

# CONTRACT FOR JANITORIAL SERVICES

This Contract for Janitorial Services is executed by and between:

**UNIVERSITY OF THE PHILIPPINES MINDANAO**, a national university, a public and secular institution of higher learning, created by virtue of Republic Act 7889 with official address at UP Mindanao Administration Building, Mintal, Tugbok District, Davao City, represented herein by its Chancellor, **DR. SYLVIA B. CONCEPCION**, hereinafter referred to as "**UNIVERSITY**".

and

**ANLEO MAINTENANCE AND ALLIED SERVICES ("AGENCY")**, a corporation organized and existing by virtue of Philippine laws, with business address at Mitsui Bussan Village, Bajada, Davao City, represented by its Proprietor/General Manager, **ANDRES L. RECONES**.

## RECITALS:

The **UNIVERSITY** desires to have its buildings and premises cleaned and properly maintained.

The **AGENCY** is engaged in the business of building maintenance, janitorial and other manpower services, particularly the up keeping of building offices and surroundings.

After evaluating all the bids submitted in a public bidding for janitorial services, the UP Mindanao Bids and Awards Committee determined that herein **AGENCY** offered the lowest calculated and responsive bid in accordance with procurement law, rules and regulations and therefore, most advantageous to the **UNIVERSITY**.

The **UNIVERSITY** hereby accepts the **AGENCY's** offer to provide janitorial services, in accordance with the terms and conditions hereinafter set forth starting from March 1, 2015 up to December 31, 2015.

**NOW, THEREFORE**, the parties agree as follows:

1. **Contract Period** - The contract duration shall be from 1 March 2015 and shall end on 31 December 2015, unless otherwise pre-terminated by either party subject to laws, government rules and regulations.

It may be renewed for the next succeeding one year (1) period from January 1, 2016 to December 31, 2016, only if upon review and evaluation of the performance of the **AGENCY** in accordance with Section 26.1, hereof, the **UNIVERSITY** determines that the **AGENCY** has performed satisfactorily to merit such renewal of contract and/or services. It is hereby understood that no renewal, hold-over or extension shall be allowed unless expressly agreed upon in writing by the **UNIVERSITY** and **AGENCY** sixty (60) days prior to the expiration of this Contract; Provided, that in case an emergency situation arise on the part of the **UNIVERSITY**, the sixty (60)-day period shall not apply insofar as the **UNIVERSITY** is concerned.

2. **Contract Price** - The **UNIVERSITY** shall pay the **AGENCY** the contract price of **TWO MILLION EIGHTY TWO THOUSAND NINETY TWO AND 40/100 Pesos only (P2,082,092.40)**, or a daily rate in accordance with the applicable law on Wage Order. The bid documents submitted by the **AGENCY** shall form an integral part of this instrument as **Annex "A"**.

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3. **Salaries, When Payable** - The salary of each janitor shall without delay be paid every 15<sup>th</sup> and 30<sup>th</sup> day of the month. If these days fall on a weekend/holiday, the salary should be immediately released on the next succeeding working day. This provision also applies to any additional janitor/s that may be required. All taxes due the Government shall be the responsibility of the **AGENCY**.

4. **Mandatory Increase** - In the event of a government-mandated increase in wages during the effectivity of this Contract, the **AGENCY** shall comply therewith. The contract price may be amended by the parties due to wage increase subject to availability of funds of the **UNIVERSITY**.

5. **Janitorial Plan** - The **AGENCY** shall faithfully implement at all times the Janitorial Plan submitted in the bidding, herein made part of the Contract as **Annex B**. In the event of any inconsistency in the Janitorial Plan submitted and the University minimum standard/policy, the better standard shall be followed at the sole discretion of the University.

6. **Number of Janitors** - The **AGENCY** shall provide to the **UNIVERSITY** a total of **fifteen (15) janitors** to render work based on the daily-work-assignments or at least forty hours a week, from Monday to Friday with the work hours or schedule to be arranged by the Office of the Vice-Chancellor for Administration.

Should the **UNIVERSITY** desire to increase the number of janitors, in a regular or an emergency plan, the contract price per janitor shall be the same as stipulated in **Annex "A"**. This is without prejudice to the **UNIVERSITY's** discretion, right or option to obtain janitorial services from elsewhere. Subject to budgetary limitations, the **UNIVERSITY** may accordingly reduce the number of janitors with due notice to the **AGENCY** and reduce or adjust the contract price, accordingly.

Furthermore, at no cost to **UNIVERSITY**, the **AGENCY** shall provide at least three (3) janitors on special affairs or events in UP Mindanao such as graduation, Board of Regents meeting, anniversary celebration, Christmas Parolan Festival and the like.

7. **Roving Supervisor or Lead Supervisor** - The **AGENCY** shall assign a Roving or Lead Supervisor who shall submit a written report on his weekly inspections to the Vice-Chancellor for Administration or authorized representative at least once a week. The supervisor shall monitor and supervise the janitors and to do random or on-the-spot check making sure they comply with their daily-work-assignments. The compensation of the said supervisor shall be at no obligatory cost to the University.

8. **Performance Bond** - In accordance with the procurement law, the **AGENCY** shall, within 10 days from receipt of the notice of award but prior to the signing of this Contract, file a Cash, Certified Check, Cashier's Check or Manager's Check or Surety Bond in favor of the **UNIVERSITY** in the amount of **Six Hundred Twenty Four Thousand Six Hundred Twenty Seven and 72/100 (P624,627.72)** as security for the faithful performance of the obligations imposed upon the **AGENCY** under this Contract.

The **AGENCY** shall post a performance bond for each additional janitor in the amount equivalent to at least **THIRTY PERCENT (30%)** of the contract price or such higher amount as may be determined by the **UNIVERSITY**.

9. **Pre-Deployment Requirements** - Within 10 days from receipt of the notice of award but prior to the signing of this Contract, for each janitor to be assigned to the University prior to their first day of deployment, the **AGENCY** shall submit the following:

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- a. Certificate of training;
- b. NBI clearance;
- c. Result of Psychological/Neuro Testing; and
- d. Medical Certificate and PNP Drug Test result.

**10. No Employer-Employee Relationship** - The **AGENCY** shall assume full and exclusive responsibility to pay the wages, including such other sums as may be legally due the janitors, it being understood that the janitors are NOT employees of the **UNIVERSITY**, but those of the **AGENCY**. The **AGENCY** shall hold the **UNIVERSITY** free and harmless from any action or liability whatsoever arising from any claim by any of its personnel pursuant to this Contract, Philippine Labor laws or any claim arising from an employer-employee relationship. The **UNIVERSITY** shall not be liable to any damage, injury or death caused and committed by the janitors to personnel, student and third persons. The **AGENCY** shall hold the **UNIVERSITY** free and harmless from any such claim.

**11. General Qualifications of Janitors** - The **AGENCY** shall provide personnel who are diligent, honest, well-trained, cooperative, each of whom must have favorable NBI clearances, and must have passed a Neuro/Psychological Test and the PNP Medical and Drug Tests. Log in and log out on the Record Book of the front desk of the building/premises upon arrival and before leaving; maintain a clean appearance - no wearing of sandals, slipper or short/pedal pants; immediately report any water leakage and check regularly all the toilets and faucets for any possible leaks; shall refrain from loitering and malingering while on duty; report to the Building Administrator as the latter shall require; immediately report any suspicious person/s or activity/ies that they may observe to be prejudicial or endangering the **UNIVERSITY** or its constituents.

**12. Uniform** - The janitor shall wear the **AGENCY's** official uniform or shirt with collar, with either Identification card or embroidered name patch/plates. Otherwise the **UNIVERSITY** may refuse the janitor to proceed to work. In no case shall they be allowed to stay within the **UNIVERSITY** premises after their tour of duty unless necessary and with the approval of the **UNIVERSITY** authorities concerned. The **AGENCY** binds itself that it shall be liable to pay the **UNIVERSITY**, as liquidated damages, the amount of ONE THOUSAND PESOS (P1,000.00) per day per janitor who fails to wear the prescribed uniform and ID while on duty.

**13. Routine Operations and Minimum Requirements** - Under the Janitorial Plan, the janitors' daily, weekly and monthly routine operations as may be stated in Annex "B" hereof shall be followed and the **AGENCY**, through a supervisor specifically or regularly assigned to the **UNIVERSITY**, shall ensure that the janitors are aware of and will do these daily, weekly and monthly tasks.

The foregoing stipulations notwithstanding, the **AGENCY** undertakes that its janitors shall faithfully perform additional duties and responsibilities which the **UNIVERSITY** or the Building Administrators may reasonably require from time to time.

**14. Equipment and Supply** - The consumable materials such as but not limited to high grade wax, air freshener, soap, gasoline-unleaded, floor wax-liquid and other supplies to be used in performing the above services by the janitors shall be for the account of the **AGENCY**. Attached herewith forming an integral part of this instrument is Annex "C". Only the water and electrical consumption shall be for the account of the **UNIVERSITY**.

It shall be the direct responsibility and obligation of the **AGENCY** to furnish, bring in or provide the equipments/materials, such as but not limited to grass cutter, lawnmower, floor polisher with stripping pad and holder, vacuum cleaner, in good looking condition as may be scheduled or required by the **UNIVERSITY**. Miscellaneous tools and implements of janitors used for cleaning purposes such as rags, feather

dusters, etc. shall also be the responsibility and shall be provided by the AGENCY without need of reminder. The AGENCY binds itself to be liable to pay the UNIVERSITY the liquidated damage in the amount of ONE THOUSAND PESOS (P1,000.00) per equipment per day, for failure to bring in or provide the equipments as aforementioned.

**15. Security Search** - The janitors shall be subject to search by the security guards upon entering and leaving the premises of the UNIVERSITY as a precaution against property losses. Also the UNIVERSITY may at any time, refuse any janitor to enter the campus premises or may not be allowed to work, when suspected or observed to be nearly intoxicated with alcohol, drugs or similar pernicious substances, without prejudice to any legal remedy the UNIVERSITY may proceed against the erring janitor or the AGENCY or both.

**16. Prompt Payment of Salary and Benefits** - The AGENCY shall promptly pay its personnel, the wages and other mandatory benefits due them in accordance with labor standards law, orders, rules and regulations. In addition, the AGENCY shall promptly remit to the proper government agencies the required contributions affecting the janitors such as Social Security System, Pag-ibig, Philhealth and such other contributions or premiums or loan payments as mandated by law. The AGENCY shall be required to submit to the UNIVERSITY a document showing the remittance to SSS, Philhealth, and PAG-IBIG contributions, in a monthly basis.

**17. Billing Documents** - As a precondition for any payment by the UNIVERSITY to the AGENCY, the latter shall submit the official certification from the appropriate government institutions concerned that the AGENCY has duly paid the employer' share for contributions like SSS, Pag-ibig, Philhealth and such other benefits, premiums, or payments as the janitors are or may be entitled. Certifications from these government institutions shall be quarterly requirement and shall be considered as billing documents and therefore prerequisite to payment. The payroll of the janitors with their corresponding signatures indicating the amount received for the period shall be part of the monthly billing documents. If the requisite billing documents are not submitted, the UNIVERSITY may refuse payment until such documents are submitted; nevertheless, this is neither a ground for the AGENCY to delay its payment of wages and benefits due to the personnel assigned to the UNIVERSITY and as specified in Section 3 hereof, payment dates fall on the 15<sup>th</sup> and 30<sup>th</sup> of each month.

If any of the above-mentioned billing documents are found to contain forged signatures or fictitious names, then such acts or similar fraudulent acts shall be considered a serious breach, which shall entitled the UNIVERSITY to unilaterally and immediately rescind or terminate this Contract without prejudice to whatever other legal remedies the UNIVERSITY may exercise under the law.

**18. Pre-conditions for Payment by UNIVERSITY** - Following are the preconditions for payment by the University:

- (1) Posting of Bonds under Section 8;
- (2) Billing documents under Section 17; and
- (3) Such other documents as the UNIVERSITY may reasonably require.

**19. Replacement: Regular and Upon Request** - The UNIVERSITY, may verbally or in writing, with or without cause, and at any time during the effectivity of this Contract, require the AGENCY to replace any janitor/s assigned to it which shall be immediately complied within twenty-four (24) hours from notice by the AGENCY. Otherwise, the AGENCY binds itself to be liable to pay the UNIVERSITY the liquidated damage in the amount of ONE THOUSAND PESOS (P1,000.00) per janitor per day, for failure to comply therewith.



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The **AGENCY** must immediately provide replacement if and when janitors assigned to the **UNIVERSITY** are for whatever reason, are unavailable. The **AGENCY** may replace, by prior written notice of 24 hours for a temporary replacement and 3 days for a permanent replacement, unless for a valid reason the janitor needs to be replaced immediately.

**20. Interruption of Service** - In case of unjustifiable interruption or failure by the **AGENCY** to render service for any cause not attributable to the fault of the **UNIVERSITY**, the latter may procure the services of another agency and the **AGENCY** shall pay costs incurred to be taken from the performance bond and without prejudice to whatever other legal remedies the **UNIVERSITY** may initiate against the **AGENCY**.

**21. Termination:**

- (1) With Notice: Upon thirty days written notice before the effective date of termination, either party may terminate this Contract stating the reason therefor.
- (2) Immediate termination for a valid cause: The **UNIVERSITY** may unilaterally and immediately terminate this contract for a valid cause, aside from those provided by statutes arising from the following:
  - (a) Delay in or incomplete payments of salaries or, delay in or incomplete remittance of contributions to the government agencies; delay and incomplete payments need not be in regard to the janitors assigned to the **UNIVERSITY**; and failure to comply with janitorial plan; violation of any provision in this Contract or its annexes, etc., or
  - (b) Unsatisfactory Rating ("Fair" or "Poor") as conducted by the **UNIVERSITY** in its quarterly evaluation, which is under the direct supervision of the Office of the Vice Chancellor for Administration.

**22. Non-waiver** - The failure of the **UNIVERSITY** to insist upon a strict performance of any of the terms of this Contract shall not be deemed a relinquishment or waiver of any its right or remedy hereunder, nor shall it be construed to be a waiver of any subsequent breach or default of the terms and conditions herein contained.

**23. Taxes and Insurances** - The **AGENCY** binds itself to be directly responsible to any tax due to the government by reason of this Contract, such as but not limited to Value Added Tax, etc. to be implemented subject to tax or revenue laws. Furthermore, it is the sole and principal responsibility of the **AGENCY** that the janitors deployed or assigned to the **UNIVERSITY** shall be covered by a life insurance and comprehensive liability insurance.

**24. Attorney's and other Fees** - In the event that the **UNIVERSITY** is made to defend or is compelled to seek judicial relief under or related to this Contract, the **AGENCY** binds itself to pay the **UNIVERSITY** attorney's fees equivalent to twenty-five percent (25%) of the total amount claimed, but in no case less than Ten Thousand Pesos, plus litigation costs or other incidental expenses to which the **UNIVERSITY** may be entitled under the law.

**25. Venue** - Any litigation or judicial action arising out of or in relation to this Contract shall be filed before the competent courts of Davao City only, without prejudice to prior availment of the alternative modes of dispute resolution (UNICITRAL Model law, R.A. NO. 9285, 2004) that the parties may mutually decide.



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