

TERMS OF REFERENCE

PROVISION TO LEASE FIFTEEN (15) UNITS PHOTOCOPYING MACHINES

1. RATIONALE

Owning a photocopying machine can be a financial burden for the agency. Besides supply costs and maintenance fees, coming up with the initial capital to purchase the machine can stretch operational budget beyond profitable limits. Photocopying machines depreciate over time, losing value due to use and to the constant introduction of newer and better technology. Saving financial resources for exploring business opportunities and for making purchases that appreciate over time is far more important than investing in office technology that will only lose value. Leasing a photocopying machine helps ease the up-front cost and may provide a number of other attractive benefits. Lease agreements may even include the cost of supplies, further reducing the initial payout.

To address this situation, and in order to have efficient document reproduction needs for the day to day operations and to have a greater return on the lease investment, it is recommended that the National Electrification Administration (NEA) engage the services of a company that can provide the agency its reproduction needs through lease of photocopying machines.

2. APPROVED BUDGET FOR THE CONTRACT

- 2.1. For and in consideration of the performance and accomplishment of the lease of photocopying machines, **NEA** shall pay the **CONTRACTOR** the amount of **One Million, Five Hundred Thousand Pesos (Php 1,500,000.00)** for the contract price, subject to pertinent laws on government contracts and auditing procedures.
- 2.2. The contract price is inclusive of all duties and taxes.
- 2.3. No changes shall be made on the Contract Price by reason of escalation in currency. Any adjustment in Contract Price shall be done in accordance with guidelines provided by law.
- 2.4. The payment of escalation costs shall be subject to the unilateral and written approval of **NEA** and to availability of funds.

3. PROJECT DURATION

- 3.1. The project duration covering the managed printing services of the lease photocopying machines in **NEA** shall be for the period of one year.
- 3.2. Exact dates of delivery and/or completion shall be within 15 days from the date of receipt of Notice to Proceed (NTP).

4. QUALIFICATION OF THE CONTRACTOR

- 4.1. The **CONTRACTOR** must be competent and experienced in the field of managing, leasing and maintenance of copier machines with a minimum of Three (3) years prior experience on similar projects.

5. GENERAL REQUIREMENTS

- 5.1. The **CONTRACTOR** will provide equipment, servicing, toner kits and suitable highest quality spare parts within the specified period to complete the project.
- 5.2. The **CONTRACTOR** shall provide the **NEA** with fifteen (15) units of photocopying machines.

6. SCOPE OF WORK

- 6.1. The **CONTRACTOR** shall undertake the works implementation of "One Year Managed Printing Services of Photocopying Machines", all in accordance with the specifications and subject to the terms and conditions of the contract.
- 6.2. The **CONTRACTOR** shall enforce any precautionary measures required to ensure work is safe and protected.
- 6.3. The **CONTRACTOR** shall supply, deliver and install the following equipment in the following:

6.3.1. **Fifteen (15) units Heavy Duty Photocopying Machines, 30 to 40 CPM**

Specification	
Print Speed	30 to 40 copies per minute
Copy Resolution	600 x 600 dpi
Multiple Copy	1-9, 999 sheets
Original Size	A5-A3
Magnification	25-400%
Memory Capacity	512 MB
Toner System	Toner
Printer Specification	
Speed	30 to 40 pages per minute
Print Resolution	600 x 600 dpi
Scanner Specification	
Scan Speed	30 to 40 scan per minute
Scan Resolution	600 x 600 dpi
System Specification	
System Memory	512 MB
Interface Standard	Ethernet 10 Base-T/

	100 Base – Tx/ 1000 Base – T
Automatic Document Feeder	Up to 100 sheets
Paper Size	A5-A3 Customized paper sizes
Paper Input Capacity	Standard: Bypass tray: 100 sheets Tray 1: 500 sheets Tray 2: 500 sheets

6.3.2. Designated Areas for Lease Photocopying Machines

Areas	No. of Unit	Rated Capacity
7 th Floor Office of the Administrator	1	30-40 CPM
7 th Floor Left Wing	1	30-40 CPM
7 th Floor Right Wing	1	30-40 CPM
6 th Floor Left Wing	1	30-40 CPM
6 th Floor Right Wing	1	30-40 CPM
5 th Floor Left Wing	1	30-40 CPM
5 th Floor Right Wing	1	30-40 CPM
4 th Floor Left Wing	2	30-40 CPM
4 th Floor Right Wing	1	30-40 CPM
3 rd Floor Left Wing	1	30-40 CPM
3 rd Floor Right Wing	1	30-40 CPM
2 nd Floor Right Wing	1	30-40 CPM
Ground Floor (COA)	1	30-40 CPM
Ground Floor (Records)	1	30-40 CPM

- 6.4. The **CONTRACTOR** shall provide **NEA's** General Services Division the right to observe during the installation procedures.
- 6.5. The **CONTRACTOR** shall supply all consumables, i.e., toner, developer, etc., and shall be for the account of the **CONTRACTOR**, excluding copy paper.
- 6.6. The **CONTRACTOR** shall deploy technicians without additional cost to **NEA** who shall conduct monthly unit inspection and calibration to always keep the machines in good working condition. Any damage/unserviceable parts shall be repaired/ replaced without charge to **NEA** within the duration of the lease contract.
- 6.7. The **CONTRACTOR** shall observe the maximum response time of within four (4) hours from the time the **NEA** makes its request for on-site services during regular working days. In case of prolonged or recurring mechanical failure on the unit/s and/or being unserviceable, the **CONTRACTOR** must provide replacement/service unit/s within 24 hours or one day from the time of notice. Prolonged or recurring shall not exceed three (3) times malfunctions of the machine, otherwise the **CONTRACTOR** must provide replacement of the said unit.

7. RENTAL SERVICE CHARGES

- 7.1. Rental charges shall be on a cost-per-page (all-inclusive of consumables, maintenance and parts replacement with no additional charges to NEA), based on monthly meter readings taken from each machine, as evidenced by the meter reading cards/report. The cost per page shall not exceed **Php0.85 per print inclusive of VAT**. Computation will be based on the number of copies shown on the meter reading cards/reports less 2% allowance for spoilage. There should be no accounting of spoiled paper.
- 7.2. The monthly meter readings shall be conducted by a duly-authorized representative of the **NEA** and the **CONTRACTOR**.

8. RESPONSIBILITIES OF THE CONTRACTOR

- 8.1. The principal features of the work do not in any way limit the responsibilities of the **CONTRACTOR** to the general description of his/her scope of work. He/she shall perform all the work fully and make operational to the intent of the project.
- 8.2. The **CONTRACTOR** shall be responsible for the proper execution and coordination of his/her work. He/she shall schedule and program all necessary work activities according to the specified completion period.
- 8.3. The **CONTRACTOR** shall observe the required standard of safety and procedures that its contract and workers shall be properly insured against all risks. He/she shall provide/equip its workers with Personal Protective Equipment (PPE) during the course of installation. He/she shall observe the NEA's house regulations to be issued together with the Work Permit.
- 8.4. The **CONTRACTOR** is not allowed to erect quarters for workers within **NEA** premises. Sleeping is also not allowed. **CONTRACTOR's** workers are limited only to the designated working area. Loitering around and inside the NEA premises is not allowed.
- 8.5. Replacement of parts for the machines shall be supplied by the **CONTRACTOR** free of charge. Repairs shall, likewise, be effected by the **CONTRACTOR** without any charge.

The **CONTRACTOR** 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 **NEA**. Such inspections, adjustments and maintenance shall be free of charge.

9. RESPONSIBILITIES OF THE NEA

- 9.1. The **NEA** 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 **CONTRACTOR**.

9.2. **NEA** shall insure the diligence in handling of the photocopying machine.

10. TERMINATIONS

10.1. The **CONTRACTOR** may terminate the contract if the **NEA** 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 **CONTRACTOR's** notice specifying such breach. The **CONTRACTOR** must serve written notice to the **NEA** of its intention to terminate the contract at least thirty (30) calendar days before its intended termination.

10.2. Subject to the procedure prescribed by law, the **NEA** may terminate the contract under any of the following conditions:

10.2.1. Outside of force majeure, the cumulative amount of liquidated damages reaches ten percent (10%) of the amount of the contract. The **NEA** 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 **NEA** under the circumstances;

10.2.2. As a result of force majeure, the **CONTRACTOR** 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 **NEA** stating that the circumstance of force majeure is deemed to have ceased;

10.2.3. The **CONTRACTOR** fails to satisfactorily perform any of its obligations under the contract;

10.2.4. The Administrator 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;

10.2.5. The **CONTRACTOR** is declared bankrupt or insolvent as determined with finality by a court of competent jurisdiction; and

10.2.6. It is determined prima facie that the **CONTRACTOR** has engaged, before or during the implementation of the contract, in unlawful deeds and behaviors relative to contract acquisition and implementation.

10.3. 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.

- 10.4. Upon termination or expiration of the contract, the **NEA** shall return the machines and accessories to the **CONTRACTOR** by allowing the latter, on a date and time agreed upon by both the **NEA** and the **CONTRACTOR**, to enter the **NEA** premises for the purpose of retrieving the machines.
- 10.5. Upon termination of the contract, all unpaid obligations of the **NEA** to the **CONTRACTOR** shall immediately become due and demandable.

11. PAYMENTS

- 11.1. All accounts shall be payable monthly to the **CONTRACTOR** within fifteen (15) days upon receipt of the billing statements, provided there are no errors or discrepancies noted by the authorized representative of the **NEA**. In case of errors or discrepancies in the billing statements, the authorized representative of the **NEA** shall notify the representative of the **CONTRACTOR** within three (3) days from receipt of the billing statements.
- 11.2. All payments made shall be subject to the usual government accounting and auditing rules and regulations.

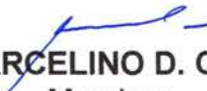
12. LIQUIDATED DAMAGES

- 12.1. Failure to comply with the terms and conditions of the contract will result in the payment of corresponding penalties/liquidated damages in the amount to 1/10 of 1% of the cost of the unperformed portion of every day of delay. Once the cumulative amount of liquidated damages reaches 10% of the amount of the contract, **NEA** shall rescind the contract, without prejudice to other courses of action and remedies open to it.

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