

## CONTRACT FOR SECURITY SERVICES

### KNOW ALL MEN BY THESE PRESENTS:

This CONTRACT FOR SECURITY SERVICES, entered into this \_\_\_ day of February 2016 at Manila by and between:

**PRESIDENTIAL COMMUNICATIONS OPERATIONS OFFICE (PCOO)**, a government office duly authorized and existing under and by virtue of the laws of the Republic of the Philippines, with official address at New Executive Building, J.P Laurel Street, Malacañang, Manila, herein represented by its Head, **SECRETARY HERMINIO B. COLOMA, JR.**, hereinafter referred to as the "**CLIENT**";

and

**CIRCA SECURITY AND INVESTIGATION, INC.**, a security agency organized and existing under and by virtue of the laws of the Philippines, with office address at 30 A Goldstar Bldg., Malhacan Road, Malhacan, Meycauayan City, Bulacan and herein represented by its Authorized Representative, **Mr. DENNIS R. MESCALLADO**, hereinafter referred to as the "**SERVICE AGENCY**"

### **WITNESSETH:**

**WHEREAS**, the **CLIENT** is desirous of engaging the services of the **SERVICE AGENCY's** licensed security guards for assignment at the **CLIENT's** premises located at New Executive Building and Bahay Ugnayan, both along J.P Laurel Street, Malacañang, Manila;

**WHEREAS**, in its quest for a security services package with the best value for money under most advantageous terms and conditions, and in compliance with existing laws on procurement, **CLIENT** conducted a public bidding that culminated to the opening of bids on 01 February 2016;

**WHEREAS**, after an evaluation process, the **SERVICE AGENCY**, a duly licensed and qualified private security agency, and is ready, willing and able to provide security services to safeguard and protect the **CLIENT's** premises, properties and employees/personnel therein as stated in the inventory of the **CLIENT** and verified by the **SERVICE AGENCY**, was found to have submitted the most advantageous, responsive and complying bid, offering to deploy ten (10) qualified security service personnel;

**NOW THEREFORE**, for and in consideration of the foregoing premises, the parties hereby enter into this Contract for Security Services under the following terms and conditions:

### **I. TERM OF CONTRACT**

1. This Contract shall be effective for a period of one (1) year commencing on **16 February 2016 up to 16 February 2017** unless sooner terminated in accordance with pertinent provisions herein stipulated or other causes provided for by the applicable laws or in the Bidding Documents.
2. After the expiration of this Contract, the same **SERVICE AGENCY** will be deemed on a hold-over capacity until such time as another public bidding for the security service requirement of the **CLIENT** shall be conducted, subject to

the rules and regulations imposed by the Government Procurement Policy Board (GPPB); and

3. Either party may terminate this contract for a legal and valid cause at any time by giving written notice to other party not later than thirty (30) days prior to the intended date of termination.

## II. CONSIDERATION and PAYMENT OF SECURITY SERVICES RENDERED

1. **CLIENT** agrees to pay as total contract price the amount of **THREE MILLION FIFTY SEVEN THOUSAND SIX HUNDRED TWENTY ONE PESOS AND 36/100 (Php 3,057,621.36)** to be paid in twelve (12) equal monthly installments and within seven (7) working days from receipt of the statement of account or billing statement; provided that the **SERVICE AGENT** shall submit its billing, together with pay slips, to PCOO within five (5) days after payment of guards salaries which is scheduled not later than the 20<sup>th</sup> of the month and 5<sup>th</sup> of the succeeding month; provided that the actual number of guards deployed and the salary rate per guard indicated in the submitted bid be complied with; provided further that payment of said amount shall be subject to the withholding of any lawful charges; provided finally that the same is subject to the presentation by the **SERVICE AGENCY** of an accomplishment report and certification that the wages have been paid and that all remittances due to the government are made as required under existing government auditing rules and regulations.
2. Should the **CLIENT** require the **SERVICE AGENCY's** personnel to render services beyond their regular working hours/schedule, the **CLIENT** agrees to pay the corresponding overtime compensation computed based on the existing provisions in the labor code. All overtime shall be covered with a written authorization from the **CLIENT**.

## III. PERFORMANCE BOND

The **SERVICE AGENCY** shall furnish the **CLIENT** a Performance Bond in an amount equal to a percentage of the total contract price in accordance with the following schedule:

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	<b>Php 152,881.07</b> (5% of Php 3,057,621.36)
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.	<b>Php 917,286.41</b> (30% of Php 3,057,621.36)
d) Any combination of the foregoing.	Proportionate to share of form with respect to total amount of security



The Performance Bond, which shall remain and continue to be in full force and effect for as long as this Contract subsists, shall be denominated in Philippine Pesos and posted in favor of the **CLIENT**, which shall be forfeited in the event it is established that the **SERVICE AGENCY** is in default in any of its obligations under this Contract.

#### IV. RESPONSIBILITIES AND RIGHTS OF THE SERVICE AGENCY

1. The **SERVICE AGENCY**, shall provide **CLIENT** with security guards qualified in accordance with Section VII. Technical Specifications of the Bidding Documents attached herein as **Annex "A"**, and forms an integral part hereof, the Private Security Agency Law and its implementing rules and regulations and other related issuances implemented by the Philippine National Police and Security Agencies Guards Supervision Division;
2. The **SERVICE AGENCY** shall provide and make available to the **CLIENT** ten (10) security guards with shifts provided for in Section VII. Technical Specifications of the Bidding Documents. The **CLIENT** may, depending on the requirements of the service, request the **SERVICE AGENCY** to increase or decrease the number of security guards upon written notice to the **SERVICE AGENCY**;
3. The **SERVICE AGENCY** warrants to detail security guards who possess qualifications prescribed in Section VII. Technical Specifications of the Bid Documents and applicable laws, rules and regulations;
4. The **SERVICE AGENCY** warrants the proper performance of duties of its security guards who shall exercise extra-ordinary diligence in carrying out their obligations;
5. The **SERVICE AGENCY** will provide, on its own account, additional services such as inspection of guards, investigation of irregularities and other special services provided the same will not interfere with the operation of the business of **CLIENT** in the premises;
6. The **SERVICE AGENCY** shall provide, at its own expense, the equipage requirements enumerated in Section VI. Schedule of Requirements aside from those specified in Section VII. Technical Specifications and those required by government rules and regulations;
7. The security guards shall be under the strict supervision of the **SERVICE AGENCY**. The **CLIENT**, however, shall have the right to conduct on-the-spot inspection of the performance of the security guards at any time it may deem necessary. This right shall not, however, diminish the obligations of the **SERVICE AGENCY** under this Contract nor absolve it from liability from all the acts or omissions of its guards;
8. The **SERVICE AGENCY** and its guards shall be jointly and severally liable to **CLIENT**, its officials or employees, or to any other person, for any injury, damage or loss of property they suffered within the security coverage of the **SERVICE AGENCY** as a result of, but not limited to, assault, arson, theft, robbery, pilferage, trespass, mischief, or any unlawful act, or negligence that may have been reasonably prevented by the due performance of duty by the **SERVICE AGENCY**; provided that the **SERVICE AGENCY** shall be duly represented in an investigation that will be conducted by the **CLIENT** to determine whether or not the agency was at fault or did not exercise due diligence required under circumstances to prevent or minimize injury or damage to or loss of property; provided further, the absence of a representative from the **SERVICE AGENCY**, despite notice, will not preclude the **CLIENT** from proceeding with the investigation; provided finally, that the **SERVICE AGENCY** shall not be held liable for damage or loss due to fortuitous events as may be determined after an investigation.

9. The **SERVICE AGENCY** shall submit within twenty-four (24) hours incident report detailing unusual occurrences or threats to security and well-being discovered during the guard's duty shift.
10. It shall be understood hereinafter that no employer-employee relationship arises out of this Agreement and that the personnel of the **SERVICE AGENCY** assigned in the **CLIENT**'s premises or jurisdiction remains to be the former's employee and the latter will not in any way be responsible for any act of misdemeanor and/or any claim(s) that may arise relating to or in connection with their employment with **SERVICE AGENCY**.
11. The **SERVICE AGENCY** shall assume full and exclusive obligation to pay the mandated wage provided for by laws to its security guards, including claims and other compensation as may be legally due to them, and to promptly remit to the proper agencies the required premiums and contribution for the benefit of the said security guard, such as withholding taxes on salaries, SSS premiums, Philhealth and the like.
12. All taxes payable to the government arising from this Contract shall be borne by the **SERVICE AGENCY**.
13. The **SERVICE AGENCY** shall strictly observe the provisions of Republic Act No. 5487 (The Private Security Agency Law), as amended, Presidential Decree No. 442 (The Labor Code of the Philippines), as amended, and its implementing rules and regulations.

#### **V. RESPONSIBILITIES AND RIGHTS OF THE CLIENT**

1. The **CLIENT** shall have the right to inspect the guards detailed on its premises and may compel the **SERVICE AGENCY** to relieve or discharge any guard for reason of doubtful trustworthiness, dependability and efficiency.
2. The **CLIENT** shall not be responsible for any claim for personal injury or damage, including death, caused either to any of the guards or to any third person whether or not such injury or death arises out of, or in the course of, the lawful performance of security function of said guards. In the event the **CLIENT** will be compelled by lawful orders to pay for personal injury or damage as aforestated, **SERVICE AGENCY** hereby warrants that it shall immediately reimburse **CLIENT** of such amount.
3. The **CLIENT** obliges itself to report in writing to **SERVICE AGENCY** the existence of any loss or damage due to negligence of the security guards to **CLIENT**'s properties, except small items easily and readily concealed in pockets, bags, handbags, attaché case, etc., not subject to search, within three (3) working days after its occurrence or discovery. Otherwise, the **CLIENT** shall automatically deduct any amount from the billing of the latter to the former, which will be reimbursed upon **SERVICE AGENCY**'s proof of no fault or negligence on their part.

#### **VI. SPECIAL PROVISIONS**

1. Any amendment or revision to this Contract may be executed through a supplemental contract which shall be agreed upon mutually by both parties.
2. The **CLIENT** and **SERVICE AGENCY** agree that any and all action arising from this Agreement shall be exclusively filed before the proper courts of competent jurisdiction in the City of Manila.
3. The **CLIENT** and **SERVICE AGENCY** represent and warrant that at the time of the execution of this Agreement, the performance and observation of the terms and conditions hereof are duly authorized and approved by their respective Boards or deciding authority, and will not conflict with or constitute breach of the laws governing them.



4. The **SERVICE AGENCY** is strictly prohibited from sub-contracting, assigning or otherwise transferring in any manner whatsoever any of its rights, interests and obligations under this Contract without prior written approval by **CLIENT**.
5. The Bidding Documents for the procurement of Security Services issued last 12 January 2016 shall form an integral part of this contract.

**IN WITNESS WHEREOF**, the parties have hereunto signed this Contract for Security Services on the date and place above-written.

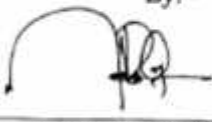
**PRESIDENTIAL COMMUNICATIONS  
OPERATIONS OFFICE**  
Client

**CIRCA SECURITY AND  
INVESTIGATION, INC.**  
Service Agency

By:

By:

  
\_\_\_\_\_  
**Hon. HERMINIO B. COLOMA, JR.**  
Secretary

  
\_\_\_\_\_  
**Mr. DENNIS R. MESCALLADO**  
Authorized Representative

SIGNED IN THE PRESENCE OF:

  
\_\_\_\_\_  
NOTARY PUBLIC

  
\_\_\_\_\_  
WITNESS

**ACKNOWLEDGEMENT**

Republic of the Philippines)  
**Bulacan, S.S.**

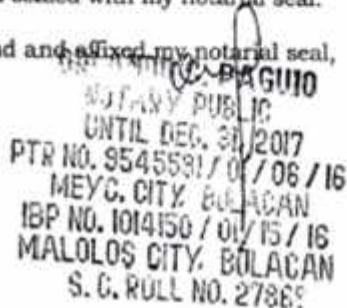
BEFORE ME, this FEB 18 2016 day of 2016 at Bulacan, Bulacan appeared the parties to this agreement, known to me to be the same persons who executed the foregoing instrument, and acknowledged to me that the same is their free act and deed and the free act and deed of the entities they represent and that they have been duly authorized to execute this instrument, having personally exhibited to me the following valid identification documents issued by an official agency and bears their photographs and signatures:

Name	ID No./Date & Place of Issue
SEC. HERMINIO B. COLOMA, JR.	
Mr. DENNIS R. MESCALLADO	<u>N02-08-04960 / March 31, 2014</u> <u>LTD CENTRAL P.C.</u>

This instrument consisting of five (5) pages, including the page on which this acknowledgment is written, has been signed on the left margin on each and every page thereof by the above-named parties and their witnesses, and sealed with my notarial seal.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal, on the day, year, and place above-written.

Doc. No. : 190  
Page No. : 38  
Book No. : 32  
Series of 2016.

  
NOTARY PUBLIC  
UNTIL DEC. 30 / 2017  
PTR NO. 9545581 / 01 / 06 / 16  
MEYC. CITY, BULACAN  
IBP NO. 1014150 / 01 / 15 / 16  
MALOLOS CITY, BULACAN  
S. C. ROLL NO. 2786