

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 General Manager at Casino Filipino-Angeles, REDENTOR T. RIVERA, hereinafter referred to as “**PAGCOR**”

-and-

M.G. SERRANO ENTERPRISE, a sole proprietorship duly registered with the Department of Trade and Industry (DTI) with Certificate No. 03737942, with office address at 1337 Pau Street, Calulut, City of San Fernando, Pampanga, represented in this act by its Proprietor, **MARVIN SERRANO**, hereinafter referred to as the “**SUPPLIER**”.

ANTECEDENTS:

WHEREAS, PAGCOR has a requirement for the Supply and Delivery of Hot & Cold Beverage for VIP Bar under ITB No. PB20-01-004ANG;

WHEREAS, PAGCOR conducted a public bidding in accordance with the Republic Act 9184 (Government Procurement Reform Act) and its 2016 Revised Implementing Rules and Regulations on January 31, 2020 for the procurement of the Project;

WHEREAS, the SUPPLIER has submitted the lowest calculated responsive bid for the Lot 2 of 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 beverage for VIP bar with the following technical specifications:

Item No.	ITEM DESCRIPTION	TOTAL QUANTITY	UOM
Lot 2- Creamer, Tea, Choco and Sugar			
1	Coffee Creamer, 450g, Stand-up pouch • Expiration: 1 year	10,944	packs
2	Instant Coffee, High Roast 250g Foil Pack	5,040	packs
3	Iced Tea, 200g, House Blend Refill pack • Free use of 8 units dispenser for one (1) year • Expiration: 8 months	4,320	packs
4	Chocolate Drink, Hot Mix, 1kg • Expiration: 1 year	1,560	packs
5	Sugar White (1kilogram/pack) • Should be properly packed and labeled • Repacked item is not allowed	3,780	Kilograms
<u>Additional Requirements/Conditions:</u>			
<ul style="list-style-type: none"> • Offsetting/Changes in any items and other slow-moving commodities should be considered and cost must be equal to the total cost of the items to be exchanged. • Delivery shall be on a monthly basis for 12 months • Payment Terms shall be processed monthly • PAGCOR / End-user shall have the right to request for replacement if found defective / rejected 			

2. The total contract price shall be in the amount of **Three Million Seven Hundred Twenty-Six Thousand Seven Hundred Ninety-Two Pesos (₱ 3,726,792.00)**, VAT-Exclusive, Zero-Rated transaction, with breakdown as follows:

Item No.	Quantity	Description	Unit Price	Total Amount
1	10,944 packs	Coffee Creamer, 450g, Stand-up pouch	P 88.00	P963,072.00
2	5,040 packs	Instant Coffee, High Roast 250g Foil Pack	P 240.00	P1,209,600.00
3	4,320 packs	Iced Tea, 200g, House Blend Refill pack	P 205.00	P885,600.00
4	1,560 packs	Chocolate Drink, Hot Mix, 1kg	P288.00	P449,280.00
5	3,780 Kilograms	Sugar White (1kilogram/pack)	P 58.00	P219,240.00
Total				P3,726,792.00

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** with the supply and delivery of said item/s within **thirty (30) calendar days** from the date of receipt of the winning supplier/contractor of the Notice to Proceed, and **complete in twelve (12) monthly staggered deliveries**. The SUPPLIER shall deliver at the **Casino Filipino-Angeles, MacArthur Highway, Balibago, Angeles City**.
4. PAGCOR shall pay the amount of **Three Million Seven Hundred Twenty -Six Thousand Seven Hundred Ninety-Two Pesos (₱ 3,726,792.00)**, VAT-Exclusive, Zero-Rated transaction, in twelve (12) tranches, based on every completed delivery.
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 items from the supposed date of delivery, as indicated in the Technical Specification, 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.

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.	<u>Five Percent (5%)</u>	
(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" style="margin: auto;"> <tr> <td style="padding: 5px;">One Hundred Eighty Six Thousand Three Hundred Thirty- Nine & 60/100 Pesos (₱186,339.60)</td> </tr> </table>	One Hundred Eighty Six Thousand Three Hundred Thirty- Nine & 60/100 Pesos (₱186,339.60)
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<p>(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.</p>	<p style="text-align: center;"><u>Thirty Percent (30%)</u></p> <div style="border: 1px solid black; padding: 5px; margin: 5px auto; width: fit-content;"> <p>One Million One Hundred Eighteen Thousand Thirty-Seven & 60/100 Pesos (P 1,118,037.60)</p> </div>
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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 _____, 2020 at _____.

PHILIPPINE AMUSEMENT AND GAMING CORPORATION (PAGCOR)

TIN: 033-000-887-972

Represented by:

REDECTOR T. RIVERA
General Manager II, CF-Angeles
TIN: 138-968-901

M.G. SERRANO ENTERPRISE

TIN : 182-372-216-000

Represented by:

MARVIN SERRANO
Proprietor

Signed in the presence of:

ACKNOWLEDGMENT

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

BEFORE ME, a Notary Public for and in the City of _____, on this _____, 2020, personally appeared the following with their respective Government ID Numbers, to wit:

<u>Name</u>	<u>GOVT. ID</u>	<u>Valid Until</u>
REDENTOR T. RIVERA	Passport No. P6055621A	February 15, 2028

known to me to be the same person who executed the foregoing Purchase Contract consisting of seven (7) pages including the page on which this Acknowledgment is written, and we acknowledged to me that the same is his free and voluntary act and deed as well as the free voluntary act and deed of the entity he represents.

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

Doc. No. _____
Page No. _____
Book No. _____
Series of 2020.

ACKNOWLEDGMENT

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

BEFORE ME, a Notary Public for and in the City of _____, on this _____, 2020, personally appeared the following with their respective Government ID Numbers, to wit:

<u>Name</u>	<u>GOVT. ID</u>	<u>Valid Until</u>
MARVIN SERRANO	<i>DL# C10-03-0185-460</i>	<i>October 29, 2022</i>

known to me to be the same person who executed the foregoing Purchase Contract consisting of seven (7) pages including the page on which this Acknowledgment is written, and who acknowledged to me that the same is his free and voluntary act and deed as well as the free voluntary act and deed of the entity he represents.

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