



PROJECT: Lease Agreement of Photocopying Machines for FY 2024
CONTRACT NO.: 2024-AdmS2(001)-BIII-CB020-C226

LEASE CONTRACT

THIS CONTRACT is made and entered into this 16th day of July by and between the **DEPARTMENT OF EDUCATION**, located at DepEd Complex, Meralco Avenue, Pasig City, Philippines, represented herein by its Undersecretary and Chief of Staff, **ATTY. MICHAEL WESLEY T. POA**, as per Office Order OO-OSEC-2023-267, dated 17 October 2023 (hereinafter referred to as "**DEPED**"); and **OTUS COPY SYSTEMS, INC.** represented herein by its Authorized Representative, **JENNIFER CALAYAG-UMALI**, with office address at 10th floor, MG Tower #75 Shaw Blvd., Mandaluyong City, Philippines (herein after referred to as "**OTUS**"), as per Secretary's Certificate dated June 4, 2024 (hereto attached as Annex "A").

DEPED and **OTUS** are collectively called "**PARTIES**".

WHEREAS, DEPED invited bids for the **Lease Agreement of Photocopying Machines for FY 2024** with contract duration of **one (1) year or based on the volume or number of copies as indicated during the award of the contract, whichever comes first**, consisting of **one (1) lot**, and received bids from lone prospective bidder; **DEPED** opened, read, and evaluated the bids and declared **OTUS** as having the Single Calculated Bid; after evaluation, **DEPED** post-qualified and declared the bid of **OTUS** as the Single Calculated Responsive Bid in the sum of **PHILIPPINE PESOS TEN MILLION, FOUR HUNDRED EIGHTY THOUSAND and 00/100 (PhP10,480,000.00) ONLY**, (hereinafter called the "Contract Price") detailed as follows:

Description	Quantity/ No. of Volume Copies	Contract Amount (PhP)
Lease Agreement of Photocopying Machines for	103 units/ 8,000,000 copies	10,480,000.00

NOW THIS CONTRACT WITNESSETH AS FOLLOWS:

1. In this Contract, words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract referred to;
2. The following documents as required by the 2016 revised Implementing Rules and Regulations of Republic Act No. 9184 shall be deemed to form and be read and construed as part of this Agreement, viz:
 - a. Resolution to Award No. 2024-AdmS2(001)-BIII-CB-020 dated June 21, 2024.
 - b. Philippine Bidding Documents (PBD);
 - i. Invitation to Bid;
 - ii. Instruction to Bidders;

OTUS's Witness
 CLARE B. JOYDA
 JENNIFER CALAYAG-UMALI
 OTUS COPY SYSTEMS, INC.
 ELLA CECILIA T. HALPONGUIT
 Officer-in-Charge
 Administrative Services - Office of the Director
 DEPED's Witness
 ATTY. MICHAEL WESLEY T. POA
 DEPED

- iii. Bid Data Sheet;
- iv. Technical Specifications;
- v. General and Special Conditions of the Contract;
- vi. Schedule of Requirements; and
- vii. Bid Bulletin No. 1 dated May 31, 2024.

- c. **OTUS's** bid, including the Eligibility Requirements, Technical and Financial Proposals, and all other documents or statements submitted;
- d. Performance Security;
- e. Notice of Award of Contract and **OTUS's** conforme thereto; and
- f. Other contract documents required by existing laws and/or **DEPED** in the PBD. **OTUS** agrees that additional contract documents or information prescribed by the GPPB that are subsequently required for submission after the contract execution, such as the Notice to Proceed, Variation Order, and Warranty Security, shall form part of the Contract.

3. **OTUS** shall post a Performance Security within ten (10) calendar days from receipt of the Notice of Award in the form and amount prescribed therein. The performance security shall be posted in favor of **DEPED**, and shall be forfeited in the event it is established that **OTUS** is in default of any of its obligation under this contract. **OTUS** shall be responsible for the extension of its performance security and/or undertake to renew its performance security whenever necessary, and without need of prior notice or instruction from the **DEPED**, to ensure that it is in force and effect for the whole duration of the contract and until a Certificate of Final Acceptance is duly issued.

4. The goods shall be delivered within **THIRTY (30) CALENDAR DAYS** from receipt of the Notice to Proceed. Risk and title to the goods shall not be deemed to have passed to **DEPED** until its receipt and final acceptance at the delivery site **Asset Management Division, Department of Education, G/F Alonzo Building, DepEd Central Office, Meralco Avenue, Pasig City**. **OTUS** shall ensure that the goods and services will be delivered and rendered in accordance with the Schedule of Requirements, which is hereto attached as Annex "B" and made integral part hereof.

Violation of this provision, based on documents and reports submitted and validated by the authorized receiving personnel, shall be a cause for the termination of the contract and be subject to liquidated damages pursuant to Item 14 of this Contract.

5. **DEPED** shall have the right to visit and inspect the **OTUS** premises covered by the Contract, at any time or stage of contract implementation, to monitor and assess the **OTUS** capacity to discharge its contractual obligations.

6. Pre-delivery and Pre-implementation Conference shall be conducted prior to the inspection of goods by the designated DepEd Inspectorate Team.

7. Prior to and for purposes of inspection, **OTUS** shall ensure convenient access to the goods for inspection. **OTUS** shall assign personnel to undertake the handling, unpacking, assembly, commissioning, disassembly, repacking, resealing and sorting of the goods prior to, during and after the inspection.

Cheryl B. Tolosa
 Cheryl B. Tolosa
 OTUS's Witness

Jennifer Calayag-Umali
 JENNIFER CALAYAG-UMALI
 OTUS COPY SYSTEMS, INC.

Ella Cecilia G. Malpangui
 ELLA CECILIA G. MALPANGUI
 DEPED's Witness
 Administrative Service - Office of the Director

Atty. Michael Wesley T. Poa
 ATTY. MICHAEL WESLEY T. POA
 DEPED

Cheryl B. Joseph
CHERYL B. JOSEPH
OTUS's Witness

Jennifer Calayag-Umali
JENNIFER CALAYAG-UMALI
OTUS COPY SYSTEMS, INC.

Ella Cecilia G. Malpouquit
ELLA CECILIA G. MALPOUQUIT
DEPED'S CHIEF OF OFFICE
Administrative Service - Office of the Director

Michael Wesley T. POA
ATTY. MICHAEL WESLEY T. POA
DEPED

8. The goods shall be inspected by the designated DepEd Inspectorate Team. A turnaround period of not more than **SEVEN (7) WORKING DAYS** from the time of the receipt of the request for Pre-Delivery Inspection shall be given to **DEPED** to schedule the inspection.
9. The goods and services should conform to and comply with the standards mentioned in Section VII. Technical Specifications/Terms of Reference of the Bidding Documents, or as amended by subsequently issued Bid Bulletin, if any, and must be in accordance with the final technical specifications/terms of reference as approved by the Bids and Awards Committee which was reflected in the post-qualification report, which is hereto attached as Annex "C" and made an integral part hereof.
10. Goods with defects or non-compliant with the required technical specifications upon delivery shall be rejected orally or in writing by **DEPED** and replaced by **OTUS** in accordance with the warranty provisions in the bidding documents. The replacement goods for this reason shall be subject to re-inspection.
11. In case **OTUS** encounters conditions impeding timely delivery of the goods **OTUS** shall promptly notify **DEPED** in writing within five (5) calendar days from notice of such conditions. Any request for work suspension and/or contract period extension shall be promptly done in writing as soon as circumstances for such request have become apparent. **OTUS** must provide sufficient proof to support any request for work suspension and/or contract period extension. The grant of such request for extension shall be subject to the discretion of DepEd taking due consideration of the sufficient proof provided by the Supplier and/or other surrounding circumstances.
12. The Contract Price shall be paid to **OTUS** in accordance with the following disbursement procedures:
 - a. **OTUS** may submit a request for payment based on the following:
 - i. Cumulative value of actual combined reading for printing of all machines based on the schedule of services and other relevant terms and conditions of the Contract; and,
 - ii. Certification by **OTUS**, as approved by the duly authorized DepEd representative, that the services have been rendered in accordance with the contract.

Other documents in support of a request for payment may be prescribed by **DEPED** pursuant to existing disbursement, accounting and auditing rules and procedures. **OTUS** must submit a copy of the above-mentioned documents to the End-User Administrative Service-Asset Management Division.
 - b. Payment shall be made to **OTUS** within sixty (60) days from submission of the documents specified in SCC Clause 2.2 and other documents as may be prescribed by **DEPED**, in the following manner:
 - i. Payment shall be based on a monthly billing based on the actual combined reading for photocopy and printing of all machines;

- ii. Total billing charge is computed by multiplying the actual total number of copies reproduced less 2% spoilage and test copies by the rental rate. As payments is based on the cost of the actual number of copies reproduced, said costs may be lower than the amount of the contract award;
- iii. Final payment shall constitute release of the retention money upon cessation of the lease agreement, or the balance amount after it has been called for use and or a submission of Certificate of No Claims Against Warranty.

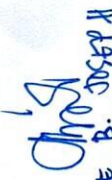
13. Payments shall be subject to the "Warranty" provision in the form of either retention money in an amount equivalent to five percent (5%) the payment, or a special bank guarantee in the amount equal to five percent (5%) of the Contract Price as provided under Section 62.1 of R.A. 9184 and its Revised IRR.

Warranty for the goods and services shall be governed by the provisions specified under Item 5 of Special Conditions of the Contract of the Philippines Bidding Documents.

14. **OTUS** shall be liable for liquidated damages for the delay in amount equal to one-tenth (1/10) of one percent (1%) of the cost of the unperformed portion, for every day of delay. **DEPED** shall deduct the liquidated damages from any money due or which may become due to **OTUS**, or collect from any of the securities or warranties posted by **OTUS**, whichever is convenient to **DEPED**. Once the accumulated amount of liquidated damages reaches ten percent (10%) of the Contract Price, **DEPED** may rescind or terminate the Contract, without prejudice to other courses of action and remedies available under the circumstances.

15. Each party in the performance of their respective duties and responsibilities under this Contract and in the implementation thereof shall adhere to Republic Act No. 10173, otherwise known as the "Data Privacy Act of 2012", and its Implementing Rules and Regulations and applicable National Privacy Commission issuances. Any gathered data and information should be protected and respected during the term and even after the termination of this Contract. The processing of any gathered data and information should be in compliance with the confidentiality and privacy requirements under the said law and applicable regulations.

16. The **PARTIES** shall make every effort to resolve amicably and by mutual consultation any and all disputes or differences arising between the **PARTIES** in connection with the implementation of the Contract. Should such dispute not be resolved amicably, it shall be submitted to Early Neutral Evaluation pursuant to R.A. No. 9285, or the "Alternative Dispute Resolution Act of 2004," and its Implementing Rules and Regulations.


CHRISTINE B. JOSEPH
OTUS's Witness


JENNIFER CALAYAG-UMALI
OTUS COPY SYSTEMS, INC.



ELLA CECILIA G. MALPANGUIT
DEPED - CHIEF OF OFFICE
Administrative Service - Office of the Director


ATTY. MICHAEL WESLEY T. POA
DEPED


IN WITNESS WHEREOF, the **PARTIES** hereto have caused this Contract to be executed in accordance with governing laws on the day and year first above written.

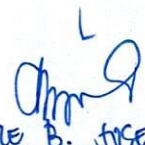
SIGNED, SEALED AND DELIVERED BY:


ATTY. MICHAEL WESLEY T. POA
Undersecretary and Chief of Staff
DEPED


JENNIFER CALAYAG-UMALI
Authorized Representative
OTUS COPY SYSTEMS, INC.

SIGNED IN THE PRESENCE OF:


ELLA CECILIA G. HALIPONGUIT
Officer-in-Charge
Administrative Services Office of the Director
DEPED's Witness


CHARLES B. JOSEPH
OTUS's Witness

CERTIFIED FUNDS AVAILABLE: ₱ 10,460,000.00


MA. RHUNNA L. CATALAN
Chief Accountant



REPUBLIC OF THE PHILIPPINES)
PASIG CITY, METRO MANILA) S.S

ACKNOWLEDGMENT PASIG CITY

BEFORE ME, a Notary Public in and for _____, Philippines,
this ____ day of 18 JUL 2024 2024 personally appeared:

NAME

GOVERNMENT ISSUED ID
(Number, Issued On, Issued By)

ATTY. MICHAEL WESLEY T. POA
Undersecretary and Chief of Staff
DEPED

Known to me and to me known to be the same person who executed the foregoing instrument and acknowledged to me that the same is the free and voluntary act and deed of the entity which he/she respectively represents.

The foregoing instrument is a CONTRACT consisting of seven (7) pages including this page on which this acknowledgment is written and signed by the party hereto.

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

ATTY. NEIL TAGALANG PUBLICOPERA
NOTARY PUBLIC

Until December 31, 2025

Pasig City and in the Municipality of Pateros, Metro Manila

PTR No. 1357580 / Pasig City/01 -02-2024

IBP No. 325487; 12/06 /2023 (MD for 2024)

Admitted to the Philippine Bar on 04/12/2022

Roll of Attorney No. 76228

TIN No. 242 -007-260-000

G/F Pasig City Hall, Brgy. San Nicolas, Pasig City

Appointment No. 58 (2024-2025)

Cellphone No. 0977 -634-4229

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REPUBLIC OF THE PHILIPPINES)

_____, METRO MANILA) S.S

PASIG CITY

ACKNOWLEDGMENT

PASIG CITY

BEFORE ME, a Notary Public in and for _____, Philippines,
this ____ day of 18 JUL 2024 2024 personally appeared:

NAME

GOVERNMENT ISSUED ID

(Number, Issued On, Issued By)

JENNIFER CALAYAG-UMALI

Authorized Representative
OTUS COPY SYSTEMS, INC.

PASSPORT ID NO. PG148881C / 13 DEC 2023 / DFA NCR EAST

Known to me and to me known to be the same person who executed the foregoing instrument and acknowledged to me that the same is the free and voluntary act and deed of the entity which he/she respectively represents.

The foregoing instrument is a CONTRACT consisting of seven (7) pages including this page on which this acknowledgment is written and signed by the party hereto.

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

ATTY. NEIL TAYANIT ALBOPERA

NOTARY PUBLIC
Until December 31, 2025

Pasig City and in the Municipality of Pateros, Metro Manila
PTR No. 1357580 / Pasig City/01 -02-2024
IBP No. 325487; 12/06 /2023 (MD for 2024)
Admitted to the Philippine Bar on 04/12/2022
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