

CONTRACT
FOR THE SUPPLY OF POSTAGE AND METERED STAMPS

This **CONTRACT** is made and entered on this ____ day of _____ 2017 by and between:

The **GOVERNMENT SERVICE INSURANCE SYSTEM**, a social insurance institution, created under Commonwealth Act No. 186, as amended, and operating under its present Charter, Republic Act No. 8291, otherwise known as the **GSIS Act of 1997**, with principal office address at the **GSIS Headquarters Building, Financial Center Area, Pasay City, Philippines**, represented herein by **OIC-Vice President, South Luzon, RACHEL T. EDJAN**, hereinafter referred to as the "**GSIS**",

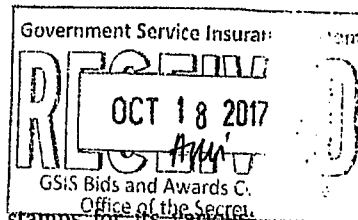
-and-

The **PHILIPPINE POSTAL CORPORATION**, a government-owned corporation duly existing under the laws of the Philippines, with principal office address at **Liwasang Bonifacio, Manila**, represented herein by **Postmaster General and CEO, JOEL L. OTARRA** and duly authorized for this purpose, hereinafter referred to as the "**PPC**".

RECITALS

WHEREAS,

1. The **GSIS** needs the supply of postage and metered stamps for its various operating units at the **GSIS Sorsogon Branch Office** hereinafter referred to as the "**Goods**".
2. The **GSIS** entered into a Contract with the **PPC** through Negotiated Procurement (Agency to Agency), as an alternative method of procurement inasmuch as the **PPC** is the government agency tasked to supply the **Goods**.



NOW, THEREFORE, for and in consideration of the foregoing premises, the parties have agreed as follows:

ARTICLE I
SCOPE OF SERVICE

- 1.1 **COVERAGE.** The **PPC** shall supply postage and metered stamps to the **GSIS** based on the approved monthly operating budget.

ARTICLE II
EFFECTIVITY AND TERMS OF PAYMENT

- 2.1 **EFFECTIVITY OF THE CONTRACT.** This Contract shall be for a period of ten (10) months from March 1, 2017 to December 31, 2017.
- 2.2 **TERMS OF PAYMENT.** For and in consideration of the **Goods**, the **GSIS** agrees and obligates itself to pay the **PPC**, the total amount of metered stamps pre-loaded in the metered machine and total postage delivered from the effective date of this Contract until December 31, 2017, but not to exceed the approved budget in the amount of TWO HUNDRED SIXTY THOUSAND ONE HUNDRED FIFTY PESOS (Php

260,150.00), Philippine currency. It is understood that all applicable taxes, including Documentary Stamp Tax (DST), if any, shall be borne by PPC.

For this purpose, the PPC acknowledges that the GSIS is not a withholding agent for DST and hereby undertakes and commits itself to make direct payments to the BIR of any DST that may be imposed on the execution and/or performance of this Contract.

- 2.3 **AUDITING RULES.** All payments shall be subject to the usual accounting and auditing rules and regulations applicable to the **GSIS**.

ARTICLE III TERMINATION

- 3.1 **GROUNDS FOR PRE-TERMINATION.** The **GSIS** shall have the right to pre-terminate this Contract in whole or in part at any time on ground of default of the **PPC** or substantial breach or violation of the terms and conditions of this Contract without need of judicial action or for just cause to be determined by the **GSIS**, which determination shall be final and binding to the **PPC**.
- 3.2 **REMEDIAL RIGHTS.** Any rescission or termination of this Contract pursuant to this Article shall be without prejudice to any other rights or remedies the **GSIS** may be entitled to hereunder or under any law. Neither shall it affect any accrual of rights of the **GSIS** nor the coming into or continuance in force of any provision hereof which is expressly or by implication intended to come into or continue to be in force on or after such termination.

ARTICLE IV INDEMNIFICATION

- 4.1 **PROTECTION FROM HARM.** The **PPC** agrees to defend, indemnify and hold harmless the **GSIS**, the members of the Board of Trustees, its officials, agents and employees, against all claims, losses, liabilities and damages, and to pay all claims, judgments, awards, costs and expenses (including without limitation expert witness fees and legal expenses on a full indemnity basis) arising out of or in connection with the **PPC**'s acts or omissions, unless such claims are due solely to the negligence of the **GSIS**.

ARTICLE V MISCELLANEOUS PROVISIONS

- 5.1 **NON-DISCLOSURE.** The **PPC** shall not use or disclose to any person, firm or corporation any information concerning the affairs of the **GSIS** which its personnel may have acquired in the course of or as an incident to this Contract for its own benefit, to the detriment of the **GSIS**.
- 5.2 **PUBLICITY.** The **PPC** shall consult and obtain the prior written consent of the **GSIS** before issuing or disclosing any news release, public announcement, advertisement or other form of publicity in respect to any of the terms of this Contract, or using it as a reference or part of any presentation.
- 5.3 **NON-ADVERSE WITNESS.** In no case shall the **PPC** and its personnel assist any party in any action, suit or proceeding against the **GSIS**, or any of its officials and employees sued or prosecuted in connection with the performance of its undertakings under this Contract.
- 5.4 **FORCE MAJEURE.** No party shall be liable to the other party for any delay or non-performance of its obligations under this Contract arising from any cause or causes beyond its reasonable control including, but not limited to, any act of God,

governmental acts under its police power, war, terrorist attack, fire, flood, explosion or civil commotion.

- 5.5 **NON-WAIVER.** It is understood that the failure of the **GSIS** to demand strict compliance with any and all the terms of this Contract shall not be construed as a waiver and/or estoppel on the part of the **GSIS** for the enforcement of any of its rights or to subsequently demand compliance therewith during the subsistence of this Contract.
- 5.6 **FURTHER ASSURANCE.** The **PPC** shall execute and deliver such supply, materials as the terms of this Contract may prescribe and other further assurances as the **GSIS** may require as necessary or appropriate to effect the purpose of this Contract, or confirm the rights created or arising hereunder.
- 5.7 **NO PRESUMPTION.** In interpreting and applying the terms and provisions of this Contract, no presumption shall be made against the party that drafted such terms and provisions.
- 5.8 **WRITTEN NOTICES.** All notices, statements and requests hereunder shall be in writing and shall be personally delivered, or transmitted by registered mail, electronic mail or fax, to the other party at the address stated above, unless a party has informed the other in writing of its change of address, in which case said notices shall be sent to the new address.
- 5.9 **OTHER COSTS.** Should the **GSIS** be constrained to file a case to obtain relief under this Contract for any cause whatsoever, and regardless of the form of action, whether in contract or in tort (including, but not limited to, breach of warranty, negligence and strict liability in tort), the **PPC** will be liable to the **GSIS** in an amount equivalent to twenty percent (20%) of the amount prayed for in the complaint as attorney's fees, in addition to the costs of litigation and for damages, which may be shown by the **GSIS**, or at least that which may be proven in court.
- 5.10 **FULL AGREEMENT.** This Contract replaces and supersedes any understanding, communications and representations whether verbal or written between the parties.
- 5.11 **AMENDMENTS.** No modification of or amendments to the terms and conditions of this Contract shall be valid unless set out in writing and signed by the authorized representatives of each party.
- 5.12 **SEPARABILITY.** If any terms, clause or provision of this Contract is at any time determined to be invalid, unlawful or unenforceable to any extent, such term, condition or provision shall be severed from the remaining provisions, which shall continue to be valid and enforceable to the fullest extent permitted by law.
- 5.13 **SURVIVAL OF COVENANTS.** The covenants, agreements and obligations of the **PPC** which by their nature should continue beyond the expiration and termination of this Contract shall survive the expiration or termination hereof.
- 5.14 **AMICABLE SETTLEMENT.** In the event of any dispute or controversy arising out of or relating to this Contract, the Parties shall exercise their best efforts to resolve the dispute as soon as possible. In the event that the Parties cannot by exercise of their best efforts resolve the dispute, they shall submit their differences for Administrative Settlement or Adjudication pursuant to E.O. 292, the Revised Administrative Code of 1987.
- 5.15 **VENUE OF ACTIONS.** Any action arising from arbitration or other modes of dispute settlement as agreed upon by the parties pursuant to Section 5.14 of this Contract shall be brought by the aggrieved party exclusively before the proper Court in the City of Pasay.

5.16 **GOVERNING LAWS.** This Contract shall be subject to the pertinent provisions of R.A. No. 9184, otherwise known as the Government Procurement Reform Act, its implementing rules and regulations, and other related laws, rules and regulations.

IN WITNESS WHEREOF, the parties have hereunto set their hands in the City of Pasay, Philippines.

**GOVERNMENT SERVICE
INSURANCE SYSTEM**

**PHILIPPINE POSTAL
CORPORATION**

RACHEL T. EDJAN
OIC-Vice President, South Luzon

JOEL L. OTARRA
Postmaster General and CEO

SIGNED IN THE PRESENCE OF:

Certified Funds Available:
P 260,150.00
March - December 2017

Certified Included in the CY 2017 APP:

NIÑOROMAINÉ C. VITUG
Controller Officer I

ROMEO G. DE LUNA, Jr
OIC-Head, GBAC Secretariat
2017-6SIS-AMP-077

JANUARY - DECEMBER 2018 - P 312,180.00
JANUARY - DECEMBER 2019 P 312,180.00

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
) S.S.

BEFORE ME, a Notary Public, for and in the City of _____ this ___ day of _____ personally appeared:

| Name | Valid IDs | Place of Issue |
|------------------------|------------------|------------------|
| RACHEL T. EDJAN | GSIS ID No. 7043 | GSIS, Pasay City |
| JOEL L. OTARRA | | |

Known to be the same persons, **RACHEL T. EDJAN**, in representation of the **GSIS** as a juridical person, and **JOEL L. OTARRA**, in representation of the **PPC** as a juridical person, who executed the foregoing instrument and acknowledge that the same is their free and voluntary act and deed. This instrument refers to a Contract for the Provision of Metered and Postage Stamps, consisting of four (4) pages including the page on which this Acknowledgement is contained, signed by the parties and their instrumental witnesses on each and every page thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal at the place and on the date first above-written.

Doc. No.
Page No.
Book No.
Series of 2017

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
_____) S.S.

BEFORE ME, a Notary Public, for and in the City of SORSOGON CITY this ___ day of ~~MAY 02 2017~~, personally appeared:

| Name | Valid IDs | Place of Issue |
|------------------------|------------------|------------------|
| RACHEL T. EDJAN | GSIS ID No. 7043 | GSIS, Pasay City |

Known to be the same persons, **RACHEL T. EDJAN**, in representation of the GSIS as a juridical person, who executed the foregoing instrument and acknowledge that the same is their free and voluntary act and deed. This instrument refers to a Contract for the Provision of Metered and Postage Stamps, consisting of five (5) pages including the page on which this Acknowledgement is contained, signed by the parties and their instrumental witnesses on each and every page thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal at the place and on the date first above-written.

Doc. No. 260
Page No. 82
Book No. 31
Series of 2017

ATTY. RYAN V. FILGUERAS
NOTARY PUBLIC - SORSOGON
UNTIL DECEMBER 31, 2017
ROLL No. 53048
IBP OR NO. 1070-223-01-27-17
PTR NO. 0013449-11-13-17
MCLE COMPLIANCE IV - 0024986