

## 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 1330 Roxas Blvd., Ermita, Manila, represented in this act by the President and Chief Operating Officer, **JORGE V. SARMIENTO**, hereinafter referred to as "**PAGCOR**";

- and -

**ANNA MARIE M. ESCOBER**, of legal age, with office address at 2422 R. Fernandez St., Gagalangin Tondo, Manila, doing business under the name and style "**POWER HOUSE PEST CONTROL SERVICES**", hereinafter referred to as the "**CONTRACTOR**".

### WITNESSETH: THAT

**WHEREAS**, PAGCOR has a requirement for the **Supply and Delivery of a Three (3) Year Pest Control Service for PAGCOR Corporate Hyatt** under ITB No. 02-11-2013;

**WHEREAS**, considering that all the requisites were met, **PAGCOR**, pursuant to the Bids and Awards Committee Recommendation dated February 8, 2013, and approved by its President and Chief Operating Officer on February 14, 2013, resolved to conduct Negotiated Procurement (Small Value) under Section 53.9 of the revised Implementing Rules and Regulations (IRR) of Republic Act (R.A.) 9184;

**WHEREAS**, the **CONTRACTOR** has submitted the Lowest Calculated Responsive Quotation to undertake the supply and delivery of said services;

**WHEREAS**, 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 a contract under the following terms, conditions and stipulations:

**ARTICLE I**  
**DESCRIPTION OF WORK**

The CONTRACTOR undertakes to provide the PAGCOR Corporate Hyatt with Pest Control Services for a period of three (3) years (the "Services"), with the following technical specifications:

Technical and professional general PEST control treatment program, including treatment of general pest infestation every week, spot treatment and on-call services when needed, covering office facility and premises of PAGCOR Corporate Hyatt at the Ground Floor, Fifth (5<sup>th</sup>) Floor and Sixth (6<sup>th</sup>) Floor of PAGCOR Corporate Hyatt Hotel and Casino Manila.


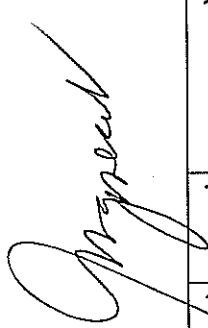


The program of treatment shall be specified as follows:

- a) **COCKROACH AND ANT CONTROL** – Treatment by baits laying, spraying and dusting to eradicate existing living cockroaches and ants in defined infested areas or suspected harborages and breeding places of cockroaches will be carried out regularly in the whole premises. Residual misting and/or spraying will be applied to areas where fogging treatment is not advisable.
- b) **RODENT CONTROL** – Regular treatment by baits laying and installation of sticky traps on runway and passageways and harborages of rats and mice, based on a system of permanent bait station. To eliminate living rodents and mice effectively without the bad smell. To provide rodenticides that will control rats without presenting any hazard to products or personnel. However, if the degree of infestations should ever warrant it, acute bait / chronic rodenticides will be used, but only after close consultation with PAGCOR and then only under the strict supervision of the Contractor. Supplementary control methods such as by mechanical traps and sticky boards, plugging or sealing off of holes that may serve as entry points will also be employed in large areas.
- c) **FLY AND MOSQUITO CONTROL** – Regular use of the misting and fogging machine will be done in the premises in accordance with a pre-arranged schedule of treatment. Larviciding of known breeding places and harborages of flies and mosquitoes in large areas will be carried out.
- d) **TERMITE INSPECTION** – Thorough inspection of the premises including incidental surface treatment with termiticide powder shall be made in case of minimal infestation only. However, if any infestation is discovered which will involve major works in the treatment (i.e. drilling), then such major works would be subject to additional quotation

**DETAILS OF APPLICATION:**

1. The Contractor shall provide and employ two (2) to three (3) termite and pest control applicators to service the Ground Floor, Fifth (5<sup>th</sup>) Floor and Sixth (6<sup>th</sup>) Floor.

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| 2. The treatment for each room shall be once a week to be conducted every Friday after office hours for restricted rooms and every Saturday from 8:00 a.m. onwards for the other rooms. Details of schedule of treatment shall be coordinated with the Building Administration Office of the Property and General Services Department (PGSD).                  |
| 3. The Contractor shall provide service on PAGCOR's special schedule that shall coincide with the once-a-month pest control treatment schedule of Marina Square Properties, Inc. (MSPI) and Hyatt Hotel (synchronized treatment). This special schedule of pest control treatment shall form part of the once-a-week treatment schedule as contemplated above. |
| 4. The Contractor shall use non-carcinogenic chemicals.  |
| 5. Pesticides shall not be applied indoors except when after inspection it is confirmed that pests are present and cannot be efficiently suppressed with non-chemical means.   |
| 6. All personnel of the Contractor, who will be performing the onsite job shall be certified pest control applicators and shall wear appropriate personal protective equipment (PPE).  |
| 7. The Contractor shall provide trained personnel to educate PAGCOR Corporate Hyatt Building Administration and Maintenance Division (BAMD) personnel (as needed) on the most effective means to achieve pest management in and around their workplace.  |
| 8. The Contractor shall provide detailed site specific recommendations for structural and procedural modifications to decrease condition conducive of pest infestation and improve pest prevention.  |
| 9. The Contractor shall inspect and replenish all baiting points with fresh baits and dispose all dead rodents found inside the premises.  |
| 10. The spraying of crawling insects in all concerned areas shall use knockdown and water-based chemicals. The pest control applicator shall closely coordinate with the Building Administration Office regarding the treatment and feedbacks for immediate action to all concerns about the area/s being treated.   |
| 11. The pest control applicators shall focus a thorough treatment program to meet PAGCOR's standards.  |
| 12. The pest control applicators shall conduct misting/fogging treatment every visit to control flies and mosquitoes.  |
| 13. The Contractor shall provide cage traps to eliminate all the rats and block all possible entries by using plywood/ screen. Sticky traps installation shall be used to eliminate all the mice in the building. Regular inspection shall be conducted.   |

14. The Contractor shall evaluate the effectiveness of its pest control measures on a quarterly basis. The Contractor shall provide PAGCOR with a written report for this purpose. The type of pesticides/chemicals being applied for the methods shall be changed or replaced if found ineffective.

15. The Contractor shall adhere to the attached PAGCOR's Environmental Policy.

**Schedule of Requirements:**

The delivery/application of the chemical or treatment shall be performed in a staggered manner as follows:

1<sup>st</sup> delivery/application - Within Fifteen (15) calendar days from the effectivity date specified in the Notice to Proceed

2<sup>nd</sup> to 144<sup>th</sup> delivery/application - every week thereafter (or upon advice by PAGCOR's PGSD)

| AREA OF APPLICATION  | CHEMICAL VOLUME/MONTH  |
|--|--|
| <b>Ground Floor</b><br>Lobby Area  | Novim 250 ml/month<br>Pervade 100 ml/month<br>Or Deluge SC 100 ml/month<br>1L:50L<br>Racumin Dust = 1/8 kilo<br>Fortress TC = 150 ml as needed |
| <b>5<sup>th</sup> Floor-Executive Offices</b><br>Office of the Chairman & CEO<br>Office of the President & COO<br>Office of the VP-CLSD<br>Board Room<br>Lawyers' Room<br>Secretaries' Area<br>Meeting Room A<br>Pantry<br>Receiving Areas/Hallway<br>Telephone Operator's Room<br>Office of the Directors<br>Area of Directors' Secretary<br>Meeting Room B<br>Meeting Room C<br>All male and female comfort rooms<br>All Receiving Areas | Novim 250 ml/month<br>Pervade 100 ml/month<br>Or Deluge SC 100 ml/month<br>1L:50L<br>Racumin Dust = 1/8 kilo<br>Fortress TC = 150 ml as needed |

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|---|---|
| <p><b>6<sup>th</sup> Floor Offices</b><br/>         Building Admin Office<br/>         Maintenance Office<br/>         BAMD Pantry<br/>         Corporate Security Unit<br/>         Surveillance Office/CCTV Unit<br/>         Security Guard's Room<br/>         Corporate and Legal Services Dept.<br/>         CLSD-AM Office<br/>         CLSD-Admin Office<br/>         CLSD-Lawyers' Room 1<br/>         CLSD-Lawyers' Room 2<br/>         CLSD-Lawyers' Room 3<br/>         CRSD VP Office<br/>         CRSD Admin</p>  | <p><b>Novim EC 350 ml/month</b><br/> <b>Pervade EC 250 ml/month</b><br/> <b>1L:50L</b><br/> <b>Racumin Dust = 1/8 kilo</b><br/> <b>Fortress TC = 150 ml as needed</b></p> |
| <p>CCD-AVP, Corp. Events and Promotion Div.<br/>         CCD-Information Div.<br/>         CCD-Advertising Div.<br/>         CCD-Creative Div.<br/>         CCD-Media Relation Div<br/>         Finance &amp; Treasury Dept.- VP/AM<br/>         FTD-Finance &amp; Treasury Offices<br/>         Cashier<br/>         Accounting Dept. – AVP/AM<br/>         Accounting Dept. – Admin Office<br/>         Accounting Dept. – ERP<br/>         Internal Audit Dept.<br/>         CORPLAN<br/>         Clinic<br/>         IT<br/>         Canteen<br/>         Janitors' Room<br/>         All male and female comfort rooms<br/>         All common areas<br/>         Lobby Area</p> | <p><b>Novim 1000 ml/month</b><br/> <b>Pervade or Deluge 150 ml/month</b><br/> <b>Racumin Dust = 1/4 kilo</b><br/> <b>Fortress = 200 ml as needed</b></p>                  |

**ARTICLE II**  
**CONTRACT AMOUNT**

The contract price for the **Three (3) Year Pest Control Service at PAGCOR Corporate Hyatt** stated in Article I, shall be in the total amount of **Two Hundred Twenty Five Thousand Pesos (PhP 225,000.00), VAT Exclusive, Zero Rated.**

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

In addition, any chemicals used by the CONTRACTOR in addition to those detailed in Article I herein shall be for its own account and free of charge.

The price herein agreed shall not be subject to any increase or upward adjustment for any reason or cause whatsoever.

*[Handwritten signatures and initials on the left margin]*

**ARTICLE III**  
**SCHEDULE OF PAYMENT**

The CONTRACTOR shall submit a monthly billing statement to PAGCOR. PAGCOR shall then pay the CONTRACTOR a monthly service fee in the amount of **Six Thousand Two Hundred Fifty Pesos (PhP 6,250.00)** within thirty (30) calendar days from receipt of the monthly billing statement.

**ARTICLE IV**  
**CONTRACT TIME**

This Contract shall be in force for a period of three (3) years, which shall commence on the effectivity date provided in the Notice to Proceed. Within this period, PAGCOR may terminate this Contract with or without cause, without need for judicial intervention, upon thirty (30) days written notice to the CONTRACTOR.

**ARTICLE V**  
**WARRANTIES AND RESPONSIBILITIES**

The CONTRACTOR hereby warrants and represents 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. There are no actions, suits or proceedings pending or, to the best of its knowledge, threatened, which may have any adverse material effects on its ability to fulfill its obligations under this Contract or on its operations, business, properties, assets or business condition.
3. That the Services to be rendered shall be as described under Article I of this Contract. The CONTRACTOR further warrants that it is fully authorized to render the Services and 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 or adverse claims, of every nature and description that would prevent or hinder it from rendering the said Services.
4. The CONTRACTOR shall fully defend, protect, indemnify, and shall hold PAGCOR harmless from any and all adverse claims that may be made by any party by reason of the Services rendered in Article I herein.

Handwritten signatures and initials are present on the left side of the page. One signature is written vertically and appears to read 'Agnes'. Below it are several other initials and signatures, including a large 'R' at the bottom.

**ARTICLE VI**  
**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.

In case PAGCOR and CONTRACTOR fail to amicably settle their differences or disputes, the parties waiving for this purpose all other venues, hereby agree that courts of the City of Manila shall be the exclusive venue of any action or suit between them. This exclusive venue provision shall also apply in cases for declaration of nullity of this 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.

In the event that a dispute arises with respect to this Contract, the party prevailing in such dispute shall be entitled to recover all expenses, including, without limitation, reasonable attorneys' fees and expenses, incurred in ascertaining such party's rights or in preparing to enforce, or in enforcing, such party's rights under this Contract, whether or not it was necessary for such party to institute suit.

**ARTICLE VII**  
**DAMAGES FOR DELAY**

The CONTRACTOR shall complete the delivery of the services within the time prescribed in Article IV hereof. Should the CONTRACTOR incur delay in its performance, it shall pay a penalty of one-tenth of one percent (1/10 of 1%) of the total cost of the unperformed portion for each day of delay, including Sundays and Holidays, beyond the specific period. 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 the contract, without prejudice to other courses of action and remedies open to it.

In case CONTRACTOR still fails to deliver the item after the lapse of thirty (30) calendar days from the supposed date of delivery as provided for in Article IV, in addition to the penalties agreed upon, PAGCOR shall have the option to terminate the agreement.

**ARTICLE VIII**  
**DEFAULTS**

In the event that any of the parties fail to comply in good faith with their undertakings, as set forth in this Contract, within the periods provided herein, the non-defaulting parties shall be released from their obligations under this Contract, without prejudice to the rights of restitution, recovery and damages.

In the event of breach by either party, the parties agree to amicably settle the same under the provisions of Article VI hereof prior to judicial action.

**ARTICLE IX**  
**NO EMPLOYER-EMPLOYEE RELATIONSHIP**

There shall be no employer-employee relationship between PAGCOR and the employees of the CONTRACTOR. The CONTRACTOR shall have exclusive control and supervision of its personnel in the performance of the Services herein agreed upon. The CONTRACTOR shall be solely responsible for all acts and/or omissions of its personnel and of all persons allowed by it to have access to the premises for any damage which may be caused to persons or property while remaining either casually or in business in any part therein. Any 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 services under this Contract shall likewise be the CONTRACTOR's sole responsibility.

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

**ARTICLE X**  
**TAXES AND LICENSES**

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

The CONTRACTOR shall regularly present, within the duration of the contract, a tax clearance from the 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.

**ARTICLE XI**  
**MISCELLANEOUS PROVISIONS**

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

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



Any and all notices to be given pursuant to, or under this Contract, shall be 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.

This Contract contains all the covenants and stipulations agreed upon by the parties and shall be modified, revised or amended only upon written agreement of both parties.

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, whether under this Contract or provided or permitted to the parties at law or in equity, but each right or remedy shall be cumulative of every other right or remedy available to them.

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.

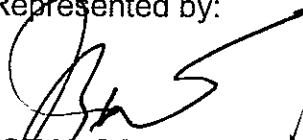
This Contract maybe executed in any number of counterparts, each of which when so executed and delivered shall be considered as an original and all together shall constitute one agreement.

IN WITNESS WHEREOF, the parties hereto have signed these presents on this \_\_\_\_ day of \_\_\_\_\_, 2013 at the City of Manila, Philippines.

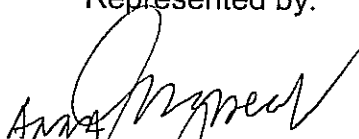
**PHILIPPINE AMUSEMENT  
AND GAMING  
CORPORATION**  
TIN: 033-000-887-972

**POWER HOUSE PEST  
CONTROL SERVICES**  
TIN: 900-164-810-000


Represented by:


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

Represented by:

  
**ANA MARIE M. ESCOBER**  
General Manager/ Owner  
TIN: 900-164-810-000

Signed in the presence of:

  
NORIBERTO L. OBIAS

  
MARCO M. MAD

**ACKNOWLEDGMENT**

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


BEFORE ME, a Notary Public for and in the City of Manila, on this JUN 13 2013, 2013, personally appeared the following with his Government ID, to wit:

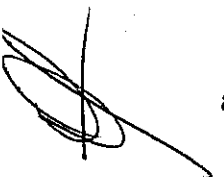
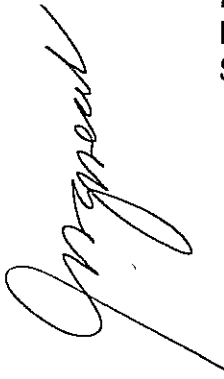
| <u>NAME</u>               | <u>Government ID No.</u>   |
|---------------------------|--|
| <b>JORGE V. SARMIENTO</b> | Philippine Passport No. EB1763201<br>Issue Date: January 20, 2011<br>Place of Issue: DFA-Manila<br>Valid Until: January 19, 2016 |

known to me to be the same person who executed the foregoing Service Contract consisting of twelve (12) pages, and who acknowledged to me that the same is his own free and voluntary act and deed as well as the voluntary act and deed of the entity he represents.

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

Doc. No. 202  
Page No. 42  
Book No. I  
Series of 2013.

  
 ATTY. REAGAN S. DE VERA  
 NOTARY PUBLIC  
 6TH FLR. HYATT HOTEL & CASINO  
 M.H. DEL PILAR ST., MALATE, MANILA  
 APPT. NO. 2013-026, UNTIL DEC. 31, 2014  
 ROLL NO. 58266, IBP LIFETIME NO. 010601  
 PANGASINAN CHAPTER  
 PTR NO. 1404913/01-08-13/MANILA

ACKNOWLEDGMENT

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

BEFORE ME, a Notary Public for and in the City of Manila, on this MAY 27 2013 2013, personally appeared the following with her Government ID Number, to wit:

NAME Government ID No.  
*Anna*  
ANA MARIE M. ESCOBER SSS # 03-9717268-3

known to me to be the same person who executed the foregoing Service Contract consisting of twelve (12) pages, and who acknowledged to me that the same is her own free will and voluntary act and deed.

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

Doc. No. 481  
Page No. 98  
Book No. 82  
Series of 2013.

*[Signature]*  
ATTY. FRANCISCO BELLA CRUZ MIRALDES  
NOTARY PUBLIC/MANILA  
MY COMMISSION EXPIRES ON 12-31-2013  
350 G/F GODINO BLDG.  
A.J. VILLEGAS ST. 1000 ERMITA MANILA  
IBP NO. 86803-10-0-11 - MANILA-2013  
PTR NO. 1467717 - 13/13  
ROLL NO. 32502  
DATE FILED HHI 00209 16 - 8-9-2013  
COMMISSION NO. 012-011

*[Signature]*

*[Signature]*

*[Signature]*