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**Philippine Amusement and Gaming Corporation**  
*A Sure Bet for Progress in Gaming, Entertainment and Nation Building*

**PURCHASE ORDER**

P.O. No. 315

Page # 1  
 Supplier : ADST ADSTRAT ADVERTISING STRATEGIES INC.  
 Address : 99 MAGSAYSAY ST. GUADALUPE NUEVO MAKATI CITY  
 TIN : 207-465-591-000  
 VAT : All Items are VAT Exclusive / Zero Rated

SEQ.# 1  
 PO Date : 15 JUL 2013  
 ITB Number : 05-25-2013  
 Buyer Code : EAA

Gentlemen :  
 Please furnish this Office the following articles subject to the terms and conditions contained herein;

Place of Delivery : REFER TO ANNEX A AND NTP

Payment Term : PER ANNEX A

| Itemcode :               | Description  | Quantity | Unit | Unit Cost  | Amount     |
|--------------------------|--|----------|------|------------|------------|
| FMDH72645<br>1 108002473 | MKTG. & CUSTOMER RELATIONS DEF SERVICES<br>LOT 1: C5 BRIDGE, BAGONG ILOG, PASIG CITY - NORTH BOUND | 1.00     | LOT  | 600,000.00 | 600,000.00 |
| FMDH72646<br>2 108002473 | MKTG. & CUSTOMER RELATIONS DEF SERVICES<br>LOT 2: EDSA GUADALUPE, MAKATI CITY - NORTH BOUND        | 1.00     | LOT  | 600,000.00 | 600,000.00 |
| FMDH72647<br>3 108002473 | MKTG. & CUSTOMER RELATIONS DEF SERVICES<br>LOT 3: EDSA CURAO                                       | 1.00     | LOT  | 600,000.00 | 600,000.00 |
| FMDH72650<br>4 108002473 | MKTG. & CUSTOMER RELATIONS DEF SERVICES<br>LOT 6: FUENTE OSMENA CEBU CITY                          | 1.00     | LOT  | 600,000.00 | 600,000.00 |
| FMDH73985<br>5 108002473 | MKTG. & CUSTOMER RELATIONS DEF SERVICES<br>LOT 7: PAMPANGA   | 1.00     | LOT  | 600,000.00 | 600,000.00 |
| FMDH72649<br>6 108002473 | MKTG. & CUSTOMER RELATIONS DEF SERVICES<br>LOT 5: BALINTAWAK                                       | 1.00     | LOT  | 600,000.00 | 600,000.00 |

- 7 - NOTHING FOLLOWS - - -

Attachment: BUDGET, RV, CASF, AWARD OF CONTRACT, NOTICE OF AWARD, ABSTRACT

Remarks : POSTING OF ADS IN LED BILLBOARDS

SUB-TOTAL : 3,600,000.00  
 TOTAL : 3,600,000.00  
 LESS DISCOUNT :  
 CHARGE :  
 GRAND TOTAL : 3,600,000.00

Total Amount in Words: THREE MILLION SIX HUNDRED THOUSAND PESOS ONLY

*Mary S. Garcia*  
 AUG 6, 2013



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**TERMS AND CONDITIONS OF PURCHASE**

- > Delivery must be in accordance with the date specified in the Notice to Proceed.
  - > 1/10 of 1% of the amount of the goods not delivered on the stipulated date will be deducted from the total amount involved for each day of delayed delivery.
  - > Items delivered are subject to inspection and acceptance by Property Management Unit.
  - > Please attach original copy of Sales Invoice, Delivery Receipt, Warranty Certificate and Purchase Order upon delivery.
- "This is to certify that the procurement for the items contained in this Purchase Order is in accordance with Republic Act No. 9184, its Implementing Rules and Regulations and other applicable laws".
- || Limited Source Bidding (Selective Bidding)
  - || Direct Contracting (Single Source Procurement)
  - Public Bidding
  - || Negotiated Procurement
  - || Shopping

*Mary Jane Gonzales*  
 Signature Over Printed Name of Supplier

Recommended by:  
 MA. REINA G. CARREON 7/25  
 AVF, PD   
 Approved By:  
 JORGE A. SARMIENTO  
 PRESIDENT AND COO

: Funds Available  
 : VIDAL T. CABIGON JR. 7/21  
 : AVF/EA Acctg Dept. Section:  
 : Budget Authorization No. 1212249 Amount 3,600,000-

**Purchase Order No. 315**  
(Annex A – Terms and Conditions)

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1. The total price stated in the PO already includes all applicable taxes, fees and charges required by the government. **ADSTRAT ADVERTISING STRATEGIES INC.** holds PAGCOR free from liability for any or all taxes arising out of this transaction.

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

2. **ADSTRAT ADVERTISING STRATEGIES INC.** shall complete the Posting of Ad in LED Billboard within the time prescribed in the PO. Should **ADSTRAT ADVERTISING STRATEGIES INC.** incur delay in its performance, it shall pay liquidated damages in the amount of at least one-tenth of one percent (1/10 of 1%) of the total cost of the unperformed portion for each 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 the contract, without prejudice to other courses of action and remedies open to it.

In case **ADSTRAT ADVERTISING STRATEGIES INC.** still fails to render the services after the lapse of thirty (30) calendar days from the supposed date of delivery, in addition to the forfeiture of the Performance Security and the penalties agreed upon, PAGCOR shall have the option to terminate the purchase.

3. In the event that **ADSTRAT ADVERTISING STRATEGIES INC.** fails to comply with its undertakings under this PO, PAGCOR shall be released from its obligations without prejudice to its rights of restitution, recovery and damages.
4. In the event that the facts and circumstances arise or are discovered which renders this PO 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.
5. No terms or conditions of this PO shall be deemed waived and no breach or default excused unless such waiver or excuse shall be in writing and signed by the party affected.
6. The rights or obligations under this PO are of a personal nature and compliance thereof may not be assigned or subcontracted to another without the written consent of the other party. This PO or any interest in it may not be assigned without the prior written consent of the other party.
7. This PO 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.

  
Authorized Signatory of ADSTRAT ADVERTISING STRATEGIES INC.

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8. This PO constitutes the entire contract 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 PO shall be binding UNLESS executed in writing by the parties. No waiver of any of the provisions of this PO shall be deemed, or shall constitute, a waiver of any other provision, whether similar or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding UNLESS in writing and signed by the party making the waiver.


9. The relationship between the parties shall be limited to the performance of the terms and conditions of this PO. Nothing herein shall be construed to create a general partnership/agency/employer-employee or any other relationship between the parties, or to authorize any party to bind the other except as set forth in herein, 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.

10. The parties, 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 actions or suits between the parties relative to this PO, to the exclusion of all other courts and venues. This exclusive venue provision shall apply even in cases for declaration of nullity of this PO in its entirety or in part and in cases arising after or by reason of the declaration of nullity of this PO in its entirety or in part.

11. **ADSTRAT ADVERTISING STRATEGIES INC.** hereby further warrants and represents that:

a. The Scope of Services shall be described as follows:

| Details   | Stationary  |
|---|---|
| Spots   | Min. of 2,500 10-second spots per LED per month   |
| LED Billboard Size                                      | Min. 12ft x 15ft  |
| Resolution  | Min. P16 full color   |
| Material Formats  | MPEG, PSD AVI Jpeg or TIF<br><br>Ad materials must come from end-user prior to posting. Materials are subject to change as per need of end-user     |
| Visibility  | Min. 100meters<br><br>LED Billboard must not be covered or blocked by any building or similar structure, and must be in full view from street level |
| Operation Time  | Ad materials must be posted during prime time (6-9am and 5-8pm)   |
| Locations:  |   |
| Lot 1: C5 Bridge, Bagong Ilog, Pasig City – North Bound |   |

  
 Authorized Signatory of ADSTRAT ADVERTISING STRATEGIES INC.

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Lot 2: EDSA Guadalupe, Makati City – North Bound

Lot 3: EDSA Cubao

Lot 5: EDSA Balintawak

Lot 6: Fuente Osmeña, Cebu City

Lot 7: Pampanga

- b. 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 PO.
- c. There are no actions, suits or proceedings pending or, to the best of its knowledge, threatened, which may have a material adverse effect on its ability to fulfill its obligations under this Contract or on its operations, business, properties, assets or business condition.
- d. That the Service to be rendered herein shall be as described under item a. of this PO. **ADSTRAT ADVERTISING STRATEGIES INC.** warrants that it has secured all the necessary government licenses and permits to allow it to render the Service 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 Service.
- e. **ADSTRAT ADVERTISING STRATEGIES INC.** has good title and/or full authority to supply the services in this PO, and that the services are supplied free and clear of all liens, encumbrances, liabilities and adverse claims, of every nature and description.
- f. **ADSTRAT ADVERTISING STRATEGIES INC.** will 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 item/s contained in Article I herein.
- g. It shall pay taxes in full and on time, failure to do so will entitle PAGCOR to suspend payment.

12. Confidentiality and Liability for Unauthorized Disclosures: All information disclosed to **ADSTRAT ADVERTISING STRATEGIES INC.** arising out of or in relation to the services herein is confidential in nature. **ADSTRAT ADVERTISING STRATEGIES INC.** shall not post, disclose, or distribute any PAGCOR advertisement or any related information, or permit others to do the same for any purpose other than the requirement of PAGCOR. **ADSTRAT ADVERTISING STRATEGIES INC.** shall be solidarily liable to PAGCOR for unauthorized disclosures made by its officers, employees, agents and other persons acting on its behalf.

  
Authorized Signatory of ADSTRAT ADVERTISING STRATEGIES INC.

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13. Schedule of payment: The contract price for the Services shall be in the amount of SIX HUNDRED THOUSAND PESOS (PhP600,000.00) per lot for six (6) months, or the total amount of THREE MILLION SIX HUNDRED THOUSAND PESOS (PhP3,600,000.00) for six (6) lots for six (6) months, VAT-Exclusive, Zero-Rated transaction.

Payment shall be made upon submission and verification of the monthly billing statement accompanied by the following evidence of delivery and performance (1) invoice (2) photos and videos of the actual ads placed by PAGCOR.

14. Performance Security: To guarantee the faithful performance of **ADSTRAT ADVERTISING STRATEGIES INC.** obligations under this, it shall post a Performance Security prior to the execution of this PO, in accordance with any of the following schedule:

| Form of Security   | Amount in Percentage of Total Contract Price  |
|--|---|
| Cash, cashier's/manager's check, bank draft/guarantee confirmed by a Universal or Commercial Bank.   | Five Percent (5%)<br>One Hundred Eighty Thousand Pesos (PhP180,000.00)<br>or<br>Lot 1: Thirty Thousand Pesos (PhP30,000.00)<br>Lot 2: Thirty Thousand Pesos (PhP30,000.00)<br>Lot 3: Thirty Thousand Pesos (PhP30,000.00)<br>Lot 5: Thirty Thousand Pesos (PhP30,000.00)<br>Lot 6: Thirty Thousand Pesos (PhP30,000.00)<br>Lot 7: Thirty Thousand Pesos (PhP30,000.00)  |
| Irrevocable letter of credit issued by a Universal or Commercial Bank  |   |
| Surety Bond (which us acceptable to PAGCOR) callable upon demand issued by a surety or insurance company duly certified by the Insurance Commission. | Thirty Percent (30%)<br>One Million Eighty Thousand Pesos (PhP1,080,000.00)<br>or<br>Lot 1: One Hundred Eighty Thousand Pesos (PhP180,000.00)<br>Lot 2: One Hundred Eighty Thousand Pesos (PhP180,000.00)<br>Lot 3: One Hundred Eighty Thousand Pesos (PhP180,000.00)<br>Lot 5: One Hundred Eighty Thousand Pesos (PhP180,000.00)<br>Lot 6: One Hundred Eighty Thousand Pesos (PhP180,000.00)<br>Lot 7: One Hundred Eighty Thousand Pesos (PhP180,000.00) |
| Any combination of the foregoing.  | Proportionate to share of form with respect to total amount of security   |

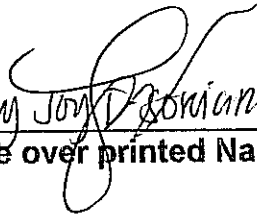
The Performance Security shall remain valid until issuance of the final Certificate of Acceptance. The same may be released only after the issuance of the

  
 Maxil J. P. Soriano  
 Authorized Signatory of ADSTRAT ADVERTISING STRATEGIES INC.

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Certificate of Acceptance of the item, provided that there are no claims filed against the CONTRACTOR or the surety company.

15. This Annex A, consisting of five (5) pages, shall form part of PO # 315.

  
MARY JOY D. SORIANO AUG 6, 2013  
Signature over printed Name of Supplier/Date

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