

CONTRACT OF SERVICES

KNOW ALL MEN BY THESE PRESENTS:

This Contract of Services made and executed into this ____ day of _____ in Pasig City, Philippines, by and between:

The **AGRICULTURAL CREDIT POLICY COUNCIL (ACPC)**, an attached agency to the Department of Agriculture created pursuant to Executive Order No. 113 with office address at 28th Floor, One San Miguel Avenue Building, San Miguel Avenue cor. Shaw Blvd., Ortigas Center, Pasig City, Philippines, represented herein by its Executive Director, **JOVITA M. CORPUZ**, hereinafter referred to as the "**ACPC**";

and

The **UNIVERSITY OF THE PHILIPPINES AT LOS BANOS FOUNDATION, INC. (UPLBFI)** with principal office at UPLBFI Bldg., A. Aglibut Avenue, College, Laguna and represented hereinafter by its President, **REX VICTOR O. CRUZ**, hereinafter referred to as "**CONSULTANCY SERVICE PROVIDER**"

WITNESSETH THAT:

"**WHEREAS**, the ACPC is the institution on agricultural credit policy and program development that promotes a sustainable and effective delivery of financial services to the countryside;"

✓
"**WHEREAS**, the ACPC is mandated under Executive Order 113 to synchronize all credit policies and programs in support of DA's priority programs and to review and evaluate the economic soundness of all agricultural credit programs;"

Hand
"**WHEREAS**, the ACPC is mandated by Republic Act 7607 or the Magna Carta for Small Farmers of 1992 to "conduct special projects to promote innovative financing schemes for small farmers." (Section 21, Chapter 7);"

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"**WHEREAS**, the ACPC develops and pilot-tests innovative financing schemes to explore new arrangements and credit delivery mechanisms to expand the outreach of and increase access of small farmers and fisherfolk to credit;"

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"**WHEREAS**, the ACPC is mandated by Republic Act 8435 or the Agriculture and Fisheries Modernization Act (AFMA) of 1997 as oversight of the Agro-Industry Modernization Credit and Financing Program (AMCFP);"

"**WHEREAS**, the AMCFP is the umbrella credit program of the government for the agriculture and fisheries sectors to be implemented through the cooperative banks, rural banks, government financial institutions and viable non-government organizations;"

"**WHEREAS**, the Cooperative Banks Agricultural Lending Program (CBAP), a lending windows under the AMCFP, provides a stable, low-cost funding support to

cooperative banks that have demonstrated capacity to continually provide appropriate and incremental agricultural loans to small farmers and fisherfolk;"

"WHEREAS, there is a need to conduct an evaluation study to review the operations/performance of the CBAP and determine the impact on access to credit for production purposes of small farmers and fisherfolk and ultimately, to improve program design and implementation;"

"WHEREAS, the ACPC has recognized the necessity to engage the services of a consultant to undertake the study entitled "**Evaluation of the ACPC Cooperative Banks Agricultural Lending Program (CBAP)**" as scheduled in the ACPC 2014 Research Studies;"

"WHEREAS, the ACPC, through its Bids and Awards Committee (BAC) Resolution No. 8, Series of 2014 has invited bid for the supply and delivery of a consultancy services provider for the said research study;"

"WHEREAS, the ACPC, through its Bids and Awards Committee (BAC) conducted the following activities: checking of eligibility criteria on March 10, 2014; short listing of eligible bidders on March 18, 2014; and opening of bids submitted by shortlisted bidders on April 7, 2014;"

"WHEREAS, upon further evaluation of technical and financial proposal by the BAC TWG and BAC following the set of criteria for technical and financial evaluation, the highest responsive bid was obtained by University of the Philippines at Los Baños Foundation, Inc. (UPLBFI)/ CONSULTANCY SERVICE PROVIDER"

"WHEREAS, the CONSULTANCY SERVICE PROVIDER has accepted such engagement pursuant to a Notice of Award dated 05 May 2014;"

"WHEREAS, the CONSULTANCY SERVICE PROVIDER shall post a performance bond for thirty percent (30%) of the contract price of **Two Million Two Hundred Twelve Thousand Three Hundred Eighty Seven and 50/100 Pesos (Php2,212,387.50)**, prior to the signing of the contract;"

"NOW, THEREFORE, for and in consideration of the foregoing premises, the parties hereto have agreed, as they hereby agree, to enter into mutual covenants and stipulations hereinafter provided, to wit:

UNDERTAKING

A. The ACPC shall:

1. Allocate and release the fund in the total amount of **Two Million Two Hundred Twelve Thousand Three Hundred Eighty Seven and 50/100 Pesos (Php2,212,387.50)**. Except as may be otherwise agreed upon, payment under this contract shall not exceed the amount allocated;
2. Provide an initial release as mobilization fees in an amount representing FIFTEEN PERCENT (15%) upon signing of the contract and issuance of Notice to Proceed by ACPC; and release of: TWENTY-FIVE PERCENT (25%) upon written acceptance by ACPC of the Inception Report; THIRTY PERCENT (30%) upon submission of the progress report, TWENTY PERCENT (20%) upon submission of 1st draft report, TEN PERCENT (10%) upon submission and acceptance of the final report by ACPC;

3. Monitor the utilization of the fund in accordance with its purpose and objectives and the implementation of the project;
4. Assign a "focal person" to coordinate the activities;
5. Make available to the Consultancy Service Provider program reports and other related information materials.

B. Consultancy Service Provider shall:

1. Acknowledge the receipt of payment by issuing an Official Receipt in the name of ACPC;
2. Submit an audited financial report seven (7) days after each payment as may be required by ACPC and after the end of the contract date;
3. Commence the project 15 days upon receipt of the Notice to Proceed and submit to the ACPC the final output eight (8) months from the commencement date;
4. Implement the project in accordance with the Terms of Reference (TOR) and the Work and Financial Plan (Annex A & B) ;
5. Prepare and submit to ACPC the following:
 - a. Inception Report
 - b. Progress Report
 - c. Draft report; and
 - d. Final Report
6. Devote the necessary time and attention to the performance of the Services and at all times act with due diligence and efficiency, in accordance with the contract, during the Term of Engagement which shall last for eight (8) months.

C. GENERAL PROVISIONS:

The parties mutually agree to fully cooperate with each other for the successful undertaking and completion of the Project.

The parties mutually agree to perform, fulfil and abide with all the provisions and requirements, including all matters and things contained or could be reasonably inferred from the contract.

Nothing contained herein shall be construed as establishing or creating between ACPC and UPLBFI the relationship of principal and agent, it being understood that the position of the CONSULTANCY SERVICE PROVIDER and of anyone else performing the Services as that of an independent contractor.

No fees, gratuities, gifts, commissions, or other payments, other than those shown in the proposal or under the Contract, have been given or received in connection with the selection process or in the contract execution.

D. MISCELLANEOUS PROVISIONS:

1. INDEMNIFICATION

The CONSULTANCY SERVICE PROVIDER's liability under this Contract shall be limited to claims, actions, losses or damages directly caused by such failure to exercise skill and care in accomplishing the duties and responsibilities as specified in the contract and shall not include liability for any action, claim, loss or damage arising out of force majeure and occurrences incidental or indirectly consequential to such failure.

Force Majeure:

The term as employed herein shall mean acts of God, strikes, lock outs or other industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, earthquakes, storms, lightning, floods, washouts, civil disturbances, explosions, and any other similar events, not within the control of either party and which by the exercise of due diligence neither party is able to overcome.

2. NOTICE OF DELAY

In the event that the CONSULTANCY SERVICE PROVIDER encounters delay in obtaining the required services for facilities under this Contract, it shall promptly notify ACPC of such delay, and may request for an appropriate extension of time for the completion of the Services. Extension shall be allowed by ACPC only once for a maximum of three (3) months, upon submission of valid reason for such delay.

3. AMENDMENTS

No amendment, alteration, or modification of any of the terms and conditions of this Contract shall be valid unless in writing and signed by the duly authorized representatives of the parties.

4. PRE-TERMINATION

This Contract may be pre-terminated and/or rescinded if any of the following events shall have happened, and/or continue to happen:

By ACPC:

- a. Any conditions which have arisen which, in the reasonable mind could interfere or threaten to interfere with the successful carrying out of the Project, or the fulfilment of the purposes under the Contract;
- b. A default, failure or refusal shall have occurred on the part of the CONSULTANCY SERVICE PROVIDER to perform the Services under the Contract.

By the CONSULTANCY SERVICE PROVIDER:

- a. Shall promptly notify ACPC in writing of any situation or occurrence of any event beyond their reasonable control which makes it impossible for them to carry out their obligations hereunder.
- b. Upon confirmation in writing by ACPC of the existence of any such situation or event or upon failure of ACPC to respond to such notice within thirty (30) days of receipt thereof, the CONSULTANCY SERVICE PROVIDER shall be relieved from all liabilities from the date of such receipt for failure to carry out such obligations and the CONSULTANCY SERVICE PROVIDER may thereupon terminate the Contract by giving not less than thirty (30) days prior written notice.

In the event of pre-termination or rescission of the Contract, the CONSULTANCY SERVICE PROVIDER shall nevertheless be entitled to payment of service proportionate to the work performed or rendered.

5. EFFECTIVITY

This agreement shall become effective upon receipt of Notice to Proceed with the services for a period of eight (8) months. It shall be in full force and effect until the Services and all payments therefore have been completed, and at such time the parties hereto shall be mutually released from all obligations hereunder. It shall remain effective and in force until the fund released shall have been liquidated in accordance with the approved Program.

IN WITNESS, THEREOF, the parties hereto have signed this Contract on the date and place above written.


REX VICTOR O. CRUZ
President, UPLBFI


JOVITA M. CORPUZ
Executive Director, ACPC

WITNESSES


CECILIO R. ARBOLEDA

MAGDALENA S. CASUGA