00

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under ITB No. PB17-024COR-04

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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 prices herein agreed shall be considered as fixed prices, 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 the supply and delivery of said items within **thirty (30) calendar days** from the date of receipt of the **SUPPLIER** of the Notice to Proceed or upon advice of the end-user at the **PAGCOR Imus Warehouse, #363 Bayan Luma VI, Imus Cavite. However, items in small quantities may be delivered to Corporate Supplies Section-Logistics and Management Department (LMD), Ground Floor, 1330 PAGCOR House, Roxas Boulevard, Ermita, Manila subject to approval of LMD as end-user.** The term "upon advice of the end-user" connotes that the end-user has the option to request for an advance delivery or to put on hold delivery, depending upon the stock position in the warehouse.
4. **PAGCOR** shall pay the total amount of **Twenty-Eight Thousand Five Hundred Seventy-Two Pesos (PhP28,572.00), VAT Exclusive, Zero-Rated Transaction,** based on the following schedule:

99% of the costs of the items delivered per lot subject to PAGCOR's acceptance [Issuance of the Inspection and Acceptance Report (IAR)] in writing of the items described in the PO.	Twenty-Eight Thousand Two Hundred Eighty-Six Pesos and 28/100 (PhP28,286.28)	
	LOT	Amount
	8	PhP4,526.28
	10	PhP23,760.00
1% Retention of the items delivered per lot to be paid after three (3) months from the formal acceptance (issuance of the IAR), if and when no patent and latent defects are noted (issuance of a Certificate of No Patent and Latent Defects).	Two Hundred Eighty-Five Pesos and 72/100 (PhP285.72)	
	LOT	Amount
	8	PhP45.72
	10	PhP240.00

OR



<p>100% of the costs of the items delivered 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 this Contract and upon submission of a Special Bank Guarantee equivalent to at least one percent (1%) of the total contract price valid for three (3) months, from issuance of the IAR.</p>	<p>Twenty-Eight Thousand Five Hundred Seventy-Two Pesos (PhP28,572.00)</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>LOT</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">8</td> <td style="text-align: center;">PhP4,572.00</td> </tr> <tr> <td style="text-align: center;">10</td> <td style="text-align: center;">PhP24,000.00</td> </tr> </tbody> </table>	LOT	Amount	8	PhP4,572.00	10	PhP24,000.00
LOT	Amount						
8	PhP4,572.00						
10	PhP24,000.00						

5. 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 forfeiture of the Performance Security and the penalties agreed upon, **PAGCOR** shall have the option to terminate the Contract.

6. 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.
7. In the event that the 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.
8. 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.
9. 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 Bidding Documents, 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)** calendar days upon receipt of notice. Failure to replace the defective items within the same period shall make **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.
 - 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 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.

15. To guarantee the faithful performance of the **SUPPLIER** under this Contract, it shall post a Performance Security prior to the execution of the Contract, in accordance with any of the following schedule:

Form of Performance Security	Amount of Performance Security (Not less than the Percentage of the Total Contract Price)				
(a) Cash or cashier's/manager's check issued by a Universal or Commercial Bank.	Five Percent (5%) One Thousand Four Hundred Twenty-Eight Pesos and 60/100 (PhP1,428.60)				
(b) Bank draft/guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank: Provided, however, that it shall be confirmed or authenticated by a Universal or Commercial Bank, if issued by a foreign bank.	<table border="1"> <tr> <td>Lot 8</td> <td>PhP228.60</td> </tr> <tr> <td>Lot 10</td> <td>PhP1,200.00</td> </tr> </table>	Lot 8	PhP228.60	Lot 10	PhP1,200.00
Lot 8	PhP228.60				
Lot 10	PhP1,200.00				
(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 specific to the contract awarded.	Thirty Percent (30%) Eight Thousand Five Hundred Seventy-One Pesos and 60/100 (PhP8,571.60) <table border="1"> <tr> <td>Lot 8</td> <td>PhP1,371.60</td> </tr> <tr> <td>Lot 10</td> <td>PhP7,200.00</td> </tr> </table>	Lot 8	PhP1,371.60	Lot 10	PhP7,200.00
Lot 8	PhP1,371.60				
Lot 10	PhP7,200.00				

The Performance Security shall remain valid during the entire contract duration and shall be released only after the issuance of the Certificate of Final Acceptance (issuance of the IAR); Provided that **PAGCOR** has no claims filed against the contract awardee or the surety or insurance company and it has no claims for labor and materials filed against the contractor.

IN WITNESS WHEREOF, the parties have signed these presents on this _____ day of _____, 2017 at _____.

PHILIPPINE AMUSEMENT AND GAMING CORPORATION

TIN: 033-000-887-972

Represented by:



HERNANDO C. APIGO
Assistant Vice President
Procurement Department

TIN: 210-735-638

BITSOFT TECHNOLOGY CO.


TIN: 007-251-860-000

Represented by:



ANNLIE L. FRANE
Business Development Manager
TIN No.

Signed in the presence of:


MARINEL M. PUNZALAN



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BENJAMIN O. ENCINAS

PARTNER'S RESOLUTION

We, the partners of Bitsoftechnology Co., after been having been duly sworn in accordance with law, hereby depose and say:

1. That Bitsoftechnology Co. (hereinafter referred to as "Company") is a partnership existing and organized under and by virtue of the laws of the Philippines and duly registered with the Securities and Exchange Commission;
2. That a special meeting of the Partners held on May 2, 2017 4:00pm at Unit 711 Xavierville Royale Condominium, 61 Xavierville Ave., Loyola Heights, Quezon City, all partners were present and acted throughout, the following resolutions were adopted and approved:


RESOLUTION No. 800

"RESOLVED, that the Partners of BITSOFTECHNOLOGY Co. intends to participate in all Thirteen (13) Lots bidding of Supply and Delivery of Thirteen (13) Lots Various Printer Consumable in Philippine Amusement and Gaming Corporation (PAGCOR) with ITB No. PB17-024COR-04 on May 5, 2017 , 10:00 am onwards .


"RESOLVED, LASTLY, THAT THE PARTNERS authorizes Ms. Annlie L. Frane , Business Development Manager of BITSOFTECHNOLOGY CO, to sign, execute, perform and act in behalf of the company in this endeavor."

3. That the foregoing resolution is in full force and effect and that they have not been revoked, amended or cancelled.
4. That we are executing this Certificate for whatever legal purpose it may serve.

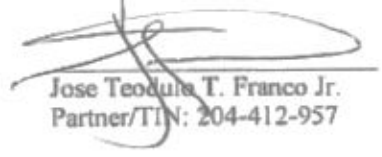
IN WITNESS WHEREOF, we have hereunto set our hands this MAY 04 2017 day of 2017,
at QUEZON CITY Philippines.



Christian Oliver M. Mataverde
Partner/TIN: 204-053-959



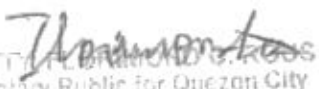
Nilo A. Suacillo
Partner/TIN: 151-241-665



Jose Teodoro T. Franco Jr.
Partner/TIN: 204-412-957

SUBSCRIBED AND SWORN to before me on the date and place above-mentioned, affiant exhibiting their Tax Identification Numbers.

Doc. No. 476
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Book No. X1
Series of 2017



Notary Public for Quezon City
Until December 31, 2017
PTR No. 3803193 / 01-3-17 / Q.C.
IBP LIFETIME NO. 00315
ROLL NO. 25769 / TIN. 142-154-935
MCLE 3 Comp-00001549; 1-22-2016
Rum Matter No 156 / RYE: QC / 2016