

SERVICE AGREEMENT

KNOW ALL MEN BY THESE PRESENTS

This Service Agreement, hereinafter referred to as "Agreement", is made and entered into this ~~OCT 23 2012~~ 2012 by and between:

SERVICIO FILIPINO, INC., a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with office address at No. 105, West Avenue, Quezon City, herein represented by its Vice President, **ORVILLE JOHN M. BORREGA** and hereafter referred to as "**CONTRACTOR**";

-and-

FIBER INDUSTRY DEVELOPMENT AUTHORITY, a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with office address at Sunnymede I.T. Center Building, 1614 Quezon Avenue, Quezon City, represented herein by its Administrator, **CECILIA GLORIA J. SORIANO**, hereinafter known and referred to as the "**CLIENT**";

WITNESSETH:

WHEREAS, the CONTRACTOR is a duly licensed independent contractor engaged in the business of Contracting and Subcontracting and has offered such services to the CLIENT;

WHEREAS, the CLIENT requires **Janitorial Services** for its premises located at the above address and accepted the offer of the CONTRACTOR to provide the services as indicated in **Annex "A"**;

NOW THEREFORE, for and in consideration of the foregoing premises and of the mutual covenants hereinafter stipulated, the Parties hereto one with the other, do hereby agree as follows:

I. WARRANTIES

- a) As an Independent Job Contractor, it warrants and undertakes that:
 - 1) It will provide uninterrupted, efficient and competent services to the CLIENT. It has secured all the necessary licenses for it to engage in business as an independent job contractor, and that it shall for the duration of this Agreement, maintain its status as such independent job contractor of good standing.
 - 2) It owns substantial capital, tools, equipment and facility necessary to carry out its obligation under this Agreement.
 - 3) It shall from time to time and/or upon request by the CLIENT, furnish the latter with all necessary documents and proofs evidencing the continuance of its status as an independent job contractor.
- b) As the employer of the personnel who are assigned to deliver the contracted services, the CONTRACTOR obligates itself to:
 - 1) Comply with all Labor Standards and Social Legislations and pay all wages, salaries and other benefits of its employees.
 - 2) Undertakes to inform its employees assigned to the CLIENT of the duration of their project employment and of the terms and conditions of their employment.
- c) The CONTRACTOR shall maintain a required personnel to report for work eight (8) hours a day, five and a half (5.5) days a week, from Monday to Saturday (half day) excluding Sundays and Holidays. The CLIENT shall inform the CONTRACTOR of changes or reduction of working hours fifteen (15) days before its effectivity.

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[Signature]

The CLIENT may, upon meritorious grounds, request for the relief or upon just cause as provided by law, request for replacement of any personnel assigned by the CONTRACTOR to perform the services subject of this Agreement and upon such request, CONTRACTOR warrants to effect such relief and/or replacement within forty eight (48) hours;

- d) The persons to be assigned by the CONTRACTOR to perform the services subject of this Agreement shall be provided with adequate uniforms and appropriate Identification Cards which shall be worn by the personnel at all times during their tour of duty for proper identification.
- e) The CONTRACTOR further warrants to hold the CLIENT free and harmless from any liability, arising out of any accidents that may be sustained by the CONTRACTOR'S employees while performing their duties at the CLIENT'S premises. Except for those caused by defective facility left unfixed for an unreasonable period of time after being brought in writing to the CLIENT'S knowledge, or any injury caused by CLIENT'S personnel without sufficient provocation from or fault of the CONTRACTOR'S personnel.
- f) CONTRACTOR likewise warrants holding the CLIENT free from any labor claims which the CONTRACTOR'S employees may file against the CLIENT. Further, the CONTRACTOR undertakes to hold the client free from any action, damage or claim arising from any violation of the foregoing warranties.
- g) The CONTRACTOR and its personnel warrant that the CLIENT shall be rendered free from any concerted activity during the performance of this Agreement as it is the essence of this Agreement that the performance of the contracted services shall not be disturbed.

II. PAYMENT TERMS & REVIEW OF BILLING

- a) For and in consideration of the services to be performed by the CONTRACTOR under this Agreement, the CLIENT shall pay the CONTRACTOR the amount indicated in **Annexes "B.1, B.2 and B.3"**. The CONTRACTOR shall furnish the CLIENT with semi-monthly invoices to which the CLIENT has ten (10) days upon receipt to review such statement, and twenty (20) days to settle all its accountabilities.
- b) Any question on the billing with an aggregate amount of no less than five percent (5%) of the monthly billing rate shall not suspend payment, however, the questionable amount shall be deducted from the current billing.

Any question on the billing with an aggregate amount of more than five percent (5%) of the monthly billing rate shall suspend the payment without prejudice to the succeeding billings.

- c) Should the CLIENT request additional personnel to perform other jobs or additional services to be performed as specified by the CLIENT, the CONTRACTOR shall supply such personnel or provide/deliver such services but shall however be billed to the CLIENT as extra, in which case, a Purchase Order (P.O.) shall be issued by the CLIENT to cover such additional personnel or services.
- d) Furthermore, should the client require any or all of the CONTRACTOR'S personnel to work in excess of eight (8) hours on any regular working day, or on a Sunday or Holiday, the CLIENT shall pay the CONTRACTOR an additional amount equivalent to the fraction of hour/s worked plus the following amounts:
 - a. twenty-five (25%) percent of the regular rate for work performed in excess of eight (8) hours on any regular working day;
 - b. thirty (30%) percent of the regular rate for work performed on a Sunday or Special Holiday;
 - c. One hundred (100%) percent of the regular rate for work performed on any Legal Holiday;
 - d. thirty (30%) percent of the regular rate for work performed on a rest day;
 - e. Such other additional charges as may be required by decrees, laws or regulations that may be promulgated or issued after the execution of this Agreement.

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- e) The CLIENT hereby further agrees that thirty (30) days upon receipt of billing statement, the interest of 1% per month shall be charged on all overdue account of the CLIENT. In case of judicial proceeding instituted by one party against the other, the erring party agrees to pay the innocent party attorney's fees equivalent to twenty five percent (25%) of the total amount involved plus cost and expenses.

III. INDEMNIFICATION AND LIABILITY

- a) For any violation of any provision of this Agreement, the innocent party shall have the right to collect from the offending party reasonable amount of damages. A liquidated damages equivalent to 25% of the total amount due to the innocent party exclusive of the attorney's fees and costs of the suit, shall likewise be collected from the offending party.
- b) CONTRACTOR shall be responsible to the CLIENT for any damage to or loss of the CLIENT'S property or injury sustained by the CLIENT, its officers, employees, visitors and agents attributable to the negligence, misconduct, malfeasance or nonfeasance of the CONTRACTOR'S personnel while in the course of their duties. In this connection, the CLIENT may also directly institute or file such actions, civil or criminal, which it may deem proper against any personnel of the CONTRACTOR for the matters or causes mentioned above.

IV. ADJUSTMENTS

- a) In the event of an increase in the minimum wage of the employee or requiring additional compensation in any form subject to this Agreement, as a consequence of an amendment or revision to any law, rule, decree, regulation, or order, the CONTRACTOR shall notify the CLIENT of the said increase and without further negotiation, adjust the computation of wages and wage related benefits. The CONTRACTOR shall be responsible for the computation of the said increase and shall furnish the CLIENT of the said adjustment within seven (7) days after notice. The CLIENT shall make the necessary payments of such adjusted wages and wage related benefits thirty (30) days following the receipt of the adjusted computation or upon period for payment of the next billing, provided that the mandated increase is already effective, otherwise, it should be on the date of the effectivity of the mandated adjustment.
- b) All the other costs including the Admin. Fees, which shall be in conformance with existing laws, may likewise be modified or adjusted upon notification and approval of the herein parties, if the same is not incorporated in the payment scheme in Annexes "B.1, B.2 and B.3" hereof, but if the Admin Fee is already incorporated in the fee under Annex "B.1, B.2 and B.3" hereof, then no more adjustment shall be made. Such adjustment must be justified to be compliant to law, order, regulation, rules and decree, and/or economic viability of the affected party.

V. ABSORPTION

In the event that the CLIENT should by any means, while the contract is in force, absorb any or all of the CONTRACTOR'S personnel, or in general its employees assigned to the CLIENT, the CONTRACTOR having spent so much time, effort and money in recruiting, training and maintaining such employee shall be constrained to require the CLIENT to pay fee equivalent to one (1) month salary of the employee as royalty or agency fee and/or absorption fee plus 12% VAT.

Furthermore, resignation by or transfer of the CONTRACTOR'S employee either voluntary or induced for the purpose of being employed with the CLIENT again, done while the contract is in force shall be subject to the same provision of this paragraph on royalty or agency fee and/or absorption fee plus 12% VAT.

VI. RELATIONSHIP

There shall be no employee-employer relationship between the CLIENT on the one hand and the CONTRACTOR'S employees on the other. Neither shall there be principal and agent relationship between the CONTRACTOR and the CLIENT.

It is expressly understood and agreed that the persons to be assigned by the CONTRACTOR to perform the services called for under this Agreement are and shall remain the employees of the CONTRACTOR. As such, the CONTRACTOR warrants that it shall fully and faithfully comply with all laws, rules and regulations pertaining to the employment of labor now existing or which may hereinafter be enacted including but not limited to the requirements of the Labor Code as amended and other Social Legislations.

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VII. TERMINATION

This Agreement may be terminated by either party for any material breach of the other party of any of the provisions hereof by giving 30-day advance written notice or on a shorter notice of 5 days to the other if it is necessary in order to preserve the property of the innocent party or to assure the continuance of its business, or for such other valid reasons that requires the termination to be effective on shorter notice.

VIII. OTHER PROVISIONS

- a) Pre-Mobilization Plan
1. One month before deployment, the CLIENT agrees to allow the CONTRACTOR'S safety officer to conduct ocular inspection on Work Safety and Occupational Hazards of the workplace to ensure the safety of its employees and recommend corrective measures, if any, on safety standards as prescribed by law.
 2. Allow CONTRACTOR to recruit applicants for the positions available in coordination with the CLIENT. The CLIENT understands it is the CONTRACTOR'S prerogative and right whom to choose and hire subject to its own hiring procedure.
- b) This Agreement and the exhibits attached hereto contain the entire agreement of the parties with respect to the subject matter of this Agreement, and supersede all prior negotiations, agreements and understandings with respect thereto. This Agreement may only be amended by a written document duly executed by all parties.
- c) After this Agreement's execution and notarization, it shall be kept and scanned to effectuate a reproduction should the hard data failed to be retrieved for whatever reason, and the copy reproduced out of the electronically stored data shall be considered faithful reproduction of the same and the parties are herein bound by the terms as set forth in the original agreement.
- d) If any provision of this Agreement is held unenforceable, such provision shall be modified to reflect the parties' intention. All remaining provisions of this Agreement shall remain in full force and effect.
- e) All the parties herein, their assigns and successors in interest shall commit not to divulge any or all of herein stipulations to any person, entity, agency or corporation, unless required by law or upon a lawful order.
- f) All parties herein, their assigns and successors in interest shall likewise covenant not to disparage any herein party in any media outlet, forum, or other socio-political avenues.
- g) The failure by one party to require performance of any provision shall not affect the party's right to require performance at anytime thereafter, nor shall a waiver of any breach or default of this Agreement constitute a waiver of any subsequent breach or default or a waiver of a provision itself.
- h) In case of litigation arising from, or in connection with this Agreement, venue of action shall solely be in the competent court of Quezon City.

IX. DURATION

This agreement shall take effect on **September 1, 2012 to December 31, 2012** and shall continue in full force and effect for three (3) years unless otherwise terminated by either party for cause by giving the other party thirty (30) days written notice prior to such termination.

The CONTRACTOR, thirty (30) days before the expiration of this Agreement, shall serve upon the CLIENT a Notice of Renewal. Failure or inaction of the CLIENT to act on the Notice in thirty (30) days shall render this Agreement automatically renewed for one year.

X. BINDING EFFECT

This agreement shall bind upon the successors, administrators, executors and assigns of the parties hereto.

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IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed by their duly authorized representatives at the place and on the date first above mentioned.

SERVICIO FILIPINO, INC.

**FIBER INDUSTRY DEVELOPMENT
AUTHORITY**

By:

By:


ORVILLE JOHN M. BORREGA
Vice President


CECILIA GLORIA J. SORIANO
Administrator

SIGNED IN THE PRESENCE OF:




RODELIO T. SERGIO
Notary Public

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES }

} S.S.

QUEZON CITY


BEFORE ME this 23 of OCT, 2012, in the City of QUEZON CITY, personally appeared:

Name	Competent Evidence of Identity	Issued at / Issued on
ORVILLE JOHN M. BORREGA	Passport No. EA0000555	Manila Sept. 17, 2009
CECILIA GLORIA J. SORIANO	I.D. No. 001	FIDA

known to me and to me known to be the same persons who executed the said Service Agreement consisting of five (5) pages, and acknowledge to me that the same is their own free voluntary act and deed.

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

Doc. No. 399 ;
Page No. 81 ;
Book No. X ;
Series of 2012.


ATTY. RODELIO T. SERGIO
NOTARY PUBLIC
UNTIL DEC. 31. 2013
IBP No. 867991
PASIG / OCT. 05. 2011
PTR No. 0169758
LAGUNA / JAN. 3. 2012