

TERMS OF REFERENCE FOR THE LEASE OF DIGITAL PHOTOCOPYING MACHINES

1. The Office of the Solicitor General (**OSG**) obligates and binds itself to pay the **OWNER** for the use and rental of thirty-four (34) units of digital photocopying machines with network printer and scanner plus a possible additional seven (7) units upon request by the **OSG**. The thirty-four (34) units of digital photocopying machines must be delivered within fifteen (15) days from receipt of the Purchase Order.
2. In computing the rental, the same must be within the ceiling/maximum rate of Php 0.60/copy, 12% VAT inclusive, no minimum copy volume requirement, and inclusive of two (2) regular full-time operators/technicians reporting to the **OSG** Monday to Friday, from eight o'clock in the morning to five o'clock in the afternoon, without any cost or payment on the part of the **OSG**.
3. Rental Service Charges shall be computed from the date of installation of the machines as evidenced by the delivery receipt form signed by the authorized representative of the **OSG** upon installation.
4. The representatives of the **OSG** and the **OWNER** shall, in each month on the date of closing shown on the meter reading card, enter the meter reading for the month in the card, and certify to the truthfulness and accuracy of said meter reading.
5. Unit copy charge is based on the number of net copies reported monthly on the meter reading ticket.
6. All accounts shall be payable monthly to the **OWNER** within fifteen (15) days from receipt of the billing statements, provided there are no errors or discrepancies noted by the authorized representative of the **OSG**. In case of errors or discrepancies in the billing statements, the authorized representative of the **OSG** shall notify the representative of the **OWNER** within three (3) days from receipt of the billing statements. The accounts shall be payable to the **OWNER** within fifteen (15) days from receipt of the correct billing statements.
7. Acknowledgment of the receipt of consumables by the **OSG's** authorized representative is sufficient to establish the **OWNER's** claim of delivered consumables.
8. The machines, including all its accessories, shall remain the property of the **OWNER**. The **OSG** shall not make any alterations on the machines, nor sell, dispose, transfer, rent, pledge or mortgage, execute any other contract, or otherwise deal with the machines in any manner which may be prejudicial to the rights of the **OWNER**.
9. In case of any violation by a third party of the property rights of the **OWNER**, regardless of any reason, including, but not limited to, execution, provisional attachment and disposition of any kind of the photocopying machines, the **OSG** shall immediately inform the **OWNER**, and the **OSG** shall be free from any liability not being privy to the third party's claim against the **OWNER**. The contract between the **OSG** and the **OWNER** shall, however, remain in full force and effect. The **OWNER** shall continue performing its obligations under the contract and shall immediately replace the machines, as the case may be. A period of two (2) days from notice is deemed sufficient in order for the **OWNER** to replace the machines.

10. The **OSG** shall take care of the machines with utmost diligence and shall not allow unauthorized persons to operate it. Any damage to the machines due to improper operation by unauthorized persons shall be charged to, and paid for, by the **OSG**.
11. The **OSG** shall pay the **OWNER** for any loss or damage to the machines and its consumables and spare parts caused by the plugging of the 110V machine to 220V; willful acts, fault or negligence of the **OSG**, its representatives, agents, employees and/or any persons acting in its behalf.
12. The **OWNER** shall make such inspections, adjustments and maintenance as may be required to keep the machines in good working condition and as may be required by the **OSG**. Such inspections, adjustments and maintenance shall be free of charge.
13. Replacement parts for the machines shall be supplied by the **OWNER** free of charge. Repairs shall likewise be effected by the **OWNER** without any charge.
14. Servicing shall be done during regular working hours only and must be within two (2) hours from the time a request is made to the **OWNER's** full-time operators/technicians in the **OSG**. Repairs with replacement of parts must be performed within twenty-four (24) hours from the time the full-time operators/technicians of the **OWNER** determine the need for such replacement of parts. In a situation where repairs are no longer sufficient in order for the machine to function in good working condition, the **OWNER** shall automatically provide a service unit in good working condition as replacement within two (2) days from the time the full-time operators/technicians of the **OWNER** determine the need for replacement of the unit.
15. The **OSG** shall use only the consumables recommended by the **OWNER**. The damage caused on the machines as a result of, due to, in connection with, or because of the use of consumables not recommended by the **OWNER** shall be for the account of, and shall be paid by the **OSG**.
16. The **OSG** will be allowed a maximum copy spoilage of two percent (2%) of the gross copies per month with the resulting value rounded off to the next higher whole number, or the actual number of spoiled copies, whichever is higher, upon presentation of spoilage to the **OWNER's** authorized representative.
17. The **OWNER** will train the persons that the **OSG** will assign to operate the machines, free of charge.
18. The machines shall be installed at a place approved by both the **OWNER** and the **OSG**, and when relocating the machines to a location other than that agreed/approved by the parties, the **OSG** shall first notify and obtain the consent of the **OWNER**. The **OWNER** shall carry out the relocation while all the expenses for such relocation shall be borne and paid for by the **OSG**. Should the **OSG** opt to transport the machine itself, the **OSG** shall be liable for the damage or loss of the machine, including the parts, consumables and accessories therein, based on the machines' current value.
19. The contract between the **OSG** and the **OWNER** shall be for a term of one (1) year from _____ to _____, subject to a probationary period. The probationary period is the first three (3) months of the contract. During said period, the **OSG** shall observe the performance of the photocopying machines. On or before the end of the probationary period, the **OSG** shall decide whether to continue with the contract. If the performance of

the machines is satisfactory, the **OSG** will continue with the contract. If the performance is unsatisfactory, the **OSG** has the right, power and authority to terminate the same.

20. If the **OWNER** fails to satisfactorily perform any of its obligations under the contract within the specified period or on the date and time agreed upon by both parties, the **OWNER** shall pay the **OSG** liquidated damages in an amount equal to one-tenth of one percent (0.1%) of the cost of the unperformed portion of the contract for every day of delay. The liquidated damages shall be imposed until the **OWNER** satisfactorily complies with its contractual obligations. The **OSG** need not prove that it has incurred actual damages to be entitled to liquidated damages.
21. Subject to the procedure prescribed by law, the **OSG** may terminate the contract under any of the following conditions:
 - a. Outside of *force majeure*, the cumulative amount of liquidated damages reaches ten percent (10%) of the amount of the contract. The **OSG** may rescind or terminate the contract and impose appropriate sanctions over and above the liquidated damages to be paid. The same is without prejudice to other courses of action and remedies available to the **OSG** under the circumstances.
 - b. As a result of *force majeure*, the **OWNER** is unable to perform any of its obligations under the contract, amounting to at least ten percent (10%) of the contract price, for a period of not less than sixty (60) calendar days after receipt of notice from the **OSG** stating that the circumstance of *force majeure* is deemed to have ceased.
 - c. The **OWNER** fails to satisfactorily perform any of its obligations under the contract.
 - d. The Solicitor General has determined the existence of conditions that make contract implementation economically, financially or technically impractical or unnecessary, such as, but not limited to, fortuitous events and changes in law and national government policies.
 - e. The **OWNER** is declared bankrupt or insolvent as determined with finality by a court of competent jurisdiction.
 - f. It is determined *prima facie* that the **OWNER** has engaged, before or during the implementation of the contract, in unlawful deeds and behaviors relative to contract acquisition and implementation.
22. The **OWNER** may terminate the contract if the **OSG** is in material breach of its obligations under the contract and fails to remedy the same within sixty (60) calendar days following receipt of the **OWNER**'s notice specifying such breach. The **OWNER** must serve written notice to the **OSG** of its intention to terminate the contract at least thirty (30) calendar days before its intended termination. The contract is deemed terminated if it is not resumed in thirty (30) calendar days after receipt of such notice by the **OSG**.
23. Upon expiration of the contract, the parties may agree to extend the same. Said extension shall be governed by the same terms and conditions herein stipulated, and may be terminated by either party by means of a written notice served upon the other party at least thirty (30) days prior to the date of such termination.
24. Upon termination or expiration of the contract, the **OSG** shall return the machines and accessories to the **OWNER** by allowing the latter, on a date and time agreed upon by both the **OSG** and the **OWNER**, to enter the **OSG** premises for the purpose of retrieving the machines.

25. Upon termination of the contract, all unpaid obligations of the **OSG** to the **OWNER** shall immediately become due and demandable.
26. Any and all disputes arising from the implementation of the contract shall be submitted to arbitration in the Philippines according to the provisions of Republic Act (R.A.) No. 876, otherwise known as the *Arbitration Law*, and R.A. No. 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.
27. If any condition or provision of the contract is held invalid or declared to be contrary to law, the validity of the other conditions or provisions shall not be affected thereby.
28. The **OWNER** may assign and/or discount with any financial institution its receivables under the contract, subject to the prior written consent of the **OSG**.
29. The **OWNER's** bid price shall be considered as a fixed price and therefore not subject to price adjustment and escalation during contract implementation, except under extraordinary circumstances as determined by the National Economic and Development Authority (NEDA), upon recommendation of the **OSG**, and upon prior approval of the Government Procurement Policy Board (GPPB). A contract price adjustment shall be made or appropriate relief shall be applied on a no loss-no gain basis if the cost of the contract is affected by any applicable new laws, ordinances, regulations or any acts of the Government of the Philippines, promulgated after the bid opening.

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TECHNICAL SPECIFICATIONS

For the Rental of Digital Photocopying Machines

Quantity	Item/Specification	
34 Units	Type	Digital Photocopying Machine
	Speed	32 High-End Units – 45 copies per minute or higher 2 Super High-End Units – 60 copies per minute or higher
	Stocking Capacity	2,000 to 3,000 sheets per machine
	Maximum Output Capacity	200,000 copies per photocopying machine per month
	Throughput Capacity	Can accommodate both short and long bond paper
	Method of printing	Developing unit required
	Feeder	2-Sided Automatic Reversing Feeder
	Print Resolution	600x600 dpi (minimum)
	Remanufactured or Brand New	Remanufactured units but the contractor may offer brand new units under the same technical specifications at no additional cost
	Others	With reduction/enlargement capacity With network printing scanning capability With free monthly maintenance service, parts and consumables

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