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**CONTRACT FOR THE PRINTING OF BUDGET AND
MANAGEMENT BULLETIN FOR CY 2011**

KNOW ALL MEN BY THESE PRESENTS:

This Contract made and entered into by and between:

 The **DEPARTMENT OF BUDGET AND MANAGEMENT (DBM)**, a government agency created by virtue of the laws of the Republic of the Philippines, with principal office address at Mabini Hall, Malacañang, Manila, represented herein by its Secretary, **FLORENCIO B. ABAD**, ("the Client");

- and -

The **ECONOFAST PRESS, INC.**, with office address 1188 Gov. F. Halili Ave., Turo, Bocaue, Bulacan, represented by its General Manager/Owner, **ERIC V. SANTIAGO**, ("the Contractor");

WITNESSETH:

WHEREAS, the Department of Budget and Management (DBM) Bids and Awards Committee (BAC) conducted a Small Value Procurement for the Project "Printing of Budget and Management Bulletin for CY 2011" with an Approved Budget for the Contract of Two Hundred Forty Thousand Pesos (P240,000.00);

WHEREAS, on February 3, 2011, the Request for Quotation was posted in the PhilGEPS, DBM Website, and in all DBM Bulletin Boards;


WHEREAS, , a Pre-bid Conference was held on February 9, 2011 and attended by: (i) Kayumanggi Press, Inc.; (ii) MAED Publishing; (iii) JKM Printech; and (iv) A.V. Diaz Printing;

WHEREAS, during the submission and opening of quotations on February 16, 2011, two (2) bidders, namely: (i) Econofast Press; and (ii) JKM Printech submitted their quotations. After preliminary examination of quotation, the BAC, using non-discretionary "pass/fail" criteria, determined Econofast Press as the bidder submitting the Lowest Calculated Bid in the amount of Two Hundred Twenty Three Thousand Two Hundred Pesos (P223,200.00);

WHEREAS, upon careful examination, validation, and verification of the eligibility, technical, and financial proposals, the BAC found the submission of Econofast Press as the Lowest Calculated and Responsive Bid in the amount of P223,200.00;


WHEREAS, the Notice of Award was issued on February 28, 2011;

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



1. The following documents shall form part of this Contract, namely:

<u>Annex</u>	<u>Description of Document</u>	<u>No of Pages</u>
A.	Request for Quotation	1
B.	Supplemental/Bid Bulletin	4
C.	Section VI. Schedule of Requirements	1
D.	Section VII. Technical Specifications	1
E.	Financial Proposal Submission Sheet	1
F.	General Conditions of Contract	12
G.	Special Conditions of Contract	2
H.	Notice of Award	1

- 
- The words and expression used in this Contract shall have the same meaning as are respectively assigned to them in the General and Special Conditions of this Contract.
 - In consideration of the payments to be made by the Client to the Contractor, the latter agrees to provide the services and perform its obligations in conformity with the provisions of this Contract.
 - The Client agrees to pay the Contractor in consideration of the performance of the services, the contract price or such other amounts as may become payable under the provisions of this Contract at the time and in the manner prescribed herein.

IN WITNESS WHEREOF, the parties hereto have signed this Contract this ___ day of _____, 2011 at the DBM, Malacañang, Manila, Philippines.

**DEPARTMENT OF BUDGET
AND MANAGEMENT**


**ECONOFAST PRESS
INC.**

By:

By:


FLORENCIO B. ABAD
Secretary


ERIC V. SANTIAGO
General Manager

Funds Available:

ESPERANZA Q. IGNACIO
Chief Accountant

DBM # 2011-3-247
3/16/2011



SIGNED IN THE PRESENCE OF:

Virginia L. Follosco
VIRGINIA L. FOLLOSCO
Director IV
Training and Information Service

Joseph B. Amias

ACKNOWLEDGMENT

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

MAR 31 2011
BEFORE ME, a Notary Public for and in the City of _____, Philippines on this _____ day of ~~CITY OF MANILA~~ 2010 personally appeared the following:

NAME	CTC AND VALID ID NO.	DATE & PLACE ISSUED
FLORENCIO B. ABAD	CTC #: 09309238/ DRIVER'S LICENSE: NO2-88-080360	JAN. 26, 2011/ BASCO BATANES AUG. 3, 2008-JULY 13, 2011/ MANILA
ERIC V. SANTIAGO	CTC # 21564053 DRIVER LICENSE: COY-93 091491	JAN. 10 2011 / DOCCO DOB CAN APP. 23, 2009 - MAY 13, 2011 / MANILA

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 PRINTING OF BUDGET AND MANAGEMENT BULLETIN FOR CY 2011** was signed by the parties and their material witnesses on each and every page thereof.

WITNESS MY HAND AND SEAL this *MAR 31 2011* day of CITY OF MANILA

Doc No 29;
Page No 6;
Book No 33;
Series of 2011.

Ronald Segundino C. Ching
ATTY. RONALD SEGUNDINO C. CHING
NOTARY PUBLIC - CITY OF MANILA
ADMIN. NO. 211-000-UNTIL DEC. 31, 2012
ROLL NO. 54399
IBP NO. 809532-11/6/10 - MLA
PTR NO. 9239771-12-29-10 MLA
MCLE NO. 111-0016300 MAY 12, 2010
402. NO. 945 BENAVIDEZ ST. TUNDO MLA.



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

REQUEST FOR QUOTATION

The Department of Budget and Management (DBM), through its Bids and Awards Committee (BAC), will undertake a Small Value Procurement for the project, Printing of Budget and Management Bulletin for CY 2011, in accordance with Section 53.9 of the Implementing Rules and Regulations of Republic Act No. 9184.

Name of Project : Printing of Budget and Management Bulletin for CY 2011
Location : DBM Arcache Bldg., Gen. Solano St., San Miguel, Manila
Approved Budget for the Contract : Two Hundred Forty Thousand Pesos (P240,000.00)
Delivery Date : Quarterly

A complete set of quotation documents may be purchased by interested proponents starting February 3, 2011 from 9:00am to 5:00 p.m. from the DBM BAC Secretariat at the Administrative Service (AS) Conference Room, G/F Mabini Hall, Malacañang, Manila upon payment of a non-refundable fee of Five Hundred Pesos (P500.00).

The quotation documents to be submitted are accomplished Schedule of Requirements, accomplished Technical Specification, and accomplished Financial Proposal Submission Sheet. Moreover, eligibility documents to be submitted are: (i) photocopy of the proponent's Department of Trade and Industry or Securities and Exchange Commission Registration Certificate, as the case may be; (ii) 2011 Mayor's Permit; (iii) list of previous work done and respective clients and contact numbers; and (iv) valid certificate of PhilGEPS Registration.

The BAC will hold a Pre-Bid Conference on February 9, 2011 at 11:00 a.m. at the same address indicated above, which shall be open to all interested parties.

Submission of eligibility and quotation documents is on February 16, 2011 at 1:00 p.m., while opening of said documents will follow thereafter at the same address indicated above. Late bids shall not be accepted

The "No Contact Rule shall apply. Bidders are not allowed to call or talk any member of the BAC, Technical Working Group, or Secretariat right after the opening of the eligibility and quotation documents..

For inquiry, you may call the BAC Secretariat at Telephone No. 735-4902.

Very truly yours,


DIR. VIRGINIA G. GARRIEL
Alternate Vice Chairperson
DBM BAC

my



REPUBLIC OF THE PHILIPPINES
Department of Budget and Management
Malacañang, Manila
Telephone Nos. 735-49-02/735-4921 Fax No. 735-4979
Website Address: www@dbm.gov.ph

SUPPLEMENTAL/BID BULLETIN

ADDENDUM NO. 1

(Printing of Budget and Management Bulletin for CY 2011)

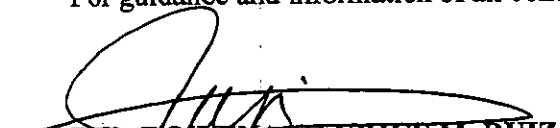
This Addendum No. 1 dated February 10, 2011 is issued to clarify, modify or amend items in the Quotation Documents. This shall form an integral part of the Quotation Documents.

ISSUES	CLARIFICATION
A. Eligibility Documents (iii) list of previous work done and respective clients and contact numbers	(iii) [list of previous work done and respective clients and contact numbers] STATEMENT OF ALL COMPLETED FY 2010 PRINTING OF ANY MATERIALS SIMILAR TO THE BUDGET AND MANAGEMENT BULLETIN. STATEMENT FORM IS ATTACHED AS ANNEX "A"
B. Quotation Documents Accomplished Schedule of Requirements Accomplished Financial Proposal Submission Sheet	Please see the attached REVISED Schedule of Requirements and Financial Proposal Submission Sheet
Submission of eligibility and quotation documents is on February 16, 2011, 1:00 p.m.	Submission of eligibility and quotation documents is on February 16, 2011, 1:00 p.m. 10:00 a.m.

Other matters:

- **Late Bids shall not be accepted.**
- The **"No Contact Rule"** shall be strictly observed. Bidders are not allowed to call or talk to any member of the BAC, TWG or Secretariat effective February 16, 2011 right after the opening of bids.

For guidance and information of all concerned.


DIR. ROWENA CANDICE M. RUIZ
 Vice Chairperson
 DBM-BAC



Statement of all FY 2010 Completed Contracts Similar to the Project

Business Name: _____

Business Address: _____

Name of Contract	a. Owner's Name b. Address c. Telephone Nos.	Nature of Work	Bidder's Role		a. Date Awarded b. Date Started c. Date of completion	a. Date Awarded b. Date Started c. Date of Completion
			Description	%		
<u>Government</u>						
<u>Private</u>						

Submitted by : _____
(Printed Name & Signature)

Designation : _____

Date : _____

Schedule of Requirements

The delivery schedule stipulated hereafter a delivery date which is the date of delivery to the Department of Budget and Management-Property Section, Administrative Service

Item Number	Description	Quantity	Total	Delivered
1	Printing of Budget and Management Bulletin for CY 2011			
	- No. of pages per copy	12		
	- No. of copies per issue	5,000		
	- No. of issue for 1 year	4		
	- No. of copies for 1 year	20,000		
				Delivery must be within 3 working days (inclusive of Saturday) after submission of the approved final digital proof by the Training and Information Service to Service Provider

Note: DBM hereby reserves the right to increase/decrease the number of copies/pages of the Budget and Management Bulletin for any reason, and in such event, there shall be a corresponding upward adjustment in the consideration in such sum as may be agreed upon by the parties and/or extension of the term of the services rendered.

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

Name of Company/Bidder

Signature Over Printed Name
of Representative

Date

Handwritten initials

Handwritten signature

Financial Proposal Submission Sheet

Date: _____

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

Sir/Madam:

After having carefully read and accepted the terms and conditions in your Request for Quotation, hereunder is our quotation for the project, Printing of Budget and Management Bulletin for CY 2011:

Price per page: _____ (VAT Inclusive)

Price per copy: _____ Price per page x 12 pages (VAT Inclusive)

Total Bid Price: _____ Price per copy x 20,000 copies (VAT Inclusive)

(Amount in Words) _____

It is understood that the price quoted above includes all activities stated in the technical specifications.

Very truly yours,

Name of Company

Name/Signature of Representative

Date

[Handwritten mark]

[Handwritten mark]

Schedule of Requirements

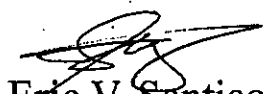
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				Delivery must be within 3 working days (inclusive of Saturday) after submission of the approved final digital proof by the Training and Information Service to Service Provider

Note: DBM hereby reserves the right to increase/decrease the number of copies/pages of the Budget and Management Bulletin for any reason, and in such event, there shall be a corresponding upward adjustment in the consideration in such sum as may be agreed upon by the parties and/or extension of the term of the services rendered.

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

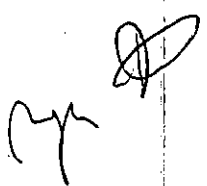
Econofast Press
Name of Company/Bidder

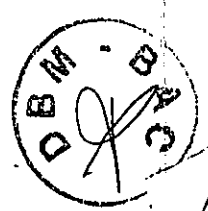

Eric V. Santiago
Signature Over Printed Name
of Representative

Feb.15, 2011
Date

cb

2la





Technical Specifications

Note: Bidders must state either "Comply" or "Not Comply" in the column "Bidder's Statement of Compliance" against each of the individual parameters of each Specification stating the corresponding performance parameter of the equipment offered.

Item	Specification	Bidder's Statement of Compliance
1	Cover: Self Cover	Comply
2	Color: 4 Colors	Comply
3	Paper: Matte coated 70 lbs.	Comply
4	Trim Size: 8.25 x 11.75 inches	Comply
5	No. of pages: 12 pp.	Comply
6	Binding: saddle stitch (2 staples)	Comply

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

Econofast Press

Name of Company/Bidder


Eric V. Santiago

Signature Over Printed Name of Representative

Feb.15, 2011

Date



Financial Proposal Submission Sheet

Date: Feb.15, 2011

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

Sir/Madam:

After having carefully read and accepted the terms and conditions in your Request for Quotation, hereunder is our quotation for the project, Printing of Budget and Management Bulletin for CY 2011:

Price per page: 0.93 (VAT Inclusive)

Price per copy: P 11.16 Price per page x 12 pages (VAT Inclusive)

Total Bid Price: P 223,200.00 Price per copy x 20,000 copies (VAT Inclusive)

(Amount in Words) Two hundred twenty three thousand two hundred Pesos only

It is understood that the price quoted above includes all activities stated in the technical specifications.

Very truly yours,

Econofast Press

Name of Company

Eric V. Santiago

Name/Signature of Representative

Feb.15, 2011

Date

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Handwritten signature



General Conditions of Contract

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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.

2. Corrupt, Fraudulent, Collusive, and Coercive Practices

2.1. The Procuring Entity as well as the bidders, contractors, or suppliers shall observe the highest standard of ethics during the procurement and execution of this Contract. In pursuance of this policy, the Procuring Entity:

- (o) defines, for the purposes of this provision, the terms set forth below as follows:

(i) "corrupt practice" means behavior on the part of officials in the public or private sectors by which they improperly and unlawfully enrich themselves, others, or induce others to do so, by misusing the position in which they are placed, and it includes the offering, giving, receiving, or soliciting of anything of value to influence the action of any such official in the procurement process or in contract execution; entering, on behalf of the Government, into any contract or transaction manifestly and grossly disadvantageous to the same, whether or not the public officer profited or will profit thereby, and similar acts as provided in Republic Act 3019.

(ii) "fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of the Procuring Entity, and includes collusive practices among Bidders (prior to or after bid submission) designed to establish bid prices at artificial, non-competitive levels and to deprive the Procuring Entity of the benefits of free and open competition.

(iii) "collusive practices" means a scheme or arrangement between two or more Bidders, with or without the knowledge of the Procuring Entity, designed to establish bid prices at artificial, non-competitive levels.

(iv) "coercive practices" means harming or threatening to harm, directly or indirectly, persons, or their property to influence their participation in a procurement process, or affect the execution of a contract;

- (p) 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

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

Supplier's own acts, defaults, or negligence, or those of its agents, servants or workmen.

- 7.2. Subcontractors disclosed and identified during the bidding may be changed during the implementation of this Contract, subject to compliance with the required qualifications and the approval of the Procuring Entity.

8. Procuring Entity's Responsibilities

- 8.1. Whenever the performance of the obligations in this Contract requires that the Supplier obtain permits, approvals, import, and other licenses from local public authorities, the Procuring Entity shall, if so needed by the Supplier, make its best effort to assist the Supplier in complying with such requirements in a timely and expeditious manner.
- 8.2. The Procuring Entity shall pay all costs involved in the performance of its responsibilities in accordance with GCC Clause 6.

9. Prices

Prices charged by the Supplier for Goods delivered and/or services performed under this Contract shall not vary from the prices quoted by the Supplier in its bid, with the exception of any change in price resulting from a Change Order issued in accordance with GCC Clause 29, or if applicable, adjustments authorized in accordance with the price adjustment provisions specified in the SCC.

10. Payment

- 10.1. Unless otherwise specified in the SCC, payments shall be made only upon a certification by the Head of the Procuring Entity to the effect that the Goods have been rendered or delivered in accordance with the terms of this Contract and have been duly inspected and accepted. Except with the prior approval of the President no payment shall be made for services not yet rendered or for supplies and materials not yet delivered under this Contract. Ten percent (10%) of the amount of each payment shall be retained by the Procuring Entity to cover the Supplier's warranty obligations under this Contract as described in GCC Clause 17.
- 10.2. The Supplier's request(s) for payment shall be made to the Procuring Entity in writing, accompanied by an invoice describing, as appropriate, the Goods delivered and/or Services performed, and by documents submitted pursuant to the SCC provision for GCC Clause 6.2, and upon fulfillment of other obligations stipulated in this Contract.
- 10.3. Pursuant to GCC Clause 10.2, payments shall be made promptly by the Procuring Entity, but in no case later than sixty (60) days after submission of an invoice or claim by the Supplier.
- 10.4. Unless otherwise specified in the SCC, the currency in which payment is made to the Supplier under this Contract shall be in Philippine Pesos.

11. Advance Payment

- 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, ten percent (10%) of the Contract price shall be paid within sixty (60) calendar days from signing of the contract and upon submission of a claim and a bank guarantee issued by a licensed bank for the equivalent amount valid until the Goods are delivered and in the form provided in Section VIII. Bidding Forms.
- 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. Unless otherwise specified in the SCC, 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. Unless otherwise specified in the SCC, 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:
- There are no pending claims against the Supplier or the surety company filed by the Procuring Entity;
- The Supplier has no pending claims for labor and materials filed against it; and
- Other terms specified in the SCC.
- 13.5. In case of a reduction of the contract value, the Procuring Entity shall allow a proportional reduction in the original performance security, provided that any

such reduction is more than ten percent (10%) and that the aggregate of such reductions is not more than fifty percent (50%) of the original performance security.

14. Use of Contract Documents and Information

- 14.1. The Supplier shall not, except for purposes of performing the obligations in this Contract, without the Procuring Entity's prior written consent, disclose this Contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the Procuring Entity. Any such disclosure shall be made in confidence and shall extend only as far as may be necessary for purposes of such performance.
- 14.2. Any document, other than this Contract itself, enumerated in GCC Clause 14.1 shall remain the property of the Procuring Entity and shall be returned (all copies) to the Procuring Entity on completion of the Supplier's performance under this Contract if so required by the Procuring Entity.

15. Standards

The Goods provided under this Contract shall conform to the standards mentioned in the and, when no applicable standard is mentioned, to the authoritative standards appropriate to the Goods' country of origin. Such standards shall be the latest issued by the institution concerned.

16. Inspection and Tests

- 16.1. The Procuring Entity or its representative shall have the right to inspect and/or to test the Goods to confirm their conformity to the Contract specifications at no extra cost to the Procuring Entity. The SCC and/or Section VII. Technical Specifications shall specify what inspections and/or tests the Procuring Entity requires and where they are to be conducted. The Procuring Entity shall notify the Supplier in writing, in a timely manner, of the identity of any representatives retained for these purposes.
- 16.2. If applicable, the inspections and tests may be conducted on the premises of the Supplier or its subcontractor(s), at point of delivery, and/or at the goods' final destination. If conducted on the premises of the Supplier or its subcontractor(s), all reasonable facilities and assistance, including access to drawings and production data, shall be furnished to the inspectors at no charge to the Procuring Entity.
- 16.3. The Procuring Entity or its designated representative shall be entitled to attend the tests and/or inspections referred to in this Clause provided that the Procuring Entity shall bear all of its own costs and expenses incurred in connection with such attendance including, but not limited to, all traveling and board and lodging expenses.
- 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 every progress 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

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- 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 situation and may extend the Supplier's time for performance, in which case the extension shall be ratified by the parties by amendment of Contract.
- 18.3. Except as provided under GCC Clause 22, a delay by the Supplier in the performance of its obligations shall render the Supplier liable to the imposition of liquidated damages pursuant to GCC Clause 19, unless an extension of time is agreed upon pursuant to GCC Clause 29 without the application of liquidated damages.


19. Liquidated Damages

Subject to GCC Clauses 18 and 22, if the Supplier fails to satisfactorily deliver any or all of the Goods and/or to perform the Services within the period(s) specified in this Contract inclusive of duly granted time extensions if any, the Procuring Entity shall, without prejudice to its other remedies under this Contract and under the applicable law, deduct from the Contract Price, as liquidated damages, a sum equivalent to the percentage specified in the SCC of the delivered price of the delayed Goods or unperformed Services for each week or part thereof of delay until actual delivery or performance, up to a maximum deduction of the percentage specified in the SCC. Once the maximum is reached, the Procuring Entity shall rescind the Contract pursuant to GCC Clause 23, without prejudice to other courses of action and remedies open to it.

20. Settlement of Disputes

- 20.1. If any dispute or difference of any kind whatsoever shall arise between the Procuring Entity and the Supplier in connection with or arising out of this Contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.
- 20.2. If after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the Procuring Entity or the Supplier may give notice to the other party of its intention to commence arbitration, as hereinafter provided, as to the matter in dispute, and no arbitration in respect of this matter may be commenced unless such notice is given.
- 20.3. Any dispute or difference in respect of which a notice of intention to commence arbitration has been given in accordance with this Clause shall be settled by arbitration. Arbitration may be commenced prior to or after delivery of the Goods under this Contract.
- 20.4. Arbitration proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.

20.5. Notwithstanding any reference to arbitration herein, the parties shall continue to perform their respective obligations under the Contract unless they otherwise agree; and the Procuring Entity shall pay the Supplier any monies due the Supplier.



21. Liability of the Supplier

21.1. Subject to additional provisions, if any, set forth in the SCC, the Supplier's liability under this Contract shall be as provided by the laws of the Republic of the Philippines.

21.2. Except in cases of criminal negligence or willful misconduct, and in the case of infringement of patent rights, if applicable, the aggregate liability of the Supplier to the Procuring Entity shall not exceed the total Contract Price, provided that this 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 its 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.

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:

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;

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

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 may terminate this Contract, forfeit the Supplier's performance security and award the same to a qualified Supplier.

24. Termination for Insolvency

The Procuring Entity shall terminate this Contract if the Supplier is declared bankrupt or insolvent as determined with finality by a court of competent jurisdiction. In this event, termination will be without compensation to the Supplier, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the Procuring Entity and/or the Supplier.

25. Termination for Convenience

- 25.1. The Procuring Entity may terminate this Contract, in whole or in part, at any time for its convenience. The Head of the Procuring Entity may terminate a contract for the convenience of the Government if he has determined the existence of conditions that make Project Implementation economically, financially or technically impractical and/or unnecessary, such as, but not limited to, fortuitous event(s) or changes in law and national government policies.
- 25.2. The Goods that have been delivered and/or performed or are ready for delivery or performance within thirty (30) calendar days after the Supplier's receipt of Notice to Terminate shall be accepted by the Procuring Entity at the contract terms and prices. For Goods not yet performed and/or ready for delivery, the Procuring Entity may elect:

to have any portion delivered and/or performed and paid at the contract terms and prices; and/or

to cancel the remainder and pay to the Supplier an agreed amount for partially completed and/or performed goods and for materials and parts previously procured by the Supplier.

- 25.3. If the Supplier suffers loss in its initial performance of the terminated contract, such as purchase of raw materials for goods specially manufactured for the Procuring Entity which cannot be sold in open market, it shall be allowed to recover partially from this Contract, on a *quantum meruit* basis. Before recovery may be made, the fact of loss must be established under oath by the Supplier to the satisfaction of the Procuring Entity before recovery may be made.

26. Termination for Unlawful Acts

26.1. The Procuring Entity may terminate this Contract in case it is determined *prima facie* that the Supplier has engaged, before or during the implementation of this Contract, in unlawful deeds and behaviors relative to contract acquisition and implementation. Unlawful acts include, but are not limited to, the following:

- (a) Corrupt, fraudulent, and coercive practices as defined in ITB Clause 3.1 (a);
- (b) Drawing up or using forged documents;
- (c) Using adulterated materials, means or methods, or engaging in production contrary to rules of science or the trade; and
- (d) Any other act analogous to the foregoing.

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 to 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 its intended termination. The Contract is deemed terminated if it is not resumed in thirty (30) calendar days after the receipt of such notice by the Procuring Entity.

28. Assignment of Rights

The Supplier shall not assign his rights or obligations under this Contract, in whole or in part, except with the Procuring Entity's prior written consent.

29. Contract Amendment

Subject to applicable laws, no variation in or modification of the terms of this Contract shall be made except by written amendment signed by the parties.

30. Application


These General Conditions shall apply to the extent that they are not superseded by provisions of other parts of this Contract.

A handwritten signature in black ink, consisting of several loops and a long tail, located on the left side of the page.Handwritten initials or a mark, possibly 'T' followed by a cursive signature, located in the bottom right corner of the page.

Special Conditions of Contract

GCC Clause	
1.1(g)	The Procuring Entity is the Department of Budget and Management (DBM).
1.1(i)	The Supplier is Econofast Press
1.1(j)	<p>The Funding Source is:</p> <p>The Government of the Philippines through the FY 2011 General Appropriations Act in the amount of Two Hundred Twenty Three Thousand Two Hundred Pesos (P223,200.00)</p>
1.1(k)	The Project Site is Department of Budget and Management
5.1	<p><u>The Procuring Entity's address for Notices is:</u></p> <p>DBM Administrative Service, Room 109, Mabini Hall Malacañang, Manila</p> <p>Representative: Director Virginia G. Garriel Contact Nos.: 735-4902 and 735-4979</p> <p><u>The Supplier's address for Notices is:</u></p> <p>1188 Gov. F. Halili Ave., Turo Bocaue, Bulacan</p> <p>Represented by: Mr. Eric V. Santiago</p> <p>Contact Nos.: (044) 641-3476/ 0918-9357634</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 Ground Floor, Mabini Hall not later than 3:00 pm on the date 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 the Supplier.</p>
9	For the given scope of work in this Contract as awarded, all bid prices are considered fixed prices, and therefore not subject to price escalation during contract implementation, except under extraordinary circumstances and upon prior approval of the GPPB in accordance with Section 61 of R.A. 9184 and its IRR-A.

10.1	<p>Payment shall be made within ten (10) working days upon submission of the Invoice of Billing or Statement of Account for the period covered and certification by the Director, Administrative Service that goods/services have been delivered or rendered in accordance with the terms of this Contract.</p> <p>Since the Supplier is not required to provide warranty security pursuant to Section 54.5 of the IRR, the Procuring Entity shall not retain any amount as warranty security.</p>
10.4	No further instructions.
13.1	In accordance with Section 54.5 of the IRR, performance securities are not required for small value procurement.
13.4	In accordance with Section 54.5 of the IRR, performance securities are not required for small value procurement.
13.4(c)	In accordance with Section 54.5 of the IRR, performance securities are not required for small value procurement.
16.1	The Goods delivered are accepted by the Procuring Entity as to quantity only. However, inspection as to the Goods' compliance with the technical specifications, and its order and condition, will be done in the presence of the representatives of both Supplier and Procuring Entity within three (3) working days from the date of delivery upon prior due notice, written or verbal, to the authorized representative of the Supplier. The inspection will push through as scheduled even in the absence of the Supplier's representative, if the latter was duly notified. In which case, the results of the inspection conducted by the Procuring Entity shall be final and binding upon the Supplier.
17.3	<p><i>Expendable Goods.</i> The warranty shall be three (3) months after acceptance by the Procuring Entity of the delivered Goods or after the Goods are consumed, whichever is earlier.</p> <p><i>In case of Non-expendable Goods:</i> One (1) year after acceptance by the Procuring Entity of the delivered Goods.</p> <p>However, in accordance with Section 54.5 of the IRR, the Supplier is not required to give a warranty security.</p>
17.4 and 17.5	The period for correction of defects in the warranty period is fourteen (14) calendar days.
19.1	<p>The applicable rate is one tenth (1/10) of one percent (1%) of the cost of the unperformed portion for every day of delay.</p> <p>The maximum deduction shall be ten percent (10%) of the amount of contract. Once the cumulative amount of liquidated damages reaches</p>



	<p>ten percent (10%) of the amount of the contract, the procuring entity shall rescind the contract, without prejudice to other courses of action and remedies open to it.</p> <p>The amount of 10% of the contract cost shall also be imposed on the Supplier for non-performance of its obligations under the Contract through no fault of the Procuring Entity.</p>
20.4	<p>In the case of a dispute between the Procuring Entity and the Supplier, the dispute shall be resolved in accordance with R.A. No. 9285, otherwise known as the "<i>Alternative Dispute Resolution Act of 2004</i>".</p>
21.1	<p>No additional provision.</p>



ANNEX "H"

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

NOTICE OF AWARD

February 28, 2011

MR. ERIC V. SANTIAGO

General Manager
Econofast Press
1188 Gov. F. Halili Ave., Turo
Bocaue, Bulacan

ORIGINAL RECEIVED

By: *Delita B. Ramos*
Designation: *Manila*
Office: *Bocaue Bulacan*
Date: *March 9, 2011*

Dear Mr. Santiago:

Based on the Department of Budget and Management Bids and Awards Committee Resolution No. 2011-10, we are pleased to inform you that the contract for the project "Printing of Budget and Management Bulletin for CY 2011" is hereby awarded to your company in the amount of Two Hundred Twenty Three Thousand Two Hundred Pesos (P223,200.00).

Very truly yours,

~~_____~~
FLORENCIO B. ABAD
Secretary

my

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

NOTICE TO PROCEED

MR. ERIC V. SANTIAGO
General Manager
Econofast Press
1188 Gov. F. Halili Ave., Turo
Bocaue, Bulacan

ORIGINAL RECEIVED

By: *Econofast Press*
Designation: *MANILA*
Office: *Pacific Bulacan*
Date: *MARCH 31 2011*

Dear Mr. Santiago:

This is to inform you that performance of the obligations specified in the attached Contract for the "Printing of Budget and Management Bulletin for CY 2011" shall commence upon receipt of this Notice to Proceed.

Very truly yours,


FLORENCIO B. ABAD
Secretary

Received by:

(Print name, signature and date received)