

SERVICE CONTRACT

This SERVICE 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 the PAGCOR Executive Office, New World Manila Bay Hotel, M.H. Del Pilar cor. Pedro Gil Sts., Malate, Manila, represented in this act by its Casino Filipino-Manila Bay **Officer-In-Charge, ENRILE DJ. ESGUERRA**, hereinafter referred to as "**PAGCOR**";

-and-

OCEANVILLE HOTEL & SPA CORPORATION, a corporation duly organized and existing under the laws of the Republic of the Philippines, with office address at Third (3rd) Floor, JVY Building, 213 Banawe St. Manresa, Quezon City, represented in this act by its **Director of Sales & Marketing, PETER MICHAEL C. QUIENG**, duly authorized for this purpose, as per Secretary's Certificate dated July 18, 2019, hereto attached as Annex "A", herein referred to as the **CONTRACTOR**".

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 the 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 the Services and all of their obligations under this Service Contract.

Collectively referred to as the "Parties"

RECITALS:

WHEREAS, **PAGCOR** has a requirement for the Procurement of Hotel Accommodations for Casino Guests under ITB No. PB19-03-007MABb-06 (the "Service");

WHEREAS, **PAGCOR** conducted a Public Bidding in accordance with the Republic Act 9184 (Government Procurement Reform Act) and its Revised Implementing Rules and Regulations on July 22, 2019 for the procurement of the Project;

WHEREAS, the **CONTRACTOR** has submitted the single calculated responsive bid for the Project;

WHEREAS, **PAGCOR** has accepted the bid 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 Service Contract under the following terms, conditions and stipulations:

I. SCOPE OF SERVICES

The **CONTRACTOR** undertakes to provide the Services, specifically, the provision of room accommodations, in accordance with the hotel rates as attached herein as "Annex B" and technical specifications:

QUALIFICATIONS:

1. The **CONTRACTOR** should be at least a 30-minute drive from the International and Domestic airports, a factor highly considered so as to provide the Casino customers and guests a hassle free stay.
2. The **CONTRACTOR** should be in close proximity where Casino Filipino Manila Bay is located. For accessibility it should be at least 5 minutes away from the casino gaming area thus making it a very comfortable and convenient place to stay for the casino players.
3. The **CONTRACTOR** should be a prestigious and renowned lodging establishment in the locality strategically situated in nearby restaurants, historical sites and parks.
4. The **CONTRACTOR** must be able to meet the demands of Casino Filipino for a sufficient number of hotel rooms for casino customers and guests. It should guarantee the availability of three (3) De Luxe rooms daily for Casino guests' requirements most especially during the hotel's high occupancy status.
5. The **CONTRACTOR** shall provide room accommodation complete with facilities as approved by **PAGCOR** or as stated in the Bidding and Contract Documents and be able to meet all other correlated requirements in accordance with its standard:

PAGCOR RATES

Room Type	Size	Bed Size	Corporate Rates
Superior /Deluxe King	At least 24sqm	At least 48"x78"	PhP 5,400.00 net
Superior/Deluxe 2 single beds	At least 24sqm	At least 48"x78"	PhP 5,400.00 net
Executive Suites			
Junior Suite	At least 32sqm	Preferably 78"x78"	PhP 8,600.00 net
Premier Suite	At least 52sqm	Preferably 78"x78"	PhP 15,000.00 net

Amenities for all types of rooms:

- Buffet breakfast for two at the hotel's Coffee Shop
- Welcome Fruits for suites only
- Daily Complimentary bottled water

- Complimentary Daily Local Newspaper
- Complimentary in -room Wifi
- Complimentary use of fitness center and swimming pool
- LCD TV
- Individually controlled air-conditioning
- Mini bar set up and individual refrigerator
- Safety Deposit Box
- Complimentary coffee and Tea Maker set
- NDD and IDD Telephone
- Hot and Cold Shower
- Bath tub for suites only
- Work Desk

Additional Hotel Services and Facilities for in house guests:

- Concierge
- Business Center
- ATM
- Ample Parking Area
- Valet Services
- Spa and Wellness Center
- Fitness Center
- Swimming Pool
- Laundry Service
- Free shuttle service to and from casino Manila Bay, historical places and malls nearby

Food Outlets inside the hotel and their specialties:

Coffee Shop/All Day Dining

- To offer International Buffet for Breakfast, Lunch and Dinner and an Ala Carte menu, open for 24 hours.

Chinese Restaurant

- A fine dining serving authentic Chinese cuisines

Bar/Restaurant

- An elegant bistro bar/restaurant serving international gastronomy

ADDITIONAL TERMS AND CONDITIONS

1. Grant of room, room category and/or any included amenities should correspond to the request and details stated in the Booking Order as part of the initial reservation. The **CONTRACTOR** shall make the confirmation of the booking once received from the Casino Concierge.
2. An accomplished Letter of Authority (LOA) with complete authorized signatories shall be forwarded by the Casino Concierge to the **CONTRACTOR** on the day of the guests' check in.
3. The **CONTRACTOR** shall only allow a waived deposit for incidentals when indicated at the booking order and Letter of Authority and as confirmed by the Casino Concierge.

4. All the applicable charges for early check in, extra bed and all other unforeseen charges shall be for the account of the guest. However in a typical cases concerning significant casino guests, **PAGCOR** may allow the availment to be included on the guests' previously approved amenity under **PAGCOR** account.
5. All revisions and/or any additional amenity approved for a particular guest shall be covered with a corresponding Notice of Revision (NOR) to be forwarded to the **CONTRACTOR**.
6. The Casino Filipino concierge shall always be informed of the daily check-in and check-out of guests. In case of early check out, an adjustment on the dates of the submitted LOA shall be effected to cover only the consummated period of stay.
7. Casino Filipino concierge shall always be informed regarding concerns of casino guests on matters that need immediate actions and approval.
8. The **CONTRACTOR** shall exercise the required diligence in providing accommodation to the clientele of **PAGCOR**.
9. Payment shall be based on actual room consumption and hotel billing within a period of one year and shall not exceed the total contact price.

II. BUDGET and SCHEDULE OF PAYMENT

1. The total budget for this Service Contract shall be **ELEVEN MILLION FIVE HUNDRED SEVENTY-TWO THOUSAND EIGHT HUNDRED PESOS (PHP 11,572,800.00), VAT Exclusive, Zero Rated Transaction for One (1) year** (the "Budget").
2. Payment shall be based on actual consumption and billing and shall be subject to the appropriate withholding taxes.
3. **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.
4. The **CONTRACTOR** shall submit Statement of Account or billing every end of the month.
5. All bills/charges must be settled within thirty (30) days upon receipt of the Hotel's Statement of Account with attached documents duly signed by the registered guest/s.

III. CONTRACT TERM

1. This Contract shall be for a period of one (1) year, commencing from the date of receipt by the winning supplier 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. Should the **CONTRACTOR** incur delay in the performance of its obligations, **CONTRACTOR** shall pay a penalty of one-tenth of one percent (1/10 of 1%) of the total cost of the Contract 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 Agreement, **PAGCOR** shall have the option to rescind the 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 the Contract, without prejudice to other courses of action and remedies open to it.

IV. 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 Service Contract shall be the **CONTRACTOR**'s sole responsibility. The **CONTRACTOR** further bids 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 Service 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 obligations as an employer under the Labor Code, its implementing rules and regulations and all other 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 Service Contract.
4. The relationship between the **PARTIES** shall be limited to the performance of the Services as stipulated under this Service 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 Service Contract, or to borrow money on behalf of another **PARTY**, or to use the credit of any **PARTY** for any purpose.

V. WARRANTIES, CLEARANCES, PERMITS, LICENSES and TAXES

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 fulfill its obligations under this Contract or on its operations, business, properties, assets or business conditions.

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

VI. 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 Service 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 Service 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 the Services. 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 willful intent or negligence, during performance of the Services or its obligations under this Service 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.

VII. PERFORMANCE SECURITY

To guarantee the faithful performance of the CONTRACTOR under this Contract, it shall post a Performance Security prior to the execution of the Contract, in accordance with any of the following schedule:

Form of Performance Security	Amount of Performance Security (Not less than the Percentage of the Total Contract Price)
(a) Cash or cashier's/manager's check issued by a Universal or Commercial Bank.	Five Percent (5%)
(b) Bank draft/guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank: Provided, however, that it shall be confirmed or authenticated by a Universal or Commercial Bank, if issued by a foreign bank.	Five Hundred Seventy-Eight Thousand Four Hundred Pesos (PhP 578,400.00)
(c) Surety bond callable upon demand issued by a surety or insurance company duly certified by the Insurance Commission as authorized to issue such security specific to the contract awarded.	Thirty Percent (30%) Three Million Four Hundred Seventy-One Thousand Eight Hundred Forty Pesos (PhP 3,471,840.00)

VIII. WARRANTY SECURITY

1. A Warranty Security shall be required from the **CONTRACTOR** for a period of one (1) year. The obligation therefore shall be covered by a retention money in the amount equivalent to one percent (1%) of the monthly payments. The total deductions, however, shall not exceed the total amount of One Hundred Fifteen Thousand Seven Hundred Twenty-Eight Pesos (PhP 115,728.00).
2. The Warranty Security shall be retained by **PAGCOR**, without interest, during the effectivity of this Service Contract. The same shall only be released after the termination of this Service Contract, provided all conditions under this Service Contract have been fully met.

IX. CLAIMS AND DISPUTES

1. 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.
2. If the **PARTIES** fail to settle their differences 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. The exclusive venue

provision shall apply even in cases for declaration of nullity of this Contract in its entirety or in part.

3. In the event that facts and circumstances arise or be discovered which render this agreement disadvantageous to the government, the **PARTIES** hereto agreed to immediately negotiate its terms and conditions.


IN WITNESS WHEREOF, the Parties hereto have signed these presents on this _____ day of _____, 2019 at _____,

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

OCEANVILLE HOTEL & SPA CORP.
TIN: 244-926-874-000

Represented by:

Represented by:


ENRILE D. ESQUERRA
Officer-In-Charge
Casino Filipino – Manila Bay
TIN: 701-998-457


PETER MICHAEL C. QUIENG
Director of Sales & Marketing
Oceanville Hotel & Spa Corp.
TIN: 154-939-656

Signed in the presence of:


Gemma L. DE TAZA



ACKNOWLEDGMENT

Republic of the Philippines)
 City of Manila) S.S.

X-----X

BEFORE ME, a Notary Public, for and in the City of CITY OF MANILA on this SEP 24 2019, 2019 personally appeared the affiant with her valid Government ID, to wit:

Name	Identification Document Presented	Issue and Expiry Date
ENRILE DJ. ESGUERRA	PAGCOR ID No.86-0918	Issued on April 12, 2019

known to be the same person who executed the foregoing instrument and acknowledged to me that the same is his own free will and voluntary act and deed as well as the free and voluntary act and deed of the entity he represents.

This instrument consisting of ten (10) pages signed by the parties and his instrumental witnesses in all pages refers to a Service Contract.

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

Doc. No. : 498 ;
 Page No. : 101 ;
 Book No. : 11 ;
 Series of 2019.

Michelle M. Yu
MICHELLE M. YU
 NOTARY PUBLIC
 IN AND FOR THE CITY OF MANILA
 6TH FLR, NEW WORLD MANILA BAY HOTEL & CASINO
 M.H. DEL PILAR ST. MALATE, MANILA
 COMM.NO. 2018 - 059 / UNTIL DEC.31, 2019
 ROLL NO. 70315 /IBP CHAPTER MANILA IV
 MCLE COMPLIANCE VI-UNTIL 2022
 MANILA IV - CHAPTER
 PTR NO.8049547/JAN.19, 2018 MANILA

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten mark]

ACKNOWLEDGMENT

Republic of the Philippines)
 City of Manila) S.S.

X-----X

BEFORE ME, a Notary Public, for and in the City of CITY OF MANILA on this 20 SEP 2019, 2019 personally appeared the affiant with her valid Government ID, to wit:


Name	Identification Document Presented	Issue and Expiry Date
PETER MICHAEL CHEW QUIENG	Driver's License No. N04-92-233305	Expiration Date: June 4, 2024

known to be the same person who executed the foregoing instrument and acknowledged to me that the same is his own free will and voluntary act and deed as well as the free and voluntary act and deed of the entity he represents.

This instrument consisting of ten (10) pages signed by the parties and his instrumental witnesses in all pages refers to a Service Contract.

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

Doc. No. : 135 ;
 Page No. : 28 ;
 Book No. : LXXXIX ;
 Series of 2019.


JOELL E. PAREDES
 NOTARY PUBLIC COMMISSION NO 2018-042
 Unit 12/31/19 MANILA
 UNIT A07M TMR 2 TAFT AVE., MALATE MANILA
 Roll No. 84009 IBP Lifetime No. 2022/15-12-00
 PTR No. 7578992/12-17 15/MANILA
 N.CLE COMPLIANCE No. VI-0013321/04-14-2022





8