

## Terms and Conditions

1. The total price stated in the contract already include all applicable taxes, fees and charges required by the government. The Bidder/Supplier holds PPA-PMO MINDORO free from liability for any or all taxes arising out of this transaction.

The prices herein agreed shall not be subject to any increase or upward adjustment for any reason or cause whatsoever.

2. The Bidder/Supplier shall complete the supply and delivery of the goods within the time prescribed in the contract. Should Bidder/Supplier incur delay in its performance, it shall pay liquidated damages in the amount of at least one-tenth of one percent (1/10 of 1%) of the total cost of the unperformed portion for every day of delay. The maximum deduction shall be ten percent (10%) of the amount of the contract. Once the cumulative amount of liquidated damages reaches ten percent (10%) of the amount of the contract, PPA-PMO MINDORO shall have the option to rescind the contract, without prejudice to other courses of action and remedies open to it.

In case the bidders/suppliers still fails to deliver the item after the lapse of thirty (30) calendar days from the supposed date of delivery, in addition to the forfeiture of the Performance Security and the penalties agreed upon, PPA-PMO MINDORO shall have the option to terminate the contract purchase.

3. In the event that the Bidder/Supplier fails to comply with its undertakings under this contract, PPA-PMO MINDORO shall be released from its obligations without prejudice to its rights of restitution, recovery and damages.
4. In the event that the facts and circumstances arise or are discovered which renders this contract disadvantageous to the Government, the parties hereto agree immediately to re-negotiate its terms and conditions, or at the option of PPA-PMO MINDORO terminate the same.
5. No terms or conditions of this contract shall be deemed waived and no breach or default excused unless such waiver or excuse shall be in writing and signed by the party affected.
6. The rights or obligations under this contract are of a personal nature and compliance thereof may not be assigned or subcontracted to another without the written consent of the other party. This contract or any interest in it may not be assigned without the prior written consent of the other party.
7. This contract contains all the covenants and stipulations agreed upon by the parties and shall be modified, revised or amended only upon written agreement of both parties.
8. This contract constitutes the entire contract between the parties pertaining to the subject matter contained in it, and supersedes all prior and contemporaneous agreements, representations, warranties and understandings of the parties. No supplement, variation or amendment of this contract shall be binding UNLESS executed in writing by the parties. No waiver of any of the provisions of this contract shall be deemed, or shall constitute, a waiver of any other provision, whether similar or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding UNLESS in writing and signed by the party making the waiver.
9. The relationship between the parties shall be limited to the performance of the terms and conditions of this contract. Nothing herein shall be construed to create a general partnership/agency/employer-employee or any other relationship between the parties,

or to authorize any party to bind the other except as set forth herein, or to borrow money on behalf of another party, or to use the credit of any party for any purpose other than what has been set forth herein.

10. The parties, waiving for this purpose any other venue, hereby agree that the courts of the Calapan City, Oriental Mindoro shall be the exclusive venue of any and all actions or suits between the parties relative to this contract, to the exclusion of all other courts and venues. This exclusive venue provision shall apply even in cases for declaration of nullity of this contract in its entirety or in part and in cases arising after or by reason of the declaration of nullity of this contract in its entirety or in part.

11. The Bidder/Supplier hereby agree that the courts hereby further warrants and represents that:

a. The goods and specifications shall be described as follows:

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| <p><b>Air conditioning Unit : Eight (8) Units</b></p> <ul style="list-style-type: none"> <li>Air conditioning Unit, Inverter Split Type, 5 tonner cooling facilities, 10.2 Energy Efficiency Ratio, Floor Standing Including Installation</li> </ul>                 |
| <p>Additional Terms and Conditions:</p>  |
| <p>1. Must provide Original or downloaded copies in English text from its website of any of the following:</p>   |
| <ul style="list-style-type: none"> <li>Brochures</li> </ul>  |
| <ul style="list-style-type: none"> <li>Operation / Parts/ Service Manuals with technological diagram or Other Product Literature</li> </ul>  |
| <p><i>Should the bidder opt to provide electronic copies, they must likewise submit a table of contents with the corresponding link/s for each item/s listed therein. They must also provide a screenshot which shows the directory structure at file level.</i></p> |
| <p>2. Vendors Support Information (Contact Person, Complete Address, Contact Number, E-mail Address) of the duly authorized representative of the</p>  |
| <p>3. List of Authorized Service Centers/ Service affiliates that can service the PPA-PMO MINDORO Offices.</p>   |

b. It has good title to the goods described in the contract, full authority to sell and transfer the same and that the items are sold free and clear of all liens, encumbrances, liabilities and adverse claims, of every nature and description.

c. It will fully defend, protect, indemnify, and hold PPA-PMO MINDORO harmless from any and all adverse claims that may be made by any party for the possession and/or the use of the goods.

d. The defective items shall be replaced within seven (7) calendar days upon receipt of notice. Failure to replace the defective items within the same period shall make the Bidders/Suppliers liable for a penalty of one-tenth of one percent (1/10 of 1%) of the total cost of the undelivered item/s for each day of delay, including Sundays and Holidays

e. The Bidder/Supplier shall provide 24x7 phone supports/web-based help during the warranty period.

f. The Bidder/Supplier shall provide one (1) hour response time upon receipt of call/notice by acknowledging that there is a problem and a resolution has to be drawn up by them. If said problem has not been resolved after one (1) hour after acknowledgement, they need to be present on the site for troubleshooting.

A service unit must be provided within four (4) hours from receipt of call if the problem has not yet been resolved.

- g. The Bidder/Supplier shall provide a service unit for One YEAR period.
- h. PPA-PMO MINDORO accepts no liability for the damage of the goods during transit, risk and title will be deemed to have passed to PPA-PMO MINDORO only upon receipt and final acceptance of the Goods.
- i. It shall pay taxes in full and on time, failure to do so will entitle PPA-PMO MINDORO to suspend payment.
- j. In cases wherein an additional expense is to be incurred due to delivery of substandard quality items that are non compliant with the agreed specifications, such expense to reproduce items to agreed specifications and quality shall be at the expense of the Bidder/Supplier.
- k. Without prejudice to manufacturer's warranty, in order to assure that manufacturing defects shall be corrected by Bidder/Supplier, a warranty shall be required from it for a minimum period of one (1) year after performance of the contract.
- l. The obligation for the warranty shall be covered by either Retention Money 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 total contract price.
- m. The said amounts shall only be released after the lapse of the warranty period provided, however that the goods supplied are free from patent and latent defects and all conditions imposed under the contract have been fully met.

12. Delivery Schedule: The Bidders/Supplier shall complete within forty-five (45) calendar days, the supply and delivery of said item from [effectivity date] at PPA-PMO MINDORO, Port Area, San Antonio, Calapan City, Oriental Mindoro.

13. Schedule of payment: PPA-PMO MINDORO shall pay the total amount of \_\_\_\_\_ (PhP \_\_\_\_\_), VAT exclusive, zero rated transaction, based on any of the following:

- a. 90% of the total contract price upon completion of the supply and delivery per quarter subject to PPA-PMO MINDORO's acceptance (issuance of the Inspection and Acceptance Report (IAR)) in writing of the items described in the PO.
- b. 10% Retention to be paid after one (1) year from the formal acceptance (issuance of the IAR), if and when no patent and latent defects are noted

OR;

100% of the total contract price, provided that the goods supplied are free from patent and latent defects and all conditions imposed under the contract have been fully met; subject to PPA-PMO MINDORO's acceptance (issuance of the IAR) in writing of the items described in the PO and upon submission of a Special Bank Guarantee at least ten percent (10%) of the total amount valid for one year from issuance of the final Certificate of Acceptance

14. Performance Security: To guarantee the faithful performance of the Bidder's obligations under this, it shall post a Performance Security prior to the execution of

this PO, in accordance with any of the following schedule:

| <b>Form of Security</b>   | <b>Amount in Percentage of Total Contract Price</b> |
|---|---|
| Cash or cashier's/manager's check issued by a Universal or Commercial Bank.   | Five Percent (5%)                                   |
| Bank draft/guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank: <i>Provided</i> , however, that it shall be confirmed or authenticated by a Universal or Commercial Bank, if issued by a foreign bank. |   |
| Surety Bond (which is acceptable to PPA-PMO MINDORO) callable upon demand issued by a surety or insurance company duly certified by the Insurance Commission as authorize to issue such security specific for the contract.           | Thirty Percent (30%)                                |

The Performance Security shall remain valid until issuance of the final Certificate of Acceptance.

15. This Annex A, consisting of four (4) pages, shall form part of Purchase Order.

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Signature over Printed Name of the Bidder/Supplier

Date: \_\_\_\_\_