

**CONTRACT AGREEMENT
No. 2024-01-004**

KNOW ALL MEN BY THESE PRESENTS:

This Agreement made and entered into this 26th day of MARCH 2024 at Butuan City, Agusan del Norte, Philippines between and among:

The **DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT**, a National Agency of the Republic of the Philippines, with office address at Batasan Pambansa Complex, Diliman, Quezon City herein represented by **MARI-FLOR A. DOLLAGA-LIBANG** in her capacity as Regional Director of **FIELD OFFICE CARAGA**, hereinafter referred to as the **"Entity"**;

AND

SAPPHIRE SECURITY AGENCY, a duly licensed private entity, organized and existing by virtue of the laws of the Republic of the Philippines with office address at 2nd Floor, Montinola Bldg., 139, J.C Aquino Ave. Imadejas, Butuan City, Philippines, represented by **ERNESTO F. GALOLA**, General Manager, hereinafter referred to as the **"Service Provider"**;

WITNESSETH

WHEREAS, the **ENTITY** invited Bids for certain goods and ancillary services, particularly **PROVISION OF SECURITY SERVICES FOR DSWD FIELD OFFICE CARAGA AND PROVINCIAL CIS SATELLITE OFFICE FOR C.Y. 2024**;

WHEREAS, the **ENTITY** contemplates to engage the services of a private security services agency, for the purpose of preventing unauthorized persons from entering the premises, safeguarding and protecting the perimeter, buildings, vehicles, machineries, equipment, supplies, materials and other properties of the aforesaid offices;

WHEREAS, the **SERVICE PROVIDER** is engaged in the business of rendering private security services and is duly licensed as such by the Philippine National Police (PNP) in accordance with Republic Act No. 11917, and has offered to provide the **ENTITY** with private security guards for the purpose of the above-mentioned;

WHEREAS, in a bidding conducted for the purpose, the **SERVICE PROVIDER** submitted the lowest complying and responsive calculated bid in the amount of **FOUR MILLION SIX HUNDRED EIGHT-TWO THOUSAND THREE HUNDRED EIGHT PESOS & 68/100 ONLY (Php4,682,380.68)** [hereinafter called "Contract Price"];

WHEREAS, the **ENTITY** has accepted the bid of the **SERVICE PROVIDER** in the aforesaid contract price.

NOW THEREFORE, for and in consideration of the foregoing premise and mutual terms, conditions and stipulations hereinafter set forth, the parties do hereby agree:

**Article I
DOCUMENTS COMPRISING THE CONTRACT**

1. The following documents shall be deemed to form and be read and construed as integral part of this Agreement pursuant to the 2016 Revised Implementing Rules and Regulations of Republic Act No. 9184, viz:

MARI-FLOR A. DOLLAGA - LIBANG
Regional Director

ERNESTO F. GALOLA
General Manager

MARI-FLOR A. DOLLAGA - LIBANG
Regional Director

- i. DSWD Specifications consisting of:
 - Section I - Invitation to Apply for Eligibility and to Bid
 - Section II - Instruction to Bidders
 - Section III - Bid Data Sheet
 - Section IV - General Conditions of the Contract
 - Section V - Special Conditions of the Contract
 - Section VI - Schedule of Requirements
 - Section VII - Technical Specifications
 - Section VIII - Bidding Forms and Supplemental/Bid Bulletins
- ii. Affidavit of Undertaking and Affidavit of Commitment
- iii. Notice of Award by the DSWD dated March 19, 2024
- iv. Date of Contract Agreement _____
- v. Performance Security
- vi. Notice to Proceed by the DSWD dated March 27, 2024
- vii. Effectivity of Service : April 01, 2024 – December 31, 2024
- viii. Winning bidder's bid, including the Eligibility requirements, Technical and Financial Proposals, and all other documents or statements submitted;

The documents mentioned above shall collectively be referred to as "Contract Documents" [attached hereto as "Annex A"].

ARTICLE II SCOPE OF SECURITY WORKS

1. The **SERVICE PROVIDER** shall provide and make available the necessary number of qualified, trained, acceptable, licensed, bonded, armed and uniformed security guards, on 24-hour daily coverage for DSWD FIELD OFFICE CARAGA AND PROVINCIAL CIS OFFICES as mention in Annex "B" hereof, for the purpose of ensuring its security and safety, including properties deposited and stored therein, against loss or damage due to and/or caused by theft, pilferage, robbery and other unlawful acts as well as the persons of DSWD Employees and visitors against assaults, injury or harassment, by strangers and/or third parties.
2. The **SERVICE PROVIDER** shall provide the appropriate number of guards for **THREE (3) SHIFTS A DAY**. The regular daily tour of duty of each guard shall be eight (8) hours, and no guard shall be made to render more than eight (8) hours duty within a 24-hour period except in cases of extreme necessity and only upon prior written permission of DSWD (head of installation/ organic security officer or authorized representative).
3. The **SERVICE PROVIDER** shall ensure that all security guards shall possess the qualifications prescribed in Section 5 of Republic Act No. 5487 and Presidential Decree No. 11 dated October 3, 1972 and Presidential Decree No. 11-A dated January 1973 as well as the Implementing Rules and Regulations promulgated by the Philippine National Police.
4. The **SERVICE PROVIDER** shall be liable for any loss, injury or damage to life, limb and/or property within the DSWD premises and its Provincial CIS Satellite Offices and all the contents thereof, with the exception of personal properties and valuables like cash, mobile phones and jewelry belonging to DSWD Officers, personnel and visitors, when such could have been avoided/prevented had the **SERVICE PROVIDER** guard/s not been negligent and/or remiss in the performance of their assigned duties and responsibilities, provided, that such loss, injury or damage shall be reported in writing by the DSWD (head of the installation/ authorized representatives or security officer) to the **SERVICE PROVIDER** through any of its guard assigned with the Entity, to the extent possible, within forty-eight (48) hours from the time of discovery of such loss, injury or damage.

EMILIO F. GALOLA
General Manager

MARI-FLOR A. DOLLAGA - LIBANG
Regional Director

5. The **SERVICE PROVIDER** shall at all times maintain peace and order and extend security or protection to DSWD personnel and visitors within the installation(s) and those on authorized official travel(s)/missions as need arises.
6. The **SERVICE PROVIDER** security guards are not employees of the **ENTITY** and as such, the **ENTITY** shall not be responsible for any claim or personal injury or damage including death caused to any of the guards or to any third party where such injury or death arises out of or sustained in the course of the performance of guard duties.
7. The **SERVICE PROVIDER** shall faithfully serve the interest of the **ENTITY** in rendering services and shall not, during the period of this Agreement, or any time thereafter, use or disclose to any unauthorized person, firm or entity, any information, derogatory or otherwise, concerning the business affairs of the **ENTITY** or any other information which the members of the security force of the **SUPPLIER** may have acquired by reason of their assignment to the **ENTITY**; Commission of dishonest acts perpetrated by Supplier's Personnel directly against the **ENTITY**, regardless of value, the same shall be a ground for outright contract termination, forfeiture of appropriate bond and exclusion from joining future bidding.
8. In the event of controversy and disagreement between the **ENTITY** and the **SUPPLIER** regarding liability for the loss, damage, physical injury or death referred to in the preceding paragraphs hereof, the parties shall constitute a Committee, which shall be composed of three (3) members. The **ENTITY** and the **SUPPLIER** shall each appoint one (1) member, who shall act as Chairperson. The decision of the Committee shall be binding on the parties, unless, within a period of thirty (30) days from receipt of such decision, a party shall institute the proper legal proceeding relating to the dispute.

ARTICLE III PAYMENT

1. For and in consideration of the services rendered, the **ENTITY** shall pay the **SERVICE PROVIDER** the monthly contract rate as provided in the Price Schedule attached hereto as Annex "B", which is made as an integral part of this Contract, taking into account the actual number of security guards, their actual tour of duty, and respective compensation per month. It is understood that the Supplier's billing includes all the statutory compensation and benefits due to its security guards. During the effectivity period of this Contract, any increases in the minimum wage applicable to the security guard shall be the sole responsibility of the **SERVICE PROVIDER**.
2. On the basis of the principle that written award of contract to the winning bidder is the initial act that leads to the formation of the contract and considering that the **BAC RESOLUTION NO. 2024-01-005** recommending the award of contract for the security services to the **SERVICE PROVIDER** was approved by the Regional Director on March 19, 2024, the **ENTITY** shall pay the **SERVICE PROVIDER** for services rendered by its security guards starting on April 01, 2024, upon submission of the proper document by the **SERVICE PROVIDER** to the **ENTITY** that will establish the fact that the **SERVICE PROVIDER** had paid its security guards their salaries and other monetary benefits provided by laws, rules, and regulations. Thus, the obligation of the **SERVICE PROVIDER** to provide security services to the Entity for a period of nine (9) months as provided in this contract shall be deemed to have started on April 1, 2024 and shall end until December 31, 2024.

ERNESTO F. GAEDOLA
General Manager

**ARTICLE IV
MANNER OF PAYMENT**

1. The **SERVICE PROVIDER** shall bill the **ENTITY** on a monthly basis. The **ENTITY** shall pay the **SERVICE PROVIDER** upon submission of billing statement, together with the duly accomplished service and report forms and other documentary requirements including the following:
 - a. Letter Request for Payment;
 - b. A duly accomplished Daily Time Record of each security guard, signed and approved by the head of the Security agency and DSWD Officer-in-Charge;
 - c. A copy of the payroll evidencing payment of salaries made;
 - d. A certification under oath that the same has been paid to the security personnel; and
 - e. A quarterly remittance report indicating the total contributions paid for the account of its security personnel on SSS, Philhealth, Pag-Ibig and BIR.

2. All the duly accomplished documentary requirements will be forwarded to the **ENTITY** and payment shall be through CHECK/ ADVICE TO DEBIT ACCOUNT (ADA) which will be made within **THIRTY (30) CALENDAR DAYS** after the submission of the foregoing.

**ARTICLE V
SUPERVISION AND ADMINISTRATION**

1. Security guards shall be hired by the **SERVICE PROVIDER** itself and this Contract shall not be deemed in anyway constitute a contract of employment between the **ENTITY** and the security guards hired by the former but merely as a contract specifying the conditions under which the security guards of the **SERVICE PROVIDER** shall render services to the **ENTITY**.

2. The discipline and administration of the guards shall conform to R.A. NO. 5487 and its Implementing Rules and Regulations. Upon loss of confidence and without liability whatsoever on the part of the **ENTITY**, any of the guards provided by the **SERVICE PROVIDER** may be changed immediately upon written request to that effect by the former to the latter.

3. The **ENTITY** shall have the right to assign a Security Officer as overall supervisor over the Supplier's guards at any time in order to determine the quality and acceptability of the service being performed by the guards and to give policy instructions through designated supplier's representative on the proper safeguarding and protection of persons, places, and things covered by this Agreement.

4. For ready reference, the **SERVICE PROVIDER** shall provide the **ENTITY** copies of unexpired license such as agency license, firearms license, individual security guard license and any related licenses as far as security contracting is concerned.

5. The **ENTITY** agrees to notify the **SERVICE PROVIDER** of any deficiency in the performance of guard's duties. The **SERVICE PROVIDER** shall take appropriate steps to correct the defects.

MARI-FLOR A. DOLLAGA - LIBANG
Regional Director

EMESTOF. GALOLA
General Manager


**ARTICLE VI
OTHER PROVISIONS**

1. In the event of a suit arising from this contract, the parties hereto agree that the venue for action shall be in the Court of Justice of Butuan City, Philippines.
2. This Contract shall be effective for a period from April 01, 2024 to December 31, 2024.
3. Notwithstanding the provisions of sub-paragraph 2 hereof, the **ENTITY** may terminate this Contract, at its sole discretion, upon thirty (30) days prior written notice to the **SERVICE PROVIDER**.

IN WITNESS WHEREOF, the parties have hereunto signed and executed this Agreement at Butuan City, Philippines on 21st day of March, 2024.

*Department of Social Welfare and
Development Field Office Caraga*


Sapphire Security Agency


MARI-FLOR A. DOLLAGA-LIBANG
Regional Director


ERNESTO F. GALOLA
General Manager

SIGNED IN THE PRESENCE OF:


ENGR. VINNES V. LASTIMADO
Administrative Officer V


CONCEPCION, MARIA FE MELOSA
Supplier's Representative
(Printed Name and Signature)

Certified as to Availability of Funds:


GRETCHEN F. ESCALA
Accountant III/ Chief Accountant

Republic of the Philippines)
City of Butuan) S.S.
x-----)

ACKNOWLEDGEMENT

BEFORE ME, a Notary Public for and in the City of Butuan, Philippines, this 20th day of March, 2024 personally appeared:

Name	I.D. No.	Date / Place Issued
MARI-FLOR A. DOLLAGA-LIBANG	DSWD ID No.: 10-1903049	March 29, 2019 / Cagayan de Oro City
ERNESTO F. GALOLA	<u>DSWA ID No: 8600-18644</u>	_____

Both know to me to be the same person who executed the foregoing instrument and acknowledged to me that the same is voluntary act and deed.

This agreement consisting six (6) pages signed by the parties and instrumental witness in all pages refer to an AGREEMENT for the project **PROVISION OF SECURITY SERVICES FOR DSWD FIELD OFFICE CARAGA AND PROVINCIAL CIS SATELLITE OFFICES C.Y 2024.**

WITNESS MY HAND AND SEAL in the place and on the date stated above.

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ATTY. FRANCIS ANGEL G. ALTORINO
NOTARY PUBLIC
ROLL NO. 84468, MAY 12, 2023
IBP NO. 339556, MAY 05, 2023, PASIG CITY
PTR NO. 2517103, JAN 3, 2024, BUTUAN CITY
SERIAL NO. 50-08-2023
MCLE NO. (EXEMPTED 2023 BAR PASSER)
TIN NO. 625-857-467
UNTIL DECEMBER 31, 2024