



Office of the Sangguniang Panlungsod

CITY RESOLUTION NO. 2024-451

Series of 2024

A RESOLUTION AUTHORIZING THE CITY MAYOR, HON. STRIKE B. REVILLA, TO SIGN A MEMORANDUM OF AGREEMENT ON BEHALF OF THE CITY GOVERNMENT OF BACOR WITH QPAX TRAFFIC SYSTEMS, INC. FOR THE IMPLEMENTATION OF THE SINGLE TICKETING PROGRAM IN THE CITY OF BACOR, CAVITE.

Sponsored by:

Hon. Roberto L. Advincula

Co-Sponsored by:

Hon. Palm Angel S. Buncio, Hon. Simplicio G. Dominguez, Hon. Catherine S. Evaristo, Hon. Reynaldo M. Fabian, Hon. Randy C. Francisco, Hon. Adrielito G. Gawaran, Hon. Alejandro F. Gutierrez, Hon. Rogelio M. Nolasco, Hon. Reynaldo D. Palabrica, Hon. Michael E. Solis and Hon. Levy M. Tela.

WHEREAS, a letter dated 06 February 2024 from the Office of the City Mayor was received by the Sangguniang Panlungsod wherein it was requested that a resolution be passed by the City Council authorizing the City Mayor, Hon. Strike B. Revilla, to sign a Memorandum of Agreement between the City Government and QPax Traffic Systems, Inc. regarding the implementation of the Single Ticketing Program in the City of Bacoor.

WHEREAS, an examination of the draft Memorandum of Agreement attached to the aforementioned letter done by the City Council revealed that the City of Bacoor is the first local government outside Metro Manila, chosen by the Department of Transportation (DOTr)-Land Transportation Office (LTO), to implement its Single Ticketing System pertinent to the national and local traffic rules and regulations. A copy of the draft of the said Memorandum of Agreement is attached hereto and made an integral part of this Resolution.

WHEREAS, the City Government of Bacoor needs to enter into an agreement with QPax Traffic Systems Inc., which has the technical expertise to connect with the LTO database and create a link for the City Government of Bacoor.

WHEREAS, the said agreement aims to provide a more efficient and cost effective enforcement of traffic laws, rules and regulations since traffic constables of the City of Bacoor will be able to electronically issue citation tickets, immediately verify

DISTRICT I

HON. CATHERINE SARINO-EVARISTO
City Councilor

HON. MICHAEL E. SOLIS
City Councilor

HON. ADRIELITO G. GAWARAN
City Councilor

HON. VICTORIO L. GUERRERO, JR.
City Councilor

HON. ALEJANDRO F. GUTIERREZ
City Councilor

HON. LEVY M. TELA
City Councilor

DISTRICT II

HON. ROBERTO L. ADVINCULA
City Councilor

HON. REYNALDO D. PALABRICA
City Councilor / President Pro-Tempore

HON. REYNALDO M. FABIAN
City Councilor

HON. ROGELIO M. NOLASCO
City Councilor

OFFICIAL BUSINESS
HON. ALDE JOSELITO F. PAGULAYAN
City Councilor

HON. SIMPLICIO G. DOMINGUEZ
City Councilor

HON. RANDY C. FRANCISCO
Liga ng mga Barangay Vice President

HON. PALM ANGEL S. BUNCIO
PK Federation President

Attested by:

ATTY. KHALID A. ATEGA, JR.
Sangguniang Panlungsod Secretary

Certified by:

HON. ROWENA BAUTISTA-MENDIOLA
City Vice Mayor

Approved by:

HON. STRIKE B. REVILLA
City Mayor



Office of the Sangguniang Panlungsod

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City Vice Mayor

Approved by:

HON. STRIKE B. REVILLA
City Mayor

the authenticity of drivers' licenses, official receipts and certificates of registration 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 tagging alarms on the motor vehicles, 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.

NOW THEREFORE, on motion of Hon. Roberto L. Advincula and duly seconded by all the members present, **BE IT RESOLVED, AS IT IS HEREBY RESOLVED**, by the 5th Sangguniang Panlungsod in regular session assembled to pass a Resolution authorizing the City Mayor, Hon. Strike B. Revilla, to sign a Memorandum of Agreement on behalf of the City Government of Bacoor, Cavite with QPax Traffic Systems, Inc. for the implementation of the Single Ticketing Program in the City of Bacoor.

RESOLVED FURTHER, to furnish the Office of the City Mayor, QPax Traffic Systems, Inc., the Land Transportation Office, the University of the Philippines-Office of the National Administrative Registrar (UP-ONAR), and other government agencies concerned with copies of this resolution.

APPROVED this 26th day of February, 2024 by the 5th Sangguniang Panlungsod at the City of Bacoor, Cavite.

I hereby certify that the foregoing Resolution was approved and that the contents hereof are true and correct.

Certified Correct:

HON. ROWENA BAUTISTA-MENDIOLA
Presiding Officer

Attested by:

ATTY. KHALID A. ATEGA, JR.
Sangguniang Panlungsod Secretary

Approved by:

HON. STRIKE B. REVILLA
City Mayor

MEMORANDUM OF 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 Government of Bacoor Government Center, Molino Boulevard, 4102 Bacoor, represented herein by its Mayor, **HON. STRIKE B. REVILLA ("BACOR LGU")**, as authorized by the Local Sanggunian through SP Resolution No. _____, Series of _____.

QPAX and BACOR LGU are each referred to as a "Party" and collectively as the "**Parties.**"

WITNESSETH that:

WHEREAS, the Land Transportation Office (LTO), pursuant to Republic Act No. 8792 otherwise known as the "Electronic Commerce Act of 2000", Republic Act No. 11032 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 citation tickets and reduce opportunities for corruption;

WHEREAS, the Metropolitan Manila Development Authority (MMDA), in coordination with the LTO and the seventeen Local Government Units (LGUs) of Metro Manila, established the Single Ticketing System through the Metro Manila Traffic Code of 2023, which was approved and adopted by the Metro Manila Council pursuant to MMDA Resolution No. 23-02, Series of 2023, and recognized physical apprehension of traffic violators through the use of handheld devices;

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 citation tickets, 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, QPAX proposes to lend a certain number of handheld devices to BACCOOR LGU to pilot test the one ticketing system in BACCOOR LGU of Bacoor;

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

WHEREAS, BACCOOR LGU decided to accept the proposal from QPAX;

WHEREAS, after conducting a public consultation, the Sangguniang Panlungsod passed City Resolution No. _____, Series of _____, approving and ratifying the terms and conditions set forth under this Agreement and authorizing BACCOOR LGU 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:

A. OBJECTIVES

This Agreement aims, among others, to:

1. Digitalize the issuance and settlement of Citation Tickets, thereby making it efficient and cost-effective;
2. Reduce opportunities for corruption and
3. Improve vehicular traffic flow.

B. TERM

This Agreement shall commence from the date it is signed by both Parties and shall continue for a period of six (6) months. The Term shall be automatically extended or renewed for two successive terms of six (6) months unless either Party gives the other Party written notice of non-extension or renewal of this Agreement not less than thirty (30) days prior to the end of the then-current term.

C. 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”):

1. Develop and maintain a minimum of twenty-five (25) Handheld Devices, including their internet connectivity, for BACCOOR LGU;
2. Finance, provide, and maintain additional Handheld Devices, subject to the terms of this Agreement, as may be required or requested by BACCOOR LGU;
3. Supply the thermal paper for printing Citation Tickets using the Handheld Devices;
4. Operate, troubleshoot, and/or maintain the Equipment necessary for the establishment of the interconnectivity between BACCOOR LGU and the LTO’s LTMS using the QPAX System;
5. QPAX shall provide BACCOOR LGU with one (1) workstation, such as an internet-ready personal computer and compatible software/programming,

which it will exclusively use to access the LTMS and Violations Data stored in the QPAX System.

6. Design, troubleshoot, and maintain a portal or website for BACCOOR LGU, which can be used to keep a record, access, and administer Citation Tickets, facilitate the settlement thereof, generate reports, and submit traffic apprehension reports to the LTO;
7. Upon notice from BACCOOR LGU, promptly troubleshoot or replace the components of any Handheld Device that is damaged or malfunctioning or otherwise has become unusable due to causes not attributable to the fault or negligence of BACCOOR LGU or any of its personnel;
8. Provide and/or maintain sufficient onsite or cloud storage spaces necessary to perform the services under this Agreement without disruption.
9. Notify BACCOOR LGU within a reasonable time of all the changes in features, functionality, and availability of the QPAX System or Equipment that have a bearing on the ability of BACCOOR LGU to perform its obligations or services.
10. 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, and
11. Render services related to the foregoing or as otherwise agreed by the Parties.

D. OBLIGATIONS AND RESPONSIBILITIES OF BACCOOR LGU

BACCOOR LGU shall:

1. Notify QPAX of and provide assistance in ensuring compliance with any specific requirements relating to the Project;
2. Extract data from its existing system, if any, for migration to the QPAX System; ensure integrity and accuracy of the data to be migrated and placed in a specific format that will facilitate uploading to the QPAX System;
3. Confirm its acceptance of the Handheld Devices 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 are deemed accepted by BACCOOR LGU;
4. Provide the necessary access to BACCOOR LGU's properties and facilities in order to allow QPAX to comply with its obligations and to perform the services under this Agreement;
5. Provide every first business day of every month for the entire duration of the Term of this Agreement a report to QPAX detailing BACCOOR LGU's issued and paid apprehensions of the previous month and such other information as QPAX may reasonably request and lawfully obtain in relation to this Agreement;
6. Provide all necessary electrical and telephone services or assist QPAX in securing such services for the Handheld Devices and Equipment;
7. Assign one (1) Handheld Device to every Authorized Personnel, and direct them to only issue Citation Tickets using the assigned Handheld Device;
8. Proscribe all Authorized Personnel from manually issuing Citation Tickets unless the assigned Handheld Device is unable to issue Citation Tickets due to causes not attributable to the fault or negligence of Authorized Personnel, BACCOOR LGU, or any of the other personnel of BACCOOR LGU.
9. 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;
10. Reimburse QPAX for the cost of replacement of any Handheld Device that

was damaged or lost due to the fault or negligence of BACCOOR LGU or any of its personnel and

11. Handle, address, and resolve all questions, complaints, and issues related to the issued Citation Tickets, and hold QPAX free and harmless from any dispute, claim, or liability in connection with or arising from the issuance of Citation Tickets.

E. VIOLATIONS PROCESSING

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

1. 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;
2. Authorized Personnel must use the Handheld Device in issuing Citation Tickets for all Violations;
3. BACCOOR LGU or Authorized Personnel shall be the sole, unilateral, and exclusive discretion to issue a Citation Ticket, and in no event shall QPAX have the ability or authorization to issue or otherwise cause the issuance of a Citation Ticket;
4. All Violations Data shall be stored in the QPAX System and/or the applicable system of BACCOOR LGU;
5. BACCOOR LGU shall exert all practical and reasonable efforts to pursue the collection of the Fines in connection with the Citation Tickets;
6. For traffic-related Violations or Citation Tickets, BACCOOR LGU 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;
7. BACCOOR LGU shall maintain detailed and accurate records of the collection of Fines assessed in connection with each Citation Ticket;

F. OTHER RIGHTS AND OBLIGATIONS.

1. BACCOOR LGU shall fully cooperate in implementing the Project and executing, issuing, and delivering such other documents, instruments, and/or certifications that may be necessary in connection with the Project.
2. BACCOOR LGU shall do all things necessary to ensure this Agreement is compliant with the requirements of the PPP Code.
3. Upon submission of, or compliance with, the requirements by QPAX, BACCOOR LGU shall provide or secure all permits, licenses, agreements, and approvals necessary for the implementation of the Project (collectively, the "**Approvals**") and other Legal Requirements from the relevant 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.
4. QPAX shall assist BACCOOR LGU 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 BACCOOR LGU unless otherwise agreed upon by the Parties.

5. BACCOOR LGU authorizes QPAX to use the BACCOOR LGU's name, logos, trademarks, or other marks for purposes related, such as placing them in the portal or website and in the Citation Tickets to be issued using the Handheld Device.
6. BACCOOR LGU 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 BACCOOR LGU.
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.
8. BACCOOR LGU 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. BACCOOR LGU shall maintain the confidentiality of any username, password, or other process or device used to access the QPAX System.
10. BACCOOR LGU shall promptly advise QPAX of any changes in any Applicable Law relevant to the Project.
11. BACCOOR LGU 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 BACCOOR LGU or any of its employees, contractors, or agents.
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.

G. TRAINING

1. QPAX shall provide 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.
2. QPAX shall provide such training to BACCOOR LGU personnel as shall be reasonably necessary in order to allow such personnel to act as expert witnesses on behalf of BACCOOR LGU with respect to the Project.
3. Subject to the Applicable Law, QPAX shall interact with judicial and administrative personnel to address issues regarding the implementation of the QPAX System, the implementation of the QPAX System, and the development of the process to allow the presentation of Violations Data in judicial or administrative proceedings.

H. LICENSE AND RESERVATION OF RIGHTS

1. *License.* Subject to the terms and conditions of this Agreement, QPAX hereby grants BACCOOR LGU, and BACCOOR LGU 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.
2. *Reservation of Rights.* BACCOOR LGU hereby acknowledges and agrees that: (i) 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 (ii) 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.
3. *Restricted Use.* BACCOOR LGU hereby covenants and agrees that it, its employees, or its agents shall not: (i) service, replace, repair, or make any modifications to the QPAX System; (ii) service, replace, repair, or make any modifications to the Handheld Device without the assistance of QPAX; (iii) alter, remove, replace, or tamper with any QPAX Marks; (iv) use any of the QPAX Marks in any way which might prejudice their distinctiveness or validity or the goodwill associated therewith; (v) use any trademarks or other marks other than the QPAX Marks in connection with BACCOOR LGU's use of the QPAX System, without first obtaining the prior consent of QPAX; (vi) disassemble, decompile, or otherwise perform any type of reverse engineering on the QPAX System or any QPAX Property; (vii) rent, lease or lend out the QPAX System; or (viii) cause or allow any other Person to do any of the foregoing.
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. BACCOOR LGU 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.

5. *Infringement.* BACCOOR LGU 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, BACCOOR LGU 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 BACCOOR LGU for any reasonable costs incurred in providing such cooperation and assistance.
6. *Infringing Use.* BACCOOR LGU shall give QPAX prompt written notice of any action or claim, whether threatened or pending, against BACCOOR LGU 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 BACCOOR LGU shall render to QPAX such reasonable cooperation and assistance as is reasonably requested by QPAX in the defense thereof; provided that QPAX shall reimburse BACCOOR LGU 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 BACCOOR LGU the right to keep using the allegedly infringing items, modify them to avoid the alleged infringement or replace them with non-infringing items.

I. 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, at its sole discretion, assign its rights, obligations, and interests in this Agreement to its wholly-owned subsidiary.

J. EXCLUSIVITY

QPAX shall have the exclusive right to provide and maintain Handheld Devices to BACCOOR LGU throughout the duration of this Agreement. In the event that BACCOOR LGU 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.

K. REPRESENTATIONS AND WARRANTIES

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.

2. BACCOOR LGU 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 BACCOOR LGU.
- 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 BACCOOR LGU, enforceable against BACCOOR LGU 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 with respect to its responsibilities under this Agreement, and it is not immune from suit, judgment, 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 interests of the Republic of the Philippines.

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 a particular purpose with respect to the QPAX System or with respect to the results of BACCOOR LGU'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 BACCOOR LGU selects for use or that the operation or use thereof will be uninterrupted. BACCOOR LGU 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.

L. 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 will remain with QPAX and will not in any way relieve QPAX of its liability and/or responsibility under this Agreement.

M. TERMINATION

1. Both Parties reserve the right to terminate or rescind this Agreement upon breach of any provisions hereof by serving a written notice of termination or rescission at least thirty (30) days prior to the actual termination or rescission.
2. Any termination or rescission of this Agreement shall be without prejudice to the rights and liabilities, which have accrued hereunder, the date of termination or rescission, or with respect to any antecedent breach of the terms hereof, prior to termination or rescission, or any amount owing or due under this Agreement.
3. 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 immediately cease to provide services and to perform its obligations and responsibilities under this Agreement.
 - b. BACCOOR LGU shall: (1) immediately cease using the Handheld Devices, the QPAX System, and the QPAX Property, and (2) promptly deliver to QPAX any and all Proprietary Property of QPAX provided to BACCOOR LGU pursuant to this Agreement; and
 - c. Ownership and possession of all Handheld Devices and Equipment shall revert back to QPAX. Unless BACCOOR LGU 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.

N. CONFIDENTIALITY

1. During the Term of this Agreement and for a period of three (3) years thereafter, neither Party shall disclose to any third person or use for itself in any way for pecuniary gain or otherwise any Confidential Information of the other Party.
2. Upon termination of this Agreement, each Party shall return to the other Party all tangible Confidential Information of such other Party.
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, except:
 - 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.

O. 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.

P. NOTICES

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:
 - i. Notices to QPAX: 6th Floor Cambridge Centre Bldg., 108 Tordesillas cor. Gallardo Sts., Salcedo Vill., Makati City
 - ii. Notices to BACCOOR LGU: Bacoor City Hall, BACCOOR LGU of Bacoor Government Center, Molino Boulevard, Bacoor City, Cavite 4102
2. Any notices to be given hereunder shall be in writing and shall be deemed to have been given (i) upon delivery if delivered by hand; (ii) three (3) days after being sent through registered mail; and (iii) one (1) business day after being delivered through a reputable overnight courier service, prepaid and marked for next day delivery.

Q. DISPUTE RESOLUTION

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.
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.
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.
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.

R. TAXATION

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.
2. *National Taxes from the Project.* Each Party shall bear national taxes due on the income from the Project in accordance with the statutory requirements.

S. GENERAL PROVISIONS

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.
2. *Good Faith.* In complying with and implementing the terms of this

Agreement, the Parties shall exercise good faith and cooperation to fulfill their common objective.

3. *Relationship of Parties.* The relationship of the Parties under and in relation to this Agreement shall be limited to the matters herein contained. Nothing herein provided shall be considered or interpreted as constituting the relationship of the Parties or any of them as a partnership in which any one or more of the Parties may be liable for the acts or omissions of any other Party or Parties, nor shall anything herein contained be considered or interpreted as constituting any Party as the general agent of any other Party.
4. *Severability.* If any court or other competent authority holds any provision of this Agreement to be void or unenforceable, the remaining provisions not so declared shall continue to be valid and enforceable.
5. *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.
6. *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.
7. *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.
8. *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.
9. *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.
10. *No Third-Party Benefit.* Nothing in this Agreement shall be deemed to confer any right or benefit on any person who is not a party to it.
11. *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.
12. *Language.* English is the governing language of this Agreement, which shall be interpreted in accordance with English usage. All documents, notices, waivers, and other communications, written or otherwise, between the Parties in connection with this Agreement shall be in English.

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

CITY GOVERNMENT OF BACOOR

QPAX TRAFFIC SYSTEMS INC.

By:

By:

Hon. STRIKE B. REVILLA

City Mayor

City Resolution No. ____

Series of ____

MANOLO STEVEN M. ONA

President and Chief Executive Officer

WITNESSES

ACKNOWLEDGMENT

Republic of the Philippines)
City of Bacoor) S.S.

BEFORE ME, a Notary Public for and in _____,
Philippines, on this ____ day of _____, _____, personally appeared the following
persons:

Name	Competent Evidence of Identity	Date / Place Issued
Hon. Strike B. Revilla		
Manolo Steven M. Ona		

known to be the same persons who executed the foregoing Memorandum of Agreement, which instrument consists of eighteen (18) 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.

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

Notary Public

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