

**CONTRACT FOR THE PROVISION OF JANITORIAL SERVICES FOR
PHILIPPINE PORTS AUTHORITY, PORT MANAGEMENT OFFICE OF PALAWAN
FOR THE CONTRACT PERIOD AUGUST 1, 2018 TO DECEMBER 31, 2018**

KNOW ALL MEN BY THESE PRESENTS:

AUG 01 2018

This Contract made and entered into this _____ day of _____ 2018 in the City of Puerto Princesa, Palawan, Philippines, by and between:

PORT MANAGEMENT OFFICE OF PALAWAN, a Port Management Office of **PHILIPPINE PORTS AUTHORITY**, a government corporation created under Presidential Decree No. 857, as amended; with office address at Port Area, Puerto Princesa City, Palawan, represented herein by its Acting Port Manager, **ELVIS R. MEDALLA** and hereinafter referred to as the "**PPA-PMO Palawan**";

-and-

The Perfect Cleaners Janitorial Sales & Services, a single proprietorship duly organized and existing in accordance with Philippine laws, with office address at Unit- N2, 2/F C & B Circle Mall, Liwasang Kalayaan, Marikina Heights, Marikina City, Metro Manila, Philippines, represented herein by its General Manager/ Owner, **LOLITA S. PACHAS**, hereinafter referred to as the "**CONTRACTOR**".

WITNESSETH:

WHEREAS, PPA-PMO Palawan is desirous to enter into a contract for the provision of janitorial services for the Port Management Office of Palawan and its Terminal Management Offices (TMOs) for August 1, 2018 to December 31, 2018;

WHEREAS, in accordance with Republic Act No. 9184 and its Revised Implementing Rules and Regulations, the PMO-Palawan Bids and Awards Committee for the Procurement of Goods and Services posted in the PPA Website, PhilGEPS, as well as in its bulletin board, an Invitation to Bid for the Provision of Janitorial Services for the different offices mentioned above;

WHEREAS, during the opening of bids on July 24, 2018, two (2) bidders, The Perfect Cleaners Janitorial Sales & Services and Anchor Human Resources Development Corporation, participated in the said bidding. Both were declared eligible to bid;

WHEREAS, the bid of the CONTRACTOR, after the opening of bids and the conduct of bid evaluation and the required post-qualification, was found to be the lowest calculated and responsive bid in the amount of **One Million One Hundred Forty Five Thousand Two Hundred Ninety Two Pesos (Php 1,145,292.00)**, Philippine Currency, per Resolution No.6 Series of 2018 dated July 26, 2018;

WHEREAS, the said bid is 21.24 % lower than the Approved Budget for the Contract (ABC) which is **One Million Four Hundred Fifty-Four Thousand One Hundred Eighty-Eight Pesos (Php 1,454,188.00)** Philippine Currency;

WHEREAS, in the Notice of Award (NOA) dated July 27, 2018 the Contract was awarded to the CONTRACTOR which signified its "Conforme" in the same NOA.

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 part of this Contract, to wit:

- a. Invitation to Bid ;
- b. Instructions to Bidders;
- c. Terms of Reference;
- d. Authority of the Signing Official;
- e. Contractor's Bid Proposal consisting of two (2) envelopes, namely:
 - (1) Technical Envelope – Eligibility and Technical Requirements;
 - (2) Financial Envelope – Bid Form and Financial Proposal, including all documents / statements contained therein;
- f. Performance Security;
- g. Notice of Award dated July 27, 2018 bearing the Contractor's "Conforme" thereto;
- h. Notice to Proceed;
- i. Other pertinent documents as may be required by existing laws and/or the PPA-PMO Palawan

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

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
SCOPE OF UNDERTAKING**

2.01 The CONTRACTOR must comply with its obligations and responsibilities in the delivery of janitorial services as required in the Scope of Work as provided in Section VI-Deliverables for the areas as mentioned in Section II of the Terms of Reference, which is made an integral part of this Contract.

The CONTRACTOR must comply with the Schedule of Requirements under Section VI of the Bid Documents.

The CONTRACTOR shall provide the required number of janitors for the following areas of assignment:

1. Baseport of Puerto Princesa	13 Janitors
2. TMO Brooke's Point	1 Janitor
3. TMO Coron	2 Janitors
4. TMO Culion	1 Janitor
5. TMO Cuyo	1 Janitor
6. TMO El Nido	2 Janitors

Upon request of PPA-PMO-Palawan, the CONTRACTOR shall provide extra manpower during emergency situations and special occasions such as conferences, seminars, meetings and anniversaries.

2.02 The CONTRACTOR agrees to provide the aforesaid janitorial requirement for a period of five (5) months, from **August 1, 2018 to December 31, 2018.**

2.03 The CONTRACTOR shall assign janitors who possess the following qualifications:

- (1) At least three (3) months experience on janitorial and related services;
- (2) Having correct discipline for the function or duty to be performed;
- (3) Physically and mentally fit; and
- (4) Of good moral character.

2.04 The **CONTRACTOR** maintains administrative control and supervision over its personnel, and this includes the conduct of regular inspection, monitoring and supervision of its personnel, on a daily basis, by a working supervisor from their Main

Office, not from among the pool of personnel, to ensure performance efficiency to include checking of attendance and punctuality, payroll preparation, issuance of memorandum and the like.

However, it hereby authorizes **PPA** to give direct instructions to the personnel assigned during their term of duty (which may include the issuance of memoranda, circulars and special orders), and such exercise of power by **PPA**, shall not be deemed as relinquishment of power by the **CONTRACTOR** as the Employer of the said personnel.

2.05 The **CONTRACTOR** shall open an ATM payroll account for its employees where salaries will be credited twice a month. In the event that salaries must be sent through money/fund transfer or in which case the employee has no ATM account, the Contractor shall shoulder the corresponding fees or charges excluding the amount due to salaries, quitclaims and other benefits of its present or former employees assigned at this PMO.

2.06 The **CONTRACTOR** shall ensure non-disrupting of services rendered by having adequate number of relievers in case of leave of absence of any of its janitorial personnel.

2.08 PPA reserves the right to increase or decrease the number of janitors as the need arises at any time during the term of this Contract and the same may be effected by giving the CONTRACTOR fifteen (15)-day written notice to that effect, provided, that the cumulative amount of such increase shall not exceed 10% of the original contract price.

ARTICLE III OTHER TERMS AND CONDITIONS

3.01 Consideration – For and in consideration of the service/s rendered, PPA-PMO Palawan hereby agrees to pay the CONTRACTOR the billing rates in the Table of Cost Requirements for Janitorial Service for the period, August 1, 2018 to December 31, 2018, hereto attached as **Annex "A"** and Schedule of Overtime Pay during Holidays, hereto attached as **Annex "B"** and to conform with the minimum wage rates prevailing in the locality. The rates quoted are based on eight (8) hours work per day per individual and includes payment due to the janitors.

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, under-time, half-days and absences incurred by the janitors assigned to PPA-PMO Palawan shall be deducted accordingly from the monthly billing of the CONTRACTOR.

b) The payment shall be subject to the CONTRACTOR's presentation of its semi-monthly personnel payroll and affidavit or sworn certification that it has paid the salaries of its janitors for the period covered of the submitted payroll (duly signed by the recipients).

c) Any Liquidated Damage chargeable against the CONTRACTOR may be off-set against any payment due from PPA.

d) Payment shall be subject to submission of certificate of wages, benefit, and remittances of premiums to SSS, Pag-IBIG and PhilHealth and withholding taxes to BIR.

e) The CONTRACTOR shall advance travelling expenses incurred by the personnel during official travel to PPA, PMO Palawan work stations within or outside of their jurisdictional areas as needed in the performance of their duties subject to reimbursement by PPA, PMO Palawan upon submission of complete travel

documents; provided further that a travel authority has been officially issued by PPA, PMO Palawan to the personnel concerned pursuant to existing PPA policies.

f) PPA-PMO Palawan shall likewise be obligated to reimburse the CONTRACTOR the amount incurred by the personnel for overtime services rendered incidental to the performance of their respective duties and functions, provided such rendition of overtime shall have prior approval of PPA-Palawan pursuant to existing PPA policies.

g) All payments shall be subject to existing government accounting and auditing rules and regulations.

It is further provided that the CONTRACTOR agrees on the timely payment of the salaries of its janitors assigned to PPA-PMO Palawan in accordance with the rates indicated in the Table of Cost Requirements for the period August 1, 2018 to December 31, 2018, marked as Annex "A", which includes the overtime pay, night shift differential, 13th month pay, 5-day incentive leave with 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 janitors with pay slips evidencing the amount of their salaries and deductions thereof, should there be any, at least two (2) days before the scheduled payment of their salaries which would be in every **tenth (10th)** and **twenty- fifth (25th)** of each month.

3.02 Training - The Contractor shall provide job related trainings to Janitors at least once a year and as necessary (for newly hired) as the case maybe.

3.03 Duration - This Contract shall commence **on August 1, 2018 and ends on December 31, 2018.**

3.04 Performance Security – To guarantee the faithful performance of the CONTRACTOR under this Contract, it shall post prior to the signing of the Contract a performance security in accordance with the following schedule:

	Form of Performance Security	Amount of Performance Security (Equal to Percentage of the Total Contract Price)
1.a)	Cash or cashier's/manager's check, bank draft/guarantee confirmed by a Universal or Commercial Bank.	Five percent (5%)
1.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 or Commercial Bank, if issued by a foreign bank.	
2.	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%)

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

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

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

Should any surety upon the bond for the performance of this Contract become unacceptable to PPA-PMO Palawan, 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 security.

3.05 Hours/Days of Work – The janitors assigned to PPA-PMO Palawan shall be required to work for eight (8) hours a day from Monday to Saturday or per shift schedule for those at frontline service to complete the forty-eight (48)-hour per week requirement. In case the need arises, said janitors may be required to render service beyond the eight (8)-hour period or during holiday or rest day, the payment for such overtime work shall be paid in accordance with the applicable government rules and regulations.

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

3.07 Uniform, Tools and Equipment – The CONTRACTOR shall provide PPA-PMO Palawan with janitors wearing proper uniform.

In performing complete janitorial services to PPA-PMO Palawan, CONTRACTOR shall provide the equipment, tools, materials and supplies prescribed in Requirement No. 2 of Section VI - Deliverables (Janitorial Supplies and Equipment to be provided) of the Terms of Reference which is made an integral part of this Contract.

3.08 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 PPA-PMO Palawan 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 the unperformed portion thereof, for every day of delay until the same is finally performed/completed and accepted by PPA-PMO Palawan.

It is understood that the damages herein provided are fixed and agreed liquidated damages and to be entitled to such damages, PPA-PMO Palawan 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 PPA-PMO Palawan.

In no case, however, 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 PPA-PMO Palawan 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 PPA-PMO Palawan under Section 4.08 hereof and the other appropriate sanctions that may be imposed to the former.

3.09 Cancellation/Termination of Contract – PPA-PMO Palawan has the right to terminate or cancel this contract without the need of judicial action, at any time before its expiration on reasonable grounds, such as, but not limited to: unsatisfactory service and performance or violation of any term of this Contract by giving the CONTRACTOR, at least fifteen (15) calendar days, a written notice in advance to that effect, which Notice shall be final and binding on all the parties.

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

Cancellation or Termination of this Contract shall not in any way relieve the CONTRACTOR from any liability incurred by reason of this Contract.

3.10 Warranties – The CONTRACTOR hereby warrants compliance with the requirements of Philippine Laws, the Social Security System Law, the Employees Compensation Program, and Wage Orders governing payment of 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 personnel.

The CONTRACTOR, also warrants the capabilities and competence of its support personnel to be assigned in PPA, based on individual work and experience qualifications. To ensure thereof, the CONTRACTOR shall evaluate the performance of its personnel, at least once during the duration of this contract, using the prescribed instrument to determine if they still meet the required standards for performance, including attendance, punctuality and attitude towards work. The CONTRACTOR, at his own expense, shall also conduct drug testing among its employees at least once during the term of the Contract.

The CONTRACTOR also further warrants to comply with its obligation as employer of its personnel and agrees to hold the PPA-PMO Palawan free from any liability, cause(s) of action, claim(s) which may be filed against the CONTRACTOR by its janitors under their agreement or under the provisions of the Labor Code, Social Security Act and such other allied laws, rules, regulations. The CONTRACTOR warrants to hold the PPA-PMO Palawan free from any liability cause(s) of action, claim(s), which may be filed by a third person due to any willful, felonious, unlawful or any other neglectful act of its janitors so assigned under the Contract.

3.11 CONTRACTOR's Liability – The CONTRACTOR shall assume full responsibility and agrees and binds itself to indemnify PPA-PMO Palawan for any loss, damage, destruction, 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.

3.12 No Employer-Employee Relationship – It is expressly agreed and understood that there is no employer-employee relationship between the CONTRACTOR and/or its janitors and PPA-PMO Palawan such that the CONTRACTOR's janitors assigned in PPA-PMO Palawan are not employees of the latter, it being understood that the position of the CONTRACTOR and anyone else performing the services is that of an independent contractor. Accordingly, PPA-PMO Palawan should not in any way be liable or responsible for any personal injury or damage including death sustained or caused by any of the janitors of the CONTRACTOR during the lawful performance of their duties.

ARTICLE IV MISCELLANEOUS PROVISIONS

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

4.02 It is expressly agreed and understood that in case of conflict between the Contract and the provisions 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 Taxes and Tax Clearances – Pursuant to Executive Order No. 398 s. 2005, the CONTRACTOR shall pay taxes in full and on time and that failure to do so shall entitle

PPA-PMO Palawan to suspend payment for the services rendered by the CONTRACTOR.

The CONTRACTOR shall regularly present, during the term of this Contract a Tax Clearance from the Bureau of Internal Revenue as well as a copy of its updated income and business tax returns duly stamped and received by the BIR, and duly validated payments made thereon.

All other 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 PPA-PMO Palawan be compelled to advance the same, PPA-PMO Palawan is hereby authorized to deduct the amount advanced from whatever amount due the CONTRACTOR from PPA-PMO Palawan.

4.05 Should there be any dispute or controversy in connection with this Contract or difference between the 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 PPA-PMO Palawan to rescind or terminate this Contract in accordance with Section 3.08 hereof.

4.06 Should PPA-PMO Palawan 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-PMO Palawan 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 litigation. Venue of all court actions in connection with or arising out of this Contract shall be laid exclusively in the proper court of the place where the CONTRACTOR's personnel are assigned.

4.07 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.

4.08 Pursuant to Section 47 of the Revised Implementing Rules of Republic Act 9184, CONTRACTOR further represents that all its officers, directors and controlling stockholders are not related to by consanguinity or affinity up to the third (3rd) civil degree to PPA-PMO Palawan Port Manager, including any of its officers or employees having direct access to the concluded bidding.

**ARTICLE V
EFFECTIVITY**

5.01 This Contract shall be effective on **August 1, 2018 to December 31, 2018**.

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


PHILIPPINE PORTS AUTHORITY
PMO PALAWAN

THE PERFECT CLEANERS
JANITORIAL SALES & SERVICES

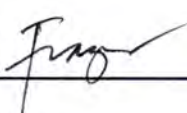
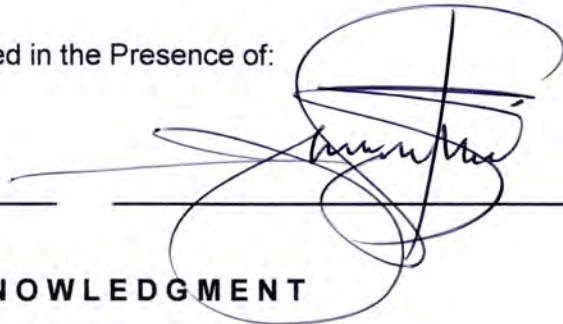
By:

By:


ELVIS R. MEDALLA
Acting Port Manager


LOLITA S. PACHAS
General Manager/ Owner

Signed in the Presence of:

ACKNOWLEDGMENT

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

BEFORE ME, a Notary Public for and in the City of CITY OF MARIKINA, Philippines this AUG 01 2018 day of AUGUST 2018, personally appeared the following:

Name	Identification Document Number	Date/Place Issued
ELVIS R. MEDALLA LOLITA S. PACHAS	PPA ID DLH NO2 - 05 - 002282	Nov 15, 2016 Q.C.

known to me and to me known to be the same persons who executed the foregoing instrument as:


POSITION	COMPANY	CTC NO.	DATE	PLACE
Acting Port Manager	PPA, PMO Palawan			

and they acknowledged to me that the same is their own free act and deed as well as the free and voluntary act of the corporation they represent.

This foregoing instrument is a Contract for the Provision of Janitorial Services for Philippine Ports Authority, Port Management Office of Palawan for Contract Period August 1, 2018 to December 31, 2018, consisting of eight (8) pages including this page on which this Acknowledgment is written, signed by the parties and their instrumental witnesses on each and every page thereof.

IN WITNESS WHEREOF, I have hereunto affixed my hand and notarial seal on these presents at the place and on the date first above written.

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ATTY. JASON ROBERT C. JOSEF
NOTARY PUBLIC FOR MARIKINA CITY
Notary Public until December 31, 2018
Notarial Commission Appointment No. 12
Roll of Attorneys No. 41334
IBP Life Member Roll No. 014389/ 02-04-16/ Pasig City
MCLE No. V-0017297 / 03-30-16 / Marikina City
PTR No. 7254505/ 01-04-18/ Marikina City