



TRANSPORT SERVICE AGREEMENT

Quezon City Bus Augmentation Program:

LINE 5: ROUTE 5 QUEZON CITY HALL TO QUIRINO HIGHWAY VIA VISAYAS  
AVE. (VICE VERSA)  
CAO-23-SERVICES-0120

KNOW ALL MEN BY THESE PRESENTS:

This Agreement entered into by and between:

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

-and -

**PANGASINAN FIVE STAR BUS CO., INC.**, a corporation duly organized and incorporated under the laws of the Republic of the Philippines with office address at 245 Rizal Avenue, San Carlos, Pangasinan, hereinafter referred to as the "PFSBCI"

- In joint venture with -

**FIRST NORTH LUZON TRANSIT, INC.** a corporation duly organized and incorporated under the laws of the Republic of the Philippines with office address at Perez Blvd, San Carlos City, Pangasinan, hereinafter referred to as the "FNLTI"

PFSBCI and FNLTI are duly represented by **ANNA KATRINA H. CAUTON**, and hereinafter commonly referred to as "SERVICE PROVIDER."

(CITY and SERVICE PROVIDER may be referred to individually as a "Party" and collectively, as "Parties.")

RECITAL

WHEREAS, the Bids and Awards Committee conducted a competitive bidding on 30 January 2023 for the Procurement of Quezon City Bus Augmentation Program: Line 5: Route 5 Quezon City Hall to Quirino Highway via Visayas Ave. (Vice Versa) under Project No. CAO-23-SERVICES-0120 (the "Project").

WHEREAS, the SERVICE PROVIDER participated in the competitive bidding and was declared to be the Single Bid as Read;

WHEREAS, the SERVICE PROVIDER passed both the detailed evaluation and post-qualification stages, and was declared as the Single Calculated and Responsive Bid;



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WHEREAS, on FEB 28 2023 a Notice of Award was issued to the **SERVICE PROVIDER**;

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 **SERVICE PROVIDER** undertakes to deliver to the **CITY** the scope of work required by the Project, the specifications of which are defined under Section VII. Technical Specifications of the Bidding Documents and the Terms of Reference (TOR).

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

- (a) Invitation to Bid;
- (b) Instruction to Bidders;
- (c) Bid Data Sheet;
- (d) General Conditions of Contract;
- (e) Special Conditions of Contract;
- (f) Schedule of Requirements;
- (g) Technical Specifications;
- (h) Terms of Reference;
- (i) Supplemental Bid Bulletins, if any;
- (j) Notice of Award;
- (k) Bid Form;
- (l) Schedule of Prices;
- (m) Certificate of Availability of Fund (CAF); and
- (n) Performance Security;

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

*Section 3. Delivery Schedule.* The **SERVICE PROVIDER** shall perform, supply, and deliver to the **CITY** its Services provided by the TOR, in accordance with the service performance standards required by the **CITY**.

*Section 4. Term.* This Agreement shall be effective for the period of ten (10) months commencing on 01 March 2023 up to 31 December 2023.

*Section 5. Contract Price.* In consideration of the complete and faithful delivery of any and all Services and performance of any and all obligations of the **SERVICE PROVIDER** under this Agreement, the **SERVICE PROVIDER** shall be paid for the entire duration of the Agreement the total amount of **Forty-Three Million Nine Hundred Twenty-One Thousand Two Hundred Twenty-Four Pesos and 00/100 Only (Php 43,921,224.00)** inclusive of the 12% Value Added Tax (VAT) (the "Contract Price") in accordance with the conditions set forth in Section 6 hereof.



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*Section 6. Terms of Payment.* The payment of the Contract Price shall be made monthly based on the number of trips completed for the month; *Provided*, however, that the total amount shall not exceed the Contract Price for the whole duration of the Contract.

Processing of payments shall be made subject to the submission by the **SERVICE PROVIDER** of a monthly letter request with the corresponding Statement of Account and Report on Actual Trips per day for a month supported by daily trip tickets. Any payments shall be based on the actual services rendered in accordance with the scope of services/deliverables and service performance standards which shall be validated and certified correct by the **CITY**.

*Section 7. 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 8. Standard of Performance.* Consistent with the TOR, the **SERVICE PROVIDER** 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 9. Penalties.* The **SERVICE PROVIDER** shall be liable for the penalty for any breach of contract under all applicable laws, issuances and regulations.

*Section 10. Liquidated Damages.* It is understood and agreed that time is of the essence of this Agreement. In the event the **SERVICE PROVIDER** refuses or fails to completely supply and deliver to the **CITY** the **Services** defined herein within the delivery schedule provided under Section 3 hereof at no fault of the **CITY**, the **SERVICE PROVIDER** 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 exceed 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 Agreement without prejudice to other remedies and other courses of action available to the **CITY** under this Agreement and pursuant to any and all applicable laws.

*Section 11. Authority to Deduct Liquidated Damages.* For purposes of assessment and enforcement of the penalties and liquidated damages in the immediately preceding sections, the **CITY**, upon written notice to the **SERVICE PROVIDER**, is hereby authorized to deduct any amount due as penalty and/or liquidated damages from any amount due or may become due and owing to the **SERVICE PROVIDER** or from any and all bonds or securities posted by the **SERVICE PROVIDER** in favor of the **CITY**, at the option of the latter. It is hereby agreed and understood that the imposition of penalty and assessment of liquidated damages are cumulative and not alternative remedies of the **CITY** under this Agreement.



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*Section 12. Assignment and Sub-contracting.* This Contract or any portion hereof shall not be assigned, transferred or ceded to any other party/ies without the written consent of the **CITY. SERVICE PROVIDER** is further prohibited from sub-contracting any obligations in this contract to any other party.

*Section 13. Representations and Warranties of the Service Provider.* The **SERVICE PROVIDER** hereby represents and warrants to the **CITY** as follows:

a. The **SERVICE PROVIDER** is a corporation duly organized, validly existing and in good standing under the laws of the Republic of the Philippines.

b. The **SERVICE PROVIDER** has the full legal right, power, and authority to carry on its present business, to own its properties and assets, and to execute and deliver this Agreement 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 Agreement, 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.

d. This Agreement 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 Agreement 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 **SERVICE PROVIDER** and/or any of its assets before any court, arbitrator or governmental or administrative body or agency that affect the validity

MA. JOSEFINA G. BELMONTE  
City Mayor

ANNA KATRINA H. CAUTON  
Authorized Representative





or enforceability of this Agreement or that would affect the ability of the **SERVICE PROVIDER** 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 Agreement.

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 Agreement and shall be deemed repeated during the effectivity of this Agreement.

*Section 14. Indemnification.* The **SERVICE PROVIDER** 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 **SERVICE PROVIDER's** supply, deliver and performance of its Services under this Agreement.

*Section 15. Events of Default of the Service Provider.* Any of the following shall constitute an Event of Default under this Agreement:

a. When the **SERVICE PROVIDER** becomes insolvent, or commits or suffers any act of bankruptcy, which term shall include: (i) the filing of a petition, by or against the **SERVICE PROVIDER**, 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 **SERVICE PROVIDER** for the benefit of its creditors; (iii) the admission in writing by the **SERVICE PROVIDER** 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 confirming the bankruptcy or insolvency of the **SERVICE PROVIDER** 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 **SERVICE PROVIDER**;

b. When the **SERVICE PROVIDER** 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 **SERVICE PROVIDER** of any of its warranty, representation or covenant made under this Agreement.

*Section 16. Consequences of Default.* Upon the occurrence of any Events of Default under this Agreement, the **CITY** may declare the **SERVICE PROVIDER** in default and shall have the right to:

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

MA. JOSEFINA G. BELMONTE  
City Mayor

ANNA KATRINA H. CAUTON  
Authorized Representative



*Section 17. Compliance with Laws, Ordinances and Regulations.* The **SERVICE PROVIDER** 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 Agreement. In case of conflict between any of the provisions of this Agreement and those of the applicable laws and regulations, the latter shall prevail.

*Section 18. Indemnities and Attorney's Fees.* Should any of the parties resort to court action in order to enforce their respective rights under this Agreement, 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 19. 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  
2<sup>nd</sup> Floor Finance Bldg, Quezon City Hall Complex,  
Elliptical Road, Diliman, Quezon City

**SERVICE PROVIDER:** **PANGASINAN FIVE STAR BUS CO., INC.** in joint  
venture with **FIRST NORTH LUZON TRANSIT, INC.**  
245 Rizal Avenue, San Carlos City, Pangasinan

*Section 20. Effectivity.* This Agreement shall be effective upon execution by the parties hereto.

*Section 21. Miscellaneous Provisions.*

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

b. This Agreement 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 **SERVICE PROVIDER** shall not assign its rights and obligations under this Agreement without the written consent of the **CITY**.

c. This Agreement 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 Agreement, receipt of a signed copy of which is hereby expressly acknowledged by the parties and that they have fully understood the same.



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e. The parties hereby represent and warrant that they have the necessary power and corporate authority to execute and deliver this Agreement 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 Agreement 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 Agreement 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 Agreement  
on MAR 01 2023, at Quezon City.

QUEZON CITY GOVERNMENT

PANGASINAN FIVE STAR BUS CO., INC.  
in joint venture with  
FIRST NORTH LUZON TRANSIT, INC.


By:

  
MA. JOSEFINA G. BELMONTE  
City Mayor

By:

  
ANNA KATRINA H. CAUTON  
Authorized Representative

SIGNED IN THE PRESENCE OF:

  
RUBY G. MANANGU  
City Accountant  
City Accounting Department



ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES }  
QUEZON CITY }s.s.

BEFORE ME, a Notary Public for and in QUEZON CITY, this 01 MAR 2023, personally appeared:

Name

Competent Proof of Identity

HON. MA. JOSEFINA G. BELMONTE, in her capacity as Mayor of the Local Government of Quezon City

OCM-0081744

ANNA KATRINA H. CAUTON, in her capacity as the authorized representative of Pangasinan Five Star Bus Co., Inc. in joint venture with First North Luzon Transit, Inc.

PASSPORT ID

P29166813

EXPIRY DATE AUG 29, 2029

all known to me and to me known to be the same persons who executed this Agreement, and they acknowledged to me that the same is their free and voluntary act and deed, and the free and voluntary act and deed of the parties which they respectively represent.

I certify that the foregoing Agreement, signed by the parties and their instrumental witnesses, consists of eight (8) pages, including this page on which the acknowledgement is written.

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

Doc. No. 61;  
Page No. 14;  
Book No. 41;  
Series of 2023.



ATTY. ELISEO S. CALMA, JR.  
Quezon City Notary Public  
Until Dec. 31, 2023  
Roll No. 50183  
PTR No. 2454358D, 01/03/2022, Q.C.  
IBP No. 183882, Jan. 31, 2022  
InCLE Comp. No VII-0006924 until April 14, 2025  
ADM Matter No. NP-067 (2022-2023)