

CONSULTANCY CONTRACT

This CONSULTANCY CONTRACT is made and executed by and between:

PHILIPPINE AMUSEMENT AND GAMING CORPORATION, a government -owned and -controlled corporation organized and existing pursuant to *Presidential Decree No. 1869*, as amended, with office address at PAGCOR House, 1330 Roxas Blvd., Ermita, Manila, represented in this contract by its President and Chief Operating Officer, **JORGE V. SARMIENTO**, hereinafter referred to as **PAGCOR**,

- and -

MARILOU DONES REYES, Filipino, of legal age, and a resident of 1107 Unida Street, Baclaran, Parañaque City, hereinafter referred to as **CONSULTANT**.

RECITALS:

WHEREAS, PAGCOR has a requirement for technical and professional expertise that are beyond the capability and/or capacity of PAGCOR to undertake;

WHEREAS, PAGCOR, as approved by its Chairman and Chief Executive Officer on April 19, 2012, has resorted to Negotiated Procurement for the hiring of a highly technical consultant for the assessment of its existing procurement system, in preparation for the development of PAGCOR-customized procurement manuals (hereinafter referred to as the "Project"), which scope of work is highly technical, primarily confidential, and policy determining, and where trust and confidence are the primary consideration for the hiring of the consultant, pursuant to Section 53.7 of the Revised Implementing Rules and Regulations of Republic Act No. 9184;

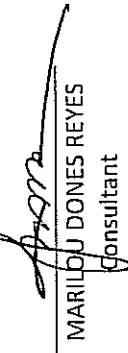
WHEREAS, the CONSULTANT has the technical and professional expertise required by PAGCOR for the implementation of the Project;

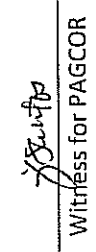
WHEREAS, the CONSULTANT has offered her services and expertise to PAGCOR;

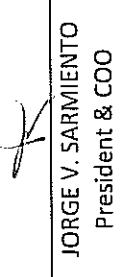
WHEREAS, PAGCOR has accepted the offer of the CONSULTANT after finding the same to be in order, valid, and responsive;

NOW, THEREFORE, for and in consideration of the foregoing premises, PAGCOR hereby engages the services of the CONSULTANT, under the following terms and conditions:


Witness for Consultant


MARILOU DONES REYES
Consultant


Witness for PAGCOR


JORGE V. SARMIENTO
President & COO

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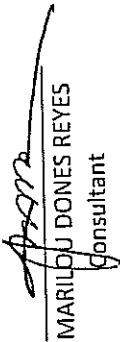
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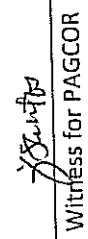
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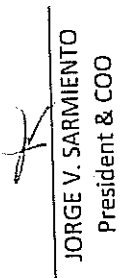
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Witness for PAGCOR


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1. This Consultancy Contract shall be for a period of four (4) months commencing on the effectivity date provided in the Notice to Proceed, renewable at the option of PAGCOR, in accordance with law.
2. The CONSULTANT shall receive a monthly consultancy fee of **One Hundred Twenty Five Thousand Pesos and 00/100, (₱125,000.00)**, or a total of **Five Hundred Thousand Pesos and 00/100, (₱500,000.00)** for a period of four (4) months, Philippine Currency, less mandated withholding tax. The schedule of payment is as follows:

Activity/Output/Deliverables	Percentage of the Total Contract Price/Amount
Upon completion of Project Orientation for all concerned officials and personnel of PAGCOR.	One Hundred Twenty-Five Thousand Pesos (PhP125,000.00) [First (1 st) Month]
Submission and acceptance of an Inception Report.	
Submission and presentation of PAGCOR's existing procurement system.	One Hundred Twenty-Five Thousand Pesos (PhP125,000.00) [Second (2 nd) Month]
Submission and acceptance of the matrix of identified weaknesses, gaps and infirmities in PAGCOR's existing procurement system together with the corresponding recommendations and/or proposed solutions.	One Hundred Twenty-Five Thousand Pesos (PhP125,000.00) [Third (3 rd) Month]
Submission and acceptance of the final report.	One Hundred Twenty-Five Thousand Pesos (PhP125,000.00) [Fourth (4 th) Month]
GRAND TOTAL	Five Hundred Thousand Pesos (PhP500,000.00)

3. The CONSULTANT shall report directly to the Officer-In-Charge of the Procurement Department or his duly authorized representative for her duties, responsibilities, work assignments, and such other duties, responsibilities and work assignments that PAGCOR may require from the CONSULTANT, which shall include, but not limited to:
 - a.) Preliminary assessment and documentation of the existing procurement system and processes both in the PAGCOR's head office and all its branches;
 - b.) Identification, assessment and documentation of the: (i) strengths and weaknesses; (ii) infirmities; (iii) gaps; and (iv) procurement peculiarities in PAGCOR's existing procurement system and processes;
 - c.) Formulation of all necessary recommendations on how to reinforce areas of procurement where PAGCOR's performance is satisfactory, and improve on the areas where there are weaknesses, infirmities and gaps in PAGCOR's existing procurement system and processes;
 - d.) Development of proposed solutions on how the weaknesses, infirmities and gaps identified in PAGCOR's existing procurement system and processes could be addressed within the bounds of the procurement law,

[Signature]
Witness for Consultant

[Signature]
MARILOU DONES REYES
Consultant

[Signature]
Witness for PAGCOR

[Signature]
JORGE V. SARMIENTO
President & COO

its IRR and other relevant rules and regulations and policies issued by the Government Procurement Policy Board (GPPB); and

- e.) Whenever necessary, provision of procurement-related advisory services, within the duration of the project, in relation to PAGCOR's on-going procurement activities.

4. PAGCOR may, by written notice of suspension to the CONSULTANT, suspend all payments to the CONSULTANT if the CONSULTANT fails to perform any of her obligations due to the CONSULTANT's own fault except when the failure is due to *force majeure* or other circumstances beyond the control of either party.

In addition, when the CONSULTANT fails to satisfactorily complete her duties, responsibilities, work assignments, as determined by PAGCOR, within the specified period, inclusive of duly granted time extensions, if any, the CONSULTANT shall be liable for damages for the delay. Consequently, the CONSULTANT shall pay PAGCOR liquidated damages in an amount equal to one-tenth (1/10) of one percent (1%) of the cost of the CONSULTANT's monthly consultancy fee for every day of delay. In no case shall the sum of liquidated damages reach ten percent (10%) of the total consultancy fee. If it does, the contract shall automatically be rescinded, without prejudice to PAGCOR's other courses of action and remedies. In addition to the liquidated damages, the CONSULTANT's performance security shall also be forfeited.

5. To guarantee the faithful performance of the CONSULTANT of all of her obligations under this Consultancy Contract, PAGCOR shall deduct from the monthly consultancy fee of the CONSULTANT the amount of **Six Thousand Two Hundred Fifty Pesos and 00/100, (₱6,250.00)**¹ as Performance Security, which shall not exceed the total amount of **Twenty Five Thousand Pesos and 00/100, (₱25,000.00)**.

The Performance Security shall be retained by PAGCOR, without interest, during the pendency of this Consultancy Contract and any extension thereof. The Performance Security shall only be released after the termination of this Consultancy Contract and/or the issuance by PAGCOR of the final Certificate of Acceptance and after deducting any and all claims that PAGCOR may have against the CONSULTANT.

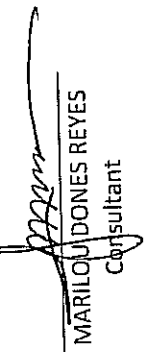
The CONSULTANT shall cause the extension of the validity of the Performance Security to cover approved contract time extensions.

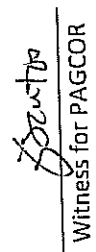
The CONSULTANT shall post an additional performance security following the schedule above to cover any cumulative increase of more than ten percent (10%) over the original value of the consultancy contract.

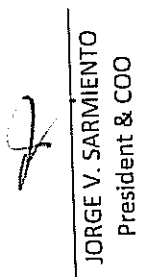
6. All ideas, plans, and materials prepared by the CONSULTANT are "works-made-for-hire" and shall be the sole and exclusive property of PAGCOR. The CONSULTANT hereby assigns all right, title and interest to said "works-made-for-hire" to PAGCOR. It is specifically understood and agreed that the CONSULTANT shall retain no ownership rights whatsoever in or to said

¹ The total amount of the Performance Security shall be equal to five percent (5%) of the total amount of the consultancy fee for four (4) months. The monthly deduction shall be equal to total amount of the Performance Security divided by four (4).


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Consultant


Witness for PAGCOR


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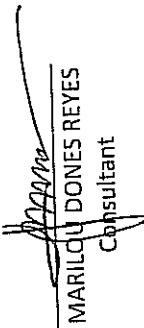
"works-made-for-hire".

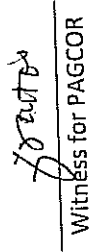
The CONSULTANT warrants and represents that the said "works-made-for-hire" she will furnish hereunder will be original, or duly licensed, and no part of the same will infringe upon or violate the rights of any person or entity, including without limitation, any copyrights, trademarks or rights of privacy or publicity. For this purpose, the CONSULTANT shall hold PAGCOR free and harmless from any claim, liability and against any cost for defending any action, suit or proceedings, including legal fees or other expenses, relating to any infringement or violation of the rights of any person or entity, including without limitation, any copyrights, trademarks or rights of privacy or publicity relative to the said "works-made-for-hire".

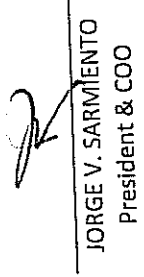
7. The CONSULTANT hereby acknowledges and agrees that all information that she will acquire from PAGCOR, its directors, officers, employees licensees, contractors, patrons, clients, partners, and agents, in connection with her services or in the course of the performance of such services for PAGCOR shall be considered and shall be treated as Confidential Information and shall be used only for purposes specifically related to her consultancy and shall not be used for any other purpose. The CONSULTANT will not, at any time, disclose such confidential information to any third party without PAGCOR's prior written consent.
8. During the period of this Consultancy Contract and one (1) year thereafter, the CONSULTANT shall be not be employed or engaged as an independent contractor, joint venture partner, collaborator, agent, director, shareholder, or employee, or in any other capacity or manner whatsoever, whether for profit or otherwise, by any individual, entity or corporation, engaged in a similar business as PAGCOR.
9. The CONSULTANT, her spouse and dependents, shall be prohibited from playing in any PAGCOR event and/or casinos and/or any PAGCOR franchised/licensed event and/or establishment.
10. PAGCOR may unilaterally and immediately terminate this Consultancy Contract at any time and for any cause by serving a written notice of termination to the CONSULTANT.
11. The Parties agree that they would first meet, confer and sit down together for the purpose of exploring all avenues and/or possibilities of amicably settling whatever differences, disputes and/or controversies that may arise in connection with any of the terms and conditions of this Consultancy Contract before resorting to any legal action.

If the parties fail to amicably settle their differences, disputes, and/or controversies, the CONSULTANT, waiving for this purpose any other venue, hereby agree that the courts of the City of Manila shall be the exclusive venue of any and all of her actions or suits against PAGCOR, to the exclusion of all other courts and venues. This exclusive venue provision shall apply even in cases arising for declaration of nullity of this Consultancy Contract in its entirety or in part and in cases arising after or by reason of the declaration of nullity of this Contract in its entirety or in part.


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MARILOU DONES REYES
Consultant


Witness for PAGCOR


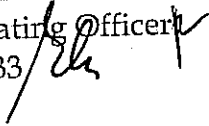

JORGE V. SARMIENTO
President & COO


12. There shall be no employer-employee relationship between PAGCOR and the CONSULTANT. Nothing in this Agreement shall be construed to create a partnership, joint venture or agency relationship between the parties.
13. In the event that facts and circumstances arise or are discovered which would render this agreement 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.

IN WITNESS WHEREOF, the parties hereto set their hands this MAY 29 2012 day of _____ 2012 in the City of CITY OF MANILA, Philippines.

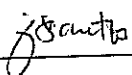
PHILIPPINE AMUSEMENT AND
GAMING CORPORATION
TIN 000-887-972

BY:


JORGE V. SARMIENTO
President and Chief Operating Officer
TIN: 122-841-833 


MARILOU DONES REYES
Consultant
TIN: 134667698

SIGNED IN THE PRESENCE OF:





ACKNOWLEDGMENT

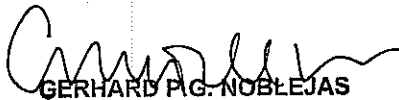
BEFORE ME, this day of MAY 29 2012 in CITY OF MANILA , personally appeared the following persons, each of whom exhibited their competent evidence of identity, to wit:


Name	Govt. ID Presented	Valid Until
Jorge V. Sarmiento	Driver's License No. X01-82-011519	July 2012
Marilou D. Reyes	TIN ID # 134-668-698	

both known to me to be the same persons who executed the foregoing Consultancy Contract consisting of six (6) pages, and who acknowledged to me that the same is their own free and voluntary act and deed and if they acted in representative capacity, the free and voluntary act and deed of the corporations they are duly authorized to represent.

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

Doc. No. 385
Page No. 78
Book No. 14
Series of 2012.


GERHARD P. NOBLEJAS
NOTARY PUBLIC
6TH FLR. HYATT HOTEL & CASINO
M.H. DEL PILAR ST., MALATE, MANILA
APPT. NO. 2011-203 UNTIL DEC. 31, 2012
ROLL NO. 50410, IBP LIFETIME NO. 06837
QUEZON CITY CHAPTER
PTR NO. 0393174 DTD 01-17-12 AT MANILA


JORGE V. SARMIENTO
President & COO