CONTRACT OF SERVICE ON CITYWIDE GARBAGE COLLECTION, HAULING AND DISPOSAL SERVICES FOR PASIG CITY

KNOW ALL MEN BY THIS PRESENTS:

2 6 JUN 2023

This Contract of Service is made and entered into this between:

by and

The CITY GOVERNMENT OF PASIG, a government agency organized and created by law, represented herein by HON. VICTOR MA. REGIS N. SOTTO, in his capacity as the City Mayor with business office at Pasig City Hall, Caruncho Avenue, Pasig City, Metro Manila, hereinafter referred to as the CITY;

- and -

PHIL. ECOLOGY SYSTEMS CORP., a corporation dulyorganized and existing under and by the virtue of the laws of the Republic of the Philippines, with principal business address at R-II Building, 136 Malakas St., Diliman, Quezon City, herein represented by JOUIE V. LEE OLIVER, in his capacity as President and Authorized Representative, hereinafter referred to as the CONTRACTOR;

(collectively referred to as the "Parties")

WITNESSETH, that:

WHEREAS, the CITY is mandated under Section 458 (5) (xiii), of RA 7160 to provide for an efficient and effective system of solid waste and garbage collection and disposal and prohibit littering and the placing and throwing of garbage refuse and other debris and waste;

WHEREAS, the CITY, in its pursuance of attaining its objective of making Pasig City as one of the cleanest cities in the country and subsequently averting the spread of potential diseases, is committed to implement a sustainable and steady system of solid waste collection, cleaning and disposal services for the City under a package of clean-up system;

whereas, the CITY, through the Bids and Awards Committee ("BAC"), posted and issued an Invitation to Bid ("ITB") for the procurement of CITYWIDEWS GARBAGE COLLECTION, HAULING AND DISPOSAL SERVICES FOR PASIGN CITY (the "Project") with an Approved Budget for the Contract of Four Hundred Forty-Six Million Pesos (Php446,000,000.00);

whereas, after the conduct of pre-bid conference on 14 December 2022 opening of bids and detailed bid evaluation on 27 December 2022, the BAC-Technical Working Group (BAC-TWG) for Services completed the process of post-qualification and all three (3) bidders were declared post-disqualified by the BAC;

WHEREAS, on 24 February 2023, the BAC declared a failure of bidding for the aforementioned project pursuant to Section 35.1 (c) of the Implementing Rules and Regulations ("IRR") of Republic Act ("R.A.") No. 9184;

WHEREAS, on 06 March 2023, the BAC and the End-user Unit conducted a mandatory review and evaluation of the terms, conditions, and specifications in the Bidding Documents in accordance with Section 35.2 of the IRR of R.A. No. 9184;

MR. JODIEW. LEE OLIVER President and Authorized Representative

MR. ALLENDRI B. ANGELES Solid Waste management Officer

HON, VICTOR MA. REGIS

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City Mayor

WHEREAS, the BAC proceeded with the rebidding for the CY2023 contract pursuant to Section 35.3 of the IRR of R.A. No. 9184 and conducted the opening of bids on 24 April 2023;

WHEREAS, after the conduct of detailed bid evaluation on 28 April 2023, the BAC-TWG for Services completed the process of post-qualification;

WHEREAS, during the deliberation meeting held on 14 June 2023, the BAC found that the CONTRACTOR successfully passed post-qualification and its financial bid was identified as the Lowest Calculated Responsive Bid for the above-referenced project;

WHEREAS, the CONTRACTOR has agreed and accepted the award to undertake CITYWIDE GARBAGE COLLECTION, HAULING AND DISPOSAL SERVICES with the CITY under terms and conditions set forth;

NOW, THEREFORE, for and in consideration of the foregoing premises, the abovementioned parties agree and stipulate the hereunder terms and conditions, to wit:

I. CONTRACT PERIOD

This contract shall take effect on 01 JULY 2023 and shall remain in full force and effect up to 31 DECEMBER 2023 unless sooner terminated, or cancelled for cause as stipulated under Item No. V of this Contract.

SCOPE OF WORK II.

 The CONTRACTOR undertakes to provide on a package clean-up basis the CITYWIDE GARBAGE COLLECTION, HAULING AND DISPOSAL SERVICES at FIFTY SIX THOUSAND ONE HUNDRED CUBIC METERS (56,100.00 cu. m.) of wastes or ONE HUNDRED TEN (110) truck trips per day at the minimum. As such, the CONTRACTOR shall assume the full responsibility to manage/administer and directly carry out actual collection, cleaning and disposal of solid wastes from various sources such as households, commercial establishments, public market, institutions like government offices, schools, churches and the like, streets including main and secondary roads particular also to alleys and vacant lots or from designated collection points, and transporting the same to the Rodriguez

Dumpsite or any other government authorized to the CONTRACTOR shall likewise collect domestic solid waste of commercial, industries and government hospitals as well as solid wastes from street sweeping with a visual clutters and soil mounds mixed with garbage.

The CONTRACTOR shall also collect, upon instruction from the City Mayor or duly authorized representative, construction and demolition debris, other debris, refuse, or burned materials caused by fire, fallen trees, blown GI sheets, or debris due to typhoon or other calamities at no extra cost for the CITY.

The CONTRACTOR shall harness its existing manpower or hire additional personnel to support the city in the implementation of its door-to-door collection policy upon instruction of the City Mayor or his duly authorized representative.

5. The CONTRACTOR through its manpower shall assist in the dissemination, education and training of the residents of Pasig in compliance with Republic Act No. 9003, otherwise known as Ecological Solid Waste Management Act, including the preparation, reproduction and distribution of leaflets and posters.

Witness ≠Phil. Ecology Systems Corp.

- 6. Bulky and yard wastes shall also be collected but shall be given a separate collection schedule in accordance with the guidelines specified by the CITY.
- 7. Services not covered in its contract shall be the collection of toxic, hazardous, infectious wastes from health care facilities.
- Mapping up operations shall form part of the package clean-up system and shall refer to follow-up collection in main roads and other streets as may be deemed necessary or required by the CITY even after the designated collection schedules have been carried out.
- The CONTRACTOR shall assist the City in case of transport strike by providing free use of dump trucks to ferry stranded and affected Pasigueños.
- 10.The CONTRACTOR shall also field additional trips for special operations as may be requested by the CITY.

III. SERVICE AREAS

The CONTRACTOR undertakes to provide solid waste collection and cleaning services in all route cells city-wide, composed of main and secondary roads and subdivisions route cells, in accordance with the schedules and guidelines provided by the CITY, including a mode of collection in accordance with the R.A. 9003 and City Ordinance No. 01 Series of 2018 (Ecological Solid Waste Management Code of Pasig City), regardless of the number of trips and shall transport/dispose the same to the Rodriguez Dumpsite or to such other government authorized disposal site as the CITY may designate.

IV. TERMS AND CONDITIONS

1. OBLIGATION OF CONTRACTOR

1.1 EQUIPMENT

- a. The CONTRACTOR shall provide to the CITY the following equipment that are EURO-IV compliant to carry out the services required, to wit:
 - 1. Fifty (50) units of 10-wheeler dump trucks (17 cu.m. capacity);
 - Twenty (20) units 10-wheeler long dump trucks (28-32cu.m. capacity) or thirty-five (35) units 10-wheeler dump truck (17 cu.m. capacity);
 - Thirty (30) units of mini-dump trucks or mini compactor (2 tonner)
 - 4. Two (2) units forward dump trucks;
 - 5. Twenty-five (25) units mini compactor 4 tonner;
 - 6. Two (2) units of payloader at least 2.50 cu.m. capacity;
 - 7. Two (2) units backhoe;
 - 8. One (1) unit Broom Road Sweeper;
 - 9. One (1) Hooklift; and
 - 10. Three (3) units hook lift bins.

The above motor vehicle units should always be in good running condition and must be clean, well-painted and physically presentable. All respective license plates should be put at the front and rear points and should be visible at all times., and the same mush have functional devices such as headlights, stoplights, signal lights, park lights, tail light, wipers, horn, windshield, tail gate, side mirrors and early warning device.

b. The CONTRACTOR shall provide a combination of open dump trucks and compactors of different types ranging from 10-wheeler to mini-dump trucks from 17 cu.m. to 6 cu.m. outside the above enumerated equipment. This does



HON, VICTOR MA. REGIS N. SOTTO

City Mayor

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not limit the CONTRACTOR from using other types of collection trucks which it deems appropriate in order to carry out the service, as may be approved by the CITY. A list of these equipment with their corresponding plate numbers is attached herewith marked as **Annex "A"**. In case a change or substitution of trucks is desired/deemed necessary, then a written application therefore should be made to the CITY for approval.

- c. The CONTRACTOR shall provide a public address system for every truck or an identifying sound system to signal collection (i.e. jingle, bell/siren) and the same must have a welded bell. However, portable public address system such as megaphone, if deemed applicable shall be provided for inner streets and alleys to signal the presence of the truck in the area where collection will be undertaken. The CITY may, from time to time, require such additional instruments or paraphernalia to signal the presence of the trucks in the area where collection will be undertaken. The CONTRACTOR shall likewise provide its trucks with web-based tracking system (GPS) connected to a dashboard to show real time locations. Such dashboard should be accessible and capable to be integrated or linked to the CITY's information technology system at all times.
- d. Each truck shall be furnished with covering materials and tall gate, if open, to prevent littering and spillage and additional accessories such as two (2) pieces plastic trays, two (2) pieces spades, one (1) piece fork, two (2) pieces rake, two (2) pieces broomsticks, one (1) piece dustpan and other additional accessories to be used in cleaning up remnants of garbage/refuse immediately after collection.
- e. The CONTRACTOR's collection trucks shall be capable of tipping or dumping its load if open and has a compaction capability, if compactors.
- f. The CONTRACTOR shall provide its base of operation with communications equipment for monitoring and quick response.
- g. The CONTRACTOR shall provide a service vehicle equipped with communications and public address system for every 10 units of trucks, for monitoring and information dissemination.
- All collection units to be used by the CONTRACTOR shall bear the official logo and shall be marked in accordance with the layout prescribed by the City.
- The CONTRACTOR shall provide a mechanical street sweeper ancillary to the aforementioned requirement for cleaning of litters and other clutters as substitute for manual street sweepers.

1.2 MANPOWER

- a. The CONTRACTOR must have technical staff with technical expertise and competence in the implementation of garbage collection and disposal services for the CITY. Among others, the CONTRACTOR must have the following key personnel, to wit:
 - One (1) Operations Manager
 - One (1) Administrative Officer
 - One (1) Chief Dispatcher
 - One (1) Chief Mechanic
- The CONTRACTOR shall provide each truck with a licensed professional driver and a reserved driver (with psychological and drug tests certificates). In

MR. ALLENDRI B. AN ELES Solid Waste management Officer

HON. VICTOR MA. REGIS N.

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- b. The CONTRACTOR shall systematize the collection of garbage in subdivisions, secondary and tertiary streets of Barangays from 6:00 a.m. to 12:00 noon, and in main thoroughfares from 9:00 p.m. to 2:00 a.m., Provided, the City Mayor or an authorized representative may modify the schedule as the interest of the service dictates.
- c. The CONTRACTOR shall effect the collection of BIODEGRADABLE wastes every Monday, Wednesday, Friday and Sunday, while the NON-BIODEGRADABLE wastes shall be hauled every Tuesday, Thursday and Saturday, in all 110 route cells.
- Special Collection for all tree cuttings and bulky wastes shall be performed every Sunday.
- The CONTRACTOR shall be responsible for the disposal of solid waste collected by the City Government owned trucks.
- f. The CONTRACTOR represents that it has complied with all the eligibility and post-qualification requirements prescribed by R.A. 9184, its Implementing Rules and Regulations, and the relevant issuances of the Government Procurement Policy Board, that it has existing Certificates of Registration (CR) issued by the Land Transportation Office, vehicle insurance coverage which must remain valid and subsisting for the duration of this Contract, and police and health clearances of the drivers and paleros hired by the CONTRACTOR who shall not in any way be deemed as employees of the CITY. The CITY has no employer-employee relationship with them and shall not be liable to them in any event for any claims arising from their employment with the CONTRACTOR.
- g. The CONTRACTOR shall bind itself to comply with all laws, rules and regulations on compensation, wages, social security, insurance, coverage and other benefits. The CITY shall be free from any obligation to the CONTRACTOR and those whom it may to employ by virtue of this Contract.
- h. The CONTRACTOR shall not be exempted from requirements for local license and/or permits and payments of taxes.
- The CONTRACTOR shall shoulder all capital, operating, and maintenance expense necessary for the undertaking set forth herein.
- j. The CONTRACTOR shall as a pre-requisite to the effectivity of this Contract put up a Performance Bond on any of the hereunder forms of security based or the contract price, viz:
 - Cashier's check, manager's check, bank draft/guarantee, of irrevocable letter of credit from banks certified by the BSP as authorized to issue such financial instrument – 5% C.P.
 - ii. Surety Bond 30% C.P. to be secured from the Government Service Insurance System (GSIS) or any insurance company duly accredited by the Office of the Insurance Commissioner. The amount of said bond shall be adjusted time to time in accordance with the pertinent guidelines of the CITY.
- k. The CONTRACTOR shall be exclusively responsible for any and all damages to third persons caused by the CONTRACTOR's equipment and/or personnel during its operations.



HON. VICTOR MA. REGIS N. SOTT

City Mayor

President and Authorized Representative

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V. SUSPENSION, CANCELLATION OR TERMINATION OF CONTRACT

- The CITY may, without prejudice to other remedies against the CONTRACTOR, extrajudicially suspend, cancel or terminate this Contract on any of the following grounds, viz:
 - 1.1 Inability to carry out an efficient solid waste collection, cleaning and disposal service in his area of assignment based on the amount of penalties incurred which shall not exceed 10% of the total contract price for three (3) consecutive months;
 - 1.2 The use of their contracted trucks and other equipment for other services with any other public and private establishments, including other local government units, during the duration of the Contract;
 - 1.3 Illegal parking of trucks when not in use after three (3) warnings;
 - 1.4 Failure to post the prescribed performance bond or renew the same within one (1) month upon expiration of the said bond;
 - 1.5 Contract granted is a matter of privilege and therefore should not be subject to assignment, transfer or sub-contract, in whole or in-part, without the prior written approval of the CITY;
 - 1.6 Violation or non-performance of the other terms and conditions of this Contract;
 - 1.7 Other acts inimical to public interest.
- 2. Repeated violations and/or non-compliance with any of the provision of the Contract, strikes, stoppage of work and other causes of a similar nature shall also constitute sufficient grounds for the cancellation of the Contract; Provided, that pending formal cancellation of this Contract by the City, the Office of the Mayor may suspend the operation of the Contractor and get a substitute Contractor so as not to disrupt the delivery of the service.
- 3. The CITY shall inform the CONTRACTOR in writing of any violation of its commitments or undertaking specified in this Contract, giving the latter up to seven (7) days from receipt within which to explain. In the event, that such explanation is not satisfactory to the CITY, the CITY may cancel or terminate the Contract.
- 4. The right of the CITY to hold the CONTRACTOR liable for damages shall without prejudice to the right of the CITY to proceed against the bond and to rescind this Contract for violations or non-compliance with any of the terms/conditions of the Contract, subject to a prior written five (5) days' notice to the CONTRACTOR.

VI. PENALTIES

 In the event that an area monitored to be dirty or garbage to be dirty or garbage not collected, the CONTRACTOR shall be obliged to collect the uncollected garbage or clean the area immediately upon notification or within the day it was reported. Otherwise, deductions shall be made from the total contract price in accordance with subsisting provisions under the IRR of R.A. 9184.



1.1 Should the CONTRACTOR fail to comply with the requirements in the actual performance of the Contract, corresponding penalties shall be deducted from their billing, as follows:

CONDITIONS	PENALTIES
Failure to clean or free the	First Offense: fine of P5,000 and warning
AOR of garbage, debris,	Second Offense: Fine of P10,000 and warning
mounted soil and falling	Third Offense: P15,000 and cancellation of Contract
trees.	
Garbage trucks shall be	First Offense: fine of P5,000 and warning
furnished covering	Second Offense: Fine of P10,000 and warning
materials to prevent	Third Offense: P15,000 and cancellation of Contract
littering or spoilage of	A STATE OF THE PROPERTY OF T
collected	
garbage/refuse/debris.	\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \
Garbage trucks shall be	First Offense: fine of P5,000 and warning
equipped with fork, shovel,	Second Offense: Fine of P10,000 and warning
broomstick, basket and	Third Offense: P15,000 and cancellation of Contract
dustpans to be used in	
cleaning up remnants of	
garbage/refuse/debris	
immediately after collection.	
Drivers and paleros should	First Offense: fine of P5,000 and warning
be in uniform, with	Second Offense: Fine of P10,000 and warning
identification cards, masks	Third Offense: P15,000 and cancellation of Contract
대	Time offense. 1 13,000 and cancellation of contract
and gloves. Garbage trucks shall be	First Offense: fine of P5,000 and warning
equipped with a cassette	Second Offense: Fine of P10,000 and warning
	Third Offense: P15,000 and cancellation of Contract
recorder with auto reverse	Third Offense: P15,000 and Cancellation of Contract
mechanism, public address	
system and music (jingle) to	
be played to signal its	
presence in the area when	
collecting garbage. Provide a minimum number	First Offense: fine of P5,000 and warning
	Second Offense: Fine of P10,000 and warning
of trucks as stipulated in the	Third Offense: P15,000 and cancellation of Contract
Contract.	First Offense: fine of P5,000 and warning
Printed truck plate number	
and scheduled time of	[[보통하다 등에서 15 14 15 16 1
collection of garbage in their	Third Offense: P15,000 and cancellation of Contract
respective areas should be	
placed at both sides of the	
trucks.	First Officers fine of DF 000 and warning
Garbage trucks and	First Offense: fine of P5,000 and warning
collected garbage should be	Second Offense: Fine of P10,000 and warning
properly sprayed with	Third Offense: P15,000 and cancellation of Contract
disinfectant/deodorizer and	
always kept clean before	
and after garbage collection	
free from repugnant.	
Spilling while in	
transit/garbage truck	Second Offense: Fine of P10,000 and warning
without cover.	Third Offense: P15,000 and cancellation of Contract
Allowing unauthorized crew	First Offense: fine of P5,000 and warning
on board the truck during	Second Offense: Fine of P10,000 and warning
collection.	Third Offense: P15,000 and cancellation of Contract
Crew asking or soliciting	First Offense: fine of P5,000 and warning
either cash or in kind.	Second Offense: Fine of P10,000 and warning

HON. VICTOR MA. REGIS N. SOTTO City Mayor

Solid Waste managen

	Third Offense: P15,000 and cancellation of Contract
Scavenging during	First Offense: fine of P5,000 and warning
collection and/or while on	Second Offense: Fine of P10,000 and warning
route.	Third Offense: P15,000 and cancellation of Contract
Non-action on complaints	First Offense: fine of P5,000 and warning
within the day of reporting.	Second Offense: Fine of P10,000 and warning
	Third Offense: P15,000 and cancellation of Contract

1.2 Amount of deduction shall be paid directly to the Office of the City Treasurer or automatically deducted from the covered month's billing.

VII. OTHER PROVISIONS

- It is understood that the CITY may, in its discretion, terminate this Contract
 as the interest of the service demands.
- In case there is an increase or decrease in the cost of fuel per liter/minimum wage of drivers/paleros during the during the duration of this Contract, the CITY may at its discretion increase or decrease the Contract Cost proportionate to the percentage increase/decrease of fuel/wage rate.
- 3. The reduction of collected waste as a consequence of the Solid Waste Segregation Program of the city will result to a proportionate reduction of payment equivalent to the volume of garbage reduced and shall be correspondingly deducted to the monthly bill of the CONTRACTOR. Provided, fifty percent (50%) of the monetary value of the re-used, recyclable, compostable garbage gathered for the day shall be awarded to the concerned Barangay to be released quarterly for its development project or operation and the remaining fifty percent (50%) shall be deposited in a trust account in the of the office of the City Treasurer for Solid Waste Management projects.
- All recyclables collected are to be delivered by the representative/s of the Contractor to the nearest MRF of the City.
- 5. Should the CITY be constrained to resort to court action to enforce or safeguard its rights and interest under this Contract, the CONTRACTOR shall be liable to the CITY for Attorney's fees in the amount of at least twenty percent (20%) of the total sum claimed in the complaint, exclusive of other damages and expenses of litigation but in no case less than P100,000.00. Venue of court action shall be laid exclusively in the proper court of Pasig.
- 6. CONTRACTOR must establish, manage and operate a modern Material Recovery Facility (MRF) at no cost to the city. Said facility must be located within Pasig City and compliant with existing laws and regulations governing solid waste management. The CITY shall be entitled to 10% share of the total proceeds from retrieved recyclable wastes which shall be deducted to the monthly billing of the contractor and shall be deposited in a trust account in the of the City Treasurer for Solid Waste Management projects.
- 7. CONTRACTOR must own or have access to an existing composting facility that could accommodate and process the City's collected market waste and other compostable waste of twenty two (22) truckloads or equivalent to twenty percent (20%) of generated waste per day. Said facility, its processes and output product must be compliant with the existing laws and regulations governing solid waste management.
- Parties agree to abide by whatever will be the approval and/or findings by the Commission on Audit to this Contract free from any liability whatsoever to each other. However, in case of disallowance of claim for payment or its equivalent



HON. VICTOR MA. REGIS N. SOTTO

City Mayor

President and Authorized Representative

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by the COMMISSION ON AUDIT or any COMPETENT BODY/TRIBUNAL, parties voluntarily agree that reimbursement of any disallowance to the City of Pasig shall be the sole responsibility of the CONTRACTOR

IN WITNESS WHEREOF, the parties have hereunto affixed their signatures this 2 6 JUN 2023

City Mayor	HON. VICTOR MA. REGIS
	IS N. SOTTO

Solid Waste managemen

By:

CITY GOVERNMENT OF PASIG

PHIL. ECOLOGY SYSTEMS CORP.

Ву:

REGIS Nº SOTTO HON. VICTOR MA. City Mayor

V. LEE OLIVER TOUTE President and Authorized Representative

SIGNED IN THE PRESENCE OF:

Witness

Witness

Funds Appropriated:

ELLI A. SANTIAGO MS. MARTII OIC - City Budget Office

Funds Available:

MS. MARITA A. City Treasurer

City Accountant

Funds Øbli

Recommending Approval:

MR. ALLENDRI BEANGELES Solid Waste Management Officer

A. CUENCO

ACKNOWLEDGMENT

2 6 JUN 2023

BEFORE ME, a Notary Public for and in the City of Pasig this personally appeared HON. VICTOR MA. REGIS N. SOTTO, known to me and to me known to be the same person who executed the foregoing instrument and who acknowledged to me that the same is his free and voluntary act and deed as well a that of the entity represented. This Contract consists of only 11 pages, including the page in which this Acknowledgement is written and duly signed by the Parties. 2 6 JUN 2023

WITNESS MY HAND AND SEAL this

at Pasig City, Philippines.

Doc. No. <u>287</u> Page No. 59
Book No. 105
Series of 2023.

ATTY. LETICIAM, AMON Notary Public

Pasig, Pateros & San Juan Valid Until December 31, 2023

Roll No. 22188

PTR AA No. 0112306/01-03-23 Lifetime IBP Member No. 04286 Official Receipt No. 574709, IBP Chapter MCLE Compliance No. VII-0000050/6-18-2019 Ground Fir. Armal Centre, U. Velasco, Ave.,

Malingo, Pasig City

CONTRACT OF SERVICE ON CITYWIDE GARBAGE COLLECTION, HAULING AND DISPOSAL SERVICES FOR PASIG CITY (ITB NO. bac-23-0330a)

ACKNOWLEDGMENT

WITNESS MY HAND AND SEAL this 2 6 JUN 2023 at DASIG CITY

Doc. No. 295; Page No. 60 Book No. 105 Series of 2023.

ATTY. LETIZIA M. AMON

Notary Public

Pasig, Pateros & San Juan

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Ground Fir. Armal Centre, U. Velasco, Ave.,

Malinao, Pasig City

MR: ALLENDRI B. ANGELES Solid Waste managemen Officer

Witness – Phil, Ecology Systems Corp.

President and Authorized Representative

MR. JOUGH. LÉE OLIVER