

## SERVICE AGREEMENT

### KNOW ALL MEN BY THESE PRESENTS:

This agreement made and entered into by and between:

\_\_\_\_\_, a corporation / partnership / sole proprietorship / cooperative duly organized and existing under Philippines laws, with plant addresses at \_\_\_\_\_ represented by its President, \_\_\_\_\_, hereinafter referred to as the "PRINCIPAL".

- and -

\_\_\_\_\_, a corporation / partnership / sole proprietorship / cooperative duly organized and existing under Philippine laws, with office address at \_\_\_\_\_ represented by \_\_\_\_\_, hereinafter referred to as the "SERVICE PROVIDER or CONTRACTOR".

### WITNESSETH

**WHEREAS**, the **CONTRACTOR**, duly registered with Certificate of Registration No. \_\_\_\_\_ issued by DOLE Regional Office No. \_\_\_ on \_\_\_\_\_, is an independent service provider with substantial capital, equipment, and expertise, primarily engaged in the business of providing \_\_\_\_\_ services;

**WHEREAS**, the **PRINCIPAL** is need of a **SERVICE PROVIDER** or **CONTRACTOR** to \_\_\_\_\_;

**WHEREAS**, the **CONTRACTOR** has offered its service and expertise to perform specific and/or specialized jobs/services/work for the **PRINCIPAL** and the **PRINCIPAL** has accepted the offer;

**NOW, THEREFORE**, for and in consideration of the foregoing premises, the parties hereto have agreed as follows:

#### A. Description of the Job, Work or Service

*The Service Agreement should state in as much detail as necessary what the Principal/User enterprise expects the subcontractor to do. The work description should include all relevant requirements, such as any time periods involved, deadlines, contingencies and milestones.*

#### B. Place of Work; Compliance with Labor Standards and Occupational Health and Safety, and Administrative Fee

*The place of work and terms and conditions governing the contracting arrangement, to include the agreed amount of the services to be rendered, the standard administrative fee of not less than ten percent (10%) of the total contract cost shall be provided.*

*Compliance with all the rights and benefits of the employees under the Labor Code and Department Order No. 18-A, Series of 2011, on: safe and healthful working conditions; labor standards such as, service incentive leave, rest days, overtime pay, 13<sup>th</sup> month pay and separation pay; retirement benefits; contributions and remittance of SSS, Philhealth, PagIbig*

*Fund, and other welfare benefits; the right to self-organization, collective bargaining and peaceful concerted action; and the right to security of tenure, must be provided.*

*The contractor or subcontractor shall directly remit monthly the employers' share and employees' contribution to the SSS, ECC, Philhealth and Pag-ibig.*

**C. Capacity to Carry Out the Contract**

*The Net Financial Contracting Capacity of the contractor, which must be equal to the total contract cost as defined in Section 3(g) of Department Order No. 18-A, Series of 2011, must be stated.*

**D. Payment**

*The Service Agreement should state in detail the terms of payment. In case of periodic payment, the agreement should state the dates payments are due and the amount due at each date. The Agreement can also include the method of payment and the applicable charges/penalty in case of delay by either party.*

**E. Bond**

*The issuance of the bond/s as defined in Section 3(m) of DO 18-A, Series of 2011, renewable every year, as agreed upon by the parties, shall be stated.*

**F. Term or duration of the Service Agreement**

**IN WITNESS WHEREOF**, the parties have signed these presents at \_\_\_\_\_ on \_\_\_\_\_.