

Contract Agreement No. 002
Series of 2024

KNOWN ALL MEN BY THESE PRESENTS:

This Contract made and entered into by and between:

The **NATIONAL PARKS DEVELOPMENT COMMITTEE**, a government agency with office address at Old Planetarium Building, P. Burgos Drive, Rizal Park, Manila, duly represented herein by its Executive Director, **CECILLE A. LORENZANA-ROMERO** hereinafter referred to as the **NPDC**;

and

INDUSTRON INCORPORATED, a corporation duly registered under the laws of the Republic of the Philippines, with office address at 4522 Bataan Street, Tambo, Parañaque City, herein represented by its Managing Director, **MAYBELLE S. DE LEOZ**, hereinafter referred to as the **SERVICE PROVIDER**;

Hereinafter collectively referred to as **PARTIES**.

-WITNESSETH-

WHEREAS, the **NPDC** is the government agency tasked to develop, preserve and manage Rizal Park and Paco Park;

WHEREAS, as part of its task of maintaining the parks, the **NPDC** has to see to it that all park's facilities and amenities, including the Musical Dancing Fountain, are always in good running condition for the enjoyment and satisfaction of the park goers;

WHEREAS, it is imperative for the **NPDC** to engage the services of a reputable service provider for the Operation and Maintenance of the Musical Dancing Fountain that can provide resources, equipment, trained personnel, and expertise to render services for the operation, maintenance and repair of the musical dancing fountain at reasonable cost;

WHEREAS, after the opening of bids on 11 December 2023, the conduct of bid evaluation and post qualification, the bid submitted by **SERVICE PROVIDER** was found to be a responsive bid in the amount of Eight Million Three Hundred Thousand Pesos (Php 8,300,000.00) for the covered period from January 1, 2024 to December 31, 2024;

WHEREAS, due to the exigency of service and the belated approval of the General Appropriations Act of 2024, there is a change of contract duration from 12 months to 11 months which resulted to the new contract amount of **SEVEN MILLION SIX HUNDRED EIGHT THOUSAND THREE HUNDRED THIRTY-THREE & 33/100 PESOS ONLY (Php 7,608,333.33)**;


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NOW, THEREFORE, for and in consideration of the foregoing premises and covenants and undertakings set forth, the parties have agreed and hereby agree as follows:

ARTICLE I SCOPE OF WORK

The **SERVICE PROVIDER** shall render the following services to the **COMMITTEE**:

A. Fountain Operation (30 % of the Total Contract Amount)

1. Monitoring, Inspection and Operation (15% of the total contract amount)

- a. Inspection of all water features before the operation to ensure proper execution of the desired performance/show.
- b. Draining and cleaning of the fountain pool whenever needed.
- c. Supply and application of approved BFAD water treatment chemicals to ensure good water quality.
- d. Cleaning individual fountain nozzles, filters and lamps as the need arises.
- e. Supply of LPG for flame operation and supply of other consumables.
- f. Fountain operation will be conducted as scheduled by the **NPDC**.

2. Dancing Fountain and Choreography (5% of the total contract amount)

- a. The **SERVICE PROVIDER** must coordinate with the **NPDC** in the selection of songs in line with the monthly themes such as Valentine's Day in February, Holy Week, Filipiniana theme for June, Halloween for October and Christmas for December and any other special events.
- b. Total of forty (40) new songs shall be added yearly to the playlist, to be approved by **NPDC** and/or CPAD to submit the thematic playlist. In excess of forty (40) songs, a fee of Ten Thousand Pesos (Php 10,000.00) per song shall be charged to the Client payable to the Service Provider.
- c. Choreography including programming and testing of the songs.

3. Fountain nozzles, High Speed Chopping Systems, Filter Systems, Motorized valves and Solenoid Valves (10% of the total contract amount)

- a. Adjustment and calibration of fountain nozzles whenever needed.
- b. Performance of motorized valves are checked and adjusted whenever needed.

B. Preventive Maintenance Services (70% of the Total Contract Amount)

1. Gyrating Fountains (10% of the total contract amount)

- a. All components of the Gyrating Fountain should be checked on its electro-mechanical and electronic control systems regularly.
- b. Replacement of electro-mechanical and electronic components whenever needed.

2. Fountain Nozzles, High Speed Chopping Mechanisms, Filter Systems, Motorized Valves and Solenoid Valves (10% of the total contract amount)

- a. All high-speed Chopping Mechanisms, Filter Systems and Solenoid valves, are to be serviced whenever needed to maintain the desired water effects.
- b. Replacement and installation of Chopper Solenoid and electro-mechanical components whenever needed.


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3. Pumps and Compressors Maintenance (5% of the total contract amount)

- a. Checking of electrical and mechanical condition of the fountain pumps, filter pumps and compressors.
- b. Repair and rehabilitation of pumps and compressors whenever needed.

4. Maintenance on Control Systems (10% of the total contract amount)

- a. Gyrating Fountain Controls, Solenoid Controls, Chopper Controls, Flame Controls, Programmable Logic Controller, Programmed Vertical Jets Control, Motorized Valve Controls and are all checked that they are in good working condition.
- b. Magnetic switches, circuit breakers and automation electronics are to be checked as often as needed for loosened terminals and worn-out parts to eliminate down time.

5. Lamp Maintenance (12% of the total contract amount)

- a. Checking of lighting controls, fountain lamp components replacements and installation of busted components on the need basis.

6. Sound System Maintenance (8% of the total contract amount)

- a. Maintenance of Speaker Baffles and speakers.
- b. Maintenance of Sound System Equipment consisting of equalizers, amplifiers and music players.
- c. Playing/broadcasting of the **NPDC** announcements, advisories, messages etc.
- d. Coordinate with other projects for park enhancement.

7. Dancing Fountain, Lighting and Sound System Upgrades (5% of the total contract amount) where upgrades may include but may not be limited to the following:

- a. Upgrading of Fountain Components to efficient operation and improve the park goers experience, subject to the approval of the **NPDC**.
- b. Upgrades that would reduce water consumption for proper fountain operations.
- c. Other necessary upgrades such as but not limited to reduced electricity consumption.

8. Overall Fountain Maintenance (5% of the total contract amount)

- a. Dredging and cleaning of the lagoon.
- b. Repair of cracks.
- c. Repair of exposed fountain components.
- d. Removal of corrosion

ARTICLE II

THE SERVICE PROVIDERS'S UNDERTAKING

1. The **SERVICE PROVIDER** shall take necessary precautions and exercise due care and diligence in the performance of its undertaking so as not to cause injury, damage, or loss to the persons and property and shall at all times save the **NPDC** from any claim for damage arising therefrom.
2. Shall assume liability and responsibility for any and all losses and damages, for destruction to property, or death/injuries sustained by the **NPDC**, its employees,

and visitors which are directly attributable to the negligence, fault, unlawful act, or misconduct of the **SERVICE PROVIDER**'s personnel.

3. The **SERVICE PROVIDER** is mandated to enforce strict discipline and good order among its employees and shall agree to submit itself, its representatives, and all its workers to the rules and regulations of the **NPDC** on sanitation, security, and safety. In the same manner, the **SERVICE PROVIDER** shall act accordingly on the concerns relayed by the **NPDC** insofar as the conduct of service by its employees, and all other related matters committed in the course of the performance of their duties within the area provided in this Agreement.
4. The **SERVICE PROVIDER** shall be able to respond to situations that require immediate assistance to its employees due to national emergencies, such as but not limited to providing Personal Protective Equipment (PPE), without any additional cost to the **NPDC**.
5. The **SERVICE PROVIDER** shall undertake responsibility with respect to life and accident insurance coverage of personnel deployed to Rizal Park, Paco Park, any of the **NPDC** Offices, and premises.
6. The **SERVICE PROVIDER** shall provide Accident insurance for both personnel and property damaged.
7. The **SERVICE PROVIDER** shall provide consistent and quality service through qualified and highly trained technical personnel who shall maintain the musical dancing fountain to guarantee its continuous operation.
8. The **SERVICE PROVIDER** shall strictly abide by the maintenance schedule set by the **NPDC** from 9:00 am to 3:00 pm on a daily basis.
9. The **SERVICE PROVIDER** shall improve the encasements of the speakers and provide additional poly-amp speakers for the Dancing fountain with the specification below:
Two (2) sets Custom-made Poly-Amp powered three-way speaker system in weather-resistant baffles with interior damping materials, fiberglass lined, painted with stainless steel speaker grill in frames with a custom-designed weather-resistant blower. Power: 2000 watts RMS.
10. The **SERVICE PROVIDER** must provide all the necessary tools, equipment, and consumables for the operation, maintenance and repair of the musical dancing fountain for all technical personnel deployed to the **NPDC**.
11. The **SERVICE PROVIDER** must be filled with competent men and women skilled in Fountain Maintenance who know how to use and operate equipment and tools and are trained on safety practices and the use of personal protective equipment (PPE).
12. The **SERVICE PROVIDER** shall deploy manpower complete with the necessary Protective Equipment (PPE). The following minimum PPE requirements per activity shall be required:
 - 12.1 Safety goggles (if applicable)
 - 12.2 Water Goggles for pool maintenance
 - 12.3 Rubber gloves Insulated
 - 12.4 Proper Uniform adequate to pool/fountain maintenance (shorts/pants and long sleeves with service providers logo)


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12.5 Uniformed Protective Hats for Sun Protection

13. The **SERVICE PROVIDER** shall be consistent and timely in remitting to the following government agencies: SSS, PhilHealth, and PAG-IBIG.
14. The **SERVICE PROVIDER** shall warrant that its employees are paid on time and not less than the minimum wage as provided for by the law, including those government-mandated benefits such as SSS, PhilHealth, PAG-IBIG, 13th month pay, overtime pay, incentive leave benefits as provided by the Labor Code. A sworn statement complying with the labor laws shall be issued and submitted together with the monthly billing statement. Upon request, documents must be provided to verify the identity of the contractual employees assigned to the **NPDC**.
15. The **SERVICE PROVIDER's** administration, operations, and human resources division shall be properly and adequately staffed with men and women to support all the active technical personnel under its care.
16. The **SERVICE PROVIDER** shall provide formal training and seminars on "Handling basic maintenance of the electric motors/equipment" to **NPDC** employees at no cost.
17. Perform all other tasks that may be directed by the NPDC, insofar as the same is related to or analogous to the duties and responsibilities indicated in this Agreement.

ARTICLE III CONTRACT PRICE AND MANNER OF PAYMENT

1. In consideration of the full and faithful performance by the service provider of its undertaking and obligations under this contract, the **NPDC** shall pay the **SERVICE PROVIDER monthly** the amount of **SIX HUNDRED NINETY ONE THOUSAND SIX HUNDRED SIXTY SIX & 66/100 PESOS ONLY (Php 691,666.66);**
2. The **NPDC** requires the Service Provider to submit its billing statement on or before the 10th of each succeeding month. Failure to comply shall be subjected to liquidated damages amounting to 1/10 of 1% for every day of delay. Also, any non-conformity on the contractual deliverables shall be subjected to liquidated damages and/or termination of the contract.
3. Bi-monthly payment shall be allowed upon request by the NPDC at the end of every quarter provided that the documents are submitted every 20th day of March, June, September, and December, whichever is applicable.
4. Failure to submit the billing statement on time will result in delayed payment. The **SERVICE PROVIDER** shall wait for the next Notice of Cash Allocation (NCA) cycle for that billing period as NCA is given every quarter. As such, the NPDC has an option to pay the service provider next NCA Cycle/Quarter or subject to availability of funds.
5. Failure to submit the billing statement on time will result in delayed payment. The **SERVICE PROVIDER** shall wait for the next Notice of Cash Allocation (NCA)


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cycle for that billing period as NCA is given every quarter. As such, the **NPDC** has an option to pay the service provider next NCA Cycle/Quarter or subject to availability of funds.

6. In the event of downtime/non-operation of the musical dancing fountain, **Fountain Operation (equivalent to 30 % of the Total Contract Amount) shall not be payable.** The **NPDC** reserves the right to withhold payment amount of thirty percent of the total contract price, prorated on a daily basis, for every day of downtime or non-operation. The thirty percent (30%) cost for Fountain Operation shall be paid only upon introduction of additional maintenance and improvements such as the upgrading of fountain components, lighting and sound system as required by the **NPDC**.
7. Claim for unbilled charges and all other similar expenses
 - a. The **SERVICE PROVIDER** shall provide, in writing and including its supporting documents, if any, all unbilled charges, claims, and all other similar items within one (1) month after the expiration of the applicable contract; and
 - b. Failure of the **SERVICE PROVIDER** to manifest in writing the aforementioned claims in the immediately preceding paragraph will result in the waiver thereof, without prejudice to all other remedies provided for by law.

ARTICLE IV PENALTIES

1. VIOLATIONS/OFFENSES

In cases of violations/offenses of the **SERVICE PROVIDER**, including all its deployed personnel, on park rules and regulation, listed below are the following corresponding penalties.

- 1.1 First Offense: Written notice to the **SERVICE PROVIDER** requiring a documented explanation and action plan to prevent occurrence of the same violation/offense
- 1.2 Second Offense: For a subsequent violation/offense after the first, payable damages shall be imposed by the NPDC to the **SERVICE PROVIDER** for the second offense equivalent to 0.5% of the monthly contract price for the month where the violation/offense was committed.
- 1.3 Third Offense: Termination of Contract and Automatic Disqualification from bidding for any procurement contract with any procuring entity for a period of one (1) year upon receipt of Blacklisting Order

The NPDC shall deduct the amount of such payable damages from any money due the **SERVICE PROVIDER** under the contract or any such contract between **NPDC** and the **SERVICE PROVIDER**; and/or collect such payables from the Performance Security.


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2. TERMINATION OF CONTRACT

- 2.1 At any time during the effectivity of the contract, the same may be terminated or rescinded by **NPDC**, for any just and authorized causes and without need for any judicial action, by giving at least fifteen (15) days written notice which shall be final and binding upon the **SERVICE PROVIDER**.
- 2.2 Material breach of contract by the **SERVICE PROVIDER** shall be ground for termination of contract, such as when either of the following exists:
 - 2.2.1 The **SERVICE PROVIDER** has incurred a cumulative amount of liquidated damages equivalent to ten percent (10%) of the total contract amount within the one (1) year effective period of contract.
 - 2.2.2 The **SERVICE PROVIDER** has incurred two (2) consecutive performance assessment ratings of below SATISFACTORY (84.99 and below) within the effective period of the contract.
 - 2.2.3 Violation of the **SERVICE PROVIDER** of any material terms and conditions of the Contract.
 - 2.2.4 Labor disputes/strike of the **SERVICE PROVIDER's** personnel which is not settled immediately thereby causing prejudice to the delivery of services under the contract.
 - 2.2.5 Assignment or any form of conveyance by the **SERVICE PROVIDER** of its rights and interests under the contract, including the sales and disposition of any or all of its business to any third party, without the prior written consent of **NPDC**.

ARTICLE V INDEMNITY

1. The **SERVICE PROVIDER** shall hold the **NPDC** free from indemnity and hold harmless the **NPDC** for any and all liabilities, damages, losses, injuries, including death, due to the fault, negligence, or omission of the **SERVICE PROVIDER** and/or its personnel in the performance of the **SERVICE PROVIDER's** undertakings and obligations under this contract.

ARTICLE VI SURETY AND PERFORMANCE BOND

1. The **SERVICE PROVIDER** in order to make certain the fulfilment of its duties and responsibilities under this Contract shall, within ten (10) calendar days from the receipt of the approved Notice of Award, post a performance bond in favor of the, **NPDC**. The performance security shall be in the form of any of the following schedule:


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1.1 Cash, certified check, cashier's check, manager's check, bank draft or irrevocable letter of credit which amount shall be five percent (5%) of the total contract price;

1.2 Surety Bond, callable upon demand, and secured from any insurance company duly accredited by the Office of the Insurance Commissioner or GSIS, which shall be thirty percent (30%) of the total contract price.

2. The Performance Bond shall be valid up to forty-five (45) calendar days after the expiry date of the Contract. If the contract is extended or renewed, a new Performance Bond shall be posted by the **SERVICE PROVIDER** in the amount and form as above indicated.
3. In case the **NPDC** grants the **SERVICE PROVIDER** an extension or renewal of the contract, the **SERVICE PROVIDER** shall renew or extend the validity of its performance bonds at its expense.
4. Any change in this Contract, whether such change decreases or increases the amount stipulated herein, or any change in the manner of payment to the **SERVICE PROVIDER**, or such other modifications as maybe mutually agreed upon by the parties in writing, shall in no case annul or affect the liability of the **SERVICE PROVIDER** and the Performance Bond given.

ARTICLE VII EFFECTIVITY OF THE CONTRACT

1. The contract shall be effective from **01 February 2024 to 31 December 2024** and if no notice of termination is received by the **SERVICE PROVIDER** upon the lapse of the contract period, the contract may be extended on a month-to-month basis for a maximum period of six (6) months, subject to the availability of funds and subject to the provisions of the IRR of Republic Act No. 9184;
2. The **NPDC** has the right to terminate the service contract with the **SERVICE PROVIDER** before the stated contract end date if the **SERVICE PROVIDER** fails to meet the agreed-upon performance expectations and measures;
3. The contract maybe renewed for another six- month term subject to the mutual consent of both parties hereto, provided, however that the performance evaluation of the **SERVICE PROVIDER** for CY 2023 is at least **"ABOVE SATISFACTORY"**;
4. Within thirty (30) days after termination or rescission of this Contract, the parties shall settle their respective accountabilities as of the date of termination or rescission. Failure of the **SERVICE PROVIDER** to submit in writing any claim arising from this Agreement shall be deemed a waiver thereof, without prejudice to all other remedies provided for by law.

ARTICLE VIII INSPECTION

1. The **NPDC** or its duly authorized representative shall have the right to inspect the personnel assigned by the **SERVICE PROVIDER** at any time in order to

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determine the quality and acceptability of the service being performed by the personnel covered by the Contract.

ARTICLE IX MISCELLANEOUS PROVISIONS

1. Should the **NPDC** be constrained to resort to court action in order to protect its rights and interest hereunder, the **SERVICE PROVIDER** shall pay the **NPDC** an amount equivalent to twenty percent (20%) of the total sum claimed in the complaint, attorney's fees, plus the expenses of litigation, recoverable under pertinent laws. Provided, that attorney's fee shall in no case be less than Twenty Thousand Pesos (20,000.00). Venue of any court actions shall be in Manila City, Metro Manila.
2. Failure of the **NPDC** at any time to enforce or demand performance of any of all of the terms and conditions of this Contract and other related instruments of contracts shall in no way be construed as a waiver of such terms and conditions and shall not affect the validity or enforceability thereof of the right of the **NPDC** to subsequently enforce or demand performance of such terms and conditions.
3. Any amendment, alterations, or modification of this Contract shall not be valid and binding unless and until made in writing and signed by the parties hereto.
4. The **SERVICE PROVIDER** shall not sub-contract, assign or transfer any or all of its rights and obligations hereunder to any third party without the prior written consent of the **NPDC**. The Terms of Reference, Bid Data Sheet, Instruction to Bidders, Bid Bulletins and other bidding documents shall be deemed part of this Contract.

ARTICLE X RESOLUTION OF CONFLICTS

8. In the event of any conflict arising from the Contract between the **NPDC** and the **SERVICE PROVIDER**, the parties shall endeavor to settle their conflicts amicably, failing which, the same shall be submitted to arbitration and/or to a court of competent jurisdiction.

IN WITNESS WHEREOF, both parties have hereunto set their hands and affixed their signatures:

**NATIONAL PARKS DEVELOPMENT
COMMITTEE**

By:


CECILLE A. LORENZANA-ROMERO
Executive Director III

SERVICE PROVIDER

By:


MAYBELLE S. DE LEOZ
Managing Director

SIGNED IN THE PRESENCE OF:



ROSALINA P. TENEPERE

National Parks Development Committee



SAMUEL MICHAEL DE LEOZ

Industron Incorporated.

CERTIFIED FUNDS AVAILABLE:



ALEXANDRA JESSICA C. ROSEL

Acting Chief Accountant

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF PASAY) S.S.

BEFORE ME, a Notary Public for and in the City of PASAY, this
JAN 29 2024 appeared the following persons presenting to me their
respective identifications, to wit:

Name	Competent Evidence of Identity	Place of Issue and Validity
CECILLE A. LORENZANA- ROMERO	Philippine Passport S0022701A	25 June 2026
MAYBELLE S. DE LEOZ	Philippine Passport P8902565A	25 September 2028

known to me and to me known to be the same persons who executed and voluntarily
signed the foregoing *Contract Agreement*, which they acknowledged before me as
their own free and voluntary act and deed, and with full authority to sign in that capacity.

This instrument refers to the *Contract Agreement* and consisting of twelve (12) pages
including this page where the Acknowledgment is written, duly signed by the parties
and their instrumental witnesses thereof.

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

Doc. 202;
Page 42;
Book 84;
Series of 2024.

ATTY. EVELYN T. PANOPIO
Notary Public until December 31, 2024
Roll No. 07954/ IBP No. 52143 11-19-2001
PTR No. 2314140810 12-27-2023/ Pasay City
MCLE No. VIII-0031297

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