

**CONTRACT OF SERVICES**

**KNOW ALL MEN BY THESE PRESENTS:**

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

**LSERV CORPORATION**, a corporation duly organized and existing under Philippine laws, with business address at Units C & D, 21<sup>st</sup> Floor, Petron Mega Plaza, 358 Sen. Gil Puyat Ave., Makati City represented by its Vice President - Head of Account Management Group - Government, **GENEROSO T. CANLAS JR.**, hereinafter referred to as "**LSERV**",

-and-

**CEBU NORMAL UNIVERSITY**, a higher education institution duly organized and existing under the laws of the Philippines created by virtue of Republic Act 8688 or otherwise known as "The CNU Charter", with principal office address at Osmeña Blvd., Cebu City, and represented herein by its President, **DR. DANIEL A. ARIASO, SR.**, hereinafter referred to as "**CNU**",

Collectively referred to as "**PARTIES**".

WITNESSETH: That

**WHEREAS, LSERV**, with Certificate of Registration No. NCR-MPFO-78201-122723-758-R issued by Department of Labor and Employment-National Capital Region ("DOLE-NCR") Regional Office on 27 December 2023 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;

**WHEREAS, CNU**, relying on the representations of **LSERV** and in need of the Services, has accepted **LSERV's** offer to supply the service requirements of **CNU** 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** – **CNU** hereby engages **LSERV** to provide **CNU** within ten (10) days from receipt of the Notice to Proceed, the services identified in the "**TERMS OF REFERENCE**", as required by **CNU** in the areas of clerical, and general services.
2. **Qualification** – **LSERV** shall assign personnel who possess the necessary skills and qualifications as required by **CNU**, under the "**TERMS OF REFERENCE**", for the performance of the services, and shall provide documents upon request in order to verify the identity of the contractual employees assigned to the premises.

**LSERV** fully guarantees the capabilities and competence of professional, technical and administrative support personnel to be assigned in **CNU** and its satellite campuses and agrees to any personnel changes that **CNU** shall require in case the individual work performance of respective support personnel concerned fall below project/work activity expectations.

**LSERV** shall provide 35 Office Clerks and 4 General Maintenance Personnel, however, subject to actual manpower support requirements of **CNU** during the effectivity of the Contract, **LSERV** agrees to increase or decrease the number of professional, technical and administrative support personnel to be deployed.

3. **Place of Work** – The Personnel's regular place of work will be at **Cebu Normal University**, Osmeña Blvd, Cebu City, 6000 Cebu. **LSERV** Personnel may only be assigned to work at other locations upon the approval of **LSERV**.

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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 **CNU**, which shall be maintained by **LSERV** in good working condition for the duration of this Contract.

**CNU** 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**, **CNU** shall pay **LSERV** service fees in the amount of **Five Million Seven Hundred Sixty-Six Thousand Four Hundred Thirty-One Pesos and Seventy Centavos (PhP 5,766,431.70)**. This amount quoted include government mandatory contribution and Administrative Service Fee of 10% plus 12% Value Added Tax (VAT):

The service fees, 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**. In the event of such increase, the parties shall execute an amendment of the contract agreement without the need for further approval from the Board of Regents of the University.

**CNU** 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 **CNU**, **LSERV** may advance the travel expense subject to reimbursement by **CNU**, provided that **CNU** 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.
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 **CNU**, 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 **CNU** an affidavit to the effect that it has paid all of its personnel assigned to **CNU** all their compensation and/or benefits, if any, for such period in accordance with the labor laws.
10. **Posting of Bond.** **CNU** 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.
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 **CNU** and the **LSERV**'s Personnel. The Personnel are employees of **LSERV** and not of **CNU**, hence, compliance with any and all applicable laws, rules and regulations such as remittance of withholding taxes, social security and health premiums and

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other fees and charges imposed by the government and its related agencies shall be the sole responsibility of **LSERV**.

**CNU** 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 **CNU** or its authorized representatives.

12. **Supervision and Control** – As independent contractor, **LSERV** and its Personnel are not subject to the control or direction of **CNU**, 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 **CNU**, including the manner and means of the Personnel's performance of Services for **CNU**. **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 **CNU**.

**LSERV** shall provide a **Resident Administrator** at no cost to **CNU**, to act as liaison to address the concern of the agency personnel assigned to **CNU**.

**LSERV** shall authorize **CNU** in special cases, where warranted/exigent, to intervene in the supervision of the personnel assigned to **CNU** during their term of duty. However, the exercise by **CNU** of such authority shall neither be deemed nor interpreted as relinquishment of the power/responsibility of **LSERV** as employer of its personnel assigned to **CNU**, nor be construed as creating any employer-employee relationship between **CNU** and the said personnel of **LSERV**.

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

14. **Change/Replacement of Personnel** – Should any of **LSERV**'s Personnel commit acts inimical to the interest of **CNU**, **LSERV** shall, within ten (10) working days from the **CNU**'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 **CNU** that any and all Confidential Information acquired, handled and/or which passed through its Personnel assigned to **CNU**, 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 **CNU** until three (3) years after the concerned Personnel has ceased being assigned to **CNU**. 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 **CNU**, 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 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 **CNU** 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 **CNU**;
- (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. **CNU** 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 **CNU** by **LSERV**, containing the Personal Information and Sensitive Personal Information of **LSERV**'s Personnel, which were disclosed by **LSERV** to **CNU** in accordance with this Contract.

16.2 **CNU** 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 **CNU** 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) **CNU** shall cease to be responsible for the loss of Data from the date the same is returned to **LSERV**; provided, that **CNU**'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 **CNU** 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 **CNU** exclusively and solely for the purpose stated when the Data was requested. **CNU** shall be solely and exclusively liable for the use of such Data beyond the normal requirements to perform its obligations under the Contract, and **CNU** 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) **CNU** 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. **CNU** 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 **CNU**;

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- (d) **CNU** 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. **CNU** shall, upon request of **LSERV**, provide information on the Data Privacy and Security Systems employed by **CNU** 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 **CNU** 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 **CNU** shall not use the same in other projects; and
- (g) **CNU** 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 **CNU** 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 **CNU** shall make available to **LSERV** all information necessary to demonstrate compliance with **CNU'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 **CNU** 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. **CNU** shall indemnify and hold **LSERV** free and harmless from any liability, damages, claims, action, expenses, losses, or fees that may arise from **CNU's** breach as described under this Contract, the Data Privacy Act of 2012 and applicable regulations of the NPC; furthermore, **CNU** 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 **CNU's** breach of any of its obligations as described under this Contract.

17. **Termination –**

- 17.1 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.

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17.2 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.

17.3 Whether the termination of the Contract be pursuant to **Item 17.1**, or **17.2** of this Contract, **CNU** shall be liable to **LSERV** for all obligations that may have accrued prior to the effectivity date of the termination. Within fifteen (15) calendar days after termination of the Contract, **CNU** 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.

17.4 The failure of **CNU** to pay the accrued obligations after fifteen (15) calendar days from 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**.

18. **Documents incorporated** - The provisions of this Contract shall be read in harmony with the Terms of Reference and other related bid documents. In case of conflict, the provisions of this Contract shall prevail.

19. **Other Conditions.**

18.1. **Occupational Safety and Health** – **CNU** 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. **CNU** 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.

18.2. **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 or Cebu City, at the option of the complainant/offended Party.


18.3. **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.

20. **Contract Duration** – This Contract shall take effect on **May 16, 2024** and shall continue to be in full force and effect until **December 31, 2024**, unless sooner terminated by either party or upon mutual agreement or in pursuant to the provisions of **Item 17** hereof.

Pending the accomplishment of **CNU's** 2025 procurement of clerical services, this contract maybe extended provided **CNU** shall furnish **LSERV** a written notice of extension at least forty-five (45) days prior to the expiration of contract term without the further need of approval from the Board of Regents of **CNU**. However, the renewal shall be subject to mutual agreement of the parties.

**IN WITNESS WHEREOF**, the Parties, through their duly authorized representative, have hereunto set their hands on \_\_\_\_\_, at the \_\_\_\_\_, Philippines.

**CEBU NORMAL UNIVERSITY**

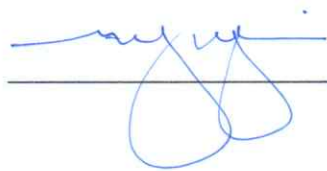
By:   
**DR. DANIEL A. ARIASO**  
University President  
Signed by virtue of Board  
Resolution No. 75 s. 2024

**LSERV CORPORATION**

By:   
**GENEROSO T. CANLAS JR.**  
**Vice President**  
Head of Account Management  
Group - Government

  
DR. CARLOU JOHN S. LETIGIO  
Officer-In-Charge, HRMU

SIGNED IN THE PRESENCE OF:



Reviewed By:  
OFFICE OF THE GENERAL COUNSEL  
LSERV CORPORATION

**ACKNOWLEDGEMENT**

REPUBLIC OF THE PHILIPPINES )  
MAKATI CITY ) ss.

Before me, a Notary Public for and in the above jurisdiction on this MAY 14 2024 of Makati City, 2024, personally appeared:

<u>Name</u>	<u>Proof of Identity</u>	<u>Type of Proof Presented</u>
Generoso T. Canlas, Jr.	PL C02-01-075124	

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.

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Book No. 144  
Series of 2024

**ATTY. JOEL FERRER FLORES**  
Notary Public for Makati City  
Until December 31, 2024  
Appointment No. M-115(2023-2024)  
Roll of Attorney No. 77376  
MCLE Compliance VIII NO. 0001393-  
Jan. 03, 2023 Until Apr. 14, 2028  
PTR No. 10073945/ Jan. 02 2024/Makati City  
IBP No. 330740/ Jan. 02, 2013/Pasig City  
107 D Bataan St., Guadalupe Nuevo, Makati City

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