



Committee on Public Transportation and Traffic Management

COMMITTEE HEARING REPORT
NO. PTTM-010-2024


Office of the Sangguniang Panlungsod
Received by: Janet Pring
Date: 2024-12-11
Time: 8:45am

Subject: A RESOLUTION AUTHORIZING THE CITY MAYOR, HON. STRIKE B. REVILLA, TO SIGN THE MEMORANDUM OF AGREEMENT BETWEEN THE CITY GOVERNMENT OF BACOR AND QPAX TRAFFIC SYSTEM REGARDING THE IMPLEMENTATION OF THE "BACOR CITY DIGITALIZED TRAFFIC ENFORCEMENT PROJECT".
(PCR 728-2024 dated December 09, 2024)

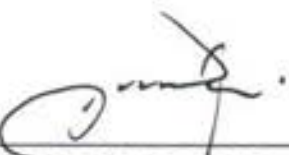
The above-captioned legislative measure was submitted on First Reading before the City Council on December 09, 2024. Due to the urgent nature of the said proposed measure, the City Council unanimously voted to suspend the internal rules. With the said Rules suspended, Hon. Roberto Advincula moved for the approval of the proposed measure which aims to authorize the City Mayor Strike Revilla to sign the memorandum of agreement between the City Government of Bacoor and QPax traffic system regarding the implementation of the Bacoor City digitalized traffic enforcement project for the benefit of the people of the City of Bacoor and the general public.

UNANIMOUSLY APPROVED this December 09, 2024, at the City of Bacoor, Cavite.

Committee on Public Transportation and Traffic Management


COUN. ROBERTO L. ADVINCULA
Chairman


COUN. ADRIELITO G. GAWARAN
Vice Chairman
Member – Rules and Privileges, Laws and Ordinances


COUN. MICHAEL SOLIS
Member


COUN. REYNALDO FABIAN
Member





Committee on Public Transportation and Traffic Management

Office of the Sangguniang Panlungsod
Received by: Janet Pring
Date: 2024.12.11
Time: 8:41 am

COMMITTEE HEARING MINUTES

NO. PTTM-010-2024

Subject: A RESOLUTION AUTHORIZING THE CITY MAYOR, HON. STRIKE B. REVILLA, TO SIGN THE MEMORANDUM OF AGREEMENT BETWEEN THE CITY GOVERNMENT OF BACOR AND QPAX TRAFFIC SYSTEM REGARDING THE IMPLEMENTATION OF THE "BACOR CITY DIGITALIZED TRAFFIC ENFORCEMENT PROJECT".
(PCR 728-2024 dated December 09, 2024)

The 120th Regular Session (Hybrid Session via Viber) of the 5th Sangguniang Panlungsod on December 9, 2024. The session was formally opened at 10:00am.

The Pre-Qualification, Bids, and Awards Committee (PBAC) of the City Government of Bacoor is mandated to evaluate and process proposals for public-private partnership projects in accordance with the PPP Code of the Philippines (Republic Act no. 11966).

QPax Traffic Systems (the "Proponent") has submitted a proposal for the implementation of a joint venture with the City of Bacoor to be known as the "Bacoor City Digitalized Traffic Enforcement" project.

As scheduled, the negotiations started on June 7, 2024 and continued during a series of meetings which were held to discuss the proposal and counter-proposals of the Parties. On October 19, 2024 through a Board Resolution, QPax Traffic Systems accepted the proposal of the City of Bacoor.

The session adjourned at 11:00am upon the motion of Hon. Simplicio Dominguez and approved by the council members.

Prepared By:

EVELYN L. AMORA
Local Legislative Staff Assistant I

Attested By:

COUN. ROBERTO L. ADVINCULA
Chairman





Republic of the Philippines
Province of Cavite
CITY OF BACOR
Office of the City Mayor



Seal of
Good
Local
Governance
2023 Awardee
2 YEARS IN A ROW
CGBCR-MO-02-F05.02
05/30/2024

18 November 2024

**THE HONORABLE SANGGUNIANG PANLUNGSOD MEMBERS
CITY OF BACOR.**

LADIES AND GENTLEMEN:

Please find herewith, copy of the **A RESOLUTION ENDORSING TO THE SANGGUNIANG PANLUNGSOD (SP)
FOR THEIR APPROVAL THE IMPLEMENTATION OF QPAX TRAFFIC SYSTEMS KNOWN AS THE "BACOR
CITY DIGITALIZED TRAFFIC ENFORCEMENT" PROJECT.**

For your immediate and appropriate action.

Very truly yours,

STRIKE B. REVILLA
City Mayor



SCAN ME



Address: Mayor's Office, City of Bacor, Cavite
City: Bacor, Cavite
Contact: 434-1111
Website: www.bacor.gov.ph



Cert. no. 24/181809





Republic of the Philippines
Province of Cavite
CITY OF BACOR
CITY DEVELOPMENT COUNCIL



CDC RESOLUTION No. 08 Series of 2024

A RESOLUTION ENDORSING TO THE SANGGUNIANG PANLUNGSOD (SP) FOR THEIR APPROVAL THE IMPLEMENTATION OF QPAX TRAFFIC SYSTEMS KNOWN AS THE "BACOR CITY DIGITALIZED TRAFFIC ENFORCEMENT" PROJECT

WHEREAS, Section 106 of the Local Government Code of 1991 each government unit shall have a comprehensive multi-sectoral development plan to be initiated by its development council and approved by the Sangguniang;

WHEREAS, Section 2 of Executive Order No. 471 series of 1991 mandates the Local Development Council (LDC) to appraise, prioritize, and coordinate the socio-economic development programs and projects within its territorial coverage;

WHEREAS, the Pre-Qualification, Bids, and Awards Committee (PBAC) of the City Government of Bacoor is mandated to evaluate and process proposals for public-private partnership projects in accordance with the PPP Code of the Philippines (Republic Act No 11966);

WHEREAS, QPax Traffic System (the Proponent) has submitted a proposal for the implementation of a joint venture with the City of Bacoor to be known as the "Bacoor City Digitalized Traffic Enforcement" project;

WHEREAS, the projects aims to replace the current manual traffic apprehension program with an electronic ticketing system using advance technology.

WHEREAS, the PBAC conducted a thorough review and evaluation on the said proposal submitted by the proponent;

WHEREAS, PBAC approved a Resolution dated 05 June 2024 and authorized the commencement of the negotiation phase with QPax Traffic System starting on 07 June 2024, a series of meetings were held to discuss the proposal and counter-proposal of the Parties;

WHEREAS, through Board Resolution dated 19 October 2024, QPax Traffic System accepted the proposal of the City of Bacoor, to wit:

1. Consider the acceptance by the QPax Traffic System through a Board Resolution dated 19 October 2024 of the City of Bacoor's Counter-Proposal dated 18 October 2024 with regard the proposed Bacoor City Digitalized Traffic Enforcement project as its acquiescence to the entirety of the City of Bacoor's Counter-Proposal dated 18 October 2024;
2. Declare that the City of Bacoor's Counter-Proposal dated 18 October 2024 shall be the approved negotiated terms and conditions with QPax Traffic Systems;
3. Affirm that no further changes shall be made to the approved negotiated terms and conditions between the City of Bacoor and QPax Traffic Systems;
4. Announce that the negotiation stage with QPax Traffic Systems was successfully concluded on 04 November 2024;
5. Order the Secretariat to notify the PPP Center and QPax Traffic Systems through a Notice of Successful Negotiations; and,
6. Proceed with the next steps in accordance with RA 11966 and its Implementing Rules and Regulations.

WHEREAS, the Committee found that the QPax Traffic System also known as "Bacoor City Digitalized Traffic Enforcement" project is important for the development of the City of Bacoor.



SCAN ME



Address: National Government Center, Bacoor Blvd.
P.O. Box 102, Bacoor, Cavite
Tel: 02-886-1111
Website: www.bacoor.gov.ph



Cert. no. 24/181809

NOW WHEREFORE, upon motion of Hon. Randy C. Francisco, Vice-President, Liga ng mga Barangay Ex-officio member of the Sangguniang Panlungsod and duly seconded by Ms. Amy Famisan of Federation of Salinas Urban Homeowners Association, Inc., representing the CSOs/NGOs members of Full Council and all members present on the CDC meeting assembled, be it:

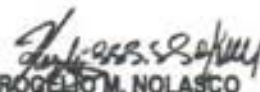
RESOLVED, AS IT IS HEREBY RESOLVED, to endorse to SANGGUNIANG PANLUNGSOD the QPax Traffic System known as the "Bacoor City Digitized Traffic Enforcement" project.

UNANIMOUSLY APPROVED this **18 November 2024** in the City of Bacoor, Province of Cavite.




HON. STRIKE B. REVILLA
City Mayor/
Chairman City Development Council

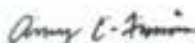
HON. LANI MERCADO-REVILLA
Member, House of Representatives
2nd Legislative District, Province of Cavite



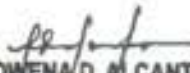
HON. ROGELIO M. NOLASCO
Sangguniang Panlungsod, Chairman
Committee on Finance Appropriation & Budget



HON. RANDY C. FRANCISCO
Vice President, Liga ng mga Barangay
Ex-officio member of the Sangguniang
Panlungsod



AMY FAMISAN
Federation of Salinas Urban Homeowners Ass., Inc.
Representing the CSOs/NGOs members of Full
Council



RHOWENA D. ALCANTARA
OIC-City Planning & Development Coordinating Office
CDC-Secretariat



Republic of the Philippines
Province of Cavite
CITY OF BACOOR



CITY DEVELOPMENT COUNCIL

NOTICE OF MEETING

13 November 2024

TO : ALL CITY DEVELOPMENT COUNCIL MEMBERS

FROM : **RHOWENA D. ALCANTARA**
City Planning and Development Coordinator

SUBJECT : A RESOLUTION ENDORSING TO THE SANGGUNIANG PANLUNGSOD (SP) FOR THEIR APPROVAL THE IMPLEMENTATION OF QPAX TRAFFIC SYSTEMS KNOWN AS THE "BACOOR CITY DIGITALIZED TRAFFIC ENFORCEMENT" PROJECT

You are hereby invited to attend the City Development Council meeting on the aforementioned subject on **18 November 2024, 10:00 AM** at Strike Multi-Purpose Hall, 3rd Flr., City Government of Bacoor, Brgy. Bayanan, City of Bacoor, Cavite.


RHOWENA D. ALCANTARA
OIC-CPDC
CDC Secretariat



SCAN ME



Address: National Government Center, Bacoor 4101
New Highway, City of Bacoor, Cavite
Telephone: 424-1111
Website: www.bacoor.gov.ph



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Republic of the Philippines
Province of Cavite
CITY OF BACOR



12/4/2024
2:45 PM

**PRE-QUALIFICATION, BIDS, AND AWARDS -
SELECTION COMMITTEE**

RESOLUTION NO. 04, Series of 2024

WHEREAS, the Pre-Qualification, Bids, and Awards Committee (PBAC) of the City Government of Bacoor is mandated to evaluate and process proposals for public-private partnership projects in accordance with the PPP Code of the Philippines (Republic Act No. 11966);

WHEREAS, QPax Traffic Systems (the "Proponent") has submitted a proposal for the implementation of a joint venture with the City of Bacoor to be known as the "Bacoor City Digitalized Traffic Enforcement" project (the "Project");

WHEREAS, the PBAC conducted a thorough review and evaluation of the proposal submitted by the Proponent;

WHEREAS, through a Resolution dated 05 June 2024, PBAC approved the proposal submitted by the Proponent and authorized the commencement of the negotiation phase with QPax Traffic Systems starting on 07 June 2024.

WHEREAS, as scheduled, the negotiations started on 07 June 2024 and continued during a series of meetings which were held to discuss the proposal and counter-proposals of the Parties;

WHEREAS, on 18 October 2024, PBAC sent a letter to the Proponent regarding the last counter-proposal of the City of Bacoor;

WHEREAS, on 19 October 2024 through a Board Resolution, QPax Traffic Systems accepted the proposal of the City of Bacoor;

WHEREAS, in accordance with the law, the negotiation stage ended on 04 November 2024;

NOW, THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, by the Pre-Qualification, Bids, and Awards Committee (PBAC) of the City Government of Bacoor, in a meeting duly assembled, to:

- A. Consider the acceptance by QPax Traffic Systems through a Board Resolution dated 19 October 2024 of the City of Bacoor's Counter-Proposal dated 18 October 2024 with regard the proposed Bacoor City Digitalized Traffic Enforcement project as its acquiescence to the entirety of the City of Bacoor's Counter-Proposal dated 18 October 2024;
- B. Declare that the City of Bacoor's Counter-Proposal dated 18 October 2024 shall be the approved negotiated terms and conditions with QPax Traffic Systems;
- C. Affirm that no further changes shall be made to the approved negotiated terms and conditions between the City of Bacoor and QPax Traffic Systems;



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Brgy. Bayanan, City of Bacoor, Cavite
Telephone: 434-1111
Website: www.bacoor.gov.ph



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CITY OF BACOR



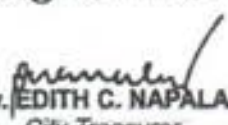
- D. Announce that the negotiation stage with QPax Traffic Systems was successfully concluded on 04 November 2024;
- E. Order the Secretariat to notify the PPP Center and QPax Traffic Systems through a Notice of Successful Negotiations.
- F. Proceed with the next steps in accordance with RA 11966 and its Implementing Rules and Regulations.

DONE this 4th day of November 2024, in the City of Bacoor, Cavite, Philippines.

Hon. REYNALDO PALABRICA
*Sangguniang Panlungsod Chairperson on
Committee on Rules and Privileges, Laws and Ordinances*


Atty. KHALID A. ATEGA, JR.
*Sangguniang Panlungsod Secretary
Sangguniang Panlungsod*


Atty. AIMEE TORREFRANCA-NERI
*City Administrator
Office of the City Administrator*


Atty. EDITH C. NAPALAN
*City Treasurer
Office of the City Treasurer*


Atty. KIM NYA LOFRANCO
*City Legal Officer
Office of the City Legal Services*


Ms. RHOMENA D. ALCANTARA
*Planning Officer-CPD Coordinator
City Planning and Development Office*

Ms. ELVINIA S. GUERRERO
*City Budget Officer
Office of the City Budget Officer*

I HEREBY CERTIFY the correctness of the above-quoted Public-Private Partnership-Selection Committee Board Resolution.


Ms. KATHRINA J. SANCHEZ
*Secretariat
PRE BIDS AND AWARDS COMMITTEE*

Approved by:


Atty. AIMEE TORREFRANCA-NERI
*Chairperson/City Administrator
PBAC*



SCAN ME



Address: Bacoor Government Center, Bacoor Blvd.,
Brgy. Bayan, City of Bacoor, Cavite
Trunkline: 434-1111
Website: www.bacoor.gov.ph



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PUBLIC-PRIVATE PARTNERSHIP AGREEMENT

This Agreement is made and entered into this _____ by and between:

QPAX TRAFFIC SYSTEMS INC., a corporation duly organized and existing under Philippine laws, with principal office located at 6th Floor Cambridge Centre Bldg., 108 Tordesillas cor. Gallardo Sts., Salcedo Vill., Makati City, Metro Manila ("QPAX"), represented herein by its President and Chief Executive Officer, **Manolo Steven M. Ona**,

- and -

THE CITY GOVERNMENT OF BACOR, a local government unit located at The City of Bacor Government Center, Molino Boulevard, 4102 Bacor, represented herein by its Mayor, **HON. STRIKE B. REVILLA** ("City"), as authorized by the Local Sanggunian through SP Resolution No. _____, Series of _____.

QPAX and the City are each referred to as "Party" and collectively referred to as the "Parties."

WITNESSETH that:

WHEREAS, the Land Transportation Office (LTO), pursuant to Republic Act No. 792 otherwise known as the "Electronic Commerce Act of 2000", Republic Act No. 1032 otherwise known as the "Ease of Doing Business and Efficient Government Service Delivery Act of 2018", and to fully maximize its Law Enforcement and Traffic Adjudication System module of its Land Transportation Management System (LTMS), recognizes and has, in fact, started, the use of handheld devices during physical apprehension of violators of traffic laws, rules, and regulations in order to digitalize the issuance of Ordinance Violation Receipts (OVR) and reduce opportunities for corruption;

WHEREAS, physical apprehension using handheld devices will result in more efficient and cost-effective enforcement of traffic laws, rules, and regulations since traffic enforcers will be able to electronically issue Ordinance Violation Receipts (OVR), immediately verify the authenticity of Driver's Licenses, Official Receipts (OR) and Certificates of Registration (CR) of motor vehicles, and other documents presented by violators, offer on-site electronic payment options for the settlement of violations, and electronically submit apprehension reports to the LTO for purposes of tagging of alarms on the motor vehicle, on its registered owner, and/or on the driver's license, and recording the corresponding demerit points on the driver's record, in compliance with Republic Act No. 10930 and its Implementing Rules and Regulations;

WHEREAS, on _____, the City received an endorsement from the Public-Private Partner (PPP) Center regarding the completeness of the unsolicited proposal submitted by QPAX for the financing, development, provision, and maintenance of handheld devices and for the establishment of interconnectivity between the City and the LTO's LTMS;

WHEREAS, the proposed handheld devices of QPAX may be customized so they can likewise be used to issue Ordinance Violation Receipts for other types of violations;

WHEREAS, the City decided to continue the processing of QPAX's unsolicited proposal and, upon detailed evaluation, accepted the proposal and proceeded to negotiations of the parameters, terms, and conditions with the assistance of the PPP Center;

WHEREAS, upon reaching a successful negotiation, the City Mayor approved the unsolicited proposal and conferred QPAX with the Original Proponent Status;

WHEREAS, the City published an invitation for the submission of comparative proposals through the official website and/or digital platforms of the City and the PPP Center and thereafter conducted a Comparative Challenge for a period of ninety (90) calendar days;

WHEREAS, upon recommendation by the PPP _____, the City Mayor issued a *Notice of Award* to QPAX for having the superior or most advantageous proposal, and since no matching offer was received by the City within the prescribed period;

WHEREAS, after conducting a public consultation and confirmation by the local development council, the Sangguniang Panlungsod passed Resolution No. _____, Series of _____, approving and ratifying the terms and conditions set forth under this Agreement and authorizing the City Mayor to enter into this Agreement with QPAX;

NOW THEREFORE, in consideration of the foregoing and the mutual covenants contained hereunder, the Parties agree as follows:

1. DEFINITIONS

In this Agreement, the words and phrases below shall have the following meanings:

1.1 **"Abandonment"** means the cessation of operations or services, not due to valid termination or expiration of the Term, by QPAX for a period of more than one-thirty (30) consecutive days in such a manner that indicates an intention to cease operations or services on a permanent basis.

1.2 **"Applicable Laws"** means all laws, statutes, ordinances, rules, judgments, orders, decrees, injunctions, licenses, permits, approvals, concessions, grants, franchises, directives, policies, circulars, stipulations, judicial decisions, filings, registrations, requirements, restrictions, agreements, and regulations of or any similar form of a decision of or determination having the force of law, or any interpretation or administration of any of the foregoing by any Governmental Authority having jurisdiction over the matter in question.

1.3 **"Authorized Personnel"** means the officials, employees, representatives, or other personnel of the City who perform law enforcement functions and have been issued a Handheld Device as authorized by the City Mayor;

1.4 **"Ordinance Violation Receipts (OVR)"** or other similar tickets issued to a Person who committed a violation of Applicable Laws or Ordinances of the City.

1.5 "City Mayor" refers to the Local Chief Executive of the City as mandated by law.

1.5 "Change in Law" means any of the following events occurring during the term of this Agreement as a result of any action by a Governmental Authority: (a) a change in or repeal of Applicable Law/s and their respective Implementing Rules and Regulations; (b) an enactment or making of a new Legal Requirement of local application; and (c) a change in the manner in which a Legal Requirement of local application is applied, enforced, or interpreted, including any material change in the interpretation or enforcement regime after the effectivity of a Legal Requirement of local application.

1.6 "Confidential Information" means, with respect to any Person, any information, matter or thing of a proprietary, secret, confidential or private nature, whether or not so labeled, which is connected with such Person's business or methods of operation or concerning any of such Person's suppliers, licensors, licensees, customers or others with whom such Person has a business relationship, and which has current or potential value to such Person, or the unauthorized disclosure of which could be detrimental to such Person, including but not limited to:

- (a) matters of a business nature, including but not limited to information relating to development plans, costs, finances, marketing plans, data, procedures, business opportunities, marketing methods, plans and strategies, the prices such Person obtains or has obtained from its clients or customers, or at which such Person sells or has sold its services; and
- (b) matters of a technical nature, including but not limited to product information, trade secrets, know-how, formulae, innovations, inventions, devices, discoveries, techniques, formats, processes, methods, specifications, designs, patterns, schematics, data, access or security codes, compilations of information, test results and research and development of projects.

Notwithstanding the foregoing, to the extent consistent with Applicable Laws, Confidential Information will not include information that: (i) was generally available to the public or otherwise part of the public domain at the time of its disclosure; (ii) became generally available to the public or otherwise part of the public domain after its disclosure and other than through any act or omission by any Party in breach of this Agreement, (iii) is subsequently lawfully disclosed to the disclosing party by a Person other than a Party, (iv) was required by a court of competent jurisdiction to be described or disclosed, or (v) was required by Applicable Laws to be described or disclosed.

1.7 "Effective Date" means the date on which QPAX is able to provide the City with at least twenty-five (25) handheld devices and the City has either issued a valid and enforceable Ordinance Violation Receipt (OVR) using a handheld device or has encoded, entered, or otherwise processed an Ordinance Violation Receipt (OVR) in the QPAX System in accordance with the terms of this Agreement while using the said handheld devices.

1.8 "Equipment" means any and all cameras, sensors, computers, printers, equipment, components, products, and hardware other than Handheld Devices, software, and other tangible and intangible property relating to the QPAX System or owned by QPAX.

1.9 **"Fine"** means the monetary sum assessed against a Person who violated an ordinance of the City via one or more Ordinance Violation Receipt (OVR).

1.10 **"Force Majeure"** refers to an event or a circumstance which cannot be foreseen, or even though foreseen, is beyond the reasonable control of a Party or is unavoidable despite the exercise of due diligence, the cause of which event is not due to the fault of a Party, and which wholly or partially prevents or delays such Party from performing and fulfilling its obligations under this Agreement. For purposes of this Agreement, causes of Force Majeure are as follows:

- (a) Any war declared or not;
- (b) Hostilities;
- (c) Blockades;
- (d) Embargo;
- (e) Revolution;
- (f) Insurrection;
- (g) Riot;
- (h) Public disorder, political violence, or acts of sabotage or terrorism;
- (i) Export or import restrictions;
- (j) Closing of harbors, docks, canals, or other assistance to or adjuncts of shipping or navigation of or within any place;
- (k) Rationing or allocation, whether imposed by law, decree, or regulation by or by the compliance of industry at the insistence of any Governmental Authority, in each of the above cases;
- (l) Fire;
- (m) Severe flood;
- (n) Drought;
- (o) Earthquake;
- (p) Volcanic eruption;
- (q) Storm;
- (r) Lightning;
- (s) Tide (other than normal tide);
- (t) Tsunami;
- (u) Air crash;
- (v) Unexploded ordnance;
- (w) Nuclear contamination;
- (x) Epidemic;
- (y) Quarantine;
- (z) Loss of internet connection not due to the fault or negligence of QPAX;
- (aa) Any instance analogous to the foregoing, or any event, matter, or thing, wherever occurring.

1.11 **"Governmental Authority"** means any national or local governmental authority, court, tribunal, regulatory or administrative agency, commission, or organization, and any subdivision, branch, or department of any of the foregoing with jurisdiction over the City or its implementation of Applicable Laws.

1.12 **"Handheld Device"** refers to the mobile devices or gadgets financed, developed, and maintained by QPAX, capable of printing Ordinance Violation Receipts (OVR), verifying the authenticity of Driver's Licenses, Official Receipts (OR) and Certificates of Registration (CR) of motor vehicles, and/or other documents presented by Violators, and/or electronically submitting reports to the City or the LTO. All

Handheld Devices must conform to the minimum specifications stated under Annex 3", which shall initially be with the following brand, model, and operating system:

Brand Name: IMIN
Model: M2 PRO
OS: ANDROID 11 Go

1.13 **"Intellectual Property"** means, with respect to any Person, any and all now known or hereafter known tangible and intangible (a) rights associated with works of authorship throughout the world, including but not limited to copyrights, moral rights, and mask-works, (b) trademark and trade name rights and similar rights, (c) trade secrets rights, (d) patents, designs, algorithms, and other industrial property rights, all other intellectual and industrial property rights of every kind and nature throughout the world, regardless of designation, whether arising by operation of law, contract, license, or otherwise, and (f) all registrations, initial applications, renewals, extensions, continuations, divisions, or reissues hereof now or hereafter in force including any rights in any of the foregoing), of such Person.

1.14 **"Legal Requirement"** means any Philippine law, statute, ordinance, rule, standard, administrative interpretation or guideline, regulation, order, writ, injunction, directive, judgment, decree, relevant consent, and any requirement of any Governmental Authority having jurisdiction over the City, QPAX, or any of their properties, assets, or personnel.

1.15 **"Material and Adverse Government Action" or "MAGA"** means any act of a Governmental Authority, a Change in Law, or delay due to action or inaction of any Governmental Authority that has material and adverse effect on any of the rights and privileges of, or on the enjoyment and/or exercise thereof by QPAX or by the City under this Agreement, or which has a material and adverse effect on QPAX's financial state of return or its ability to comply with its contractual obligations and responsibilities under this Agreement or on the ability of the City to fulfill its contractual obligations under this Agreement.

1.16 **"Person"** means a natural individual, juridical entity, Governmental authority, partnership, firm, public or private corporation, or any other entity imbued with legal personality.

1.17 **"Project"** refers to the financing, development, provision, and maintenance of Handheld Devices and Equipment for the City and the establishment of interconnectivity between the City and the LTO's LTMS using the QPAX System, which includes the training of all officials and employees of the City authorized by the City Mayor to use and/or operate the said devices.

1.18 **"Project Manager"** means the project manager appointed by the City, who shall be such person as the City shall designate to be responsible for monitoring and ensuring the performance of the Parties' obligations and responsibilities under this Agreement and has the power and authority to make management decisions relating to the City's obligations pursuant to this Agreement, subject to any limitations set forth in the City's charter or Applicable Laws.

1.19 **"Proprietary Property"** means, with respect to any Person, any written or tangible property owned or used by such Person in connection with such Person's business, whether or not such property is copyrightable or qualifies as Confidential

Information, including without limitation products, samples, equipment, files, lists, books, notebooks, records, documents, memoranda, reports, patterns, schematics, compilations, designs, drawings, data, test results, contracts, agreements, literature, correspondence, spreadsheets, computer programs and software, computer print outs, other written and graphic records and the like, whether originals, copies, duplicates, or summaries thereof, affecting or relating to the business of such Person.

1.20 **"QPAX Marks"** means all service marks, trade names, logos, and trademarks owned, licensed, or utilized by QPAX or any of its subsidiaries, affiliates, subcontracts, agents, and employees in connection with the Project.

1.21 **"QPAX Project Manager"** means the project manager appointed by QPAX in accordance with this Agreement, who shall be such person as QPAX shall designate to be responsible for the customer relationship and program oversight for the duration of this Agreement. The City Mayor shall be notified in writing by the CEO of QPAX at least thirty (30) working days before the said QPAX Project Manager assumes office. The City shall not recognize any Person as QPAX Project Manager without such a written notification.

1.22 **"QPAX Property"** means: (a) all Intellectual Property and Proprietary Property of QPAX; (b) all Intellectual Property and Proprietary Property relating to the QPAX System; and (c) Handheld Devices, Equipment, and QPAX System.

1.23 **"QPAX System"** means all the Equipment, applications, back-office processes, servers, off-site backup systems, digital cameras, sensors, components, products, software, motor vehicles, and other tangible and intangible property owned by QPAX.

1.24 **"Relevant Consent"** means all national and local consents, permissions, approvals, authorizations, acceptances, licenses, exemptions, filings, registrations, notarizations, and other matters that are prescribed or mandated by any Legal Requirement or under the terms of, or in connection with, this Agreement in connection with the Project from any Governmental Authority or third party.

1.25 **"Violation"** means any violation contrary to the terms of Applicable Laws, including, but not limited to, violations of traffic laws, rules and regulations, and the City's ordinances.

1.26 **"Violations Data"** means any data pertaining to a Violation in connection with an Ordinance Violation Receipt (OVR) issued by the City or any of its personnel.

1.27 **"Violator"** means the Person legally responsible for paying the Fine in connection with a Violation or Ordinance Violation Receipt (OVR).

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2. RULES OF INTERPRETATION

2.1 Except as expressly otherwise provided in this Agreement, this Agreement or any provision hereof shall not be construed more strictly against either Party.

2.2 Unless the context otherwise requires:

- (a) In case of ambiguities or discrepancies within this Agreement, the following rules of interpretation shall apply:
 - (i) Between two or more Sections of this Agreement, the provisions of a specific Section relevant to the issue under consideration shall prevail over those in other Sections;
 - (ii) Between the Sections of this Agreement and the Annexes, the Sections shall prevail;
 - (iii) Between any two Annexes, the Annex relevant to the issue shall prevail; and
 - (iv) Between any value written in numerals and that in words, the latter shall prevail.
- (b) "Include", "includes", and "including" are deemed to be followed by "without limitation" or "but not limited to", whether or not actually followed by such words or words of like import.
- (c) References to any document or agreement shall be deemed to include references to such document or agreement as amended, supplemented, novated, varied or replaced from time to time.
- (d) References to Sections are references to Sections of this Agreement, unless expressly provided otherwise.
- (e) References to Annexes, which do not specify which document they are annexed to, are references to Annexes to this Agreement.
- (f) Headings are for convenience only and shall not affect the interpretation or construction of any provision of this Agreement.
- (g) Reference to a "day" refers to a calendar day, unless expressly provided otherwise; reference to a "month" refers to a calendar month, and a "year" as a period of time commencing on a particular date and ending on the day before the anniversary of such date.
- (h) Where there is any conflict or inconsistency between the provisions of the body of this Agreement and any Annex thereto, the former shall prevail.
- (i) Where any Party is required under this Agreement to give consent, approval, or acceptance, make a determination or be satisfied, or find a matter acceptable or satisfactory, such Relevant Consent, approval, acceptance, determination, or expression of satisfaction shall not be unreasonably withheld or delayed.

2.3 The following documents hereby comprise and shall be read and construed as integral parts of this Agreement, which, in case of any conflict with its terms, shall be interpreted using the following order of preference:

- (a) This Agreement; and
- (b) Annexes to this Agreement.

3. RELATIONSHIP OF THE PARTIES

3.1 *Joint Undertaking.* The Parties hereby agree to contribute their resources in order to jointly undertake the Project, with a view of sharing both profits and losses, subject to the terms of this Agreement.

3.2 *Objectives of the Public-Private Partnership.* This partnership aims, among others, to:

- (a) Digitalize the issuance and settlement of Ordinance Violation Receipts (OVR), thereby making it efficient and cost-effective;
- (b) Reduce opportunities for corruption and
- (c) Improve vehicular traffic flow.

3.3 The Partnership shall be governed by the Civil Code of the Philippines, the PPP Code, and other applicable laws, rules, and regulations.

3.4 During the Term, the Partnership shall do business under the name "Bacoor City Digitalized Traffic Enforcement".

3.5 Nothing contained in this Agreement shall create the relationship of principal and agent or otherwise permit either Party to incur any debts, liabilities, or obligations on behalf of the other Party, except as otherwise declared in this Agreement.

3.6 Nothing contained in this Agreement shall be construed as a delegation by the City of its regulatory authority to QPAX.

4. TERM

This Agreement shall commence from the date it is signed by both Parties and shall continue for a period of three (3) years after the Effective Date (the "Term"), which may be renewed every year upon such terms and conditions as may be mutually agreed upon by the Parties in writing.

5. CONTRIBUTIONS AND OBLIGATIONS OF QPAX

QPAX shall, at its own cost and in accordance with the Minimum Performance Standards and Specifications or "MPSS" (attached as Annex "B") and/or the Key Performance Indicators or "KPIs" (attached as Annex "C"):

- (a) Develop and maintain One Hundred Five (105) Handheld Devices, including their internet connectivity, for the City, ten (10) backup Handheld Devices, and such additional Handheld Devices, including their internet connectivity, in case the number of Bacoor Traffic Management Department personnel increases;
- (b) Finance, provide, and maintain additional Handheld Devices and/or upgrade or update the QPAX System and software of existing Handheld Devices, subject to the terms of this Agreement, as may be agreed upon by the Parties;
- (c) Supply the thermal paper for printing Ordinance Violation Receipts (OVR) using the Handheld Devices and maintain a minimum inventory level of

- thermal paper equivalent to 20% of monthly consumption of all active Handheld Devices;
- (d) Operate, troubleshoot, and/or maintain the Equipment necessary for the establishment of the interconnectivity between the City and the LTO's LTMS using the QPAX System;
 - (e) QPAX shall provide the City with two (2) workstations, such as internet-ready personal computers and compatible software/programming, and one (1) server, which the City will exclusively use to access the LTMS and store Violations Data using the QPAX System. The workstations and server shall be installed and placed at any available space in The City of Bacoar Government Center to be specified by the City;
 - (f) Design, troubleshoot, maintain, and update a portal or website for, and as directed by, the City, which can be used to keep a record, access, and administer Ordinance Violation Receipts (OVR), facilitate the online settlement thereof, generate reports, and submit traffic apprehension reports to the LTO;
 - (g) Upon notice from the City, promptly troubleshoot, repair, or replace any Handheld Device that is damaged or malfunctioning or otherwise has become unusable due to causes not attributable to the fault or negligence of the City or any of its personnel;
 - (h) Provide and/or maintain sufficient onsite or cloud storage spaces necessary to perform the services under this Agreement without disruption;
 - (i) Provide and/or maintain backup and redundancy systems and ensure that the data contained in the backup and redundancy systems are accessible at all times by the officials and personnel of the City Government who are duly authorized by the City Mayor to have such access;
 - (j) Implement access and security controls and conduct internal vulnerability testing across all systems to identify, detect, and provide remedy to threats, malicious activities, and unauthorized behavior;
 - (k) Notify the City Mayor in writing within twenty-four (24) hours if very urgent, within three (3) working days if urgent, and within ten (10) days if not-so-urgent depending on the level of urgency determined by the BTMD and/or the E-Governance Department prior to the implementation of all the changes in features, functionality and availability of QPAX System or Equipment that have bearing on the ability of the City to perform its obligations or services. **Provided that:** the City shall have the right to accept the said changes or to terminate this Agreement if it is deemed by the City that the said changes are inconsistent with the provisions of this Agreement, are in violation of law, or will be disadvantageous to the City.
 - (l) Provide the necessary user training to Authorized Personnel for the operation and maintenance of Handheld Devices, the portal or website, Enforcer's Self-Service Application, Back-end System, and Equipment;
 - (m) Ensure compliance with its obligations under the Data Processing Agreement dated March 6, 2024, with the City, such as those relating to retention, return, destruction, or disposal of personal data, a copy of which is attached hereto as **Annex "C"**;
 - (n) Open all financial records related to transactions arising from, or connected to, this Agreement with the City of Bacoar upon the request of the City Accountant, City Treasurer, or the City Mayor.
 - (o) Submit financial records to the City Accountant, City Treasurer, and the City Mayor upon the expiration of the three-year term provided in Section 4 of this agreement for purposes of renegotiating the terms and conditions of this agreement and

- (p) Render services related to the foregoing or as otherwise agreed by the Parties.

6. CONTRIBUTIONS AND OBLIGATIONS OF THE CITY

The City shall:

- (a) Provide a suitable space for the workstations and server to be provided by QPAX, in order to allow QPAX to comply with its obligations and to perform the services under this Agreement;
- (b) Secure the services of a payment service provider compatible with the QPAX System to process the online settlement of Fines;
- (c) Provide all necessary electrical and telephone services or give assistance to QPAX in securing such services for the Handheld Devices and Equipment;
- (d) Notify QPAX of and provide assistance in ensuring compliance with any specific requirements relating to the Project;
- (e) Extract data from its existing system, if any, for migration to the QPAX System, ensure the integrity and accuracy of the data to be migrated and place in a specific format that was mutually agreed upon in writing by the authorized representatives of the Parties that will facilitate uploading to the QPAX System;
- (f) Confirm its acceptance of the Handheld Devices and QPAX System in accordance with the MPSS by having its Project Manager or other authorized representative sign the *User's Acceptance and Testing Certificate* sent by QPAX. The certificate must be signed within five (5) days from receipt of the Notice. Otherwise, the Handheld Devices and QPAX System are deemed accepted by the City;
- (g) Provide every first business day of every month for the entire duration of the Term of this Agreement, a report to QPAX detailing the City's collection of Fines of the previous month, and such other information as QPAX may reasonably request and lawfully obtain in relation to this Agreement;
- (h) Assign one (1) Handheld Device to every Authorized Personnel, and direct them to only issue Ordinance Violation Receipts (OVR) using the assigned Handheld Device. **Provided that:** if any or all of the Handheld Devices are malfunctioning, the City shall not be precluded from authorizing its personnel from using other available means in issuing Ordinance Violation Receipts (OVR);
- (i) Proscribe all Authorized Personnel from manually issuing Ordinance Violation Receipts (OVR) unless the assigned Handheld Device is unable to issue Ordinance Violation Receipts (OVR) due to causes not attributable to the fault or negligence of Authorized Personnel, the City, or any of other personnel of the City;
- (j) Ensure that all its personnel will exercise due diligence to safeguard and prevent causing any avoidable damage to or loss of the Handheld Devices, the Equipment, and the QPAX System;
- (k) Assign personnel who will update, validate, and audit the data uploaded or encoded in the QPAX System;
- (l) Reimburse QPAX for the cost of replacement of any Handheld Device that was damaged or lost due to the fault or negligence of the City or any of its personnel; and
- (m) Handle, address, and resolve all questions, complaints, and issues related to the issued Ordinance Violation Receipts (OVR) in close coordination with

the QPAX Project Manager.

7. VIOLATIONS PROCESSING

From the Effective Date and until the expiration or termination of this Agreement, Violations shall be processed as follows:

- (a) Authorized Personnel shall, before reporting for field duty, ensure that the Handheld Device is fully charged, in good working condition, and has an adequate supply of thermal paper. Upon deployment, they must bring with them the accompanying peripherals, such as a backup battery or charging device;
- (b) Authorized Personnel must use the Handheld Device in issuing Ordinance Violation Receipts (OVR) for all Violations except when the said device is malfunctioning at no fault of the Authorized Personnel concerned;
- (c) The City or Authorized Personnel shall have the sole discretion to issue an Ordinance Violation Receipt (OVR), and in no event shall QPAX have the ability or authority to issue or otherwise cause the issuance of an Ordinance Violation Receipt (OVR);
- (d) For purposes of facilitating online payment, upload or encode manually-issued Ordinance Violation Receipts (OVR) in the QPAX System not later than twenty-four (24) hours from their issuance;
- (e) All Violations Data shall be stored in the QPAX System and/or the applicable system of the City;
- (f) The City shall exert all practical and reasonable efforts to pursue the collection of the Fines in connection with the Ordinance Violation Receipts (OVR);
- (g) The City shall ensure the accuracy and integrity of the data encoded in the QPAX System and shall exert all reasonable efforts to update, validate, and audit the data;
- (h) For traffic-related Violations or Ordinance Violation Receipts (OVR), the City shall ensure that the corresponding apprehension report has been submitted to the LTO for purposes of tagging alarms on the motor vehicle, on its registered owner, and/or on the driver's license, and recording the corresponding demerit points on the driver's record, as mandated under Republic Act No. 10930 and its Implementing Rules and Regulations; and
- (i) The City shall maintain detailed and accurate records of the collection of Fines assessed in connection with each Ordinance Violation Receipt (OVR).

8. PUBLIC-PRIVATE PARTNERSHIP

8.1 *Capital Expenditure.* The initial capital expenditure for the Project is estimated to be Twenty-Three Million One Hundred Forty-Two Thousand Philippine Pesos (Php23,142,000.00) (the "**CapEx Amount**"), the funding of which shall be the sole responsibility of QPAX. Any additional capital expenditure for the Project, such as those relating to additional Handheld Devices and Equipment, shall likewise be shouldered by QPAX.

8.2 *Participation in the Partnership.* In consideration of their respective contributions to the Project, the Parties agree that they shall share in the revenues generated by the Partnership from the collection of the interconnectivity fee of Three

Hundred Pesos (P300.00) per apprehension as follows:

- i. The City (the "City Share"): Twelve percent (12%) of the total value of the revenues.
- ii. QPAX (the "QPAX Share"): Eighty-eight percent (88%) of the total revenue arising from:
 - a. Every settled or paid Ordinance Violation Receipt (OVR) issued using a Handheld Device;
 - b. Every settled or paid Ordinance Violation Receipt (OVR) manually issued by an Authorized Personnel who fails or refuses to issue an Ordinance Violation Receipt (OVR) using a functioning Handheld Device; and
 - c. Every settled or paid Ordinance Violation Receipt (OVR) manually issued by any other personnel of the City that was encoded, entered, or otherwise processed in the QPAX System.
- iii. All other revenues generated by the Project shall be shared equally by the parties.

8.3 Within five (5) working days at the end of each month, the City Government shall submit a report to QPAX regarding the monthly collection of the interconnectivity fee provided in Section 8.2. QPAX shall have three (3) working days within which to contest the said report. Otherwise, the amount indicated in the said report shall become final.

8.4 The City shall remit the share of QPAX based on the verified report mentioned in Section 8.3.

8.5 Any dispute between the Parties in connection with determining the amount of the QPAX Share shall be definitively settled through the dispute resolution process set forth in Section 28 hereof.

9. OTHER RIGHTS AND OBLIGATIONS

9.1 The City shall fully cooperate in the implementation of the Project and execute, issue, and deliver such other documents, instruments, and/or certifications that may be necessary in connection with the Project.

9.2 The Parties shall do all things necessary to ensure this Agreement is compliant with the requirements of the PPP Code.

9.3 Upon submission of, or compliance with, various legal requirements by QPAX, the City shall provide or secure all local permits, licenses, agreements, and approvals necessary for the implementation of the Project (collectively, the "Approvals") and shall assist QPAX in obtaining other Legal Requirements from the relevant National Governmental Authorities. Unless due to its own fault or negligence, QPAX shall not be deemed in default when it is caused by the non-issuance or delay in the issuance of the Approvals.

9.4 QPAX shall assist the City in public information and education efforts, including the development of artwork for utility bill inserts and press releases for any

public launch of the Project, provided actual print and production costs shall be the sole responsibility of the City unless otherwise agreed upon by the Parties.

9.5 The City authorizes QPAX to use the City's name, logos, trademarks, or other marks for purposes related, such as placing them in the portal or website and in the Ordinance Violation Receipts (OVR) to be issued using the Handheld Device. However, QPAX shall not have the authority to use the City's name, logos, trademarks, or other marks in the furtherance or marketing of its business with other local governments without first paying just compensation to the City.

9.6 The City shall assign a Project Manager and other personnel who will have overall responsibility over the Project, including making decisions to finalize the design and configuration of the Handheld Devices to conform with the requirements and purposes of the City.

9.7 The QPAX Project Manager and the Project Manager shall regularly meet throughout the duration of this Agreement, at such times and places as the QPAX Project Manager and the Project Manager shall mutually agree upon, to discuss the progress of, and resolve matters relating to, the implementation of this Agreement, or as may be required by the circumstances.

9.8 The City shall not:

- (a) Access the QPAX System or use the Handheld Device in any manner which: (i) restricts or inhibits any other person from using the QPAX System, or (ii) could damage, disable, impair, or overburden the QPAX System or Handheld Device;
- (b) Gain, attempt to gain, or cause another person to gain, or attempt to gain, unauthorized access to: (i) any account of another Person maintained by QPAX or the QPAX System, (ii) any computer systems or networks connected to the QPAX System, or (iii) any materials or information related to QPAX or the QPAX System by means of hacking, password mining, or any other method whatsoever; and
- (c) Install any program or application not authorized by QPAX on, or otherwise modify, alter, or tamper with, the QPAX System or the Handheld Devices without the prior written consent of QPAX.

9.9 The City shall maintain the confidentiality of any username, password, or other process or device for accessing the QPAX System.

9.10 The City shall promptly advise QPAX of any changes in any Applicable Law relevant to the Project.

9.11 The City shall promptly reimburse QPAX for the cost of fixing or replacing any portion of the QPAX System, the Equipment, or the Handheld Device that is damaged due to the fault or negligence, whether directly or indirectly, of the City or any of its employees, contractors, or agents.

9.12 During the Term of this Agreement, QPAX will maintain insurance coverage, in such amounts as is customary in the Philippines for projects of a similar

nature, for personal injury and property damage claims that may arise in connection with QPAX's performance of its obligations pursuant to this Agreement.

10. TRAINING

10.1 QPAX shall provide quarterly training regarding the QPAX System and the Handheld Device to Authorized Personnel and other persons involved in the implementation of the Project, including with respect to strategies for presenting Violations Data in judicial, administrative, or other pertinent proceedings. QPAX shall provide additional training upon the request of the City without any cost to the City.

10.2 QPAX shall likewise provide such training to the City personnel as shall be reasonably necessary in order to allow such personnel to act as expert witnesses on behalf of the City with respect to the Project.

10.3 Subject to the Applicable Law, QPAX shall interact with judicial and administrative personnel to address issues regarding the implementation of the QPAX System and the development of the process to allow the presentation of Violations Data in judicial or administrative proceedings.

11. LICENSE AND RESERVATION OF RIGHTS

11.1 *License.* Subject to the terms and conditions of this Agreement, QPAX hereby grants the City, and the City hereby accepts from QPAX upon the terms and conditions herein specified, a non-exclusive, non-sublicensable, and non-transferable license during the Term of this Agreement to access and use the QPAX System for the purpose of reviewing Violations Data stored therein, and to print or otherwise make available copies of any content posted on the QPAX System in connection therewith.

11.2 *Reservation of Rights.* The City hereby acknowledges and agrees that: (a) it has no claim to any right, title, or interest in the QPAX System including, but not limited to, in any images, photographs, animation, texts or micro application thereof, the QPAX Marks, any QPAX printed materials, or any QPAX Property, and (b) it shall not gain any such right, title, or interest by reason of the exercise of its rights and performance of its obligations pursuant to this Agreement.

11.3 *Restricted Use.* The City hereby covenants and agrees that it, its employees, or its agents shall not: (a) service, replace, repair, or make any modifications to the QPAX System; (b) service, replace, repair, or make any modifications to the Handheld Device without the assistance of QPAX; (c) alter, remove, replace, or tamper with any QPAX Marks; (d) use any of the QPAX Marks in any way which might prejudice their distinctiveness or validity or the goodwill associated therewith; (e) use any trademarks or other marks other than the QPAX Marks in connection with the City's use of the QPAX System, without first obtaining the prior consent of QPAX; (f) disassemble, decompile, or otherwise perform any type of reverse engineering on the QPAX System or any QPAX Property; (f) rent, lease or lend out the QPAX System; or (g) cause or allow any other Person to do any of the foregoing.

11.4 *Protection of Rights.* QPAX shall have the right to take whatever action it deems necessary or desirable to remedy or prevent the infringement of any QPAX Property, including without limitation the filing of applications to register as trademarks in any jurisdiction any of the QPAX Marks, the filing of patent applications for any of the QPAX Property, and making any other applications or filing with

appropriate Governmental Authorities. The City shall not take any action to remedy or prevent such infringing activities and shall not, in its own name, make any registrations or filings with respect to any of the QPAX Marks or the QPAX Property without the prior written consent of QPAX.

11.5 *Infringement.* The City shall use its best efforts to give QPAX prompt notice of any activities, or threatened activities, of any Person of which it becomes aware that infringes or violates the QPAX Marks or any of the QPAX Property or that constitute misappropriation of trade secrets, act of unfair competition, or violation of any patent, trademark, copyright, trade secret or other Intellectual Property, that might dilute, damage, or destroy any of the QPAX Marks or any of the QPAX Property. QPAX shall have the exclusive right to make settlements with respect to the foregoing. In the event that QPAX commences an enforcement action with respect to any of the foregoing, the City shall render to QPAX such reasonable cooperation and assistance as is reasonably requested by QPAX, and QPAX shall be entitled to any damages or other monetary amount that might be awarded after deduction of actual costs; provided that QPAX shall reimburse the City for any reasonable costs incurred in providing such cooperation and assistance.

11.6 *Infringing Use.* The City shall give QPAX prompt written notice of any action or claim, whether threatened or pending, against the City alleging that the QPAX Marks, or any QPAX Property, infringes or violates any patent, trademark, copyright, trade secret, or other Intellectual Property of any other Person, and the City shall render to QPAX such reasonable cooperation and assistance as is reasonably requested by QPAX in the defense thereof; provided that QPAX shall reimburse the City for any reasonable costs incurred in providing such cooperation and assistance. If such a claim is made and QPAX determines, in the exercise of its sole discretion, that an infringement may exist, QPAX shall have the right, but not the obligation, to procure for the City the right to keep using the allegedly infringing items, modify them to avoid the alleged infringement or replace them with non-infringing items.

12. ASSIGNMENT

Except as otherwise provided in this Agreement, no Party may assign its rights, obligations, or interest in this Agreement without the express written consent of the other Party. Notwithstanding the foregoing statement, QPAX may, in its sole discretion, assign its rights, obligations, and interests in this Agreement to its wholly-owned subsidiary.

13. EXCLUSIVITY

QPAX shall have the exclusive right to provide and maintain Handheld Devices to the City throughout the duration of this Agreement. In the event that the City develops, procures, or otherwise makes use of any device or gadget similar to the Handheld Device, QPAX shall not be obligated to connect it to the QPAX System.

14. INSURANCE

14.1 From the Effective Date and until the termination of this Agreement, QPAX shall, at its cost, procure and maintain or, whenever applicable, and its Subcontractor/s, procure and maintain insurance coverage for certain claims which may arise from or out of the performance of the obligations under this Agreement, including, at a minimum, the following:

- (a) Coverage for claims arising under workmen's compensation laws and disability and other similar employee benefit laws applicable to the Project;
- (b) Coverage for claims for QPAX's employees for bodily injury, sickness, disease, or death; and
- (c) Coverage for claims for damages because of personal injury or death or property damage resulting from ownership, use, and maintenance of any motor vehicle.

15. REPRESENTATIONS AND WARRANTIES

15.1 QPAX represents and warrants that:

- (a) It is a corporation duly organized and validly existing under the laws of the Republic of the Philippines. It has all requisite power, authority, and legal right to execute and deliver this Agreement and to perform its obligations hereunder, and it has taken all appropriate and necessary corporate and legal action and obtained all necessary permits and approvals for the execution, delivery, and performance of this Agreement and all other instruments or documents contemplated hereunder;
- (b) Its signatory to this Agreement has full legal capacity and has been duly authorized by the Board of Directors of QPAX to sign, execute, and deliver this Agreement for and on behalf of QPAX;
- (c) This Agreement constitutes the legal, valid, and binding obligation of QPAX, enforceable against QPAX in accordance with its terms;
- (d) There is no adverse litigation, arbitration, investigation, or proceeding pending, or to its best knowledge threatened, against or affecting it that could reasonably be expected to materially adversely affect its ability to fulfill its obligations under this Agreement or that may affect the legality, validity, or enforceability of this Agreement; and
- (e) Neither it nor its representatives or agents have offered any government officer or employee, national or local, any consideration or commission for its award of this Agreement, nor has it exercised any corrupt, undue, or unlawful influence, directly or indirectly, through relatives within the third degree of consanguinity or affinity in securing this Agreement.

15.2 The City represents and warrants that:

- (a) It is a duly organized and validly existing political subdivision and local government of the Republic of the Philippines and has all requisite power, authority, and legal right to execute and deliver this Agreement and to perform its obligations hereunder;
- (b) This Agreement is entered into with the priority authorization and/or ratification by the Sangguniang Panlungsod of the City.

- (c) It has taken all appropriate legal and/or other action which may be required or appropriate to authorize the execution, delivery, and performance of this Agreement and any and all other agreements, instruments, or documents contemplated hereunder;
- (d) This Agreement constitutes the legal, valid, and binding obligation of the City, enforceable against the City in accordance with its terms;
- (e) This Agreement is in satisfactory and proper legal form pursuant to all Applicable Laws, including the PPP Code; and
- (f) It is subject to Applicable Law in respect of its responsibilities under this Agreement, and it is not immune from suit, judgment, or execution or any legal process in connection with said responsibilities. Nothing herein shall be considered as waiving the immunity of the State with regard to the assets and interest of the Republic of the Philippines.

15.3 *Limited Warranties.* Except as otherwise provided in this Agreement, QPAX makes no warranties of any kind, express or implied, including but not limited to warranties of merchantability and fitness for particular purpose, with respect to the QPAX System or with respect to the results of the City's use of the QPAX System. Notwithstanding anything to the contrary set forth in this Agreement, QPAX does not warrant that any of the Handheld Devices, or the QPAX System, will operate in the way the City selects for use, or that the operation or use thereof will be uninterrupted. The City hereby acknowledges that the Handheld Devices and the QPAX System may malfunction from time to time and, subject to the terms of this Agreement, QPAX shall diligently endeavor to correct any such malfunction in a timely manner.

16. PERFORMANCE SECURITY

16.1 As security for the satisfaction of the obligations of QPAX under this Agreement, QPAX shall deliver a Performance Security to the City at the Effective Date of this Agreement in an amount equivalent to one percent (1%) of the CapEx Amount which shall be valid during the Term of this Agreement ("**Performance Security Validity Period**").

16.2 QPAX shall ensure that the Performance Security is at all times in full force and effect in accordance with this Agreement for the duration of the Performance Security Validity Period.

16.3 The City may draw from the Performance Security in accordance with the relevant provisions of this Agreement.

16.4 The City shall release the Performance Security, net of the amounts drawn upon or forfeited under this Agreement, at the end of the Performance Security Validity Period.

17. WARRANTIES AGAINST CORRUPTION

17.1 QPAX and its officers, agents, employees, and representatives shall always observe the highest standard of ethics.

17.2 QPAX warrants that its officers, agents, employees, or representatives have not engaged in any Corrupt Practice or exerted any unlawful influence to secure or solicit this Agreement for any commission, favor, or any other consideration. For purposes of this Section, "Corrupt Practice" shall mean any of the prohibited acts and omissions punishable under R.A. No. 3019 (the "Anti-Graft and Corrupt Practices Act"); R.A. No. 3815 (the "Revised Penal Code of the Philippines"); R.A. No. 6713 (the "Code of Conduct and Ethical Standards for Public Officials & Employees"); R.A. No. 7080 (the "Plunder Law"); and other applicable laws by which a person improperly or unlawfully enriches or benefits himself or others or induces others to do so and includes the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence the actions of any person connected with the bidding for the Project or the implementation of this Agreement.

17.3 Notwithstanding anything to the contrary contained in this Agreement, any breach of the warranties and undertakings against corruption by QPAX shall entitle the City to terminate this Agreement. In such event, the City shall be entitled to draw on the Performance Security, without prejudice to any other right or remedy that may be available to the City hereunder or under related laws, ordinances or government regulations, including the filing of civil or criminal actions against (a) QPAX and/or its officers, agents, and representatives; (b) officers, officials, employees, or representatives of the Governmental Authority involved in the commission of any Corrupt Practices; and (c) other parties liable under applicable laws.

17.4 Without prejudice to the rights and remedies which the City may have under this Agreement, if QPAX is found by the City to have directly, indirectly, or through an agent, committed a Corrupt Practice, QPAX shall not be eligible to participate in any bidding for any project undertaken or to be undertaken by the City from the date on which QPAX is found to have directly or indirectly engaged in any such Corrupt Practice in a final and executory judgment or decision issued by a court of competent jurisdiction.

17.5 The City may seek to impose the maximum penalties for civil, criminal, and/or administrative liability available under applicable laws.

18. SUBCONTRACTING

Notwithstanding anything to the contrary in this Agreement, QPAX may subcontract any part of the works, provided that primary responsibility for the subcontracted work shall remain with QPAX and shall not in any way relieve QPAX of its liability and/or responsibility under this Agreement.

19. MATERIAL AND ADVERSE GOVERNMENT ACTION.

19.1 Upon occurrence of a MAGA, QPAX shall provide written notice to the City within thirty (30) days of becoming aware of the same with supporting evidence.

19.2 If a Party is rendered, wholly or partly, unable to perform its obligations under this Agreement directly as a result of a MAGA, it shall be excused from performance of such obligations to the extent that it is unable to perform on account of such MAGA, provided that:

(c) The suspension of performance shall be of no greater period of no

longer duration than is reasonably required by the MAGA;

- (b) The affected Party shall make all reasonable efforts to mitigate or limit the effects of the MAGA on its performance in accordance with this Agreement;
- (c) When the affected Party is able to resume performance of its obligations under this Agreement, it shall give written notice to the other Party to that effect and shall promptly resume performance of such obligations.

19.3 If a MAGA or a combination thereof: (a) adversely affects the interest of QPAX and/or QPAX's financial rate of return (on a net of tax basis) in connection with the Project (including, without limitation, any restriction on the ability to remit funds in foreign currency outside the Philippines), or (b) will significantly reduce or reduces the demand for, or the utilization of, the Handheld Devices or the QPAX System, the Parties shall meet for the purpose of coming up with amendments to this Agreement that shall put QPAX substantially in the same financial position it would have been had the MAGA not occurred.

20. FORCE MAJEURE

20.1 Neither Party will be liable to the other or be deemed to be in breach of this Agreement, for any failure or delay in performing any obligation hereunder arising out of causes beyond its reasonable control and without its fault or negligence. The Party whose performance is affected agrees to notify the other Party promptly of the existence and nature of any delay.

20.2 Upon the occurrence of Force Majeure, the affected Party shall continue to be responsible for performing its obligations that are still possible to be performed, whether wholly or partially, and shall mitigate the effects of the Force Majeure. Irrespective of the occurrence of the Force Majeure, the affected Party shall exercise diligence to ensure the continued implementation of this Agreement.

20.3 If the affected Party is completely prevented from performing its obligations under this Agreement due to Force Majeure, such affected Party shall commence the performance of its obligations once the Force Majeure has ended.

20.4 All insurance proceeds in respect of insurances from physical damage received by or payable under any insurance policy shall be applied to the damage caused by Force Majeure.

21. DEFAULT

21.1 A Party shall be deemed in Default when:

- (a) it fails to perform any of its obligations under this Agreement which materially and adversely affects the operations of the Project; or
- (b) it breaches any of its representations and warranties;

21.2 QPAX shall be deemed in Default when:

- (a) it commits Abandonment as defined in this Agreement;
- (b) it fails or unjustifiably refuses to comply with any of its material obligations under Section 5 of this Agreement, which is not remediable, or, if remediable, shall remain unremedied within ninety (90) days from written demand of the City or within a longer period reasonably agreed upon by the Parties; or
- (c) it (i) becomes voluntarily or involuntarily the subject of rehabilitation, receivership, or suspension of payment proceedings under any bankruptcy or insolvency law or other law or procedure for the relief of financially distressed debtors; (ii) it does not, is unable, or admits in writing its inability to pay its debts when due or as they mature; or (iii) becomes insolvent, takes or suffers any action for its liquidation or dissolution, or has a receiver or liquidator appointed for all or any substantial part of its assets and, in the event any such occurrence is involuntary, it results in the entry of an order for relief or the adjudication of QPAX or any such guarantor of QPAX as bankrupt or insolvent and it remains undismissed or undischarged for a period of thirty (30) days.

21.3 The City shall be deemed in Default when:

- (a) QPAX is ready, willing, and able to perform any of its obligations under this Agreement but the City obstructs its ability to perform the same without justifiable reason;
- (b) it fails to perform any of its obligations under this Agreement which renders it impossible for QPAX to perform its own obligations under this Agreement for a continuous period of thirty (30) days, unless due to Force Majeure; or
- (c) without a valid reason, the City fails or refuses to: (i) issue any provided Handheld Device to its personnel; (ii) direct them to only issue Ordinance Violation Receipts (OVR) using the assigned Handheld Device; (iii) and/or proscribe all Authorized Personnel from manually issuing Ordinance Violation Receipts (OVR).

22. LIQUIDATED DAMAGES

22.1 Liquidated Damages in the amount of Fifty Thousand Philippine Pesos (P50,000.00) shall incur upon:

- (i) failure of QPAX to complete any of the Implementation Milestones (attached as Annex "A");
- (ii) Delay of at least fifteen (15) days in the delivery of the required minimum number of Handheld Devices, thermal paper and internet connectivity;
- (iii) Delay of at least thirty (30) days from the agreed deadline in the deployment of the major system upgrade and/or enhancement agreed upon by the Parties

The City shall send a written demand to QPAX for the payment of Liquidated

Damages. Such Liquidated Damages shall be paid within ten (10) days from receipt by QPAX of such written demand.

22.2 Liquidated Damages due from QPAX shall be drawn from the Performance Security.

23. PENALTIES

23.1 The City will be liable, in addition to incurring interest, to pay a penalty equivalent to .25% of the outstanding invoices per month, in every instance of default arising from its failure to timely pay the QPAX Share pertaining to at least three (3) invoices or billings it received from QPAX. Provided that: the City shall not pay the said penalty if there is a legal basis for late payment such as, or not limited to, the issuance of a temporary restraining order against the City by a court of law.

24. TERMINATION

24.1 *Termination due to Default.* The innocent Party shall have the right to terminate this Agreement if the other Party is deemed to be in Default. The following procedures shall apply:

- (a) the innocent Party shall serve a written Notice of Default specifying in reasonable detail the ground/s for Default to the defaulting Party within thirty (30) calendar days of becoming aware of such ground for Default;
- (b) the defaulting Party shall have forty-five (45) calendar days from its receipt of the aforementioned notice in which to cure the Default. If the defaulting Party needs more than that period to cure the Default, it shall serve to the innocent Party a Rectification Plan within ten (10) calendar days from receipt of the Notice of Default specifying the remedial actions it plans to undertake and the number of days necessary to cure such Default;
- (c) the aforementioned Rectification Plan shall be subject to the innocent Party's written approval, which shall not be unreasonably withheld. Upon the approval of such Rectification Plan, the defaulting Party shall faithfully comply with its terms; and
- (d) if such Default is not cured within forty-five (45) calendar days (or such longer period as the innocent Party may have approved), the innocent Party shall have the right to terminate this Agreement. This termination is without prejudice to any of the innocent Party's remedies under this Agreement and those accorded by law.

24.2 *Termination due to Force Majeure.* This Agreement may be terminated if Force Majeure prevents a Party from performing any of its obligations under Sections 5, 6, and 7 of this Agreement for a continuous period of 180 days. This Agreement may only be terminated under this Section:

- (a) By the Party who is not prevented by Force Majeure from performing any of its obligations under Sections 5, 6, and 7 of this Agreement; or

- (b) By mutual agreement of the Parties, if both are prevented by Force Majeure from performing any of its obligations under Sections 5, 6, and 7 of this Agreement.

24.3 *Termination due to MAGA.* This Agreement may be terminated by QPAX:

- (a) If MAGA prevents one Party or both Parties from performing any of its obligations under this Agreement for a continuous period of 180 calendar days; or
- (b) In case of inability of both Parties to agree on and execute the amendments indicated in Section 19.3 within thirty (30) calendar days from written notification of the MAGA by QPAX.

24.4 The termination of this Agreement shall not relieve either Party of any liability that accrued prior to such termination. Moreover, upon termination:

- (a) QPAX shall: (i) immediately cease to provide services and to perform its obligations and responsibilities under this Agreement, and (ii) promptly deliver to the City a final invoice stating all outstanding QPAX Share, interests, penalties, and charges properly owed by the City to QPAX prior to the termination;
- (b) The City shall: (i) immediately cease using the Handheld Devices, the QPAX System, and the QPAX Property, and (ii) promptly deliver to QPAX any and all Proprietary Property of QPAX provided to the City pursuant to this Agreement; and
- (c) Ownership and possession of all Handheld Devices and Equipment shall revert back to QPAX. Unless the City and QPAX have agreed to enter into a new agreement relating to the Project or have agreed to renew or extend the Term of this Agreement, QPAX shall recover all Handheld Devices and remove any and all Equipment or other materials of QPAX installed in connection with QPAX's performance of its obligations under this Agreement.

24.5 *Termination Payment.* In the event this Agreement is terminated in all cases other than due to the following circumstances: (a) Force Majeure, (b) Default of QPAX, or (c) a MAGA by a national Governmental Authority, provided that the City has exhausted all possible means to mitigate the effect of such national MAGA within the 180-day period, the City shall, within a period of 180 days after such termination, pay to QPAX an amount equal to half of the sum of the costs actually incurred by QPAX, including but not limited to:

- (a) unrecoverable costs of Handheld Devices and Equipment relating to the Project;
- (b) unrecoverable cost of re-deploying or making redundant staff dedicated to the Project;
- (c) cancellation and/or termination costs and charges of any agreements with third parties that have been disclosed to the City prior to the date of termination; and

- (d) reasonable administrative costs directly incurred as a result of the early termination.

It shall likewise be entitled to the above Termination Payment for any MAGA by it or other local government unit, agency, or office.

24.6 Forfeiture of Performance Security. In the event this Agreement is terminated due to the Default of QPAX, the City shall forfeit the latter's Performance Security upon termination.

24.7 Upon expiration of the term and any extension thereof of this Agreement, used thermal papers, server, and workstations and Handheld Devices that were used by QPAX and are currently being used by the City shall be transferred to the

24.8 Notwithstanding the foregoing, the following provisions shall remain in full force and effect even after the termination of this Agreement, to the extent necessary for the Parties to exercise their rights or perform their obligations thereunder: Section 10.1 (Definitions), Section 11.2 (Reservation of Rights), Section 15 (Representations and Warranties), Section 24 (Termination), Section 25 (Confidentiality), Section 26 (Indemnification and Liability), Section 27 (Notices), Section 28 (Dispute Resolution), and Section 30.9 (Applicable Law) and those provisions set forth in this Agreement which are specifically incorporated by their terms state that they survive the expiration or termination of this Agreement or that must survive to give effect to the intent of this Agreement.

CONFIDENTIALITY

25.1 During the Term of this Agreement and for a period of three (3) years after, neither Party shall disclose to any third person, or use for itself in any way for financial gain or otherwise, any Confidential Information of the other Party.

25.2 Upon termination of this Agreement, each Party shall return to the other Party all tangible Confidential Information of such other Party.

25.3 Each Party shall not disclose to any third party any Confidential Information of the other Party without such other Party's express written consent, in writing:

- (a) to its employees who are reasonably required to have such Confidential Information;
- (b) to its agents, representatives, attorneys and other professional advisors that have a need to know such Confidential Information, provided that such parties undertake in writing to keep such Confidential Information strictly confidential; and
- (c) pursuant to, and to the extent of, a Legal Requirement or a request or order by any Governmental Authority.

INDEMNIFICATION AND LIMITED LIABILITY

Notwithstanding anything to the contrary in this Agreement, neither Party shall

be liable to the other Party, by reason of any representation or express or implied warranty, condition or other term or any duty under law, for any indirect, incidental, special, or lost profits, however caused and on any theory of liability arising out of or relating to this Agreement. QPAX shall not hold any elective or appointed official of the City personally liable for any lost profit that may result from the performance or enforcement by the said official/s of his/her official duties.

27. NOTICES

27.1 All notices and other communications to be sent to a Party pursuant to this Agreement shall be addressed to such Party and sent to the address specified next to such Party's name below:

- (a) Notices to QPAX: 6th Floor Cambridge Centre Bldg., 108 Tordesillas cor. Gallardo Sts., Salcedo Vill., Makati City
- (b) Notices to the City: Bacoar City Hall, The City of Bacoar Government Center, Molino Boulevard, 4102 Bacoar

27.2 All notices to be given hereunder shall be in writing and shall be deemed to have been given: (a) upon delivery, if delivered by hand; (b) three (3) days after being sent through registered mail; and (c) one (1) business day after being delivered through a reputable overnight courier service, prepaid and marked for next day delivery.

28. DISPUTE RESOLUTION

28.1 Upon the occurrence of any dispute, controversy, or claim arising out of, relating to, or in connection with this Agreement, or the breach, termination, or validity thereof (a "Dispute"), the Parties shall engage in informal, good faith discussions and attempt to resolve the Dispute. In connection therewith, upon written notice of either Party, each of the Parties will appoint a designated officer whose task shall be to meet for the purpose of attempting to resolve such Dispute. The designated officers shall meet to discuss the Dispute as often as the Parties shall collectively deem to be reasonably necessary. Provided that: all meetings and discussions related to the resolution of such dispute, controversy or claim shall be recorded and the minutes thereof shall be submitted to the Sangguniang Panlungsod and to the City Legal Services Office of the City.

28.2 If the Parties are unable to resolve a Dispute in accordance with Section 28.1, the Dispute shall be finally settled by arbitration. The arbitration shall be conducted in accordance with the arbitration rules of the Philippine Dispute Resolution Center Inc. ("PDRCI") in effect at the time of the arbitration. The seat of the arbitration shall be in Makati City, and it shall be conducted in the English language.

28.3 Any arbitration award shall be final and binding on the Parties and the Parties hereby irrevocably waive their right to any form of appeal, review, or recourse to any state court or other judicial authority insofar as such waiver may be validly made.

28.4 The Parties agree that the arbitration shall be kept confidential and that the existence of the proceeding, any occurrence therein, and element thereof (including but not limited to any pleadings, briefs, or other documents submitted or exchanged, any testimony or other oral submissions, and any awards) shall not be disclosed beyond

the tribunal, the PDRCI, the Parties, their counsel, accountants and auditors, insurers and re-insurers, and any person necessary to the conduct of the proceeding. These confidentiality obligations shall not apply if and to the extent that (i) disclosure is required by law or in judicial or administrative proceedings, or (ii) disclosure is necessary to enforce the rights arising out of the award.

29. TAXATION

29.1 *Taxes on the Execution of the Agreement.* QPAX shall bear the Documentary Stamp Taxes and such other taxes and expenses arising from the execution of this Agreement.

29.2 *National Taxes from the Project.* National taxes due on the income from the Project shall be borne by each Party in accordance with the statutory requirements.

30. GENERAL PROVISIONS

30.1 *Entire Agreement.* This Agreement (including all documents annexed herein) is the complete and exclusive statement of agreement concerning the subject matter of this Agreement, and supersedes all prior understandings, oral communications and writings in respect of the subject matter of this Agreement. This Agreement may be amended or modified only in writing and signed by the Parties.

30.2 *Severability.* If any provision of this Agreement is held by any court or other competent authority to be void or unenforceable, the remaining provisions not so declared shall continue to be valid and enforceable.

30.3 *Waiver.* Any waiver by either Party of a breach of any provision of this Agreement shall not be considered as a waiver of any subsequent breach of the same or any other provision of this Agreement.

30.4 *Covenant of Further Assurances.* All Parties to this Agreement shall, upon request, perform any and all acts and execute and deliver any and all certificates, instruments, and other documents that may be necessary or appropriate to carry out any of the terms, conditions, and provisions hereof or to carry out the intent of this Agreement.

30.5 *Remedies Cumulative.* The rights and remedies provided for in this Agreement shall be construed as being cumulative, and not one of them shall be deemed to be exclusive of the others or of any right or remedy allowed by law or equity, and pursuit of any one remedy shall not be deemed a waiver of any other remedy.

30.6 *Binding Effect.* This Agreement shall inure to the benefit of, and be binding upon, all of the Parties hereto and their respective executors, administrators, successors and permitted assigns.

30.7 *Compliance with Laws.* Nothing contained in this Agreement shall be construed to require the commission of any act contrary to law, and whenever there is a conflict between any term, condition, or provision of this Agreement and any present or future statute, law, ordinance, or regulation contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the term, condition, or provision of this Agreement affected shall be curtailed and limited only to the extent

necessary to bring it within the requirement of the law, provided that such construction is consistent with the intent of the Parties as expressed in this Agreement.

30.8 *No Third-Party Benefit.* Nothing contained in this Agreement shall be deemed to confer any right or benefit on any person that is not a party to this Agreement.

30.9 *No Employer-Employee Relationship.* The Parties attest and so hold that no employer-employee relationship shall exist between each Party and their respective employees, officials, agents and representatives as a consequence of the execution of this Agreement.

30.10 *Applicable Law.* This Agreement shall be governed by and construed in all respects solely in accordance with the laws of the Republic of the Philippines.

30.11 *Language.* English is the governing language of this Agreement, which shall be interpreted in accordance with English usage. All documents, notices, waivers and all other communications written or otherwise between the Parties in connection with this Agreement shall be in the English language.

IN WITNESS WHEREOF, the Parties have hereunto affixed their signatures on the date and place indicated above.

THE CITY GOVERNMENT OF BACOR
By:

QPAX TRAFFIC SYSTEMS INC.
By:

Hon. Strike B. Revilla
Mayor

Manolo Steven M. Ona
President and Chief Executive Officer

WITNESSES

ACKNOWLEDGMENT

Republic of the Philippines)
_____) S.S.

BEFORE ME, a Notary Public for and in _____, Philippines,
on this _____ day of _____, _____, personally appeared Manolo Ona and
_____, known to be the same persons who executed the foregoing Services
Agreement, which instrument consists of _____ pages including the page on which this
Acknowledgment is written, and sealed with my notarial seal and aforesaid parties
acknowledged to me that the same is their free act and deed. The parties exhibited to
me their competent evidence of identity: _____ and
_____, respectively.

Notary Public

Doc No. _____;
Page No. _____;
Book No. _____;
Series of 2024.

Annex A: Implementation Milestones

The Project shall be implemented in accordance with the 40-working day deployment plan shown below.

Phase	Deliverables	Duration
Project Planning	Project Plan review Identification of Project Team Kick-off Preparation Sign off of Project Plan Master Files Preparation a) Introduction to Master File Preparation b) Data Cleansing c) Validate Master File Template IT Infrastructure Preparation a) Prepare ECMS Server b) Deploy EMCS c) Pilot Demo Database, LGU Set up, Data Management and Usernames	10 days
Development	Create functional and technical specifications Present functional specifications for approval Actual Coding and Design Integration of chosen payment gateway Internal QA On-site Testing	15 days
Deployment	Master File Template Orientation Master File Checking Uploading of Master Files in Staging Environment User Access Configuration and Assignment of Roles (ECMS and Handheld Device) ECMS and Handheld Device Set up and Process Training Sign-off Deployment Phase	5 days
Operation	Uploading of Master Files in Production Environment Data Uploading of Cut-off transactions Verify Set up and data in Live Environment Go-live	5 days
Post-Production Support	On-site and off-site monitoring End-user support and training, when needed	5 days

Annex B: Minimum Performance Standards and Specifications:

A. Handheld Device

Requirement	Features
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Scanning and Printer Module	Handheld terminal has professional scanner and printer using the latest thermal printing technology. The device can print the Ordinance Violation Receipt for a continuous period of at least eight (8) hours daily.
GPS Module	Global Position System tracks the coordinates of picture based on the geo-location of the camera. It has also a geo-location capability that checks the location of the enforcer if he or she is within the designated area.
Specifications	<p>All in One Handheld PDA Printer Smart POS Terminal Wireless Portable Printers Intelligent Payment Terminal Function BT/ WIFI/ USB OTG/ 3G Communication</p> <ul style="list-style-type: none"> • OS - Android 11 Go • CPU Quad core (4*2.0GHz A53) • Memory 8GB ROM+1GB LPDDR3RAM (16GB ROM+2GB LPDDR3 RAM Optional • Display Screen 6.517" HD+ 720*1600, IPS • WIFI 2.4G/5G, Supports IEEE 802.11 a/b/g/n/ac • Camera <ul style="list-style-type: none"> ◦ Rear camera:2M FF ◦ Front camera:2M FF • Battery Li-polymer battery 7.2V 2500mAh IC • Card Reader Support smart IC card • NFC Reader Type A&B, Mifare PBOC, PayPass, PayWave SAM card slot 1 • SAM cards*2 SIM cards • Printer 2inch, 72mm/s, width:57mm. Roll diameter:40mm • Scanner E3 lite Scanner (Optional) • Touch panel Capacity 5 points, full lamination, in-cell • Magnetic Card reader Support 1/2/3 track, Bi-direction, complies with ISO7810/7811 standards • Interface Type C USB, support OTG • Security ANSI X9.8/ISO9564 , ANSI X9.9/ISO0873, Master Key/Session Key, support3DES, RSA, SHA-256 • Bluetooth Supports 2.1/3.0/4.0/5.0 • Others 1m drop • Satellite Positioning GPS, AGPS, Glonass, or Beidou • Key pad Power on key and Function key Adaptor 5V/2A

B. Back-end System

Modules	Features
Traffic Offense Maintenance	This module allows LGUs and government agencies to create their own list of violations with corresponding penalties for each. List of violations can be grouped and categorized, e.g., grave, less grave, and light violations, and matched with the LTO's list of violations. The fine or penalty can be tiered based on the number of violations committed in every jurisdiction.

Violations Management	<p>This module monitors and manages motorists physically apprehended by traffic enforcers through the issuance of Unified Ordinance Violation Receipt (UOVR). It comprises of violation monitoring, verification of vehicle registration and driver's license with the LTO database and approval. Violation monitoring function includes: 1) monitoring and review of violation list and latest status of violation; 2) automatic distribution of violation based on active processors during a given day; 3) manual distribution per violation or batch by a team leader; 4) violation redistribution by batch or individually. Violation verification function involves: 1) auto or manual rejection of violation; 3) archiving of violation; 4) review of rejected violation for further investigation; and 5) approval of violation. Upon review and approval of the violation, the system will automatically create a digitized version of the UOVR, and its serial number can be used by the violator to pay the fine. This module is provided with counters so the encoders or the processors will be provided with insights on how many violations were processed during the day, how many violations with outstanding alarm, and how many violations were paid as of a specified date.</p>
Driver Information Maintenance	<p>This module enables direct integration and interface with the LTO Land Transportation Management System (LTMS) for the retrieval, verification, and validation of driver's and/or vehicle information. Driver's information, such as name, address, DL number, and DL validity, and vehicle information, such as registered vehicle owner's name, address, vehicle plate number, MV number, vehicle type or brand, can be used to check the authenticity of the driver's license and vehicle registration provided by the motorist during the apprehension. Through the information retrieved from LTO, the system is likewise able to push for alarm and/or demerit points and lifting of alarm when the violation is settled.</p>
Traffic Enforcer Assignment	<p>This module allows the assignment of traffic enforcers to specific areas with defined schedules. The location and time-based assignment module enable traffic head to electronically assign traffic enforcers within certain periods and location. This feature allows issuance of mission order as basis of the enforcer to issue Ordinance Violation Receipts (OVR) within the covered area. It is best implemented when traffic enforcers issue UOVR using handheld devices since through the system's geo-tagging capability, traffic heads can easily monitor the location or whereabouts of their enforcers. The system likewise provides handheld devices with voice or messaging applications for better and faster interaction between and among the traffic heads and enforcers on the</p>

	ground.
Adjudication and Dispute Resolution	This module allows traffic violators to contest the apprehension and select their preferred date and time of hearing. The module comes with case management or email support for electronic submission of documents and notification.
Email or Contact Support	This module will help users to manage and consolidate email concerns and inquiries. The process involves sending inquiry through email, which will be automatically converted by the system into a case record that has auto-assignment features to an authorized user. The authorized user will then start working on the case and complete the necessary information. Once the case is resolved, the authorized user will mark the case completed or closed otherwise, it will be escalated to his/her superior for resolution. This module includes account and contact management, activity and case management.
User Management	This module establishes authorization among the specific users involved in processing the captured violations. It also limits the user's access to information based on their level of roles and responsibilities, thereby ensuring data security and integrity. Creation of the users goes through proper authentication with the LTO LTMS. Users are required to log in using their thumbprint and/or username and password.
Audit Trail	The ECMS logs the activities and details of the users who processed the captured violation. It also enables the specific users to ensure the quality of each process by reviewing and identifying errors in the recorded activities.
Reports and Dashboard	This module provides metrics and reports essential to the operations such as the number of captured violations and paid violations. It is also designed to automatically create data dashboard that would let specific users to monitor the performance of the operations as well as to display the Key Performance Indicators (KPI) vital to the operation.
Website and Payment Portal	The website and payment portal allows violators to inquire about their traffic violations, if any, and securely pay the applicable fines for their violations by inputting the required information. The website is fully secure and compliant with data privacy requirements.
Back-up and Business Continuity	The backup of data is one of the features of ECMS. The system has the capacity to store large amount of data which is essential for a digital operation. It also let the specific users retrieve and restore data that would allow

	our government partners to continue their operation even on unexpected events and situations.
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C. Storage and Server Requirements

The management server and database that provide primary and secondary storage via local disk or NFS have the following requirements.

- Preferred: CentOS/RHEL 7.2+ or Ubuntu 16.04(.2) or higher
- x86_64 CPU (more cores results in better performance)
- 4 GB of memory
- 250 GB of local disk (more results in better capability; 500 GB recommended)
- At least 1 NIC
- Statically allocated IP address
- Fully qualified domain name as returned by the hostname command

The cloud-based servers have the following requirements.

ECMS - Admin/ Encoding

- EC2 - c6a.xlarge
- OS: Ubuntu
- Storage: 75 GB
- Processor: 4 Core
- Memory: 8 GB

RDS - db.t3.medium

- MariaDB
- Processor: Intel Skylake E5 2686 v5 (2.5 GHz) 2 Core
- Memory: 4 GB
- Storage: 100 GB

STS Online Payment

- EC2 - t2.medium
- OS: Ubuntu
- Storage: 30 GB
- Processor: 2 Core
- Memory: 4 GB

RDS - db.t3.micro

- MariaDB
- Processor - Intel Skylake E5 2686 v5 (2.5 GHz) 2 Core
- Memory - 1 GB
- Storage: 100 GB

S3 - Media Storage (For Mobile Media Uploads / Appeal Attachments) Minimum of 100GB

The applicable servers shall have Cloudflare for proxy and IP whitelisting and system token authentication.

D. List of Equipment and Systems to be Supplied by QPAX

Equipment and System	Qty
Handheld Devices	minimum of 105
Workstations	2
SMS Credits	200,000
Server & Cloud Services	1
Data Migration	1
Training	1
Traffic Management System	1
Enforcer's Self-service application	1
Online payment and Inquiry Portal	1
LTO and Payment gateway/device API/Link Module	1

Annex C: Key Performance Indicators

Performance Parameters	Deliverables
Turn-Around Time for Violations Processing	Printing of Ordinance Violation Receipts (OVR) should not be more than 5 minutes from the time the details of the capture are inputted in the Handheld Device
Functioning Handheld Devices	At least 90% of Handheld Devices must be functional at all times
Availability of Thermal Paper	QPAX must maintain a minimum inventory of thermal paper equivalent to twenty percent (20%) of the City's monthly consumption
Connectivity	Subject to availability or downtime of internet connection, the Handheld Devices and/or the QPAX System must be capable of: (i) uploading the apprehension reports to the LTO's LTMS; and (ii) receiving updates from the system of the City's payment service provider
Technical Support	<p>QPAX will provide technical support such as:</p> <ul style="list-style-type: none"> • Telephone Support • Email Support • Remote Access Support (client must have broadband internet connection) • Implementing system bug fixes • Implementing system updates that are part of Qpax's development roadmap for the modules that are included in the project scope. • Onsite support (upon request and for scheduling) <p>Technical Support - available during regular office hours - Mondays to Friday, 8:00AM - 5:00PM (except on holidays)</p> <p>Initial and response time for Technical Support will be as follows:</p>

	<p>Severity 1 - 1 business day Severity 2 - 3 business days Severity 3 - 5 business days Severity 4 - 7 business days</p> <p>Qpax will respond to service-related incidents and/or requests submitted by the City within the herein provided period based on the severity of technical support or bug management, as shown below:</p> <ol style="list-style-type: none"> 1. Severity One (Urgent) - a catastrophic system problem which may severely impact the LGU's operations, or in which LGU's system is down or not functioning; no procedural work around exists. 2. Severity Two (High) - a problem where the LGU's system is functioning but in a severely reduced capacity. The situation is causing significant impact to portions of the LGU's operations and productivity. 3. Severity Three (Medium) - medium-to-low impact problem involving partial non-critical functionality loss. It impairs some operations, but allows the LGU to continue to function. This may be a minor issue with limited loss or no loss of functionality or impact to the LGU's operations and issues in which there is an easy circumvention or avoidance by the end user. 4. Severity Four (Low) - a general usage question or any other minor issue that has no impact on the quality, performance or functionality of the product or services. This includes documentation errors. 5. Remote assistance will be provided depending on the priority of the support request.
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