



**TRANSPORT SERVICE AGREEMENT**  
**Quezon City Bus Augmentation Program**  
**(Route 7 - Quezon City Hall to Ortigas Ave. Ext. (Vice Versa))**

KNOW ALL MEN BY THESE PRESENTS:

This Agreement entered into by and between:

**QUEZON CITY GOVERNMENT**, a public corporation existing under the laws of the Philippines, represented herein by the Honorable **MA. JOSEFINA G. BELMONTE**, in her capacity as City Mayor, with office at Quezon City Hall Compound, Elliptical Road, Diliman, Quezon City, Metro Manila, and hereinafter referred to as the "CITY"

-and -

**PHILTRANCO SERVICE ENTERPRISES, INC.** a corporation duly organized and incorporated under the laws of the Republic of the Philippines with office address at PHILTRANCO BLDG., EDSA Corner Apelo Cruz St., Pasay City, represented herein by its Senior Operations Manager, **MR. ARNOLD F. FAMUDULAN**, hereinafter referred to as the "SERVICE PROVIDER"

(CITY and SERVICE PROVIDER may be referred to individually as a "Party" and collectively, as "Parties.")

*RECITAL*

WHEREAS, in view of the CITY's response to the growing need of providing an efficient means of transportation and to ease traffic congestion that enables the limited road spaces to be used more productively, it is imperative for the CITY to offer an adequate and feasible solution by offering a Bus Augmentation Program within the CITY;

WHEREAS, on 08 April 2021, a public competitive bidding for the procurement of the Quezon City Bus Augmentation Program (Route 7 - Quezon City Hall to Ortigas Ave. Ext. (Vice Versa)) with Project No. CAO-21-SERVICES-01B (the "Project") was conducted;

WHEREAS, the SERVICE PROVIDER participated in the competitive bidding and was declared to be the single bid as read;

WHEREAS, the SERVICE PROVIDER passed both the detailed evaluation and post qualification stages, and was determined to be the Single calculated and responsive bid for the Project;

MA. JOSEFINA G. BELMONTE  
City Mayor

ARNOLD F. FAMUDULAN  
Authorized Representative



WHEREAS, on APR 30 2021, the Notice of Award was issued to the **SERVICE PROVIDER**, subject to the terms and conditions hereafter set forth.

NOW THEREFORE, for and in consideration of the foregoing premises, the Parties hereto agreed and do hereby mutually agree to be bound by the covenants and stipulations herein set forth as follows:

*Section 1. Scope of Work.* Pursuant to and in accordance with the Contract Documents provided herein, the **SERVICE PROVIDER** undertakes to provide a systematic means of transportation to ease traffic congestion in accordance with the **CITY's** Bus Augmentation Program (the "Services") as defined herein, which shall include, but is not limited to, the following scope:

1. In general, the **SERVICE PROVIDER** shall comply with the following:
  - a. The City Buses must leave according to the exact scheduled time of departure and interval.  
The City Bus Operator shall not be liable for delay in departure time due to unusual traffic congestion and other circumstances beyond its control;
  - b. In the event of City Bus breakdown or accident which puts the said bus out of service, the **SERVICE PROVIDER** shall replace it with another bus unit for deployment.
  - c. The City bus must stop for at least five (5) seconds, with or without passenger, at all designated pick-up and drop-off points as presented in Section IV.1 Area of Coverage of the Terms of Reference.
  - d. The first three (3) rows of the bus units must be dedicated to senior citizens with disability (PWD, and pregnant women.
  - e. The Conductor is responsible of the following:
    - i. Recording of passenger count at every bus stop to be indicated in the trip ticket
    - ii. Announcement of the next bus stop
    - iii. Assist the senior citizens, PWDs, and pregnant women.
  - f. The Conductor will ensure the compliance on the guidelines for the prevention of spread of COVID-19, particularly:
    - i. Requiring the passengers to wear face mask and face shield on order to be allowed to board.
    - ii. Checking of body temperature of all passengers prior to boarding.
    - iii. Disinfecting, using an alcohol, the hands of passengers before boarding.
    - iv. Checking if all boarded passengers wear face mask and face shield at all times.
    - v. Checking if physical distancing is complied at all times.
    - vi. Requiring all passengers to fill-out the manual or electronic Passenger Contact Tracing Forms.

MA. JOSEFINA G. BELMONTE  
City Mayor

ARNOLD B. TAMUDULAN  
Authorized Representative



g. The driver and conductor must ensure that each trip by the buses supported with valid Trip Ticket which should be validated or signed by the assigned Dispatcher.

i. It is the responsibility of the Conductor to fill-out the Trip Ticket properly:

- Date
- Bus Body Number and Plate Number
- Time
- Passenger Count

ii. Each Trip Ticker must be signed by the following:

- Driver
- Conductor
- Dispatcher

A trip Ticket with incomplete signature will be considered as invalid.

iii. If the Trip Ticket is not surrendered within the day to the Task Force for Transport and Traffic Management (TFTTM), said Trip Ticket will be considered as invalid.

h. The City Bus Operator must provide free wireless fidelity (WI-FI) connection for the passengers on board.

i. Refueling of bus units must be conducted before operations.

j. The City buses will be parked in the **SERVICE PROVIDER's** designated Depot in Quezon City

k. Maintenance and sanitation of City Buses must be on a daily basis before operations.

2. In relation of the COVID-19 pandemic, to prevent the spread of the virus, the **SERVICE PROVIDER**, with assistance of the Conductor designated by the CITY, shall implement the following;

a. At the garage/terminal prior to and after operations;

i. For **SERVICE PROVIDER**, prior to dispatch, all safety officers must regularly examine the drivers' fitness to work by checking their body temperature and screening/detecting any symptoms of COVID-19. Only those allowed outside of residence under IATF guidelines are allowed to drive or be a conductor. Should a driver show symptoms of COVID-19, he/she shall be prohibited to report to work and shall be subjected to quarantine immediately.

ii. Aside from routine pre-dispatch inspection, bus units shall be sprayed with disinfecting agent.

iii. **SERVICE PROVIDER** must regularly check the availability of the thermal scanner in each bus unit upon dispatch.

MA. JOSEFINA G. BELMONTE  
City Mayor

ARNOLD F. PAMUDULAN  
Authorized Representative



b. During operations:

- i. Drivers and conductors shall wear masks, face shield, and gloves all the time.
- ii. Commuters are required to wear masks in order to be allowed to board (No Face Mask and No Face Shield, No Ride).
- iii. All Buses must be equipped with thermal scanners while plying the route for checking of body temperature for all passengers prior to boarding. Those with body temperature of 38 degrees centigrade or higher shall not be allowed to board the vehicle. Hence, commuters with fever are not advised to travel.
- iv. All frequently touched areas or surfaces of the vehicle such as but not limited to seats, armrests, handles shall be disinfected at least once every three (3) hours if the vehicle is in continuous operation.
- v. **SERVICE PROVIDER** should provide a foot-disinfectant or foot bath for passengers prior to boarding.
- vi. Physical distancing must at all times be observed inside the City Buses. Thus, passenger load must not exceed 50% or half of the vehicle's sitting capacity (excluding driver and conductor), passengers should be seated one seat apart; no standing passengers shall be allowed.
- vii. **SERVICE PROVIDER** shall put a marking on the seats of the City Buses where the passengers must occupy.
- viii. All safety officers must regularly examine the drivers' and conductors' fitness to work by checking their body temperature and screening/detecting any symptoms of COVID-19. Should a driver or conductor show symptoms of COVID-19, he/she shall be prohibited to report to work and shall be subjected to quarantine immediately.

c. Contact Tracing;

- i. To facilitate contact tracing, as the need arises, drivers/conductors shall provide each passenger upon boarding with a Passenger Contact Form which must be filled up by the passenger and submitted prior alighting the bus. Each bus must be provided with the drop box for this purpose. Electronic equivalent of the Passenger Contact Form may be accepted.
- ii. For easier contact tracing, passengers are advised to take note of the plate number or body number of the City Bus they rode, date and time they boarded, and the route they took. Operators/Drivers shall display this reminder with the plate number of the vehicle prominently visible to all passengers.

The provisions for the prevention of spread of COVID-19 is subject to change in view of any changes with the Government's directions. In case of updates in the guidelines, the Project Implementer shall provide a notice to the **SERVICE PROVIDER** within twenty-four (24) hours upon issuance of new guidelines, which must be acknowledged and implemented immediately by the latter.

MA. JOSEFINA G. BELMONTE  
City Mayor

ARNOLD F. FAMUDULAN  
Authorized Representative



*Section 2. Service Area.* Consistent with the TOR, the Services defined herein shall be rendered at the following areas of coverage:

- a. Route 7 - Quezon City Hall to Ortigas Ave. Ext. (Vice Versa)
- b. The **SERVICE PROVIDER** shall adhere to the specific routes, particularly the designated pick-up and drop-off points, and schedule of trips indicated in the TOR.

*Section 3. Contract Documents.* The following documents shall be deemed to form and be read and construed as part of this Agreement, viz:

- (a) Terms of Reference (TOR);
- (b) Invitation to Bid;
- (c) Instruction to Bidders;
- (d) Bid Data Sheet;
- (e) General Conditions of Contract;
- (f) Special Conditions of Contract;
- (g) Schedule of Requirements;
- (h) Technical Specifications;
- (i) Notice of Award;
- (j) Notice to Proceed;
- (k) Bid Form;
- (l) Schedule of Prices;
- (m) Post-Qualification/Evaluation Report;
- (n) Certificate of Availability of Fund (CAF);
- (o) Performance Security; and
- (p) Any and all other documents submitted to the City during the course of the procurement process.

The documents mentioned above shall be collectively referred to as "Contract Documents".

*Section 4. Delivery Schedule.* The **SERVICE P-ROVIDER** shall perform, supply and deliver to the **CITY** its Services provided herein in accordance with the TOR and the service performance standards required by the **CITY**.

*Section 5. Term.* This Agreement shall be effective for the period of **eight (8) months** commencing on MAY 0 1 2021 and ending on DEC 3 1 2021, subject to monthly evaluation by the **CITY** to determine the **SERVICE PROVIDER's** compliance with the terms and conditions provided herein.

*Section 6. Contract Price.* In consideration of the complete and faithful delivery of the Services required and performance of any and all obligations of the **SERVICE PROVIDER** under this Agreement, the **SERVICE PROVIDER** shall be paid for the entire duration of the Agreement the total amount of **THIRTY FOUR MILLION FOUR HUNDRED SIX THOUSAND FOUR HUNDRED SIX PESOS AND 88/100 (Php34,406,406.88)** inclusive of the 12% Value Added Tax (VAT) (the "**Contract Price**") in accordance with the payment schedule and subject to the conditions set forth in Section 6 hereof.

MA. JOSEFINA G. BELMONTE  
City Mayor

ARNOLD F. FAMUDULAN  
Authorized Representative



*Section 7. Terms of Payment.* The payment of the Contract Price shall be made monthly based on the number of trips completed for the month; *Provided*, however, that the total amount shall not exceed the Contract Price for the whole duration of the Contract.

Any payment shall be based on the actual service rendered in accordance with the scope of services/deliverables and service performance standards which shall be validated and certified correct by the CITY.

*Section 8. Project Cost Adjustment.* As stated in Republic Act 9184, otherwise known as the Government Procurement Reform Act, Section 61.2, in cases where the cost of the awarded contract is affected by any applicable new laws, ordinances, regulations, or other acts of the Government of the Philippines, promulgated after the date of bid opening, [such as, but not limited to, increase in minimum daily wage pursuant to law or new wage order], a contract price adjustment shall be made on a no loss-no gain basis.

*Section 9. Standard of Performance.* The **SERVICE PROVIDER** shall, consistent with the TOR, perform the required services and carry out its obligations with all due diligence, efficiency and economy. It shall observe the highest degree of standards based on industry practice.

*Section 10. Penalties.* The **SERVICE PROVIDER** shall be liable for penalty for any breach of contract under all applicable laws, issuances and regulations.

*Section 11. Liquidated Damages.* It is understood and agreed that time is of the essence of this Agreement. In the event the **SERVICE PROVIDER** refuses or fails to completely supply and deliver to the CITY the Services defined herein within the delivery schedule provided under Section 3 hereof at no fault of the CITY, the **SERVICE PROVIDER** shall be liable for liquidated damages in the amount equivalent to one tenth of one percent (1/10 of 1%) of the Contract Price for every day of delay until the Project is completely delivered: *Provided*, that, the total cumulative amount of liquidated damages shall not exceed ten percent (10%) of the Contract Price: *Provided*, further, that, once the cumulative amount of liquidated damages exceeds ten percent (10%) as provided herein, the CITY, in accordance with Section 68 of the IRR of R.A. 9184, may rescind or terminate this Agreement without prejudice to other remedies and other courses of action available to the CITY under this Agreement and pursuant to any and all applicable laws.

*Section 12. Authority to Deduct Penalties and Liquidated Damages.* For purposes of assessment and enforcement of the penalties and liquidated damages in the immediately preceding sections, the CITY, upon written notice to the **SERVICE PROVIDER**, is hereby authorized to deduct any amount due as penalty and/or liquidated damages from any amount due or may become due and owing to the **SERVICE PROVIDER** or from any and all bonds or securities posted by the **SERVICE PROVIDER** in favor of the CITY, at the option of the latter. It is hereby agreed and understood that the imposition of penalty and assessment of liquidated damages are cumulative and not alternative remedies of the CITY under this Agreement.

*Section 13. Assignment and Sub-contracting.* This Contract or any portion hereof shall not be assigned, transferred or ceded to any other party/ies without the written consent of the CITY. **SERVICE PROVIDER** is further prohibited from sub-contracting any obligations in this contract to any other party.

MA. JOSEFINA G. BELMONTE  
City Mayor

ARNOLFO F. FAMUDULAN  
Authorized Representative



Section 14. *Representations and Warranties of the Service Provider.* The **SERVICE PROVIDER** hereby represents and warrants to the **CITY** as follows:

a. The **SERVICE PROVIDER** is a corporation duly organized, validly existing and in good standing under the laws of the Republic of the Philippines.

b. The **SERVICE PROVIDER** has full legal right, power and authority to carry on its present business, to own its properties and assets, and to execute and deliver this Agreement and all other documents executed, or required or necessary to be executed pursuant thereto, and to perform and observe the terms and conditions thereof.

c. All appropriate and necessary corporate and legal actions have been taken by it to authorize the execution and delivery of this Agreement, and all other documents executed, or required or necessary to be executed pursuant thereto and the performance of all provisions, conditions, covenants, and other terms hereof and thereof, as well as all the transactions contemplated herein.

d. This Agreement and all other documents executed, or required or necessary to be executed pursuant thereto, constitute, or when executed and delivered pursuant thereto, will constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms.

e. The execution and delivery of this Agreement and all other documents executed, or required or necessary to be executed pursuant thereto and the performance of its obligations hereunder will not:

i. conflict with its Articles of Incorporation, By-Laws or other constitutive documents;

ii. conflict with, result in the breach of, or constitute an event which would either immediately or with the lapse of time or giving of notice or both, result in a default under, or accelerate the performance required by, the terms of any agreement, document, contract, instrument or commitment to which it is a party or by which it or any of its assets is bound;

iii. conflict with or require any written consent or approval under any judgment, order, writ, decree, permit or license to which it is a party or by which any of its assets is bound; or

iv. require the written consent or approval of any other party to any agreement, document, contract, instrument or commitment to which it is a party or by which any of its assets is bound.

f. There are no actions, suits or proceedings existing, pending or, threatened against or directly affecting the **SERVICE PROVIDER** and/or any of its assets before any court, arbitrator or governmental or administrative body or agency that affect the validity or enforceability of this Agreement or that would affect the ability of the **SERVICE PROVIDER** to perform its obligations hereunder.

g. No event has occurred and is continuing which might materially and adversely affect the carrying out of its obligations under this Agreement.

h. It is in compliance with all applicable laws and regulations in connection with the delivery of the Project.

MA. JOSEFINA G. BELMONTE  
City Mayor

ARNOLD F. RAMUDULAN  
Authorized Representative



i. Each of the representations and warranties herein shall survive the execution of this Agreement and shall be deemed repeated during the effectivity of this Agreement.

*Section 15. Indemnification.* The **SERVICE PROVIDER** shall indemnify and save the **CITY** and all its officers, employees, personnel and persons acting as agents or representatives and render them free and harmless from any and all claims, actions, liabilities, losses and suits which may be brought or instituted against them arising out of or resulting from the **SERVICE PROVIDER's** supply, deliver and performance of its Services under this Agreement.

*Section 16. Events of Default of the Service Provider.* Any of the following shall constitute an Event of Default under this Agreement:

a. When the **SERVICE PROVIDER** becomes insolvent, or commits or suffers any act of bankruptcy, which term shall include: (i) the filing of a petition, by or against the **SERVICE PROVIDER**, in any bankruptcy, insolvency, administration, suspension of payment, reorganization, winding-up or liquidation proceeding, or any other proceeding analogous in purpose and effect; (ii) the making of an assignment by the **SERVICE PROVIDER** for the benefit of its creditors; (iii) the admission in writing by the **SERVICE PROVIDER** of its inability to pay its debts; (iv) the entry of any order of judgment of any competent court, tribunal or administrative agency or body confirming the bankruptcy or insolvency of the **SERVICE PROVIDER** or approving its reorganization, winding-up or liquidation, or (v) the lawful appointment of a receiver or trustee to take possession of the properties of the **SERVICE PROVIDER**;

b. When the **SERVICE PROVIDER** suspends or discontinues all or a substantial portion of its business operations, whether voluntarily or involuntarily, for a period of at least sixty (60) days;

c. Any material breach by the **SERVICE PROVIDER** of any of its warranty, representation or covenant made under this Agreement.

*Section 17. Consequences of Default.* Upon occurrence of any Events of Default under this Agreement, the **CITY** may declare the **SERVICE PROVIDER** in default and shall have the right to:

- a. Terminate this Agreement;
- b. Call on the Performance Security to answer for any and all damages of whatever nature suffered by the **CITY** resulting or arising from the **SERVICE PROVIDER's** default; and
- c. Take such other steps or actions against the **SERVICE PROVIDER** for the full protection and enforcement of the **CITY's** rights and interests.

*Section 18. Compliance with Laws, Ordinances and Regulations.* The **SERVICE PROVIDER** shall comply with any and all laws, ordinances and regulations of the national and local government applicable to or binding upon the parties hereto. For this purpose, any and all pertinent provisions of RA 9184 and its IRR, and other applicable laws and regulations are deemed written and incorporated in this Agreement. In case of conflict between any of the provisions of this Agreement and those of the applicable laws and regulations, the latter shall prevail.

MA. JOSEFINA G. BELMONTE  
City Mayor

ARNOLD F. PAMUDULAN  
Authorized Representative





*Section 19. Indemnities and Attorney's Fees.* Should any of the parties resort to court action in order to enforce their respective rights under this Agreement, the prevailing party or its successors-in-interest shall be entitled to be indemnified by the other party by way of attorney's fees, a reasonable sum equivalent to the actual amount of fees paid or to be paid by the prevailing party.

*Section 20. Notification.* All notices and communications shall be done in writing and shall be directed as follows:

<b>CITY</b>	:	<b>OFFICE OF THE CITY MAYOR</b> c/o Bids and Awards Committee Secretariat 2 <sup>nd</sup> Floor Finance Bldg, Quezon City Hall Complex, Elliptical Road, Diliman, Quezon City
<b>SERVICE PROVIDER:</b>		<b>PHILTRANCO SERVICE ENTERPRISES, INC.</b> PHILTRANCO BLDG., EDSA Corner Apelo Cruz St., Pasay City

*Section 21. Effectivity.* This Agreement shall be effective upon execution by the parties hereto.

*Section 22. Miscellaneous Provisions.*

a. This Agreement, including the documents and/or agreements specifically incorporated herein by reference, constitutes the entire agreement between the parties. This Agreement may be amended and supplemented in writing at any time as decided and agreed upon by mutual consent of the parties.

b. This Agreement and all documents related thereto shall be binding upon and inure to the benefit of the parties herein and/or their respective heirs, agents, representatives, successors-in-interest, and assigns. The **SERVICE PROVIDER** shall not assign its rights and obligations under this Agreement without the written consent of the **CITY**.

c. This Agreement embodies the entire arrangement or agreement of the parties and no undertaking, verbal or otherwise, in relation thereto, shall exist between the parties except as herein expressly set forth.

d. The parties hereby certify that they have read or caused to be read to them all the provisions of the foregoing Agreement, receipt of a signed copy of which is hereby expressly acknowledged by the parties and that they have fully understood the same.

e. The parties hereby represent and warrant that they have the necessary power and corporate authority to execute and deliver this Agreement and perform their obligations as incorporated herein and that such execution, delivery and performance do not and will not contravene any provision of their respective Articles of Incorporation, by-laws, any agreements or instruments to which they are a party or any laws or regulations of any governmental authority.

MA. JOSEFINA G. BELMONTE  
City Mayor

ARNOLD B. RAMUDULAN  
Authorized Representative



Republic of the Philippines  
PROCUREMENT DEPARTMENT  
Quezon City Government



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f. If any provision of this Agreement be declared by any court or other authorized agency of the government to be null and void, the nullity thereof shall not affect the validity of this transaction or any other provisions herein which shall then be considered as valid and binding between the parties.

g. Any and all disputes arising from the implementation of this Agreement shall be submitted to arbitration in the Philippines according to the provisions of RA 876, otherwise known as the "Arbitration Law" and RA 9285, otherwise known as the "Alternative Dispute Resolution Act of 2004": Provided, that, by mutual agreement, the parties may agree in writing to resort to other alternative modes of dispute resolution.


IN WITNESS WHEREOF the parties have hereunto set their hands to this Agreement on APR 30 2021, at Quezon City.

QUEZON CITY GOVERNMENT

PHILTRANCO SERVICE ENTERPRISES, INC.


By:

By:

  
MA. JOSEFINA G. BELMONTE  
City Mayor

  
ARNOLD E. FAMUDULAN  
Authorized Representative

SIGNED IN THE PRESENCE OF:

  
RUBY G. MANANGU  
City Accountant  
City Accounting Department

\_\_\_\_\_



ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES }  
\_\_\_\_\_ } S.S.

BEFORE ME, a Notary Public for and in \_\_\_\_\_, this APR 30 2021, personally appeared:

Name	Competent Proof of Identity
HON. MA. JOSEFINA G. BELMONTE, in her capacity as Mayor of the Local Government of Quezon City	OCM 0081744
ARNOLD F. FAMUDULAN, in his capacity as the Senior Operations Manager and the authorized representative of PHILTRANCO SERVICE ENTERPRISES, INC.	DRIVER'S LICENSE D04-14-016968

all known to me and to me known to be the same persons who executed this Agreement, and they acknowledged to me that the same is their free and voluntary act and deed, and the free and voluntary act and deed of the parties which they respectively represent.

I certify that the foregoing Instrument, signed by the parties and their instrumental witnesses, consists of Eleven (11) pages, including this page on which the acknowledgement is written.

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

Doc. No. 92 ;  
Page No. 70 ;  
Book No. 001 ;  
Series of 2021.



ATTY. MARK JOSEPH E. MARCELO  
Notary Public  
Room 405, Security Bank Building,  
Mataling St., Quezon City  
Adm. Matter No. NP-103  
Commission expires on December 31, 2022  
Attorney's Roll No. 69314  
IBP Lifetime No. 016806, Quezon City Chapter  
PTR No. 0699739, 01/08, 2021 Quezon City  
MCLE Compliance No. VI-0026095