



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



Republic of the Philippines
Autonomous Region in Muslim Mindanao
DEPARTMENT OF AGRICULTURE AND FISHERIES
Cotabato City

CONTRACT AGREEMENT

for the

**40 UNITS HAND TRACTOR WITH IMPLEMENTS INTENDED FOR
MAGUINDANAO,LANAO DEL SUR, BASILAN, SULU& TAWI-TAWI PROVINCE**

KNOW ALL MEN BY THESE PRESENTS:

This **CONTRACT** is entered into this ____ day of _____, 2015 in the City of Cotabato by and between:

The **Department of Agriculture and Fisheries (DAF), Autonomous Region in Muslim Mindanao (ARMM)**, with official address at ORG Compound, Gov. Gutierrez Avenue, Cotabato City, herein represented by it **Regional Secretary, ATTY. LAISA MASUHUD ALAMIA** and herein referred to as **DAF-ARMM**;

and

MITSUBOMAR AGRI MACHINERIES, a business entity duly registered under Philippine laws, with principal address at GenSan Drive corner Zulueta Street, Koronadal City, South Cotabato, herein represented by its Proprietor, **MATIAS T. ESMERINGA, JR.** and herein referred to as **MITSUBOMAR AGRI MACHINERIES**.

WITNESSETH

WHEREAS, the **AgriPinoy Rice Program** s one of the banner components of the Department of Agriculture mainly concerned in rice farming and uplifting the lives of Filipino farmers.Guided by the principles of the Agrikulturang Pilipino (Agri-Pinoy) framework, the National Rice Program integrates government initiatives and interventions for the agriculture sector, namely: food security and self-sufficiency, sustainable resource management, support services from farm to table, and broad-based local partnerships.

WHEREAS, the **DAF-ARMM** through **AgriPinoy Rice Program Fund 2015**, caused to approve the project tagged as "**Procurement of 40 units Hand Tractor with Implements**", herein and hereafter referred to as "Project."

NOW THEREFORE, for and in consideration of the foregoing premises, the **FIRST PARTY** hereby accepts the Bid submitted by the **SECOND PARTY** for undertaking to deliver the items listed under **LOT1Procurement of 40 units Hand Tractor with Implements** of this **Project** in consideration of the amount of **SEVEN MILLION EIGHTYFIVE THOUSANDPESOS (PHP7,085,000.00)** subject to the following stipulations:

I. OBLIGATIONS OF THE PARTIES

A. The **DAF-ARMM** shall:

1. Pay **MITSUBOMAR AGRI MACHINERIES** in consideration of the execution and completion of the delivery at the unit prices agree

in the TENDER, at the time and in the manner prescribed in the CONTRACT; and

2. Conduct, through the **AgriPinoy Rice Program**, regular monitoring, evaluation and documentation of the implementation of the project.

B. **GREEN VALLEY MACHINERIES** shall:

1. Cause the **Procurement of 40 units Hand Tractor with Implements** under **Lot 1** of the Project within **30 calendar days** from the date of the receipt thereof of the **NOTICE TO PROCEED (NTP)**;
2. Comply with and strictly observe all laws regarding workmen's health and safety, workmen's welfare compensation to injuries, minimum wages, hour of work, and other labor laws;
3. Comply with the provisions of Presidential Decree 1759 entitled "Penalizing Contractors and Subcontractors Who Violate Any Material Provisions of Contracts Involving Public Works Projects of the Government, and Public Officials Who Allow Such Violations, and For Other Purposes," which law provides for the criminal liability of the Supplier and other person for violation of any of the material provisions of a contract involving public works projects to the prejudice of the Government;
4. Observe faithfully the provision on environmental safety and security as contained in the Environmental Management Plan, the Environmental Safeguard, and other Philippine Rules and Regulations concerning environmental safety and security;
5. Comply strictly with the provision of the Labor Code that wages shall be paid to its employees and/or laborers at least once every two (2) weeks or twice a month at intervals not exceeding sixteen (16) days; and
6. Be prohibited from subcontracting the Project and ensure its completion by using its own personnel and within the stipulated duration.

II. **TERMS OF PAYMENT**

- A. It is understood that the quantities listed in the delivery schedule do not govern full payment; hence, payment to **MITSUBOMAR AGRI MACHINERIES** will be made only for actual quantities of contract items delivered, performed in accordance with the specifications and accepted by **DAF-ARMM**;

III. **WARRANTIES**

- A. It is understood that no extension of contract time whatsoever shall be granted to **MITSUBOMAR AGRI MACHINERIES** due to ordinary unfavourable weather conditions, non-availability of equipment or materials to be furnished by him, labor problems and such causes for which the government is not directly responsible. Extension of time shall be granted only for the equipment period of delay due to major calamities;
- B. Within the applicable period after the completion and final acceptance of the Project as provided under Section 62 of the Implementing Rules and Regulation of Republic Act No. 9184, **MITSUBOMAR AGRI MACHINERIES** shall remain liable for defects and/or failure of the

completed project due to manufacturer's defect or the use of inferior materials. A Performance Bond in accordance with Bid Document Letter "F" ITB 33.2 shall immediately be put up by (Bidder) for the purpose of guarantee for such deficiencies. The warranty security shall remain effective during the applicable warranty period;

- C. **MITSUBOMAR AGRI MACHINERIES** agreed to insure the Project against any loss or damage for whatever cause and shall under his own name and expenses, obtain and maintain insurance coverage enumerated in the General Conditions of Contract for the Duration of the Sub-Project Contract. Notwithstanding the insurance of the project, **MITSUBOMAR AGRI MACHINERIES** shall not be relieved of his obligation to have sole charge and care of the project and to take every precaution against any damage or injury to any part thereof until final acceptance of the Project; and

IV. MISCELLANEOUS PROVISION

- A. The following documents shall form an integral part of this Agreement:
1. Conditions of Contract;
 2. Specifications;
 3. Addenda and/or Supplemental/Bid Bulletin, if any;
 4. Eligibility Requirements, documents and/or statements;
 5. Performance Security;
 6. Notice of Award of Contract and winning bidder's "Conforme" thereto;
 7. Notice to Proceed and winning bidder's "Conforme" thereto; and
 8. Other contract documents that may be required by existing laws and/or by the DAF- ARMM.
- B. The herein contract price has been established on the understanding that it includes all of the **MITSUBOMAR AGRI MACHINERIES** Cost and Profits including any tax obligation that may imposed on **MITSUBOMAR AGRI MACHINERIES**;
- C. Any modification or cancellation of this Contract shall require the prior written concurrence of the **DAF-ARMM** thereto;
- D. However, that any change which does not constitute any substantial modification of the Contract and which does not affect the contract price shall not require such concurrence of the **DAF-ARMM**; and
- E. Any or all dispute arising from the implementation of this Contract shall be submitted for arbitration in the Philippine in accordance with the provision of Philippine Act No. 9285, otherwise known as "Alternative Dispute Resolution Act 2004." However, disputes that are within the competence of the Construction Industry Arbitration Commission to resolve shall be referred thereto.

V. TERMINATION AND BREACH OF CONTRACT

- A. This Contract Agreement may be terminated on the following grounds, namely:
1. Refusal or failure of **MITSUBOMAR AGRI MACHINERIES** without any justifiable cause to comply with any of the provisions of this Agreement.
- B. Upon finding of a violation of any provision of this Contract, the **DAF-ARMM** shall duly notify (Bidder) thereof within thirty (30) days and

require the latter to explain the finding/s on the breach of this Contract.

VI. DURATION AND EFFECTIVITY


A. This Contract Agreement shall be immediately effectively upon signing hereof by the parties and their witnesses until the completion of the project unless sooner terminated under stipulation V hereof.

IN WITNESS WHEREOF, the parties have hereunto set their respective signatures this NOV 16 day of 2015, _____, Philippines.

First Party:


ATTY. LAISA MASUHUD ALAMIA
Regional Secretary
DAF-ARMM

Second Party:


MATIAS T. ESMERINGA, JR.
Proprietor
MITSUBOMAR AGRI MACHINERIES

Funds Available:


SITTIE ANIDA A. TOMAWIS-LIMBONA, CPA
Regional Accountant

SIGNED IN THE PRESENCE OF:

Witnesses:


FELIX A. MOSNE
BAC Chairman


LININDING D. MAGARANG
Budget Officer

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES]
CITY OF COTABATO]s.s.
X-X-X-X-X-X-X]

BEFORE ME, a Notary Public for and in the City of Cotabato, Philippines,
personally appeared:

Name	CTC No.	Date Of Issue	Place Of Issue
ATTY. LAISA MASUHUD ALAMIA			
MATIAS T. ESMERINGA, JR.	34714129	01/07/2015	Koronadal City

All known to me to be the same persons who executed the foregoing instrument and acknowledged to me that the same is free act and deed. This instrument consisting of FIVE (5) pages, including this page where this Acknowledgement is written, pertains to a Contract for the "Procurement of 40 units Hand Tractor with Implements" and has been signed by the parties herein and their instrumental witnesses at the place where their name is written and on the left margin of each and every page.

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

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Series of 2015

JOSE R. BARROSO
Notary Public
NOTARY PUBLIC
Until December 31, 2015
PTR No. CK-1230860 01-05-15
Commissioned By: RTC Br. 24
Koronadal City