



CONTRACT AGREEMENT
SUPPLY AND MAINTENANCE OF QUEZON CITY HOTLINE 122 SERVICE
MANAGEMENT SYSTEM FOR CITIZENS CONCERNS FOR YEAR 2024
(EARLY PROCUREMENT ACTIVITY)
PROJECT NO. QCCSD-24-IT-0079

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 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 -

KATION TECHNOLOGIES INC., a corporation duly organized and incorporated under the laws of the Republic of the Philippines with office address at Ground Floor Topy's Place Building, #7 Industria corner Economia St., Brgy. Bagumbayan, Quezon City, represented herein by its Authorized Representative, CARLOS RYAN P. ONIA, and hereinafter collectively referred to as the "SUPPLIER"

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

- RECITAL -

WHEREAS, in its Resolution No. 24-A-010, Series of 2023 duly approved by the City Mayor, the Bids and Awards Committee on Goods and Services recommended the use of negotiated mode as an alternative method of procurement for the SUPPLY AND MAINTENANCE OF QUEZON CITY HOTLINE 122 SERVICE MANAGEMENT SYSTEM FOR CITIZENS CONCERNS FOR YEAR 2024 (EARLY PROCUREMENT ACTIVITY) under Project No. QCCSD-24-IT-0079 (the "Project") pursuant to Section 50(c) of the Revised Implementing Rules and Regulations of R.A. 9184, which states among others that negotiated procurement may be resorted to whenever critical components from a specific supplier is a condition precedent to hold a contractor to guarantee its project performance, in accordance with the provisions of the contract;

WHEREAS, in accordance with pertinent laws, rules, and issuances on Negotiated Procurement (Direct Contracting), the SUPPLIER participated and submitted its quotation for the Project and upon evaluation, was determined to be the Single Calculated and Responsive Offer and that it possesses the technical, legal and financial capabilities to deliver the required services;

WHEREAS, on DEC 29 2023 a Notice of Award was issued to the SUPPLIER;

MA. JOSEFINA G. BELMONTE
City Mayor

CARLOS RYAN P. ONIA
Authorized Representative



NOW THEREFORE, for and in consideration of the foregoing premises and of the mutual covenants and undertakings hereinafter provided, the parties hereto agree, as they have hereby agreed, as follows:

Section 1. Scope of Work. Pursuant to and in accordance with the Contract Documents provided herein, the **SUPPLIER** undertakes to deliver to the **CITY** the scope of work required by the Project, the specifications of which are specifically defined in the Request for Quotation.

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

- (a) Request for Quotation/ Proposal;
- (b) The **SUPPLIER**'s Quotation;
- (c) Eligibility requirements, documents, undertakings and/or statements;
- (d) Notice of Award; and
- (e) Notice to Proceed.

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

Section 3. Term. This Agreement shall be effective for the period of One (1) year from the date of receipt of the Notice to Proceed (NTP) commencing on JAN 01 2024 up to DEC 31 2024.

Section 4. Contract Price. In consideration of the complete and faithful delivery of the deliverables defined herein and the performance of any and all obligations of the **SUPPLIER** under this Agreement, the **SUPPLIER** shall be paid the total amount of **Three Million Six Hundred Ninety-Three Thousand One Hundred Forty-Nine Pesos and 24/100 Only (P 3,693,149.24)**, inclusive of the 12% Value Added Tax (VAT) (the "Contract Price").

Section 5. Terms of Payment. Payment to the **SUPPLIER** shall be made upon activation.

The processing of payments will entail the approval by the **CITY** of the **SUPPLIER**'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. Price Adjustment. The Contract Price shall be fixed and there shall be no price adjustment and escalation for the duration of the Agreement until and unless there exists an extraordinary circumstance as may be determined by the National Economic Development Authority that may warrant an increase of the Contract Price in accordance with Section 61 of the Implementing Rules and Regulations of RA 9184, otherwise known as the Government Procurement Reform Act.

MA. JOSEFINA G. BELMONTE
City Mayor

CARLOS RYAN P. ONIA
Authorized Representative



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

Section 9. Liquidated Damages. It is understood and agreed that time is of the essence of this Agreement. In the event the **SUPPLIER** refuses or fails to completely supply and deliver to the **CITY** the requirements for the **Project** defined herein within the delivery schedule provided under Section 3 hereof at no fault of the **CITY**, the **SUPPLIER** 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 10. Authority to Deduct Liquidated Damages. For purposes of assessment and enforcement of the liquidated damages provided under Section 8 hereof, the **CITY**, upon written notice to the **SUPPLIER**, is hereby authorized to deduct any amount due as liquidated damages from any amount due or may become due and owing to the **SUPPLIER** or from any and all bonds or securities posted by the **SUPPLIER** in favor of the **CITY**, at the option of the latter. It is hereby agreed and understood that the assessment of liquidated damages are cumulative and not alternative remedies of the **CITY** under this Agreement.

Section 11. Representations and Warranties of the Supplier. The **SUPPLIER** hereby represents and warrants to the **CITY** as follows:

a. The **SUPPLIER** is an entity duly organized, validly existing, and in good standing under the laws of the Republic of the Philippines.

b. The **SUPPLIER** 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


MA. JOSEFINA G. BELMONTE
City Mayor


CARLOS RYAN P. ONIA
Authorized Representative



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, as may be applicable;

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 **SUPPLIER** 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 Agreement or that would affect the ability of the **SUPPLIER** 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 12. Indemnification. The **SUPPLIER** 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 **SUPPLIER's** supply, delivery and performance of its obligations under this Agreement.

Section 13. Events of Default of the Supplier. Any of the following shall constitute an Event of Default under this Agreement:

a. When the **SUPPLIER** becomes insolvent, or commits or suffers any act of bankruptcy, which term shall include: (i) the filing of a petition, by or against the **SUPPLIER**, 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 **SUPPLIER** for

MA. JOSEFINA G. BELMONTE
City Mayor

CARLOS RYAN P. ONIA
Authorized Representative



the benefit of its creditors; (iii) the admission in writing by the **SUPPLIER** 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 **SUPPLIER** 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 **SUPPLIER**;

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

Section 14. Consequences of Default. Upon the occurrence of any Events of Default under this Agreement, the **CITY** may declare the **SUPPLIER** 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 **SUPPLIER**'s default; and

c. Take such other steps or actions against the **SUPPLIER** for the full protection and enforcement of the **City**'s rights and interests.

Section 15. Compliance with Laws, Ordinances, and Regulations. The **SUPPLIER** 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 16. 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 17. 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

MA. JOSEFINA G. BELMONTE
City Mayor

CARLOS RYAN P. ONIA
Authorized Representative



SUPPLIER : **KATION TECHNOLOGIES INC.**
Ground Floor Topy's Place Building
#7 Industria corner Economia St.,
Brgy. Bagumbayan, Quezon City

Section 18. Effectivity. This Agreement shall be effective upon execution by the parties hereto.

Section 19. 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 **SUPPLIER** 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.

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.

MA. JOSEFINA G. BELMONTE
City Mayor

CARLOS RYAN P. ONIA
Authorized Representative




IN WITNESS WHEREOF the parties have hereunto set their hands to this Agreement on ____ day of DEC 29 2023, at Quezon City, Philippines

QUEZON CITY GOVERNMENT

KATION TECHNOLOGIES INC.


By:

By:


MA. JOSEFINA G. BELMONTE
City Mayor


CARLOS RYAN P. ONIA
Authorized Representative

SIGNED IN THE PRESENCE OF:


RUBY G. MANANGU
City Accountant



ACKNOWLEDGMENT

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

QUEZON CITY DEC 29 2023

BEFORE ME, a Notary Public for and in _____, this _____, 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

CARLOS RYAN P. ONIA in his capacity as the authorized representative of KATION TECHNOLOGIES INC. ✓

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 acknowledgment is written.

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

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Book No. VIII
Series of 2023



R. Montenegro
ATTY. ROSALINDA ADRIANO MONTENEGRO
NOTARY PUBLIC IN QUEZON CITY
My Commission expires on Dec 31, 2023
Adm. Matter No. NP-113 (2022-2023)
PTR No. 4028249-01/03/2023-QC
IBP OR No. 263982-01/03/2023-QC Roll No. 68456
MCLE Compliance No. VII-0021572- 14 April 2025
Unit 312 Bldg. 137 Malakas St. Brgy. Central, Quezon City