

5. **Consideration** – For and in consideration of the service/s rendered, the **CLIENT** hereby agrees to pay the **CONTRACTOR** the billing rates as provided in the “Monthly Billing Rates” hereto attached as Annex “B” (Financial Proposal) and made an integral part of this Contract. The rates quoted are based on an actual eight (8) hours work per day per Contractor’s Personnel and including government mandatory contribution and Admin. Service charges of 11% plus 12% Value Added Tax (VAT). The rates, however, shall be adjusted in case of future legally mandated VAT, wage increases, benefits, mandatory government premium contributions and other charges.

However, notwithstanding the Admin. Service Fee computation above mentioned, the parties consent and agree to amend, revise and conform with DOLE’s advisory or any future clarificatory computation, issued or released by the duly authorized authority or any applicable law, with regard to the computation above mentioned. Further, should the current computation be greater than what is provided by any future clarificatory computation, the **CONTRACTOR** agrees to refund the overpayment in favor of the **CLIENT**, without need of demand.

6. **Mode of Payment** - All bills shall be paid within fifteen (15) calendar days from receipt thereof. Bills unpaid after fifteen (15) calendar days shall automatically earn interest at two (2%) percent per month until fully paid. A fraction of a month shall be considered as one month. Non-payment of bills for two (2) consecutive periods shall be a ground for the **CONTRACTOR** to terminate this contract.
7. **Overtime and Services Rendered on Holidays** – For services rendered over and above the eight (8) hour regular working time and/or during holiday/rest day, the **CONTRACTOR** shall charge overtime, night differential and holiday pay as the case may be at billing rates based on applicable government rules and regulations and other laws of the Republic of the Philippines.
8. **Benefits under the Labor Code and Special Laws** – Entitlement of Contractor’s Personnel under the Labor Law and other Special Laws, shall be included in the **CONTRACTOR’S** billing, which shall be billed to the **CLIENT**, when the employee concerned becomes entitled to such benefit as provided for under the law. The **CONTRACTOR** shall, at the end of each billing period, submit to **CLIENT** an affidavit (with attached paid payroll, summary of remittances to SSS/PHIC/HDMF) to the effect that it has paid all of its personnel assigned to **CLIENT** all their compensation and/or benefits, if any, for such period in accordance with the labor laws.
9. **Posting of Bond.** The **CLIENT** may require the **CONTRACTOR** to furnish a bond equal to the cost of labor under this agreement, renewable every year, on condition that the bond will answer for the wages due the Contractor’s Personnel should the LBPS fail to pay the same.
10. **No Employer-Employee Relationship** – The **CONTRACTOR** warrants that it is an independent contractor duly registered with the Department of Labor and Employment. It is expressly understood that there is **NO EMPLOYER-EMPLOYEE RELATIONSHIP** between the **CLIENT** and the Contractor’s Personnel. The Contractor’s Personnel are employees of the **CONTRACTOR** and not of the **CLIENT**, hence, compliance with any and all applicable laws, rules and regulations such as remittance of withholding taxes, social security and health premiums and other fees and charges imposed by the government and its related agencies shall be the sole responsibility of the **CONTRACTOR**.

The **CLIENT** has no responsibility for any injury, damage and/or death which would befall any of the Contractor’s Personnel or to any person where such aforecited circumstances arise from the course of performance of their duties and