

**CONTRACT OF SERVICE**

  
**CLIENT**

**KNOW ALL MEN BY THESE PRESENTS:**

This **CONTRACT OF SERVICE** is made and entered into this 17<sup>th</sup> day of May 2013, by and between:

**PHILIPPINE HEALTH INSURANCE CORPORATION**, a government owned and controlled corporation created and existing by virtue of RA 7875 as amended, otherwise known as the “National Health Insurance Act of 1995”, with regional office address at the Builders Place, Del Rosario St., Tuguegarao City, Cagayan, represented by its Regional Vice President **MR. OSCAR B. ABADU, JR.**, hereinafter referred to as the “**CLIENT**”,

-and-

  
**AGENCY**

**REGION SECURITY & INVESTIGATION AGENCY**, a corporation duly organized and existing under pertinent laws of the Republic of the Philippines, with business address at # 37 Diversion Road, Caritan Centro, Tuguegarao City, represented by its manager, **P/C SUPT. ROMEO S. PAGALILAUAN, (Ret.) PhD.**, hereinafter referred to as the “**AGENCY**”,

-Witnesseth:-

**WHEREAS**, the **CLIENT** desires to engage the services of a competent, qualified and able security agency who shall protect and maintain security in its Regional Office, Local Health Insurance Office's and Business Center, located at Tuguegarao City and Municipality of Aparri, Province of Cagayan; Municipality of Ilagan, Cauayan City and Santiago City, Province of Isabela; and Municipality of Solano, Province of Nueva Vizcaya:

**WHEREAS**, the **AGENCY**, a duly registered and licensed security agency, offered to render security services within the and office premises of the **CLIENT**, and further offered to render other related services;

**WHEREAS**, the **AGENCY** has quoted a bid deemed most advantageous to the government;

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

**I. DUTIES AND RESPONSIBILITIES OF THE AGENCY.**

- To provide, maintain and deploy sufficient number of efficient, well trained, dependable, experienced and trustworthy security guards within the office premises of the **CLIENT**, under the herein schedule of work shift, to wit:

Place of Assignment / Number of Security Guards	Schedule
Regional Office / Three (3) Security Guards	Twenty Four (24) hours – Three (3) shift daily
Aparri Local Health Insurance Office / Three (3) Security Guards	Twenty Four (24) hours – Three (3) shift daily
Ilagan Local Health Insurance Office / Three (3) Security Guards	Twenty Four (24) hours – Three (3) shift daily
Santiago Local Health Insurance Office / Three (3) Security Guards	Twenty Four (24) hours – Three (3) shift daily
Solano Local Health Insurance Office / Three (3) Security Guards	Twenty Four (24) hours – Three (3) shift daily
Cauayan Business Center / One (1) Security Guard	Eight (8) hours – 8:00 am to 5:00 pm Daily
Tuguegarao Local Health Insurance Office / Three (3) Security Guards	Twenty Four (24) hours – Three (3) shift daily

- The Security Agency shall assign to PhilHealth, uniformed and adequate trained Security Personnel with duly licensed firearms and

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- The Security Agency shall maintain a pool of Security Guards, and provide relieves/replacements in case of absences of any assigned security guard in order to ensure continuous and uninterrupted service. The GSU must be informed accordingly of such arrangements. A security guard must not act as a reliever after his duty.
- The Security Agency shall be under the supervision of the GSU.
- The Security Agency shall position their guards strategically to cover all properties in view, except when there is a duly authorized special arrangement with the Head of Office as cleared by the GSU.
- The Security Agency shall see to it that the security guards are screened and declared physically and mentally fit before they are allowed to report to their assigned posts. Security Guards shall never be under the influence of liquor or any prohibited drug while on duty. The Security Agency shall replace immediately any Security Guard found to be under the influence of liquor or any prohibited drugs.
- The Security Agency shall likewise replace immediately any Security Guard who may be found to be undesirable and/or incompetent by the PRO through the GSU upon receipt and verification of any report or request.
- The Security Guards shall render satisfactory services from Mondays to Sundays, or Fridays as the case may be, to be certified jointly by the offices where they are assigned and by the Division Chief, MSD.
- The security guard on duty shall be responsible for closely monitoring and recording movement of all office materials, supplies and personnel within the assigned area of responsibility. Whenever equipment is brought out of the building, the security guard shall demand a gate pass duly signed by the head or any official representative of the GSU.
- The security guard has the responsibility to screen in a very courteous and polite manner, visitors and guests, 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 that they may deposit for safekeeping and issued with the appropriate acknowledgement receipt.
- The security guard on duty is authorized to inspect bags and packages and search individuals, including employees, when necessary.
- 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.

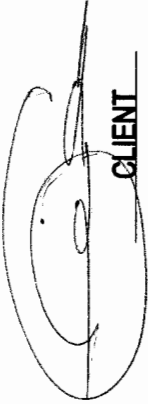
## II. QUALIFICATION OF SECURITY GUARDS

All Security Guards to be assigned by the Security Agency to PRO 2 must possess the following minimum requirements:

- Has finished at least second year college
- With height of not less than 1.65 meters
- With weight of not less than 55 kilograms
- Not less than 21 years nor more than 35 years old at the time of assignment to PRO 2 under this contract
- Physically and mentally fit, as indicated in a neuro-psychiatric clearance from a PNP and DOH-accredited institution and confirmed by the health designate of PRO 2
- Licensed to carry firearms and properly screened by the PNP, NBI and other concerned government offices for this purpose, copies of such clearances to be furnished to the corporation
- Must be a holder of a Certificate of Training for Security Guards and other requirements of RA 5487 as amended
- Must possess honorable discharge documents, if with military background
- Of good moral character, as certified by the Barangay and the police district concerned and the NBI; and.

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- Must have undergone drug test and found to be free from tetrahydrocannabinol, methamphetamine hydrochloride and other prohibited substances, certification to be given to PRO 2 every six months.

  
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### III. EQUIPMENT AND AMMUNITIONS

- The Security Agency shall provide security gears and support equipment in accordance with what is prescribed in each security plan, to wit:
- Firearms and Ammunitions. Each post must be provided with a duly licensed firearm and ammunitions to be kept within the immediate reach of the guard on post and protected from access by unauthorized persons.
- Investigative and Surveillance Equipment. The Security Agency shall provide and set up Twelve (12) Surveillance Equipment {six (6) cameras shall be installed at PRO2 and one (1) camera at each LHIO's and Business Center }, for monitoring purposes of the daily activities of the PRO and its Local Health Insurance Offices and Business Center.
- Other Equipment for Security Personnel. Each security guard on duty shall be provided by the Security Agency with equipment such as but not limited to the following:
  1. First Aid Kits
  2. Pepper Spray
  3. Emergency Lights
  4. Security and Safety Signs
  5. Whistles and Flashlights
  6. Seven (7) Metal Detectors
  7. Others as required by the situation

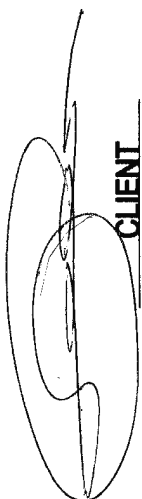
  
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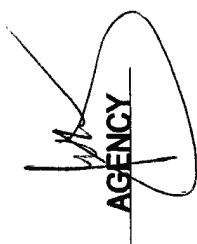
### IV. OTHER TERMS AND CONDITIONS

- a. The Security Agency must have deployed at least fifteen (15) sentinels with its previous contract with other government agency.
- b. The Security Agency must be of good standing and should not have pending cases with other agencies. Any pending case by the Security Agency before any other agencies that in the discretion of PhilHealth may be detrimental and/or disadvantageous to the corporation may be a ground for outright denial and/or disqualification by the Security Agency from further participating in the procurement activity to be conducted by PhilHealth.
- c. The number of Security Guards may be subsequently increased or decreased as may be determined by the PRO depending upon the circumstances.
- d. The PRO shall deduct the cost of maintaining the post for the day/shift if the assigned Guard is under the influence of liquor or prohibited drugs were learned, even if a replacement/reliever has been provided.
- e. The Chief of Office where the guard is assigned and the GSU jointly or by themselves, shall have the right to inspect the security guards in their posts to determine compliance on 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 experience or prohibited 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 the PRO
- f. The Security Agency or head of the agency shall visit the client or its representative regularly for a meeting at least twice a month concerning security operations and other concerns of the detachment.

  
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- g. The Security Agency shall conduct seminars at least once every quarter to further train its security guards on emergency response, public relations, courtesy, discipline, first aid, report writing, crisis management, proper use and maintenance of firearms, laws on arrest, seizure, searches, evidence, strikes, crimes against persons and property, and other related topics.
- h. All Security Guards and relievers shall be screened by the GSU before their acceptance. The following should be submitted for evaluation of the GSU:
- Transcript of Records showing compliance to education requirements
  - Medical certificate attested within two weeks prior to assignment to the PRO, showing the physical and mental fitness, height and weight of the candidate
  - Certificate of Live Birth of the candidate : showing exact date of birth on record.
  - NBI Clearance
  - Current/unexpired Security Guard license issued by the PNP
  - Certificates of Training
  - Recent 2x2 picture
  - SSS Membership Card
  - Drug test Certification
  - Police and Barangay Clearances showing that the candidate is a citizen of good moral character in the community
- i. The security guard on duty shall check the ingress/egress of the units as listed in the approved request for movement/transfer of properties and shall immediately report to the GSU of any discrepancy noted.
- j. The security Agency shall be liable for the loss, due to negligence of the assigned security guards of any properties of PRO 2.

## V. PAYMENT OF SECURITY SERVICES RENDERED

  
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- Payments for service rendered in accordance with the contract shall be made by the PRO with the Security Agency on a twice a month basis as the case maybe, subject to the withholding of any lawful charges and subject further to the presentation by the Security Agency of a 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. ***The PRO reserves the right to inspect the payroll of the Security Agency in order to verify that the wages have been paid. Any violation shall be a sufficient ground for the termination of the contract without prejudice to the liability of the Security Agency. (Italics supplied)***
- The summary report of attendance of security guards shall be approved by the GSU before payments are made to the guards who shall then acknowledge that they have received the amount per contract. Claims for payment by the Security Agency must be supported by a copy of this report, the certification from the GSU to the effect that all wages for the preceding month have been fully paid, including also that all remittances due to SSS, Pag-Ibig and Philhealth have been paid. The Security Agency is also required to submit RF-1 (Philhealth), R-3 (SSS) and HDMF remittance list for Pag-Ibig. It is also required from the agency to include a certification that it has already paid its security guards for the period being claimed/paid.
- All taxes payable to the government shall be borne by the Security Agency.
- In case of increase of wage rate due to enactment of new laws, the Security Agency may seek adjustment in writing, subject to the approval of the authorities concerned.
- The Security Agency's performance security shall be liable for damages or losses that may arise directly or indirectly attributable to the negligence or misbehavior or direct participation of the security guard assigned by the Security Agency. In case the bond is not sufficient to cover such losses or damages, the Security

  
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6. The Security Agency shall assume full responsibility for any claim for any compensation on injuries from accidents in connection with the performance of the duties of security guards and shall free the PRO from any legal suit in connection therewith.

#### VI. OBLIGATION OF THE CLIENT

For and in consideration of the services rendered by the **AGENCY** to the **CLIENT** during the effectivity of the contract, the latter shall pay in Philippine currency the former the total amount of **TWO MILLION SIX HUNDRED TWENTY ONE THOUSAND TWO PESOS and 35/100 (P2,621,002.35)**, on its first year implementation duration of this contract, inclusive of holiday pay, overtime pay and night shift differential and all other benefits in favor of the guard under Labor laws. The **AGENCY** shall furnish the **CLIENT** the Monthly Statement of Account in support of such payment.

  
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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 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**. This condition shall apply whenever the value involved in any such damage /loss exceeds P500.00. Provided, further, that the loss or damage was reported in writing by the **CLIENT** to the **AGENCY** within two (2) 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.

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.

  
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#### VII. PERFORMANCE BOND

The **AGENCY** hereby undertakes to furnish the **CLIENT** a Performance Bond of Thirty Percent (30%) in the amount of **SEVEN HUNDRED EIGHTTY SIX THOUSAND THREE HUNDRED PESOS AND 71/100 (Php 786,300.71)** as guarantee in the 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 by the **AGENCY** of the covenants, obligations and undertakings 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, liability, injury of damage shall have lapsed. Provided, however, that if any claim for any of the foregoing has been filed within said period, then in any such case, the bond shall continue.

#### VIII. DURATION OF THE CONTRACT.

This contract shall take effect on **May 24, 2013** until **May 23, 2016**, unless sooner terminated in accordance with the provisions hereof. 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.

  
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#### IX. TERMINATION OF CONTRACT AND VENUE OF ACTION.

The **CLIENT** and **AGENCY** reserves the right to terminate this Contract for any cause or reason upon thirty (30) days of 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 on Tuguegarao City.

**X. MISCELLANEOUS PROVISIONS.**

In case any provision or stipulation hereof is declared invalid, null and void or contrary to law, 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 Contract on this \_\_\_\_ day of \_\_\_\_\_ 2013 in Tuguegarao City.

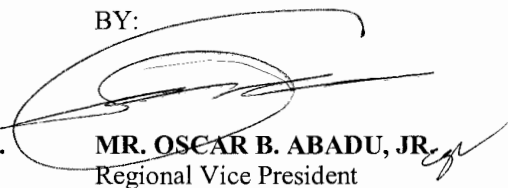
**REGION SECURITY & INVESTIGATION  
AGENCY**

**PHILIPPINE HEALTH  
INSURANCE CORPORATION**


BY:


BY:

  
**P/C SUPT. ROMEO S. PAGALILAUAN, (Ret.) PhD.**  
Manager

  
**MR. OSCAR B. ABADU, JR.**  
Regional Vice President

Signed in the presence of:

  
**MS. LILIA C. QUINTO**  
Fiscal Controller IV

  
**JOSUE M. ANOG**  
Official Canvasser, PRO 2

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES )  
TUGUEGARAO CITY, CAGAYAN ) S.S.

BEFORE ME, personally appeared this \_\_\_\_ day of 22 MAY 2013, at TUGUEGARAO CITY,  
Philippines.

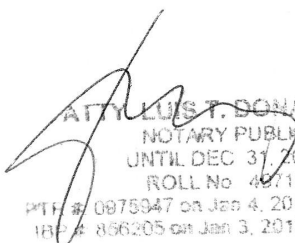
NAME	VALID IDENTIFICATION	DATE/PLACE OF ISSUE
MR. OSCAR B. ABADU, JR.	<u>N02-95-270119 (Drivers License)</u>	<u>Tuguegarao City</u>
P/C SUPT. ROMEO T. PAGALILAUAN, (Ret), PhD	<u>EB 1048166 (Passport)</u>	<u>DFA TUGUEGARAO / 28 Sep 10</u>

known to me to be the same persons who executed the foregoing Contract of Services consisting of seven (7) pages including the page on which this acknowledgment is written and acknowledged that the same is their voluntary act and deed.

IN TESTIMONY WHEREOF, I have hereunto signed and affixed my notarial seal on the date and place first above-written.

NOTARY PUBLIC

DOC. NO. 439  
PAGE NO. 88  
BOOK NO. 9  
SERIES OF 2013

  
ATTY. LUIS T. DONATO, JR.  
NOTARY PUBLIC  
UNTIL DEC 31, 2013  
ROLL No. 42715  
PTR # 0875947 on Jan 4, 2012 AT Tug City  
IBP # 866205 on Jan 3, 2012 AT Tug City