

SERVICE AGREEMENT

**PROJECT: OPERATION AND MAINTENANCE OF SEWAGE TREATMENT PLANT
OF THE PASIG CITY SLAUGHTERHOUSE – CITY VETERINARY OFFICE
UNDER ITB NO. BAC-24-0219D.**

THIS AGREEMENT made and entered into this 15 day of April 2024
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-

N.T. ARGUELLES CONSTRUCTION SERVICES, represented herein by **NIELS T. ARGUELLES, GENERAL MANAGER** a sole proprietorship duly organized and existing under the laws of the Philippines, with its principal office at Blk 7 Lot 4 Silverbell, Sta. Anna, Taytay Rizal, hereinafter referred to as the "**SERVICE PROVIDER**";

WITNESSETH THAT:

WHEREAS, the CITY OF PASIG has a requirement for **OPERATION AND MAINTENANCE OF SEWAGE TREATMENT PLANT OF THE PASIG CITY SLAUGHTERHOUSE – CITY VETERINARY OFFICE** under **ITB No. BAC-24-0219D** (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, N.T. ARGUELLES CONSTRUCTION SERVICES has submitted the single calculated and responsive bid for the Services;

WHEREAS, the CITY OF PASIG has accepted the bid of N.T. ARGUELLES CONSTRUCTION SERVICES, 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

SCOPE OF WORKS

Supply of services and manpower for twenty-four (24) hours a day, seven (7) days a week, to operate and maintain the Wastewater Treatment Plant (WWTP) or Sewage Treatment Plant (STP) of the Pasig City Slaughterhouse located at San Sebastian St., Ilugin Phase II, Barangay Pinagbuhatan, Pasig City as follows:

- 1.1 Start and operate the equipment and all appurtenances of the Wastewater Treatment Plant (WWTP) or Sewage Treatment Plant (STP), to process and treat the wastewater influent according to the Standard Operating Procedures (SOP). Cleaning and scooping of solid wastes at the screen chamber. And organize solids in the garbage disposal area.
- 1.2 Assign competent personnel with hand tools to perform and carry out the activities while observing the Standard Operating Procedures (SOP) involved in the operation of the WWTP/STP; perform minor repair, maintenance, and adjustments to correct any deviations from standard parameters to ensure compliance with DENR.
- 1.3 Assign competent personnel to perform process monitoring, and conduct daily tests such as; ammonia, nitrate phosphate, pH, and chlorine residual; check sludge volume for color and sludge settling rate with own test kits and laboratory accessories.
- 1.4 Supply and replenish disinfection agents such as chlorine, daily or as necessary.
- 1.5 Conduct daily routine checks, inspections, and observations of STP process equipment. Monitor and record any observed abnormalities such as, but not limited to, wear and tear of parts, loose motion, overheating, unusual sounds, excessive vibrations, etc.
- 1.6 Keep and maintain a report of the above-mentioned observations and record all relevant process parameters.
- 1.7 The Contractor shall consolidate and submit a formal report of major highlights of activities, as well as the STP operating information for every quarter of the year or as needed.
- 1.8 Collect effluent samples monthly for analysis by an accredited Laboratory. Submit monthly the results of the analysis for the consolidated Self-Monitoring Report (SMR) required by the DENR/LLDA. Contractor shall also process and comply with requirements of LLDA/DENR (e.g. ECC, Discharge Permit, and other legal concerns of the Slaughterhouse STP) with the assistance of the present Pollution Control Officer (PCO) of the said establishment.
- 1.9 Weekly visit of the contractor's STP Supervisor to ensure the normal operating condition of the plant.
- 1.10 Perform housekeeping, and maintain cleanliness within the vicinity of the facility; dispose and collect sludge immediately from the sumpit chamber to avoid bad or offensive odors that can harm the health of employees, clients, and people in the establishment and houses nearby.
- 1.11 Submission of Operation and Maintenance (O & M) Monthly Report.

1.12 Liable in the filing of the Quarterly Self-Monitoring Report (SMR) to the Laguna Lake Development Authority (LLDA) and assist the Pollution Control Officer (PCO) with whatever necessary required documents as per the Discharge Permit.

1.13 Shall maintain and ensure that all equipment including blowers and pumps are functioning 24 hours a day and 7 days a week.

Equipment:

- a. 3 units of Blower 15HP
- b. 2 units of Transfer Pump 2HP
- c. 2 units of Booster Pump 1HP
- d. 1 unit of Dosing Pump

The SERVICE 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.

ARTICLE 3

TERMS AND CONDITIONS

1.0 The proposal should be based on our existing STP that was built for the purpose of the DENR Administrative Order (DAO 2016-08). Treating water containing waste from the slaughtering operation and other domestic waste was designed based on the specified effluent capacity and the given DENR standard parameters for the "Class C" Water Classification analyzed by a duly recognized laboratory service provider.

2.0 The contractor shall monitor if the effluent flowing and entering the STP is free from inorganic wastes of any kind such as, but not limited to, chemical substances, petroleum base oil, grease, and plastic compound.

3.0 The contractor shall carry out the aforementioned scope of work in a professional manner, and ensure that the STP process equipment is operated by its standard Safety and Operating Procedures to ensure that the process parameters meet or comply with the standard requirements of DENR/LLDA.

4.0 The contractor shall be responsible for the conduct and discipline of the personnel and shall abide by the Pasig City Slaughterhouse's policies, safety rules and regulations, Employee Code of Conduct and Discipline, and good housekeeping practices.

5.0 Minor repair maintenance and adjustment mentioned in the scope of works 1.2 refers to retightening, lubrication, de-clogging, cleaning, and housekeeping works.

6.0 Liable for any irregularities that may be found during the Laguna Lake Development

Authority (LLDA) and Department of Environmental and Natural Resources (DENR)

Inspection, and the possibility of fines, penalties, and sanctions as a result of such

irregularities that can affect the water quality guidelines and LLDA/DENR standards.

7.0 The contractor must have the capacity to undertake the processing and securing of **Infectious Waste Generator ID** for Pasig City's healthcare facilities, transport permit, and other pertinent regulatory permits without additional expense for the City Government of Pasig.

Delivery Terms:

Preventive Maintenance Services shall be effective on the date on which the Notice to Proceed is received. Charges for services rendered are billed based on the actual services rendered. (Monthly Payment).

- The contract is until December 31, 2024

The maintenance and operation of the Slaughterhouse’s STP is renewable subject to a service performance evaluation that shall be conducted by the end-user with the following criteria.

	Criteria	Weight
I	Conformity to Technical Requirements	25
II	Timeliness in the Delivery of Services	25
III	Behavior of Personnel (Courteous, Professional, and Knowledgeable)	20
IV	Response to Complaints	5
V	Compliance with set office policies for such services	5
VI	After Sales Support	20
TOTAL RATING		100

A weighted performance rating of at least 88 points shall make the existing contractor eligible for service renewal.

ARTICLE 4

DISPUTES AND ARBITRATION

4.1 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 SERVICE PROVIDER a copy of its decision.

4.2 Arbitration

The decision of PASIG CITY shall be final and conclusive unless within **THIRTY (30) days** from the date of receipt thereof, the SERVICE 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).

4.3 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.

4.4 Service provider’s Duty to Perform

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

ARTICLE 5

TERMINATION

5.1 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 SERVICE 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 SERVICE PROVIDER specifying that termination is for the default of the SERVICE 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 SERVICE 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 SERVICE 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 SERVICE 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 SERVICE 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 SERVICE PROVIDER by reason of termination of work. The Contract shall be amended accordingly and the SERVICE PROVIDER shall be paid of the agreed amount.
- (f) If the SERVICE PROVIDER and PASIG CITY fail to agree to the amount to be paid to the SERVICE PROVIDER pursuant to this clause, PASIG CITY shall pay the amount due to the SERVICE 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 SERVICE 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 SERVICE PROVIDER, all unliquidated advances or other payments made to the SERVICE 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 SERVICE 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".

5.2 Termination by the Service Provider for Nonpayment

- (a) If any amount invoiced by the SERVICE 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 SERVICE PROVIDER, the SERVICE 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 6

FORCE MAJEURE

6.1 Force Majeure

The SERVICE PROVIDER shall promptly notify PASIG CITY in writing of the occurrence of any fortuitous event or "Force Majeure". Unless the SERVICE 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 SERVICE 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 SERVICE PROVIDER to carry out, in whole or in part, its obligations under this Contract.

6.2 Notices

If any event occurs constituting force majeure, the SERVICE 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 SERVICE PROVIDER shall continue to undertake and perform the Service set forth in the Contract as far as is reasonably practicable.

6.3 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 SERVICE PROVIDER was prevented from performing the Services.

6.4 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 SERVICE 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 SERVICE 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 SERVICE PROVIDER shall give the OWNER all data compiled, drawings and preliminary conclusions reached up to the date of termination.

ARTICLE 7

LIABILITY OF SERVICE PROVIDER

7.1 Professional Quality and Technical Accuracy

The SERVICE PROVIDER shall be responsible for the professional quality, technical accuracy, and the coordination of all designs, drawings, specifications, and other services furnished by the SERVICE PROVIDER under this Contract. The SERVICE PROVIDER shall without additional compensation, correct or revise any errors or deficiencies in its designs, drawings, specifications, and other services.

7.2 Liability

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

7.3 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 8

LIABILITIES TO THIRD PARTIES

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

ARTICLE 9

MISCELLANEOUS

9.1 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 SERVICE PROVIDER:

NIELS T. ARGUELLES

General Manager

N.T. ARGUELLES CONSTRUCTION SERVICE

Blk 7 Lot 4 Silverbelle, Sta. Anna, Taytay Rizal

9.2 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.

ARTICLE 10

CONTRACT PRICE AND METHOD OF PAYMENT


Payment to the SERVICE 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 FOUR HUNDRED SEVENTY-FOUR THOUSAND THREE HUNDRED FORTY-FOUR PESOS (PHP1,474,344.00)**, inclusive of taxes, and shall be made upon submission of the billing statement. The SERVICE 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.

IN WITNESS WHEREOF, the parties hereto have signed these presents on this _____ day of _____, 20____ in _____.

CITY GOVERNMENT OF PASIG

Represented by:


HON. VICTOR MA. REGIS N. SOTTO
City Mayor

PROFILES ASIA PACIFIC INC

Represented by:


NIELS T. ARGUELLES
General Manager

Signed in the presence of:


MS. JUVY A. CUENCO

City Accountant ⁹⁴
100-2024-01-0002-8312-#44

Signature Over Printed Name

Recommending Approval:


DR. EMMA M. SANCHEZ, DVM
City Veterinary Office

Signature Over Printed Name

ACKNOWLEDGEMENT

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

BEFORE ME, a Notary Public for and in PASIG CITY this 05 APR 2024 personally appeared NEILS T. ARGUELLES, 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 05 APR 2024 at Pasig City, Philippines.

Doc. No. 130 ;
Page No. 29 ;
Book No. XIII ;
Series of 2024 .

Atty. Neil Tanlangit Albopera
ATTY. NEIL TANLANGIT ALBOPERA
NOTARY PUBLIC
Until December 31, 2025
Pasig City and in the Municipality of Pateros, Metro Manila
PTR No. 1357680 / Pasig City/01 -02-2024
IBP No. 325487; 12/06 /2023 (MD for 2024)
Admitted to the Philippine Bar on 04/12/2022
Roll of Attorneys No. 76228
TIN No. 242 -007-260-000
G/F Pasig City Hall, Brgy. San Nicolas, Pasig City
Appointment No. 58 (2024-2025)
Telephone No. 0977 -634-4229

ACKNOWLEDGEMENT

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

BEFORE ME, a Notary Public for and in the City of Pasig this APR 15 2024, 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. 354 ;
Page No. 71 ;
Book No. IV ;
Series of 2024 .

Joseca Leira E. G. Mansujeto
JOSCALEIRA E. G. MANSUJETO
Notary Public
For and In Pasig City & Municipality of Pateros
Appointment No. 26
Until 31 December 2025
PTR No. 1650679, 03 January 2024, Pasig City
IBP No. 406729, 08 January 2024, RSM
Roll of Attorneys No. 69990
MCLE Compliance No. VII-0009528
Valid until 14 April 2025
R.C. Raymundo Avenue, Saad. Pasig City