



CLARK ELECTRIC DISTRIBUTION CORPORATION (CEDC)

Standard Terms and Conditions for Purchase Orders

1. **TERMS:** The terms of this contract cannot be modified, altered, or changed without the specific written approval of CEDC. In all of the above clauses, "contractor" shall mean "seller/vendor" and "contract" shall mean "purchase order." A Call-off Order is a notice to deliver goods or services against an established long-term contract.

2. **ACCEPTANCE:** The Contractor, by accepting this Contract, agrees to all the conditions and terms specified herein, on attachments hereto, whether physically attached or incorporated by reference, and on any bid inquiry that may have preceded this award. The Contractor shall direct all correspondences relative to this Contract to the Procurement Department of Clark Electric Distribution Corporation (CEDC).

3. **PRICE:** Upon acceptance of this Contract, prices can no longer be altered unless such was a condition in the Contractor's bid. Unless otherwise specified, unit prices are inclusive of all costs, taxes and other charges such as shipping and delivery charges, duties, customs, tariffs, imposts and government-imposed surcharges. Contractor will, at CEDC's request, break-out from the price all such taxes and other charges, in its invoices.

3.1 **Contract Prices** - For the given scope of work in the contract as awarded, all bid prices shall be considered as fixed prices, and therefore not subject to price escalation during contract implementation, except under extraordinary circumstances and upon prior approval of CEDC. For purposes of this Section, "extraordinary circumstances" shall refer to events that may be determined on subject to the approval to CEDC, and upon the recommendation of the procuring entity concerned.

4. **SHIPPING/DELIVERY ADDRESS:** To ensure that delivery is made to the correct location, the Contractor shall address all shipments to the delivery address as stated DELIVER TO on the face of the Purchase Order. All correspondences, packages, and invoices must contain the Purchase Order number, and delivery address as set forth in the Purchase Order.

5. **DELIVERY:** All deliveries will be supported by the proper delivery documents and will be received based on PO specifications.

To facilitate acceptance of deliveries, Contractors are encouraged to attach a copy of the Contract or Call-off Order to the delivery receipt. Deliveries will be validated against the order.

Items not covered or in excess of the quantity specified in the Contract or Call-off Order will be returned to the Contractor.

All deliveries must follow delivery instructions and schedules as stipulated in the Contract or Call-off Order. Non-conformance to contract provisions or delivery instructions may result to rejection of deliveries.

Unless diverted or instructed by an authorized CEDC employee, deliveries will be made only to the address specified in the order.

Delivered commodities which failed to meet order specifications/quality must be replaced immediately. Inability to replace rejects may initiate cancellation of the remainder of the order and de-listing of the Contractor. For non-critical items; in cases where the Contractor is willing to replace the rejected item, but it is not feasible for the Contractor to ship the replacement, the Contractor may opt to refund the equivalent amount of the item, including taxes and duties, which was already paid by CEDC.

6. **INSPECTION OF GOODS:** CEDC shall have a reasonable time after delivery to inspect the goods delivered or services rendered under this contract and to reject or revoke acceptance of any item not conforming to the terms of the agreement. Rejected goods will be returned to Contractor and / or Rejected services will be reworked and all costs associated with the rework will be charged to Contractor.

7. **SUBSTITUTION OF GOODS:** Goods not conforming to this contract will not be accepted. CEDC must approve, in writing, any substitution of non-conforming goods and or a variation to the contract prior to shipment / delivery.

8. **MATERIAL SAFETY DATA SHEETS:** Contractor shall submit a Material Safety Data Sheet (MSDS) for each toxic or hazardous substance or mixture containing such substance and all other pertinent documents (pursuant to REPUBLIC ACT NO. 6969) that is shipped against this order.

9. **WARRANTIES / GUARANTEE:** Contractor herein warrants and covenants that the subject merchandise complies with all applicable law (Consumer Act of the Philippines - Republic Act No. 7394), rules and regulations for the installation and use of said merchandise for the purpose for which said merchandise is being purchased or rented. Contractors will guarantee that their product or service is reliable and free from known defects and that Contractor will, without charge, repair or replace defective parts/job within an agreed time limit under certain conditions. The Contractor will be responsible for the loss or damage of property and third-party liability as a result of his failure, neglect or carelessness during the execution of the order.

The Contractor will likewise ensure compliance with CEDC's safety rules and regulations, and local/national/international laws governing the manufacture, sale and delivery of goods and services as ordered by CEDC. CEDC will not in any way be responsible, accountable or liable for the violations of the Contractor of any laws, ordinances or regulations.

9.1 For the procurement of Goods, in order to assure that manufacturing defects shall be corrected by the supplier, manufacturer, or distributor, as the case may be, for a specific time after performance of the contract, a warranty shall be required from the contract awardee for such period of time in which agreed upon, the obligation for which shall be covered by either retention money in the amount equivalent to a percentage of every progress payment, or a special bank guarantee equivalent to a percentage of the total contract price. The said amounts shall only be released after the lapse of the warranty period, provided that the Goods supplied are free from defects and all the conditions imposed under the contract have been fully met.

9.2 For the procurement of infrastructure projects, the contractor shall assume full responsibility for the contract work from the time project construction commenced up to a period as defined in taking into consideration the scale and coverage of the project from its final acceptance by CEDC and shall be held responsible for any damage or construction of works except those occasioned by force majeure. The Contractor shall be fully responsible for the safety, protection, security, and convenience of his personnel, third parties, and the public at large, as well as the works, equipment, installation and the like, to be affected by his construction work and shall be required to put up a warranty security in the form of cash, bank guarantee, letter of credit, or callable surety bond.

The contractor shall undertake the repair works, at his own expense, of any defect or damage to the infrastructure projects on account of the use of materials of inferior quality within forty five (45) days from the time the Head of the Procuring Entity has issued an order to undertake repair. In case of failure or refusal to comply with this mandate, CEDC shall undertake such repair works and shall be entitled to full reimbursement of expenses incurred therein upon demand.

10. **PAYMENT:** All invoices must be submitted to the Address indicated on this Purchase Order and must indicate CEDC's purchase order number. Note that in order to effect payment for Services a completion report signed by the project owner must be accomplished.

11. **DEFAULT:** In the event of default by Contractor, including failure to deliver any item ordered within the stipulated time after acceptance of this contract, or if CEDC rightfully rejects the goods or services or revokes acceptance, CEDC may without waiving any other remedy permitted by law, make covering purchases of goods or services and hold Contractor liable for all additional costs incurred. Further, in such event, CEDC, at its option, may be relieved of any duty to accept such items as are subsequently delivered pursuant to this contract.

12. **CANCELLATION:** CEDC may cancel this order without liability for damages or otherwise, in the event that Contractor becomes insolvent or makes an assignment for the benefit of creditors, or a petition is filed to declare Contractor bankrupt or notwithstanding the provision thereof headed "DELIVERY," if delivery is not made within the time stipulated or within a reasonable time if no time is specified, or if the quantity or quality of the articles delivered hereunder is not as specified in the PO.

13. **PENALTIES:** Late deliveries or project delays will be subject to penalty as specified in the terms and conditions of the contract. The standard penalty will be one-tenth (1/10) of percent for every day of unexcused delay up to a maximum of five percent (5%) of the contracted amount. Unexcused delays due to the fault of the Contractor may result in the cancellation of the order and forfeiture of the performance/surety bond of the contractor. Delays due to any cause beyond its reasonable control, including without limitation, acts of God will be considered but CEDC should immediately be notified by Contractor after it become aware of imminent delays.

14. **CONTRACT:** If this contract does not agree with Contractor's quotation, contact CEDC before performance begins. Prior to performance, CEDC may require additional information from the Contractor in order to ensure that the firm is qualified and that the product or service offered will meet the need for which it is intended.

14.1. **LONG TERM CONTRACTS:** Long-term contracts are contracts that are in effect for more than one (1) year. These contracts are established to meet the following objectives: To ensure continuity in supply; To increase CEDC's bargaining power by providing price reduction opportunities in bulk procurement and long-term agreements; To shorten the purchase lead time by reducing routine tasks associated with regular processing procedures and; To support Contractors by allowing long-term production planning and promote harmonious business relationships.

15. **BID RESULTS AND THE RIGHT TO SPLIT AWARDS:** Bid results will not be automatically transmitted to every bidder. It is the bidder's responsibility to contact the Procurement Department to review the bid results and award. CEDC reserves the right to split awards, if deemed by the Director of Procurement to be in the best interest of the CEDC. If a split award is unacceptable to the bidder, it must be so stated in his/her bid.

16. **SAFETY:** Contractor's manpower are enforced to wear required PPE at the working premises that requires so. CEDC is not liable for any accident that arises due to contractor's negligence

The Contractor agrees to protect, defend, and save CEDC harmless against any demand for payment for the use of any patented material, process, article or device that may enter into the manufacture, construction, or form a part of the work covered by this agreement.

17. **APPLICABLE LAW:** This Contract shall be construed under and governed by the Laws of the Republic of the Philippines.