

**CONTRACT FOR THE
LAYOUT, GRAPHIC DESIGN, AND PHOTOGRAPHY
FOR THE 2023 GCG ANNUAL REPORT**

This **CONTRACT** made and entered into this 10 OCT 2024 ("Effective Date") between:

The **GOVERNANCE COMMISSION FOR GOCCs (GCG)**, a central advisory, monitoring, and oversight body attached to the Office of the President of the Philippines, duly organized and existing pursuant to and by virtue of Republic Act No. 10149, with principal office address at 3/F BDO Towers Paseo (formerly Citibank Center), 8741 Paseo de Roxas Avenue, Makati City, duly represented by its **CHAIRPERSON, ATTY. MARIUS P. CORPUS** (hereinafter referred to as the "**GCG**");

and

RED ROOT ARTISTS AND ARTISANS MULTI-PURPOSE COOPERATIVE, a cooperative duly organized and existing under the laws of the Republic of the Philippines with CDA Certificate of Registration No. N-623-6563 issued on 22 March 2020, with principal business address at #62 Mapagkawanggawa St., Teacher's Village East, District 4, Quezon City represented by its Project Manager, **MARK CRISTHIAN G. VILLARIN** (hereafter referred as the "**SERVICE PROVIDER**");

The **GCG** and the **SERVICE PROVIDER** are hereinafter collectively referred to as the "**PARTIES**".

WITNESSETH: THAT

WHEREAS, the **GCG** is in need of the services of a **SERVICE PROVIDER** who shall provide the *Layout, Graphic Design, and Photography for the 2023 GCG Annual Report*;

WHEREAS, the **GCG**, pursuant to existing laws, particularly R.A. No. 9184, otherwise known as the "Government Procurement Reform Act", its 2016 Revised Implementing Rules and Regulations (IRR) and all related rules and regulations, has found, through Negotiated Procurement – Small Value Procurement (SVP), the bid/quotation/proposal of the **SERVICE PROVIDER** to be the Lowest Calculated/Rated and Responsive Bid for the procurement of Layout, Graphic Design, and Photography for the 2023 GCG Annual Report in the amount of **ONE HUNDRED NINETY-FIVE THOUSAND PESOS (P195,000.00)**, inclusive of all applicable taxes;

WHEREAS, the **GCG** has awarded to the **SERVICE PROVIDER** the contract for the Layout, Graphic Design, and Photography for the 2023 GCG Annual Report through Notice of Award dated 21 August 2024;

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

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ARTICLE 1 DEFINITIONS AND GENERAL PROVISIONS

1.1 As used in this Contract the term:

- 1.1.1 “Applicable Law” refers to the laws and any other instruments having the force of law in the Philippines as they may be issued and enforced from time to time.
- 1.1.2 “Contract” refers to this Contract signed by the **PARTIES** including all contract documents, appendices, and attachments; it shall be used interchangeably with the term “Agreement” in this document.
- 1.1.3 “Contract Documents” refer to the following:
- 1.1.3.1 Purchase Request (PR) (Annex “A”);
 - 1.1.3.2 Terms of Reference (TOR) (Annex “B”);
 - 1.1.3.3 Request for Proposal (RFP) (Annex “C”);
 - 1.1.3.4 Proposal (Annex “D”);
 - 1.1.3.5 Abstract of Canvass (Annex “E”);
 - 1.1.3.6 Notice of Award (NOA) and the Service Provider’s Conformance thereto (Annex “F”);
 - 1.1.3.7 Performance Security (Annex “G”);
 - 1.1.3.8 Notice to Proceed (NTP) (Annex “H”); and,
 - 1.1.3.9 Other contract documents that may be required by existing laws and/or the **GCG**.
- 1.1.4 “Effective Date” refers to the date during which this Contract becomes effective.
- 1.1.5 “Foreign Currency” refers to any currency other than the currency of the Philippines.
- 1.1.6 “Funding Source” refers to the General Appropriations Act of 2024.
- 1.1.7 “Government” refers to the Government of the Philippines (GOP).
- 1.1.8 “Local Currency” refers to the Philippine Peso (Php).
- 1.1.9 “Party” means either the **GCG** or the **SERVICE PROVIDER**, as the case may be, and “**PARTIES**” means both the **GCG** and the **SERVICE PROVIDER**.
- 1.1.10 “Personnel” means employees of the **SERVICE PROVIDER**, assigned to the performance of the Services or any part thereof; employees of the **SERVICE PROVIDER** are not employees of **GCG**, and neither is there an employer-employee relationship between the **GCG** and **SERVICE PROVIDER**.
- 1.1.11 “Foreign Personnel” means such persons who at the time of being so hired has their domicile outside the Government’s country.
- 1.1.12 “Local Personnel” means such persons who at the time of being so hired has their domicile inside the Philippines.
- 1.1.13 “Key Personnel” means such persons who contribute in the accomplishment of the project.

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- 1.1.14 "Procuring Agency/Entity" refers to the **GCG**.
- 1.1.15 "Services" refer to the work to be performed by the **SERVICE PROVIDER** pursuant to Article 2 of this Contract.
- 1.1.16 "Third Party" refers to any person or entity other than the Government, the **GCG**, the **SERVICE PROVIDER**, or a subcontractor.
- 1.2 This Contract, including the documents specified in Section 37.2.3 of the Revised IRR of R.A. No. 9184 and those specified in Article 1.1.3 of this Contract, contains all covenants, stipulations, and provisions agreed by the **PARTIES**. No agent or representative of either Party has authority to make any statement, representation, promise, or agreement not set forth herein of which the **PARTIES** shall not be bound by or be liable for.
- 1.3 The headings shall not limit, alter, or affect the meaning of this Contract.
- 1.4 This Contract has been executed in the English language, which shall be the binding and controlling language for all matters relating to the meaning or interpretation of this **CONTRACT**.

ARTICLE 2 SERVICES

2.1 SCOPE OF SERVICES

- 2.1.1 The **SERVICE PROVIDER** shall perform the Services under this Contract as agreed upon by the **PARTIES**. It shall undertake to provide the **GCG** with Services for the Layout, Graphic Design, and Photography for the 2023 GCG Annual Report as specified in the Terms of Reference under Annex "B" hereof.

2.2 STANDARD OF SERVICES

- 2.2.1 The **SERVICE PROVIDER** shall fulfil its obligation under this Contract using its technical knowledge and according to the best-accepted professional standards. The **SERVICE PROVIDER** shall exercise reasonable skill, care, and diligence in the discharge of its duties agreed to be performed and shall always work in the best interest of the Government. To attain these ends, the **SERVICE PROVIDER** shall provide personnel with adequate qualifications and experiences and of such number as may be required for the best fulfilment of the services, subject to the approval of the **GCG**.
- 2.2.2 The **GCG** reserves the right to review the final complete output from the **SERVICE PROVIDER** before the same is accepted and processed for payment. 
- 2.2.3 The **GCG** shall also evaluate the overall performance of the **SERVICE PROVIDER** based on its delivery of expected outputs. 
- 2.2.4 In consideration of the payments to be made by **GCG** to the **SERVICE PROVIDER** as hereinafter mentioned, the **SERVICE PROVIDER** hereby agrees to provide **GCG** with Services for the Layout, Graphic Design, and Photography for the 2023 GCG Annual Report and to address all requirements therein in conformity with the provisions of the Contract and the Contract Documents. 

2.3 OUTPUT TO BE DELIVERED

2.3.1 The **SERVICE PROVIDER** shall be in close coordination with the Strategy Management and Communications Division (SMCD) of **GCG**. The **SERVICE PROVIDER** shall be readily contacted through electronic and any other means to schedule meetings as may be needed to accomplish the above-mentioned scope of work.

The **PARTIES** hereto agree that the **SERVICE PROVIDER** shall submit and produce the following outputs/deliverables:

- 2.3.1.1 Present three (3) possible concepts/themes for the layout following the preferred color scheme of GCG;
 - 2.3.1.2 Design graphics and provide artistic and technical inputs for the communication materials for the 2023 GCG Annual Report;
 - 2.3.1.3 Create the graphics according to the agreed concept, specification, and standards;
 - 2.3.1.4 Take and submit high-definition photos (minimum of 1920 x 1080) of GCG Official and Personnel, or of related subjects to GCG and GOCCs, to update stock photographs;
 - 2.3.1.5 Utilize existing stock photos to be provided by GCG as materials for the design layout of the 2023 Annual Report, as needed;
 - 2.3.1.6 Utilize and share an online repository of all approved designs and photos that may be used in the annual report;
 - 2.3.1.7 Provide complete drafts of the communication materials;
 - 2.3.1.8 Submit revised drafts on agreed timelines;
 - 2.3.1.9 Submit final and complete output and other necessary elements on agreed timelines;
 - 2.3.1.10 Provide assistance and prompt action when needed in accessing the drafts and final output;
 - 2.3.1.11 Anticipate and account for the fact that draft revisions may be done; and
 - 2.3.1.12 Receive feedback through a client satisfaction survey conducted by GCG with the project's end-users and participants.
- 2.3.2 This Contract shall include services, although not specifically mentioned, that can be reasonably inferred as being required for its completion as if such services were expressly mentioned herein.
- 2.3.3 No modification of the terms and conditions of this Contract, including any modification of the scope of the Services shall be allowed. Pursuant to

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Article 11.3 hereof, however, each Party shall give due consideration to any proposal for modification made by the other Party.

2.4 CONTRACT PERIOD

2.4.1 The Services shall be completed within **ninety (90) calendar days** from receipt of the **Notice to Proceed (NTP)** to be issued by the **GCG**. However, the contract period may be extended to such period as agreed upon by both parties subject to the provisions of Article 11.3 hereof and the Revised IRR of R.A. No. 9184, without additional cost to the **GCG**.

2.4.2 The contract period, however, is subject to pre-termination for any or no reason at the sole discretion of the **GCG**. Upon pretermination, the contract shall be effective only until the end of the month when the **GCG** communicated its intention to pre-terminate the Contract.

2.4.3 The project shall be undertaken following the timeline of activities after receipt of the NTP, which may be modified as mutually agreed and formalized by both Parties subject to the provisions of this Contract, below:

| MILESTONE | DESCRIPTION | RESPONSIBLE | WEEK |
|--------------------------------|---|------------------|--|
| Concept Design | Turnover of Draft 2023 GCG Annual Report | GCG | On the 1 st calendar day from receipt of NTP |
| | Design pegs and layout Overall theme of the report Proposed cover page design | Service Provider | Before the 15 th calendar day from receipt of NTP |
| | Approved Design pegs and layout Approved Overall theme of the report Approved Proposed cover page design | GCG | Before the 22 nd calendar day from receipt of NTP |
| | Schedule and Conduct Photoshoot* <i>*Allotted Timeline will Depend on Availability of Offices and Service Provider</i> | GCG | Before the 29 th calendar day from receipt of NTP |
| 1 st Complete Draft | Draft 1 layout of articles and infographics based on approved design | Service Provider | Before the 36 th calendar day from receipt of NTP |
| | Feedback on Draft 1 layout of articles and infographics based on approved design | GCG | Before the 43 rd calendar day from receipt of NTP |
| | Revised Draft 1 layout of articles and infographics based on feedback | Service Provider | Before the 50 th calendar day from receipt of NTP |

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| MILESTONE | DESCRIPTION | RESPONSIBLE | WEEK |
|---------------------------------------|---|------------------|--|
| | Feedback on Revised Draft 1 layout of articles and infographics based on approved design | GCG | Before the 57 th calendar day from receipt of NTP |
| 2 nd Complete Draft | Draft 2 layout of articles and infographics based on revisions on Draft 1 | Service Provider | Before the 71 st calendar day from receipt of NTP |
| | Quality Photos | | |
| | Feedback on Draft 2 layout of articles and infographics | GCG | Before the 78 th calendar day from receipt of NTP |
| | Revised Draft 2 layout of articles and infographics | Service Provider | Before the 78 th calendar day from receipt of NTP |
| | To route to the Commission Proper the revised 2 nd Draft layout of articles and infographics for additional comments | GCG | Before the 85 th calendar day from receipt of NTP |
| | Final Feedback of the Office of the Commission Proper on Draft 2 layout of articles and infographics | GCG | Before the 91 st calendar day from receipt of NTP |
| Final Complete 2023 GCG Annual Report | Revised and Final Draft 2 layout of articles and infographics | Service Provider | Before the 91 st calendar day from receipt of NTP |

- 2.4.4 Either party shall promptly report to each other the occurrence of any event or condition which might delay or prevent the timely completion of the services embraced herein, specifying in writing the amount of time involved, the causes of the delay, and its subsequent implications on the entire timetable, work schedule, and budget of the **PROJECT**.
- 2.4.5 The **SERVICES** shall be performed at such locations, date, and time, as the **GCG** may approve.
- 2.4.6 Notwithstanding the timeline of activities under Article 2.4.3, both **PARTIES** shall have the prerogative to cancel or reschedule the service delivery period in case of emergency or if the service delivery period has been declared an official national non-working holiday. A notice of cancellation or change in schedule shall be submitted in formal writing prior to the initially agreed schedule. The **SERVICE PROVIDER** will work to change the schedule in accordance with the availability of **GCG**.
- 2.4.7 Expiration of the Contract shall be without prejudice to any accrued rights of both **PARTIES**, if any.

ARTICLE 3 PAYMENTS

3.1 CONTRACT PRICE

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- 3.1.1 Payment to the **SERVICE PROVIDER** shall not exceed a total contract price of **ONE HUNDRED NINETY-FIVE THOUSAND PESOS ONLY (₱195,000.00)**, inclusive of all other applicable taxes, in consideration of the Services performed by the **SERVICE PROVIDER** under this Contract.
- 3.1.2 It is agreed that there will be no additional costs beyond what is stated in this Contract on the part of the **GCG** for any excess time and/or charges incurred by the **SERVICE PROVIDER** to satisfy the completion of the Services in this Contract, *provided*, that the **GCG** may refuse to make payments when the terms and conditions of this Contract are not satisfactorily performed by the **SERVICE PROVIDER** based on the mutually agreed terms and conditions.

3.2 SCHEDULE OF PAYMENT

- 3.2.1 The **SERVICE PROVIDER** shall be paid on a one-time basis after the delivery and completion of the project.
- 3.2.2 The **GCG** shall process payment within twenty (20) working days upon receipt of complete documents from the **SERVICE PROVIDER** such as, but not limited to, service invoice or billing statement, service report, and other pertinent documents. The foregoing process shall be repeated in case there is a need for revision in the submitted documents.
- 3.2.3 Payments shall be made only upon issuance of a certification by the Authorized Representative of the **GCG** to the effect that the Services have been rendered satisfactorily in accordance with the terms of this Contract and have been duly accepted.
- 3.2.4 The **SERVICE PROVIDER** shall not be entitled to any penalty or additional charges from the **GCG** for any delay in payments due to factors beyond the control of the **GCG** and/or its personnel.
- 3.2.5 For instances when it may be difficult to make payments within the required period, the **GCG** shall send a letter informing the **SERVICE PROVIDER** for an extension of payment of twenty (20) working days in accordance with R.A. No. 11032 otherwise known as the "Ease of Doing Business and Efficient Government Service Delivery Act of 2018" signed by the Authorized Representative of the **GCG**.
- 3.2.6 Any amount which **GCG** has paid in excess of the total contract price shall be refunded by the **SERVICE PROVIDER** to the **GCG** within twenty (20) working days from receipt of notice thereof.

3.3 METHOD OF PAYMENT

- 3.3.1 All payments shall be made in Philippine Pesos.
- 3.3.2 All payments under this Contract shall be made to the account of the **SERVICE PROVIDER** as follows:

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| Account Name: | RED ROOT ARTISTS AND ARTISANS MULTI-PURPOSE COOPERATIVE |
| Bank Name: | LAND BANK OF THE PHILIPPINES |
| Branch: | QUEZON CITY CIRCLE |
| Account No.: | 0701-1403-38 |

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- 3.3.3 Notwithstanding Article 3.3.2, payments by the **GCG** to the **SERVICE PROVIDER** shall be made using the Direct Payment Scheme (DPS) via bank debit system through the issuance of List of Due and Demandable Accounts Payable - Authority to Debit Account (LDDAP-ADA). However, should the payments be credited to a bank other than Land Bank of the Philippines, any bank fees and charges shall be for the account of the **SERVICE PROVIDER**.
- 3.4 **SERVICE PROVIDER NOT TO BENEFIT FROM GCG, DISCOUNTS, ETC.**
- 3.4.1 The remuneration of the **SERVICE PROVIDER** as provided herein shall constitute the **SERVICE PROVIDER's** sole remuneration in connection with this Contract or the Services. The **SERVICE PROVIDER** shall not accept for their own benefit any trade, discount, or similar payment in connection with activities pursuant to this Contract or to the Services or in the discharge of their obligations hereunder, and the **SERVICE PROVIDER** shall use its best efforts to ensure that the Personnel and agents of the **SERVICE PROVIDER**, similarly, shall not receive any such additional remuneration.

ARTICLE 4 OBLIGATIONS OF THE GCG

- 4.1 The **GCG** hereby agrees to pay the **SERVICE PROVIDER**, in consideration for the goods and/or services, a total contract price of **ONE HUNDRED NINETY-FIVE THOUSAND PESOS ONLY (P195,000.00)**, inclusive of all other applicable taxes, subject to fulfilment of conditions under Article 3.
- 4.2 The **GCG** shall certify the completion of each deliverable within the agreed period.
- 4.3 Whenever the performance of the obligations in this Contract requires that the **SERVICE PROVIDER** obtain permits, approvals, import, and other licenses from local public authorities, the **GCG** shall, if so needed by the **SERVICE PROVIDER**, make its best effort to assist the **SERVICE PROVIDER** in complying with such requirements in a timely and expeditious manner.
- 4.4 The **GCG** shall pay all costs involved in the performance of its responsibilities in accordance with Article 3 hereof.
- 4.5 The **GCG** shall make available to the **SERVICE PROVIDER** and its Personnel, in furtherance of the Services and free of any charge, the following:
- 4.5.1 for services, assistance/facilitation of obtaining information from **GCG**; and
- 4.5.2 for facilities, conference rooms, workstations and laptops for use within the **GCG's** premises.
- 4.6 The foregoing shall be provided during regular business hours, provided that if such services, facilities, and property are not made available to the **SERVICE PROVIDER** as and when so specified, the **PARTIES** shall agree on:
- 4.6.1 any time extension that it may be appropriate to grant to the **SERVICE PROVIDER** for the performance of the Services; and

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4.6.2 the way in which the **SERVICE PROVIDER** shall procure any such services, facilities and property from other sources.

ARTICLE 5 OBLIGATIONS OF THE SERVICE PROVIDER

- 5.1 In consideration of the payments to be made by the **GCG** to the **SERVICE PROVIDER**, the **SERVICE PROVIDER** hereby agrees with the **GCG** to provide the Services in a timely and efficient manner, in conformity with the provisions of the Contract and to remedy defects therein in conformity in all respects with the provisions of the Contract.
- 5.3 The **SERVICE PROVIDER** shall facilitate the provision of the Layout, Graphic Design, and Photography for the 2023 GCG Annual Report subject to Article 2 of this Contract.
- 5.3 The **SERVICE PROVIDER** shall submit all the deliverables and reportorial requirements, if any, in accordance with the Terms of Reference (Annex "B") and Article 2 of this Contract. The **SERVICE PROVIDER** shall submit to the **GCG** the reports, deliverables and documents in English, in the form, in the numbers, and within the time periods set forth in Article 2.

ARTICLE 6 RELATIONSHIP OF PARTIES

- 6.1 Nothing contained herein shall be construed as establishing a relation of employer and employee or of principal and agent as between the **GCG** and the **SERVICE PROVIDER**. The **SERVICE PROVIDER**, subject to this Contract, has complete charge of its Personnel performing the Services and shall be fully responsible for the Services performed by them or in their behalf hereunder.
- 6.2 The **SERVICE PROVIDER** shall, during the performance of the Services, be an independent contractor, retaining complete control over its Personnel, conforming to all statutory requirements with respect to all its employees, and providing all appropriate employee benefits.
- 6.3 The **SERVICE PROVIDER** shall hold the **GCG** free and harmless from any and all liabilities resulting from the acts and omissions of the **SERVICE PROVIDER's** Personnel pursuant to this Contract, provided there is no fault, negligence, or omission, on the part of the **GCG**.

ARTICLE 7 AUTHORIZED REPRESENTATIVES AND NOTICES

- 7.1 Any action required or permitted to be taken and any document required or permitted to be executed under this Contract by both **PARTIES** may be taken or executed by the authorized representatives of the **PARTIES**.
- 7.1.1 The authorized representatives are as follows:
- For the **GCG**:
- a. Primary Representative – ATTY. MARIUS P. CORPUS, Chairperson



- b. Alternate Representative – Commissioner or Director of the Strategy, Communications, and Information Technology Office (SCITO)

For the **SERVICE PROVIDER**: MARK CRISTHIAN G. VILLARIN

7.2 FORM OF NOTICE

Any notice, request, consent, or correspondence required or permitted to be given or made pursuant to this Contract shall be in writing. It shall be deemed to have been given or made when signed by the authorized representatives of the **PARTIES**, and shall be deemed received by respective party when sent by registered mail, or by electronic means (such as, but not limited to, telex, telegram, facsimile, or email), to the addresses of the **PARTIES** as stated below:

Procuring Entity: **GOVERNANCE COMMISSION FOR GOCCs**
Address: 3rd Floor, BDO Towers Paseo, 8741 Paseo de Roxas,
Makati City
Facsimile: 5328-2030 loc. 301
Email Address: mpcorpus@gcg.gov.ph and feedback@gcg.gov.ph

Service Provider: **RED ROOT ARTISTS AND ARTISANS MULTI-PURPOSE COOPERATIVE**
Address: 62 Mapagkawangawa St., Teacher's Village East, Diliman,
Quezon City, Metro Manila
Facsimile:
Email Address: redrootideas@gmail.com

7.3 EFFECTIVITY OF NOTICE

Notice shall be deemed to be effective as follows:

- 7.3.1 In the case of personal delivery, registered mail, telegrams, or courier, upon delivery to the other **PARTY**; and
- 7.3.2 In the case of facsimile and electronic mail, upon sending to the other **PARTY**.

ARTICLE 8 FORCE MAJEURE

- 8.1 For purposes of this Contract the terms "force majeure" and "fortuitous event" may be used interchangeably. In this regard, a fortuitous event or force majeure shall be interpreted to mean an event which the **PARTIES** could not have foreseen, or which though foreseen, was inevitable or unavoidable. It shall not include ordinary unfavorable weather conditions; and any other cause the effects of which could have been avoided with the exercise of reasonable diligence by the concerned **PARTY**.
- 8.2 The failure of a **PARTY** to fulfil any of its obligations hereunder shall not be considered to be a breach of, or default under this Contract insofar as such inability arises from an event of force majeure, *provided*, that the **PARTY** affected by such an event has taken all reasonable precautions, due care and reasonable alternative measures, all with the objective of carrying out the terms and conditions of this Contract.



- 8.3 Unless otherwise agreed herein, force majeure shall **not** include:
- 8.3.1 Any event which is caused by the negligence or intentional action of either **PARTY** or the Personnel of the **SERVICE PROVIDER**;
 - 8.3.2 Any event which a diligent **PARTY** could reasonably have been expected to both take into account at the time of the execution of this Contract or to avoid or overcome in the carrying out of its obligations hereunder;
 - 8.3.3 Insufficiency of funds or failure to make any payment required hereunder; and
 - 8.3.4 Acts against the confidentiality, integrity, and availability of computer data and systems, including, but not limited to, illegal access, illegal interception, data interference, system interference, and misuse of devices.
- 8.4 A **PARTY** affected by an event of force majeure shall take all reasonable measures to remove such **PARTY**'s inability to fulfil its obligations hereunder immediately or within a reasonable time.
- 8.5 A **PARTY** affected by an event of force majeure shall notify the other **PARTY** of such event as soon as possible, and in any event not later than five (5) days following the occurrence of such event, providing evidence of the nature and cause of such event, and shall similarly give notice of the restoration of normal conditions as soon as possible.
- 8.6 The **PARTIES** shall take all reasonable measures to minimize the consequences of any event of force majeure.
- 8.7 Not later than fifteen (15) days after the period stated in Article 8.5 above, the **PARTIES** shall consult with each other with a view to agreeing on appropriate measures considering the circumstances.

ARTICLE 9 SUSPENSION AND TERMINATION

9.1 SUSPENSION BY THE GCG

The **GCG** shall, by written notice of suspension to the **SERVICE PROVIDER**, suspend all payments to the **SERVICE PROVIDER** hereunder if the **SERVICE PROVIDER** fails to perform any of its obligations, including the carrying out of the Services, due to its own fault or due to force majeure or other circumstances beyond the control of either party under this Contract, *provided*, that such notice of suspension shall specify the nature of the failure and request the **SERVICE PROVIDER** to remedy such failure within a period not exceeding thirty (30) days after receipt by the **SERVICE PROVIDER** of such notice of suspension.

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9.2 SUSPENSION BY THE SERVICE PROVIDER

The **SERVICE PROVIDER** may, by written notice of suspension, suspend the Services if the **GCG** fails to perform any of its obligations which are critical to the delivery of the **SERVICE PROVIDER**'s services such as non-payment of any

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money due to the **SERVICE PROVIDER** within thirty days (30) days after receiving Notice from the **SERVICE PROVIDER** that such payment is overdue.

9.3 TERMINATION BY GCG

The **GCG** may terminate this Contract, after thirty (30) days from receipt by the **SERVICE PROVIDER** of written notice, when any of the following conditions attends its implementation:

9.3.1 Outside of force majeure, the **SERVICE PROVIDER** fails to deliver or perform the Outputs as set forth in Article 2.3 hereof within the period(s) specified in this Contract, or within any extension thereof which may be granted by the **GCG** at its sole discretion pursuant to a request made by the **SERVICE PROVIDER** prior to the delay.

9.3.2 As a result of force majeure, the **SERVICE PROVIDER** is unable to deliver or perform a material portion of the Outputs as set forth in Article 2.3 hereof for a period of not less than sixty (60) calendar days after the **SERVICE PROVIDER's** receipt of the notice from the **GCG** stating that the circumstance of force majeure is deemed to have ceased.

9.3.3 In whole or in part, at any time for its convenience, the Authorized Representative of the **GCG** may terminate this Contract at his convenience if he has determined the existence of conditions that make its implementation economically, financially, or technically impractical and/or unnecessary, such as, but not limited to, fortuitous event(s) or changes in law and National Government policies.

9.3.4 If the **SERVICE PROVIDER** is declared bankrupt or insolvent as determined with finality by a court of competent jurisdiction; in which event, termination will be without compensation to the **SERVICE PROVIDER**, provided, that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the either **PARTY**.

9.3.5 In case there is a *prima facie* determination by the **GCG** that the **SERVICE PROVIDER** has engaged, before or during the implementation of this Contract, in unlawful deeds and behaviors relative to contract acquisition and implementation, such as, but not limited to, the following: corrupt, fraudulent, collusive and coercive practices; drawing up or using forged documents; using adulterated materials, means or methods, or engaging in production contrary to rules of science or the trade; and any other act analogous to the foregoing.

9.3.6 The **SERVICE PROVIDER** fails to remedy a failure in the performance of their obligations hereunder, as specified in a notice of suspension pursuant to Article 9.1 hereinabove, within thirty (30) days of receipt of such notice of suspension or within such further reasonable period as the **GCG** may have subsequently approved in writing.

9.3.7 The **SERVICE PROVIDER** fails to perform any other obligation under the Contract.

9.4 TERMINATION BY THE SERVICE PROVIDER

9.4.1 The **SERVICE PROVIDER** must serve a written notice to the **GCG** of its intention to terminate this Contract at least thirty (30) calendar days before

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its intended termination. This Contract is deemed terminated if no action has been taken by the **GCG** with regard to such written notice within thirty (30) calendar days after the receipt thereof.

9.4.2 The **SERVICE PROVIDER** may only terminate this Contract if any of the following events occurs:

9.4.2.1 The **GCG** is in material breach of its obligations pursuant to this Contract and has not remedied the same within thirty (30) calendar days following its receipt of the **SERVICE PROVIDER's** notice specifying such breach.

9.4.2.2 As the direct and proximate result of force majeure, the **SERVICE PROVIDER** is unable to perform a material portion of the Services for a period of not less than thirty (30) days.

9.4.2.3 The **GCG** fails to pay any money due to the **SERVICE PROVIDER** pursuant to this Contract within sixty (60) days after receiving written notice from the **SERVICE PROVIDER** that such payment is overdue.

9.5 CESSATION OF RIGHTS AND OBLIGATIONS

9.5.1 Cessation of Services

Upon termination of this Contract by notice of either Party to the other pursuant to Articles 9.3 or 9.4 hereof, the **SERVICE PROVIDER** shall, immediately upon dispatch or receipt of such notice, take all necessary steps to bring the services to a close in a prompt and orderly manner and shall make every reasonable effort to keep expenditures for this purpose to a minimum. With respect to documents prepared by the **SERVICE PROVIDER** and equipment and materials furnished by the **GCG**, the **SERVICE PROVIDER** shall proceed as provided in this Contract.

9.5.2 Cessation of Rights and Obligations

Upon termination of this Contract pursuant to Article 9.3 or 9.4 hereof, or upon expiration of this Contract, all rights and obligations of the **PARTIES** hereunder shall cease, except:

9.5.2.1 such rights and obligations as may have accrued on the date of termination or expiration;

9.5.2.2 the obligation of confidentiality as set forth in Article 11.8 hereof; and

9.5.2.3 the **SERVICE PROVIDER's** obligation to permit inspection, copying and auditing of their accounts and records set forth in Article 11.8 hereof, and any right which a **PARTY** may have under the Applicable Law.

ARTICLE 10 WARRANTIES AND LIABILITY LIMITATIONS

10.1 The **SERVICE PROVIDER** warrants that the products and services that the **SERVICE PROVIDER** will comply with the Terms of Reference under Annex "B"

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hereof and will not expose the **GCG** to any risks pertaining to the confidentiality, integrity, and availability of its information, data, systems, and other digital assets, including, but not limited to, unauthorized access, interception, interference, locking, and all forms of systems compromise.

- 10.2 If the **SERVICE PROVIDER's** services do not conform to the requirements agreed between the **PARTIES**, the **GCG** shall promptly notify the **SERVICE PROVIDER** subject to Article 7 and the **SERVICE PROVIDER** shall re-perform any non-conforming services at no additional charge or, the **GCG** may consider termination of this Contract pursuant to Article 9 with Liquidated Damages pursuant to Article 11.6.
- 10.3 The **SERVICE PROVIDER** shall indemnify and hold the **GCG** and its officers, employees, and representatives free and harmless against any and all actions, proceedings, costs, claims, demands, losses, expenses, and liabilities arising out of or in connection with fraud or unauthorized activity by the **SERVICE PROVIDER**, or any act or omission of the **SERVICE PROVIDER**, its directors, officers, agents, subcontractors, and employees in the implementation of this Contract.
- 10.4 The **GCG** shall in no event have any liability to the **SERVICE PROVIDER** or any third party for any loss of profits, loss of revenue, loss of capital, loss of anticipated savings, or loss of data, or for any special, indirect, incidental, punitive, or consequential damages or losses arising out of or in connection with this Contract, under any theory of liability.
- 10.5 The maximum extent of liability of the **GCG** to the **SERVICE PROVIDER** for any and all claims and injuries shall be limited to the amounts actually payable by **GCG** to the **SERVICE PROVIDER** under this Contract.
- 10.6 In the event the Commission on Audit or any court, tribunal, agency, or officer of competent jurisdiction orders the suspension, disallowance, refund, restraint, or injunction of any payment made or to be made by the **GCG**, the parties shall comply with such order.

ARTICLE 11 GENERAL CONDITIONS

11.1 NON-ASSIGNMENT

11.1.1 Neither **PARTY** may assign or transfer its rights and obligations under this Contract without the prior written consent of the other **PARTY**, whose consent shall not be unreasonably withheld or delayed.

11.1.2 In the course of providing the Services, sub-contracting or sub-consulting by the **SERVICE PROVIDER** shall not be permitted.

11.2 GOVERNING LAW

11.2.1 This Contract shall be governed by and construed for all purposes in accordance with Philippine laws and the appropriate Courts of the City of Makati shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning the Contract and any matter arising from it.



- 11.2.2 The **SERVICE PROVIDER** shall perform the Services in accordance with the Applicable Law and shall take all practicable steps to ensure that the Personnel of the **SERVICE PROVIDER** complies with the Applicable Law.
- 11.2.3 The **GCG** shall notify the **SERVICE PROVIDER** in writing of relevant local customs, and the **SERVICE PROVIDER** shall, after such notification, respect such customs.
- 11.2.4 If, after the date of this Contract, there is any change in the Applicable Law with respect to taxes and duties which increases or decreases the cost incurred by the **SERVICE PROVIDER** in performing the Services, then the remuneration and reimbursable expenses otherwise payable to the **SERVICE PROVIDER** under this Contract shall be increased or decreased on a no loss-no gain basis, and corresponding adjustments shall be made to the ceiling amounts specified in Article 3, provided, that the cost is within the Approved Budget for the Contract (ABC).

11.3 AMENDMENT

This Contract may be amended only by a written amendment or supplement signed by both **PARTIES**.

11.4 NOTICE OF DELAY

In the event that the **SERVICE PROVIDER** encounters delay in obtaining the required services or facilities under this Contract, it shall promptly notify the **GCG** of such delay and may request for an extension for the completion of services, *provided*, that the extension of time may only be granted if the delay is deemed reasonable and justifiable as determined by the **GCG**.

11.5 OWNERSHIP OF MATERIALS

- 11.5.1 Any output prepared by the **SERVICE PROVIDER** for the **GCG** under this Contract shall become and remain the property of the **GCG**. The **SERVICE PROVIDER** may retain a copy such, exclusively for personal records purposes.
- 11.5.2 The **SERVICE PROVIDER** shall, prior to termination or expiration of this Contract, deliver all such documents and/or software to the **GCG**, together with a detailed inventory thereof.
- 11.5.3 The **SERVICE PROVIDER** shall retain the intellectual property rights in any systems techniques, methodologies, ideas and concepts utilized in the course of the performance of the Services. The **GCG** shall have a non-exclusive, non-transferrable license to use such intellectual property within the documents and software concerned for its own internal purposes. If required, the **GCG** shall have the right to improve, develop, and expand develop derivatives upon the intellectual property, but this does not impact the **SERVICE PROVIDER's** ownership of the intellectual property.

11.6 LIQUIDATED DAMAGES

- 11.6.1 If the **SERVICE PROVIDER** fails to deliver any or all of the Services within the period(s) specified in this Contract due to breach of contract, negligence or any other tort, due directly and solely to the fault or omission

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of the **SERVICE PROVIDER, GCG** shall, without prejudice to its other remedies under this Contract and under the law, deduct from the contract price, as liquidated damages, a sum equivalent to one-tenth of one percent of the price of the unperformed portion of the Services for each day of delay based on the approved contract schedule up to a maximum deduction of ten percent (10%) of the total contract price. Once the maximum is reached, the **GCG** may terminate this Contract under Article 9.

11.7 CONFIDENTIALITY

11.7.1 Except with the prior written consent of the **GCG**, the **SERVICE PROVIDER** shall not at any time communicate to any person or entity any confidential information acquired in the course of the Services, nor shall the **SERVICE PROVIDER** make public the recommendations formulated in the course of, or as a result of, the Services. For purposes of this clause, "confidential information" means any information or knowledge acquired by the **SERVICE PROVIDER** arising out of, or in connection with, the performance of the Services under this Contract that is not otherwise available to the public.

11.8 ACCOUNTING, INSPECTION AND AUDITING

11.8.1 The **SERVICE PROVIDER** shall:

11.8.1.1 keep accurate and systematic accounts and records in respect of the Services hereunder, in accordance with internationally accepted accounting principles and in such form and detail as shall clearly identify all relevant time changes and costs, and the bases thereof;

11.8.1.2 permit the **GCG** or its designated representative and or the designated representative of the Government at least once for short-term Contracts, and annually in the case of long-term Contracts, and up to one year from the expiration or termination of this Contract, to inspect the same and make copies thereof as well as to have them audited by auditors appointed by the Government; and

11.8.1.3 permit the **GCG** to inspect the **SERVICE PROVIDER's** accounts and records relating to the performance of the Service and to have them audited by auditors approved by the Government, if so required.

11.8.2 The basic purpose of this audit is to verify payments under this Contract and, in this process, to also verify representations made by the **SERVICE PROVIDER** in relation to this Contract. The **SERVICE PROVIDER** shall cooperate with and assist the **GCG** and its authorized representatives in making such audit. In the event the audit discloses that the **SERVICE PROVIDER** has overcharged the **GCG**, the **SERVICE PROVIDER** shall immediately reimburse the **GCG** an amount equivalent to the amount overpaid. If overpayment is a result of the **SERVICE PROVIDER** having been engaged in what the **GCG** (or, as the case may be, the Government) determines to constitute corrupt, fraudulent, or coercive practices, as defined under the Applicable Laws, the **GCG** shall, unless the **GCG** decides otherwise, terminate this Contract.

11.8.3 The determination that the **SERVICE PROVIDER** has engaged in corrupt, fraudulent, coercive practices shall result in the **GCG** and/or the Government seeking the imposition of the maximum administrative, civil and criminal penalties up to and in including imprisonment.

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11.8.4 In the event the Commission on Audit or any court, tribunal, agency, or officer of competent jurisdiction orders the suspension, disallowance, refund, restraint, or injunction of any payment made or to be made by the **GCG**, the **PARTIES** shall comply with such order.

11.8.5 Any inspection or audit conducted pursuant to this Agreement shall not be less than 15 business days prior to the written notice that has been given to the **SERVICE PROVIDER**.

11.9 INSURANCE

11.9.1 The **SERVICE PROVIDER**, at its own cost, shall be responsible for taking out or maintaining any insurance policy against any risk related to the Services.

11.9.2 The **GCG** undertakes no responsibility in respect of life, health, accident, travel, or any other insurance coverage for the Personnel or for the dependents of any such Personnel.

11.10 CONTRACT DOCUMENTS

11.10.1 The Contract Documents enumerated under Article 1.1.3 are hereby made and acknowledged by the **PARTIES** to be integral parts of this Contract.

11.11 ARBITRATION CLAUSE

Any and all disputes arising from the implementation of this contract shall be submitted to arbitration in the Philippines according to the provisions of R.A. 876, otherwise known as the "Arbitration Law" and R.A. 9285, otherwise known as the "Alternative Dispute Resolution Act of 2004". The seat of arbitration is the Philippines, whose laws shall be the law of the arbitration agreement. The language of the arbitration shall be English.

All proceedings arising from or relating or incidental to the arbitration under the Special ADR Rules shall be filed in Makati City, to the exclusion of all other courts.

11.12 VENUE

11.12.1 The **PARTIES** agree that all disputes, legal actions, suits, and proceedings arising from or relating or incidental to this Contract shall be filed with a competent court in Makati City to the exclusion of all other courts.

11.12.1 The **PARTIES** irrevocably waive any right they may have to object to any action being brought in those Courts, to claim that the action has been brought to an inconvenient forum or to claim improper venue.

ARTICLE 12 LIMITATIONS

12.1 DATA PRIVACY

12.1.1 In compliance with R.A. No. 10173 or the "Data Privacy Act of 2012", the **SERVICE PROVIDER** warrants that it shall undertake reasonable steps to uphold the data privacy, security, and confidentiality of personal information and sensitive personal information, including but not limited to facial information and biometric data (collectively, Personal Data),

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confidential information, and proprietary information that it may gain access from the **GCG** or any of its officers, employees, personnel, and other authorized representatives (collectively, data subjects) pursuant to the Contract.

- 12.1.2 The **SERVICE PROVIDER** shall not collect, use, store, or process any Personal Data it may obtain as a result of or in relation to the Contract for any other purposes not specifically authorized by the **GCG** through this Contract unless said processing is permitted by law. Such limitations include, but are not limited to, the legitimate business interests of the **SERVICE PROVIDER** (e.g. marketing purposes and sharing on social media channels) unless the consent of the data subjects are obtained by the **SERVICE PROVIDER**, which consent shall be evidenced by the appropriate forms and documentation.
- 12.1.3 Further, the **SERVICE PROVIDER** understands and hereby warrants that any data processing activity done in contravention of this Contract, or beyond the authorities so granted by the **GCG**, shall make it liable as a personal information controller for all the personal data involved in said processing, and as such, it shall hold harmless and defend the **GCG** or any of its officers, employees, personnel, or authorized representatives, for any suit, claim, or actions that may be filed by the data subjects against the **SERVICE PROVIDER** which the **GCG** may be made a party to.

12.2 INTELLECTUAL PROPERTY

- 12.2.1 The **SERVICE PROVIDER** agrees that all the services performed and all information, materials, products, deliverables, literary or artistic works, and derivative works (collectively, commissioned works) developed pursuant to this Contract, and the copyrights thereon, shall be the exclusive property of the **GCG** which shall hold all title and interest therein.
- 12.2.1 Pursuant to its exclusive proprietary rights, the **GCG** shall have the sole and exclusive right *inter alia* to use, modify, or adapt the commissioned works developed by the **SERVICE PROVIDER** during the performance of the Services pursuant to this Contract.
- 12.2.1 The **SERVICE PROVIDER** agrees that the commissioned works shall not be used by the **SERVICE PROVIDER** without the express written consent of the **GCG**. This includes, but is not limited to, use in portfolios, social media, blogs, or other displays that are public or intended to attract business. This restriction is binding unless otherwise agreed in writing by the **GCG**.
- 12.2.1 Should the **SERVICE PROVIDER** wish to use any of the commissioned works for purposes not permitted under this Contract, they must obtain prior written consent from the **GCG**. Such permission may be granted at the sole discretion of the **GCG** and may be subject to certain conditions as stipulated by the **GCG** at the time of the request.

J. Kaysner

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IN WITNESS WHEREOF, the PARTIES hereto have caused this Contract to be executed in accordance with the laws of the Republic of the Philippines on the day, month and year first above written in the City of Makati, Philippines.

GOVERNANCE COMMISSION FOR GOCCs

RED ROOT ARTISTS AND ARTISANS MULTI-PURPOSE COOPERATIVE

By:



ATTY. MARIUS P. CORPUS
Chairperson

By:



MARK CRISTHIAN G. VILLARIN
Project Manager

Signed in the Presence of:



JAYPEE O. ABESAMIS
Witness



MERY KAYE N. MARIANO
Witness


CERTIFIED FUNDS AVAILABLE:



JOSUE C. ROSAL
OIC - Chief Accountant

ACKNOWLEDGMENT

| | |
|---|--------------------------|
| GOVERNANCE COMMISSION for GOCCs | |
| ALLIANCE | |
| R.A. No. 19775 | |
| Funds Available <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Trust <input type="checkbox"/> | |
| Function Project | 100010001 |
| | 5021102002 - Consultancy |



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

BEFORE ME, a Notary Public for and in QUEZON CITY, Philippines, personally appeared the following exhibited their respective identification documents:


| Name | ID # | Date/Place Issued |
|----------------------------|---------------------------------------|---|
| ATTY. MARIUS P. CORPUS | DRIVER'S LICENSE No. X01-81-000654 | 08 September 2023 Quezon City 10/8/2022/DFA P. Princesa |
| MARK CRISTHIAN G. VILLARIN | Passport No. P1951090C | valid until 10/7/2032 |

During such appearance, they declared to me (1) that they voluntarily affixed their signatures on the foregoing instrument for the purposes stated therein; (2) that they executed the instrument as their free and voluntary act and deed; and (3) that they have full authority to sign the instrument.

This instrument, including this page, has twenty (20) pages.

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

Doc. No. 98 ;
Page No. 20 ;
Book No. FB ;
Series of 2024.


ATTY. PAUL JERICK O. MALLARI
Notary Public for and in Quezon City
Adm. Matter No. NP-298 until December 31, 2025
Roll No. 74996
IBP No. 378743/December 28, 2023/Pasig City
PTR No. 5563621/January 09, 2024/Quezon City
MCLE Compliance Certificate No. VII-0003043
(Valid from 05-12-2021 until 04-14-2025)
2Ftr. OSEC Building Department of Agriculture, Elliptical Road
Diliman Quezon City

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