

**CONTRACT FOR THE STANDARD PREVENTIVE TECHNICAL
MAINTENANCE OF ELEVATOR UNIT IN THE
HALL OF JUSTICE AT ILOILO CITY**

KNOW ALL MEN BY THESE PRESENTS:

This **CONTRACT**, executed on this 22nd day of JULY 2018 in the City of Manila, Philippines, by and between:

SUPREME COURT OF THE PHILIPPINES, a government institution existing under and by virtue of the Constitution and the laws of the Philippines, with address at Padre Faura Street, Ermita, Manila, herein represented by **Honorable COURT ADMINISTRATOR JOSE MIDAS P. MARQUEZ** duly authorized to enter in this transaction pursuant to the Memorandum dated 25 May 2017 which was duly approved on 30 May 2017 by **Honorable CHIEF JUSTICE MARIA LOURDES P. A. SERENO**, hereinafter referred to as the "**CLIENT**".

and

CONCEPCION-OTIS PHILIPPINES, INC., a domestic corporation duly organized and existing by virtue of the laws of the Republic of the Philippines, with business address and principal office at 14th floor Petron Megaplaza 358 Senator Gil Puyat Avenue, Makati City Philippines, herein represented by **ALFRED T. KOA**, Senior Regional Manager, pursuant to the Special Power of Attorney dated April 25, 2017, hereto attached as **Annex B** hereinafter called as the "**CONTRACTOR**".

WHEREAS, one (1) Passenger Elevator unit, which was installed in the Hall of Justice Building at Iloilo City for the use of the trial courts thereat;

WHEREAS, on 20 August 2014 the Court executed a contract with OTIS E&M Company Philippines, Inc. represented by Mr. Sean Losty, General Manager, for the Standard Preventive Technical Maintenance of Elevator Unit in the Hall of Justice at Iloilo City for the period of May 01, 2014 to April 30, 2015.

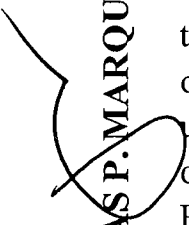
WHEREAS, in a special meeting on March 26, 2014, the majority vote of the Board of Directors and Stockholders owning or representing at least two-thirds of the outstanding capital stock of OTIS E&M Company Philippines, Inc., unanimously adopted Board Resolution No. 02-2014 changing the corporate name of OTIS E&M Company Philippines, Inc., to its new name Concepcion Otis Philippines, Inc.;

WHEREAS, in its March 14, 2015 Memorandum to the Chief Justice Maria Lourdes P. A. Sereno, the Office on Halls of Justice requested the change of name


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LILLIANNE E. ULGADO


ALFRED T. KOA


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of OTIS E&M Company Philippines, Inc., to CONCEPCION OTIS Philippines, Inc. which was subsequently approved on March 12, 2015;

WHEREAS, on May 11, 2015, the Court executed the amended Contract for Standard Preventive Technical Maintenance of Elevator Unit at Iloilo Hall of Justice with a change from its former name OTIS E&M Company Philippines, Inc., to its new name Concepcion Otis Philippines, Inc. represented by Mr. Sean Losty, General Manager;

WHEREAS, in 2016, the Court executed the Contract for Standard Preventive Technical Maintenance of Elevator Unit for a period of one (1) year from May 1, 2016 to April 30, 2017;

WHEREAS, prior to the expiration of the 2016 Contract, the Office on Halls of Justice coordinated with the **CONTRACTOR** to submit its financial proposal for the renewal of its services for the period of two (2) years from **01 May 2017 to 30 April 2019**.

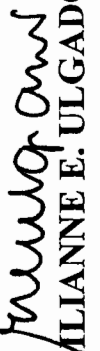
WHEREAS, the **CONTRACTOR** offered an increased monthly service contract fee of Seven Thousand Two Hundred Sixty Pesos (P7,260.00), inclusive of taxes, for the year 2017 to 2018 and Seven Thousand Nine Hundred Eighty Six Pesos (P7,986.00) Pesos for the year 2018 to 2019;

WHEREAS, in its meeting on 24 January 2017, the Bids and Awards Committee for the Halls of Justice (BAC-HOJ) resolved to renew the Standard Labor Preventive Technical Maintenance service contract of the **CONTRACTOR**;


WHEREAS, through its 25 May 2017 Memorandum, the BAC-HOJ recommended the renewal of the said contract for a two (2) year period from **May 1, 2017 to April 30, 2019**, at an increased monthly contract rate of **Seven Thousand Two Hundred Sixty Pesos (Php7,260.00)**, inclusive of taxes, for the year 2017 to 2018 and **Seven Thousand Nine Hundred Eighty Six Pesos (P7,986.00)** inclusive of taxes, for the year 2018 to 2019, chargeable against the appropriations for the maintenance and other operating expenses (MOOE) of the Halls of Justice;

WHEREAS, in the 30 May 2017 Memorandum, the Honorable Chief Justice approved the recommendation of the Bids and Awards Committee for the Halls of Justice (BAC-HOJ) for the renewal of the Standard Labor Preventive Technical Maintenance Contract to **CONCEPCION-OTIS PHILIPPINES, INC.**, for a period of two (2) years from May 1, 2017 to April 30, 2019;


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NOW, THEREFORE, for and in consideration of the foregoing premises and of the mutual covenants hereinafter set forth, the parties have agreed and bound themselves to the following stipulations:

TERMS AND CONDITIONS

1. The **CONTRACTOR** shall undertake the following:

- a. Examine one (1) unit of passenger elevator once a month (during normal working hours between 8:00 A.M. to 5:00 P.M. (Mondays – Fridays) in accordance with good practice and any local or statutory regulations existing at the date of this agreement;

All works shall be performed during regular working hours of the **CONTRACTOR**. It is understood that its regular working hours shall be from 8:00 A.M. to 5:00 P.M. Mondays to Fridays.

The **CONTRACTOR** shall give priority in its service, repair and replacement of spare parts to restore the elevator unit to normal operation.

- b. Provide the services of a qualified elevator servicemen for the purpose of examining the elevator unit, oiling cleaning of the machine, greasing and oiling of all bearings and guides, making the necessary minor adjustments and examine periodically all safety devices and governors and make the customary safety tests.
- c. Provide callback service from 8:00 A.M. to 5:00 P.M. (Mondays to Saturdays), however, callback service rendered beyond 5:00 P.M., holidays and Sundays shall be charged at a fixed rate of P3,500.00;
- d. Provide all cleaning materials, necessary, grease and lubricants, and replacement parts, as they may apply. Recommend and propose for parts repairs and/or replacement.

2. The cost of replacement of parts and components which are found defective due to normal wear and tear shall be made at the expense of the **CLIENT**.

3. The **CONTRACTOR** shall inform/advice the **CLIENT** of all defective and worn-out parts to be replaced, the cost of replacement parts, major repair works and the specified downtime to be undertaken to put the equipment into normal working Condition. The **CONTRACTOR** shall carry out repair works upon the prior written approval of the **CLIENT**;


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The **CONTRACTOR** shall provide the **CLIENT** with a Quotation for Works of Repair pertaining to the value of materials needed for any repair. It shall not initiate actual work without the prior written approval of the **CLIENT**.

All or any parts of the elevator equipment, whether defective or not, which may be replaced as a result of the regular inspection, preventive maintenance repair and breakdown service shall be properly turned-over to the **CLIENT** for its proper disposal;

4. The **CONTRACTOR** shall promptly send competent technician(s) to the site for emergency action and the spot repair in any cases of breakdown, disorderly operation or malfunction of the elevator unit. It shall also train the maintenance personnel of the Hall of Justice and court employee about the basic emergency procedure in case of breakdown, disorderly operation or malfunction of the elevator.
5. All parts and components of the elevator under this Contract shall be supplied by the original equipment manufacturer or its authorized representative, which is the **CONTRACTOR**. It shall also maintain current engineering wiring diagrams for the term of this Contract.

6. The **CONTRACTOR** warrants that the products, trade, materials, supplies and equipment and all replacement parts to be supplied are free from any patent and latent defects. The applicable warranty period for the *replacements, parts, equipment, materials and supplies* to be supplied by the **CONTRACTOR** are the standard warranty period as may be stated in SUPPLIER's proposal.


This warranty is made in addition to all other warranties, whether expenses or implied including any implied warranties of merchantability or of fitness for particular purpose.

7. The **CONTRACTOR** warrants the continuous and uninterrupted labor standard maintenance service on the elevator unit. The **CONTRACTOR** reserves its right to suspend the performance of any or all of its services for the **CLIENT**'s failure to settle any outstanding account, effective fifteen (15) working days from written notice.
8. The **CONTRACTOR** shall not be liable for any loss, damage or delay due to any causes beyond its reasonable control including acts of government strikes, lockouts, fire, thefts, floods, typhoons, earthquakes, riots, civil commotion, wars, malicious mischief and acts of God;
9. The **CONTRACTOR** shall be responsible for any loss or damage that may be sustained by the properties of the **CLIENT** or for injury, loss or damage to any person, which shall be due to the unreasonable or negligent act or omission of the **CONTRACTOR** or its workers, whether such act is intentional or not;


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except those due to force majeure those events or occurrences beyond its control. Notwithstanding the above, the **CONTRACTOR** shall be liable only for losses or damages arising solely and directly from **CONTRACTOR's** fault;

10. The **CONTRACTOR** has an independent business and undertakes the responsibilities according to its own systems and methodology free from control and direction of the **CLIENT** in all matters connected with the performance of the work/service.

No employer-employee relationship shall exist between the **CONTRACTOR** and/or its workers and the **CLIENT**. The **CLIENT** shall in no manner be accountable for any worker or personnel of the **CONTRACTOR** during the performance of the work services mentioned in this Contract, and/or for any injury, loss or damage whatsoever. The **CONTRACTOR** shall not hold the **CLIENT** liable thereof, whether the injuries or accidents occurred inside or outside the premises of the **CLIENT**.

11. This Contract shall be for a period of **two (2) years effective May 1, 2017 to April 30, 2019** and shall be deemed renewed upon the lapse thereof unless a contrary intention is signified by either party through a thirty (30) days advanced written notice;

12. The **CLIENT** agrees to pay **CONTRACTOR** within fifteen (15) working days from receipt of the *Monthly Service Report and Statement of Account*, the fixed monthly service fee of **Seven Thousand Two Hundred Sixty Pesos (Php7,260.00)**, inclusive of taxes, for the 1st year (2017 to 2018) and **Seven Thousand Nine Hundred Eighty Six Pesos (P 7,986.00)** inclusive of taxes, for the 2nd year (2018 to 2019), in consideration for the services rendered under this Contract to one (1) unit of Passenger Elevator in the Hall of Justice Iloilo City;

The monthly standard preventive technical maintenance service rate shall not be subject to any escalation that may be brought in the event of increased labor and materials cost, oil price hike and inflation rate during the period of this contract and any renewal thereof;

13. The **CLIENT** shall undertake that, during the period of this Contract or any renewal thereof, no person whatsoever (other than the duly authorized employees of the **CONTRACTOR**) shall be allowed to gain access to the elevator premises or to any part of the equipment installation without first having obtained the written consent of the **CONTRACTOR**;


14. The **CONTRACTOR** shall not assign, convey, or transfer his rights and obligations under this Contract to any person;


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15. following are the grounds for the termination of this Contract:

1. Fundamental breach of any terms and conditions of this contract and violation of any pertinent laws;
2. Unsatisfactory performance of the **CONTRACTOR**;
3. Bankruptcy, insolvency or liquidation of the **CONTRACTOR**;
4. Transfer, demolition, or renovation of the premise where the elevator equipment was installed;
5. Assignment, conveyance and transfer of rights and obligations of either party under this contract to any person; and
6. Non-payment of contract price.

The termination of this Contract is without prejudice to the accrued rights of the **CLIENT**.

16. Any written notice required to be served by one party to another in relation to the performance of their obligations shall be made to the address set forth in this Contract by way of registered mail;
17. It is agreed that this Contract for the Standard Preventive Technical Maintenance of One (1) Elevator Unit in the Hall of Justice at Iloilo City shall be governed by, construed and enforced in accordance with the laws of the Philippines.
18. If any dispute or difference of any kind whatsoever shall arise between the **CONTRACTOR** and the **CLIENT** in connection with or arising out of this Contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation and shall be resolved in accordance with Republic Act 9285, otherwise known as the "Alternative Dispute Resolution Act of 2004." Notwithstanding any reference to arbitration herein, the parties shall continue to perform their respective obligations under the Contract.

In the event that the issue cannot be settled amicably and suit is thereafter brought by either party to this Agreement/Contract, the parties agree that venue must be exclusively vested in the proper courts of the City of Manila.

19. This Contract when duly executive by both parties shall constitute the contract between them. All representations or agreements not incorporated herein are deemed superseded. Nothing herein, however, should be considered or construed as a waiver on the part of the **CLIENT** of its right to enforce the provisions of all existing applicable laws, rules, and regulations, specifically those of the new Civil Code on Obligations and Contracts, nor shall the

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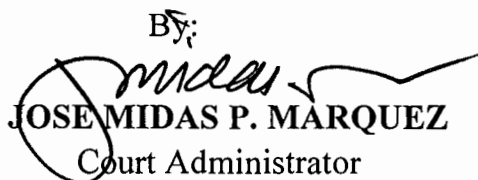
stipulations under this Agreement relieve the **CONTRACT** of its obligations or liabilities provided for under such laws, rules and regulations.

As to the supply and delivery of spare parts that would be needed for the replacement of worn-out spare parts of the elevator, the Job Order issued in the name of the CONTRACTOR, the Monthly Service Report and other pertinent documents shall be considered, in addition to the provisions set forth in this Contract and the existing laws, rules, and regulations.

IN WITNESS WHEREOF, we have hereunto set our hands this 3RD day of JULY, 2018 at Manila, Philippines.

**SUPREME COURT OF
THE PHILIPPINES**

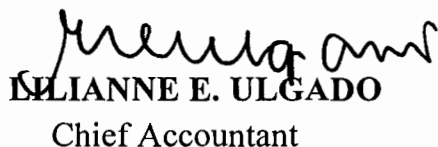
**CONCEPCION-OTIS
PHILIPPINES, INC.**

By:

JOSE MIDAS P. MARQUEZ
Court Administrator

By:

ALFRED Y. KOA
Senior Regional Manager

SIGNED IN THE PRESENCE OF:


LIANNE E. ULGADO
Chief Accountant


JEANETTE L. BALABA
Service Sales Associate

Date: _____

Date: _____

ACKNOWLEDGMENT

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

BEFORE ME, personally appeared the following:

- 1. JOSE MIDAS P. MARQUEZ** SC ID No. 60037000
- 2. ALFRED T. KOA** Driver's License No. F01-89-020413


The former as the Court Administrator, Supreme Court of the Philippines and latter as the Senior Regional Manager, Concepcion Otis Philippines, Inc., both known to me to be the same persons who executed the foregoing instrument and

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acknowledged and sworn to before me that the same is their free and voluntary act and deed as well as the institution and agency they represent.

This **CONTRACT FOR THE STANDARD PREVENTIVE TECHNICAL MAINTENANCE SERVICE** for one (1) elevator unit installed in the Hall of Justice at Iloilo City consists of eight (8) pages, including this page on which this Acknowledgement is written and signed by the parties and their witnesses at the left hand margin on each and every page, except this page.

WITNESS MY HAND AND SEAL, for and in the City of Manila, this
JUL 03 2018 day of July, 2018.


EDGAR O. ARICHETA
Clerk of Court
Supreme Court of the Philippines

Doc. No. _____;
Book No. _____;
Page No. _____;
Series of 2018.