



Republic of the Philippines  
**CITY GOVERNMENT OF MUNTINLUPA**  
**Bids and Awards Committee**

**NOTICE TO PROCEED**

**LEONEL WASTE MANAGEMENT CORPORATION**  
Rizal

Dear Sir / Madame:

The attached Contract Agreement having been approved, notice is hereby given to **LEONEL WASTE MANAGEMENT CORPORATION** that the CONTRACT of the City Government of Muntinlupa for the "**Provision of Garbage Collection, Hauling & Disposal Services for 2024**", shall commence effective FIVE (5) DAYS after acknowledging receipt hereof.

Upon receipt of this notice, you are responsible for performing the services under the terms and conditions of the Agreement and Schedule of Delivery.

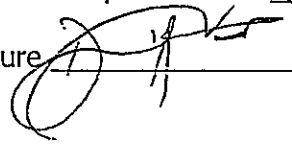
Please acknowledge receipt and acceptance of this notice by signing both copies on the space provided below. Kindly keep one (1) copy and return the other copy to the Bids and Awards Committee Secretariat.

Very truly yours,

  
Hon. **ROZZANO RUFINO B. BIAZON**  
City Mayor

I acknowledge receipt of this Notice on Jan. 19, 2024

Name of the Bidder or Representative Christian Daniel L. Velasco

Authorized signature 

## CONTRACT OF SERVICES

### KNOW ALL MEN BY THESE PRESENTS:

This **CONTRACT** is made and entered into by and between:

**CITY GOVERNMENT OF MUNTINLUPA**, a local government unit duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with office address at the City Hall Building, National Road, Putatan, Muntinlupa City, represented in this act by its City Mayor, **HON. ROZZANO RUFINO B. BIAZON**, and hereinafter referred to as the "**PRINCIPAL**";

- and -

**LEONEL WASTE MANAGEMENT CORPORATION**, a domestic corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at #8202 Don Mariano Marcos Ave., Bgy. San Jose, Rodriguez, Rizal, represented herein by its General Manager, **MR. CHRISTIAN DANIEL L. VELASCO**, hereinafter referred to as the "**CONTRACTOR**";

### WITNESSETH:

**WHEREAS**, one of the priority programs of the **CITY GOVERNMENT OF MUNTINLUPA (PRINCIPAL)** is the delivery of **PROVISION OF GARBAGE COLLECTION, HAULING AND DISPOSAL SERVICES FOR THE YEAR 2024** in order to ensure the cleanliness of the entire City;

**WHEREAS**, in order to attain this objective and in view of the expiration of its previous year's garbage collection, hauling and disposal contract, the **PRINCIPAL** has caused the procurement of said contract for 2023 through open and competitive bidding in accordance with the provisions of Republic Act No. 9184, or the Government Procurement Reform Act;

**WHEREAS**, in the public bidding that was conducted by the Bids and Awards Committee (BAC), the bid proposal by the **CONTRACTOR** was found to be the Lowest Calculated and Responsive Bid (LCRB), for which a Notice of Award has been issued by the City Mayor;

**NOW, THEREFORE**, for and in consideration of the foregoing premises, the parties hereto hereby agree as follows;

#### **I. CONTRACT PERIOD**

This Contract shall be effective from January 1, 2024 and until December 31, 2024.

#### **II. COVERAGE**

The **CONTRACTOR** shall provide garbage collection, hauling, and disposal services in the entire City, to include all household wastes in the main thoroughfares, City streets, alleys, and public places/spaces (PACKAGE DEAL/ONE LOT).

### III. OBLIGATIONS OF THE CONTRACTOR

#### A. EQUIPMENT

1. Fielding of minimum eight-five (85) trips to ninety (90) trips per day, covering the following:

- i. District 1 – MWF
- ii. District 2- TThS

This includes the everyday collection on regular routes from District 1 and District 2 such as main thoroughfares, public markets, public schools, government-owned buildings, public hospitals, lying-in clinics and public health centers (domestic wastes only).

Wastes to be hauled are:

- a. Biodegradable and non-biodegradable wastes
- b. Residential/domestic wastes

The following are on a schedule of collection basis with corresponding fees to be determined by ESC after inspection:

- c. Bulky wastes – old, broken pieces of furniture such as sala/sofa sets
- d. Green/Yard wastes – big tree branches and pieces of wood
- e. Used tires and used oil
- f. Other special wastes such as electronic waste (e-waste), junk appliances, refrigerators, washing machines and toilet bowls
- g. Earth mounds, construction debris – with corresponding fees
- h. Junkshop debris (residual) – with corresponding fees

2. Equipment to be used must be wholly owned by the CONTRACTOR, indicating its license/plate number, chassis number, motor number and be supported by its corresponding proof of ownership (official receipt, certificate of registration, deed of sale and/or invoice in favor of the CONTRACTOR, as applicable).
3. Two (2) units twenty-eight (28) cubic meter compactors and one (1) spare unit.
4. Two (2) units eight (8) cubic meters compactor that will be used for ESC's waste diversion commitment and one (1) small open dumping truck for ESC's collection of vegetables and fish entrails for its bio-digester and bioreactor and for the collection of used, treated and liquid wastes.
5. Forty (40) units fifteen (15) cubic meter compactor and two (2) spare units ten (10) wheeler long dumping trucks with a minimum capacity of thirty two (32) cubic meter.
6. One (1) unit six (6) wheeler dump truck.
7. Two (2) units backhoe with a minimum bucket capacity of 0.75m<sup>3</sup>.
8. One (1) unit payloador.
9. One (1) unit truck mounter crane.

10. Five (5) units motorcycles, two (2) units for the use of ESC monitoring staff.
11. Paleros/Garbage collectors must be residents of Muntinlupa City.
12. Twenty-four (24) hours standby mechanics, welders, painters and tinsmiths, drivers and paleros.
13. The CONTRACTOR must be a member of good standing with minimum experience of ten (10) years as hauler and must have proper accreditation and environmental clearances from MMDA as well as the DENR.
14. The CONTRACTOR must have a transfer station, with Certificate of Non-Coverage (CNC) Permit.
15. Each truck/compactor must be fully equipped with shovels, crate, broomsticks and canvass cover to avoid spillage during collection and disposal of wastes.
16. Dumpsite or landfill site must be duly accredited by MMDA or DENR.
17. The CONTRACTOR must provide disinfectants/deodorizers for the cleanliness and maintenance of transfer station and also the regular spraying of the same to all temporary garbage dumps (if any) or at the designated dumping site of the City Public Market and other city owned public places.
18. The CONTRACTOR must at all times provide necessary pieces of equipment (trucks, backhoe, ladder etc.) in the event of natural or man-made calamities or as the need arises.
19. The CONTRACTOR must also provide additional provision/logistics for the information dissemination of solid waste management programs/trainings such as tarpaulins, flyers and leaflets.
20. In the event that the city will accumulate domestic hazardous wastes such as LED lights and bulbs, busted fluorescent lights, road lights from lamp posts, car batteries, used oil and everything that the city government used, the CONTRACTOR will be responsible for its collection and disposal (heavy toxic and hazardous wastes not included).  
  
In relation to accumulated domestic COVID-19 related wastes such as face masks, face shields, gloves etc., the CONTRACTOR will also be responsible for its collection and disposal.
21. The CONTRACTOR must also provide assistance in the event of disaster, man-made or natural calamities and special operations such as city government initiated demolition/clearing operations.
22. Provision of a separate truck for the collection of all recyclables such as glass, metals, plastics and waste papers to be delivered to the Materials Recovery Facilities, Recycling Facilities or contracted junkshops.
23. Provision of additional truck for the collection of compostable or biodegradable wastes to be transported to the composting facilities, preferably an Elf truck or any open mini dump truck.

24. Provision of separate truck for the collection of household hazardous wastes for proper treatment prior to disposal.
25. Provision of separate truck for household infectious wastes or COVID-19 related wastes.
26. Apply color coding to the hauling truck per type of waste collected.

### **B. TRUCK TERMINAL/MOTOR POOL/OFFICE REQUIREMENT**

The contractor must maintain an office and truck terminal/motorpool facility in Muntinlupa City, with a minimum area of one thousand (1,000) square meters, complete with office staff and service personnel, to include 24-hour standby mechanics (at least 6), welders, painters, and tinsmith. Contractor must also maintain a sprayer for deodorizers and pressure washers to remove sticky residue and unpleasant odors of trucks. Contractor to submit a Letter of Intent/Lease Agreement /Certification of Availability/Location for Office/Truck Terminal/Motor Pool as well as a Manpower Schedule for its Office/Motorpool and List of Equipment.

- ii. The Contractor shall ensure that garbage collected and hauled shall not scatter about any public or private street or place, shall replace any receptacle, can or lid damaged by its employees and upon collection, and shall leave the premises in a neat and clean collection.
- iii. The Contractor shall ensure the speedy and expeditious dispatch and transport of its trucks to the authorized sanitary landfill of the MMDA for disposal.

### **C. MANPOWER REQUIREMENTS**

- i. Each LONG DUMP TRUCK must be driven by a professional driver (with professional Driver's License) and manned by at least one to four (1-4) paleros; while each compactor shall be driven by a professional driver (with professional Driver's License) and manned by at least two to three (2-3) paleros. Contractor to submit a Manpower Schedule for Drivers and Paleros
- ii. Each "palero" must be at least 18 years old, male and physically fit, and must each be equipped with uniform, complete gear (gloves, boots, caps, and masks) and an ID issued by the contractor
- iii. Prior to deployment, drivers and "paleros" must be provided with the necessary training in garbage handling and collection and compliance with the Ecological Solid Waste Management Act 2000 (RA 9003)
- iv. Drivers and "paleros" must be adequately compensated in accordance with the Labor Code and must be enrolled with SSS and Philhealth (Contractor to submit a certificate of registration with DOLE, SSS and PhilHealth)
- v. Contractor and dumpsite must be accredited by MMDA (with MMDA Accreditation)
- vi. At least 75% of employees/paleros must be residents of Muntinlupa City (to submit undertaking)
- vii. Mandatory drug test for old and new employees.

### **IV. OBLIGATIONS OF THE PRINCIPAL**

1. The **PRINCIPAL**, through its Task Force Clean and Green, the Environment & Sanitation Center (ESC), and the Chairman of the Committee on Health and Sanitation of the City Council, shall ensure that the **CONTRACTOR** complies with all the conditions of this Contract.
2. As consideration for its garbage collection and disposal services, the **PRINCIPAL** agrees to pay the **CONTRACTOR** the **Contract Price of TWO HUNDRED NINETY MILLION SIX HUNDRED SEVENTY SIX THOUSAND PESOS (Php290,676,000.00)**.
3. Payment for services shall be based on the billing statement to be submitted by the **CONTRACTOR** and verified true and correct by the **ESC**.

**V. OTHER OBLIGATIONS OF THE CONTRACTOR**

1. During the contract period, the **CONTRACTOR** shall secure the necessary business permit/licenses and payment of taxes.
2. The **CONTRACTOR** shall comply with all pertinent laws, rules and regulations, and City Ordinance.
3. The **CONTRACTOR** shall be responsible for any and all damages to third persons caused by its trucks/equipment and/or personnel during this operation.

**VI. MAINTENANCE OF CONTRACTOR'S EQUIPMENT/FACILITY**

The **CONTRACTOR** shall maintain its trucks in good running condition, particularly its bodies, engines, lightings, signal devices and tires.

**VII. PERFORMANCE SECURITY**

1. Within ten (10) calendar days from receipt of the Notice of Award but in no case later than the signing of the Contract by both parties, the **CONTRACTOR** shall furnish to the **PRINCIPAL** the performance security in the following forms and amounts from which the **CONTRACTOR** may choose:
  - i. Cash, certified check, cashier's check, manager's check, bank draft or irrevocable letter of credit in the amount of five percent (5%) of the total Contract Price (for January – December 2024);
  - ii. Bank guarantee in the amount of ten percent (10%) of the total Contract Price (for January – December 2024); and,
  - iii. Surety bond in the amount of thirty percent (30%) of the total Contract Price (for January – December 2024);
2. The proceeds of the Performance Security shall be payable to the **PRINCIPAL** as compensation for any loss resulting from the **CONTRACTOR'S** failure to complete its obligation under the Contract.
3. The performance security shall be denominated in the currency of the Contract.
4. The performance security will be discharged by the **PRINCIPAL** and returned to the **CONTRACTOR** not later than thirty (30) days following the date of completion of the **CONTRACTOR'S** obligations under the Contract and the issuance of a certification to that effect by the **PRINCIPAL**.

**VIII. USE OF CONTRACT DOCUMENTS AND INFORMATION**

1. The **CONTRACTOR** shall not, except for the purpose of performing the Contract, without the **PRINCIPAL'S** prior written consent, disclose the Contract,

or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or in behalf of the **PRINCIPAL**. Any such disclosure shall be made in confidence and shall extend only as far as may be necessary for the purpose of such performance.

2. Any document, other than the Contract itself, shall remain the property of the **PRINCIPAL** and shall be returned (all copies) to the **PRINCIPAL** on completion of the **CONTRACTOR'S** performance under the Contract if so required by the **PRINCIPAL**.

#### **IX. LIMITATION OF LIABILITY**

Except in case of criminal negligence or willful misconduct, and unless specified otherwise:

1. The **CONTRACTOR** shall not be liable to the **PRINCIPAL**, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the **CONTRACTOR** to pay liquidated damages to the **PRINCIPAL**; and,
2. The aggregate liability of the **CONTRACTOR** to the **PRINCIPAL**, whether under the Contract, in tort or otherwise, shall not exceed the total Contract Price, provided that this limitation shall not apply to the cost of replacing defective equipment.

#### **X. DELAY IN THE CONTRACTOR'S PERFORMANCE**

1. The performance of services shall be made by the **CONTRACTOR** in accordance with the time schedule agreed upon herein, as prescribed by the **PRINCIPAL**.
2. If at any time during the performance of the Contract, the **CONTRACTOR** should encounter conditions impeding timely performance of service, the **CONTRACTOR** shall promptly notify the **PRINCIPAL** in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the **CONTRACTOR'S** notice, the **PRINCIPAL** shall evaluate the situation and may extend the **CONTRACTOR'S** time for performance, in which case the extension shall be made by the parties by amendment of Contract.
3. Except in case of *force majeure* as provided hereunder, a delay by the **CONTRACTOR** in the performance of its obligations shall render the **CONTRACTOR** liable for the imposition of liquidated damages, unless an extension of time has been agreed upon by amendment of the contract without the application of liquidated damages.

#### **XI. LIQUIDATED DAMAGES**

Subject to the above provision on delays in the **CONTRACTOR'S** performance and the happening of a *force majeure*, if the **CONTRACTOR** fails to perform the services within the period(s) specified in the Contract, the **PRINCIPAL** shall, without prejudice to its other remedies under the Contract and under the applicable law, deduct from the Contract Price, as liquidated damages, a sum equivalent to at least one tenth (1/10) of one percent (1%) of the cost of the unperformed service for every day of delay until actual performance, up to a maximum deduction of ten percent (10%) of the amount of the Contract. Once the maximum is reached, the **PRINCIPAL** may consider termination of the Contract pursuant to the provision hereunder on termination by default of the **CONTRACTOR**.

#### **XII. TERMINATION FOR DEFAULT**

1. The **PRINCIPAL**, without prejudice to any other remedy for breach of Contract, by written notice of default sent to the **CONTRACTOR**, may terminate this Contract in whole or in part:
  - i. If the **CONTRACTOR** commits repeated acts of violation and/or noncompliance with any of the provisions of this Contract;
  - ii. If the **CONTRACTOR** fails to perform any of its obligation under this Contract, or is guilty of gross inefficiency in collection or grossly unsatisfactory performance; or,
  - iii. If the **CONTRACTOR**, in the judgment of the **PRINCIPAL**, has engaged in corrupt or fraudulent practices in competing for or in executing the Contract.

For the purposes of this provision:

- (a) "corrupt practice" means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution, entering, on behalf of the Government, into any contract or transaction manifestly and grossly disadvantageous to the same, whether or not the public officer profited or will profit thereby.
  - (b) "fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of the Borrower, and includes collusive practice among Contractors (prior to or after Bid submission) designed to establish Bid process at artificial non-competitive levels and to deprive the Borrower of the benefits of free and open competition.
  - (c) "collusive practice" means a scheme or arrangement between two or more Contractors, with or without the knowledge of the **PRINCIPAL**, designed to establish Bid prices at artificial, non-competitive levels;
  - (d) "coercive practice" means harming or threatening to harm, directly or indirectly, persons, or their property to influence their participation in a procurement process, or affect the executive of a contract.
2. In the event the **PRINCIPAL** terminates the Contract in whole or in part, it may procure, upon such terms and in such manner as it deems appropriate, services similar to those undelivered, and the **CONTRACTOR** shall be liable to the **PRINCIPAL** for any excess costs for such similar services. However, the **CONTRACTOR** shall continue performance of the Contract to the extent not 'terminated'.
  3. The right of the **PRINCIPAL** to hold the **CONTRACTOR** liable for damages shall be without prejudice to the **PRINCIPAL'S** right to proceed against the performance security and to rescind this Contract for violation or non-compliance with any terms or conditions hereof, subject to prior written notice to the **CONTRACTOR**.

#### **TERMINATION FOR INSOLVENCY**

The **PRINCIPAL** may at any time terminate the Contract by giving written notice to the **CONTRACTOR** if the **CONTRACTOR** becomes bankrupt or otherwise insolvent. In this event, termination will not prejudice or affect any right of action or remedy which has accrued thereafter to the **PRINCIPAL**.



## TERMINATION FOR CONVENIENCE

The **PRINCIPAL** may, by written notice sent to the **CONTRACTOR**, terminate the Contract, in whole or in part, at any time for its convenience. The notice of termination shall specify that termination is for the **PRINCIPAL'S** convenience, the extent to which performance of the **CONTRACTOR** under the Contract is terminated, and the date upon which such termination becomes effective.

## XIII. OTHER PROVISIONS

In case there is a decrease in the volume of garbage during the duration of this Contract, the **PRINCIPAL** and the **CONTRACTOR** shall agree on the reduction of the Contract Cost proportionate to the percentage decrease in the volume of garbage.

## XIV. FORCE MAJEURE

1. The **CONTRACTOR** shall be liable for forfeiture of its Performance Security, damages, or termination for default if and to the extent of its delay in performance or other failure to perform its obligations under the Contract that is not the result of a Force Majeure.

For purposes of this provision, "*force majeure*" means an event or situation beyond the control of the **CONTRACTOR** that is not foreseeable, is unavoidable, and its origins is not due to negligence or lack of care on the part of the **CONTRACTOR**. Such events may include, but not be limited to wars or revolutions, fires, floods, epidemics, quarantine restrictions, and freight embargoes.

2. If a *force majeure* situation arises, the **CONTRACTOR** shall promptly notify the **PRINCIPAL** in writing of such condition and the cause thereof. Unless otherwise directed by the **PRINCIPAL** in writing, the **CONTRACTOR** shall continue to perform its obligations under the Contract as far as is reasonably practical, and shall seek all alternative means for performance not prevented by the *force majeure*.

## XV. SETTLEMENT OF DISPUTES

1. If any dispute or difference of any kind whatsoever shall arise between the **PRINCIPAL** and the **CONTRACTOR** in connection with or arising out of the Contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.
2. If after thirty (30) days, the parties have failed to resolve their dispute or differences by such mutual consultation, then either the **PRINCIPAL** or the **CONTRACTOR** may give notice to the other party of its intention to commence arbitration, as hereinafter provided, as to the matter in dispute, and no arbitration in respect of this matter may be commenced unless such notice is given.
3. Any dispute or difference in respect of which a notice of intention to commence arbitration has been given shall be settled by arbitration. Arbitration may be commenced prior to or after delivery of services under the Contract.
4. Notwithstanding any reference to arbitration herein –
  - a. the parties shall continue to perform their respective obligations under the Contract unless they otherwise agree; and,

b. the **PRINCIPAL** shall pay the **CONTRACTOR** any monies due the **CONTRACTOR**.

**XVI. AMENDMENT**

No variation in or modification of the terms of this Contract shall be made except by written amendment signed by the parties.

**XVII. ASSIGNMENT**

The **CONTRACTOR** shall not assign, in whole or in part, this Contract, nor any right or obligation under this Contract, except with the **PRINCIPAL'S** prior written consent.

**XVIII. NOTICES**

1. A notice shall be effective when delivered and duly received or on the notice's effective date, whichever is later.
2. The address for notices shall be those specified above.

**XIX. GOVERNING LAW**

The Contract shall be interpreted in accordance with the laws of the Philippines.


IN WITNESS WHEREOF, the parties hereto have hereunto set their hand this \_\_\_ day of JAN 2024 in Muntinlupa City.  
~~JAN 19 2024~~

**CITY GOVERNMENT OF MUNTINLUPA**  
Principal

**LEONEL WASTE MANAGEMENT CORP.**  
Contractor


By:


By:

  
**HON. ROZZANO RUFINO B. BIAZON**  
City Mayor

  
**MR. CHRISTIAN DANIEL L. VELASCO**  
General Manager

Signed in the presence of:

  
IRENE MACAGOSA

  
Belinda Blessie Macagosa

**ACKNOWLEDGEMENT**

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

BEFORE ME, a Notary Public for the City of Muntinlupa, personally appeared the following:

Gov't.-Issued ID/Passport No.      Valid Until

Mayor Rozzano Rufino B. Biazon

Mr. Christian Daniel L. Velasco

known to me and to me known to be the same persons who executed the foregoing instrument and acknowledged that the same is their free and voluntary act and deed.

This Contract of Services, consisting of \_\_\_\_\_ ( ) pages, including their acknowledgement page, has been signed by all the parties and their respective witnesses on each and every page and sealed in my official seal.

WITNESS MY HAND AND SEAL this JAN 10 2024 day of 2024 at Muntinlupa City, Philippines.

NOTARY PUBLIC

Doc. No. 278  
Page No. 73  
Book No. 208  
Series of 2024.

**PATRICIO L. BONCAYAO, JR.**  
Notary Public  
2nd Floor, KLC Bldg., Rotonda,  
Alabang, Muntinlupa City  
MCLIC Compliance No. VII-0015578  
Issued on 04-13-22; Valid until 4-14-2025  
IBP Lifetime No. 019651; 11-06-15; Pasay City  
PTR No. 10474126; 01-02-24; Muntinlupa City  
NC-24-016; Muntinlupa City until 12-31-25  
TIN: 137-734-581  
Roll No. 33796  
Tel. No. 8800-70-16  
patricio\_boncayao\_lawoffice@yahoo.com.ph.