

KNOW ALL MEN BY THESE PRESENTS:

This Contract is entered into this 06th day of May, 2019 at TESDA-CAR, Loakan Road, Baguio City, by and between the:

TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY, a national government agency mandated by Republic Act No. 7796 with principal place of business at Magsaysay Drive, Loakan, Baguio City, represented in this Contract by its Director General/Secretary **ISIDRO S. LAPEÑA**, hereinafter referred to as the "**AUTHORITY**".

-and-

BAGUIO'S FINEST SECURITY AGENCY, a private corporation duly organized and existing by virtue of the laws of the Philippines, with business address at DOTC-TELOF Building, Post Office Loop, Session Road, Baguio City, represented by its Proprietor/Security Director, **MR. KARL B. GABAEN**, hereinafter referred to as the "**AGENCY**";

WITNESSETH THAT:

WHEREAS, TESDA-CAR advertised the Invitation to Bid for the Provision of Security Services through the Sunstar Baguio, a local newspaper of regional circulation, on 26 March 2019 and posted the same at the TESDA and PhilGEPS Website;

WHEREAS, in response to the Invitation to Bid, only the Baguio's Finest Security Agency signified its interest to participate in the bidding process by purchasing bidding documents;

WHEREAS, the Pre-Bid Conference was held on 08 April 2019;

WHEREAS, the opening of bids was held on 16 April 2019 at TESDA CAR Multipurpose Hall, Loakan, Baguio City;

WHEREAS, Baguio's Finest Security Agency passed the eligibility requirements;

WHEREAS, upon examination, validation, and verification of the technical and financial proposals submitted by Baguio's Finest Security Agency, it was found to be compliant with the legal, technical and financial requirements set forth by TESDA;

WHEREAS, Baguio's Finest Security Agency, after being found to have met the eligibility requirement and whose bid was found responsive, was found to be the Single Calculated and Responsive Bid;

WHEREAS, the **AUTHORITY** desired to engage the services of a security guard and Investigation Agency purposely to protect and guard its properties from theft, pilferage, trespass, robbery, destruction or damage, as well as to protect its employees, visitors and guest from assault harassment, threat or intimidation and other criminal acts, maintain law and order, enforce and implement its rules, policies and regulations,

and maintain security, safety, cleanliness and orderliness of the Regional Office and premises located at Loakan Road, Baguio City and its Provincial Offices and Training Centers/Institutions;

WHEREAS, the **AGENCY** has offered to provide the **AUTHORITY** with the services of security guards for the purpose of protecting and guarding its properties at abovementioned Offices and Institutions from theft, pilferage, trespass, robbery and destruction or damage, as well as protect the employees, visitors and guest from assault, harassment, threat or intimidation and other criminal acts, maintain law and order, enforce and implement its rules, policies and regulations, maintain security, safety, cleanliness and orderliness of the said Offices, Vehicles and Institutions;

WHEREAS, the **AUTHORITY** approved to award the contract the sum of **Two Million One Hundred Sixteen Thousand Fifty One Pesos and 00/100 Centavos Only (Php 2,116,051.00)** being the total Approved Budget for the Contract (ABC) for CY 2019 for the provision of Security Services for June 01, 2019-December 31, 2019;

NOW, THEREFORE, for and in consideration of the foregoing premises, this Agreement is entered by and between the **AUTHORITY** and the **AGENCY** with the following covenants, to wit:

A. PERFORMANCE BY THE AGENCY

1. The **AGENCY** shall provide the **AUTHORITY** with security services to guard and protect its properties from theft, arson, pilferage, trespass, robbery, destruction or damage and other unlawful acts by strangers or third persons, maintain peace and order in and around the **AUTHORITY**'s premises as well as protect its officials, employees, visitors, and guests from assault, harassment, threat or intimidation, and other criminal acts and to enforce and implement rules, policies and regulations of the **AUTHORITY** aimed at maintaining security and safety at its premises.
2. The **AGENCY** will provide the **AUTHORITY** with necessary number of security guards who are qualified, competent, uniformed armed and bonded in accordance with Republic Act No. 5487 as amended as well as other related laws and regulations with the following qualifications, among others, to wit:
 - a) Filipino citizen;
 - b) At least high school graduate;
 - c) Physically and mentally fit;
 - d) At least 5'4" tall;
 - e) At least 21 years old but not more than 50 years;
 - f) Must be certified on Security Services NC II;
 - g) Must be of good moral character, duly licensed and properly screened and cleared by the PNP, NBI and other government offices issuing clearances for employment and without previous record of any or conviction of criminal offense involving moral attitude;
 - h) Must be in proper uniform and properly equipped while on tour of duty.
 - i) Must possess such other qualifications required by Republic Act No. 5487, as amended;

For this purpose, the **AGENCY** shall initially furnish upon the demand of the **AUTHORITY** through the Office of the Chief, Finance and Administrative Services Division (FASD), a complete list of the names of security guards it will assign, indicating the respective bio-data subscribed and sworn to and the results of psychological tests and other related documents to support the minimum qualification requirements. In case of any change in the security

force assigned to the AUTHORITY, the AGENCY shall immediately inform the TESDA-CAR thereof and shall submit the aforementioned data.

3. The AGENCY shall provide the necessary firearms and ammunitions to the guards assigned to the AUTHORITY as well as VHF radio communications and mobile cellular phone and other security equipment and shall see to it that when on duty, they are in prescribed uniform with complete accouterments.
4. That the AGENCY shall provide a vehicle for roving purposes.
5. The AGENCY shall conduct physical inspection of all properties that go in and out of the premises and enforce strict control of all entrances and exits.
6. As required by the AUTHORITY, the security force to be established by the AGENCY shall consist of eighteen (18) security guards, located in the following; six (6) at Regional Office & Regional Training Center, Loakan, Baguio City; two (2) Provincial Office, Luna, Apayao; two (2) Provincial Office, La Trinidad, Benguet; two (2) Provincial Office & Training Center, Pidigan, Abra; two (2) Provincial Office and Provincial Training Center, Lagawe, Ifugao; two (2) Provincial Office and Provincial Training Center Tabuk, Kalinga; two (2) Provincial Training Center, Sabangan, Mt. Province, who shall render service everyday including Sundays and Holidays. This number may be increased or decreased depending upon the exigency of the service or the need of the security situation at the post as may be determined by the AUTHORITY.
7. The AGENCY shall deploy its security personnel in the following shifting schedules, namely;

First Shift	7:00 A.M. – 3:00 P.M.
Second Shift	3:00 P.M. – 11:00 P.M.
Third Shift	11:00 P.M.- 7:00 A.M.

8. The Supervisor of the Security Guards shall receive instructions regularly from the AUTHORITY's representative (Chief, FASD or his/her authorized representative for security guards assigned at the Administration Building) i.e., rotating of guards areas for further improvement to effectively and efficiently provide the security services for the AUTHORITY. The supervisor may likewise be replaced or subjected to rotation upon recommendation of the AUTHORITY's representative.
9. The AGENCY shall exercise discipline, supervision, control and administration of over its guards in accordance with the law, ordinances and pertinent governmental rules and regulations as well as the rules and policies laid down by the AUTHORITY on the matter.
10. The AGENCY shall guarantee to the AUTHORITY for loss or damage to its property provided the same occurred within the jurisdiction of the AGENCY or its guard, UNLESS, it has been duly established after due investigation that said loss or damage did not principally result from the act, omission, negligence or fault of the AGENCY or its guards. Provided further that such loss, pilferage, breakage or damage of the properties involved is reported in writing to the AGENCY within five (5) working days from occurrence or discovery thereof. When such loss or damage is caused by force majeure or fortuitous event, the AGENCY shall not in any way be made responsible. In the event the AGENCY is made to pay for such loss or damage it shall be subrogated to the rights of the AUTHORITY against the party or parties responsible for such loss or damage.
11. The AGENCY shall comply with all existing labor laws, i.e., minimum wage, cost of living allowance, 13th month pay, service incentives leave pay, SSS/Medicare/ED Premium contributions and other mandatory benefits as

provided by law. For this purpose, it shall submit monthly upon presentation of the bill, a sworn certification that it has paid wages, allowances and bonuses of its employees assigned to the AUTHORITY in accordance with all labor laws and adjustments mandated.

B. PERFORMANCE BY THE AUTHORITY

1. For and in consideration of the services to be rendered by the AGENCY to the AUTHORITY, the latter obligates itself to pay and deliver to the former every month, upon the former's submission to the latter of the Statement of Account, the sum of **PHILIPPINE PESOS: Three Hundred Two Thousand Two Hundred Ninety Three Pesos and 00/100 Only (Php 302,293.00)** per month payable in two-bi-monthly payments, every fifteen and end of each month provided however, that the above amount represent payments to the AGENCY for posting/maintaining eighteen (18) security guards computed at the rate of **Seventeen Thousand One Hundred Ninety Five Pesos and 00/100 Only (Php 17,195.00) per month per guard** for Baguio City & La Trinidad, Benguet and **Sixteen Thousand One Hundred Fifty Seven Pesos and 50/100 Only (PhP. 16,157.50)** for the Province of Abra, Apayao, and Mt. Province and **Sixteen Thousand Nine Hundred Forty Seven Pesos and 00/100 Only (PhP 16,947.00)** for the province Ifugao and Kalinga for other rendering eight (8) hours per day. It should be understood that the eighteen (18) security guards represent body-count/man-count. Payments made by the AUTHORITY shall be inclusive of the VALUE ADDED TAX (VAT).
2. The AUTHORITY undertakes to provide the security personnel of the AGENCY with specific work areas, assignment, locations and/or Command Post to enable the AGENCY to fully and effectively perform its functions, duties and responsibilities and to evaluate the performance of the Security Guard posted at the TESDA-CAR every six (6) months.
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 Seven (7) months from June 01, 2019 - December 31, 2019 subject to the following:
 - a) The Approved Budget for the Contract (ABC) which is Two Million One Hundred Sixteen Thousand Fifty One Pesos & 00/100 Only (PhP 2,116,051.00) is good for June 2019 to December 2019 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 SEVEN (7) months only covering the Year 2019. The bid price for a duration of SEVEN (7) 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.

E. EFFECTIVITY OF CONTRACT

1. This agreement shall commence from June 01, 2019 and shall continue in full force and effect until December 31, 2019 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
day of 31 MAY 2019 at Baguio City.

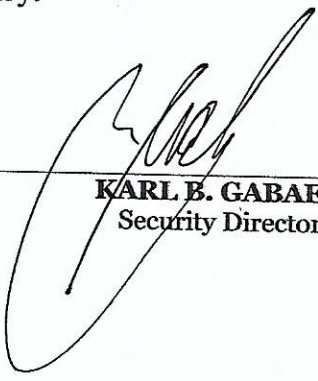
**TECHNICAL EDUCATION AND SKILLS
DEVELOPMENT AUTHORITY**

**BAGUIO'S FINEST SECURITY
AGENCY**

By:

By:


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



KARL B. GABAEN
Security Director

WITNESSES:


ENGR. MANUEL B. WONG, CESO IV
Acting Regional Director


FLOR D. BANGNGAYON

FUNDS AVAILABLE


ANTONIO D. SALDO
Acting Regional Accountant

ACKNOWLEDGEMENT

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

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

NAME	Government Issued ID No.	ISSUED BY
ISIDRO S. LAPEÑA		TESDA
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.

31 MAY 2019
WITNESS MY HAND AND SEAL this ____ day of ____ 2019 at
Baguio City

Doc No. 66
Page No. 19
Book No. XXXI
Series of 299

THOMAS S. PADAGO
Notary Public
N.A. No. 08-NC-18-R
Until December 31, 2019
PTR No. 39579606; 01/03/19; Baguio City
Lifetime IAP No. 1083788; 01/03/18; Baguio-Benguet
Roll of Attorneys No. 87149; May 6, 2002
MCLE Compliance No. V-0008752; June 19, 2015
Mezzanine, TFLOF Bldg., Post Office Loop, Session Road, Baguio City
Tel. (0999-997-6136)

Regional Office / Regional Training Center (RTC), Loakan, Baguio City

Days Work per week

7 days

No. of Days/year

393.5

8 hrs work / day

A. Amount DIRECTLY to Guard

- Daily Wage = ₱ 320.00/day

1. Average Pay/Month ($DW \times \text{No. of days}/12$)

P 10,493.33

2. Night Differential

349.78

3. 13th Month Pay

811.11

4. 5-Day Incentive Pay

133.33

5. Uniform Allowance

100.00

P 11,887.55

B. Amount to GOV'T. IN FAVOR OF GUARD

6. Retirement Benefit (RA 7641)

P 600.00

7. SSS Premium

810.30

8. Phil. Health Contribution

144.29

9. State Insurance

10.00

10. Pag-ibig Fund

100.00

1,664.59

TOTAL AMOUNT TO GUARD & GOV'T.

P 13,552.14

C. Administrative overhead and margin

P 3,252.55

D. Value Added Tax (12%)

P 390.31

E. TOTAL AMOUNT/GUARD/MONTH

P 17,195.00

F. MULTIPLY BY NO. OF GUARDS REQUIRED

6

G. TOTAL L AMOUNT/MONTH (Multiply by No. of Guards Required)

P 103,170.00

F. MULTIPLY BY NO. OF GUARDS REQUIRED (for eight (07) Months)

P 722,190.00



Days Work per week

7 days

No. of Days/year

393.5

8 hrs work / day

A. Amount DIRECTLY to Guard

- Daily Wage = P 320.00/day

1. Average Pay/Month (DW x No. of days/12)

P 10,493.33

2. Night Differential

349.78

3. 13th Month Pay

811.11

4. 5-Day Incentive Pay

133.33

5. Uniform Allowance

100.00

P 11,887.55

B. Amount to GOV'T. IN FAVOR OF GUARD

6. Retirement Benefit (RA 7641)

P 600.00

7. SSS Premium

810.30

8. Phil. Health Contribution

144.29

9. State Insurance

10.00

10. Pag-ibig Fund

100.00

1,664.59

TOTAL AMOUNT TO GUARD & GOV'T.

P 13,552.14

C. Administrative overhead and margin

P 3,252.55

D. Value Added Tax (12%)

P 390.31

E. TOTAL AMOUNT/GUARD/MONTH

P 17,195.00

F. MULTIPLY BY NO. OF GUARDS REQUIRED

2

G. TOTAL L AMOUNT/MONTH (Multiply by No. of Guards Required)

P 34,390.00

F. MULTIPLY BY NO. OF GUARDS REQUIRED (for eight (07) Months)

P 240,730.00





Provincial Office & Provincial Training Center, Pidigan, Abra
Provincial Office, Luna, Apayao
Provincial Training Center, Sabangan, Mt. Province

Days Work per week
No. of Days/year

7 days
393.5
8 hrs work / day

A. Amount DIRECTLY to Guard

- Daily Wage = P 300.00/day

1. Average Pay/Month (DW x No. of days/12)
2. Night Differential
3. 13th Month Pay
4. 5-Day Incentive Pay
5. Uniform Allowance

P	9,837.50
	<u>327.92</u>
	<u>760.42</u>
	<u>125.00</u>
	<u>100.00</u>
P	<u>11,150.84</u>

B. Amount to GOV'T. IN FAVOR OF GUARD

6. Retirement Benefit (RA 7641)
7. SSS Premium
8. Phil. Health Contribution
9. State Insurance
10. Pag-ibig Fund

P	562.50
	<u>773.50</u>
	<u>137.50</u>
	<u>10.00</u>
	<u>100.00</u>
	<u>1,583.50</u>

TOTAL AMOUNT TO GUARD & GOV'T.

P	<u>12,734.34</u>
---	------------------

C. Administrative overhead and margin

P	<u>3,056.39</u>
---	-----------------

D. Value Added Tax (12%)

P	<u>366.77</u>
---	---------------

E. TOTAL AMOUNT/GUARD/MONTH

P	<u>16,157.50</u>
---	------------------

F. MULTIPLY BY NO. OF GUARDS REQUIRED

2

G. TOTAL L AMOUNT/MONTH (Multiply by No. of Guards Required)

P	<u>32,315.00</u>
---	------------------

F. MULTIPLY BY NO. OF GUARDS REQUIRED (for eight (07) Months)

P	<u>226,205.00</u>
---	-------------------



Provincial Office & Provincial Training Center, Tabuk, Kalinga
Provincial Office & Provincial Training Center, Lagawe, Ifugao

Days Work per week
No. of Days/year

7 days
393.5
8 hrs work / day

A. Amount DIRECTLY to Guard

- Daily Wage = P 315.00/day

1. Average Pay/Month ($DW \times \text{No. of days}/12$)
2. Night Differential
3. 13th Month Pay
4. 5-Day Incentive Pay
5. Uniform Allowance

P	10,329.38
	344.31
	798.44
	131.25
	100.00
P	11,703.38

B. Amount to GOV'T. IN FAVOR OF GUARD

6. Retirement Benefit (RA 7641)
7. SSS Premium
8. Phil. Health Contribution
9. State Insurance
10. Pag-ibig Fund

P	590.63
	810.30
	142.03
	10.00
	100.00
	1,652.96

TOTAL AMOUNT TO GUARD & GOV'T.

P	13,356.34
---	-----------

C. Administrative overhead and margin

P	3,205.96
---	----------

D. Value Added Tax (12%)

P	384.71
---	--------

E. TOTAL AMOUNT/GUARD/MONTH

P	16,947.00
---	-----------

F. MULTIPLY BY NO. OF GUARDS REQUIRED

2

G. TOTAL L AMOUNT/MONTH (Multiply by No. of Guards Required)

P	33,894.00
---	-----------

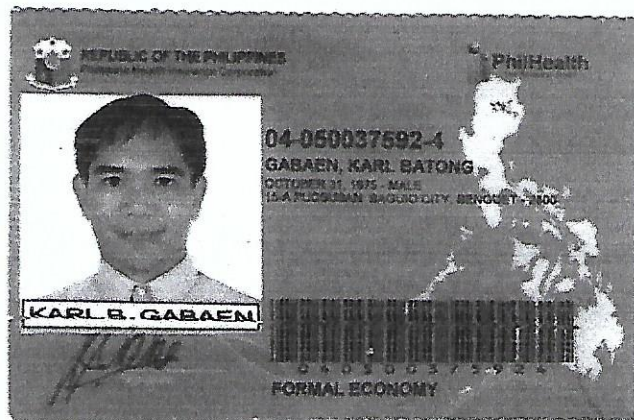
F. MULTIPLY BY NO. OF GUARDS REQUIRED (for eight (07) Months)

P	237,258.00
---	------------

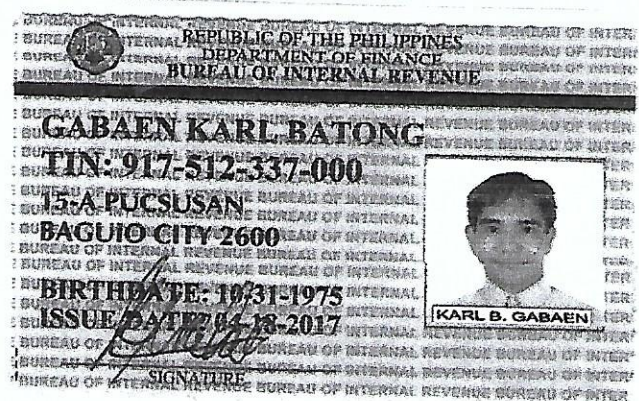


The person whose name and signature appear on this card is a beneficiary of the National Health Insurance Program. He/She, including his/her qualified dependents, are entitled to the benefits and privileges of the Program by virtue of Republic Act No. 7875, as amended.

RAMON F. ARISTOZA JR.
Acting President and CEO



- This card bears your permanent Taxpayer Identification Number (TIN). Always indicate your TIN on all returns / documents filed with the BIR.
- Report immediately to your Revenue District Officer, the loss of this card and change of name or address.
- Any person who secures and / or uses more than one TIN shall be criminally liable and shall be punishable by fine and imprisonment



[Signature]

[Signature]

