CONTRACTORS AGREEMENT

THIS AGREEMENT made this _____ between:

The **PRIVATIZATION AND MANAGEMENT OFFICE**, with office address at 104 Gamboa Street, Legaspi Village, Makati City, represented herein by its Chief Privatization Officer, **ATTY. MAAN VANESSA L. DOCTOR** (hereinafter called the "Entity");

- and -

The **DBP SERVICE CORPORATION**, with business address at 2nd Floor, Executive Bldg. Center, Gil Puyat corner Makati Avenue, Makati City, represented herein by its First Vice President, **MR. GERRY A.C. ARELLANO** (hereinafter called the "Contractor");

WHEREAS, the Entity invited Bids for certain goods and ancillary services, particularly **Provision of Outsourced Personnel Services for C.Y. 2024 (Clerk, Housekeeping, Driver/Messenger, and Messenger)** and has accepted a Bid by the Supplier for the supply of those goods and services in the sum of **Nine Million Nine Hundred Forty Thousand Four Hundred Eighty-Four Pesos and 4/100 (PhP9,940,484.04)** (hereinafter called "the Contract Price").

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. In this Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract referred to.

2. The following documents as required by the 2016 revised Implementing Rules and Regulations of Republic Act No. 9184 shall be deemed to form and be read and construed as integral part of this Agreement, *viz.*:

   i. Philippine Bidding Documents (PBDs);
      i. Schedule of Requirements;
      ii. Technical Specifications;
      iii. General and Special Conditions of Contract; and
      iv. Supplemental or Bid Bulletins, if any

   ii. Winning bidder's bid, including the Eligibility requirements, Technical and Financial Proposals, and all other documents or statements submitted;

   Bid form, including all the documents/statements contained in the Bidder's bidding envelopes, as annexes, and all other documents submitted (*e.g.*, Bidder's response to request for clarifications on the bid), including corrections to the bid, if any, resulting from the Procuring Entity's bid evaluation;

   iii. Performance Security;

   iv. Notice of Award of Contract; and the Bidder's conforme thereto; and

   v. Other contract documents that may be required by existing laws and/or the Procuring Entity concerned in the PBDs. **Winning bidder agrees that additional contract documents or information prescribed by the GPPB that are subsequently required for submission after the contract execution, such as the Notice to Proceed, Variation Orders, and Warranty Security, shall likewise form part of the Contract.**

3. In consideration for the sum of Nine Million Nine Hundred Forty Thousand Four Hundred Eighty-Four Pesos and 4/100 (PhP9,940,484.04) or such other sums as may be ascertained, DBP Services Corporation (DBPSC) agrees to deliver the goods and services for the Provision of Outsourced Personnel Services for C.Y. 2024 (Clerk, Housekeeping, Driver/Messenger, and Messenger) in accordance with its Bid.

4. The Privatization and Management Office agrees to pay the above-mentioned sum in accordance with the terms of the Bidding.

IN WITNESS whereof the parties hereto have caused this Agreement to be executed in accordance with the laws of the Republic of the Philippines on the day and year first above written.

ATTY. MAAN VANESSA L. DOCTOR
Chief Privatization Officer and
Head of the Procuring Entity

for:
Privatization and Management Office

MR. GERRY A.C. ARELLANO
Senior Vice President

for:
DBP Service Corporation

WITNESSED BY:

Lizelle M. Perez
(Signature over printed name)
for:
Privatization and Management Office

Jose G. De Leon
(Signature over printed name)
for:
DBP Service Corporation

CERTIFIED FUNDS AVAILABLE:

RHODORA B. TORRALBA
Chief Accountant

Contract No.: 2024-01-001

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF MAKATI) S.S.

BEFORE ME, a Notary Public personally appeared this JAN 22 2024 in the City of Makati:

NAME	VALID IDENTIFICATION DOCUMENT	DATE/PLACE ISSUED
ATTY. MAAN VANESSA L. DOCTOR *Chief Privatization Officer and Head of the Procuring Entity of the Privatization and Management Office*	PMO ID # 256	August 22, 2017 Makati City
MR. GERRY A.C. ARELLANO *First Vice President of the DBP Service Corporation*	SSS ID - 03 - 0393818 - 0	

known to me and known to be the same persons who executed the foregoing agreement and they acknowledge to me that the same is their own free and voluntary act and deed and of the principals they represent.

I further certify that this instrument refers to a Contractors Agreement consisting of three (3) pages, including this page bearing the acknowledgement, duly signed by the parties, and their witnesses on each and every page thereof.

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

NOTARY PUBLIC

Doc. No. 708
Page No. 142
Book No. VIII
Series of 2024.

ANNEX **"A"**

Detailed Technical Specifications

Section 1. SERVICES

1.1. The SERVICE PROVIDER agrees to supply PMO with outsourced personnel services (Clerk, Housekeeping, Driver/Messenger, and Messenger) such as those enumerated below:

Clerk:

Qualifications:

1. At least college level of education with thorough knowledge of computer operations and programs.
2. Minimum of one (1) year in clerical work;
3. Must have a valid and current Police/NBI clearance;
4. Must submit a latest Barangay Clearance issued by the Barangay Chairman.

Duties and Responsibilities:

1. Provide technical and administrative support to his/her assigned division/office.
2. Perform scanning, encoding, inventory and digitization of records.
3. Perform other functions as may be assigned by his/her immediate supervisor.
4. Must wear proper office attire.

Housekeeping:

Qualifications:

1. At least high school level of education;
2. Minimum of one (1) year experience in housekeeping;
3. Must have a valid Police/NBI Clearance;
4. Must submit a latest Barangay Clearance issued by the Barangay Chairman.

Duties and Responsibilities:

1. Daily Routine Operation
   a. Sweeping, mopping, spot scrubbing, waxing and polishing of all floors, shall be serviced continuously during hours of public use to guarantee cleanliness;
   b. Dusting and cleaning of all glass tops, doors window ledges, air vents and partitions, furniture and fixtures that requires specialized maintenance;
   c. Cleaning and sanitizing of toilets and washrooms which includes the use of special cleaning and sanitizing agents in the wash basin and toilet bowls;
   d. Disposal of trash, rubbish and garbage from the premises to receptacles provided for such purpose;

Conforme by:

GERRY A.C. ARELLANO
Senior Vice President
Signature over Printed Name of Authorized Signatory

e. Disinfecting, cleaning and dusting of machine equipment, tabletops, horizontal and vertical surfaces;
f. Fogging of toilets and certain areas with deodorant and air fresheners; and
g. Reporting of all breakages, electrical malfunctions and other breakdown of facilities and equipment that require immediate attention.

2. Weekly Periodic Operations
   a. Washing and cleaning of inside glass windows and doors;
   b. Scrubbing of tiles with soap/cleaning agent and rinsing the same; and
   c. General disinfecting of all areas, tabletops, horizontal and vertical surfaces every Wednesday and Saturday or as may be scheduled.

3. Monthly Project Operation
   a. Thorough general cleaning by way of scrubbing, spot checking of damaged tiles, removal of stains and others;
   b. Thorough cleaning and washing of inside walls and ceilings;
   c. Thorough cleaning, sanitizing and disinfecting of all washrooms and toilet fixtures;
   d. Thorough inspection and removal of stains/marks on carpeted areas;
   e. Thorough cleaning and maintenance of carpeted areas; and
   f. Washing and cleaning occasionally of light diffusers, venetian blinds, screens outside walls, etc.

Driver/Messenger:

Qualifications:

1. At least high school level of education;
2. Must possess a valid Professional Driver's License;
3. Must know minor mechanical/electrical troubleshooting of motor vehicles;
4. Must be knowledgeable in the streets/locations of Metro Manila and nearby provinces;
5. Minimum of three (3) years driving experience;
6. Must have a valid and current Police /NBI Clearance; and
7. Must submit a latest Barangay Clearance issued by the Barangay Chairman.

Duties and Responsibilities:

1. Drives company service vehicle/s and maintains the same in good working condition.
2. Maintenance and cleaning of PMO vehicle(s).
   a. Checking of Brake Lights, Signal Lights, Park Lights, Headlights, Engine Oil, Brake Fluid, Radiator Fluid, Tires
3. Maintenance of Driver's Log.
   a. Daily trips / Destination/Vehicles' Mileage
   b. Time in and out
4. Report to proper officer any observation pertaining to vehicles and other findings which are subject for repair.
5. Perform other functions as may be assigned by his/her immediate supervisor.

Conforme by:

GERRY A.C. ARELLANO
Senior Vice President
Signature over Printed Name of Authorized Signatory

Messenger:

Qualifications:

1. At least high school level of education;
2. Must be knowledgeable in the streets/locations of Metro Manila and nearby provinces;
3. Minimum of one (1) year experience in messenger/courier services;
4. Must have a valid Police/NBI clearance;
5. Must submit a latest Barangay Clearance issued by the Barangay Chairman.

Duties and Responsibilities:

1. Deliver and pick-up communication, mail, parcels and other related official documents to and from other offices.
2. Deliver inter-office communication, circulars, memoranda and other related official documents.
3. Perform emergency purchase to nearby stores if needed.
4. Perform other functions as may be assigned by his/her immediate supervisor.

The foregoing shall hereinafter be referred to as the "SERVICES";

1.2. Each personnel shall put in work according to the following schedule:

DESIGNATION	REGULAR WORK SCHEDULE	
Clerk II, III	Eight (8) hours/day	Five (5) days a week (Monday to Friday)
Housekeeping	Eight (8) hours/day	Six (6) days a week (Monday to Saturday)
Driver/Messenger		Five (5) days a week (Monday to Friday)
Messenger		Five (5) days a week (Monday to Friday)

and shall be required to prepare a daily report of the actual time and services rendered pursuant to this Contract, which shall be the basis for payment by PMO per Section 3 herein. Work rendered in excess of eight (8) hours a day or on Saturdays (for Driver/Messenger), Sundays or Holidays shall be subject to the payment of overtime, premium pay, nightshift differential and/or other benefits in accordance with existing labor laws, rules and regulations, provided that work to be rendered outside of the regular working schedule as indicated in the table above shall be subject to the prior written request and approval from the Chief Privatization Officer or Deputy Privatization Officer concerned, such that no overtime/premium pay or nightshift differential or any other such benefit shall be paid by PMO without said written request and approval.

Section 2. **PERIOD OF ENGAGEMENT**

2.1 This Contract shall be valid and effective until December 31, 2024 from the date of execution of the contract unless sooner terminated by PMO under Condition No. 7 hereof. At least thirty

Conforme by:

GERRY A.C. ARELLANO
Senior Vice President
Signature over Printed Name of Authorized Signatory

(30) days prior to the expiration date, this Contract may be renewed on a month-to-month basis, subject to the approval of the HoPE, provided it shall not exceed six (6) months.

Section 3. **CONSIDERATION, EXPENSES AND PAYMENTS**

3.1. In the event of any mandated wage increase applicable to the personnel assigned to PMO, the same shall be paid by PMO subject to availability of funds and existing government accounting and auditing rules and regulations, provided that any adjustment or consideration, whether it be by mandate of law or by agreement of the parties, shall be embodied in a written agreement duly signed by the parties.

3.2. PMO shall pay the SERVICE PROVIDER for actual services rendered by each personnel subject to the submission and certification of the following:

1. Summary of time and service rendered for the performance of the services required by this Contract, prepared by the personnel concerned and duly certified by the SERVICE PROVIDER;

2. Affidavit of payment of wages to its personnel assigned to PMO in accordance with existing minimum wage requirements and other applicable laws;

3. Verification of the SERVICE PROVIDER'S payment of premiums for Social Security System ("SSS"), PhilHealth, Pag-IBIG and other benefits due to the personnel assigned to PMO;

4. Such other documents as may be required by PMO as well as existing government accounting and auditing rules and regulations to ensure proper billing and payment under this Contract.

PMO shall commence processing payment upon submission of the foregoing.

Section 4. **OBLIGATIONS OF THE SERVICE PROVIDER**

4.1. The SERVICE PROVIDER shall provide PMO with the following personnel:

DESIGNATION	NUMBER
Clerk II	8
Clerk III	2
Housekeeping	19
Driver/Messenger	3
Messenger	3

The total number of personnel is subject to increase/decrease as a result of continued evaluation of the requirements of PMO or such other circumstances requiring the same. As the need arises, the

Conforme by:

GERRY A.C. ARELLANO
Senior Vice President
Signature over Printed Name of Authorized Signatory

SERVICE PROVIDER hereby undertakes to post/pull-out personnel within seventy-two (72) hours after receipt of a written request to do so from PMO.

4.2. The SERVICE PROVIDER shall be responsible for providing all equipment and tools necessary for the performance of the services enumerated under Section 1.1 hereof, such as, but not limited to uniforms (2 sets of free complete uniform for housekeeping, driver/messenger, and messenger) and identification cards as well as cleaning equipment/tools/materials, the quality and quantity of which are contained in the list of requirements under Section VI.

The SERVICE PROVIDER hereby undertakes to make available to PMO the equipment/tools enumerated in Section VI hereof upon effectivity of this Contract, as well as to maintain the same for use within the PMO premises for the duration of the Contract.

4.3. The SERVICE PROVIDER shall provide each of its employees an Automated Teller Machine (ATM) account as part of its payroll system. Application and fees for the opening of the ATM shall be borne by the SERVICE PROVIDER.

4.4. The SERVICE PROVIDER shall be responsible for the primary supervision of the personnel to be assigned to the PMO under this Contract, provided that the PMO reserves the right to conduct regular evaluation as well as random/unannounced inspections of the SERVICE PROVIDER's work, based on reasonable criteria and standards vis-à-vis the services required. SERVICE PROVIDER's supervision shall include the following:

- Utilization of only competent, honest and qualified workforce for the performance of the services under this Contract. All personnel assigned to PMO shall possess the minimum skills required, have no criminal record and of good physical and mental condition as determined by the credible examination.

- All personnel shall be well groomed and properly uniformed at all times while in the performance of their duties. Identification cards must be worn and prominently displayed by personnel at all times within the premises.

- Outlining of the methods and means by which the services shall be performed, consistent with the intent of this Contract as well as the needs of PMO, provided that the latter reserves the right to evaluate the results thereof using reasonable standards/criteria.

- Impose disciplinary action or dismissal vis-à-vis erring personnel.

The foregoing shall in no way prejudice the right of PMO to request replacement of workforce or to file any complaint/incident report of negligence, misconduct, malfeasance, nonfeasance of the personnel.

Neither shall the SERVICE PROVIDER's supervision and control as enumerated above prejudice PMO's right to ensure compliance with its internal rules on matters of security and safety.

Conforme by:

GERRY A.C. ARELLANO
Senior Vice President
Signature over Printed Name of Authorized Signatory

4.5. All national or local taxes arising from the execution of this Contract shall be for the account of the SERVICE PROVIDER, which shall be solely responsible for and shall file, in a timely manner, all tax returns required to be filed with and payment made to any national or local tax authority with respect to the performance and completion of the Service.

4.6. The SERVICE PROVIDER shall be responsible for payment of all applicable compensation, benefits and insurance premiums for the personnel assigned to PMO under this Contract.

4.7. Provide PMO, upon its request, with copies of the SERVICE PROVIDER's employment contract with the personnel assigned to PMO, for the purpose of ensuring compliance with the minimum labor, occupational safety and health standards and social/welfare benefits. Terms and conditions of employment of SERVICE PROVIDER's employees are, however, the exclusive concern of the SERVICE PROVIDER.

4.8. The SERVICE PROVIDER hereby undertakes to inform personnel assigned to PMO that they are not entitled to employee benefits granted by PMO to its regular employees. The SERVICE PROVIDER is likewise responsible for explaining to said personnel the terms and conditions of this Contract and to furnish them with copies of the same.

4.9. The SERVICE PROVIDER shall be solely responsible for the safety of the personnel while in the performance of the services under this Contract.

Section 5. **EMPLOYMENT STATUS**

5.1. All personnel employed under this Contract are employees of the SERVICE PROVIDER. The assignment of personnel by the SERVICE PROVIDER to PMO does not give rise to any employer-employee relationship between said personnel and PMO. As such, the SERVICE PROVIDER assumes full responsibility for the control and supervision of its personnel, subject to Section 4.2 thereof.

5.2. There being no employer-employee relationship between PMO and the personnel assigned to it by the SERVICE PROVIDER under this Contract, PMO shall in no way be responsible for any claim for personal injury, wages and other employment benefits and other claims for damages, including death, arising out of, or in the course of, or in connection with the performance of the personnel duties.

5.3. All benefits (i.e., maternity/paternity benefits, etc.) due to the personnel assigned to PMO, under the Labor Code and other labor laws, rules and regulations, shall be for the account of the SERVICE PROVIDER.

5.4. Should the PMO be made liable for the SERVICE PROVIDER's failure to comply with existing labor laws/rules/regulations, the SERVICE PROVIDER hereby obligates itself to indemnify PMO to the full extent of such liability, including litigation expenses and other charges without need of any demand or legal action. In this regard, all expenses incurred and/or advanced by PMO for such purpose, provided the same are justified and duly supported by receipts and other acceptable proof of

Conforme by:

GERRY A.C. ARELLANO
Senior Vice President
Signature over Printed Name of Authorized Signatory

expense, shall be deducted from the SERVICE PROVIDER's billings and/or performance security under Section 8 hereof.

Section 6. **PERFORMANCE SECURITY**

6.1. Within ten (10) calendar days from receipt of the Notice of Award by the Bidder from the Procuring Entity but in no case later than prior to the signing of the Contract by both parties, a Performance Security shall be posted by the SERVICE PROVIDER to guarantee the faithful performance by it of its obligations under this Contract. The following Performance Security shall be executed by the SERVICE PROVIDER in favor of PMO.

FORM OF SECURITY	MINIMUM AMOUNT IN % OF THE TOTAL CONTRACT PRICE
a) Cash, Cashier's/Manager's Check, Bank Draft/Guarantee or Irrevocable Letter of Credit issued by a reputable local Universal or Commercial Bank;	Five percent (5%)
b) Surety Bond preferably issued by the GSIS *OR* by any private surety/insurance company provided it is accompanied by a valid certification from the Insurance Commission that said surety/insurance company is authorized to issue such instrument.	Thirty percent (30%)

6.2. The Performance Security shall be forfeited in favor of PMO in the event it is established that the SERVICE PROVIDER is in default in any of its obligations under this Contract.

6.3. The SERVICE PROVIDER shall maintain the Performance Security for the duration of this Contract or at least one (1) year from the effectivity of the Contract.

6.4. Liability of the agency shall not be limited to the value of the Performance Security but to the actual loss, damage or injury that may have been suffered by PMO, its personnel or representatives.

6.5. It is further agreed that in the said cases of loss, damage or injury, PMO's claims against the Performance Security does not preclude it from claiming for the value of such loss, damage or injury, so long as the amount due has not been fully collected by PMO. In line with this, the SERVICE PROVIDER hereby allows PMO to withhold payment of its service fees until the value of the said loss, damage or injury has been paid to PMO or to directly offset such payment with said value.

6.6. In addition, the Performance Security shall likewise be made to cover any and all claims for non-payment of wages, salary differentials or whatever monetary claims the personnel may have against the SERVICE PROVIDER, to the extent of work performed under this contract. In such event,

Conforme by:

GERRY A.C. ARELLANO
Senior Vice President
Signature over Printed Name of Authorized Signatory

the liability of the SERVICE PROVIDER shall not be limited to the amount of the Performance Security, but to the actual amount of the claims of the personnel.

6.7. The cost of obtaining the Performance Security and maintaining the same for the duration of the effectivity of this Contract shall be borne by the SERVICE PROVIDER.

6.8. Failure to post the Performance Security upon execution of this Contract, and the maintenance thereof for the required period shall be sufficient ground for PMO to terminate this Contract by written notice to the SERVICE PROVIDER without need of any court action.

6.9. In consideration of the limited access to financial institutions, regulatory and other offices, as well as the implementation of government restrictions on transport and travel, a Notarized Performance Securing Declaration (PSD), using the prescribed form attached as Annex "J", may be submitted by the SERVICE PROVIDER in lieu of a performance security.

Section 7. **PRE-TERMINATION**

7.1 PMO shall have the right, upon written notice to the SERVICE PROVIDER and without need of any action in court, to immediately cause the cancellation/termination of this Contract due to any of the following grounds:

- Violations by the SERVICE PROVIDER of any of the provisions of this Contract;
- Failure by the SERVICE PROVIDER to fulfill any of its obligations under this Contract;
- Non-payment by the SERVICE PROVIDER of the salaries/wages of the personnel assigned to PMO for more than thirty (30) calendar days from the time the same became due. The SERVICE PROVIDER's non-collection from PMO shall not be considered as an acceptable justification for such failure to pay wages/salaries;
- Non-remittance/non-payment by the SERVICE PROVIDER of the compulsory social security benefit contributions of their personnel to the pertinent government agencies (i.e., SSS, Pag-IBIG, Philhealth) and such non-remittance/non-payment of contributions were not acted upon/addressed by the SERVICE PROVIDER within thirty (30) calendar days form notice by PMO.
- Misrepresentation of any material fact pertaining to this Contract or the filing of false documents required by PMO to be submitted by the SERVICE PROVIDER under this Contract.

Section 8. **PENAL CLAUSE**

8.1 In addition to the terms and conditions contained herein, failure of the SERVICE PROVIDER to comply with any of its obligations under this Contract shall entitle PMO to the payment

Conforme by:

GERRY A.C. ARELLANO
Senior Vice President
Signature over Printed Name of Authorized Signatory

of damages, to be charged against the SERVICE PROVIDER's billings or its Performance Security, without prejudice to any legal action PMO may pursue. These charges shall not be limited to the value of the SERVICE PROVIDER's billings/Performance Security, but shall be equivalent to the actual value of the damage, loss or injury resulting from such failure.

8.2. Failure by the SERVICE PROVIDER to perform any of its obligations under this Contract shall entitle PMO to withhold payment of fees until the former has complied with its contractual obligation, without prejudice to PMO's right to pre-terminate under Section 7 above.

8.3. Nothing herein shall be construed as a waiver of PMO's right to pursue legal action for the protection and enforcement of its rights under this Contract.

Section 9. **MISCELLANEOUS PROVISIONS**

9.1. The SERVICE PROVIDER hereby holds PMO free and harmless from any and all claims its personnel and other employees may make against PMO and its personnel in connection with the performance of the services contemplated under this Contract.

9.2 The SERVICE PROVIDER shall not assign any of its rights and obligations under this Contract to any party without the prior written consent of PMO.

9.3. In case of dispute arising from this Contract, the parties hereby agree that the same shall be subject to the provisions of Republic Act No. 9285, otherwise known as the "Alternative Dispute Resolution Act of 2004".

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

9.5. All Commitments to the terms and conditions set forth in the Bidding Documents shall form part of this Contract, any violation of which will be sufficient ground for the unilateral termination/cancellation/rescissions of this Contract of Services.

Conforme by:

GERRY A.C. ARELLANO
Senior Vice President

Signature over Printed Name of Authorized Signatory