

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 Rufino Street, Makati City, Metro Manila, in its behalf and as Statutory Liquidator of closed banks, represented herein by its **Senior Vice President, Corporate Services Sector, ALMA TERESA R. MALANOG**, and hereinafter referred to as "PDIC"

-and-

LOCKHEED DETECTIVE and WATCHMAN AGENCY, INCORPORATED, a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office-corporate headquarters at EU State Tower, 30 Quezon Avenue, Quezon City, Philippines, 1100, represented herein by its **Chairman, President and CEO, Col. ESTEBAN B. UY, JR.**, and hereinafter referred to as the "SECURITY SERVICES PROVIDER"

WITNESSETH: That,

WHEREAS, PDIC is in need of security services to provide protection to its properties and assets and of the closed banks under its receivership and/or liquidation 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 by strangers or third persons, located at:

- a. SSS Makati Building, 6782 Ayala Ave., cor V.A. Rufino St., Makati City;
- b. 2228 Chino Roces Ave., Makati City;
- c. PDIC Warehouse located at Building L3, JY & Sons Compound, Veterans Center, Taguig City;
- d. ROPA – Real and Other Properties Acquired:
 1. Banco Primero property located along Taft Ave., Pasay City;



2. Lexber Subdivision, Barangay Pio Cruzcosa, Calumpit, Bulacan;
3. Vineyardville Subdivision, Barangay Pulong Buhangin, Santa Maria, Bulacan;
4. Labangal Property, KPS Compound, Barangay Labangal, General Santos City;
5. Dasmaringas Paper Mills, Inc., Km. 37, Emilio Aguinaldo Highway, Sitio Bucal, Barangay Sampaloc II, Dasmaringas, Cavite;
6. Tunasan Property, Barangay Tunasan, Muntinlupa City; and
7. Such other location/properties that may be identified later on by **PDIC**,

(hereinafter collectively referred to as the "PREMISES");

WHEREAS, the security services to be provided must extend to **PDIC** officers, employees and clients and retained employees of closed banks, while they are within the PREMISES and its immediate vicinity, and outside of the PREMISES, when requested by **PDIC**, when there are threats, intimidation or acts of terrorism made upon the person of the officers and employees because of work-related activities;

WHEREAS, the security services to be provided shall also extend to incidental posting of security personnel in regions of the country where receivership and liquidation functions are being carried out by **PDIC** pursuant to its mandate;

WHEREAS, the **SECURITY SERVICES 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 **SECURITY SERVICES PROVIDER** has offered the lowest calculated responsive bid to **PDIC**;

WHEREAS, **PDIC** has accepted the **SECURITY SERVICES PROVIDER'S** offer subject to the terms and conditions specified hereunder;

WHEREAS, this Services Agreement shall serve as the Master Security Services Agreement containing the general covenants, terms and conditions that shall govern the contractual relation between **PDIC** and the **SECURITY SERVICES PROVIDER** for security services of the latter to the former;

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 **SECURITY SERVICES PROVIDER** to **PDIC** as provided herein, the latter shall pay the former the following rates:

A. PDIC corporate assigned security personnel:

a.) For Security Officers/Guards Posted at the National Capital Region (NCR)

a.1) 12 Hours Daily Duty – 7 Days a Week (Monday to Sunday including holidays) (Detachment Commander, SHIFT-IN-CHARGE & security guards)

Daily Wage	404.00
A. Total Amount Paid Directly To Guard	
Wage Pay/Month	13,247.83
Night Differential	441.59
13 th Month Pay	1,024.03
Incentive Leave Pay	177.50
Uniform Allowance	100.00
Overtime (404.00/8 x 1.25 x 4 x 393.5/12)	8,279.90
COLA (P 22.00 x 377.00/12)	691.17
B. Total Amount Paid to Government in Favor of Guard	
Retirement Benefit	757.50
Social Security Premiums	1,024.70
Medicare Contribution	162.50
State Insurance	10.00
PAG-IBIG Contribution	100.00
C. Administrative Overhead & Profit Margin Inclusive of VAT	582.77
D. Contract Rate per Guard (A+B+C)	26,599.49

Number of Guards Required – Refer to Table of Manning and Deployment – Annex "A" and "A-1."

**a.2) 8 Hours Daily Duty – 7 Days a Week
(Monday - Sunday including holidays)
(Detachment Commander, SHIFT-IN-
CHARGE & security guards)**

Daily Wage	404.00
A. Total Amount Paid Directly To Guard	
Wage Pay/Month	13,247.83
Night Differential	441.59
13 th Month Pay	1,024.03
Incentive Leave Pay	177.50
Uniform Allowance	100.00
COLA (P 22.00 X 377.00/12)	691.17
B. Total Amount Paid to Government in Favor of Guard	
Retirement Benefit	757.50
Social Security Premiums	1,024.70
Medicare Contribution	162.50
State Insurance Fund	10.00
PAG-IBIG Contribution	100.00
C. Administrative Overhead & Profit Margin Inclusive of VAT	397.30
D. Contract Rate per Guard (A+B+C)	18,134.12

Number of Guards Required – Refer to Table of Manning and Deployment – Annex "A" and "A-1."

**a.3) 12 Hours Daily Duty – 5 Days a Week
(Monday - Friday including holidays)**

Daily Wage	404.00
A. Total Amount Paid Directly To Guard	
Wage Pay/Month	8,686.00
Night Differential	289.53
13 th Month Pay	690.17
Incentive Leave Pay	177.50
Uniform Allowance	100.00
Overtime (404.00/8 x 1.25 x 4 x 262/12)	5,512.92
COLA (P22.00 X 262/12)	480.33
B. Total Amount Paid to Government in Favor of Guard	
Retirement Benefit	757.50
Social Security Premiums	671.30
Medicare Contribution	112.50
State Insurance	10.00
PAG-IBIG Contribution	100.00
C. Administrative Overhead & Profit Margin Inclusive of VAT	393.96
D. Contract Rate per Guard (A+B+C)	17,981.71



Number of Guards Required – Refer to Table of Manning and Deployment – Annex “A” and “A-1.”

**a.4) 12 Hours Daily Duty – 6 Days a Week
(Monday – Saturday including holidays)**

Daily Wage	404.00
A. Total Amount Paid Directly To Guard	
Wage Pay/Month	10,436.67
Night Differential	347.89
13 th Month Pay	836.06
Incentive Leave Pay	177.50
Uniform Allowance	100.00
Overtime (404.00/8 x 1.25 x 4 x 310/12)	6,522.92
COLA (P22.00 X 262/12)	568.33
B. Total Amount Paid to Government in Favor of Guard	
Retirement Benefit	757.50
Social Security Premiums	812.78
Medicare Contribution	137.50
State Insurance	10.00
PAG-IBIG Contribution	100.00
C. Administrative Overhead & Profit Margin Inclusive of VAT	466.08
D. Contract Rate per Guard (A+B+C)	21,273.15

Number of Guards Required – Refer to Table of Manning and Deployment – Annex “A” and “A-1.”

**b. For Security Officers/Guards Posted Outside
the National Capital Region (NCR)
(Dasmarinas, Cavite)**

**b.1) 12 Hours Daily Duty – 7 days a Week
(Monday-Sunday including holidays)**



Daily Wage	315.00
A. Total Amount Paid Directly To Guard	
Wage Pay/Month	10,329.38
Night Differential	344.41
13 th Month Pay	798.44
Incentive Leave Pay	131.25
Uniform Allowance	100.00
Overtime (404.00/8 x 1.25 x 4 x 310/12)	6,455.86
COLA (P22.00 x 262/12)	568.33
B. Total Amount Paid to Government in Favor of Guard	
Retirement Benefit	590.63
Social Security Premiums	777.30
Medicare Contribution	125.00
State Insurance	10.00
PAG-IBIG Contribution	100.00
C. Administrative Overhead & Profit Margin Inclusive of VAT	442.67
D. Contract Rate per Guard (A+B+C)	20,204.84

Number of Guards Required – Refer to Table of Manning and Deployment – Annex "A" and "A-1."

**b.1) For Security Officers/Guards Posted
Outside the National Capital Region (NCR)
(Bulacan)**

**b.1.1) 12 Hours Daily Duty – 7 days a Week
(Monday-Sunday including holidays)**

Daily Wage	306.00
A. Total Amount Paid Directly To Guard	
Wage Pay/Month	10,034.25
Night Differential	334.48
13 th Month Pay	775.63
Incentive Leave Pay	127.50
Uniform Allowance	100.00
Overtime (404.00/8 x 1.25 x 4 x 310/12)	6,271.41
COLA (P22.00 x 262/12)	730.00
B. Total Amount Paid to Government in Favor of Guard	
Retirement Benefit	573.75
Social Security Premiums	848.00
Medicare Contribution	125.00
State Insurance	10.00
PAG-IBIG Contribution	100.00
C. Administrative Overhead & Profit Margin Inclusive of VAT	400.60
D. Contract Rate per Guard (A+B+C)	20,430.62

Number of Guards Required – Refer to Table of Manning and Deployment – Annex "A" and "A-1."

**b.2) For Security Officers/Guards Posted
Outside the National Capital Region
(NCR) (General Santos City)**

**b.2.1) 12 Hours Daily Duty – 7 days a Week
(Monday-Sunday including holidays)**

Daily Wage	245.00
A. Total Amount Paid Directly To Guard	
Wage Pay/Month	8,033.96
Night Differential	267.80
13 th Month Pay	621.01
Incentive Leave Pay	102.08
Uniform Allowance	100.00
Overtime (404.00/8 x 1.25 x 4 x 310/12)	5,021.22
COLA (P22.00 X 262/12)	304.17
B. Total Amount Paid to Government in Favor of Guard	
Retirement Benefit	459.38
Social Security Premiums	636.00
Medicare Contribution	100.00
State Insurance	10.00
PAG-IBIG Contribution	100.00
C. Administrative Overhead & Profit Margin Inclusive of VAT	352.93
D. Contract Rate per Guard (A+B+C)	16,108.55

Number of Guards Required – Refer to Table of Manning and Deployment – Annex "A" and "A-1."

Annex "A" and "A-1" hereof are made as integral part of this Agreement.

B. For closed bank assigned security personnel, PDIC shall pay the SECURITY SERVICES PROVIDER the billing rate stated in Annex "C", "C-1" to "C-43", which are made as integral part of this agreement. The list of closed banks under PDIC's receivership and liquidation function is hereto attached as Annex "D" to "D-14" and incorporated as part hereof.

2. The **SECURITY SERVICES PROVIDER** shall pay all security guards assigned to **PDIC** under this Agreement such remuneration and benefits as indicated and set for the security service industry by the PADPAO and in accordance with existing minimum wage rates, and 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 **SECURITY SERVICES PROVIDER** is bound to make the remittances for the benefit of all the assigned guards. To ensure the religious implementation of the foregoing, the **SECURITY SERVICES PROVIDER** shall submit a certificate of bank deposit (savings, time, or demand type of deposit) upon receipt of the notice to proceed, equivalent to one half (1/2) of the total monthly billing less agency charges based on the **SECURITY SERVICES 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 that the **SECURITY SERVICES PROVIDER** had complied with the requirement. In addition, the **SECURITY SERVICES 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 **SECURITY SERVICES 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 **SECURITY SERVICES PROVIDER** to the proper agencies concerned; and (3) said security guards have no claim for any deficiency in their wages and benefits from the **SECURITY SERVICES 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. **PDIC** shall pay the **SECURITY SERVICES PROVIDER** on or before the last day of the month 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 **SECURITY SERVICES 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 the Contract except in cases where the cost of the awarded contract is affected by any applicable new laws, ordinances, regulations or other acts 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 **SECURITY SERVICES 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 security services rendered by the **SECURITY SERVICES PROVIDER** in relation to security personnel assigned in regions of the country where receivership and liquidation functions are being carried out by PDIC pursuant to its mandate shall be sourced from the funds of the closed banks held in trust by **PDIC**.

6. Failure on the part of the **SECURITY SERVICES 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 16 April 2012 until 15 April 2015, 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 **SECURITY SERVICES PROVIDER** and/or its security guards is substandard and/or unsatisfactory: Provided, that the **SECURITY SERVICES PROVIDER** shall be notified in writing at least fifteen (15) days prior to the effective date of cancellation/termination. The **SECURITY SERVICES 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 **SECURITY SERVICES PROVIDER** causes injury or irreparable damage to the life and property of **PDIC**, its officers, employees and agents, or its continuing presence a threat to the life and property to the latter due to the **SECURITY SERVICES PROVIDER's** involvement in unlawful and illegal acts, **PDIC** may immediately notify the **SECURITY SERVICES 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 SECURITY SERVICES PROVIDER

1. Upon the effectivity of this Agreement, the **SECURITY SERVICES PROVIDER** shall provide the specified number of security guards (as stated in Annex "A" and "A-1" hereof for PDIC Corporate and Annex "E" to "E-2" hereof for the closed banks) to **PDIC** to protect the properties and assets within the PREMISES 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, and retained employees of the closed banks, 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 terrorism made upon the persons of the employees because of work-related activities.

2. Upon the written request of **PDIC**, the **SECURITY SERVICES PROVIDER** shall provide **PDIC**, as statutory receiver/liquidator of closed banks, additional security personnel in regions of the country where receivership and liquidation functions is being carried out by **PDIC**. Pursuant thereto, the **SECURITY SERVICES PROVIDER** must (a) have the capacity to immediately post security guards in various locations of the closed bank when the need arises and (b) have a Regional Office or a designated Regional Coordinator to oversee posting, administration/management of the guards in the region.

3. The **SECURITY SERVICES PROVIDER** shall provide **PDIC** with qualified, licensed, bonded, uniformed, trained and armed security guards, which shall include one (1) detachment commander, who shall guard and protect the properties and the PREMISES of **PDIC** 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 Annex "A" and "A-1" hereof.

4. The **SECURITY SERVICES PROVIDER** shall provide **PDIC** with security guards having the following qualifications:

- a) Filipino Citizen between twenty one (21) to forty five (45) years old;
- b) In the case of 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. In the case of 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 two (2) years security job experience;
- e) Of good moral character, cleared by major law-enforcement agencies, and never convicted of an offense involving moral turpitude;
- f) Duly 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 **SECURITY SERVICES PROVIDER**.

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

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

6. The **SECURITY SERVICES 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 Contract);
- 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, black socks and white gloves for ceremonial and special functions. Pershing cap for male and Blue Duck bonnet for female). For Detachment Commanders and 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;



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- 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) Two (2) sets Close Circuit Television Monitors (CCTV) – each CCTV capable of hosting/receiving sixteen (16) CCTV cameras focused on designated areas with main and external drives, saving, open and playback functions to be stationed as follows:
 - i. One (1) set CCTV – 6th Floor, SSS Makati Building, 6782 Ayala Ave., cor V.A. Rufino St., Makati City with eleven (11) cameras to be installed at 1. De la Rosa vehicle and 2. personnel entrance 3. Ground Floor lobby 4. 4th Floor lobby 5. 5th Floor lobby 6. 6th Floor lobby 7. 7th Floor lobby 8. 8th Floor lobby 9. 9th Floor lobby 10. 10th Floor lobby 11. 13th Floor Penthouse-CPD Area lobby or in such places as may be subsequently determined by **PDIC**; and
 - ii. One (1) set CCTV – PDIC Bldg., 2228 Rocas Ave., Makati City with four (4) cameras to be installed at 1. Personnel Main Entrance 2. Vehicle Main Entrance 3. Rear multi-purpose area 4. Exit driveway or in such places as may be determined by **PDIC**.



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.

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) Four (4) pieces wide brimmed umbrellas;
- d) Office supplies (letterheads, bond papers, brown envelopes, letter envelopes, folders, staplers, etc.); and
- e) One (1) personal computer and one (1) typewriter for the official written communications of the security guards and their officers for use at designated Security Office/Station - 8th Floor stairwell landing, SSS Makati Building.

7. The **SECURITY SERVICES PROVIDER** undertakes and agrees to perform the following special security services, whenever requested by **PDIC**, which shall be considered as forming 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 **SECURITY SERVICES 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, bodily injury and/or property damage resulting from the negligence of **SECURITY SERVICES PROVIDER's** security guard/s as against **PDIC**, the closed bank and/or third parties in accordance with the terms and conditions stipulated by the **SECURITY SERVICES 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.



8. The number of security guards as specified in Annexes "A" and "A-1" hereof may thereafter be increased or reduced by **PDIC** by notifying the **SECURITY SERVICES PROVIDER** in writing. In case **PDIC** needs additional security guards, the **SECURITY SERVICES 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 **SECURITY SERVICES 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 **SECURITY SERVICES 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.

9. The **SECURITY SERVICES PROVIDER** shall appoint a **PDIC** Detachment Commander who shall supervise, in coordination with **PDIC**'s authorized representative/s, the **SECURITY SERVICES PROVIDER**'s security force assigned at the PREMISES and in the premises of the closed banks 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.

10. The **SECURITY SERVICES PROVIDER** shall maintain a master inventory/list of all properties/equipment within the PREMISES as well as in the premises of the closed banks based on **PDIC**'s Fixed Assets Monitoring System's (FAMS) latest copy/run or printed at the effective date of this contract, assets acquired, duly received upon delivery per delivery receipt or invoice, assets brought or permitted into the PREMISES/premises of closed banks by a pass-in slip, and all assets found inside the PREMISES/premises of closed banks as of the effective date of this contract such as waste materials on repair or improvement of vehicles, furniture, fixtures and equipment, building, electrical and plumbing system, drainage or excavations and stockpiles of earth, mud, rocks excavated materials, backfills, demolition debris, etc., and shall ensure that daily/nightly checks are reported. Duly approved pass-out/transfer forms on the release of these equipment shall be required whenever any property is taken out of the PREMISES/premises of the closed banks. 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.

11. Notwithstanding the provisions in Article III, Items 8, 9, and 10 above, the **SECURITY SERVICES 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.

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

13. The **SECURITY SERVICES PROVIDER** shall provide the following additional services to **PDIC** at its own expense:

- 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 **SECURITY SERVICES PROVIDER**'s personnel every six (6) months;
- d) ensure the daily field inspection of all security units by a mobile supervisor of the **SECURITY SERVICES 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).

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

15. The **SECURITY SERVICES 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**:

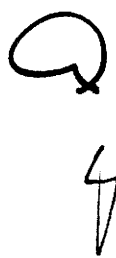
- a. One (1) Security Coordinator to handle security concerns equipped with vehicle and communication equipment;
- b. General security survey once every quarter of the area being guarded;
- c. Security related services with VIP escort, background investigation, surveillance investigation of incidents, 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 **SECURITY SERVICES PROVIDER** under this Agreement are, for all intents and purposes, the employees of the **SECURITY SERVICES PROVIDER** and hence, no employer-employee relationship exists between any and all of the security guards/personnel and **PDIC**.

V. LOSS OR DAMAGE

1. **PDIC** shall not be responsible and liable for any injury or damage of any kind or nature, including death, inflicted or caused upon the **SECURITY SERVICES 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 **SECURITY SERVICES PROVIDER's** security force.



Handwritten initials or signature at the bottom right corner of the page.

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

3. The **SECURITY SERVICES 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 **SECURITY SERVICES PROVIDER** fails to restore/indemnify/pay for such loss or damage fifteen (15) days after demand thereof has been made by **PDIC**.

VI. PERFORMANCE SECURITY

1. To guarantee the faithful performance of the obligations and services required under this Contract, the **SECURITY SERVICES PROVIDER** shall, upon execution of this Contract, 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 the event that the performance security posted by the **SECURITY SERVICES PROVIDER** shall be deemed inadequate or otherwise unacceptable by **PDIC**, **PDIC** shall have the right to require the **SECURITY SERVICES PROVIDER** to post a performance security in such form and amount as determined by **PDIC** and allowed under existing laws and regulations.

3. The Performance Security shall be released to the **SECURITY SERVICES PROVIDER** within thirty (30) days from the end of the term of this Agreement and upon the certification of **PDIC** that the **SECURITY SERVICES 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 **SECURITY SERVICES 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 **SECURITY SERVICES PROVIDER** to **PDIC**, its officers, employees, clients, retained employees of closed banks and guests.

4. The Performance Security shall be forfeited in favor of **PDIC** in the event it is established that the **SECURITY SERVICES 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 **SECURITY SERVICES PROVIDER** and the surety.

5. Immediately upon demand by **PDIC**, the **SECURITY SERVICES PROVIDER** shall post an additional Performance Security to cover the additional security manpower required not covered by the first Performance Security heretofore mentioned.

VII. LIQUIDATED DAMAGES AND LITIGATION EXPENSES

The **SECURITY SERVICES 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** is sued due to the **SECURITY SERVICES 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 **SECURITY SERVICES PROVIDER**'s personnel, pursuant to Article I, IV and V hereof, the **SECURITY SERVICES PROVIDER** shall reimburse **PDIC** 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** incurred damages by reason of the negligence or willful misconduct of the **SECURITY SERVICES PROVIDER** or its assigned security guards, the **SECURITY SERVICES PROVIDER** shall also be liable for damages.

VIII. 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 **SECURITY SERVICES 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.

IX. POST ASSIGNMENTS

1. It is understood that the security guards shall be posted in any of the **PDIC**'s premises, or at any of the premises of the closed banks, whether owned, rented or in any character of lawful occupation under **PDIC**'s management/administration or in any region of the country where receivership and liquidation function is being carried out by PDIC: *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 **SECURITY SERVICES 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, **PDIC**, subject to its prior consent, may be requested to defray the security guard's actual transportation expenses which shall be limited to the usual modes of transportation by land and or sea, as well as reasonable travel expenses. However, in the case of closed bank's assigned security personnel, the defraying of the security guard's actual transportation expenses, which shall be limited to the usual modes of transportation by land and/or sea and actual transportation expenses shall be shouldered in the following manner:

- a) If the amount is P1,000.00 or less, the **SECURITY SERVICES PROVIDER** shall shoulder the expense.
- b) If the amount is more than P1,000.00 and the engagement is:
 - b.1) less than 15 days, **PDIC** and/or closed bank shall shoulder the expense;
 - b.2) 15 days or more, the **SECURITY SERVICES PROVIDER** shall shoulder the expense.

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

X. NON-EXCLUSIVITY OF THE AGREEMENT

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 **SECURITY SERVICES PROVIDER** to supply **PDIC** such additional and qualified security guards/personnel for its security and protection needs.

XI. RETENTION RIGHT

PDIC is hereby given a lien upon any and all monies or other properties of the **SECURITY SERVICES 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 **SECURITY SERVICES PROVIDER**. **PDIC** is hereby given the right to retain the same to guarantee the payment or performance of any and all liabilities of the **SECURITY SERVICES PROVIDER** under this Agreement, contingent or otherwise, for which **PDIC** may be held jointly or solidarily liable.

XII. NON-WAIVER OF RIGHTS

The failure of **PDIC** to insist upon the strict compliance by the **SECURITY SERVICES PROVIDER** with any of the terms, conditions and covenants of this Contract 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.

XIII. 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 for the purpose. However, in the case of the closed banks, **PDIC's** authorized representative shall be as follows:

	Contact Person	Nature of Transaction
1.a	RL ASSD Dept. Manager or Personnel In Charge of Security	1. Contract; Performance Bond; Processing of Monthly Billings; 2. Over-all coordination with Contractor; 3. Conducts site inspection at least twice during the Contract Period.
1.b	Deputy Receiver/Liquidator of bank concerned	Supervise Security Guards and conduct spot check during field assignment.

2. Disputes arising from the implementation of this Agreement shall be submitted to arbitration in the Philippines according to the provisions of RA 876, otherwise known as "Arbitration Law", provided, that by mutual agreement, the parties may agree in writing to resort to alternative modes of dispute resolution.

3. In case of litigation/disputes not falling within the purview of RA 876, the parties agree that the venue of such action shall be before the competent courts of Makati City only.

IN WITNESS WHEREOF, the parties hereto have hereunto signed and executed this Agreement on this _____ day of _____ 2012 in the City of Makati, Philippines.

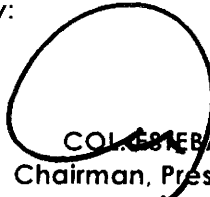
PHILIPPINE DEPOSIT
INSURANCE CORPORATION
(PDIC)

LOCKHEED DETECTIVE
and WATCHMAN AGENCY, INC.
(SECURITY SERVICES PROVIDER)

By:


ALMA TERESA R. MALANOG
Senior Vice President
Corporate Services Sector

By:


COL. ESTEBAN B. UY, JR.
Chairman, President and CEO
aaa

CERTIFICATION:

This is to certify that pursuant to **PDIC Board Resolution No. 2011-12-261** dated 14 December 2011, the amount of **Seventeen Million Eight Hundred Forty Seven Thousand Five Hundred Thirty One Pesos and Forty Eight (P17,847,531.48) Centavos only** has been set aside and made available in the Corporate Operating Budget (COB) of the PDIC for the year 20___, which item of the budget is deemed reenacted for the year 20___, prior to the approval of the PDIC, COB for 20___ to cover for the implementation of the approved Security Services for PDIC for the year 2012 - 2015. The remaining amount of the contract, if any, shall be made available in the COB of the PDIC for the succeeding year/s.


IRENE D. ARROYO
Vice President
Treasury Group

Signed in the Presence of:


PR.

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 APR 30 2012 2012 personally appeared
the following persons who exhibited the following proofs of competent
identity:

Name PDIC	Proof of Identity	Date/Place Issued
<u>Alma Teresa R. Malanog</u>	PDIC W #	1341

Lockheed Detective & Watchman Agency., Inc.

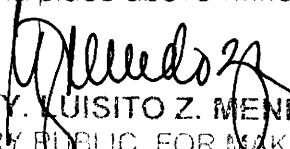
Col. Esteban B. Uy, Jr. PASSPORT #EB3769562

known to me to be the same persons who executed the foregoing Agreement and who acknowledged to me that the same is their own free voluntary act and deed, as well as that of the corporations herein represented, and that they are duly authorized for the said purpose.

This instrument refers to a Security Service Agreement consisting of twenty two (22) pages (with Annexes "A" to "A - 1", "B", "C", "C-1 to C-41", and "D - 1" to "D - 14") 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. 390
Page No. 78
Book No. VIII
Series of 2012.


ATTY. LUISITO Z. MENDOZA
 NOTARY PUBLIC FOR MAKATI CITY
 Appointment No. M-184 Until Dec. 31, 2012
 Roll No. 37663 / IBP No. 873965
 6782 SSS Bldg., Ayala Ave. Makati

