REPUBLIC OF THE PHILIPPINES
PHILIPPINE PORTS AUTHORITY
PORT MANAGEMENT OFFICE OF MARINDUQUE/QUEZON
2nd Floor, Padillo Building, Quezon Avenue corner Trinidad St.,
Lucena City, Philippines

CONTRACT/AGREEMENT FOR THE

GARBAGE COLLECTION AND DISPOSAL INCLUDING SWEEPING OF PAVEMENT AND WATERING OF PLANTS, PORT OF LUCENA, LUCENA CITY

This Contract made and entered into this _____ day of ______,2018, in the City of Lucena, Philippines, by and between:

The Port Management Office of Marinduque/Quezon (PMO MARQUEZ), with principal office at 2nd Floor, Padillo Building, Quezon Avenue corner Trinidad Street, Lucena City, represented herein by its Port Manager, MARCELINO D. MANATAD, JR., hereinafter referred to as the "PPA-PMO MARQUEZ".

and -

FREDDIE R. LUCES, of legal age, Filipino, married with principal office at No. 66 A. Dela Cruz St., Brgy. San Diego Zone 1, Tayabas, Quezon doing business under the firm name/style of JEFF ENTERPRISES, duly organized in accordance with the Philippine laws and registered with Department of Trade and Industry under Certificate No. 04136513 and hereinafter referred to as the "CONTRACTOR"

WITNESSETH

WHEREAS, PPA is desirous to enter into a Contract for GARBAGE COLLECTION AND DISPOSAL INCLUDING SWEEPING OF PAVEMENT AND WATERING OF PLANTS, PORT OF LUCENA, LUCENA CITY to maintain the cleanliness and sanitation of the entire port area as well as to assist and promote the thrust of the PPA in the advocacy and campaign of awareness and participation in the clean and green project for a better environment for a period of Twelve (12) months;

WHEREAS, in accordance with Republic Act No. 9184 and. its Revised Implementing Rules and Regulations, the PMO Marinduque/Quezon Bids and Awards Committee [BAC] for the Procurement of Engineering Projects advertised and posted in the PhilGEPS website, PPA Website as well as in its bulletin board

WHEREAS, in response to the Invitation to Bid, only the CONTRACTOR submitted its bid for the provision of said services.

WHEREAS, after opening of bids on June 20, 2018, the CONTRACTOR's bid in the amount of FIVE MILLION THREE HUNDRED FORTY SEVEN THOUSAND ONE HUNDRED TWENTY FIVE PESOS ONLY (P 5,347,125.00), Philippine Currency was found to be lower than the Approved Budget for the Contract (ABC) in the amount of FIVE MILLION THREE HUNDRED FIFTY **THOUSAND** TWO HUNDRED SIXTEEN 20/100 & **PESOS** ONLY (P5,350,216.20);

WHEREAS, after review and evaluation of the Technical and Financial Bids of the CONTRACTOR, and conduct of post-qualification, the bid proposal of the CONTRACTOR was found to be responsive to all the requirements thereof and accordingly, the PMO-Marquez BAC for the Procurement of Engineering Projects declared the same as the Single Calculated Responsive Bid for the project;

WHEREAS, in view thereof and pursuant to BAC Resolution No.01 Series of 2018, award of the subject Contract in the amount of FIVE MILLION THREE HUNDRED FORTY SEVEN THOUSAND ONE HUNDRED TWENTY FIVE PESOS ONLY (₽5,347,125.00), Philippine currency, was made to the CONTRACTOR in a Notice of Award (NOA) dated June 26, 2018, to which the CONTRACTOR had signified its "Conforme" in the space provided in said NOA;

NOW, THEREFORE, for and in consideration of the foregoing premises and the mutual covenants, stipulations and agreements, the AUTHORITY and the CONTRACTOR have agreed, as they do hereby agree, and contract as follows:

ARTICLE I CONTRACT DOCUMENTS

The following document shall constitute integral parts of this Contract, as fully as if the contents of said documents are reproduced, incorporated and set forth herein, to wit:

- a. Bidding Documents which includes:
 - Invitation to Bid
 - 2. Instruction to Bidders
 - 3. Bid Data Sheet
 - Terms of Reference
- b. Winning Bidder's Bid Proposal consisting of two (2) envelopes, Namely: 1st Envelope-Eligibility and Technical Requirements; Envelope-Financial Proposal, including all the documents/statements contained therein:
- c. Performance Security
- d. Notice of Award signed by the winning bidder on the "Conforme" thereto;
- e. Certificate of Availability of Funds; and

- **1.02** All contract documents are and shall remain as property of PPA.
- 1.03 The words expressions in this Contract shall have the same meaning respectively assigned to them in the contract documents referred to above.
- **1.04** It is expressly agreed and understood that in case of any irreconcilable conflict between this Contract and the provisions of any of the Contract Documents, the former shall be controlling.

ARTICLE II SCOPE OF WORK AND UNDERTAKING

2.01 Areas Covered

The areas covered for the services to be provided by the CONTRACTOR at the Port of Lucena, Lucena City as indicated in the Terms of Reference are the following:

- a) Road Network including Drainage System;
- b) Baseport Area and other Areas surrounding PPA-owned buildings;
- c) Newly Paved Back-up Area

2.02 Scope of Work

- Garbage segregation, storage, collection, transport and proper disposal;
- b. Cleaning and declogging of drainage/canal;
- c. Street sweeping and hauling of debris/waste materials of different types collected should be placed at designated dropoff/pickup points such as temporary or permanent garbage bins and Materials Recovery Facility (MRF) for collection and disposal;
- d. Composting of bio-degradable wastes and recycling/recovery of recyclables/recoverable wastes;
- e. Such other work necessary and desirable for the beautification and maintenance of the premises.

2.03 Manpower Complement

- a. Garbage Collection and Disposal
 - 1. Driver
- (1)
- 2. Helper
- (2)
- b. Sweeping of Roads, Yards and Pavement
 - 1. Foreman
- (1)
- 2. Street Sweeper
- (2)
- c. Cultivating, Trimming and Watering of Plants
 - 1. Gardener
- (1)
- 2. Helper
- (2)

Dalingan

2.04 Leased/Owned Equipments

- a. One (1) unit Garbage truck including consumables (i.e., truck rental, maintenance, lubricants, fuel, etc.)
- b. One (1) unit Water Truck with pump and hose including consumables (i.e. truck rental, maintenance, lubricants, fuel, etc.)

The trucks should be available from Monday to Saturday and during special cases such as holidays as required by PPA for the whole contract duration.

2.05 **Materials**

| | | | Delivery |
|----|------------------------|-----------|---------------------------|
| a. | Broom with long handle | (12 pcs.) | at least 2 pcs. per month |
| b. | Heavy Duty Dust Pan | (2 pcs.) | upon contract |
| | | | implementation |
| C. | Garbage bag | (1 lot) | upon contract |
| | | | implementation |
| d. | Two (2) wheeler buggy | (2 units) | upon mobilization to be |
| | | | utilized for the contract |
| | | | duration |
| e. | Water (fresh) | (1lot) | upon contract |
| | | | implementation |

2.06 SCOPE OF WORK AND UNDERTAKING

- a. Sweeping of roads, yards and pavement shall be manned for eight (8) hours daily, (i.e. from 8:00 AM to 5:00 PM) with one (1) hour noon break from Monday to Saturday for the entire contract term;
- b. Watering of plants shall be done daily in the afternoon; and cultivating and trimming including removal of weeds and grasses shall be done once (1) a week for the entire contract term.
- c. Collected debris/waste materials shall be properly segregated according to types (e.g. biodegradable, plastics, cans, and bottles) and placed at designated garbage receptacles or Materials Recovery Facility (MRF);
- d. Garbage collection shall not be later than 9:00A.M. from Monday to Saturday. All Daily Garbage Collection Slips shall be duly signed by the Port Police on duty, or PPA authorized representative.
- e. Garbage trucks must have a facility such as compartments or divisions that will ensure containment and efficient storing of collected and stored garbage while in transit;

- g. Certificate of Non-Coverage (CNC), and the Local Government Unit (LGU) concerned through execution of a Memorandum of Agreement (MOA), or any valid document certifying "CONFORME" of said LGU to the disposal of activity to be undertaken by the CONTRACTOR. Burning or incineration of collected wastes is strictly prohibited
- h. Use of composting method for organic wastes, and recycling for recyclable materials;
- i. In cases where the need arises or during peak seasons (e.g. All Saints Day, Christmas, New Year, etc.), the personnel assigned may be required by PPA to render services beyond the eight (8) hour period or during holiday or rest day. The payment of such overtime, night shift differential work, shall be paid in accordance with the applicable government rules and regulations;
- j. Personnel assigned to perform the services shall wear complete uniform and Personal Protective Equipment (PPE) required. They shall at all times wear their employees Identification Card and Port Access Pass;
- k. Pay the salaries of their employees and provide them all the benefits provided under existing laws and regulations;
- Pay taxes in full and on time, including tax withheld from the salaries of the workers involved/pledge to the service contract, if applicable. Failure to do so will entitle the PPA to suspend payment for any services rendered by the CONTRACTOR;
- m. Within the duration of the Contract, a Tax Clearance from the BIR as well as a copy of its Income and Business Tax Returns stamped received by the BIR and duly validated with the tax payments made thereon shall be presented by the CONTRACTOR to PPA;
- n. Guarantee and warrant the availability of all equipments, tools, materials, supplies and accessories to be used in the rendition of services under the Contract and shall provide the same on its own account end expense;
- o. Restore to its original condition, on its own account and expense, any public road, pavement, street or open space and/or private property which may be damaged or adversely affected by the CONTRACTOR in connection with the performance of its obligations under the Contract;
- p. Hold the PPA free and blameless from any damages, claims, liabilities, or legal actions which may be brought by and third

- r. Provide personnel, that posses the following qualifications:
 - 1. Should not have reached the age of sixty (60);
 - 2. Should be able to read and write;
 - 3. Must be of good moral character; and
 - Should not have been convicted for criminal and/or administrative case.
- s. Furnish PPA with a certified true copy of the payroll and all official receipts/special bank receipts together with the corresponding remittance list of personnel deployed for the performance of this contract (original copies shall be presented for authentication/validation). The aforementioned requirements shall be submitted together with the monthly billing or the CONTRACTOR's request for payment.

ARTICLE III CONSIDERATION

- **3.01** For and consideration of the full, satisfactory and faithful performance of the CONTRACTOR of all its undertaking defined and provided for under this Contract, the PPA agrees to pay the CONTRACTOR the amount not exceeding FIVE MILLION THREE HUNDRED FORTY SEVEN THOUSAND ONE HUNDRED TWENTY FIVE PESOS ONLY (P 5,347,125.00), Philippine Currency, inclusive of 12% Value Added Tax. Payment to be made monthly shall be computed on daily basis at the unit bid price of work actually performed and upon submission of the following supporting documents:
 - a. Monthly Detailed Computation:
 - b. Daily Garbage Collections Slips and Weekly Accomplishment Report;
 - c. Pictures Taken during actual work (to be taken at the first and last week of each month);
 - d. Daily Time Record (DTR) with shifting schedule:
 - e. Certified photocopy of the payroll and all official receipts / special bank receipts together with the responding remittance list of personnel working under the AUTHORITY (Original copies to be presented for authentication);
 - f. Inventory of Supplies and Materials;
 - g. Remittances due to SSS, Philhealth, Pag-IBIG from employer and employees.
- **3.02** Any or all payment/s to be made shall be subject to existing accounting and auditing rules and regulations;
- **3.03** Final and full payment of the consideration herein above-mentioned shall be made upon full completion of the project and fulfillment by the CONTRACTOR of all terms and conditions set in this contract;

However, it is agreed that no payment/s made under this Contract,

3.04 Payment by PPA of the work accomplished shall be made only on condition that the CONTRACTOR shall have (a) maintained at the premises, the stipulated number of personnel under this Contract, and (b) paid in full to its employees who were assigned by it to perform the work, all of their salaries, wages, and other employee benefit due them. It is understood that no portion of payment is or will be considered as salaries/wages of employees of the CONTRACTOR assigned for this Contract, and the said payment and all parts thereof shall pertain exclusively to the CONTRACTOR;

ARTICLE IV PERFORMACE SECURITY

- To guarantee the faithful performance of the CONTRACTOR under this Contract, it shall post upon signing of this Contract a performance security in accordance with the following schedule:
 - (a) Cash, or cashier's/manager's check, issued by a Universal or Commercial bank - Ten percent (10%) of the total contract price;
 - (b) 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/Commercial Bank, if issued by a foreign bank- ten percent (10%) of the total contract price;
 - (c) 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;
- **4.02** The performance security shall be posted in favor of PPA and shall be forfeited in favor of PPA in the event that is established that the CONTRACTOR is in default in any of its obligations under this Contract.
- 4.03 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 sec 4.01.
 - b. It shall be at least co-terminus with the contract.
- Should any surety bond for the performance of this Contract become unacceptable to PPA, 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.
- Subject to the conditions of this Contract, the performance security may be released by the PPA after the issuance of the Certificate of Completion of

ARTICLE V CONTRACT TERM

This Contract shall be for a period of Twelve (12) months. PPA may however terminate / cancel this contract at any time before its expiration on reasonable grounds such as unsatisfactory services and performance of the CONTRACTOR or violation of any provisions in this Contract. The CONTRACTOR, within fifteen (15) days prior to termination of the Contract, shall be given in advance notice to this effect.

ARTICLE VI CONTRACTOR'S LIABILITY

There shall be no employer-employee relationship between the CONTRACTOR and/or its personnel and PPA. The Parties, likewise, hereby agree that the employees of the CONTRACTOR are not employees of PPA: hence, PPA shall not in any way be liable or responsible for any personal injury or damages, including death sustained or caused by any of the employees or consultants of the CONTRACTOR whether or not occurring during the performance of their duties.

The CONTRACTOR agrees and binds to indemnify PPA for whatever injuries or damages caused or occasioned or contributed to by the failure. negligence, or conduct of the CONTRACTOR and / or its employees or consultants arising out of or in connection with the performance of this contract

The CONTRACTOR shall, at all times, stand solely liable and/or responsible for the enforcement of and compliance with all existing laws, rules and regulations and binds itself to save PPA free and harmless from any and all liability in respect thereof and / or arising therefrom and or reason of this Contract and its implementation

ARTICLE VII CONTRACTOR'S RESPONSIBILITY

- **7.01** The CONTRACTOR shall be fully responsible for the safety, protection, and security and convenience of its personnel, third parties and the public at large, as well as the work, equipment and the like to be affected by the performance of this contract;
- 7.02 The CONTRACTOR shall be responsible for the selection, hiring, supervision, disciplining, termination and lay-off of its employees assigned to undertake the services. Accordingly, the CONTRACTOR shall solely be responsible for the payment of their salaries / wages, allowance, overtime pay, mandated government increase in wages, retrenchment pay, completion bonus if applicable, or any and all remuneration and employment benefits that may now or hereinafter accrue to its employees by provision of law, contract or

7.03 Any actionable act or acts of FREDDIE R. LUCES, arising out of or in the course of this Contract shall be understood and binding as an act of JEFF ENTERPRISES, and vice versa;

ARTICLE VIII NON-ASSIGNMENT AND NO SUBCONTRACTING

8.01 The CONTRACTOR shall not assign, transfer pledge, sub-contract, or make any other disposition of interest in this Contract.

ARTICLE IX TAXES. LICENSES, PERMITS AND FEES

9.01 The CONTRACTOR's tax, licenses, permits and fees as well as all other charges or impositions of whatever form, kind or nature, which may be due to the local and/or national government on account of the performance and completion of the work stipulated herein, and all necessary and incidental expenses relative thereto including preparation of documents and Notarial fees shall be paid for and obtained by the CONTRACTOR on its own account. Should PPA be, compelled to advance the same, the AUTHORITY is hereby authorized to deduct the amount advanced from whatever amount due the CONTRACTOR from FPA,

ARTICLE X AGREEMENT MODIFICATION

10.01 No modification, alteration or waiver of any provision herein contained shall be binding unless evidenced by written amendment. or waiver duly signed by the Parties.

ARTICLE XI REMEDY AND RELIEF

- 11.01 Should there be any dispute or controversy 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 be not resolved to their mutual satisfaction, the matter shall be submitted to arbitration in the Philippines in accordance with the provisions of R.A. No. 9285, otherwise known as the "Alternative Dispute Resolution Act of 2004".
- 11.02 Should PPA be constrained to resort to court actions to enforce or safeguard its rights and interests under this Contract, the CONTRACTOR shall be liable to the PPA for attorney's fees in the amount equivalent to twenty percent (20%) of the total sum claimed in the complaint, exclusive of other damages and the expenses of litigation. Venue (If such action shall be brought in the proper court in the City of Manila.

ARTICLE XII OTHER COVENANTS

- 12.01 PPA shall have the right to cause the change or removal of any personnel who violated existing laws, PPA rules and regulations and those found to be incompetent;
- 12.02 PPA or its authorized representative shall have the authority to suspend the work wholly or partly by written order for such period as may be deemed necessary, due to force majeure or any fortuitous events or for failure on the part of the CONTRACTOR to correct bad conditions which are unsafe for its workers or the general public or to carry out valid orders given by the Government or to perform any provisions of the Contract, The CONTRACTOR shall immediately comply with such order.
- **12.03** PPA has the right to stop any operation of the CONTRACTOR's employees which is not in accordance with safe operating procedures and environmental regulations and violation of this provision shall be aground for termination of this Contract.
- 12.04 PPA may without additional cost to it, require the CONTRACTOR to supply additional tools, materials, equipment and increase the number of workers to undertake services in case of emergency or when exigency of service requires.
- 12.05 Should the CONTRACTOR refuse or fail to satisfactorily comply with its undertaking, and in default under this Contract, the CONTRACTOR, shall be liable for the delay and shall pay PPA liquidated damages and not by way of penalty, an amount equivalent to one-tenth (1/10) of one percent of cost of unperformed portion thereof, for every day of delay until the same is finally performed and accepted by PPA

It is understood that the liquidated damages herein provided are fixed and to be entitled to such damages, 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 this Contract and/or collect such damages from the performance security posted CONTRACTOR, whichever is convenient to the PPA.

ARTICLE XIII SPECIAL REPRESENTATION

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

Contract for the Garbage Collection and Disposal including Sweeping of Pavement and Watering of Plants, Port of Lucena, Lucena City Page 11 of 12

13.02 The CONTRACTOR hereby warrants that it has not given nor promised to give any money, gift, or any material favor / consideration to any official or employee of the PPA to secure this Contract; that any violation of this warranty shall be sufficient ground for PPA to revoke or cancel: this Contract extra judicially or without need of judicial intervention.

ARTICLE XIV EFFECTIVITY

14.01 This Contract shall become effective after the same has been signed by the Parties.

IN WITNESS WHEREOF, the Parties have hereunto signed this Contract on the date and the place first hereinabove written. '

PHILIPPINE PORTS AUTHORITY – PMO-MARINDUQUE/QUEZON

By:

By:

MARCELINO D. MANATAD, JR.

Port Manager

FREDDIE R. LUCES
Owner/Proprietor

JEFF ENTERPRISES

WITNESSES:

RAUL A. LIBATIQUE

Acting Manager, ESD

PMO-Marinduque/Quezon

SALLY M. SAMLERO

Manager, Finance Division

PMO-Marinduque/Quezon

ACKNOWLEDGMENT

| 2. FREDDIE R. LUCES | Driver's License | D09-78-009481 | | | |
|--|----------------------|------------------|--|--|--|
| . MARCELINO D. MANATAD,JR. | Driver's License | H02-84-003632 | | | |
| <u>NAME</u> | Government-Issued IE | <u>ID Number</u> | | | |
| SUBSCRIBED AND SWORN to before me this day of 2.8 JUN 2018 , at Lucena City , Philippines. Affiants are personally known to me and were identified by me through competent evidence of identity as defined in the 2004 Rules on Notarial Practice (A.M. No. 02-8-13-SC). Affiants exhibited to me their respective identification card with their photograph and signature appearing thereon, to wit: | | | | | |
| City of Lucena City |)) S.S. | | | | |

who are known to me and to me known to be the same persons who executed and signed the foregoing instrument and who acknowledged to me that the same are their own true and voluntary act and deed, and the corporation/entity which they respectively represent.

instrument is a Contract/Agreement for the **GARBAGE** COLLECTION AND DISPOSAL INCLUDING SWEEPING OF PAVEMENT AND WATERING OF PLANTS, PORT OF LUCENA, LUCENA CITY, consisting of twelve (12) pages, including this page on which this Acknowledgment is written. Pages 1 to 10 and 12 are signed on the left margin thereof and page 11 is signed at the corresponding spaces provided for the Parties and their instrumental witnesses and sealed with my notarial seal.

HAND AND SEAL this day of 2018 at Lucena City, Philippines.

Doc. No. 174 Page No. 37 Book No. 579 Series of 2018

NOTARY PUBLIC

Atty. RONALDO A SALAMILLAS

Notary Public Until December 31, 2019 PTR No. 6363615 1-03-18 / Lucena City IBP No. 1031627 1-03-18 /Lucena City TIN No. 145-210-465; Attorney's Roll No. 34768 MCLE Compliance No. VI-0002870

Issued on August 4, 2017