

**CONTRACT FOR THE PROVISION OF JANITORIAL SERVICES FOR
PMO-NCR NORTH FOR CY-2018**

BE IT KNOWN TO ALL:

This Contract made and entered into this _____, in the City of Manila by and between:

PHILIPPINE PORTS AUTHORITY – PMO-NCR North, a government instrumentality created under Presidential Decree No. 857, as amended, with principal office at PMO-NCR North Administration Bldg., Radial Road 10, North Harbor, Tondo, Manila, represented herein by its Port Manager, **ROSENDA G. SUMAGAYSAY**, and hereinafter referred to as the “**PPA**”,

- and -

_____, a private corporation duly organized and existing in accordance with Philippine laws, with principal office address at _____, represented herein by its duly Authorized Representative, _____, as evidence by the Secretary’s Certificate dated _____, hereto attached as Annex “A”, and hereinafter referred to as the “**CONTRACTOR**”.

WITNESSETH:

WHEREAS, the PPA would like to engage the services of a private entity for the provision of janitorial services to maintain cleanliness of the premises at PMO-NCR North;

WHEREAS, in accordance with 2016 Revised IRR of Republic Act No. 9184, the Bids and Awards Committee for PMO-NCR North (BAC-NCR-N) posted in the PPA and Phil-GEPS Website as well as on PPA bulletin boards an Invitation to Bid for the Procurement of Janitorial Services for the PMO-NCR North for CY-2018;

WHEREAS, after the opening of bids on _____ and the conduct of bid evaluation and the required post-qualification, the bid submitted by the CONTRACTOR was found to be the lowest calculated responsive bid in the amount of _____ (**Php**_____), per BAC Resolution No. _____ dated _____ 2018;

WHEREAS, in a Notice of Award (NOA) dated _____ 2018, the contract was awarded to the CONTRACTOR which signifies its “CONFORME” thereto;

NOW, THEREFORE, for and in consideration of the foregoing premises, the parties, agree as follows:

ARTICLE I CONTRACT DOCUMENTS

1.01 The following documents shall constitute integral parts of this Contract, to wit:

- a. Bidding Documents issued by PPA;
- b. Winning Bidder’s Bid, including the eligibility requirements, technical and financial proposals and all other documents/statements submitted;
- c. Performance Security;
- d. Notice of Award of Contract dated _____ bearing the Contractor’s “Conforme” thereto; and
- e. Other pertinent documents as may be required by existing laws and/or of PPA such as:
 1. Abstract of Bids;
 2. Approved BAC Resolution Recommending Award of the Contract; and
 3. Certificate of Availability of Funds (CAF)

1.02 All contract documents are and shall remain as the property of the PPA.

1.03 The words and expressions in this Contract shall have the same meanings respectively assigned to them in the contract documents referred to above.

ARTICLE II JANITORIAL REQUIREMENTS

2.01 The CONTRACTOR shall provide the janitorial requirements specified in the Terms of Reference of the Bid Documents, hereto attached as ANNEX “B”.

2.02 PPA reserves the right to increase or decrease the number of janitor as the need arises at anytime during the term of this Contract and the same may be effected by giving the CONTRACTOR fifteen (15) day written notice to that effect, subject to applicable government rules and regulations.

2.03 The CONTRACTOR shall assign janitors who are well-trained, experienced, trustworthy, and having correct discipline for the duty to be performed, physically and mentally fit, and of good moral character.

ARTICLE III OTHER TERMS AND CONDITIONS

3.01 **Consideration** – For and in consideration of the service/s rendered, the PPA agrees to pay the CONTRACTOR the amount not exceeding _____(Php _____), as specifically provided in the billing rates in the Detailed Estimate of Financial Offer (F-Form 2) hereto attached as Annex “C”. The rates quoted are based on eight (8) hours work per day per individual and include payment due to the janitor, i.e. basic pay, service incentive leave, 13th month pay, etc.; and to the government, i.e. contributions to Pag-Ibig, SSS, PhilHealth, ECC, etc. including the value added tax of twelve percent (12%). Except as provided for under existing laws, it is hereby expressly agreed upon and understood that the stipulated rates shall not be subject to upward adjustment for any cause or reason.

Payment of the aforesaid consideration shall be subject to the following conditions.

- a. Tardiness, undertime, half-days and absences incurred by the janitor assigned to the PPA shall be deducted accordingly from the monthly billing of the CONTRACTOR.
- b. The payment shall be subject to the CONTRACTOR's presentation of its monthly personnel payroll and affidavit or sworn certification that it has paid the salaries and benefits of its personnel for the period covered, per submitted payroll and remitted the corresponding premiums to Pag-Ibig, SSS, PhilHealth, ECC, etc. as well as the withholding taxes to BIR.
- c. Any payment due to the CONTRACTOR may be set off against liquidated damages payable to PPA.
- d. All payments shall be subject to existing government accounting and auditing rules and regulations.

The CONTRACTOR agrees to pay the salaries of its janitors assigned to PPA in accordance with the rates indicated in the Detailed Estimate of Financial Offer (F-Form 2) including 13th month pay, 5-day incentive pay, and such other benefits and emoluments as may be applicable, and as may be granted by law, wage orders, and rules and regulations issued by the Department of Labor and Employment. For this purpose, CONTRACTOR

shall provide its personnel with pay slips evidencing the amount of their salaries and deductions thereof, should there be any, in at least two (2) days before the scheduled payment of their salaries which would be in every fifteenth (15th) and thirtieth (30th) of each month.

3.02 Duration – This Contract shall be for a period of **Six (6) Months** or from **July 1, 2018 up to December 31, 2018.**

3.03 Performance Security – To guarantee the faithful performance of the CONTRACTOR under this Contract, it shall post upon signing of the Contract a performance security in accordance with the following schedules:

1. Cash, or cashier's manager's check issued by a Universal or Commercial Bank; five percent (5%) of the total contract price.
2. Bank draft/guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank; provided, however, that it shall be confirmed or authenticated by a Universal or Commercial Bank; if issued by a foreign bank; five percent (5%) of the total contract price
3. Surety Bond callable upon demand issued by a surety or insurance company duly certified by the Insurance Commission as authorized to issue such security; thirty percent (30%) of the total contract price

The performance security shall be posted in favor of PPA, and shall be forfeited in favor of the PPA in the event it is established that the CONTRACTOR is in default in any of its obligations under this Contract.

In the execution of the performance security, the following conditions shall be complied with:

- a. It shall be executed in accordance with the form prescribed in this Article.
- b. It shall be at least co-terminus with the contract.

Should any surety posted upon performance of this Contract become unacceptable to the Authority, the CONTRACTOR shall promptly furnish such replacement security as may be required from time to time up to the sum equal to the amount of the original surety.

3.04 Assignment of Personnel – The CONTRACTOR shall assign its janitor as the PPA may deem proper under this Contract. The CONTRACTOR maintains administrative control and supervision over its

janitor, however, it hereby authorizes the PPA to give direct instructions to the janitor assigned during their term of duty and such exercise of power by the PPA shall not be deemed as relinquishment of power by the CONTRACTOR as the Employer of the said janitors.

3.05 Minimum Number of Janitors and Working Days – The CONTRACTOR shall provide and maintain sixteen (16) uniformed janitors with Company ID Cards properly displayed for easy identification who shall render janitorial services from Monday to Saturday excluding officially declared holidays.

3.06 Removal or Replacement of Personnel – the PPA hereby reserves the right to request the immediate replacement of any of the assigned janitor of the CONTRACTOR who, in its opinion, are found wanting in competency, honesty, and integrity or whose continued stay or service would be prejudicial to the best interest of the PPA.

3.07 Liquidated Damages – Should the CONTRACTOR refuse or fail to satisfactorily comply with its undertaking, and is hereby in default under the Contract, the CONTRACTOR shall be liable for damages for the delay and shall pay the PPA for liquidated damages and not by way of penalty, an amount equivalent to one-tenth (1/10) of one percent (1%) of the cost of unperformed portion thereof, for every day of delay until the same is finally performed/completed and accepted by the PPA.

The damages herein provided are fixed and agreed liquidated damages and to be entitled to such damages, the PPA need not prove that it has incurred actual damages. Such amount shall be deducted from any money due or which may become due the CONTRACTOR under the contract and/or collect such liquidated damages from the securities or warranties posted by the CONTRACTOR, whichever is convenient to the PPA.

In no case, shall the total sum of liquidated damages exceed ten percent (10%) of the total contract price, in which event the Contract shall automatically be terminated by the PPA and the erring CONTRACTOR's performance security shall be forfeited. The amount of the forfeited performance security shall be set aside from the amount of the liquidated damages that the CONTRACTOR shall pay the PPA and the other appropriate sanctions that may be imposed to the former.

3.08 Cancellation/Termination of Contract – the PPA has the right to terminate or cancel this contract without the need of judicial action, at anytime before its expiration on reasonable grounds, such as, but not limited to: unsatisfactory service and performance or violation of any such terms of this Contract by giving the CONTRACTOR at least fifteen (15) calendar days

written notice in advance to that effect, which Notice shall be final and binding on all the parties.

Within thirty (30) days after the termination, cancellation, or rescission of this Contract, the Parties shall settle their respective accountabilities as of the date of termination, cancellation or rescission.

3.09 Warranties – The CONTRACTOR hereby warrants compliance with requirements of Philippine Laws, the Social Security System Law, the Employees Compensation Program, and Wage Orders governing payment to workers of at least the minimum wage, and other laws or decrees pertaining to employer-employee relationship, including the grant of retirement benefits as mandated by existing labor laws to its janitors.

3.10 CONTRACTOR's Liability – The CONTRACTOR shall assume full responsibility and agrees and binds itself to indemnify the PPA for any loss, damage, and/or injury that may be incurred by the latter and/or its employees which are attributable to the negligence, fault, misconduct or unlawful act of the former and its janitors.

3.11 No Employer-Employee Relationship –There is no employer-employee relationship between the CONTRACTOR and/or its personnel and PPA, such that the CONTRACTOR's personnel assigned in PPA are not employees of the latter, the position of the CONTRACTOR and anyone else performing the services is that of an independent contractor. Accordingly, the PPA shall not in anyway be liable or responsible for any personnel injury or damage including death sustained or caused by any of the personnel of the CONTRACTOR during the performance of their duties.

ARTICLE IV MISCELLANEOUS PROVISIONS

4.01 The failure of the PPA to demand strict compliance with any of the terms, stipulations and covenants of this Contract or any act of liberality on the part of PPA, shall not be construed or considered as a waiver on the part of the PPA for enforcement of this Contract, nor shall it relieve the CONTRACTOR of any of its obligations as herein provided.

4.02 In case of conflict between provision of the Contract and that of the contract documents, the former shall be controlling.

4.03 The CONTRACTOR shall provide and do anything necessary to perform its obligations under this contract according to the true intent and meaning of all the Contract Documents taken together.

4.04 All taxes, licenses, permits, fees or charges of whatever form, kind or nature due or which may be due to the national or local government units and/or its instrumentalities/agencies on account of the performance and completion of the work stipulated herein, and all necessary and incidental expenses relative thereto, including the cost of notarization of this Contract shall be borne and paid for by the CONTRACTOR on its own account. Should the PPA be compelled to advance the same, the PPA is hereby authorized to deduct the amount advance from whatever amount due the CONTRACTOR from PPA.

4.05 The CONTRACTOR shall pay taxes in full and on time and that failure to do so shall entitle the PPA to suspend payment to CONTRACTOR. Further, during the term of this Contract, the CONTRACTOR shall regularly present to the PPA a tax clearance from the Bureau of Internal Revenue (BIR) as well as copy of its income and business tax returns duly stamped and received by the BIR and duly validated with the tax payments made thereon.

4.06 Should there be any dispute or controversy in connection with this Contract or difference between Parties arising from the interpretation of this Contract, the Parties hereto shall, as far as practicable, settle the same amicably. In the event that such dispute or disagreement be not resolved to their mutual satisfaction, the matter shall be submitted to arbitration in the Philippines according to the provisions of Republic Act No. 9285, otherwise known as the "Alternative Dispute Resolution Act of 2004". Provided, that the arbitration proceeding shall be without prejudice to the right of the PPA to rescind or terminate this Contract in accordance with Section 3.08 hereof.

4.07 Should the PPA be constrained to resort to court action to enforce or safeguard its rights and interests under this Contract, the CONTRACTOR shall be liable to PPA for attorney's fees in an amount equivalent to twenty percent (20%) of the total sum claimed in the complaint, exclusive of other damages and expenses of litigation. Venue of all court actions in connection with or arising out of this contract shall be laid exclusively in the proper courts in the City of Manila.

4.08 The CONTRACTOR hereby represents that all documents it submitted which form integral parts hereof are authentic and duly executed with all the required formalities for the same, and that the facts and/or data contained therein are true and correct. A breach of this representation including all misrepresentation in the documents or suppression of material facts therein, which if known, could have disqualified the CONTRACTOR such that this Contract would not have been made and entered into, gives the PPA the immediate right or resource to *motu proprio* rescind, abrogate or otherwise terminate the Contract without need of judicial intervention.

4.09 Pursuant to Section 47 of the 2016 Revised IRR of R.A. 9184, the CONTRACTOR further represent that all its officers, directors and controlling stockholders, are not related to by consanguinity or affinity up to third (3rd) civil degree to PPA General Manager, or any of its officers or employees having direct access to the concluded bidding.

In any event, it is found that the aforestated representation was violated, PPA has the right to terminate this contract at anytime without the need of judicial action, pursuant to Article 3.08 hereof.

ARTICLE V EFFECTIVITY

5.01 This Contract shall take effect on July 1, 2018.

IN WITNESS WHEREOF, the parties have hereunto set their hands on the date and place above-written.

PHILIPPINE PORTS AUTHORITY

By:

By: _____

ROSENDA G. SUMAGAYSAY

Port Manager

Signed in the presence of:

ACKNOWLEDGEMENT

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

BEFORE ME, a Notary Public for and in the City of _____,
Philippines, this _____, personally appeared:

ROSENDA G. SUMAGAYSAY, in her official capacity as the Port Manager,
Philippine Ports Authority, PMO-NCR North, with PPA issued ID No.
_____, and _____, in his/her official capacity as _____ of
_____, with issued SSS ID No. _____,

known to me as the same persons who executed the foregoing instruments
and acknowledged to me that same is their free act and that they are the
representatives of the legal entities represented.

The foregoing instrument refers to a Contract for the Provision of Janitorial
Services for PMO-NCR North for CY-2018, consisting of _____ pages
including the page on which this acknowledgement is written, signed by the
parties and their witnesses on all pages.

WITNESS MY HAND AND SEAL.

NOTARY PUBLIC

Doc. No. _____;
Page No. _____;
Book No. _____;
Series of 2018.