

SERVICE CONTRACT

KNOW ALL MEN BY THESE PRESENTS:

This Service Contract (the "Contract") is made and entered in the City of Pasig, Metro Manila, by and between:

THE CITY OF PASIG, a local government unit duly organized and existing under and by virtue of the laws of the Republic of the Philippines with principal office at Pasig City Hall, Caruncho Avenue, Pasig City, herein represented by **HON. VICTOR MA REGIS N. SOTTO**, in his capacity as City Mayor;

- and -

D & R MICROMED SUPPLY INC. a corporation duly organized and existing under the laws of the Republic of the Philippines, with office address at #49 4 N. Domingo St. Valencia District 4, Quezon City, represented by **RAFAEL ANTON M. TIONLOC, JR.** (a copy of the Secretary's Certificate evidencing such authority is attached as Annex "A"), hereinafter referred to as the "**CONTRACTOR**".

Each referred to as a "**PARTY**" and collectively as "**PARTIES**".

WITNESSETH: THAT

WHEREAS, THE CITY OF PASIG has a requirement for **ANNUAL PREVENTIVE MAINTENANCE OF AIRDECON UVC AND AIRDECON 200 - PASIG CITY CHILDREN'S HOSPITAL** under **REQUEST FOR QUOTATION NO. 100-24-01-390** (the "Services");

WHEREAS, THE CITY OF PASIG resorted to Direct Contracting pursuant to Section 50 of the Revised Implementing Rules and Regulations of Republic Act ("R.A.") No. 9184;

WHEREAS, the CONTRACTOR submitted a quotation to undertake the said Services;

WHEREAS, THE CITY OF PASIG has accepted the proposal of the **CONTRACTOR**, subject to the terms and conditions hereunder stipulated;

NOW, THEREFORE, for and in consideration of the foregoing premises, the **PARTIES** agree as follows:

ARTICLE I SCOPE OF UNDERTAKING

This Service Contract shall cover all the items found in the Request for Quotation/Terms of Reference hereto attached as Annex "B"

ARTICLE II
CONTRACT PERIOD

The service contract shall be based on the period indicated in the Terms of Reference. Within the period of the effectivity of the Contract, **THE CITY OF PASIG** may terminate the same, with or without cause, without incurring any liability whatsoever, without need for judicial intervention, upon ten (10) days written notice to the **CONTRACTOR**.

ARTICLE III
CONTRACT AMOUNT

The Contract price for the Services shall be in the amount of **FOUR HUNDRED FIFTY THOUSAND PESOS (PHP 450,000.00)** subject to applicable withholding tax. The **CONTRACTOR** shall hold the **CITY OF PASIG** free from liability for any and all taxes and government fees and charges arising out of this transaction.

ARTICLE IV
CONTRACTOR'S WARRANTIES

The **CONTRACTOR** hereby warrants that:

1. The Contractor is duly organized, registered, validly existing and in good standing under the laws of the Republic of the Philippines, and its representative/s is/are capable and have the requisite power, authority, permits, clearances, and licenses to enter into this Service Contract.
2. 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.
3. That the Services to be rendered herein shall be as described under Article I of this Contract and the **CONTRACTOR** 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** has sufficiently experienced and competent personnel able to perform the Services under this Contract. It is understood that the **CONTRACTOR** shall exercise complete and unequivocal control and supervision over its staff in the performance of their respective functions and duties.
5. The **CONTRACTOR** shall protect and exercise due care and proper handling of the properties belonging to or in the possession of **THE CITY OF PASIG** during the performance of its Services.

ARTICLE V
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.

If the **PARTIES** fail to settle their differences or disputes, the **PARTIES** waiving for the purpose any other venue, hereby agree that the appropriate courts of the City of Pasig shall be the exclusive venue of any or all actions or suits between the **PARTIES** to the exclusion of all other courts and venues. This exclusive venue provision shall apply even 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 VI
DAMAGES FOR DELAY

The **CONTRACTOR** shall complete the implementation of the Services within the time prescribed in Article II hereof. Should the **CONTRACTOR** incur delay in its performance, the **CONTRACTOR** 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, **THE CITY OF PASIG** shall have the option to rescind or terminate the Contract, without prejudice to other courses of action and remedies open to it.

ARTICLE VII
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 party shall be released from its 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.

In the event settlement cannot be made, the **PARTIES** shall abide by the provisions of law with respect to default.

ARTICLE VIII
INDEMNIFICATION

1. The **CONTRACTOR** hereby holds **THE CITY OF PASIG**, its guests, corporate affiliates, and any director, officer, employee, agent or any other person acting on **THE CITY OF PASIG's** behalf, 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 **THE CITY OF PASIG** may incur as a result of, or arising out of, the conduct and/or pursuit of the Services and to indemnify **THE CITY OF PASIG**, its guests, corporate affiliates and any director, officer, employee, agent or any other person acting on **THE CITY OF PASIG's** behalf, 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.

2. The **CONTRACTOR** and its personnel shall be jointly and severally liable and shall indemnify and hold **THE CITY OF PASIG**, its guests, corporate affiliates and any director, officer, employee, agent or any other person acting on **THE CITY OF PASIG's** behalf, free and harmless for any death, injury or damage to **THE CITY OF PASIG** and to third persons, loss, breakage, or destruction of properties, as a consequence of the **CONTRACTOR's** acts or omissions, willful intent or negligence, during the performance of the Services or any of its obligations under this Service Contract.

ARTICLE IX
CONFIDENTIALITY

Pursuant to this Contract, **THE CITY OF PASIG** (its officers, employees, agents, and any other person working in **THE CITY OF PASIG's** behalf) may be disclosing to the **CONTRACTOR** (its officers, employees, agents, and other persons acting on the **CONTRACTOR's** behalf) Confidential Information such as but not limited to: business plans, development plans, lists, reports, financial information, design documents, specifications, notes, computer disks, hard disks, tapes, written or electronic compilations or data storage devices and/or other non-public information proprietary and confidential to **THE CITY OF PASIG** (together with any notes, analyses, compilations, studies, or other documents that are based upon, contain, or otherwise reflect such as Confidential Information). The **PARTIES** agree as follows with respect to treatment of the above-mentioned Confidential Information:

1. The **CONTRACTOR** shall require its officers, employees, agents and other persons acting on the **CONTRACTOR's** behalf to comply with the terms of this Confidentiality Clause and shall be solidarily liable to **THE CITY OF PASIG** for unauthorized disclosures made by its officers, employees, agents, and other persons acting on the **CONTRACTOR's** behalf.

2. The disclosed Confidential Information shall be used by the **CONTRACTOR** (its officers, employees, agents, and any other persons working in **THE CITY OF PASIG's** behalf) solely for the purpose of performing the Services specified in this Contract and not for any other purpose, and the **CONTRACTOR** (its officers, employees, agents, and any other persons

acting on the **CONTRACTOR's** behalf) will not disclose the Confidential Information, in whole or in part, for any other purpose.

3. Copies or reproductions of the disclosed Confidential Information shall be made only to the extent and purpose of performing the **CONTRACTOR's** Services under this Contract. Access to disclosed Confidential Information shall be limited by the **CONTRACTOR** to only those officers, employees, agents, and other persons acting on the **CONTRACTOR's** behalf who are necessary for the performance of the Services under this Contract.
4. In the event that the **CONTRACTOR** (its officers, employees, agents, and any other persons acting on the **CONTRACTOR's** behalf) is required by law to disclose any information supplied to the **CONTRACTOR** pursuant to this Service Contract, the **CONTRACTOR** will provide **THE CITY OF PASIG** with prompt prior written notice of such requirement so that **THE CITY OF PASIG** may seek an appropriate protective order/ measure. In the event that **THE CITY OF PASIG** fails to secure the appropriate order/measure, the **CONTRACTOR** shall disclose only that portion of the Confidential Information it is legally compelled to disclose.
5. All confidential Information disclosed by **THE CITY OF PASIG** to the **CONTRACTOR** (its officers, employees, agents, and any other persons acting on the **CONTRACTOR's** behalf) shall remain **THE CITY OF PASIG's** property.
6. Upon termination of this Contract, the **CONTRACTOR** shall return all tangible Confidential Information furnished by **THE CITY OF PASIG**. The **CONTRACTOR** will also destroy all written material, memoranda, notes, and other writings or recordings whatsoever prepared by it based upon, containing, or otherwise reflecting any Confidential Information.
7. Any Confidential Information that is not returned or destroyed, including any oral Confidential Information, shall remain subject to the confidentiality obligations herein even after the termination of this Contract until such Confidential Information is returned to **THE CITY OF PASIG** or destroyed by the **CONTRACTOR**. Any oral Confidential Information shall not be repeated to any third party by the **CONTRACTOR** (its officers, employees, agents, and any other persons acting on the **CONTRACTOR's** behalf) even after the termination of the Contract.
8. **THE CITY OF PASIG** (its officers, employees, agents, and any other persons acting on **THE CITY OF PASIG's** behalf) shall not be liable to the **CONTRACTOR** (its officers, employees, agents, and any other persons acting on the **CONTRACTOR's** behalf) or to any third party for any damage or injury resulting from the **CONTRACTOR's** use of the disclosed Confidential Information.
9. The **CONTRACTOR** acknowledges and agrees that monetary damages would not be a sufficient remedy for any breach of this Confidentiality Clause by the **CONTRACTOR** (its officers, employees, agents, and other persons acting on the **CONTRACTOR's** behalf) and that **THE CITY OF PASIG** shall be entitled to specific performance including injunctive relief, as a remedy for any such breach. Such remedy shall not be deemed to be the exclusive remedy for breach of this Confidentiality Clause but shall be

in addition to all other remedies available at law or equity. The **CONTRACTOR** agrees to reimburse **THE CITY OF PASIG** for costs and expenses (including without limitation attorney's fees) incurred by **THE CITY OF PASIG** in connection with the enforcement of this Confidentiality Clause.

10. The obligations stated in this Confidentiality Clause shall also apply to Confidential Information negligently, unintentionally or inadvertently disclosed by **THE CITY OF PASIG** (its officers, employees, agents, and any other persons acting on the **CONTRACTOR**'s behalf) and to disclosures made by **THE CITY OF PASIG**'s officers, employees, agents, and other persons ordinarily acting on **THE CITY OF PASIG**'s behalf or, in breach of his/her obligation or duty to **THE CITY OF PASIG**.

ARTICLE X TAXES AND LICENSES

All amounts, claims, 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 the **CONTRACTOR**.

ARTICLE XI NO EMPLOYER-EMPLOYEE RELATIONSHIP

There shall be no employer-employee relationship between **THE CITY OF PASIG** and the employees of the **CONTRACTOR**. The **CONTRACTOR** shall have the entire charge, control and supervision of the performance of the Services herein agreed upon. Any damage, 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 work under this Service Contract shall likewise be the **CONTRACTOR**'s responsibility.

The **CONTRACTOR** shall be responsible for all acts and omissions of its agents, personnel, and all persons allowed by it to have access to **THE CITY OF PASIG**'s premises, for any injury which may be caused to persons or property while remaining in any part of **THE CITY OF PASIG**'s premises.

The **CONTRACTOR** further binds itself to hold **THE CITY OF PASIG** free and harmless from any claim on account of the aforementioned injury or damage.

ARTICLE XII MISCELLANEOUS PROVISIONS

1. In the event that facts and circumstances arise or are discovered which render this Service Contract disadvantageous to the Government, the **PARTIES** hereto agree immediately to re-negotiate its terms and conditions, or at the option of **THE CITY OF PASIG**, terminate the same.

2. This Service Contract, and all the rights and interests herein, may not be assigned or sub-contracted to another without the consent of the other party.
3. All notices and other communications provided for or permitted hereunder shall be in writing and sent to the **PARTIES** at their respective addresses as indicated in this Service Contract.
4. 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 Service Contract, which is/are otherwise valid and enforceable.
5. The **PARTIES** agree to abide by these terms and conditions in good faith.
6. The relationship between the **PARTIES** shall be limited to the performance of the terms and conditions of the Service Contract. Nothing in this Service 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.
7. Any right or remedy conferred by this Service Contract upon the **PARTIES** shall not be exclusive of any other right or remedy, whether under this Service 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.
8. This Service Contract constitutes the entire agreement between the **PARTIES** pertaining to the subject matter contained in it, and supersedes all prior and contemporaneous acts, contracts, representations, warranties, and understandings of the **PARTIES**. No supplement, variation or amendment of this Service Contract shall be binding unless executed in writing by all the **PARTIES** thereto.
9. No waiver of any of the provisions of this Service Contract 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.

IN WITNESS WHEREOF the parties hereto have caused this Contract to be executed in accordance with the laws of the Republic of the Philippines.


CITY OF PASIG

D & R MICROMED SUPPLY INC.

By:

By:


VICTOR MA REGIS N. SOTTO
City Mayor


for: **Karen D. Magayon**
Sales Manager
RAFAEL ANTON M. TIONLOC, JR.
Authorized Representative


WITNESSES :

(Printed Name and Signature)

(Printed Name and Signature)

Recommending Approval:

Funds Obligated:


JOSELITO T. MORETE, MD,
MMHOA, DPBA, FPSA
PCCH- Medical Director


MS. JUVY A. CUENCO
City Accountant
100-2024-01-0027-4431

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
City of PASIG CITY S.S.

PASIG CITY

BEFORE ME, a Notary Public for and in the _____, on this day of APR 02 2024, 2024, personally appeared:

Name	Government ID	Issue and Expiry Date
RAFAEL ANTON M. TIONLOC, JR.		

Karen G. Pagayon
Sales Manager

UMID ID CRN 0033 6366300-0

Known to me to be the same person who executed the foregoing Contract of Lease consisting of nine (9) pages, and who acknowledged to me that the same is their own free and voluntary act and deed as well as the free and voluntary act and deed of the entity they duly authorized to represent.

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

Doc. No. 266
Page No. 55
Book No. 7
Series of 2024.

ATTY. GERALD P. RUBIO
Notary Public-Pasig City, San Juan and Pateros
Until December 31, 2024
ROLL NO. 84083
IBP NO. 384108
PTR NO. 1504028
APPOINTMENT NO. 276 (2023-2024)
MCLE EXEMPTION NO. VIII-BEP002249
TIN NO. 238-919-765

ACKNOWLEDGMENT

BEFORE ME, a Notary Public for and in the City of Pasig on this day of APR 05 2024, 2024, Personally appeared Victor Ma. Regis N. Sotto, known to me and to be is 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 as that of the entity he represents.

This Instrument consists of nine (9) pages, including this page in which this Acknowledgment is written and duly signed by the Parties.

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

Doc. No. 401
Page No. 62
Book No. 7
Series of 2024.

ATTY. GERALD P. RUBIO
Notary Public-Pasig City, San Juan and Pateros
Until December 31, 2024
ROLL NO. 84083
IBP NO. 384108
PTR NO. 1504028
APPOINTMENT NO. 276 (2023-2024)
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