

## CONTRACT OF MANPOWER SERVICES

### KNOW ALL MEN BY THESE PRESENTS:

This Contract is made and entered into by and between:

\_\_\_\_\_, a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with office address at \_\_\_\_\_, represented herein by its \_\_\_\_\_, \_\_\_\_\_, and hereinafter referred to as the "**Contractor**"

- and -

**PHILIPPINE DEPOSIT INSURANCE CORPORATION**, a government instrumentality created and existing under R.A. No. 3591, as amended, with principal office address at SSS Building, Ayala Avenue corner V.A. Rufino Street, Makati City, Metro Manila, and represented herein by its \_\_\_\_\_, \_\_\_\_\_, and hereinafter referred to as the "**CLIENT**"

### WITNESSETH: That,

**WHEREAS**, the **CLIENT** needs to engage the services of a qualified and licensed firm which will provide manpower services to the **CLIENT** on a contractual basis to perform project-based and task-specific assignments to help the **CLIENT** carry out its mandate;

**WHEREAS**, for the procurement of the required services, a public bidding was conducted by the **CLIENT** pursuant to the provisions of Republic Act No. 9184 (The Government Procurement Reform Act);

**WHEREAS**, in said public bidding, the **Contractor** offered the lowest calculated responsive bid based on the bidding criteria set by the **CLIENT**;

**WHEREAS**, the **CLIENT** accepted the bid of the **Contractor** and the latter conformed with such acceptance.

**NOW, THEREFORE**, for and in consideration of the foregoing premises and of the terms and conditions hereinafter set forth, the parties hereby agree as follows:

1. **Agreement** – The **CLIENT** hereby engages the **Contractor** to provide the **CLIENT** the manpower services it needs in accordance with the schedule provided by the **CLIENT**, within five (5) days from receipt of request. Such personnel provided by the **Contractor** shall hereinafter be referred to as the "Agency Personnel."

The **Contractor** affirms its capacity to provide the **CLIENT** with at least 250 Agency Personnel, excluding janitorial and security personnel, who meet the qualifications set in this Contract. The **Contractor** acknowledges that its capacity to provide the minimum number of qualified Agency Personnel is one of the **CLIENT**'s primary considerations in entering into this Contract and that the **Contractor**'s failure to meet this requirement at any time during the term of the Contract shall be a ground for the **CLIENT** to terminate the Contract without need of demand.

Depending on its need, the **CLIENT** may demand from the **Contractor** the reduction or increase in the number of Agency Personnel assigned to the **CLIENT**.

2. **Personnel Qualification** – The Agency Personnel provided by the **Contractor** shall possess the necessary qualifications and must have passed the standards set by the **CLIENT** as provided in the Terms of Reference hereto attached as Annex "A," and incorporated as part hereof.

All Agency Personnel assigned to the **CLIENT** must submit his/her current: (1) National Bureau of Investigation Clearance, and (2) Medical Health Certificate, prior to their assignment to the **CLIENT** or within one (1) month after the signing of this Contract.

Prior to assigning the Agency Personnel to the **CLIENT**, the **Contractor** shall certify that the Agency Personnel is not related within the fourth degree of consanguinity or affinity to any regular employee of the **CLIENT** and has not been previously dismissed from any government or private service by reason of an administrative offense. A false declaration concerning the same shall be a ground for the replacement of such Agency Personnel assigned to the **CLIENT**.

3. **Obligations of the Contractor** – The **Contractor** undertakes to: (a) cause the Agency Personnel to perform the functions and duties identified by the **CLIENT** with efficiency, economy and effectiveness, (b) advance the expenses of the Agency Personnel, such as their salaries/wages, regular benefits, overtime pay and allowances like travel and other non-regular monetary benefits arising from their duties under this Contract for at least two (2) months, (c) provide, at its own cost, nine (9) biometric machines and install it at the premises of the **CLIENT** for the use of the Agency Personnel, (d) provide a Resident Administrator, at no cost to the **CLIENT**, to act as the liaison to address the concerns of the Agency Personnel assigned to the **CLIENT**, (e) indemnify the depositors/claimants and/or borrowers of the **CLIENT** for loss or damage, actual or otherwise, suffered and/or caused unto them as a result of the unauthorized/illegal activities of the Agency Personnel.
4. **Consideration** - For and in consideration of the services rendered, the **CLIENT** agrees to pay the monthly billings submitted by the **Contractor** in accordance with the rates quoted in its bid, which is made an integral part of this Contract as Annex "B". It is understood that the rates quoted therein are based on an eight (8) - hour work day, which rates are inclusive of the statutory deductions on salaries/wages such as SSS, Philhealth, Pag-ibig, and ECC, as well as the applicable Value Added Tax and other taxes.

In addition to the foregoing, the Contractor, at its expense, shall: (a) give additional benefits to the Agency Personnel, in an amount/value of not less than TWENTY-FIVE PESOS (P 25.00), Philippine Currency per day. The additional benefits may be in the form of, but not limited to, meal subsidy/allowance, additional incentive leave, or other similar benefits, (b) provide to the Agency Personnel an annual health protection benefit/coverage through a Health Maintenance Organization in the amount of at least ONE HUNDRED THOUSAND PESOS (P 100,000.00), Philippine Currency (c) provide to the Agency Personnel an accidental insurance in the amount of at least ONE HUNDRED THOUSAND PESOS ( P 100,000.00), Philippine Currency.

All bills shall be paid within sixty (60) calendar days from receipt provided the requirements enumerated in the next paragraphs are complied with.

Prior to the release of each payment, the **Contractor** shall submit to the **CLIENT** the following, as attachments to their billings:

- 4.1 Certification under oath by the President of the **Contractor** or his/her duly authorized representative which shall attest that:
  - 4.1.1 the Agency Personnel assigned to the **CLIENT** by reason of this Contract have been fully paid their salaries and wages, overtime and allowances for the preceding month in accordance with this Contract, including any adjustment thereof;
  - 4.1.2 all premiums/sums due to the SSS/Philhealth/Pag-Ibig and such other government agencies have been duly remitted by the **Contractor** to the agencies concerned; and,
  - 4.1.3 the Agency Personnel have no claim for any deficiency in their wages and benefits from the **Contractor**.

For this purpose, the **Contractor** shall furnish the **CLIENT** a copy of the monthly payroll of the concerned Agency Personnel to be attached to the billings.

- 4.2 Proof of payment to the SSS (i.e. Form R3, R5 & SBR), Philhealth and Pag-Ibig;

No adjustment in the contract price shall be allowed during the term of this Contract except in cases where the cost of the awarded contract is affected by any applicable new laws, ordinances, regulations or other acts of Government promulgated after the date of bidding. In which case, a contract price adjustment shall be made or appropriate relief shall be applied on a no loss-no gain basis, pursuant to Section 61.2 of the Revised Implementing Rules and Regulations of Republic Act No. 9184.

In compliance with existing regulations, the **Contractor** shall pay and remit to the Bureau of Internal Revenue (BIR), in full and on time, correct amount of taxes due on the consideration agreed in the Contract, and failure to do so will entitle the **CLIENT** to suspend payment for any services rendered. For the duration of this Contract, the **Contractor** shall submit to the **CLIENT** a tax clearance duly issued by the BIR as well as copy of its income and business tax returns duly stamped and received by the BIR and duly validated with

the tax payments made thereon.

5. **Minimum Daily Wage-** The Agency Personnel shall receive a minimum daily wage of FOUR HUNDRED SIXTY SIX PESOS (P466.00), Philippine Currency, plus Emergency Cost of Living Allowance (ECOLA). However, if the **CLIENT** requires that certain Agency Personnel must possess higher qualifications and more extensive experience than what is provided for in Annex "A", the **Contractor** shall provide the **CLIENT** with such Agency Personnel who may be paid a daily wage higher than the minimum daily wage as provided herein.
6. **Administrative Fee** – The **Contractor** shall be entitled to an administrative fee of \_\_\_\_\_ percent (\_\_\_%) of the Total Amount Paid to Agency Personnel and Government as provided for in Annex "A." The travel allowances and expenses, paid by the **Contractor** to the Agency Personnel shall be subject to a service charge of \_\_\_\_\_ percent (\_\_\_%), pursuant to the instructions and standardized rates provided by the **CLIENT**.
7. **No Employer-Employee Relationship** – It is expressly understood and agreed that the Agency Personnel assigned to the **CLIENT** are, for all legal intents and purposes, the employees of the **Contractor** and not of the **CLIENT** and no employer-employee relationship exists between the **CLIENT** and the Agency Personnel.

The **Contractor** shall, at all times, stand fully and solely liable for the enforcement of and/or compliance with all applicable and existing wage, labor, and social legislation as well as other pertinent laws and government regulations, and those that may be enacted hereafter.

The **Contractor** guarantees that each Agency Personnel shall be paid with the rate not lower than what is stipulated in this Contract **plus the other benefits that the Contractor agreed to pay the Agency Personnel as provided in this Contract**, as well as those provided for in the Labor Code and other existing labor or social legislation.

The non-compliance by the **Contractor** of the foregoing, as well as its failure to remit and pay what is due to SSS/Philhealth/Pag-Ibig and such other government agencies shall cause the termination of this Contract.

8. **Supervision and Control** – The **Contractor** shall at all times retain control and supervision over the Agency Personnel assigned to the **CLIENT**. The **CLIENT** may give instructions to the Agency Personnel only for the purpose of achieving the ends or desired results of the work or project to which the Agency Personnel is assigned. The exercise by the **CLIENT** of this authority shall not be deemed or interpreted as a relinquishment by the **Contractor** of its powers or status as employer of the Agency Personnel. The **CLIENT** may allow the Agency Personnel to sit in/attend seminars/trainings conducted by the **CLIENT** relevant to the Agency Personnel's work/assignment, free of charge.

The services rendered hereunder by the Agency Personnel shall not be considered and accredited as government service and shall not entitle the Agency Personnel to the benefits enjoyed by regular personnel of the **CLIENT**.

In the exercise of the **Contractor's** power of Supervision and Control over the Agency Personnel, the **Contractor** shall assign a Resident Administrator to the **CLIENT**, at no cost to the latter, pursuant to Section 3(d) hereof.

9. **Liability for Losses and Damages** – The **Contractor** shall be liable for losses and damages caused to the properties and facilities of the **CLIENT** due to the fault or negligence of the Agency Personnel while in the performance of their duties or in the course of their stay within their places of assignment.

The **Contractor** binds itself to hold the **CLIENT** or any of its officials, employees and/or agents free and harmless from any liability for the personal injury or damage, including death, sustained or caused by or to any of the Agency Personnel assigned to the **CLIENT** during the lawful performance of their duties or in the course of their stay within their places of assignment.

10. **Bonding of Agency Personnel** - At the request of the **CLIENT**, all Agency Personnel who perform functions involving handling of money and/or property of the **CLIENT** shall be bonded at such amount/s agreed upon by the **Contractor** and the **CLIENT**, with the premiums for the account of the **CLIENT**.

Without prejudice to the provision of paragraph 9 hereof, the bond shall also answer for any loss or damage suffered by the **CLIENT** due to the fault or negligence of the Agency Personnel while in the performance of their duties or in the course of their stay within their places of assignment. The **CLIENT** shall inform the **Contractor** in writing of such damage, loss or injury within five (5) working days from discovery thereof by the **CLIENT** complete with supporting documents.

11. **Replacement of Personnel** – Should the **CLIENT** find the performance of any of the assigned Agency Personnel to be unsatisfactory or should any of the Agency Personnel commit acts inimical to the interest of the **CLIENT**, the **CLIENT** may immediately bar said Agency Personnel from performing further service and thereafter notify the **Contractor** in writing to replace the Agency Personnel stating the reason/cause of the request. The **Contractor** shall, within five (5) days from receipt of the **CLIENT's** written request, replace the said Agency Personnel with another one acceptable to the **CLIENT**.

The undue refusal of the **Contractor** to replace the said Agency Personnel shall authorize the **CLIENT** to terminate this Contract.

12. **Services Rendered Out of Regular Working Hours** – For services rendered over and above the eight (8) hour regular working time, the **Contractor** shall be entitled to charge the **CLIENT** overtime premium, night differential and holiday pay, whenever applicable, in accordance with existing labor laws, rules and regulations.

13. **Services Rendered Outside of the CLIENT's Offices (Field Work)** – The **CLIENT** may deploy the Agency Personnel outside of the offices of the **CLIENT** located at Chino Roces Avenue (Pasong Tamo) and Ayala Avenue both in Makati City to do field work. In such instances, the **Contractor** shall advance the payment of travel expenses and per diems of Agency Personnel on field to be reimbursed by the **CLIENT** with service charge pursuant to Section 6 hereof.

14. **Tardiness and Absences** – Tardiness and absences by the Agency Personnel shall be deducted accordingly from the monthly billings of the **Contractor**.

15. **Clearance** - Before any Agency Personnel assigned to the **CLIENT** is separated from service or allowed to resign by the **Contractor**, the **Contractor** shall secure the necessary clearance from the Human Resource and Management Department of the **CLIENT** to ensure that any and all financial or other accountability of the Agency Personnel to the **CLIENT** are duly settled and complied with. Should the **Contractor** fail to secure the necessary clearance from the **CLIENT**, the **Contractor** agrees to hold itself solidarily liable with the concerned Agency Personnel for any accountability the latter may have with the **CLIENT**.

16. **Confidentiality of Information** – The **Contractor** and the **CLIENT** agree that the services covered by this Contract are fiduciary and confidential in nature such that the **Contractor** covenants that it or any of the Agency Personnel shall not, during the duration of this Contract or at any time thereafter, disclose nor furnish to any person, firm or corporation any information relating to the **CLIENT** that may be acquired/possessed in the course of the rendition of services to the **CLIENT**, or in the course of their stay within their places of assignment, or as an incident to this Contract.

The **Contractor** shall ensure that the Agency Personnel will comply with this obligation.

17. **Violation of Terms and Conditions** – In case of violation by the **Contractor** of any of the terms and conditions of this Contract, the **CLIENT** may terminate this Contract by giving written notice to the **Contractor** at least fifteen (15) days before the intended date of termination. The termination shall be without prejudice to the settlement of any obligation or claim for damages, loss or injury which the **CLIENT** may have against the **Contractor**; Provided, further, that failure on the part of the **CLIENT** to enforce any of the provisions of this Contract shall not be considered as waiver of any of its rights.

**18. Performance Bond/Liquidated Damages –**

18.1 To guarantee the faithful performance of its obligations under this Contract, the **Contractor** shall, upon the execution of this Contract, post a performance security in favor of the **CLIENT**. Any changes made in this Contract shall in no way annul, release, affect or modify the liability of the **Contractor** and the performance security. The performance security may be in any of the following schedules:

Form of Security	Minimum Amount in % of Total Contract Price
a) Cash or cashier's/manager's check issued by a Universal or Commercial Bank.	Five percent (5%)
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.	
c) Surety bond callable on demand issued by a surety or insurance company duly certified by the Insurance Commission as authorized to issue such security.	Thirty percent (30%)
d) Any combination of the foregoing.	Proportionate to share of form with respect to total amount of security.

18.2 The Performance Security shall only be released upon the **CLIENT's** issuance of the final Certificate of Acceptance subject to the following conditions:

18.2.1 The **CLIENT** has no claims against the **Contractor** or the surety company;

18.2.2 The **CLIENT** has no claims for labor and materials against the **Contractor**;

18.2.3 The **Contractor** has faithfully and completely performed its obligations under this Contract.

18.3 The Performance Security shall guarantee the payment of any amount due to the **CLIENT** as penalty or for any damage, loss or injury that may be caused by the **Contractor** or any of the Agency Personnel to the **CLIENT**.

18.4 In the event the **Contractor** breaches any provision of this Contract, the amount of liquidated damages shall be at least equal to one-tenth of one percent (0.1%) of the cost of the unperformed portion for every day of delay. In cases wherein the **Contractor** fails to satisfactorily provide the **CLIENT** with the requested Agency Personnel within the required period, inclusive of the time extensions approved by the **CLIENT**, if any, the **Contractor** shall be liable for damages for the said delay and shall pay the **CLIENT** liquidated damages in an amount of at least ONE THOUSAND PESOS (₱1,000.00), Philippine Currency, for every day of delay until said Agency Personnel are finally provided and accepted by the **CLIENT**.

18.5 The **CLIENT** need not prove that it incurred actual damages to be entitled to liquidated damages referred to in the immediately preceding paragraph. The liquidated damages shall be deducted from any money due or which may become due to the **Contractor**, or the same may be collected from the security posted by the **Contractor**, whichever is convenient to the **CLIENT**. In case the total sum of liquidated damages exceeds ten percent (10%) of the total contract price, the **CLIENT** may terminate this Contract and impose

appropriate sanctions over and above the liquidated damages to be paid.

19. **Attorney's Fees** – In the event that the **CLIENT** shall be compelled to seek judicial relief, it shall be entitled to attorney's fees equivalent to ten percent (10%) of the amount claimed in the judicial action or of the contract price, whichever is higher, apart from the costs of litigation and other incidental expenses.
20. **Retention Right** – The **CLIENT** is hereby given a lien upon any and all monies or other properties of the **Contractor**, which are in the **CLIENT**'s possession or with any third party acting on behalf of the **CLIENT**, including, but not limited to, those left with the **CLIENT** by or for the account of the **Contractor**. The **CLIENT** is hereby given the right to retain the same to guarantee the payment or performance of any and all liability of the **Contractor** under this Agreement whether contingent or otherwise, which the **CLIENT** may be held jointly or solidarily liable.
21. **Non-exclusivity of the Contract** – It is understood that this Contract is non-exclusive. The **CLIENT** shall have the right, at any time, in its sole discretion, to engage the services of other manpower agencies to supply the **CLIENT** with such additional and qualified personnel for its manpower needs.
22. **Transfer of Location** - The transfer of the principal office of either party to any place, area or building in Metro Manila shall not affect the terms and conditions of this Contract.
23. **Enforcement** - It is understood that failure of the **CLIENT** to demand compliance with any of the terms and conditions of this Contract shall not be considered a waiver on the part of the **CLIENT** of its right to the enforcement of this Contract.
24. **Venue of Legal Action** – The parties agree that any and all actions that may arise from this Contract shall be instituted and tried only in the proper courts of Makati City, Metro Manila.
25. **Contract Duration** - This Contract shall take effect for a period of six months commencing on \_\_\_\_\_ and ending on \_\_\_\_\_, unless sooner terminated by the **CLIENT**.

**IN WITNESS WHEREOF**, the Parties have hereunto signed and executed this Contract on the date and place stated below their respective names.

**PHILLIPINE DEPOSIT  
INSURANCE CORPORATION**  
TIN: \_\_\_\_\_

\_\_\_\_\_  
TIN: \_\_\_\_\_

By:

By:

\_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
Date: \_\_\_\_\_



Place: \_\_\_\_\_

Place: \_\_\_\_\_

**SIGNED IN THE PRESENCE OF:**

\_\_\_\_\_

**CERTIFICATION:**

This is to certify that pursuant to PDIC Board Resolution No. \_\_\_\_ dated \_\_\_\_\_, the amount of P\_\_\_\_ has been set aside and made available in the Corporate Operating Budget (COB) of the PDIC for the year 2014 to cover for the implementation of the approved Manpower Services for PDIC for the year 2014.

\_\_\_\_\_

**ACKNOWLEDGMENT**

REPUBLIC OF THE PHILIPPINES     )  
Makati City                             )S.S.

BEFORE ME, a Notary Public for and in the City of Makati, this \_\_\_\_ day of \_\_\_\_\_ 2014 personally appeared:

Name	Proof of Identity	Date/Place Issued
_____		

known to me to be the same person who executed the foregoing Contract and acknowledged to me that he/she is duly authorized to execute this Contract and that the same is his/her free and voluntary act as well as that of the entity he/she represents.

This document refers to a Contract of Manpower Services consisting of \_\_\_\_ (\_\_) pages, including this page on which this Acknowledgment is written, signed by the party and his/her witnesses on each and every page thereof and thereafter sealed with my notarial seal.

WITNESS MY HAND AND SEAL at the place and on the date first above written.

Doc. No. \_\_\_\_;  
Page No. \_\_\_\_;  
Book No. \_\_\_\_;  
Series of 2014.

**ACKNOWLEDGMENT**

REPUBLIC OF THE PHILIPPINES)  
Makati City ) S.S.

BEFORE ME, a Notary Public for and in the City of Makati, this \_\_\_\_ day  
of \_\_\_\_\_ 2014 personally appeared:

<b>Name</b>	<b>Proof of Identity</b>	<b>Date/Place Issued</b>
_____	_____	_____
_____	_____	_____

known to me to be the same person who executed the foregoing Contract and acknowledged to me that he/she is duly authorized to execute this Contract and that the same is his/her free and voluntary act as well as that of the entity he/she represents.

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Doc. No. \_\_\_\_\_;  
Page No. \_\_\_\_\_;  
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Series of 2014.