

**Department of Foreign and Affairs
DBP Service Corporation**

**CONTRACT FOR OUTSOURCING OF PERSONNEL
FOR THE PASSPORT ENROLLMENT CENTER (PEC)
OF THE OFFICE OF CONSULAR AFFAIRS**

KNOW ALL MEN BY THESE PRESENTS:





This Contract made and executed by and between:

"DEPARTMENT OF FOREIGN AFFAIRS, (herein referred to as **"DFA"**) a national government agency with principal office address at 2330 Roxas Boulevard, Pasay City, represented herein by its Undersecretary, **HON. RAFAEL E. SEGUIS**;

- and -

"DBP SERVICE CORPORATION, (herein referred to as **"DBPSC"**) a duly organized and registered corporation, with principal office address at 2nd Floor, EBC Building, Gil Puyat Avenue, Makati City 1200, and represented in this Agreement by its President **RODOLFO C. MANALIGOD**, who is duly authorized to enter into this Contract in accordance with Board Resolution dated 12 March 2012 herein attached as Annex A, and made an integral part of this Contract.";

**ARTICLE I
SCOPE OF WORK AND SCHEDULE**

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01. The DBPSC shall faithfully and efficiently perform all the duties relevant to the services contracted, which shall include monitoring of the performance of its employees assigned to the DFA and all other tasks and requirements as stated in the Terms of Reference of this agreement attached as Annex "B";
 02. Regular working period shall be from Mondays through Fridays, except on non-working holidays. Service time shall be for eight (8) hours every day from 10:00 a.m. to 7:00 p.m. This work schedule may be changed by DFA with notice to DBPSC.
 03. DBPSC employees assigned to the DFA are project-based and are not allowed to render overtime work, however, rendition of overtime services will be considered upon the request of DFA.

**ARTICLE II
DURATION OF THE CONTRACT**

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01. This contract shall commence on **02 May 2012** and shall end on **30 April 2013**.

ARTICLE III CONSIDERATION

01. "For and in consideration of the service/s rendered, the DFA hereby agrees to pay DBPSC the rates provided in the "Monthly Billing Rates" hereto attached as Annex "C" which is made an integral part of this contract. The rates quoted are based on eight (8) hours work per day per individual and include payments due to employee including the Value Added Tax (VAT) of twelve percent (12%) and ten percent (10%) in Administrative Overhead. Interest shall accrue on all past amounts due hereunder at the rate of two percent (2%) based on the outstanding balance from the date the amount became due up to, and including the date the amount was paid.

The billing rates shall be adjusted and the additional costs would be defrayed by DBPSC in case that a law be enacted mandating the grant of additional benefits, allowances and/or increase in the minimum wage of employees, the rate beyond the minimum mandated by law shall be subject to negotiation between parties. The adjustment in wage and non-wage benefits shall include a corresponding adjustment – in the administrative overhead/cost at the same percentage in relation to the billing statement, prior to the adjustment.

Provided, however, that tardiness and absences incurred by the DBPSC employees assigned to the DFA shall be deducted accordingly from the monthly billing of the DBPSC."

ARTICLE IV MANNER OF PAYMENT / BILLING

01. The DFA shall pay DBPSC the consideration equivalent to actual services rendered subject to the provisions of Article III (01), hereof within seven (7) days from receipt of the bill/ statement of account.
02. The DBPSC shall be responsible for the payment of the employees' monthly wages which shall be paid every 15th and 30th of the month.
03. In billing the DFA, it is agreed that DBPSC shall submit to the DFA, together with its monthly invoice, a sworn certification duly executed by its President or authorized officer stating that wages, salaries and other remuneration due to all workers assigned to the DFA have already been paid.
04. DBPSC shall furnish a copy of the monthly payslips to its personnel assigned to the DFA.

ARTICLE V NUMBER AND ASSIGNMENT OF PERSONNEL

01. In the performance of work herein mentioned, DBPSC shall provide office personnel as provided in the Annex B of the contract.

The office personnel shall be assigned in accordance with the schedule to be provided by DFA. Provided, however, that the schedules may be changed anytime upon written or oral request of the DFA.

02. The DFA may increase or decrease the number of assigned personnel within the duration of the Contract. In case of increase, the Chief Accountant shall issue a Certificate of Availability of Funds.

ARTICLE VI MISCELLANEOUS PROVISIONS

01. DBPSC shall assign personnel who have passed the standards set by the DFA. For this purpose, the DFA shall have the final say for the selection of the employees to be assigned by DBPSC.
02. DBPSC shall provide a copy of its Contract with their employees to each employee assigned to the DFA.
03. It is expressly understood and agreed that the employees assigned by DBPSC to the DFA are, for all legal intents and purposes, the employees of DBPSC and not of the DFA, hence the DFA does not maintain any employee-employer relationship with said personnel of DBPSC.

Accordingly, DBPSC binds itself to save and hold harmless the DFA or any of its officials, employees and/or agents from any responsibility for any personal injury or damage, including death sustained by DBPSC personnel during the lawful performance of their duties or stay within the premises of the DFA. The DBPSC shall at all times stand fully and solely liable for the enforcement of and/or compliance with all labor and social legislations as well as other pertinent laws and/or decrees and those that may be enacted thereafter. The DBPSC shall comply with all the rules and regulations pertaining to SSS and Pag-IBIG Fund Membership of the contractuels assigned to the DFA under this Contract.

04. DBPSC hereby authorizes the DFA to supervise for administrative convenience the personnel assigned to the DFA during their term of duty and the exercise by the DFA of this authority shall not be deemed nor interpreted as relinquishment of the powers by the DBPSC as employer of its personnel assigned to the DFA.
05. DBPSC shall be liable for all the losses and damages which may be caused through the fault or negligence of the personnel assigned to the DFA on the property and facilities of the DFA, provided that the DFA shall bring to the attention of DBPSC such damages or losses within five (5) days from discovery by the DFA of such loss or damages.
06. DBPSC shall post a performance bond to answer for any breach of its obligations and warranties hereof equivalent to thirty percent (30%) of the total contract price, either in the form of Cash, Manager's or Cashier's check issued by a universal or commercial Bank, or Surety Bond issue by a surety or

insurance company duly certified by the Insurance Commission and authorized to issue such security in favor of DFA.

07. Any stoppage of work caused by the employees of DBPSC for any reason whatsoever except due to fortuitous events or beyond human control shall be the responsibility of DBPSC and it shall be liable for any damage that may be caused to the DFA by such work stoppage.
08. Should the DFA find any of the DBPSC-assigned personnel undesirable or with unsatisfactory performance, DBPSC shall, upon request, replace the personnel concerned with one acceptable to the DFA. Moreover, should any of said personnel perform any act which may be prejudicial to the interest of the DFA or should any of the said employees be found to be incompetent or negligent in the performance of his/her functions, DBPSC shall immediately replace him/her at his own instance or at the request of the DFA.

Provided, however, that undue refusal of DBPSC to discharge the employee/s concerned shall give the DFA the right either to bar outright and instantaneously said employee from rendering further services or terminate this Contract.

09. DBPSC warrants that none of its officials or representatives has given or promised to give any money, gift, present, or benefit to any official or employee of the DFA, to influence the decision regarding the awarding of this Contract, nor did it exert or utilize any unlawful influence to solicit or to secure this Contract through an agreement to pay a commission, brokerage, contingent fees or share from the contract price.

ARTICLE VII TERMINATION OF THE CONTRACT

This Contract may be terminated due to any of the following grounds:

01. Violation by either party of any of the foregoing terms and conditions, at which instance, the party may terminate this contract.

02. Lifting of Section 4 (e) of Administrative Order Number 265, series of 1992, to wit:

Sec. 4: Likewise, all agencies of the government are directed to implement other cost-saving and austerity measures, including the following:

XXXX

e. Suspension of the hiring of additional consultants, contractuels and casuals, except for foreign-assisted projects;

XXXX

The party desiring the termination of this contract shall give at least thirty (30) days prior written notice. Termination shall be effected immediately thereafter and after the parties shall have agreed on the settlement of any of/or obligations one may have with the other. However, in case of violation of terms, the termination is without prejudice to the liability of either party for damages under this contract.


Provided that the failure on the part of either party to enforce any of the provisions of this contract shall not be considered as a waiver of its rights.


ARTICLE VIII VENUE OF COURT CASES

All actions and controversies that may arise from this Contract involving, but not limited to, demands for specific performance of the obligations as specified in this Contract and enforcement of the terms and conditions as well as the interpretation of any provisions or clause herein stipulated may be brought by either party before the proper court in Metro Manila or at the place where the DFA's main office is located, the DBPSC hereby expressly waives any other venue.

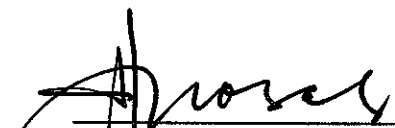
IN WITNESS WHEREOF, the parties hereto hereby affix their respective signature at Parañaque City, Philippines this JUL 24 2012.


DEPARTMENT OF FOREIGN AFFAIRS: DBP SERVICE CORPORATION:


RAFAEL E. SEGUIS
Undersecretary for Administration


RODOLFO C. MANALIGOD
President


SIGNED IN THE PRESENCE OF:


ALVAR E. ROSALES
DFA Chief Accountant


EDGAR F. CHAVEZ
Executive Vice President

ACKNOWLEDGMENT

Republic of the Philippines)
PARANAGUE CITY) S.S.

BEFORE ME, THIS _____ day JUL 24 2012, 2012 personally appeared:

	<u>Government ID</u>	<u>Date/Place of Issue</u>
<u>RAFAEL E. SEGUIS</u>	<u>Passport No: DE0000024</u>	<u>November 29, 2011 - DFA - Manila</u>
<u>RODOLFO C. MANALIGOD</u>	<u>038857473-7</u>	<u>Quezon City</u>

Known to me and to me known to be the same persons who executed the foregoing instrument and they acknowledged to me that the same is their free, voluntary act and deed as well as, the corporate act and deed of the corporation, which they represent and that they are duly authorized to sign the same.

This refers to a contract of manpower services consisting of six (6) pages including this page, wherein this Acknowledgment is written, duly signed on each and every page thereof, on the left hand margin except the last page by the herein parties and their instrumental witnesses and sealed with my notarial seal.

WITNESS MY HAND AND OFFICIAL SEAL at the place and on the day, month and year first above written.

Doc. No. 285
Page No. 18
Book No. 11
Series of 2012

LAURO B. DOBLE
NOTARY PUBLIC
UNTIL DECEMBER 31, 2013
NOT. COM. NO. 102-2012
IBP NO. 873759/DEC. 14, 2011
PTR NO. 8738786M JAN. 13, 2012
PARANAGUE CITY
MCLE NO. III-0003939
ROLL NO. 23759



DBP SERVICE CORPORATION

AUTHORITY OF SIGNATORY

SECRETARY'S CERTIFICATE

I, **LAURO B. DOBLE**, duly elected and qualified Corporate Secretary of **DBP SERVICE CORPORATION**, a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at 2F, Executive Bldg. Center, Gil Puyat Avenue corner Makati Avenue, Makati City, DO HEREBY CERTIFY, that:

I am familiar with the facts herein certified and duly authorized to certify the same;

At the special meeting of the Board of Directors of the said Corporation duly convened and held on March 09, 2012 at which meeting a quorum was present and acting throughout, the following resolutions were approved, and the same have not been annulled; revoked and amended in any way whatever and are in full force and effect on the date hereof:

RESOLVED, that DBP Service Corporation be, as it hereby is, authorized to participate in the bidding of Outsourcing of Personnel for the Passport Enrollment Center (PEC) of the Office of Consular Affairs by the DEPARTMENT OF FOREIGN AFFAIRS; and that if awarded the project shall enter into a contract with the DEPARTMENT OF FOREIGN AFFAIRS; and in connection therewith hereby appoint **RODOLFO C. MANALIGOD**, President, **GERRY A.C. ARELLANO**, Assistant Vice President for Marketing, or **JOSEPH B. IMBAO**, Manager for Marketing, acting as duly authorized and designated representatives of DBP Service Corporation, are granted full power and authority to do, execute and perform any and all acts necessary and/or to represent DBP Service Corporation in the bidding as fully and effectively as the Corporation might do if personally present with full power of substitution and revocation and hereby satisfying and confirming all that may said representative shall lawfully do or cause to be done by virtue hereof; and for the President, **RODOLFO C. MANALIGOD**, to enter into contract if awarded the project;

RESOLVED FURTHER THAT, the DBP Service Corporation hereby authorizes its President to:

- (1) execute a waiver of jurisdiction whereby the DBP Service Corporation hereby submits itself to the jurisdiction of the Philippine government and hereby waives its right to question the jurisdiction of the Philippine courts;
- (2) execute a waiver that the DBP Service Corporation shall not seek and obtain writ of injunctions or prohibition or restraining order against the PPA or any other agency in connection with this project to prevent and restrain the bidding procedures related thereto, the negotiating of and award of a contract to a successful bidder, and the carrying out of the awarded contract.

WITNESS the signature of the undersigned as such officer of the said Corporation this

MAR 12 2012

LAURO B. DOBLE
Corporate Secretary

SUBSCRIBED AND SWORN to before me this MAR 12 2012 at Makati City, affiant exhibiting to me his Voter's I.D. No. 7604-0923A-HO842LBD10000-3.

CHERYLL E. QUINTOS-SANTILLAN
NOTARY PUBLIC

UNTIL DECEMBER 31, 2013

NOT. COM. NO. M-236

IBP NO. 875-00, DEC. 14, 2011

PTR NO. 31-262, JAN. 2, 2012

Doc. No.: 37
Page No.: 8
Book No.: XII
Series of 2012



DBP SERVICE CORPORATION

Omnibus Sworn Statement

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

AFFIDAVIT

I, **GERRY A.C. ARELLANO**, of legal age, married, Filipino, with residence at 212 Mahogany St., La Marea, San Pedro, Laguna, after having been duly sworn in accordance with law, do hereby depose and state that:

1. I am the duly authorized and designated representative of **DBP SERVICE CORPORATION** with office address at 2nd Floor, Executive Bldg. Center, Gil Puyat corner Makati Avenue, Makati City.
2. I am granted full power and authority to do, execute and perform any and all acts necessary and/or to represent the **DBP SERVICE CORPORATION** in the bidding as shown in the attached duly notarized Secretary's Certificate issued by the corporation.
3. **DBP SERVICE CORPORATION** is not "blacklisted" or barred from bidding by the Government of the Philippines or any of its agencies, offices, corporation, or Local Government Units, foreign government/ foreign or international financing institution whose blacklisting rules have been recognized by the Government Procurement Policy Board:
4. Each of the documents submitted in satisfaction of the bidding requirements is an authentic copy of the original, complete, and all statements and information provided therein are true and correct:
5. **DBP SERVICE CORPORATION** is authorizing the Head of the Procuring Entity or its duly authorized representative(s) to verify all the documents submitted:
6. None of the officers, directors, and controlling stockholders of **DBP SERVICE CORPORATION** is related to the Head of the Procuring Entity, members of the Bids and Awards Committee (BAC), the Technical Working Group (TWG), and the BAC Secretariat, the head of the Project Management Office or the end-user unit, and the project consultants by consanguinity or affinity up to the third civil degree:
7. **DBP SERVICE CORPORATION** complies with existing labor laws and standards; and

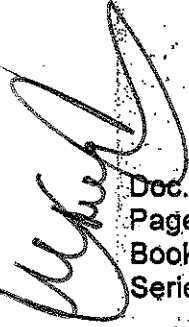
8. DBP SERVICE CORPORATION is aware of and has undertaken the following responsibilities as a Bidder:

- a. Carefully examine all of the bidding documents;
- b. Acknowledge all conditions, local or otherwise affecting the implementation of the contract;
- c. Made an estimate of the facilities available and needed for the contract to be bid, if any; and
- d. Inquire or secure Supplemental/Bid Bulletin(s) issued for the Outsourcing of Personnel for the Passport Enrollment Center (PEC) of the Office of Consular Affairs.

IN WITNESS WHEREOF, I have hereunto set my hand this MAR 12 2012 day of _____ in Makati City, Philippines.

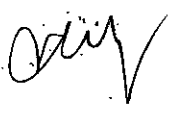

GERRY A.C. ARELLANO
Assistant Vice President

SUBSCRIBED AND SWORN TO BEFORE ME this MAR 12 2012 day of _____ at Makati City, Philippines. Affiant exhibited to me his/her Social Security Identification Card with SSS No. 33-0393818-0 issued in Quezon City.


Doc. No. 31
Page No. 8
Book No. xll
Series of 2012


CHERYLLE QUINTOS SANTILLAN

NOTARY PUBLIC
UNTIL DECEMBER 31, 2013
NOT. REG. NO. M-236
IBP NO. 305, DEC. 14, 2011
PTR NO. 3175262, JAN. 2, 2012
MAKATI CITY
MCLE NO. III-0003918
ROLL NO. 51832



DEPARTMENT OF FOREIGN AFFAIRS

ANNEX "B"

TERMS OF REFERENCE (Amended on 08 March 2012)

OUTSOURCING OF PERSONNEL FOR THE PASSPORT ENROLLMENT CENTER (PEC) OF THE OFFICE OF CONSULAR AFFAIRS

I. GENERAL SCOPE

1. The Department of Foreign Affairs (DFA) requires efficient and cost-effective encoding services for its Office of Consular Affairs-Passport Division, and for mobile passport services. The Passport Division is the organization representing DFA for dispensing of passport services to the Filipino public, and may represent the Department in the interpretation of the TOR.
2. The contractor shall supply sixty (60) outsourced personnel henceforth termed as "contracted encoders" or "encoders" to be used interchangeably, to operate sixty (60) encoding stations during operating hours, which will be from Monday to Friday from 10:00 AM to 7:00 PM, inclusive of holidays when requested by DFA.
3. The contracted encoders should be able to process a minimum of five thousand (5,000) applicants a day.
4. The contractor shall be responsible for the management, hiring, termination, replacement, remuneration, benefits and quality of service the encoders.
5. In addition to the contracted encoders, the contractor shall also supply an onsite supervisor available during operation hours to manage and supervise the encoders. The supervisor shall liaise with DFA officials to ensure that the Scope of Work (SOW) in this TOR is adhered to.
6. DFA will not assume an employer-employee relationship with the contracted encoders and the onsite supervisor.

DFA Furnished Resources

7. DFA Passport Division will provide the Contractor with office space and facilities, PCS, tools and any other equipment, software and applications that are deemed necessary to facilitate the operation of the Passport Division.
8. DFA will provide the Contractor with training materials and provide training staff to conduct a total of sixteen (16) hours of training from 23 to 27 April 2012 to be held in the DFA-Office of Consular Affairs Building at Aseana Business Park, Parañaque City. The training will comprise of lecture, classroom discussion, and opportunities for hands on training.

Place of Performance

9. The place where the contract is to be performed will be at OCA-Aseana, Parañaque City.

10. The DFA may, within twenty four (24) hours notice, assign all or some of the contracted personnel to sites within Metro Manila, at no additional cost to the DFA.

Period of Performance

11. This Scope of Work will be valid from **01 May 2012 to 30 April 2013.**

II. SCOPE OF WORK (SOW)

1. The responsibilities of the encoders will be encoding of vital information of the applicant, photographing and capturing the biometric data of the passport applicant and such other tasks that may be assigned.
2. The Contractor shall provide sixty (60) encoders from 10:00 AM to 7:00PM and at least one (1) on-site supervisor.
3. The Contractor shall supply the DFA with qualified encoders to take the place of absent encoders.
4. Encoding operations shall be uninterrupted during the eight hour period. The contractor shall ensure that at no time fifty (50) percent of the encoders present be on lunch break at the same time.
5. The contractor, its encoders and on-site supervisors shall follow DFA policies, guidelines and procedures.

Quality Assurance

6. Periodic services quality reviews. DFA, at its option, shall conduct formal quality review on a periodic basis. These reviews will be conducted in person by DFA. The reviews shall include observation of Contractor's operations, comprehensive review of performance metrics and discussion with Contractor employees to assess degrees of knowledge.
7. Performance reviews. DFA and the Contractor shall undertake quarterly reviews of performance against agreed performance requirements. This is to ascertain quality level attainment and co-develop improvements on the quality levels, processes, service delivery, etc.
8. DFA and the Contractor shall also undertake a quarterly Performance Evaluation Review of the contract. This is to identify potential improvements to agreed performance requirements.
9. The Contractor shall conduct quarterly Client Satisfaction Surveys. This is to determine the level of client satisfaction with the services provided by the encoders. The Contractor shall develop the survey jointly with the Passport Division. Details of the survey such as rating system, questionnaire, etc shall be discussed between Contractor and DFA and approved by DFA and shall be property of the DFA.
10. The result of performance reports for the reviewed period, responses from clients' satisfaction surveys periodic services quality reviews, test, audits, complaints and all other information regarding the quality of the contractor's performance shall be taken into account the earned Performance Evaluation

during the reporting period. The DFA shall be provided a report comprising all performance measures by the Contractor at the end of the period of SOW.

III. CONTRACTOR PERSONNEL

Skills and Qualifications

1. The encoders assigned by the contractor to the DFA, including replacement personnel, shall:
 - a. be Filipino citizens;
 - b. have completed at least **two (2)** years college education or its equivalent;
 - c. be **eighteen (18) to thirty five (35) years** of age on 01 May 2012;
 - d. secure NBI, Police and Barangay clearances taken at least six months prior to 01 April 2012;
 - e. have touch typing speed of seventy (70) words per minute at ninety (90) percent accuracy;
 - f. be computer literate;
 - g. have undergone the necessary training.

Removing Personnel for Misconduct or Security Reasons

2. The contractor shall upon the request of the DFA immediately replace any encoder or supervisor for valid reasons.

IV. COORDINATION

1. The contractor shall conduct regular meetings with the DFA whenever requested.

V. CONFIDENTIALITY OF INFORMATION

1. The Contractor and all contracted personnel will not discuss, disclose, copy, share, distribute or otherwise make available to any other persons or organizations aside from DFA, Office of Consular Affairs any and all information including but not limited to names, addresses, phone numbers and history, made available during the course of performance of duties.
2. Information and data obtained in the course of performing the duties under this TOR are confidential property of DFA, and any violation of this term of confidentiality will be subject to penalty, including the removal and barring of the Contractor and its personnel from DFA premises, termination of contract by the DFA and legal action.

VI. PENALTIES AND DAMAGES

1. The Contractor shall post a performance bond equivalent to five (5) percent of the awarded contract price to guarantee the Contractor's performance of the TOR. In the event of the failure to perform duties and responsibilities in accordance to this TOR, the DFA shall be entitled to recover damages.
2. In case the Contractor violates or fails to comply with any of the provisions of this agreement, DFA may impose a penalty as may be agreed upon by the parties
3. The DFA is entitled to collect penalties and liquidated damages directly from the Contractor in the event that the damages exceed the amount of performance bond posted.

- *Nothing follows* -

Department of Foreign Affairs
Bids and Awards Committee - Secretariat
02.13.2012

DEPARTMENT OF FOREIGN AFFAIRS
OUTSOURCING OF PERSONNEL FOR THE PASSPORT ENROLLMENT CENTER (PEC)
OF THE OFFICE OF CONSULAR AFFAIRS
DBP SERVICE CORPORATION

COST BREAKDOWN OF BID PRICE

	Liaison Officer /On-Site Supervisor	Encoder	Total Bid Price
Equivalent no. of working days per year	256 days	258 days	
Employee's Rate Per Day	404.00	404.00	
COLA Per Day	22.00	22.00	
A. Amount Payable to the Employee			
Basic Pay	8,686.00	8,686.00	
Service Incentive Leave	168.33	168.33	
13th Month Pay	723.83	723.83	
COLA	473.00	473.00	
Sub-Total	10,051.16	10,051.16	
B. Amount Payable to the Government			
Pag-ibig Contribution	100.00	100.00	
SSS Contribution	636.00	636.00	
PHIC	100.00	100.00	
ECC	10.00	10.00	
Sub-Total	846.00	846.00	
C. Total Paid to Contractual & Gov't. (A+B)	10,897.16	10,897.16	
Add: Administrative Expenses (10% of C)	1,089.72	1,089.72	
Billing per Month	11,986.88	11,986.88	
Add: Value Added Tax (12%)	1,438.43	1,438.43	
Total Billing Per Month	13,425.31	13,425.31	
Billing Rate Per Day	624.43	624.43	
Total No. of Personnel	1	60	61
Total Billing per Month	13,425.31	805,518.60	818,943.91
TOTAL BID PRICE FOR ONE (1) YEAR	161,103.72	9,666,223.20	9,827,326.92

Supervisor's Allowance of P4,000.00 per month shall be given to the On-Site Supervisor free of charge to DFA.
 Unworked regular holiday will be billed at above rate for when such holiday do occur.

GERRY A.C. ARELLANO
 Asst. Vice President, Marketing Dept.

Handwritten signature

Handwritten signature

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