

## MOTOR VEHICLE FRAMEWORK AGREEMENT

[Supply and Delivery of *Utility Vehicle*]

### KNOW ALL MEN BY THESE PRESENTS:

This AGREEMENT is made and entered into this **10<sup>th</sup> day of October 2019**, at CITY OF MANILA City, by and between:

**PROCUREMENT SERVICE**, a national government agency created and further organized under Letter of Instructions No. 755 and Executive Order No. 359 s. 1989, with office address at PS Complex, Cristobal Street, Paco, Manila, represented by its **Executive Director, ELISA MAY ARBOLEDA CUEVAS**, hereinafter referred as the "**PS**".

-and-

**TOYOTA OTIS INC.**, a corporation duly organized under the laws of the Philippines, with principal office located at 1770 Paz M. Guanzon St., Paco, Manila, represented by its authorized representative<sup>1</sup>, **RENATO R. GREGORIO**, hereinafter referred to as the "**CONTRACTOR**".

PS and the CONTRACTOR shall be collectively referred to as "Parties".

*WITNESSETH, that:*

**WHEREAS**, PS, as the central procurement agency of the government, is mandated to carry in its inventory common-use office supplies, equipment and consumables;

**WHEREAS**, the Office of the President has issued Administrative Order No. 14 dated 10 December 2018 consolidating and rationalizing the rules on the acquisition of government motor vehicles, adopting a centralized system of procurement therefor, and for other purposes;

**WHEREAS**, the Government Procurement Policy Board (GPPB) issued Resolution No. 21-2018 approving the inclusion of motor vehicles in the list of common-use supplies and equipment for procurement by the PS;

**WHEREAS**, motor vehicles are necessary and desirable goods that are repeatedly required, but by nature, use, or characteristic, the quantity and/or exact time of need cannot be accurately pre-determined in line with GPPB Resolution No. 12-2017 dated 10 April 2017 (*the Guidelines on the Use of Framework Agreement*);

**WHEREAS**, given the above characteristics, the above-mentioned Executive Director of the PS, in compliance with Section 4 of GPPB Resolution No. 12-2017 and the agency's mandate and obligations under Administrative Order No. 14, has certified (attached hereto as **ANNEX B**) that the centralized procurement of motor vehicles through a Framework Agreement is most practical, economical, and advantageous to the government;

<sup>1</sup>The authority of the above-stated representatives to execute this Agreement on behalf of CONTRACTOR is stated in the Secretary's Certificate dated 8 August 2019, which is attached hereto as **ANNEX A**.



**WHEREAS**, in accordance with Republic Act No. 9184 ("RA No. 9184") or the Government Procurement Reform Act, the 2016 Revised Implementing Rules and Regulations ("2016 revised IRR") thereof and related issuances, PS, on May 22, 2019, advertised and posted in PhilGEPS for competitive/public bidding the Invitation to Bid of the following:

PB No.	Lot No.	Item Description	Quantity
19-243-8	1	<b>SUPPLY AND DELIVERY OF UTILITY VEHICLE, DIESEL FED, <i>Engine Displacement not exceeding 2800cc</i></b> , for the use of the Department Secretary and other official with equivalent rank in NGAs, GOCCs and LGUs	27 units

**WHEREAS**, the CONTRACTOR, the bidder with the Single Calculated and Responsive Bid, was awarded the contract pursuant to BAC Resolution No. **SBAC-2019-09-48** for Lot No. 1, which was approved by the above-mentioned Executive Director, as Head of the Procuring Entity, on September 12, 2019, with the following details:

Lot No.	Item Description	Quantity	Unit Price	Awarded Price
1	<b>SUPPLY AND DELIVERY OF UTILITY VEHICLE, DIESEL FED, <i>Engine Displacement not exceeding 2800cc</i></b> , for the use of the Department Secretary and other official with equivalent rank in NGAs, GOCCs and LGUs	27 units	P1,550,000.00	P41,850,000.00

**WHEREAS**, CONTRACTOR has posted the required performance security in accordance with Section 37.2.1 of the 2016 revised IRR of RA No. 9184 and in relation with Section 8.6 of said Guidelines, in the form of a *Performance Securing Declaration (Annex C)*;

**NOW, THEREFORE**, in view of the foregoing premises and the mutual covenants and the stipulations hereinafter provided, the Parties hereto agree as follows:

- Term and Effectivity.** The Agreement shall be effective upon execution on the date above-written and shall remain in full force and effect for a period not exceeding ONE (1) YEAR or until the total quantities as stated in the Framework Agreement List (**Annex D**) are fully exhausted, whichever comes first. Nothing in this Agreement shall be construed as obliging PS to place future contracts or make orders with the CONTRACTOR.
- Consideration.** In consideration of the option/s and obligations provided under this Agreement, PS shall pay CONTRACTOR the amount of ONE (1) PESO (PHP1.00), the Official Receipt therefor is attached as **Annex E**.
- Framework Agreement List.** Under the terms of this Agreement and in accordance with such Call-Offs as PS may issue, CONTRACTOR agrees to supply and deliver, in such fixed prices and quantities, the vehicles included in the particular lot awarded thereto as stated in the Framework Agreement List. The following documents shall be deemed to form and be read and construed as integral parts of the Framework Agreement List and this Agreement, viz.:



- a. the Bid Form and the Price Schedule submitted by CONTRACTOR (**Annex F**);
  - b. the Schedule of Requirements (**Annex G**);
  - c. the Technical Specifications (**Annex H**);
  - d. the General Conditions of Contract (**Annex I**);
  - e. the Special Conditions of Contract (**Annex J**);
  - f. the Notice of Award in the form of Notice to Execute Framework Agreement (**Annex K**).
4. **Call-Offs.** PS may issue as many Call-Offs as it may require for the vehicles, in such quantities deemed necessary, which shall not exceed the maximum quantity under the Framework Agreement List; provided, that:
- a. the unit price shall be fixed as stated in the Bid Form (**Annex F**) and no other amounts, costs and charges shall be allowed and/or payable therefor. PS may ask for the delivery of a color different from the approved specifications, but shall be subject to conformity by the contractor and duly communicated to the Inspection Division of PS;
  - b. the terms of payment shall be stated in each Call-Off;
  - c. the aggregate amount of all Call-Offs shall not exceed the Awarded Price as stated above; provided, Repeat Orders may be availed of under Section 51 of RA No. 9184, with corresponding payment for the units ordered at the same price as stated in the Bid Form and,
  - d. Call-Offs may require delivery to multiple end-users and/or destinations at no additional cost.
5. **Delivery and Extension thereof.** Upon receipt of the Call-Off, CONTRACTOR shall deliver the required number of vehicles within such period as stated in the Call-Off. In case of inconsistency, the Call-Off shall prevail over any other document. Extension of delivery shall be upon written request of CONTRACTOR for approval of PS, in consultation with the designated end-user, if any, for reasonable or justifiable causes.
6. **Performance Security, Warranty and Liquidated Damages.** The pertinent provisions of RA No. 9184 and its 2016 revised IRR on warranties and liquidated damages shall apply, without prejudice to PS or any designated end-user availing of any standard and/or contractual warranty afforded by CONTRACTOR to similar purchases in the private sector at no additional cost.
7. **Interpretation.** The Parties agree and acknowledge that they have mutually cooperated and participated in the preparation of this Agreement; such that, the same shall not be construed for or against any particular party. Further, said Parties agree that pertinent provisions of RA No. 9184, its IRR, the *Guidelines on the Use of Framework Agreement*, and any other relevant rules, regulations, and issuances, including those on contract implementation and termination, shall apply and have suppletory effect on this Agreement.
8. **No Modification.** No modification of this Agreement during its effectivity shall be allowed, especially with respect to its term, the unit/aggregate price, and the quantities involved, without prejudice to the application of Section 11 of the Guidelines on the Use of Framework Agreement pertaining to Repeat Orders.

9. **Alternative Dispute Resolution.** In the event of any dispute or difference of any kind whatsoever arising out of or relating to this Agreement, the Parties shall, in good faith, exercise their best efforts to resolve the dispute or difference by mutual consultation as soon as possible. In the event that the Parties cannot, by exercise of their best efforts, resolve the dispute or difference, they shall first submit their dispute or difference for alternative modes of dispute resolution, including arbitration, in accordance with the rules provided in Republic Act No. 9285, otherwise known as the "Alternative Dispute Resolution Law".
10. **Venue.** That in case of suit, after prior resort to alternative dispute resolution, the venue shall be the courts of competent jurisdiction in the City of Manila to the exclusion of all other courts.

**IN WITNESS WHEREOF**, the parties have hereunto affixed their signatures on the date and place mentioned above.

**TOYOTA OTIS INC.**


By:



**RENATO R. GREGORIO**  
Authorized Representative

**PROCUREMENT SERVICE**

By:



**ELISA MAY ARBOLEDA-CUEVAS**  
Executive Director

Signed in the presence of:



Benjamin Bautista



**JAIME M. NAVARRETE, JR.**  
OIC-Division Chief, Procurement Division VIII



**ACKNOWLEDGMENT**

REPUBLIC OF THE PHILIPPINES )  
 CITY OF MANILA ) SS

**BEFORE ME**, a Notary Public for and in CITY OF MANILA, this OCT 17 2019 day of \_\_\_\_\_ appeared the following persons presenting to me their respective identifications, to wit:

Name	Competent Evidence of Identity	Date & Place of Issue	Expiry Date
RENATO R. GREGORIO	* Driver's license	25 - NOV - 2016	25 - NOV - 2021
ELISA MAY ARBOLEDA CUEVAS	** Passport	01 - Mar - 2018 DFA Manila	28 - Feb - 2023
* N02-99-204569      ** S0009919A			

Known to me and to me known to be the same persons who executed the foregoing MOTOR VEHICLE FRAMEWORK AGREEMENT, consisting of FIVE (5) pages, including this page wherein the Acknowledgment is written, and signed at the left margin of each and every page by the Parties' duly authorized representatives, who acknowledged to me that the same is their free and voluntary act and deed and the entities represented.

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

Doc. No. 378 ;  
 Page No. 76 ;  
 Book No. XV ;  
 Series of 2019.

