



Republic of the Philippines

Mountain Province State University

Bontoc, Mountain Province 2616

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CONTRACT FOR PROVISION OF SECURITY SERVICES

THIS CONTRACT, executed on the 16 MAR 2026 day of MARCI, 2026 by and between:

MOUNTAIN PROVINCE STATE UNIVERSITY, a government agency of the Republic of the Philippines, hereinafter called "the Client";

-and-

BAGUIO'S FINEST SECURITY AGENCY, a company duly organized and existing under the laws of the Republic of the Philippines, with principal office at **DOTC-TELOF BLDG., POST OFFICE LOOP, SESSION ROAD, BAGUIO CITY** hereinafter called "the Agency".

WHEREAS, the Entity invited Bids for certain goods and ancillary services, particularly the **PROVISION OF SECURITY SERVICES**;

WHEREAS, the Supplier submitted a responsive bid and was awarded the contract for the procurement in the total amount of **NINE MILLION NINE HUNDRED FORTY-FIVE THOUSAND FIVE HUNDRED SIXTY-TWO PESOS & SIXTY-EIGHT CENTAVOS (P9,945,562.68)**, hereinafter referred to as the "Contract Price".

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:

ARTICLE I

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 desire by the **CLIENT** to insure efficient service results.



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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.

ARTICLE II

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 **CLIENTS** requirements.

Guard Qualifications

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

- a. Filipino Citizen of good moral character and reputation, courteous, alert and without criminal or police record; Never has been convicted of a crime;
- b. Physically and mentally fit;
- c. Not less than 21 years of age;
- d. Duly licensed and properly screened and cleared by the Philippine National Police, National Bureau of Investigation, and other government offices issuing clearances for employment;
- e. In proper uniform and with other security paraphernalia as indicated below;
- f. Must have passed the Neuro-Psychiatric Exam; and



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- g. In possession of such other qualifications required by RA No. 5487 as amended.
- h. At least Senior High School Graduate

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.

The **AGENCY** shall also submit the following documentary requirements prior to posting:

- a. NBI Clearance
- b. PNP Clearance
- c. Barangay Clearance
- d. Physical/ Medical/ Health Certificate
- e. Neuro-psychiatric test
- f. Drug Test; and
- g. Personal Data Sheet

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.

The **AGENCY** shall remit the wages of its security guards on or by the payday specified in the contract.

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) Minimum Provisions of Allowable Firearms (Licensed):
 - One (1) CAL. 38 (Revolver Type); and
 - One (1) 12 Gauge (Shotgun)
 - Additional firearms as determined by the University
- b) One (1) Unit Handheld Radio & its Accessories for each Security Guard on duty
- c) One (1) Unit Storage Cabinet for equipment and materials/paraphernalia of SGs
- d) One (1) Unit Metal Detector - Handheld
- e) One (1) Flashlight for each security guard on duty
- f) Mini Medicine Pouch for each security guard
- g) One (1) Nightstick for each security guard on duty



- h) Office supplies for guards such as logbook, incident report form, leave form and other security and/or administrative forms
- i) Other security paraphernalia
- j) Four (4) (Motorcycles)
 - The security agency shall provide 4 units to be stationed at Tadian (2) and Bontoc Campus (2) which must be readily available for work-related use at all times and should be exclusively for MPSU only.
- k) Two (2) Sets of computer and printer /inks

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**.

ARTICLE III

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 **CLIENTS** 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 **EIGHT HUNDRED TWENTY-EIGHT THOUSAND SEVEN HUNDRED NINETY-SIX PESOS & EIGHTY-NINE CENTAVOS (Php 828,796.89)** per Month for **12 months**.

Payment Schedule

The **CLIENT** obligates to pay on time, twice a month on or before the 5th and 20th 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**".

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.

ARTICLE IV

AGENCY LIABILITY

The **Security Agency** shall comply with the following obligations and responsibilities: Assume all losses in their areas of responsibility due to negligence/pilferages and negligence of their security guards.

- a) Assume full responsibility for the acts of its SGs during performance of their duties.
- b) Cooperate with the PE's official investigation of any suspected criminal activity or in case of theft or similar incidents in their assigned area.
- c) Be responsible for the safety of their SGs in the performance of their duties in providing security services to the PE.
- d) Provide the total number of guards required in the assigned area every shift per Section VI hereof.



ARTICLE V

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 **CLIENTs** 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;
- 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.

ARTICLE VI

GUARDS AND SHIFTS

As required by the **CLIENT**, the initial security detachment to be established and assigned by the **AGENCY** shall consist of Thirty-three (33) Guards.



No. of Guard/s:	Thirty-three (33) Guards
Day Shift:	<u>Twenty - four (24) Guards</u>
Night Shift:	<u>Nine (9) Guards</u>

ARTICLE VII

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.

ARTICLE VIII

CONFIDENTIALITY COVENANTS TO SURVIVE CESSATION OF AGREEMENT

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

ARTICLE IX

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.

ARTICLE X

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.

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ARTICLE XI

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.

ARTICLE XII

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.

ARTICLE XIII

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.

ARTICLE XIV

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 3rd party non-binding arbitration.

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by

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ARTICLE XV

TERMINATION OF CONTRACT

Based on the assessment of the **CLIENT**, it may pre-terminate the contract for failure of the **AGENCY** to perform its obligations in accordance with the existing Guidelines on Termination of Contracts issued by the Government Procurement Policy Board.

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

MOUNTAIN PROVINCE STATE UNIVERSITY

BAGUIO'S FINEST SECURITY SERVICES

(Client)

(Agency)

by:

EDGAR G. CUE
SUC President III
 TIN 168-061-074-000

by:

KARL B. GABAEN, LLB, SCP
Proprietor/ Security Director
 TIN 917-512-337-000

SIGNED IN THE PRESENCE OF:

Flor D. Bangngaym

