

# SECURITY SERVICE CONTRACT

## KNOW ALL MEN BY THESE PRESENTS:

This Contract made and executed by and between:

**UNIVERSITY OF SOUTHEASTERN PHILIPPINES**, a State University, created and existing by virtue of Batas Pambansa Bilang 12, with principal office at the USEP Main Campus, Bo. Obrero, Davao City, represented herein by its President **DR. LOURDES C. GENERALAO** hereinafter referred to as the 'CLIENT';

-and-

**MATI INVESTIGATION SECURITY AGENCY SERVICES, INC.** an agency duly organized and existing under and by virtue of the laws of the REPUBLIC OF THE PHILIPPINES, with office address 3<sup>rd</sup> Floor BEP Bldg., Quimpo Blvd. Corner Ecowest Drive, Ecoland Davao City represented herein by its President **MRS. ELVIRA T. PANG**, hereinafter referred to as the 'AGENCY';

## WITNESSETH:

**WHEREAS, USEP** conducted a public bidding for the Procurement of Contract for the Supply of Twenty-One (21) Security Guards for Obrero and Mintal Campuses, Davao City on October 29, 2018.

**WHEREAS, per BAC Resolution No. 2018-23**, the two-year contract was awarded to MATI INVESTIGATION SECURITY AGENCY SERVICES, INC., the bidder who submitted the Lowest Calculated and Responsive Bid (LCRB);

**WHEREAS, the AGENCY** has offered its services to guard and protect the property of the CLIENT against robbery, and destruction or any and all acts against its property by strangers or malefactors as well as to investigate for the CLIENT all such acts, and to protects its officers, staff, visitors and students from assault, harassment, threat or intimidation, as well as enforcing and implementing its rules policies and regulations relative to the maintenance of security and safety threat;

**NOW, THEREFORE**, for and in consideration of the foregoing premises, the parties hereto have agreed and do hereby mutually agree to the following arrangement, stipulation, terms, and conditions:

1. The AGENCY shall provide the CLIENT with qualified, efficient, trained and uniformed security guards at its school/premises located at Obrero and Mintal Campuses, Davao City and its other campuses when needed. Said guard must be of good moral conduct and character, physically fit and mentally sound;
2. The AGENCY shall ensure the security guards are subjected regularly to neuro-psycho test, drug test, etc. and that results thereof be furnished to the CLIENT which information shall be handled with utmost confidentiality;
3. The AGENCY shall provide at its expense the following necessary resources that can be used for the compliance of security services:
  - a. At least ten (10) licensed 9mm firearms with ammunition;
  - b. At least ten (10) brand new hand-held radio and four megaphones;
  - c. One (1) motorcycle and one (1) bicycle;

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Project Coordinator

MRS. EMMIRA T. PANG  
Project Coordinator

ROLANDO B. ENRIQUEZ  
Finance Director

MA. LUISA B. FAUNILLAN  
Vice President for Administration

*[Handwritten signature]*  
President

LOURDES C. GENERALAO  
President

- d. Sufficient number of licensed guards available anytime for augmentation requirement;
  - e. One (1) walk-through detector; and
  - f. First aid personal kit, umbrella, raincoat, flashlight, rubber boots and the likes per guard on duty.
4. The AGENCY shall provide a security plan for the following:
    - a. During events at the USEP Gym;
    - b. Normal regular school days;
    - c. In case of floods, fire, earthquake, typhoon, bomb threats, hostage-taking, suicidal attempt, and accident; and
    - d. A guarding system, roving, scheduling/shifting.
  5. The AGENCY shall work in close coordination and cooperation to the CLIENT through its Chief Security Officer for orientation on security protocols and processes;
  6. The AGENCY shall provide the following to the CLIENT through its Chief Security officer:
    - a. An updated list of its staff including new appointments and replacements/relievers;
    - b. A detailed monthly report relating to security services; and
    - c. Incident report
  7. As required by the CLIENT, the security guards to be assigned at the school/premises of the CLIENT will initially consist of twenty-one (21) security guards to render Twelve (12) hours duty daily including Sundays and Legal Holidays. Such number of guards, however, may be increased as the need arises upon recommendation by the AGENCY and upon approval by the CLIENT.
  8. It is expressly understood herein that the guard of the AGENCY is in no sense employee of the CLIENT and such the AGENCY will be responsible for any claim for personal injury or damage arising out of, while, and in the course of the performance of security functions and duties.
  9. In connection to the preceding paragraph, the AGENCY shall exercise immediate control and disciplinary authority over the guards assigned to perform the services subject to this Agreement. The AGENCY hereby further agrees to hold the CLIENT entirely free and harmless from any liability, cause of action, claim or claims that may be filed by the guards by reason of this Agreement or under the provision of the minimum wage law, SSS, PAG-IBIG, ECC and other laws pertaining to the employment of labor which are now in effect or which may hereinafter be enacted. The AGENCY hereby warrants to indemnify the CLIENT should the latter be held for any said claims, including damages incurred in connection therewith. It is expressly understood that said personnel are not employees of the CLIENT, it must be clearly emphasized that:
    - a. There exist no employer-employee relationship between the CLIENT and the persons hired by the AGENCY;
    - b. Services rendered by the persons hired by the AGENCY can never be accredited as government service; and
    - c. The persons hired are not entitled to benefits enjoyed by the government employees such as PERA, ACA, RATA, BONUS, CASH GIFT and other benefits.
  10. The guard's conduct and performance shall be under the direct control and supervision of the AGENCY. Hence, the performance of the guards shall be

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*Fredrick S. Ntekel*  
 Project Coordinator

MRS. ELVIRA T. PANG  
 Project Coordinator

ROLANDO B. ENRIQUEZ  
 Finance Director

MA. LUISA B. FAUNILLAN  
 Vice President for Administration

*Luisa B. Faunillan*  
 Vice President for Administration

*Genralao*  
 LORDES C. GENERALAO  
 President

evaluated by said AGENCY in coordination with the person(s) authorized by the CLIENT. The client reserves the right to inspect the guards at any time to ensure the proper performance of their duties and obligations. In case the CLIENT is not satisfied with the conduct and performance of the guard the CLIENT has the right to demand immediate replacement within 24 hours.

11. The AGENCY shall be responsible for the loss or damage to property that may be suffered by the CLIENT only during the hours of work of security guards of the AGENCY and made known in writing to the latter within forty eight (48) hours and provided that the AGENCY shall be responsible only for the losses or damages to be reported by the CLIENT whenever there is a showing that the door, window or other points of entrance/exit were subjected to force and in which loss or damage is due to the negligence of the security guard assigned to the CLIENT, except when such damage or loss to property or equipment is due to force majeure or acts beyond human control, or any of the following circumstances:
  - a. When the damage or loss pertains to the personal belongings of the officers/employees of the Client, and such personal belongings were never placed under the control and responsibility of the guard;
  - b. When the loss, damage or defacement to Client's property is due to fault, negligence or omissions of Client's personnel to whom such property was for use in the performance of his duty unless such property was placed under the direct control or lookout of the guard;
  - c. When Client's property is kept in an open space or storage and no actual physical inventory has been made in the presence of the guard, or such property was not turned over to the Agency or any of its representative.
12. The CLIENT is authorized to deduct from the monthly payment the full monetary value of loss or damage to property suffered by reason of the act, omission or negligence of the AGENCY or any of its security guards and employees which has been previously established in an investigation conducted for the purpose.
13. For and in consideration of the services by the AGENCY to the CLIENT, and during the life of this agreement, the latter shall pay the former the sum of Php. 20,981.63 per guard scheduled during daytime, and Php. 22,194.92 per guard scheduled on a night shift. This rate is based on the daily minimum wage rate of Php. 370.00 and with 12 hours duty including Sundays and holidays payable every 15<sup>th</sup> and 30<sup>th</sup> of the month. The AGENCY shall pay the guards, posted in latter's campuses, the required compensation, as provided in the labor laws as quoted in their bid proposal as reflected herein.

Cost Breakdown Per Month Security Services RTWPB XI-18 Monday - Sunday		MINSAS	
Daily Minimum Wage Rate		370.00	370.00
		DAY SHIFT	NIGHT SHIFT
<b>AMOUNT DIRECTLY PAID TO GUARD</b>			
Basic Pay (DW x 393.5 days/12 months)	₱ 12,132.92	₱ 12,132.92	
Overtime Pay [(DW/8x125%x298x4) + (DW/8x260%x12x4)+ (DW/8x169%x52x4)+(DW/8x195%3x4)]/12	7,656.69	7,656.69	
<b>Total Equivalent Monthly Rate</b>	<b>19,789.61</b>	<b>19,789.61</b>	
Incentive Leave (DWx5 days/12 months)	154.17	154.17	
Night Differential Pay (Basic x 10%/2)			1,213.29
13 <sup>th</sup> Month Pay (DW x 365 days/12 months/12)	937.85	937.85	
Uniform Allowance (RA 5487)	100.00	100.00	
<b>TOTAL SUM DIRECTLY TO GUARD</b>	<b>₱ 20,981.63</b>	<b>₱ 22,194.92</b>	

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*[Handwritten Signature]*  
 MRS. ELVIRA T. PANG  
 Project Coordinator

MRS. ELVIRA T. PANG  
 Project Coordinator

ROLAN B. ENRIQUEZ  
 Finance Director

MA. LUISA B. FAUILLAN  
 Vice President for Administration

*[Handwritten Signature]*  
 LOURDES C. GENERALAO  
 President

<b>SOCIAL BENEFITS:</b>		
SSS Premium	1,178.70	1,178.70
PhilHealth Contribution (BP*2.75%/2)	166.83	166.83
EC (State Insurance)	30.00	30.00
Pag-IBIG Fund	100.00	100.00
Retirement Benefits (DW x 22.50/12)	693.75	693.75
<b>TOTAL AMOUNT TO GOVERNMENT IN FAVOR TO SECURITY GUARD</b>	<b>2,169.28</b>	<b>2,169.28</b>
<b>TOTAL AMOUNT TO GUARD &amp; GOVERNMENT</b>	<b>23,150.91</b>	<b>24,364.20</b>
Administrative Overhead & Agency Fee Inclusive of National & Local Taxes/Licenses	2,000.00	2,000.00
Value Added Tax (Agency Fee x 12% per VAT-RMC-039-2007)	240.00	240.00
<b>TOTAL MINIMUM MONTHLY CONTRACT RATE</b>	<b>₱ 25,390.91</b>	<b>₱ 26,604.20</b>
<b>TOTAL MONTHLY CONTRACT RATE FOR TWENTY-ONE (21) SECURITY GUARDS</b>	<b>₱ 355,472.74</b>	<b>₱ 186,229.40</b>
<b>TOTAL CONTRACT RATE FOR TWO AND a HALF (2.5) MONTHS</b>		
<b>TOTAL CONTRACT RATE FOR TWELVE (12) MONTHS</b>	<b>₱ 4,265,672.88</b>	<b>₱ 2,234,752.80</b>
<b>TOTAL AMOUNT REFLECTED IN THE BID FORM</b>		<b>₱ 6,500,425.68</b>

14. It is understood that a portion of the above consideration equivalent to that amount which the security guard is entitled by way of salary or compensation, shall be earmarked and set aside for such remuneration and shall be received by the AGENCY from the CLIENT in trust only for the said guard.

15. In case of violations by either party of any of the foregoing terms and conditions, the other party may terminate this Contract by giving at least thirty (30) working days with prior written notice. The termination shall take effect immediately after the lapse of thirty (30) working days from receipt by the other party of the notice of termination; Provided, however, that the termination shall be without prejudice to the settlement of any obligation or claim for damages one may have against the other; Provided, further, that failure on the part of either party to enforce any of the provisions of this Contract shall not be considered a waiver of its rights.

16. Upon discovery of the CLIENT of any failure or willful neglect of payment of the correct and legal contribution to SSS, PhilHealth, Pag-IBIG and Employees Compensation (State Insurance Fund) by the AGENCY and other statutory obligations, the same shall be a ground for automatic termination/rescission of the contract.

17. This Contract shall take effect on 01 May 2019 to 01 June 2021 unless earlier terminated by either party upon a mutual agreement or pursuant to the provisions of Paragraph 16 hereof.

Before the end of the first year, the CLIENT shall conduct an assessment or evaluation of the performance of the AGENCY based on a set of performance criteria. The performance criteria to be applied shall include among others, the following (i) quality of service delivered; (ii) time management; (iii) management

*[Handwritten Signature]*

and suitability of personnel;(iv) contract administration and management; and(v) provision of the regular progress report.

The AGENCY shall maintain a Very Satisfactory level of performance throughout the term of the contract based on a prescribed set of performance criteria. Failure of the AGENCY to meet a VERY SATISFACTORY level of performance at the end of the first year shall be a ground for automatic termination/rescission of the contract.

18. Contract price during contract implementation shall be fixed and shall not be adjusted except for the following cases:
- Increase in minimum daily wage pursuant to law or new wage order issued after the date of bidding; and
  - Increase in taxes
19. The AGENCY shall execute and deliver a performance bond in favor of the CLIENT in the form of cash or surety bond from any reputable bonding or insurance company equivalent to thirty (30%) percent of the contract price within ten (10) calendar days after the receipt of the Notice of Award (NOA). Failure to do so will nullify the existing contract.
20. The following documents shall form part of this Contract:
- All bidding documents signed and submitted by the AGENCY;
  - Bidders bid, including the eligibility requirements, technical and financial proposal and other documents/statements submitted;
  - Notice of Award of the Contract;
  - BAC Resolution No. 2018-23;
  - Notice to Proceed; and
  - Board of Regents Resolution No. 10c, series of 2018.
21. In case of litigation arising from or in connection with this contract, venue of action shall be in the proper Regional or Metropolitan Trial Court of Davao City only and the amount equivalent to 25% of the amount claimed but shall not be less than Php. 20,000 shall be due and demandable as attorney's fees.

IN WITNESS WHEREOF, the parties have hereunto set their hands this 30 <sup>APR</sup> day of \_\_\_\_\_ 2019 at the City of Davao, Philippines.

UNIVERSITY OF SOUTHEASTERN  
PHILIPPINES (USEP)

  
LOURDES C. GENERALAO  
President

MINSAS SECURITY AGENCY INC.

  
MRS. ELVIRA T. PANG  
President

SIGNED IN THE PRESENCE OF:

  
MA. LUISA B. FAUNILLAN  
Vice President for Administration, USEP

  
FREDDIE C. MUNGICO  
Witness

Certified as to Availability of Funds:

  
ROLAND B. ENRIQUEZ  
Finance Director, USEP

REPUBLIC OF THE PHILIPPINES)  
Davao City )S.S

ACKNOWLEDGMENT

BEFORE ME, as the Notary Public for and within the City of Davao, personally appeared

Name	Valid I.D.	Date/Place Issued
Lourdes C. Generalao	GSIS ID # 006-0085-6444-5	Davao City
Elvira T. Pang		

known to me to be the same persons who executed the foregoing CONTRACT and they acknowledged to me that the same is their true act and deed for and in behalf of the parties they represented.

This instrument consists of six (6) pages, including this page, on which this Acknowledgement is written duly signed by the contracting parties and their witnesses on the margins thereof.

30 APR 2019

IN WITNESS WHEREOF, I have hereunto affixed my Signature and Official Seal this \_\_\_\_ day of \_\_\_\_\_, 2019.

ROLANDO H. ENRIQUEZ  
Finance Director

M.A. LUISA B. FAUNILLAN  
Vice President for Administration

LOURDES C. GENERALAO  
President

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Series of 2019

ATTY. EDWALDO L. LEGASPINA  
NOTARY PUBLIC FOR DAVAO CITY  
UNTIL DECEMBER 31, 2019  
NOTARIAL COMMISSION NO. 2018-118-2019  
PTR O.R No. 1659038-01-03-19 Davao City  
IBP O.R No. 062594-01-04-19 Davao City  
ROLL OF ATTORNEYS NO. 51790  
TIN: 945-526-356  
3F CORONET BLDG., 86 ANDA ST., DAVAO CITY