SERVICE AGREEMENT FOR MANPOWER SERVICES

THE PUBLIC IS INFORMED:

This AGREEMENT, is executed between:

The BASES CONVERSION AND DEVELOPMENT AUTHORITY (BCDA), a government instrumentality vested with corporate powers, created by virtue of Republic Act No. 7227, as amended, with office address at 2nd Floor, Bonifacio Technology Center, 31st Street corner 2nd Avenue, Crescent Park West, Bonifacio Global City, Taguig City, Philippines, represented herein by its President & Chief Executive Officer, ARNEL PACIANO D. CASANOVA, Esq., who is duly authorized for this purpose as evidenced by the Secretary’s Certificate issued on ________________, a certified true copy of which is hereto attached as Annex “A” and made an integral part hereof, hereinafter referred to as the “PRINCIPAL”;

-and-

_________________________________, a corporation duly organized and existing under the laws of the Republic of the Philippines, with office address at ____________________________, represented herein by its President/COO ______________________, duly authorized for this purpose as evidence by the Secretary’s Certificate issued on ________________, a certified true copy of which is hereto attached as Annex “B” and made an integral part hereof, hereinafter referred to as the “CONTRACTOR”.

ANTECEDENTS:

The CONTRACTOR, duly registered with Certificate of Registration No. ____________ issued by DOLE Regional Office No. ____ on _____, is an independent service provider with substantial capital, equipment, and expertise, primarily engaged in the business providing ______________________ services;

The PRINCIPAL needs a CONTRACTOR to provide janitorial and other related services (Manpower Services) for its office in Bonifacio Technology Center, Staff Houses in Clark and Baguio City and Subic-Clark-Tarlac Expressway Project Management Office;

The PRINCIPAL conducted a bidding for the selection of a CONTRACTOR to provide said MANPOWER SERVICES;
Upon evaluation of the prequalification documents and bids, the BAC for Goods recommended that the Service Agreement for Manpower Services be awarded to the CONTRACTOR since the proposal submitted by it has been found to be the most favorable and advantageous to the PRINCIPAL;

The BCDA Board adopted and approved the recommendation of the BAC for Goods and awarded the contract to the said CONTRACTOR;

ACCORDINGLY, for and in consideration of the above premises, the parties hereto agree as follows:

I. CONTRACT DOCUMENTS

1.1 The following documents shall form integral parts of this Service Agreement as fully as if the contents of the said documents are reproduced, incorporated and set forth herein, and shall govern and control in full force and effect the rights and obligations of the Parties, except as otherwise modified by the terms and conditions of the Service Agreement, or by mutual agreement of both Parties in writing, and by the provisions of relevant laws, codes, ordinances, rules and regulations of the government:

- Annex “A” - BCDA’s Secretary’s Certificate;
- Annex “B” - CONTRACTOR’s Secretary’s Certificate;
- Annex “C” - Terms of Reference (TOR);
- Annex “D” - Items to be provided by the CONTRACTOR;
- Annex “E” - Manpower Services Rate;
- Annex “F” - Notice of Eligibility/Invitation to Submit Proposal;
- Annex “G” - Instruction to Eligible Bidders;
- Annex “H” - Bid Security;
- Annex “I” - Affidavit of Site Inspection;
- Annex “J” - Bid Letter;
- Annex “K” - Bid price and derivation of price per manpower service personnel;
- Annex “L” - Guarantee bond for losses and damages;
- Annex “M” - Guarantee bond for salaries and wages of the manpower service personnel;
- Annex “N” - Insurance Coverage of employees;
- Annex “O” - Notice of Award with CONTRACTOR’s “Conforme”;
- Annex “P” - CONTRACTOR’s Certification under oath
it is free and clear of all tax liabilities to the government as required under EO 398, dated 12 January 2005;

Annex “Q” - Copy of latest income and business tax returns duly stamped and received by the Bureau of Internal Revenue (BIR) and duly validated with the tax payments made thereon; and

Annex “R” - Other pertinent documents as may be required by BCDA and the Commission on Audit (COA).

Annex “S” - Net Financial Contracting Capacity of the Contractor

1.2 All contract documents are and shall remain property of the PRINCIPAL.

1.3 All documents which have been or may hereinafter be executed by the Parties shall likewise form integral parts of this Service Agreement.

1.4 It is expressly agreed and understood that in case of conflict between this Service Agreement and the provisions of the Contract Documents incorporated as forming integral parts hereof, the former shall prevail.

II. RESPONSIBILITIES OF THE CONTRACTOR

2.1 The contractor shall provide the PRINCIPAL with manpower personnel as specified in the attached Annex “C”.

The number of the above personnel may increase or decrease at the discretion of the PRINCIPAL. The PRINCIPAL, however, may require the replacement or removal of any of the personnel assigned by the CONTRACTOR at any time, for any reason whatsoever. The PRINCIPAL may request the CONTRACTOR to assign/deploy such additional number of personnel as may be necessary or warranted.

2.2 In the hiring and assignment of personnel to the PRINCIPAL, the CONTRACTOR shall consider the qualifications required by the PRINCIPAL of personnel who will perform the services as provided for in this Service Agreement. The CONTRACTOR may, upon recommendation of the PRINCIPAL, hire the present personnel assigned and performing manpower services
for the **PRINCIPAL.** As the **PRINCIPAL** may require, hiring procedures shall be restructured to suit its needs.

2.3 The **CONTRACTOR** shall provide and advance the release of per diem of concerned personnel in case of local travel outside Metro Manila. The existing **BCDA** guidelines and rate for local travel shall be the rules to be followed. The cost appurtenant thereto shall be included in the billing statement to be charged to the **PRINCIPAL** by attaching the duly approved travel order from the **PRINCIPAL**.

2.4 The **CONTRACTOR** shall secure accident insurance with regard to the persons in its employ who will be assigned to the **PRINCIPAL**.

2.5 The **CONTRACTOR** shall submit, on a quarterly basis, certified copies of proof of payments of all its obligations to its personnel assigned to the **PRINCIPAL** under the provisions of the SSS Law, Employees’ Compensation Act, Philhealth and other pertinent statutes presently in force and effect.

2.6 The **CONTRACTOR** shall make arrangements with any reputable Philippine commercial bank to provide ATM services to its personnel through which payment of their wages will be coursed through.

### III. RESPONSIBILITIES OF THE PRINCIPAL

3.1 The **PRINCIPAL** undertakes to insure its vehicles with the Government Service Insurance System or any reputable insurance company to answer for accidental damages thereto and for third party liabilities;

3.2 Except for justifiable reasons, the **PRINCIPAL** likewise undertakes to pay the **CONTRACTOR** its billing, in accordance with this Contract, within seven (7) days from receipt thereof;

3.3 The **PRINCIPAL** shall provide a space to be used for storing the equipment and other cleaning materials of the **CONTRACTOR**.

### IV. WORKING SCHEDULE

4.1 The manpower personnel referred to in provision I hereof shall observe the following working schedule:
4.1.1 The manpower personnel shall observe a work schedule of eight (8) hours of work daily, six (6) days a week, from Monday to Saturday, except on legal holidays and the personnel’s designated rest day, for the following personnel: a) Service Supervisor; b) Janitor/Janitress); c) Sr. Carpenter/Plumber/Painter; d) Aircon Technician/Jr. Electrician; e) Utility Personnel (SCTEX/Clark Green City Projects in Clark); f) Caretakers (BEPF Clark & Baguio and VOA Baguio). The number of working days shall be twenty-six (26) days and only the actual number of workdays and man-hours spent shall be used for billing purposes.

4.1.2 a) Mechanic/Driver; b) Light Vehicle Driver; c) Heavy Vehicle Driver; d) Helper/Assistant Mechanic e) Office Clerk; f) Reproduction Machine Operator/Messenger; g) Sr. Administrative Assistant; h) Messenger; i) Administrative Assistant I; j) Chief Cook; k) Assistant Cook; l) Waiter; m) Assistant Cook/Marketer; o) Counter Helper; and p) Dishwasher, eight (8) hours of work daily, five (5) days a week, from Mondays to Fridays, except on legal holidays and the personnel’s designated rest day. The number of working days shall be twenty (20) days in a month and only the actual number of workdays and man-hours spent shall be used for billing purposes.

4.1.3 The PRINCIPAL may require the CONTRACTOR to provide it with a sufficient number of personnel to render overtime work, subject to the same terms and conditions as provided in their regular work schedule.

All personnel may be required to render overtime work as may be needed by the PRINCIPAL. It is understood that services rendered beyond eight (8) hours or beyond the number of days aforementioned shall be considered overtime work and shall entitle the personnel to appropriate pay from the CONTRACTOR which shall be charged on the subsequent billing.

V. CONSIDERATION FOR THE CONTRACT

For and in consideration of the manpower services provided by the CONTRACTOR, the PRINCIPAL shall pay the CONTRACTOR the
amount of the following monthly billing rates per service personnel to wit:

- Service Supervisor
- Sr. Carpenter/Plumber/Painter
- Aircon Technician/Jr. Electrician
- Janitor/Janitress
- Mechanic/Driver
- Office Clerk
- Reproduction Machine Operator/Messenger
- Sr. Administrative Assistant
- Heavy Vehicle Driver
- Light Vehicle Driver
- Helper/Assistant Mechanic
- Utility Personnel
- Caretakers
- Messenger
- Chief Cook
- Waiter
- Assistant Cook
- Assistant Cook/Marketer
- Dishwasher
- Counter Helper
- Administrative Assistant I

Monthly billing rates for other service personnel shall be computed as the need therefore arises and as required by the PRINCIPAL.

It is understood that the above considerations shall be correspondingly adjusted if any law, order, rule or regulation is promulgated or issued increasing the minimum wage or providing for payment of additional employee benefits.

In addition, the PRINCIPAL shall pay the CONTRACTOR the following:

a. 12% VAT which shall not be a component of the total contract cost but shall be included in the total contract price; and

b. 10% of the total contract cost as administrative costs per DOLE Department Order No. 18-A.

VI. BILLING PROCEDURES

For the purpose of payment and as requirements for payment, the CONTRACTOR shall submit to the PRINCIPAL the following:
6.1 semi-monthly billings as certified by the CONTRACTOR within seven (7) days from cut-off date. The cut-off date shall be as follows:

6.1.1 21st day of the month – 5th day of the succeeding month;

6.1.2 6th day of the month – 20th day of the month.

5.2 individual time records of the service personnel concerned for actual services rendered as certified by their immediate supervisor from the PRINCIPAL; and

5.3 affidavit or sworn statement that it has paid the salaries and benefits of its employees for the preceding month/s.

Except for justifiable reasons, billing shall be paid within seven (7) working days from date of receipt by the PRINCIPAL.

The PRINCIPAL has the right to make the necessary deductions from the claims of the CONTRACTOR by reason of non-payment or refusal by the CONTRACTOR to pay the salaries, allowances and other dues to the service personnel on time at prescribed rates provided herein and in pertinent laws.

VII. INDEMNIFICATION FOR DAMAGES

The CONTRACTOR shall indemnify the PRINCIPAL for all losses and damages suffered/caused to PRINCIPAL and its properties whether within and outside of its premises by reason of negligence, misconduct, fault or mistake of the CONTRACTOR’s employees, including any loss, injury or death which may result by reason of such negligence, misconduct, fault or mistake of the employees concerned, provided that PRINCIPAL shall give the CONTRACTOR prior written notice of such loss or damage, injury or death within fifteen (15) working days from the discovery of the same.

VIII. PERFORMANCE SECURITY

To guarantee the faithful performance of the obligations and services required, the CONTRACTOR shall, upon execution of this AGREEMENT, post a performance bond in the form of Cashier’s or Manager’s Check, payable to the PRINCIPAL equivalent to FIVE PERCENT (5%) of the annual contract price to be replaced every six (6) months during the duration of the contract to prevent same from
being stale. The **PRINCIPAL** shall have recourse to and the right to forfeit the bond and its proceeds upon violation by the **CONTRACTOR** of this Contract or any provision thereof. The bond shall be released upon the faithful and complete performance of the obligations and services required of the **CONTRACTOR**.

The said bond shall also answer for the liquidated damages set forth herein; the unpaid cost of labor as required by the provisions of applicable laws; or any liabilities which may be incurred by reason of the violation by the **CONTRACTOR** of the Labor Code of the Philippines and other social legislation.

**IX. EFFECTIVITY**

This **CONTRACT** shall be effective for a period of **THREE (3) YEARS**, commencing _________________ and ending _________________, unless otherwise terminated pursuant to causes stated in the contract.

The **PRINCIPAL** may opt to extend the Contract on a periodic month-to-month basis not to exceed an aggregate period of one (1) year, upon terms and conditions mutually acceptable to the parties concerned. Provided, further that all the conditions set forth in the Revised Guidelines on the Extension of Contracts for General Support Services have been complied with.

Performance of the **CONTRACTOR** shall be subject to an appraisal system to be administered quarterly and shall have the composite evaluation of the different departments of the **PRINCIPAL**. Based on the assessment, the **PRINCIPAL** may pre-terminate the contract for failure by the **CONTRACTOR** to perform its obligations, in line with the Guidelines on Termination of Contracts issued by the Government Procurement Policy Board (GPPB Resolution No. 018-2004 dated December 2004).

**X. TERMINATION**

This **CONTRACT** may be terminated by the **PRINCIPAL** without need of judicial action upon violation by the **CONTRACTOR** of any Terms and Conditions thereof by giving the **CONTRACTOR** at least thirty (30) days prior written notice to such effect.
XI. VENUE OF ACTION

Venue of action arising from this Contract shall be exclusively in the proper courts of Taguig City.

XII. NO EMPLOYER-EMPLOYEE RELATIONSHIP

Any personnel assigned by the CONTRACTOR under this CONTRACT shall in no case be considered an employee of the PRINCIPAL, but shall always be considered an employee of the CONTRACTOR. The CONTRACTOR warrants that it will comply with its obligations as employer under the Labor Code and other pertinent labor laws, rules and regulations, including the payment of legally mandated wages and benefits. The PRINCIPAL shall in no way be responsible for any claim for wages and other employment benefits of the service personnel and for such other liabilities of an employer arising from an employer-employee relationship.

In the event that the PRINCIPAL is held liable for claims of employees of the CONTRACTOR under Article 107 of the Labor Code, the CONTRACTOR undertakes and binds itself to reimburse the PRINCIPAL for such amount paid under said claim, in addition to the remedies of the PRINCIPAL under this contract, and pertinent laws.

XIII. DURATION AND RENEWAL OF THE CONTRACT

This Contract shall be for a period of three (3) years, effective ______________ to ______________, unless otherwise terminated pursuant to the provisions of Articles IX and X of this Contract.

The PRINCIPAL may opt to extend the Contract on a periodic month-to-month basis not to exceed an aggregate period of one (1) year, upon terms and condition mutually acceptable to the parties, subject to the conduct of performance evaluation of the CONTRACTOR and taking into consideration the applicable government rules and regulations on renewal of contracts.

XIV. REVIEW BY OGCC

This Contract shall be subject to the review of the Office of the Government Corporate Counsel (OGCC) whose comments and amendments shall form part of this agreement.
XV.  NON-WAIVER OF RIGHTS

The failure of one party to insist upon a strict performance of any of the terms, conditions and covenants hereof shall not be deemed a relinquishment or waiver of any right/remedy that said party may have, nor shall it be construed as a waiver of any subsequent breach of the same or other terms, conditions or covenants. No waiver by any one party or any of its rights under this Agreement shall be deemed to have been made unless expressed in writing and signed by that party.

XVI.  REPRESENTATION AND WARRANTIES

The parties warrant that they have not offered or given, and will not offer or give to any employee, agent, or representative of either Party, any gratuity, with a view toward securing any business from one another, or influencing such persons with respect to terms, conditions or performance of any contract with each other.

XVII.  SEPARABILITY CAUSE

If any term or condition of this Service Agreement is held invalid or contrary to law, the validity of the other terms and conditions hereof shall not be thereby affected.

SIGNED BY the parties this _________________ in Taguig City, Philippines.

BASES CONVERSION AND DEVELOPMENT AUTHORITY

By:                        By:

ARNEL PACIANO D. CASANOVA  ______________________________
President & CEO             President/COO
SIGNED IN THE PRESENCE OF:

[Signature over printed name] [Signature over printed name]

ACKNOWLEDGMENT

Republic of the Philippines)

) SS.

BEFORE ME a Notary Public for ________________, personally appeared:

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<th>Name</th>
<th>ID No.</th>
<th>Date/Place Issued</th>
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<tr>
<td>ARNEL PACIANO D. CASANOVA, Esq. for BCDA</td>
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who both proved to me by competent evidence of their identities to be the same persons who executed the foregoing instrument, and acknowledged to me that the same is their true and voluntary act and deed, as well as the true and voluntary act and deed of the entities they represent.

This instrument refers to a Service Agreement for Manpower Services between BCDA and the ________________, where the latter agreed to provide manpower services to BCDA. This instrument consists of ten (10) pages, including this page on which the Acknowledgment is written and the parties hereto and their principal witnesses have affixed their signatures on the dorsal page and on the left margins of each page hereof.

SIGNED AND SEALED this ________________ in Taguig City, Philippines.