

PURCHASE CONTRACT

PO NO.35555

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

Budget Authorization no. MB-18-08-026

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

-and-

TINAPAYAN FESTIVAL BAKESHOPPE a sole proprietor duly organized and existing under the laws of the Republic of the Philippines, with office address, at 1650 Dapitan St., Sampaloc, Manila represented in this act by Quality Control Supervisor, MARCONI BURA, duly authorized for this purpose by a Special Power of Attorney¹, 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 the Supply and Delivery of Food Supplies for VIP Bar-Baked Products and Spreads (January to December) under ITB No. PB19-03-005MABa-04 (Project);

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 6, 2019 for the procurement of the Project;

WHEREAS, the SUPPLIER has submitted the single calculated responsive bid 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:

¹Annex "A"-Special Power of Attorney

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 the following items based on the technical specifications:

Quantity	Description
Eight Thousand Four Hundred (8,400) packs	Wheat Pandesal 75 grams per piece, 6pcs per pack, freshly baked, individually wrapped and sealed, with expiration period of at least 5 days from the production date which must be indicated in the wrapper.
Fourteen Thousand Four Hundred (14,400) packs	White Bread Minimum of 650 grams in weight, 10.5 inches x 4 inches x 4 inches in dimension, freshly baked, individually wrapped and sealed, with expiration period of at least 5 days from the production date which must be indicated in the wrapper.
Six Hundred (600) pieces	Ensaymada Twirl Minimum of 100 grams in weight, 4 inches in diameter, 2 inches in height, freshly baked, individually wrapped and sealed, with expiration period of at least 3 days from the production date which must be indicated in the wrapper
Six Hundred (600) pieces	Cheese Cupcake Minimum of 35 grams in weight, 2 inches in diameter, freshly baked, individually wrapped and sealed, with expiration period of at least 3 days from the production date which must be indicated in the wrapper
Six Hundred (600) pieces	Cinnamon Roll Minimum of 100 grams in weight, 3.75 inches in diameter and 2 inches in height, freshly baked, individually wrapped and sealed, with expiration period of at least 3 days from the production date which must be indicated in the wrapper
Six Hundred (600) pieces	Cheese Roll Minimum of 60 grams in weight, 5 inches x 2.5 inches x 1.75 inches in dimension, freshly baked, individually wrapped and sealed, with expiration period of at least 3 days from the production date which must be indicated in the wrapper
Six Hundred (600) pieces	Bacon Ensaymada Minimum of 70 grams, 3.75 inches in diameter by 2 inches in height, freshly baked, individually wrapped and sealed, with expiration period of at least 3 days from the production date which must be indicated in the wrapper
Six Hundred (600) pieces	Banana Cake Single Minimum of 80 grams, 1.25 inches thick, freshly baked, individually wrapped and sealed, with expiration period of at least 3 days from the production date which must be indicated in the wrapper
Six Hundred (600) pieces	Ensaymada with Ham Minimum of 70 grams, 3.75 inches in diameter by 2 inches in height, freshly baked, individually wrapped and sealed, with expiration period of at least 3 days from the production date which must be indicated in the wrapper

Six Hundred (600) pieces	Special Mamon Minimum of 45 grams, 3.5 inches in diameter by 1.5 inches in height, freshly baked, individually wrapped and sealed, with expiration period of at least 3 days from the production date which must be indicated in the wrapper
Six Hundred (600) pieces	Potato Bread Minimum of 100 grams, 4.25 inches in diameter and 2.4 inches in height, freshly baked, individually wrapped and sealed, with expiration period of at least 3 days from the production date which must be indicated in the wrapper
Six Hundred (600) pieces	Brownies With nuts on top, minimum of 45 grams in weight, 2.90 inches in length, 1.50 inches in width, 0.75 inches in height, freshly baked, individually wrapped and sealed, with expiration period of at least 3 days from the production date which must be indicated in the wrapper
Six Hundred (600) pieces	Mongo Spring Minimum of 65 grams, 5.5 inches x 2.7 inches x 1.40 inches in dimension, freshly baked, individually wrapped and sealed, with expiration period of at least 3 days from the production date which must be indicated in the wrapper
Six Hundred (600) pieces	Ham & Cheese Roll Minimum of 70 grams, 3.75 inches in diameter by 2 inches in height, freshly baked, individually wrapped and sealed, with expiration period of at least 3 days from the production date which must be indicated in the wrapper
Six Hundred (600) pieces	Ube Twist Minimum of 70 grams in weight, 3.5 inches in diameter, 2 inches in height, freshly baked, individually wrapped and sealed, with expiration period of at least 3 days from the production date which must be indicated in the wrapper
Six Hundred (600) pieces	Ube Custard Minimum of 60 grams in weight, freshly baked, individually wrapped and sealed, with expiration period of at least 3 days from the production date which must be indicated in the wrapper
Six Hundred (600) pieces	Sausage Roll Minimum of 90 grams, 3.5 inches x 3.5 inches x 1.5 inches in dimension, freshly baked, individually wrapped and sealed, with expiration period of at least 3 days from the production date which must be indicated in the wrapper

2. The total contract price shall be in the amount of One Million Four Hundred Twenty-Eight Thousand Nine Hundred Sixty Pesos (PhP1,428,960.00), 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 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 baked products from the date of receipt of the winning supplier/contractor of the Notice to Proceed or upon advice of the end-user. The delivery shall take place at the Casino Filipino – Manila Bay, Southdrive T. M Kalaw Extension, Ermita Manila based on the following schedule:

ITEMS	QTY	1st Delivery 5 Days from the Effectivity Date or upon advise of the end- user	2nd Delivery 30 Days after the 1st delivery or upon advise of the end- user	3rd Delivery 30 Days after the 2nd delivery or upon advise of the end- user	4th Delivery 30 Days after the 3rd delivery or upon advise of the end- user	5th Delivery 30 Days after the 4th delivery or upon advise of the end- user	6th Delivery 30 Days after the 5th delivery or upon advise of the end- user	7th Delivery 30 Days after the 6th delivery or upon advise of the end- user	8th Delivery 30 Days after the 7th delivery or upon advise of the end- user	9th Delivery 30 Days after the 8th delivery or upon advise of the end- user	10th Delivery 30 Days after the 9th delivery or upon advise of the end- user	11th Delivery 30 Days after the 10th delivery or upon advise of the end- user	12th Delivery 30 Days after the 11th delivery or upon advise of the end- user
WHEAT PANDESAL PER PACK	8,400	700	700	700	700	700	700	700	700	700	700	700	700
BREAD LOAF PER PACK	14,400	1200	1200	1200	1200	1200	1200	1200	1200	1200	1200	1200	1200
Ensaymada Twist	600	50	50	50	50	50	50	50	50	50	50	50	50
Cheese Cupcake	600	50	50	50	50	50	50	50	50	50	50	50	50
Cinnamon Roll	600	50	50	50	50	50	50	50	50	50	50	50	50
Cheese Roll	600	50	50	50	50	50	50	50	50	50	50	50	50
Bacon Ensaymada	600	50	50	50	50	50	50	50	50	50	50	50	50
Banana Cake Single	600	50	50	50	50	50	50	50	50	50	50	50	50
Ensaymada with Ham	600	50	50	50	50	50	50	50	50	50	50	50	50
Special Mamon	600	50	50	50	50	50	50	50	50	50	50	50	50
Potato Bread	600	50	50	50	50	50	50	50	50	50	50	50	50
Brownies	600	50	50	50	50	50	50	50	50	50	50	50	50
Mongo Spring	600	50	50	50	50	50	50	50	50	50	50	50	50
Ham & Cheese Roll	600	50	50	50	50	50	50	50	50	50	50	50	50
Ube Twist	600	50	50	50	50	50	50	50	50	50	50	50	50
Ube Custard	600	50	50	50	50	50	50	50	50	50	50	50	50
Sausage Roll	600	50	50	50	50	50	50	50	50	50	50	50	50

4. PAGCOR shall pay the total amount of One Million Four Hundred Twenty-Eight Thousand Nine Hundred Sixty Pesos (PhP1,428,960.00), VAT Exclusive, Zero-rated transaction, based on the following schedule:

99% of the costs of the items <u>delivered subject to PAGCOR's acceptance [issuance of the Inspection and Acceptance Report (IAR)]</u> in writing of the items described in the PO.	One Million Four Hundred Fourteen Thousand Six Hundred Seventy Pesos and 40/100 (PhP 1,414,670.40)
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).	Fourteen Thousand Two Hundred Eighty-Nine Pesos and 60/100 (PhP 14,289.60)

OR

100% of the costs of the items delivered provided that the goods supplied are free from patent and	One Million Four Hundred Twenty-Eight Thousand Nine
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<p>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 one (1) year from issuance of the IAR.</p>	<p>Hundred Sixty Pesos (PhP1,428,960.00)</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.
- 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.
- 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.
- 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

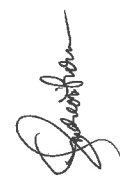
herein, or to borrow money on behalf of another party, or to use the credit of any party for any purpose other than what has been set forth herein.

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 shall be required from it for a minimum period of **three (3) months** from the date of supply, delivery and 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.	Seventy-One Thousand Four Hundred Forty-Eight Pesos (PhP 71,448.00)
(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%) Four Hundred Twenty-Eight Thousand Six Hundred Eighty-Eight Pesos (PhP 428,688.00)

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 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 _____, 20__ at _____.

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

TINAPAYAN FESTIVAL BAKESHOPPE
TIN: 100-092-184-000


Represented by:

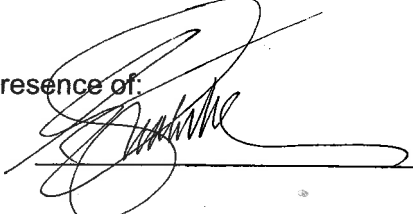

ENRILE D. ESGUERRA
Branch Manager
TIN: 701-998-457

Represented by:


MARCONI BURA
Quality Control Supervisor
TIN: 701-072-459

Signed in the presence of:







ACKNOWLEDGEMENT

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

BEFORE ME, a Notary Public for and in City of QUEZON CITY, Philippines, this
_____ day of _____, 2019, personally appeared:

JUN 25 2019

NAME

ID ISSUED AT/ON

MARCONI BURA
Quality Control Supervisor

Postal ID No. PRN-D94170477676
Expiration Date: July 18, 2020

known to me and known to be the same person who execute the foregoing instrument consisting of nine (9) 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. 424 ;
Page No. 11 ;
Book No. 213 ;
Series of 2019.

lv
Atty. Ma. Luisa R. Valenzuela
Notary Public
Until December 31, 2021
No. 93 N.S. Amoranto St. Laloma Quezon City
IBP 48531942 O.C. 12-07-2018
PTR 6871283 O.C. 01-05-2019
Roll of Atty. No. 40864
Adm. Matter No. 010
MCLE-V0014377 Feb. 01, 2019

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 JUN 27 2019, 2019, personally appeared:

NAME ID ISSUED AT/ON


ENRILE DJ. ESGUERRA
Branch Manager

PAGCOR ID No. 86-0918
Issuance Date: April 12, 2019
Place of Issuance: Manila

known to me and known to be the same person who executed the foregoing instrument consisting of nine (9) 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. 331;
Page No. 68;
Book No. II;
Series of 2019.


JOANELEN B. BERMAS
NOTARY PUBLIC
IN AND FOR THE CITY OF MANILA
6TH 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 VI-UNTIL 2022
MANILA III - CHAPTER
PTR NO.8049550/JAN.11, 2019 /MANILA

