

MUNICIPALITY OF SAN JOSE

CONTRACT AGREEMENT

SAMPLE DOCUMENT FOR SYSTEM TESTING — names, dates and terms are examples

KNOW ALL MEN BY THESE PRESENTS:

This **Contract Agreement** is made and entered into on **October 11, 2026** at San Jose, Occidental Mindoro, by and between:

The **MUNICIPALITY OF SAN JOSE**, Province of Occidental Mindoro, represented by its Municipal Mayor, hereinafter called the **“Procuring Entity”**;

— and —

DIVINE COMPANY, a business duly registered under Philippine laws, with business address at San Jose, Occidental Mindoro, represented by its Proprietor / Authorized Representative, hereinafter called the **“Supplier”**.

SECTION 1. SUBJECT OF THE CONTRACT

The Procuring Entity awarded to the Supplier, through the Notice of Award dated October 11, 2026, the **Supply and Delivery of Medical Equipment for the Rural Health Unit** (Project Reference SJ-BAC-2026-G-001), procured through Small Value Procurement under RA 12009. The Supplier agrees to supply and deliver the following goods:

No.	Item	Qty	Unit	Unit price (PHP)	Total (PHP)
1	Digital blood pressure monitor	6	unit	3,474.26	20,845.56
2	Pulse oximeter, fingertip	10	unit	1,786.76	17,867.60
3	Non-contact infrared thermometer	8	unit	2,183.82	17,470.56
4	Instrument cabinet, stainless steel	2	unit	12,408.14	24,816.28

Contract price	81,000.00
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SECTION 2. CONTRACT DOCUMENTS

The following documents form part of this Contract: (a) this Agreement; (b) the Notice of Award; (c) the Bidding Documents, including the Terms of Reference and technical specifications; (d) the Supplier's quotation and its eligibility and technical documents; (e) the Performance Security; and (f) the Notice to Proceed. If they conflict, the order given here prevails.

SECTION 3. CONTRACT PRICE AND PAYMENT

The contract price is **PHP 81,000.00** (Eighty-One Thousand Pesos), inclusive of all taxes, delivery, installation and other costs. Payment shall be made in full upon complete delivery, inspection and acceptance by the Inspection and Acceptance Committee and submission of the sales invoice and delivery receipt, subject to the applicable taxes and the rules on government payments.

SECTION 4. DELIVERY AND ACCEPTANCE

Delivery shall be completed within **thirty (30) calendar days** from the Supplier's receipt of the Notice to Proceed, at the Rural Health Unit, San Jose, Occidental Mindoro. Items that do not conform to the specifications shall be rejected and replaced by the Supplier at its own cost within seven (7) calendar days.

SECTION 5. WARRANTY

The goods are **non-expendable supplies**. The Supplier warrants them for a period of **twelve (12) months** from acceptance against defects in materials and workmanship. To secure this warranty, the Procuring Entity shall **retain one percent (1%)** of each payment as retention money, to be released after the warranty period when no defect has been found. The Supplier shall repair or replace defective goods at its own cost within seven (7) calendar days from notice.

SECTION 6. PERFORMANCE SECURITY

The Supplier has posted a performance security in the form and amount required by the Bidding Documents, which shall be valid until the issuance of the Certificate of Final Acceptance.

SECTION 7. LIQUIDATED DAMAGES

If the Supplier fails to deliver within the contract time and the delay is not excused, it shall pay liquidated damages of one-tenth of one percent (0.1%) of the cost of the unperformed portion for every day of delay, up to ten percent (10%) of the contract price, after which the Procuring Entity may terminate the Contract.

SECTION 8. FORCE MAJEURE AND TERMINATION

Neither party is liable for delay or failure caused by events beyond its reasonable control that it could not have foreseen or avoided, provided it gives prompt written notice. The Procuring Entity may terminate this Contract for the Supplier's default or insolvency in accordance with the Government Procurement Reform Act and its rules.

SECTION 9. GOVERNING LAW AND VENUE

This Contract is governed by Philippine law. Disputes shall be settled amicably, failing which they shall be brought before the proper courts of Occidental Mindoro.

IN WITNESS WHEREOF, the parties have signed this Contract on the date and at the place first written above.

Municipal Mayor	Divine Company
For the Municipality of San Jose	Proprietor / Authorized Representative
(Procuring Entity)	(Supplier)
Witness	Witness
BAC Chairperson	

Funds availability: Certified that funds are available for this Contract. **Municipal**
Budget Officer _____ **Municipal Accountant** _____