

Republic of the Philippines  
**DEPARTMENT OF ENERGY**  
3<sup>rd</sup> Floor Tolentino 2020 Bldg., Candelaria Ave.,  
Ecoland, Matina, Davao City

**CY 2024 CONTRACT FOR THE SUPPLY OF DRINKING WATER**

**KNOW ALL MEN BY THESE PRESENTS:**

This Contract made and entered into this 26<sup>th</sup> day of April, 2024 by and between:

The **DEPARTMENT OF ENERGY (DOE)**, a government agency created under Republic Act (R.A.) No. 7638, as amended thru its Mindanao Field Office, with office address at 3<sup>rd</sup> Floor Tolentino 2020 Bldg., Candelaria Ave., Ecoland, Matina, Davao City, represented herein by its Director for Mindanao Field Office, **NILO J. GEROCHE**, hereinafter referred to as the "**CLIENT**";

-and-

**ZUREX NATURAL DRINKING WATER**, a single proprietorship duly organized and existing under the laws of the Republic of the Philippines, with address at Dr. 5, Argago Building, J. P. Laurel Ave., Bajada, Brgy. 19-B, Davao City, Davao City, represented in this Act by **MR. WINSTON Y. DULAY** its Operations Manager, hereinafter referred to as the "**CONTRACTOR**".

The **CLIENT & CONTRACTOR** are hereinafter collectively referred to as "**PARTIES**" and individually as "**PARTY**".

**WITNESSETH: That**

**WHEREAS, CLIENT** is in need of a duly licensed supplier of drinking water for its office located at the 3<sup>rd</sup> Floor Tolentino 2020 Bldg., Candelaria Ave., Ecoland, Matina, Davao City;

**WHEREAS, CONTRACTOR**, being a duly licensed supplier of drinking water, had offered to supply the aforementioned drinking water requirements of **CLIENT** together with hot and cold water dispenser;

**WHEREAS, Section 53.9 Rule XVI of the 2016 Revised IRR of RA 9184**, otherwise known as "Government Procurement Reform Act" authorized the conduct of Small Value Procurement for Negotiated Procurement under Alternative Method 6B (AM 6B);

**NOW, THEREFORE**, for and in consideration of the foregoing premises, and of the mutual covenants and stipulations herein below set forth, the **PARTIES** herein have agreed, as they do hereby agree as follows:

1. **CONTRACTOR** agrees and undertakes to provide **CLIENT** with at least **Ten (10)** - gallon containers of purified drinking water with non-spill caps every week and install **Two (2) Electric Hot and Cold-Water Dispensers** for instant dispensing of the drinking water at **CLIENT's** office located at the 3<sup>rd</sup> Floor Tolentino 2020 Bldg., Candelaria Ave., Ecoland, Matina, Davao City. The **CONTRACTOR** further agrees to deliver a number of filled containers per week equal to not more than or not lesser than the total number of empty containers the **CONTRACTOR** retrieves from the **CLIENT** for the week immediately preceding the delivery;
2. **CONTRACTOR** further agrees to provide the following services to **CLIENT**:
  - 2.1 Supply **CLIENT** with at least **Ten (10)** - gallon containers of drinking water with non-spill caps weekly during the lifetime of this Contract;
  - 2.2 Supply **CLIENT** with two (2) units of Electric Hot and Cold-Water Non-Spill Dispenser free-of-charge with an option by **CLIENT** to request for additional dispenser also free of charge;
  - 2.3 Deliver the drinking water to **CLIENT's** premises at the aforementioned address;
  - 2.4 Provide quarterly and when necessary, free maintenance of water dispenser installed at **CLIENT** premises, which includes thorough cleaning, check-up and immediate replacement of parts in case of breakdown or replacement of dispenser in case it cannot be repaired within two (2) days time;
  - 2.5 Perform inspection and maintenance services during regular office hours, Monday through Friday from 8:00 a.m. to 5:00 p.m.
3. For and in consideration of the services to be rendered by **CONTRACTOR** to **CLIENT** in accordance with this Contract, the latter shall pay the former the amount of **Php 38.00** per 10-gallon container (contents only) delivered inclusive of any and all kinds of taxes, fees, charges and other legal exactions. The **CLIENT** shall pay the **CONTRACTOR** with the total contract price not to exceed **TWENTY FOUR THOUSAND PESOS (Php**

Contract price during the term of this Contract. **CLIENT** shall pay **CONTRACTOR** at least two (2) weeks after receipt from **CONTRACTOR** of the corresponding invoices for the delivered 10-gallon containers of drinking water of the preceding month;

4. This Contract shall be effective beginning on May 2024 and shall continue in full force and effect until December 2024. In the event **CLIENT** is prevented from doing business due to war, civil commotion, strike and labor dispute among **CLIENT**'s employees, Acts of God, force majeure or any other cause beyond its control, this Contract shall be deemed suspended during the existence of any of the foregoing causes. Upon the termination or cessation of the force majeure condition, this Contract shall be deemed effective and its duration extended for the time of suspension thereof, unless **CLIENT** terminates this Contract by reason of such force majeure causes by giving **CONTRACTOR** seventy-two (72)-hours prior written notice.
5. The **PARTIES** expressly agree that the services rendered herein are extremely vital to **CLIENT**, such that in the event of any cause or reason beyond the control of **CONTRACTOR**, such as strikes, lockouts or labor disputes among **CONTRACTOR**'s employees which may otherwise disrupt or prevent **CONTRACTOR** from performing or rendering the services herein, **CLIENT** shall have the right to terminate this Contract by giving **CONTRACTOR** seventy-two (72)-hours prior written notice;
6. **CLIENT** hereby reserves the right to rescind, terminate or abrogate this Contract with **CONTRACTOR** upon seventy-two (72)-hours prior written notice to the latter in any of, but not limited to, the following instances:
  - a) submission of falsified or forged license as well as other falsified documents and reports; and
  - b) breach by **CONTRACTOR** of its obligations and the terms and conditions under this Contract.
7. **CONTRACTOR** warrants that it or any of its officials or representatives, has not given or promised to give any money or gift to any employee/official of **CLIENT** to influence the decision regarding the awarding of this Contract, nor **CONTRACTOR** or its officials or representatives have exerted or utilized any unlawful influence on any employee/office of **CLIENT** to solicit or secure this Contract through an agreement to pay a commission, percentage, brokerage, or contingent fee. **CONTRACTOR** hereby agrees that breach of these warranties shall be sufficient ground for **CLIENT**, at its discretion, to terminate or cancel this Contract, or deduct such commission, percentage, brokerage, or contingent

fees from the Contract price without prejudice to **CLIENT's** or any other person's civil or criminal liability under the Anti-Graft Law and other applicable laws;

8. **CONTRACTOR** warrants that it shall obtain and maintain the necessary permits, licenses and safety standards required by national and local authorities, or by civilian or military authorities, in order to continue operating legally and ensure that its products, in particular, the drinking water subject of this Contract is safe for human consumption.
9. **CLIENT** reserves the right to subject twice a month and/or at any given time the delivered drinking water and any container and/or dispenser of **CONTRACTOR** for inspection or testing at random by any reputable testing laboratory or by an appropriate government agency at the expense of **CONTRACTOR** to determine whether the supplied drinking water and/or dispenser/cylinder is safe for human consumption/usage.
10. Any taxes, duties, fees, charges and all other legal exactions arising by virtue of this Contract shall be for the account of **CONTRACTOR**. It is further understood that **CLIENT** shall deduct and withhold the applicable withholding taxes, if any and if deemed necessary, from its payments to **CONTRACTOR** under this Contract pursuant to the requirements of law;
11. If any term or condition of this Contract is held invalid or contrary to law, the validity of the other terms and conditions hereof shall not be affected thereby;
12. All disputes arising between the **PARTIES** as to the interpretation, operation or effect of any clause in the Agreement or any other difference between the **PARTIES** shall first be resolved amicably. In case of failure, Rules on Alternative Dispute Resolution (ADR) under R.A. No. 9285 shall apply.
13. As much as possible, disputes shall be settled amicably between the **PARTIES**. However, in the event either **PARTY** to this Contract shall take judicial action, the **PARTIES** agree that venue for purposes thereof shall be laid exclusively with the proper courts in Taguig City, Metro Manila or Davao City to the exclusion of other courts and that writs of attachment, injunction, replevin, seizure, etc. issued thereby may be served and enforced anywhere in the Philippines;
14. **CONTRACTOR** is aware that **CLIENT** is a government agency and as such is subject to certain legal requirements and procedures not normally required of private corporations. **CONTRACTOR**, nevertheless, agrees that whenever such legal

implementation, this Contract shall be considered amended accordingly so as to enable **CLIENT** to comply with such requirements. For its part, **CLIENT** undertakes to exert its best efforts to immediately comply with the requirements in a most equitable manner consistent with good faith; and

15. In case **CLIENT** loses or destroys, intentionally or through negligence, any dispenser and/or any of the 8-gallon polycarbonate cylinders supplied by **CONTRACTOR** under this Contract, **CLIENT** shall be liable to pay the cost of the said dispenser and/or container at its acquisition cost or present market value whichever is lower or replace the lost or destroyed item/s with the same brand or specifications.
16. This Contract shall be valid and binding between the **PARTIES**, their heirs, executors, administrators, principals, successors-in-interest and assigns.

IN WITNESS WHEREOF, the **PARTIES** hereto have signed this Contract in Davao City this 26<sup>th</sup> day of April, 2024.

**DEPARTMENT OF ENERGY  
(CLIENT)**

**ZUREX NATURAL DRINKING WATER  
(CONTRACTOR)**

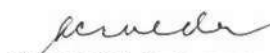
By:

By:

  
**NILO J. GEROCHE**  
Director

  
**WINSTON Y. DULAY**  
Operations Manager

**SIGNED IN THE PRESENCE OF:**

  
**HELEN C. ROLDAN**  
OIC, Accounting Division  
OF No. 01-24-05-157  
OF Date: May 31, 2024  
OR No. 01-107101-2024-65-02812  
P 24, 600.00

  
Jonabel CASETAS

## ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES) S.S.

DAVAO CITY )

BEFORE ME, a Notary Public in and for the \_\_\_\_\_ on this \_\_\_\_\_ day of  
08 MAY 2024, 2024, personally appeared:

**NILO J. GEROCHE**, with Tax Identification No.  
133-506-525 issued at Davao City in his capacity  
as Director for Mindanao Field Office of the  
**DEPARTMENT OF ENERGY**;

-and-

**WINSTON Y. DULAY**, with Postal ID No.  
PRN K83220311698P issued at Davao City in his  
capacity as Operations Manager of **ZUREX**  
**NATURAL DRINKING WATER**.

both known to me and to me known to be the same persons who executed the foregoing instrument and they acknowledged to me that the same is their free and voluntary act and deed and that of the office and corporation which they respectively represent, and that they are duly authorized to sign the same.

This instrument refers to CY 2024 Contract for the Supply of Drinking Water by and between the Department of Energy and Zurex Natural Drinking Water consisting of six (6) pages including this page on which this acknowledgement is written and have been signed by the **PARTIES** and their instrumental witnesses and stamped with my notarial seal.

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

Doc No. 74 ;

Page No. 16 ;

Book No. 1 ;

Series of 2024.

**ATTY. REMEE ANNE M. ESTACIO**

Notary Public

Notarial Commission No. 2023-269-2024

valid until December 31, 2024

TIN 761-195-144 • Roll of Attorneys No. 76244

PTR No. 9426447 • Davao City • 01/04/2024

IBP OR No. 382276 • Pasig City • 12/30/2023

MCLE Compliance No. VIII-0002432; Valid until April 14, 2028