CONTRACT FOR THE OPERATIONS AND MAINTENANCE MANAGEMENT of MACTAN ECONOMIC ZONE SEWERAGE TREATMENT PLANT AND WATER RECLAMATION PLANT (MEZ STP-WRP)

CONTRACT AGREEMENT

THIS CONTRACT made the ___ day of _____ between **PHILIPPINE ECONOMIC ZONE AUTHORITY** with office address at 8th – 10th floors, DoubleDragon Center West Bldg., DD Meridian Park, Macapagal Blvd., Pasay City of the Philippines represented herein by its Director General, **TERESO O. PANGA** and hereinafter called as "the Entity" of the one part and **POLLUTION ABATEMENT SYSTEMS SPECIALISTS, INC.** with office address at RM10, Mezzanine Floor. A. Genson Bldg, D. Jakosalem, Brgy. Zapatera, Cebu City, represented herein by its President, **JULITO T. POGOY** and hereinafter called "the Supplier" of the other part;

WHEREAS, the Entity invited Bids for certain goods and ancillary services, particularly the **CONTRACT FOR THE OPERATIONS AND MAINTENANCE MANAGEMENT of MACTAN ECONOMIC ZONE SEWERAGE TREATMENT PLANT AND WATER RECLAMATION PLANT (MEZ STP-WRP) [Re-bidding]** and has accepted a Bid by the Supplier for the supply and delivery of those goods and services in the sum of **FOUR MILLION FORTY-FIVE THOUSAND TWO HUNDRED TWENTY-SEVEN** and **95/100 (Php Php4,045,277.95)** (hereinafter called "the Contract Price").

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. In this Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract referred to.

2. The following documents as required by the 2016 revised Implementing Rules and Regulations of Republic Act No. 9184 shall be deemed to form and be read and construed as integral part of this Agreement, *viz.*:

   i. Philippine Bidding Documents (PBDs);
      a. Schedule of Requirements;
      b. Technical Specifications;
      c. Terms of Reference;
      d. Invitation to Bid;
      e. General and Special Conditions of Contract; and
      f. Supplemental or Bid Bulletins, if any

   ii. Winning bidder's bid, including the Eligibility requirements, Technical and Financial Proposals, and all other documents or statements submitted;

   Bid form, including all the documents/statements contained in the Bidder's bidding envelopes, as annexes, and all other documents submitted (*e.g.*, Bidder's response to request for clarifications on the bid), including corrections to the bid, if any, resulting from the Procuring Entity's bid evaluation;

   iii. Performance Security;

   iv. Notice of Award of Contract; and the Bidder's conforme thereto; and

v. Other contract documents that may be required by existing laws and/or the Procuring Entity concerned in the PBDs. Winning bidder agrees that additional contract documents or information prescribed by the GPPB that are subsequently required for submission after the contract execution, such as the Notice to Proceed, Variation Orders, and Warranty Security, shall likewise form part of the Contract.

3. The Entity hereby covenants to pay the Supplier in consideration of the provision of the goods and services and the remedying of defects therein, the Contract Price or such other sum as may become payable under the provisions of the Conditions of Contract at the time and in the manner prescribed by the Contract.

4. In consideration for the sum of **FOUR MILLION FORTY-FIVE THOUSAND TWO HUNDRED TWENTY-SEVEN and 95/100 (Php Php4,045,277.95)** or such other sums as may be ascertained, **POLLUTION ABATEMENT SYSTEMS SPECIALISTS, INC.** agrees to provide the all the goods, labor, vehicles, tools, supervision and services necessary for the continuous, efficient and effective operations and maintenance management as well remedy the defects of the project, **OPERATIONS AND MAINTENANCE MANAGEMENT of MACTAN ECONOMIC ZONE SEWERAGE TREATMENT PLANT AND WATER RECLAMATION PLANT (MEZ STP-WRP) [RE-BIDDING].**

5. The **PHILIPPINE ECONOMIC ZONE AUTHORITY** agrees to pay the above-mentioned sum in accordance with the terms of the Bidding.

6. The Supplier shall be the sole employer of all the personnel assigned in this project and the Supplier shall hold the Entity absolutely free and clear from any liabilities or responsibilities on any claim or claims that may be filed by any of the said personnel or by regulatory bodies for any reason whatsoever.

7. The Entity shall have the right to increase or decrease the number of personnel originally specified in the Schedule of Requirements without any change in unit price or other terms and conditions.

8. In relation to this Contract, the Supplier shall pay local and national taxes in full and on time as well as present duly received copies of government mandatory monthly remittances (i.e. SSS, HDMF, PHIC, etc.) to Financial Services Department and that failure to do so will entitle the Entity to suspend payment on the services delivered by the Supplier.

9. The Supplier shall also present to the Entity, a tax clearance from the Bureau of Internal revenue as well as a copy of its income and business tax returns duly stamped and received by the BIR and duly validated with the tax payments thereon.

10. The Supplier shall exercise due care of the properties owned by the Entity and ensure the complete security, restriction and confidentiality of all information made available by the Entity.

11. The Supplier shall at all times follow all applicable Labor, Safety, Health and Environmental Rules and Regulations.

12. This Contract shall commence upon receipt of the Notice to Proceed and shall be effective for a period ONE (1) YEAR therefrom unless earlier revoked by the Entity

due to unsatisfactory performance of the Supplier.

13. Any of violation or breach by the Supplier on the stipulations and covenants of the Contract, the Entity may pre-terminate or rescind this Agreement; Provided that written notice must be served by the Entity to the Supplier at least thirty (30) days prior to the intended date of termination, and that the Entity shall be entitled to the refund of its payment including liquidated damages as herein stipulated, in addition to what may be granted and/or awarded to it in the courts of law.

14. The amount of liquidated damages shall be equal to at least one-tenth (1/10) of one percent (1%) of the cost of the unperformed portion of the works every day of delay and the Entity need not prove the damages to be incurred. Once the cumulative amount of liquidated damages reaches ten percent (10%) of the Contract Price, the Entity may rescind or terminate the Agreement, without prejudice to other courses of action and remedies available under the circumstances such as but not limited to forfeiture of performance security and/or blacklisting of the Contractor.

15. The Entity shall deduct the aforementioned damages from any money due or which may become due to the Supplier under this Contract and/or collect such liquidated damages from the retention money or other securities posted by the Supplier.

16. In the event that the Agreement expires without a successful procurement of new Supplier, the Entity shall notify the Supplier on the extension in writing thirty (30) days prior to the expiration of the Agreement. The Agreement may be extended for a monthly basis up to a maximum duration of six (6) months, or for such period necessary until the new contractor takes over, subject to performance evaluation and compliance with guidelines prescribed with the Revised Implementing Rules and Regulations of Republic Act No. 9164.

IN WITNESS whereof, the parties hereto have caused this Agreement to be executed in accordance with the laws of the Republic of the Philippines on the day and year first above written.

PHILIPPINE ECONOMIC ZONE AUTHORITY (PEZA)

BY:

TERESO O. PANGA
Director General

POLLUTION ABATEMENT SYSTEMS SPECIALISTS, INC. (PASSI)

BY:

JULITO T. POGOY
President

Signed in the presence of:

EMMANUEL D. CORTERO
Economic Zone Administrator
MEZ and VisMin SEZs

JACOBE SEBASTIAN JAPSON
Plant Supervisor
PASSI

A C K N O W L E D G M E N T

REPUBLIC OF THE PHILIPPINES) CEBU CITY
_____) SS.

Before me, a Notary Public duly authorized in the city named above to take acknowledgments, certify that on _____, personally appeared the following who are identified by me through competent evidence of identity:

Name	Competent Evidence of Identity	
	Type and Number	Valid Until or Date and Place of Issue
PHILIPPINE ECONOMIC ZONE AUTHORITY **TERESO O. PANGA**	PASSPORT NO. P8617179B	DFA MANILA/ 4 JAN 2022
POLLUTION ABATEMENT SYSTEMS SPECIALISTS, INC. **JULITO T. POGOY**	PASSPORT NO. P5663209A	DFA P. PRINCESA/ 17 JAN. 2028

known to me to be the same persons described in the foregoing instrument, who acknowledged before me that their respective signatures on the instrument were voluntarily affixed by them for the purposes stated therein, and who declared to me that they executed the instrument as their free and voluntary act and deed as well as the free and voluntary act and deed of the corporation or entity herein represented.

This instrument, consisting of four (4) pages, including the page on which this acknowledgment is written, is signed on each and every page thereof by the Party and their instrumental witnesses and sealed with my notarial seal.

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

Doc. No. 27
Page No. 9
Book No. 8
Series of 2024.

ATTY. RODRIGO L. [illegible]IZTONDO
Notary Public
IBP No. 289903 1-18-2023
PTR No. 2484[illegible] 01-12-06-2023
Notarial Com. No. 063-23
Until Dec. 31, 2024
Roll No. 40465
MCLE No. VII-0000192
9-D Jakosalem St., Cebu City