

**CONTRACT AGREEMENT**

**KNOW ALL MEN BY THOSE PRESENTS:**

**THIS AGREEMENT** made this 31 day of JAN 2022 between the **BULACAN STATE UNIVERSITY**, Guinhawa, City of Malolos, Bulacan 3000 of the Philippines represented by **Dr. CECILIA N. GASCON**, President (hereinafter called "the Entity") and **COMMANDER SECURITY SERVICES, INC.** represented by **MR. CARMELO T. AYSON**, President and CEO, with the principal address at #133, Commander Bldg., 15<sup>th</sup> Avenue, Cubao Quezon City, (hereinafter called "the Agency") of the other part:

**WHEREAS**, the Entity invited Bids for certain goods/services viz., **PROCUREMENT OF SECURITY SERVICES FOR BULSU (G-2021-30)** and the **BULACAN STATE UNIVERSITY** has accepted the Bid amounting to **TWENTY-ONE MILLION SIX HUNDRED NINETY-FIVE THOUSAND SIX HUNDRED SEVENTEEN PESOS AND 80/100 (Php 21,695,617.80)** for Security Services for a term of One (1) year, hereinafter called ("the Contract Price")

**WHEREAS**, as a measure of guarantee for the faithful performance of and compliance with his obligations under this contract, the **SUPPLIER** posted Performance Security in the form of **Performance Bond** issued by **Commonwealth Insurance Company**, amounting to **Six Million Five Hundred Eight Thousand Six Hundred Eighty-Five Pesos and 34/100 (Php 6,508,685.34)** which is Thirty Percent (30%) of the contract price as specified in the Bidding Documents

**NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:**

1. In this Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of the Contract referred to.
2. The following documents shall have deemed to form and be read and construed as part of this Agreement, viz:
  - (a) The Bids Form and the Price Schedule submitted by the Bidder
  - (b) the Schedule of Requirements
  - (c) the Terms of Reference
  - (d) the General Conditions of the Contract
  - (e) the Special Conditions of the Contract
  - (f) the Supplements to the Bid Documents; and
  - (g) the Entity's Notification Award;
3. In consideration of the payments to be made by the Entity to the Agency as hereinafter mentioned, the Agency hereby covenants with the Entity to provide the goods and services and to remedy defects therein in conformity in all respects with the provisions of the Contract.
4. The Entity hereby covenants to pay the Agency in consideration of the provision of the goods and services and the remedying of defects therein, the Contract Price or such other sum as may become payable under the provisions of the contract at the time and in the manner prescribed by the contract.

**NOW, THEREFORE**, for and in consideration of the above foregoing premises, the parties have mutually agreed as follows:

**ARTICLE I**

- 1.1 The areas referred herein to be provided with security services are described as follows:



- a. BuISU Campuses – Main Campus (City of Malolos, Bulacan); Bustos Campus (Poblacion, Bustos, Bulacan); Meneses Campus (Matungao, Bulakan, Bulacan); Sarmiento Campus (City of San Jose del Monte, Bulacan); Hagonoy Campus (Iba-Carillo, Hagonoy, Bulacan)
- b. The areas enclosed by the perimeter fence.

## ARTICLE 2. CONTRACT WORK

2.1 The contract shall include the assignment/deployment of qualified/licensed security guards/personnel at all times within an agreed schedule, in all the premises and facilities covered in the assigned area.

2.2 The contract shall include among others assistance to **BuISU** employees, students and visitors, inspection of guards, investigation and reporting of irregularities, if necessary, and other services in relation to the works performed, provided however, that the same services, will not in any manner interfere with the operation of the **BuISU**.

## ARTICLE 3. RESPONSIBILITIES OF THE AGENCY

3.1 The **AGENCY** shall provide the **BuISU** with qualified, licensed and uniformed security guards in accordance with R.A. No. 5487 as amended, in a number as may be required by the **BuISU** from time to time.

3.2 To provide the security guards on duty with new firearms and equipment in accordance with the standards of the **BuISU** and as set forth by the Revised Rules and Regulations Implementing Republic Act No. 5487, as amended. That the **AGENCY** shall provide a duplicate copy of license registered under its name for each firearm being issued to the Security Guards upon signing of this Contract.

3.3 To provide and make available to the **BuISU**, security guards on a 24-hour basis divided into three (3) shifts, at eight (8) hours per shift.

3.4 The **AGENCY** shall not be responsible or liable where loss or damage is due to force majeure or due solely to the fault or negligence of the **BuISU** or its duly authorized representative.

3.5 The **AGENCY** shall exercise extraordinary care and diligence in carrying out its obligation under this contract and to the best interest of the **BuISU**.

3.6 The **AGENCY** shall not, during the period of this Contract or anytime thereafter, use or disclose to any person or entity, any and all information, derogatory or otherwise, concerning the affairs and activities of the **BuISU** which the members of the security force of the herein **AGENCY** may have acquired by reason of his assignment to the premises of **BuISU**.

3.7 The **AGENCY** guarantees absolute non-occurrence of any form of mass action, protest, mass leave, or strike by its security personnel within premises.

3.8 The **AGENCY** shall seek first the approval of the **BuISU** before implementing the assignment/deployment of security guards. It shall assume full responsibility on the proper and efficient performance of duties by the security guards employed by it.

3.9 The **AGENCY** shall assume full responsibility to restitute or pay the **BuISU** for any loss or damage due to theft, robbery, pilferage, and trespass which the **BuISU** may suffer during the assigned watch hours of detailed security guards provided that it shall have been established after due investigation by the **BuISU** and the **AGENCY** and an independent party who shall be jointly appointed by the **BuISU** and the **AGENCY**, that said loss or damage was principally due to the negligence or fault of the guards. The **AGENCY** shall assume no responsibility or liability where such loss is due to: 1) force majeure or to fortuitous events, 2) loss of any property belonging to **BuISU** which are kept under lock and keys, and in the custody of **BuISU**'s authorized employees for physical and proper recording, storage, and safeguarding, and 3) for loss of pocketable items or valuables.



# **ARTICLE 4. CONTRACT PRICE/MANNER OF PAYMENT**

4.1 In consideration of the full satisfactory and faithful performance by the **AGENCY** of its undertakings and obligations under this contract, the **BuISU** shall pay the **AGENCY** the following monthly rate per security personnel, to wit;

Security Guard (Day Shift/8-Hour Shift)	Php 21,318.20
Security Guard (Night Shift/8-Hour Shift)	Php 23,185.78
Security Guard (Day Shift/12-Hour Shift)	Php 32,636.87

The above-stated compensation includes the following:

Particulars	Shift Schedule		
	8-HOUR SHIFT		12-HOUR SHIFT
	Day Shift	Night Shift	Day Shift
<b>A. AMOUNT GIVEN DIRECTLY TO GUARD</b>			
Daily Wage (DW)	420.00	420.00	420.00
No. of Days per Year	393.80	393.80	393.80
Average Pay/Month (DW x 393.5 days / 12 months)	13,783.00	13,783.00	13,783.00
Night Differential (Average Monthly Pay x 10% x 1/3 or 1/2)	0.00	1,378.30	0.00
13 <sup>th</sup> Month Pay (DWx365/12/12)	1,064.58	1,064.58	1,064.58
5 Days Incentive Pay (DW x 5/12)	175.00	175.00	175.00
Uniform Allowance (RA 5487) (shouldered by the Agency)	100.00	100.00	100.00
Overtime Pay	0.00	0.00	8,717.28
<b>AMOUNT TO GUARD</b>	<b>15,122.58</b>	<b>16,500.88</b>	<b>23,839.86</b>
<b>B. AMOUNT TO GOVERNMENT IN FAVOR OF THE GUARD (Based on Standard Fixed by Law)</b>			
Retirement Benefits (R.A. 7641) 380x22.5/12	787.50	787.50	787.50
SSS Premium	1,190.00	1,317.50	1,700.00
Philhealth Contribution	206.75	206.75	206.75
State Insurance Fund (ECC)	10.00	30.00	30.00
Pag-ibig Fund Contribution	100.00	100.00	100.00
<b>Total Amount to Government in Favor to the Guard</b>	<b>2,294.25</b>	<b>2,441.75</b>	<b>2,824.25</b>
<b>C. Total Amount to Guard &amp; Government</b>	<b>17,416.83</b>	<b>18,942.63</b>	<b>26,664.11</b>
<b>D. Administrative Expenses (20% of C)</b>	<b>3,483.37</b>	<b>3,778.53</b>	<b>5,332.82</b>
<b>E. Value Added Tax (VAT) (Agency Fee x 12% VAT) (RMC-039-2007)</b>	<b>418.00</b>	<b>454.62</b>	<b>639.94</b>
<b>F. CONTRACT RATE (C+D+E)</b>	<b>21,318.20</b>	<b>23,185.78</b>	<b>32,636.87</b>
<b>G. No. of Guards (F)</b>	<b>45</b>	<b>26</b>	<b>1</b>
<b>H. TOTAL PER MONTH (F*G)</b>	<b>1,172,501.00</b>	<b>602,830.28</b>	<b>32,636.87</b>
<b>I. TOTAL PER YEAR (H*12)</b>	<b>14,070,012.00</b>	<b>7,233,963.36</b>	<b>391,642.44</b>
<b>TOTAL CONTRACT PRICE</b>	<b>Php 17,674,638.24</b>		

Total contract price shall be **TWENTY-ONE MILLION SIX HUNDRED NINETY-FIVE THOUSAND SIX HUNDRED SEVENTEEN PESOS AND 80/100 (Php 21,695,617.80)**

4.2 Payment of the service rendered by the **AGENCY** shall be on a monthly reimbursement basis. Monthly payments shall be made only upon the presentation by the **AGENCY** of the Sworn Statement and proof that payment of salaries, benefits (duplicate signed payrolls or pay slips to be attached) accruing to the employees were paid pursuant to the itemization in Article 4.1 above and upon presentation of a certificate of performance issued by the **BuISU**



subject to usual auditing and accounting rules and regulations. Said payment shall be paid in check within thirty (30) days after receipt of the billing statement by the **BuISU**. That **BuISU** shall not be held liable or answerable for non-payment, in case of any salaries, benefits or compensation of the same kind accruing to each deployed Security guards so long as the latter has been faithful in settling all the amounts or accounts due and payable to the **AGENCY**.

#### ARTICLE 5. AGENCY'S PERSONNEL

5.1 All security guards must undergo the necessary screening required by the **BuISU**. The **AGENCY**, at its own expense, shall cause all its security personnel assigned to the **BuISU** to undergo drug test at least once a year in any accredited PNP Drug Testing Center. Result thereof shall be furnished to the **BuISU**. The **AGENCY** shall provide at its own expense, the uniforms and identification cards of all its security guards.

5.2 **BuISU** shall have the right to select, refuse or change any security guard, security supervisor or detachment commander prior to his assignment to the **BuISU**.

5.3 When the exigencies of the service require, the **BuISU** shall have the right to increase or decrease the number of guards deployed in its premises by giving prior written notice thereof to the **AGENCY**.

5.4 **BuISU** reserves the right to request for the immediate replacement of any security guard assigned under this Contract who, in the judgement of the **BuISU**, is found wanting in qualification, competence, honesty, or integrity, or whose continued presence or services may prejudice the interest of the **BuISU**.

5.5 In the event that no replacement of absent or relieved security guards is made, it is agreed upon that a corresponding proportionate deduction from the billings of the **AGENCY** shall be affected.

5.6 The **AGENCY** shall submit to the **BuISU** twice a month, a list of security guards with their assigned post for purposes of monitoring shift rotations and controlling issuance of Duty Passes, and shall ensure strict compliance by the security guards with the safety and security rules and regulations of the **BuISU**, including the proper use of Duty Passes.

5.7 The **AGENCY** shall conduct orientation/seminars for the guards assigned at the University, periodically, or as may be deemed necessary by the **BuISU** or the **AGENCY**.

5.8 It is hereby agreed upon that the **BuISU** shall assume actual supervision over security guards in coordination with the **AGENCY'S** supervisor or detachment commander assigned thereat.

5.9 The discipline and administration of the guards shall conform to the rules and regulations of the Office of Security Services and the **BuISU**, as well as pertinent laws, rules and regulations. Upon loss of confidence and without liability whatsoever to the **BuISU**, any of the guards provided by the **AGENCY** may be changed immediately upon request to that effect by the former to the latter. Likewise, the **AGENCY**, as the employer of the security personnel assigned at **BuISU**, may pull out any security guards assigned to **BuISU**, at any time, with a valid reason, with due investigation and process, for disciplinary purposes or any other reason in the exercise of the employer-employee relationship, for the betterment of the security services for **BuISU**. Infraction, resulting from due process and investigation, by the **AGENCY** or its personnel shall be penalized in accordance with existing laws.

5.10 The **AGENCY** hereby authorized the **BuISU** to deduct automatically from the former's monthly billing any and all fine/penalties imposed for violations or offenses incurred by the **AGENCY** within the billing period, pending the investigation of the incident and will only be released to the **AGENCY** if found to have not incurred any liability or involvement.

#### ARTICLE 6. INDEMNITY

6.1 The **AGENCY** shall hold the **BuISU** free and harmless from, and shall indemnify the **BuISU** for any and all liabilities damages, losses, injuries, including death, due to the fault, negligence, act or omission, delay or conduct of the **AGENCY** and/or its security guards in the performance of the **AGENCY'S** undertakings and obligations under this Contract.



## ARTICLE 7. REPRESENTATION AND WARRANTIES

7.1 The **AGENCY** hereby represents and warrants that:

- a. It has all the requisite power, authority and capacity to enter into this Contract and to perform its undertakings and obligations under the terms and conditions hereof.
- b. The execution and performance of this contract does not and will not violate any provision of law, ordinance, executive order or administrative order or decree of any court or government authority, or any provision of a contract, agreement, instrument or transaction to which he is or will be a party.
- c. It shall not bring any unreasonable or unfounded action or suit intended to stifle, to prevent delay, stop or otherwise interfere with the exercise by the **BuISU** of any of its rights and privileges under the Contract.
- d. It has taken all the necessary and proper governmental and/or legal action, and secured all necessary and proper approvals, clearances, permits and authorization for the execution and performance of this Contract.
- e. It has not given or promised to give any money, gift or benefit to any official or employee of the **BuISU** to obtain/procure this Contract.

## ARTICLE 8. NO EMPLOYER-EMPLOYEE RELATIONSHIP

8.1 It is hereby agreed and understood that the **AGENCY** is and shall remain an independent **AGENCY** and there shall no employer-employee relationship between the **BuISU**, on one hand, and the **AGENCY** or his security guards, on the other hand. Hence, the **BuISU** shall not in any way be liable nor responsible for any personal injury, including death or damage to property sustained or cause to or any of the security guards of the **AGENCY**. The **AGENCY** shall at all-time be directly responsible and liable for the enforcement of, and compliance with all existing laws, rules and regulations, particularly with respect to any and all claims brought by its security guards under applicable labor and social legislation.

8.2 The **AGENCY** shall hold the **BuISU** free from any liability arising from causes of action, or claims which may be filed by its security guards by reason of their employment with the **AGENCY** pursuant to this contract or under the provisions of the Labor Code, the Social Security Act, and all other laws, rules and regulations now in force or which hereafter maybe enacted.

8.3 In the event that the **BuISU** is impleaded in any action or case, the **BuISU** shall be authorized to withhold from the **AGENCY's** collectible accounts such amount as would reasonably approximate the claims of security guards against the **AGENCY**. The said amount shall answer for judgments against the **AGENCY** in case the same is levied or executed against **BuISU**.

## ARTICLE 9. EFFECTIVITY

9.1 This Security Service Contract shall be effective for a period of one (1) year from **January 1, 2022 to December 31, 2022** and if no notice of termination is received by the **AGENCY** upon the lapse of the said one (1) year period, this Contract is deemed renewed on a monthly basis but not to exceed an aggregate period of six (6) months as per GPPB Resolution No. 003-2006 dated 11 March 2006, subject to the result of the actual performance evaluation and the issuance of certificate of satisfactory performance by the **BuISU** and subject to the availability of funds and the requirements of relevant laws.

9.2 Notwithstanding any provision to the contrary, the **BuISU** shall have the right to terminate or rescind his contract for cause or for any violation by the **AGENCY** of any provision of this contract without the need of judicial intervention by giving at least thirty (30) calendar days written notice which shall be final and binding on both parties.

9.3 Within thirty (30) days after termination or rescission of this contract, the parties shall settle their respective accountabilities as of the date of termination or rescission, including the refund of any and all advances made, plus legal interest from the date of receipt of the



amount/s so advanced. In case of disagreement as to the accountabilities, the dispute shall be submitted to court for adjudication.

#### ARTICLE 10. INSPECTION

10.1 The **BuISU** or its duly authorized representative shall have the right to inspect the guards assigned by the **AGENCY** at any time in order to determine the quality and acceptability of the service being performed by the guards in the proper safeguarding and protection of persons, places and properties covered by the Contract. A service vehicle with driver shall be provided by the **AGENCY** for inspection and emergency purposes for 24 hours.

#### ARTICLE 11. ORIENTATION AND SEMINAR

11.1 The **AGENCY** shall, in accordance with the **BuISU** requirements, conduct orientation and seminar, or refresher courses for the guards assigned in the University, every six (6) months, or as often may be deemed necessary by both parties. However, upon request by **BuISU**, or as may be deemed necessary, the **AGENCY** shall arrange for the trainings and seminars on bomb detection and firearm handling and similar undertaking.

#### ARTICLE 12. LOSSES AND DAMAGES

12.1 The **AGENCY** shall assume full responsibility for any loss or damage due to theft, robbery, pilferage, and trespass which the **BuISU** may suffer, during duty hours of detailed security guards provided that it shall have been established after due investigation, that said loss or damage was principally due to the negligence or fault of the guards.

12.2 The **AGENCY** shall not be held responsible or liable where loss or damage is due to force majeure or fortuitous events, or due solely to the fault or negligence of the **BuISU**.

#### ARTICLE 13. MISCELLANEOUS PROVISIONS

13.1 Should the **BuISU** be constrained to resort to court action in order to protect its rights and interest hereunder, the **AGENCY** shall pay the **BuISU** an amount equivalent to twenty percent (20%) of the total sum claimed in the complaint, as and by way of attorney's fees shall in no case be less than TWENTY THOUSAND PESOS (P20,000.00). Venue of any court actions shall be in the City of Malolos, Bulacan.

13.2 Failure of the **BuISU** at any time to enforce or demand performance of any or all of the terms and conditions of this Contract and other related instruments of contracts shall in no way be construed as a waiver of such terms and conditions, and shall not affect the validity or enforceability thereof or the right of the **BuISU** to subsequently enforce or demand of such terms and conditions.

13.3 Any amendment, alterations, or modification of this Contract shall not be valid and binding unless and until made in writing and signed by the parties hereto.

13.4 The **AGENCY** shall not sub-contract, assign or transfer any or all of his rights and obligations hereunder to any third party without the prior written consent of the **BuISU**.

13.5 The Contract of Agreement, supplemental Bid Bulletins, Terms of Reference shall form part of this Contract. In case of conflict between those, stipulations in this Contract shall prevail.

13.6 The **AGENCY** shall not subcontract, transfer or assign any or all of its rights and obligations hereunder except upon presentment of justifiable cause with concurring written consent of the University President. However, in such case it does not relieve the **AGENCY** of any liability or obligation under this Contract. The **AGENCY** will be responsible for the acts, defaults, and negligence of any subcontractor, its agents, servants or workmen as fully as if these were the **AGENCY's** own acts, defaults, or negligence, or those of its agents, servants or workmen.

In such case, subcontractors must submit the documentary requirements under this Contract and, as required, by **BuISU** and, further comply with the eligibility criteria specified in this Agreement. In the event that any subcontractor is found by **BuISU** to be ineligible the subcontracting shall be disallowed.

## ARTICLE 14. RESOLUTION OF CONFLICTS

14.1 In the event of any conflict arising from the Security Service Contract between the **BuISU** and the **AGENCY**, the parties shall endeavor to settle their conflicts amicably, failing which, the same shall be submitted to arbitration or to a court of competent jurisdiction.

### 14.2 Pre-Termination of Contract

BuISU shall conduct a survey and evaluate the performance of the **AGENCY** on a semestral basis. The **AGENCY** must maintain a rating of satisfactory level or higher in the performance of their obligations otherwise or failure to maintain the same performance throughout the term of the contract based on the following set of Performance Criteria as per GPBB Resolution No' 24-2007, Sec. 5.4 of Annex A, BuISU may extrajudicially terminate the contract subject to a 30-day prior written notice.

#### 1. Quality of Service Delivered (40%)

- Implementation of a control system in the workplace and security jurisdiction for the safety and security to life and property. 20%
- Responsiveness to clients' needs and to complaints and/or incident reports. 10%
- Availability of firearms and communication devices 5%
- Courtesy and decorum 5%

#### 2. Management and Suitability of Personnel (25%)

- Supervision and accountability 8%
- Qualification of assigned guards and training for physical fitness 7%
- Physical Appearance (uniforms and other paraphernalia) 5%
- Change and/or replacement of assigned guards 5%

#### 3. Contract Administration and Management (26%)

- Assignment of guards at designated area/s 10%
- Implementation of PCOO rules and regulations and compliance to other obligations per contract 8%
- Compliance to labor laws and social insurance regulations 7%

#### 4. Time Management (5%)

- Tasks which are important and urgent 3%
- Tasks which are either important or urgent, but not both 1%
- Tasks which are neither important nor urgent, but routine 1%

#### 5. Provision of Regular Progress Reports (5%)

- Exception/Incident Report. 2%
- Monthly Deployment Report 2%
- Other Reports that may be required by the Administration Department 1%

DR. CECILIA N. GASCON

MR. CARMELO T. AYSON

DR. JAIME P. PULUMBARIT

MS. CAMILLE C. AYSON

DR. FELICITAS G. MIRABUENOS




**IN WITNESS whereof**, the parties hereto have caused this Agreement to be executed in accordance with the laws of the Republic of the Philippines on the day and year first above written.

**SIGNED, SEALED, AND DELIVERED BY:**

**BULACAN STATE UNIVERSITY**


**COMMANDER SECURITY SERVICES, INC.**

  
**CECILIA N. GASCON, Ph.D.**  
President, BulSU

  
**Mr. CARMELO T. AYSON**  
President and CEO

SIGNED IN THE PRESENCE OF:

  
**Dr. JAIME P. PULUMBARIT**  
Executive Vice President

  
**Ms. CAMILLE C. AYSON**  
Assistant General Manager

**Funds Available:**

  
**FELICITAS G. MIRABUENOS**  
Accountant IV, BulSU Accounting Office

**ACKNOWLEDGMENT**

REPUBLIC OF THE PHILIPPINES

QUEZON CITY ) S.S.  
\_\_\_\_\_ )

**BEFORE ME**, a Notary Public for and in the Province/City of QUEZON CITY this JAN 31 2022, 2022, personally came and appeared:

Name	Presented I.D. Number	Issued at/ Date
DR. CECILIA N. GASCON	B.S.U. I.D.# 2015-0286	City of Malolos, Bulacan / August 30, 2015
MR. CARMELO T. AYSON	SSS No. 03-3074138-5	

Known to me and known to be the same persons who executed the foregoing instrument and acknowledged to me that same is the free and voluntary act and deed of the entities which they respectively represent.

The foregoing instrument is an AGREEMENT consisting of Eight (8) pages (exclusive of attachments), including this page on which this acknowledgment is written and signed by the parties hereto and their instrument witnesses on the left-hand margin of each and every page hereof.

WITNESS MY HAND AND SEAL on the date and place first above written.

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Page No. 13  
Book No. W  
Series of 2022

**Atty. RIZAL JOSE E. VALMORES**  
NOTARY PUBLIC  
UNTIL DECEMBER 31, 2022  
ADM. MASTER NO. NP-099  
PTR NO. 210630/01-3-22/Q.C.  
IBF NO. 17416/01-03-22/Q.C.  
RPL NO. 28635  
MCLE NO. VI-0022267  
Add.: Room 201 Margarita Bldg. No. 28  
Matalino St. cor. Masikap Ext., Central Dist., Q.C.