

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