

SERVICE CONTRACT

This Service Contract (this "Contract") is entered into and executed by and between:

PHILIPPINE AMUSEMENT AND GAMING CORPORATION (PAGCOR), a government owned and controlled corporation created and existing by virtue of *Presidential Decree 1869*, as amended, with office address at the PAGCOR Executive Office, New Coast Hotel Manila, MH Del Pilar cor. Pedro Gil Streets, Malate, Manila, represented in this act by its General Manager, **JETHRO Z. CHANCOCO**, hereinafter referred to as "**PAGCOR**";

-and-

PHILCOPY CORPORATION, a corporation duly organized and existing under the laws of the Republic of the Philippines, with office address at Philcopy Building, 793 J.P. Rizal Avenue, Poblacion, Makati City, represented in this act by its TSD-Manager, **GOMER C. LAGMAY**, duly authorized for this purpose by a Secretary's Certificate dated December 3, 2021 hereto attached as Annex "A", hereinafter referred to as the "**CONTRACTOR**".

Each referred to as a "**PARTY**" and collectively as the "**PARTIES**".

The parties warrant that they are duly organized, registered, validly existing and in good standing under the laws of the Republic of the Philippines, and that parties and their representatives are capable and have the requisite power, authority, permits, clearances and licenses, to enter into this Service Contract and to perform all of its obligations under this Contract.

RECITALS:

WHEREAS, **PAGCOR** requires the Supply and Delivery of Various Spare Parts of Existing Kyocera Copying Machine for the Logistics Management Section under ITB No. DC21-10-002WINa-11 (the "Services");

WHEREAS, pursuant to Section 50 (c)¹, the **CONTRACTOR** has submitted a responsive quotation to undertake the Services and **PAGCOR** has accepted the proposal of the **CONTRACTOR**, subject to the terms and conditions hereunder stipulated;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements hereunder specified by these presents, **PAGCOR** and the **CONTRACTOR** hereby enter into this Contract under the following terms, conditions and stipulations:

¹ "Section 50. Direct Contracting

xxx.....xxxxx...xxx

(c). Those sold by an exclusive dealer or manufacturer which does not have sub-dealers selling at lower prices and for which no suitable substitute can be obtained at more advantageous terms to the GOP."

I. SCOPE OF SERVICES

The **CONTRACTOR** undertakes to provide the Services in accordance with the accomplished Request for Quotation (RFQ) which is attached as "Annex B" and made an integral part of this Contract. The items covered by this Contract as well as their corresponding unit cost are as follows:

	DESCRIPTION	QTY/UNIT OF MEASURE	UNIT PRICE	AMOUNT (In Philippine Peso)
1.	KYOCERA DK-6306	1 ASSEMBLY	PhP 40,000.00	PhP 40,000.00
2.	KYOCERA FK-6307 B	1 ASSEMBLY	20,100.00	20,100.00
3.	KYOCERA FK-8550	1 ASSEMBLY	43,700.00	43,700.00
4.	KYOCERA MAINTENACE KIT MK-6319A	1 SET	52,500.00	52,500.00
5.	KYOCERA MAINTENANCE KITMK-6335	1 SET	56,000.00	56,000.00
6.	KYOCERA DK-1150	1 ASSEMBLY	8,800.00	8,800.00
7.	KYOCERA FK-1150	1 ASSEMBLY	10,980.00	10,980.00
8.	KYOCERA MAINTENANCE KITMK-1175	1 SET	10,500.00	10,500.00
9.	KYOCERA MC-6720	1 PIECE	5,934.00	5,934.00
10.	KYOCERA PARTS PWB MAINASSY SP	1 PIECE	52,427.00	52,427.00
11.	KYOCERA PARTS UNIT HIGH VOLTAGE MAIN SP	1 PIECE	7,433.00	7,433.00
12.	KYOCERA-MITA PARTS UNIT LOW VOLTAGE SP	1 PIECE	14,564.00	14,564.00
13.	KYOCERA-MITA PARTS PWB ENGINE ASSY SP	1 PIECE	15,556.00	15,556.00
14.	KYOCERA-MITA PARTS STORAGE DEVICE SP	1 PIECE	13,860.00	13,860.00
15.	KYOCERA-MITA PARTS CLEANER REGIST ASSY SP	1 PIECE	3,069.00	3,069.00
16.	KYOCERA-MITA PULLEY LF	1 PIECE	3,719.00	3,719.00
17.	KYOCERA-MITA BELT PF	1 PIECE	2,217.00	2,217.00

18.	KYOCERA-MITA PULLEY SEPARATION	1 PIECE	3,830.00	3,830.00
19.	KYOCERA PARTS PULLEYSET SP	1 PIECE	1,599.00	1,599.00
20.	KYOCERA PARTS PULLEYFEED ASSY SP	1 PIECE	1,060.00	1,060.00
21.	KYOCERA BELT ISU	1 PIECE	276.00	276.00
22.	KYOCERA GUIDE LIFT	1 PIECE	506.00	506.00
23.	KYOCERA GUIDE WIRE DRIVE	1 PIECE	334.00	334.00
24.	KYOCERA PARTS TONER HOPPER MONO	1 PIECE	6,357.00	6,357.00
25.	KYOCERA GEAR Z17S-Z42S	1 PIECE	112.00	112.00
26.	KYOCERA GEAR Z40L Z41S	1 PIECE	112.00	112.00
27.	KYOCERA MC-8550	1 PIECE	4,410.00	4,410.00
28.	KYOCERA PARTS TC TERMINAL MONO ASSY SP	1 PIECE	4,442.00	4,442.00
29.	KYOCERA PARTS DRIVE PRESS RELEASE ASSY SP	1 PIECE	3,167.00	3,167.00
30.	KYOCERA PARTS PLATE DRIVE FUSER ASSY SP	1 PIECE	3,229.00	3,229.00
31.	KYOCERA-MITA RETARD ROLL ASSY	1 PIECE	3,279.00	3,279.00
32.	KYOCERA-PULLEY PICK UP ASSY	1 PIECE	394.00	394.00
33.	KYOCERA-MITA PULLEY FEED ASSY	1 PIECE	628.00	628.00
34.	KYOCERA ACTUATOR MPF	1 PIECE	112.00	112.00
35.	KYOCERA SPRING ACTUATOR MPF	1 PIECE	112.00	112.00
36.	KYOCERA-MITA ROLLER M/P ASSY	1 PIECE	492.00	492.00
37.	KYOCERA PAD SEPARATION	1 PIECE	284.00	284.00
38.	KYOCERA PARTS UNIT HIGH VOLTAGE SP	1 PIECE	8,179.00	8,179.00

39.	KYOCERA LK-1150	1 PIECE	11,162.00	11,162.00
40.	KYOCERA PARTS SENSOR A4 CIS SP	1 PIECE	4,504.00	4,504.00
41.	KYOCERA CONN. CORD ASSY FFC ISU	1 PIECE	290.00	290.00
42.	KYOCERA PARTS PWB MAIN ENGINE ASSY SP	1 PIECE	16,901.00	16,901.00
43.	KYOCERA PARTS OPERATION ASSY SP	1 PIECE	7,285.00	7,285.00
44.	KYOCERA HINGE LOW	1 PIECE	322.00	322.00
45.	KYOCERA HINGE UP	1 PIECE	302.00	302.00
46.	KYOCERA-MITA PULLEY, LEADING FEED ADF	1 PIECE	408.00	408.00
47.	KYOCERA-MITA PULLEY, PAPER FEED	1 PIECE	292.00	292.00
48.	KYOCERA PARTS HOLDER PAD ASSY SP	1 PIECE	2,623.00	2,623.00
49.	KYOCERA PARTS UNIT LOW VOLTAGE 230V SP	1 PIECE	10,164.00	10,164.00
50.	KYOCERA CONN.CORD ASSY FFC APC	1 PIECE	112.00	112.00
51.	KYOCERA PARTS ROLLER REGIST LOW SP	1 PIECE	2,537.00	2,537.00
52.	KYOCERA PULLEY RETARD	1 PIECE	354.00	354.00
53.	KYOCERA PULLEY FEED	1 PIECE	350.00	350.00
	TOTAL		PhP461,879.00	PhP461,879.00

- garcia*
- i. The **CONTRACTOR** shall submit a Quotation Form for the determination of the parts to be replaced. The Logistics Management Section Officer or his/her authorized representative shall sign the conforme portion of the Quotation Form to confirm the delivery and Installation of the spare parts of the copier.
 - ii. The **CONTRACTOR** should complete the supply, delivery and installation of the parts to be replaced within fifteen (15) calendar days from the receipt of the Quotation Form duly signed by the LMS Officer or his/ her authorized representative.

garcia

[Handwritten signatures]

- iii. The **CONTRACTOR** after replacement of parts should submit to LMS the corresponding Sales Invoice, Delivery Receipt and Service Report duly acknowledge by the requesting division/section.
- iv. If there is any conflict between the provisions of this Contract and the duly accomplished RFQ, the latter shall prevail.

II. CONTRACT PRICE

1. The Contract Price shall be in the amount of **Four Hundred Sixty-One Thousand Eight Hundred Seventy-Nine Pesos (PhP461,879.00)**, VAT Exclusive, Zero Rated Transaction for a period of one (1) year or until contract price is depleted/consumed whichever comes first.

2. Both parties agree that the total price stated herein includes all applicable taxes, fees and charges required by the government. The **CONTRACTOR** holds **PAGCOR** free from liability for any or all taxes, fees and charges required by the government arising out of this transaction.

3. The prices herein agreed upon shall not be subject to any increase or upward adjustment for any reason or cause whatsoever for the duration of this Contract.

III. SCHEDULE OF PAYMENT

1. The **CONTRACTOR** shall submit a VAT Exclusive and Zero-Rated Statement of Account to PAGCOR every 10th of the month. The Statement of Account shall be verified by Logistics and Management Section (LMS) with the Quotation Form, Sales Invoice and Delivery Receipts duly signed by the authorized representative of **PAGCOR**. However, items found unsatisfactory and/or not conformed to by **PAGCOR** shall not be paid.

2. **PAGCOR** shall pay the billing statement within thirty (30) calendar days from its receipt of the billing statement provided that any additional, necessary and / or required supporting documents are submitted by the **CONTRACTOR** and are verified by **PAGCOR**.

3. **PAGCOR** shall not be under any obligations to pay the **CONTRACTOR** the entire amount of the Contract Price. Moreover, the aggregate billings under this Services Contract shall not exceed the contract price.

4. **PAGCOR** shall not be liable for any other costs except as provided for under this Contract.

5. **PAGCOR** can order the spare parts enumerated in the RFQ. The quality and kind shall be determined by **PAGCOR** depending on the needs and demand of the division/section. It is understood that the unit price indicated in the RFQ and Contract is fixed for the duration of the Contract and the installation of the spare parts is free of service.

6. Payment shall be based on actual consumption and billing and shall be subjected to the appropriate withholding taxes.

IV. CONTRACT TERM

1. This Contract shall be for a period of one (1) year to commence from the date of receipt of the Notice to Proceed or upon the exhaustion of the contract price, whichever comes first. However, this Contract shall be automatically terminated if the contract price is exhausted before the termination date.

2. **PAGCOR** may terminate this Contract with or without cause, without need for judicial intervention, and without incurring any obligation whatsoever, upon thirty (30) days written notice to the **CONTRACTOR**.

3. Should the **CONTRACTOR** incur delay in the performance of its obligation, the **CONTRACTOR** shall pay a penalty equivalent to one tenth (1/10) of one percent (1%) of the total cost of unperformed portion for every day of delay. The maximum deduction shall be ten percent (10%) of the amount of the Contract. Once the cumulative amount of liquidated damages reaches ten percent (10%) of the amount of the Contract, **PAGCOR** shall have the option to rescind this Contract, without prejudice to other courses of action and remedies open to it.

4. In case the **CONTRACTOR** still fails to deliver the Services after the lapse of thirty (30) days from the supposed date of implementation as provided for in this Contract, **PAGCOR** shall have the option to terminate this Contract, without prejudice to other courses of action and remedies open to it.

V. NO EMPLOYER-EMPLOYEE OR AGENCY/PARTNERSHIP RELATIONSHIP

1. There shall be no employer-employee relationship between **PAGCOR** and the employees of the **CONTRACTOR**. The **CONTRACTOR** shall have the entire charge, control and supervision of the Services herein agreed upon. The **CONTRACTOR** shall be responsible for all acts and omissions of its agents, personnel and all persons allowed by it to have access to **PAGCOR**'s premises, for any injury which may be caused to any person or property while remaining either casually or in business in any part of **PAGCOR**'s premises. Any accident, injury or sickness of any kind, or death that may occur to any agent, personnel of the **CONTRACTOR** consequent to the performance of the Services under this Contract shall be the **CONTRACTOR**'s sole responsibility. The **CONTRACTOR** further binds itself to indemnify and hold **PAGCOR** free and harmless from any claim on account of the aforementioned injuries or damages.

2. Any offense committed by any of the **CONTRACTOR**'s personnel shall constitute a breach of this Contract. **PAGCOR** shall communicate to the **CONTRACTOR** all instances of such breach for immediate and appropriate action by the **CONTRACTOR**.

3. The **CONTRACTOR** shall comply with all of the obligations as an employer under the *Labor Code*, its implementing rules and regulations and all applicable laws and regulations. Non-compliance therewith shall be for its exclusive risk and responsibility and shall constitute a violation of and a ground for the termination of this Contract.

4. The relationship between the parties shall be limited to the performance of the obligations as stipulated under this Contract. Nothing herein shall be construed to create a general partnership between the parties, or to authorize any party to bind the other, except as set forth in this Contract, or to borrow money on behalf of another party, or to use the credit of any party for any purpose.

VI. WARRANTIES, CLEARANCES, PERMITS, LICENSES and TAXES

1. The **CONTRACTOR** warrants that there are no actions, suits or proceedings pending or threatened, which may have a material adverse effect on its ability to fulfil its obligations under this Contract or on its operations, business, properties, assets or business condition.

2. The **CONTRACTOR** hereby further warrants and represents that:

- a) The goods and specifications shall be as described in no. 1 of this Contract.
- b) It has good title to the goods described in the RFQ, full authority to sell and transfer the same and that the items are sold free and clear of all liens, encumbrances', liabilities and adverse claims, of every nature and description.
- c) It will fully defend, protect, indemnify, and hold **PAGCOR** harmless from any and all adverse claims that may be made by any party for the possession and/or the use of the goods.
- d) The defective items shall be replaced within seven (7) calendar days from receipt of the notice to replace. Failure of the **CONTRACTOR** to replace within the given time shall cause the **CONTRACTOR** to be liable to the penalty equivalent to one tenth (1/10) of one percent (1%) of total cost of unperformed portion of every day of delay. The maximum deduction shall be ten percent (10%) of the amount of the Contract. Once the cumulative amount of liquidated damages reaches ten percent (10%) of the amount of the Agreement. **PAGCOR** shall have the option to rescind the Contract, without prejudice to other courses of action and remedies open to it.
- e) **PAGCOR** accepts no liability for the damage of the goods during transit, risk and title will be deemed to have passed **PAGCOR** only upon receipt and final acceptance of the goods.
- f) It shall pay taxes in full and on time, failure to do so will entitle **PAGCOR** to suspend payment.
- g) Without prejudice to manufacturer's warranty, in order to assure that manufacturing defects will be corrected by the **CONTRACTOR**, a warranty shall be required from it for a period of three (3) months from the date of acceptance of the delivered items.
- h) The obligation for the warranty shall be covered by a retention money equivalent to one (1) percent (1%) of every progress payment.

- i) Said amount shall be released after the lapse of the warranty period provided the goods supplied are free from patent and latent defects and all conditions imposed under this Contract have been fully met.

3. All taxes, amounts, claims, and expenses pertaining to clearances, licenses, permits, registrations or renewals thereof, required by **PAGCOR** or the appropriate government entities for the Services to be performed under this Contract shall be for the exclusive account of the **CONTRACTOR**.

4. The **CONTRACTOR** shall pay its taxes in full and on time. The **CONTRACTOR** shall also present a tax clearance from the Bureau of Internal Revenue (BIR) and a copy of its income and business tax returns, duly stamped, received and validated by the BIR, indicating the tax payments made thereon. Its failure to do so shall entitle **PAGCOR** to suspend payment for services rendered by the **CONTRACTOR**.

VII. INDEMNIFICATION

1. The **CONTRACTOR** will defend, protect, indemnify, and hold **PAGCOR** harmless from any and all adverse claims that may be made by any party in connection with this Contract. The indemnification is limited to the services delivered to **PAGCOR** by the **CONTRACTOR** and does not cover third party claims not authorized by the **CONTRACTOR**.

2. The **CONTRACTOR** hereby holds **PAGCOR** its guests, corporate affiliates, directors, officers, employees and agents free and harmless from any and all actions or liabilities arising out of this Contract, including, without being limited to, claims for unpaid and back wages, regularization, and other terms and conditions of employment, as well as civil and criminal liabilities that the **CONTRACTOR** and / or **PAGCOR** may incur as a result of, or arising out of, the conduct and / or pursuit of Services and to indemnify the **PAGCOR** from and against the costs of defending any action, suit or proceedings, including legal fees or other expenses incurred in relation to any such claims mentioned above.

3. The **CONTRACTOR** shall indemnify and shall hold **PAGCOR**, its directors, officers, employees, agents, customers and guests and corporate affiliates and any employee or agent thereof (each of the foregoing, being hereinafter referred to individually as the "Indemnified Party") free and harmless against any and all liability to third parties (other than liability solely the fault of the indemnified party) arising from the negligence of the **CONTRACTOR** or its agents including (but not limited to) the violation of any third party's trade secret, proprietary information, trademark, copyright or patent rights in connection with the use of **PAGCOR** of the **CONTRACTOR**'s services.

4. The **CONTRACTOR** agrees to protect and to exercise due care and proper handling of the properties of **PAGCOR** during the performance of this Contract. The **CONTRACTOR** shall be jointly and severally liable with its personnel and shall indemnify and hold **PAGCOR** free and harmless for any death, injury or damage to **PAGCOR** and to third person or loss, breakage, or destruction of properties, as a consequence of the **CONTRACTOR**'s acts or omissions, wilful intent or negligence, during the performance of the Services or its obligations under this Contract.

5. The **CONTRACTOR** shall be liable in case of theft, robbery or any loss to **PAGCOR's** premises serviced by the **CONTRACTOR's** personnel. The **CONTRACTOR** hereby agrees to replace, repair or restitute any loss involving its personnel.

VIII. CLAIMS AND DISPUTES

All claims and disputes relating to or arising out of this Contract, shall as much as possible, be settled amicably by the parties before resorting to any judicial action.

If the parties fail to settle their difference or disputes, the parties waiving for the purpose any other venue, hereby agree that the courts of the City of Manila shall be the exclusive venue of any or all actions or suits between the parties to the exclusion of all other courts and venues. This exclusive venue provision shall apply even in cases for declaration of nullity of this Contract in its entirety or in part.

IN WITNESS WHEREOF, the Parties hereto have signed these presents on this _____ day of _____, 2022 at _____.

PHILIPPINE AMUSEMENT AND GAMING CORPORATION
TIN: 033-000-887-972

PHILCOPY CORPORATION
TIN: 000-169-318-000

Represented by:

Represented by:




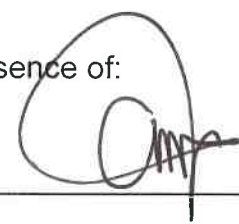
JETHRO Z. CHANCOCO
General Manager
TIN: 101-992-808-000



GOMER C. LAGMAY
TSD - Manager
TIN: 207-433-063-000

Signed in the presence of:





A C K N O W L E D G M E N T

REPUBLIC OF THE PHILIPPINES)
CITY OF MANILA) S.S.

BEFORE ME, this 28 FEB 2022 in CITY OF MANILA,
personally appeared:

NAME

GOVERNMENT ID NO.

JETHRO Z. CHANCOCO


PAGCOR ID No.87-0228
Issuance date: March 1, 2021
Place of Issuance: Manila

and presented to me an integrally complete document / instrument for acknowledgement. He represented and declared to me that he voluntarily affixed the signatures appearing on the instrument / document for the purposes stated therein and that he executed the instrument / document as his free and voluntary act and deed (and if he acted in representative capacity, he has the authority to sign in that capacity).

The instrument / document referred to is consisting of ten (10) pages including the page on which this Acknowledgement is written duly signed by the parties and their instrumental witnesses.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal on the date and place first above written.

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Book No. VII
Series of 2022


EMMANUEL ALBUQUERQUE, JR.
NOTARY PUBLIC
FOR AND IN THE CITY OF MANILA
OFFICE: NEW WORLD MANILA BAY HOTEL & CASINO
M.H. DEL PILAR ST. MALATE, MANILA
COMMISSION NO. 2019-045/UNTIL DEC. 31, 2028
ROLL NO. 712099/BP MANILA CHAPTER
MCLE COMPLIANCE NO. VI-0016394/UNTIL 4-15-2022
PTR NO. 0087807/JAN 10 2022/MANILA




MARIE CHRISTINE D. TORRES



ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) S.S.

BEFORE ME, this 17 FEB 2022 in MAKATI CITY,
personally appeared:

NAME	GOVERNMENT ID ISSUED	PLACE OF ISSUE/ DATE OF ISSUE/ VALIDITY
GOMER C. LAGMAY	DRIVER'S LICENSE	License No.: N01-11-025262 Expiration Date: 2022-09-15 Agency Code: N06

and presented to me an integrally complete document / instrument for acknowledgement. He represented and declared to me that he voluntarily affixed his signature appearing on the instrument / document for the purposes stated therein and that he executed the instrument / document as his free and voluntary act and deed (and if he acted in representative capacity, he has the authority to sign in that capacity).

The instrument / document referred to is consisting of ten (10) pages including the page on which this Acknowledgement is written duly signed by the parties and their instrumental witnesses.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal on the date and place first above written.

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Book No. 7
Series of 2022.

JOSHUA T. LAPUZ
 Notary Public for Makati City
 Appointment No. M-19 / Until 12-31-23
 Roll No. 45790 / IBP Life No. 04897 / 07-03-03
 PTR-O.R. No. 8852510 / 01-03-22 / Makati City
 MCLE No. VI-0016565 / 01-14-19
 G/F Fedman Suites, 199 Salcedo St.,
 Legaspi Village, 1229 Makati City