

**CONTRACT AGREEMENT FOR OUTSOURCING OF MANPOWER  
SERVICES (JANUARY 2022 – SEPTEMBER 2022)**

**KNOW ALL MEN BY THESE PRESENTS:**

This **Contract Agreement for Outsourcing of Manpower Services** is made and entered into this \_\_\_\_\_ at \_\_\_\_\_ by and between:

The **ADVANCED SCIENCE AND TECHNOLOGY INSTITUTE**, a government agency attached to the Department of Science and Technology (DOST) created by virtue of laws of the Philippines, with principal address at U.P. Technology Park Complex, C.P. Garcia Avenue, U.P. Campus, Diliman, Quezon City 1101, represented in this Agreement by its Director, **FRANZ A. DE LEON, Ph.D.**, hereinafter referred to as the “**CLIENT**”;

-and-

The **DBP SERVICE CORPORATION** a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal address at 2<sup>nd</sup> Floor Executive Bldg., Sen. Gil Puyat cor. Makati Ave., Makati City represented by its President, **RAUL LUIS D. MANALIGOD**, hereinafter referred to as the “**EXTERNAL PROVIDER**”.

**WITNESSETH:**

**WHEREAS**, the **Client** requires the services of a qualified and licensed outsourcing firm engaged in staffing services, which will provide manpower personnel to the **Client**, to carry out its mandate;

**WHEREAS**, for the procurement of said services, a public bidding was conducted pursuant to the provisions of Republic Act No. 9184 and its 2016 revised Implementing Rules and Regulations;

**WHEREAS**, in said public bidding the **External Provider** was the Single Calculated Responsive Bid based on the bidding criteria set by the **Client**;

**WHEREAS**, **Client** accepted the bid of the **External Provider** and the latter conformed with such acceptance; and

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

**I. WORK SCHEDULE**

- A. The **External Provider** shall provide and assign to the **Client** the staff from Monday-Friday and render at least eight (8) hours of work per day or a total of forty (40) hours of work per week or at schedules to be agreed by both parties. Assigned staff must observe the **Client’s** work schedule (sliding flexi, i.e., time in any time between 7:00 am – 9:00 am and time out after eight (8) hours of work, any time between 4:00 pm – 6:00 pm, excluding lunch break).
- B. Personnel assigned to the **Client** must observe its schedule including work suspension as well as regular, special, and non-working holidays.
- C. The Work Schedule is subject to change at any time when required by the **Client** and upon written communication to the **External Provider**.

**II. PERSONNEL MATTERS**

- A. The **Client** has the right to screen applicants and choose the personnel to be assigned. The **External Provider** shall consider hiring the existing contract of service staff of the **Client** in relation to this Contract.

- B. The **External Provider** shall provide a copy of the pre-employment examinations results to the **Client** and a copy of employment requirements submitted by the assigned employees. These documents should be submitted to the **Client** on the first day of employee assignment to the **Client**.
- C. The personnel shall be exclusively assigned by the **External Provider** to the **Client**. They are required to observe the **Client's** Office Rules and Regulations and must conduct themselves in a manner appropriate for a government employee (even if there is no employee-employer relationship) as they are serving as part of the organization.
- D. The **External Provider** is not precluded from implementing its own Office Rules and Regulations governing the employment of staff assigned to the **Client**, such as but not limited to, attendance and punctuality. It should be noted, however, that the former should notify the latter in writing at least two (2) weeks before any disciplinary action is meted out.
- E. The employees to be hired under this Contract are monthly-paid employees consistent with the definition of the Department of Labor and Employment as *“those who are paid every day of the month, including unworked rest days, special days, and regular holidays” (Handbook Workers’ Statutory Monetary Benefits, 2019 Edition, Section 1, Minimum Wage, Subsection D)*.
- F. The **External Provider** shall pay the personnel the required salaries and benefits mandated by law.
- G. The **External Provider** shall provide the **Client** the list of benefits to be given to the assigned personnel, including those that are company-initiated.
- H. The personnel shall undergo performance evaluation by the **Client**, which will serve as basis for his/her continuation of services/assignment to the **Client**.
- I. The **Client** has the right to request for the relief and immediate replacement of assigned personnel from the **Client** in case of violation of the rules and regulations, as well as internal policies of the **Client** and of the **External Provider**, or for any other reasonable cause such as, but not limited to:
1. Serious misconduct or willful disobedience of the assigned personnel of the rules and regulations, as well as internal policies of the Institute;
  2. Habitual neglect of duties;
  3. Fraud or willful breach of trust by the assigned personnel; and
  4. Commission of a crime or offense by the assigned personnel against **Client**.
- J. The **Client** has the right to request for a reliever to temporarily substitute the assigned personnel to cover unexpected events, such as but not limited to long-term sickness absence, maternity leave, bereavement leave, study leave, among others, of the assigned personnel.
- K. The **External Provider** shall, on behalf of its employees to be assigned to the **Client**, agree to assign to the **Client** all IP rights including but not limited to patents, utility models, industrial designs, trademarks, copyrights and related rights arising and generated from the services its employees will render for the **Client** in exchange of salary, honorarium, or any remuneration that the employees will be receiving.
- L. The **External Provider** shall ensure that a Deed of Assignment, provided by the **Client**, is signed by each employee assigned to the **Client** as an annex to their employment contract. It shall provide that, in exchange of the salary received, the employee shall assign all its IP rights to the **Client**, which are related to their outputs produced during the course of their assignment to the **Client**. The **External Provider** shall provide the **Client** a certified true copy of the signed Deed of Assignment.
- M. The **External Provider** shall require its personnel who will be assigned to the **Client** to execute all documents and do all acts as may be deemed necessary by the **Client**, to give effect to the terms provided under Personnel Matters Section, Items 10 and 11 of this Contract. All documents should be submitted to the **Client** on the first working day of the assigned employee.
- N. The personnel must secure clearance for all accountabilities at the end of his/her assignment in the **Client**. The **External Provider** must ensure that the assigned personnel shall secure necessary clearances for all accountabilities at the end of his/her assignment in the **Client** or in case of voluntary resignation or retirement. Failure to submit all the required documents and clearances shall mean withholding of monetary benefits due to the assigned personnel.

- O. The **External Provider** shall guarantee payment of salaries of staff for the first three (3) months of the contract even prior to the release of funds from the **Client**.
- P. In case the **Client** requires deployment and other activities that require traveling, the **External Provider** shall process requirements for travel, per advice of the **Client**. Travel expenses shall be billed separately, the cost of which is exclusive of the contract price.

### III. CONTRACT PRICE

- A. The total contract price for the Outsourcing of Manpower Services is **Forty-Nine Million Eight Hundred Sixty-One Thousand Four Hundred Twelve Pesos and 1/100 Only (₱49,861,412.01)**.
- B. The billable amount under this contract and/or the contract price may be adjusted or updated in consideration of any of the following, subject to availability of funds:
  - 1. Government-mandated increase on the minimum wage, cost of living allowance, Social Security System (SSS), Philippine Health Insurance Corporation (PhilHealth) and Home Development Mutual Fund (Pag-IBIG Fund) contributions or other similar increase mandated by the appropriate government authority.
  - 2. In order to implement the adjustment, the **External Provider** should notify the **Client**, in writing, about the increase in contributions duly supported by an updated/adjusted monthly billing rate per salary grade. Upon approval of the **Client** of the updated/adjusted monthly billing rate, the same can be immediately implemented.
  - 3. Additional work/Overtime (OT) required by the **Client** or deductive work (undertime and absences). The total cost of additive work or deductive work shall be based on the unit cost specified in the Contract Price including any approved adjustments during contract implementation. Payment for overtime work may also be charged against the savings generated from undertime and absences of outsourced staff.
  - 4. The **External Provider** should ensure that the OT claim is supported by required supporting documents per the internal rules and regulation of the **Client** on the matter.
  - 5. Increase in salaries of government employees pursuant to a directive/issuance by the Department of Budget and Management (DBM) which was used as basis in the computation of monthly basic salary rates. In case of salary increase, the unit cost referred to in Contract Price, Item b., shall accordingly be adjusted to the approved amended salary rates.
  - 6. To implement the salary adjustment, the **Client** should notify the **External Provider**, in writing, about the increase in prescribed basic salary rates of employees. The **External Provider** should submit an updated/adjusted monthly billing rate per salary grade. Upon approval of the **Client** of the updated/adjusted monthly billing rate, the same can be immediately implemented.

If any of these adjustments will result in an amount greater than the current contract price a Supplemental Contract indicating the adjusted/updated contract price should be prepared. Otherwise, the documents stipulated above shall suffice.

### IV. CONTRACT PERIOD

- A. The term of this Contract shall be effective for a period of **nine (9) months starting and ending in January 2022 and September 2022, respectively.**
- B. The date of delivery of services to the **Client** shall be on **03 January 2022.**
- C. For positions that are required for less than nine (9) months, the **Client** shall notify the **External Provider**, in writing, on the specific start date of said positions.
- D. The **Client** reserves the right to terminate the contract in case the **External Provider** fails to fulfill any of the obligations set forth in this contract. In case of termination, a thirty (30) day notice shall be made by the **Client**.

## V. OTHER CONDITIONS

- A. Any judicial action to enforce any of the terms stated herein shall be instituted and prosecuted in the court of appropriate jurisdiction in Quezon City, Philippines.
- B. The **External Provider** shall guarantee for the loss or damage of the **Client's** property, unless it has been duly established after investigation that said loss or damage did not result from the act, omission, negligence, or fault of the **External Provider** or any of its employees. Such loss or damage must be reported in writing to the **External Provider** within five (5) working days from occurrence or discovery thereof. When such loss or damage is caused by force majeure or fortuitous event, the **External Provider** shall not, in any way, be made responsible.
- C. The assigned personnel are the exclusive employees of the **External Provider** and there exists no employer-employee relationship between them and the **Client**. As such, claims of any nature, financial or otherwise, by the assigned personnel arising out of and/or in connection with their employment by the **External Provider** shall be the sole responsibility of the **External Provider**.
- D. The personnel to be assigned must be trained and with adequate experience, physically and mentally fit, courteous and honest, and are provided by the **External Provider** with identification cards.
- E. The cost of coverage of the assigned personnel for SSS, PhilHealth, Pag-IBIG and other benefits due them shall be the sole responsibility of the **External Provider**.
- F. The assigned personnel shall submit to personnel search and spot check by the **Client's** Security Guards when required and must observe/abide by all security regulations and requirements of the **Client**.
- G. Upon the request of the **Client**, the **External Provider** shall relieve any of its assigned personnel with whom the **Client** has lost trust and confidence, or who was found inefficient, disobedient, or disrespectful or for any other valid or justifiable reason.
- H. The **Client** is not answerable or liable whatsoever for any claim of the assigned personnel arising from the performance of their duties and/or in the course of employment with the **External Provider**, including claims for benefits due to the **External Provider's** personnel.
- I. The **External Provider** shall provide a dedicated contact person who shall be responsible in addressing concerns relative to the implementation of this contract.

## VI. CONFIDENTIALITY

The **Client** and the **External Provider** shall hold in strict confidence all information furnished by one to the other and shall not disclose the same to any third party without the prior written consent of the other party to the party providing such confidential information. The **Client** and the **External Provider** shall sign a non-Disclosure agreement to effect this provision. Additionally, the **External Provider** shall extend such agreement with all employees to be assigned to the **Client** by requiring the signing of a similar document. The **External Provider** shall furnish the **Client** a copy of such document.

It is hereby further agreed that both parties shall likewise hold on strictest confidence all information relating to this Contract that may be entered into by the parties and shall not disclose to information unless expressly agreed upon in writing by the parties hereto.

## VII. AMENDMENT

The **Client** may change the number of positions and position titles, as well as create additional positions, initially identified under this procurement contract, provided that the amendments shall not exceed the approved contract price and that the position titles are based on the DOST Profile of Contract of Service. These changes shall be communicated in writing with the **External Provider** and shall take effect upon the agreement of both parties.

Any other amendment in the terms, conditions, or provisions not stipulated in this document should be covered by a separate agreement as proposed and agreed upon by the **Client** and **External Provider**.

**VIII. PERFORMANCE SECURITY**

The **External Provider** shall post a Performance Security prior to the signing of Contract, in the form of surety bond callable upon demand issued by a surety or insurance company duly accredited by the Insurance Commission, equivalent to thirty (30%) percent of the annual Contract Price.

**IX. SEPARABILITY**

Any part, provision, or representation relative to this Contract, which is prohibited, or which is held to be void or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof.

**ADVANCED SCIENCE AND  
TECHNOLOGY INSTITUTE**

**DBP SERVICE CORPORATION**

by:

by:

**FRANZ A. DE LEON, Ph.D.**  
Director, DOST-ASTI

**RAUL LUIS D. MANALIGOD**  
President

**SIGNED IN THE PRESENCE OF**

**MAY C. CAYABAN**  
Chief Administrative Officer

\_\_\_\_\_

**CERTIFIED FUNDS AVAILABLE**

**GAY CONCEPCION S. BUGAGAO**  
Accountant III

ORS 2022-01-000001 Amount: 49,861,412.01

**ACKNOWLEDGMENT**

BEFORE ME, a Notary Public for and in the \_\_\_\_\_ of \_\_\_\_\_, personally appeared **Franz A. De Leon** with Identification No. with **Identification No. DFA P8081541A (Passport)** issued on **25 July 2018** at **DFA, Manila** and **Raul Luis D. Manaligod** with Identification No. \_\_\_\_\_ issued on \_\_\_\_\_ at \_\_\_\_\_, both known to me and to me known to be the same persons who executed the foregoing instrument which they acknowledged to me to be their free and voluntary act and deed, consisting of only six (6) page/s, including this page in which this Acknowledgment is written, duly signed by them and their instrumental witnesses on each and every page hereof.

WITNESS MY HAND AND SEAL this \_\_\_\_\_ at \_\_\_\_\_, Philippines.

**NOTARY PUBLIC**

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