



LAUNDRY 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 **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 -

SUDS PREMIER FRANCHISING CORP., a corporation duly organized and incorporated under the laws of the Republic of the Philippines with office address at 174 C. Raymundo Avenue, Brgy. Maybunga, Pasig City, represented herein by its authorized representative **CLYDARIZA Q. PAED**, 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 its Resolution No. 21-A-335 Series of 2021 duly approved by the **CITY** Mayor, the Bids and Awards Committee on Goods and Services resorted to negotiated mode as an alternative method of procurement in accordance with the requirements of Section 53.2 of the Revised IRR of R.A. 9184;

WHEREAS, in accordance with pertinent laws, rules and issuances on Negotiated Procurement (Emergency Cases), the **CITY** sent Requests for Quotation/Proposal to various suppliers of known qualification for the Procurement of Laundry Services with PR No. GF-21-05-00262 (the "**Project**");

WHEREAS, the **SERVICE PROVIDER** participated and submitted its quotation for the **Project** and upon evaluation, was determined to be a service provider which possesses the technical, legal and financial capability to deliver the required services;

WHEREAS, the **SERVICE PROVIDER** was issued a Notice of Award on 11.11.2021 2021;

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:

MA. JOSEFINA G. BELMONTE
CITY MAYOR

CLYDARIZA Q. PAED
Authorized Representative



Section 1. *Scope of Work.* Pursuant to and in accordance with the Contract Documents provided herein, the **SERVICE PROVIDER** undertakes to deliver to the **CITY** the following laundry services for the Rosario Maclang Bautista General Hospital (the "Hospital"):

- a. Provide professional healthcare linen and laundry services.
- b. Pick-up, deliver and do laundering services in accordance with the most current policies and procedures governing healthcare facility linen services.
- c. Clean and preserve the appearance and quality of the linens, provide exceptional performance level of service, affordable prices and assurance that a clean supply of linens will always be on hand.
- d. Clean items using appropriate barrier washer-extractors with appropriate heating up to 60 degrees C in the main wash, and not with ordinary washer-extractors.
- e. Prepare comprehensive plan for laundry services.
- f. Pick up for laundry services once a day, and deliver the clean linen at least a day after the pickup.
- g. Ensure the efficient collection of soiled linen and timely issuance of clean linen to the Linen and Laundry Section of the Hospital.
- h. Monitor the implementation and observation of the universally accepted infection control, occupational health and safety standards among the linen and laundry staff.
- i. Implement proper protocol process flow that prevents cross-contamination between clean and soiled items, including the use of a barrier wall and barrier washer-extractors.
- j. Ensure that washing and drying method goes through rigorous process using extreme temperature, reaching extreme degrees C at the input zone for proper disinfections of soiled linens.
- k. Undertake disinfection of soiled linen using the appropriate wash formula in the washer-extractor.
- l. Check quality and quantity of picked up linen and laundry.
- m. Deliver all linen properly pressed, folded, sorted and classified as the Hospital may specify from time to time.
- n. Separate carts for transport and storage of dirty & washed linen will be used. The hampers or carts to transport soiled textiles should be appropriately cleaned after every use and should be kept away from those to be used in transporting clean textiles. Under no circumstances dirty and clean linen should be mixed. The maintenance and procurement of carts is the responsibility of the **SERVICE PROVIDER**.

Consistent with the Terms of Reference (TOR), the **SERVICE PROVIDER** shall also ensure compliance with the following functions:

- a. All soiled and dirty linens shall be collected by the **SERVICE PROVIDER** from the Hospital every day, between 6 am and to 10 am to deliver laundered items the following day between 6 am and to 10 am. All linens shall be delivered properly pressed, folded, sorted and classified by the **SERVICE PROVIDER** as the Hospital may specify from time to time. All linen not

MA. JOSEFINA G. BELMOTE
CITY MAYOR

CLYDEBERA Q. PAED
Authorized Representative



satisfactory laundered or improperly folded, sorted or arranged shall be returned to the SERVICE PROVIDER for laundering folding or sorting without additional cost to the Hospital, unused within 24 hours of delivery.

- b. The SERVICE PROVIDER shall provide the vehicle to collect soiled linen and to deliver laundered items without additional cost on the part of the Hospital.
- c. All clean linen delivered to the Hospital shall be properly and satisfactorily laundered to ensure complete cleanliness, disinfection and preservation of the materials.
- d. Failure of the SERVICE PROVIDER to furnish laundry services required everyday shall authorize the Hospital to engage the services of other laundry establishments and charge the difference in rates that may be incurred thereof against the account of the SERVICE PROVIDER.
- e. Any shortage of the delivery by the SERVICE PROVIDER must be covered up within a period of one (1) week. Otherwise, said shortage shall be charged against the Contract Price.
- f. Verify and record the returned soiled linen from Linen and Laundry Section of the Hospital;
- g. Report missing or unaccounted linen to Linen and Laundry Section of the Hospital.

To ensure that the required services are conducted, the Services performed by the SERVICE PROVIDER shall be monitored and evaluated by, and be subject to the approval of the Hospital. The Hospital shall also determine violations to the standards set forth for imposition of fines and penalties as well as appropriate recommendations relative to the contract.

Failure of Hospital to pay on the agreed time allows SERVICE PROVIDER to impute interest charges mutually agreed on.

Section 2. Contract Documents. The following documents shall be deemed to form and be read and construed as part of this Agreement, etc):

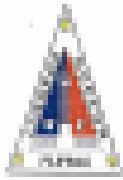
- (a) Request for Quotation/ Proposal;
- (b) Terms of Reference (TOR);
- (c) The Service Provider's Quotation, including the Operation and Collection Cost Forms and all other documents/statements submitted;
- (d) Eligibility requirements, documents, undertakings and/or statements;
- (e) Notice of Award; and
- (f) Notice to Proceed

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

Section 3. Delivery Schedule. The SERVICE PROVIDER shall perform, supply and deliver to the CITY its Services provided herein in accordance with the TOR, in accordance with the service performance standards required by the CITY.

MA. JOSEFINA G. BELMOTTE
CITY MAYOR

CLYDARICA S. PAED
Authorized Representative



Section 4. Term. This Agreement shall be effective for the period one year commencing on ~~2018~~ 15-2021 or until the Contract Price is exhausted or consumed, whichever comes first.

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 Six Million Four Hundred Fifty Thousand Pesos (Php6,450,000.00) inclusive of the 12% Value Added Tax (VAT) (the "Contract Price") in accordance with 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, subject to the submission by the SERVICE PROVIDER of a monthly accomplishment report and other appropriate verification documents detailing the operations conducted.

The processing of payments will entail the approval by the CITY of the SERVICE PROVIDER'S complete documentation and deliverables before invoices may be processed for payment. The CITY likewise reserves the right to validate billing/invoice before payment of fees.

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. Standard of Performance. The SERVICE PROVIDER shall 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 9. Penalties. The SERVICE PROVIDER shall be liable for penalty for any breach of contract under all applicable laws, issuances and regulations.

Section 10. 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.

MA. JOSEFINA G. BELMOTE
CITY MAYOR

CLYDE BELLA S. PAJED
Authorized Representative



Section 11. 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 12. 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.

Section 13. 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;

MA. JOSEFINA G. BELMORTE
CITY MAYOR

CLYDARIZA D. PAED
Authorized Representative



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.

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 14. 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 15. 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;

MA. JOSEFINA G. BELMORTE
CITY MAYOR

CLYDARIZ Q. PAED
Authorized Representative



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

Section 16. 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 17. 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.

Section 18. 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 19. 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 2 nd Floor Finance Bldg. Quezon City Hall Complex, Elliptical Road, Diliman, Quezon City
SERVICE PROVIDER:	SUDS PREMIER FRANCHISING CORP 174 C. Raymundo Avenue, Brgy. Maybunga, Pasig 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

MA. JOSEFINA G. BELMORTE
CITY MAYOR

CLYDARIE Q. PAID
Authorized Representative



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.

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 Aug 13 2011, at Quezon City.

QUEZON CITY GOVERNMENT

By:

MA. JOSEFINA G. BELMONTE
City Mayor

SUDS PREMIER
FRANCHISING CORP.

By:

CLYDARIZA Q. PAED
Authorized Representative



SIGNED IN THE PRESENCE OF:

RUBY G. MANAGU
City Accountant

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES

),
) s.c.

BEFORE ME, a Notary Public for and in MS 18 2021, this _____, 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

CLYDARIZA Q. PAED, in her capacity as the authorized representative of SUDS PREMIER FRANCHISING CORP.

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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 Agreement, signed by the parties and their instrumental witnesses, consists of nine (9) pages, including this page on which the acknowledgement is written.

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

Doc. No. 257;
Page No. 70;
Book No. 88;
Series of 2021.



ATTY. MARK JOSEPH E. MARCOTE
Notary Public
Room 405, Security Park Building,
Mandaluyong, Quezon City
Adm. Matter No. NP-187
Commission Expires on December 31, 2023
Attorney's Roll No. 42204
107 Labrador Pk. 02028, Quezon City Chapter
PTR No. 04957501-018-2021-00000107
MCLE Compliance No. 11642020