

CONTRACT FOR SECURITY SERVICES

KNOW ALL MEN BY THESE PRESENTS:

This Contract is made and entered into by and between the:

CARE BEST INTERNATIONAL SECURITY SERVICES, INC., with postal address at No. 8248 CBII Building, Camachile Street, SAV, Makati City, a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, represented in this act by its President, **REYNALDO M. CUEVAS**, hereinafter referred to as the "**AGENCY**";

-and-

PHILIPPINE HEALTH INSURANCE CORPORATION, with postal address at Citystate Center Bldg., 709 Shaw Blvd., Pasig City, a government owned and controlled corporation organized and existing under and by virtue of the laws of the Republic of the Philippines, represented in this act by Area Vice President/Regional Vice President for PhilHealth Regional Office I, **DANIEL F. DE LEON**, hereinafter referred to as "**CLIENT**";

-Witnesseth-

WHEREAS, the **CLIENT** is desirous of engaging the services of a security agency for the purpose of guarding and protecting its Regional Health Insurance Office, located at EMDC Building, Francisco Q. Duque Jr. Road, Tapuac District, Dagupan City and its offices within, its local health insurance offices, service desks, warehouses, employees, visitors and guests from theft, pilferage, robbery, trespassing and other unlawful acts by a stranger and / or employees of the **CLIENT**;

WHEREAS, a public bidding was held last November 19, 2012 for the acquisition of security services for PhilHealth Regional Office No. 1, Dagupan City, per ITB No. 2012-006;

WHEREAS, the PRO 1 Bids and Awards Committee (PRO1-BAC) through BAC Resolution No. 040 series 2012 dated November 23, 2012, resolved and declared Care Best International Security Services, Inc., as the bidder with the Single Calculated and Responsive Bid for the bidding on the acquisition of security services in accordance with the Implementing Rules and Regulations of Republic Act No 9184, otherwise known as the Government Procurement Reform Act;

WHEREAS, the **AGENCY**, duly licensed to render protective services has accepted to provide the services required by the **CLIENT** under the conditions herein set forth;

NOW, THEREFORE, for and in consideration of the foregoing premises, the parties hereto agreed and do hereby mutually agree to be bound by the covenants and stipulations herein set forth as follows:

ARTICLE I

DUTIES AND OBLIGATIONS OF THE AGENCY

I. REQUIREMENTS FOR SECURITY GUARDS

A. RESOURCES

1. EQUIPMENT, SUPPLIES, AND MANPOWER

For security purposes, the **AGENCY** shall provide the type and quantity of required tools, supplies, materials and equipment listed below. All supplies and materials to be provided by the **AGENCY** should be of guaranteed high-grade quality to ensure efficient performance. The **AGENCY** may also determine the approximate quantity per location/area enough to keep and maintain the area in a secured condition. The distribution of supplies shall

Witness

REYNALDO M. CUEVAS
President

JANE C. RAGOS
Fiscal Controller IV

DANIEL F. DE LEON
sa Vice President, Northern & Central Luzon/
Regional Vice President

be submitted in detail, attached to the contract and should be given to or used by the office concerned as frequently as stated and to be certified by the General Services Unit. Any excess or unused materials shall be surrendered to the General Services Unit and shall form part of the property of the **CLIENT** for its use.

a. FIREARMS:

To be issued to all nineteen (19) security guards by the **AGENCY**

Specifications:

- Caliber : 9 mm
- Brand: any
- One (1) GA shot gun for the Regional Office Warehouse
- One (1) GA shot gun each for Central Pangasinan LHIO and La Union LHIO

b. SUPPLIES:

Each Security Guard shall be provided with logbooks, ballpens, flashlight with batteries, whistle, metal detector and cellular phone by the Security Agency. Monthly cell phone loads shall also be provided each security guard to ensure open communication lines with the PRO 1 Officials.

c. EQUIPMENT:

The **AGENCY** should provide the following equipment at no extra cost to

PhilHealth:

Web Based CCTV cameras with monitor and recorder (minimum of 8 surveillance cameras for the PRO, 2 each for the six (6) Local Health Insurance Offices and one (1) each for the three (3) Business Centers. Competent and knowledgeable technical support/assistance must be provided and made available by the Agency. Response time must be within 24 hours upon report of incident by the **CLIENT**.

2. UNIFORM

The security guards shall be provided by the **AGENCY** with one (1) set of new and complete uniform each as required by PNP-SOSIA. An Identification Card (ID) should also be provided.

3. MANPOWER

Below is the summary of required security guards per branch/office and the days and number of hours they have to render security services:

	Offices	No. of Guards	Hrs	Days
1	PhilHealth Regional Office	2	12	Monday-Sunday w/OT
2	Regional Office Warehouse	2	12	Monday-Sunday w/OT
3	Ilocos Norte LHIO	2	12	Monday-Sunday w/OT
4	Ilocos Sur LHIO	2	12	Monday-Sunday w/OT
5	La Union Service LHIO	2	12	Monday-Sunday w/OT
6	W. Pangasinan LHIO	2	12	Monday-Sunday w/OT
7	E. Pangasinan LHIO	2	12	Monday-Sunday w/OT
8	Candon Business Center	1	10	Monday-Friday w/OT
10	San Carlos Business Center	1	10	Monday-Friday w/OT
10	Mangatarem Business Center	1	10	Monday-Friday w/OT
11	Central Pangasinan LHIO	2	12	Monday-Friday w/OT
	TOTAL	19		

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B. TERMS AND CONDITIONS OF CONTRACT FOR THE WINNING BIDDER

1. A contract must be entered into by PhilHealth Regional Office 1 (PRO1) with the winning bidder or its duly authorized representative within five (5) calendar days from receipt of the Notice of Award.
2. Any security guard, including reliever/s, to be assigned by the **AGENCY** must possess the following minimum qualifications:
 - 2.1 Filipino citizen;
 - 2.2 At least high school graduate;
 - 2.3 With height of not less than 1.65 meters;
 - 2.4 With weight of not less than 55 kilograms;
 - 2.5 For newly hired security guards, age should neither be less than 21 years nor more than 35 years old at the time of assignment to the Corporation under this contract;
 - 2.6 Physically and mentally fit, as indicated in a neuro-psychiatric clearance from a PNP and DOH-accredited institution and confirmed by the physicians of the Corporation;
 - 2.7 Licensed to carry firearms and properly screened and cleared by the PNP, NBI and other concerned government officer for this purpose, copies of such clearances to be furnished to the Corporation;
 - 2.8 Must be a holder of a Certificate of Training for Security Guards and other requirements of R.A. 5487 as amended;
 - 2.9 Must possess honorable discharge documents, if with military background;
 - 2.10 Of good moral character, as certified by the barangay, the police district concerned, and the NBI;
 - 2.11 Must have undergone drug test and found to be free from tetrahydrocannabinol, metamphetamine hydrochloride and other prohibited substances, certification to be given to Philippine Health Insurance Corporation every six (6) months.
3. The security guards shall render satisfactory services to be certified jointly by the offices where they are assigned and by the Head of the Administrative Services Section.
4. The **AGENCY** shall maintain a pool of, and provide relievers/ replacements in case of absence of any assigned security guard in order to ensure continuous, immediate and uninterrupted service. The Administrative Services Section Chief must be informed accordingly of such arrangements.
5. The security services shall be under the direct supervision of the General Services Unit Head. Before the security guards assume their function, an orientation on the scope of responsibilities, rules of the **CLIENT** and related matters shall be conducted by the General Services Unit. No security guard shall assume his post without this orientation.
6. The security guard on duty shall be responsible in closely monitoring, recording and reporting to the General Services Unit Head any movement of all office materials, supplies, service vehicles and personnel within the assigned area of responsibility. He shall keep a logbook for this purpose and submit the same when it is fully filled to the Administrative Officer IV. Whenever equipment is brought out of the building, the security guard shall demand a gate pass duly signed by the Administrative Services Section Chief or any official representative of the Property and Supply Section.
7. The security guard on duty has the responsibility to screen in a very courteous and polite manner visitors and guests, and to require them to register in the visitor's logbook, issue a visitor's pass if applicable and check if they have any firearms or deadly weapons to be deposited with such guard on duty for issuance of the appropriate acknowledgment receipt.

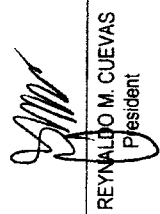
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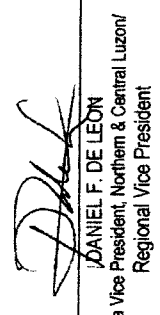
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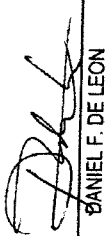

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8. The security guard on duty is authorized to inspect bags and packages of individuals and employees when necessary and in cases of doubtful dubious circumstances.
9. Security guards shall position themselves strategically to cover all properties in view, except when there is a duly authorized special arrangement with the Chief of office concerned or the building administration office, as cleared with the Administrative Services Section.
10. The AGENCY shall reimburse to the CLIENT or its personnel and client, as may be applicable, the total value of any or all properties, equipment, furniture and effects that are damaged or destroyed through fault or negligence of the guards, *provided*, the CLIENT reports in writing to the security agency any such losses and/or damages within seven (7) working days from the date of discovery.
11. Security guards shall never be under the influence of liquor or any prohibited drug while on duty. Security guards found to be under the influence of liquor or any prohibited drug shall immediately be relieved and his post declared abandoned. The AGENCY shall immediately replace the erring security guard. PRO 1 shall deduct the cost of maintaining the post for the day even if the necessary replacement/ reliver have been installed.
12. Security guards are prohibited from cigarette smoking while on-duty.
13. The chief of the office where the guard is assigned and the Administrative Services Section Chief, jointly or by themselves, shall have the right to inspect the security guards in their posts to determine compliance to the physical condition of the security guard on duty, with emphasis on checking whether the guard is under the influence of liquor and other intoxicating substances. Reports of security guards under the influence of liquor or other prohibited substances shall be ground for suspension or debarment of such person or even the security agency in PRO 1.
14. Any security guard who may be found by the head of office to be undesirable, dishonest and/or incompetent, whose services will be prejudicial to the interest of the CLIENT, shall be replaced by the AGENCY immediately upon receipt of the request and the verification.
15. Security guards assigned to restricted office areas where highly accountable assets and security documents are kept shall perform their duties under the supervision of officials to be designated by the offices concerned.
16. The General Services Unit shall ensure that all security guards are doing their duties properly. The security guards shall see to it that the premises of the client are protected against fire, theft and other preventable risks. Any abnormal movement and presence of suspicious characters should be reported immediately to the Head of Office concerned.
17. Long distance phone calls shall be prohibited, but in case of emergency, may be allowed. However, these should be properly logged and payment of the bill shall be deducted from the monthly contract price of the Contractor.
18. The security guards shall abide to all office rules and regulations of PRO 1 and all other rules/guidelines which may be deemed necessary to be implemented by PhilHealth.
19. The security guards should be provided with cellular phones with a minimum monthly load of Fifty Pesos (P50.00) for official and emergency use.
20. The AGENCY shall provide the CLIENT one (1) reserved security guard that will be maintained on standby status at all times to act as substitute or reliver in case any regular detailed guard is not available for duty and as the need arises. Salaries of the reserved guard shall be shouldered by the AGENCY.


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21. The security guards shall be hired by the **AGENCY** and this contract shall not be deemed in any way as to constitute a contract of employment by and between the **CLIENT** and any of the security guards hired by the **AGENCY**, but merely as a contract for the **AGENCY** to render security and investigative services to the **CLIENT**. It is therefore understood that the security guards are the employees of the **AGENCY**.
22. The **AGENCY** hereby holds itself responsible and liable for the loss or damage that may be caused to the **CLIENT**'s properties and installations as well as the properties of its officers, personnel and guests duly accounted for and placed under the custody of the guard at the guarded premises, arising from theft, pilferage, robbery, malicious mischief, vandalism, and for the protection of the lives and safety of the **CLIENT**'s officials, personnel, visitors/guests and clientele, if after due investigation such losses or damages were due to the negligence, omission or fault of the security guard on duty.
23. The **AGENCY** assumes full and sole responsibility for the proper conduct of, and performance of duties by the security guards employed by it during the watch hours. The **CLIENT** is specifically released from any acts or omission of the security guards of the **AGENCY**.
24. The **AGENCY** shall be liable for any damage or loss that may arise directly or indirectly attributable to the negligence or misbehavior or direct participation of the security guards assigned by the **AGENCY**. In case the security bond is not sufficient to cover such losses or damages, the **AGENCY** will have to pay the balance directly to the **CLIENT**.
25. The **AGENCY** shall assume full responsibility of any claim from compensation on injuries derived from accidents, in connection with the performance of security guard's duties and shall free the **CLIENT** from any legal suit in relation therewith.
26. The **AGENCY** shall faithfully comply with all laws, rules and regulations pertaining to the employment of labor now existing or which hereafter may be enacted including but not limited to the Labor Code of the Philippines as amended, the Social Security Act, NHI Act and Pag-Ibig.

ARTICLE II SECURITY PROCEDURE

1. The **CLIENT** will provide the **AGENCY** with an inventory containing the list of company assets, equipment and other properties to be guarded. It is however, presumed that all such assets, equipment and properties which are located, placed and kept inside the guarded premises, belong to the **CLIENT**. Provided, furthermore, that the absence of such inventory list shall not preclude the **AGENCY** from performing its duties and obligations.
2. To ensure effectiveness in safeguarding and protecting the aforesaid properties, a "gate pass" containing the description of the property must be duly filled out and signed by the concerned official allowing said property to be brought out of the guarded premises. In this connection, the **CLIENT** will furnish the **AGENCY** a copy of the respective specimen signatures of approving officials or authorities.
3. Properties placed inside car compartment without the corresponding "gate pass" slip shall not be the responsibility of the **AGENCY**. Hence for the **AGENCY** to be responsible in such cases, the **CLIENT** agrees that all out-going vehicles shall be subject to inspection by the guard on duty.
4. Copy of record of property brought inside the guarded premises but not included in the inventory list shall be furnished the **AGENCY**.

**ARTICLE III
OBLIGATIONS OF THE CLIENT**

1. For and in consideration of the services rendered by the **AGENCY** to the **CLIENT** during the effectivity of the contract, the latter shall pay the former for the security service provided in accordance with the rates indicated below:

	Offices	No. of Guards	Hrs	Days	Monthly Rate Per Guard
1	PhilHealth Regional Office	2	12	Monday-Sunday w/OT	P15,340.67
2	Regional Office Warehouse	2	12	Monday-Sunday w/OT	15,340.67
3	Ilocos Norte LHIO	2	12	Monday-Sunday w/OT	15,340.67
4	Ilocos Sur LHIO	2	12	Monday-Sunday w/OT	15,340.67
5	La Union Service LHIO	2	12	Monday-Sunday w/OT	15,340.67
6	W. Pangasinan LHIO	2	12	Monday-Sunday w/OT	15,340.67
7	E. Pangasinan LHIO	2	12	Monday-Sunday w/OT	15,340.67
8	Candon Business Center	1	10	Monday-Friday w/OT	6,987.78
10	San Carlos Business Center	1	10	Monday-Friday w/OT	8,987.78
10	Mangatarem Business Center	1	10	Monday-Friday w/OT	8,987.78
11	Central Pangasinan LHIO	2	12	Monday-Friday w/OT	10,450.67
	TOTAL	19			P262,633.46

2. The **AGENCY** shall furnish the **CLIENT** of the monthly Statement of Account in support of such payment. The rates above are inclusive of all government required fees and taxes.
3. The **CLIENT** shall at all times have the right to inspect the guards on detail at the premises and at any time request for the replacement of any guard assigned to it.
4. It is understood that whenever the **CLIENT** suffers losses or damages due to theft, robbery and other unlawful acts of strangers or by any persons, the **CLIENT** may suspend release of payment of collectibles due the **AGENCY** pending the outcome of the investigation by a committee created by the **CLIENT** where the **AGENCY** will be represented, which shall determine whether the damages or losses were solely due to the fault of the guard and without any contributory negligence on the part of the **CLIENT**. Provided, further that this condition shall apply whenever the value involved in any such damage/loss exceeds P500.00, and provided, finally that the loss or damage was reported in writing by the **CLIENT** to the **AGENCY** within seven (7) working days from the date of its discovery. The **AGENCY**, however, shall not be held liable for damages or losses due to force majeure or fortuitous event.
5. The **AGENCY** also agrees to hold the **CLIENT** entirely free and harmless from any liability resulting from injury or any other causes of action which may be filed by said security guard by reason of the employment under this contract or under the provisions of the Minimum Wage Law or such other laws which are now in effect or which may hereafter be executed;


Witness


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6. Should there be a law and other social and labor legislation from date of this contract granting employees of living allowances and/or increase in minimum wages, the **CLIENT** shall automatically adjust the contract rate under item number 13 of this contract;

ARTICLE IV PERFORMANCE BOND

1. The **AGENCY** hereby undertakes to furnish the **CLIENT** a Performance Bond, equivalent to the amount as specified under the provisions of the General Conditions on the bidding for the acquisition of security services to guarantee the faithful performance by the **AGENCY** of its obligations under this contract.
2. The execution of the Performance Security shall be co-terminus with the final completion of the contract, which shall be released by the **CLIENT** after the duration of the contract.

ARTICLE V DURATION OF THE CONTRACT

1. This Contract shall **begin on December 1, 2012 to December 31, 2012** unless sooner terminated in accordance with the provisions thereof. After the expiration of the contract and no new contract has been made or issued by the **CLIENT** or that the result of the bidding is not yet issued if one is conducted, this contract shall be deemed extended on a month to month basis up to such period as may be allowed by law, rules and regulations.

ARTICLE VI PAYMENT

1. Payment for services rendered in accordance with the contract shall be made by the **CLIENT** to the **AGENCY** on a semi-monthly basis (every 15th and 30th day of the month), subject to the withholding of any lawful charges and subject further to the presentation by the **AGENCY** of a certification that the wages have been paid and that all remittances due the government are made as required under existing government auditing rules and regulations. The **CLIENT** reserves the right to inspect the payroll of the **AGENCY** in order to verify that the wages and remittances have been paid. Any violation shall be a sufficient ground for the termination of the contract without prejudice to the liability of the **AGENCY**.

ARTICLE VII TERMINATION OF CONTRACT AND VENUE OF ACTION

1. The **CLIENT** or the **AGENCY** reserves the right to terminate this Contract for a justifiable cause or reason upon thirty (30) days prior notice to the other party. Provided, that in case of litigation arising from or in connection with this Contract, the parties agree that the venue of any action shall be at the proper courts in Dagupan City to the exclusion of the other courts.
2. The **CLIENT** reserves the right to pre-terminate the contract by serving a written notice of at least thirty (30) calendar days prior to the intended date of pre-termination if in its observation after due verification of facts, the **AGENCY** is not providing satisfactory services or not complying with the terms and conditions of the contract.
3. In the event judicial relief against the other party is filed before the regular courts, for the enforcement of the terms and conditions in the contract, the party found guilty, in addition to any other damages that may be awarded by the court, agrees to pay ten percent (10%) of the amount claimed but in no case less than ten thousand pesos (P10,000.00) as attorney's fees, aside from the costs of litigation and other expenses which the law entitles the aggrieved party to recover.

WITNESS

REYNALDO M. CUEVAS
President

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Fiscal Controller IV

DANIEL F. DE LEON
Area Vice President, Northern & Central Luzon/
Regional Vice President

ACKNOWLEDGMENT

Republic of the Philippines)
Province of Pangasinan)
City of Dagupan) S.S.

Witness

BEFORE ME, a Notary Public for and in the CITY OF DAGUPAN, this JAN 04 2013
_____, 2012 personally appeared:

Name	ID No.	Date of Issue/Type
<u>REYNALDO M. CUEVAS</u>	_____	_____
<u>DANIEL F. DE LEON</u>	<u>10002397</u>	<u>Company ID</u>

Who are known to me and to me known to be the same parties who executed foregoing Contract of Security Services and acknowledged that the same is their free act and deed and that of the agency and corporation being represented. This instrument consisting of nine (9) pages including this page on which this acknowledgement is written has been signed on the left margin of each and every page hereof by the parties and their instrumental witnesses and sealed with my notarial seal.

WITNESS MY HAND AND SEAL on the date and place first above written.

REYNALDO M. CUEVAS
President

JANE C. RAGOS
Fiscal Controller IV

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Series of 2013

Notary Public

ATTY. ALEX NORMAN B. LOMBOY

Notary Public
until December 31, 2013
IBP Life No. 89200 Roll No. 88672
124 A.B. Fernandez Ave., Dagupan City
PTR No. 0417325 Dagupan City 1/03/12

DANIEL F. DE LEON
rea Vice President, Northern & Central Luzon/
Regional Vice President