

**CONTRACT FOR THE PRODUCTION  
OF PDIC's 2012 ANNUAL REPORT**

**KNOW ALL MEN BY THESE PRESENTS:**

This *Contract* is made and entered into by and between:

**PHILIPPINE DEPOSIT INSURANCE CORPORATION**, a government instrumentality organized and existing under and by virtue of Republic Act No. 3591, as amended, with principal office address at SSS Bldg., 6782 Ayala Avenue cor. Rufino Street, Makati City, Metro Manila, represented in this Contract by its Vice President for Corporate Affairs Group, **Mr. JOSE G. VILLARET, Jr.**, and hereinafter referred to as "PDIC"

- and -

The Joint Venture between **OP COMMUNICATIONS, INC.**, and **THE HOUSE PRINTERS CORPORATION**, corporations duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office addresses at 4<sup>th</sup> Floor, Saville Bldg., 8728 Paseo de Roxas, Makati City, and Shop 8, National Road, Brgy. Muson, Taytay Rizal, respectively, represented herein pursuant to the Joint Venture Agreement by **Mr. ALFONSO G. OÑATE**, the President of **OP COMMUNICATIONS, INC.**, duly authorized for the purpose, and hereinafter referred to as the "CONTRACTOR"

**WITNESSETH: That,**

**WHEREAS**, PDIC needs to engage services necessary to undertake the production of PDIC's 2012 Annual Report;

**WHEREAS**, for the purpose, a public bidding was conducted by PDIC pursuant to the provisions of Republic Act No. 9184 (The Government Procurement Reform Act);

**WHEREAS**, in the said public bidding, the CONTRACTOR submitted the lowest and most advantageous bid to PDIC and was thereby awarded the contract, subject to the terms and conditions stipulated herein.

**NOW, THEREFORE**, for and in consideration of the foregoing premises and the terms and conditions herein contained, the parties hereto hereby agree as follows:

1. SCOPE OF SERVICES

The CONTRACTOR shall perform the following services in line with the production of PDIC's 2012 Annual Report:

1.1. Printing Service:

The CONTRACTOR shall undertake to perform the required printing services in accordance with the following specifications:

1.1.1. Inside Pages

- Size : 8 1/2 " x 11"
- No. of pages : 100 pages cover to cover
- Paper : Matt 100
- Quantity : 2,000 copies
- Process : Offset  
Color separation by printer
- Binding : Perfect binding
- Color : Full color

1.1.2. Cover

- Size : 8 1/2 " x 11"
- Paper : C2s 220
- Color : Full color
- Design : with UV/  
spot UV lamination
- Back : with CD pocket

1.1.3. Envelope

- Size : 14 1/2" x 18 1/2 "
- Paper : Matte 70
- Color : 2 colors

1.1.4. Compact Discs

- Copies with label : 2,000  
design of the 2012  
PDIC Annual Report

1.2. Creative Service:

The CONTRACTOR shall deliver the following creative services:

- 1.2.1. Conceptualization of suggested themes; conceptualization, development of layout, and presentation of at least five (5) comprehensive studies for layout and cover design based on the suggested themes.
- 1.2.2. Conceptualization of Annual Report cover design and overall treatment revolving on the PDIC-selected theme with aesthetic "concept" appreciation.
- 1.2.3. Graphic concepts, artwork, typesetting and photo cropping.
- 1.2.4. Photography, color separation/scheming and printing.
- 1.2.5. Editorial assistance based on materials provided by PDIC.
- 1.2.6. Revisions and refinements.

1.3. Production Service:

It shall additionally perform the following production services:

- 1.3.1. Provide the necessary man-hours and materials for the preparation of press-ready artworks.
- 1.3.2. Typesetting, photo prints and art materials.
- 1.3.3. Provide the necessary computer man-hours for finalization of generated backgrounds.
- 1.3.4. Provide the necessary man-hours for scanning of trannies (transparencies)/photos.
- 1.3.5. Undertake retouching and manipulation as well as digital alteration of photos.

1.4. Copy writing/editing Service:

- 1.4.1 Draft and/or edit write-ups/copies according to a specified timetable.
- 1.4.2 Undertake research and/or interviews when necessary.
- 1.4.3 Recommend appropriate layout and sidebars for significant highlights of the Annual Report.
- 1.4.4 Effect revisions made by the PDIC Editorial Board until final approval.

1.5. Digital Photography Service:

The CONTRACTOR shall likewise perform the following digital photography services:

- 1.5.1 Digital photo shoot with soft proofs and CD format
- 1.5.2 Office based and location (maximum of 10 areas selected by PDIC including, but not limited to: the Department of Finance, Bangko Sentral ng Pilipinas, site/s of the 2012 closed banks) photography shoot for the following:



- Board of Directors – five members – 5 shots for each individual member; 5 shots as a group
- Audit Committee – 5 group shots
- Risk Management Committee – 5 group shots
- Executive Committee– 10 group shots
- Management Committee (Mancom) – 10 group shots
- Examination & Resolution Sector – 5 shots for each Mancom member; 5 shots as a group
- Receivership & Liquidation Sector – 5 shots for each Mancom member; 5 shots as a group
- Office of the President – 5 shots for each Mancom member; 5 shots as a group
- Deposit Insurance Sector – 5 shots for each Mancom member; 5 shots as a group
- Legal Affairs Sector – 5 shots for each Mancom member; 5 shots as a group
- Management Services Sector – 5 shots for each Mancom member; 5 shots as a group
- Corporate Services Sector – 5 shots for each Mancom member; 5 shots as a group
- Advocacy and Governance – 10 group shots
- Action photos – 10 shots
- Symbolic photos – 10 shots
- President – 10 shots at work; 10 shots at pose

The photo-shoot shall be undertaken in various locations and in accordance with the schedule as determined by PDIC

- 1.5.3 Photo direction by the agency to be co-managed by the PDIC
- 1.5.4 Pre-production with client and photographer
- 1.5.5 Undertake digital enhancement of the photos, if required.

1.6 Final Artwork Turnover:


The CONTRACTOR shall also deliver the following:

- 1.6.1 Digital (CD) file to printer
- 1.6.2 Digital proofs by printer subject to approval by PDIC

1.7 Others:


The CONTRACTOR shall likewise perform the following:

- 1.7.1 Submit to PDIC a quote for every additional page beyond 100 prior to the signing of this Contract. Failure to do so would mean that the cost thereof shall not be higher than the cost of the CONTRACTOR's bid per page for the project.


- 1.7.2 Submit to PDIC in CD format the digital copies, including all negatives if any, of all photos taken not later than five (5) working days after the completion of the photo-shoot sessions.
  - 1.7.3 Ensure that the soft copy of the annual report shall be editable, adaptable and internet uploadable in electronic copy (PDF format).
  - 1.7.4 Submit to PDIC 2,000 pieces of printed 2012 Annual Report as well as 2,000 pieces of CDs, with label version of the 2012 PDIC Annual Report, by week 5.
- 

It is hereby understood that all photos taken by the CONTRACTOR shall be for the exclusive use of PDIC. Photos taken shall not, in any manner, be reproduced for distribution or used for any other purpose, without the prior written consent of PDIC

## 2. FEES AND BILLING SCHEDULE

- 2.1 For and in consideration of all the foregoing services, as well as compliance by the CONTRACTOR of all the terms and condition of this Contract, PDIC shall pay the sum of FIVE HUNDRED AND FIFTY FOUR PESOS (P554.00) per copy or a total amount of ONE MILLION ONE HUNDRED AND EIGHT THOUSAND PESOS (P1,108,000.00), Philippine currency, inclusive of any and all taxes (including, but not limited to, the applicable Value Added Tax), fees, duties and such other imposts or levies which may be required by the government, both national and local.
  - 2.2 Payment of said fees shall be made by PDIC no earlier than seven (7) working days from complete and full delivery of the final copies of the 2012 Annual Report and upon certification from PDIC of the satisfactory completion and acceptance by PDIC of the Annual Report turned in by the CONTRACTOR. All payments shall be subject to the usual accounting and auditing rules currently in force.
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## 3. TERM

- 3.1. This Contract shall be for a term of six (6) weeks, reckoned from the date of submission of the soft copy of the manuscript by PDIC to the CONTRACTOR. The CONTRACTOR shall promptly and completely perform all items of work under Section 2 hereof and
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submit all corresponding deliverables within the period and in accordance with the schedule herein below provided: --

Activities	Duration
PDIC turns over the approved annual report manuscript to the CONTRACTOR; The CONTRACTOR prepares the 1 <sup>st</sup> dummy; PDIC reviews the 1 <sup>st</sup> dummy.	Week 1
PDIC reviews the dummy; The CONTRACTOR prepares the 2 <sup>nd</sup> dummy; PDIC approves the dummy; PDIC reviews the dummy and submit corrections/inputs, if any, to the CONTRACTOR; PDIC approves the dummy and undertakes the final viewing of the artwork; PDIC approves digital proof;	Week 2 - 5
Printing/Sorting/Binding	Week 4-6
Partial and Final Delivery of the PDIC's 2012 Annual Report	Week 6

- 3.2. In the event that the CONTRACTOR fails to complete any activity within the period specified, the CONTRACTOR shall, in addition to other remedies that PDIC may exercise under this Contract, pertinent laws, rules and regulations, pay PDIC liquidated damages as stated in Section 5 hereof.
- 3.3 PDIC may, at its option, make amendments or modifications in the schedule herein above imposed.
- 3.4. This Contract shall correspondingly be extended for such period called for by any amendment or modification of the above schedule under the same terms, with no additional consideration on the part of PDIC.
- 3.5. PDIC reserves the right to terminate this Contract for any cause which may include failure of the CONTRACTOR to perform in a timely and acceptable manner any of their works, duties, functions, responsibilities or obligations stipulated herein or failure to carry out the task herein required in a manner acceptable to PDIC or violation by the CONTRACTOR of any of the terms and conditions of this Contract, subject to sanctions and remedies provided for herein and under the pertinent laws, rules and regulations.

#### 4. PERFORMANCE SECURITY

- 4.1. To guarantee the faithful performance of the obligations and services required under this Contract, the **CONTRACTOR** shall, upon execution of this Contract, post in favor of **PDIC** a Performance Security in the form of Surety Bond in an amount equivalent to 30% of P1,108,000.00.
- 4.2. In the event that the Performance Security offered by the **CONTRACTOR** would be deemed inadequate or otherwise rendered unacceptable, **PDIC** shall have the right to require the **CONTRACTOR** to post a performance security in the form and amount determined by **PDIC** and allowed under existing laws and regulations.
- 4.3. The Performance Security shall be released seven (7) days from **PDIC's** issuance of the certification of the **CONTRACTOR's** faithful and complete performance of its obligations under this Contract. The Performance Security shall answer for any damage **PDIC** may suffer by reason of the **CONTRACTOR's** default of any of its obligations and/or breach of the terms and conditions of this Contract. It shall likewise guarantee payment for any loss, damage or injury that may be caused by the **CONTRACTOR** to **PDIC**, its employees and guests.
- 4.4. The Performance Security shall be forfeited in favor of **PDIC** in the event that the **CONTRACTOR** is in default or breach of its obligation under this Contract. Any changes made in this Agreement shall in no way annul, release or affect the liability of the **CONTRACTOR** and the surety.
- 4.5. Failure of the **CONTRACTOR** to comply with any of the terms and conditions of this Contract shall result in the forfeiture of the Performance Security, in addition to other remedies that **PDIC** may exercise under this Contract, pertinent laws, rules and regulations.

#### 5. LIQUIDATED DAMAGES

- 5.1. In the event that the **CONTRACTOR** violates any of the terms and conditions of this Contract, or neglects to perform in a timely manner any of the works, duties, functions, responsibilities or obligations stipulated herein, inclusive of the duly granted time extension, if any, or fails to carry out the tasks herein required in an acceptable manner for any reason whatsoever, the **CONTRACTOR** shall be liable for damages for such failure and shall pay **PDIC** liquidated damages in an amount equivalent to one-tenth (1/10) of



one (1%) percent of the total contract price for every day of delay or breach, in addition to other remedies that PDIC may exercise under this Contract, pertinent laws, rules and regulations, until such services are finally delivered and accepted by PDIC. In the event that the total sum of liquidated damages or the total cost to PDIC of any such delay or inability by the Contractor to deliver its obligations exceeds 10% of the contract price, PDIC may terminate this Contract upon giving the CONTRACTOR written notice at least five (5) calendar days prior to the intended date of termination and impose other appropriate sanctions over and above the liquidated damages.



5.2. PDIC need not prove that it has incurred damages to be entitled to liquidated damages. Furthermore, PDIC reserves the right to deduct any and all of the liquidated damages from any money due or payments which may become due to the CONTRACTOR under the terms of this Contract and/or from the performance security filed by the CONTRACTOR, as PDIC may deem convenient and expeditious under the prevailing circumstances.

## 6. SUSPENSION OF PAYMENT/TERMINATION FOR DEFAULT

6.1. PDIC shall have the right to suspend, in whole or in part, any payment due to the CONTRACTOR under this Contract in the event there is delay, default, failure or refusal on the part of the CONTRACTOR to perform its obligations under this Contract in an acceptable manner. Further, PDIC shall have the right to procure/engage, upon such terms and manner as PDIC shall deem appropriate, the services of another contractor to undertake the unperformed/undelivered service(s) of the CONTRACTOR. Any and all expenses that may be incurred in relation thereto shall be for the exclusive account of the CONTRACTOR.



6.2. In the event that such delay, default, failure or refusal continues for a period equivalent or corresponding to more than ten (10%) percent of the Contract price or time, whichever comes first, inclusive of the duly granted time extension, if any, PDIC shall have the right to terminate this Contract upon giving the CONTRACTOR written notice at least five (5) calendar days prior to the intended date of termination. In addition, PDIC shall have the right to procure/engage the services of another contractor to complete the services required of the CONTRACTOR under this Contract. Any and all expenses that PDIC may incur in connection thereto shall be for the sole account of the CONTRACTOR.





6.3. The CONTRACTOR hereby agrees that the remedies mentioned above shall be understood to be without prejudice to other rights and remedies that PDIC may exercise under this Contract, applicable laws, rules and regulations.

7. OTHER GROUNDS FOR TERMINATION

7.1. PDIC may terminate this Contract, after giving the CONTRACTOR written notice at least five (5) days prior to the intended date of termination, whenever it is determined by PDIC that the CONTRACTOR has engaged, before or during the implementation of this Contract, in unlawful deeds and behaviors relative to Contract acquisition and implementation. Unlawful acts shall include, but not necessarily limited to, the following:

7.1.1. Corrupt, fraudulent, and coercive practices as defined under R.A 9184 otherwise known as the "Government Procurement Reform Act;"

7.1.2. Drawing up or using forged document; and

7.1.3 Any other act analogous to the foregoing.

7.2. The CONTRACTOR hereby agrees that the termination referred to herein shall be understood to be without prejudice to other rights and remedies available to PDIC under this Contract or the applicable laws.

8. INDEMNITY

The CONTRACTOR shall indemnify PDIC against any loss, injury or damage either to person or property which PDIC may suffer by reason of the willful, unlawful or negligent act or omission of the CONTRACTOR or any of its personnel or representative. The indemnity required herein shall be in addition to the forfeiture of the Performance Security.

9. JOINT AND SOLIDARY LIABILITY

OP COMMUNICATIONS, INC. and THE HOUSE PRINTERS CORPORATION shall be jointly and severally liable to PDIC for any defects on the project caused by poor design/workmanship, inferior/substandard materials, or from any negligent act or omission which may develop during their normal use and/or for violation of any of the terms and conditions of the Contract.



9. **RELATION OF THE PARTIES**

The **CONTRACTOR** shall have no authority, express or implied, to assume or create any obligation or responsibility on behalf of or in the name of **PDIC** or bind **PDIC** in any manner whatsoever. The **CONTRACTOR's** personnel, representatives or staff shall not be construed as employees of **PDIC**. The **CONTRACTOR** is being engaged herein as an independent contractor. Nothing herein shall be construed as creating an employer/employee relationship between the **CONTRACTOR's** employees, representatives or staffs and **PDIC**.



10. **NON-WAIVER OF RIGHTS**

The failure of **PDIC** to insist upon the strict performance of any of the terms, conditions and covenants hereof shall not be deemed a relinquishment or waiver of any right or remedy that **PDIC** may have nor shall it be construed as a waiver of any subsequent breach or default of the terms, conditions and covenants hereof, which in turn, shall continue to be in full force and effect. No waiver by **PDIC** of any of its rights under this Contract shall be deemed to have been made unless expressed in writing and signed by **PDIC**.

11. **MISCELLANEOUS PROVISIONS**

11.1. **Severability** - If any provision of this Contract should, for any reason, be held void or unenforceable, the legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired, and shall remain in full force and effect.

11.2. **Binding Effect/Assignment of Rights** - This Contract shall be binding upon the **CONTRACTOR**, its partners, successors-in-interest, its legal representatives and assigns. Foregoing notwithstanding, the **CONTRACTOR** shall not in any manner, directly or indirectly, assign, or transfer its rights and obligations under this Contract without the written approval of **PDIC**.



11.3. **Amendment** - This Contract may be amended or modified only in writing upon mutual agreement of the parties hereto.

11.4. **Governing Law and Language** - The rights and obligation of the parties hereto shall be governed and interpreted in accordance with the laws of the Republic of the Philippines, specifically, the provisions of R.A. 9184 otherwise known as the "Government Procurement Reform Act" and other applicable laws, rules and regulations.




- 11.5. **Documents Incorporated** - The provisions of this Contract shall be read in harmony with the Terms of Reference and other related bid documents. In case of conflict, the provisions of this Contract shall prevail.
- 11.6. **Venue of Action** - It is hereby agreed that any and all actions that shall arise from this Contract shall be instituted and tried before the proper court (s) of the City of Makati only.
- 11.7. **Attorney's Fees** - In the event that PDIC is compelled to seek judicial relief to enforce the provisions of this Contract, it shall be entitled to attorney's fees and liquidated damages equivalent to ten percent (10%) and fifteen percent (15%), respectively, of the contract price or the amount claimed in the judicial action, whichever is higher, aside from the costs of litigation and other expenses incidental thereto.



IN WITNESS WHEREOF, the parties have hereunto affixed their signatures on the date and place as stated below their respective signatures.

**PHILIPPINE DEPOSIT  
INSURANCE CORPORATION**  
Client

By:

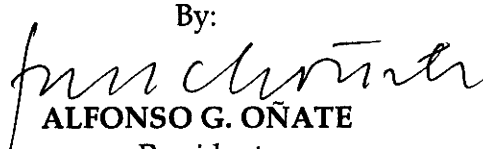
  
**JOSE G. VILLARET, Jr.**  
Vice President  
Date: \_\_\_\_\_  
Place: \_\_\_\_\_

The Joint Venture of

**OP COMMUNICATIONS, INC. and  
THE HOUSE PRINTERS CORPORATION**



By:

  
**ALFONSO G. OÑATE**  
President  
OP COMMUNICATIONS, INC.



CERTIFICATION

This is to certify that pursuant to PDIC Board Resolution No. 2012-03-063 dated March 28, 2012, the amount of P1,350,000.00 has been set aside and made available in the Corporate Operating Budget (COB) of the PDIC for the year 2013; to cover the implementation of the approved Production of the 2012 PDIC Annual Report for the year 2013. The remaining amount of the contract, if any, shall be made available in the COB of the PDIC for the succeeding year/s.

*[Handwritten signature]*

*[Handwritten signature]*  
IRENE DL. ARROYO  
Vice President  
Treasury Group

SIGNED IN THE PRESENCE OF:

*[Handwritten signature]*  
\_\_\_\_\_ *[Handwritten initials]*

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES )  
MAKATI CITY ) S.S

BEFORE ME, a Notary Public, for and in the City of Makati on this \_\_\_ day of NOV 13 2013 2013, personally appeared Mr. Jose G. Villaret, Jr. with Community Tax Certificate/I.D. No. 0859, issued on \_\_\_\_\_ at \_\_\_\_\_.

*[Handwritten signature]*

Known to me and to me known to be the same person who executed the foregoing document and he acknowledged to me that the same is his own free and voluntary act and deed as well as the Corporation which he represents, and that he is duly authorized to sign the same.

This instrument refers to a *Contract for the Production of PDIC's 2012 Annual Report*, consisting of thirteen (13) pages, including this page where the Acknowledgment is written, signed on each and every page thereof by the party and the instrumental witness and thereafter sealed with my notarial seal.

*[Handwritten signature]*

*[Handwritten mark]*

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

Doc. No. 458 ;  
Page No. 92 ;  
Book No. xx ;  
Series of 2013.

Notary Public  
**ATTY. LUISITO Z. MENDOZA**  
Commission No. M-47  
NOTARY PUBLIC FOR MAKATI CITY  
Until December 31, 2014  
Roll No. 37663 / IBP No. 905493  
6782 SSS Bldg., Ayala Ave., Makati

SIGNED IN THE PRESENCE OF:

  
\_\_\_\_\_

**ACKNOWLEDGEMENT**

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

**NOV 14 2013** BEFORE ME, a Notary Public for and in Makati City, on this day of \_\_\_\_\_, 2013, personally appeared Mr. Alfonso G. Oñate, with Community Tax Certificate/I.D. No. \_\_\_\_\_ issued on \_\_\_\_\_ at \_\_\_\_\_.

Known to me and to me known to be the same person who executed the foregoing instrument and she acknowledged to me that the same is her free and voluntary act and deed as well as of the corporation she represents, and that she is duly authorized to sign the same.

This instrument refers to Contract for the Production of PDIC's 2012 Annual Report, consisting of thirteen (13) pages, including this page where the acknowledgement is written, signed on each and every page thereof by the parties and their witness and thereafter sealed with my notarial seal.

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

Doc. No. 38 ;  
Page No. 09 ;  
Book No. 261 ;  
Series of 2013.

NOTARY PUBLIC  
**ATTY. VIRGILOR BATALLA**  
NOTARY PUBLIC FOR MAKATI CITY  
APPOINTMENT NO. M-35  
UNTIL DECEMBER 31, 2014  
ROLL OF ATTORNEY 48348  
MCLE COMPLIANCE NO. IV-0016333  
IBP NO. 706762 - LIFETIME MEMBER  
PTR. NO. 366-4329 JAN 2, 2013  
EXECUTIVE BLDG. CENTER  
MAKATI AVE. COR., JUPITER

