

SECURITY SERVICES AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

This Agreement, made and executed, by and between:

PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC), a government instrumentality created and existing under and by virtue of R.A. 3591, as amended, with principal office at SSS Makati Building, 6782 Ayala Avenue corner V.A. Rufino Street, Makati City, Metro Manila, in its behalf and as Statutory Receiver/Liquidator of ~~Closed Bank~~, represented herein by its _____, and hereinafter referred to as "**PDIC**"

-and-

_____, a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at _____, represented herein by its _____, and hereinafter referred to as the "**SERVICE PROVIDER**"

WITNESSETH: That,

WHEREAS, PDIC owns, has interest in and, administers, as Statutory Receiver/Liquidator of Closed Banks, several properties, hereinafter collectively referred to as "PREMISES":

The List of Closed Banks and the List of PDIC and Closed Banks' Premises, are attached as Annexes "A" and "B", respectively, and made integral parts of this Agreement.

WHEREAS, PDIC is in need of security services to provide protection to these PREMISES against theft, pilferage, robbery, damage or loss, malicious mischief, trespass and unlawful entry through force, intimidation, threat, strategy or stealth, assault, arson, or other unlawful and destructive acts;

WHEREAS, these PREMISES are on various locations, including but not limited to:

- a. SSS Makati Building, 6782 Ayala Ave., cor. V.A. Rufino St. Barangay Legaspi Village, Makati City;
- b. PDIC Building, 2228 Chino Roces Ave. Barangay Bangkal, Makati City;
- c. PDIC Warehouse located at Building L3, JY & Sons Compound, Veterans Center, Taguig City;
- d. First E-Bank properties:

1. Lexber Subdivision, Barangay Pio Cruzcosa, Calumpit, Bulacan;
 2. Vineyardville Subdivision, Barangay Pulong Buhangin, Santa Maria, Bulacan;
 3. Labangal Property, KPS Compound, Barangay Labangal, General Santos City;
- e. Tunasan Property, Barangay Tunasan, Muntinlupa City;
 - f. Lot 1-C Real Road (National Road), Calamba City;
 - g. Other areas where Closed Banks Premises are located as indicated in Annex ____; and
 - h. Such other locations/premises that may later be identified by **PDIC**,

WHEREAS, such security services shall extend to **PDIC** officers, employees, outsourced personnel, clients and visitors, while they are within the PREMISES and its immediate vicinity, and outside of the PREMISES, when requested by **PDIC** when there are threats, intimidation made upon the person of the officers and employees arising from the exercise of their official duties and responsibilities;

WHEREAS, **PDIC** also needs incidental posting of security personnel in regions of the country where receivership and liquidation and claims settlement operations are being carried out by **PDIC** pursuant to its mandate;

WHEREAS, the **SERVICE PROVIDER** is a duly licensed and bonded security guard agency operating under the provisions of R.A. No. 5487, as amended, and meets all the requirements set forth under the Terms of Reference and bidding documents;

WHEREAS, in a public bidding held for the purpose, the **SERVICE PROVIDER** has offered the lowest calculated responsive bid to **PDIC**;

WHEREAS, **PDIC** has accepted the **SERVICE PROVIDER's** offer subject to the terms and conditions specified hereunder;

NOW, THEREFORE, for and in consideration of the foregoing premises and of the mutual covenants and stipulations hereinafter set forth, the parties hereto have agreed and do hereby agree, as follows:

I. AGREED RATE AND RELATED CONDITIONS

1. For and in consideration of the services to be rendered by the **SERVICE PROVIDER** to **PDIC** and the Closed Banks as provided herein, **PDIC** and/or the Closed Banks shall pay the former the rates set forth in Annex "____" hereof and made as integral part of this Agreement, which rates shall depend on the place of assignment, duration of deployment and the shift schedule.

2. The **SERVICE PROVIDER** shall pay all security guards assigned to **PDIC and the Closed Banks** under this Agreement such remuneration and benefits in accordance with existing laws and regulations.

2.1 The **SERVICE PROVIDER** shall make timely and immediate remittances of all amounts due to SSS/Philhealth/Pag-ibig or such other related government agencies or private entities where the **SERVICE PROVIDER** is bound to make the remittances for the benefit of all the assigned guards.

2.2 To ensure the **SERVICE PROVIDER's** continuous financial capability to timely perform its financial obligations under this Agreement, the **SERVICE PROVIDER** shall maintain a bank deposit (savings, time, or demand type of deposit), from receipt of the notice to proceed, with outstanding balance equivalent to one half (1/2) of the total monthly billing less agency charges based on the **SERVICE PROVIDER's** submitted financial proposal. The said deposit shall be used to pay the salaries of the security guards every payroll period and shall be renewed or replenished prior to subsequent billings. Evidence of renewal or replenishment of the deposit such as deposit slip shall be attached to the following and subsequent billings as proof of the **SERVICE PROVIDER's** continuing compliance with the requirement.

2.3 The **SERVICE PROVIDER** shall furnish **PDIC** with a certification, duly signed by each and every security guard who has been employed by reason of this Agreement, attesting that: (1) said security guards have been fully paid their respective wages by herein **SERVICE PROVIDER** in accordance with this Agreement, including any adjustment thereof; (2) all premiums/sums due to the SSS/Philhealth/Pag-ibig and such other related government agencies have been duly remitted by the **SERVICE PROVIDER** to the proper agencies concerned; and (3) said security guards have no claim for any deficiency in their wages and benefits from the **SERVICE PROVIDER**. **PDIC** reserves the right (at anytime at its option) to verify directly with the security guards and/or with the SSS, Philhealth and Pag-ibig and/or require the presentation of additional documents to evidence compliance with items (1) and (2) hereinabove.

3. Payment to the **SERVICE PROVIDER** shall be made on or before the last day of the month the billing for services rendered during the first half of said month, and on or before the 15th day of the month for services rendered during the second half of the preceding month. In this regard, the **SERVICE PROVIDER** shall send to **PDIC** a billing statement to cover the services rendered.

4. No adjustment in the contract price shall be allowed during the term of this Agreement except in cases where the cost of the awarded contract is affected by any applicable new law, ordinance, regulation or other act of Government promulgated after the date of bidding. In which case, a contract price adjustment shall be made or appropriate relief shall be applied on a no loss-no gain basis to the **SERVICE PROVIDER**, pursuant to Sec. 17.7.4 of the Implementing Rules and Regulations of RA No. 9184.

5. It is understood that the payment of the services rendered by the **SERVICE PROVIDER** in relation to security personnel assigned to PREMISES owned by the Closed banks or to places where receivership and liquidation activities are

being carried out by **PDIC** pursuant to its mandate shall be made by and sourced from the funds of the Closed Banks.

6. Banks which may be ordered closed by the Monetary Board and placed under PDIC receivership during the effectivity of this Agreement shall be deemed automatically added to the List of Closed Banks (Annex A).

7. Failure on the part of the **SERVICE PROVIDER** to comply with any or all of the foregoing requirements or any misrepresentation in this regard shall be a ground for the immediate termination of this Agreement.

II. EFFECTIVITY OF THE AGREEMENT

1. This Agreement shall take effect for a period of three (3) years, starting _____ until _____, unless sooner terminated by **PDIC**.

2. **PDIC** shall have the sole option to cancel/terminate this Agreement at any time for violation of any of the terms and conditions thereof and/or if, in its judgment, the service that has been rendered by the **SERVICE PROVIDER** and/or its security guards is substandard and/or unsatisfactory: Provided, that the **SERVICE PROVIDER** shall be notified in writing at least fifteen (15) days prior to the effective date of cancellation/termination. The **SERVICE PROVIDER** shall maintain a satisfactory level of performance throughout the term of the Agreement based on the following performance criteria: (i) quality of service delivered, (ii) time management, (iii) management and suitability of personnel, and (iv) provision of regular progress reports.

However, in cases where the **SERVICE PROVIDER** causes injury or irreparable damage to the life and property of **PDIC**, its officers, employees and agents, or to the properties of the Closed Banks, or its continuing presence poses a threat to the life and property to the latter due to the **SERVICE PROVIDER**'s involvement in unlawful and illegal acts, **PDIC** may immediately notify the **SERVICE PROVIDER** of such fact in writing and this Agreement is deemed cancelled and/or terminated without waiting for the lapse of fifteen (15) days.

III. OBLIGATIONS AND UNDERTAKINGS OF THE SERVICE PROVIDER

1. Upon the effectivity of this Agreement, the **SERVICE PROVIDER** shall provide the specified number of security guards (as stated in Annex "___" and "___-1" hereof) to protect the PREMISES and the properties and assets therein against theft, pilferage, robbery, damage, or loss, malicious mischief, trespass, assault, arson, or other unlawful and destructive acts by strangers or third persons, as well as to provide general security to the PDIC officers, employees and clients, while they are within the PREMISES and its immediate vicinity, or outside of the PREMISES, when requested by **PDIC**, when there are threats, intimidation or acts of harassment or terrorism made upon the persons of the employees arising from the exercise of their official duties and responsibilities.

2. The **SERVICE PROVIDER** shall provide qualified, licensed, bonded, uniformed, trained and armed security guards, which shall include one (1) detachment commander, who shall guard and protect the PREMISES and the persons, properties and assets therein twenty-four (24) hours daily, including Sundays and holidays, and who shall be posted and distributed in accordance with the Table of Manning and Deployment per Annexes "___" and "___-1" hereof.

3. The **SERVICE PROVIDER** shall provide **PDIC** with security guards having the following qualifications:

- a) Filipino Citizen between twenty one (21) to forty five (45) years old only upon deployment/posting;
- b) Male security guards, at least five (5) feet and five (5) inches tall, not less than 135 pounds nor more than 170 pounds in weight; Female security guards, at least five (5) feet and two (2) inches tall, not less than 120 pounds nor more than 150 pounds in weight;
- c) At least high school graduate;
- d) With at least one (1) year security job experience;
- e) Of good moral character, cleared by major law-enforcement agencies, and never convicted of an offense involving moral turpitude;
- f) Duty licensed and trained as a professional security guard and must possess clearance from the National Bureau of Investigation (NBI) and the Philippine National Police (PNP);
- g) Must have passed a drug test, neuro-psychiatric and psychological examination and evaluation at least six (6) months prior to assumption of duty;
- h) Does not suffer from any physical and mental defects or deformities. R.A. 5487 or "The Private Security Agency Law", which took effect on June 13, 1969, requires that only persons who are physically and mentally fit are qualified to become a licensed security guard;
- i) If possible, the security guards should be residing in areas near the PREMISES to be able to readily serve the needs of the **PDIC** in case of need for relievers or in emergency calls;
- j) Such other qualification/s, which **PDIC** may specify from time to time through written notice to the **SERVICE PROVIDER**.

The updated Personal Data Sheet as well as the health and other clearances of each security guard shall be submitted to **PDIC**.

4. All pre-qualified security guards recommended for posting shall be personally presented to **PDIC** for proper screening, evaluation and approval prior to posting/deployment.

5. The **SERVICE PROVIDER** shall provide the following:

SECURITY PERSONNEL EQUIPMENT (subject to spot checking by **PDIC**)

- a) Firearms as listed in the Firearms Battlement Table (Annex "B" hereof and made an integral part of this Agreement);
- b) Three (3) pairs basic SG uniform (long-sleeved white shirts, dark blue pants, plain white undershirt, knit-strap brass buckle waist belt, neck tie and black socks, including white gloves for ceremonial and special functions. Pershing cap for male and Blue Duck bonnet for female). For Detachment Commanders and Security Shift-in-Charge (SICs) - long-sleeved *barong tagalog* with accessory military style nameplates and dark slack pants;
- c) PNP standard police leather belt, holster, handcuffs, tear gas can, first-aid kit (with clinical advice for contents of kit) batons or truncheons, and whistle;
- d) Two (2) pairs leather shoes;
- e) One (1) pair rubber boots and plastic trench coat or raincoat;
- f) Electric torch (Flashlight) with one (1) year supply of bulbs and batteries;
- g) Four (4) pairs reflector hand gloves, four (4) strap-on torso reflector jackets for guards to man traffic at vehicle entrance, multi-purpose/parking area and vehicle exit gate.

SECURITY OPERATIONS EQUIPMENT

Transportation – One (1) stand-by Asian Utility motor Vehicle (AUV) or sedan for reconnaissance, personnel transport and other official use to be based in PDIC.

Communication – Two (2) brand new radio base repeater with twenty two (22) units, brand new portable two-way radio transceivers, twelve (12) units spare battery packs, eleven (11) units battery chargers for use of security and Administrative Services Group (ASG) officers.

Surveillance –

- a) Eight (8) handheld metal detectors, two (2) "ostrich mirror" or shaft-mounted prying lens and eight (8) luggage probe sticks for personnel and guest entrance and lobby;

b) Supply, installation/configuration and maintenance of Close Circuit Television (CCTV) Monitors – to be stationed as follows:

b.1) **Ayala premises:** Four (4) sets CCTVs consisting : four (4) units 32-inch LED TV monitors; four (4) units 12-16 ch DVRs equipped with 2 units – 2 terrabyte internal hard drive per DVR; forty-eight (48) units dome-type cameras; all to be installed at the CCTV monitoring room at the 6th floor, PDIC Ayala Offices in SSS Makati Building, 6782 Ayala Ave. cor. V.A. Rufino St., Barangay San Lorenzo, Makati City; and

b.2) **Chino Roces premises:** One (1) set CCTV: one (1) unit 32-inch LED TV monitor; sixteen (16) units dome-type cameras; one (1) with nine (9) cameras – PDIC Building, 2228 Chino Roces Avenue, Barangay Bangkal, Makati City;

These equipment (monitors, cameras) may be re-installed or re-positioned in the event **PDIC** transfers its office to any place, area or building within Metro Manila.

Retention and Archiving: All video recordings/footages shall be downloaded to an external hard drive monthly and shall be retained/archived by the **SERVICE PROVIDER** for a period of twelve (12) months. After the end of each year, all recordings shall be copied to the PDIC server.

Support -

- a) Twelve (12) sets stand-by civil disturbance or crowd control equipment – shields, truncheons, helmets, face masks and perimeter cordons;-
- b) Appropriate road markers, traffic and parking signs. (Parking signs, pedestrian hand signals – stop and go, flag raising ceremony and singing of national anthem warning signs);
- c) Ten (10) pieces golf umbrellas;
- d) Office supplies (letterheads, bond papers, brown envelopes, letter envelopes, folders, staplers, etc.); and
- e) One (1) personal computer; one (1) set 3-in-1 printer/photocopier/scanner; one (1) unit manual typewriter; to be used by the security detachment in the preparation of their incident/information reports, bi-monthly posting of guards, monthly reports on deployment/posting of guards, monthly reports on deployment/posting of guards, payroll, etc.

6. Whenever requested by **PDIC**, the **SERVICE PROVIDER** undertakes and agrees to perform the following special security services, which shall be considered as part of this Agreement

- a. Investigation services;

- b. Coordination with the National Bureau of Investigation (NBI) and other related government agencies;
- c. Priority status and quick response service by the **SERVICE PROVIDER's** Client Relation Specialist or its equivalent; and
- d. Subscription for a Comprehensive General Liability Insurance in favor of **PDIC** to cover payment for, including but not limited to, body injury and/or property damage resulting from the negligence of **SERVICE PROVIDER's** security guard/s as against **PDIC**, and/or third parties in accordance with the terms and conditions stipulated by the **SERVICE PROVIDER's** General Liability Insurer in the amount of P750,000.00 combined single limit for bodily injury/property damage per occurrence with an extension coverage for liability for theft of property owned by **PDIC** in the amount of P75,000.00 per occurrence and an annual aggregate of P750,000.00.

7. The number of security guards as specified in Annexes “__” and “__1” hereof may thereafter be increased or reduced by **PDIC** by notifying the **SERVICE PROVIDER** in writing. In case **PDIC** needs additional security guards, the **SERVICE PROVIDER** shall provide **PDIC** with the additional number of security guards within twenty-four (24) hours from receipt of **PDIC's** notice. On the other hand, in case **PDIC** notifies the **SERVICE PROVIDER** to reduce the existing number of security guards, the same shall be effective immediately, and **PDIC** shall be billed for the reduced number of security guards fifteen (15) days after **PDIC** shall have notified the **SERVICE PROVIDER** in writing. However, in case the security guard committed grave offense/misconduct or any act which would seriously violate the relation of trust and confidence with **PDIC**, as solely determined by **PDIC**, the termination of the services of said security guard/s shall be immediately effective and **PDIC** shall have the right to employ any legal means to ensure immediate implementation thereof.

8. The **SERVICE PROVIDER** shall appoint a **PDIC Detachment Commander** who shall supervise, in coordination with **PDIC's** authorized representative/s, the **SERVICE PROVIDER's** security force assigned at the PREMISES to ensure that the security needs of **PDIC**, as well as the security needs of their respective properties, officers, personnel and guests are being properly and adequately serviced pursuant to the terms and conditions of this Agreement. Said Detachment Commander shall likewise be held responsible for the strict compliance and implementation of **PDIC Security Rules and Regulations** which forms part of this Agreement and shall be accountable for all instructions/communications which may be relayed by **PDIC** or its authorized representatives for proper action. The Detachment Commander shall have the command responsibility over all fielded security guards and shall be in charge of the preparation of a security program. Any violation by the Detachment Commander of the **PDIC Security Rules and Regulations**, which provide for his duties and responsibilities, or instructions of **PDIC**, shall be a ground for his replacement and disqualification from the post.

9. The **SERVICE PROVIDER** shall maintain a master inventory/list of all properties/equipment within the PREMISES based on **PDIC's** Fixed Assets Monitoring System's (FAMS) latest copy/run or printed at the effective date of this Agreement

and the Closed Banks' respective schedules of furniture, fixture and equipment, and assets acquired, duly received upon delivery per delivery receipt or invoice, assets brought or permitted into the PREMISES by a pass-in slip, and all assets, documents and records found inside the PREMISES as of the effective date of this Agreement. Duly approved pass-out/transfer forms on the release of these equipment shall be required whenever any property is taken out of the PREMISES. A checklist of this inventory will be provided to the guards assigned within **PDIC's** premises as basis of their regular inventory check of these items.

10. Notwithstanding the provisions in Article III, Items 7, 8, and 9 above, the **SERVICE PROVIDER** agrees to any change/transfer/relief of any of the security guards, duly appointed Coordinator/Supervisor and Detachment Commander upon receipt of such request from the **PDIC's** authorized representative.

11. In the event that the **SERVICE PROVIDER's** services are terminated in accordance with Article II hereof, or upon the expiration of the term of this Agreement, the **SERVICE PROVIDER** shall ensure a proper turnover of responsibility to **PDIC** or the new security agency.

12. The **SERVICE PROVIDER**, at its own expense, shall provide the following additional services to **PDIC**:

- a) the design and implementation of a Protective and Loss-Preventive System and Safety plans for emergencies, natural calamities like fire, earthquake, strike and/or war, etc. subject to review and approval by **PDIC**;
- b) conduct pre-posting seminar every three (3) months on the Duties and Responsibilities, Standard Operating Procedures and Special Instructions for all the guards to be assigned to **PDIC**;
- c) conduct target shooting exercises and security retraining on site for all the **SERVICE PROVIDER** personnel every six (6) months;
- d) ensure the daily field inspection of all security units by a mobile supervisor of the **SERVICE PROVIDER** who shall submit his report to **PDIC** daily;
- e) conduct seminars for the personnel of **PDIC** on building safety and fire prevention and first aid once a year;
- f) hold meetings every three (3) months with **PDIC** to discuss and evaluate the best security measures/policies;
- g) institute linkage and contact with the nearest Police/Military/Fire Brigade/Hospital Units (private and government) and properly coordinate on radio frequencies and provide all guards assigned to the premises of **PDIC** with a complete listing of telephone numbers of nearby Police/Fire Brigade/Hospital Units;

- h) provide **PDIC** with photocopies of (1) monthly payroll, including all deductions made thereto which are due to the SSS/Philhealth/Pag-ibig or such other related government agencies every quarter, and (2) remittances made to and received (by BIR, SSS and DOLE).

13. If the need arises or on special occasions, the **SERVICE PROVIDER** agrees to provide **PDIC**, free of charge, five (5) VIP escorts for a maximum of seven (7) days.

14. The **SERVICE PROVIDER** hereby undertakes and offers at no additional cost to **PDIC**, in order to attain the most effective security measures, system and procedures for the safety and protection of **PDIC** the use of the following services by **PDIC**:

- a. One (1) Security Coordinator to handle security concerns equipped with vehicle and communication equipment;
- b. General security survey once every quarter of the area being guarded;
- c. Security related services with VIP escort, background investigation, surveillance investigation of incidents, lie detection and polygraph test, asset recovery;
- d. 24-Hour spot inspection by competent security inspector to ensure compliance with security procedures, rules and regulations including maintenance of cleanliness in their security quarters;
- e. Evaluation of security guards on their respective posts by security officers from time to time;
- f. Conduct seminars on personal security awareness and disaster protection to the employees of **PDIC**;
- g. Provide additional trained security personnel both as a special response team to beef-up security guards on duty during anniversary celebrations, parties, conferences and visits of dignitaries, etc.;
- h. Special weapons, tactics and rescue equipment when the need arises;
- i. One (1) unit 4x4 ATV when the need arises;
- j. Two (2) units motorcycles.

IV. NO EMPLOYER-EMPLOYEE RELATIONSHIP

It is expressly understood and agreed that the security personnel/guards assigned by the **SERVICE PROVIDER** under this Agreement are, for all intents and purposes, the employees of the **SERVICE PROVIDER** and hence, no employer-employee relationship exists between any and all of the security guards/personnel and **PDIC or the Closed Banks**.

V. LOSS OR DAMAGE

1. **PDIC** and/or the Closed Banks shall not be responsible and liable for any injury or damage of any kind or nature, including death, inflicted or caused upon the **SERVICE PROVIDER**'s security force by a third person; neither shall **PDIC** be liable to any third person whose injury, damage or death has been inflicted or caused by the **SERVICE PROVIDER**'s security force.

2. The **SECURITY SERVICE PROVIDER** undertakes to pay **PDIC or the Closed Banks** for any loss of or damage to property resulting from any act, omission, negligence or fault of the security guard. The **SERVICE PROVIDER** shall restore, indemnify or pay **PDIC or the Closed Banks** for such loss or damage.

3. The **SERVICE PROVIDER** agrees that **PDIC** shall automatically deduct the cost of loss or damage to property from the billings and/or from the Performance Security, if the **SERVICE PROVIDER** fails to restore/indemnify/pay for such loss or damage fifteen (15) days after demand thereof has been made by **PDIC**.

VI. CONFIDENTIALITY OF INFORMATION

The parties hereby agree that the services covered by this Agreement are fiduciary in nature such that the **SERVICE PROVIDER** covenants that it or any of the security guards/personnel shall not, during the duration of this Agreement or at any time thereafter, disclose nor furnish to any person, firm or corporation any information relating to the **PDIC or the Closed Banks** that may be acquired/possessed in the course of the performance of services to **PDIC or the Closed Banks**, or in the course of their stay within their places of assignment, or as an incident to this Agreement.

The **SERVICE PROVIDER** shall ensure that the security guards/personnel will comply with this obligation.

VII. PERFORMANCE SECURITY

1. To guarantee the faithful performance of the obligations and services required under this Agreement, the **SERVICE PROVIDER** shall, prior to the execution of this Agreement, post in favor of **PDIC** a Performance Security in the form of Cash, Manager's/Cashier's check in the amount equivalent to five (5%) percent of the total contract price, or, in the form of a bank draft/Guarantee issued by a reputable universal or commercial bank in the amount equivalent to five (5%) percent of the total contract price, or, in the form of a Surety Bond callable on demand issued by a surety or insurance company duly certified by the Insurance Commission as authorized to issue such security in the amount equivalent to thirty (30%) percent of the total contract price.

2. In case there is a need to deploy additional security personnel in excess of the number provided for in this Contract, the **SERVICE PROVIDER**, without need of demand from **PDIC**, shall post additional performance security in any of the forms allowed in the immediately preceding paragraph within twenty four (24) hours from deployment of the additional security personnel.

3. In the event that the performance security posted by the **SERVICE PROVIDER** shall be deemed inadequate or otherwise unacceptable by **PDIC**, **PDIC** shall have the right to require the **SERVICE PROVIDER** to post a performance security in such form and amount as determined by **PDIC** and allowed under existing laws and regulations.

4. The Performance Security shall be released to the **SERVICE PROVIDER** within thirty (30) days from the end of the term of this Agreement and upon the certification of **PDIC** that the **SERVICE PROVIDER** has faithfully and completely performed its obligations under this Agreement. The Performance Security shall answer for any damage **PDIC** may suffer by reason of the **SERVICE PROVIDER**'s default of any of its obligations and/or breach of the terms and conditions of this Agreement and shall likewise guarantee payment for any loss, damage or injury that may be caused by the **SERVICE PROVIDER** to **PDIC**, its officers, employees, clients, and guests.

5. The Performance Security shall be forfeited in favor of **PDIC** in the event it is established that the **SERVICE PROVIDER** is in default, committed breach of its obligation under this Agreement and/or failure to comply with any of the terms and conditions of this Agreement. Any changes made in this Agreement shall in no way annul, release or affect the liability of the **SERVICE PROVIDER** and the surety.

VIII. LIQUIDATED DAMAGES AND LITIGATION EXPENSES

The **SERVICE PROVIDER** shall be liable for payment of liquidated damages in case of breach of any provisions of the Agreement. The amount of liquidated damages shall be at least equal to one-tenth of one per cent (0.1%) of the cost of the unperformed portion for every day of delay. Once the cumulative amount of liquidated damages reaches ten percent (10%) of the amount of the Agreement, **PDIC** shall rescind the Agreement, without prejudice to other courses of action and remedies open to it.

In the event that **PDIC**, or any of its officers, employees or agents, or any Closed Bank is sued due to the **SERVICE PROVIDER**'s failure to comply with any law, rule or regulation pertaining to the employment of labor, or for any damage or injury caused by and to the **SERVICE PROVIDER**'s personnel, pursuant to Article I, IV and V hereof, the **SERVICE PROVIDER** shall reimburse **PDIC** or the Closed Bank for the expenses it shall incur in relation to the said suit, including attorney's fees, cost of the suit and other litigation and incidental expenses immediately upon demand by **PDIC**.

In the event **PDIC or the Closed Banks** incurred damages by reason of the negligence or willful misconduct of the **SERVICE PROVIDER** or its assigned security guards, the **SERVICE PROVIDER** shall also be liable for such damages.

IX. TRANSFER OF LOCATION OF PDIC OFFICE

The transfer of the **PDIC** office to any place, area or building within Metro Manila shall not affect the terms and conditions of this Agreement and **PDIC** shall have the right to demand from the **SERVICE PROVIDER** for any reduction or increase in the number of security guards or the transfer of their places of assignments as the need arises under the same rate and manner of payment and procedures as indicated herein.

X. POST ASSIGNMENTS

1. It is understood that the security guards shall be posted in any of the PREMISES, whether owned, rented or in any character of lawful occupation under **PDIC**'s management/administration: *Provided*, that **PDIC** shall have the insuperable right to change the posting from time to time.

2. In the event that there arises a need for any of the **SERVICE PROVIDER**'s security guards to undertake travel outside of Metro Manila and/or its contiguous regions in order to reach his assigned post/s in any locality wherein any property of **PDIC** is situated or where receivership/liquidation and claims settlement operations are being carried-out, the security guard's actual cost of transportation which shall be limited to the usual modes of transportation by land and or sea, shall be defrayed in the following manner:

- a) If the transportation cost is P1,000.00 or less, the **SERVICE PROVIDER** shall defray the cost.
- b) If the transportation cost is more than P1,000.00 and the engagement is:
 - b.1) less than 15 days, **PDIC or the Closed Banks** shall defray the cost;
 - b.2) 15 days or more, the **SERVICE PROVIDER** shall defray the cost.

Provided that, in any case, the **SERVICE PROVIDER** shall provide the security guards deployed outside Metro Manila and/or its contiguous regions with cash advance equivalent to two weeks allowance.

XI. NON-EXCLUSIVITY OF THE CONTRACT

It is understood that this Agreement is non-exclusive. **PDIC** shall have the right, at any time, in its sole discretion, to engage the services of security agencies other than the **SERVICE PROVIDER** to supply **PDIC** such additional and qualified security guards/personnel for its security and protection needs.

XII. RETENTION RIGHT

PDIC is hereby given a lien upon any and all monies or other properties of the **SERVICE PROVIDER**, which are in **PDIC**'s possession or with any third party acting on behalf of **PDIC**, including without limitation those left with **PDIC** by or for the account of the **SERVICE PROVIDER**. **PDIC** is hereby given the right to retain the same to guarantee the payment or performance of any and all liabilities of the **SERVICE PROVIDER** under this Agreement, contingent or otherwise, for which **PDIC** may be held jointly or solidarily liable.

XIII. NON-WAIVER OF RIGHTS

The failure of **PDIC** to insist upon the strict compliance by the **SERVICE PROVIDER** with any of the terms, conditions and covenants of this Agreement shall not be deemed a relinquishment or waiver of any right or remedy that **PDIC** may exercise, nor shall it be construed as a waiver of any subsequent breach or default

of the terms, conditions and covenants hereof which shall continue to remain in full force and effect. No waiver by **PDIC** of any of its rights hereunder shall be deemed to have been made unless expressed in writing and signed by **PDIC** through its duly authorized agents.

XIV. MISCELLANEOUS

1. For the purpose of implementing the terms and conditions of this Agreement, **PDIC's** authorized representative shall be the Head of the General Services Department or whoever shall be designated by the Senior Vice President for Corporate Services Sector.

2. In the event that a legal action would arise from this Agreement, the parties agree that the venue of such action shall be before the competent courts of Makati City only.

IN WITNESS WHEREOF, the parties hereunto signed and executed this Agreement on the date and place indicated below their respective names.

**PHILIPPINE DEPOSIT INSURANCE CORPORATION
(PDIC)**

In its behalf and as Statutory Receiver/Liquidator of the Closed Banks

By:

SIGNED IN THE PRESENCE OF:

CERTIFICATION:

This is to certify that pursuant to PDIC Board Resolution No. _____ dated _____, the amount of _____ (**P_____**) **Pesos only**, Philippine currency, has been set aside and made available in the Corporate Operating Budget (COB) of the PDIC for the year _____, to cover for the implementation of the approved Security Services for PDIC for the year _____. The remaining amount of the contract, if any, shall be made available in the COB of the PDIC for the succeeding year/s.

IRENE DL. ARROYO
Vice President
Treasury Group

SERVICE PROVIDER

By:

Chairman/ President/ CEO

Signed in the Presence of:

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF MAKATI.....) S.S.

BEFORE ME, a Notary Public for and in the City of Makati, this _____ day of _____ 2015 personally appeared:

Name	Proof of Identity	Date/Place Issued . .
PDIC	PDIC ID Card No.	

known to me to be the same person who executed the foregoing Contract and who acknowledged to me that the same is his/her own free voluntary act and deed, as well as that of the corporation herein represented, and that he/she is duly authorized for the said purpose.

This instrument refers to a Security Services Agreement consisting of sixteen (16) pages (with Annex "A" to "A-1", _____, _____ to _____, and _____ to _____) including the page on which this Acknowledgement is written, signed on each and every page thereof by the parties and their witnesses.

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

Doc. No. _____;
Page No. _____;
Book No. _____;
Series of 2015.

ACKNOWLEDGMENT

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

BEFORE ME, a Notary Public for and in the City of _____, this ____ day of _____ 2015 personally appeared:

Name	Proof of Identity	Date/Place Issued
_____	_____	_____
_____	_____	_____

known to me to be the same person who executed the foregoing Contract and who acknowledged to me that the same is his/her voluntary act and deed, as well as that of the corporation herein represented, and that he/she is duly authorized for the said purpose.

This instrument refers to a Security Service Contract consisting of sixteen (16) pages (with Annex "A" to "A-1", _____, _____ to _____ and _____ to _____) including the page on which this Acknowledgment is written signed on each and every page thereof by the parties and their witnesses.

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

Doc. No. ____;
Page No. ____;
Book No. ____;
Series of 2015.