MEMORANDUM OF AGREEMENT

This MEMORANDUM OF AGREEMENT is made and entered into this day of 2015 by and between:

The TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY (TESDA) a national government agency created and existing under and by virtue of Republic Act No. 7796, with principal address at TESDA Complex, East Service Road, South Luzon Expressway, Taguig City, Metro Manila, Philippines, represented herein by its Director General, SEC. IRENE M. ISAAC, and hereinafter referred to as the "FIRST PARTY";

– and –

WELCOME EXPORT, INCORPORATED, a private business entity, registered under the laws of the Republic of the Philippines with business address at Dimayuga Compound, Cabrera Street, Barangay Dolores, Taytay, Rizal, herein represented by its President, **MR. DEVIDASS P. SAHIJWANI**, and hereinafter referred to as the "**SECOND PARTY**".

WITNESSETH -

WHEREAS, the FIRST PARTY through its Bids and Awards Committee (BAC) issued and posted an Invitation to Apply for Eligibility and to Bid (IAEB) in the Philippine Star and in the Philippine Government Electronic Procurement System (PhilGEPS) on 16 October 2015 in compliance with Section 21 of the Revised Implementing Rules and Regulations of Republic Act No. 9184, otherwise known as the Government Procurement Reform Act, for the procurement of starter toolkits for the Special Training for Employment Program (STEP) for FY 2015;

WHEREAS, during the bid opening, the SECOND PARTY was one of the three (3) bidders that was declared eligible since it was able to comply with the eligibility requirements as prescribed by Sections 23 and 25 of the Revised Implementing Rules and Regulations of Republic Act No. 9184;

WHEREAS, the bids of the SECOND PARTY for the following lots/qualifications have satisfactorily passed the legal, financial and technical requirements set forth by Republic Act No. 9184 and the bidding documents:

LOT NO.	QUALIFICATIONS	AMOUNT OF BID
111	Raise Organic Chicken (Leading to Organic	Php869,759.85
	Agriculture Production NC II)	
IV	Raise Poultry (Leading to Animal Production NC II)	Php922,048.65
V	Raise Small Ruminants (Leading to Animal	Php36,453.75
	Production NC II)	
VI	Raise Swine (Leading to Animal Production NC II)	Php864,496.00
VII	Perform Diesel/Gas Engine Tune Up (Leading to	Php5,207,008.00
	Automotive Servicing NC I)	
VIII	Perform Preventive Maintenance on Motorcycle	Php9,419,196.00
	Mechanical and Electrical System (Leading to	
	Motorcycle/Small Engine Servicing NC II)	
IX	Perform Underchassis Preventive Maintenance	Php1,523,345.00
	(Leading to Automotive Servicing NC _V I)	

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LOT NO.	QUALIFICATIONS	AMOUNT OF BID
Х	Service Automotive Battery (Leading to Automotive Servicing NC II)	Php671,125.00
ΧI	Service Automotive Electrical (Leading to Automotive Servicing NC II)	Php3,471,762.00
XII	Service Engine Mechanical Components (Leading to Automotive Servicing NC II)	Php4,583,390.00
XIV	Service Power Train Components (Leading to Automotive Servicing NC II)	Php593,035.00
XV	Service Small Engine System and Components (Leading to Motorcycle/Small Engine Servicing NC II)	Php8,670,510.00
XVI	Test and Repair Wiring and Lighting System (Leading to Automotive Servicing NC II)	Php671,775.00
XVIII	Construction Painting NC II	Php2,172,830.50
XIX	Furniture Making (Finishing) NC II	Php158,760.00
XXVIII	Maintain and Repair Electronically-controlled Domestic Appliances (Leading to Consumer Electronics Servicing NC II)	Php4,598,965.00
XXXVII	Perform Foot Spa (Leading to Beauty Care NC II)	Php927,420.00
XXXIX	Perform Haircutting Services (Leading To Hairdressing NC II)	Php4,683,663.00
XLIII	RAC Servicing DOM/RAC NC II	Php1,831,742.50
XLIV	Service and Maintain Transport Air-conditioning Unit (Leading to Transport RAC Servicing NC II)	Php471,019.50
XLVII	Process Food by Salting, Curing and Smoking (Leading to Food Processing NC II)	Php3,548,387.50
XLVIII	Process Foods by Fermentation and Pickling (Leading to Food Processing NC II)	Php1,620,764.00
LIII	Prepare and Cook Hot Meals (Leading to Cookery NC II)	Php3,249,329.17
LIV	Prepare Cold Meals (Leading to Cookery NC II)	Php2,103,315.93
LV	Service Consumer Electronic Products and Systems (Assembly of Solar Nightlight and Post Lamp)	Php7,380,837.50

WHEREAS, after post-qualification prescribed by Section 34 of the Revised Implementing Rules and Regulations of Republic Act No. 9184, the bids offered by the SECOND PARTY on the abovementioned lots/qualifications had been found to be the Lowest Calculated Responsive Bids;

WHEREAS, the recommendation to award the contract on a per lot basis in favor of the SECOND PARTY pertaining to the abovementioned lots/qualifications through BAC Resolution No. 15-2015 issued on 03 December 2015 had been elevated by the Director General to the TESDA Board for approval;

WHEREAS, the TESDA Board approved the award of contract to Welcome Export, Incorporated in the total amount of Seventy Million Two Hundred Fifty Thousand Nine Hundred Thirty Eight Pesos and 85/100 (Php70,250,938.85) through Board Resolution No. 2015-13 dated 16 December 2015 for the following lots/qualifications, as follows:

LOT NO.	QUALIFICATIONS	AMOUNT OF BID
111	Raise Organic Chicken (Leading to Organic Agriculture Production NC II)	Php869,759.85
IV	Raise Poultry (Leading to Animal Production NC II)	Php922,048.65
V	Raise Small Ruminants (Leading to Animal Production NC II)	Php36,453.75
VI	Raise Swine (Leading to Animal Rroduction NC II)	Php864,496.00

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LOT NO.	QUALIFICATIONS	AMOUNT OF BID
VII	Perform Diesel/Gas Engine Tune Up (Leading to	Php5,207,008.00
	Automotive Servicing NC I)	
VIII	Perform Preventive Maintenance on Motorcycle	Php9,419,196.00
	Mechanical and Electrical System (Leading to	
	Motorcycle/Small Engine Servicing NC II)	
IX	Perform Underchassis Preventive Maintenance	Php1,523,345.00
	(Leading to Automotive Servicing NC II)	
X	Service Automotive Battery (Leading to Automotive	Php671,125.00
	Servicing NC II)	
ΧI	Service Automotive Electrical (Leading to Automotive	Php3,471,762.00
	Servicing NC II)	
XII	Service Engine Mechanical Components (Leading to	Php4,583,390.00
	Automotive Servicing NC II)	
XIV	Service Power Train Components (Leading to	Php593,035.00
	Automotive Servicing NC II)	
XV	Service Small Engine System and Components	Php8,670,510.00
	(Leading to Motorcycle/Small Engine Servicing NC II)	DI 074 775 00
XVI	Test and Repair Wiring and Lighting System (Leading	Php671,775.00
20.011	to Automotive Servicing NC II)	DI 0.470.000.50
XVIII	Construction Painting NC II	Php2,172,830.50
XIX	Furniture Making (Finishing) NC II	Php158,760.00
XXVIII	Maintain and Repair Electronically-controlled	Php4,598,965.00
	Domestic Appliances (Leading to Consumer	
VVVVIII	Electronics Servicing NC II)	Db=027.420.00
XXXVII	Perform Foot Spa (Leading to Beauty Care NC II)	Php927,420.00
XXXIX	Perform Haircutting Services (Leading To	Php4,683,663.00
VIIII	Hairdressing NC II)	Dh. 1 021 742 50
XLIII	RAC Servicing DOM/RAC NC II	Php1,831,742.50 Php471,019.50
ALIV	Service and Maintain Transport Air-conditioning Unit (Leading to Transport RAC Servicing NC II)	Pnp471,019.50
XLVII	Process Food by Salting, Curing and Smoking	Php3,548,387.50
ALVII		Php3,546,367.50
XLVIII	(Leading to Food Processing NC II) Process Foods by Fermentation and Pickling	Dhn1 620 764 00
VEAIII		Php1,620,764.00
LIII	(Leading to Food Processing NC II) Prepare and Cook Hot Meals (Leading to Cookery	Php3,249,329.17
LIII	NC II)	Fiips,249,329.17
LIV	Prepare Cold Meals (Leading to Cookery NC II)	Php2,103,315.93
LV	Service Consumer Electronic Products and Systems	Php2, 103,315.93 Php7,380,837.50
LV	(Assembly of Solar Nightlight and Post Lamp)	F11p7,300,037.30
	(Assembly of Solar Mynthyllt and Fost Lamp)	1

NOW, THEREFORE, for and in consideration of the foregoing, this Agreement is entered into by and between the FIRST PARTY and the SECOND PARTY with the following covenants, to wit:

GENERAL PROVISIONS:

- 1. The **SECOND PARTY** shall supply and deliver the items prescribed in the bidding documents and verified through actual inspection by the Technical Evaluation Group (TEG) within ninety (90) calendar days from receipt by the **SECOND PARTY** of the Notice to Proceed;
- 2. The FIRST PARTY shall pay by lot/qualification as the public bidding was done by lot/qualification. However, payment shall only be made after delivery of all the items prescriped in the bidding documents per

/ W€ 1 3 lot/qualification and acceptance by the FIRST PARTY are completed. Since the goods will be delivered to TESDA Regional Offices prescribed in the bidding documents, a team shall be created by the FIRST PARTY to look into the delivery of goods by the SECOND PARTY. A Certificate of Acceptance as to the completeness of the delivery and compliance with the requirements prescribed by the FIRST PARTY shall be issued by the team and must be duly approved by the Regional Director concerned of TESDA before any payment is made in favor of the SECOND PARTY. At any rate, payment shall be made in accordance with the government accounting and auditing rules and regulations;

- 3. The following documents shall be deemed to form and be read and construed as part of this Agreement:
 - (a) Bidding Documents of the SECOND PARTY;
 - (b) BAC Resolution No. 15-2015 dated 03 December 2015;
 - (c) TESDA Board Resolution No. 2015-13 dated 16 December 2015;
 - (d) Notice of Award;
 - (e) Performance Security;
 - (f) Notice to Proceed;
 - (g) Bid Bulletin No. 01 dated 26 October 2015; and
 - (h) Bid Bulletin No. 02 dated 02 November 2015.
- 4. To guarantee the faithful performance by the SECOND PARTY of its obligations, a performance security should have been posted prior to the signing of the contract pursuant to Section 39 of the Revised Implementing Rules and Regulations of Republic Act No. 9184. The performance security shall remain valid until the issuance by the FIRST PARTY of the Certificate of Acceptance. The performance security should be posted in favor of the FIRST PARTY and shall be forfeited in the event it is established that the SECOND PARTY is in default in any of its obligations under the contract.
- 5. The goods subject of the delivery shall be covered by the provisions of Section 62 of the Revised Implementing Rules and Regulations of Republic Act No. 9184 on warranty. The SECOND PARTY hereby warrants that the tools and equipment subject of this Agreement are free from material defects or faulty workmanship under normal use and operation for a period covered by the law. Warranty shall be for one (1) year after acceptance by the procuring entity of the non-expendable goods. In case of expendable goods, the warranty shall be valid for three (3) months after acceptance by the procuring entity of the expendable goods.

The obligation for the warranty shall be covered by either retention money or a special bank guarantee equivalent to at least ten percent (10%) of the total contract price.

Any goods found to be defective which is not due to the normal wear and tear or improper use of the FIRST PARTY during warranty period shall be repaired or replaced immediately for free by the SECOND PARTY.

6. Any delay in the delivery of goods shall be governed by Section 68 (Liquidated Damages) of the Revised Implementing Rules and Regulations of Republic Act No. 9184. For the procurement of goods, the amount of the liquidated damages shall be at least equal to one-tenth of the one percent (0.1%) of the cost of the unperformed portion of every day of delay. Once

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the cumulative amount of liquidated damages reaches ten percent (10%) of the amount of contract, the procuring entity shall rescind the contract, without prejudice to other courses of action and remedies open to it.

- 7. Cost of applicable taxes, deployment and insurance of goods shall be shouldered by the SECOND PARTY.
- 8. The obligations and rights arising from this Agreement shall not be assigned and transferred by the SECOND PARTY to any third party without the written consent of the FIRST PARTY.
- 9. If any dispute or difference of any kind whatsoever shall arise between the Parties in connection with the implementation of this contract, the Parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.

Any and all disputes arising from the implementation of this contract shall be submitted to arbitration in the Philippines according to the provisions of Republic Act No. 876, otherwise known as the "Arbitration Law" and Republic Act No. 9285, otherwise known as the "Alternative Dispute Resolution Act of 2004". Any cost arising from the arbitration shall be charged against the **SECOND PARTY**.

IN WITNESS whereof, the parties hereto have caused this Agreement to be executed in accordance with the laws of the Republic of the Philippines on the day and year indicated above.

TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY

SEC: IRENE M. ISAAC
Director General

WELCOME EXPORT, INCORPORATED

MR. DEVÍDASS P. SAHIJWANI President

SIGNED IN THE PRESENCE OF:

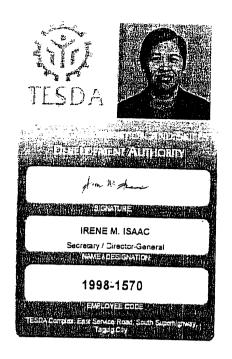
MARISSA G. VEGASE Executive Director TWSP-PMO

VICENTE M. OROSA Product Specialist

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES) MANILA S.S.					
BEFORE ME, a Notary Pub MANILA this DEC 2 9 2015	lic for and in 2015 personally	the Province/City of came and appeared:			
NAME	VALID ID NO.	ISSUED BY			
IRENE M. ISAAC					
MR. DEVIDASS P. SAHIJWANI					
Known to me and to known to be the same persons who executed the foregoing instrument which they acknowledge before me as their free and voluntary act and deed. DEC 2 9 2015 WITNESS MY HAND AND SEAL this day of 2015 at					

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Home Address

Block 56 Lot 13 Soldier Hills Putata Muntinlupa City

Residence Tel. No. 892-6918 Mobile No. (0917) 501-1212

Blood Type: O

Birth Date: 05/05/1949

Tax Identification No. 104-460-817

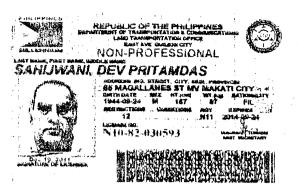
GSIS Policy No. CM435744

In case of Emergency, Please contact:

Emmanuel S Isaac

Block 56 Lot 13 Soldier Hills Putata Muntinlupa City (0918) 939-9628





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