



Republic of Philippines
DEPARTMENT OF EDUCATION
REGION XI
SCHOOLS DIVISION OF DAVAO DE ORO



**PROJECT: PROCUREMENT OF STERILIZED MILK FOR SY 2025-2026
SCHOOL BASED FEEDING PROGRAM**
CONTRACT NO.: CP-006-2025

PROCUREMENT CONTRACT

THIS CONTRACT made and entered into this day 10 OCT 2025 by and between the **DEPARTMENT OF EDUCATION - DIVISION OF DAVAO DE ORO**, located at Capitol Complex, Cabidanan, Davao de Oro, represented herein by its Schools Division Superintendent, **PHOEBE GAY L. REFAMONTE** (hereinafter referred to as "**DEPED**"); and **ORCHARD VALLEY, INC.**, represented herein by its authorized representative **LADY ANN D. MINERVA**, with office address at Purok 7, Poblacion, Nabunturan, Davao de Oro (hereinafter referred to as "**ORCHARD**"), as per Omnibus Sworn Statement dated _____ (hereto attached as Annex "A"). **DEPED** and **ORCHARD** are collectively called **PARTIES**.

WHEREAS, DEPED, through its Bids and Awards Committee (BAC) posted the Request for Quotations and sent the same to Organized Community or Social Groups of known qualifications within the locality for the pasteurized and/or sterilized milk;

WHEREAS, DEPED received (1) quotation from an Organized Community or Social Groups;

WHEREAS, DEPED opened, read, and evaluated the submitted quotations and declared **ORCHARD** has having the Lowest Calculated Quotation (LCQ) or Single Calculated Quotations (SCQ);

WHEREAS, after evaluation, **DEPED** post-qualified and declared the quotation of **ORCHARD** as the Lowest Calculated and Responsive Quotation (LCRQ) or Single Calculated and Responsive Quotation (SCRQ) in the sum of **PHILIPPINE PESOS, One Million One Hundred Three Thousand Six Hundred Fifty-Five Pesos (P 1,103,655.00) ONLY**, (hereinafter called the "Contract Price"), detailed as follows:

Lot No.	Description of Goods	Quantity	Amount (PhP)
1	PROCUREMENT OF STERILIZED MILK FOR SY 2025-2026 SCHOOL BASED FEEDING PROGRAM (CP-006-2025) Specifications: - Flavor: Vanilla Flavor - Serving Size: 180ml-200ml pouch - Quality: Milk should be received in good condition, not expired, no signs of spoilage, not curdled, not slimy, and no sour smell. If in cans, there is no sign of bulging and dent. - Please see attached general technical specification.	47,985 packs	P 1,103,655.00

NOW THIS CONTRACT WITNESSETH AS FOLLOWS:

1. Words and expressions used in this Procurement Contract shall have the same meaning as are respectively assigned to them in the hereto attached Terms and Conditions, Mother Memorandum of Agreement (Mother MOA), Operating Memorandum of Agreement (Op-MOA), and relevant DepEd issuances and guidelines.
2. The following documents as required by the the Implementing Rules and Regulations of Republic Act No. 12009 and the Government Policy Procurement Board Resolution (GPPB) No. 18-2021, hereto attached as "Annex A-series," shall be deemed to form and be read and construed as part of this Contract, viz:
 - a. Notice of Award No. _____ dated _____ ("Annex A-1");
 - b. Philippine Request for Quotations ("Annex A-2");
 - i. General and Special Conditions of the Contract;
 - ii. Schedule of Requirements; and
 - iii. Technical Specifications;
 - iv. Certification from the National Dairy Authority (NDA) or the Philippine Carabao Center (PCC) that **ORCHARD** is a registered Organized Community or Social Group under them;
 - c. **ORCHARD's** quotation, including the eligibility requirements, technical and financial proposals, and all other documents or statements submitted ("Annex A-3");
 - d. Performance Security ("Annex A-4");
 - e. Notice of Award (NOA) of Contract and **ORCHARD's** conforme thereto ("Annex A-5"); and
 - f. Other contract documents required by existing laws and/or SDO-DAVAO DE ORO in the Request for Quotation. **ORCHARD's** agrees that additional contract documents of information prescribed by the Government Procurement Policy Board (GPPB) that are subsequently required for submission after the contract execution such as, but not limited to, Notice to Proceed, Variation Order, and Warranty Security, shall form part of the Contract ("Annex A-6").
3. **ORCHARD** shall post a Performance Security within 10 calendar days from receipt of the NOA in the form and amount prescribed therein. The Performance Security shall be posted in favor of **DEPED** and shall be forfeited in the event that it is established that **ORCHARD** is in default of any of its obligations under this Contract. **ORCHARD** shall be responsible for the extension of its performance security and/or undertake to renew its Performance Security whenever necessary, and without the need for prior notice of instruction from **DEPED**, to ensure that it is in force and effect for the whole duration of the Contract and until a Certificate of Final Acceptance is duly issued.
4. Consistent with the **Terms & Conditions (attached hereto as Annex "B")**, the goods referred to in this Contract shall be delivered by **ORCHARD** at the **Designated Drop-off Points (Annex "B-1")** within **120 calendar days** from the receipt of the Notice to Proceed (NTP). **ORCHARD**

Supplier's Witness

Supplier

SDO's Witness

Schools Division Superintendent

shall also ensure that the goods will be delivered in accordance with the Schedule of Requirements, which is hereto attached as **Annex "C"** and made an integral part hereof.

Goods delivered to sites other than the designated delivery site without **DEPED's** written authorization and/or approval may be rejected by the latter. Violation of this provision, based on documents and reports submitted and validated by the authorized receiving personnel may be a cause for the termination of the Contract.

5. Pre-Delivery and Pre-Implementation Conferences shall be conducted by the SDO focal person/s for the milk component of the School-Based Feeding Program (SBFP) prior to the inspection and acceptance of goods. These conferences shall be attended by the inspectors and acceptors designated by the SDO.
6. **DEPED** shall have the right to visit and inspect **ORCHARD's** premises covered by the Contract at any time or stage of the contract implementation to monitor and assess **ORCHARD's** capacity to discharge its contractual obligations.
7. **DEPED** shall have the right to inspect and test or cause the testing of the goods covered by the Contract, at any time or stage of contract implementation. Prior to and for purposes of inspection, **ORCHARD** shall ensure convenient access to the goods for inspection. **ORCHARD** shall assign personnel to undertake the handling, unpacking, assembly, commissioning, disassembly, repacking, resealing, and sorting of the goods prior to, during, and after inspection.
8. The goods shall be inspected by the designated SDO or School Inspectorate Team. **ORCHARD** shall coordinate with **DEPED**, through the Administrative Division, on the conduct of the inspection. Any request for inspection shall be done in writing.
9. The goods must conform to and comply with the standards mentioned in Terms and Conditions and must be in accordance with the final technical specifications as approved by the Bids and Awards Committee.

Any proposal by **ORCHARD** to deliver goods of different technical specifications, in lieu of those approved bids or samples, shall not be allowed. However, under justifiable circumstances, i.e. fortuitous events, force majeure, acts of God, public state emergency, or those defined under the Civil Code and other similar circumstances, delivery of goods of equivalent, higher, or superior technical specifications may be permitted, subject to the evaluation and favorable recommendation of the **DEPED's** end-user or implementing unit, and the approval of the herein authorized signatory. In any such case, the proposal by **ORCHARD** for substitution shall be in writing and shall not result in any additional cost or undue burden to **DEPED**.
10. Goods with defects or non-compliant with the required technical specifications upon delivery shall be rejected, orally or in writing, by **DEPED** and replaced by **ORCHARD** in accordance with the Terms and Conditions.

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Supplier

SDO's Witness

Schools Division Superintendent

11. In case **ORCHARD** encounters condition(s) impeding timely delivery of the goods, **ORCHARD** shall promptly notify **DEPED** in writing within five (5) calendar days from notice of such condition(s). Any request for work suspension and/or contract period extension shall be promptly done in writing as soon as circumstances for such request have become apparent. **ORCHARD** must provide sufficient proof to support any request for work suspension and/or contract period extension.

DEPED accepts no liability for the damage, spoilage, or loss of goods until the risk and title thereon have been transferred to SDO - Davao de Oro. Risk and title to the goods will not be deemed to have passed to **DEPED** until its receipt, inspection, and acceptance at the final destination or designated drop-off points through its authorized inspector, acceptor or receiving personnel.

12. The Contract Price shall be paid to **ORCHARD** in accordance with the following disbursement procedures:

- a. An advance payment not to exceed fifteen percent (15%) of the contract amount shall be allowed and paid within sixty (60) calendar days from signing and notarization of the Contract. An irrevocable Letter of Credit or Bank Guarantee of an equivalent amount may be submitted, and shall remain valid until the goods are delivered, and accompanied by a claim for advance payment;
- b. **ORCHARD** may submit a request for payment based on the following:
 - i. Cumulative quantities of items delivered based on the schedule of deliveries and terms and conditions;
 - ii. Supplier's invoice showing goods' description, quantity, unit price, and total amount;
 - iii. Duly signed Delivery Receipt/s; and
 - iv. Duly signed Inspection and Acceptance Report/s (IAR/s), including certification by **ORCHARD**, duly signed and dated by the authorized representative of **DEPED** indicating that the goods have been delivered and properly installed and commissioned in accordance with the Contract.

Other documents in support of a request for payment may be required by **DEPED** pursuant to existing disbursement, accounting, and auditing rules and procedures.

- c. Payment shall be made to **ORCHARD** within seven (7) days from submission of the documents as may be prescribed by **DEPED** in the following manner:
 - i. Subject to the recoupment of the advance payment contemplated in 10(a), for the progress payment, deliveries made good for one (1) or two (2) weeks shall be paid to **ORCHARD** upon delivery of the goods and acceptance of the same by the duly authorized DepEd representative;
 - ii. Final payment shall consist of the full and final payment of the unpaid inspected and accepted goods, subject to the

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submission of the required documents under the Request for Quotations.

13. Each party, in the performance of their respective duties and responsibilities under this Contract and in the implementation thereof shall adhere to Republic Act No. 10173, otherwise known as the "Data Privacy Act of 2012" and its Implementing Rules and Regulations and applicable National Privacy Commission issuances.

Any confidential data or information gathered by virtue of the implementation of this Contract shall not be shared with any third party without the written express consent of the other party.

Any gathered data and information should be protected and respected during the term and even after the termination of this Contract. The processing of any gathered data and information should be in compliance with the confidentiality and privacy requirements under the said law and applicable regulations.

14. **ORCHARD** shall be liable for liquidated damages in an amount equal to 0.1% of the cost of the delayed goods scheduled for delivery for every day of delay until such goods are finally delivered and accepted by **DEPED**. The cut-off of delivery for each day shall be at 4:00 PM. **DEPED** shall deduct the liquidated damages from any money due or which may become due to **ORCHARD**, or collect from any security or warranty posted by **ORCHARD**, whichever is convenient to **DEPED**. Once the accumulated amount of liquidated damages reaches 10% of the Contract Price, **DEPED** may rescind or terminate the Contract, without prejudice to other courses of action and remedies available under the circumstances.

15. The **PARTIES** shall make every effort to resolve amicably and by mutual consultation any and all disputes or differences arising between the **PARTIES** in connection with the implementation of the Contract. Should such dispute not be resolved amicably, it shall be submitted to Early Neutral Evaluation pursuant to RA 9285 or the "Alternative Dispute Resolution Act of 2004", and its Implementing Rules and Regulations.

16. The **PARTIES**, in the implementation of this Agreement, shall comply with Republic Act No. 8293, otherwise known as the "Intellectual Property Code of the Philippines," as amended.

The use of the service marks of DepEd, if any, shall be in accordance with its Service Marks and Visual Identity Manual (DepEd Order No. 031, s. 2019), as may be further revised by DepEd from time to time.

17. This Contract is the entire, final, complete and fully integrated agreement between the Parties with respect to the subject matter hereof and supersedes any and all prior agreements or communications between the Parties, whether written, oral, electronic, or otherwise.

Both **PARTIES** may recommend in writing any revision, amendment, or addition of any provision under this Contract with written notice to the other Party, and shall be approved when confirmed in writing. Such amendments or revisions shall have the same effect as the original Contract and will form an integral part hereof. Any revision, amendment

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or addition shall not prejudice the rights and obligations arising from or based on this contract before or up to the date of such revision, amendment, or addition.

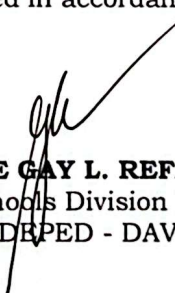
If any provision of this Contract or any amendment or document executed in connect herewith is declared invalid, illegal, or unenforceable, in any respect by a court of competent jurisdiction, the remaining provisions in of this Contract shall remain in full force and effect, and are hereby ratified by the **PARTIES**.

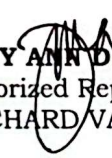
18. This Contract shall not be construed to create any agency, employee-employer relationship, or such other relationship not otherwise contemplated under this Contract.
19. The **PARTIES** warrant that they are compliant with the laws on business, manpower, permits, and licenses under Philippine laws and that their capacity to enter into this Contract is not restricted by any other agreement and does not require the consent of any third party.

The **PARTIES** and their representatives herein represent and warrant to each other that each has all the requisite power, authority, and legal capacity to enter into this Contract, and to perform each of their respective obligations and of the organizations that they represent in accordance with the terms and conditions hereof.

IN WITNESS WHEREOF, the **PARTIES** hereto have caused this Contract to be executed in accordance with governing laws on the day and year first above written.

SIGNED, SEALED AND DELIVERED BY:


PHOEBE GAY L. REFAMONTE, CESO VI
Schools Division Superintendent
DEPED - DAVAO DE ORO


LADY ANN D. MINERVA
Authorized Representative
ORCHARD VALLEY, INC.

SIGNED IN THE PRESENCE OF:

DEPED's Witness



Supplier's Witness

CERTIFIED FUNDS AVAILABLE:


LEWI MAT DEXTER M. BELLO, CPA
Accountant III

REPUBLIC OF THE PHILIPPINES)

ILIG CITY) S.S

ACKNOWLEDGMENT

BEFORE ME, a Notary Public for and in ILIG CITY, Philippines,
this 10 day of OCT 2025 personally appeared:

Name	Government Issued ID (Number, Issued on, Issued By)	Date of Issuance / Valid Until
PHOEBE GAY L. REFAMONTE, CESO VI	National ID: 4395-1286-1469-3482	February 06 2022
LADY ANN D. MINERVA	<u>CHN - 001 - 7477-70</u>	

Known to me and to me known to be the same persons who executed the foregoing CONTRACT consisting of seven (7) pages including this page whereon this Acknowledgment is written, and the annexed Terms and Conditions, and acknowledged to me that the same is their free and voluntary act and deed, and that they are duly authorized by the entities they represent.

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

Doc. No. 37;
Page No. 09;
Book No. IV;
Series of 2025.

NOTARY PUBLIC

ATIL MARCON D. LEGURPA
Notary Public, City and Province of Ilig
Notarial Commission Reg. No. 25
Issued on February 12, 2024, Ilig City
For a term ending on December 31, 2025
Mechanics Floor, CRDI Bldg. Cor.
Ledesma Quezon Sts., City Proper, Ilig City
PTR No. 8818238 / January 06, 2025 / Ilig City
IBP Lifetime No. 018851 / Ilig City Chapter
Roll of Attorney No. 55537
MCLE Compliance No. VI-0010239

TERMS AND CONDITIONS

MILK PRODUCT QUALITY & PACKAGING

- SDO- DAVAO DE ORO** shall source its supplies from local dairy farms, producers, and/or dairy cooperatives, and shall ensure that the type of milk to be supplied should either be Pasteurized Milk **OR** Sterilized Carabao's/Cow's Milk.
- SDO** and **ORCHARD** may agree on the flavor/s of the milk.
- The milk products should contain the following Nutritional Contents per serving:

Particulars	Minimum amount per Serving of Milk
Energy	≥ 130 kcal
Protein	≥ 4 grams
Total Fat	≤ 7 grams
Saturated Fat	≤ 4 grams
Carbohydrate	15-24 grams
Sugar	15-24 grams
Calcium	220-680 milligrams

Energy, Protein, Carbohydrates and Fats must be expressed in or rounded off to whole numbers, but not in any way lower than the minimum amount as stated above.

- The milk should be packed individually using the standard design, with a serving size of 180-200ml per pack
- Sterilized milk should be packed in *Food-grade polyethylene pouches or High Density Polyethylene (HDPE)*
- Essential storage instructions/information must be prominently displayed on the label (e.g. "Best Before Date", the "Expiration Date", "Keep Refrigerated", "Store in a Cool Dry Place", "Serve chilled", "Shake Well Before Consuming", etc.).

DELIVERY

- The mode, schedule and other specifications of delivery shall be determined by the **SDO-Davao de Oro** and the **ORCHARD** in consideration of the local conditions, and the provisions under the Operating MOA. Delivery must be made once or twice a week at the drop-off schools during school days only, until 4:00 PM (or end of business day). No delivery shall be made during holidays and weekends.
- The Supplier's delivery personnel should wear clean attire with Personal Protective Equipment (PPE) such as face masks, hair net, hand gloves, etc., and covered footwear. They are also not allowed to smoke while inside DepEd/school premises.
- The Supplier's vehicle(s) should be clean and regularly sanitized. It should not be used to transport unhygienic materials such as wastes, sand, stones, and other construction materials.

STORAGE

- In addition to the storage instructions from BLSS-SHD, supplies must be unloaded at a stockroom or designated area; safekeeping of milk stocks shall be the responsibility of the School Head and school personnel.
- The Sterilized milk shall be stored in freezers or chillers shall be stored in a cool, dry place prior to its distribution at lunch time. When necessary for preservation, unused delivered stocks for the day shall be stored properly to ensure its quality and freshness.

INSPECTION & ACCEPTANCE

- All deliveries of the **ORCHARD** shall be subject to inspection and acceptance by the **SDO**.
- All milk packs and bottles to be delivered should be clean, without leaks, and not spoiled. Signs of spoilage include, but is not limited to, off odor, bulging packs, curdled or with lumps, thick texture, slimy or clotty.
- All complaints must be addressed before the expiry date.

RECALL AND REPLACEMENT

- SDOs** shall reject all milk packs that are unclean, with leaks, and spoiled subject to replacement by the **ORCHARD** using their buffer stocks or on the next delivery.
- In the event of food poisoning, dairy allergies, and other food-borne illnesses proven to be caused by defective milk prior to acceptance which may lead to hospitalization or death of a beneficiary, the local dairy producer and/or cooperative shall provide the immediate necessary assistance without need of any demand from the NDA, in accordance with the agreement of both **PARTIES** to be followed by a thorough investigation.
- Prior to the conduct of or pending investigation, the Supplier shall immediately recall and replace the milk products.