

3. It must be understood that should the AUTHORITY require additional security guards for its needs and purpose, a written notice shall be necessary. The same shall be paid on a per security guard basis. Provided, also that should the AUTHORITY require a decrease in the number of security guards, the corresponding adjustment in payment to the AGENCY shall also be effected.

C. WARRANTIES

The AGENCY hereby warrants that it has not given or promised to give money, gift to any official or employee of the AUTHORITY to ensure contact and that any violation of this warranty shall be sufficient basis to terminate this contract.

D. MISCELLANEOUS PROVISIONS

1. It is expressly understood that the AUTHORITY and AGENCY have entered into contract good for Twelve (12) months from January 01, 2020 - December 31, 2020 subject to the following:
 - a) The Approved Budget for the Contract (ABC) which is Three Million Six Hundred Twenty Seven Thousand Five Hundred Sixteen Pesos & 00/100 Only (Php 3,627,516.00) is good for January 2020 to December 2020 only;
 - b) Change in ABC as reflected shall depend on the issuance of the new Wage Order, increase in taxes and the need for an increase or decrease in the number of security guards.
 - c) Before end of each year, an assessment or evaluation of the performance of the service provider based on a set of performance criteria shall be made and used as basis whether to continue with the contract or pre-terminate it.
2. It is expressly understood and agreed that for all legal intents and purposes, all the guards of the AGENCY employed under this Contract shall not be considered employees of the CLIENT and as such the CLIENT shall not be liable for the salaries, wages and other remunerations and benefits as provided under the Philippine Labor Code, Social Security Law and other labor standards issuances. AGENCY commits that all its security guards to be assigned for the CLIENT are registered and covered under an active life and medical insurance plans.

Furthermore, since no employer-employee relationship shall exist between the CLIENT and the guards of the AGENCY, the services that shall be rendered by these guards shall in no case be credited as government service. Hence, they shall not be entitled to the benefits being enjoyed by the employees of the CLIENT such as but not limited to PERA, ACA and RATA. It shall also be understood that the AGENCY would only be interested in the results to be achieved under this agreement with the CLIENT without exercising direct control with the manner in which said result is to be achieved. The AGENCY is also not considered an agent of the CLIENT for any intent or purpose.

- **NON-DISCLOSURE:** The AGENCY shall diligently and faithfully serve the best interests of the CLIENT in rendering its services and shall not, during the period of this contract or at any time thereafter, use or disclose to any unauthorized person, firm or entity, any classified information concerning the business affairs

of the CLIENT which any member of the security force of the AGENCY may have acquired by reasons of such contractual relationship;

- **PULL-OUT AND REVAMP:** CLIENT shall have the right to screen, select, accept and/or reject AGENCY's individual guards in accordance with the CLIENT's present criteria. Whenever CLIENT informs AGENCY in writing that any contracted guard, in its finding and/or opinion is undesirable, the AGENCY shall within twenty-four (24) hours from notice, relieve the employee and never again be assigned to the CLIENT's premises mentioned herein, or to any other CLIENT's installation, and if any reason which it deems necessary to protect its interest. CLIENT shall request in writing the revamp of the entire security force, AGENCY shall effect the same without additional cost on the part of the CLIENT;
- **NON DELAY IN PAYMENT OF SALARIES AND REMITTANCE OF BENEFITS:** The AGENCY hereby guarantees that the salaries of the guards detailed with the CLIENT shall be paid in full and on time, subject to lawful deductions. Any unjustified delay for at least two (2) months in the payment of their salaries, or failure to remit their SSS, Philhealth and Pag-ibig Contributions, the cause of which is attributable to the AGENCY, shall be sufficient ground for the CLIENT to undertake direct payment of their wages or remittance, or to pre-terminate this service contract;
- **OTHER GROUNDS TO PRE-TERMINATE THE CONTRACT:** When AGENCY guard has willfully and intentionally or otherwise through negligence, caused the death of or inflicted any form of physical injury to the person of, or caused the loss or destruction of the property or belonging of the CLIENT's personnel, employees or officers or any of its guests, while inside the client's premises or while on official duty, it shall be a sufficient ground for the CLIENT to undertake direct payment of their wages or remittance, or to pre-terminate this service contract;
- In Addition, when AGENCY guard has willfully and intentionally or otherwise through negligence caused irreparable damage to the prestige or any vital interest of the CLIENT, great destruction of CLIENT's properties and equipment, great economic loss of CLIENT on account of AGENCY's personnel participation or the non-performance of his duties and responsibilities, it shall also be a sufficient ground for the CLIENT to pre-terminate this service contract.
- **RATE ADJUSTMENT POLICY:** It is expressly understood that the AUTHORITY and AGENCY have entered into a contract good for TWELVE (12) months only covering the Year 2020. The bid price for a duration of TWELVE (12) months shall be fixed and shall not be adjusted during the contract implementation except where there is increase in the minimum wage pursuant to law or new government wage order issued after date of bidding, increase in taxes and increase or decrease in the number of security guards.
- **ARBITRATION CLAUSE:** Any dispute, claim, controversy, or disagreement arising out of or in connection with this agreement that cannot be settled amicably within thirty (30) calendar days after written notice, shall be resolved or adjudicated in accordance with the provisions of Presidential Decree No. 242, in relation to Chapter 14, Book IV of Executive Order No. 292, otherwise known as the "Revised Administrative Code of 1987".

Nonetheless, in case of failure to resolve dispute despite attempt to arbitrate, parties reserve the right to terminate this agreement should any party fail to deliver its obligations under the terms and conditions of this Contract. In case of termination, the party initiating the termination shall notify the other party at least one (1) month from the date of the effectivity of termination without prejudice to obligations already incurred. Specifically, activities that take time to finish and have already been commenced shall continue until conclusion without regard to the effectivity of the termination as herein contemplated.

E. EFFECTIVITY OF CONTRACT

1. This agreement shall commence from January 01, 2020 and shall continue in full force and effect until December 31, 2020 subject to the Guidelines in the Procurement of Security and Janitorial Services.
2. In case of termination, a fifteen (15) day notice shall be made by the other party.

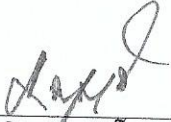
IN WITNESS WHEREOF, the parties hereunto signed this Agreement, this 1st day of DECEMBER 2019 at BAGUIO CITY.

TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY

BAGUIO'S FINEST SECURITY AGENCY

By:

By:




ISIDRO S. LAPENA, PhD., CSEE
Director General/Secretary



KARL B. GABAEN
Security Director

WITNESSES:




ENGR. MANUEL B. WONG, CESO IV
Regional Director



FLOR D. BANGNGAYON

FUNDS AVAILABLE



ANTONIO D. SALDO
Acting Regional Accountant

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
) S. S.
)
) Baguio City

BEFORE ME, a Notary Public for and in the Province / City of Baguio City this
of 1 DEC 2019 personally came and appeared:

NAME	Government Issued ID No.	ISSUED BY
ISIDRO S. LAPEÑA		
KARL B. GABAEN		

known to me and to known to be the same persons who executed the foregoing
instrument which they acknowledge before me as their free and voluntary act and deed.

WITNESS MY HAND AND SEAL this 1 DEC 2019 day of 2019 at

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Book No. XXXII
Series of 299

THOMAS SEPULCRO
Notary Public
N.A. No. 08-NC-18-R
Until December 31, 2019
PTR No. 39579606, 01/03/19, Baguio City
Lifetime IBP No. 1683763, 01/03/18, Baguio-Benguet
Roll of Attorneys No. 47149, May 6, 2002
MCLE Compliance No. V-6/38762, June 19, 2015
Mezzanine, TELOF Bldg., Post Office Loop, Session Road, Baguio City
0993 992 5136