

CONTRACT OF SERVICE

KNOW ALL MEN BY THESE PRESENTS:

This **SERVICE CONTRACT** is made and entered into by and between:

PHILIPPINE HEALTH INSURANCE CORPORATION, a government owned and controlled corporation created by virtue of RA 7875, with office address at 2nd Floor PhilHealth Building, P. Burgos Street, Tacloban City, herein represented by its Regional Vice President, **WALTER R. BACAREZA**, hereinafter referred to as the "**CLIENT**"

-and-

TCO, SECURITY AGENCY, a private security agency duly organized and existing under the law of the Philippines with office address at 2Flr. Village Town House Bldg., # 246 Avenida Veteranos, Tacloban City, herein represented by its General Manager, **BENEDICTO T. OCHEA**, hereafter referred to as the "**AGENCY**".

-Witnesseth-

WHEREAS, the **CLIENT** desires to engage the services of a security agency for the purpose of guarding and protecting its Regional and Service Offices located in Region VIII, and its officers, employees, visitors and guests, from theft, pilferage, robbery, trespassing and other unlawful acts by strangers and/or employees of the **CLIENT**;

WHEREAS, the **AGENCY**, duly licensed to render protective services has accepted to provide the services required by the **CLIENT**;

WHEREAS, the **AGENCY** has quoted a bid deemed most advantageous to the government in which **NOTICE OF AWARD** is hereto attached as Annex "A".

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

ARTICLE I DUTIES AND OBLIGATIONS OF THE AGENCY

1. The **AGENCY** shall provide the **CLIENT** with two (2) security guards to be deployed at PhilHealth Building 1&2, each with twelve (12) hours shifting duty schedules: 7 a.m. – 7 p.m., and 7 p.m. – 7 a.m. from Monday to Sunday including holidays; five (5) security guards to be assigned in Ormoc, Borongan, Maasin, Calbayog, and Catarman (LHIO) Local Health Insurance Office with eight (8) hours duty from Monday to Friday including holidays. However, future adjustments regarding time and day scheduling shall be reserved in favor of the **CLIENT** in consonance with whatever alterations the latter may find necessary. The number of security guard may be subsequently increased or decreased as may be determined by the **CLIENT** depending upon their circumstances. It is understood and agreed upon that the guards assigned by the **AGENCY** shall possess the qualifications required in Republic Act (R.A.) 5487 and its Implementing Rules and Regulations of the PNP.
2. The **AGENCY** shall assign to the **CLIENT** uniformed and adequately trained security guards with duly licensed and high powered firearms and sufficient ammunitions at all times during the tour of duty with adequate licenses and permits from appropriate government agencies and fully equipped with supplies necessary for the successful implementation of

their job. The **AGENCY** shall likewise provide trainings and seminars to all its security personnel like Customer Service, Martial Arts and other related training every six (6) months to be competent and efficient in carrying-out their respective duties and responsibilities. The **AGENCY** should conduct a **Shooting Practice/Testing** of issued high powered firearms any day of the month of **October 2012**.

3. 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**.
4. The **AGENCY** hereby holds itself responsible and liable for the loss or damage that may cause to the **CLIENT'S** properties and installation 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.
5. 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**.
6. The **CLIENT** shall at all times have the right to inspect the guards on detail of the premises and at any time request for the replacement of any guard assigned to it.
7. The security guard, including the roving patrol, shall register their time-in and time-out and sign in a book-bound logbook provided in their post. At the end of the month, the **AGENCY** shall submit the necessary report to support the Monthly Statement of Account to be forwarded to the **CLIENT**.

ARTICLE II SECURITY PROCEDURE

8. The **CLIENT** will provide the **AGENCY** with an inventory containing the list of company assets, equipment and 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.

To ensure effectiveness in safeguarding and protecting the aforesaid properties, a "property 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.

Properties placed inside car compartment without the corresponding "property 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 outgoing vehicles shall be subject to inspection by the guard on duty.

Copy of record of property brought inside the guarded premises but not included in the inventory list shall be furnished to the **AGENCY**.



ARTICLE III OBLIGATIONS OF THE CLIENT

9. For and in consideration of the services rendered by the **AGENCY** to the **CLIENT** during the effectivity of the herein contract, the latter shall pay the former at the rate of **EIGHTEEN THOUSAND SIX HUNDRED FIFTY EIGHT PESOS 18/100 (P18,658.18)**, per month for the day shift (7 a.m. - 7p.m.), and night shift (7 p.m. - 7 a.m.) duty schedules, respectively or seven (7) days a week from Monday to Sunday including holidays for the two (2) guards deployed at PhilHealth Building 1 & 2; **EIGHT THOUSAND ONE HUNDRED SEVENTY EIGHT PESOS 03/100 (P8,178.03)** each for the security guards deployed at the Ormoc, Maasin, Borongan, Calbayog, and Catarman Service Offices for eight (8) hours duty from Monday to Friday including holidays in accordance with PADPAO rate. The **AGENCY** shall furnish the **CLIENT** the Monthly Statement of Account in support of such payment.
10. In the event of any significant increase in the operating costs of the **AGENCY** due to amendments/changes in the present laws, rules and regulations such as increase in the minimum wage, taxes, SSS and Medicare Contributions, the parties may negotiate for a reasonable adjustment in the contract price.
11. It is understood that whenever the **CLIENT** suffer loss or damages due to theft, robbery and other unlawful acts of strangers or by any person, the **CLIENT** may suspend only the 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 **PESOS: FIVE HUNDRED (P 500.00)** and provided finally, that the loss or damage was reported in writing by the **CLIENT** to the **AGENCY** within three (3) 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.
12. The **AGENCY** also agrees to hold the **CLIENT** entirely free and harmless from any liability resulting from injury or any other cause of actions which may be filed by said security guard by reason of the employment under this contract or under the provision of the Minimum Wage Law or such other laws which are now in effect or which may hereafter be executed.

ARTICLE IV PERFORMANCE BOND

13. The **AGENCY** hereby undertakes to furnish the **CLIENT** a Performance Bond amounting to thirty percent (30%) of the total contract price, in the form of surety bond, guaranteed by the Government Service Insurance System (GSIS) or any reputable bonding company which may be increased whenever the requirement of the **CLIENT** also increases, as guarantee for any payment of any claim made by the **CLIENT** for losses, liability, injury or damage arising from or growing out of the **AGENCY'S** operations under this contract and for the faithful performance made by the **AGENCY** of the covenants, obligations and undertaking assumed and agreed to by the parties hereunder, such bond to be and to remain in force until the period of prescription provided by law for the filing of such claim(s) or loss(es), liability, injury or damage shall have lapsed. Provided, however, that if any claim for any of the foregoing has been filed within the said period, then in any such case, said bond shall continue.



**ARTICLE V
DURATION OF THE CONTRACT**

14. This Contract shall take effect on **August 01, 2012** until **December 31, 2012** unless sooner terminated in accordance with the provisions thereof. After expiration of this 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
TERMINATION OF CONTRACT AND VENUE OF ACTION**

15. The **CLIENT** or the **AGENCY** reserves the right to terminate this Contract for any 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 court in Tacloban City.

**ARTICLE VII
MISCELLANEOUS PROVISIONS**

16. In case any provision or stipulation hereof is declared invalid, null and void or contrary to law, rules and regulations, the unaffected portion shall remain valid and effective.


IN WITNESS WHEREOF, the parties have hereunto signed this Contract on this _____ day of _____ 2012 at Tacloban City, Leyte, Philippines.

PHILIPPINE HEALTH
INSURANCE CORPORATION
(Client)

TCO SECURITY AGENCY
(Agency)

By:

By:

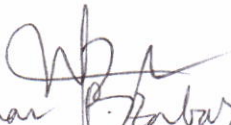

WALTER R. BACAREZA
Regional Vice President


BENEDICTO T. OCHEA
General Manager

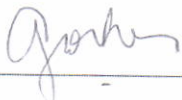
CTC No. _____
Issued on _____
Issued at _____

CTC No. 10107976
Issued on 11/24/12
Issued at Tacloban City

Signed In The Presence Of:



Miramar P. Barba



ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)

TACLOBAN CITY LEYTE) S.S.

BEFORE ME, on this _____ day of AUG 10 2012, 2012 personally appeared the above parties known to me to be the same persons who executed the foregoing contract of service and they acknowledge to me that the same is their free and voluntary act and deed and that of the agency they represent.

This instrument, consisting of five (5) pages including the page on which this acknowledgement is written, has been signed by the parties hereof and their instrumental witnesses.

WITNESS MY HAND AND SEAL the day, year and place above written.

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Book No. IV
Series of 2012

ATTY. ALFREDO B. TY, JR.
NOTARY PUBLIC
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IBP NO. 808918 JAN. 2, 2012/TAC. CITY
ROLL NO. 54843
COLES & TY LAW FIRM
240 P. BURGOS ST., TAC. CITY