



BAGUIO WATER DISTRICT

"Serving Mankind is Serving God"



CONTRACT FOR THE ENGAGEMENT OF THE SERVICES OF A CERTIFYING BODY FOR THE RE-CERTIFICATION OF BAGUIO WATER DISTRICT (BWD) QUALITY MANAGEMENT SYSTEM (QMS) TO THE ISO 9001:2015 STANDARDS ON THE SUPPLY, PRODUCTION, AND DISTRIBUTION)

KNOW ALL MEN BY THESE PRESENT:

This CONTRACT, made and executed into by and between:

BAGUIO WATER DISTRICT, a Government Owned and Controlled Corporation (GOCC) duly organized and existing under and by virtue of Presidential Decree No. 198, as amended, with principal office address at No. 003 Utility Road, Marcoville, Baguio City, represented by its General Manager, **ENGR. SALVADOR M. ROYECA**, hereinafter referred to as "**BWD**";

- AND -

CERTIFICATION INTERNATIONAL PHILIPPINES, INC., a PAB-Accredited Certification Body, duly organized and existing under the laws of the Republic of the Philippines, with principal business address at Unit 806/807 OMM-Citra Building, San Miguel Avenue, Ortigas Center, Pasig City, represented herein by its President and Managing Director, **MR. JOSELITO C. SOLER**, duly authorized for the purpose of this Contract as evidenced in a Secretary's Certificate issued by Corporate Secretary **IGNACIO S. SAPALO**, attached hereto as **ANNEX "A"**, hereinafter referred to as the "**CIP**".

WITNESSETH: That,

WHEREAS, pursuant to the Executive Order No. 605, series of 2007, "Institutionalizing the structure, mechanism and standards to implement the Government Quality Management Program, amending the purpose of Administrative Order No. 161, series of 2006" and Administrative Order No. 161 "Institutionalizing Quality Management System in Government", to ensure consistency of quality products and services, transparency and accountability among the government agencies, **BWD** is implementing a Quality Management System (QMS) for all processes in its operations to ensure the delivery of timely and efficient services to its clients and completed the 1st Quality Management System Certification on the Supply, Production, and Distribution of Potable Water which is valid until June 18, 2023;

WHEREAS, in order to sustain continuity in the implementation of the QMS, particularly the Supply, Production, and Distribution of Potable Water, and ensure conformance to ISO 9001 standards, there is a need for **BWD** to continue with its ISO Certification;

WHEREAS, **BWD** is in need of a Re-certifying Body to provide professional and technical auditing services in order to ensure the long-term maintenance of a management system compliant to ISO 9001:2015, and enhance the knowledge and competence of the **BWD** official and employees in the effective and continuous implementation of its QMS;



WHEREAS, Baguio Water District - Bids and Awards Committee (BWD-BAC) conducted a Negotiated Procurement - Small value Procurement (Section 59.3) for the **Engagement of the Services of a Certifying Body for the Re-certification of Baguio Water District (BWD) Quality Management System (QMS) to the ISO 9001:2015 Standards on the Supply, Production, and Distribution)** that was posted on 17 February 2023 at the PhilGEPS and BWD websites, as well as in a conspicuous place in the office, continuously for at least three (3) days;

WHEREAS, in response to BWD's Request for Quotation, CIP submitted its quotation to provide professional and technical auditing services to BWD for three (3) years and after the conduct of bid evaluation and post-qualification, the bid of CIP was determined to be the single calculated and responsive bid with a price quotation of **THREE HUNDRED NINETY-TWO THOUSAND PESOS (Php392,000.00)** inclusive of all applicable government taxes and other charges imposed under applicable laws;

WHEREAS, CIP meets all the requirements set forth in the Terms of Reference and Request for Quotation;

WHEREAS, CIP shall provide professional and technical auditing services to BWD under the terms and conditions herein set forth;

NOW THEREFORE, for and in consideration of the foregoing premises and of the mutual covenants and stipulations hereinafter set forth, the parties hereto have agreed and do hereby agree, as follows:

1. CIP shall render the services as a Re-certifying Body for a period of three (3) years, effective upon signing of this Contract, and shall perform the following within the given schedule:

AUDIT YEAR	ACTIVITIES	DELIVERABLES	SCHEDULE
2023	Prepare and submit a Certification of Surveillance Audit Plan	<ul style="list-style-type: none">• Certification of Surveillance Audit Plan• Schedule of Activities for the entire duration of the engagement	<ul style="list-style-type: none">• Two (2) weeks prior to recertification /reassessment audit
	Reassessment / recertification Audit	<ul style="list-style-type: none">• Initial Report• Final/ Official Audit Report	<ul style="list-style-type: none">• Presented at the Closing Meeting of the Re-certification Audit• Within five (5) to seven (7) working days from end of re-certification audit, or as agreed upon by BWD and the CB.

Contract for the Engagement of the Services of a Certifying Body for the Re-Certification of Baguio Water District (BWD) Quality Management System (QMS) to the ISO 9001:2015 Standards on the Supply, Production, and Distribution)
Baguio Water District and Certification International Philippines, Inc.

AUDIT YEAR	ACTIVITIES	DELIVERABLES	SCHEDULE
	Issuance of (Re certification) ISO 9001:2015 Certificate with three (3) year validity	<ul style="list-style-type: none"> (Recertification) ISO 9001:2015 Certificate 	<ul style="list-style-type: none"> Within one (1) month after the conduct of the Re-certification Audit; or upon submission by BWD to, and approval by, the CB of corrections and corrective actions on non-conformity findings, if any, arising from the Re-certification audit.
2024	1 st Surveillance Audit	<ul style="list-style-type: none"> Initial Audit Report Final Audit Report 	<ul style="list-style-type: none"> to occur within one (1) year from the Re-certification Presented at the Closing Meeting of the 1st Annual Surveillance Audit Within five (5) to seven (7) working days from end of surveillance audit; or as agreed upon by BWD and the CB.
2025	2 nd Surveillance Audit	<ul style="list-style-type: none"> Initial Audit Plan Final Audit Report 	<ul style="list-style-type: none"> one (1) year after the conduct of the 1st Surveillance Audit presented at the Closing Meeting of the 2nd Annual Surveillance Audit within five (5) to seven (7) working days from end of surveillance audit; or as agreed upon by BWD and the CB.

2. **BWD** agrees to pay **CIP** the sum of **THREE HUNDRED NINETY-TWO THOUSAND PESOS (Php392,000.00)** inclusive of all applicable government taxes and other charges imposed under applicable laws, for the performance of the above-enumerated scope of work;
3. For and in consideration of the services rendered, **BWD** shall pay **CIP** the amount in Philippine Peso, upon completion of each of the following milestones and submission of the required deliverables in installment basis within the period of the three (3) years, to wit:

DELIVERABLE/ACTIVITY	PERCENTAGE	PRICE WITH 12% VAT
1st payment After re-certification Audit and Issuance of ISO 9001:2015 Certificate valid for three (3) years for the Scope: "Supply, Production, and Distribution of Potable Water"	50%	Php196,000.00
2nd payment Upon completion of the 1st Year Surveillance Audit and submission of Audit Report	25%	Php 98,000.00
3rd payment Upon completion of the 2nd Year Surveillance Audit and submission of Audit Report	25%	Php 98,000.00
TOTAL	100%	Php392,000.00

Each payment shall be supported by a Certification of Satisfactory Service based on the work/services rendered comprising the actual outputs as certified by the **BWD** ISO Committee and duly endorsed and approved by the QMR or his authorized representative;

4. **CIP** agrees to provide the following number of auditees to perform auditing services to **BWD**:

AUDIT ACTIVITY	MAN-DAY ALLOCATION
Re-Assessment Audit	6 man-days
1 st Surveillance Audit	3 man-days
2 nd Surveillance Audit	3 man-days

If the number of man-days is exceeded, **CIP** shall not charge **BWD** any additional fees as long as the activities are within the scope and deliverables agreed upon between the parties;

5. Any services performed beyond the contract period shall be completed at no additional cost to the **BWD**;
6. **BWD** shall pay **CIP's** travelling and accommodation expenses, supported by official receipts incurred during the conduct of the said audit activities.

7. The following documents shall form and be interpreted and construct as part of this Contract of Agreement, to wit:
- a. Requestion for Quotation
 - b. Terms of Reference
 - c. All documentary requirements submitted by **CIP**
 - d. Quotation Submitted by **CIP**
 - e. Notice of Award
 - f. Performance Security
 - g. Notice of Award
 - h. Other pertinent documents that may be required by **BWD**
- 7.1 All stipulations, documentary requirements, warranties, and other terms and conditions which are, and can be, agreed upon by **BWD** and **CIP** during and after the bidding process, but are explicitly provided herein, shall still form part of this Contract;
- 7.2 Any and all deficiencies that can be found in this Contract which are intended to be covered by it, but are not expressly stated herein, shall be supplied by any of the aforesaid Contract Documents;
- 7.3 in case of doubt and conflict between and among the provisions of this Contract, and/or between and among the above Contract Documents and this Contract, **CIP** shall refer the same in writing to the **BWD** for clarification and guidance. The clarification and determination made by the **BWD** shall be finding and conclusive upon the parties. The Contract shall not make any changes or alterations in the plans, conditions, and specifications of the procurement, without prior written approval by **BWD**.
- 7.4 The parties herein may, in writing, agree to revisions, alterations, or additions to the terms and conditions of this Contract, provided the same shall not be in violation of any law, rule or regulation governing contracts.

8. PERFORMANCE SECURITY

- 8.1 To guarantee the faithful performance of the **CIP** of its obligations under this Contract, **CIP** shall post, in favor of **BWD**, the required amount of the performance security in accordance with the following schedule:

FORM	AMOUNT OF SECURITY	MINIMUM AMOUNT
1. Cash or cashier's/ manager's check issued by a Universal or Commercial Bank	5%	Php19,600.00
2. Bank draft/ guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank: Provided however, that it shall be confirmed or authenticated by a Universal or Commercial Bank, if issued by a foreign bank	5%	Php19,600.00

3. Surety bond callable upon demand issued by a surety or insurance company duly certified by the Insurance Commission as authorized to issue such security	30%	Php117,600.00
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- 8.2 The performance security shall be effective and in full force for a period of three (3) years from date of signing of this Contract. In the event of any mutually agreed extension of the terms of this Contract, the performance security shall be renewed accordingly.
- 8.3 The Performance Security shall be released to the CIP within thirty (30) days from the end of the term of this Contract and upon the certification of BWD that the CIP has faithfully and completely performed its obligations under this Contract. The Performance Security shall answer for any damage BWD may suffer by reason of the CIP's default of any of its obligations and/or breach of the terms and conditions of this Contract and shall likewise guarantee payment for any loss, damage or injury that may be caused by the CIP to BWD.
- 8.4 The Performance Security shall be forfeited in favor of BWD in the event it is established that the CIP is in default, committed breach of its obligation under this Contract and/or failure to comply with any of the terms and conditions of this Contract. Any changes made in this Contract shall in no way annul, release or affect the liability of the CIP and the surety.

9. CANCELLATION OR POSTPONEMENT

BWD undertakes to provide thirty (30) day notice to CIP in the event of cancellation, postponement or any changes in the schedule to avoid extra charges incurred, covering administrative and non-reimbursable cost. It is understood however, that after the grant of re-certification to BWD, the schedules of the surveillance audit must be maintained as required by ISO/IAF certification rules.

10. VARIATION, POSTPONEMENT OR CANCELLATION

- 10.1 Where BWD intends to postpone or amend the agreed audit schedules and provides CIP less than five (5) working days' written notice of its intention, CIP reserves the right to charge a Variation fee of 50% of the appropriate audit man-day fee. If this not rescheduled within the agreed audit program, cancellation will be deemed to have occurred on notification of the original postponement.
- 10.2 In the event that BWD intends to cancel its Re-certification within its three-year validity period, a 3-month written notification of this intention must be provided by BWD to CIP.

11. BWD'S RIGHT TO TERMINATE/SUSPEND CONTRACT

- 11.1 **Termination due to CIP's default.** In the event of termination due to CIP's non-performance of its obligations as a certification body, BWD shall set a termination date in writing and CIP shall refund to BWD, within fifteen (15) days from receipt of notice thereof, the applicable Contract Price from termination date on a pro-rated basis. Refund to CIP is without prejudice to BWD'S right to claim damages and claim against the performance security of CIP.
- 11.2 **Termination by CIP.** The CIP may terminate this Contract upon service of a thirty (30) day written notice to BWD of the former's intention to terminate this Contract, and stating the grounds for termination of this Contract. This is without prejudice to the BWD'S availment of legal remedies and claims and other reliefs by reasons of damages it has sustained an account of such termination if caused by the CIP's non-performance of its obligation under this Contract.

12. LIABILITY CLAUSE

- 12.1 In case CIP is unable to comply with the terms and conditions of this Contract or fails to satisfactorily deliver the Services on time, except when BWD fails to comply with the terms and conditions of certification and its maintenance in the active status, CIP shall be liable to pay damages on account of such delay and shall pay BWD liquidated damages, not by way of penalty, in an amount equal to one-tenth (1/10) of one percent (1%) of the Contract Price for every day of delay, until the service (as may be required by BWD) has been provided.
- 12.2 The claim of liquidated damages is without prejudice to other legal claims for damages that the BWD may seek against CIP.
- 12.3 Any and all claims, liabilities, damages, suits, or causes of action of whatever nature or kind, now or hereafter arising from or in connection with this Contract, including but not limited to those resulting out of or as a consequence of the acts of employees, personnel, or representatives of CIP, shall be for the account of CIP. CIP shall indemnify BWD, its directors, officers, employees, and assigns against, and hold them free and harmless therefrom. The obligations of BWD under this provision shall survive the termination of this Contract.

13. CONFIDENTIALITY

CIP shall not, at any time during and after the audit engagement, divulge, or allow to be divulged, to any person any confidential information relating to the business or affairs of BWD. This obligation does not apply to any confidential information to the extent:

- that at the time of disclosure to CIP, such information is in the public domain;
- that such information subsequently comes into the public domain other than by reason of breach of this obligation;
- that disclosure is required by law or in the course of any legal proceedings; or

- d. that prior to such disclosure, such information was lawfully in CIP's possession as evidenced by the written records of CIP or its representatives.

14. NO EMPLOYER-EMPLOYEE RELATIONSHIP

This Contract does not create an employer - employee relationship between BWD and CIP auditors. CIP auditors are likewise not entitled to any benefit enjoyed by the regular personnel of BWD.

15. SPECIAL CONDITIONS

- 15.1 CIP obligates itself to comply with all existing laws, executive orders, administrative orders, letters of instruction, letters of implementation, rules and regulations issued or to be issued by competent agencies, or authorities of the Philippine Government which may have particular application to this Contract, which are deemed part and parcel of this Contract and govern the relations of the parties herein.
- 15.2 It is also understood that any failure of BWD to demand compliance with any of the terms and conditions of this Contract shall not be considered as waiver on the part of BWD for enforcement of this Contract, nor shall it relieve the CIP of any of the obligations provided thereunder.

16. SPECIAL UNDERTAKING

- 16.1 It is agreed and understood that any change, extension, alteration, modification and/or innovation mutually agreed between BWD and CIP to be in the Contract whether it involves increase or decrease of the contract price or change in the manner of time or time of payment to be made by BWD to CIP shall not, in any way, annul, release, affect or diminish the liability of CIP.
- 16.2 Under no circumstances shall CIP be entitled to payment for change order done or to be done without prior written consent of BWD. Any violation hereof shall be for the account of CIP.

17. FORCE MAJEURE

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

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

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

18. SEVERABILITY

Should any provision in this Contract be or become wholly or partially illegal, invalid or unenforceable, the validity or enforceability of the remaining provisions of the Contract shall not be affected as a result. The same applies in case the Contract contains a full gap in its provision. Instead of the provisions which are ineffective or impracticable, or to fill the gap, a suitable provision should apply which, insofar as legally possible, comes closest to the original intention of the Parties.

Should individual stipulations exceed the duration of this Contract, such stipulations will remain valid even after the effectivity thereof.

19. GOVERNING LAW AND VENUE OF ACTION

This Contract shall be governed and construed in accordance with the laws of the Republic of the Philippines. Venue of all actions arising from this Contract shall be brought exclusively to the jurisdiction of the appropriate courts of Baguio City, Philippines only.

20. MISCELLANEOUS

20.1 Any breach or violation of either party of the obligations and covenants under this Contract shall entitle the aggrieved party to rescind or cancel this Contract, after fifteen (15) days written notice to the affected party. In addition, the party that breached or violated this Contract agrees and obligates to pay actual damages incurred by the other party.

20.2 Any failure of **BWD** to enforce its rights and privileges under this Contract shall not be construed as a waiver or renunciation of such rights and privileges.

21. NO POACHING CLAUSE

BWD or any of its directors, officers and employees will not engage, either directly or through other service provider and/or agencies, the personnel or consultants engaged or provided by **CIP** to the former within twelve (12) months from the day of the termination of this Contract unless there is a written waiver from **CIP**.

22. ENTIRE AGREEMENT

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

Contract for the Engagement of the Services of a Certifying Body for the Re-Certification of Baguio Water District (BWD) Quality Management System (QMS) to the ISO 9001:2015 Standards on the Supply, Production, and Distribution)
Baguio Water District and Certification International Philippines, Inc.


23. EFFECTIVITY

That this contract takes effect on 30th day of May 2023 and shall be deemed revoked upon the completion of the services.

IN WITNESS WHEREOF, we have hereunto set our hands this 30th day of May 2023 at the City of Baguio, Philippines.


BAGUIO WATER DISTRICT

Represented by:

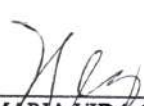

ENGR. SALVADOR M. ROYECA
General Manager


CERTIFICATION INTERNATIONAL PHILIPPINES, INC

Represented by:


MR. JOSELITO C. SOLER
President and Managing Director

Signed in the presence of:


MARIA VIDA C. RAGMA
ISO Committee


ENGR. SYBIL C. PADEN
Head of Certification

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)

Done in the City of Baguio

) S.S.

30 MAY 2023 BEFORE ME, a Notary Public for and in the City of Baguio, Philippines, this
day of May 2023, personally appeared the following:

Name

ID No.

1. ENGR. SALVADOR M. ROYECA

AGENCY (BWD) ID NO. 157

2. MR. JOSELITO C. SOLER

PASSPORT - P36934928

known to me to be the same persons who executed this CONTRACT FOR THE
ENGAGEMENT OF THE SERVICES OF A CERTIFYING BODY FOR THE RE-
CERTIFICATION OF BAGUIO WATER DISTRICT (BWD) QUALITY MANAGEMENT
SYSTEM (QMS) TO THE ISO 9001:2015 STANDARDS ON THE SUPPLY,
PRODUCTION, AND DISTRIBUTION and that they acknowledged to me that the same
is their own free act and voluntary deed and of the entity they each represent.

This document consists of thirteen (13) pages (inclusive of Annex "A", exclusive of
documents indicated in Item 8 of this Contract), including this page wherein this
acknowledgement is written, signed on each and every page hereof by the concerned
parties and their instrumental witnesses.

WITNESS MY HAND AND NOTARIAL SEAL this 30 MAY 2023 day of May 2023 at
Baguio City, Philippines.

Doc No. 453

Page No. 11

Book No. XV

Series of 2023.

ATTY. ROBLE G. CALABIAS

No. 24 Martinez Street, Upper Engineer's Hill, Baguio City

Notary Public

Until December 31, 2023

IBP Lifetime OR No. 580499 May 14, 2003

Roll No. 43275 May 7, 1998, Manila

N.A. 115-NC-21-R/MC LE VII-0013082 until Apr 15, 2025

PTR No. 1375062 Jan. 3, 2023, Baguio City

ANNEX "A"

Republic of the Philippines)
Makati City } s.s.

SECRETARY'S CERTIFICATE

I, **IGNACIO S. SAPALO**, Filipino, of legal age, and with business address at 11th Floor, Security Bank Centre, 6776 Ayala Avenue, Makati City, after being duly sworn to in accordance with law hereby depose and state. That-

1. I am the duly elected and appointed Corporate Secretary of **CERTIFICATION INTERNATIONAL PHILIPPINES, INC.**, a corporation duly organized and existing under and virtue of the laws of the Philippines, with principal place of business at Unit 806, 8/F, One Magnificent Mile, San Miguel Avenue, Ortigas Center, Pasig City, and SEC Registration No. AS095-003710;

2. I certify that a Special Meeting of the Board of Director was held February 20, 2023 at which a quorum was present, the following resolutions were duly passed and approved by the Corporation, to wit:


"Resolution, Series of 2023--

RESOLVED, That Certification International Philippines, Inc. (the "Company") be authorized to participate in the Public Bidding or Alternative Mode of Procurement pursuant to Republic Act No. 9184 (RA 9184) and its implementing rules and regulations, and other related laws and issuances, to be conducted by the Baguio Water District for the project entitled, "Engagement of the Services of a Certifying Body for the Re-Certification of Baguio Water District (BWD) Quality Management System (QMS) to the ISO 9001:2015 Standards on the Supply, Production and Distribution";

RESOLVED FURTHER, in connection with the Company's participation in the public bidding or alternative mode of procurement for the project, the person/s named herein shall be authorized to--

- Sign, execute, and deliver any and all documents and amendments thereto, including but not limited to forms, statements, undertakings, declarations and estimates necessary or relating to the Company's participation in the Project;
- Receive any and all notices, communication and information pertaining to the Project; and
- Execute and perform any and all acts necessary or appropriate to submit the bid and participate in the Project, and to sign and execute the ensuing contract for the Project."

SOLE SIGNATURE:

Name	Position	Specimen Signature
Mr. Joselito C. Soler	President and Managing Director	



Contract for the Engagement of the Services of a Certifying Body for the Re-Certification
of Baguio Water District (BWD) Quality Management System (QMS) to the ISO 9001:2015
Standards on the Supply, Production, and Distribution)
Baguio Water District and Certification International Philippines, Inc.

3. These Resolutions have not been amended nor repealed and remains in full force and effect. Any modification, amendment or repeal shall only be binding upon actual receipt of an original copy of the modified, amended or new resolution.

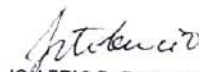
IN WITNESS WHEREOF, I have hereunto set my hand on this 22nd day of February 2023 at Makati City.


IGNACIO S. SAPALO
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 22nd day of February 2023 at Makati City, Philippines. Affiant is personally known to me and was identified by me through competent evidence of identity as defined in the 2004 Rules on Notarial Practice (A.M. No. 02-8-13-SC). Affiant exhibited to me his Senior Citizen ID issued at Muntinlupa City on May 16, 2013 with his photograph and signature appearing thereon, with No. 10168.

WITNESS MY HAND and seal this 22nd day of February 2023.

Doc. No. 87;
Page No. 19;
Book No. 1;
Series of 2023.


JONERIC B. TIBURCIO
Notary Public-Makati City
Attorney's Roll No. 71065
PTR No. 9574564; Makati; 01-09-2023
IBP No. 293723; Makati; 01-10-2023
Appointment No. M-007, until 12-31-2024
MCLE VII-0017528; Pasig; 05-10-2022
11F Security Bank Centre 6776 Ayala Ave. Makati

