

CONTRACT OF SERVICES

KNOW ALL MEN BY THESE PRESENTS:

This Contract of Services ("Contract") made and executed by and between:

LSERV CORPORATION, a corporation duly organized and existing under Philippine laws, with business address at Units C & D, 21st Floor, Petron Mega Plaza, 358 Sen. Gil Puyat Ave., Makati City represented by its Chief Operating Officer, **JOSEPH V. ANGELES**, ("LSERV"),

-and-

CEBU NORMAL UNIVERSITY, a corporation organized and existing under Philippine laws with office address at Osmeña Blvd, Cebu City, 6000 Cebu, represented by its Officer-In-Charge, Office of the University President, **DR. FILOMENA T. DAYAGBIL**, ("CLIENT").

(Each of **LSERV** and the **CLIENT** shall be referred to as a "Party", and collectively as the "Parties").

RECITALS:

- A. **LSERV**, with Certificate of Registration No. NCR-MPFO-78201-030920-716-R issued by Department of Labor and Employment-National Capital Region ("DOLE-NCR") Regional Office on 09 March 2020 pursuant to the DOLE Department Order No. 174, s. 2017, is an independent service provider with substantial capital, equipment, and expertise, primarily engaged in the business of providing skilled, clerical, technical, professional, and similar services such as, but not limited to, staff personnel, janitors, company drivers, maintenance technician, collectors and liaison staff and has offered to provide the same to its clients;
- B. The **CLIENT**, relying on the representations of **LSERV** and in need of the Services, has accepted **LSERV**'s offer to supply the service requirements of the **CLIENT** under the terms and conditions specified hereunder.

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

1. **Scope of Work** – The **CLIENT** hereby engages **LSERV** to provide the **CLIENT**, within ten (10) days from receipt of request or execution of this Contract, the services identified in **Annex "A"**, as required by the **CLIENT** in the areas of clerical, technical, professional, and similar services, including but not limited to, staff personnel, janitors, drivers, maintenance technician, collectors and liaison staff (the "Services").
2. **Qualification** – **LSERV** shall assign personnel who possess the necessary skills and qualifications as required by the **CLIENT** ("Personnel") for the performance of the Services.
3. **Place of Work** – The Personnel's regular place of work will be at Osmeña Blvd, Cebu City, 6000 Cebu. **LSERV** Personnel may only be assigned to work at other locations upon the approval of **LSERV**.

Reviewed By:
OFFICE OF THE GENERAL COUNSEL
LSERV CORPORATION

4. **Supplies, Tools and Equipment** – LSERV shall provide the necessary standard supplies, tools, equipment, and other facilities to be used by its Personnel assigned to the **CLIENT**, which shall be maintained by LSERV in good working condition for the duration of this Contract

The **CLIENT** shall provide space for storage or safekeeping of supplies, tools, equipment and other items brought by LSERV, but LSERV shall have the sole responsibility of safeguarding the same.

5. **Consideration** – For and in consideration of the Services to be rendered by LSERV, the **CLIENT** shall pay LSERV the billing rates as provided in the “Monthly Billing Rates” attached as **Annex “B”** and made an integral part of this Contract. The rates quoted include government mandatory contribution and Administrative Service Fee of 10% plus 12% Value Added Tax (VAT). The rates, however, shall be increased in proportion to any mandated increase in the minimum wage, wage rates, wage related benefits, mandatory government premium contributions, tax rates, other fees and charges, and additional costs attributable to any change in billing procedure subsequently imposed by CLIENT.

The **CLIENT** shall have a non-extendible period of 15 days from receipt of any billing to contest in writing any undue charges, failing which, the billing shall be considered final.

6. **Cash Advance/Reimbursement** - Should the Personnel need to travel within or outside Metro Cebu in the performance of his/her services to the **CLIENT**, LSERV may advance the travel expense subject to reimbursement by **CLIENT**, provided that the **CLIENT** will send a written request for the required travel at least five (5) days prior to travel. The Personnel’s travel expense in the form of cash advances and/or reimbursement shall be charged ten percent (10%) administration fee and shall be billed separately. Sample computation is provided in **Annex “D”**.

7. **Mode of Payment** - All bills shall be paid within fifteen (15) calendar days from receipt thereof. Bills unpaid after fifteen (15) calendar days shall automatically earn interest at two (2%) percent per month until fully paid. A fraction of a month shall be considered as one month. Non-payment of bills for two (2) consecutive periods shall be a ground for LSERV to terminate this Contract.

8. **Overtime and Services Rendered on Holidays** – For services rendered over and above the eight (8) hour regular working time and/or during holiday/rest day, LSERV shall charge overtime, night differential and holiday pay as the case may be at billing rates based on applicable government rules and regulations and other laws of the Republic of the Philippines. LSERV shall be in charge of monitoring the hours worked by its Personnel.

9. **Benefits under the Labor Code and Special Laws** – Entitlement of the Personnel under labor laws and other special laws, shall be included in LSERV’s billing, which shall be billed to the **CLIENT**, when the employee concerned becomes entitled to such benefit as provided for under the law. LSERV shall, at the end of each billing period, submit to **CLIENT** an affidavit to the effect that it has paid all of its personnel assigned to **CLIENT** all their compensation and/or benefits, if any, for such period in accordance with the labor laws.

10. **Posting of Bond.** The **CLIENT** may require LSERV to furnish a bond, renewable every year, on condition that the bond will answer for the wages due LSERV’s Personnel should LSERV fail to pay the same.

Reviewed By:
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11. **No Employer-Employee Relationship** – LSERV warrants that it is an independent contractor duly registered with the Department of Labor and Employment. It is expressly understood that there is **NO EMPLOYER-EMPLOYEE RELATIONSHIP** between the **CLIENT** and the **LSERV's** Personnel. The Personnel are employees of **LSERV** and not of the **CLIENT**, hence, compliance with any and all applicable laws, rules and regulations such as remittance of withholding taxes, social security and health premiums and other fees and charges imposed by the government and its related agencies shall be the sole responsibility of **LSERV**.

The **CLIENT** has no responsibility for any injury, damage and/or death which would befall any of **LSERV's** Personnel or to any person where such aforementioned circumstances arise from the course of performance of their duties and responsibilities, or traceable to their fault or negligence, except when such injury/damage or death arises from the overt act, fault or negligence of the **CLIENT** or its authorized representatives.

12. **Supervision and Control** – As independent contractor, **LSERV** and its Personnel are not subject to the control or direction of the **CLIENT**, except as to the results of the Services. **LSERV** shall at all times maintain sole administrative and functional control and supervision over its Personnel assigned to the **CLIENT**, including the manner and means of the Personnel's performance of Services for the **CLIENT**. **LSERV** shall have the exclusive and absolute discretion in the selection, engagement, assignment, supervision, discharge, or dismissal of its employees, personnel or agents who shall be under the direction and control of **LSERV**. The Personnel, upon instruction of **LSERV** shall observe the policies, rules and regulations on discipline, conduct and proper decorum in the performance of its services with the **CLIENT**.

13. **Liability for Losses and Damages** - **LSERV** shall only be liable for losses and damages on the properties and facilities of the **CLIENT** which may be caused through the negligence or fault of **LSERV's** Personnel assigned to the **CLIENT** while in the performance of their official duties. Provided that **CLIENT** informs **LSERV** in writing of the said loss, damage, injury or death, together with supporting documentation, within three (3) days from occurrence/incidence thereof.

14. **Change/Replacement of Personnel** – Should any of **LSERV's** Personnel commit acts inimical to the interest of the **CLIENT**, **LSERV** shall, within ten (10) working days from the **CLIENT's** written request for replacement citing therein the reason/s for such request, replace such Personnel concerned. All administrative acts relative to replacement or change of personnel shall be done by **LSERV** and warrants that the latter will observe the required standard of due process and the requirement of notice whenever a termination case is filed against the Personnel, pursuant to Section 12 of DO 18-A, and other applicable laws.

15. **Confidentiality and Non-Disclosure** – **LSERV** guarantees and assures the **CLIENT** that any and all Confidential Information acquired, handled and/or which passed through its Personnel assigned to the **CLIENT**, shall remain confidential and/or private, and shall not be disclosed or divulged to third parties, during the time that he/she is assigned to the **CLIENT** until three (3) years after the concerned Personnel has ceased being assigned to the **CLIENT**. Confidential Information shall include all technical, commercial, marketing, financial and other information, data, ideas, programs, processes and documents relating to the business, plans and/or technology, or any information analogous to the foregoing, of the **CLIENT** including, but not limited to, technical information, such as inventions, methods, plans, processes, specifications, characteristics, assays, raw data, records, databases, formulations, analyses, compilations, studies, equipment design, know-how, experience, and trade secrets; developmental, marketing,

sales, customer, supplier, consulting relationship information, operating, performance, and cost information; computer programming techniques whether in tangible or intangible form, and all record bearing media containing or disclosing the foregoing information and techniques including, written business plans, patents and patent applications, grant applications, notes, and memoranda, whether in writing or presented, stored or maintained in or by electronic, magnetic, or other means, whether provided by the **CLIENT** or independently developed or generated by **LSERV**. Confidential Information will not be deemed to include information that:

- (a) prior to disclosure to **LSERV**, was already in **LSERV**'s legitimate possession;
- (b) was or becomes available to the public through no fault of **LSERV**;
- (c) becomes available to **LSERV** from a third party who, insofar as known to **LSERV**, is not prohibited from transmitting the information to **LSERV** by a contractual, legal or fiduciary obligation to the **CLIENT**;
- (d) is or was independently acquired or developed by the **LSERV** using only the information available to **LSERV** as provided in paragraphs (a), (b), and (c) of this Section;
- (e) is required by law, court order or other governmental action to be disclosed.

16. **Personal Data Protection –**

16.1 The Parties of this Contract shall comply with the requirements under Republic Act No. 10173, otherwise known as the "Data Privacy Act of 2012," ("**Data Privacy Act**") and such rules, orders, and regulations as may be issued by the National Privacy Commission ("NPC") in relation to the processing and possession of Personal Information and/or Sensitive Personal Information (as such terms are defined in the Data Privacy Act) comprising the Data. The **CLIENT** shall assist **LSERV** in complying with the latter's obligations in relation to the exercise of the rights of data subjects under the Data Privacy Act. "Data" means the files, materials and other information in physical, electronic or any other form pertaining to the Services, as communicated and provided to the **CLIENT** by **LSERV**, containing the Personal Information and Sensitive Personal Information of **LSERV**'s Personnel, which were disclosed by **LSERV** to the **CLIENT** in accordance with this Contract.

16.2 The **CLIENT** shall ensure and warrant that only authorized employees shall process or have access to the Data and that the Data shall be accessed and processed exclusively for the purpose of providing the Services.

16.3 **LSERV** and **CLIENT** shall each be responsible for the safekeeping of the Data from the receipt of such Data until the same is returned. All Data shall be returned to the originating Party within 30 days from the date of the termination or expiry of this Contract.

- (a) The **CLIENT** shall cease to be responsible for the loss of Data from the date the same is returned to **LSERV**; provided, that the **CLIENT**'s liability for the loss of Data not returned within the period specified above shall be in full force and effect until such Data is returned, or the return of such Data is waived by **LSERV** in writing. Data shall be considered lost if the **CLIENT** is not able to return Data received by it within a period of fifteen (15) days from the lapse of the period specified above;

- (b) All Data provided by **LSERV** shall be used and processed by the **CLIENT** exclusively and solely for the purpose stated when the Data was requested. The **CLIENT** shall be solely and exclusively liable for the use of such Data beyond the normal requirements to perform its obligations under the Contract, and the **CLIENT** shall indemnify and hold **LSERV** free and harmless from and against any and all liability, damages, claims, actions, expenses, losses, or fees that may arise from the unauthorized use of the Data;
- (c) The **CLIENT** shall return such Data or portions thereof as **LSERV** may request from time to time, within fifteen (15) days from the date of **LSERV**'s written request. The **CLIENT** shall furthermore comply with **LSERV**'s reasonable instructions for the correction, alteration, and disposal of any Data provided by it and under the custody of the **CLIENT**;
- (d) The **CLIENT** shall exercise extraordinary diligence in protecting the integrity and confidentiality as well as in ensuring the availability of Data and shall implement adequate administrative, physical and technical safeguards for the protection of the Data ("Data Privacy and Security System"); and ensure that all such safeguards, including the manner in which the Data is collected, accessed, used, stored, processed, disposed of and disclosed, comply with applicable data protection and privacy laws, as well as the terms of this Contract and the Contract. The **CLIENT** shall, upon request of **LSERV**, provide information on the Data Privacy and Security Systems employed by the **CLIENT** in relation to the access, use, storage, processing, disposal and disclosure of the Data, and comply with the reasonable instructions on such improvements of the Data Privacy and Security System as **LSERV** finds to be necessary; provided, that the **CLIENT'S** compliance with any such instructions shall not diminish its liability for all indemnities that may be due to **LSERV** as a result of the breach of any of its obligations pursuant to this Contract;
- (e) The **PARTIES** shall notify their counterpart immediately of any breach of its Data Privacy and Security System which compromises any of the Data, within two (2) hours from knowledge or the reasonable belief of the occurrence thereof. The Parties shall provide the other every assistance necessary to comply with the notification requirement under existing privacy laws and regulations, as well as in any investigation that may be conducted in connection with the breach. Corrective action must be immediately undertaken by the parties to mitigate possible harm or negative consequences to the individuals affected by the breach;
- (f) Ownership of any Data shall remain with **LSERV** and the **CLIENT** shall not use the same in other projects; and
- (g) The **CLIENT** shall immediately inform **LSERV** if, in its opinion, an instruction given by **LSERV** infringes the Data Privacy Act, its Implementing Rules and Regulations, or any other issuance of the NPC.

16.4 The **CLIENT** shall maintain and keep valid and subsisting its registration of its data privacy system with the NPC, within a reasonable time from the effectivity of the requirement therefor pursuant to the Data Privacy Act, or such rules, orders, circulars or memoranda as the NPC shall issue from time to time during the Term.

- 16.5 The **CLIENT** shall make available to **LSERV** all information necessary to demonstrate compliance with the **CLIENT's** obligations under this Contract, the Data Privacy Act and applicable regulations of the NPC. In this regard, **LSERV** may conduct an audit at its option.
- 16.6 The **CLIENT** shall be solely and exclusively liable for any breach of its obligations under this Contract, and for any breach by it of the relevant data privacy laws, such as but not limited to Data Privacy Act, during the Term. The **CLIENT** shall indemnify and hold **LSERV** free and harmless from any liability, damages, claims, action, expenses, losses, or fees that may arise from the **CLIENT's** breach as described under this Contract, the Data Privacy Act of 2012 and applicable regulations of the NPC; furthermore, the **CLIENT** shall substitute **LSERV** and assert itself as the real party-in-interest in any and all actions, whether of a civil, administrative, or criminal nature, that may be brought against **LSERV** in relation to the **CLIENT'S** breach of any of its obligations as described under this Contract.
17. **Occupational Safety and Health** – The **CLIENT** ensures and warrants that the workplace where the Personnel shall be assigned complies with occupational safety and health standards mandated by law, including, but not limited to, the implementation of a safety and health program, appointment of an Occupational Safety and Health Committee, provision of qualified health personnel, equipment and facilities, and provision of Personnel's welfare facilities. The **CLIENT** shall indemnify **LSERV** for any damages, claims, action, expenses, losses, or fees that may arise from the **CLIENT's** breach of its warranty under this Item.
18. **Venue of Legal Action** – The parties agree that any claim or dispute referable to the courts shall be instituted exclusively in the proper court of Makati City, or where the principal office of the **CLIENT** is located, at the option of the complainant/offended Party.
19. **Contract Duration** – This Contract shall take effect on April 1, 2021 and shall continue to be in full force and effect until December 31, 2021 ("Term"), unless sooner terminated by either Party or upon mutual agreement pursuant to the provisions of **Item 20** hereof.

This contract may be renewed or extended provided the **CLIENT** shall furnish **LSERV** a written notice of renewal or extension at least forty-five (45) days prior to the expiration of contract term. However, the renewal shall be subject to mutual agreement of the Parties.

20. **Termination** –

- 20.1 Any Party may terminate this contract without cause by providing a written notice of termination, which termination shall be effective upon the lapse of the period indicated by the terminating Party in the said notice, which shall not be less than thirty (30) days.
- 20.2 This Contract may also be terminated by either Party immediately upon receipt of a written notice of termination, upon the occurrence of any of the following
- a) The commission by the other Party of material breach of this Agreement; or

- b) Any inability or prospective inability of either Party to perform its obligation hereunder; or
- c) If either Party refuses or fails to abide by specific written policies being enforced or sought to be enforced by the other, which has been communicated or made known beforehand.

20.3 Whether the termination of the Contract be pursuant to **Item 20.1**, or **20.2** of this Contract, the **CLIENT** shall be liable to **LSERV** for all obligations that may have accrued prior to the effectivity date of the termination. Upon termination of the Contract, the **CLIENT** shall pay **LSERV** all of the accrued obligations that have become due and demandable prior to the termination date. These accrued obligations shall include the two percent (2%) interest per month on late payments, as provided in **Item 7** of this Contract.

20.4 The failure of the **CLIENT** to pay the accrued obligations on the effectivity date of the termination shall be subject to a penalty interest of two percent (2%) per month of the total amount due until fully paid. A fraction of a month shall be considered as one month. For the avoidance of doubt, this penalty interest shall be imposed on top of the two percent (2%) interest per month on late payments provided in **Item 7**.

21. **Severability Clause** – If any provision of this Contract is held unenforceable, then such provision will be modified to reflect the Parties' intention. If any provision hereof is declared invalid, all remaining provisions of this Contract shall remain in full force and effect.

[Signature page follows.]

IN WITNESS WHEREOF, the Parties, through their duly authorized representative, have hereunto set their hands on MAR 31 2021, at the City of Makati, Philippines.

CEBU NORMAL UNIVERSITY

By:

DR. FILOMENA T. DAYAGBIL
OIC- President

LSERV CORPORATION

By:

JOSEPH V. ANGELES
Chief Operating Officer

SIGNED IN THE PRESENCE OF:

DR. CATALINA M. CANASA
OIC, HRMO

ROGELIO V. BELEN JR.
AVP- Cebu Business Operations

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) ss.
Mandaue City

Before me, a Notary Public for and in the above jurisdiction on this MAR 31 2021 day of 2021, personally appeared:

Name	Proof of Identity	Type of Proof Presented
Joseph V. Angeles	N01-95-189658	Driver's License
LSERV Corporation	004 - 983 - 987 - 000	BIR Registration

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 and voluntary act and deed as well as of the corporations which they represent and that they are duly authorized to sign the same.

This instrument, referring to a CONTRACT OF SERVICES, consists of () pages, including this page where the acknowledgement is written and has been signed on each and every page by the parties and their instrumental witnesses.

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

Doc. No. 144
Page No. 30
Book No. XXXVIII
Series of 2021

ATTY. SELWIN M. PRADA
NOTARY PUBLIC
Until December 31, 2021 Co. No. 2021-57
607 Zamora St., Centro, Mandaue City
IBP O.R No. AR26513233 11-12-2020
PRT No. 1055209 / 1-4-2021/ Mandaue City
Roll of No. 53428
MCLE No. VI-0019441

Reviewed By:
OFFICE OF THE GENERAL COUNSEL
LSERV CORPORATION



BID FORM

Date : October 29, 2020
Invitation to Bid No.: 20-09-324

To: **THE CHAIRMAN**
BIDS AND AWARDS COMMITTEE
CEBU NORMAL UNIVERSITY
2/F Administration Building, Cebu Normal University,
Osmena Boulevard, Cebu City

Gentlemen and/or Ladies:

Having examined the Bidding Documents, the receipt of which is hereby acknowledged, we, the undersigned, offer to supply the **PROCUREMENT OF ONE LOT TWELVE (12) MONTHS CONTRACT TO PROVIDE CLERICAL AND GENERAL SERVICES WITH A 6-DAY WORK PER WEEK FOR THE PERIOD FROM JANUARY TO DECEMBER 2021 (20-09324)** in conformity with the said Bidding Documents for the sum of **Five Million Seven Hundred Eighty-Two Thousand Eight Hundred Ninety-Six Pesos and Ninety-Six Centavos (Php 5,782,896.96) VAT inclusive** or such other sums as may be ascertained in accordance with the Schedule of Prices attached herewith and made part of this Bid.

We undertake, if our Bid is accepted, to deliver the goods in accordance with the delivery schedule specified in the Schedule of Requirements.

If our Bid is accepted, we undertake to provide a performance security in the form, amounts, and within the times specified in the Bidding Documents.

We agree to abide by this Bid for the Bid Validity Period specified in **BDS** provision for **ITB Clause 18.2** and it shall remain binding upon us and may be accepted at any time before the expiration of that period.

Commissions or gratuities, if any, paid or to be paid us to agents relating to this Bid, and to contract execution if we are awarded the contract, are listed below:

Name and address of agent	Amount and Currency	Purpose of Commission or gratuity
<u>NONE</u>	<u>NONE</u>	<u>NONE</u>

Until a formal Contract is prepared and executed, this Bid, together with your written acceptance thereof and your Notice of Award, shall be binding upon us.

We understand that you are not bound to accept the lowest or any Bid you may receive.

We certify/confirm that we comply with the eligibility requirements as per ITB Clause 5 of the Bidding Documents.

We likewise certify/confirm that the undersigned, is granted full power and authority by the **LSERV CORPORATION**, to participate, submit the bid and to sign and execute the ensuing contract on the latter's behalf for the **PROCUREMENT OF ONE LOT TWELVE (12) MONTHS CONTRACT TO PROVIDE CLERICAL AND GENERAL SERVICES WITH A 6-DAY WORK PER WEEK FOR THE PERIOD FROM JANUARY TO DECEMBER 2021 (20-09324)** of the **CEBU NORMAL UNIVERSITY**.

We acknowledge that failure to sign each and every page of this Bid Form, including the attached Schedule of Prices, shall be a ground for the rejection of our bid.

Dated this 29TH day of November 2020

Signature

GENEROSO T. CANLAS, JR., VICE PRESIDENT
In the capacity of

Duly authorized to sign Bid for and on behalf of **LSERV CORPORATION**

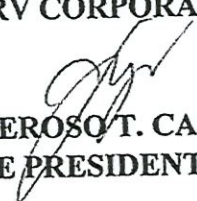


PRICE SCHEDULE

BREAKDOWN OF COST OF MANPOWER SERVICES

	OFFICE CLERK	GENERAL MAINTENANCE
EMPLOYEE RATE PER DAY	450.00	404.00
PAYABLE TO EMPLOYEE		
Basic Pay (Rate x 313 days)/12	11,737.50	10,537.67
Vacation/Sick Leave Benefits (Rate x 5/12)	187.50	168.33
13th Month Pay (Rate x 313/12)/12	978.13	878.14
Sub-Total	12,903.13	11,584.14
PAYABLE TO GOVERNMENT/ EMPLOYER'S SHARE		
SSS (Eff. 2019)	960.00	840.00
Pag-ibig Contribution	100.00	100.00
PHIC (Basic Pay x .035/2)	205.41	184.41
ECC	10.00	10.00
Sub-Total	1,275.41	1,134.41
TOTAL	14,178.54	12,718.55
Add : Administrative Cost 10%	1,417.85	1,271.86
TOTAL	15,596.39	13,990.41
Add : Value Added Tax (12%)	1,871.57	1,678.85
TOTAL	17,467.96	15,669.26
Multiply by No. of Employees	24	4
TOTAL	419,231.04	62,677.04
Multiply by No. of Months/Contract	12	12
TOTAL COST TO CNU	5,030,772.48	752,124.48
TOTAL COST	5,782,896.96	

LSERV CORPORATION


GENEROSO T. CANLAS, JR
VICE PRESIDENT