

# SERVICE CONTRACT

This SERVICE CONTRACT (the "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 No. 1869, as amended, with office address at **PAGCOR** Executive Office, Fifth (5<sup>th</sup>) Floor, New Coast Hotel Manila, 1588 M.H. Del Pilar cor. Pedro Gil Streets, Malate, Manila, represented by its Chairman and Chief Executive Officer, **ALEJANDRO H. TENGCO**, hereinafter referred to as "**PAGCOR**";

-and-

**PHILSTAR DAILY, INC.**, a corporation duly organized and existing under the laws of the Republic of the Philippines, with office address at 202 Roberto S. Oca St., cor. Railroad St., Brgy. 650, Port Area, Manila, represented in this act by its Account manager, **EDWIN L. MONFORTE**, duly authorized for this purpose by a Secretary's Certificate dated May 12, 2022, hereto attached as Annex "A", hereinafter referred to as the "**CONTRACTOR**".

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

## RECITALS:

**WHEREAS**, **PAGCOR** has a requirement for the Procurement of Print AD Placements – Philippine Star, (the "Services") under ITB No. SS22-06-032CORa-11, which was approved by the previous **PAGCOR** Board of Directors and included in the 2022 Annual Procurement Plan (APP);

**WHEREAS**, **PAGCOR** conducted a Negotiated Procurement – Scientific, Scholarly or Artistic Work, Exclusive Technology and Media Services in accordance with Republic Act No. 9184 (Government Procurement Reform Act) and its 2016 Revised Implementing Rules and Regulations on December 1, 2022 for the procurement of Project;

**WHEREAS**, the **CONTRACTOR** has submitted the Single Calculated Responsive Quotation (SCRQ) for the project;

**WHEREAS**, considering all the requisites were met, **PAGCOR** has accepted the proposal of the **CONTRACTOR**, subject to the terms and conditions hereunder stipulated;

**WHEREAS**, the Special Assistant to the President and Chief Operating Officer, duly delegated on November 24, 2022, approved the award of the contract to the **CONTRACTOR**;

**WHEREAS**, the contract for the Project was finalized during the incumbency of the new **PAGCOR** Board of Directors (BOD), hence, the same shall be signed by the new Chairman and CEO.

**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 Service Contract under the following terms, conditions and stipulations:

**I. SCOPE OF SERVICES**

1. The **CONTRACTOR** shall undertake to provide the Print Ad Placements for Entertainment Department (ED) in **PHILSTAR DAILY, INC.** in accordance with the Technical Specifications as detailed in the accomplished Request for Quotation (RFQ) submitted during the procurement of this project. A copy of the RFQ is attached as Annex "B" and made an integral part of this Service Contract.

2. In case of conflict between the provisions of this contract and the Accomplished RFQ submitted by the **CONTRACTOR** during the procurement process (i.e. Request for Quotation/Terms of Reference), the latter shall prevail.

3. The **CONTRACTOR** shall provide the following:

<b>Procurement of Print AD Placements - Philippine Star</b>
<b>Requirements:</b> Quarter Page, Full color - 5 cols (16.38cms) x 24cms
<b>Number of Inserts:</b> Thirty-Five (35) ad inserts
<b>Contract Period:</b> For a period of one (1) year from the date of receipt of the Notice to Proceed (NTP) or until Contract Price have been exhausted, whichever comes first.
<b>Additional Terms and Conditions:</b>
Publication Materials shall be provided by Entertainment Department (ED)
The <b>CONTRACTOR</b> shall coordinate with ED the material to be published based on the number of insertions allotted.
The <b>CONTRACTOR</b> shall coordinate with ED the insertion dates prior to publication of the print ad.
The publication order shall be duly signed by the <b>CONTRACTOR</b> and <b>ED</b> representatives before proceeding with the publication.
The <b>CONTRACTOR</b> shall provide ED with three (3) copies of the published ad as proof of publication at the Fourth (4 <sup>th</sup> ) Floor, PAGCOR Corporate Annex Office, 1105 United Nations Avenue corner Maria Orosa Street, Ermita Manila.
<b>PROJECT SITE/DELIVERY SITE:</b> Entertainment Department, Fourth (4 <sup>th</sup> ) Floor, PAGCOR Corporate Annex Office, 1105 United Nations Avenue corner Maria Orosa Street, Ermita Manila
<b>PAGCOR REPRESENTATIVE:</b> Mr. Teodoro F. Barlaan 8526-0337 local 7007 Fourth (4 <sup>th</sup> ) Floor, PAGCOR Corporate Annex Office, 1105 United Nations Avenue corner Maria Orosa Street, Ermita Manila

**II. CONTRACT PRICE AND SCHEDULE OF PAYMENT**

1. The contract price for the procurement of the Services specified in Article I, shall be based on the actual print ad placements which shall not exceed the total amount of **Two Million One Hundred Forty-Two Thousand Pesos (PhP2,142,000.00)**, VAT Exclusive, Zero-Rated Transaction, with details as follows:

No. of Insertions	Technical Description	Unit Cost	Total Cost (Unit Cost x No. of Insertions)
		(VAT Exclusive, Zero-Rated Transaction)	
Thirty-Five (35)	Quarter Page, Full color -5 cols (16.38cms) x 24 cms	₱61,200.00	₱2,142,000.00

2. The cost of the print ads placed shall be billed per insertion, payable within fifteen (15) days upon receipt of Billing/Sales Invoice provided all conditions imposed under the contract have been fully met and subject to **PAGCOR**'s issuance of Certificate of Acceptance per insertion.

3. Payment shall be based on actual consumption and billing and shall be subject to the appropriate withholding taxes.

4. **PAGCOR** shall not be under any obligation to pay the **CONTRACTOR** the entire amount of the Budget. Moreover, the aggregate billings under this Contract shall not exceed the total budget.

5. The **CONTRACTOR** shall submit a VAT Exclusive and Zero-Rated billing statement for the print ad placements.

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

7. All rates provided by the **CONTRACTOR** per size of the advertisement shall be fixed and no increase shall be allowed for the duration of the contract.

### III. CONTRACT TERM

1. This Contract shall be a period of one (1) year from the date of receipt of the **CONTRACTOR** of the Notice to Proceed. However, this Contract shall be automatically terminated if the Budget 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. The **CONTRACTOR** shall perform/render the required Services within the time prescribed in this Contract.

Should the **CONTRACTOR** incurs delay or fails to perform or fails to satisfactorily render any or all of the Services required under the Contract within the specified schedule, inclusive of any time extension duly granted, the **CONTRACTOR** shall be liable for liquidated damages equivalent to one tenth (1/10) of one percent (1%) of the cost of the delayed or unperformed or unsatisfactorily performed Services for each day of delay, including Sundays and Holidays, until such Services are rendered and accepted by **PAGCOR**.

Such liquidated damages shall be paid by the **CONTRACTOR** or deducted from any money due or which may become due to the **CONTRACTOR**, or collected from any applicable securities or warranties posted by the **CONTRACTOR**.

In case the total sum of liquidated damages reaches ten percent (10%) of the total contract price, **PAGCOR** may rescind or automatically terminate the **CONTRACT** and impose appropriate sanctions over and above the liquidated damages to be paid, 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 the Contract, without prejudice to other courses of action and remedies open to it.

#### IV. CONTRACTOR'S WARRANTIES

The **CONTRACTOR** hereby warrants that:

1. It is an entity duly organized, validly existing and in good standing under the laws of the Republic of the Philippines, and it has the requisite power and authority to enter into and perform its obligations under this Contract.

2. 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.

3. That the Services to be rendered herein shall be as described under Article I of this Contract. The **CONTRACTOR** warrants that it has secured all the necessary government licenses and permits to allow it to render the Services agreed upon and that it is free from any liability of adverse claims, of every nature and description that would prevent or hinder it from the rendering the said Service.

4. 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 the rendition of the Services in Article I herein.

#### V. 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.

#### VI. INDEMNIFICATION

1. 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.



2. 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**.

## VII. CONFIDENTIALITY

All information disclosed to the **CONTRACTOR** arising out of or as a result of this Contract shall be confidential in nature and shall be used only for the purposes specifically related to this Contract. The **CONTRACTOR** will not, at any time, disclose such confidential information to any third party without **PAGCOR**'s prior written consent. The **CONTRACTOR** shall likewise be solidarily liable to **PAGCOR** for any unauthorized disclosures made by his officers, employees, agents and other persons acting on the **CONTRACTOR**'s behalf.

The obligations stated in this Confidentiality Clause shall also apply to confidential information negligently, unintentionally or inadvertently disclosed by **PAGCOR** (its officers, employees, agents, and any other persons acting on its behalf) and to disclosures made by a **PAGCOR** officer, employee, agent, and other persons ordinarily acting on its behalf, in breach of his/her obligation or duty to **PAGCOR**.

## VIII. TAXES AND LICENSES

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

The **CONTRACTOR** shall regularly present, within the duration of the Contract, a tax clearance from the Bureau of Internal Revenue (BIR) as well as a copy of its income and business tax returns duly stamped and received by the BIR and duly validated with the tax payments made thereon.

The **CONTRACTOR** shall pay taxes in full and on time, failure to do so will entitle **PAGCOR** to suspend payment for services rendered by the **CONTRACTOR**.

## IX. NO EMPLOYER-EMPLOYEE RELATIONSHIP

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 performance of the Services herein agreed upon. Any damage, accident, injury, or sickness of any kind, or death that may occur to any employee of the **CONTRACTOR** during the time and consequent to the performance of the work under this Contract shall likewise be the **CONTRACTOR**'s responsibility.

The **CONTRACTOR** further binds itself to hold **PAGCOR** free and harmless from any claim on account of the aforementioned injury or damage.

## X. MISCELLANEOUS PROVISIONS

In the event that the facts and circumstances arise or are discovered which render this Contract disadvantageous to the Government, the parties hereto agree immediately to re-negotiate its terms and conditions, or at the option of **PAGCOR**, terminate the same.

No terms and conditions of this Contract shall be waived and no breach or default excuse unless such waiver or excuse shall be in writing and signed by the party affected.

This Contract, and interests therein, may not be assigned or sub-contracted to another without the consent of the other party.

Any and all notices to be given pursuant to, or under this Contract, shall be in sent to the party to whom the notice is addressed at the address of the party indicated in this Contract.

If any provision hereof is prohibited or made unenforceable under any applicable law or by a competent court or authority, the same shall not affect any other provision of this Contract, which are otherwise valid and enforceable.

The parties agree to abide by these terms and conditions in good faith.

The relationship between the parties shall be limited to the performance of the terms and conditions of the Contract. Nothing in this Contract 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 other than what has been set forth herein.

Any right or remedy conferred by this Contract upon the parties shall not be exclusive of any other right or remedy of each party, whether under this Contract or provided or permitted at law or in equity, but each right or remedy shall be cumulative of every other right or remedy available to it.

This Contract constitutes the entire agreement between the parties pertaining to the subject matter contained in it, and supersedes all prior and contemporaneous agreements, representations, warranties and understandings of the parties. No supplement, variation or amendment of this Contract shall be binding unless executed in writing by the parties.

**IN WITNESS WHEREOF**, the Parties hereto have signed these presents on this \_\_\_\_\_ day of \_\_\_\_\_, 2023 at \_\_\_\_\_.

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

**PHILSTAR DAILY, INC.**  
TIN: 000-805-207-000

Represented by:

**ALEJANDRO H. TENGCO**  
Chairman and Chief Executive Officer  
TIN: 114-275-668-000

Represented by:

**EDWIN L. MONFORTE**  
Account Manager  
TIN: 132-627-123-00

Signed in the presence of:

**ACKNOWLEDGEMENT**

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

BEFORE ME, a Notary Public for and in City of CITY OF MANILA, Philippines, this  
\_\_\_\_\_ day of 1 MAY 2023, 2023, personally appeared:

<b>NAME</b>	<b>ID ISSUED AT/ON</b>
<b>ALEJANDRO H. TENGCO</b>	Passport No.: <b>P0803246C</b> Date Issued: <b>July 5, 2022</b> Expiration Date: <b>July 4, 2032</b> Issuing Authority: DFA Manila

and presented to me an integrally complete documents/instrument for acknowledgement. He represented and declared to me that he voluntarily affixed appearing on the instrument/documents 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 a Service Contract consisting of eight (8) pages, including the page on which this Acknowledgment is written duly signed by the parties and their instrumental witnesses on each and every page hereof.

**WITNESS MY HAND AND NOTARIAL SEAL**, at the place and on the date first above written.

Doc No. 422 ;  
Page No. 86 ;  
Book No. VIII ;  
Series of 2023.  
MCLE Compliance No. \_\_\_\_\_

*[Signature]*  
**ATTY. ANGEL CARLO T. TALATA**  
 NOTARY PUBLIC  
 FOR AND IN THE CITY OF MANILA  
 6<sup>TH</sup> FLR, NEW COAST HOTEL MANILA & CASINO  
 1588 M.H. DEL PILAR ST. MALATE, MANILA  
 COMAL No. 2023-099/ Valid Until 12-31-2024  
 ROLL No. 68386/ MANILA CHAPTER IV  
 MCLE Compliance No. VII - 0008301/ Valid Until 4-14-2025  
 PIR No. 0873647/ Valid Until 12-31-2023

*[Signature]*  
**Andrea Marie V. Fontanilla**  
 5/11/2023

*[Signature]*  
**WILZA S. MAGPUSAO**

**ACKNOWLEDGEMENT**

REPUBLIC OF THE PHILIPPINES)  
\_\_\_\_\_ ) S.S.

**BEFORE ME**, a Notary Public for and in City of \_\_\_\_\_, Philippines, this \_\_\_\_\_ day of \_\_\_\_\_, 2023, personally appeared:

10 MAR 2023


<b>NAME</b>	<b>ID ISSUED AT/ON</b>
<b>EDWIN L. MONFORTE</b>	DRIVER'S LICENSE NO.: N04-94-315947 Expiration Date: March 9, 2024

and presented to me an integrally complete documents/instrument for acknowledgement. She represented and declared to me that he voluntarily affixed appearing on the instrument/documents for the purposes stated therein and that he executed the instrument/document as he 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 a Service Contract consisting of eight (8) pages, including the page on which this Acknowledgment is written duly signed by the parties and their instrumental witnesses on each and every page hereof.

**WITNESS MY HAND AND NOTARIAL SEAL**, at the place and on the date first above written.

Doc No. 356 ;  
Page No. 73 ;  
Book No. I ;  
Series of 2023.  
MCLE Compliance No. \_\_\_\_\_

  
**ATTY. GARY A. SANCIO**  
 Notary Public  
 Until December 31, 2024  
 Adm. Matter No. 177  
 Roll No. 44261  
 IBP No. 1082447 (LIFETIME) /06-30-17 / QC  
 PTR No. 4029362 / 01-06-2023/ QC  
 MCLE Compliance No. VII-9011638 / 03-01-22

*Handwritten mark*

  
WILZA S. MAGPUSAO



# SECRETARY'S CERTIFICATE

ANNEX A

I, FELICIANO ISAAC G. BELMONTE, of legal age, married, with business address at Railroad cor. Roberto Oca Sts., Port Area, Manila, after being duly sworn to in accordance with law hereby depose and state that:

- 1) I am the duly appointed Corporate Secretary of PhilSTAR Daily, Inc., a corporation duly organized and existing in accordance with the Philippine laws, with the same business address as stated above. PhilSTAR Daily, Inc. is the publisher of The Philippine Star;
- 2) As such, I have custody of all the corporate records of said corporation;
- 3) At the special meeting held on May 12, 2022 the following resolution was unanimously approved by the directors present:

"RESOLVED, as it is hereby RESOLVED that EDWIN L. MONFORTE, a competent officer of the corporation, be authorized as he is hereby authorized to deal, bid and transact, for and in behalf of the PhilSTAR Daily, Inc. with the PAGCOR regarding all the print advertisement placements of PAGCOR in The Philippine Star;

"RESOLVED, further that, EDWIN L. MONFORTE, be authorized as he is hereby authorized to accomplish, sign, execute, deliver and receive all papers and/or documents foregoing authority;

There being no further business before the meeting, the same on motion adjourned."


FURTHER AFFIANT SAYETH NAUGHT.

IN WITNESS WHEREOF, I have hereunto affixed my signature this \_\_\_\_ day of May 2022 in Quezon City.



FELICIANO ISAAC G. BELMONTE  
Affiant

SUBSCRIBED AND SWORN to before me this \_\_\_\_ day of May 2022 in Quezon City. Affiant is personally known to me and exhibited to me his Driver's License No. N07-79-024867 which is valid until January 4, 2023.



ATTY. GARY A. SANCIO  
Notary Public

Until December 31, 2022  
Adm. Matter No. NP-146 2021-2022  
Roll No. 44261

IBP No. 1082447 / 06-30-17 / Q.C.  
PTR No. 0699756 / 01-08-2021 / QC

MCLE COMPLIANCE NO. VII-0011638/03-01-22

DOC. NO. 212 ;  
PAGE NO. 44 ;  
BOOK NO. XIV ;  
SERIES OF 2022