**Section IV. GENERAL CONDITIONS OF THE CONTRACT**

**Notes on the General Conditions of Contract**

The General Conditions of Contract (GCC) in this Section, read in conjunction with the Special Conditions of Contract in Section V and other documents listed therein, should be a complete document expressing all the rights and obligations of the parties. Matters governing performance of the Supplier, payments under the contract, or matters affecting the risks, rights, and obligations of the parties under the contract are included in the GCC and Special Conditions of Contract. Any complementary information, which may be needed, shall be introduced only through the Special Conditions of Contract.

1. **Scope of Contract**

This Contract shall include all such items, although not specifically mentioned, that can be reasonably inferred as being required for its completion as if such items were expressly mentioned herein. All the provisions of RA No. 9184 and its 2016 revised IRR, including the Generic Procurement Manual, and associated issuances, constitute the primary source for the terms and conditions of the Contract, and thus, applicable in contract implementation. Herein clauses shall serve as the secondary source for the terms and conditions of the Contract. This is without prejudice to Sections 74.1 and 74.2 of the 2016 revised IRR of RA No. 9184 allowing the GPPB to amend the IRR, which shall be applied to all procurement activities, the advertisement, posting, or invitation of which were issued after the effectivity of the said amendment. Additional requirements for the completion of this Contract shall be provided in the **Special Conditions of Contract** (**SCC).**

1. **Terms of Payment**
   1. Advance payment of the contract amount is provided under Annex “D” of the revised 2016 IRR of RA No. 9184.
   2. The Procuring Entity is allowed to determine the terms of payment on the partial or staggered delivery of the Goods procured, provided such partial payment shall correspond to the value of the goods delivered and accepted in accordance with prevailing accounting and auditing rules and regulations. The terms of payment are indicated in the **SCC**. *[Include the following clauses if Framework Agreement will be used:]*
   3. For a single-year Framework Agreement, prices charged by the Supplier for Goods delivered and/or services performed under a Call-Off shall not vary from the prices quoted by the Supplier in its bid.
   4. For multi-year Framework Agreement, prices charged by the Supplier for Goods delivered and/or services performed under a Call-Off shall not vary from the prices quoted by the Supplier during conduct of Mini-Competition.
2. **Performance Security**

Within ten (10) calendar days from receipt of the Notice of Award by the Bidder from the Procuring Entity but in no case later than prior to the signing of the Contract by both parties, the successful Bidder shall furnish the performance security in any of the forms prescribed in Section 39 of the 2016 revised IRR of RA No. 9184.*{[Include if Framework Agreement will be used:] In the case o*f Framework Agreement, the Bidder may opt to furnish the performance security or a Performance Securing Declaration as defined under the Guidelines on the Use of Framework Agreement.*}* 27

1. **Inspection and Tests**

The Procuring Entity or its representative shall have the right to inspect and/or to test the Goods to confirm their conformity to the Project *{[Include if Framework Agreement will be used:]* or Framework Agreement*}* specifications at no extra cost to the Procuring Entity in accordance with the Generic Procurement Manual. In addition to tests in the **SCC**, **Section IV (Technical Specifications)** shall specify what inspections and/or tests the Procuring Entity requires, and where they are to be conducted. The Procuring Entity shall notify the Supplier in writing, in a timely manner, of the identity of any representatives retained for these purposes. All reasonable facilities and assistance for the inspection and testing of Goods, including access to drawings and production data, shall be provided by the Supplier to the authorized inspectors at no charge to the Procuring Entity.

1. **Warranty**
   1. In order to assure that manufacturing defects shall be corrected by the Supplier, a warranty shall be required from the Supplier as provided under Section 62.1 of the 2016 revised IRR of RA No. 9184.
   2. The Procuring Entity shall promptly notify the Supplier in writing of any claims arising under this warranty. Upon receipt of such notice, the Supplier shall, repair or replace the defective Goods or parts thereof without cost to the Procuring Entity, pursuant to the Generic Procurement Manual.
2. **Liability of the Supplier**

The Supplier’s liability under this Contract shall be as provided by the laws of the Republic of the Philippines. If the Supplier is a joint venture, all partners to the joint venture shall be jointly and severally liable to the Procuring Entity

**Notes on the Special Conditions of Contract**

Similar to the BDS, the clauses in this Section are intended to assist the Procuring Entity in

providing contract-specific information in relation to corresponding clauses in the GCC

found in Section IV.

The Special Conditions of Contract (SCC) complement the GCC, specifying contractual

requirements linked to the special circumstances of the Procuring Entity, the Procuring

Entity’s country, the sector, and the Goods purchased. In preparing this Section, the

following aspects should be checked:

1. Information that complements provisions of the GCC must be incorporated.
2. Amendments and/or supplements to provisions of the GCC as necessitated by the circumstances of the specific purchase, must also be incorporated.

However, no special condition which defeats or negates the general intent and purpose of the provisions of the GCC should be incorporated herein.

# **Section V. Special Conditions of Contract**

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| **GCC Clause** |  |
| 1. | **Delivery and Documents –**  For purposes of the Contract, “EXW,” “FOB,” “FCA,” “CIF,” “CIP,” “DDP” and other trade terms used to describe the obligations of the parties shall have the meanings assigned to them by the current edition of INCOTERMS published by the International Chamber of Commerce, Paris. The Delivery terms of this Contract shall be as follows:  *[For Goods supplied from abroad, state:]* “The delivery terms applicable to the Contract are DDP delivered Project Site. In accordance with INCOTERMS.”  *[For Goods supplied from within the Philippines, state:*] “The delivery terms applicable to this Contract are delivered Project Site*.* Risk and title will pass from the Supplier to the Procuring Entity upon receipt and final acceptance of the Goods at their final destination.”  Delivery of the Goods shall be made by the Supplier in accordance with the terms specified in Section VI (Schedule of Requirements).  For purposes of this Clause the Procuring Entity’s Representative at the Project Site is:  **Commercial Attache, Charmaine Mignon S. Yalong**  Philippine Trade and Investment Center (PTIC)  Room 3712, 37th Floor, Churchill Executive Towers  Business Bay, Dubai, UAE/P.O. Box 14066  Email: [charmainemignonyalong@dti.gov.ph](mailto:charmainemignonyalong@dti.gov.ph); [dubai@dti.gov.ph](mailto:dubai@dti.gov.ph)  Phone: +971-4-450-4252/ Mobile: +971-4-450-4232  [www.dti.gov.ph](http://www.dti.gov.ph)  **Packaging –**  The Supplier shall provide such packaging of the Goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in this Contract. The packaging shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packaging case size and weights shall take into consideration, where appropriate, the remoteness of the Goods’ final destination and the absence of heavy handling facilities at all points in transit.  The packaging, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the Contract, including additional requirements, if any, specified below, and in any subsequent instructions ordered by the Procuring Entity.  The outer packaging must be clearly marked on at least four (4) sides as follows:  Name of the Procuring Entity  Name of the Supplier  Contract Description  Final Destination  Gross weight  Any special lifting instructions Any special handling instructions  Any relevant HAZCHEM classifications  A packaging list identifying the contents and quantities of the package is to be placed on an accessible point of the outer packaging if practical. If not practical the packaging list is to be placed inside the outer packaging but outside the secondary packaging.  **Intellectual Property Rights –**  The Supplier shall indemnify the Procuring Entity against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the Goods or any part thereof. |
| 2. | Payment shall be made promptly by the Procuring Entity, but in no case later than sixty (60) days upon completion, inspection and acceptance.  Payment Terms:  **1ST PARTIAL DELIVER** *(within 2020)*  Processing of payment upon submission of accomplishment report and list of items initially delivered on site. Ensure that the 5% bank guarantee is already submitted, as warranty for defects.  **2nd (FULL) DELIVERY and HAND-OVER** *(in 2021 but not later than July 2021)*  Processing of payment upon full delivery of the items, no later than July 2021; upon submission of the Accomplishment report and 100% complete and show ready and final acceptance/ certifications from the head of the Procuring entity (Alternate Commissioner General)  1st and 2nd Payment will be equivalent to the cost of delivered items.  Note: The 5% special letter of bank guarantee shall be released to the winning bidder/ supplier in April 2022 after the EXPO. |
| 3. | **Performance Security**  The obligation for the performance security shall be covered by retention money in an amount equivalent to 5% of every progress payment or a special bank guarantee equivalent to 5% of the total contract price. The said amount shall only be released after the lapse of the warranty period or, in the case if Expendable Supplies, after consumptions thereof: Provided, however, That the supplies delivered are free from patent and latent defects and all the conditions imposed under the contract have been fully met. |
| 4. | **Hand – Over Phase**  The contractor must:   1. Submit all necessary documents and report not later than 31 July 2021;   Punch listing/ hand over inspection report  Assembly manual for the knock-down items (needed for the egress/ dismantling)   1. Inspect the installed requirements together with Clients, Project Management Consultant, General Contractor and Design Consultant, if it is implemented according to approved design and plans;   Test all the lighting requirements and ensure all are working in good condition together with the Client’s assigned inspector; |
| 5. | **Warranty**   * 1. The supplier warrants that the good supplied under the contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials, except when the technical specifications required by the procuring entity provides otherwise.   2. The supplier further warrants that all Goods supplier under contract shall have no defect, arising from materials or workmanship or from any act or omission of the supplier that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.   3. In order to assure that manufacturing defects shall be corrected by the supplier, a warranty shall be required from the supplier for a minimum period specified in the Contract. The obligation for the warranty shall be covered by, at the supplier’s retention fee by special bank guarantee equivalent to the 5% of the contract cost and shall only be released after the lapse of the warranty period specified in the contract.   4. The procuring entity shall promptly notify the supplier in writing of any claims arising under this warranty. Upon receipt of such notice, the supplier shall, within the period agreed or specified in the Special Conditions of Contract and with all reasonable speed, repair or replace the defective goods or parts thereof, without cost to the Procuring Entity.   5. If the supplier, having been notified, fails to remedy the detect(s) within the period specified in the contract, the procuring entity may proceed to take such remedial action as may be necessary, at the supplier’s risk and expense and without prejudice to any other rights which the procuring entity may have against the supplier under the contract and under the applicable law.   6. The warranty period will start from the date of delivery and will end 31 March 2022 or based on the end date of the event set by the Expo organizer. |
| 6. | No additional provision, however, all partners to the joint venture shall be jointly and severally liable to the Procuring Entity. |