

PURCHASE CONTRACT

PO NO. 35542

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

Budget Authorization no. MP18-08-026

**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 (5<sup>th</sup>) Floor, 1588 New World Manila Bay Hotel, M.H Del Pilar cor. Pedro Gil Sts. Malate, Manila, 1004 represented in this act by its Casino Filipino-Manila Bay Branch Manager, **ENRILE DJ. ESGUERRA**, hereinafter referred to as "PAGCOR";

-and-

**SAIKO INTERNATIONAL TRADING CORPORATION** a corporation duly organized and existing under the laws of the Republic of the Philippines, with office address, at Lot 23, Blk. 1, Glowdell Ave., First Bulacan Industrial City Bgry. Tikay Malolos City, Bulacan represented in this act by Marketing Assistant, **JOVERT F. MENDOZA**, duly authorized for this purpose by a Secretary's Certificate<sup>1</sup>, hereinafter referred to as the "SUPPLIER".

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

**WITNESSETH THAT:**

**WHEREAS**, PAGCOR has a requirement for Lot 1: Frozen Foods of the Supply and Delivery of Two (2) Lots Food Supplies for VIP Bar-Cooked, Canned and Processed Food Items under ITB No. PB19-01-002MAB;

**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 March 5, 2019 for the procurement of the Project;

**WHEREAS**, the SUPPLIER submitted the single calculated responsive bid for the Project;

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

<sup>1</sup> Annex "A"-Secretary's Certificate

**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**

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

The SUPPLIER shall undertake the Supply and Delivery of Frozen Foods with the following technical specifications:

<b>Lot 1: Frozen Foods</b>	
<b>Two Hundred (200) packs</b>	Special Hotdog, 12 pcs/pack, per kilo <b>Ingredients:</b> Beef Meat, Pork Fat, Purified Water, Assorted Spices, Sodium Nitrite. <b>Brand:</b> Santis
<b>Two Hundred (200) kilos</b>	Schublig Sausage <b>Ingredients:</b> Beef Meat, Pork Meat, Pork Fat, Purified Water, Phosphate, Sodium Caseinate, Assorted Spices, Sodium Nitrite, Onions. <b>Allergen:</b> contains Milk. <b>Brand:</b> Santis
<b>Two Hundred Fifty (250) packs</b>	Cheesedog Hotdog, 12 pcs/pack, per kilo <b>Ingredients:</b> Beef Meat, Pork Fat, Purified Water, Cheese, Assorted Spices, Sodium Nitrite. <b>Brand:</b> Santis
<b>Two Hundred Fifty (250) packs</b>	Sweet Ham, Cooked Ham, 250 grams/pack <b>Ingredients:</b> Pork Ham and Shoulder, Water, ISP, Salt, Sugar, Binders, Phosphates, Sodium Erythorbate, Sodium Nitrite. <b>Brand:</b> CDO
<b>Two Hundred (200) kilos</b>	Hungarian Sausage <b>Ingredients:</b> Beef Meat, Pork Meat, Pork Fat, Purified Water, Phosphate, Sodium Caseinate, Assorted Spices, Sodium Nitrite. <b>Allergen:</b> contains Milk & Soya. <b>Brand:</b> Santis
<b>Forty (40) packs</b>	Bacon, 1 kilo/pack <b>Ingredients:</b> Pork Belly, Water, Iodized Salt, Phosphate Blend (Phosphate, Vegetable Gum, Sodium Citrate and Acidity Regulators), Sugar, Monosodium Glutamate, Sodium Erythorbate, Honey, TBHQ, Flavors, Sodium Nitrite & Food Color. <b>Allergen Info:</b> contains Milk and Sulphites. <b>Brand:</b> Purefoods

2. The total contract price shall be in the amount of Four Hundred Ninety-Three Thousand Six Hundred Sixty-Seven Pesos and 50/100 (PhP 493,667.50), VAT Exclusive, Zero-Rated Transaction, with breakdown as follows:

Description	Quantity	Unit Cost	Total Cost
Special Hotdog, Santis	200 packs	PhP 488.75	PhP 97,750.00
Schublig Sausage, Santis	200 kilos	PhP 555.75	PhP 111,150.00
Cheesedog Hotdog, Santis	250 packs	PhP 535.25	PhP 133,812.50

Sweet Ham, CDO	250 packs	PhP 84.50	PhP 21,125.00
Hungarian Sausage, Santis	200 kilos	PhP 509.25	PhP 101,850.00
Bacon, Purefoods	40 packs	PhP 699.50	PhP 27,980.00

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 commence the Supply and Delivery of the Frozen foods from the date of receipt of the winning supplier/contractor of the Notice to Proceed. The delivery shall take place at the Casino Filipino – Manila Bay, Southdrive T. M Kalaw Extension, Ermita Manila based on the following schedule:

Delivery	Item/ Quantity		Schedule of Delivery
1 <sup>st</sup> Delivery	Special Hotdog	20 packs	Within fifteen (15) calendar days from the date of receipt by the winning supplier of the Notice to Proceed
	Schublig Sausages	20 kilos	
	Cheesedog Hotdog	25 packs	
	Sweet Ham	25 packs	
	Bacon.	4 packs	
	Hungarian Sausages	20 kilos	
2 <sup>nd</sup> Delivery	Special Hotdog	20 packs	Within thirty (30) calendar days from the 1st delivery or upon the advise of the end-user
	Schublig Sausages	20 kilos	
	Cheesedog Hotdog	25 packs	
	Sweet Ham	25 packs	
	Bacon	4 packs	
	Hungarian Sausages	20 kilos	
3 <sup>rd</sup> Delivery	Special Hotdog	20 packs	Within thirty (30) calendar days from the 2nd delivery or upon the advise of the end-user
	Schublig Sausages	20 kilos	
	Cheesedog Hotdog	20 packs	
	Sweet Ham	20 packs	

	Bacon	4 packs	
	Hungarian Sausages	16 kilos	
4 <sup>th</sup> Delivery	Special Hotdog	20 packs	Within thirty (30) calendar days from the 3rd delivery or upon the advise of the end-user
	Schublig Sausages	20 kilos	
	Cheesedog Hotdog	20 packs	
	Sweet Ham	20 packs	
	Bacon	4 packs	
	Hungarian Sausages	16 kilos	
5 <sup>th</sup> Delivery	Special Hotdog	20 packs	Within thirty (30) calendar days from the 4th delivery or upon the advise of the end-user
	Schublig Sausages	20 kilos	
	Cheesedog Hotdog	20 packs	
	Sweet Ham	20 packs	
	Bacon	3 packs	
	Hungarian Sausages	16 kilos	
6 <sup>th</sup> Delivery	Special Hotdog	20 packs	Within thirty (30) calendar days from the 5th delivery or upon the advise of the end-user
	Schublig Sausages	20 kilos	
	Cheesedog Hotdog	20 packs	
	Sweet Ham	20 packs	
	Bacon	3 packs	
	Hungarian Sausages	16 kilos	
7 <sup>th</sup> Delivery	Special Hotdog	20 packs	Within thirty (30) calendar days from the 6th delivery or upon the advise of the end-user
	Schublig Sausages	20 kilos	
	Cheesedog Hotdog	20 packs	
	Sweet Ham	20 packs	
	Bacon	3 packs	
	Hungarian Sausages	16 kilos	
8 <sup>th</sup> Delivery	Special Hotdog	20 packs	Within thirty (30) calendar days from the 7th delivery or upon the advise of the end-

	Schublig Sausages	20 kilos	user
	Cheesedog Hotdog	20 packs	
	Sweet Ham	20 packs	
	Bacon	3 packs	
	Hungarian Sausages	16 kilos	
9 <sup>th</sup> Delivery	Special Hotdog	20 packs	Within thirty (30) calendar days from the 8th delivery or upon the advise of the end-user
	Schublig Sausages	20 kilos	
	Cheesedog Hotdog	20 packs	
	Sweet Ham	20 packs	
	Bacon	3 packs	
	Hungarian Sausages	16 kilos	
10 <sup>th</sup> Delivery	Special Hotdog	20 packs	Within thirty (30) calendar days from the 9th delivery or upon the advise of the end-user
	Schublig Sausages	20 kilos	
	Cheesedog Hotdog	20 packs	
	Sweet Ham	20 packs	
	Bacon	3 packs	
	Hungarian Sausages	16 kilos	
11 <sup>th</sup> Delivery	Cheesedog Hotdog	20 packs	Within thirty (30) calendar days from the 10th delivery or upon the advise of the end-user
	Sweet Ham	20 packs	
	Bacon	3 packs	
	Hungarian Sausages	16 kilos	
12 <sup>th</sup> Delivery	Cheesedog Hotdog	20 packs	Within thirty (30) calendar days from the 11th delivery or upon the advise of the end-user
	Sweet Ham	20 packs	
	Bacon	3 packs	
	Hungarian Sausages	16 kilos	

4. PAGCOR shall pay the total amount of Four Hundred Ninety-Three Thousand Six Hundred Sixty-Seven Pesos and 50/100 (PhP 493,667.50), VAT Exclusive, Zero-rated transaction, based on the following schedule:

<p>99% of the costs of the items <i>delivered subject to PAGCOR's acceptance [issuance of the Inspection and Acceptance Report (IAR)]</i> in writing of the items described in the PO.</p>	<p>Four Hundred Eighty-Eight Thousand Seven Hundred Thirty Pesos and 83/100 (PhP 488,730.83)</p>
<p>1% Retention of the items delivered per lot to be paid after <b>three (3) months</b> 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).</p>	<p>Four Thousand Nine Hundred Thirty-Six Pesos and 67/100 (PhP 4,936.67)</p>

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 <b>one (1) year</b> from issuance of the IAR.</p>	<p>Four Hundred Ninety-Three Thousand Six Hundred Sixty-Seven Pesos and 50/100 (PhP 493,667.50)</p>
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- The SUPPLIER shall complete the supply and delivery of goods in accordance with the Schedule of Delivery. 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.

- 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 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.
- 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 delivered shall be in accordance with the specifications described in paragraph 1 and 2 of this Contract.
  - b. It has good title to the goods described in the Bidding Documents and the Contract, that it has 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 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 security shall be required from the SUPPLIER for a minimum period of **three (3) months** from the date of delivery or acceptance of goods.
  - h. The obligation for the warranty security 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 warranty 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%)
(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.	Twenty-Four Thousand Six Hundred Eighty-Three Pesos and 38/100 (PhP 24,683.38)
(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%) One Hundred Forty-Eight Thousand One Hundred Pesos and 25/100 (PhP 148,100.25)

In case the SUPPLIER posted a Bid Security in the form of Cash, Cashier's or Manager's Check, the same may be utilize as additional payment to complete the amount of the performance security.

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 Supplier or the surety or insurance company and it has no claims for labor and materials filed against the Supplier.



IN WITNESS WHEREOF, the parties have signed these presents on this  
\_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ at \_\_\_\_\_.

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

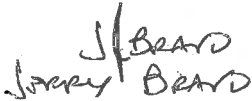
**SAIKO INTERNATIONAL TRADING  
CORPORATION**  
TIN: 004-550-407-000

Represented by:

  
**ENRILE D. ESCUERRA**  
Branch Manager  
TIN: 101-998-457

Represented by:

  
**JOVERT F. MENDOZA**  
Sales Manager  
TIN: 200-510-013

  
Jerry Beard

Signed in the presence of:

  
Ai Kayama

**ACKNOWLEDGEMENT**

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

BEFORE ME, a Notary Public for and in City of CITY OF MANILA, Philippines, this  
\_\_\_\_\_ day of APR 10 2019, 2019, personally appeared:

NAME ID ISSUED AT/ON

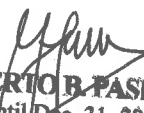
  
**JOVERT F. MENDOZA**  
Sales Manager

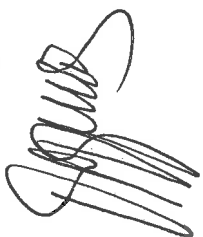
Drivers License No. N25-95-007243  
Expiration date: January 24, 2019

known to me and known to be the same person who execute the foregoing instrument consisting of eleven (11) 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. 532 ;  
Page No. 107 ;  
Book No. 10 ;  
Series of 2019.

  
**ATTY. GILBERTO B. PASIMANERO**  
Notary Public Until Dec. 31, 2019  
Notarial Commission 2018-015 Mla.  
IBP# 012434 Pasig 7-27-17 until 2019  
PTR# Mla 8008955 - 1-3-2019  
Roll# 25473, TIN# 103-098-346  
MCLE Compl. No. VI-0011418 until 4-14-2022



**ACKNOWLEDGEMENT**

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

BEFORE ME, a Notary Public for and in City of CITY OF MANILA, Philippines, this  
\_\_\_\_\_ day of APR 12 2019, 2019, personally appeared:

NAME

ID ISSUED AT/ON


**ENRILE DJ. ESGUERRA**

PAGCOR ID No. 86-0918  
Issuance Date: January 15, 2018  
Place of Issuance: Manila

known to me and known to be the same person who execute the foregoing instrument consisting of eleven (11) 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. 146;  
Page No. 31;  
Book No. II;  
Series of 2019.

  
JOANALEN G. BERMAS  
NOTARY PUBLIC  
IN AND FOR THE CITY OF MANILA  
6<sup>TH</sup> FLR, NEW WORLD MANILA BAY HOTEL & CASINO  
M.H. DEL PILAR ST. MALATE, MANILA  
COMM.NO. 2018 -- 053 / UNTIL DEC.31, 2019  
ROLL NO. 66470 /IBP LIFETIME NO.018334 /MANILA III  
MCLE COMPLIANCE N/A (Admitted 2016)  
MANILA III - CHAPTER  
PTR NO.8049550/JAN.11, 2019 /MANILA.

