

**CONTRACT FOR THE PRODUCTION
OF PDIC FINANCIAL LITERACY GUIDEBOOK**

KNOW ALL MEN BY THESE PRESENTS:

This *Contract for the Production of PDIC Financial Literacy Guidebook* (the "**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 -

VJ GRAPHIC ARTS, INC., a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office address at 2/F PDP Bldg. 1400 Quezon Avenue, Q. C., represented herein by its **Pre-Press Manager, Mr. PERCIVAL D. DATU**, 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** financial literacy guidebook entitled "*Usapang Pera: Mga Dapat Alamin, A PDIC Guidebook on Basic Banking & Financial Transactions*";

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 to the satisfaction of **PDIC** the following services in line with the production of **PDIC's** financial literacy guidebook:



1.1. Printing Service:

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

- Size : 180 mm x 230 mm (folded)
360 mm x 230 mm (spread)
- No. of pages : 185 pages cover to cover
- Paper : C2S 200 gsm with
UV Lamination (Cover);
Book paper 70 lbs (Inside)
- Quantity : 10,000 copies
- Process : Offset printing
- Binding : Perfect binding
- Color : Full color
- Ribbon Book Mark : Integrated in binding
Length – 260 mm
Width – 7 mm
Color – Royal Blue
Cloth - Satin

1.2. Other Services:

The **CONTRACTOR** also undertakes to perform the following services:

- Enhance layout and graphics, when necessary
- Undertake digital/color proofing
- Effect corrections, if any

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 **SIXTY-EIGHT PESOS AND NINETY CENTAVOS (Php68.90)** per copy or a total amount of **SIX HUNDRED EIGHTY-NINE THOUSAND PESOS (Php689,000.00)** in 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 PDIC financial literacy guidebook and upon certification from **PDIC** of the satisfactory completion and acceptance by **PDIC** of the copies of the guidebook turned in by the **CONTRACTOR**. All payments shall be subject to the usual accounting and auditing rules currently in force.



3. TERM

3.1. This Contract shall be for a period of fifteen (15) working days, reckoned from the date of submission of the final manuscript by **PDIC** to the **CONTRACTOR**. The **CONTRACTOR** shall promptly and completely perform all items of work under Section 2 hereof and submit all corresponding deliverables within the period and in accordance with the schedule herein below provided: --

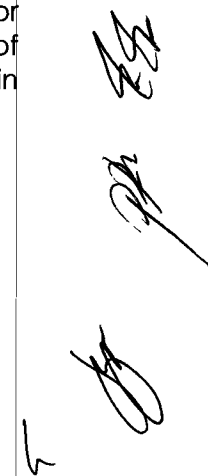
Activities	Duration
Submission of the final manuscript	Day 1
Proofing by Printer	Day 2 -3
Digital/Color Proofing	Day 4-5
Printing/Production	Day 6-12
Partial Delivery	Day 13
Full Delivery	Day 15

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 by **PDIC** 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.

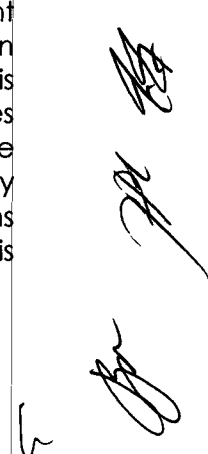


4. PERFORMANCE SECURITY

- 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 Php689,000.00.
- 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 (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 be 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 documents; 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. 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 staff 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: _____

7 June 16 p

VJ GRAPHIC ARTS, INC

By:


PERCIVAL D. DATU

Pre-Press Manager

Date: _____

Place: _____

CERTIFICATION

This is to certify that pursuant to PDIC Board Resolution No. 2012-03-063 dated March 28, 2012, the amount of P1,000,000.00, 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 Financial Literacy Guidebook for the year 2013. Remaining balance of the approved budget allocation as of July 30, 2013 amounted to P886,150.00. The remaining amount of the contract, if any, shall be made available in the COB of the PDIC for the succeeding year/s.


IRENE DL ARROYO
Vice President
Treasury Group

[Handwritten mark]

[Handwritten mark]

SIGNED IN THE PRESENCE OF:

[Signature] [Signature]

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) S.S

DEC 23 2013

BEFORE ME, a Notary Public, for and in the City of Makati on this ___ day of _____, 2013, personally appeared **Mr. Jose G. Villaret, Jr.** with Community Tax Certificate/I.D. No. CC12012-04101977 issued on January 8, 2013, at Taguig City.

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 Financial Literacy Guidebook*, consisting of ten (10) 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.

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

Notary Public

Doc. No. 419 ;
Page No. 92 ;
Book No. XXVIII
Series of 2013.

[Signature]
ATTY. MARIA POLA F. SORIANO-LUANZON
NOTARY PUBLIC FOR MAKATI CITY, PHILIPPINES
Appointment by M. E. until Dec. 31, 2014
Roll No. 38042 / IBP Lifetime No. 00488
6782 SSS Bldg., Ayala Ave., Makati City

[Handwritten marks and signatures]

