

CONTRACT No. 2017-____
OUTSOURCING OF MULTI SKILLED WORKERS

This CONTRACT made and entered into by and between the following:

DEPARTMENT OF BUDGET AND MANAGEMENT, a government agency created by virtue of the laws of the Republic of the Philippines, with principal office address at General Sofiano St., San Miguel, Manila, represented herein by its Secretary, **BENJAMIN E. DIOKNO**, hereinafter called the "DBM";

- and -

DBP SERVICE CORPORATION, a corporation duly organized and existing under the laws of the Republic of the Philippines, with office address at 2F, Executive Bldg. Center, Gil Puyat Avenue corner Makati Avenue, Makati City, represented by **RAUL LUIS D. MANALIGOD**, hereinafter referred to as the "SUPPLIER";

WITNESSETH:

WHEREAS, the DBM conducted a public bidding for the Project, "Outsourcing of Multi Skilled Workers," and the bid of the Supplier is in the amount of Two Million One Hundred Twenty Thousand Nine Hundred Seventy Seven Pesos and 63/100 (P2,120,977.63), hereinafter called the "Contract Price";

WHEREAS, the Notice of Award was issued to the Supplier last May 11, 2017, and the Supplier posted its performance security on May 16, 2017;

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

1. In this Contract, words and expressions shall have the same meanings as are respectively assigned to them in the General and Special Conditions of Contract referred to in Annex D and E, respectively.
2. The following documents shall form and be read and construed as part of this Contract:

Annex A	-	Bid Form
B	-	Schedule of Requirements
C	-	Technical Specifications
D	-	General Conditions of Contract
E	-	Special Conditions of Contract
F	-	Notice of Award
G	-	Performance Security

Handwritten signatures and initials on the left margin, including a large signature that appears to be 'Raul Luis D. Manaligod' and another signature below it.

3. In consideration of the payments to be made by the DBM to the Supplier, the Supplier hereby covenants with the DBM to provide the Goods and Services and to remedy defects therein in conformity with the provisions of the Contract.
4. The DBM hereby covenants to pay the Supplier, in consideration of the provision of the Goods and Services and the remedying of defects therein, the Contract Price or such other sum as may become payable under the provisions of the Contract at the time and in the manner prescribed by the Contract.

JUN 01 2017

IN WITNESS WHEREOF, the parties hereto have signed this Contract on this ___ day of _____, 2017 at General Solano St., San Miguel, Manila, Philippines.

DEPARTMENT OF BUDGET
AND MANAGEMENT

by:



BENJAMIN E. DIOKNO
Secretary

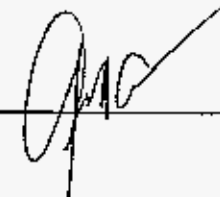
DBP SERVICE CORPORATION


by:


RAUL LUIS D. MANALIGOD
First Senior Vice President

SIGNED IN THE PRESENCE OF


JOCELYN T. CENTENO
Chief Administrative Officer
Administrative Service
General Services Division



CERTIFIED FUNDS AVAILABLE:

JEFFREY D.M. GALARPE
ACCOUNTANT III

ORs No. 62101101207-05-823

65/19/17

ACKNOWLEDGMENT

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

MANILA

BEFORE ME, a Notary Public for and in the City of _____, Philippines on this JUN 01 2017
day of _____, 2017 personally appeared the following:

NAME	VALID ID	VALID UNTIL
BENJAMIN E. DIOKNO	DBM ID No. 0005	
RAUL LUIS D. MANALIGOD	SSS ID# 33-4092339-4	

known to me to be the same persons who executed the foregoing Contract and who acknowledged to me that the same is their free and voluntary act and deed and of the entities they respectively represent.

This CONTRACT for the Outsourcing of Multi Skilled Workers was signed by the parties, and their material witnesses on each and every page thereof.

WITNESS MY HAND AND SEAL this _____ day of JUN 01 2017, 2017.

Doc. No 441;
Page No 09;
Book No XVI;
Series of 2017.

ATTY. JOSELYN BONNIE V. VALEROS

NOTARY PUBLIC, ROLL NO. 54515

PTR No. 4521025 Issued on Dec. 27, 2016 U-91 Dec. 31, 2017

IBP LHA No. 722013 Issued on Aug. 21, 2017

Commission No. 2016-059 Issued on April 05, 2016, Until Dec. 31, 2017

MCLE No. V-0222233 Issued on June 14, 2016 Valid until April 14, 2018

Office Add: Imperial Gateway Tower, 6642 A. Mabini, Manila

TIN No. 215-945-713-000



DBP SERVICE CORPORATION

Bid Form

Date: April 26, 2017

Invitation to Bid No.: None

To: **DEPARTMENT OF BUDGET AND MANAGEMENT**
DBM Bldg. III, General Solano St.
San Miguel, Manila

Gentlemen and/or Ladies:

Having examined the Bidding Documents including Bid Bulletin Numbers (None), the receipt of which is hereby duly acknowledged, we, the undersigned, offer to supply/deliver/perform **Outsourcing of Multi-Skilled Workers** in conformity with the said Bidding Documents for the sum of **Two Million One Hundred Twenty Thousand Nine Hundred Seventy Seven Pesos and Sixty Three Centavos (P2,120,977.63)** or such other sums as may be ascertained in accordance with the Schedule of Prices attached herewith and made part of this Bid.

We undertake, if our Bid is accepted, to deliver the goods in accordance with the delivery schedule specified in the Schedule of Requirements.

If our Bid is accepted, we undertake to provide a performance security in the form, amounts, and within the times specified in the Bidding Documents.

We agree to abide by this Bid for the Bid Validity Period specified in **BDS** provision for **ITB** Clause 18.2 and it shall remain binding upon us and may be accepted at any time before the expiration of that period.

Until a formal Contract is prepared and executed, this Bid, together with your written acceptance thereof and your Notice of Award, shall be binding upon us.

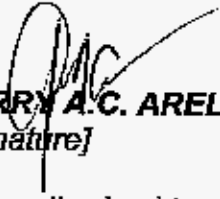
We understand that you are not bound to accept the Lowest Calculated Bid or any Bid you may receive.

We certify/confirm that we comply with the eligibility requirements as per **ITB** Clause 5 of the Bidding Documents.

We likewise certify/confirm that the undersigned, **GERRY A.C. ARELLANO** is granted full power and authority by the **DBP SERVICE CORPORATION**, to participate, submit the bid, and for the **First Senior Vice President, RAUL LUIS D. MANALIGOD**, to sign and execute the ensuing contract on the latter's behalf for **Outsourcing of Multi-Skilled Workers** of the **Department of Budget and Management**.

We acknowledge that failure to sign each and every page of this Bid Form, including the attached Schedule of Prices, shall be a ground for the rejection of our bid.

Dated this 26th of April 2017.



GERRY A.C. ARELLANO
[signature]

Senior Assistant Vice President
[in the capacity of]

Duly authorized to sign Bid for and on behalf of **DBP SERVICE CORPORATION**





DBP SERVICE CORPORATION

SCHEDULE OF PRICES

Particulars	No. of Personnel	Monthly Rate	Annual Rate
		in ₱	in ₱
A Wages, COLA, Leave Benefits, 13th month pay			
Basic wage rate/month (@₱481/day*26 days)	6	₱ 75,036.00	₱ 900,432.00
COLA (₱10/day*26 days)	6	₱ 1,560.00	₱ 18,720.00
Vacation/Sick Leave Benefits	6	₱ 1,227.46	₱ 14,729.52
13th Month Pay	6	₱ 6,273.06	₱ 75,276.72
Subtotal		₱ 84,096.52	₱1,009,158.24
B AMOUNT DUE TO GOVERNMENT			
SSS Premium (Circular 22-P: ER Contribution Only)	6	₱ 5,748.20	₱ 68,954.40
Philhealth Premium (Employer' Share)	6	₱ 900.00	₱ 10,800.00
ECC	6	₱ 60.00	₱ 720.00
Pag-IBIG Premium	6	₱ 600.00	₱ 7,200.00
Subtotal		₱ 7,308.20	₱ 87,674.40
C Total Compensation (A + B)		₱ 91,402.72	₱1,096,832.64
D Administrative Cost, Operating Overhead and Margin (from 10% to 15% of C)		₱ 13,710.41	₱ 164,524.92
E Total Compensation and Administrative Cost, Operating Overhead and Margin (C + D)		₱ 105,113.13	₱1,261,357.56
F Value Added Tax (12% of E)		₱ 12,613.58	₱ 151,382.91
G Total Cost inclusive of VAT (E + F)		₱ 117,726.71	₱1,412,720.47
H Contingency to Cover Overtime Services (50% of total salary)		₱ 59,021.43	₱ 708,257.16
I GRAND TOTAL		₱ 176,748.14	₱2,120,977.63


GERRY A.C. ARELLANO
 Senior Assistant Vice President



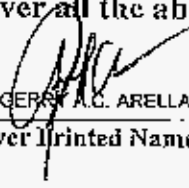
Section VI. Schedule of Requirements

The delivery schedule expressed as weeks/months stipulates hereafter the date of delivery to the project site.

Item Number	Description	Delivery Date
1	Deployment of six (6) skilled workers in accordance with Section VII. Technical Specifications.	Within seven (7) calendar days from receipt of the notice to proceed.

I hereby certify to comply and deliver all the above requirements.

DBP SERVICE CORPORATION
Name of Company/Bidder


GERRY A.C. ARELLANO
Signature over Printed Name of Representative

4/26/2017
Date

Section VII. Technical Specifications

Bidders must state here either "Comply" or any equivalent term in the column "Bidder's Statement of Compliance" against each of the individual parameters of each "Specification."

Item	Specification	Statement of Compliance																
I	Maintenance Services																	
	<p>A. Deployment of six (6) skilled workers to perform general and pro-active maintenance and related services as and when required, such as, but not limited to, the following types of work: carpentry, painting, varnishing, plumbing works, electrical/electronic works. Minimum qualifications of the skilled workers are, as follows:</p> <table border="1" style="margin-left: 40px; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%;">Skilled Worker</th> <th style="width: 60%;">Minimum Qualifications</th> </tr> </thead> <tbody> <tr> <td>One (1) Carpenter</td> <td>With at least three (3) years of experience in his/her field of expertise.</td> </tr> <tr> <td>One (1) Steel Fabricator/Welder</td> <td>With at least three (3) years of experience in his/her field of expertise.</td> </tr> <tr> <td>Two (2) Plumbers</td> <td>With at least three (3) years of experience in their field of expertise.</td> </tr> <tr> <td>Two (2) Electricians</td> <td>With at least three (3) years of experience in their field of expertise.</td> </tr> </tbody> </table> <p>B. Maintenance services to cover the following area, comprising of office spaces, conference rooms, pantries, stock rooms, comfort rooms, hallways, and common areas:</p> <table border="1" style="margin-left: 40px; border-collapse: collapse;"> <tbody> <tr> <td style="width: 60%;">Building I (2 storey)</td> <td style="width: 40%;">2,500 sqm.</td> </tr> <tr> <td>Building II (4 storey with roof deck)</td> <td>13,464 sqm.</td> </tr> <tr> <td>Building III (2 storey)</td> <td>2,692 sqm.</td> </tr> </tbody> </table>	Skilled Worker	Minimum Qualifications	One (1) Carpenter	With at least three (3) years of experience in his/her field of expertise.	One (1) Steel Fabricator/Welder	With at least three (3) years of experience in his/her field of expertise.	Two (2) Plumbers	With at least three (3) years of experience in their field of expertise.	Two (2) Electricians	With at least three (3) years of experience in their field of expertise.	Building I (2 storey)	2,500 sqm.	Building II (4 storey with roof deck)	13,464 sqm.	Building III (2 storey)	2,692 sqm.	<p style="font-size: 2em;">}</p> <p style="font-size: 1.2em;">"COMPLY"</p>
Skilled Worker	Minimum Qualifications																	
One (1) Carpenter	With at least three (3) years of experience in his/her field of expertise.																	
One (1) Steel Fabricator/Welder	With at least three (3) years of experience in his/her field of expertise.																	
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Building III (2 storey)	2,692 sqm.																	

	<table border="1" data-bbox="401 181 1009 279"> <tr> <td data-bbox="401 181 801 279">Multi-Purpose Building with Gym</td> <td data-bbox="801 181 1009 279">960 sqm.</td> </tr> </table> <p data-bbox="318 314 388 340">Note:</p> <ol data-bbox="362 345 1028 476" style="list-style-type: none"> <li data-bbox="362 345 1028 410">1. The DBM shall provide equipment and tooling specific to the work specification. <li data-bbox="362 412 1028 476">2. Refer to Annex A for the list of DBM facilities and office equipment. 	Multi-Purpose Building with Gym	960 sqm.	<p data-bbox="1110 334 1212 360">"COMPLY"</p>
Multi-Purpose Building with Gym	960 sqm.			
II	Service Level Agreement			
	<p data-bbox="318 548 620 574">A. General Conditions</p> <ol data-bbox="417 618 1031 1830" style="list-style-type: none"> <li data-bbox="417 618 1031 777">1. The Contractor agrees that the DBM-Central Office, through the Administrative Service, reserves the right to screen and deny or accept the deployment of any personnel recommended by the Contractor. <li data-bbox="417 814 1031 1039">2. The deployed personnel shall work eight (8) hours a day, six (6) days a week from Monday to Saturday. However, the personnel may be requested to provide assistance outside the regular working hours or during weekends or holidays, upon written approval of the Head of the Administrative Service. <li data-bbox="417 1076 1031 1301">3. The DBM has the option to effect changes in the deployment of individual personnel anytime during the contract period through a written notice to the Contractor. Likewise, the DBM may increase or decrease the number of personnel depending upon the exigency of the service. <li data-bbox="417 1338 1031 1432">4. The Contractor shall make available relievers and/or replacements at all times to ensure continuous and uninterrupted services. <li data-bbox="417 1469 1031 1738">5. The Contractor shall pay its personnel not less than the minimum wage and other benefits mandated by the law. The Contractor shall comply with the laws governing employee's compensation, PhilHealth, SSS, Labor Standards, and other pertinent laws. A certificate for the purpose shall be required from the Contractor. <li data-bbox="417 1775 1031 1830">6. The Contractor, in the performance of its services, shall secure and maintain at its 	<p data-bbox="1110 1174 1212 1201">"COMPLY"</p>		

	<p>expense, all registration, licenses and/or permits required by law, and shall comply with all pertinent rules and regulations. The Contractor's personnel shall take all necessary precautions for the safety of all persons and properties at or near their area of work, and shall comply with all the standard and established safety regulations, rules and practices.</p> <p>7. The Contractor shall provide the personnel with appropriate uniforms and protective gear, if necessary, and ensure that they observe proper personal hygiene and appear neat and clean at all times.</p> <p>8. The Contractor shall ensure that safety will be observed at all times, and avoid the creation of safety hazards both in the condition of the work to be performed and during its performance.</p>	<p>"COMPLY"</p>
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III Service Specification

COVERAGE	DESCRIPTION OF TASK	FREQUENCY
Electrical System	Routine checkup of all electrical systems and equipment (c.g., defective bulbs, tube lights, parameter lights, switches, sockets, plug points, short circuiting, tripping lines, re-wiring, managing tangled wires, load balancing, and similar activities).	Daily
	Installation of various electrical equipment, etc., when necessary.	Daily
	Thorough checkup of all electrical systems which includes cleaning of panel junctions, tightening of all connections, checking/	Daily

"COMPLY"



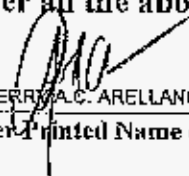
	cleaning/greasing of all contacts.		"COMPLY"
	Inspection, clean-up and testing of the generator.	Twice a month	
Roof	Inspection of all roof drains and downspouts.	Twice a year	
	Routine checkup of roof, metal flashing and edge of roof for rust and/or damage, and conduct of necessary maintenance work under the supervision of the DBM Building and Ground Supervisor.	Twice a year	
	Ensure that all roofing systems are properly secured and not leaking.	As necessary	
Drainage	Cleanup of manholes, downspouts, rainwater drainages, and rooftop rainwater drainage.	Every two months	
	Take out debris, and clean manholes, connection pipes and water drainages to clear all blockages.	Every two months	
Plumbing	Installation and repair of flush, shower and kitchen fixtures, and repair of leakages from pipelines and surface drains.	As necessary, provided that routine check shall be done daily	
	Manhole cleaning and removal of blockage in the pipeline using pressure pump if necessary.	As necessary, provided that routine check	

			shall be done daily	} "COMPLY"
		Cleaning of water tanks.	Twice a year	
Carpentry/ Steel Fabrication		Repair and painting of wooden office furniture, door sets (lock frames, linings, etc.) and sealing doors.	As necessary	
		Tiling work, concrete work, and cement plaster.	As necessary	
General Maintenance		Undertake planned routine maintenance under the close supervision of the DBM Building and Ground Supervisor.	As scheduled	
		Inform the DBM Building and Ground Supervisor of any and all known threats to the facility.	As necessary	
		Maintain appropriate service and repair records.	Daily	
		Prepare item specification and price quotations of equipment parts, chemicals and supplies if required.	As necessary	
		Undertake similar tasks that may be assigned by the DBM Building and Ground Supervisor.	As necessary	
IV	Service Standards			
	Deployed maintenance personnel shall observe the following: 1) Be professional, courteous, and sensitive to the DBM personnel's needs.			

	<p>2) Liaise with the administrative officers concerned, where practicable, before starting work, and avoid undertaking non-emergency tasks that will disrupt office work.</p> <p>3) Cooperate with the DBM Building and Ground Supervisor and the Security Office to maintain security of premises and property while undertaking maintenance.</p> <p>4) Comply with the Building Contractor's/Manufacturer's warranties and maintenance recommendations.</p> <p>5) Participate in the facility safety program, and assist in the development and improvement of safety practices.</p> <p>6) Maintain good housekeeping at all times. Personnel must keep the machines, tools and work places clean and orderly.</p>	<p>"COMPLY"</p>
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I hereby certify to comply and deliver all the above requirements.

DBP SERVICE CORPORATION
Name of Company/Bidder


GERRY A.C. ARELLANO
Signature over Printed Name of Representative

4/28/2017
Date



Section IV. General Conditions of Contract

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1. Definitions

1.1. In this Contract, the following terms shall be interpreted as indicated:

- (a) "The Contract" means the agreement entered into between the Procuring Entity and the Supplier, as recorded in the Contract Form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
- (b) "The Contract Price" means the price payable to the Supplier under the Contract for the full and proper performance of its contractual obligations.
- (c) "The Goods" means all of the supplies, equipment, machinery, spare parts, other materials and/or general support services which the Supplier is required to provide to the Procuring Entity under the Contract.
- (d) "The Services" means those services ancillary to the supply of the Goods, such as transportation and insurance, and any other incidental services, such as installation, commissioning, provision of technical assistance, training, and other such obligations of the Supplier covered under the Contract.
- (e) "GCC" means the General Conditions of Contract contained in this Section.
- (f) "SCC" means the Special Conditions of Contract.
- (g) "The Procuring Entity" means the organization purchasing the Goods, as named in the SCC.
- (h) "The Procuring Entity's country" is the Philippines.
- (i) "The Supplier" means the individual contractor, manufacturer distributor, or firm supplying/manufacturing the Goods and Services under this Contract and named in the SCC.
- (j) The "Funding Source" means the organization named in the SCC.
- (k) "The Project Site," where applicable, means the place or places named in the SCC.
- (l) "Day" means calendar day.
- (m) The "Effective Date" of the contract will be the date of signing the contract, however the Supplier shall commence performance of its obligations only upon receipt of the Notice to Proceed and copy of the approved contract.

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- (n) "Verified Report" refers to the report submitted by the Implementing Unit to the HoPE setting forth its findings as to the existence of grounds or causes for termination and explicitly stating its recommendation for the issuance of a Notice to Terminate.

2. Corrupt, Fraudulent, Collusive, and Coercive Practices

2.1. Unless otherwise provided in the SCC, the Procuring Entity as well as the bidders, contractors, or suppliers shall observe the highest standard of ethics during the procurement and execution of this Contract. In pursuance of this policy, the Procuring Entity:

(a) defines, for the purposes of this provision, the terms set forth below as follows:

(i) "corrupt practice" means behavior on the part of officials in the public or private sectors by which they improperly and unlawfully enrich themselves, others, or induce others to do so, by misusing the position in which they are placed, and it includes the offering, giving, receiving, or soliciting of anything of value to influence the action of any such official in the procurement process or in contract execution; entering, on behalf of the Government, into any contract or transaction manifestly and grossly disadvantageous to the same, whether or not the public officer profited or will profit thereby, and similar acts as provided in Republic Act 3019.

(ii) "fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of the Procuring Entity, and includes collusive practices among Bidders (prior to or after bid submission) designed to establish bid prices at artificial, non-competitive levels and to deprive the Procuring Entity of the benefits of free and open competition.

(iii) "collusive practices" means a scheme or arrangement between two or more Bidders, with or without the knowledge of the Procuring Entity, designed to establish bid prices at artificial, non-competitive levels.

(iv) "coercive practices" means harming or threatening to harm, directly or indirectly, persons, or their property to influence their participation in a procurement process, or affect the execution of a contract;

(v) "obstructive practice" is

(aa) deliberately destroying, falsifying, altering or concealing of evidence material to an administrative proceedings or investigation or making false statements to investigators in order to materially impede an

administrative proceedings or investigation of the Procuring Entity or any foreign government/foreign or international financing institution into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the administrative proceedings or investigation or from pursuing such proceedings or investigation; or

(bb) acts intended to materially impede the exercise of the inspection and audit rights of the Procuring Entity or any foreign government/foreign or international financing institution herein.

(b) will reject a proposal for award if it determines that the Bidder recommended for award has engaged in any of the practices mentioned in this Clause for purposes of competing for the contract.

2.2. Further the Funding Source, Borrower or Procuring Entity, as appropriate, will seek to impose the maximum civil, administrative and/or criminal penalties available under the applicable law on individuals and organizations deemed to be involved with any of the practices mentioned in GCC Clause 2.1(a).

3. Inspection and Audit by the Funding Source

The Supplier shall permit the Funding Source to inspect the Supplier's accounts and records relating to the performance of the Supplier and to have them audited by auditors appointed by the Funding Source, if so required by the Funding Source.

4. Governing Law and Language

4.1. This Contract shall be interpreted in accordance with the laws of the Republic of the Philippines.

4.2. This Contract has been executed in the English language, which shall be the binding and controlling language for all matters relating to the meaning or interpretation of this Contract. All correspondence and other documents pertaining to this Contract exchanged by the parties shall be written in English.

5. Notices

5.1. Any notice, request, or consent required or permitted to be given or made pursuant to this Contract shall be in writing. Any such notice, request, or consent shall be deemed to have been given or made when received by the concerned party, either in person or through an authorized representative of the Party to whom the communication is addressed, or when sent by registered mail, telex, telegram, or facsimile to such Party at the address specified in the SCC, which shall be effective when delivered and duly received or on the notice's effective date, whichever is later.

- 5.2. A Party may change its address for notice hereunder by giving the other Party notice of such change pursuant to the provisions listed in the SCC for GCC Clause 5.1.

6. Scope of Contract

- 6.1. The Goods and Related Services to be provided shall be as specified in Section VI. Schedule of Requirements.
- 6.2. This Contract shall include all such items, although not specifically mentioned, that can be reasonably inferred as being required for its completion as if such items were expressly mentioned herein. Any additional requirements for the completion of this Contract shall be provided in the SCC.

7. Subcontracting

- 7.1. Subcontracting of any portion of the Goods, if allowed in the BDS, does not relieve the Supplier of any liability or obligation under this Contract. The Supplier will be responsible for the acts, defaults, and negligence of any subcontractor, its agents, servants or workmen as fully as if these were the Supplier's own acts, defaults, or negligence, or those of its agents, servants or workmen.
- 7.2. If subcontracting is allowed, the Supplier may identify its subcontractor during contract implementation. Subcontractors disclosed and identified during the bidding may be changed during the implementation of this Contract. In either case, subcontractors must submit the documentary requirements under ITB Clause 12 and comply with the eligibility criteria specified in the BDS. In the event that any subcontractor is found by the Procuring Entity to be ineligible, the subcontracting of such portion of the Goods shall be disallowed.

8. Procuring Entity's Responsibilities

- 8.1. Whenever the performance of the obligations in this Contract requires that the Supplier obtain permits, approvals, import, and other licenses from local public authorities, the Procuring Entity shall, if so needed by the Supplier, make its best effort to assist the Supplier in complying with such requirements in a timely and expeditious manner.
- 8.2. The Procuring Entity shall pay all costs involved in the performance of its responsibilities in accordance with GCC Clause 6.

9. Prices

- 9.1. For the given scope of work in this Contract as awarded, all bid prices are considered fixed prices, and therefore not subject to price escalation during contract implementation, except under extraordinary circumstances and upon prior approval of the GPPB in accordance with Section 61 of R.A. 9184 and its IRR or except as provided in this Clause.

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- 9.2. Prices charged by the Supplier for Goods delivered and/or services performed under this Contract shall not vary from the prices quoted by the Supplier in its bid, with the exception of any change in price resulting from a Change Order issued in accordance with GCC Clause 29.

10. Payment

- 10.1. Payments shall be made only upon a certification by the HoPE to the effect that the Goods have been rendered or delivered in accordance with the terms of this Contract and have been duly inspected and accepted. Except with the prior approval of the President no payment shall be made for services not yet rendered or for supplies and materials not yet delivered under this Contract. Ten percent (10%) of the amount of each payment shall be retained by the Procuring Entity to cover the Supplier's warranty obligations under this Contract as described in GCC Clause 17.
- 10.2. The Supplier's request(s) for payment shall be made to the Procuring Entity in writing, accompanied by an invoice describing, as appropriate, the Goods delivered and/or Services performed, and by documents submitted pursuant to the SCC provision for GCC Clause 6.2, and upon fulfillment of other obligations stipulated in this Contract.
- 10.3. Pursuant to GCC Clause 10.2, payments shall be made promptly by the Procuring Entity, but in no case later than sixty (60) days after submission of an invoice or claim by the Supplier. Payments shall be in accordance with the schedule stated in the SCC.
- 10.4. Unless otherwise provided in the SCC, the currency in which payment is made to the Supplier under this Contract shall be in Philippine Pesos.
- 10.5. Unless otherwise provided in the SCC, payments using Letter of Credit (LC), in accordance with the Guidelines issued by the GPPB, is allowed. For this purpose, the amount of provisional sum is indicated in the SCC. All charges for the opening of the LC and/or incidental expenses thereto shall be for the account of the Supplier.

11. Advance Payment and Terms of Payment

- 11.1. Advance payment shall be made only after prior approval of the President, and shall not exceed fifteen percent (15%) of the Contract amount, unless otherwise directed by the President or in cases allowed under Annex "D" of RA 9184.
- 11.2. All progress payments shall first be charged against the advance payment until the latter has been fully exhausted.
- 11.3. For Goods supplied from abroad, unless otherwise indicated in the SCC, the terms of payment shall be as follows:
- (a) On Contract Signature: Fifteen Percent (15%) of the Contract Price shall be paid within sixty (60) days from signing of the Contract and upon submission of a claim and a bank guarantee for the equivalent

amount valid until the Goods are delivered and in the form provided in Section VIII, Bidding Forms.

- (b) On Delivery: Sixty-five percent (65%) of the Contract Price shall be paid to the Supplier within sixty (60) days after the date of receipt of the Goods and upon submission of the documents (i) through (vi) specified in the SCC provision on Delivery and Documents.
- (c) On Acceptance: The remaining twenty percent (20%) of the Contract Price shall be paid to the Supplier within sixty (60) days after the date of submission of the acceptance and inspection certificate for the respective delivery issued by the Procuring Entity's authorized representative. In the event that no inspection or acceptance certificate is issued by the Procuring Entity's authorized representative within forty five (45) days of the date shown on the delivery receipt, the Supplier shall have the right to claim payment of the remaining twenty percent (20%) subject to the Procuring Entity's own verification of the reason(s) for the failure to issue documents (vii) and (viii) as described in the SCC provision on Delivery and Documents.

12. Taxes and Duties

The Supplier, whether local or foreign, shall be entirely responsible for all the necessary taxes, stamp duties, license fees, and other such levies imposed for the completion of this Contract.

13. Performance Security

- 13.1. Within ten (10) calendar days from receipt of the Notice of Award from the Procuring Entity but in no case later than the signing of the contract by both parties, the successful Bidder shall furnish the performance security in any the forms prescribed in the ITB Clause 33.2.
- 13.2. The performance security posted in favor of the Procuring Entity shall be forfeited in the event it is established that the winning bidder is in default in any of its obligations under the contract.
- 13.3. The performance security shall remain valid until issuance by the Procuring Entity of the Certificate of Final Acceptance.
- 13.4. The performance security may be released by the Procuring Entity and returned to the Supplier after the issuance of the Certificate of Final Acceptance subject to the following conditions:
 - (a) There are no pending claims against the Supplier or the surety company filed by the Procuring Entity;
 - (b) The Supplier has no pending claims for labor and materials filed against it; and
 - (c) Other terms specified in the SCC. *H/A*

- 13.5. In case of a reduction of the contract value, the Procuring Entity shall allow a proportional reduction in the original performance security, provided that any such reduction is more than ten percent (10%) and that the aggregate of such reductions is not more than fifty percent (50%) of the original performance security.

14. Use of Contract Documents and Information

- 14.1. The Supplier shall not, except for purposes of performing the obligations in this Contract, without the Procuring Entity's prior written consent, disclose this Contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the Procuring Entity. Any such disclosure shall be made in confidence and shall extend only as far as may be necessary for purposes of such performance.
- 14.2. Any document, other than this Contract itself, enumerated in GCC Clause 14.1 shall remain the property of the Procuring Entity and shall be returned (all copies) to the Procuring Entity on completion of the Supplier's performance under this Contract if so required by the Procuring Entity.

15. Standards

The Goods provided under this Contract shall conform to the standards mentioned in Section VII, Technical Specifications; and, when no applicable standard is mentioned, to the authoritative standards appropriate to the Goods' country of origin. Such standards shall be the latest issued by the institution concerned.

16. Inspection and Tests

- 16.1. The Procuring Entity or its representative shall have the right to inspect and/or to test the Goods to confirm their conformity to the Contract specifications at no extra cost to the Procuring Entity. The SCC Section VII, Technical Specifications shall specify what inspections and/or tests the Procuring Entity requires and where they are to be conducted. The Procuring Entity shall notify the Supplier in writing, in a timely manner, of the identity of any representatives retained for these purposes.
- 16.2. If applicable, the inspections and tests may be conducted on the premises of the Supplier or its subcontractor(s), at point of delivery, and/or at the goods' final destination. If conducted on the premises of the Supplier or its subcontractor(s), all reasonable facilities and assistance, including access to drawings and production data, shall be furnished to the inspectors at no charge to the Procuring Entity. The Supplier shall provide the Procuring Entity with results of such inspections and tests.
- 16.3. The Procuring Entity or its designated representative shall be entitled to attend the tests and/or inspections referred to in this Clause provided that the Procuring Entity shall bear all of its own costs and expenses incurred in connection with such attendance including, but not limited to, all traveling and board and lodging expenses.

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- 16.4. The Procuring Entity may reject any Goods or any part thereof that fail to pass any test and/or inspection or do not conform to the specifications. The Supplier shall either rectify or replace such rejected Goods or parts thereof or make alterations necessary to meet the specifications at no cost to the Procuring Entity, and shall repeat the test and/or inspection, at no cost to the Procuring Entity, upon giving a notice pursuant to GCC Clause 5.
- 16.5. The Supplier agrees that neither the execution of a test and/or inspection of the Goods or any part thereof, nor the attendance by the Procuring Entity or its representative, shall release the Supplier from any warranties or other obligations under this Contract.

17. Warranty

- 17.1. The Supplier warrants that the Goods supplied under the Contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials, except when the technical specifications required by the Procuring Entity provides otherwise.
- 17.2. The Supplier further warrants that all Goods supplied under this Contract shall have no defect, arising from design, materials, or workmanship or from any act or omission of the Supplier that may develop under normal use of the supplied Goods in the conditions prevailing in the country of final destination.
- 17.3. In order to assure that manufacturing defects shall be corrected by the Supplier, a warranty shall be required from the Supplier for a minimum period specified in the SCC. The obligation for the warranty shall be covered by, at the Supplier's option, either retention money in an amount equivalent to at least one percent (1%) of every progress payment, or a special bank guarantee equivalent to at least one percent (1%) of the total Contract Price or other such amount if so specified in the SCC. The said amounts shall only be released after the lapse of the warranty period specified in the SCC; provided, however, that the Supplies delivered are free from patent and latent defects and all the conditions imposed under this Contract have been fully met.
- 17.4. The Procuring Entity shall promptly notify the Supplier in writing of any claims arising under this warranty. Upon receipt of such notice, the Supplier shall, within the period specified in the SCC and with all reasonable speed, repair or replace the defective Goods or parts thereof, without cost to the Procuring Entity.
- 17.5. If the Supplier, having been notified, fails to remedy the defect(s) within the period specified in GCC Clause 17.4, the Procuring Entity may proceed to take such remedial action as may be necessary, at the Supplier's risk and expense and without prejudice to any other rights which the Procuring Entity may have against the Supplier under the Contract and under the applicable law.

18. Delays in the Supplier's Performance

- 18.1. Delivery of the Goods and/or performance of Services shall be made by the Supplier in accordance with the time schedule prescribed by the Procuring Entity in Section VI. Schedule of Requirements.
- 18.2. If at any time during the performance of this Contract, the Supplier or its Subcontractor(s) should encounter conditions impeding timely delivery of the Goods and/or performance of Services, the Supplier shall promptly notify the Procuring Entity in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the Supplier's notice, and upon causes provided for under GCC Clause 22, the Procuring Entity shall evaluate the situation and may extend the Supplier's time for performance, in which case the extension shall be ratified by the parties by amendment of Contract.
- 18.3. Except as provided under GCC Clause 22, a delay by the Supplier in the performance of its obligations shall render the Supplier liable to the imposition of liquidated damages pursuant to GCC Clause 19, unless an extension of time is agreed upon pursuant to GCC Clause 29 without the application of liquidated damages.

19. Liquidated Damages

Subject to GCC Clauses 18 and 22, if the Supplier fails to satisfactorily deliver any or all of the Goods and/or to perform the Services within the period(s) specified in this Contract inclusive of duly granted time extensions if any, the Procuring Entity shall, without prejudice to its other remedies under this Contract and under the applicable law, deduct from the Contract Price, as liquidated damages, the applicable rate of one tenth (1/10) of one (1) percent of the cost of the unperformed portion for every day of delay until actual delivery or performance. The maximum deduction shall be ten percent (10%) of the amount of contract. Once the maximum is reached, the Procuring Entity may rescind or terminate the Contract pursuant to GCC Clause 23, without prejudice to other courses of action and remedies open to it.

20. Settlement of Disputes

- 20.1. If any dispute or difference of any kind whatsoever shall arise between the Procuring Entity and the Supplier in connection with or arising out of this Contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.
- 20.2. If after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the Procuring Entity or the Supplier may give notice to the other party of its intention to commence arbitration, as hereinafter provided, as to the matter in dispute, and no arbitration in respect of this matter may be commenced unless such notice is given.
- 20.3. Any dispute or difference in respect of which a notice of intention to commence arbitration has been given in accordance with this Clause shall be

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settled by arbitration. Arbitration may be commenced prior to or after delivery of the Goods under this Contract.

- 20.4. In the case of a dispute between the Procuring Entity and the Supplier, the dispute shall be resolved in accordance with Republic Act 9285 ("R.A. 9285"), otherwise known as the "Alternative Dispute Resolution Act of 2004."
- 20.5. Notwithstanding any reference to arbitration herein, the parties shall continue to perform their respective obligations under the Contract unless they otherwise agree; and the Procuring Entity shall pay the Supplier any monies due the Supplier.

21. Liability of the Supplier

- 21.1. The Supplier's liability under this Contract shall be as provided by the laws of the Republic of the Philippines, subject to additional provisions, if any, set forth in the SCC.
- 21.2. Except in cases of criminal negligence or willful misconduct, and in the case of infringement of patent rights, if applicable, the aggregate liability of the Supplier to the Procuring Entity shall not exceed the total Contract Price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.

22. Force Majeure

- 22.1. The Supplier shall not be liable for forfeiture of its performance security, liquidated damages, or termination for default if and to the extent that the Supplier's delay in performance or other failure to perform its obligations under the Contract is the result of a *force majeure*.
- 22.2. For purposes of this Contract the terms "*force majeure*" and "fortuitous event" may be used interchangeably. In this regard, a fortuitous event or *force majeure* shall be interpreted to mean an event which the Supplier could not have foreseen, or which though foreseen, was inevitable. It shall not include ordinary unfavorable weather conditions; and any other cause the effects of which could have been avoided with the exercise of reasonable diligence by the Supplier. Such events may include, but not limited to, acts of the Procuring Entity in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions, and freight embargoes.
- 22.3. If a *force majeure* situation arises, the Supplier shall promptly notify the Procuring Entity in writing of such condition and the cause thereof. Unless otherwise directed by the Procuring Entity in writing, the Supplier shall continue to perform its obligations under the Contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the *force majeure*.

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23. Termination for Default

- 23.1. The Procuring Entity shall terminate this Contract for default when any of the following conditions attends its implementation:
- (a) Outside of *force majeure*, the Supplier fails to deliver or perform any or all of the Goods within the period(s) specified in the contract, or within any extension thereof granted by the Procuring Entity pursuant to a request made by the Supplier prior to the delay, and such failure amounts to at least ten percent (10%) of the contract price;
 - (b) As a result of *force majeure*, the Supplier is unable to deliver or perform any or all of the Goods, amounting to at least ten percent (10%) of the contract price, for a period of not less than sixty (60) calendar days after receipt of the notice from the Procuring Entity stating that the circumstance of *force majeure* is deemed to have ceased; or
 - (c) The Supplier fails to perform any other obligation under the Contract.
- 23.2. In the event the Procuring Entity terminates this Contract in whole or in part, for any of the reasons provided under GCC Clauses 23 to 26, the Procuring Entity may procure, upon such terms and in such manner as it deems appropriate, Goods or Services similar to those undelivered, and the Supplier shall be liable to the Procuring Entity for any excess costs for such similar Goods or Services. However, the Supplier shall continue performance of this Contract to the extent not terminated.
- 23.3. In case the delay in the delivery of the Goods and/or performance of the Services exceeds a time duration equivalent to ten percent (10%) of the specified contract time plus any time extension duly granted to the Supplier, the Procuring Entity may terminate this Contract, forfeit the Supplier's performance security and award the same to a qualified Supplier.

24. Termination for Insolvency

The Procuring Entity shall terminate this Contract if the Supplier is declared bankrupt or insolvent as determined with finality by a court of competent jurisdiction. In this event, termination will be without compensation to the Supplier, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the Procuring Entity and/or the Supplier.

25. Termination for Convenience

- 25.1. The Procuring Entity may terminate this Contract, in whole or in part, at any time for its convenience. The HoPE may terminate a contract for the convenience of the Government if he has determined the existence of conditions that make Project Implementation economically, financially or technically impractical and/or unnecessary, such as, but not limited to, fortuitous event(s) or changes in law and national government policies.

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- 25.2. The Goods that have been delivered and/or performed or are ready for delivery or performance within thirty (30) calendar days after the Supplier's receipt of Notice to Terminate shall be accepted by the Procuring Entity at the contract terms and prices. For Goods not yet performed and/or ready for delivery, the Procuring Entity may elect:
- (a) to have any portion delivered and/or performed and paid at the contract terms and prices; and/or
 - (b) to cancel the remainder and pay to the Supplier an agreed amount for partially completed and/or performed goods and for materials and parts previously procured by the Supplier.
- 25.3. If the Supplier suffers loss in its initial performance of the terminated contract, such as purchase of raw materials for goods specially manufactured for the Procuring Entity which cannot be sold in open market, it shall be allowed to recover partially from this Contract, on a *quantum meruit* basis. Before recovery may be made, the fact of loss must be established under oath by the Supplier to the satisfaction of the Procuring Entity before recovery may be made.

26. Termination for Unlawful Acts

- 26.1. The Procuring Entity may terminate this Contract in case it is determined *prima facie* that the Supplier has engaged, before or during the implementation of this Contract, in unlawful deeds and behaviors relative to contract acquisition and implementation. Unlawful acts include, but are not limited to, the following:
- (a) Corrupt, fraudulent, and coercive practices as defined in ITB Clause 3.1(a);
 - (b) Drawing up or using forged documents;
 - (c) Using adulterated materials, means or methods, or engaging in production contrary to rules of science or the trade; and
 - (d) Any other act analogous to the foregoing.

27. Procedures for Termination of Contracts

- 27.1. The following provisions shall govern the procedures for termination of this Contract:
- (a) Upon receipt of a written report of acts or causes which may constitute ground(s) for termination as aforementioned, or upon its own initiative, the Implementing Unit shall, within a period of seven (7) calendar days, verify the existence of such ground(s) and cause the execution of a Verified Report, with all relevant evidence attached;

- (b) Upon recommendation by the Implementing Unit, the HoPE shall terminate this Contract only by a written notice to the Supplier conveying the termination of this Contract. The notice shall state:
- (i) that this Contract is being terminated for any of the ground(s) afore-mentioned, and a statement of the acts that constitute the ground(s) constituting the same;
 - (ii) the extent of termination, whether in whole or in part;
 - (iii) an instruction to the Supplier to show cause as to why this Contract should not be terminated; and
 - (iv) special instructions of the Procuring Entity, if any.
- (c) The Notice to Terminate shall be accompanied by a copy of the Verified Report;
- (d) Within a period of seven (7) calendar days from receipt of the Notice of Termination, the Supplier shall submit to the HoPE a verified position paper stating why this Contract should not be terminated. If the Supplier fails to show cause after the lapse of the seven (7) day period, either by inaction or by default, the HoPE shall issue an order terminating this Contract;
- (e) The Procuring Entity may, at any time before receipt of the Supplier's verified position paper described in item (d) above withdraw the Notice to Terminate if it is determined that certain items or works subject of the notice had been completed, delivered, or performed before the Supplier's receipt of the notice;
- (f) Within a non-extendible period of ten (10) calendar days from receipt of the verified position paper, the HoPE shall decide whether or not to terminate this Contract. It shall serve a written notice to the Supplier of its decision and, unless otherwise provided, this Contract is deemed terminated from receipt of the Supplier of the notice of decision. The termination shall only be based on the ground(s) stated in the Notice to Terminate;
- (g) The HoPE may create a Contract Termination Review Committee (CTRC) to assist him in the discharge of this function. All decisions recommended by the CTRC shall be subject to the approval of the HoPE; and
- (h) The Supplier must serve a written notice to the Procuring Entity of its intention to terminate the contract at least thirty (30) calendar days before its intended termination. The Contract is deemed terminated if it is not resumed in thirty (30) calendar days after the receipt of such notice by the Procuring Entity. *ajf*

28. Assignment of Rights

The Supplier shall not assign his rights or obligations under this Contract, in whole or in part, except with the Procuring Entity's prior written consent.

29. Contract Amendment

Subject to applicable laws, no variation in or modification of the terms of this Contract shall be made except by written amendment signed by the parties.

30. Application

These General Conditions shall apply to the extent that they are not superseded by provisions of other parts of this Contract.

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Section V. Special Conditions of Contract ^{of}

Special Conditions of Contract

GCC Clause	
1.1(g)	The Procuring Entity is the Department of Budget and Management (DBM).
1.1(i)	The Supplier is
1.1(j)	<p>The Funding Source is:</p> <p>The Government of the Philippines (GOP) through the authorized appropriations under the FY 2017 General Appropriations Act in the amount of Three Million Two Hundred Thousand Pesos (P3,200,000.00).</p>
1.1(k)	<p>The Project Site is:</p> <p>Department of Budget and Management DBM Building III, General Solano St. San Miguel, Manila.</p>
2.1	No further instructions.
5.1	<p>The Procuring Entity's address for Notices is:</p> <p style="padding-left: 40px;">Department of Budget and Management Ground Floor, DBM Building III, General Solano St. San Miguel, Manila Tel No. (02)791-2000 loc. 3115</p> <p style="padding-left: 40px;">Contact Person: Director Andrea Celene M. Magtalas Administrative Service (AS)</p> <p>The Supplier's address for Notices is:</p>
6.2	<p>The DBM has the right to effect changes in the assignment/ deployment of the multi-skilled workers at any time during the contract period through a written notice to the Contractor.</p> <p>Likewise, the DBM may increase or decrease the number of multi-skilled workers as may be necessary, and reserves the right to increase, reduce, or limit the scope of services of the Contractor. In such event, any corresponding adjustment in the cost shall not exceed the contract price.</p> <p>The Contractor shall strictly comply with Section VII. Technical Specifications, as well as other DBM rules and regulations.</p>

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9	<p>All bid prices are considered fixed prices, and are not subject to price escalation during the whole contract period, except for the following:</p> <ul style="list-style-type: none"> (i) increase in the minimum daily wage pursuant to a law or wage order issued after bid opening; and (ii) increase in taxes, if any.
10.3	<p>Payments shall be made within ten (10) working days upon complete submission by the Contractor of the following documents:</p> <ol style="list-style-type: none"> 1. Daily Time Records of the multi-skilled workers, signed by the AS Director or his/her duly authorized representative; 2. Proof of previous months' remittances to SSS, PhilHealth and Pag-IBIG, together with the transmittal sheet stamped received by the agencies concerned and other documents as may be required; and 3. Invoice of Billing or Statement of Account for the period covered. <p>Thereafter, payments shall be made upon certification by the AS Director that the services were rendered by the Contractor in accordance with the terms and conditions of the Contract.</p>
10.4	Not applicable.
10.5	Payment using LC is not allowed.
11.3	Maintain the GCC Clause.
13.4(c)	No further instructions.
15	<p>The Contractor shall maintain a satisfactory level of performance throughout the Contract period based on the following set of performance criteria:</p> <ul style="list-style-type: none"> (a) quality of work delivered; (b) time management; (c) management and suitability of personnel; (d) contract administration and management; (e) provision of regular progress report; (f) attentiveness to details; and (g) compliance with DBM instructions and policies.

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	<p>The AS shall conduct a quarterly review using the above-cited criteria to ensure compliance with the technical specifications, as well as with the other terms and conditions imposed by the DBM during the Contract period.</p> <p>Based on its assessment, the DBM-AS may pre-terminate the contract for failure by the service provider/contractor to perform its obligations thereon following the procedure prescribed under the Guidelines on Termination of Contracts issued by the Government Procurement Policy Board under Resolution No. 018-2004 dated December 22, 2004.</p>
16.1	No further instructions.
17.3	Not applicable.
17.4	No further instructions.
21.1	If applicable, all partners to the joint venture shall be jointly and severally liable to the Procuring Entity.

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REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
GENERAL SOLANO ST., SAN MIGUEL, MANILA

BIDS AND AWARDS COMMITTEE

NOTICE OF AWARD

May 9, 2017

MR. GERRY A.C. ARELLANO
Senior Assistant Vice President
DBP Service Corporation
2F, Executive Bldg. Center
Gil Puyat Avenue corner Makati Avenue
Makati City

Dear **Mr. Arellano:**

We are pleased to inform you that the contract for the Project, "Outsourcing of Multi Skilled Workers," is hereby awarded to your company in the amount of P2,120,977.63 for twelve (12) months.

In this regard, you are hereby required to post a performance security in the amount and form stated in Section 39 of the 2016 Revised Implementing Rules and Regulations of Republic Act No. 9184 prior to the signing of the contract.

Very truly yours,

BENJAMIN E. DIOKNO
Secretary



Received by
Orlando A. Diokno
5/11/17 2:05 PM



PERFORMANCE BOND (SURETY BOND)

G(13)A001004615

CIC No.MKT-17/0967

Performance Security pursuant to Section 39 of the Implementing Rules and Regulations of R.A. No. 9184
(For Government Project)

KNOW ALL MEN BY THESE PRESENTS:

That we,

DBP SERVICE CORPORATION

21F EXECUTIVE BUILDING CENTER, PENINGIL BUYAT AVE. COR. MAKATI AVE., MAKATI CITY,

as Principal, and **COMMONWEALTH INSURANCE COMPANY**, a corporation duly organized and existing under and by virtue of the laws of the Philippines as Surety, are held and firmly bound unto

DEPARTMENT OF BUDGET AND MANAGEMENT

as the procuring entity Obligeo in the sum of

SIX HUNDRED THIRTY-SIX THOUSAND TWO HUNDRED NINETY-THREE AND 29/100 (Php 636,293.29), Philippine Currency,

for the payment of which sum, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors,

WHEREAS the above-bounded Principal entered into a contract with the Obligeo for the:

WHEREAS the above-bounded Principal, **DBP SERVICE CORPORATION**, has entered into an Agreement with the herein Obligeo, **DEPARTMENT OF BUDGET AND MANAGEMENT**.

WHEREAS, this bond is conditioned to guarantee the faithful performance of its obligation more particularly for the **OUTSOURCING OF MULTI-SKILLED WORKERS** per Notice of Award dated May 9, 2017 which is hereto attached and made part of this bond. This bond is **CALLABLE ON DEMAND**.

WHEREAS, the Obligeo requires a performance security in the above stated sum to secure the full and faithful performance of the obligations of the Principal under the contract within the period of as specified in the bidding documents/terms of reference pursuant to Section 39 of the Implementing Rules and Regulations of R.A. No. 9184 and an additional one year (1) coverage from date of completion up to final acceptance to guarantee that the above-bounded Principal shall undertake the repair works of any damage to the infrastructure on account of the use of materials of inferior quality discovered within the defects liability period pursuant to Section 62 of the Implementing Rules and Regulations (IRR) of R.A. 9184.

This bond is callable on demand. The liability of the surety company shall in no case exceed the sum of **PESOS: SIX HUNDRED THIRTY-SIX THOUSAND TWO HUNDRED NINETY-THREE AND 29/100 (Php 636,293.29), Philippine Currency**. In case of default or failure of the Principal, the Obligeo shall notify the Surety by sending the notice of claim with attached supporting documents to prove default or failure to comply by the Principal.

NOW THEREFORE, if the Principal shall well and truly perform and fulfill all the undertakings, covenants, terms, conditions, and agreements stipulated in the said contract, R.A. No. 9184 and its Implementing Rules and Regulations, then the obligation shall be null and void, otherwise, it shall remain in full force and effect.

The liability of the Surety under this bond shall remain valid until issuance by the Obligeo of the certificate of final acceptance pursuant to Section 39, IRR No. 9184. It has been agreed that the Surety is released from liability after the issuance of the certificate of final acceptance. The Surety shall not be liable for extension of contract unless an endorsement has been issued consenting to such extension.

IN WITNESS WHEREOF, we have set our hands and signed our names on the 12th day of May 2017 at Makati, Philippines.

COMMONWEALTH INSURANCE COMPANY

TIN 000-445-883-VAT

By:



Bienvenido M. Jacinto Jr.
BIENVENIDO M. JACINTO JR.
Branch Manager
Official Capacity

DBP SERVICE CORPORATION

By:

Raul Luis B. Manaligod
RAUL LUIS B. MANALIGOD
First Senior Vice President

SIGNED IN THE PRESENCE OF:

Raymund Vincent P. Amante pro CIC
Raymund Vincent P. Amante pro CIC



Blg. 2016/36-R
(No.) 2016/36-R

Republika ng Pilipinas
Republic of the Philippines
Kagawaran ng Pananalapi
Department of Finance
KOMISYON NG SEGURO
INSURANCE COMMISSION

KATIBAYAN NG PAGKAMAYKAPANGYARIHAN
CERTIFICATE OF AUTHORITY

ITO AY PATUBAY na ang **COMMONWEALTH INSURANCE COMPANY**
(This is to certify that

NG LUNGSOD NG MAKATI, PILIPINAS

na isang

pang **DI-BUHAY**
NON-LIFE

(FIRE, MARINE, CASUALTY & SURETY)

na kompanya ng seguro ay nakatugon sa lahat ng mga kailangang itinakda ng batas
insurance company; has complied with all requirements of law

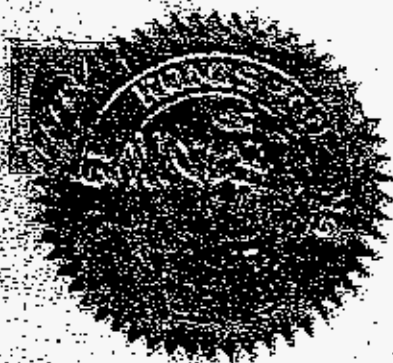
ng Pilipine kangay sa gayong mga kompanya ng seguro, kung kaya pingakalibaban
of the Philippines relative to such insurance companies, and it is hereby granted

nitong **KATIBAYAN NG PAGKAMAYKAPANGYARIHAN** upang makipagnegosyo ng
this CERTIFICATE OF AUTHORITY to transact

uri ng seguro na itinakda sa itaas hanggang ikalabindalawa ng batinggabi, ng ikatatlumpung
the class of insurance business above set forth until twelve o'clock midnight, on the thirtieth

araw ng Disyembre, taong dalawang libo't labing-walo
day of December 2016

maliban kung agad na bawala o pigilin ng may makatuwirang dahilan.
unless sooner revoked or suspended for cause.



Hilagang **KATUNAYAN NITO**, Inilagda ko ang aking pangalan
(In WITNESS WHEREOF, I have heretofore subscribed my name.

at itinatag ang Opisyal na Tatak ng aking Tanggapan
and caused my Official Seal to be affixed,

sa Lungsod ng Maynila, Pilipinas. Ito ay may bisa
at the City of Manila, Philippines. This becomes

simula ita-isa ng Enero 2016.
effective on 1 January 2016.)

EMMANUEL F. DOCO
Insurance Commissioner

AO No. 28 issued on
December 8, 2016

Date issued

Commonwealth Insurance Company
CERTIFIED TRUE COPY OF ORIGINAL

By:



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
GENERAL SOLANO ST., SAN MIGUEL, MANILA

BIDS AND AWARDS COMMITTEE

Resolution No. 2017-

WHEREAS, the Department of Budget and Management (DBM) Bids and Awards Committee (BAC) conducted a public bidding for the Project, "Outsourcing of Multi Skilled Workers," with an Approved Budget for the Contract of P3,200,000.00 for twelve (12) months;

WHEREAS, on April 11, 2017, the Invitation to Bid was posted on the Philippine Government Electronic Procurement System website, the DBM website, and all DBM bulletin boards;

WHEREAS, no prospective bidder attended the Pre-bid Conference on April 18, 2017;

WHEREAS, during the submission and opening of bids on May 2, 2017, only one (1) bidder, DBP Service Corporation, submitted a bid;

WHEREAS, after preliminary examination of the bid, the BAC, using non-discretionary "pass/fail" criteria, determined the submission of DBP Service Corporation as "passed" for complying with all the eligibility and technical requirements as stated in the Bidding Documents;

WHEREAS, after evaluation of the financial proposal, the BAC declared the submission of DBP Service Corporation as the Single Calculated Bid in the amount of P2,120,977.63;

WHEREAS, after careful evaluation, validation and verification of the eligibility, technical and financial proposals of the bid, the BAC found that the submission of DBP Service Corporation passed all the criteria for post-qualification; thus, it was declared as the Single Calculated and Responsive Bid in the amount of P2,120,977.63.

NOW, THEREFORE, for and in consideration of the foregoing premises, the BAC **RESOLVED**, as it hereby **RESOLVED**, to recommend to the Secretary of Budget and Management that the contract for the Project, "Outsourcing of Multi Skilled Workers," be awarded to DBP Service Corporation, in accordance with Republic Act No. 9184 and its 2016 Revised Implementing Rules and Regulations.

ADOPTED, this 9th day of May 2017 at the Department of Budget and Management, General Solano St., San Miguel, Manila.


JOCELYN T. CENTENO
End-user Representative

not present
VIRGILIO A. UMPACAN, JR.
B.U.D.G.E.T. Representative

DANTE B. DE CHAVEZ
Member

DOLORES E. GALURA
Member

ANDREA CELENE M. MAGTALAS
Vice Chairperson

AGNES JOYCE G. BAILEN
Chairperson

APPROVED
 DISAPPROVED

BENJAMIN E. DIOKNO
Secretary, DBM

Date: MAY 10 2017



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
GENERAL SOLANO ST., SAN MIGUEL, MANILA

BIDS AND AWARDS COMMITTEE

NOTICE OF AWARD

May 9, 2017

MR. GERRY A.C. ARELLANO
Senior Assistant Vice President
DBP Service Corporation
2F, Executive Bldg. Center
Gil Puyat Avenue corner Makati Avenue
Makati City

Dear **Mr. Arellano**:

We are pleased to inform you that the contract for the Project, "Outsourcing of Multi Skilled Workers," is hereby awarded to your company in the amount of P2,120,977.63 for twelve (12) months.

In this regard, you are hereby required to post a performance security in the amount and form stated in Section 39 of the 2016 Revised Implementing Rules and Regulations of Republic Act No. 9184 prior to the signing of the contract.

Very truly yours,


BENJAMIN E. DIOKNO
Secretary





REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
GENERAL SOLANO ST., SAN MIGUEL, MANILA

BIDS AND AWARDS COMMITTEE

NOTICE OF AWARD

May 9, 2017

MR. GERRY A.C. ARELLANO

Senior Assistant Vice President
DBP Service Corporation
2F, Executive Bldg. Center
Gil Puyat Avenue corner Makati Avenue
Makati City

Dear **Mr. Arellano:**

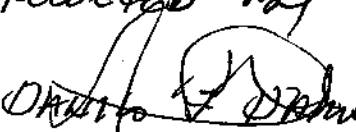
We are pleased to inform you that the contract for the Project, "Outsourcing of Multi Skilled Workers," is hereby awarded to your company in the amount of P2,120,977.63 for twelve (12) months.

In this regard, you are hereby required to post a performance security in the amount and form stated in Section 39 of the 2016 Revised Implementing Rules and Regulations of Republic Act No. 9184 prior to the signing of the contract.

Very truly yours,


BENJAMIN E. DIOKNO
Secretary



Received by

5/11/17 2:05 PM



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
GENERAL SOLANO ST., SAN MIGUEL, MANILA

BIDS AND AWARDS COMMITTEE

NOTICE TO PROCEED

MR. RAUL LUIS D. MANALIGOD
First Senior Vice President
DBP Service Corporation
2F, Executive Bldg. Center
Gil Puyat Avenue corner Makati Avenue
Makati City

Dear **Mr. Manaligod:**

This is to inform your company that performance of the obligations specified in the attached Contract for the Project, "Outsourcing of Multi Skilled Workers," shall commence upon receipt of this Notice to Proceed.

Very truly yours,

S. C. C.
BENJAMIN E. DIOKNO
Secretary



I acknowledge receipt and acceptance of this Notice on: _____

J. E. Ju 6/1/2017

Name of Consultant and/or Representative: _____

Authorized Signature: _____