DOST-PCAARRD
Department of Science and Technology
PHILIPPINE COUNCIL FOR AGRICULTURE, AQUATIC AND NATURAL RESOURCES RESEARCH AND DEVELOPMENT

ISO 9001:2015

Certificate No. AJA13-0034

OFFICE OF THE EXECUTIVE DIRECTOR

February 28, 2019

NOTICE TO PROCEED

MR. NILZON VILLANUEVA
SEV Director
KPI Elevators Inc.
25th Floor. BDO Equitable Tower
8751 Paseo de Roxas
1231 Makati City

SUBJECT: Quotation No. T-0002664459 v1

Dear **Mr. Villanueva**:

The attached Quotation/Contract Agreement (QCA), having been signed, notice is hereby given to you that work may proceed upon receipt of this notice for the project "**Annual Preventive Maintenance Service, Six (6) Visits plus Call-Out Service for the Bulwagang Panday Karunugan (BPK) Building Passenger Elevator**" in PCAARRD, Los Baños, Laguna.

Upon receipt of this notice, you are responsible for performing the services under the terms and conditions of the QCA.

Please acknowledge receipt and acceptance of this notice by signing both copies in the space provided below. Keep one copy and return the other to the Institution Development Division (IDD), PCAARRD.

Very truly yours,

REYNALDO V. EBORA
Acting Executive Director

I acknowledge receipt of this Notice on : MAR 7,2019
(Date of Receipt)

Name of the Representative of the Bidder: NILZON VILLANUEVA

Authorized Signature: _____

KPI Elevators Inc.

Paseo de Roxas
Makati city
1226
www.kone.com

PHILIPPINE COUNCIL FOR AGRICULTURE,
AQUATIC AND NATURAL RESOURCES
RESEARCH AND DEVELOPMENT (PCAARRD)
PASEO DE VALMAYOR
TIMUGAN, LOS BANOS
LAGUNA
4030

Quotation No. **T-0002664459 v1**

08.01.2019

KONE Care® for your equipment

Dear

KONE Care Maintenance Solutions cover the maintenance of elevators, escalators, doors, and loading bay equipment. It is a vital ingredient in helping you to ensure the best People Flow experience.

KONE Care™ Standard solution provides reliable, high-quality maintenance. This simple and transparent contract ensures compliance with safety laws and standards.

KONE's client portfolio is varied and extensive, with some of the country's top companies and property owners depending on us for a trouble-free maintenance service. Our customers demand a high quality service from a dedicated and reliable network of trained engineers, who are fully equipped to meet the needs and requirements of all our customers, whatever their business or industry.

We will contact you in due course to discuss our proposal. However, should you wish to proceed at your own convenience, please print and sign the enclosed contract document, then return to me to enable us to process your instruction as speedily and efficiently as possible.

However should you have any questions regarding our proposal, or require any further information, please do not hesitate to contact us

Yours sincerely

Estorillo

KPI Elevators Inc.
Leonilyn Estorillo
Account Manager
leonilyn.leal@kone.com
Phone: 02 811 2929 to 33
Fax: 02 811 2466

Dedicated to People Flow™

KONE

Maintenance - KONE Care®

Our Reference:	PCAARD
Date:	08.01.2019
Issued by:	Leonilyn Leal
Quotation No.	T-0002664459 v1

KONE Care Standard

Between the Customer:

Name:	PCAARRD Paseo de Valmayor Timugan, Los Baños, Laguna 4030 Philippines	Invoice address: (if different)

and contractor
KPI Elevators, Inc.
25/F BDO Equitable Tower,
8751 Paseo De Roxas,
1231 Makati City
PHILIPPINES

This contract is hereby concluded on the basis of the attached General Terms and Conditions for Maintenance Services and with the detailed description of the work. All the listed equipments shall be integral parts of the contract.

General contract agreements	
Contract start date	March 01, 2019 – February 29, 2020
Contract term	1 year Contract
Invoicing period	Bimonthly in advance
Payment method	Cheque / On account
Payment Terms	Payment shall be due within 30 days of receipt of an invoice
Price per invoicing period including VAT	PHP 11,840.00 per Bi monthly
Price Adjustment	5% per annum (N/A)

Signed by: PCAARRD	Signed by: KPI Elevators, Inc.
Date	Date
Signature **REYNALDO V. EBORA** Acting Executive Director	Signature 2/6/19 **MR. NILZON VILLANUEVA** SEB Director

Appendices: Appendix 1, Equipment Details
Appendix 2, Service Description
Appendix 3, General Conditions of Service Contract for Maintenance Agreement

Appendix 1 - Equipment Details

The following equipment shall be covered by this contract

Scope of contract: KONE Care Standard
Equipment type: Elevator

Equipment number	Manufacturing number	Inventory number	Location	Number of landing doors	Annual price
30181783	2057PE 1	PE 1	BULWAGANG PANDAY KARUNUNGAN (BPK) BUILDING PASEO DE VALMAYOR TIMUGAN, LOS BAÑOS LAGUNA 4030	4	PhP 71,040.00

Appendix 2 - Service Description

Scope of contract: KONE Care Standard
Equipment type: Elevator

This contract meets all the relevant requirements of the current statutory regulations.

Agreed contents of the work

- ☒ KONE Modular based maintenance™
- ☒ KONE Customer Care Centre™
- ☒ Labour for Call-outs Service
- ☐ Spare parts for Call-outs
- ☐ Labour for Service Repairs
- ☐ Spare parts for Service Repairs
- ☒ Agreed Maintenance Times

Description of work

KONE Modular based maintenance™	KONE Modular based maintenance™ is KONE's preventive maintenance method. Maintenance activities are done according to equipment specific maintenance plan. Pre-defined maintenance modules include the maintenance actions for each main component of the equipment.
KONE Customer Care Centre™	KONE Customer Care Center is a 24/7 helpdesk for reporting technical failures and faults in the elevators, escalators and doors or for requests of other assistance on site. KONE Customer Care Center can be easily accessed through our national phone numbers (02) 8112934 and (02) 8112936.
Labour for Call-outs Service	Call-out Service is designed to solve unexpected equipment failure, equipment stoppage or erratic operation, requiring immediate attention of a KONE Technician. Excluding replacement of spare parts.
Agreed Maintenance Times	Maintenance carried out during normal working hours. (Monday - Saturday 08:00 - 1700)

Exclusions

Please refer to our standard Terms and Conditions which are enclosed with this offer.

Appendix 3 – General Terms and Conditions for Maintenance Services

1. DEFINITIONS

The following defined words and phrases shall have the following meanings:

Term	Description
"KONE'	KPI Elevators, Inc.
"CUSTOMER"	PCAARRD
"Contract"	The contract entered into between KONE and the CUSTOMER regarding the provision of Maintenance Services
"Commencement Date"	The date of commencement of the Contract
"Contract Duration Period"	The duration period of the Contract as set out in the Contract.
"Equipment"	The elevators and escalators listed in the Contract, and related components and parts
"Legislative Requirements"	All applicable regulatory and legislative requirements, laws, statutes, regulations and requirements and/or orders set out by any competent authority.
"Maintenance Services"	All services to be performed by KONE with respect to the Equipment pursuant to the Contract
"Normal Working Hours"	The time between 08:00 to 17:00 from Monday to Saturday, excluding local bank holidays
"Party" or "Parties"	The CUSTOMER and/or KONE
"Price"	Consideration payable to KONE by the CUSTOMER for the performance of the Maintenance Services

2. PROVISION OF MAINTENANCE SERVICES BY KONE

KONE shall perform the Maintenance Services as agreed to in the Contract and in these General Terms and Conditions. In performing the said services, KONE shall take all reasonable steps to maintain the Equipment in proper operating condition. KONE shall use trained and appropriately supervised personnel to perform the Maintenance Services. KONE shall provide the Maintenance Services in accordance with all Legislative Requirements and shall undertake, at the CUSTOMER's expense, any work deemed necessary to comply with applicable Legislative Requirements. The Maintenance Services shall be conducted during the Normal Working Hours. If not separately agreed, any work conducted outside the Normal Working Hours is not included in the Price and shall be invoiced separately.

3. PROVISIONS BY THE CUSTOMER

The CUSTOMER shall promptly inform KONE of any unsatisfactory operation or performance of the Equipment, any accidents or incidents involving the Equipment or any change in the use of the Equipment. The CUSTOMER shall provide a safe and adequate working environment for KONE personnel and reasonable access to carry out the Maintenance Services. The CUSTOMER shall be responsible for all wiring in the building structure and power supply necessary for the functioning of the Equipment. The CUSTOMER shall be responsible for any power supply fluctuations or failures causing damage to the Equipment. The CUSTOMER shall comply with all applicable Legislative Requirements, including work safety regulations. The CUSTOMER is responsible for provision of telecommunication lines and VOIP connection (including related equipment where applicable) required for remote monitoring systems, and payment of all costs and charges relating to the maintenance and use of the same. The CUSTOMER is responsible for providing adequate insurance to cover theft of and vandalism to the remote monitoring equipment owned by KONE. The CUSTOMER shall provide the machine room with adequate lighting, cooling, moisture control, dust

filtering and ventilation required by KONE.

4. PAYMENT AND ADJUSTMENT OF PRICE

Unless otherwise stipulated in the Contract, the Price is due monthly in advance by Savings Account as follows:

Standard Chartered Bank
Peso – 132548265000
USD – 9053845101845.

Payment shall be due within thirty (30) days from receipt of the invoice by the CUSTOMER. The Price is inclusive of Value Added Tax. If exceptionally the Parties have agreed over a Price which is inclusive of Value Added Tax, The Price shall be inclusive of VAT twelve (12) percent and KONE shall be entitled to revise the Price due to any changes in applicable taxes. The Price shall be adjusted annually by KONE in accordance with the Price Adjustment percentage agreed in the Contract Details section above. Further, KONE reserves the right to adjust the Price in the event the main purpose of use of the Equipment or the building in which the Equipment is situated materially changes during the Contract Duration Period or in the event new Legislative Requirements enter into force which materially change the scope of the Maintenance Services or the costs of providing the said services. For the avoidance of doubt, the Price is for all Maintenance Services under this Contract and not only for the individual scheduled maintenance visits. Therefore, the Customer's payment obligations of the Price and/or any individual invoice(s) under this Contract shall not be affected in case there is no maintenance visit during any given month for any reason.

5. DELAYED PAYMENT BY THE CUSTOMER

If the payment of any amount due under the Contract is delayed, KONE shall be entitled to charge interest on such sum at the rate of two percent (2%) per month for every day the payment is overdue. KONE shall also have the right, without prejudice to other remedies, to suspend immediately the provision of the Maintenance Services until the CUSTOMER's due payments (with interest) have been paid in full.

6. KONE WARRANTY FOR PARTS AND COMPONENTS

KONE shall, at its own cost, replace parts and components supplied by it, which show defects in design, materials or workmanship for a period of three (3) months after the date on which the respective part or component was installed in the Equipment. This warranty shall be exclusive of normal wear; and tear and any repairs, replacement of parts or components, or work upon the Equipment necessary because of improper or negligent use of the Equipment, theft, accident, vandalism or tampering of the Equipment, or alterations to the Equipment by any other party than KONE. All parts and components fitted by KONE will be original parts or components. If original parts or components are not available, the parts or components fitted will be of equal quality. KONE's liability to the CUSTOMER for any defects in design, materials or workmanship relating to parts and components shall be limited to the replacement of spare parts or components as defined by this Article 6.

The following are explicitly excluded from KONE's responsibility:

i) repair, renewal, replacement or redecoration of cars; shaft enclosures, suspended ceiling platform (flooring), door sills, gates, door panels, door frames, decorative works and CUSTOMER's communications equipment (including relayed music); cleaning of car interiors, doors, jamb, faceplates (unless otherwise agreed), glazed shafts, car lights and exterior glasses;

ii) total replacement of cylinders and piston in hydraulic elevators; change of hydraulic oil;

iii) all wiring outside of the Elevator's machine-room & hoistway, buried cylinders and pipings;

iv) emergency Standby Battery Power Device, ARD, batteries, hoist ropes/safety rope, travelling cable, replacement of gearbox, replacement and repair of main motor and main sheaves, all fixture faceplates, C.C.T.V., intercom, telephone and other audio/visual and security equipment and supervisory panel;

v) security equipment, Elevator Passenger Guidance (e.g. EPG, I-Link) and remote monitoring (e.g. EMC, E-Link) computer and its peripherals, monitor hardware, message display unit & monitor, printed circuit boards and card access system;

vi) machine room ventilation / air conditioning system, circuit breaker, distribution switchboards, lighting and its general maintenance;

vii) internal and external balustrades, truss cladding, skirtings, deck panels, floor plates, decorative finishes and other panels of escalators;

viii) replacement drive units or control panels for any reason; or

ix) any work or replacement other than ordinary and reasonable use of the Equipment, such as vandalism, misuses, theft, corrosion or extraordinary adverse environmental conditions.

7. CUSTOMER INDEMNIFICATION AND LIMITATION OF LIABILITY

KONE shall indemnify the CUSTOMER against liability for personal injury, the death of any person and property damage which is a direct and foreseeable result of the negligence, omission or willful act of KONE in performing its obligations under the Contract. KONE shall under no circumstances be liable for any loss of profit, loss of use, loss of contracts, loss of business, loss of customers, loss of good will, contractual penalties to third parties or for any indirect or consequential loss or damage, relating to KONE's performance of the Maintenance Services or the Contract.

KONE makes no warranties, whether express, implied, statutory, or collateral, including but not limited to warranty of merchantability or warranty of fitness for any particular purpose, except those warranties expressly made in the Contract, which are in lieu of any and all other warranties. The liability for which KONE shall be relieved shall include, but not limited to, the following:

i) any repairs, replacement of parts or components, or work upon the Equipment necessary because of improper or negligent use of the Equipment, theft, accident, vandalism or tampering of the Equipment, alterations to the Equipment by any other party than KONE, or obsolete Equipment;

ii) failure by the CUSTOMER to carry out any work or make any repairs, replacements or upgrades recommended by KONE or required by the Legislative Requirements,

iii) work required by reason of the Equipment not being in a safe and satisfactory condition on the Commencement Date or being or becoming obsolete, or work which otherwise falls outside the scope of the Maintenance Services as defined in the Contract;

iv) KONE being prevented from performing the Maintenance Services due to any failure by the CUSTOMER to satisfy any of its obligations under the Contract or due to reasons set out in Article 9 below; and

v) any loss, damage or injury which may be sustained either to persons or property due to the operation of, or any accident relating to, the use of the Equipment, except in case the said loss, damage or injury is a direct and foreseeable result of KONE's own negligence or wilful act. In any event, the annual aggregate liability of KONE under this Contract shall be limited to the sum of ONE HUNDRED THOUSAND PESOS (Php100, 000.00) or the annual Contract value, whichever is higher.

In the event the Legislative Requirements require pressure testing or testing under full load or speed, KONE shall exercise due care when carrying out of such tests, but will not accept any liability in respect of damage to the Equipment or building structure/fabric caused by such tests.

Any claims relating to the Maintenance Services provided under this Contract shall be made by the CUSTOMER in writing at the latest within sixty (60) days from the expiry of the Contract Duration Period.

8. INSURANCE

KONE shall maintain in force for the Contract Duration Period a Comprehensive General Liability insurance with a reputable insurance company, indemnifying it against all legal liability for injury, death and property damage arising from negligence, omission, or willful acts by KONE or its employees.

9. FORCE MAJEURE AND RELEASE FROM RESPONSIBILITY

KONE shall not be liable for any failure to fulfill any of its obligations under the Contract to the extent that such fulfillment is prevented by circumstances beyond KONE's reasonable control, including but not limited to acts of God, acts of government, war, civil commotion, terrorism, material shortages, transportation delays, labour unrest, theft, vandalism, misuse of Equipment, failure of incoming power supply, fire, epidemic, flood, adverse climate conditions or natural disasters.

10. PROPERTY RIGHTS

The proprietary rights to any drawings, technical documentation, software or other intellectual property provided by KONE in the course of and in connection with performance of the Maintenance Services, including any technical information collected by KONE via remote monitoring system shall remain solely with KONE.

11. TERMINATION OF CONTRACT

The Contract shall remain in force for the Contract Duration Period, and shall be renewed for subsequent periods as stated in the Contract Term above unless cancelled in writing by either party ninety (90) days prior to the renewal date. Either Party may terminate the Contract, without satisfying the above time requirements, by giving a written notice to the other Party in the event that the other Party goes into liquidation either compulsorily or voluntarily, or a receiver, administrator or administrative receiver is appointed in respect of the whole or any part of its assets, or if the other Party commits a material breach of the Contract and the said breach has not been remedied within thirty (30) days after receipt of written notice setting forth particulars describing the alleged breach. Further, KONE has the right to terminate the Contract in the event the main purpose of use of the Equipment has materially changed during the Contract Duration Period or the Equipment is serviced or repaired by a third party without the prior written approval by KONE during the Contract Duration Period

In the event that the Contract is terminated by either Party as set out above, the CUSTOMER's obligations to make payments due under the Contract shall survive the termination and KONE shall be entitled to receive payments from the CUSTOMER for any Maintenance Services performed before the effective date of termination. KONE, in turn, shall return any payments made by the CUSTOMER for Maintenance Services not yet performed, except in the event of termination due to the CUSTOMER's default. In the event the Contract is terminated for any reason whatsoever, i) the remote monitoring equipment owned by KONE will be disabled or removed, unless agreed otherwise, and ii) any Equipment specific maintenance productivity tools will be removed, unless the Customer wishes to purchase such tools at the prevailing market price.

12. APPLICABLE LAW

The Contract will be governed by the laws of the Philippines, and the courts of the place of residence of KONE shall have sole jurisdiction over any disputes between the Parties relating to the Contract.

13. MISCELLANEOUS

The Contract constitutes the entire agreement between the Parties, and supersedes all prior negotiations, understandings, representations, and agreements between the Parties, if any. The CUSTOMER represents and warrants that in deciding to enter into the Contract, the CUSTOMER has not relied on any information supplied or statements made by KONE except those set forth in the Contract. The Contract may be amended or varied only by a written instrument signed by duly authorized representatives of both Parties. Any purchase order issued by the CUSTOMER in connection with the Maintenance Services shall be deemed to be issued for the CUSTOMER's administrative billing purposes only, and the Parties hereby intend that the terms and conditions of the Contract shall exclusively govern any services to be provided hereunder. None of the conditions of the Contract shall be considered waived by either Party unless such waiver is given in writing by the Party. No such waiver shall be a waiver of any past or future default, breach or modification of any of the conditions of the Contract, unless expressly stipulated in such waiver. This Contract can be freely assigned by KONE to any other company within the KONE group without the prior consent of the Customer.

14. GOVERNING LAW AND DISPUTE RESOLUTION

These General Conditions shall be governed by and construed in accordance with the laws of the Republic of the Philippines. Any dispute, controversy or claim arising out of or relating to these General Conditions, or the breach, termination or invalidity thereof, shall be finally resolved by arbitration in accordance with the rules of the Philippine Dispute Resolution Center (PDRC). The number of arbitrators shall be one (1). The place of arbitration shall be Makati City, the Philippines. The language to be used in the arbitral proceedings shall be English.