

CONTRACT OF SECURITY SERVICES

12012006

KNOW ALL MEN BY THESE PRESENTS:

This CONTRACT OF SECURITY SERVICE is made and entered into by and between:

PHILIPPINE HEALTH INSURANCE CORPORATION, a government agency with regional office address at the Lynzee's Bldg., 766 J. Rosales Avenue, Butuan City, represented herein by its Regional Vice-President, Mr. **JOHNNY Y. SYCHUA**, hereinafter referred to as the **CLIENT**;

and

DAVAO SECURITY AND INVESTIGATION AGENCY, INC. (DASIA), a corporation duly organized and existing under the laws of the Republic of the Philippines, with office address at Escandor Bldg., corner Juan Luna & Damaso Suazo Streets, Davao City represented by its President and General Manager, **ALFREDO D. ESCANDOR** hereinafter referred to as the **AGENCY**.

WITNESSETH:

WHEREAS, the **CLIENT** desires to engage the services of a security agency for the purpose of protecting its property from theft, robbery, arson, trespassing, and destruction or damage by strangers and/or employees of the **CLIENT**, as well as protecting its officers, personnel, visitors and guests from assault, harassment, threats or intimidation and other unlawful acts, and provide assistance in enforcing the rules, regulations and policies relative to the maintenance of safety and security in the workplace; and provide the same protection to the company personnel when acting as escort while traversing destinations in the performance of function necessary and indispensable for the company's operation.

WHEREAS, the **AGENCY**, duly licensed to render protective services and has accepted to provide the services, was proclaimed the Lowest Calculated Responsive bidder for security services by the PhilHealth Regional Office-Caraga Bids and Award Committee (PhRO-Caraga BAC) for CY 2011 as contained in the Notice of Award dated **December 20, 2011**;

NOW THEREFORE, for and in consideration of the foregoing premises, the parties hereto agreed to be bound under the following terms and conditions:

A. DUTIES AND OBLIGATIONS OF THE AGENCY

- The **AGENCY** shall provide the **CLIENT** with twenty-four (24) hours security services daily including Saturdays, Sundays, legal and special holidays under the herein schedule of deployment and work shift, to wit:

1.1 PhilHealth Regional Office-Caraga

Time	Days	No. of Guards on Duty
7 am – 7 pm	Monday to Saturday	one(1) guard
7 pm – 7 am	Monday to Saturday	one(1) guard
7 am – 7 pm	Monday to Friday & Sunday	one(1) guard
7 pm – 7 am	Monday to Friday & Sunday	one(1) guard
7 am – 7 pm	Monday to Friday	one(1) guard

1.2 PhilHealth Service Office (Surigao City, San Francisco, Agusan Sur, Bislig City, and Tandag, Surigao Sur)

Time	Days	No. of Guards on Duty
8 am – 8 pm	Monday to Sunday	one (1) guard
8 pm – 8 am	Monday to Sunday	one (1) guard

LOCATION	NO. OF GUARDS	TIME SCHEDULE	RATE PER GUARD
PhRO-Caraga	1	7 am – 7 pm (Monday to Saturday)	₱ 15,325.99/mo./guard
PhRO-Caraga	1	7 pm – 7 am (Monday to Saturday)	₱ 16,243.26/mo./guard
PhRO-Caraga	1	7 am – 7 pm (Monday to Friday & Sunday)	₱ 15,325.99/mo./guard
PhRO-Caraga	1	7 pm – 7 am (Monday to Friday & Sunday)	₱ 16,243.26/mo./guard

PhRO-Caraga	1	7 am – 7 pm (Monday to Friday)	₱ 12,905.13/mo./guard
PSO-Surigao City	2	8 am – 8 pm (Monday to Sunday)	₱ 18,602.66/mo./guard
		8 pm – 8 am (Monday to Sunday)	₱ 19,960.18/mo./guard
PSO-San Francisco, ADS	2	8 am – 8 pm (Monday to Sunday)	₱ 18,602.66/mo./guard
		8 pm – 8 am (Monday to Sunday)	₱ 19,960.18/mo./guard
PSO-Bislig City, SDS	2	8 am – 8 pm (Monday to Sunday)	₱ 18,602.66/mo./guard
		8 pm – 8 am (Monday to Sunday)	₱ 19,960.18/mo./guard
PSO-Tandag, SDS	2	8 am – 8 pm (Monday to Sunday)	₱ 18,602.66/mo./guard
		8 pm – 8 am (Monday to Sunday)	₱ 19,960.18/mo./guard

Provided that the future adjustments regarding time schedule shall be reserved in favor of the **CLIENT** in consonance with whatever alterations the latter may find necessary. The number of security guards may be subsequently increased or decreased as may be determined by the **CLIENT** depending upon the circumstances.

2. The **AGENCY** shall shoulder the amount of **P5,858.34** monthly for the difference of other benefits and night shift differential for PhRO-Caraga and Service Offices. Please see Annexes "A" and "B" for proper cost distribution list. The **AGENCY** shall bill the amount of **Two Hundred Twenty Four Thousand Four Hundred Thirty Six and 55/100 Pesos (P224,436.55)** monthly and shall add the same with **P5,858.34** for reporting purposes as the amount the **AGENCY** agreed to shoulder such report shall be furnished the PhRO-Caraga.
3. The **CLIENT** shall have the option to have the guards currently posted at its offices be absorbed by the **AGENCY** and re-assigned to the same post. However, it is understood and agreed upon that any guard to be assigned by the **AGENCY** shall possess the qualifications required in Republic Act No. 5487 and its implementing rules and Regulations of the Philippine National Police (PNP). The **AGENCY** shall assign to the **CLIENT** uniformed, efficient, well-trained, dependable, experienced, and trustworthy security personnel with duly licensed firearms and sufficient live 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.
4. The minimum and basic qualifications of the security guards to be assigned to the **CLIENT** shall be as follows:
 - a) Filipino citizen;
 - b) Twenty (21) years but not more than 50 years of age;
 - c) At least high school graduate preferably with two (2) years experience;
 - d) At least five feet and five inches in height and of medium built;
 - e) Licensed and properly screened and cleared by the PNP, NBI, and other appropriate government offices;
 - f) Must be a holder of Certificate of Training for Security Guards issued by recognized police agency and such other requirements under R.A. 5487, as amended;
 - g) If those with military background, must submit honorable discharge papers;
 - h) Of good moral character; and
 - i) Physically fit for security duties and of sound and alert mind /mentally fit.
5. 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 services to the **CLIENT**. It is therefore understood that the security guards are the employees of the **AGENCY**.
6. The **AGENCY** hereby holds itself responsible and liable for the loss or damage that may be caused to the **CLIENT's** properties and installation as well as the properties of its officer, personnel and guests duly accounted for and placed under the custody of the guard at the guarded premises and other destinations where company personnel performs critical functions pursuant to company rules and regulations, arising from theft, pilferage, robbery, malicious mischief, vandalism, or resulting from the protection of the lives and safety of the **CLIENT's** officials, personnel, visitors/guests and clientele, if after due investigation such as losses or damages were due to the negligence, omission or fault of the security guards on duty.
7. 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 acts or omission of the security guards of the **AGENCY**.
8. 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 guards assigned to it.
9. The security 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 summary report to support the Monthly Statement of Account and other pertinent documents to be forwarded to the **CLIENT**.

10. The **AGENCY** shall guarantee the delivery of benefits to the guards in accordance with the Technical and Financial Proposals submitted during the bidding conducted for the purpose. The **AGENCY** will pay their guards in advance every 10th and 25th of the month thru ATM payroll.
11. The **AGENCY** shall furnish **CLIENT** every 2nd quincena of the month with authenticated photocopies of Official Receipts evidencing the previous month's payment of the SSS, PhilHealth and Pag-ibig of the guards on duty during the entire duration of this Contract.
12. All taxes, licenses and permit fees that may be required by, dues to or collectible by the local or national government pursuant to this Contract, shall be the sole responsibility of the **AGENCY**.

B. SECURITY PROCEDURE

13. The **CLIENT** shall 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 further, 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 "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.

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 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**.

C. OBLIGATIONS OF THE CLIENT

14. For and in consideration of the services rendered by the **AGENCY** to the **CLIENT** during the effectivity of the contract, the latter shall monthly pay the former at the rate specified in item No.1.1.2 each day from Mondays to Sundays including legal and special holidays
15. It is understood that whenever the **CLIENT** suffer 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 presented a copy of the investigation report, 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 five (5) 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, unless the same is coupled with negligence of the guards.
16. The **AGENCY** also agrees to hold the **CLIENT** entirely free from any liability resulting from injury or any 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.
17. 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, PhilHealth Contributions, the parties may negotiate for reasonable adjustments in the contract price.

D. PERFORMANCE BOND

18. **OBLIGOR** hereby undertakes to furnish **OBLIGEE** a Performance Security in the form of surety bond guaranteed by Government Service Insurance System (GSIS) in an amount equivalent to thirty percent (30%) of the total contract price or in the form of bank guarantee in a amount equivalent to five percent (5%) of the total contract price or in the form of Cash/Check/ Cashier's/ Manager Check amounting to five percent (5%) of the total contract price, as guarantee for the payment of any claim made by **OBLIGEE** for losses, liability, injury or damage arising from or growing out of supplies obligations under this contract, and for the faithful performance made by **OBLIGEE** 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 filing such claim(s) or loss, 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 should continue.

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AMABEL G. RA
ADMINISTRATOR
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E. DURATION OF THE CONTRACT

19. This Contract shall take effect on **February 1, 2012** as a matter of extension, unless sooner terminated in accordance with the provisions hereof.
20. 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 allowed by law, rules and regulations.

F. TERMINATION OF CONTRACT AND VENUE OF ACTION

21. 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. If this Contract is extended on a month to month basis under the circumstances provided in paragraph 18, the termination of this contract shall only be upon reasonable period of prior notice by either of the parties. 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 of Butuan City only, to the exclusion of other courts.

G. MISCELLANEOUS PROVISIONS


22. Warranties/proposals/guarantees submitted by the **AGENCY** during the bidding conducted shall form part of this Contract, and in case of inconsistencies thereto with this Contract, the latter shall prevail.
23. In case any provision or stipulation hereof is declared invalid, null and void or contrary to laws, rules and regulations by a court of competent jurisdiction, the unaffected provision or stipulation thereof shall remain valid and effective.

IN WITNESS WHEREOF, the parties hereto have hereunto signed this Security Services Contract on this _____ day of _____ at Butuan City.

PHILIPPINE HEALTH INSURANCE
CORPORATION

Client

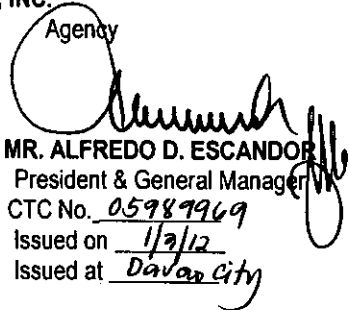
By:


JOHNNY Y. SYCHUA
Regional Vice President
CTC No 00728854
Issued on January 18, 2012
Issued at Butuan City


DAVAO SECURITY AND INVESTIGATION
AGENCY, INC.

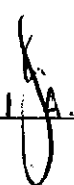
Agency

By:


MR. ALFREDO D. ESCANDOR
President & General Manager
CTC No. 05989969
Issued on 1/2/12
Issued at Davao City

SIGNED IN THE PRESENCE OF:


LOIDA M. DUMANON
Fiscal Controller III


Sheryl A. Lao

VERIFIED TRUE COPY

ACKNOWLEDGMENT

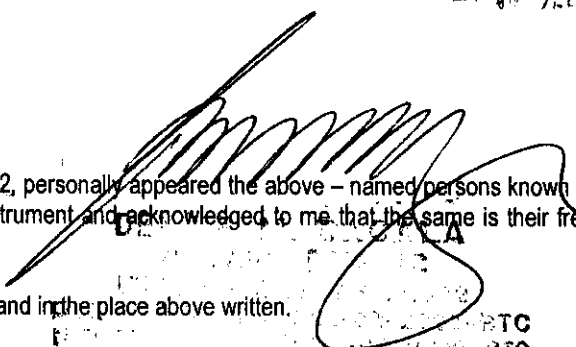
Republic of the Philippines
City of BUTUAN

} s.s.

BEFORE ME, this _____ day of FEB, 2012, personally appeared the above - named persons 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 voluntary deed.

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

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NOTARY PUBLIC
BUTUAN CITY
NOTARY NO. 0000337

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