

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 Officer-in-Charge/Branch Manager, **Ms. MA. CONSOLACION A. PASION**, duly designated by the Board of Directors for the purpose, hereinafter referred to as "**PAGCOR**";

-and-

BRIGHT STAR INDUSTRIES, INC a corporation OR sole proprietorship duly organized and existing under the laws of the Republic of the Philippines, with office address at 58-60 Plaridel St., Cebu City, represented in this act by its Vice President of Operations, **Ms. MYSUE L. TANTIANSU**, duly authorized for this purpose by Mr. HENRY G. TANTIANSU, Corporate Secretary, by virtue of a Secretary's Certificate dated September 12, 2019, hereto attached as Annex "A", hereinafter referred to as the "**SUPPLIER**".

Each referred to as a "**PARTY**" and collectively as the "**PARTIES**"

ANTECEDENTS:

WHEREAS, PAGCOR has a requirement for the Supply and Delivery of Food and Beverage for Bingo and Morale Welfare and Recreation (MWR) Events under ITB No. PB19-07-019CEB (Lot 1: Supply and Delivery of Food, Beverage and others for special MWR events activities);

WHEREAS, PAGCOR conducted a public bidding in accordance with the Republic Act 9184 (Government Procurement Reform Act) and its 2016 Revised

End-user  BBAC Chairman/V-Chairman 

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Supply and Delivery of Food and Beverage for Bingo and Morale Welfare and Recreation (MWR) Events under ITB No. PB19-07-019CEB (Lot 1: Supply and Delivery of Food, Beverage and others for special MWR events activities)



Implementing Rules and Regulations on September 13, 2019 for the procurement of the Project;

WHEREAS, the **SUPPLIER** has submitted the lowest 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:

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 Food and Beverage for Bingo and Morale Welfare and Recreation (MWR) Events under ITB No. PB19-07-019CEB (Lot 1: Supply and Delivery of Food, Beverage and others for special MWR events activities) with the following technical specifications:

Item No.	ITEM DESCRIPTION	QUANTITY
1	Packed Meals 2 Main Dish 1 cup of rice	900 meals
2	Purified Drinking Water Bottled 350 ml (40 bottles per box)	30 boxes
3	Energy Drink 500ml, Assorted Flavor	800 bottles

ADDITIONAL TERMS AND CONDITIONS

The Supplier must be able to meet the demands of the end-user in connection with the goods and services and venues to be provided to its clients in accordance with the standards of the end-user

The Supplier shall provide the goods/services and venues duly approved by the end-user

The Supplier/Service Provider should not exceed beyond the budget given by the end-user

Number of food to be served may be changed the day before the event (it may increase or decrease depending on the number of attendees)

End-user  BBAC Chairman/V-Chairman 



The Supplier/Service Provider shall ensure that the food will be prepared and cooked on the day of the delivery
In case of suspension of work due to fortuitous events (i.e inclement weather and its effect like storms surges, floods, fire etc.) the Supplier/Service Provider shall be advised of the cancellation of delivery until 7:00am of the actual delivery date. No advice of cancellation by 7:00am would mean a confirmation of the delivery
The Supplier/Service Provider should deliver the items in good condition two (2) hours before the event
The End-user has the right to return spoiled, foul, defective, expired items to the Supplier/Service Provider. The items shall be replaced within one (1) hour upon receipt of notification.
PAGCOR and the Supplier/Service Provider shall mutually agree on any last minute changes (less than 1 day)

2. The total contract price shall be in the amount of Two Hundred Forty-Eight Thousand Eight Hundred Pesos (P248, 800.00), Vat Exclusive, Zero Rated Transaction, with breakdown as follows:

Lot	Quantity	Description	Unit Cost	Total Cost
1	900 meals	Packed Meals 2 Main Dish 1 cup of rice	223.00	200,700.00
	30 boxes	Purified Drinking Water Bottled 350 ml (40 bottles per box)	310.00	9,300.00
	800 bottles	Energy Drink 500ml, Assorted Flavor	48.50	38,800.00

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.

End-user  BBAC Chairman/V-Chairman 





3. The SUPPLIER shall commence contract from the date of Suppliers' Acknowledgement of Receipt in the Notice to Proceed. Deliveries shall be on a staggered basis with seven (7) calendar days advance notice for a period of one (1) year. The SUPPLIER shall deliver at the *Casino Filipino-Cebu*.
4. PAGCOR shall pay the total amount of **Two Hundred Forty-Eight Thousand Eight Hundred Pesos (P248, 800.00), Vat Exclusive, Zero Rated Transaction**, based on the following schedule:

99% of the costs of the items delivered subject to PAGCOR's acceptance [Issuance of the Inspection and Acceptance Report (IAR)] in writing of the items described in the PO.	99% equivalent of the costs of the items delivered
1% Retention of the items delivered (<i>per lot</i>) 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).	1% equivalent of the costs of the items delivered

OR

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.	Two Hundred Forty-Eight Thousand Eight Hundred Pesos (P248, 800.00), Vat Exclusive, Zero Rated Transaction
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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.

End-user  BBAC Chairman/V-Chairman 



In case the **SUPPLIER** still fails to deliver the item after the lapse of thirty (30) calendar 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.

End-user  BBAC Chairman/V-Chairman 



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 one (1) hour upon receipt of notification. 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 **three (3) months** warranty period provided the goods supplied are free from patent and latent defects and all conditions imposed under the contract have been fully met.

End-user  BBAC Chairman/V-Chairman 



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 (Percentage of the Total Contract Price)
(a) Cash or cashier's/manager's check issued by a Universal or Commercial Bank.	
(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.	Five Percent (5%) Twelve Thousand Four Hundred Forty (Php 12,440.00)
(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%) Seventy-Four Thousand Six Hundred Forty Pesos (Php 74,640.00)




In case the **SUPPLIER** posted a Bid Security in the form of Cash, Cashier's or Manager's Check, the same may be utilized 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 _____.

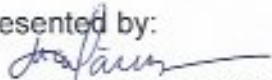
**PHILIPPINE AMUSEMENT AND
GAMING CORPORATION**
TIN: 033-000-887-972

BRIGHT STAR INDUSTRIES, INC
TIN: 000-884-602-000

End-user  BBAC Chairman/V-Chairman  




Represented by:


MA. CONSOLACION A. PASION
Officer-In-Charge/Branch Manager
TIN: _____

Represented by:


MYSUE L. TANTIANSU
Vice President Operations
TIN:301-158-786

Signed in the presence of:

End-user  BBAC Chairman/V-Chairman 

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Supply and Delivery of Food and Beverage for Bingo and Morale Welfare and Recreation (MWR) Events under ITB No. PB19-07-019CEB (Lot 1: Supply and Delivery of Food, Beverage and others for special MWR events activities)

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES
CEBU CITY


BEFORE ME, a Notary Public for and in City of **CEBU CITY**, Philippines, this
day of **OCT 23 2019**, personally appeared:

Name	Identification Document Presented
MA. CONSOLACION A. PASION (In her Capacity as Officer-in-Charge/Branch Manager of Casino Filipino-Cebu)	Social Security System 03-9772404-4
MYSUE L. TANTIANSU Vice President Operations	Unified Multi-Purpose ID CRN-0111-4582630-0

known to me to be the same persons who executed the foregoing instrument consisting of nine (9) pages, including the page whereon the acknowledgment is written and acknowledged before me, that the same is their free and voluntary act and deed, and that of the Corporation they represent.

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

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Book No. 119
Series of 2019


ATTY. RAUL L. PASION
NOTARY PUBLIC CEBU CITY
UNTIL DEC. 31, 2019
PTR NO. 1640133/1-3-19
ROLL NO. 44841
NOTARY COMM. 0121
LIFE TIME NO. 07936
OFFC. D. JAKOSALEM ST. CEBU CITY
BAYANIHAN BLDG. PROV. OF CEBU

End-user A BBAC Chairman/V-Chairman

Jacob
