

**RENTAL AGREEMENT**

Between FUNCTIONAL INC. whose registered office is at 814 J. P. Rizal St., Makati City, Metro Manila hereinafter referred as OWNER which expression shall where the context so admits include successors in title and assigns; and FOREIGN SERVICE INSTITUTE

whose registered office is at 5/F DFA Bldg., 2330 Roxas Blvd., Pasay City

hereinafter referred to as HIRER.

FUNCTIONAL lets and the HIRER takes on hire the copier indicated underneath by the model and serial numbers upon the terms and conditions as printed on the reverse side of this agreement.

**SCHEDULE**

INVOICING ADDRESS : 5/F DFA Bldg., 2330 Roxas Blvd., Pasay City

CONTRACT PERIOD : Twelve (12) months

(Duration) January 1, 2011 to December 31, 2011

RENEWAL PERIOD : \_\_\_\_\_ months

MONTHLY MINIMUM RENT : ₱ 30,000.00

MONTHLY MINIMUM VOLUME : 60,000 copies

PRICE PER COPY : ₱ 0.50 VAT Included  
Spoilage of 1% of the Copy Volume

INCLUSIONS : a. consumables  
b. spare parts  
c. service maintenance  
d. machine insurance  
e. operator's salary

EXCLUSIONS : Copy Paper

SERVICE SUPPORT : One (1) - at Five (5) days a week  
(Key Operator) (8 hours a day)

MACHINE TYPE : OCE PLAIN PAPER COPIER

NUMBER OF UNITS : Two (2)

MODEL : 3165 LOCATION \_\_\_\_\_

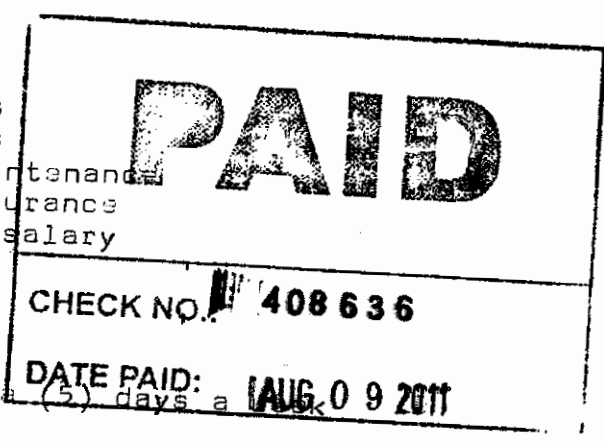
MODEL : \_\_\_\_\_ LOCATION \_\_\_\_\_

MODEL : \_\_\_\_\_ LOCATION \_\_\_\_\_

MODEL : \_\_\_\_\_ LOCATION \_\_\_\_\_

INSTALLATION COST : WAIVED

PAYMENT : FIFTEEN (15) DAYS AFTER RECEIPT OF INVOICE.



# TERMS AND CONDITIONS

1. FUNCTIONAL INC will install, adjust and test the copier at the Hirer's premises at the address mentioned in the schedule and instruct those employees of the Hirer required to operate the copier. the Hirer shall be responsible for the provision of a suitable operating site and an adequate and safe electrical supply and for any other provisions that may be needed for the proper functioning of the copier as instructed by FUNCTIONAL INC.
2. The hiring will start on the date of delivery of the copier to the Hirer as evidenced by FUNCTIONAL INC. delivery receipt form duly signed by the Hirer and shall run until the end of the month of delivery and thereafter for the contract period as indicated in the schedule. Either party may terminate this agreement at the end of any current term by notice in writing given to the other party not later than sixty (60) days before the end of such current term.
3. To determine the actual number of copies made by the copier, as registered in the meter(s) of the copier(s). FUNCTIONAL INC authorized representative shall at all times during regular working hours be free to have access of any copier(s) and its corresponding meter(s). The Hirer's and FUNCTIONAL INC representative shall in each month on the cut-off date will read the meter reading and enter the meter readings in the meter reading card duly certified.
4. The net number of copies made by a particular copier(s) for a specific period is arrived at by deducting from the gross number of copies made the number of spoiled copies made by the Hirer and/or to the test and/or demonstration copies made by FUNCTIONAL INC.
5. If and when a monthly minimum copy volume is required, the Hirer shall be invoiced for the minimum volume copies as stipulated under this Agreement even if the actual number of copies made is less than the minimum volume. However, the minimum volume requirement does not apply on the month of termination or cancellation of this Agreement whereby the charges will be based on the actual number of copies made up to the time of copier was recovered by FUNCTIONAL INC.
6. All amounts to be charged to the Hirer pursuant to this Agreement are inclusive of all relevant taxes on the time this Agreement was executed and if or when the government impose new and/or increase such taxes, FUNCTIONAL INC. has the option to increase the copy charges correspondingly.
7. The Hirer shall pay to FUNCTIONAL INC. all amounts due hereunder within 15 days after the date of the relevant invoice as is mentioned in the schedule and in default thereof interest shall be payable on the outstanding amount at the rate mentioned in the schedule (as well after as before any judgement) from the end of such period to the date of payment.
8. FUNCTIONAL INC will provide the maintenance service for the copier on the following terms:
  - a) FUNCTIONAL INC. will make such regular inspections and adjustments as are required to keep the copier in good working order;
  - b) Service work will be carried out during normal working hours, 8:00 a.m. to 5:00 p.m. on Monday to Saturday. If substantial volume is to be made at times other than the specified working hours, the Hirer must advise FUNCTIONAL INC. at least four (4) hours of the preceding working day so that the necessary service support can be made available at Hirer's request.
- c) No charge will be made for the maintenance service including the necessary replacement parts of the carrying out of repairs unless the service replacements or repairs are necessitated as a consequence of any of the following events:
  - i) the use of the copier otherwise than in accordance with FUNCTIONAL INC. instructions for its use; or
  - ii) the use of the copier in a manner not approved by FUNCTIONAL INC. or with materials (inclusive of plain paper, toner, parts etc.) not approved by FUNCTIONAL INC. for use therewith);
  - iii) damage by accident or negligence; or
  - iv) willful damage
9. FUNCTIONAL INC. shall not be liable to the Hirer or any third person for any loss suffered by Hirer or a third person by reason of the breakdown or failure or improper functioning of the copier.
10. During the continuance of this Agreement and after its termination for any reason whatsoever until the copier has been recovered by FUNCTIONAL INC. the Hirer shall;
  - a) Notify FUNCTIONAL INC. forthwith of any damage inflicted to or failure in performance by the copier, shall not repair the copier himself and shall not call upon any other person, firm or company to repair the copier or to provide any replacement part for the copier;
  - b) permit FUNCTIONAL INC. and any person, firm or company authorized by FUNCTIONAL INC. to inspect and examine the condition of the copier at all reasonable times;
  - c) keep the copier at all times in its possession and control and as soon as it is aware of any circumstances which might result therein; Hirer will further provide FUNCTIONAL INC. with all information necessary to protect FUNCTIONAL INC. against loss of or damage to the copier or any part thereof caused by improper use of the copier.
  - d) Indemnify FUNCTIONAL INC. against all claims and demands made on it by reason of loss, injury or damage suffered by any person from the presence of the copier or the use thereof.
  - e) Not permit nor tolerate any person, firm or company other than its own employees to use the copier, unless prior written consent of FUNCTIONAL INC. has been obtained;
  - f) Keep the copier free from any execution, distress or similar proceeding and if the copier becomes or is likely to become subject to any such execution, distress or proceeding the Hirer will forthwith notify all parties concerned of the existence of this agreement, and will indemnify and keep FUNCTIONAL INC. indemnified against any loss or damage FUNCTIONAL INC. may suffer by reason of such execution, distress or proceeding;
- h) Not sell, assign, lend, pledge mortgage, charge, encumber or part with possession of or otherwise deal with copier or create or allow to be created any lien on the copier whether for repairs or otherwise.
11. FUNCTIONAL INC. may without prejudice to any obligation of Hirer towards FUNCTIONAL INC. by notice in writing terminate this Agreement forthwith, if the Hirer has not observed or performed any of the terms and conditions of this agreement whether expressed or implied. if and when FUNCTIONAL INC. fails to perform its obligations under this contract the Hirer can terminate this contract prior to the expiry date by giving notice of termination in writing to FUNCTIONAL INC. not less than thirty(30) days prior to its effectivity.
12. This Agreement shall terminate automatically but without prejudice to any pre-existing liabilities if the Hirer being a company enters into liquidation or being an individual commits any act of bankruptcy or if any distress or execution is levied or threatened against the copier or any of the Hirer's property or if any judgement against the Hirer remains unsatisfied for more than 14 days.
13. Upon termination of this agreement for whatever cause or reason:
  - a) FUNCTIONAL INC. may without notice retain the possession of the copier and for that purpose may enter upon any land or building where the copier is or is believed to be and remove the copier therefrom, the Hirer being responsible for any damage caused.
  - b) The Hirer shall cease to be entitled to any further free copies, but may continue to use the copier for the purposes of making copies provided that a Hirer shall pay to FUNCTIONAL INC. upon demand a sum equal to the price charged hereunder for copies in excess of free copies in respect of each copy so made from the date of such termination until the copier is recovered by;
  - c) The Hirer shall pay to FUNCTIONAL INC. immediately upon demand the price per copy (as mentioned in the schedule) for each copy made on the copier up to the date of such termination in excess of that proportion of the number of free copies allowed to the Hirer in respect of the month in which this Agreement is so terminated as the number of days in that month prior to such termination shall bear to the number of days in that month.
14. After termination of this Agreement the Hirer shall pay to FUNCTIONAL INC. immediately upon demand all outstanding monthly rentals calculated up to the date of actual recovery of the copier by FUNCTIONAL INC.
15. Any notice given by either party to the other under this Agreement shall be effective if sent by registered letter to the address of that party mentioned in his Agreement (or such other address as may be notified in writing from time to time) and shall take effect as from the date of posting

10877

PAID

CHECK NO. 108636  
DATE PAID AUG 19 2011

IN WITNESS WHEREOF, we have hereunto set our hands this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_ at Makati City, Metro Manila, Philippines.

FUNCTIONAL, INC.

FOREIGN SERVICE INSTITUTE

By ROMEO A. BAUTISTA

HIRER  
JAMES C. BULHAW  
By LAURA Q. DEL ROSARIO

as VP-Operations

as Acting Director

[Signature]  
LUISITO L. VIVAR  
(Print full Name)

SIGNED IN THE PRESENCE OF:

[Signature]  
CHARLENE A. SANTILLAN  
(Print full Name)

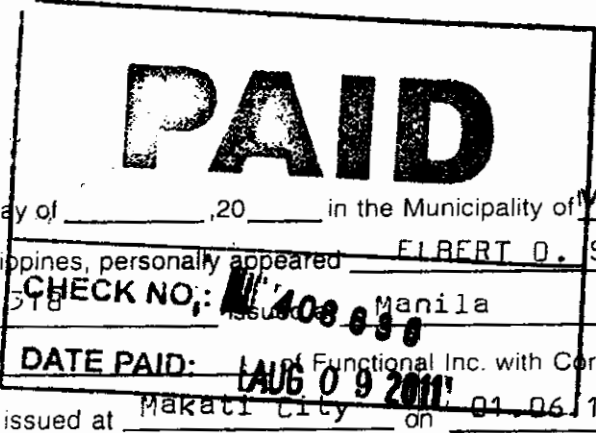
ACKNOWLEDGEMENT

Republic of the Philippines

Province of \_\_\_\_\_

Municipality of \_\_\_\_\_

Before me, this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_ in the Municipality of MAKATI Province of \_\_\_\_\_ Philippines, personally appeared ELBERT D. SANTOS with Community Tax Cert # 01421318 issued at Manila on 01.26.10 in his capacity as President of Functional Inc. with Corp. Community Tax Cert.# 00028177 issued at Makati City on 01.06.10



and \_\_\_\_\_ with Community Tax Cert.# \_\_\_\_\_ issued at \_\_\_\_\_ on \_\_\_\_\_ in his/her capacity as \_\_\_\_\_ of \_\_\_\_\_

FOREIGN SERVICE INSTITUTE

with Corp. Community Tax Cert.# DPO006698 issued at Manila on 06.03.10

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day, year and place abovementioned.

ARCHIBALDO P. BELLOSA  
NOTARY PUBLIC  
NOTARY IN CHARGE  
UNTIL DEC. 31, 2011  
PTR No. 2670566 MALABON CITY issued at  
IBP 817034 on PASIG CITY  
ROLL NO. 4375

Doc. No. 92  
Book No. 70  
Page No. 224  
Series of 2011



Department of Foreign Affairs  
**FOREIGN SERVICE INSTITUTE**

5th Floor, DFA Building, 2330 Roxas Boulevard  
Pasay City 1300, Metro Manila, Philippines  
Website: [www.fsi.gov.ph](http://www.fsi.gov.ph) E-Mail: [info@fsi.gov.ph](mailto:info@fsi.gov.ph)

**Notice of Award**

24 November 2010

Dear Sir:

We would like to notify you that your bid dated 2 November 2010 for the Foreign Service Institute's rental of two (2) units of copying machine for the period 01 January to 31 December 2011, with a Contract Price equivalent to Three Hundred Sixty Thousand Pesos (P360,000.00), is hereby accepted.

You are hereby required to provide within ten (10) days the Performance Security in the form and amount stipulated in the Instructions to Bidders. Failure to provide the performance security shall constitute sufficient ground for cancellation of the award and forfeiture of the bid security.

Furthermore, you are required to submit within five (5) calendar days after receipt of the notice, the name of the Key Operator and his/her bio data to the Administrative and Financial Services Division and to proceed with the delivery of the new machines intended for this contract.

Very truly yours,

**LAURA Q. DEL ROSARIO**  
Acting Director

Mr. Romeo A. Bautista  
Vice President for Operations  
Functional, Inc.  
814 J.P. Rizal Street  
Makati City

Conforme:

ROMEO A. BAUTISTA

Date \_\_\_\_\_

**RENTAL CONTRACT**

This agreement of Rental of Equipment made and entered into by and between:

**ISSI INFORMATION TECHNOLOGIES, INC.**

with business address at # 31B Speaker Perez St., Brgy. Sta. Teresita, Quezon City hereinafter referred to as "ISSI INFORMATION TECHNOLOGIES, INC (ISSITECH)." and represented in this agreement by MR. RICARDO M. JOSON hereinafter referred to as the "LESSOR."

**AND**

**FOREIGN SERVICE INSTITUTE**

A Government entity with office address at, 5<sup>th</sup> Floor DFA Building, 2330 Roxas Boulevard, Pasay City 1300 Metro Manila, represented in this act by MS. LAURA Q DEL ROSARIO, hereinafter referred to as the "LESSEE".

**WITNESSETH**

That for and in consideration of the mutual covenant conditions herein contained goods and valuable considerations; the parties hereto mutually agree this 5<sup>TH</sup> day of January, 2011.

The following equipment (s) shall be subjected to the terms and conditions of the ISSITECH Rental Agreement.

*Joson R. M.*

*Del Rosario L. Q.*

*[Signature]*

Qty	# of month	Description	rate per mo	Total
42Units	12months	<b>Intel Dual Core Processor</b> Specifications: <b>Asus Motherboard</b> SPP/EPP/ECP Parallel Ports, Serial Ports, USB Ports On board audio, video, 10/100 LAN <b>2GB DDR2 RAM Memory</b> <b>250GB SATA Hard Disk Drive</b> <b>1.44MB Floppy Disk Drive</b> <b>ASUS / SAMSUNG/SONY DVD Writer Drive</b> <b>ATX Case w/500watts power supply</b> <b>PS/2 keyboard and PS/2 mouse w/ pad</b> <b>Black 15.6" LCD Monitor</b> <b>500VA UPS and Headset</b> <b>With pre installed Win XP and MS Office 2007</b>	P 1,500.00	P 756,000.00
4units	12months	<b>Intel Core i3 530 Processor</b> Specifications: <b>Intel H55PJ Motherboard</b> On board audio, video, Gigabit LAN <b>2GB DDR3 RAM Memory</b> <b>250GB Seagate SATA Hard Disk Drive</b> <b>Floppy Disk Drive</b> <b>256MB 64bit PCI-E Video card</b> <b>Samsung/Sony 22x DVD Writer Drive</b> <b>ATX Case w/500watts power supply</b> <b>PS/2 keyboard and PS/2 Optical mouse</b> <b>500VA UPS and headset</b> <b>17" / 18.5" LCD Monitor</b> <b>With pre installed Win XP and MS Office 2007</b>	P 2,500.00/mo/unit	P 120,000.00

NOTE: ALL PRICES QUOTATED ARE VAT INCLUSIVE

<b>Total Rental Fees</b>	<b>P 876,000.00</b>
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#### TERMS AND CONDITIONS

- The items above shall be rented for a period of Twelve (12) Months starting January 1, 2011. Written notice of an extension of contract shall be made at least seven days before the contract expires.
- Full amount of the total Rental Price per month shall be paid on the stated processing date submitted during the bidding.
- The units shall not be taken apart or opened. Only authorized personnel from ISSITECH shall have the right to pullout the units from the Client.
- No part of the units shall be tampered with including their components, IC's and circuits.
- No part of the unit shall be serviced by another company without the written permission of the lessor.
- No physical part of the units shall be brought out of the premises where the units were delivered without the knowledge of the Lessor.
- Units are provided with full warranty on spare part and labor due to units/system malfunction and not due to operator error or mishandling.
- Units rented are provided with four 4 hours response time onsite service support during the rental period.

*James C. ...*

9. All damages or loss on rented units due to the fault of the LESSEE shall be paid by the LESSEE.
10. If any term/s or condition/s of this agreement is held invalid or contradictory to the law, the validity of the other terms and conditions shall not be affected thereby.
11. In case of breach of contract of the above agreement, the LESSOR shall have the right to withhold in part or in whole, the payment that was made by the LESSEE, and this payment will serve as weekly rental fee, non-refundable from the LESSOR.
12. Lessee shall be liable to LESSOR in case of loss due to theft, including confiscation by government authorities on account of illegally installed software products, damages due to fire or other causes attributable to LESSEE or its employees, clients or agents of the leased equipment. In the event of loss under any of and/or related foregoing causes, LESSEE shall pay the LESSOR the amount equivalent Twenty Five Thousand Pesos (P 25,000.00) for each machine.
13. LESSEE shall allow any authorized representative of LESSOR to enter its premises during business hours for the purpose of inspecting, maintaining, replacing and or repairing the equipment under lease.
14. LESSEE shall, in all cases, hold LESSOR and its equipment subject of this lease free and harmless from unlawful claim, charges, demand, including but not limited to attachments writs and/or foreclosures, and in the event any of these occur at the time of lease, LESSEE obligates itself to have said writ lifted at its own expense and or cause the release of the leased equipment and deliver possession of the same to the LESSOR in their actual condition save from ordinary wear and tear.
15. LESSEE is liable to LESSOR for whatever damages that the latter may incur by reason of unlawful attachments, seizure, sale and/or any form of dispossession of the leased equipment including loss of earning opportunity during the period of dispossession.

Signed this 5<sup>th</sup> day of January at Quezon City , Philippines.

**FOREIGN SERVICE INSTITUTE**

**ISSI INFORMATION  
TECHNOLOGIES, INC (ISSITECH)**

*Laura Q. Del Rosario*

\_\_\_\_\_  
**MS. LAURA Q. DEL ROSARIO**  
 ACTING DIRECTOR  
 LESSEE

*[Signature]*  
 \_\_\_\_\_  
 WITNESS

*[Signature]*  
 \_\_\_\_\_  
**RICARDO JOSON**  
 PRESIDENT  
 LESSOR

*[Signature]*  
 \_\_\_\_\_  
**DIANA ROSE A. DE GRANO**  
 Sale Representative  
 WITNESS

**ACKNOWLEDGEMENT**

REPUBLIC OF THE PHILIPPINES)  
Quezon CITY )S.S

BEFORE ME, a notary public for and in Quezon City personally appeared

Name Passport No./SSS No./Drivers License

**LAURA Q.DEL ROSARIO  
RICARDO M. JOSON**

known to me to be the same persons who executed the foregoing Contract of Lease consisting of a total of 4 pages, including this page on which this acknowledgement is written, and they acknowledged to me that the same is their free and voluntary act and deed.

WITNESS MY HAND AND SEAL ON THE DATE AND PLACE FIRST ABOVE WRITTEN.

Doc. No. 191  
Page No. 40  
Book No. XIII  
Series of 2011

**ATTY. JESUS P. CALADES, JR.**  
NOTARY PUBLIC  
UNTIL DEC. 31, 2012  
PTR NO. 4561145 JAN. 4/11  
IBP NO. 301415 JAN. 4/11  
ROLL NO. 54188





Department of Foreign Affairs  
**FOREIGN SERVICE INSTITUTE**  
5th Floor, DFA Building, 2330 Roxas Boulevard  
Pasay City 1300, Metro Manila, Philippines  
Website: [www.fsi.gov.ph](http://www.fsi.gov.ph) E-Mail: [info@fsi.gov.ph](mailto:info@fsi.gov.ph)

Notice of Award

14 December 2010

Dear Sir:

We would like to notify you that your bid dated 5 November 2010 for the Foreign Service Institute's rental of forty-six (46) units of computer for the period 01 January to 31 December 2011, with a Contract Price equivalent to Eight Hundred Seventy-Six Thousand Pesos (P876,000.00), is hereby accepted.

You are hereby required to provide within ten (10) days the Performance Security in the form and amount stipulated in the Instructions to Bidders. Failure to provide the performance security shall constitute sufficient ground for cancellation of the award and forfeiture of the bid security.

Very truly yours,

**LAURA Q. DEL ROSARIO**  
Acting Director

Mr. Ricardo M. Josen  
President and Chairman of the Board  
ISSI Information Technologies, Inc.  
31B Speaker Perez Street,  
Brgy. Sta. Teresita, Quezon City

Conforme:

  
RICARDO M. JOSON

Date \_\_\_\_\_

**MEMORANDUM OF AGREEMENT FOR JANITORIAL SERVICES**

KNOW ALL MEN BY THESE PRESENTS:

THIS CONTRACT MADE AND ENTERED INTO BY AND BETWEEN:

The **FOREIGN SERVICE INSTITUTE**, a government agency with office address at 2330 Roxas Boulevard, Pasay City, herein represented by its Acting Director, **LAURA Q. DEL ROSARIO**, hereinafter referred to as the "INSTITUTE",

- and -

**PHILCARE MANPOWER SERVICES**, a single proprietorship duly organized and existing under and by virtue of the laws of the Republic of the Philippines with principal offices located at 611 Albert St., Poblacion, Makati City, herein represented by its President, & General Manager, **EDMUNDO C. MONTAÑES**, herein referred to as the "CONTRACTOR."

**WITNESSETH**

WHEREAS, the INSTITUTE, desirous of keeping and maintaining its offices and premises clean, orderly and healthful at all times, requires the services of a reliable and competent agency to render cleaning, janitorial, sanitation, maintenance and related services on a contractual basis;

WHEREAS, the CONTRACTOR is engaged in the business of providing building maintenance, janitorial and other manpower services, and offered its services to the Institute in a public bidding;

WHEREAS, the CONTRACTOR has been selected by the Institute in a public bidding for janitorial services since its offer is considered as the most advantageous to the government;

NOW, THEREFORE, in view of the foregoing, the parties do hereby agree and stipulate as follows:

**I. DUTIES AND OBLIGATIONS OF PHILCARE MANPOWER SERVICES**

- A. The CONTRACTOR shall provide the INSTITUTE with janitorial, maintenance, and other services enumerated in the "Scope of Work" hereto attached and made integral part hereof as ANNEX "A". It shall also assign gardeners to take care of the plants and/or garden in the premises of FSI.
- B. The CONTRACTOR shall deploy in the INSTITUTE a minimum of ten (10) personnel including one (1) supervisor, to carry out the work services detailed in ANNEX "A". At the beginning of this Agreement, a list of all such personnel with their respective places of assignment indicated opposite their respective names shall be submitted to the INSTITUTE together with their Personal History Statements, photographs, SSS and Tax Identification Numbers. In case of replacements of such personnel, the same requirements shall be submitted immediately to the INSTITUTE.
- C. The CONTRACTOR shall assign to the INSTITUTE regular personnel who are well-trained, courteous, hardworking, cooperative, physically and mentally fit and of good

moral character. These personnel should have NBI and Police Clearances and Medical Certificate of good health, of sound mind and at least high school graduate

- D. The CONTRACTOR shall provide its employees with proper uniform and Identification Cards countersigned by both the SERVICE CONTRACTOR and the INSTITUTE's designated representatives in order to distinguish them from the INSTITUTE's employees or other groups working in the INSTITUTE's premises.
- E. The CONTRACTOR hereby warrants that all personnel deployed in the INSTITUTE's premises for the duration of this Contract are regular workers receiving minimum wage, including holiday pay for special and public holidays, as well as other benefits mandated by law. At no given time will trainees be deployed in the INSTITUTE.
- F. The CONTRACTOR shall be liable for all losses and damages to the property of the INSTITUTE, its personnel, or third persons, and for personal injuries caused by the CONTRACTOR's personnel or attributable to their act, fault, commission, negligence or misbehavior.
- G. The CONTRACTOR shall supply and provide at its own expense the necessary tools and equipment, tools and materials and cleaning supplies indicated in ANNEX "B", attached hereto and made integral part hereof. The CONTRACTOR hereby warrants the exclusive deployment of all these equipment and tools during the existence of this Contract. The CONTRACTOR shall bear the cost of repair and maintenance of all its equipment and tools. Janitorial supplies shall mean those materials that are either consumables or non-consumables, and which shall be retained by the INSTITUTE, at no cost, at the expiry of the Agreement or in case of pre-termination of the same. On the other hand, janitorial tools and equipment are those which are brought by the CONTRACTOR to the INSTITUTE premises for the use of its janitorial personnel for the whole duration of the Agreement and for which use the INSTITUTE is not obliged to pay thereof, and which shall be removed by the CONTRACTOR therefrom at the expiration of the Agreement or in case of premature termination of the same.
- H. The CONTRACTOR shall supply and provide the equipment, tools, materials and supplies in full before the start of this Contract and subsequently thereafter following the schedule indicated in ANNEX "B". The full delivery of equipment, tools and materials and supplies shall be received and checked by the designated personnel of the INSTITUTE.
- I. The CONTRACTOR shall not sub-contract, assign or transfer any and all of his rights and obligations hereunder to any third party without the prior written consent of the INSTITUTE.
- J. At no instance shall the CONTRACTOR remove or replace any of its assigned janitors without written explanation and approval of the INSTITUTE. Any change in the number of janitors deployed in the INSTITUTE shall be subject to the prior agreement of the INSTITUTE. In no case shall the CONTRACTOR change the number of janitors without the prior approval of the INSTITUTE.
- K. The number of janitorial personnel deployed by the CONTRACTOR may be increased or decreased by the INSTITUTE with prior notice to the CONTRACTOR. Such increase or decrease in the number of janitorial personnel shall cause a corresponding adjustment in the contract price. A written request by the INSTITUTE to the CONTRACTOR for such change in number of janitorial personnel shall be sufficient and will hereby be incorporated by reference.

for

Javier A. Pulanes



- L. As proof of compliance with its obligations herein stipulated, the CONTRACTOR hereby undertakes to submit to the INSTITUTE at the end of its month, a sworn statement showing under separate columns the amount it has paid by way of wages or salaries for services rendered by its janitorial personnel during the period immediately preceding, including overtime, if any, and that such payments were to be paid on the due dates.
- M. The CONTRACTOR shall undertake to submit a monthly sworn statement of its remittances of premiums to offices concerned like SSS, Medicare, Pag-IBIG, etc. as mandated by law in favor of its employees detailed in the INSTITUTE. The CONTRACTOR shall also submit a monthly report form duly validated by the INSTITUTE's representatives.
- N. The CONTRACTOR guarantees the right of the INSTITUTE to inspect, at all times, the services rendered by the CONTRACTOR's personnel with a view of determining the quality and acceptability of said services.
- O. The CONTRACTOR agrees to submit itself, its representatives and all its personnel to the security and safety rules and regulations of the INSTITUTE. The CONTRACTOR's personnel shall be allowed access to the INSTITUTE's premises only during their respective work schedules as approved by the INSTITUTE and shall confine themselves within their respective assigned areas of work. The CONTRACTOR shall rotate its personnel to the different offices of the INSTITUTE at least once a month during the contract period.
- P. The INSTITUTE reserves the right to demand the immediate replacement of any of the CONTRACTOR's personnel whose deployment in the INSTITUTE is, in its opinion, prejudicial to the INSTITUTE's interest. The INSTITUTE may ban said personnel from entry to the INSTITUTE's premises. The CONTRACTOR shall, at all times, enforce strict discipline and good order among its employees.
- Q. The CONTRACTOR shall maintain a satisfactory level of performance throughout the term of the contract based on the following set of criteria: (1) quality of service delivered; (2) time management; (3) management and suitability of personnel; (4) contract administration and management; and (5) provision of regular progress report.
- R. The CONTRACTOR represents and warrants that at the time of the execution of this contract, the performance and observation of the terms and conditions thereof are duly authorized by its owner/proprietor.

**II. DUTIES AND OBLIGATIONS OF THE INSTITUTE**

- A. In the event of the issuance of a new law, rule or regulation establishing a new minimum wage for workers, the INSTITUTE agrees to adjust the contract price accordingly as provided by law and subject to pertinent accounting rules and regulations and availability of funds.
- B. The INSTITUTE shall bear the cost of water and electricity consumed in the performance of the services rendered by the CONTRACTOR's personnel for the duration of this Agreement.

**III. CONSIDERATION**

- A. For and in consideration of the janitorial and maintenance services to be rendered by the CONTRACTOR and subject to its right to decrease or increase the number of janitorial personnel as dictated by its need for said services, under Item I (K) of this Agreement, the INSTITUTE agrees to pay the CONTRACTOR the monthly sum of

James H. ...

[Handwritten signature]

ONE HUNDRED THIRTY-EIGHT THOUSAND FOUR HUNDRED NINETY-ONE AND 40/100 PESOS (₱138,491.40) Philippine currency, VAT-inclusive, for ten (10) janitors in accordance with the bid submitted by the CONTRACTOR or THIRTEEN THOUSAND EIGHT HUNDRED FORTY-NINE AND 14/100 PESOS (₱13,849.14) per janitor.

- B. The payment of the contract price for any given period of time shall be based on the actual deployment of janitorial personnel for said period of time. No request for increase in the contract price shall be entertained by the INSTITUTE during the validity of the Agreement unless mandated by law.
- C. It is understood that all payments by the INSTITUTE pursuant to this Agreement shall be subject to government accounting and auditing rules and regulations.

#### IV. TERMS OF PAYMENT

The contract shall be payable on the 15<sup>th</sup> and 30<sup>th</sup> of each month and upon compliance with all requirements and submission of supporting documents.

#### V. PERFORMANCE SECURITY

Pursuant to Art. 417 of the Government Accounting and Auditing Manual (GAAM) and Section 39 of R.A. 9184, as well as to secure the faithful, complete and satisfactory performance of the CONTRACTOR's obligations and undertakings under this Agreement, the CONTRACTOR shall post a performance security in the form of GSIS Surety bond, or surety bond issued by any reputable insurance companies duly registered with the Insurance Commission equivalent to 30% of the total bid price or ONE MILLION SIX HUNDRED SIXTY-ONE THOUSAND EIGHT HUNDRED NINETY-SIX AND 80/100 PESOS (₱1,661,896.80) Philippine currency. Said security shall answer for the wages due to the janitorial personnel should the CONTRACTOR fail to pay the same and loss, liability, injury and/or damage that may be suffered by the INSTITUTE or any of its personnel in connection with the service. The performance security shall be valid and in effect for the entire period of the contract, including extensions, if any, and will be released only after liquidated damages or their claims had been settled. The performance security shall be forfeited in favor of the INSTITUTE without need of judicial intervention in case(s) where this Agreement is pre-terminated as provided for herein.

#### VI. REPRESENTATION, WARRANTIES, AND COVENANTS

The CONTRACTOR hereby represents, warrants and covenants that:

- A. The CONTRACTOR shall remain duly organized and validly existing by virtue of the laws of the Philippines with full power, authority and legal right to execute, deliver and perform its obligations and undertakings under this Agreement and each and all of the other instruments and agreements herein mentioned to which it is or will be a party.
- B. The CONTRACTOR has taken all the necessary and proper governmental, corporate and/or legal action, clearance, permits, business registration and all other government requirements, and approval to authorize the execution, delivery and performance of this Agreement.
- C. The execution, delivery and performance of this Agreement and the other instruments and agreements herein referred to will not violate any provision of law, ordinance, rule, regulation or any judgment, order or decree of any Court, tribunal or Government authority, or bureau or agency, or any provision of any contract, agreement, indenture or other undertaking to which the CONTRACTOR is a party;

- D. The CONTRACTOR guarantees and warrants the availability, quality and genuineness of all the materials, equipment, tools and machinery it will supply and deliver, and shall make good, at its own expense and account, any defect that may be discovered.

#### VII. NO EMPLOYEE-EMPLOYER RELATIONSHIP

- A. It is hereby agreed and understood that the CONTRACTOR is an independent contractor, so that there is no employer-employee relationship between the INSTITUTE on the one hand and the CONTRACTOR or any of its employees, agents, representatives on the other, and as such, the INSTITUTE shall not be responsible for any claim under pertinent labor laws and social legislation (SSS, Medicare, and the like). The INSTITUTE reserves the right to request for an increase in the number of janitorial personnel of the CONTRACTOR assigned in the INSTITUTE, when in the judgment of the INSTITUTE, the exigencies of the service so require.
- B. The CONTRACTOR, as the employer of the janitorial personnel, agrees to comply strictly with all laws, rules and regulations promulgated by the Republic of the Philippines or any agency thereof pertaining to labor and other social legislation. Any violation of these laws and existing minimum wage rates and allowances under legislation shall be sufficient cause for termination of this Agreement. The INSTITUTE may, at its option, require the CONTRACTOR to submit sworn statement and any other proofs showing compliance therewith.

#### VIII. LIQUIDATED DAMAGES

Should the CONTRACTOR fail or refuse to comply with terms of this Agreement or any part thereof within the duration of this Agreement as fixed herein, as amended by extension(s) of time, if any, duly agreed upon the parties in writing, the CONTRACTOR shall pay to the INSTITUTE, as liquidated damages herein provided as fixed and liquidated damages for such defaults and not as penalty, One Thousand Pesos (P1,000.00) Philippine currency, per day of delay or default. It is hereby agreed and understood that the damages herein provided are fixed and liquidated damages, and that to recover such damages, the INSTITUTE shall not be required to prove that it has incurred actual damages. However, the payment of such damages shall not relieve the SERVICE CONTRACTOR of its other obligations and undertakings under this Agreement.

#### IX. INDEMNITY

The CONTRACTOR shall hold the INSTITUTE free and harmless from and hereby binds and obligate itself to indemnify the INSTITUTE for any and all liabilities, losses, damages, injuries including death, claims, demands, suits, proceedings, judgments, awards, fines, penalties and all expenses, legal or otherwise, of whatever kind and nature arising from and by reason of this Agreement, due to the fault of, negligence, act, omission, delays, conduct, breach of trust of, or non-observance or violation of the Memorandum or any of the stipulations and warranties by the CONTRACTOR and/or any of its employees, agents, representatives.

#### X. ASSIGNS AND SUCCESSORS

This Agreement shall be binding upon the inure to the benefit of the parties hereto and their assigns and successor-in-interest, provided, however, that the CONTRACTOR shall not assign or transfer any or all of the rights and obligations hereunder to any third party without the prior written consent of the INSTITUTE.

**XI. ARBITRATION CLAUSE**

In case of dispute or disagreement arising out of or by reason of or in connection with any terms and conditions of this Agreement, the same shall be submitted to a Board of Arbitration composed of three (3) members. Each party shall nominate one member and the third, shall be selected by the two members nominated by the parties. The decision of he Board of Arbitrators shall be final and binding, subject to the provisions of Philippine Arbitration's Law, Republic Act 876 and such other applicable Philippine Laws.

**XII. AMENDMENTS AND MODIFICATIONS**

Any modification/amendment of this Agreement shall be mutually agreed upon by the parties in writing.

**XIII. SEPARABILITY CLAUSE**

If any term or conditions of this Agreement is held invalid or contrary to law, the validity of the terms and conditions hereof shall not be affected thereby. The parties hereby agree to amend or modify any Agreement provision, which has been declared invalid or contrary to law, to conform to the subject and objective thereof.

**XIV. GOVERNING LAW**

This agreement shall be governed by and construed according to Philippine law.

**XV. TERMINATION CLAUSE**

- A. The INSTITUTE reserves the right to pre-terminate this contract upon written notice without need of judicial intervention which notice is final and binding to all parties for any and all material and/or serious breach of any provision of this Agreement. For this purpose, material or serious breach shall be defined as any violation of the Agreement provision and/or event, which in the reasonable judgment of the INSTITUTE will constitute impairment of ability of the CONTRACTOR to perform the services it contracted.
- B. Within thirty (30) days of termination, cancellation or rescission of this Agreement, the parties shall settle their respective accountabilities as of the date of the termination, cancellation, or rescission, including the refund of any and allowances made plus legal interests thereon from date of the termination, cancellation, or rescission. In case of disagreement, the dispute shall be submitted to arbitration as provided herein.

**XVI. OTHER CONDITIONS**

- A. The CONTRACTOR warrants that it has not offered or given and will not offer or give to any employee, agent, or representative of the INSTITUTE any gratuity with a view toward securing any business or influencing such employee, agent or representative with the respect to the terms, conditions, or performance of this Agreement. Any breach of this warranty shall be a material breach.
- B. The Commission on Audit shall have access to, and the right to examine any pertinent books, documents, papers, and records involving all transactions related to this Agreement.

James G. Fernandez

**XVII. EFFECTIVITY CLAUSE**

- A. This Agreement shall be for a period of one (1) year and shall take effect on January 1, 2011 and shall be valid and in force until December 31, 2011.
- B. This Agreement is renewable for a maximum period of one year from the expiration of the original contract subject to the agreement of both parties.

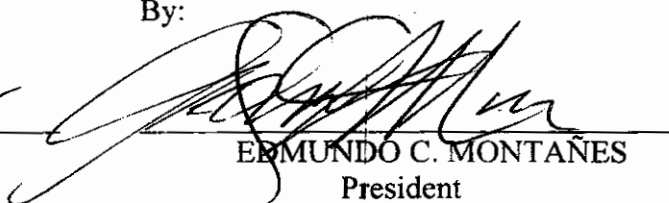
IN WITNESS WHEREOF, the parties have hereunto signed this Agreement at the City of Pasay, this \_\_\_\_ of December 2010.

FOREIGN SERVICE INSTITUTE

PHILCARE MANPOWER SERVICES

By:

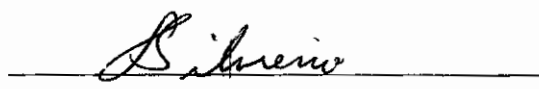
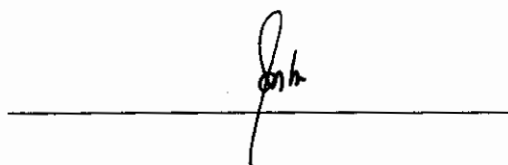
By:



LAURA Q. DEL ROSARIO  
Acting Director

ERMUNDO C. MONTANES  
President

Signed in the presence of:





ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES )  
CITY OF MAKATI )

BEFORE ME, a notary public for the City/Municipality of CITY OF MAKATI Philippines, this \_\_\_\_\_ day of ~~JAN 26 2011~~ 2010, personally appeared the following:

NAME	CTC NO.	DATE/PLACE ISSUED
LAURA Q. DEL ROSARIO	PASSPORT NO. DP0006698	03 June 2010, Manila
EDMUNDO C. MONTAÑES	Driver's License N21-76-000006	14 Jan. 2009, Q.C.

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

This instrument refers to a Memorandum of Agreement for Janitorial Services, consisting of twelve (12) pages, including this page on which the acknowledgement is written and signed by the parties and their respective witnesses on each and every page.

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

CITY OF MAKATI  
 NOTARY PUBLIC  
 REPUBLIC OF THE PHILIPPINES  
 REG. NO. 254102  
 REG. NO. STATE GOVERNMENT NO. 108245500 (S)

Doc. No. 24  
 Page No. 02  
 Book No. 05  
 Series of 0011

### SCOPE OF WORK

1. High Dusting of walls and ceilings;
2. Wall washing
3. Dusting and polishing of furniture and fixtures;
4. Spot-cleaning (offices);
5. Cleaning/wiping of telephone and other office equipment;
6. Floor care - washing, mopping, disinfecting and drying;
7. Vacuuming and shampooing of all carpeted areas at least twice in a month;
8. Window-cleaning-glass, venetian blinds, curtain ledges;
9. Watering of indoor and outdoor plants;
10. Cleaning of ashtrays;
11. Garbage disposal and cleaning of garbage cans;

The work covered consists of furnishing of all labor, supplies, and materials to perform the above works six (6) days per week, eight (8) hours per day.

#### A. DAILY ROUTINE OPERATIONS

1. Sweeping, mopping, spot-scrubbing, and polishing of all floor areas of 5<sup>th</sup> floor, Main building and Annex South Wing and Ground Floor, Carlos P. Romulo Library;
2. Cleaning of all walls, including glass doors, window ledges, partitions, sliding and furniture;
3. Emptying, cleaning of waste paper containers, and disposing garbage at designated areas;
4. Cleaning and sanitizing of toilets and washrooms, which include the use of special and disinfecting agents in wash basins, urinals, and toilet bowls, and toilet plungers for minor de-clogging, and emptying and washing waste baskets and placing plastic liners;
5. Installation of wall-mounted, time-release fresheners in all toilets;
6. Dusting and cleaning of horizontal and vertical surfaces; cleaning and polishing of all aluminum door frames and/or panels;
7. Dusting and cleaning of office equipment, surfaces, bookshelves, cabinets and furniture;
8. Vacuuming of all carpeted areas and upholstered furniture;
9. Removing of sticky substance or dirt on the floors with putty knife and cleaning with damp cloth or rag;
10. Disposal of rubbish, trash and garbage from the building to receptacles provided for this purpose;
11. Cleaning of venetian blinds, watering of potted/indoor and outdoor plants and spot-cleaning of walls;
12. Keeping all corridors, lobbies, entrances, stairways, and fire exits free from obstructions;
13. Staying at areas within the premises as designated by the Institute for janitors;
14. Switching off of lights and unplugging of appliances that are not in use inside the offices/rooms;
15. Watering and maintenance of all indoor and outdoor plants;
16. Installation and refilling of at least one unit liquid soap dispenser inside each toilet;

B. WEEKLY PERIODIC OPERATIONS

1. Washing, scrubbing by the use of polishers, waxing and polishing of all rooms and floor areas;
2. Washing of glass windows, glass doors, and thorough cleaning of trash receptacles;
3. Washing and cleaning of air-conditioning units, filters, high diffuser, venetian blinds, electric fan guards and blades
4. Disinfecting of toilets, office and training rooms and certain areas;
5. Thorough cleaning of toilet bowls, lavatory and water containers including thermos
6. Thorough general cleaning, sanitizing of and disinfecting of washrooms, toilets and public areas;
7. Dusting of light fixtures suspended from the ceiling;
8. Taking out of indoor plants for sunlight exposure and appropriate plants maintenance;
9. Polishing of FSI seal at the 5<sup>th</sup> floor lobby.

C. QUARTERLY PERIODIC OPERATIONS

1. Lighting fixtures covered by diffusers shall be removed, washed and returned to their original positions;
2. Carpet shampooing at least every three (3) months;
3. Cleaning of ornamental plants;
4. Covered light fixtures shall be removed, washed, and returned to their original positions at least once every three (3) months or as often as required for adequate cleanliness;
5. Dusting of inside walls, polishing and changing blinds, drapes, and curtains; and
6. Washing and polishing of window panels and glass partitions.

D. OTHER SERVICES

1. Moving of office furniture and equipment within the premises;
2. Deodorizing of offices/rooms and other areas as may required;
3. Reporting of defects requiring attention, such as leaking faucets, busted bulbs, among others;
4. Posting of additional janitors during special occasions and activities;
5. Providing extra supplies, tools, and equipment for the assurance of cleanliness and sanitation not specified in the contract, if necessary; and
6. Providing scaffolding for window cleaning.

E. ADDITIONAL REQUIREMENTS

1. The janitors must remain at their assigned stations during assigned hours. No loitering shall be tolerated.

## SUPPLIES AND EQUIPMENT

<b>Monthly</b>		<b>Quantity</b>
1.	Complete Wax	2 gals.
2.	Snap Back	1 gal
3.	Over & Under	1 gal
4.	Step Off	1 gal
5.	Furniture Polish (Johnson)	2 gals.
6.	Bowl Cleaner (Go Getter)	1 gal
7.	Flannel	2 yards
8.	Powder Soap	8 kilos
9.	Safeguard Soap (big)	12 pcs.
10.	Garbage Bag (Big)	300 pcs.
11.	Garbage Bag (Sando Bag - Large)	200 pcs.
12.	Furniture Polish (Pledge)	8 cans
13.	Disinfectant Spray (Lysol)	4 cans
14.	Liquid Hand Soap	2 gals
15.	Dishwashing Liquid (Joy, 50 ml.)	80 pcs.
16.	Mop Head	4 pcs.
17.	Time Release Freshener (Wall mounted)	6 cans
18.	Sponge (Scotch Brite)	6 pcs.
22.	Zonrox Bleach	2 gals.
23.	Sponge (foam)	6 pcs.
 <b>Quarterly</b>		
1.	Scrubbing Pad	3 pcs.
2.	Finishing Pad	5 pcs.
3.	Soft Broom	10 pcs.
4.	Steel Wool	2 packs
5.	Toilet Bowl Brush	4 pcs.
 <b>Semi-Annually</b>		
1.	Plastic Dust Pan	8 pcs.
2.	Stick Broom	4 pcs.
3.	Mop Handle	6 pcs.
4.	Push Brush	2 pcs.
5.	Trash Can	4 pcs. <i>gr</i>
6.	Spray Gun	4 pcs.
7.	Pail (Small)	4 pcs.
8.	Pail (Big)	2 pcs.
 <b>Janitorial Equipment</b>		
1.	Heavy Duty Floor Polisher	2 units
2.	Heavy Duty Vacuum Cleaner	2 units
3.	Squeezer	2 units

**COST BREAKDOWN****COST BREAKDOWN PER JANITOR PER MONTH  
313 Working Days**

<b>A. AMOUNT PAID DIURECTLY TO JANITORS</b>		
Daily Wage	P	404.00
1. Equivalent monthly rate (313 days x 404 / days)		10,537.67
2. 13 <sup>th</sup> month pay (P10,537.67 / 12 mos.)		878.14
3. Five-day Incentive Pay (P404 x 5/12 mos.)		168.33
<b>Total</b>	<b>P</b>	<b>11,584.14</b>
<b>B. AMOUNT PAID TO GOVERNMENT IN FAVOR OF JANITOR</b>		
1. SSS Premium (Employer's Share)	P	742.00
2. Philhealth		125.00
3. Employee Compensation Fund (ECC)		10.00
4. Pag-IBIG 2% of A but not to exceed P100		100.00
<b>Total</b>	<b>P</b>	<b>977.00</b>
<b>C. SUPPLIES</b>	<b>P</b>	<b>1,000.00</b>
<b>D. OTHERS</b>		
1. Overhead/Administrative Expenses		100.00
2. Profit Margin		50.00
<b>Total</b>	<b>P</b>	<b>150.00</b>
<b>E. VALUE ADDED TAX (VAT) – 12% of C &amp; D</b>	<b>P</b>	<b>138.00</b>
<b>Rate per Janitor per Month</b>	<b>P</b>	<b>13,849.14</b>
<b>Rate for 10 Janitors per Month</b>	<b>P</b>	<b>138,491.40</b>
<b>Total Cost for 12 Months</b>	<b>P</b>	<b>1,661,896.80</b>