



Republic of the Philippines
Department of Education
REGION IV-A CALABARZON



CONTRACT OF SERVICE

KNOW ALL MEN BY THESE PRESENTS:

23 JUL 2025

This contract is entered into this ___ day of _____, by and between :

DEPARTMENT OF EDUCATION REGIONAL OFFICE IV-A CALABARZON, a component field office of the government entity known as the Department of Education organized under existing Philippine laws with office address at Gate 2, Karangalan Village, Cainta, Rizal and herein represented by its Regional Director, **ATTY. ALBERTO T. ESCOBARTE**. It shall be referred in this agreement as the **PROCURING ENTITY**.

-and-

ADARNA HOUSE INC. an entity duly organized and existing under the Philippine laws, represented herein by its Business Development Manager, **MR. XAVIER GAPAZ**, with office address at 109 Sgt. Fernandez St., Brgy., Sacred Heart, Quezon City, hereinafter referred to as the **SUPPLIER**.

WITNESSETH

WHEREAS, DepEd Regional Office IV-A CALABARZON has undertaken procurement of **SUPPLY AND DOOR TO DOOR DELIVERY OF SUPPLEMENTARY LEARNING RESOURCES (SLRs) FOR LIBRARY HUBS**.

WHEREAS, the Approved Budget for the Contract (ABC) is **EIGHT HUNDRED THIRTY-TWO THOUSAND PESOS (Php832,000.00)**.

WHEREAS, Section 48.1, Rule XVI of the Revised IRR of Republic Act No. 9184 otherwise known as the "Government Procurement Reform Act" provides that in order to promote economy and efficiency, the procuring entity may resort to alternative methods of procurement provided that the most advantageous price for the Government is obtained.

WHEREAS, Section 50 provides that direct contracting or single source procurement is a method of procurement of goods that does not require elaborate Bidding Documents. The supplier is simply asked to submit a price quotation or a pro-forma invoice together with the conditions of sale. The offer may be accepted immediately or after some negotiations. Direct contracting may be resorted to by concerned Procuring Entities under any of the following conditions:

- Procurement of Goods of proprietary nature which can be obtained only from the proprietary source, i.e. when patents, trade secrets and copyrights prohibit others from manufacturing the same item;
- When the procurement of critical components from a specific supplier is a condition precedent to hold a contractor to guarantee its project performance, in accordance with the provisions of its contract; or

- c. Those sold by an exclusive dealer or manufacturer which does not have sub-dealers selling at lower prices and for which no suitable substitute can be obtained at more advantageous terms to the GOP.

WHEREAS, Item no. 3 of DepEd Order No. 014, s. 2024 entitled "Amendment to DepEd Order No. 24, s. 2023 (Guidelines on the Provision of Supplementary Learning Resources for Public School Libraries and Library Hubs)" is amended as follows:

-xxx-

3. Item V.A, No. 2 (Procurement Activities) of the enclosure to DO 024, s. 2023 is amended as follow:

A.2 Procurement Activities

When utilizing Central Office (CO)-downloaded funds, the procurement of SLRs for library hubs shall be conducted at the regional level, while the procurement of SLRs for school libraries shall be conducted at the division level. However, the schools division offices (SDOs) and schools that are implementing units (IUs) are not precluded from conducting procurement activities for SLRs using the scoping and evaluation process as herein provided when utilizing any allowable funds from other resources.

Competitive/public bidding or any of the alternative methods of procurement may be used in the procurement of SLRs.

Bidding requirements and procedures, whether for competitive/public bidding or alternative methods of procurement, shall be undertaken in accordance with the provision of RA 9184 and its IRR and other relevant rules and regulations.

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WHEREAS, the procurement of Supplementary Learning Resources (SLRs) as enumerated in the letter request of the End-User, **ADARNA HOUSE INC.** is the sole/exclusive distributor of the title requested by the End-user;

WHEREAS, the BAC sent an RFQ to **ADARNA HOUSE INC.** for the said project;

WHEREAS, in response, **ADARNA HOUSE INC.** submitted its quotation/proposal for the project with a total bid price of **EIGHT HUNDRED THIRTY-TWO THOUSAND PESOS (Php832,000.00)**;

WHEREAS, upon review of the foregoing details, the BAC found that the above conditions for direct contracting are satisfied. **ADARNA HOUSE INC.** provided certificate of registration of the enumerated titles of the Supplementary Learning Resources (SLRs) products offered;

WHEREAS, the bid submitted by **ADARNA HOUSE INC.** is compliant with its proposal in the total amount of **EIGHT HUNDRED THIRTY-TWO THOUSAND PESOS (Php832,000.00)**.

WHEREAS, on July 10, 2025, the Bids and Awards Committee of DepEd Region IV-A CALABARZON recommended to the head of the procuring entity to approve Direct Contracting as Alternative Method of Procurement and to award the contract to **ADARNA HOUSE INC.** for the **Supply and Door to Door Delivery of Supplementary Learning Resources (SLRs) for Library Hubs** in the amount of **EIGHT HUNDRED THIRTY-TWO THOUSAND PESOS (Php832,000.00)** (hereinafter called the "Contract Price").

WHEREAS, Notice of Award dated July 15, 2025 was issued;

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

ARTICLE I GENERAL PROVISIONS

1. This Agreement between the Procuring Entity and the Supply and Door to Door Delivery of Supplementary Learning Resources (SLRs) for Library Hubs.
2. The following marked Annexes attached hereto, shall be deemed to form part and made an integral part of this Agreement:

Annex "A" Terms of Reference

Annex "B" Price Quotation from the Supplier

Annex "C" Library Hubs and Contact Persons

Annex "D" Computation on the price of the SLRs

ARTICLE II OBLIGATIONS OF THE SUPPLIER

1. The **Supplier** shall supply and deliver the Supplementary Learning Resources (SLRs) in compliance with the terms and conditions of this agreement.
2. The **Supplier** shall deliver the SLRs to the identified Library Hubs of DepEd Region IV-A CALABARZON. (See Annex "C").
3. The Contract period to supply and deliver the SLRs shall be complete within **thirty (30) calendar days upon receipt of the Notice to Proceed.**
4. The goods shall be packed, labeled, and delivered to their destination. The Supplier shall bear costs of inland transportation, insurance, and other services required to convey the goods to their final destination.
5. Delivery and unloading shall be done only during office hours between 8:00 am to 5:00 pm, Monday to Friday except holidays. The Receiving Personnel reserves the right to refuse to receive/accept delivered goods made before 8:00am or after 5:00pm and on non-working days;
6. The Servicing Agency shall replace all rejected goods, and complete under delivery within seven (7) calendar days from receipt of a Notice of Rejection and under delivery from the Receiving Personnel.
7. The goods shall be properly packed based on the allocation/list per recipient and placed in unused corrugated box and sealed to withstand rough handling.
8. Each box shall contain the intended allocation, wrapped and sealed in plain plastic for adequate protection against moisture and water damage.
9. Each box shall be properly labeled to indicate the following: Title, Quantity, Name of recipient and address.
10. The maximum weight per box should not be more than 20 kilos.
11. In case of delay in the supply and delivery of SLRs by the **Supplier**, the **Supplier** shall be liable to pay the Procuring Entity liquidated damages at the applicable rate of one tenth (1/10) of one (1) percent of the cost of the unperformed portion for every day of delay until actual complete delivery or performance pursuant to GPPB Resolution No. 02-2020.

ARTICLE III OBLIGATIONS OF THE PROCURING ENTITY

1. The **Procuring Entity** shall provide the Supplier with the distribution list of titles and recipient Library Hubs to be followed in

the supply and delivery of SLRs indicated in the Terms of Reference (Annex A).

2. Upon complete delivery and acceptance of all concerned Library Hubs of the SLRs, the **Procuring Entity** shall pay the Servicing Agency the total amount as stated in **Article IV** of this Agreement.
3. In case of delay by the Supplier and the total sum of liquidated damages reaches ten percent (10%) of the total contract price, the **Procuring Entity** has the following options:
 - a. Terminate the Contract pursuant to the Guidelines on Termination of Contract; or
 - b. Allow the Servicing Agency to continue the works without prejudice to the continued imposition of liquidated damages until the works have been completed. Liquidated damages is an amount equal to or at least one tenth (1/10) of one (1) percent of the cost of the unperformed portion for every day of delay until actual complete delivery or performance pursuant to GPPB Resolution No. 02-2020.

ARTICLE IV TERMS OF PAYMENT

1. The price of SLRs shall be based on the price quotation submitted by the Supplier hereto attached as Annex "B".
2. Upon complete delivery and acceptance of the SLRs to the Library Hubs and after submission of the Statement of Billing Account together with all other documentary requirements by the Supplier, the Procuring Entity shall pay, within thirty (30) working days, the sum representing the full total contract price amounting to **EIGHT HUNDRED THIRTY-TWO THOUSAND PESOS (Php832,000.00)**.
3. In case of delay in the payment of the contract price by the Procuring Entity, the Procuring, by way of reciprocal obligations, shall be liable to pay the Supplier the accrued legal interests as may be provided for by law.
4. In case of partial or staggered delivery of the goods procured, the **Supplier** shall be paid the amount corresponding to the value of the goods delivered and accepted in accordance with prevailing accounting and auditing rules and regulations and subject to the imposition of liquidating damages for goods delivered after the contract period.

ARTICLE V ALTERNATIVE DISPUTE RESOLUTION (ADR) CLAUSE

Both parties entered into this agreement in the spirit of mutual trust and understanding. The parties intend that all unforeseen matters, issues, and concerns that will arise in the future shall be resolved with mutual understanding. In case of conflict/dispute between the parties, it shall be resolved in a peaceful and amicable manner. Every earnest effort shall be made to amicably settle the conflict/dispute through peaceful dialogue and negotiation to accommodate the policies and intention of both parties.

In case of failure to settle the conflict/dispute through peaceful and amicable manner, such conflict/dispute shall be submitted for arbitration/mediation in accordance with Republic Act No. 9285, known as Alternative Dispute Resolution Act of 2004. Both parties mutually agree that the decision of the designated/chosen arbitrator/mediator is binding to them. The place of arbitration/mediation is exclusively in Cainta, Rizal.

No legal action may be instituted in any court/tribunal/quasi-judicial body unless the arbitration/mediation has failed or waived by both parties in writing. Legal action for breach of this agreement shall only be instituted in the courts of competent jurisdiction in Cainta, Rizal to the exclusion of all other courts outside the judicial region.

ARTICLE VI AMENDMENTS

Amendment or modification of any of the terms and conditions of this Agreement shall be valid and binding provided it is evidenced by a subsequent written Supplemental Memorandum of Agreement duly executed and signed by the respective authorized representatives of both parties.

ARTICLE VII MISCELLANEOUS PROVISIONS

1. The parties are independent of each other, and nothing in this Agreement shall be construed so as to constitute the parties as partners, joint ventures, agents, employees or representatives of the other for any purpose whatsoever.
2. If any part of this Agreement is declared unenforceable or void by a court of competent jurisdiction, the rest of the Agreement shall nevertheless remain in full force and effect.
3. No failure, omission or delay of any of the parties in exercising any of its rights, privileges and remedies hereunder shall operate as a waiver thereof. No waiver or departure from the terms of this Agreement shall be valid and binding unless made in a written Supplemental Memorandum of Agreement and signed by the party's authorized representative.
4. It is further stipulated and expressly understood that existing laws, rules, regulations in so far as not inconsistent or modified by the contract, shall form part and parcel of this Agreement.

IN WITNESS WHEREOF, the parties have hereunto set their hands, this day of 23 JUL 2025 at QUEZON CITY, Philippines.


**Department of Education
Region IV-A CALABARZON**


ATTY. ALBERTO T. ESCOBARTE, CESO II
Regional Director

ADARNA HOUSE INC.


XAVIER GAPAZ
Business Development Manager

SIGNED IN THE PRESENCE OF:


VIERNALYN M. NAMA
Chief, CLMD
DepEd Region IV-A CALABARZON

Republic of the Philippines
QUEZON CITY S.S.

ACKNOWLEDGMENT

BEFORE ME, a Notary Public for and in the City of QUEZON CITY, this **23 JUL 2025**, personally appeared:


Name	Identification No.	Date and place of issued
<u>Atty. Alberto T. Escobarte</u> <u>Xavier Gapaz</u>	DepEd Employee No. 4529876 TIN# <u>201-825-878</u>	Cainta, Rizal

who are known to me and to me known to be the same persons who executed the foregoing instrument and acknowledged to me that the same is their own free act and voluntary act and deed.

This instrument, consisting of six (6) pages, including the page on which this acknowledgment is written, has been signed on the left margin of each and every page hereof by the concerned parties and their witnesses, and sealed with my notarial seal.

WITNESS MY HAND AND SEAL, at the place and date above-written.

Doc. No. 758;
Page No. 53;
Book No. Y;
Series of 2025.


ATTY. FELIZARDO M. IBARRA
Notary Public for Quezon City Until Dec. 31, 2025
Roll No. 80835
PTR No. 5452394D, 01/02/2023
IBP No. 331161, December 19, 2023
MCLE Comp. No. VIII-0000973,
ADM Matter No. NP-088/(2025-2026)
Lot 27 Block VI, No. 1160 Quirino Highway
Brgy. Kaligayahan, Quezon City