

# SECURITY SERVICES CONTRACT

## KNOW ALL MEN BY THESE PRESENTS:

This agreement is made and entered into by and between **MOUNTAIN PROVINCE STATE POLYTECHNIC COLLEGE (MPSPC)** with business address at Bontoc, Mountain Province and herein represented by its College President, **DR. EDGAR G. CUE**, hereinafter referred to as the **CLIENT**;

-and-

**BAGUIO'S FINEST SECURITY AGENCY (BFSA)**, a sole proprietorship duly organized and existing under Philippine laws with office address at **DOTC-TELOF Building, Post Office Loop, Session Road, Baguio City**, represented by its Proprietor/Security Director, **KARL B. GABAEN LLB CSP**, hereinafter referred to as the **AGENCY**.

## WITNESSETH:

That, the **CLIENT** wants to engage the services of the **AGENCY** for the purpose of guarding and protecting properties, equipment, installations and personnel of the **CLIENT** premises from theft, robbery, trespass, damage, other destructive acts or unlawful acts by strangers or third parties as well as to maintain peace and order in and around the **CLIENT** premises.

That, the **AGENCY** has agreed to watch, safeguard and protect the **CLIENT** from injury, theft, robbery, arson and/or other unlawful acts by strangers or third parties, subject to the stipulations set hereunder:

**NOW THEREFORE**, in consideration of the mutual promises, covenants and stipulations hereinafter set forth, the parties hereto have agreed and do hereby agree the one with the other as follows:

### 1. AGENCY-CLIENT RELATIONSHIP

There shall be no employer-employee relationship between the **CLIENT** on one hand, and the **AGENCY** and the guards who the **AGENCY** may assign to perform the services called for hereunder, on the other hand. The **AGENCY** hereby acknowledges that no authority has been conferred upon it by the **CLIENT** to hire any person on behalf of the **CLIENT**, and that, other than the purpose for which they are intended, the security guards who the **AGENCY** may assign to perform the services called for are and shall be construed simply as desired by the **CLIENT** to insure efficient service results.

It is expressly understood and agreed between the parties that the persons who the **AGENCY** may assign to perform the services called for are, and shall remain employees of the **AGENCY** only. As such, the **AGENCY** hereby warrants to fully and faithfully comply with provisions of the New Labor Code, as well with all other Presidential Decrees, Letter of Instructions, General Orders, Rules and Regulations pertaining to the employment of labor now existing.

### 2. AGENCY RESPONSIBILITIES AND OBLIGATIONS

- b. Nightstick and Whistle
- c. Searchlight with halogen bulb +300% illumination
- d. Handheld Radio Transceiver or cell phone

#### **Inspections**

The **AGENCY** shall assure that regular post inspections will be conducted during daytime and night time to exercise discipline, control, supervision and administration over the guards. The inspectors will not be restricted from this duty and inspections can be conducted anytime without notice.

#### **Emergencies**

The **AGENCY** shall assure the immediate response in cases of emergencies and fortuitous events. The cell phone numbers apart from the regular land lines will be provided to the **CLIENT** representatives upon the perfection of this contract.

#### **Discipline**

Discipline and administration of the security guards shall be the sole responsibility of the **AGENCY**. The guards are required to conform with the rules and regulations of the **AGENCY** and Republic Act 5487 and the laws of the Philippines. The guards assigned to the **CLIENT** will be subject to the instructions of the duly designated representative of the **CLIENT**.

### **3. CLIENT RESPONSIBILITIES AND OBLIGATIONS**

#### **Reporting**

The **CLIENT** obliges itself to report in writing to the **AGENCY** through its guard-in-charge assigned, the existence of any loss or damage to the **CLIENT**'s properties within twenty-four (24) hours after the occurrence of its discovery, otherwise the **CLIENT** shall have waived its rights to proceed against the **AGENCY** for such loss or damage. The personal effects of properties of individual employees especially articles placed inside their drawers or vehicle are excluded from the coverage of this provision.

#### **Agency Contract Fee**

In consideration of the services to be rendered by the **AGENCY** to the **CLIENT**, the latter shall pay to the **AGENCY**:

The Amount of **TWENTY TWO THOUSAND FIFTEEN PESOS AND FIFTY CENTAVOS (Php 22,015.50)** per Guard per Month for **Eight (8) hours** duty

#### **Payment Schedule**

The **CLIENT** obligates to pay on time, twice a month on or before the 5<sup>th</sup> and 20<sup>th</sup> of each month for the previous half month period.

#### **Minimum Wage Rate**

In case of a decree, law, order or proclamation amending the **MINIMUM WAGE RATE** or providing new or increasing benefits to employees, there shall be a corresponding increase in contract rate based on the **PADPAO** rates, as per **DOLE - Labor Advisory No. 15 series of 2019**, state that, **"The issuance of the new wage order shall automatically amend the Service Agreement, and the prescribed increases shall be primarily borne by the principal. Accordingly, contract cost shall be adjusted in conformity with the mandated wage increase"**.

- g. If the guards assigned exercised due care and diligence to prevent the said loss or damage;
- h. Force majeure and or to fortuitous events;
- i. Loss and/or damage due to the acts of the guards while performing on their instructions and/or insistence of the **CLIENT**, other than those specified in this agreement.

In case of disagreement on whether or not the **AGENCY** is liable for any loss or damage to the **CLIENT**, the latter shall not withhold payment on back and current charges for guarding. The **AGENCY** promises to pay the loss or damage as soon as its liability is determined. During this period the **AGENCY** agrees to continue to provide services and the **CLIENT** agrees to continue to make service payments.

## 6. GUARDS AND SHIFTS

As required by the **CLIENT**, the initial security detachment to be established and assigned by the **AGENCY** shall consist of Twenty-Six (26) Guards with additional Ten (10) Guards of which the **AGENCY** will determine the deployment:

No. of Guard/s	<b>Twenty Six (26) Guards</b>
No. of Hours	<b>Eight (8) Hours</b>
Shifting Hours	<b><u>Eight hours interval daily</u></b>

### Special Agreement:

There will be additional Ten (10) Uniformed Guards to be deployed at the **CLIENT** various locations and the **AGENCY** will be the one to determine the corresponding number of guards and schedule of posting in every site.

## 7. CONFIDENTIALITY

This agreement and all terms of this agreement are confidential and both parties are aware that disclosure of any terms of this agreement can substantially and irreparably damage the competitiveness of the **AGENCY** or compromise the **CLIENT**. Any unauthorized disclosure can result in either party seeking damages.

## 8. CONFIDENTIALITY COVENANTS TO SURVIVE CESSATION OF AGREEMENT

This obligation in this Contract shall survive the cessation of Agreement regardless of how such cessation arises.

## 9. SEVERABILITY

Each paragraph of this Agreement shall be and remain separate from, independent of, and severable from all and any other paragraphs herein except where otherwise indicated by the context of this Agreement. Any decision or declaration that one or more paragraphs are null and void shall have no effect on the remaining paragraphs of this Agreement.

## 10. TERMINATION OF PRIOR AGREEMENTS

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### **2. AGENCY RESPONSIBILITIES AND OBLIGATIONS**

### **Agency-Guard Relationship**

Administration, discipline and supervision of the security guards to be assigned by the **AGENCY** under this agreement shall conform to the Republic Act 5487, otherwise known as "The Private Security Agency Law" and the implementing rules and regulations prescribed hereunder by the Director of the Philippine National Police as well as those of the **AGENCY**.

The **AGENCY** shall retain and exercise the sole, exclusive and absolute right as employer, to select, rotate, re-assign, suspend, lay-off, terminate and/or impose disciplinary action over the individual watchman or security guards assigned by it to the **CLIENT**. It is further understood that the **AGENCY** shall select, engage and discharge its employees or agents and otherwise direct and control their services. The determination of wages, salaries or compensation of its employees shall be within sole and full control of the **AGENCY**.

### **Guard Assignment and Rotation**

The **AGENCY** as employer shall retain and exercise the sole, exclusive and absolute right to rotate, re-assign, suspend, direct and control the services of the security guards who will be assigned to the **CLIENT**. The **CLIENT** may request the **AGENCY** to replace a guard, suitable to the **CLIENT**'s requirements.

### **Guard Qualifications**

The **AGENCY** shall provide the **CLIENT** with security guards who possess the following qualifications:

- a. Never has been fired from former employer;
- b. Never has been convicted of a crime;
- c. Not addicted to liquors or drugs, and has never used illegal drugs;
- d. Good moral character, with non-derogatory records from the Baguio City Police Office, the municipality, the City Courts of Baguio, the Office of the Mayor, Baguio, Philippine National Police;
- e. Physically and mentally fit, at least 5 feet and 4 inches in height; weight not less than 150 pounds, 21 years of age and a citizen of the Republic of the Philippines;
- f. Has completed security training and proficient in the use of firearms;
- g. At least High School Graduate/college level in educational attainment.

If it should be determined that a guard does not meet any of the above qualifications, the **AGENCY** will be obliged to immediately replace the guard with another guard that meets the above qualifications.

### **Guards Compensation and Benefits**

The **AGENCY** agrees that it will be responsible for and shall notify the guards, at the time of hiring, as to the wages and other working conditions under which they are employed.

### **Law Enforcement Assistance**

The **AGENCY** without additional charge, will actively aid the local and national police agencies in the investigation of cases involving injuries, loss or damage that directly involve the **AGENCY** and the **CLIENT**.

### **Equipment**

The **AGENCY** shall provide at its expense the following to the guard (s) assigned to the **CLIENT**:

- a. Service firearms, Revolver .38 and/or Shotgun .12ga

- b. Nightstick and Whistle
- c. Searchlight with halogen bulb +300% illumination
- d. Handheld Radio Transceiver or cell phone

#### **Inspections**

The **AGENCY** shall assure that regular post inspections will be conducted during daytime and night time to exercise discipline, control, supervision and administration over the guards. The inspectors will not be restricted from this duty and inspections can be conducted anytime without notice.

#### **Emergencies**

The **AGENCY** shall assure the immediate response in cases of emergencies and fortuitous events. The cell phone numbers apart from the regular land lines will be provided to the **CLIENT** representatives upon the perfection of this contract.

#### **Discipline**

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The **CLIENT** obliges itself to report in writing to the **AGENCY** through its guard-in-charge assigned, the existence of any loss or damage to the **CLIENT**'s properties within twenty-four (24) hours after the occurrence of its discovery, otherwise the **CLIENT** shall have waived its rights to proceed against the **AGENCY** for such loss or damage. The personal effects of properties of individual employees especially articles placed inside their drawers or vehicle are excluded from the coverage of this provision.

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In case of a decree, law, order or proclamation amending the **MINIMUM WAGE RATE** or providing new or increasing benefits to employees, there shall be a corresponding increase in contract rate based on the **PADPAO** rates, as per **DOLE - Labor Advisory No. 15 series of 2019**, state that, **"The issuance of the new wage order shall automatically amend the Service Agreement, and the prescribed increases shall be primarily borne by the principal. Accordingly, contract cost shall be adjusted in conformity with the mandated wage increase"**.

### **Loss Determination**

The **CLIENT** shall not deduct, pending final determination of the responsibility of the **AGENCY**, any amount from the billing of the latter to the **CLIENT** for any loss that may occur. However, once the responsibility of the **AGENCY** has been established, the **CLIENT** may immediately bill the **AGENCY** for the value of the loss or damage.

### **Termination Notification**

The **CLIENT** agrees to give the **AGENCY** thirty (30) days written notification to terminate services or notification not to renew this contract. If security services are provided after the expiration of this contract, all provisions of this agreement will remain in effect. The contract will be extended on a month-to-month basis until such time the contract is renewed or terminated. A 30-days notice letter of termination will be required.

## **4. AGENCY LIABILITY**

The **AGENCY** shall assume full responsibility for any loss or damage due to theft, pilferage, robbery, trespass and other illegal or destructive acts which the **CLIENT** may suffer within the premises guarded by the security guards provided it shall have been established by police authorities after a thorough investigation, that said loss or damage was principally due to the negligence of the security guards of the **AGENCY** during the guarding hours. It shall likewise be necessary that the actual existence or presence of the property or articles allegedly lost or damaged inside the secured establishment or area, and the fact that such loss or damage are first established.

## **5. AGENCY LIABILITY LIMITATIONS**

The **AGENCY** will not be held responsible in any manner for the actions of the guards which are contrary to the laws of the Philippines. The **AGENCY** can and will take appropriate action, as required by Republic Act 5487. The **AGENCY** will not be required to take any action contrary or not authorized by this Act, and liability is limited to our obligations under this Act.

The **AGENCY** shall assume no responsibility or liability where such loss is due to any of the following cases:

- a. Where the loss or damage occurred inside a closed and/or locked warehouse, office, room and/or building, except where it has been proven that the door or any part of the building has been forcibly opened and that said loss is reported to the guard immediately upon its discovery;
- b. For the loss of any property belonging to the **CLIENT** which are kept in an open space or storage but not turned over to the **AGENCY** or its duly authorized representative for physical and proper recording and safeguarding;
- c. Although not kept in an open space and/or storage when the property has been issued to **CLIENT**'s employees;
- d. Where such loss was the result of any or all of the following: Robbery in Band, Mob of Violence, Tumultuous Affray, Acts of Dissidence, Insurrection of Revolution, Demonstration or Rally;
- e. Loss of pocketable items;
- f. Loss which was unpreventable, because of spontaneous nature of the crime or totally beyond the capabilities of any security agency to prevent such loss, based on the number of guards on duty at the time;



- g. If the guards assigned exercised due care and diligence to prevent the said loss or damage;
- h. Force majeure and or to fortuitous events;
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## 10. TERMINATION OF PRIOR AGREEMENTS

Any previous agreements, written or oral, express or implied, between the **AGENCY** and the **CLIENT** relating to this relationship are terminated and cancelled, and the **AGENCY** and the **CLIENT** release and forever discharge each other of and from all manners of action, causes of action, claims and demands whatsoever under or in respect of any such prior agreement.

#### **11. ENTIRE AGREEMENT**

This Agreement constitutes the entire agreement between the parties hereto and contains all of the covenants, representations, and warranties of the respective parties. There are no oral representations or warranties between the parties of any kind. This Agreement may not be amended in any respect except by written instrument, signed by the parties. Any oral amendments or modifications will be of no force or effect and will be void.

#### **12. NO ORAL WAIVER**

Neither party may waive or shall be deemed to have waived any rights they may have under this Agreement (including under this paragraph) except to the extent that such waiver is in writing.

#### **13. GOVERNING LAW**

This Agreement shall be governed by and construed in accordance with the laws of the Philippines, as applied to employments made and performed within the Philippines, without regard to principles of conflict of laws.

All notices, requests, demands or other communication hereunder shall be in writing and shall be deemed to have been duly given, if delivered in person or by a nationally recognized courier service. If sent by facsimile machine ("fax") or mailed, certified, return-receipt requested, postage prepaid, to the address and fax number set forth below the parties' signatures.

This Agreement may be executed in facsimile and in any number of counterparts, each of which shall be deemed an original and all of which together shall be deemed to be one and the same instrument.

#### **14. NOTIFICATION AND ARBITRATION**

Should any disagreement occur between the parties, both parties agree to give a written notice within Thirty (30) days to cure the problem. In addition, both parties agree to, prior to any legal litigation to use 3<sup>rd</sup> party non-binding arbitration.

This Agreement shall take effect upon signing of this contract and shall cover the period of one (1) year from January 01, 2024 to December 31, 2024 and shall be renewed for one (1) year automatically provided that the client did not notify the agency of its intent to terminate or to bid the security services for one hundred twenty (120) days prior to its expiration. The party interested shall notify in writing the other party within thirty (30) days before the expected date of termination.

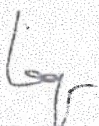
**IN WITNESS WHEREOF**, the parties hereunto set their hands this \_\_\_\_ day of DEC 18 2023 in the City of Baguio, Philippines.

**MOUNTAIN PROVINCE STATE POLYTECHNIC COLLEGE**

**CLIENT**

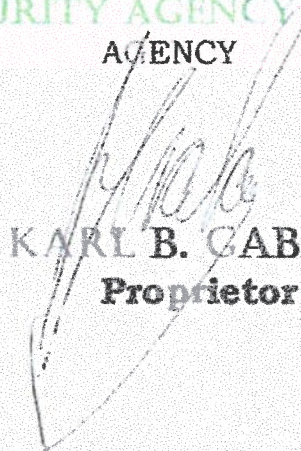
**BAGUIO'S FINEST SECURITY AGENCY**

**AGENCY**



**DR. EDGAR G. CUE**  
**College President**

**BY:**



**KARL B. GABAEN**  
**Proprietor**

Signed in the presence of:

**A C K N O W L E D G E M E N T**

Republic of the Philippines)  
Done in the City of Baguio ) S.S.

**BEFORE ME**, a Notary Public for an in the City of Baguio this \_\_\_\_ day of DEC 18 2023, personally appeared, with their respective Community Tax Certificate, the following:

NAME	CTC NUMBER	PLACE/DATE ISSUED
Karl B. Gabaen BFS A	000164785	<u>Baguio City Jan. 21, 2023</u>

exhibiting to me their Community Tax Certificates as shown above, known to me to be the same persons who executed the foregoing instrument and acknowledged to me that the same is their own free act and voluntary deed.

**WITNESS MY HAND AND SEAL.**

Notary Public

Doc. No. 21  
Page No. 6  
Book No. XIV  
Series of 2023

