

CONTRACT FOR SECURITY SERVICES

KNOW ALL MEN BY THESE PRESENTS:

This Agreement made and entered into by and between:

The **HACKET SECURITY AGENCY**, a sole proprietorship duly registered under the Department of Industry with DTI Certificate Number 413822 with office address at Unit 201 FSE Building, 3671-73 Bautista Street, Barangay Palanan, Makati City, represented by its Owner/Sole Proprietor, **FRANCIA C. DESQUITADO**, duly authorized for this purpose, and hereinafter referred to as the "**HACKET SECURITY AGENCY**";

--and--

The **SMALL BUSINESS GUARANTEE AND FINANCE CORPORATION**, a government financial institution duly organized and existing by virtue of Republic Act 6977, as amended, otherwise known as the Magna Carta for Micro, Small and Medium Enterprises, with office address at 17th & 18th Floors, 139 Corporate Center, 139 Valero St., Salcedo Village, Makati City, represented herein by its President and CEO, **MA. LUNA E. CACANANDO** and hereinafter referred to as "**Small Business Corporation**";

WITNESSETH THAT -

WHEREAS, SB Corporation needs security services for the purpose of guarding and protecting the premises, building, vehicles, materials, supplies, personnel, and other properties of **Small Business Corporation** located at the 17th and 18th Floors, 139 Corporate Center, 139 Valero St., Salcedo Village, Makati City, and such other offices, installations, facilities and/or projects of the former as may be determined from time to time, including the safety of all properties inside the guarded premises;

NOW, THEREFORE, for and in consideration of the premises and of the terms and conditions stipulated hereunder, the parties hereto have mutually agreed on the terms and conditions as follows:

I. DUTIES AND RESPONSIBILITIES OF THE HACKET SECURITY AGENCY

1. To provide **SB Corporation** with qualified, bonded, uniformed and armed security guards to man the above-mentioned address and to provide **TWO (2)** guards which may increase or decrease as may be required by **SB Corporation** from time to time. The number of guards and its tour of duty are as follows:

Two (2) Guards	
Monday to Friday -- 12 hours	Saturday -- 10 hours
7:00 A.M. To 7:00 P.M.	7:00 A.M. To 5:00 P.M.

It is understood and agreed that all the guards assigned at the mentioned **SB Corporation** property should possess the qualifications prescribed in Republic Act 5487, as amended by Presidential Decree 11-A dated January 17, 1973, entitled 'An Act to Regulate the Organization and Operation of Private Detective, Watchman, or Security Guard Agencies. **SB Corporation** should be furnished copies of NBI and police clearances, background investigation, psychological and medical tests;

2. To equip each detailed guard with the firearm and ammunitions, equipment and other paraphernalia when actually on post as prescribed by pertinent laws and regulations;
3. To make a thorough inspection and maintain adequate control of all incoming and outgoing persons, including vehicles, containers, bags, and properties entering and leaving **SB Corporation** premises, offices and installations;
4. To prevent the entry of unauthorized persons in the area, and, if this cannot be done peacefully, it is within the guards normal duty to report the same to **SB Corporation** for proper action;

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5. To be responsible for the payment of the salary of the guards in accordance with the existing legal rates;
6. To ensure that all guards shall follow the rules and regulations prescribed by **SBCorporation**, and other instructions which may from time to time, issue and furnish in writing to **Hacket Security Agency**;
7. To discipline, supervise and control its security guards in accordance with R.A. 5487 as amended;
8. To exclusively replace any guard within **twenty four (24) hours** upon request by **SBCorporation** in writing due but not limited to unsatisfactory performance;
9. To comply with the provisions of all pertinent laws such as but not limited to the Labor Code, Living Allowance, compliance with the 13th Month Pay, Presidential Decree No. 351, Minimum Wage, Medicare, Social Security Law, Employees Compensation, etc. It is understood that **SBCorporation** is an independent contractor and therefore there is no employer-employee relationship between **SBCorporation** on one hand and the **Hacket Security Agency** guards on the other hand;
10. To submit a weekly report to **SBCorporation** to be delivered not later than the 3rd working day of the following week regarding the manner the **Hacket Security Agency** has rendered security protection as provided for in this contract. The **Hacket Security Agency** at all times maintain a Daily Logbook in all guard posts where daily events are entered which shall always be available for inspection by authorized personnel of **SBCorporation**;
11. Whenever requested by **SBCorporation**, to conduct investigation on breach of security by any person within **SBCorporation**, premises including commission of crimes against persons or property and to make a report thereof;
12. Upon the request of **SBCorporation**, **Hacket Security Agency** shall submit an amended day to day operational activities, and contingency and emergency plans in case of industrial unrest, public disorder, or natural calamity;
13. **SBCorporation** reserves the right to approve, on the basis of personnel files furnished by **Hacket Security Agency**, the selection of the security force assigned to **SBCorporation** before they are actually posted. For this purpose, the **Hacket Security Agency** agrees to submit to **SBCorporation** for its review the bio-data of its candidates.

II. LIABILITIES OF THE HACKET SECURITY AGENCY

1. The **Hacket Security Agency** shall be responsible for any loss, theft, robbery, pilferage, damage or injury to life and/or property under its protection during the hours guarded by the guard or representative of **Hacket Security Agency** and likewise, whenever the same is due to the fault or negligence of the guards or when said fault or negligence contributed to the cause of, and/or aggravated the said damage unless such loss, damage, or injury is found attributable to the fault or negligence of **SBCorporation** or its agents or is due to force majeure or fortuitous events.
2. To hold **SB Corporation** free from any liability for any claim arising out of personal injury, death, unpaid wages/benefits or for damages caused by the guard to himself, or to others, whether or not the same arose out of or in the performance of duties, provided **SBCorporation** is not in violation of Article I, Paragraph 7 above. In the event that **SBCorporation** shall be liable arising from failure of the **Hacket Security Agency** to act immediately on any of the above claims for which **SBCorporation** is liable under the law, the **Hacket Security Agency** shall reimburse **SBCorporation** for any and all amount that it may have been called upon to pay.
3. To assume full responsibility for any loss or damage to **SBCorporation** properties or of third parties received by or placed under the custody of the guards when such loss or damage is due to the fault or negligence of the guards or when such fault or negligence of the guards contributed to the cause of, or aggravated the, loss or damage.

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Handwritten signature in blue ink
LUZ BORTON

4. Except as herein provided, the **Hacket Security Agency** shall not be held liable for damages or losses caused by force majeure or any fortuitous events. However, the **Hacket Security Agency** shall be liable for losses/damages occurring immediately after the cessation of force majeure or fortuitous event if the guards failed to exercise due diligence in the performance of their duties.
5. The responsibilities and liabilities of the **Hacket Security Agency** shall be extended even beyond the expiry date of the contract such as when the contract is expressly extended by **SBCorporation** for some reasons or the other until the issuance of a formal notice of the termination.
6. To absorb existing security guards namely, Ronald Ferranco and Michael Medina who have been servicing **SBCorporation** for more than ten (10) years now.

III. RIGHTS AND OBLIGATIONS OF SBCORPORATION

1. To pay the **Hacket Security Agency** the monthly billing of **SEVENTY-ONE THOUSAND FOUR HUNDRED THIRTY-FOUR PESOS AND 23/100 (P71,434.23)** for **TWO GUARDS** rendering twelve (12) hours a day service from Monday to Friday and ten (10) hours service on Saturdays. In excess of the twelve-hour schedule (Monday to Friday) and ten-hour schedule (Saturday), additional overtime pay shall be paid, provided the said overtime is authorized by Small Business Corporation. The "**Cost Distribution per Month**" per guard is hereto attached as "**ANNEX A**".
2. The monthly billing rate shall be collected within **twenty (20)** days after receipt of the corresponding bill covering services already rendered, subject to the usual accounting and auditing rules and regulations.
3. **Small Business Corporation** may increase or decrease the number of security guards from the agreed total of **TWO (2)** guards provided by the **Hacket Security Agency** including replacement of security guards by giving at least two (2) days prior notice to the **Hacket Security Agency**.
4. **Small Business Corporation** shall have the right to conduct spot inspection on the performance of the guards at anytime as may be deemed necessary. This right, however, shall not diminish or absolve the **Hacket Security Agency** guards from their obligations to **SBCorporation** under this contract.
5. Payment of the bill for services rendered by the **Hacket Security Agency** to **SBCorporation** shall be made by **SBCorporation** at its office located at the above-mentioned address.

IV. SURETY BOND

1. **HACKET SECURITY AGENCY** shall submit as soon as possible to **SBCorporation** an annual Surety Bond issued by any accredited bonding company acceptable to **SBCorporation** whose face value shall be for **TWO HUNDRED FOUR THOUSAND THREE HUNDRED EIGHTEEN PESOS AND 07/100 (P204,318.07)** or thirty percent (30%) of the annual contract price whichever is higher, Philippine currency. The Bond shall guarantee the faithful performance of the terms and conditions of this contract and/or to answer for any claim for losses/damages which may arise under this contract.
2. The liability of the Surety Bond shall be extinguished only upon the issuance of a written clearance by **SBCorporation** clearing the bonded **Hacket Security Agency** from all accountabilities thereof.

V. SPECIAL PROVISIONS

1. **SBCorporation** has the right to withhold **Hacket Security Agency** billing for the last month and/or proceed to the forfeiture of the Surety Bond at the option of **SBCorporation** to cover the **Hacket Security Agency** liability under this contract after such liability has been duly established by competent authorities: Provided that this shall be without prejudice to other legal actions that **SBCorporation** may take

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under the circumstances: And provided, finally, that the party acting without due process of law or in violation of this Special Provision shall be held liable to the other party for damages plus legal interest on the amount involved.

2. The terms and conditions herein set forth shall be automatically modified by the applicable provisions of laws or decrees, especially as they pertain to increase in the minimum wage and occupation benefits to workers including but not limited to increases in SSS premiums and Pag-IBIG Contributions, and paragraph III.1 hereof shall be accordingly adjusted at the date which the law so provides for its effectivity including administrative cost maintaining its percentage in the present billing statement.
3. SBCorporation has been giving a 10% + 10% premium on top of the minimum wage rate in the salaries of the two security personnel for the required years of service and satisfactory performance to the company.

VI. PRETERMINATION

It is expressly understood that **SBCorporation** has the right to terminate this Agreement at anytime upon fifteen (15) days prior notice to **Hacket Security Agency** in the event any or all the following circumstances shall exist, namely:

1. Violation by the **Hacket Security Agency** or by any of its guards of the terms and conditions of this Agreement.
2. Failure of the **Hacket Security Agency** to comply with the provisions of R.A. 5487 as amended by P.D. 100.
3. The existence of any fact or circumstance which in the judgment of **SB Corp.** will preclude, prohibit and/or make the **Hacket Security Agency** incapable of providing effective security and protective services.

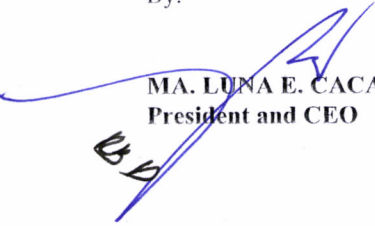
VII. DURATION

This Agreement shall be for a period of three (3) years effective **January 1, 2019 to December 31, 2021** and shall be deemed automatically renewed on a month-to-month basis, under the same terms and conditions, unless the parties agree to renew the Agreement for a longer period, or **SBCorporation** or the **Hacket Security Agency** serves appropriate termination notice to the concerned party.

19 DEC 2018 IN WITNESS WHEREOF, the parties have hereto affixed their signatures this at the City of Makati, Philippines.

**SMALL BUSINESS GUARANTEE
AND FINANCE CORPORATION**

By:



MA. LUNA E. CACANANDO
President and CEO


HACKET SECURITY AGENCY

By:


FRANCIA C. DESQUITADO
General Manager

SIGNED IN THE PRESENCE OF:


EVELYN P. FELIAS
Head, ITG and ASU


LIZ ESCOBILLA

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)

MAKATI CITY) S.S.

19 DEC 2018

At the place above indicated on this _____ personally appeared:

<u>NAME</u>	<u>RES. CERTIFICATE NO.</u>	<u>DATE/PLACE OF ISSUE</u>
MA. LUNA E. CACANANDO President and CEO	TIN 106-022-805	
FRANCIA C. DESQUITADO General Manager	24557005	1/17/18 Makati City

known to me to be the same persons who executed the foregoing instrument and acknowledged to me that the same is their free voluntary act and deed as well as the corporate act and deed of the corporation which they represent and that they are duly authorized to sign the same.

This instrument is a **CONTRACT OF SECURITY SERVICES**, consisting of seven (7) pages, including this page and Annexes "A and B", with each and every page duly signed by the parties and their instrumental witnesses on the left hand margin except the last and sealed with my notarial seal.

WITNESS MY HAND AND OFFICIAL SEAL at MAKATI CITY on 19 DEC 2018

Doc. No. 339 ;
Page No. 69 ;
Book No. 949 ;
Series of 2018

[Signature]
RUBEN T.M. RAMIREZ
 NOTARY PUBLIC
 UNTIL DEC. 31, 2019
 IBP NO. 017527/11-22-18 - Appointment W-127
 ROLL NO. 28947/MCLE-5 NO. 0006324/0-8-17
 PTR NO. MKT 6607723/1-3-18 MAKATI CITY
 2734 MA. AURORA ST. MAKATI CITY

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**COST DISTRIBUTION PER MONTH
NEW WAGE PER WAGE ORDER NO. 22
EFFECTIVE 22 NOVEMBER 2018**

**COST DISTRIBUTION PER MONTH
WAGE ORDER NO. 22 PLUS 10% PLUS 10%**

299 Working days + 14 Legal Holidays = 313		
Daily Wage/day = P537.00		
Amount to Guard		
Basic Pay	14,006.75	
COLA	-	
Overtime (4 hrs./day@247 days (Monday to Friday))	6,908.28	
Overtime (2 hrs./day@52 days) (Saturdays)	727.19	
5-Day Incentive Leave	253.09	
13 th Month Pay	1,167.23	
Total Amount Directly to Guard		23,062.54
Amount to Gov't in Favor of Guard		
Pag-ibig Fund	100.00	
SSS Premium	1,178.70	
Philhealth Contribution	192.59	
ECC	30.00	
Total Amount to Gov't in Favor of Guard		1,501.29
Total Amount To Guard & Gov't		24,563.83
Administrative fee/expense (20%)		4,912.77
Billing Per Month		29,476.60
Add: 12% VAT		589.53
Total Billing Per Month Per Guard		30,066.13
Total Billing Per Month For 2 Guards		60,132.26
Total Annual Billing For 2 Guards		721,587.14

299 Working days + 14 Legal Holidays = 313		
Daily Wage/day = P537.00 + P53.70 = P590.70 + P59.07 = P649.77		
(Min. Wage + 10% + 10%)		
Amount to Guard		
Basic Pay	16,948.17	
COLA	0.00	
Overtime (4 hrs./day@247 days (Monday to Friday))	8,359.02	
Overtime (2 hrs./day@52 days) (Saturdays)	879.90	
5-Day Incentive Leave	270.74	
13 th Month Pay	1,412.35	
Total Amount Directly to Guard		27,870.17
Amount to Gov't in Favor of Guard		
Pag-ibig Fund	100.00	
SSS Premium	1,178.70	
Philhealth Contribution	233.04	
ECC	30.00	
Total Amount to Gov't in Favor of Guard		1,541.74
Total Amount To Guard & Gov't		29,411.91
Administrative fee/expense (20%)		5,882.38
Billing Per Month		35,294.29
Add: 12% VAT		705.89
Total Billing Per Month Per Guard		36,000.17
Total Billing Per Month For 2 Guards		72,000.35
Total Annual Billing For 2 Guards		864,004.17

APPROVED BY:

MA. LUNA E. CACANANDO
President and CEO

