



## CONTRACT

Rental of Hotel for the Establishment  
of HOPE 1 Facility

(Purchase Request No. TF-20-04-00650)

KNOW ALL MEN BY THESE PRESENTS:

This Contract entered into by and between:

**QUEZON CITY GOVERNMENT**, a public corporation existing under the laws of the Philippines, represented herein by the Honorable **MA. JOSEFINA G. BELMONTE**, in her capacity as City Mayor, with office at Quezon City Hall Compound, Elliptical Road, Diliman, Quezon City, Metro Manila, and hereinafter referred to as the "**CITY**"

-and -

**VERMONT PROPERTY MANAGEMENT INCORPORATED** operating **FERSAL HOTEL MALAKAS**, a corporation duly organized and incorporated under the laws of the Republic of the Philippines with office address at 131 Malakas St., Diliman, Quezon City, represented herein by its Director of Sales and Marketing, **MARY GRACE B. DEL ROSARIO**, and hereinafter collectively referred to as the "**FACILITY**"

**CITY** and **FACILITY** may be referred to individually as a "Party" and collectively, as "Parties."

### RECITALS:

**WHEREAS**, on 08 March 2020, President Rodrigo Roa Duterte, through Proclamation No. 922, declared a State of Public Health Emergency throughout the entire Philippines to address the COVID-19 outbreak in the country;

**WHEREAS**, given the COVID-19 pandemic, the Government Procurement Policy Board (GPPB) issued Resolution No. 03- 2020 allowing Procuring Entities (PEs) to apply the rules on Negotiated Procurement (Emergency Case) during a State of Calamity and simplifying the process therefore;

**WHEREAS**, on 24 March 2020, the President signed R.A. 11469 or the Bayanihan to Heal as One Act, which granted the President temporary emergency powers to address the national emergency brought about by the COVID-19 pandemic;

**WHEREAS**, the GPPB, through GPPB Resolution No. 03-2020, included in the Procurement Projects that may be covered by Negotiated Procurement (Emergency Cases) under Section 53.2 and Item V(D)(2a) of Annex "H" of the its IRR the lease of real property or venue for use as quarantine centers, evacuation sites, medical relief and aid distribution locations, warehousing facilities, or similar temporary disaster or emergency response facility as among those that may be procured under Negotiated Procurement (Emergency Cases);

**WHEREAS**, the GPPB issued Circular No. 01-2020 which established the guidelines for emergency procurement under R.A. 11469 or the Bayanihan to Heal as One Act to expedite the procurement of highly needed supplies, materials, equipment, utilities, telecommunications, and other critical services authorized under said law at the most advantageous price to the



government with the necessary safeguards for the prevention of abuses and corruption in the procurement process;

**WHEREAS**, DOH Department Memorandum No. 2020-0108 advises Persons Under Investigation for COVID- 19 with mild symptoms, no co-morbidities and/or non-elderly and Persons Under Monitoring, as well as asymptomatic positive COVID-19 cases, to go on home quarantine for 14 days;

**WHEREAS**, as of 09 April 2020, the total COVID-19 cases in the CITY thru its Epidemiology and Disease Surveillance, Quezon City Health Department is 641;

**WHEREAS**, to prepare for the possible overloading of the hospital facilities, the CITY must have an alternative medical facility for the identified PUIs and COVID-19 patients to complement the local government hospitals. Hence, the establishment of **Hope-1** facility;

**WHEREAS**, in consideration of the CITY's actions of mitigating and containing the transmission of COVID-19, there is an immediate need to procure through Negotiated Procurement (Emergency Cases) under R.A. No. 11469 or the Bayanihan to Heal as One Act the rental or leasing of a real property and/or venue to be used as quarantine facilities for the CITY (**Hope-1**) in accordance with the CITY's desired parameters;

**WHEREAS**, in accordance with pertinent laws, rules and issuances on Negotiated Procurement (Emergency Cases) *vis-a-vis* R.A. 11469 or the Bayanihan to Heal as One Act, the CITY sent Requests for Quotation/Proposal to various suppliers of known qualification;

**WHEREAS**, the **FACILITY** participated and submitted its quotation for the Project and upon evaluation, passed the post qualification process and was determined to be a supplier which possesses the technical, legal and financial capability to deliver the required services to address the COVID-19 emergency;

**WHEREAS**, the **FACILITY** was declared as the Lowest Calculated and Responsive Offer and an award was issued on APR 20 2020;

**NOW THEREFORE**, for and in consideration of the foregoing premises, the Parties hereto agreed and do hereby mutually agree to be bound by the covenants and stipulations herein set forth as follows:

*Section 1. Scope of Work.* Pursuant to and in accordance with the Contract Documents provided herein, the **FACILITY** undertakes to supply and deliver to the CITY an alternative medical facility to house the quarantine of identified PUIs and COVID-19 patients as it complements the local government hospitals, based on the CITY's parameters as follows:

**A. Room Amenities**

The **FACILITY** shall provide 49 dedicated rooms for a guaranteed number of 50 persons, which includes patients and CITY's medical team.

The **FACILITY** shall provide each room with the following amenities:

- Complimentary water of at least 5 Liter Gallon/s with Disposable Cups
- Bathroom Amenities Set-up, Vanity Kits and Dental Kits good for 14 days or 2 weeks
- Cable TV
- Toilet & Bath with Hot & Cold Shower
- In-room Safety Deposit Box
- Keycard Locking System



### B. Room Arrangements

Each room shall observe the CITY's requirements as follows:

- All items to be used for the rooms of the Person Under Investigation (PUI) shall be disposable, including but not limited to, linens, dining kit, vanity kit (soap, shampoo and conditioner) and dental kit (toothbrush & toothpaste)
- All rooms must be set-up and ready for occupancy. There shall be extra and for change linens available in the cabinets (i.e. 1 bedsheet, 1 blanket, 2 towels, 1 pillow and 1 pillow case). Change of linens need not be assisted by any of the FACILITY's staff for safety and to avoid further transmission.
- Vanity and Dental Kits will be provided good for the 14-day quarantine period (will be given once the PUI check-in at the room)

### C. Meal Arrangements

Daily meals shall be provided by the FACILITY to a guaranteed number of 50 persons.

- Meals shall be inclusive of plated breakfast, plated lunch and plated dinner.
- Menu shall be provided by the FACILITY based on Chef's recommendation

### D. Boardroom & Function Rooms

The FACILITY shall provide the CITY with complimentary use of the Julia Hall at the Mezzanine and Fernando Halls A&B at the Penthouse.

The CITY shall notify the FACILITY ahead of time if it intends to use the Boardroom and Function Room and the FACILITY shall promptly prepare and set-up the rooms.

### E. Facilities and Amenities

The FACILITY shall deliver and provide the CITY with the following:

- Unlimited WIFI
- Use of Business Center - Internet, Fax and Printing (Rates Apply)
- Convenience Store (Rates Apply)
- High-powered stand-by generators
- 24-Hour Security CCTV System and Security Guards
- Fully Automatic Fire Safety System
- Use of Elevators

**Section 2. Contract Documents.** The following documents shall be read and construed as part of this Contract, viz.:

- (a) Request for Quotation/Proposal;
- (b) Purchase Request
- (c) The FACILITY's Quotation and all other documents/statements submitted;
- (d) Eligibility requirements, documents, undertakings and/or statements;
- (e) Notice of Award; and
- (f) Any and all other documents submitted to the CITY during the course of the procurement process.



The documents mentioned above shall be collectively referred to as "Contract Documents".

*Section 3. Term.* This Contract shall be effective for the period of six (6) months commencing on \_\_\_\_\_ and ending on \_\_\_\_\_, subject to monthly evaluation by the CITY to determine the FACILITY's compliance with the terms and conditions provided herein.

*Section 4. Contract Price.* In consideration of the complete and faithful delivery of any and all performance of any and all obligations of the FACILITY under this Contract, the FACILITY shall be paid for the entire duration of the Contract the total amount of **Twenty Three Million Five Hundred Twenty Thousand Pesos (Php23,520,000.00)**, inclusive of the 12% Value Added Tax (VAT) (the "Contract Price") in accordance with the conditions set forth in Section 6 hereof.

*Section 5. Terms of Payment.* The FACILITY shall be paid a fifty percent (50%) advance payment of Eleven Million Seven Hundred Sixty Thousand Pesos (Php11,760,000.00) which is equivalent to three (3) months prior to the initial check-in date.

The remaining balance shall be through a send bill arrangement to be paid on or before \_\_\_\_\_.

The processing of payments will entail the approval by the CITY of the FACILITY's complete documentation and deliverables before invoices may be processed for payment. The CITY likewise reserves the right to validate billing/invoice before payment of fees.

*Section 6. Project Cost Adjustment.* As stated in Republic Act 9184, otherwise known as the Government Procurement Reform Act, Section 61.2, in cases where the cost of the awarded contract is affected by any applicable new laws, ordinances, regulations, or other acts of the Government of the Philippines, promulgated after the date of bid opening, [such as, but not limited to, increase in minimum daily wage pursuant to law or new wage order], a contract price adjustment shall be made on a no loss-no gain basis.

*Section 7. Obligations of the FACILITY.* For the entire duration of the Contract, the FACILITY shall:

- i. Provide the necessary personnel to service the reception, housekeeping, food and beverages and external security needed in the duration of the contract;
- ii. Limit the access of all staff and security in the lobby which will serve as common area;
- iii. Provide a mess hall for packed food;
- iv. Shall assist the CITY on the disposal of the garbage/waste that by tagging such wastes as infectious/hazardous. However, the disposal shall be handled by the CITY who shall coordinate with the FACILITY regarding the daily collection of the garbage/wastes;
- v. In consideration of the high risk condition of the project, ensure the provision of additional security and housekeeping personnel and provide sanitation equipment in public areas, and provide new linens and observe the CITY's room requirements to ensure zero transmission of contagious and infectious virus and diseases;



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- vi. Supervise and monitor the ingress of the CITY's medical staff and patients;
- vii. Ensure the confidentiality of the PUI's identity.

*Section 8. Obligations of the CITY.* For the entire duration of the Contract, the CITY shall:

- i. Be responsible for orientation and training of the FACILITY's staff concerning the proper occupational safety and health administration involving COVID-19, and its effect on PUIs as well as the surrounding environment;
- ii. Supply all the necessary materials, tools and personal protection equipment (e.g., gloves, gowns, face mask, protective eyewear, face shield) for the protection of all of the FACILITY's staff, the CITY's medical team and the sanitation of the FACILITY's premises;
- iii. Be responsible for the sanitation of the room every check-in and check-out of the PUI and the CITY's medical staff. The FACILITY's housekeeping staff will aid and complete room set-up for the next check-in upon ensuring that the room is sanitized and safe for the next guests;
- iv. Be responsible for the disposal of the hazardous garbage/waste on a regular or daily basis upon coordination with the FACILITY. The FACILITY's housekeeping shall be limited to only assisting the CITY to avoid any exposure or transmission;
- v. Distribute the food to the patients and its medical staff after preparation by the FACILITY of the daily food arrangements;
- vi. Sanitize the entire premises after the end of contract and issue a certification stating that the FACILITY is already safe to be used by the public after being utilized as a quarantine facility;
- vii. Augment security personnel as to internal monitoring of the PUI, its medical staff, medical staff area and equipment;
- viii. Assist the FACILITY in securing permits and/or certification for its staff and the vehicles to be used as transportation service for said staff, its cargo trucks, and identified 3<sup>rd</sup> party providers and suppliers (i.e laundry, pest control, mineral water, food items and the like) that would be utilized while performing duties for this Project to ensure continuous service during the health crisis community quarantine and full lockdown;
- ix. Attend to any hotel personnel and staff that would be listed in the project in case of transmission of contagious and infectious virus or diseases;
- x. Not enter into agreement with any catering or other food establishments without prior approval by the FACILITY. Any food not prepared and served by the FACILITY shall be given a waiver;
- xi. Provide FACILITY at least three (3) days notice prior to the start of the project: the indented date of ingress, list of all equipment, mobilization of the medical team, room assignments and the sanitation of the entire premises before the start of the project;

MA. JOSEFINA G. BELMONTE  
City Mayor

MARY GRACE B. DEL ROSARIO  
Director of Sales & Marketing



- xii. Secure the list of equipment and initial medical staff that would be part of the project. Any other equipment and staff not included in the list shall be submitted by the second party including any modification on names and rooms assignments;
- xiii. Coordinate with the FACILITY for the check-in and check-out dates of the PUIs at least an hour before.
- xiv. Upon coordination with the FACILITY, provide a list of equipment to be used on the last day of egress;
- xv. Not disclose the name and other details of patients to keep their identity confidential;
- xvi. Coordinate the schedule the full sanitation of the entire FACILITY premises and the issue a Certificate of Completeness to the FACILITY management after completion of the Project. Any cost associated with the procurement of this Certificate, as well as the sanitation of the entire FACILITY shall be borne or chargeable to the Second Party.

*Section 9. Standard of Performance.* The FACILITY shall perform the required services and carry out its obligations with all due diligence, efficiency and economy. It shall observe the highest degree of standards based on industry practice.

*Section 10. Penalties.* The FACILITY shall be liable for penalty for any breach of contract under all applicable laws, issuances and regulations.

*Section 11. Liquidated Damages.* It is understood and agreed that time is of the essence of this Contract. In the event the FACILITY refuses or fails to completely supply and deliver to the CITY the services required herein at no fault of the CITY, the FACILITY shall be liable for liquidated damages in the amount equivalent to one tenth of one percent (1/10 of 1%) of the Contract Price for every day of delay until the Project is completely delivered: *Provided*, that, the total cumulative amount of liquidated damages shall not exceed ten percent (10%) of the Contract Price: *Provided*, further, that, once the cumulative amount of liquidated damages exceeds ten percent (10%) as provided herein, the CITY, in accordance with Section 68 of the IRR of R.A. 9184, may rescind or terminate this Contract without prejudice to other remedies and other courses of action available to the CITY under this Contract and pursuant to any and all applicable laws.

*Section 12. Representations and Warranties of the Facility.* The FACILITY hereby represents and warrants to the CITY as follows:

- a. The FACILITY is a corporation duly organized, validly existing and in good standing under the laws of the Republic of the Philippines.
- b. The FACILITY has full legal right, power and authority to carry on its present business, to own its properties and assets, and to execute and deliver this Contract and all other documents executed, or required or necessary to be executed pursuant thereto, and to perform and observe the terms and conditions thereof.
- c. All appropriate and necessary corporate and legal actions have been taken by it to authorize the execution and delivery of this Contract, and all other documents executed, or required or necessary to be executed pursuant thereto and the performance of all provisions, conditions, covenants, and other terms hereof and thereof, as well as all the transactions contemplated herein.



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d. This Contract and all other documents executed, or required or necessary to be executed pursuant thereto, constitute, or when executed and delivered pursuant thereto, will constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms.

e. The execution and delivery of this Contract and all other documents executed, or required or necessary to be executed pursuant thereto and the performance of its obligations hereunder will not:

i. conflict with its Articles of Incorporation, By-Laws or other constitutive documents;

ii. conflict with, result in the breach of, or constitute an event which would either immediately or with the lapse of time or giving of notice or both, result in a default under, or accelerate the performance required by, the terms of any agreement, document, contract, instrument or commitment to which it is a party or by which it or any of its assets is bound;

iii. conflict with or require any written consent or approval under any judgment, order, writ, decree, permit or license to which it is a party or by which any of its assets is bound; or

iv. require the written consent or approval of any other party to any agreement, document, contract, instrument or commitment to which it is a party or by which any of its assets is bound.

f. There are no actions, suits or proceedings existing, pending or, threatened against or directly affecting the **FACILITY** and/or any of its assets before any court, arbitrator or governmental or administrative body or agency that affect the validity or enforceability of this Contract or that would affect the ability of the **FACILITY** to perform its obligations hereunder.

g. No event has occurred and is continuing which might materially and adversely affect the carrying out of its obligations under this Contract.

h. It is in compliance with all applicable laws and regulations in connection with the delivery of the Project.

i. Each of the representations and warranties herein shall survive the execution of this Contract and shall be deemed repeated during the effectivity of this Contract.

*Section 13. Indemnification.* The **FACILITY** shall indemnify and save the **CITY** and all its officers, employees, personnel and persons acting as agents or representatives and render them free and harmless from any and all claims, actions, liabilities, losses and suits which may be brought or instituted against them arising out of or resulting from the **FACILITY's** supply, delivery and performance of its services under this Contract.

*Section 14. Events of Default of the Facility.* Any of the following shall constitute an Event of Default under this Contract:

a. When the **FACILITY** becomes insolvent, or commits or suffers any act of bankruptcy, which term shall include: (i) the filing of a petition, by or against the **FACILITY**, in any bankruptcy, insolvency, administration, suspension of payment, reorganization, winding-up or liquidation proceeding, or any other proceeding analogous in purpose and effect; (ii) the making of an assignment by the **FACILITY** for the benefit of its creditors; (iii) the admission in writing by the **FACILITY** of its inability to pay its debts; (iv) the entry of any order of judgment of any competent court, tribunal or administrative agency or body

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City Mayor

MARY GRACE B. DEL ROSARIO  
Director of Sales & Marketing



confirming the bankruptcy or insolvency of the **FACILITY** or approving its reorganization, winding-up or liquidation, or (v) the lawful appointment of a receiver or trustee to take possession of the properties of the **FACILITY**;

b. When the **FACILITY** suspends or discontinues all or a substantial portion of its business operations, whether voluntarily or involuntarily, for a period of at least sixty (60) days;

c. Any material breach by the **FACILITY** of any of its warranty, representation or covenant made under this Contract.

*Section 15. Consequences of Default.* Upon occurrence of any Events of Default under this Contract, the **CITY** may declare the **FACILITY** in default and shall have the right to:

- Terminate this Contract;
- Call on the Performance Security to answer for any and all damages of whatever nature suffered by the **CITY** resulting or arising from the **FACILITY**'s default; and
- Take such other steps or actions against the **FACILITY** for the full protection and enforcement of the **CITY**'s rights and interests.

*Section 16. Compliance with Laws, Ordinances and Regulations.* The **FACILITY** shall comply with any and all laws, ordinances and regulations of the national and local government applicable to or binding upon the parties hereto. For this purpose, any and all pertinent provisions of RA 9184 and its IRR, and other applicable laws and regulations are deemed written and incorporated in this Contract. In case of conflict between any of the provisions of this Contract and those of the applicable laws and regulations, the latter shall prevail.

*Section 17. Indemnities and Attorney's Fees.* Should any of the parties resort to court action in order to enforce their respective rights under this Contract, the prevailing party or its successors-in-interest shall be entitled to be indemnified by the other party by way of attorney's fees, a reasonable sum equivalent to the actual amount of fees paid or to be paid by the prevailing party.

*Section 18. Notification.* All notices and communications shall be done in writing and shall be directed as follows:

**CITY** : **OFFICE OF THE CITY MAYOR**  
c/o Bids and Awards Committee Secretariat  
2nd Floor Finance Bldg, Quezon City Hall Complex,  
Elliptical Road, Diliman, Quezon City

**FACILITY:** **VERMONT PROPERTY MANAGEMENT**  
**INCORPORATED** operating **FERSAL HOTEL**  
**MALAKAS**  
131 Malakas St., Diliman, Quezon City

*Section 19. Effectivity.* This Contract shall be effective upon execution by the parties hereto.

*Section 20. Miscellaneous Provisions.*

- This Contract, including the documents and/or agreements specifically incorporated herein by reference, constitutes the entire agreement between the parties. This Contract may be amended and supplemented in writing at any time as decided and agreed upon by mutual consent of the parties.





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b. This Contract and all documents related thereto shall be binding upon and inure to the benefit of the parties herein and/or their respective heirs, agents, representatives, successors-in-interest, and assigns. The FACILITY shall not assign its rights and obligations under this Contract without the written consent of the CITY.

c. This Contract embodies the entire arrangement or agreement of the parties and no undertaking, verbal or otherwise, in relation thereto, shall exist between the parties except as herein expressly set forth.

d. The parties hereby certify that they have read or caused to be read to them all the provisions of the foregoing Contract, receipt of a signed copy of which is hereby expressly acknowledged by the parties and that they have fully understood the same.

e. The parties hereby represent and warrant that they have the necessary power and corporate authority to execute and deliver this Contract and perform their obligations as incorporated herein and that such execution, delivery and performance do not and will not contravene any provision of their respective Articles of Incorporation, by-laws, any agreements or instruments to which they are a party or any laws or regulations of any governmental authority.

f. If any provision of this Contract be declared by any court or other authorized agency of the government to be null and void, the nullity thereof shall not affect the validity of this transaction or any other provisions herein which shall then be considered as valid and binding between the parties.

g. Any and all disputes arising from the implementation of this Contract shall be submitted to arbitration in the Philippines according to the provisions of RA 876, otherwise known as the "Arbitration Law" and RA 9285, otherwise known as the "Alternative Dispute Resolution Act of 2004": Provided, that, by mutual agreement, the parties may agree in writing to resort to other alternative modes of dispute resolution.

IN WITNESS WHEREOF the parties have hereunto set their hands to this Contract on  
APR 20 2020, at Quezon City.

QUEZON CITY GOVERNMENT

VERMONT PROPERTY MANAGEMENT  
INCORPORATED operating FERSAL  
HOTEL MALAKAS

By:

By:

MA. JOSEFINA G. BELMONTE  
City Mayor

MARY GRACE B. DEL ROSARIO  
Director of Sales and Marketing

SIGNED IN THE PRESENCE OF:

RUBY G. MANANGU  
OIC, City Accounting Dept.



ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)  
Quezon City, Metro Manila ) S.S.

BEFORE ME, a Notary Public for and in the above locality, personally appeared:

Name

Competent Evidence of Identity

Quezon City Government  
represented by

MA. JOSEFINA G. BELMONTE

GOVERNMENT ID

OCM - 00 81744

Vermont Property Management Incorporated operating Fersal Hotel Malakas  
represented by

MARY GRACE B. DEL ROSARIO

UMID

#00336394571-5

all known to me to be the same persons who executed the foregoing Contract and they acknowledged to me that the same is their free and voluntary deeds as well as the free and voluntary deeds of the parties they represent.

I certify that the foregoing Contract signed by the parties and their instrumental witnesses, is consisting of ten (10) pages, including this page on which the acknowledgement is written.

IN WITNESS WHEREOF, I have affixed my signature and seal this 10th day of APRIL, 2020 at the Quezon City, Metro Manila, Philippines.

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Series of 2020.

ATTY. MARK JOSEPH E. MARCELO  
NOTARY PUBLIC  
ROOM 405 PM BUILDING, MATALINO ST. Q.C.  
ROLL NO. 69314 / NOTARIAL NO. 259  
UNTIL DECEMBER 31, 2020  
PTR NO. 7377353 / 1-08-10 / Q.C.  
IBP NO. 016606 / MCLE NO. VI-0026095