

SERVICE AGREEMENT

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 (RA) No. 7227, as amended, with principal office address at the BCDA Corporate Center, 2/F Bonifacio Technology Center, 31st Street corner 2nd Avenue, Bonifacio Global City, Taguig City, Metro Manila, represented herein by its President and Chief Executive Officer, **VIVENCIO B. DIZON**, who is duly authorized for this purpose as evidenced by the Secretary's Certificate issued on 27 July 2018, a certified true copy of which is hereto attached as Annex "A" and made an integral part hereof, hereinafter referred to as the "**BCDA**";

-and-

DBP SERVICE CORPORATION, a corporation duly organized and existing under the laws of the Republic of the Philippines, with office address at 2nd Floor, Executive Building Center, Sen. Gil Puyat Ave. corner Makati Ave., Makati City, represented herein by its President, **RODOLFO C. MANALIGOD**, duly authorized for this purpose as evidenced by the Secretary's Certificate issued on 05 July 2018, a certified true copy of which is hereto attached as Annex "B" and made an integral part hereof, hereinafter referred to as the "**CONTRACTOR**".

BCDA and the **CONTRACTOR** shall be referred to individually as "Party" and collectively as "Parties".

ANTECEDENTS:

The **CONTRACTOR**, duly registered with Certificate of Registration No. NCR-MPFO-72600-6-27-13-098-R issued by Department of Labor and Employment (DOLE) National Capital Region on 20 July 2016, is an independent service provider with substantial capital, equipment, and expertise, primarily engaged in the business providing manpower services.

BCDA needs a **CONTRACTOR** to provide manpower for general support services, including janitorial, estate management and maintenance services, and driving services for its corporate offices and facilities in Bonifacio Global City and Pamayanang Diego Silang in Taguig City, its field offices for Subic-Clark-Tarlac Expressway (SCTEX)/New Clark City Projects in Pampanga and Tarlac, its staff houses in Camp John Hay, Baguio City and Clarkfield, Pampanga, and Bataan Technology Park in Morong, Bataan.

BCDA conducted a bidding for the selection of a **CONTRACTOR** to provide said manpower services.

Upon evaluation of the prequalification documents and bids, the Bids and Awards Committee (BAC) for Goods recommended that the Service Agreement for Lot 1: Manpower Services for General Support and Janitorial Services for **BCDA** (hereinafter referred to as Agreement) be awarded to the **CONTRACTOR** since the proposal submitted by it has been found to be the most favorable and advantageous to **BCDA**.

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

NOW, THEREFORE, 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 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 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;**

CERTIFIED TRUE COPY
TINA ROSE VILLA
RECORDS MANAGEMENT OFFICER IV
BCDA RECORDS OFFICE
SEP 11 2018

Handwritten initials and a large signature mark are present at the bottom right of the page.

- Annex "C" - All relevant Bidding Documents;
- Annex "D" - Affidavit of Site Inspection;
- Annex "E" - **CONTRACTOR's** Bid, including price and derivation of price per manpower service personnel, list and corresponding prices of supplies, tools and equipment, Eligibility requirements, Technical and Financial proposals and all other documents/statements submitted;
- Annex "F" - Performance Security;
- Annex "G" - Notice of Award with **CONTRACTOR's** "Conforme";
- Annex "H" - Tax Clearance issued by the Bureau of Internal Revenue (BIR);
- Annex "I" - Other pertinent documents as may be required by **BCDA** and the Commission on Audit (COA);
- Annex "J" - Net Financial Contracting Capacity of the **CONTRACTOR**.

- 1.2 All contract documents are and shall remain properties of **BCDA**.
- 1.3 All documents which have been or may hereinafter be executed by the Parties shall likewise form integral parts of this Agreement.
- 1.4 It is expressly agreed and understood that in case of conflict between this 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 **BCDA** with manpower personnel as specified in Annex "C".

The number of personnel and services may increase or decrease at any time at the discretion of **BCDA**. **BCDA**, however, may inform the **CONTRACTOR** if any of its personnel has not been performing satisfactorily, has been remiss in the performance of his/her duties and/or has been found liable for committing acts detrimental to **BCDA** and/or its Project/s and, following due process, the **CONTRACTOR** shall cause the replacement of the subject personnel at any time if he/she has been found guilty of such. **BCDA** 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 **BCDA**, the **CONTRACTOR** shall consider the minimum qualification standards and level of competence required by **BCDA** for the services to be performed as provided in this Agreement. The **CONTRACTOR** may hire the present personnel performing manpower services for **BCDA**.
- 2.3 The **CONTRACTOR** shall ensure and guarantee that the salaries and benefits of its personnel deployed to **BCDA** are properly paid on time in accordance with law. The **CONTRACTOR** hereby acknowledges **BCDA's** right to conduct payroll audit at any given time during the contract period.
- 2.4 The **CONTRACTOR** shall provide and advance the release of per diem of concerned personnel in case of approved local travels outside of their place of assignment. The costs appurtenant thereto, shall not be subject to administrative fees and, shall be included in the billing statement to be charged to **BCDA** with the duly approved travel order from **BCDA** attached therein.
- 2.5 The **CONTRACTOR** shall comply with the laws governing employee's compensation, PhilHealth, Social Security System (SSS), PagIBIG Fund, and labor standards, and other laws, rules and regulations of employment. Relative thereto, the **CONTRACTOR** shall submit, on a monthly basis, certified copies of proof of payments of all its obligations to its personnel assigned to **BCDA** under the provisions of the SSS Law, Employees' Compensation Act, Philhealth and other pertinent statutes.
- 2.6 The **CONTRACTOR** shall issue a pay slip to each personnel every payday detailing the salaries received and all deductions due to each personnel.
- 2.7 The **CONTRACTOR** shall make arrangements with any reputable Philippine commercial bank to provide Automated Teller Machine (ATM) services to its personnel through which payment of their salaries and wages shall be coursed through.

CERTIFIED TRUE COPY

TINA ROSAL VILLA
RECORDS MANAGEMENT OFFICER IV
BCDA RECORDS OFFICE
SEP 11 2018

- 2.8 The **CONTRACTOR**, in the performance of its services, shall secure and maintain at its own expense all registration, licenses or permits required by national and local laws. It shall comply with the rules and regulations of regulatory authorities and commissions. Relative thereto, the **CONTRACTOR** is required to apply for the renewal of its Certificate of Registration thirty (30) days before the expiration of its registration with DOLE if said registration will expire within the contract period. It shall submit to **BCDA** a certification from DOLE that its application is in process.
- 2.9 For janitorial services, the **CONTRACTOR** shall provide the required minimum tools, equipment, supplies and materials as specified in Annex "C" which shall be properly accounted for by **BCDA**. The tools and equipment shall be functional and in good working condition for the duration of the contract, the cost for which shall be for the **CONTRACTOR**'s expense and shall not be included in the monthly billing. Should the industry require higher standards or if the services under this Agreement require such tools, equipment, supplies and materials to ensure better performance, the **CONTRACTOR** shall abide by such requirements.
- 2.10 The **CONTRACTOR** shall assume full responsibility for any claim that its personnel may make by reason of their employment and in case of accident, injury or illness incurred in the line of duty.
- 2.11 The **CONTRACTOR**'s personnel shall abide by **BCDA**'s policies, rules and regulations, and shall submit themselves to all security and safety protocols of **BCDA**.
- 2.12 The **CONTRACTOR** shall ensure that, in case of absences, relievers and/or replacements with the same qualifications and/or competence as required by **BCDA** are available at all times to ensure continuous and uninterrupted service.
- 2.13 The **CONTRACTOR** and its personnel shall hold and maintain confidential all information which may come into their possession or knowledge in connection with the performance of the services, and not make use thereof other than for the performance of the services under the Agreement or as mandated by **BCDA**. The confidentiality obligation of the **CONTRACTOR** and its personnel shall remain effective even beyond the termination of the Agreement, within reason and as provided for by law.
- 2.14 The **CONTRACTOR** shall provide, at its own expense, uniforms for its personnel assigned to **BCDA**.
- 2.15 The **CONTRACTOR** shall provide a dedicated representative/coordinator who shall be on-call to address all concerns regarding the deployment of its personnel to **BCDA**.

III. RESPONSIBILITIES OF BCDA

- 3.1 **BCDA** shall effect corresponding adjustments in the daily wages, upon the endorsement of the **CONTRACTOR**, if any law, order, rule or regulation is promulgated or issued increasing the minimum wage, if applicable, or providing for payment of additional employee benefits.
- 3.2 Except for justifiable reasons, **BCDA** likewise undertakes to pay the **CONTRACTOR** its billing, in accordance with this Agreement, within fifteen (15) days from receipt thereof provided all documentary requirements are complete.
- 3.3 **BCDA** undertakes to insure its vehicles with the Government Service Insurance System (GSIS) or any reputable insurance company to answer for accidental damages thereto and for third party liabilities.
- 3.4 **BCDA** shall provide a storage space for the equipment and other cleaning materials of the **CONTRACTOR**. The cleanliness of said space shall be maintained properly and in no instance shall the space be used for any purpose other than that for which it is intended.
- 3.5 **BCDA** undertakes to compensate work authorized to be performed by personnel during legal holidays and rest days in accordance with the existing provisions of the Labor Code.
- 3.6 **BCDA** shall consider services authorized to be rendered beyond the required number of hours per day as overtime work subject to overtime pay.
- 3.7 Administer a quarterly appraisal system to evaluate the performance of the **CONTRACTOR** with the following performance criteria: (i) quality of service delivered; (ii) time management;

(iii) management and suitability of personnel; (iv) contract administration and management; and (v) provision of regular progress reports.

IV. WORK SCHEDULE

4.1 The manpower personnel shall observe the following working schedule:

4.1.1 The following personnel shall render eight (8) hours of work daily, six (6) days a week, except on legal holidays and the personnel's designated rest day:

- 4.1.1.1 Utility Supervisor
- 4.1.1.2 Janitor/Janitress/Utility Personnel
- 4.1.1.3 Carpenter/Maintenance Supervisor
- 4.1.1.4 Aircon Technician/Jr. Electrician
- 4.1.1.5 Skilled Maintenance Crew

4.1.2 The following personnel shall render eight (8) hours of work daily, five (5) days a week, from Mondays to Fridays (generally, unless otherwise requested), twenty-two (22) working days in a month, except on legal holidays and the personnel's designated rest days:

- 4.1.2.1 Mechanic/Driver
- 4.1.2.2 Assistant Mechanic
- 4.1.2.3 Light Vehicle Driver
- 4.1.2.4 Heavy Vehicle Driver
- 4.1.2.5 Sr. Electrician/Maintenance Technician

4.2 **BCDA** shall, in the exigency of the service, require the **CONTRACTOR** to provide sufficient number of personnel to render overtime work, subject to the same terms and conditions as provided in their regular work schedule.

4.3 All personnel may be required to render overtime work as needed by **BCDA**. The 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 overtime pay from the **CONTRACTOR** which shall be charged on the subsequent billing.

V. CONSIDERATION FOR THE CONTRACT

5.1 For and in consideration of the manpower services provided by the **CONTRACTOR**, **BCDA** shall pay the **CONTRACTOR** the amount of the following monthly basic pay rates per service personnel for eight (8) hours work per working day, to wit:

5.1.1	Utility Supervisor	Php	17,290.00
5.1.2	Janitors/Janitress/Utility Personnel		14,274.00
5.1.3	Heavy Vehicle Driver		14,630.00
5.1.4	Light Vehicle Driver		13,904.00
5.1.5	Mechanic/Driver		14,630.00
5.1.6	Assistant Mechanic		13,904.00
5.1.7	Sr. Electrician/Maintenance Technician		18,546.00
5.1.8	Aircon Technician/Jr. Electrician		17,290.00
5.1.9	Carpenter/Maintenance Supervisor		17,290.00
5.1.10	Skilled Maintenance Crew		16,432.00

5.2 Monthly billing rates for other service personnel shall be computed as the need arises and as required by **BCDA**.

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

5.4 In addition, **BCDA** shall pay the **CONTRACTOR** the following:

5.4.1 Monthly COLA, if applicable, five-day Incentive Leave Pay and 13th Month Pay of the **CONTRACTOR**'s personnel assigned to **BCDA**;

5.4.2 Overtime pay and other emoluments due to the personnel deployed as mandated by law, if any;

CERTIFIED TRUE COPY
TINA ROSE A. VILLA
RECORDS MANAGEMENT OFFICER IV
BCDA RECORDS OFFICE
SEP 11 2018

- 5.4.3 The employer share for the Remittances/Contributions to Government Institutions: SSS, PhilHealth, PagIBIG Fund, Employees Compensation Commission (ECC), and others as mandated by applicable laws;
- 5.4.4 Administrative cost in the maximum amount of **One Hundred Forty Two Thousand Seven Hundred Twenty Four Pesos and 52/100 (Php 142,724.52)** per month, for supplies and materials as specified in Annex "C", to be billed by the **CONTRACTOR** on a monthly basis, subject to Sections 5.4.5 and 5.4.6;
- 5.4.5 12% E-VAT (or the applicable tax rate in accordance with law) which shall be included in the total contract price; and
- 5.4.6 10% of the total contract cost as Administrative Fee per DOLE Department Order No. 174, s. 2017.

VI. BILLING PROCEDURES

- 6.1 For purposes of payment, the **CONTRACTOR** shall submit to **BCDA** the following requirements:
- 6.1.1 Semi-monthly billings as certified by the **CONTRACTOR** within seven (7) days from cut-off date. The cut-off date shall be as follows:
- 6.1.1.1 Every 5th day of the succeeding month; and
- 6.1.1.2 Every 20th day of the month.
- 6.1.2 Individual time records of the service personnel concerned for actual services rendered as cleared for payment by their immediate supervisor from **BCDA**; and
- 6.1.3 Affidavit or sworn statement that it has paid the salaries and benefits of its employees for the preceding month/s.
- 6.2 Except for justifiable reasons, billing shall be paid within fifteen (15) working days from date of receipt by **BCDA** provided all documentary requirements are complete.
- 6.3 **BCDA** 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 payments due to the personnel on time at the prescribed rates provided herein and in pertinent laws.

VII. INDEMNIFICATION FOR DAMAGES

The **CONTRACTOR** shall indemnify **BCDA** for all losses and damages suffered/caused to **BCDA** and its properties whether within or 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 **BCDA** shall give the **CONTRACTOR** prior written notice of such loss, damage, injury or death within fifteen (15) working days from the discovery of the same.

VIII. LABOR BOND

- 8.1 Within five (5) days from signing of this Agreement, the **CONTRACTOR** shall submit a surety bond (Labor Bond) equivalent to the total labor cost for one (1) month for all personnel under this Agreement. The said labor bond shall answer for the wages due the personnel assigned should the **CONTRACTOR** fail to pay the same.
- 8.2 The labor bond shall be callable upon demand and shall have a validity period equal to the duration of the contract including extension, if any, plus three (3) months.

IX. PERFORMANCE SECURITY

- 9.1 To guarantee the faithful performance of the obligations and services required, the **CONTRACTOR** shall, upon execution of this Agreement, post a performance security in an amount equal to thirty percent (30%) of the total contract price in the form of surety bond callable upon demand issued by a surety or insurance company duly certified by the Insurance Commission as authorized to issue such security. The performance security shall have a validity period equal to the duration of the contract including extension, if any, plus three (3) months.

CERTIFIED TRUE COPY

TINA ROSA R. VILLA
RECORDS MANAGEMENT OFFICER IV
BCDA RECORDS OFFICE
SEP 17 2018

- 9.2 **BCDA** shall have recourse to and the right to forfeit the bond and its proceeds upon violation by the **CONTRACTOR** of this Agreement or any provision hereof. The bond shall be released upon the faithful and complete performance by the **CONTRACTOR** of its obligations and services under this Agreement.
- 9.3 The 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 pertinent laws.

X. LIQUIDATED DAMAGES

In accordance with RA 9184 and its RIRR, the amount of liquidated damages shall be at least equal to one-tenth of one percent (0.001) of the cost of the unperformed portion for every day of delay. Once the cumulative amount of liquidated damages reaches ten percent (10%) of the amount of the Agreement, **BCDA** may rescind/terminate the Agreement, without prejudice to other remedies it may have under this Agreement and under the law.

XI. EFFECTIVITY AND DURATION OF THE SERVICE AGREEMENT

- 11.1 This Agreement shall be effective for a period of two (2) years, commencing on 01 August 2018 and ending on 31 July 2020, unless otherwise terminated pursuant to causes stated in the Agreement.
- 11.2 **BCDA** may opt to extend the Agreement 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, provided that all the conditions set forth in the Revised Guidelines on the Extension of Contracts for General Support Services (Appendix 24 of the 2016 RIRR of RA 9184) have been complied with.
- 11.3 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 **BCDA**. Based on the assessment, **BCDA** may pre-terminate the Agreement for failure of the **CONTRACTOR** to perform its obligations, in line with the Guidelines on Termination of Contracts (Annex I of the 2016 RIRR of RA 9184).

XII. TERMINATION

The Agreement may be terminated by **BCDA** without need of judicial action upon violation by the **CONTRACTOR** of any terms and conditions hereof by giving the **CONTRACTOR** at least thirty (30) days prior written notice to such effect.

The Agreement may be pre-terminated by either party subject to the provisions stated herein by serving a written notice to the other party at least thirty (30) days prior to the specified date of pre-termination.

XIII. ARBITRATION AND VENUE OF ACTION

Any dispute arising out of or in connection with this Agreement shall be submitted for arbitration under the applicable arbitration laws of the Philippines, which shall be the venue of the arbitration proceedings. The venue of actions arising from the Agreement shall be exclusively in the proper courts of Taguig City.

XIV. NO EMPLOYER-EMPLOYEE RELATIONSHIP

- 14.1 Any personnel assigned by the **CONTRACTOR** under this Agreement shall in no case be considered an employee of **BCDA**, 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. **BCDA** 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.
- 14.2 In the event that **BCDA** is held liable for claims of employees of the **CONTRACTOR** under the Labor Code, the **CONTRACTOR** undertakes and binds itself to reimburse **BCDA** for such amount paid under such claims, in addition to the remedies of **BCDA** under this Agreement, and pertinent laws.

CERTIFIED TRUE COPY

TINA ROSE M. VILLA
RECORDS MANAGEMENT OFFICER IV
BCDA RECORDS OFFICE
SEP 11 2018

XIV. OGCC REVIEW

The Agreement 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 party 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 provision of this Agreement is held invalid or contrary to law, the validity of the other provisions hereof shall not be thereby affected.

SIGNED BY the parties this 01 August 2018 in Taguig City, Philippines.

BASES CONVERSION AND DEVELOPMENT AUTHORITY

DBP SERVICE CORPORATION

By:

By:


VIVENCIO B. DIZON
President and CEO


RODOLFO C. MANALIGOD

BCDA Organization Development & Management Department
Bases Conversion and Development Authority
FB2018-1390

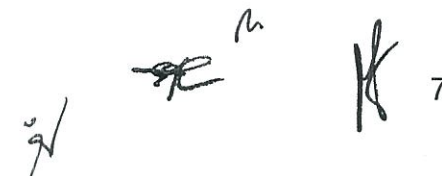
Signed in the Presence of:




RAUL LUIS D. MANALIGOD

CERTIFIED TRUE COPY

TINA ROSE VILLA
RECORDS MANAGEMENT OFFICER IV
BCDA RECORDS OFFICE



ACKNOWLEDGMENT

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

BEFORE ME, a Notary Public for and in Taguig City, personally appeared the following:

NAME	IDENTIFICATION DOCUMENT	DATE AND PLACE OF ISSUE
VIVENCIO B. DIZON	Passport # S0011573A	31 Aug 2017 DFA Ma
RODOLFO C. MANALIGOD	SSS # 03 - 8857473 - 7	

known to me to be the same persons who executed the foregoing instrument and they acknowledge to me that the signatures they affixed confirm their voluntary act and deed and of the entity they represent.

SIGNED AND SEALED on the SEP 05 2018 in Taguig City.

Doc. No. 204;
Page No. 42;
Book No. 01;
Series of 2018.

MCS
ATTY. MARICEL C. CORONACION-SANTOS
NOTARY PUBLIC FOR AND IN TAGUIG CITY
NOTARIAL COMMISSION UNTIL DECEMBER 31, 2019
ROLL OF ATTORNEYS NO. 63834
IBP NO. 831591 / 1-29-18 / RIZAL
PTR NO. A-3819406 / 1-26-18 / TAGUIG CITY
MCLE COMPLIANCE NO. V-0016874 / 16 MARCH 2018

Uncontrolled when printed or emailed

CERTIFIED TRUE COPY
TINA ROSE *TR* VILLA
RECORDS MANAGEMENT OFFICER IV
BCDA RECORDS OFFICE
SEP 11 2018

A

SE
2/
18 8