

SERVICE AGREEMENT

PROJECT: PRE-EMPLOYMENT/RE-EMPLOYMENT TESTING SERVICES FOR THE CITY GOVERNMENT OF PASIG

THIS AGREEMENT made and entered into this 17 day of August 2023 by and between:

THE LOCAL GOVERNMENT OF THE CITY OF PASIG, represented by the **HONORABLE CITY MAYOR VICTOR MA. REGIS N. SOTTO**, with business address at Caruncho Ave., San Nicolas, Pasig City, hereinafter called the "**PASIG CITY**";

-and-

PEOPLE DYNAMICS, INC., represented herein by **JANINA ROSE Q. CORPUZ, HR SOLUTIONS DIRECTOR**, a sole proprietorship duly organized and existing under the laws of the Philippines, with its principal office at U502 OMM-Citra Building, San Miguel Ave., Ortigas Center, Pasig City, hereinafter referred to as the "**TEST PROVIDER**";

WITNESSETH THAT:

WHEREAS, the CITY OF PASIG has a requirement for **PRE-EMPLOYMENT/RE-EMPLOYMENT TESTING SERVICES FOR THE CITY GOVERNMENT OF PASIG** under Purchase Request No. **100-23-01-030** (the "Services");

WHEREAS, previously, the CITY OF PASIG conducted public bidding in accordance with Republic Act No. 9184 (RA 9184 or Government Procurement Reform Act) and its Implementing Rules and Regulations ("IRR") for the procurement of the Services, however, there occurred a failure of public bidding for the second time;

WHEREAS, PEOPLE DYNAMICS, INC. has submitted the single calculated and responsive bid for the Services;

WHEREAS, the CITY OF PASIG has accepted the bid of PEOPLE DYNAMICS, INC., subject to the terms and conditions hereunder stipulated;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

ARTICLE 1

CONTRACT DOCUMENTS

The documents as required by the IRR of RA 9184 shall be deemed to form and be read and construed as integral part of this Agreement.

ARTICLE 2

THE SERVICES

The TEST PROVIDER shall perform the Services as specified in the Scope of Work in the posted Terms of Reference, which shall commence upon receipt of the

Notice to Proceed issued by PASIG CITY. This Agreement shall end on 31 December 2023, or when maximum use is reached, whichever comes first.

ARTICLE 3

OBLIGATIONS OF THE TEST PROVIDER

3.1 Services of the TEST PROVIDER

The TEST PROVIDER shall provide all staff, account access, assessment tools, training/orientation, and other needed facilities to carry out the Services with due diligence and efficiency and in conformity with accepted human resource, administrative, and financial practices, always within the framework to work for and in the best interest of the Government, and take all reasonable steps to keep expenses to a minimum consistent with sound industry practices.

3.2 Confidentiality

Except with prior consent of PASIG CITY, neither the TEST PROVIDER nor its personnel shall, at any time, communicate to any person of entity other than the authorized representative of PASIG CITY Human Resources Development Office, any information which has been disclosed for the purpose of the services, nor shall the TEST PROVIDER or its personnel make public any information as to the recommendations and decisions formulated in the course of or as a result of the Services.

3.3 Notice of Delays

If the TEST PROVIDER encounters delay in performing the Services, he shall promptly notify PASIG CITY of such delay in writing, giving the reasons therefore and may request an appropriate extension of time to complete the Services; provided, that PASIG CITY shall not be required to grant such an extension unless the delay is the result of "force majeure" as defined in Section 9.1 of this Contract or the delay is not due to fault of the Test Provider.

3.4 Indemnification

The TEST PROVIDER shall indemnify, protect, and defend at its own expense PASIG CITY and its personnel from and against all actions, claims, liabilities arising out of actions by the TEST PROVIDER or its personnel in the performance of the Services, including but not limited to the use of violation of any copyrights or patents.

ARTICLE 4

OBLIGATIONS OF THE PASIG CITY

4.1 Available Reports, Data and Materials

PASIG CITY shall provide the TEST PROVIDER, free of charge, all available data, materials, documents and reports as may be related and necessary to the execution of the Services.

4.2 Access to Land and Property

PASIG CITY shall arrange the free and unimpeded access by the TEST PROVIDER or its personnel to all land and property in respect of which access is required for the performance of the Services.

ARTICLE 5

CONTRACT PRICE AND METHOD OF PAYMENT

Payment to the TEST PROVIDER shall be based on the actual consumption of examination used and rendered on a monthly basis or until the exhaustion of the amount of **ONE MILLION SIX HUNDRED EIGHTY-NINE THOUSAND ONE HUNDRED FIFTY PESOS (1,689,150.00)**, inclusive of taxes, and shall be made upon submission of the billing statement. The TEST PROVIDER shall submit the billing to PASIG CITY every first week of the following month indicating the rate per exam and the list of test-takers.

Except as may otherwise be agreed in writing by the parties and, subject to the terms and conditions for this CONTRACT, payment for the services under this contract shall not exceed the foregoing Approved Budget for the Contract.

ARTICLE 6

GENERAL CONDITIONS

6.1 Proprietary Rights of PASIG CITY

All reports, documents, and files compiled or prepared in the course of the performance of the Services shall be owned by the City of Pasig and may be used by the TEST PROVIDER for purposes unrelated to this Contract only with the prior written approval of PASIG CITY. Copies of any such documents prepared in connection with the performance of the Services shall be submitted to the City of Pasig except that the TEST PROVIDER may retain one copy of the same. Any equipment supplied by PASIG CITY or for which payment is made or reimbursed to the TEST PROVIDER under this Contract, shall become and remain the property of the PASIG CITY.

6.2 Insurance of the Personnel

PASIG CITY shall not be responsible for the life, health, accident, travel, and other insurance requirements of the personnel of the TEST PROVIDER.

6.3 Changes of Personnel

PASIG CITY may, at any time and by written notice and subject to the agreement of the TEST PROVIDER, instruct of the TEST PROVIDER to perform extra work or services, make changes or alterations on the Services or direct the omission of work included on the Services. The TEST PROVIDER shall make no changes, alterations or omission without the prior written approval of the PASIG CITY.

6.4 Integration of all Prior Written Agreements and Negotiations

This Contract expresses all the understandings, promises and covenants of the parties and integrates, combines, and supersedes all prior negotiations, understandings and agreements whether written or oral.

6.5 Laws and Regulations of the Philippines

This Contract shall be governed by the laws of the Republic of the Philippines. The TEST PROVIDER and its personnel shall comply with all applicable laws and shall take prompt corrective action with regard to any violation of which they are made aware of.

6.6 Books of Account and Audits

(a) Records

The TEST PROVIDER shall maintain books and records in such form as are customary and sufficient to properly establish and reflect all transactions, expenses, and payments under or in connection with the contract.

(b) Maintenance of Records

These books and records shall be maintained in accordance with generally accepted accounting principles, procedures and consistently applied practices. The TEST PROVIDER shall maintain such books and records during the Contract term and for THREE (3) years after final payment. However, records which are related to disputes, litigation, or the settlement of claims arising out of the performance of this Contract shall be retained until such dispute, litigation, or claims have been finally settled.

(c) Inspection of Records

All records shall be subject to inspection and audit by the PASIG CITY or by its authorized agents, at all reasonable times. The TEST PROVIDER shall afford the PASIG CITY proper facilities for such inspection and audit.

6.7 Notarization and Documentation

The documentation, notarial fees, and documentary stamps in connection with this Contract shall be for the account of the TEST PROVIDER.

6.8 Validity Clause

If any term or condition of this Contract is held invalid or contrary to law, the validity of other terms and conditions hereof shall not be affected thereby. The parties agree to amend such term, condition or provision held invalid or contrary to law, to make it valid, legal, and enforceable.

ARTICLE 7

DISPUTES AND ARBITRATION

7.1 Payments

Any dispute concerning any question arising under this Contract which is not disposed of by agreement between the parties shall be decided by PASIG CITY, who shall furnish the TEST PROVIDER a copy of its decision.

7.2 Arbitration

The decision of PASIG CITY shall be final and conclusive unless within **THIRTY (30) days** from the date of receipt thereof, the TEST PROVIDER shall deliver to PASIG CITY a written notice stating its desire to submit the controversy to arbitration. In such an event, the dispute shall be decided in accordance with the arbitration procedure provided under Philippine Law (Republic Act No. 876, or any applicable laws now in effect or as subsequently amended).

7.3 Enforcement

Decisions reached by arbitration may be enforced by either of the parties to this Contract in any court of competent jurisdiction in Pasig City, Metro Manila. In case of a suit arising in connection with the terms of this Contract, the parties shall submit the same to the jurisdiction of the said court.

7.4 Test provider's Duty to Perform

During any dispute between PASIG CITY and TEST PROVIDER, the latter shall proceed diligently with the performance of its Services as directed by PASIG CITY.

ARTICLE 8

TERMINATION

8.1 Termination by PASIG CITY for Default

- (a) The performance of work under the Contract may be terminated by PASIG CITY, in whole or from time to time, in part, in accordance with this clause, whenever the TEST PROVIDER defaults in performance of this Contract and shall fail to cure such default within a period of **TEN (10) days**. "Default" means:
 - (1) Failure to perform the work within the period specified or any extension thereof;
 - (2) Failure to perform any of the other provisions of this Contract; or
 - (3) Failure to execute the work so as to endanger performance of this Contract in accordance to its terms.
- (b) Termination shall be effected by a Notice of Termination to the TEST PROVIDER specifying that termination is for the default of the TEST PROVIDER the extent to which performance of work under the Contract is terminated, and the date upon which such termination becomes effective.
- (c) After receipt of Notice of Termination and except as otherwise directed by PASIG CITY, the TEST PROVIDER shall:
 - (1) Stop work under the Contract on the date and to the extent specified in the Notice of Termination except as may be necessary for completion of the portion of work under the contract which is not terminated.
 - (2) Terminate all order to the extent that they relate to the performance of work terminated by the Notice of Termination.
 - (3) Assign to PASIG CITY as it may direct, all of the right, title, and interest of the TEST PROVIDER under the orders so terminated.
 - (4) With the approval or ratification of PASIG CITY, to the extent it may require, which approval or ratification shall be final and conclusive for all purposes of this clause, settle all outstanding liabilities and all claims arising out of such termination or orders.
 - (5) Complete performance of the part of the work not covered by the Notice of Termination; and
- (d) The TEST PROVIDER shall submit to the OWNER its written claim promptly but no later than **THREE (3) months** from the effective date of termination, except as the OWNER may otherwise agree in writing.

- (e) The TEST PROVIDER and the OWNER shall consult each other within **THIRTY (30) days** from the submission of the claim concerning the whole or any part of the amount to be paid to the TEST PROVIDER by reason of termination of work. The Contract shall be amended accordingly and the TEST PROVIDER shall be paid of the agreed amount.
- (f) If the TEST PROVIDER and PASIG CITY fail to agree to the amount to be paid to the TEST PROVIDER pursuant to this clause, PASIG CITY shall pay the amount due to the TEST PROVIDER considering:
 - i. Cost and expenses reimbursable in accordance with this Contract, not previously paid, for the performance of this Contract prior to the effective date of the Notice of Termination and such costs as may continue for a reasonable time thereafter with approval of or as directed by the owner and
 - ii. The cost incurred by the TEST PROVIDER in settling and paying claims arising out of the termination of work under subcontracts or orders which are properly chargeable to the terminated portion of the Contract.
- (g) In deciding the amount due the TEST PROVIDER, all unliquidated advances or other payments made to the TEST PROVIDER applicable to the terminated portion of this Contract shall be deducted.
- (h) If the total payments in connection with the terminated portion of the Contract exceed the amount determined to be due under this clause, such excess shall be payable by the TEST PROVIDER to PASIG CITY upon demand.
- (i) Any disagreement regarding termination amount or procedures shall be settled under the clause of this Contract entitled "Dispute and Arbitration".

8.2 Termination by the Test Provider for Nonpayment

- (a) If any amount invoiced by the TEST PROVIDER, after a Certificate of Acceptance by the Human Resource Development Office for the milestone submittals set forth in this Agreement, has been issued but PASIG CITY have either not been authorized or certified for payment as provided in this Contract, or is disallowed by PASIG CITY by written notice to the TEST PROVIDER, the TEST PROVIDER may, after **SIXTY (60) day** notice in writing to the OWNER, terminate this Contract by delivery of a Notice of Termination specifying the effective date and reason for termination.

ARTICLE 9

FORCE MAJEURE

9.1 Force Majeure

The TEST PROVIDER shall promptly notify PASIG CITY in writing of the occurrence of any fortuitous event or "Force Majeure". Unless the TEST PROVIDER has already incurred delay in the performance of its obligations, it shall not be held responsible of failure to perform the work due to fortuitous events or "force majeure". As used herein, the term "force majeure" shall mean events attributable to the causes specified hereunder:

(a) Human causes, such as war, armed invasion, revolution, insurrection, blockages, riots, civil disturbances, strikes, and other analogous or similar causes, to the extent that any of the same make it impossible or impractical for the TEST PROVIDER to carry out, in whole or in part, its obligations under this Contract.

(b) Natural causes such as earthquakes, typhoons, storms, floods, epidemic and other similar phenomena affecting the study, to the extent that any of the same make it impossible or impractical for the TEST PROVIDER to carry out, in whole or in part, its obligations under this Contract.

9.1 Notices

If any event occurs constituting force majeure, the TEST PROVIDER shall give written notice to the OWNER, within **FIVE (5) days** after the occurrence, including a statement describing the force majeure and its effect upon the performance of the Contract. The parties shall within **FIVE (5) days** after such notice, consult each other regarding the action to be taken.

Unless otherwise directed by the OWNER in writing, the TEST PROVIDER shall continue to undertake and perform the Service set forth in the Contract as far as is reasonably practicable.

9.3 Extension of Period

In the event of force majeure resulting in a suspension of work, this Contract shall be extended by a period equal to that for which the TEST PROVIDER was prevented from performing the Services.

9.4 Termination

If such event shall continue for a period of more than **THIRTY (30) days** after notice thereof has been given to the OWNER as herein provided, either party may terminate this Contract upon not less than **TEN (10) days** notice in writing to the other. Upon the receipt of such notice of termination, the TEST PROVIDER shall endeavor to bring the work to a close in a prompt and orderly manner and to reduce expenditures to a minimum.

9.5 Payment upon Termination

Upon termination of this Contract pursuant to the foregoing provisions, PASIG CITY shall not be liable to make any payment to the TEST PROVIDER except for the work or services actually performed or expenditures incurred prior to the orderly liquidation of its work and the settlement of its obligations incurred hereunder, including actual costs and expenses incurred for such force majeure. The TEST PROVIDER shall give the OWNER all data compiled, drawings and preliminary conclusions reached up to the date of termination.

ARTICLE 10

LIABILITY OF THE TEST PROVIDER

10.1 Professional Quality and Technical Accuracy

The TEST PROVIDER shall be responsible for the professional quality, technical accuracy, and the coordination of all designs, drawings, specifications, and other services furnished by the TEST PROVIDER under this Contract. The TEST PROVIDER

shall without additional compensation, correct or revise any errors or deficiencies in its designs, drawings, specifications, and other services.

10.2 Liability

Neither PASIG CITY's review, approval or acceptance of, or non-payment for the services required under this Contract shall be as waiver of any of its rights under this Contract or any cause of action arising out of the performance of this Contract, and the TEST PROVIDER shall be and remain legally liable to PASIG CITY for all damages to caused by the TEST PROVIDER's negligence.

10.3 Rights and Remedies

The right and remedies of PASIG CITY provided for under this Contract are in addition to any rights and remedies provided by law.

ARTICLE 11

LIABILITIES TO THIRD PARTIES

It is hereby agreed and understood that no employee or staff of the TEST PROVIDER is an employee or staff of PASIG CITY and that there is no employer-employee relationship between PASIG CITY and said employees and staff of the TEST PROVIDER. Neither is there any employer-employee relationship between PASIG CITY and the TEST PROVIDER.

ARTICLE 12

MISCELLANEOUS

12.1 Notices and Addresses

All notices called for by the terms of this Contract shall be effective only at the time of receipt thereof and only when received by the parties to whom they are addressed at the following addresses.

Notices to the OWNER:

HON. VICTOR MA. REGIS N. SOTTO
City Mayor
City Government of Pasig
Caruncho Ave., San Nicolas, Pasig City

Notices to the TEST PROVIDER:

JANINA ROSE Q. CORPUZ
HR Solutions Director
People Dynamics, Inc.
Unit 502 OMM-Citra Bldg., San Miguel Ave., Ortigas Center, Pasig City

12.2 Amendments

No amendments, modifications, or alterations to this Contract shall be valid or binding on either party unless expressed in writing and executed with the same formality as this Contract.

IN WITNESS WHEREOF, the parties hereto have signed these presents on this 17 day of August, 2023 in Pasig City.

CITY GOVERNMENT OF PASIG
Represented by:

PEOPLE DYNAMICS, INC.
Represented by:

HON. VICTOR MA. REGIS N. SOTTO
City Mayor

JANINA ROSE Q. CORPUZ
Authorized Representative

SIGNED IN THE PRESENCE OF:

Funds Appropriated:

MS. MA. THERESA B. HERNANDEZ
OIC - City Budget Office

Funds Obligated:

MS. JUVY A. CUENCO
City Accountant
100-2023-05-0052-103 N

Funds Available:

MS. MARITA A. CALAJE
City Treasurer

Recommending Approval:

MS. ELVIRA R. FLORES, MNSA, CESE
OIC - Human Resource Development
Office

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
Pasig City) S.S.

BEFORE ME, a Notary Public for and in _____ this **AUG 17 2023** personally appeared JANINA ROSE Q. CORPUZ, exhibiting to me her _____, known to me and to me known to be the same person who executed the foregoing instrument and who acknowledged to me that the same is the free and voluntary act and deed of the entity she represents.

This Instrument consists of only ten (10) page/s, including this page in which this Acknowledgement is written and duly signed by the Parties.

WITNESS MY HAND AND SEAL this _____ at Pasig City, Philippines.

Doc. No. 101 ;
Page No. 77 ;
Book No. 31 ;
Series of 2023 .

ATTY. CARLOS C. ABESAMIS
Notary Public-Pasig City
Until December 31, 2023
ROLL NO. 43283
IBP LIFETIME NO. 08352
PTR NO. 9004628
APPOINTMENT NO. 25 (2022-2023)
MCLE NO. VII-0030173
TIN NO. 127-509-331-00000

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
City of Pasig) S.S.

BEFORE ME, a Notary Public for and in the City of Pasig this **AUG 17 2023** personally appeared VICTOR MA. REGIS N. SOTTO, known to me and to me known to be the same person who executed the foregoing instrument and who acknowledged to me that the same is his free and voluntary act and deed as well as that of the entity he represents.

This Instrument consists of ten (10) page/s, including this page in which this Acknowledgment is written and duly signed by the Parties.

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

Doc. No. 107
Page No. 27
Book No. 31
Series of 2023.

ATTY. CARLOS C. ABESAMIS
Notary Public-Pasig City
Until December 31, 2023
ROLL NO. 43283
IBP LIFETIME NO. 08352
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