

# CONTRACT FOR SUPPLY, DELIVERY, AND INSTALLATION OF FIRE EXTINGUISHERS

THIS CONTRACT made and entered into by and between the following:

**DEPARTMENT OF BUDGET AND MANAGEMENT**, a government agency created by virtue of the laws of the Philippines, with principal office located at Mabini Hall, Malacanang, Manila, represented herein by SEC. FLORENCIO B. ABAD (hereinafter called the "DBM");

- and -

**PALMER-ASIA, INC.**, a corporation duly organized and existing under the laws of the Philippines, with principal office located at 33-D EDSA, Bangkal, Makati City, represented herein by MS. MARIFE LAR CANTARA (hereinafter called the "Supplier");

## WITNESSETH:

WHEREAS, the DBM conducted public bidding for the supply, delivery and installation of forty-nine (49) fire extinguishers (hereinafter, the "Goods and Services") and the bid of the Supplier in the total amount of three hundred ninety-six thousand one hundred fifty pesos (P396,150.00) (hereinafter called the "Contract Price") was determined to be the single calculated and responsive bid;

WHEREAS, the Notice of Award was issued to the Supplier last October 21, 2011, and Supplier posted its performance security last October 25, 2011.

NOW, THEREFORE, for and in consideration of the foregoing premises, the parties hereby mutually stipulate and agree as follows:

1. In this Contract, words and expressions shall have the same meanings as are respectively assigned to them in the General and Special Conditions of Contract referred to in Annex D and E, respectively.
2. The following documents shall form and be read and construed as part of this Contract:

Annex A	-	Bid Form and Price Schedule;
B	-	Schedule of Requirements;
C	-	Technical Specifications;
D	-	General Conditions of Contract;
E	-	Special Conditions of Contract;
F	-	Notice of Award; and
G	-	Performance Security.

Other documents referred to in Section 37.2.3 of the Implementing Rules of Republic Act No. 9184 shall likewise form part of this Contract.

3. In consideration of the payments to be made by the DBM to the Supplier, the Supplier hereby covenants with the DBM to provide the Goods and Services and to remedy defects therein in conformity with the provisions of the Contract
4. The DBM hereby covenants to pay the Supplier, in consideration of the provision of the Goods and Services and the remedying of defects therein, the Contract



Price or such other sum as may become payable under the provisions of the contract at the time and in the manner prescribed by the Contract.


IN WITNESS WHEREOF, the parties hereto have signed this Contract on this 24<sup>th</sup> day of November, 2011 at Malacanang, Manila, Philippines.

DEPARTMENT OF BUDGET  
AND MANAGEMENT  
By:

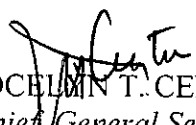
PALMER ASIA, INC.


By:

  
FLORENCIO B. ABAD  
Secretary

  
MARIFE LAR CANTARA  
Branch Manager

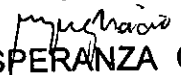
SIGNED IN THE PRESENCE OF

  
JOCELYN T. CENTENO  
Chief, General Services Division

  
ROGER P. ADALLA

ACKNOWLEDGMENT

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

Funds Available:  
  
ESPERANZA Q. IGNACIO  
Chief Accountant

OPRA# 2011-11-1500  
11/15/2011

BEFORE ME, a Notary Public for and in the City of Manila, Philippines, personally appeared the following


Name	Community Tax Certificate/ Government ID No.	Date and Place Issued
FLORENCIO B. ABAD	CTC No. 09309238 DBM ID No. 3706	Jan. 1, 2011; Basco, Batanes Manila
MARIFE LAR CANTARA	CTC No. 03037152 SSS No. 33-8464443-5	Nov. 5, 2011; Tuktukan, Masambong, Quezon City

known to me to be the same persons who executed the foregoing Contract and who acknowledged to me that the same is their free and voluntary act and deed and of the entities they respectively represent.

This Contract for the Supply, Delivery, and Installation of Fire Extinguishers was signed by the parties, and signed/initialed by their material witnesses on each and every page thereof.

WITNESS MY HAND AND SEAL this 24<sup>th</sup> day of November, 2011.

Doc. No. : 176  
Page No. : 37  
Book No. : 1  
Series of 2011.

  
MARIA LIBERTY D. MORALES  
NOTARY PUBLIC-MANILA  
COMMISSION SERIAL NO. 2011-134  
UNTIL DECEMBER 31, 2012  
ROLL NO. 58360, IBP NO. 80938  
PTR NO. 920041 Manila Jan. 19, 2011  
LEGAL SERVICE, DEM  
MABINI HALL, MALACANANG  
MANILA

RPA

SFC

REPUBLIC OF THE PHILIPPINES  
**DEPARTMENT OF BUDGET AND MANAGEMENT**


**INVITATION TO BID**  
**Supply, Delivery and Installation of Fire Extinguishers**

1. The Department of Budget and Management (DBM) through the authorized appropriations under the 2011 General Appropriations Act intends to apply the sum of Five Hundred Sixty Five Thousand Pesos (Php 565,000.00) being the Approved Budget for the Contract (ABC) to payments under the contract for DBM's supply, delivery and installation of fire extinguishers (the "Project"). Bids received in excess of the ABC shall be automatically rejected at bid opening.
2. The DBM now invites bids for the supply, delivery and installation of fire extinguishers. Delivery of Goods is required within fifteen (15) calendar days upon receipt of Notice to Proceed. Bidders should have completed, within two (2) years from the date of submission and receipt of bids, a contract similar to the Project. The description of an eligible bidder is contained in the Bidding Documents, particularly, in Section II. Instructions to Bidders (ITB).
3. Bidding will be conducted through open competitive bidding procedures using a non-discretionary "pass/fail" criterion as specified in the Implementing Rules and Regulations (IRR) of Republic Act (R.A.) No. 9184, otherwise known as the "Government Procurement Reform Act".
4. Interested bidders may obtain further information from the DBM Bids and Awards Committee (BAC) Secretariat and inspect the Bidding Documents at the address given below during office hours from 9:00 a.m. to 4:00 p.m.
5. A complete set of Bidding Documents may be purchased by interested bidders on September 14, 2011 from the address below and upon payment of a nonrefundable fee in the amount of Five Hundred Pesos (P500.00). It may also be downloaded free of charge from the website of the Philippine Government Electronic Procurement System (PhilGEPS) and the website of the Procuring Entity, provided that Bidders shall pay the nonrefundable fee for the Bidding Documents not later than the submission of their bids.
6. The DBM will hold a Pre-Bid Conference on September 21, 2011, 11:00 a.m. at USEC EVG's Conference Room, 2<sup>nd</sup> Floor, Boncodin Hall, General Solano St., San Miguel, Manila which shall be open to all interested parties.
7. Bids must be delivered to the address below on or before October 5, 2011, 9:00 a.m. All Bids must be accompanied by a bid security in any of the acceptable forms and in the amount stated in the ITB Clause 18.

Bid opening shall be on October 5, 2011, 9:00 a.m. at USEC EVG's Conference Room, 2<sup>nd</sup> Floor, Boncodin Hall, General Solano St., San Miguel, Manila. Bids will be opened in the presence of the bidders or their representatives who choose to attend at the address below. Late bids shall not be accepted.

8. The bidders shall drop three (3) copies of their duly accomplished eligibility requirement, technical and financial proposals in two (2) separate sealed envelopes in the bid box located at the abovementioned address.
9. The DBM reserves the right to accept or reject any bid, to annul the bidding process, and to reject all bids at any time prior to contract award, without thereby incurring any liability to the affected bidder or bidders.
10. For further information, please refer to:

*DBM-BAC Secretariat  
Department of Budget and Management  
Malacanang, Manila  
Tel. No. 7354902; Fascimile No.: 7354979/7351957  
Email address: [www.jabrigo@dbm.gov.ph](mailto:www.jabrigo@dbm.gov.ph)*




**RUBY U. ALVAREZ**  
*Chairperson*  
DBM BAC

**Supply, Delivery and Installation of Fire Extinguisher**  
**Checklist of Requirements - Eligibility and Technical Documents (1st Envelope)**  
**ABC - P565,000.00**

Date and Time: October 5, 2011 9:00 A.M.

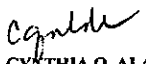
ITEM / DESCRIPTION		PALMER Asia Inc.	JPRL Chemfire Ind.		
<b>12.1 Eligibility and Technical Documents</b>					
<b>Class "A" Documents</b>					
<b>(a) Eligibility Documents</b>					
(i)	For Sole Proprietorship, Department of Trade and Industry (DTI) Business Name Registration		✓		
	For Corporation/Partnership, Securities and Exchange Commission (SEC) Registration Certificate or latest Article of Incorporation/Partnership or By-Laws, or amendments thereto, duly approved by the SEC	✓			
(ii)	CY 2011 Mayor's Permit	✓	✓		
(iii)	Statement of all Ongoing Government and Private contracts within the past two (2) years	✓	Not signed		
	Statement of Completed Government and Private contracts within the past two (2) years	✓	Not signed		
	Single Largest Contract	✓	No submission		
	Certificate of Acceptance or Official Receipt issued for the contract, if completed	✓			
(iv)	Audited Financial Statement for the immediately preceding calendar year, showing, among others, Total Current Assets and Liabilities	✓			
(v)	Net Financial Contracting Capacity (NFCC); or Credit Line Certificate - P56,500.00 (10% of ABC);	✓			
<b>Class "B" Documents</b>					
(vi)	Sworn statement or certification that they will enter into a Joint Venture	n/a			
<b>(b) Technical Documents</b>					
(i)	Bid Security				
	(i.1) Cash, cashier's/manager's check, bank draft, guarantee or irrevocable letter of credit - 2% of ABC or P11,300.00				
	(i.2) Surety Bond - 5% of ABC or P28,250.00 Certificate from Insurance Commission	✓			
(ii)	Compliance with Section VI. Schedule of Requirements	✓			
	Compliance with Section VII. Technical Specifications	✓			
(iii)	Omnibus Sworn Statement	✓			
	Authority of signatory:				
	> Special Power of Attorney				
	> Secretary's Certificate	✓			
<b>REMARKS (PASS/FAIL)</b>		<b>PASS</b>	<b>FAIL</b>		

BIDS AND AWARDS COMMITTEE:

  
 MS. JANE V. ABELLA  
 Member B.U.D.G.E.T. Representative

  
 DIR. TERESITA G. GAPAC  
 Member

  
 DIR. VIRGINIA G. GARRIEL  
 Member

  
 MS. CYNTHIA Q. ALARDE  
 COA Observer

(not present)  
 BRO. EDGARDO TRIA TIRONA  
 CBCP-Laiko Observer

  
 DIR. ROWENA CANDICE M. RUIZ  
 Vice-Chairperson

(not present)  
 ASEC. RUBY U. ALVAREZ  
 Chairperson

**Supply, Delivery and Installation of Fire Extinguisher**  
**Checklist of Requirements - FINANCIAL PROPOSAL (2nd Envelope)**


ABC - P565,000.00


**ABSTRACT OF BIDS AS READ**

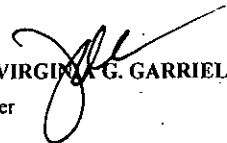
Date and Time: October 5, 2011 9:00 A.M.

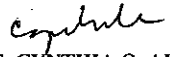
NO.	ITEM / DESCRIPTION	PALMER Asia Inc.			
		Unit Cost	Total Cost		
1.	Fire Extinguisher HCFC123	7,850.00	306,150.00		
2.	CO2	9,000.00	90,000.00		
	<b>TOTAL BID PRICE</b>		<b>396,150.00</b>		
<b>REMARKS (QUALIFIED / DISQUALIFIED)</b>		Qualified			
<b>RANKING</b>		Single Calculated Bid			

**BIDS AND AWARDS COMMITTEE:**

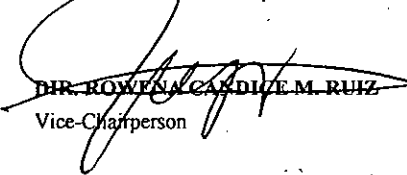
  
**MS. JANE V. ABELLA**  
 Member B.U.D.G.E.T. Representative

  
**DIR. TERESITA G. GAPAC**  
 Member

  
**DIR. VIRGINIA G. GARRIEL**  
 Member

  
**MS. CYNTHIA Q. ALARDE**  
 COA Observer

(not present)  
**BRO. EDGARDO TRIA TIRONA**  
 CBCP-Laiko Observer

  
**DIR. ROWENA CANDICE M. RUIZ**  
 Vice-Chairperson


(not present)  
**ASEC. RUBY U. ALVAREZ**  
 Chairperson

### ANNUAL PROCUREMENT PLAN NO. 13, CY 2011

No.	Program / Activity / Project	PMO/ End-User	Mode of Procurement	Schedule for Each Procurement/Activity										Source of Funds	Estimated Budget PhP		Remarks / Activity (Brief Description of Program/Project)
				Pre-Proc Conf.	Ads/Post of ITB	Pre-bid Conf.	Sub/Open of Bids	Bid Evaluation	Post Qual	Notice of Award	Contract Signing	Notice to Proceed	Delivery/ Completion		Acceptance/ Turnover	MOOE	
10	Fire Extinguisher	AS	Public Bidding	31-Aug	7-Sep	14-Sep	28-Sep	28-Sep	Sept. 29 to Oct. 4	14-Oct	19-Oct	21-Oct				565,000.00	
0	Generator Set for Building I, Building III and PS	AS	Public Bidding	7-Sep	14-Sep	21-Sep	5-Oct	5-Oct	Oct. 6 to 11	19-Oct	24-Oct	28-Oct		GoP		6,000,000.00	125KVA for Building I, 150KVA for Building III and 300KVA for PS
3	Fabrication, Installation and Repair of 3 Gates and Fence (front and back of Bldgs. I, II & III) with Perimeter Lights	AS	Public Bidding	14-Sep	21-Sep	28-Sep	12-Oct	12-Oct	Oct. 13 to 18	26-Oct	31-Oct	4-Nov		GoP		2,000,000.00	
	<del>Renovation of Basketball Court</del>	<del>AS</del>	<del>Public Bidding</del>	<del>14-Sep</del>	<del>21-Sep</del>	<del>28-Sep</del>	<del>12-Oct</del>	<del>12-Oct</del>	<del>Oct. 13 to 18</del>	<del>26-Oct</del>	<del>31-Oct</del>	<del>4-Nov</del>		<del>GoP</del>		<del>3,800,000.00</del>	
	Landscaping of Bldgs. I, II and III and Provision of Flood Lights and Post Lamps	AS	Public Bidding	26-Oct	2-Nov	9-Nov	23-Nov	23-Nov	Nov. 24-30	9-Dec	14-Dec	16-Dec		GoP		2,000,000.00	
	Rebound Hammer Test and Covermeter Survey for DBM Bldg. I	AS	Small Value		10-Aug		17-Aug	17-Aug	18-Aug						115,000.00		
	Supply and Installation of Window and Iron Grill	AS	Small Value		7-Sep		14-Sep	14-Sep	16-Sep							300,000.00	For the ground floor of Boncodin Hall
<b>TOTAL</b>															<b>115,000.00</b>	<b>14,665,000.00</b>	

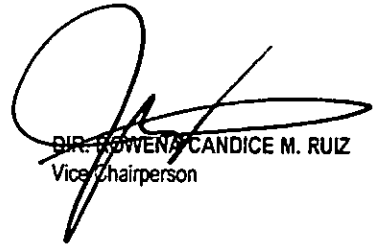
Approved by BAC SECRETARIAT


RECOMMENDING APPROVAL:

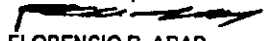
  
V. ABELLA  
B.U.D.G.E.T. Representative

  
DIR. VIRGINIA G. GARRIEL  
Member

  
DIR. TERESITA P. GAPAC  
Member

  
DIR. BOWEN/CANDICE M. RUIZ  
Vice Chairperson

  
ASEC. RUBY U. ALVAREZ  
Chairperson

APPROVED  
 DISAPPROVED  
  
FLORENCIO B. ABAD  
Secretary, DBM  
Date: Sept. 5, 2011

# Bid Form

Date: October 5, 2011

The Chairperson  
DBM-Bids and Awards Committee  
Department of Budget and Management  
Malacañang, Manila

Gentlemen and/or Ladies:

Having examined the Bidding Documents including Bid Bulletin Number 1 the receipt of which is hereby duly acknowledged, we, the undersigned, offer to **Supply, Deliver and Install the Fire Extinguishers (HCFC-123 & CO2)** in conformity with the said Bidding Documents for the sum of **Three Hundred Ninety Six Thousand One Hundred Fifty Pesos (P 396,150.00)** or such other sums as may be ascertained in accordance with the Schedule of Prices attached herewith and made part of this Bid.

PARTICULARS	Unit Cost (Inclusive of VAT)	Total Price (Inclusive of VAT)
Fire Extinguisher 1 HCFC-123	P 7,850.00	P 306,150.00
2 CO2	P 9,000.00	P 90,000.00
<b>TOTAL</b>		<b>P 396,150.00</b>

We undertake, if our Bid is accepted, to deliver the goods in accordance with the delivery schedule specified in the Schedule of Requirements.

If our Bid is accepted, we undertake to provide a performance security in the form, amounts, and within the times specified in the Bidding Documents.

We agree to abide by this Bid for the Bid Validity Period specified in **BDS** provision for **ITB** Clause 22.2 and it shall remain binding upon us and may be accepted at any time before the expiration of that period.

Commissions or gratuities, if any, paid or to be paid by us to agents relating to this Bid, and to contact execution if we are awarded the contract, are listed below:

Name and address of Agent	Amount and currency	Purpose of Commission or gratuity
None	None	None

(if none, state "None")

Until a formal Contract is prepared and executed, the Bid, together with your written acceptance thereof and your Notice of Award, shall be binding upon us.

We understand that you are not bound to accept the lowest or any Bid you may receive.

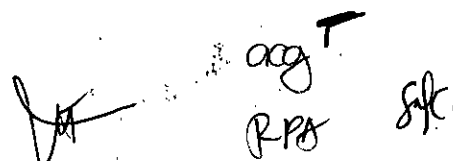
We certify/confirm that we comply with the eligibility requirements as per **ITB** Clause 5 of the Bidding Documents.

Dated this 5<sup>th</sup> day of October 2011.

  
**MARIFE LAR CANTARA**  
(signature)

**MM South-Branch Head**  
(in the capacity of)

Duly authorized to sign Bid for and on behalf of **Palmer-Asia, Inc.**






## For Goods Offered From Within the Philippines


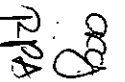
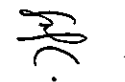
Name of Bidder: Palmer-Asia, Inc.

Invitation to Bid Number (Ref. No.) 1598246

1	2	3	4	5	6	7	8	9	10
Item	Description	Country of origin	Quantity	Unit price EXW per item	Cost of Labor, raw material and component	Total price EXW per item (cols. 4x5)	Unit prices per item final destination and unit price of other incidental services	Sales and other taxes payable per item if Contract is awarded	Total Price delivered Final Destination (col 8+9) x 4
	<b>Fire Extinguisher</b>								
1	HCFC 123 (Hydrochlorofluorocarbon)	Philippines	39 units	P 6,079.04	P 828.96	P 237,082.56	P 6,908.00	P 942.00	<b>P 306,150.00</b>
2	CO2(Carbon Dioxide)	Philippines	10 units	P 6,969.60	P 950.40	P 69,696.00	P 7,920.00	P 1,080.00	<b>P 90,000.00</b>



**MARIFE LAR CANTARA**  
Name and Signature of Bidder



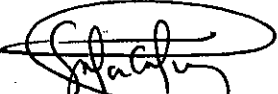
## Section VI. Schedule of Requirements

The delivery schedule expressed as weeks/months stipulates hereafter a delivery date which is the date of delivery to the project site.

Item Number	Description	Quantity	Total	Delivered, Weeks/Months
A	Fire Extinguisher			
1	HCFC 123 (Hydrochloroflourocarbon	39	39	Fifteen (15) calendar days from receipt by the Supplier of the Notice to Proceed
2	CO2 (Carbon Dioxide)	10	10	
B	Installation of Wall Brackets			


I hereby certify to comply and deliver all the above requirements.

PALMER-ASIA, INC  
Name of Company/Bidder

  
MARIFE LAR CANTARA  
Signature Over Printed Name of Representative

Oct. 03, 2011  
Date

JPC.



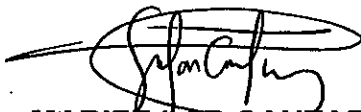
## Section VII. Technical Specifications

Item	Specifications	Statement of Compliance
	<b>Fire Extinguisher</b>	
1.	<b>HCFC 123 (HydroChloroflourocarbon)</b>	<b>COMPLY</b>
	- Multi-Shot	<b>COMPLY</b>
	- ABC type of fire	<b>COMPLY</b>
	- 10 lbs. capacity	<b>COMPLY</b>
	- Non-expirable Chemical	<b>COMPLY</b>
	- No refilling needed	<b>COMPLY</b>
	- Non-toxic and Non-Corrosive	<b>COMPLY</b>
	- Non-residual	<b>COMPLY</b>
	- Non-conductor of electricity	<b>COMPLY</b>
	Fire extinguisher wall brackets/hangers	<b>COMPLY</b>
	Five (5) years Warranty against factory and chemical defects	<b>COMPLY</b>
2.	<b>CO2 (Carbon Dioxide)</b>	<b>COMPLY</b>
	- Multi-Shot	<b>COMPLY</b>
	- BC type of fire	<b>COMPLY</b>
	- 10 lbs. capacity	<b>COMPLY</b>
	- Non-expirable Chemical	<b>COMPLY</b>
	- No refilling needed	<b>COMPLY</b>
	- Non-conductive and Non-corrosive	<b>COMPLY</b>
	Fire extinguisher wall brackets/hangers	<b>COMPLY</b>
	Five (5) years Warranty against factory and chemical defects	<b>COMPLY</b>

*Note: Please see the attached brochures.*

**I hereby certify to comply with all the above Technical Specifications.**

**PALMER-ASIA, INC**  
Name of Company/Bidder

  
**MARIFE LAR CANTARA**  
Signature Over Printed Name of  
Representative

**Oct. 03, 2011**  
Date

*RPA*  
*agg* *sf/c*



**PALMER-ASIA**  
The Fire & Security Professionals

Fire Extinguishers • Fire Suppression Systems  
Fire Detection & Alarm Systems • Fire Trucks  
CCTV & Security Systems • Marine Safety

# HCFC-123

## FEATURES:

- SAFE & CLEAN AGENT
- Environment Friendly, Non-expirable,
- MULTI-SHOT
- MULTI PURPOSE
- Non-toxic, Non-corrosive and Non-acidic
- Electrically Non-conductive
- No Messy Residue, Non-Carcinogenic



### "ABC" TYPE

Safe and effective for all classes of fire including

- (A) Combustible Materials
- (B) Flammable Liquids
- (C) Live Electrical Wires

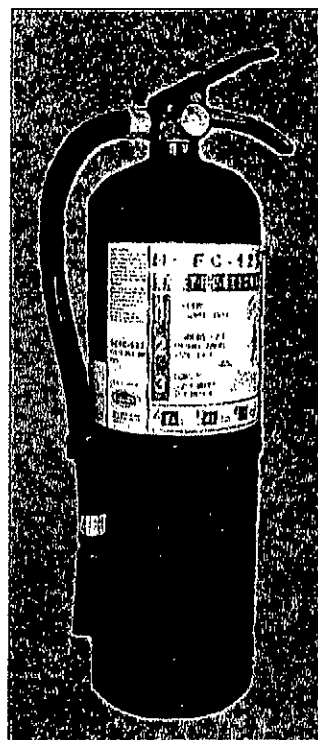
### FIVE (5) YEARS WARRANTY

10 to 20 Years Shelf Life

**BFP & DTI** Approved, **US EPA**.

Rugged Valve seal Design

Furnished w/ Wall Hanger Mounting Bracket



**10.0 lbs.**

**PALMER-ASIA INC.**

Address: 33 EDSA Bangkal, Makati City, Metro Manila 1233 Philippines  
Tel. Nos.: (632) 729-7771 to 73 • 889-5213 • 8891374  
Fax No.: (632) 729-7774 • 889-1487  
Email Add.: info@palmer-asia.com • Website: www.palmer-asia.com

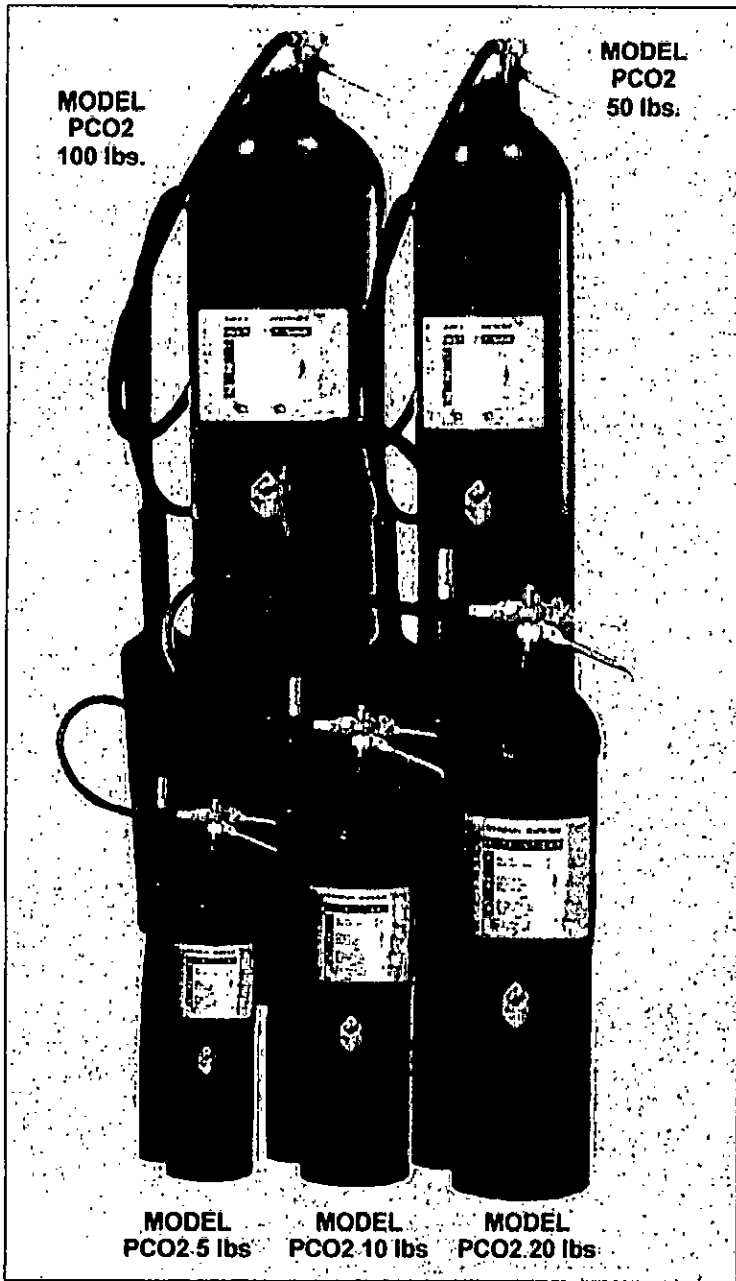


*accy*  
*RPA*  
*SJC*

*DK*

*F*

# PALMER CO2



## CARBON DIOXIDE (CO<sub>2</sub>) FIRE EXTINGUISHERS

Discharge as a white cloud of "snow" which smothers a fire by eliminating its oxygen. Effective for class B & C types of fires.

Model: PCO<sub>2</sub> 50  
 Net Weight: 50 lbs.  
 Fire Rating: 20B:C  
 Height (in.): 54 ½  
 Width (in.): 13 ½  
 Discharge Time: 40 sec.  
 Internal Pressure: 450 psi

Model: PCO<sub>2</sub> 20  
 Net Weight: 20 lbs.

Model: PCO<sub>2</sub> 5  
 Net Weight: 5 lbs.



**PALMER**  
 The Fire & Security Experts

Fire Extinguishers · Fire Suppression Systems  
 Fire Detection & Alarm Systems · Fire Trucks  
 CCTV & Security Systems · Marine Fire Protection

PALMER-ASIA INC.  
 Address: 33 EDSA Bangkal, Makati City 1233 Metro Manila Philippines  
 Tel. Nos.: (632) 729-7771 to 73-889-5213-889-1374  
 Fax No.: (632) 729-7774-689-1487  
 Email Add.: info@palmer-asia.com · Website: www.palmer-asia.com



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# Section IV. General Conditions of Contract

## 1. Definitions

1.1. In this Contract, the following terms shall be interpreted as indicated:

- (a) "The Contract" means the agreement entered into between the Procuring Entity and the Supplier, as recorded in the Contract Form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
- (b) "The Contract Price" means the price payable to the Supplier under the Contract for the full and proper performance of its contractual obligations.
- (c) "The Goods" means all of the supplies, equipment, machinery, spare parts, other materials and/or general support services which the Supplier is required to provide to the Procuring Entity under the Contract.
- (d) "The Services" means those services ancillary to the supply of the Goods, such as transportation and insurance, and any other incidental services, such as installation, commissioning, provision of technical assistance, training, and other such obligations of the Supplier covered under the Contract.
- (e) "GCC" means the General Conditions of Contract contained in this Section.
- (f) "SCC" means the Special Conditions of Contract.
- (g) "The Procuring Entity" means the organization purchasing the Goods, as named in the SCC.
- (h) "The Procuring Entity's country" is the Philippines.
- (i) "The Supplier" means the individual contractor, manufacturer distributor, or firm supplying/manufacturing the Goods and Services under this Contract and named in the SCC.
- (j) The "Funding Source" means the organization named in the SCC.
- (k) "The Project Site," where applicable, means the place or places named in the SCC.
- (l) "Day" means calendar day.
- (m) The "Effective Date" of the contract will be the date of receipt by the Supplier of the Notice to Proceed or the date provided in the Notice to Proceed. Performance of all obligations shall be reckoned from the Effective Date of the Contract.
- (n) "Verified Report" refers to the report submitted by the Implementing Unit to the Head of the Procuring Entity setting forth its findings as to the existence of grounds or causes for termination and explicitly stating its recommendation for the issuance of a Notice to Terminate.

(b) will reject a proposal for award if it determines that the Bidder recommended for award has engaged in any of the practices mentioned in this Clause for purposes of competing for the contract.

2.2. Further the Funding Source, Borrower or Procuring Entity, as appropriate, will seek to impose the maximum civil, administrative and/or criminal penalties available under the applicable law on individuals and organizations deemed to be involved with any of the practices mentioned in GCC Clause 2.1(a).

### **3. Inspection and Audit by the Funding Source**

The Supplier shall permit the Funding Source to inspect the Supplier's accounts and records relating to the performance of the Supplier and to have them audited by auditors appointed by the Funding Source, if so required by the Funding Source.

### **4. Governing Law and Language**

4.1. This Contract shall be interpreted in accordance with the laws of the Republic of the Philippines.

4.2. This Contract has been executed in the English language, which shall be the binding and controlling language for all matters relating to the meaning or interpretation of this Contract. All correspondence and other documents pertaining to this Contract exchanged by the parties shall be written in English.

### **5. Notices**

5.1. Any notice, request, or consent required or permitted to be given or made pursuant to this Contract shall be in writing. Any such notice, request, or consent shall be deemed to have been given or made when received by the concerned party, either in person or through an authorized representative of the Party to whom the communication is addressed, or when sent by registered mail, telex, telegram, or facsimile to such Party at the address specified in the SCC, which shall be effective when delivered and duly received or on the notice's effective date, whichever is later.

5.2. A Party may change its address for notice hereunder by giving the other Party notice of such change pursuant to the provisions listed in the SCC for GCC Clause 5.1.

### **6. Scope of Contract**

6.1. The GOODS and Related Services to be provided shall be as specified in Section VI. Schedule of Requirements.

6.2. This Contract shall include all such items, although not specifically mentioned, that can be reasonably inferred as being required for its completion as if such items were expressly mentioned herein. Any additional requirements for the completion of this Contract shall be provided in the SCC.

### **7. Subcontracting**

7.1. Subcontracting of any portion of the Goods, if allowed in the BDS, does not relieve the Supplier of any liability or obligation under this Contract. The Supplier will be responsible for the acts, defaults, and negligence of any subcontractor, its agents, servants or workmen as fully as if these were the

- 11.1. Advance payment shall be made only after prior approval of the President, and shall not exceed fifteen percent (15%) of the Contract amount, unless otherwise directed by the President or in cases allowed under Annex "D" of RA 9184.
- 11.2. For Goods supplied from abroad, the terms of payment shall be as follows:
- (a) On Contract Signature: Ten percent (10%) of the Contract Price shall be paid within sixty (60) days from signing of the Contract and upon submission of a claim and a bank guarantee for the equivalent amount valid until the Goods are delivered and in the form provided in Section VIII. Bidding Forms.
  - (b) On Delivery: Seventy percent (70%) of the Contract Price shall be paid to the Supplier within sixty (60) days after the date of receipt of the Goods and upon submission of the documents (i) through (vi) specified in the SCC provision on Delivery and Documents.
  - (c) On Acceptance: The remaining twenty percent (20%) of the Contract Price shall be paid to the Supplier within sixty (60) days after the date of submission of the acceptance and inspection certificate for the respective delivery issued by the Procuring Entity's authorized representative. In the event that no inspection or acceptance certificate is issued by the Procuring Entity's authorized representative within forty five (45) days of the date shown on the delivery receipt the Supplier shall have the right to claim payment of the remaining twenty percent (20%) subject to the Procuring Entity's own verification of the reason(s) for the failure to issue documents (vii) and (viii) as described in the SCC provision on Delivery and Documents.
- 11.3. All progress payments shall first be charged against the advance payment until the latter has been fully exhausted.

## 12. Taxes and Duties

The Supplier, whether local or foreign, shall be entirely responsible for all the necessary taxes, stamp duties, license fees, and other such levies imposed for the completion of this Contract.

## 13. Performance Security

- 13.1. Within ten (10) calendar days from receipt of the Notice of Award from the Procuring Entity but in no case later than the signing of the contract by both parties, the successful Bidder shall furnish the performance security in any the forms prescribed in the ITB Clause 33.2.
- 13.2. The performance security posted in favor of the Procuring Entity shall be forfeited in the event it is established that the winning bidder is in default in any of its obligations under the contract.
- 13.3. The performance security shall remain valid until issuance by the Procuring Entity of the Certificate of Final Acceptance.
- 13.4. The performance security may be released by the Procuring Entity and returned to the Supplier after the issuance of the Certificate of Final Acceptance subject to the following conditions:



- 16.4. The Procuring Entity may reject any Goods or any part thereof that fail to pass any test and/or inspection or do not conform to the specifications. The Supplier shall either rectify or replace such rejected Goods or parts thereof or make alterations necessary to meet the specifications at no cost to the Procuring Entity, and shall repeat the test and/or inspection, at no cost to the Procuring Entity, upon giving a notice pursuant to GCC Clause 5.
- 16.5. The Supplier agrees that neither the execution of a test and/or inspection of the Goods or any part thereof, nor the attendance by the Procuring Entity or its representative, shall release the Supplier from any warranties or other obligations under this Contract.

## 17. Warranty

- 17.1. The Supplier warrants that the Goods supplied under the Contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials, except when the technical specifications required by the Procuring Entity provides otherwise.
- 17.2. The Supplier further warrants that all Goods supplied under this Contract shall have no defect, arising from design, materials, or workmanship or from any act or omission of the Supplier that may develop under normal use of the supplied Goods in the conditions prevailing in the country of final destination.
- 17.3. In order to assure that manufacturing defects shall be corrected by the Supplier, a warranty shall be required from the Supplier for a minimum period specified in the SCC. The obligation for the warranty shall be covered by, at the Supplier's option, either retention money in an amount equivalent to at least ten percent (10%) of the final payment, or a special bank guarantee equivalent to at least ten percent (10%) of the Contract Price or other such amount if so specified in the SCC. The said amounts shall only be released after the lapse of the warranty period specified in the SCC; provided, however, that the Supplies delivered are free from patent and latent defects and all the conditions imposed under this Contract have been fully met.
- 17.4. The Procuring Entity shall promptly notify the Supplier in writing of any claims arising under this warranty. Upon receipt of such notice, the Supplier shall, within the period specified in the SCC and with all reasonable speed, repair or replace the defective Goods or parts thereof, without cost to the Procuring Entity.
- 17.5. If the Supplier, having been notified, fails to remedy the defect(s) within the period specified in GCC Clause 17.4, the Procuring Entity may proceed to take such remedial action as may be necessary, at the Supplier's risk and expense and without prejudice to any other rights which the Procuring Entity may have against the Supplier under the Contract and under the applicable law.

## 18. Delays in the Supplier's Performance

- 18.1. Delivery of the Goods and/or performance of Services shall be made by the Supplier in accordance with the time schedule prescribed by the Procuring Entity in Section VI. Schedule of Requirements.
- 18.2. If at any time during the performance of this Contract, the Supplier or its Subcontractor(s) should encounter conditions impeding timely delivery of the Goods and/or performance of Services, the Supplier shall promptly notify the Procuring Entity in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the Supplier's notice, and upon causes provided for under GCC Clause 22, the Procuring Entity shall evaluate the

limitation shall not apply to the cost of repairing or replacing defective equipment.

## 22. Force Majeure

- 22.1. The Supplier shall not be liable for forfeiture of its performance security, liquidated damages, or termination for default if and to the extent that the Supplier's delay in performance or other failure to perform its obligations under the Contract is the result of a *force majeure*.
- 22.2. For purposes of this Contract the terms "*force majeure*" and "fortuitous event" may be used interchangeably. In this regard, a fortuitous event or *force majeure* shall be interpreted to mean an event which the Contractor could not have foreseen, or which though foreseen, was inevitable. It shall not include ordinary unfavorable weather conditions; and any other cause the effects of which could have been avoided with the exercise of reasonable diligence by the Contractor. Such events may include, but not limited to, acts of the Procuring Entity in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions, and freight embargoes.
- 22.3. If a *force majeure* situation arises, the Supplier shall promptly notify the Procuring Entity in writing of such condition and the cause thereof. Unless otherwise directed by the Procuring Entity in writing, the Supplier shall continue to perform its obligations under the Contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the *force majeure*.

## 23. Termination for Default

- 23.1. The Procuring Entity shall terminate this Contract for default when any of the following conditions attends its implementation:
- (a) Outside of *force majeure*, the Supplier fails to deliver or perform any or all of the Goods within the period(s) specified in the contract, or within any extension thereof granted by the Procuring Entity pursuant to a request made by the Supplier prior to the delay, and such failure amounts to at least ten percent (10%) of the contract price;
  - (b) As a result of *force majeure*, the Supplier is unable to deliver or perform any or all of the Goods, amounting to at least ten percent (10%) of the contract price, for a period of not less than sixty (60) calendar days after receipt of the notice from the Procuring Entity stating that the circumstance of *force majeure* is deemed to have ceased; or
  - (c) The Supplier fails to perform any other obligation under the Contract.
- 23.2. In the event the Procuring Entity terminates this Contract in whole or in part, for any of the reasons provided under GCC Clauses 23 to 26, the Procuring Entity may procure, upon such terms and in such manner as it deems appropriate, Goods or Services similar to those undelivered, and the Supplier shall be liable to the Procuring Entity for any excess costs for such similar Goods or Services. However, the Supplier shall continue performance of this Contract to the extent not terminated.
- 23.3. In case the delay in the delivery of the Goods and/or performance of the Services exceeds a time duration equivalent to ten percent (10%) of the specified contract time plus any time extension duly granted to the Supplier, the Procuring Entity

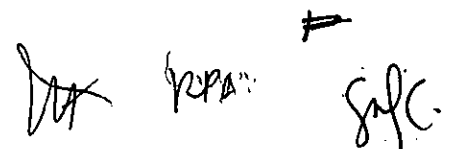
## 27. Procedures for Termination of Contracts

27.1. The following provisions shall govern the procedures for termination of this Contract:

- (a) Upon receipt of a written report of acts or causes which may constitute ground(s) for termination as aforementioned, or upon its own initiative, the Implementing Unit shall, within a period of seven (7) calendar days, verify the existence of such ground(s) and cause the execution of a Verified Report, with all relevant evidence attached;
- (b) Upon recommendation by the Implementing Unit, the Head of the Procuring Entity shall terminate this Contract only by a written notice to the Supplier conveying the termination of this Contract. The notice shall state:
  - (i) that this Contract is being terminated for any of the ground(s) afore-mentioned, and a statement of the acts that constitute the ground(s) constituting the same;
  - (ii) the extent of termination, whether in whole or in part;
  - (iii) an instruction to the Supplier to show cause as to why this Contract should not be terminated; and
  - (iv) special instructions of the Procuring Entity, if any.
- (c) The Notice to Terminate shall be accompanied by a copy of the Verified Report;
- (d) Within a period of seven (7) calendar days from receipt of the Notice of Termination, the Supplier shall submit to the Head of the Procuring Entity a verified position paper stating why this Contract should not be terminated. If the Supplier fails to show cause after the lapse of the seven (7) day period, either by inaction or by default, the Head of the Procuring Entity shall issue an order terminating this Contract;
- (e) The Procuring Entity may, at anytime before receipt of the Supplier's verified position paper described in item (d) above withdraw the Notice to Terminate if it is determined that certain items or works subject of the notice had been completed, delivered, or performed before the Supplier's receipt of the notice;
- (f) Within a non-extendible period of ten (10) calendar days from receipt of the verified position paper, the Head of the Procuring Entity shall decide whether or not to terminate this Contract. It shall serve a written notice to the Supplier of its decision and, unless otherwise provided, this Contract is deemed terminated from receipt of the Supplier of the notice of decision. The termination shall only be based on the ground(s) stated in the Notice to Terminate;
- (g) The Head of the Procuring Entity may create a Contract Termination Review Committee (CTRC) to assist him in the discharge of this function. All decisions recommended by the CTRC shall be subject to the approval of the Head of the Procuring Entity; and
- (h) The Supplier must serve a written notice to the Procuring Entity of its intention to terminate the contract at least thirty (30) calendar days before

## *Section V. Special Conditions of Contract*

GCC Clause	
1.1 (g)	<p>The Procuring Entity is:</p> <p>Department of Budget and Management (DBM), a government agency created by virtue of the laws of the Philippines, with principal office located at Mabini Hall, Malacanang.</p>
1.1 (i)	<p>The Supplier is:</p> <p>Palmer Asia, Inc., a corporation duly organized and existing under the laws of the Philippines, with principal office located at 33-D EDSA, Bangkal, Makati City.</p>
1.1 (j)	<p>The Funding Source is:</p> <p>The Government of the Philippines (GOP) through the authorized appropriation for FY 2011 in the amount of Five Hundred Sixty Five Thousand Pesos (P565,000.00).</p>
1.1 (k)	<p>The Project Site is:</p> <p>Department of Budget and Management, Gen. Solano St., San Miguel, Manila.</p>
5.1	<p><b><u>The Procuring Entity's address for Notices is:</u></b></p> <p>Department of Budget and Management Mabini Hall, Malacañang, Manila Tel Nos. (02)735-4902 Fax No. (02)735-4979</p> <p>Contact Person: Dir. Virginia G. Garriel Administrative Service</p> <p><b><u>The Supplier's address for Notices is:</u></b></p> <p>Palmer Asia, Inc. 33-D EDSA, Bangkal Makati City Tel Nos. (02)729-7771 to 73 Fax No. (02)729-7774</p> <p>Contact Person: Ms. Marife Lar Cantara</p>
6.1	<p>At the option of the DBM the number of Goods referred in Section VI. Schedule of Requirements may be increased or decreased provided that the ABC is not exceeded.</p>
6.2	<p>The Goods shall only be delivered by the Supplier at the Property Section, General Services Division of the Procuring Entity's Administrative Service located at the Ground Floor, Mabini Hall, Malacañang, Manila not later than 10:00 am on the day of delivery as indicated in Section VI. Schedule of Requirements.</p> <p>Moreover, the delivery schedule as indicated in Section VI. Schedule of Requirements may be modified at the option of the Procuring Entity, with prior due notice, written or verbal, to</p>





REPUBLIC OF THE PHILIPPINES  
**Department of Budget and Management**  
Malacañang, Manila

**NOTICE OF AWARD**

October 21, 2011

**MS. MARIFE LAR CANTARA**  
Palmer-Asia, Inc.  
33 EDSA, Bangkal  
Makati City

**ORIGINAL RECEIVED**

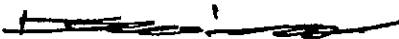
By: Marife Lar Cantara  
Designation: MM Branch - Head South  
Office: Palmer-Asia, Inc.  
Date: 10/21/2011

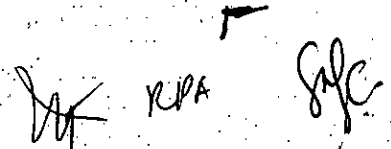
**Dear Ms. Cantara:**

Based on Department of Budget and Management Bids and Awards Committee Resolution No. 2011-37, we are pleased to inform you that the contract for the Project "Supply, Delivery and Installation of Fire Extinguisher" is hereby awarded to you in the amount of Three Hundred Ninety Six Thousand One Hundred Fifty Pesos (P396,150.00).

In this regard, you are hereby required to post a performance security in the amount and form stated in Section 39 of the Revised Implementing Rules and Regulations of Republic Act No. 9184 prior to signing of the contract.

Very truly yours,

  
**FLORENCIO B. ABAD**  
Secretary

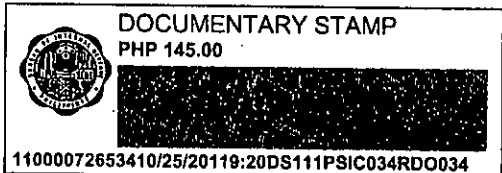
  
KCPA  
SJC

PREMIUM	: ₱
DOC. STAMPS	:
EVAT	:
NOTARY FEE	:
OTHERS	:
<b>TOTAL</b>	<b>₱</b>



ALPHA INSURANCE CENTRE,  
1025 San Marcelino Street, Ermita, Manila  
Trunkline 525-1301 Fax No. 5226131

B-39611



### PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS:

That we, **PALMER-ASIA, INC.**  
on the 24th day of OCTOBER, 20 2011 at No. 33 Edsa Bangkal, Makati City  
as principal and ALPHA INSURANCE AND SURETY COMPANY, INC., a corporation duly organized and existing under and by virtue of the Republic of the Philippines with principal office at Manila, as surety are held & firmly bound unto **DEPARTMENT OF BUDGET AND MANAGEMENT**  
of ..... in the sum of .....  
**\*ONE HUNDRED EIGHTEEN THOUSAND EIGHT HUNDRED FORTY FIVE PESOS ONLY\*** (P 118,845.00 )  
Philippine Currency, for the payment of which sum, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successor, and assigns jointly and severally, firmly by these presents.

THE CONDITIONS OF THIS OBLIGATIONS ARE AS FOLLOWS:

WHEREAS, the above-bounden Principal has been required by the obligee to post this Performance Bond to fully & faithfully guarantee for the **SUPPLY, DELIVERY AND INSTALLATION OF FIRE EXTINGUISHER**, as per Notice of Award dated dated October 21, 2011, copy of which is hereto attached as Annex "A" and made an integral part of this bond;

WHEREAS, this bond does not guarantee the repayment of the downpayment or any monetary advances made by the Obligee to the Principal regarding the above-mentioned project;

PROVIDED, however, that the liability of the Surety Company under this bond shall in no case exceed the sum of PESOS: ONE HUNDRED EIGHTEEN THOUSAND EIGHT HUNDRED FORTY FIVE PESOS (Php.118,845.00) only, Philippine Currency.

**THIS BOND SHALL BE CALLABLE ON DEMAND.**

WHEREAS, said Contract requires said principal to give a good and sufficient bond in the above stated sum to secure the full and faithful performance on his part of said Contract.

NOW THEREFORE, if the principal shall well and truly perform and fulfill all the undertakings, covenants, terms, conditions, and agreements stipulated in said Contract then, this obligation shall be null and void, otherwise, it shall remain in full force and effect.

The liability of ALPHA INSURANCE AND SURETY COMPANY, INC. under this bond will expire on OCTOBER 24, 20 2012 and the SURETY does not assume any responsibility for any liability incurred or created after said date, notice of claims against the SURETY must be given to the bonding company not later than (10) ten days from said expiration date, and failure to do so shall release the SURETY from all liabilities under this bond and shall be a bar to any action against it.

WITNESS OUR HANDS, AND SEAL this 24 day of OCTOBER, 20 2011, at Manila, Philippines.

**PALMER-ASIA, INC.**

BY:

**ANGEL P. PALMIER**  
President/Gen. Manager  
Principal

**ALPHA INSURANCE AND SURETY COMPANY, INC.**

TEL: 000-433-024-000-VAT

BY:

**MACARIO P. CORPUZ**  
VP-Underwriting

**ANGELINA L. PEREZ** C/O AISCI  
Tln: 145-872-638

SIGNED IN THE PRESENCE OF **FLORENDA S. BAD-AN** C/O AISCI  
Tln: 106-779-321

*[Handwritten signatures and initials]*  
RPA  
SFC



REPUBLIC OF THE PHILIPPINES  
**Department of Budget and Management**  
Malacañang, Manila

**NOTICE TO PROCEED**

November 28, 2011

**Ms. MARIFE LAR CANTARA**

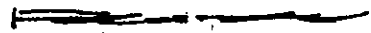
*Branch Manager*  
Palmer-Asia, Inc.  
33 EDSA, Bangkal  
Makati City

**Dear Ms. Cantara:**

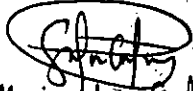
Please be notified that the attached **Contract for the Supply, Delivery, and Installation of Fire Extinguishers** has been approved.

You may therefore commence work upon receipt of this Notice to Proceed. Pursuant to its terms, the Contract shall take effect upon receipt of this notice. We therefore request that you formally acknowledge receipt by signing in the space provided below.

Very truly yours,

  
**FLORENCIO B. ABAD**  
*Secretary*

Received by:

Name & Signature :   
Designation : mm South  
Date : 11/28/2011