

## SERVICE AGREEMENT

### KNOW ALL MEN BY THESE PRESENTS:

This Service Agreement (Agreement), made and entered into the City of this \_\_\_\_\_ day of JAN 28 2025 2025, by and between:

PASIG CITY

The **DEPARTMENT OF FINANCE**, a Government agency of the Republic of the Philippines, with principal office at the 6<sup>th</sup> Floor, Department of Finance Building, Roxas Boulevard corner Pablo Ocampo, Sr. St., Malate, Manila, represented herein by **Undersecretary BAYANI H. AGABIN**, hereinafter referred to as the “**Customer**”

-and-

**CONVERGE INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT) SOLUTIONS, INC.**, a corporation duly organized and existing by virtue of the laws of the Republic of the Philippines, with office address at Reliance Center Annex 1, 99 E. Rodriguez, Jr. Ave. Bo. Ugong, Pasig City 1604, represented by its Corporate Sales Head, **Mr. PATRICK PAUL A. GATCHALIAN**, hereinafter referred to as the “**Service Provider**”

The **Customer** and the **Service Provider** are collectively referred to as “Parties”.

### WITNESSETH That:

**WHEREAS**, the **Service Provider** has been providing internet and other related services to the Customer since 2022;

**WHEREAS**, the **Service Provider** is a duly enfranchised telecommunications company authorized to provide telecommunications services, such as internet and data, in Metro Manila and other parts of the Philippines, under the brand name “**CONVERGE ICT SOLUTIONS, INC.**”, which trademark is owned by Service Provider;

**WHEREAS**, the Contract of the **Service Provider** for the internet connection (hereinafter referred to as the “Services”) with the Customer for CY 2024 expired on December 31, 2024;

**WHEREAS**, the internet service is necessary to ensure continuous communication with the local and foreign clientele and other government agencies, entities and instrumentalities and the absence of such will greatly affect the normal day-to-day operations of the **Customer**;

**WHEREAS**, Section 3.1 of the “*Guidelines on Renewal of Regular and Recurring Services*” of the Government Procurement Policy Board (GPPB), states that, the renewal shall cover procurement projects that are regular and recurring as defined under Department of Budget and Management (DBM) National Budget Circular No. 570, s. 2017 and other issuances that may be issued for the purpose, such as (iii) telecommunication requirements;

**WHEREAS**, the Central Management Information Office-Information Technology Infrastructure Division (CMIO-ITID) as the end-user, conducted a Cost-Benefit Analysis for the provision of the ISP where they determined that renewing the contract of the existing secondary ISP would be more beneficial and advantageous to the DOF as Converge ICT Solutions, Inc. offered the lowest amount compared to the offers of other service providers and has added features such as faster and more efficient internet service up to 500Mbps IDS-HA Connection based on the submitted Committed Information Rate (CIR) bandwidth. The package also includes the renewal of the IDS-HA Connection of the DOF-Baguio Cottage which is bundled with subscription license and support of the router and firewall appliance without additional cost;

**WHEREAS**, the Converge ICT Solutions Inc. will also provide renewal of Subscription License for CISCO, Router 4451 – X/K9 Router with Local Managed Support Service and Subscription and NG Firewall Appliance with License and Support Subscription for one (1) year and other technical assistance as needed;

**WHEREAS**, based on the review and evaluation of the Bids and Awards Committee (BAC), the BAC in its Resolution No. 054-2024, recommended the contract renewal with the **Service Provider** for CY 2025;

**NOW, THEREFORE**, for and in consideration of the foregoing premises, the Parties hereby agree as follows:

1. **CONSIDERATION**

In consideration of the payments to be made by the Customer to the **Service Provider**, the **Service Provider** hereby covenants with the Customer to provide the Services, in conformity in all respects with the provisions of the Agreement.

The Customer hereby covenants to pay Service Provider in consideration of the performance of the services, the Contract Price in the total amount of **Four Million One Hundred Eighty-Eight Thousand Eight Hundred Eighty-Eight Pesos (Php4,188,888.00)**, inclusive of the value added tax (VAT), and such other sums as may become payable under the provisions of this Contract.

2. **TERM**

The **Service Provider** shall provide the Services from January 1, 2025 to December 31, 2025. The Customer shall remain liable for charges corresponding to its continuous use of the Services up to the effective date of termination or its actual cessation of the use of the Services, whichever comes later. Thereafter, should the Services supplied by the **Service Provider** be satisfactory to the **Customer**, this Agreement may be renewed upon the mutual agreement by the Parties in writing.

3. **ENTIRE AGREEMENT**

This Agreement, including the terms and conditions enumerated herein, as well as any subsequent appendices and addenda, if any, incorporated by reference to this Agreement, including the Internet Service Specifications, to which the Parties mutually agree in writing, represent the entire agreement between the Parties with respect to the Services and that any and all previous agreements or contracts entered into by them which are inconsistent herewith are hereby superseded.

The following documents shall form integral parts of this Agreement as if their contents are incorporated, reproduced and set forth herein, and shall govern and control in full force and effect the rights and obligations of the parties, except as otherwise modified by a mutual agreement in writing by both parties:

- a. Guidelines on Renewal of Regular and Recurring Services issued through Appendix 37 of the 2016 Revised Implementing Rules and Regulation of Republic Act No. 9184 updated as of July 19, 2024;
- b. Letter from the Service Provider dated September 27, 2024, with the proposed fees and services offered;
- c. Notice of Renewal and the Service Provider's conforme thereto;
- d. Performance Security; and

**4. COMPLAINTS ON THE STATEMENT OF ACCOUNT**

The **Customer** hereby agrees to submit in writing within fifteen (15) days from receipt of the Statement of Account by the Procurement Management Division, all complaints, exceptions and/ or queries thereon; otherwise, it shall be deemed to have confirmed its accountability and to have waived any exception or question thereon.

**5. PROVISION AND USE OF SERVICE AND EQUIPMENT**

Title to any **CONVERGE ICT SOLUTIONS, INC.** – furnished equipment in the Customer's premises (the "Equipment") shall, at all times, remain with the **Service Provider** or its designees(s). The **Customer** shall not permit any liens or encumbrances to be placed upon the Equipment and the **Service Provider** shall have the right to take all actions necessary to protect its ownership of, and other interest in, the Equipment. In this regard, the **Customer** hereby recognizes that it holds the Equipment in trust for the **Service Provider**.

The **Customer** shall exercise reasonable care in the handling of the Equipment. The **Customer** shall compensate the **Service Provider** for any loss or damage to the Equipment, other than that caused by ordinary wear and tear, provided that the cause of such loss or damage is directly attributable to the fault of the **Customer**.

The **Customer** shall not, under any circumstances, resell the Services to any third party or permit any third party to use the Services or the Equipment. The **Customer** shall comply with all the **Service Provider** and applicable Internet rules and regulations concerning the use of the Services, the Equipment and the Internet, as such rules and regulations may change from time to time. The **Customer** agrees to allow the **Service Provider** or any of its agents or authorized representative's reasonable access to the Customer's premises whenever necessary for the purpose of inspection, maintenance, or repossession of the Equipment as the purpose of such access may demand. The **Customer** shall only use the Service in full compliance with all applicable Philippine laws. The **Customer** shall not use the Services for the purpose of conducting illegal activities, including bypass activity and national and international simple

resale. Even if in the configuration of the Services, the **Service Provider** provides certain security features, the **Customer** shall be solely responsible for its computer network and any data stored on their network may be accessed through the Services. The **Customer** renders the **Service Provider** free and harmless from any and all liabilities relating to, and the risks associated with, the unauthorized access by a third party via the Services to the Customer's computer network and data, except where such unauthorized access is directly attributable to the fault or negligence of the **Service Provider**.

## 6. **NETWORK USAGE**

All use of the **Service Provider** network and the Services by the **Customer** must comply with internationally acceptable quality and ethical standards for its use.

System and network security and integrity of its network and of its **Customer** base are vital in the business operation of the **Service Provider**. In this regard, the **Service Provider** hereby prohibits any act or attempt to directly or indirectly circumvent user authentication or security of any host, network or the **Customer**, including but not limited to any acts tending directly to probe into the security of other networks or that of the **Service Provider**.

Any of the foregoing and similar acts committed by the **Customer** or by any other person using the Services, unless such use is without the knowledge of the **Customer**, shall constitute a breach of this Agreement and shall be a valid ground for the **Service Provider** to terminate the Services subject to negotiation and acceptance of the **Customer** and the exigent demands of public interest. Furthermore, should any investigation be made by any governmental agency/agencies in regard to the commission of such acts, the **Customer** hereby allows the **Service Provider** to disclose any information relative to the **Customer** and the Services as may be needed by such investigating agency/ agencies.

This Agreement does not constitute a license for the **Customer** to copy, reproduce, distribute or otherwise use any proprietary information provided or accessible through the Services.

## 7. **SERVICE LEVEL AGREEMENT**

The provision of the Services is pursuant to a Service Level Agreement (SLA) that defines performance metrics. In the event that SLA performance levels are not met, reporting methods and the corresponding compensation are set forth below.

### **Service Availability**

The **Service Provider** shall endeavor to deliver and maintain the Services with ninety nine and 9/100 percent (99.9%) internet access availability from the **Service Provider** to Global Internet.

### **Burstable Rate**

The Burstable Rate is defined as the maximum bandwidth or utilization of the service that the **Customer** may attain when no other customer is using

the bandwidth. As such, the **Service Provider** does not guarantee the attainment of the Burstable Rate at any given time. Nonetheless, the **Service Provider** must be able to demonstrate, to the satisfaction of the **Customer**, that the Burstable Rate is in fact attained under the right circumstances, during the period covered by this Contract.

### **Committed Information Rate**

The Service offers premium internet access direct to the global Internet, ensuring optimal throughput and full port delivery. The Service will provide guaranteed dedicated bandwidth from the **Service Provider** Internet network to the global Internet. The Committed Information Rate ("CIR") is the guaranteed bandwidth which the **Customer** shall have ninety nine and 9/100 percent (99.9%) of the time for the duration of the use of the Services.

## **8. CUSTOMER SERVICE CENTER**

The **Service Provider** shall maintain a Customer Service Center ("CSC") which shall operate twenty-four (24) hours a day, seven (7) days a week, to monitor and maintain the SLA performance levels specified in this Agreement. The **Service Provider** shall use all reasonable measures to remedy the fault as soon as practicable in consonance with the SLA performance levels herein specified.

The **Service Provider** shall endeavor to make available, when necessary by reason of the nature of the fault, an on-site technical assistance/support within four (4) hours from the time a trouble ticket shall have been issued. Availability of the on-site technical assistance/ support shall be subject to the sole direction of the **Service Provider**.

### **Full Service Interruption**

The **Service Provider** hereby agrees that in case of full service interruption due to either the failure of the Equipment or the fault or negligence of its personnel, the **Service Provider** shall, upon the written notice by the **Customer**, and upon written confirmation by the **Service Provider**, within five (5) business days of the factual basis thereof, grant a rebate equivalent to a portion of the Charges computed on the basis of the schedule below. Full service interruption refers to the period of outage resulting to total information transfer loss in excess of the allowable outage per month.

- One-tenth (1/10) of a day for full service interruption of more than one (1) minute but not more than three (3) hours.
- One-fifth (1/5) of a day for full service interruption of three (3) hours or more but not more than six (6) hours.
- Two-fifth (2/5) of a day for full service interruption of six (6) hours or more but not more than nine (9) hours.
- Three-fifth (3/5) of a day for full service interruption of nine (9) hours or more but not more than twelve (12) hours.
- Four-fifth (4/5) of a day for full service interruption of twelve (12) hours or more but not more than fifteen (15) hours.
- One (1) whole day credit for full service interruption of fifteen (15) hours or more up to twenty-four (24) hours.

Interruption of over twenty-four (24) hours will be allowed in one-fifth (1/5) day multiples for each three (3)-hour period of full service interruption or a fraction thereof.

Any claim of the **Customer** for adjustment or repayment shall be made in writing within thirty (30) days after the full service interruption. No other payment for compensation of any kind whatsoever shall be granted by the **Service Provider** to the **Customer** in respect of such full service interruption.

All claims for adjustment as confirmed by the **Service Provider** on or before the twenty-fifth (25<sup>th</sup>) day of every month shall be included on the monthly billing of the same month. Otherwise, the allowable adjustments shall be reflected on the following month and full payment shall be required on the current month.

Nothing in this clause shall excuse the **Service Provider** from the responsibility to explain promptly and satisfactorily to the **Customer** the reasons for such full service interruption and its fault or negligence, if any, for such interruption.

## 9. DISCONTINUATION OF SERVICE

In addition to any other remedies available under the general law on obligations and contracts, either party may immediately discontinue the Services in the event of breach by the other party of this Agreement. In addition to violating the terms and conditions of this Agreement, a breach by the **Customer** includes, but is not limited to, the following: (i) the non-payment of any amount due to the **Service Provider** and/or its affiliates under this Agreement or any other agreement for the provision of telecommunications service, (ii) when the **Service Provider** deems that it is necessary to discontinue the Services in order to protect against its fraudulent or illegal use, or to otherwise protect the business interest of the **Service Provider** its network, equipment, and/or facilities; (iii) when the **Service Provider** receives legitimate complaints or claims from third parties regarding the Customer's use of the Service; or (iv) the **Customer** fails to comply with the warranties set forth in this Agreement.

Upon any discontinuance of the Service due to the aforesaid reasons, the **Customer** shall (i) immediately cease utilizing the Services; (ii) immediately return any Service Agreement Software to the **Service Provider**; (iii) permit the **Service Provider** to have access to and recover possession of the Equipment from the Customer's premises; (iv) pay the **Service Provider** all charges incurred by the **Customer** up to the date when the Service is actually discontinued.

The **Service Provider** hereby covenants that it shall not unilaterally discontinue the Services at any time and for any reason without the prior written approval and consent of the **Customer**, obtained after sufficient discussion, in express recognition and respect for the Customer's extraordinary needs and requirements in the national interest.

## 10. INDEMNIFICATION/ LIMITATION OF LIABILITY

The **Customer** shall defend, indemnify and hold the **Service Provider** or its subsidiaries and affiliates, and their respective directors, officers,

employees, principals, agents, and representatives, harmless from any and all claims, demands, actions losses, damages, liabilities, suits, proceedings, judgement, fines penalties, cost and reasonable Attorney's fees and expenses of any kind or nature, or for any damages of any kind arising from or related to any use of the Services and the Equipment, when such use is by the **Customer** or by any third party, unless the **Customer** has authorized or has known about such use, or otherwise arising under or related to this Agreement, the Services, the Equipment, or the Internet, and that the cause of such claims, demands, actions, losses, damages and expenses is not attributed to the **Service Provider**.

11. **GOVERNING LAW**

This Agreement shall be constructed in accordance with and shall be governed by the laws of the Republic of the Philippines, including the rules and regulations of the National Telecommunications Commission, which are deemed incorporated by reference to this Agreement. This Agreement may be terminated/ suspended by either party by reason of or on any ground provided for in such rules, regulations, law or ordinances. Furthermore, the parties hereby agree to observe and be bound by pertinent rules and regulations of the International Telecommunications Union as well as any and all ordinances, statues, rules or regulations relating to telecommunications, all of which are incorporated to this Agreement by reference.

12. **VENUE OF SUIT**

The Parties agree that any claim or dispute referable to the courts shall be instituted exclusively in the proper court of the City of Manila.

13. **REPRESENTATION AND WARRANTIES OF SERVICE PROVIDER**

The **Service Provider** does not warrant that the Service or the Equipment shall be uninterrupted or error-free or that the information available and/or accessed through the internet shall be accurate, correct, appropriate for any party's needs, free from viruses or other disabling codes, or that such information shall not infringe upon any proprietary or other rights of others or that any domain name registration request, should there be any, submitted by the **Service Provider** to the registration organization shall be approved by that organization. The use of the internet, any information available and/or accessed through the internet, any domain name, and any security features provided with the Services shall be at the Customer's sole risk. Other than the express warranties contained in this Agreement, the **Service Provider** disclaims all warranties, either express or implied, including, without limitation, warranties of merchantability or fitness for a particular purpose.

14. **REPRESENTATION AND WARRANTIES OF THE CUSTOMER**

The **Customer** hereby represents and warrants that use of the Services (including any use of any domain name) shall not violate or infringe upon proprietary or other rights of others, be abusive, threatening, obscene, profane or otherwise offensive, or violate any laws, rules or regulations. The **Customer** shall not represent to any third party that the **Service Provider** has made any warranty or representation of any kind with respect to the Services, the Equipment, or the Internet.

15. **NON-ASSIGNABILITY**

Either Party may not assign or transfer this Agreement or any rights or obligations hereunder without the prior written consent of the other Party. An assignment shall be deemed to include any change in the ownership and/ or control of a party.

16. **CONFIDENTIALITY AND NON-DISCLOSURE**

The Parties hereby agree to keep confidential all information disclosed by reason of the provision of the Services and mutually undertake not to disclose to anybody any information without prior written consent from the other Party.

17. **FORCE MAJEURE**

The **Service Provider** and the **Customer** shall not be liable for any failure or delay in its performance that is due to acts of God, acts of civil military authorities, acts of the public enemy, war or threats of war, accidents, fires, explosions, earthquakes, floods, unusually severe weather, epidemics, or due to any other cause beyond its reasonable control.

18. **INDEPENDENCE OF PARTIES**

The **Service Provider** and the **Customer** are independent contracting parties. This Agreement shall not constitute the Parties as principal and agent, partners, joint venture, or employer and employee.

19. **NO STIPULATION POUR AUTRUI**

Neither this Agreement nor the Service shall give rise to any third party being a third party beneficiary or being entitled to any rights whatsoever under this Agreement.

20. **CONTRACT PERIOD**

This Contract shall be effective from January 1, 2025 to December 31, 2025.




IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective officers hereunto duly authorized on the date and place first above written.

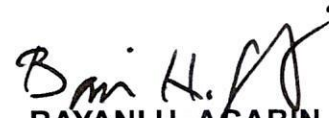
CONVERGE ICT SOLUTIONS, INC.

DEPARTMENT OF FINANCE

By:

By:

  
**PATRICK PAUL A. GATCHALIAN**  
Authorized Representative

  
**BAYANI H. AGABIN**  
Undersecretary

SIGNED IN THE PRESENCE OF

  
Princess Josefa Marah

ACKNOWLEDGMENT

Republic of the Philippines}

City of Manila } S.S.

BEFORE ME, this JAN 28 day of 2025 at PASIG CITY personally appeared the following persons exhibiting to me their respective competent identification cards as follows:

Name	Passport/ Government Issued IDs			
	Number	Issued On	Issued At	Valid Until
Undersecretary Bayani H. Agabin	TIN 172-571-956			
Mr. Patrick Paul A. Gatchalian				

Known to me and to me known to be the same persons who executed the foregoing instrument including the page on which this acknowledgment is written, consisting of nine (9) pages, and who acknowledged to me that the same is their free and voluntary act and deed, and of the government entity and company which they represent, respectively.

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

Doc No. 234  
Page No. 48  
Book No. XVI  
Series of 2025.

