

ANNEX "D"**CONTRACT IMPLEMENTATION GUIDELINES FOR THE PROCUREMENT OF GOODS,
SUPPLIES AND MATERIALS****1. Amendment to Order**

1.1. Subject to the conditions set forth below, amendments to order may be issued at any time by the procuring entity concerned. If any such order increases or decreases the cost of, or the time required for executing any part of the work under the original contract, an equitable adjustment in contract price and/or delivery schedule shall be mutually agreed upon between the parties concerned, and the contract modified in writing.

1.2. An amendment to order may be issued in the event that necessary adjustments within the general scope of the contract in any one or more of the following is required in order to fully meet the requirements of the project:

- a) drawings, design or specifications, if the goods to be furnished are to be specifically manufactured for the Government in accordance therewith;
- b) method of shipment or packing; or
- c) place of delivery

1.3. An amendment to order may also be issued by the concerned procuring entity where there are additional items needed and necessary for the protection of the goods, which were not included in the original contract. Payments for these additional items shall be based on the unit prices in the original contract for items of goods similar to those in the original contract. If the contract does not contain any rate applicable to the additional items, then suitable prices shall mutually be agreed upon between the parties. Request for payment by the supplier for any additional items shall be accompanied by a statement with the approved supporting forms, giving a detailed accounting and record of amount for which it claims payment. The contract time shall likewise be extended if the acquisition of such additional items so warrants.

1.4. Under no circumstances shall a supplier proceed to commence work under any amendment to order unless the same has been approved by the head of the procuring entity concerned or his duly authorized representative. As an exception to the rule, the Regional Director/Head concerned may authorize the immediate start of work under any amendment to order in the event of emergencies to avoid detriment to public service, or damage to life and/or property or when time is of the essence: Provided, however, That the same is valid only on items up to the point where the cumulative increase in the contract cost which has not yet been duly fully approved by the head of the procuring entity concerned or his duly authorized representative does not exceed five percent (5%) of the original contract cost: Provided, further, That the corresponding amendment to order shall immediately be prepared and submitted for approval to the head of the procuring entity concerned or his duly authorized representative. For an amendment to order involving a cumulative amount exceeding five percent (5%) of the original contract price, no work thereon shall be commenced unless the same has been approved by the head of procuring entity concerned or his duly authorized representative.

2. Suspension of Work

2.1. The procuring entity may suspend the work wholly or partly by written order for a certain period of time, as it deems necessary due to force majeure or any fortuitous events as defined in the contract. The supplier or consultant shall take all reasonable steps to minimize the costs allocable to the work covered by such order during work stoppage.

2.2. Before the suspension order expires, the procuring entity concerned shall either lift such order or terminate the work covered by the same. If the suspension order is lifted, or if the period of the order expires, the supplier or consultant shall have the right to resume work. Appropriate adjustments shall be made in the delivery or contract schedule, or contract price, or both, and the contract shall be modified accordingly.

3. Liquidated Damages

3.1. When the supplier fails to satisfactorily deliver goods under the contract within the specified delivery schedule, inclusive of duly granted time extensions, if any, the supplier shall be liable for damages for the delay and shall pay the procuring entity liquidated damages, not by way of penalty, an amount equal to one-tenth (1/10) of one percent (1%) of the cost of the delayed goods scheduled for delivery for every day of delay until such goods are finally delivered and accepted by the procuring entity concerned.

3.2. The procuring entity need not prove that it has incurred actual damages to be entitled to liquidated damages. Such amount shall be deducted from any money due or which may become due to the supplier, or collected from any securities or warranties posted by the supplier, whichever is convenient to the procuring entity concerned. In no case shall the total sum of liquidated damages exceed fifteen percent (15%) of the total contract price, in which event the procuring entity concerned shall automatically terminate the contract and impose appropriate sanctions over and above the liquidated damages to be paid.

4. Other Rules and Guidelines

The rules and regulations for the other aspects of contract implementation shall be included in the manuals to be issued by the GPPB, such as, but not limited to, the following:

- a) Incidental Services;
- b) Spare Parts;
- c) Delays in the Supplier's Performance;
- d) Purchaser's Responsibilities;
- e) Prices;
- f) Payment;
- g) Taxes and Duties;
- h) Subcontracts;
- i) Standards;

- j) Packing;
- k) Insurance;
- l) Transportation;
- m) Inspections and Tests;
- n) Patent Rights;
- o) Limitations of Liability;
- p) Termination for Default;
- q) Termination for Insolvency;
- r) Termination for Convenience; and
- s) Assignment.