

SERVICE AGREEMENT

This **Service Agreement** (the "Agreement") executed by and between:

MS. ANNA MARIE M. ESCOBER, Filipino, of legal age, doing business under the trade name and style of "**POWER HOUSE PEST CONTROL SERVICES**", duly organized and existing under Philippine laws, with principal office at 2422 R. Fernandez St. Gagalangin, Tondo, Manila, 1013 hereinafter referred to as "**SERVICE PROVIDER**";

- and -

DEVELOPMENT BANK OF THE PHILIPPINES, a government financial institution duly created and existing under and by virtue of the provisions of Executive Order No. 81, otherwise known as the "1986 Revised Charter of DBP", as amended by Republic Act No. 8523 dated 14 February 1998, with principal office at DBP Building, Sen. Gil Puyat Avenue corner Makati Avenue, Makati City, represented in this act by its Senior Vice President, **ATTY. LUTGARDA C. BAQUIRAN-PERALTA**, in her capacity as Head, Procurement and Facilities Management Group, duly authorized for this purpose as evidenced by Secretary's Certificate dated 30 November 2023 (attached as Annex "I"), and hereinafter referred to as "DBP"

(Each, a "Party", and collectively, the "Parties").

WITNESSETH: That

WHEREAS, DBP is in need of general pest control services of its properties located at Lower Session Road corner Perfecto Street, Baguio City, and VL Romulo Drive corner Outlook Drive, Baguio City (the "Services");

WHEREAS, the SERVICE PROVIDER has offered to provide the Services and DBP has agreed to accept the same and procure the Services of the SERVICE PROVIDER through Small Value Procurement as an alternative method of procurement under the Revised Implementing Rules and Regulations of Republic Act No. 9184;

NOW THEREFORE, for and in consideration of the foregoing premises, the Parties have agreed to enter into this Agreement under the terms and conditions set forth below, including the Annexes.

1. DEFINITIONS

Certain terms used in this Agreement are defined in **Annex "A"**. Other terms used in this Agreement are defined where they are used and have the meanings there indicated. Unless otherwise specifically defined, those terms, acronyms and phrases in this Agreement that are utilized in the general pest control services industry or other pertinent business context shall be interpreted in accordance with their generally understood meaning in such industry or business context.

2. SCOPE OF SERVICES

The Scope of Services/Terms of Reference covered by this Agreement are set forth in **Annex "B"**.

3. CONTRACT PRICE

For and in consideration of the Services under this Agreement, DBP shall pay the amount of **PESOS: TWO HUNDRED FIFTY-TWO THOUSAND SEVEN HUNDRED SEVENTY-SEVEN (Php252,777.00)**, for the entire Term as

herein defined, inclusive of all applicable taxes and fees, hereinafter referred to as the "Contract Price".

4. PAYMENT TERMS AND CONDITIONS

DBP shall pay the Contract Price to the SERVICE PROVIDER via credit to its deposit account with DBP within fifteen (15) calendar days from/upon its receipt of the SERVICE PROVIDER's official receipt/Billing Statements/Statement of Account, and the issuance by DBP of the Certificate of Acceptance, as well as the SERVICE PROVIDER's submission of the documentary requirements enumerated under the Terms of Reference/Technical Specifications hereof, if any, subject to the usual government audit/accounting/procurement policies, provided that the SERVICE PROVIDER has generated a positive performance assessment to be conducted by DBP in accordance with established metrics as stated in Section 9 hereof.

The **Expanded Withholding Tax (EWT)** due to the government shall be withheld by the DBP from any payment made to the SERVICE PROVIDER. The EWT deducted by DBP shall be at the rate prescribed by the Bureau of Internal Revenue (BIR), and shall be remitted directly to the BIR. It shall be indicated in the creditable withholding tax return to be filed with the BIR that the tax being withheld is to be credited to the SERVICE PROVIDER. The **Certificate of Creditable Tax Withheld** at Source shall be submitted by DBP to SERVICE PROVIDER within fifteen (15) calendar days from receipt of payment by the SERVICE PROVIDER.

5. TERM AND TERMINATION

- A. TERM.** The Agreement shall be for a period of one (1) year effective commencing from the date of acceptance of the Purchase Order/upon SERVICE PROVIDER's receipt of Notice to Proceed and shall be terminated earlier in accordance with the provisions on *Termination*, hereinafter set forth.
- B. TERMINATION BY EITHER PARTY.** When either of the Parties commits a substantial breach of its obligation and such breach is not corrected within thirty (30) days from the date of receipt of written notice, duly served to the defaulting Party by the other Party, the other Party may terminate this Agreement
- C. TERMINATION DUE TO DBP's DEFAULT.** In the event of termination due to DBP's default, the SERVICE PROVIDER shall set a termination date in writing and the following shall apply:
1. The SERVICE PROVIDER shall retain any payment received under this Agreement; DBP shall pay any outstanding invoices as of termination date less any amount due to DBP and provided all those covered in the invoices are delivered and accepted by DBP as provided in Section 4;
 2. DBP shall pay for any agreed deliverables as stated in the Agreement delivered by the SERVICE PROVIDER but not yet invoiced; and
 3. When payments have been made by DBP, the SERVICE PROVIDER shall deliver all materials and other deliverables due as of termination date.
- D. TERMINATION DUE TO SERVICE PROVIDER's DEFAULT.** In the event of termination due to the SERVICE PROVIDER's default, DBP shall set a termination date in writing and the SERVICE PROVIDER shall refund to DBP, within fifteen (15) days from receipt of notice thereof, the applicable Contract Price from termination date to expiry date of the Agreement pro-rated on a per month basis. DBP's right to

refund is without prejudice to its right to claim damages and act on/claim against the Performance Security set forth in Section 6 hereof.

E. TERMINATION WITHOUT CAUSE. Either of the Parties may terminate this Agreement without cause by serving a thirty (30) day written notice to the other Party prior to the intended date of termination, or at any time upon the instruction of the Bangko Sentral ng Pilipinas (BSP).

In no case shall the Agreement be terminated due to recovery events, as provided in the BSP Manual of Regulations for Banks (MORB). As DBP is a government financial institution, both Parties hereby agree and warrant that both shall ensure compliance with the regulations and requirements of the BSP.

F. TRANSITION ASSISTANCE. In the event of termination for any cause, the SERVICE PROVIDER hereby agrees and guarantees that should DBP decide to transfer the Services to another provider or other arrangements, it shall provide DBP the necessary level of assistance during the transition.

In case of merger, consolidation and/or change in name, change in ownership, assignment, attachment of assets, insolvency, or receivership of the SERVICE PROVIDER, the SERVICE PROVIDER shall likewise provide DBP the necessary level of assistance to ensure a smooth transition. For the avoidance of doubt, the surviving or consolidated corporation shall assume all liabilities and obligations under the terms of this Agreement, provided that the SERVICE PROVIDER and/or the surviving or consolidated corporation submits proof of such merger or consolidation acceptable to DBP.

G. BUSINESS CONTINUITY PLAN. The SERVICE PROVIDER warrants that it has existing Business Continuity Plan which includes continuity service and disaster recovery plans that minimize the probability and impact of interruptions to DBP and an exit plan to be implemented upon termination of this Agreement that provides, among others, for transition assistance should the SERVICE PROVIDER convert to other service providers or other arrangements.

6. PERFORMANCE SECURITY

To guarantee the faithful performance of the SERVICE PROVIDER of its obligations under this Agreement, the SERVICE PROVIDER shall post, in favor of DBP, the required amount of the Performance Security in accordance with the following schedule:

Form of Security	Minimum % of Total Contract Price	Minimum amount
1. Cash, certified check, cashier's check, manager's check, bank draft/guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank	Five percent (5%)	Php12,638.85
2. Surety Bond	Thirty percent (30%)	Php75,833.10
3. Any combination of the foregoing	Proportionate to share of form with respect total amount of security.	

The Performance Security shall be effective and in full force and effect for the entire Term of this Agreement. In the event of any extension of the term of this Agreement, the Performance Security shall be renewed accordingly.

Should the SERVICE PROVIDER, based on any of the conditions stipulated under Section 5 (TERM & TERMINATION), terminate this Agreement, (except if the cause of termination is default or breach by DBP), the Performance Security shall be forfeited in favor of DBP without any need of judicial action. Furthermore, any changes in this Agreement shall not require the prior approval of the surety and shall in no way annul, release or limit the liability of the SERVICE PROVIDER.

7. GOOD FAITH

The Parties shall assist each other with fairness, equity and efficiency in overcoming their difficulties for the satisfactory performance of their obligations under this Agreement.

8. RIGHT TO AUDIT AND CORRECTIVE ACTION CLAUSES

The SERVICE PROVIDER agrees that it shall give DBP, the BSP, and other regulatory agencies the right to audit/examine the/access to the (i) necessary information regarding the Services in order for DBP, BSP, or such other regulatory agencies to fulfill their respective responsibilities; (ii) the operations of the SERVICE PROVIDER in order to review the same in relation to the Services; and, (iii) necessary financial information of the SERVICE PROVIDER.

The SERVICE PROVIDER agrees that DBP shall have the right to conduct SERVICE PROVIDER's performance assessment with respect to its Services based on established metrics, which shall be provided to the SERVICE PROVIDER upon signing of this Agreement.

The SERVICE PROVIDER warrants that it shall be required to immediately take the necessary corrective measures to satisfy the findings and recommendations of the BSP examiners and those of the internal and/or external auditors of DBP.

9. LIABILITY CLAUSE

A. In case the SERVICE PROVIDER is unable to comply with the terms and conditions of this Agreement or fails to satisfactorily deliver the Subscription on time inclusive of duly granted time extensions, if any, DBP shall, without prejudice to its other remedies under this Agreement and under the applicable law, deduct from the Contract Price, as liquidated damages, the applicable rate of one tenth (1/10) of one (1%) percent of the cost of the unperformed portion for every day of delay until actual delivery or performance. Once the amount of liquidated damages reaches ten percent (10%), DBP may rescind or terminate this Agreement pursuant to Section 5 hereof, without prejudice to other courses of action and remedies open to it.

B. Any and all claims, liabilities, damages, suits, or causes of action of whatever nature or kind, now or hereafter arising from or in connection with this Agreement, including but not limited to those resulting out of or as a consequence of the acts of employees, personnel, or representatives of the SERVICE PROVIDER, shall be for the account of the SERVICE PROVIDER. The SERVICE PROVIDER shall indemnify DBP, its directors, officers, employees, successors, and assigns against, and hold them free and harmless therefrom. The obligations of the SERVICE PROVIDER under this provision shall survive the termination of this Agreement.

10. CONFIDENTIALITY

The Parties hereby agree to comply with confidentiality requirements set forth in **Annex "C"** hereof.

11. DATA PROTECTION AND SEGREGATION

Unless prohibited by applicable law, the SERVICE PROVIDER may disclose DBP Information to third parties providing services on its behalf who may collect, use, transfer, store or otherwise process it (collectively "Process") in the various jurisdictions in which they operate either for purposes related to the provisions of the Subscription, and/or to comply with regulatory requirements, to check conflicts, for quality, risk management or financial accounting purposes and/or the provision of other administrative support services (collectively "Process Purposes"), provided that the written consent of DBP has been secured, and provided further that the SERVICE PROVIDER, its affiliates and third parties to whom the confidential information were disclosed shall strictly adhere to the confidentiality of the information. The SERVICE PROVIDER shall be responsible for maintaining the confidentiality of DBP Information.

Whenever applicable in performing its obligations under this Agreement, the SERVICE PROVIDER shall, at all times, comply with the provisions of Republic Act No. 10173 or "the Data Privacy Act of 2012," its Implementing Rules and Regulations, and all other laws and government issuances which are now or will be promulgated relating to data privacy, segregation and the protection of personal information.

12. WAIVER

No waiver of any Party with respect to a breach or default of any right or remedy and no course of dealing shall be deemed to constitute a continuing waiver of another breach or default or of another right or remedy, unless such waiver be expressed in writing and signed by the Party to be bound.

13. FORCE MAJEURE

In case of the occurrence of force majeure, such as but not limited to earthquakes, storms, floods, fires, epidemics, strikes and other concerted labor actions, civil unrests, riots, wars, or any other unforeseen or unavoidable Disaster or event which shall be beyond the control of a Party, the Party affected shall be excused from performing its obligation under this Agreement for a period equivalent to the number of days that they are affected or prevented by the event of force majeure, provided that:

- A.** The force majeure is the proximate cause which delayed or prevented the Party's performance of its obligation under this Agreement;
- B.** The Party concerned took all possible measures to overcome and mitigate the effects of such force majeure; and
- C.** The Party affected shall inform the other Party in writing of the occurrence as well as the abatement of such force majeure, including a detailed description thereof and the measures taken to overcome and mitigate the effects of the same.

Each Party shall hold the other free from any liability, claims, and/or damages of any kind and nature arising from or in connection with the occurrence of any force majeure, as well as for those incidents or events attributable to Third Parties.

14. GOVERNING LAW AND VENUE OF ACTION

This Agreement shall be governed and construed in accordance with the provisions of Republic Act No. 9184, otherwise known as the Government Procurement Reform Act and other applicable laws of the Republic of the Philippines. Venue of all actions arising from this Agreement shall be brought exclusively to the jurisdiction of the appropriate courts of Makati City, Philippines.

15. ACKNOWLEDGMENT OF TRANSPARENCY OF TRANSACTION

The SERVICE PROVIDER acknowledges that in addition to other prevailing/applicable Philippine laws, rules and regulations, DBP has an existing Code of Ethics, which prohibits any gift, fee, commission or benefit in favor of any of DBP's officers and/or employees and/or any other persons to be given as a condition to, or as an additional consideration for, the award of the Contract to the SERVICE PROVIDER. The SERVICE PROVIDER further acknowledges that under DBP's Code of Ethics and other prevailing rules and regulations, DBP's personnel have the duty to report to superior officers any possible violation of the policy. Furthermore, the SERVICE PROVIDER commits itself to conduct its business professionally and ethically by equally abiding by the provisions of DBP's Code of Ethics, particularly the norms of conduct and the rules on conflict of interest, insofar as applicable to the SERVICE PROVIDER's nature of business and for the duration of its business relationship with the DBP.

Furthermore, in compliance with the Section 47 of R.A. 9184 or the "Government Procurement Reform Act" as well as the provisions on Conflict of Interest under DBP's Code of Ethics, the SERVICE PROVIDER warrants that it is not related to any of the directors of DBP, members of the Bids and Awards Committee, the Technical Working Group (if any), the head of DBP's project management office and project consultants (if any), end-user or implementing unit, by consanguinity or affinity up to the third civil degree.

The SERVICE PROVIDER is aware that DBP is a government-owned corporation and that the receipt by any of DBP's officers and/or employees and/or other persons, as well as the giving by the SERVICE PROVIDER, unless opportunely disclosed pursuant to the provisions of (Presidential Decree No. 749) of such gift, fee or commission, are crimes punishable under the provisions of the Anti-Graft and Corrupt Practices Act (R.A. No. 3019), Title VII of the Revised Penal Code on Crimes Committed by Public Officers, the Code of Conduct and Ethical Standards for Public Officers and Employees (R.A. No. 6713), the Plunder Law (R.A. No. 7080), as well as under other applicable laws and governing presidential decrees.

The SERVICE PROVIDER further acknowledges DBP's policy to refer any such violation to the proper government agency for criminal prosecution.

16. NOTICES

All notices, demands, requests, or other communications under this Agreement shall be in writing and shall be deemed to have been duly given or made: (a) if made by hand delivery, when delivered; (b) if sent by mail, seven (7) days after being deposited in the mails, postage prepaid; and (c) if sent by facsimile to a facsimile receiver at the proper number of a party hereto as specified below, when receipt is acknowledged, addressed as follows:

For the SERVICE PROVIDER: **(Please see Annex "D")**

For the DBP:

Name	:	Development Bank of the Philippines
Address	:	DBP Bldg., Sen. Gil Puyat Avenue corner Makati Avenue, Makati City
Attention	:	ATTY. LUTGARDA C. BAQUIRAN-PERALTA
Telephone No.	:	(02) 8818-9511 local 2668

Any change of address shall be effective only after five (5) days from receipt of the other party of a written notice of change of address from the other party.

17. SEVERABILITY AND NON-ASSIGNABILITY

Should any provision of this Agreement be declared or become wholly or partly illegal, invalid or unenforceable, the legality, validity or enforceability of the remaining provisions of this Agreement shall not be affected as a result. The same applies in case the Agreement contains a gap in its provisions. Instead of the provisions which are ineffective or impracticable, or to fill the gap, a suitable provision should apply which, insofar as legally possible, comes closest to the original intention of the Parties. Should individual stipulations exceed the duration of this Agreement, such stipulations will remain valid even after the effectivity thereof.

Neither party may assign, in whole or in part, any right, obligation and/or benefit under this Agreement without the prior written consent of the other.

18. NO POACHING CLAUSE

Except as provided in Section 5(F), DBP or any of its affiliates will not engage, either directly or through other service provider and/or agencies, the personnel or consultants engaged or provided by the SERVICE PROVIDER to the former within twelve (12) months from the day of the termination of this Agreement unless there is a written waiver from the SERVICE PROVIDER.

19. ANNEXES

The following Annexes shall, by this reference, form an integral part of this Agreement:

Annex A	:	Definition of Terms
Annex B	:	Scope of Services and Terms of Reference
Annex C	:	Confidentiality
Annex D	:	Notice to Service Provider
Annex E	:	Notice of Award
Annex F	:	Performance Security
Annex G	:	Performance Evaluation of 3rd Party Contracts/Agreements
Annex H	:	Data Privacy Consent Form
Annex I	:	DBP's Secretary's Certificate

The Parties shall endeavor to harmonize the provisions of this Agreement and the Annexes so that each shall be effective. In the event of any inconsistency between the terms of this Agreement and the Annexes, the terms of the Annexes shall prevail to the extent necessary to resolve such inconsistency. In the event of any conflict between the provisions of this Agreement including the annexes and the Scope of Services and Terms of Reference/Technical Specifications, the terms of the Scope of Work and Terms of Reference/Technical Specifications shall prevail.

20. DISASTER RECOVERY

In the event of a Disaster, DBP shall have authority to avail of the Services at its Disaster Recovery site. If the circumstances warrant, DBP shall provide an initial oral notification on the request for the performance of the Services at the DBP Disaster Recovery site, but such oral notice must be followed by a written Disaster Notification within twenty four (24) hours after initial notification, provided that, the twenty four (24) hours written notice period may be extended depending on the circumstances. The avilment of Services at the Disaster Recovery site shall also be allowed in case of a Disaster Recovery Testing.

21. SUCCESSORS-IN-INTEREST

The avilment of the Services by DBP's affiliates, subsidiaries and/or acquired companies shall be subject to the prior written notice to the SERVICE PROVIDER . Likewise, in case of mergers, consolidation and/or change in

name of DBP, the latter or its successor-in-interest can still avail of the Services under the terms of this Agreement, provided that there is prior written notice to the SERVICE PROVIDER of such transfer of the Services.

22. MODIFICATION AND AMENDMENT

No modification/amendment or waiver of any provision of this Agreement shall in any event be effective unless the same be in writing and duly signed by the Parties.

23. SUBMISSION OF TAX CLEARANCE

As required under Executive Order (EO) 398, the SERVICE PROVIDER shall submit income and business tax returns duly stamped and received by the BIR before entering into and during the effectivity of this Agreement. The SERVICE PROVIDER, through its responsible officer/s, shall also certify under oath that it is free and clear of all tax liabilities to the government. The SERVICE PROVIDER shall pay taxes in full and on time and that failure to do so will entitle DBP to suspend or terminate this Agreement.

24. ENTIRE AGREEMENT

Both Parties acknowledge that this Agreement and the relevant Annexes constitute the entire agreement between them and shall completely supersede all other prior understandings, previous communications or contracts, oral or written, between the Parties relating to the subject matter hereof.

IN WITNESS WHEREOF, the Parties hereto have signed this Agreement on the _____ day of _____, 2024 in _____.

DEVELOPMENT BANK OF THE PHILIPPINES
DBP
By:

SIGNED

LUTGARDA C. BAQUIRAN-PERALTA
Senior Vice President and
Head, Procurement and Facilities
Management Group

SIGNED

MS. ANNA MARIE M. ESCOBER
SERVICE PROVIDER
(doing business under the name
and style "POWER HOUSE PEST
CONTROL SERVICES")

Signed in the presence of:

SIGNED

SM MARIO A. TORREFRANCA
Witness for DBP

SIGNED

ELLAIN T. CRUZ
Witness for the Service Provider

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
Makati City) SS.

BEFORE ME, a Notary Public for and in the City of Makati, Philippines, this day of 30 JAN 2024 2024, personally appeared the following:

Name	Government ID Presented	Place and Date Issued
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Development Bank of the Philippines
Represented by:

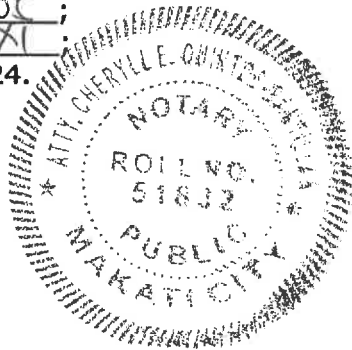
Atty. Lutgarda C. Baquiran-Peralta DBP ID 0200163-LUT

known to me and to me known to be the same person who executed the foregoing document and identified by me through competent evidence of identity, to be the same person in the foregoing document who exhibited to me the above ID., that she acknowledged to me that the execution of this document is the free and voluntary act and deed of the entity represented and that she has the authority to sign in behalf of her principal.

The foregoing document is a **Service Agreement** which consists of twenty-eight (28) pages, including herein Annexes and the page where this Acknowledgment is written. This acknowledgment forms an integral part of the said document.

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

Doc. No. 576 ;
Page No. 105 ;
Book No. XI ;
Series of 2024.



Atty. CHERYLLE QUINTOS-SANTILLAN
Notary Public
Appointment No. m-134
Makati City, Until December 31, 2025
10th Fl. DAP Bldg, 3rd St. 100, Makati City
Roll No. 51832, RSP No. 296565
PTR Exempt Under RA7100

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
Manila City) SS.

BEFORE ME, a Notary Public for and in Manila City, Philippines,
this ___ day of 24 JAN 2024 2024, personally appeared the following:

Name	Government ID Presented	Place and Date Issued
MS. ANNA MARIE M. ESCOBER (doing business under the trade name and style "POWER HOUSE PEST CONTROL SERVICES")	UMID ID NO. 0003-9717268-3	Manila May 27, 2019

known to me and to me known to be the same person who executed the foregoing document and identified by me through competent evidence of identity, to be the same person in the foregoing document who exhibited to me the above IDs., that each party acknowledged to me that the execution of this document is the free and voluntary act and deed of the entity represented and that they have the authority to sign in behalf of their respective principals.

The foregoing document is a **Service Agreement** which consists of twenty-eight (28) pages, including herein Annexes and the page where this Acknowledgment is written. This acknowledgment forms an integral part of the said document.

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

Doc. No. WT8
Page No. 92
Book No. XV111
Series of 2024.

ATTY. JOHN EDWARD TRINIDAD ANG
Notary Public for City of Manila - Until 12-31-2024
Notarial Commission No. 2024-091
2nd Floor Midland Plaza Hotel, Adriatico St., Ermita, Mla.
IBP NO. 393541-01/03/2024 Pasig City
P.T.R. NO. 1535522-Jan 3, 2024 Manila
ROLL NO. 68731 .MCLE COMPLIANCE NO. VII-0011675