

**CONSULTANCY SERVICES CONTRACT**  
**(Third-Party Certifying Body for the**  
**Re-certification to ISO 9001:2015)**

---

**THE PUBLIC IS INFORMED:**

This **Contract** is executed between:

**JOHN HAY MANAGEMENT CORPORATION ("JHMC")**, a government-owned and controlled corporation holding office at John Hay Special Economic Zone, Camp John Hay, Baguio City, represented here by its President and Chief Executive Officer, **ATTY. MARLO IGNACIO V. QUADRA**, as confirmed by the attached authority (**Annex "A"**);

**-and-**

**TÜV SÜD PSB PHILIPPINES INC. ("CERTIFYING BODY"** for clarity), a corporation organized and existing under and by virtue of the laws of Republic of the Philippines, holding office at 18/F The Orient Square Building, F. Ortigas Jr. Road, Ortigas Center, Pasig City, represented here by its MS Sales Executive, **MS. JOGIE C. CODINERA**, as confirmed by the attached authority (**Annex "B"**).

Both may be referred to individually as "**PARTY**" or collectively as "**PARTIES**".

**ANTECEDENTS:**

Administrative Order (A.O.) No. 161 dated 05 October 2006 entitled "Institutionalizing Quality Management System (QMS) in Government" was issued enjoining all government agencies and government-owned and controlled corporations (GOCCs) to establish an International Organization for Standardization (ISO) 9000- aligned QMS to ensure consistency of quality products and services through quality processes.

A.O. 605 or "Institutionalizing the Structure, Mechanisms and Standards to Implement the Government Quality Management Program, amending for the Purpose Administrative Order No. 161, s. 2006" was issued on 23 February 2007 directing all departments and agencies of the Executive branch including all GOCCs and government financial institutions to adopt the ISO 9001:2000 QMS as part of the implementation of a government-wide quality management program. The QMS shall be certified for demonstrated conformity with ISO 9001:2000 and the applicable Government Quality Management Systems Standards (GQMSS), with priority to be given to frontline services.

JHMC is a subsidiary of the Bases Conversion and Development Authority (BCDA) which is an instrumentality of the government established under Republic Act (R.A.) No. 7227, Series of 1992 with the express mandate of converting, privatizing and/or disposing of former military base lands, including Camp John Hay (CJH).

Executive Order (E.O.) 132, series of 2002 directs JHMC to develop and promote Camp John Hay as a tourism, human resource development center and multiple

JHMC, as the administrator of Camp John Hay, pursues the development of the estate into a sustainable tourist and investment destination which contributes to the Philippines' national economic growth.

ISO 9001:2015 Quality Management System (QMS) is internationally recognized as the world's leading QMS standard Organizations who are compliant with the ISO 9001:2015 QMS requirements (1) can demonstrate its ability to consistently provide its products and services that meet customer and applicable statutory and regulatory requirements; and (2) enhance customer satisfaction through effective application of the system, including processes for the improvement of the system and the assurance of conformity to customer and applicable statutory and regulatory requirements.

On 21 March 2019, JHMC was issued a Registration Certificate for ISO 9001:2015 QMS covering JHMC's processes in "Public Administration covering JHMC's core processes such as Business Development and Events Management, Provision of Regulatory Services, Forest and Environment Management, and Land and Asset Management". The Certification was valid until 20 March 2022.

JHMC was issued a renewed ISO 9001:2015 Certificate on 31 December 2021 which is valid until 20 March 2025.

In order to continuously comply with A.O. 605, JHMC needs a third-party CERTIFYING BODY, duly accredited by the International Accreditation Forum members, preferably, accredited by the Philippine Accreditation Bureau (PAB) of the Department of Trade and Industry (DTI), the accrediting agency for consulting firms providing audit and certification of management systems. The CERTIFYING BODY shall undertake the re-certification process, accredit JHMC's quality management system to ISO 9001:2015; and issue the corresponding certification.

Pursuant to the approved CY 2024 Annual Procurement Plan (APP) of JHMC, the Third-Party Certifying Body for the Re-certification to the ISO 9001:2015 (hereinafter known as the "**Consultancy Services**") is included as one of the Projects of JHMC to be pursued through Alternative Method-Small Value Procurement with an Approved Budget for the Contract (ABC) in the amount of Three Hundred Sixty Thousand Pesos (PhP360,000.00).

In accordance with Section 8(b), Annex H of the 2016 Revised Implementing Rules and Regulation (IRR) of the R.A. 9184, JHMC advertised the Request for Proposal (RFP) of the Consultancy Services, for at least three (3) calendar days, in the PhilGEPS and JHMC websites; and posted continuously at conspicuous places in JHMC premises.

On 6 and 14 June 2024, the JHMC Bids and Awards Committee (BAC) received two (2) proposals from WQA Phils. Inc. and TÜV SÜD PSB Philippines Inc., respectively.

After completion of the evaluation and validation of the proposals above, the BAC issued Resolution No. 2024-118 on 3 July 2024 recommending the award of the procurement to the CERTIFYING BODY which was considered as the bidder with the Highest Rated and Responsive Bid in the amount of Three Hundred Fifty-Nine Thousand Five Hundred Twenty Pesos (PhP359,520,000).

On 16 July 2024, the President and CEO, who was delegated by the JHMC Board of Directors or the Head of the Procuring Entity (HoPE) to approve contracts under Alternative Methods of Procurement with amounts not more than Five Hundred



Thousand Pesos (PhP500,000.00), approved the BAC Resolution recommending award in favor of the CERTIFYING BODY.

**NOW THEREFORE**, for and in consideration of the foregoing premises, the parties hereby mutually agree to the following:

## **ARTICLE 1**

### **SCOPE OF SERVICES**

The **CERTIFYING BODY** shall undertake the following services, in accordance with the Terms of Reference for this procurement:

- 1.1 Conduct the activities enumerated below to ensure that JHMC's quality management system complies with the requirements of ISO 9001:2015:
  - Conduct Pre-Audit Capability Assessment;
  - Conduct of the Re-Certification Audit of the JHMC QMS to ISO 9001:2015 (Year 1);
  - First Surveillance Audit (Year 2) of the JHMC QMS to ISO 9001:2015; and
  - Second Surveillance Audit (Year 3) of the JHMC QMS to ISO 9001:2015.
- 1.2 Prepare and submit to JHMC a Recertification Audit Report.
- 1.3 Issue copies of the Certificates.
- 1.4 Fulfill all its obligations by using technical expertise and in accordance with the highest professional and industry standards. The **CERTIFYING BODY** shall provide personnel with sufficient qualifications and experience to ensure the full satisfactory accomplishment of the required services under this Consultancy Contract and Terms of Reference.

## **ARTICLE 2**

### **TERM**

- 2.1. The Contract shall remain in force and effect for a period of three (3) years commencing from 21 March 2025 and effective until the full delivery of the requirements and acceptance by JHMC.
- 2.2. The Parties may extend the Contract upon such terms and conditions as may be agreed upon at no additional cost to **JHMC**.

## **ARTICLE 3**

### **CONTRACT PRICE AND PAYMENT TERMS**

- 3.1. For services rendered, **JHMC** shall pay the **CERTIFYING BODY** the amount of **Three Hundred Fifty-Nine Thousand Five Hundred Twenty Pesos (PhP359,520.00)**, inclusive of all applicable taxes, in accordance with the following schedule:

Percentage of Payment	Activity/ Deliverable
50%	After the recertification audit and issuance of ISO 9001:2015 Certificate
25%	After the 1st surveillance audit and confirmation to ISO 9001:2015 Certificate
25%	After the 1st surveillance audit and confirmation to ISO 9001:2015 Certificate

3.2. Any payment relative to the partial or full completion of this Contract shall be in accordance with government procurement and auditing regulations.

3.3. The release of each payment tranche in accordance with the schedule of required activities/output shall be subject to JHMC's acceptance, verification, and approval of the required submissions/completion of activities by the CERTIFYING BODY.

#### **ARTICLE 4** **CONTRACT DOCUMENTS**

The following documents shall be attached, deemed to form, and be read and construed as an integral part of this **Contract**, to wit:

- a. Terms of Reference;
- b. BAC Resolution recommending the award in favor of the CERTIFYING BODY;
- c. Curriculum Vitae of the Certification Audit Team;
- d. Certification of Accreditation with the Philippine Accreditation Bureau (PAB);
- e. Proof of posting of the Performance Security; and,
- f. Confidentiality Agreement.

#### **ARTICLE 5** **OBLIGATIONS OF THE CERTIFYING BODY**

The **CERTIFYING BODY** shall:

5.1. Organize an Audit Team that will undertake the activities stated in the Terms of Reference within the agreed timeframe;

5.2. Assume all costs related to its assigned Audit Team members, including their salaries, allowances, meals, field accommodations, transportation and/or logistical support, and other expenses necessary to perform the services throughout the duration of the Contract.

5.3. Ensure that the employees/Audit Team members that will be deployed in JHMC premises shall faithfully observe and comply with all JHMC rules and regulations.

5.4. Issue the Certificate with a validity of three (3) years.

5.5. Conduct of 1<sup>st</sup> and 2<sup>nd</sup> Annual Surveillance Audits.

**ARTICLE 6**  
**OBLIGATIONS OF THE JHMC**

**JHMC shall:**

- 6.1. Designate a counterpart support team that will coordinate with the CERTIFYING BODY regarding the technical and administrative requirements of the activities, including progress monitoring;
- 6.2. Provide logistical requirements during the activities such as, meeting venues, equipment, etc. as may be necessary;
- 6.3. Provide location guides during the audit activities, as may be necessary; and
- 6.4. Ensure availability and participation of concerned staff during the conduct of the audits, and other activities necessary in the course of the audit process.

**ARTICLE 7**  
**PERFORMANCE SECURITY**

7.1 This Contract shall not take effect until the CERTIFYING BODY has furnished and delivered to JHMC a "Performance Security" equal to a percentage of the total contract price as required under Section 39.2 of the Revised IRR of R.A. 9184, as follows:

Form of Performance Security	Amount of Performance Security (Equal to Percentage of the Total Contract Price)
a) Cash or cashier's/manager's check issued by a Universal or Commercial Bank.	Goods and Consulting Services- Five Percent (5%)
b) 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.	
c) Surety bond callable upon demand issued by a surety or insurance company duly certified by the Insurance Commission as authorized to issue such security.	Thirty Percent (30%)

7.2 The Performance Security shall remain valid until **JHMC** issues the Certificate of Acceptance, subject to the following conditions:

- a) JHMC has no claims filed against the CERTIFYING BODY; and/or
- b) There are no claims for labor and materials filed against the CERTIFYING BODY.



7.3 It is understood that the Performance Security shall be forfeited in favor of **JHMC** in the event that the **CERTIFYING BODY** defaults in any of its obligations under the Contract.

## **ARTICLE 8**

### **EMPLOYER-EMPLOYEE RELATIONSHIP**

8.1. Nothing in this Contract shall create an employer-employee relationship between **JHMC** and the **CERTIFYING BODY** or its Audit Team members.

8.2. The **CERTIFYING BODY** is an independent contractor and shall have no authority to bind **JHMC** without its consent.

8.3. The **CERTIFYING BODY** shall render **JHMC** free and harmless from any other claims of the **CERTIFYING BODY**'s employees arising from violations of labor laws and social legislation.

## **ARTICLE 9**

### **CONFIDENTIALITY**

9.1. The **CERTIFYING BODY** shall not disclose to a third party any of the terms contained herein, any proprietary or confidential information. **JHMC**'s business or operation, reports or filings under this Contract, *except* for disclosures required under the laws, rules and regulations of the Philippines or pursuant to valid and enforceable orders of courts or other governmental agencies with jurisdiction over the subject matter of this Contract without prior written consent of **JHMC**. Attached as **Annex "C"** is a separate Confidentiality Agreement signed by the **CERTIFYING BODY**, which shall form an integral part of this Contract.

9.2. This provision shall survive the termination of this Contract.

## **ARTICLE 10**

### **OWNERSHIP OF MATERIAL**

All materials and work provided by the **CERTIFYING BODY** shall belong exclusively to the **CERTIFYING BODY** and shall not be used for any purpose other than the implementation of this Contract. Any use, reproduction, publication sale or distribution of these materials and works shall be subject to the prior written consent of the **CERTIFYING BODY** and such terms as the **CERTIFYING BODY** shall require. Any original works created arising out of or in connection with this Contract shall belong to the **CERTIFYING BODY**, except where the original work uses any data or material belonging to **JHMC**, in which case, the work shall be owned jointly by both parties, with each having royalty free non-exclusive and irrevocable license to use, publish, copy, reproduce or distribute the work for government purposes.

## **ARTICLE 11**

### **LIABILITY**

11.1 The **CERTIFYING BODY** shall not be liable to **JHMC** for any loss or damage

unless due to the **CERTIFYING BODY's** or its employees' gross negligence or breach of this Contract.

11.2. **JHMC** shall not be liable for any injury, illness or death sustained by the **CERTIFYING BODY's** employees arising from the COVID-19 pandemic while in the performance of their duties and responsibilities in connection with this Contract.

## **ARTICLE 12** **LIQUIDATED DAMAGES**

In case of breach of contract, the **CERTIFYING BODY** shall pay **JHMC** liquidated damages in the amount equal to at least one-tenth (1/10) of one percent (1%) of the unperformed portion for every day of delay. Once the cumulative amount of liquidated damages reaches ten percent (10%) of the amount of the Contract, **JHMC** may rescind or terminate the Contract, without prejudice to other courses of action and remedies available.

## **ARTICLE 13** **INDEMNITY**

Each of the Parties shall indemnify and hold the other free and harmless from any claims of third parties arising from a negligent or otherwise wrongful act, or omission by any of the Parties or their respective employees or representatives.

## **ARTICLE 14** **WARRANTIES**

All conditions and warranties, express or implied by law or otherwise, when applicable, shall be deemed incorporated into the Contract.

## **ARTICLE 15** **FORCE MAJEURE**

No Party shall be held liable to the other for the delay or non-performance of its obligations under this Contract arising from any cause or causes beyond its reasonable control such as but not limited to the following: (a) act of God, (b) government acts, (c) war, fire, flood, explosion or civil commotion or (d) other analogous circumstances.

## **ARTICLE 16** **TERMINATION OF CONTRACT**

The Parties may cause the termination of this Contract in accordance with the applicable provisions of R.A. 9184 and its 2016 Revised IRR.

**ARTICLE 17**  
**DISPUTE RESOLUTION**

Parties agree that any dispute, controversy or claim arising out of or relating to the implementation of this Contract, or the breach, termination or invalidity thereof shall be settled by arbitration in accordance with the provisions of R.A. 876, otherwise known as the "Arbitration Law" and R.A.9285, otherwise known as the "Alternative Dispute Resolution Act of 2004" or the Arbitration Rules as at present in force. Parties may also resort to other alternative modes of dispute resolution as may be agreed upon. Should arbitration fail and either Party files a court action, the venue shall be in the appropriate courts of Baguio City, to the exclusion of all other courts.

**ARTICLE 18**  
**AMENDMENTS**

Any amendment or modification of any provisions of this Contract shall be made in writing and approved by both Parties.

**ARTICLE 19**  
**ASSIGNMENT**

The **CERTIFYING BODY** shall not assign this Contract or sub-contract the performance of any portion of it, without **JHMC**'s prior written consent.

**ARTICLE 20**  
**SEPARABILITY CLAUSE**

If any part of this Contract is declared unenforceable or void, the rest of the Contract shall nevertheless remain in full force and effect.

**ARTICLE 21**  
**NON-WAIVER OF RIGHTS**

21.1. No failure, omission or delay of any Parties in exercising any of its rights, privileges, and remedies hereunder shall operate as a waiver thereof.

21.2. No waiver or departure from the terms of this Contract shall be valid unless made in writing and signed by the Party's authorized representative. Such waiver shall be effective only in the specific instance and for the purpose for which it is given.

**ARTICLE 22**  
**BINDING EFFECT**

This Contract shall be binding on the Parties and their respective successor-in-interest.

**SIGNED BY** the Parties on \_\_\_\_\_ and \_\_\_\_\_ at Baguio City and



**JOHN HAY MANAGEMENT  
CORPORATION**

By:



**ATTY. MARLO IGNACIO V.  
QUADRA**  
*President and CEO*

**TÜV SÜD PSB PHILIPPINES INC.**

By:



**JOGIEL C. CODINERA**  
*MS Sales Executive*

SIGNED IN THE PRESENCE OF:



**LEA C. QUISO BEN-MAGUILA**  
*Corporate Planning Manager, JHMC*



**PAMELA MAYE GUNAY**  
*Senior Manager,  
Business Assurance*

Certified Availability of Funds:

CAF No.: CAF 24-08-136

BUR No.: 02-2024-08-0780



**JOSEPHINE Q. TECAN**  
*Accountant, JHMC*

## ACKNOWLEDGEMENT

**Republic of the Philippines)**  
**Done in Baguio City ) S.S.**

**BEFORE ME**, a Notary Public in and for Baguio City, personally appeared:


NAME	IDENTIFICATION DOCUMENT	DATE/PLACE OF ISSUE
Atty. Marlo Ignacio V. Quadra	Driver's License No. A11-98-004083	Until October 22, 2024

He is known to me to be the same person who executed the foregoing instrument and he acknowledged to me that the signature he affixed confirms his own free act and the entity he represents.

This contract, consisting of eleven (11) pages including this where the acknowledgment is stated, relates to the Consultancy Services Contract between John Hay Management Corporation and TÜV SÜD PSB Philippines Inc. The Party and his witness signed in the proper spaces and the left margin of every page.

**SIGNED AND SEALED** on AUG 13 2024 at Baguio City, Philippines.

Doc. No. 482  
Page No. 98  
Book No. I  
Series of 2024.

  
**ATTY. MARY ELLEN S. CABUHAT**  
Notary Public for and in Baguio City  
Notarial Commission valid until 31 December 2025  
IBP No. 407458; 01/08/2024  
PTR No. 6181437; 01/12/2024  
Roll of Attorneys No. 55866  
MCLE Compliance No. VII-0004316 valid until 04/14/2025

## ACKNOWLEDGEMENT

Republic of the Philippines)  
Pasig City ) S.S.

BEFORE ME, a Notary Public in and for Pasig City AUG 27 2024,  
personally appeared:


NAME	IDENTIFICATION DOCUMENT	DATE/PLACE OF ISSUE
Jogie C. Codinera	Driver's License No. N25-20-057767	Until March 29, 2025

She is known to me to be the same person who executed the foregoing instrument and she acknowledged to me that the signature she affixed confirms her own free act and the entity she represents.

This contract, consisting of eleven (11) pages including this where the acknowledgment is stated, relates to the Consultancy Services Contract between John Hay Management Corporation and TÜV SÜD PSB Philippines Inc. The Party and her witness signed in the proper spaces and the left margin of every page.

SIGNED AND SEALED on AUG 27 2024 at Pasig City.

Doc. No. 493  
Page No. 100  
Book No. 5  
Series of 2024.

  
ATTY. JOMAR M. HIZOLA  
NOTARY PUBLIC  
Cities of Pasig, San Juan and Pateros, Metro Manila  
21k Strata 100 Bldg., Don F. Ortigas St., Pasig City  
Appointment No. 150; Until Dec. 31, 2024  
SC. Roll No. 81022/ 05-21-2022  
IBP No. 423715 / 01/16/2024; IBP Manila 1  
PTR No. 1716816 / 01/16/2024; Pasig City  
MCLE No. VIII-0006903 02/20/2024-04/14/2028



## SECRETARY'S CERTIFICATE

REPUBLIC OF THE PHILIPPINES) Sc.

—**BAGUIO CITY** )

I, **TEDDY ESTEBAN F. RIGOROSO**, of legal age, married, with office address in Rigoroso Galindez Rabino Laron & Maristela Law Offices, 901 Fil Garcia Tower, 140 Kalayaan Avenue, Diliman, Quezon City, Metro Manila, Philippines, being the Corporate Secretary of the John Hay Management Corporation (JHMC), after having been duly sworn in accordance with law, hereby CERTIFY, that during the 247<sup>th</sup> Regular Meeting of the JHMC Board of Directors held on 15 January 2024 at Hotel Celeste, 02 San Lorenzo Drive corner A. Arnaiz Avenue, San Lorenzo Village, Makati City, where a quorum was present, upon motion made and duly seconded, the Board passed and approved the following resolution:

*John Hay Management Corporation  
Board Resolution No. 2024-0115-007*

Resolve, as it is hereby resolved, that the **John Hay Management Corporation ("JHMC") Board of Directors** hereby authorizes the JHMC President and Chief Executive Officer to approve and sign the following:

- 1) Terms of Reference, Scope of Services, and Program of Works with amounts not more than Five Hundred Thousand Pesos (P500,000.00);
- 2) Bids and Awards Committee ("BAC") Resolutions, on behalf of the Head of Procuring Entity ("HOPE"), for the alternative methods of procurement specified in the Annual Procurement Plan and with amounts not more than Five Hundred Thousand Pesos (P500,000.00);
- 3) Contracts, for and on behalf of JHMC, involving procurements under Alternative Methods of Procurement with amounts not more than Five Hundred Thousand Pesos (P500,000.00); and

Resolved, finally, that this Resolution shall take effect immediately on 15 January 2024 and shall supersede all prior JHMC resolutions, instructions, memoranda, circulars, or instruments inconsistent herewith.

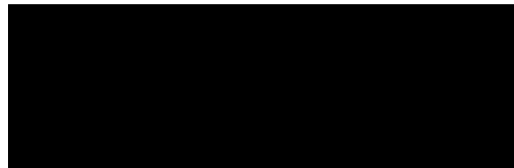
This certification is being issued subject to the final approval of the Minutes of the 15 January 2024 JHMC Board meeting.

IN WITNESS WHEREOF, I have set my hand this JAN 18 2024 day of \_\_\_\_\_ 2024 in BAGUIO CITY

**ATTY. TEDDY ESTEBAN F. RIGOROSO**  
Corporate Secretary

SUBSCRIBED AND SWORN TO before me this JAN 18 2024  
affiant exhibiting to me his IBP Identification Card No. 42240. day of \_\_\_\_\_ 2024 in BAGUIO CITY

Doc No.: 472  
Page No.: 95  
Book No.: VIII  
Series of 2024



GRAY S. TAMBIAC  
Notary Public for Baguio City  
Notarial Commission N.A.-167-NC-22-R  
My Commission Expires on December 31, 2024  
Roll No. 63487; 05-08-14; Manila  
MCLE COMPLIANCE No. VII-0010149; 2-15-22  
PTR No. 6881954; 01-03-2024; Baguio City  
IBP O.R. No. 389872; 01-02-24; Baguio-Benguet Chapter



## Secretary's Certificate

For and in Particular, the Municipality of Paterson  
Appoints Mr. [redacted] Valid until 12/31/2025  
M.L.E. Exemption No. 122501-0001234, until 06/14/28  
Roll No. 485, 100-115-00000; OR 515-000, 00/21/2001  
TIN 123-011 75-011R 102151 AA; 01A 024; Pasig City  
Unit 1, West River Park Exchange Road  
Ortigas Center, Pasig City. Tel. +632-86314090