



"Beyond Providing Water..."

Republic of the Philippines
SAN FRANCISCO WATER DISTRICT
San Francisco, Agusan del Sur

BIDS AND AWARDS COMMITTEE (BAC)

NOTICE TO PROCEED

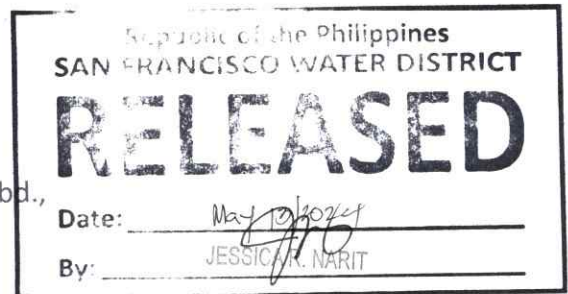
MAY 13, 2024

MR. OLIVER B. DERECHO

General Manager

PHILGUARD SECURITY SERVICES, INC.

Lot 22, Blk 3 Ph7 2nd Floor Dunkin Donut Bldg., Ecoland Subd.,
Brgy 74-A, Davao City, Davao Del Sur



Sir,

Greetings!

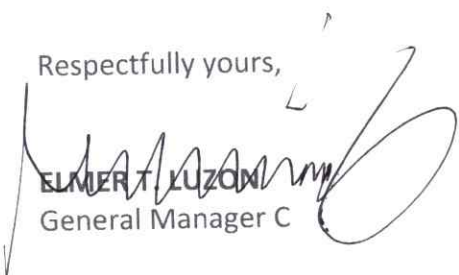
Notice is hereby given to **PHILGUARD SECURITY SERVICES, INC.** that implementation of the Contract for the Procurement of Twenty-three (23) Personnel for Security Services may proceed once the previous contract expires/ends.

Upon receipt of this notice, you are responsible for delivering the security personnel under the terms and conditions of the contract and following all the provisions stipulated thereat.

Please acknowledge receipt hereof and acceptance of this notice by signing the space provided below and returning a copy to us.

Thank you and God bless.

Respectfully yours,


ELMERT T. LUZON
General Manager C

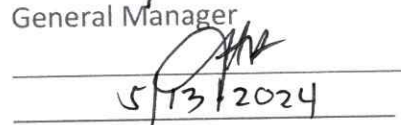
Noted:


DIR. JONATHAN A. BAÑAS
Head of Procuring Entity

Name and Representative of the Bidder:

MR. OLIVER B. DERECHO
General Manager

Authorized Signature


5/13/2024

I acknowledge receipt of this Notice on:

**CONTRACT OF AGREEMENT FOR THE PROCUREMENT OF TWENTY-THREE (23)
PERSONNEL FOR SECURITY SERVICES**

This Contract of Agreement is entered into by and between:

SAN FRANCISCO WATER DISTRICT, a government-owned and controlled corporation, existing under the laws of Presidential Decree 198 with an office address at Osmeña Street, Brgy. 2, San Francisco, Agusan del Sur, represented by its **General Manager, ELMER T. LUZON**, herein represented as the **"PROCURING ENTITY"**;

-and-

PHILGUARD SECURITY SERVICES, INC., a private entity duly organized and existing under the laws of the Republic of the Philippines, with its principal office and business address at Lot 22, Blk 3 Ph7 2nd Floor Dunkin Donut Bldg., Ecoland Subd., Brgy 74-A, Davao City, Davao Del Sur, represented by its **General Manager, OLIVER B. DERECHO**, of legal age, Filipino, married herein referred to as the **"SECURITY SERVICE PROVIDER"**;

WHEREAS, upon the invitation of the **PROCURING ENTITY**, the **SERVICE PROVIDER** submitted a bid for the **Procurement of Twenty-three (23) Personnel for Security Services** to safeguard and protect the properties and facilities of the **PROCURING ENTITY** against theft, robbery, pilferage, arson, vandalism and other unlawful act of strangers, employees and other persons within the premise of Lapag, Karaos, Alegria, Sumugbong, Bayugan II, Ormaca Reservoir Sites and SFWD Main Building Office in the amount of **FIVE MILLION FIVE HUNDRED NINETY-NINE THOUSAND SIX HUNDRED FIFTY-NINE PESOS AND 31/100 (PHP 5,599,659.31)**;

WHEREAS, the **PROCURING ENTITY** accepted the bid of the **SECURITY SERVICE PROVIDER** through **SFWD Bids and Awards Committee Resolution No. 2024-04-093** dated **April 2, 2024**, which was approved by the General Manager of the **PROCURING ENTITY**. The latter has issued a **NOTICE OF AWARD** dated **April 17, 2024**, the Security Service Provider has conformed and posted a Performance Bond as stipulated in Section 37.2.1 of RA 9184 of the Revised IRR of 2016;

NOW, THEREFORE, in consideration of the above-mentioned premises, the Procuring Entity and the Security Service Provider hereby agree as follows:

1. In this Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract referred to.
2. The following documents as required by the 2016 revised Implementing Rules and Regulations of the Republic Act No. 9184 shall be deemed to form and be read and construed as an integral part of this Agreement, to wit:
 - a) Philippine Bidding Documents (PBDs);
 - i. Invitation to Bid;
 - ii. Instruction to Bidders;
 - iii. Bid Data Sheet
 - iv. General Conditions of Contract;
 - v. Special Condition of Contract
 - vi. Schedule of Requirements
 - vii. Technical Specifications
 - viii. Checklist of Technical and Financial Documents
 - ix. Bidding Forms
 - b) Supplemental/Bid Bulletin No. 1


OLIVER B. DERECHO
General Manager


GEODE B. BAHIAN JR.
Marketing/Admin Officer


ELMER T. LUZON
General Manager


DIR. JONATHAN A. BAÑAS
Head of the Procuring Entity


OLIVER B. DERECHO
General Manager


GEDEON BAHIAN JR.
Marketing/Admin Officer


ELMER T. IYAPAN
General Manager C

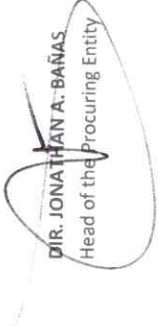
- c) Service provider's bid, including the Eligibility requirements, Technical and Financial Proposals, and all other documents or statements contained in the Bidder's bidding envelopes, as annexes, and all other documents submitted, including corrections to the bid, if any, resulting from the Procuring Entity's bid evaluation;
- d) BAC Resolution No: 2024-03-082;
- e) Abstract of Bid;
- f) 3-Strike Policy Report;
- g) Result of the Post-Qualification from the Technical Working Group (TWG);
- h) BAC Resolution No. 2024-04-093;
- i) Notice of Award of Contract, and the Suppliers conformed;
- j) Performance Security
- k) Notice to Proceed with the Supplier's conformed; and
- l) Other contract documents that may be required by existing laws and/or the Procuring Entity.

3. In consideration of the payment to be made by the **PROCURING ENTITY** for the sum of **FIVE MILLION FIVE HUNDRED NINETY-NINE THOUSAND SIX HUNDRED FIFTY-NINE PESOS AND 31/100 (PHP 5,599,659.31)** to the **SECURITY SERVICE PROVIDER**. The **SECURITY SERVICE PROVIDER** hereby covenants to start delivering the twenty-three (23) duly licensed security guards on **May 26, 2024**. The activation of this contract shall take effect from May 26, 2024 to May 25, 2025, unless sooner terminated for a cause. After the expiration of this contract and no new contract has been made or issued by the **PROCURING ENTITY** or the result of the next bidding is not yet issued, if one is conducted, this contract shall be deemed extended on a month-to-month basis, to such period as may be allowed by law.

OBLIGATIONS OF PROCURING ENTITY AND SECURITY SERVICE PROVIDER

- a) The **PROCURING ENTITY** agrees to pay the above-mentioned sum in accordance with the terms of the Bidding.
- b) The **PROCURING ENTITY** or its representative shall have the right to inspect or test assigned firearms, security guards, paraphernalia, and other assigned gadgets to check their conformity to the contract specifications at no extra cost to the **PROCURING ENTITY**.
- c) The **PROCURING ENTITY** shall pay to the **SECURITY SERVICE PROVIDER** at the cost stipulated in the Contract Price, payable semi-monthly in Philippine Currency and of the following schedules:

STATION	NO. OF GUARDS (Shifting every 8-hrs)	DAY SHIFT	NIGHT SHIFT
Lapag Reservoir Site	3	20,064.44/guard/mo.	21,732.36/guard/mo.
Karaos Reservoir Site	3	20,064.44/guard/mo.	21,732.36/guard/mo.
Alegria Reservoir Site	3	20,064.44/guard/mo.	21,732.36/guard/mo.
Sumugbong Reservoir Site	3	20,064.44/guard/mo.	21,732.36/guard/mo.
Lapinigan/Ormaca Reservoir Site	3	20,064.44/guard/mo.	21,732.36/guard/mo.
Bayugan 2 Reservoir Site	3	20,064.44/guard/mo.	21,732.36/guard/mo.
SFWD Main Office	5	20,064.44/guard/mo.	21,732.36/guard/mo.


DIR. JONATHAN A. BAÑAS
Head of the Procuring Entity


OLIVER B. DERECHO
General Manager

- d) The **SECURITY SERVICE PROVIDER** shall submit a billing statement to the **PROCURING ENTITY** on a semi-monthly basis and shall attach the following documents to ensure conformity of the obligations due to the guard and the Philippine Government in particular;
- Previous Month's proof of payment to SSS
 - Previous Month's proof of payment to PhilHealth
 - Previous Month's proof of payment to Pag-Ibig Fund
 - Pay slips of the Security Personnel of the previous month
 - Personnel Performance Audit Report per semester which includes a checklist to validate job description and furnish the same to the management
 - Submission of attendance and declaration of the toolbox meeting/ orientation conducted by a representative of the agency each month.

- e) Upon request of the **PROCURING ENTITY**, the **SECURITY SERVICE PROVIDER** shall replace without question a security guard who may be found undesirable, principally, but not limited to the following causes: bad faith, malfeasance or misfeasance, disorderly or abusive conduct, unimproved attitude, dishonesty, excessive tardiness or absences, negligence of duty, or who may have violated the rules and regulation and policies of the **PROCURING ENTITY**, as well as other laws, ordinances, rules, and regulations governing the conduct of its operation.

- f) The **PROCURING ENTITY** shall be informed in writing at least three (3) days before replacing any security personnel and the replacement shall be subject to the approval of the **PROCURING ENTITY**.

- g) The 24-hour guarding system and the duties and responsibilities of the guard as stipulated in the Technical Specifications shall be strictly followed. The **SECURITY SERVICE PROVIDER** shall supervise the overall performance of the guard by providing personnel to supervise or inspect regularly on a semi-monthly basis. Aside from the regular inspections, there will be surprise inspections at the discretion of the **SECURITY SERVICE PROVIDER**.

- h) The guards are expected to perform at the highest level of efficiency and effectiveness, arwell-trained and in good grooming, and shall perform duties from Monday to Sunday including Holidays. To properly carry out its duties and functions under this agreement, the **SECURITY SERVICE PROVIDER** shall be guided by the instructions issued by the **PROCURING ENTITY** through its designated representative, and security guards' duties shall be performed in accordance with said instructions which the **PROCURING ENTITY** may at its discretion alter or amend by from time to time.

- i) The **SECURITY SERVICE PROVIDER** shall be responsible for the loss or damage that may be incurred upon the properties and installations of the **PROCURING ENTITY** as indicated hereto provided that such loss or damage is due to the negligence or fault in the lawful performance of security duties by the assigned guards and is brought to the attention of the **SECURITY SERVICE PROVIDER** or the guard on duty in writing not more than forty-eight (48) hours after its occurrence. Negligence, fault, or omission shall be conclusively presumed on the part of the guards in the event that a door, window, or any part of the building where the loss or damage occurs has been forcibly opened. In case of disagreement, the parties agree to create an arbitration committee for each party and a third party to be selected by them, preferably from the police agency of the locality, who will decide the controversy.

- j) Subject to the provision of the Special Conditions of the Contract and Technical Specifications, if the **SECURITY SERVICE PROVIDER** fails to satisfactorily comply or perform the services within the period(s) specified in this contract, the **PROCURING ENTITY** shall


GEDEON BAHIAN JR.
Marketing/Admin Officer


ELMER T. LUZON
General Manager C


DIR. JONATHAN A. BAÑAS
Head of the Procuring Entity

without prejudice to its remedies under this contract and other applicable laws, deduct from the Contract Price, as liquidated damages, a sum equivalent to one-tenth (1/10) of one percent (1%) of the cost of unperformed portion for every day of delay.

- k) Further, the **SECURITY SERVICE PROVIDER** shall deliver the following Logistical Requirements under the Technical Specification of the bid documents within thirty (30) calendar days upon receipt of the Notice to Proceed:

LOGISTICAL REQUIREMENTS		
SUPPLIES	QUANTITY	PURPOSE
New Security Guard uniforms complete with insignias and other necessary accouterments	23 pcs.	Lapag, Sumugbong, Bayugan 2, Karaos, Alegria, Ormaca Reservoir Site and SFWD Building
Short Firearm	7 units	Lapag, Sumugbong, Bayugan 2, Karaos, Alegria, Ormaca Reservoir Site and SFWD building
Long Firearm	2 units	SFWD Building
Firearms deposit box	7 units	Lapag, Sumugbong, Bayugan 2, Karaos, Alegria, Ormaca Reservoir Site and SFWD Building
Smartphone	7 units	Lapag, Sumugbong, Bayugan 2, Karaos, Alegria, Ormaca Reservoir Site and SFWD Building
Flashlight	7 pcs.	Lapag, Sumugbong, Bayugan 2, Karaos, Alegria, Ormaca Reservoir Site and SFWD Building
Night Stick	7 pcs.	Lapag, Sumugbong, Bayugan 2, Karaos, Alegria, Ormaca Reservoir Site and SFWD Building
Quality Raincoat	23 pcs.	Lapag, Sumugbong, Bayugan 2, Karaos, Alegria, Ormaca Reservoir Site and SFWD Building
Heavy Duty Umbrella	7 pcs.	Lapag, Sumugbong, Bayugan 2, Karaos, Alegria, Ormaca Reservoir Site and SFWD Building
Rubber Boots	23 pairs	Lapag, Sumugbong, Bayugan 2, Karaos, Alegria, Ormaca Reservoir Site and SFWD Building
Record book (300 pages)	7 pcs.	Lapag, Sumugbong, Bayugan 2, Karaos, Alegria, Ormaca Reservoir Site and SFWD Building
Metal Detector	1 unit	SFWD Building

- l) Furthermore, the following offenses or violations of rules committed by the **SECURITY SERVICE PROVIDER** or its security guards without prejudice to penalties that may be imposed by the Philippine National Police – Firearms and Explosives Security Agencies and Guards supervision, shall be subject to penalty charges deductible from the monthly billings of the **SECURITY SERVICE PROVIDER**:

Violations of the Agency	Shall be penalized according to the following
Agency has issued ammunition short of the requirements or defective bullets	Deduction from the billing of 100.00 per bullet per day
Agency has not issued any magazines or holders for extra ammunition	Deduction from the billing of 500.00 per incident per day

OLIVER B. DERECHO
General Manager

GEDEON B. ANJIAN JR.
Marketing/Admin Officer

General Manager C

DIR. JONATHAN A. BAÑAS
Head of the Procuring Entity


OLIVER B. DERECHO
General Manager

Agency has not issued cellular phones for its Lapag and Sumugbong New Reservoir Site respectively, or short of the number or items issued are unserviceable	Deduction from the billing of 350.00 per lacking, unserviceable, defective or unusable equipment (per equipment per day)
Agency has not issued the required equipment like flashlights, nightsticks, raincoats, umbrellas, rubber boots, or the like for every guard on duty, firearms deposit box, or has issued one but unserviceable or defective or unusable	Deduction of the billing of 1,000.00 per lacking, unserviceable, defective, or unusable equipment (per equipment per day)
Posted security guard not carrying his private security license and firearm license	Deduction from the billing of 500.00 per incident and removal of the guard from the procuring entity upon the latter's written notice
Head guard or shift supervisor tolerating the guard's violation of the rules and regulations of the Procuring Entity or not reporting such violation to the procuring entity	Deduction from billing of 350.00 per incident and removal of the shift supervisor or head guard upon written notice of the procuring entity
Non-conduct of quarterly audit and inspection of the guards along with SFWD Personnel. Must furnish a copy of the inspection report to the procuring entity.	Deduction from billing of 1,000.00 per quarter for not conducting an audit and inspection of the guards
Non-submission of Personnel Performance Audit Per Quarter which includes a checklist to validate job description and furnish the same to the management.	Deduction from billing of 1,000.00 per quarter for non-submission of a copy of the Personnel Performance Audit Report.


GEODON BAHIAN JR.
Marketing/Admin Officer

Violations of the Guard	Penalty
Abandonment of Post	Deduction of billing of 500.00 per incident or removal of the guard from the Procuring Entity upon written notice of the latter to the Agency
Security guard found drunk, drinking alcoholic beverages or under the influence of intoxicating liquor or found in possession or under the influence or taking prohibited drugs	Deduction from billing of 500.00 per incident and removal of a guard from the Procuring Entity upon written notice of the latter to the Agency.
Providing confidential information related to procuring entity to unauthorized persons	Deduction from billing of 500.00 per incident and removal of the guard from the Procuring Entity upon written notice of the latter to the Agency.
Security guard firing his firearm indiscriminately not in connection with the performance of his duty or found allowing others to hold or tinker with his firearm.	Deduction from billing of 500.00 per incident and removal of the guard from the Procuring Entity upon written notice of the latter to the Agency.
Security guard apprehended for scandal, disorderly conduct or being incorrigible or defiant within the premises of facilities of the Procuring Entity	Deduction from billing of 500.00 per incident and removal of the guard from Procuring Entity upon written notice of the latter to the Agency.


DIR. JONATHAN A. BAÑAS
Head of the Procuring Entity


OLIVER B. BERCHO
 General Manager


GEDEON BAHIAN JR.
 Marketing/Admin Officer


ALBERT LUZON
 General Manager C

Security guards displaying discourtesy or rude manner or not rendering appropriate respect and courtesy to the Procuring Entity's employees, clients, and to any person.	Deduction from billing of 500.00 per incident and removal from Procuring Entity upon written notice of the latter to the Agency.
Security guard found sleeping while on duty	Deduction from billing of 500.00 per incident and removal or guard from the Procuring Entity upon written notice of the latter to the Agency.
Security guard smoking while on duty within the premises of its Reservoir Site	Deduction from billing of 500.00 per incident and removal of a guard from the Procuring Entity upon written notice of the latter to the Agency.
Security guards reading newspapers, comics, other reading materials or watching TV (except important memorandums of the Procuring Entity and Agency) include using cellphones that are not related to procuring entity transaction	Deduction from billing of 500.00 per incident and removal of the guard from Procuring Entity upon written notice of the latter to the Agency.
Security guard leaving post while on duty, reporting late for duty, or absent without notice	Deduction from billing of 350.00 for the first offense and second offense and for the third offense removal of a guard from Procuring Entity upon written notice of the latter to the Agency.
Security guard engaged in prolonged or unnecessary phone/cellular phone or actual conversations with visitors/clients/employees while on duty	Deduction from billing of 350.00 for the first offense and 500.00 for the second offense and for the third offense removal of a guard from Procuring Entity upon written notice of the latter to the Agency.
Security guard with a non-regulation haircut, wearing beard/mustache or in improper uniform, non-wearing of or un-shined buckle, badges or shoes	Deduction from billing of 350.00 for the first offense and 500.00 for the second offense and for the third offense removal of a guard from Procuring Entity upon written notice of the latter to the Agency.

AMENDMENT:

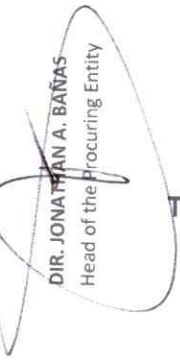
- m) The **PROCURING ENTITY** at its sole discretion may increase or decrease this number of guards depending upon the security situation or in the exigency of service by giving the **SECURITY SERVICE PROVIDER** at least three (3) days before written request.

ALTERNATIVE DISPUTE RESOLUTION

- n) Should any dispute related to this contract and/or the right of the Parties arise, the same be submitted for mutual consultations, mediations, and arbitration, in the order of the application.

TERMINATION OF CONTRACT

- o) Both parties have the option to terminate the contract applicable to both parties based on the Philippine Government Procurement Reform Act and its Implementing Rules and Regulations, GPPB Guidelines or its issuances, and other applicable Philippine Laws. The grounds and the Procedure for termination shall be in accordance with ANNEX "I" of


DIR. JONATHAN A. BAÑAS
 Head of the Procuring Entity

the 2016 Revised Implementing Rules and Regulations of RA 9184 and recent GPPB issuances.

IN WITNESS whereof the parties have hereto signed and caused this **AGREEMENT** to be executed in accordance with laws of the Republic of the Philippines on the day and year first above written.

SAN FRANCISCO WATER DISTRICT

Presented by:

[Signature] 5/6/2024
ELMER T. LUZON
General Manager

PHILGUARD SECURITY SERVICES, INC.

Presented by:

[Signature]
OLIVER B. DERECHO
General Manager

SIGNED IN THE PRESENCE OF:

[Signature]
DIR. JONATHAN A. BAÑAS
Head of the Procuring Entity

[Signature]
GEDEON BAHIAN JR.
Marketing/Admin Officer

ACKNOWLEDGEMENT

Republic of the Philippines) s.s
Province of Agusan del Norte)
Butuan City)

BEFORE ME, personally appeared this _____ day of _____ in **DAVAO CITY**, **MR. ELMER T. LUZON** with LTO License No. K-08-99-004987 and **MR. OLIVER B. DERECHO**, with Community Tax Certificate No. _____ issued on _____ at _____, known to me to be the same persons who executed the foregoing instruments consisting of seven (7) pages, including this page wherein the acknowledgment is written and signed by them and their instrumental witnesses and they acknowledge to me that the same is their voluntary act and deed.

WITNESS MY HAND AND SEAL.

[Signature]
ATTY. SOTELO VINCENT B. CABRERA
-COMMISSION SERIAL NO. 2023-307-2024-
NOTARY PUBLIC - DAVAO PUBLIC
Valid Until December 31, 2024
ROLL OF ATTORNEYS NO. 87989
IBP O.R. NO. 371955 & 379853 dtd 12/17/2023
PTR O.R. NO. 9280323C dtd 12/19/2023 Davao City
OFFICE ADDRESS: Door 3, Tuscan Building, Pag-asa corner
Bamasa Square Street, 25-C Davao City
MCLE COMPLIANCE No. Newly Admitted - 05/02/2023



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