



**SOLID WASTE COLLECTION, CLEANING AND DISPOSAL
SERVICE AGREEMENT**

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 **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 -

ATLAS HAULING SERVICES INCORPORATED, a corporation duly organized and incorporated under the laws of the Republic of the Philippines with office address at Rms. 206-207 Torres Bldg., Katipunan Ave., Loyola Heights, Quezon City, represented herein by its President, **MICHAEL JEFFREY M. AREJOLA**

In Joint Venture With

INTERNATIONAL SOLID WASTE INTEGRATED MANAGEMENT SPECIALIST INC., a corporation duly organized and incorporated under the laws of the Republic of the Philippines with office address at Sitio Lukutang Maliit, San Isidro, Rodriguez (Montalban) Rizal, represented herein by its duly Authorized President, **REYNALDO S.L. PEREZ**

(**ATLAS HAULING SERVICES INCORPORATED** and **INTERNATIONAL SOLID WASTE INTEGRATED MANAGEMENT SPECIALIST INC.** hereinafter collectively referred to as the "**SERVICE PROVIDER**")

RECITAL

WHEREAS, the **CITY** undertakes to provide efficient city-wide solid waste collection, cleaning and disposal system under a comprehensive environmental program pursuant to its mandate under Section 17 of Republic Act 7160, otherwise known as the *Local Government Code of 1991*;

WHEREAS, towards this end, the **CITY** is in need of a service provider that can deliver solid waste collection, cleaning and disposal services in accordance with the **CITY's** desired parameters;

WHEREAS, on 24 March 2020, a public competitive bidding for the procurement of solid waste collection, cleaning and disposal services for District II (the "**Project**") was conducted and the **SERVICE PROVIDER** was determined to be the bidder with the single calculated responsive bid for the Project; and

WHEREAS, on APR 23 2020, the Notice of Award was issued and the **SERVICE PROVIDER** subsequently duly posted a performance security, subject to the terms and conditions hereafter set forth.



Republic of the Philippines
PROCUREMENT DEPARTMENT
Quezon City Government



200322

NOW THEREFORE, for and in consideration of the foregoing premises and of the mutual covenants and undertakings hereinafter provided, the parties hereto agree, as they have hereby agreed, as follows:

Section 1. Scope of Work. Pursuant to and in accordance with the Contract Documents provided herein, the **SERVICE PROVIDER** undertakes to supply and deliver to the **CITY** solid waste collection, cleaning and disposal services (the "**Services**") for District II (the "**Service Area**") as defined herein, which shall include, but is not limited to, the following:

- a) Solid waste collection, which entails the removal of solid wastes from household, commercial, industrial, institutional, sidewalks, center islands and dumping prone areas in all national, city and barangay roads as well as solid wastes from the street sweeping and cleaning/clearing activities;
- b) Solid waste transport and disposal, which involves the direct and proper hauling and discharge of collected solid wastes from various sources to an MMDA accredited or designated disposal facility for 10-wheeler trucks and staging area for 6-wheeler and mini dump trucks (the "**Disposal Facility**");
- c) Street sweeping, which entails the sweeping of litters along main thoroughfares identified by **CITY** and other litter-prone areas;
- d) Cleaning and cleaning operations, which involves the conduct of cleaning and clearing activities along major thoroughfares, secondary roads and inner streets that include (1) removal of visible clutters and eyesores; (2) removal of visual clutters such as tarpaulins, posters and the like; (3) clearing of grass and earth mounds; and (4) other necessary activities for the overall cleanliness and upkeep of the City;
- e) Information, Education and Communication (IEC) campaign, which involves information dissemination on proper solid waste management thru the conduct of house-to-house campaigns as well as production, distribution and posting of IEC materials in support to the City's advocacy and social marketing program. It also involves provision of personnel to serve as truck guide to ensure efficient collection of wastes and implementation of proper solid waste management; and
- f) Operation and Maintenance of Staging Area, which involves the provision of sufficient space in the Dispatching Area/Garage for the proper handling and transfer of collected wastes from 6-wheeler and mini dump trucks to 10-wheeler or long haul dump trucks for final disposal to an MMDA accredited or designated disposal facility. It includes the implementation of appropriate systems/mechanisms for the transfer of solid wastes, provision of trucks and heavy equipment, continuous deodorization as well as hiring of personnel.

Section 2. Contract Documents. The following documents shall 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) Bid Form;
- (k) Cost Summary and Cost Derivation Sheet;
- (l) Certificate of Availability of Fund (CAF); and
- (m) Performance Security



Copy of the Contract Documents is hereto attached as **Annexes A to M**, respectively and inclusive, and form as integral part of this Agreement.

Sections 3. Delivery Schedule. The **SERVICE PROVIDER** shall perform, supply and deliver to the CITY its Services provided herein in accordance with the Schedule of Requirements under Sections VI and Technical Specifications under Section VII of the Bidding Documents for the procurement of Solid Waste Collection, cleaning and Disposal Services for District II (the "**Bidding Documents**") and the service performance standards provided under the Terms of Reference ("**TOR**") of the Project.

Section 4. Term. This Agreement shall be effective for the period of ten (10) months commencing on 01 May 2020 and terminating on 28 February 2021, subject to monthly evaluation by the CITY to determine the **SERVICE PROVIDER's** compliance with the terms and conditions provided herein.

Section 5. Contract Price. In consideration of the complete and faithful delivery of any and all Services 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 Philippine Peso: **ONE HUNDRED EIGHTY FIVE MILLION ONE HUNDRED EIGHTY TWO THOUSAND NINE HUNDRED THIRTY SEVEN & 60/100 (Php185,182,937.60)**, 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.

Section 6. Terms of Payment. The payment of the Contract Price shall be made on a monthly basis at Philippine Peso: **Eighteen Million Five Hundred Eighteen Thousand Two Hundred Ninety Three & 76/100 (Php18,518,293.76)** a month and based on the Monthly Accomplishment Report to be submitted by the **SERVICE PROVIDER** and duly validated by the CITY through its Environmental Protection and Waste Management Department indicating, among others, the actual services rendered for the Service Area. The Monthly Accomplishment Report shall be prepared in accordance with Article XI of the TOR in relation to Clause 10.2 of the Special Conditions of Contract of the bidding documents.

Section 7. 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 8. Penalties. The **SERVICE PROVIDER** shall be liable for penalty for any breach of contract under all applicable laws and all other offenses defined herein in accordance with the schedule of penalty provided under Clause 21.1, Section V (Special Conditions of Contract) of the Bidding Documents in relation to Article XII of the TOR.

Section 9. 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*

MA. JOSEFINA G. BELMONTÉ
City Mayor

MICHAEL JEFFREY M. AREJOLA
President

REYNALDO S.L. PEREZ
Duly Authorized President



and other courses of action available to the CITY under this Agreement and pursuant to any and all applicable laws.

Section 10. Authority to Deduct Penalties and Liquidated Damages. For purposes of assessment and enforcement of penalties and liquidated damages provided under Sections 8 and 9 hereof, 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 the assessment of liquidated damages are cumulative and not alternative remedies of the CITY under this Agreement.

Section 11. 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.

MA. JOSEFINA G. BELMONTE
City Mayor

MICHAEL JEFFREY M. AREJOLA
President

REYNALDO S.L. PEREZ
Duly Authorized President



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.

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 12. 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 13. 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 14. 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 15. Compliance with Laws, Ordinances and Regulations. The **SERVICE**

MA. JOSEFINA G. BELMONTE
City Mayor

MICHAEL JEFFREY M. AREJOLA
President

REYNALDO S. L. PEREZ
Duly Authorized President



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.

Section 16. 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 17. Notification. All notices and communications shall be done in writing and shall be directed as follows:

CITY : **OFFICE OF THE CITY MAYOR**
c/o Bids and Awards Committee Secretariat
2nd Floor Finance Bldg, Quezon City Hall Complex,
Elliptical Road, Diliman, Quezon City

SERVICE PROVIDER : **ATLAS HAULING SERVICES**
INCORPORATED /INTERNATIONAL SOLID
WASTE INTEGRATED MANAGEMENT
SPECIALIST
INC.
Rms. 206-207 Torres Bldg., Katipunan Ave., Loyola
Heights, Quezon City/Sitio Lukutang Maliit, San
Isidro, Rodriguez (Montalban) Rizal

Section 18. Effectivity. This Agreement shall be effective upon execution by the parties hereto.

Section 19. 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



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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.

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 28 2020, at Quezon City.

QUEZON CITY GOVERNMENT

By:


MA. JOSEFINA G. BELMONTE
City Mayor

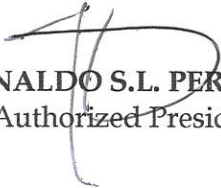
ATLAS HAULING SERVICES
INCORPORATED

By:


MICHAEL JEFFREY M. AREJOLA
President

INTERNATIONAL SOLID WASTE
INTEGRATED MANAGEMENT
SPECIALIST INC.

By:


REYNALDO S.L. PEREZ
Duly Authorized President

SIGNED IN THE PRESENCE OF:


RUBY G. MANANGU
OIC, City Accounting Dept.


RICARDO T. BELMONTE JR.
OIC- EPWMD/Secretary to the Mayor/
Chairman, TFSWCCDSM



ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
Quezon City, Metro Manila) S.S.

BEFORE ME, a Notary Public for and in the above locality, personally appeared:

Name
Quezon City Government
represented by
MA. JOSEFINA G. BELMONTE _____

Competent Evidence of Identity

ATLAS HAULING SERVICES INCORPORATED
represented by
MICHAEL JEFFREY M. AREJOLA _____

INTERNATIONAL SOLID WASTE INTEGRATED MANAGEMENT SPECIALIST INC.
represented by
REYNALDO S.L. PEREZ _____

all known to me to be the same persons who executed the foregoing Agreement and they acknowledged to me that the same is their free and voluntary deeds as well as the free and voluntary deeds of the parties they represent.

I certify that the foregoing Solid Waste Collection, cleaning and Disposal Service Agreement, signed by the parties and their instrumental witnesses, is consisting of eight (8) pages, including this page on which the acknowledgement is written.

IN WITNESS WHEREOF, I have affixed my signature and seal this APR 28 2020 day of _____, 2020 at the Quezon City, Metro Manila, Philippines.

Doc. No. 216
Page No. 41
Book No. 1003
Series of 2020.

ATTY. MARK JOSEPH E. MARCELO
NOTARY PUBLIC
ROOM 405 PM BUILDING, MATALINO ST. Q.C.
ROLL NO. 69314 / NOTARIAL NO. 259
UNTIL DECEMBER 31, 2020
PTR NO. 7377353 / 1-08-10 / Q.C.
IBP NO. 016606 / MCLE NO. VI-0026095