

ORIGINAL

**SECURITY SERVICES**

**CONTRACT NO. LOG MSSP 2023-03-019-MDC**

P.R. No. S2-VOD23-001 / PB230116-NA

**CONTRACT FOR SUPPLY OF TWO (2) YEAR SECURITY SERVICES FOR SPUG EASTERN AND WESTERN VISAYAS AREA PLANTS AND INSTALLATIONS**

**KNOW ALL MEN BY THESE PRESENTS:**

This **CONTRACT** made and entered into at Quezon City, Philippines by and between:

**NATIONAL POWER CORPORATION (NPC)**, a government-owned and controlled Corporation duly organized and existing under and by virtue of Republic Act No. 6395, as amended, with its principal office address at NPC Office Building Complex, BIR Road corner Quezon Avenue, Diliman, Quezon City, Philippines herein represented by its President and CEO, **MR. FERNANDO MARTIN Y. ROXAS**, who is duly authorized to represent it in this transaction, hereinafter referred to as **NPC**:

- and -

**TCO SECURITY AGENCY**, a single proprietorship duly registered under the laws of the Republic of the Philippines, with principal office address 116 Avenida Veteranos, Tacloban City represented by its Proprietor/General Manager, **MR. BENEDICTO T. OCHEA J.D.**, hereinafter referred to as the **AGENCY**.

- WITNESSETH -

**WHEREAS**, NPC needs the services of a security agency to render security services for SPUG – Eastern and Western Visayas Area Plants and Installations mentioned in Annex "A" hereof;

**WHEREAS**, in the public bidding conducted on 02 February 2023, for the purpose, pursuant to Sec. 10 of R.A. 9184 and its revised I.R.R., the **AGENCY** submitted the lowest calculated and responsive bid;

**WHEREAS**, NPC has accepted the said offer of the **AGENCY**;

Contract between NPC and TCO Security Agency  
Supply of Two (2) Year Security Services for SPUG Eastern and Western Visayas Area  
Plants and Installations  
Contract No. LOG MSSP 2023-03-019-MDC

TCO SECURITY AGENCY  
(AGENCY)

BENEDICTO T. OCHEA J.D.  
Proprietor/General Manager

BY:

SIGNED IN THE PRESENCE OF:

(AGENCY)

ALEXANDER P. JAPON  
Vice President – Admin and Finance  
(NPC)

NATIONAL POWER CORPORATION  
(NPC)

FERNANDO MARTIN Y. ROXAS  
President and CEO

BY:

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(NPC)

FERNANDO MARTIN Y. ROXAS  
President and CEO

BY:

**NOW, THEREFORE**, in view of the foregoing premises and of the mutual covenants and stipulations, hereinafter provided, the parties hereto have agreed as follows:

**ARTICLE I  
DOCUMENTS COMPRISING THE CONTRACT**

The following documents are hereby incorporated and made integral part of this Contract as though fully written out and set forth herein insofar as they are not inconsistent with the terms hereof:

1. NPC's Bid Documents for the Public Bidding;
  - a. Invitation to Bid
  - b. Instruction to Bidders
  - c. Bid Data Sheet
  - d. General Conditions of Contract
  - e. Special Conditions of Contract
  - f. Technical Specifications
  - g. Schedule of Requirements (Bid Price Schedule)
  - h. Bidding Forms
2. Proposal of the AGENCY dated 16 January 2023,;
3. Bid Opening Report dated 02 February 2023, and Post-Qualification Report 14 February 2023,;
4. Notice of Award dated 02 March 2023,;
5. Notice to Proceed;
7. The Performance Security to be filed by the AGENCY in accordance with this Contract; and
8. All other relevant documents that may be required by NPC.

The documents mentioned above shall collectively be referred to as "Contract Documents."

In the event that there is any discrepancy/inconsistency between the provisions of the Contract and the Contract Documents mentioned above, the latter shall govern. Should there be any inconsistency/discrepancy among the Contract Documents, the document with the latest date shall prevail.

**RIGHT TO VARY SECURITY SERVICES REQUIREMENTS**

- a) NPC shall have the right, as its interest may require, to vary its security services requirements, including the right to increase or decrease the number of guards, to increase/decrease or change logistic/equipage requirements which shall be in the form of an addendum to the contract. The agency shall correspondingly comply within twenty four (24) hours from receipt of a written notice to that effect from NPC. An increase in the number of guards and logistical requirements may involve extension of services to other NPC offices, plants and installations.

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**PRIVATIZATION**

- a) In the event that the ownership/operation of any power plant, facility, installation or office is transferred to another entity as a result of privatization, any of the following shall govern, at the option of NPC;
  - 1) The contractual obligation of NPC under the contract for security services may be transferred to the new owner / operator of the plant subject to the written consent of the Agency and the new owner / operator of the plant. The contract shall cease to have force and effect if the consent of the Agency and the new owner / operator of the plant, facility, installation or office cannot be obtained;
  - 2) Pre-termination of the contract provided that the written notice is given by NPC to the supplier at least thirty (30) days prior to termination.

The above shall be without prejudice to payment of claims which were incurred prior to the transfer of the contractual obligation or termination of the contract.

**SELECTION OF REPLACEMENT FOR UNEXPIRED PORTION OF THE CONTRACT**

- a) Should NPC pre-terminate the services if the Agency, the unexpired life of the contract shall be awarded to the Corporation's other existing security service contractors which is nearest or contiguous to the affected Installation, within the functional grouping, as necessary, provided that, i) the original contract is a result of a competitive bidding; ii) it is within the contracting capacity of the contractor; iii) the amount involved does not exceed the amount of the on-going contract; and iv) the total number of guards posted by the replacement Agency shall not exceed one thousand (1,000) guards nationwide;
- b) NPC, as its interest may require, may extend a security contract in favor of the incumbent Agency or any Agency within the functional grouping as necessary, which is nearest the Installation subject to the discretion of the Functional Group Head as regards to the Agency's performance. Such arrangement, however, shall be on a month-to-month basis and merely temporary and should be effective only for the duration of the existence of legal impediments to the conduct of public bidding, the award of the contract and the assumption of duty of the duly awarded bidder, provided further, that the total number of guards posted by the replacement Agency shall not exceed one thousand (1,000) guards nationwide.

Should this be unfeasible, then the Functional Group Head shall award the contract to any eligible agency of its choice, on the basis primarily of cost.

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**ARTICLE II  
MODE OF PAYMENT**

1. NPC shall pay the AGENCY based on the latter's actual services rendered under this Contract, taking into account the actual number of security guards, their actual tour of duty and respective compensations per month which will be included as Annex "A" of the contract, and deductions for penalties under Article VII hereof. It is understood that the AGENCY's billings include all the statutory compensation and benefits due to its security guards. During the effectivity period of this Contract, any increases in the minimum wage applicable to the security guards shall be the sole responsibility of AGENCY except if as a result thereof, the new minimum wage will be more than the present rate of the guards as agreed upon in this Contract, in which case, the difference thereof will be shouldered by NPC.
2. The AGENCY shall inform NPC of the place and time of payment of wages and the AGENCY may proceed with the payment of wages should NPC's representative, without the obligation to do so, fail to arrive on the specified time and place to witness the payment.

**ARTICLE III  
DURATION**

This Agreement shall take effect on the actual date of posting of security guards as certified by the Installation / Office Head or his/her designee, and shall continue for two (2) years unless otherwise cancelled and/or terminated by NPC upon serving thirty (30) days advance written notice to the AGENCY of its intention to terminate the Contract; provided that the AGENCY may terminate the Contract only upon reasonable grounds and with prior written approval of, and upon serving thirty (30) days advance written notice to, NPC; provided, further, that in the event the License to Operate of AGENCY is cancelled/revoked by the PNP then, this Contract shall automatically cease to operate without need of serving the thirty (30) days advance written notice aforesated.

All prices for a duration of two (2) years shall be fixed and shall not be adjusted during contract implementation, except for the following:

- a. Increase in minimum daily wage pursuant to law or new wage order issued after the date of bidding,
- b. Increase in taxes;
- c. If during the term of the contract the procuring entity sees the need for an increase or decrease in the number of security guard, the resulting cost of said increase or decrease, provided that the ABC for the relevant year is not exceeded.

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**ARTICLE IV  
MANNER OF PAYMENT**

1. Payment per 15 day period of security services rendered by the AGENCY shall be paid by NPC within 30 days from receipt of the billing made by the AGENCY which shall be supported by a properly accomplished payroll showing the gross amount earned deductions and the net amounts payable to the security guards and properly signed daily time records. Where Bundy clock is available, accomplished time cards shall be submitted. The number of security guards considered for billing purposes shall not exceed those listed in the duly approved guard deployment roster covering the billing period. For documentation purposes, the AGENCY shall submit to NPC (head of installation or its designated security officer) every billing period, any apprehension reports concerning offenses or violations of rules committed under Article VII hereof. Deductions, if any, from billings shall be charged against the AGENCY's share during the succeeding billing period.
  
2. The AGENCY hereby binds itself to pay its employees in accordance with the provisions of pertinent laws and/or other legal issuances governing security agencies. The AGENCY shall solely be responsible for the payment of all indemnities to its guards, which may arise under existing laws and shall comply with the provisions of all other Philippine Laws relative to its employees. If NPC becomes liable to any employee of the AGENCY under the provisions of any law resulting from the AGENCY'S failure to comply with said law, the AGENCY shall reimburse NPC for all payments made to said employee, including the cost of suit as the case may be. The AGENCY shall, together with its billings, submit to NPC a statement under oath that it has paid the salaries, wages and/or benefits due to its guards under the law for the billing period.
  
3. The AGENCY shall, upon receipt of NPC's Notice to Proceed, open a SPECIAL BANK ACCOUNT in the name of the AGENCY's Guard Payroll Fund with any reputable bank acceptable to NPC within the particular area or province where NPC's installation(s) is located in an amount equivalent to one (1) month salary of all guards servicing NPC's installation computed on the basis of the monthly rates per guard per 8 hour duty as indicated in the contract Annex.
  
4. An updated Certificate of Bank Deposit or authenticated/certified copy of bank account book/statement issued by the bank for the billing month shall be attached to the 15<sup>th</sup> and end of month billing of the AGENCY subject to verification of its authenticity by NPC.
  
5. Withdrawals from the "Payroll Fund" shall be made under the following conditions:
  - 5.a The amount to be withdrawn shall be limited and used only for payment of salaries of security guards assigned to NPC's installation(s) mentioned herein.

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Rev. No. 0  
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- 5.b The withdrawal by the AGENCY shall be made at the end of every billing period in the amount equivalent to the total payrolls for the particular period.
- 5.c The withdrawal slip shall be signed by the authorized representative of the AGENCY and shall be countersigned by the authorized representative(s) of the concerned NPC's Installation Head or his duly authorized representative. No withdrawal shall be allowed without the prescribed counter signature. The AGENCY shall inform the bank of this arrangement.
- 5.d The AGENCY can withdraw the whole amount of the deposit upon termination of the security service contract with NPC, provided that the withdrawal slip bears the countersignature(s) of NPC personnel cited in 5.c.
- 6. Such withdrawals from the "Payroll Funds" shall be replenished in the following manner:
  - 6.a At the end of every billing period, the AGENCY shall submit to NPC's installation being serviced, its regular billing invoice, the official guard detail duly signed by the AGENCY (Supervisor) and NPC's head of installation or his designee, including the accomplished and approved guards' daily time records, a copy of the paid-up payroll complete with guards' signature and for the first claim, a copy of this Security Services Contract.
  - 6.b NPC's Installation head shall forward the documents to the appropriate offices for processing and payment;
  - 6.c NPC shall prepare two (2) checks for each billing period, one payable to the AGENCY's Special Bank Account (Guards' Payroll Fund) as replenishment of the withdrawals for the period, and the other payable to the AGENCY as payment for its share and the remittances to the SSS, State Insurance/ECC, PhilHealth and Pag-IBIG Fund. The two (2)-check payment system may be modified by NPC and the AGENCY, provided, that such modification is in writing and signed by both parties. This agreement shall be in the form of an Addendum to be attached to the main Contract. The AGENCY shall also submit monthly a notarized affidavit, including proof of remittance that all contributions in favor of the guards are properly remitted to the concerned government agencies, which shall form part of the documentary requirements in the AGENCY's billing with NPC.
- 7. Any balance in the Special Bank Account shall be released by NPC to the AGENCY at the expiration or termination of this Contract, subject to the usual clearance procedure. However, the AGENCY agrees and authorizes NPC to withhold the balance and apply any amount to any legal claim of any guard or guards employed under them arising out of the service Contract that has expired or has been terminated.

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8. The AGENCY agrees and authorizes NPC to pay directly to the guards any and / or all amounts due to them for any given period under any of the following circumstances:

8.a When NPC has reasonable grounds to believe that notwithstanding the withdrawal of the deposit from the Payroll Fund, payment of the guards' salaries are still being unduly delayed.

8.b When the AGENCY fails to maintain Special Bank Account or misapplies the deposited amount thereby failing to pay the salaries of the guards on time.

8.c When requested in writing by the majority of the regular guards in an installation or package due to the following reasons: perennial and unreasonable delay in the payment of their salaries attributable to the AGENCY; illegal, involuntary or unauthorized deductions; the financial system of the AGENCY results to unreasonable delay; or, the existence of any circumstance(s) warranting a direct payment scheme of their salaries.

All administrative costs incurred by NPC to undertake direct payment to the guards shall be chargeable to the AGENCY in the amount equivalent to 0.5% of the transaction price/cost but should be no less than Php1,000.00 or no more than Php 5,000.00 per payment transaction deductions from the Agency Share, without prejudice for possible termination of contract at NPC's discretion.

### ARTICLE V AGENCY'S OBLIGATIONS AND RESPONSIBILITIES

1. The AGENCY shall at all times abide by the provisions of the Republic Act 5487 (RA 5487) and its IRR as amended.
2. The AGENCY shall be liable for any death, injury and/or loss/damages to life and/or property within NPC's premises due to theft, pilferage, robbery and other unlawful acts committed by its guards, or by third persons when such could have been avoided/ prevented had the Agency guard not been negligent or remiss in the performance of his/her assigned duties and responsibilities, provided that such death/injury and/or loss/damage shall be reported by NPC to the Agency within forty-eight (48) hours from the time of discovery of such.
3. The AGENCY, including its personnel, shall not be allowed to construct/build any housing facilities/quarters/tenements or structure within NPC premises and/or watershed area.

NPC reserves the right to evict any unlawful occupant and demolish any unauthorized tenement or structure without due notice.

If necessary, the AGENCY may provide housing facilities or quarters for their security personnel outside of NPC premises at their own expense.

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BY:

4. Awardees of Security Services Contract may source at least thirty (30%) of its manpower requirement for each installation/facility from qualified residents of the host municipality. Should this be insufficient or impractical, it may source them from the host province where the contract is to be undertaken.
5. It is expressly understood and agreed that for all legal intents and purposes, all the guards of the AGENCY employed under this Contract shall not be considered employees of NPC. The AGENCY assumes full responsibility for the faithful and complete performance by the security guards of all their duties pursuant to the provisions of this Contract.
6. All administrative costs incurred by NPC to undertake direct remittance to the concerned Agencies shall be chargeable to the AGENCY in the amount equivalent to 0.5% of the remittance amount but should be no less than Php 1,000.00 or no more than Php 5,000.00 per remittance transaction deductible from the Agency Share, without prejudice for possible termination of contract at NPC'S discretion.
7. The AGENCY shall maintain a satisfactory level of performance throughout the two (2) year contract based on the performance criteria which may include but not limited to the following:
  - 7.1 Quality of Service Delivered
    - 7.1.1 The AGENCY shall provide the appropriate number of guards for three (3) shifts a day. The regular daily tour of duty for each guard shall be eight (8) hours, and no guard shall be made to render more than eight (8) hours duty within a 24-hour period except in cases of extreme necessity and only upon prior written permission of NPC (head of installation organic security officer or authorized representative). The AGENCY shall provide reserve guards, which shall not be less than ten percent (10%) of the total number of regular guards required under this Contract;
    - 7.1.2 The AGENCY shall ensure and guarantee that its security guards shall familiarize themselves with NPC's officials/officers and all the installation's personnel, and at all time accord to them the highest respect and courtesy;
    - 7.1.3 The AGENCY hereby guarantees that all guards shall follow all regulations, policies, security programs and plans of NPC to continuously improve their performance, efficiency, discipline, fitness and preparedness, and warrants that all security guards shall observe the highest courtesy and respect towards all officials and employees of NPC including authorized visitors in the execution of their duties;
    - 7.1.4 The AGENCY shall diligently and faithfully serve the best interests of the NPC in rendering its services and shall not, during the

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period of this Contract or at any time thereafter, use or disclose to any unauthorized person, firm or entity, any classified information concerning the business affairs of NPC which any member of the security force of the AGENCY may have acquired by reasons of such contractual relationship;

7.2 Time Management

7.2.1 The AGENCY hereby guarantees that the salaries of guards detailed with NPC shall be paid during the regular working hours and at the installation where the guards are serving, not later than the 20th and 5th day of the succeeding month. Any repetitive or unjustified delays in the payment of the salaries attributable to the AGENCY, or if the guards are not paid the exact amount due to them as reflected in the payroll, shall be sufficient ground for NPC to terminate the service contract;

7.2.2 The AGENCY shall guarantee that all the employer's share being paid by NPC to the AGENCY, like the SSS premiums, State Insurance/ECC, PhilHealth, Pag-IBIG and others and the corresponding employee's shares being pre-deducted, are all remitted properly and on time to the concerned agencies and any unjustified delay or non-remittance of these amounts shall be a sufficient ground for NPC to remit these amounts directly to the concerned government agencies;

7.3 Management and Suitability of Personnel

7.3.1 The AGENCY shall assign only members of the force who are acceptable to NPC (head of installation or his designee) and the AGENCY shall not pull out any security guard from NPC or redeploy any guard to another installation or facility of NPC without the written consent of the latter;

7.3.2 The AGENCY shall assign to NPC well trained, experienced, licensed, uniformed and armed guards who shall meet the qualifications listed below. NPC shall have the right to reject the AGENCY'S proposed guard/s if found not in accordance with NPC'S qualification requirement;

7.3.2.1 For Supervising/Senior Security Guards, must have at least 36 units in college and at least two (2) years experience in supervisory security work. For the Regular Guard, at least High School graduate with at least two (2) year experience in security work;

7.3.2.2 Physically fit as per NPC standard; 5' 4" in height; age-between 21 and 50 years (for new applicants and SG's in non-supervisory position);

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7.4 Contract Administration and Management

- 7.3.2.3 Not related to any NPC personnel within the 4th degree of consanguinity or affinity in the area, complex, installation or project being serviced;
- 7.3.2.4 Of good moral character, mentally sound and without criminal or police record; must have clearance from the PNP Drug Testing Center, the National Bureau of Investigation, and a Certificate from a Neuro-Psychiatrist duly accredited by both the Philippine National Police;
- 7.3.2.5 Possess the qualifications as prescribed in Section 5 and must have passed the physical/mental examination for security personnel as prescribed in Rule XXI of the 2003 Revised Rules and Regulations implementing RA 5487, as amended, unless otherwise prescribed;

7.4.1 The AGENCY shall provide each guard with the appropriate AGENCY-owned and licensed firearms and ammunitions as required in this Contract, or that which may be required by NPC in the future as warranted by the situation, during his tour of duty, including but not limited to office and transportation equipment and such other accessories or related equipment, tools, supplies and materials for the use, service and control of the security force under this Contract;

7.4.2 The AGENCY shall, together with its billings, submit to NPC a certificate / proof of compliance from the END USER / NPC installation Head re: complete delivery / availability of materials / supplies / equipage required in this Contract. Any provision / material / gadget, tool paraphernalia, employee's uniform protective and safety gears, etc., required in this Contract regardless whether charge to NPC, AGENCY or their employees but were not provided by the AGENCY shall be deducted with 25% surcharge upon the AGENCY after two (2) consecutive written advice/demand without compliance;

7.4.3 The AGENCY shall exercise effective administration, control, supervision and inspection, through its Supervising Security Guards and/or the Senior Security Guards, to prevent any violation or commission of anomalous acts by the guards, whether on or off duty. The AGENCY shall be liable for any willful, intentional or negligent act or omission of the guards resulting in death/injury to NPC's personnel or visitors, or damage/loss to NPC's properties or those of its personnel or visitors within the service areas;

7.4.4 The AGENCY shall provide for free one (1) complete set of uniform to each guard at the start of this Contract;

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7.4.5 The AGENCY shall provide NPC with the number of guards required by the contract as enumerated in the Annex of the contract, and any decrease or increase in the number of guards shall require the written approval of NPC;

7.5 Regular Progress Reports

7.5.1 The AGENCY shall submit promptly every morning to NPC (head of Installation or his designee) the shift guard mounting reports, as well as reports of all incidents of loss, injury or damage to life and property, involving NPC's property and personnel as well as non-NPC property or personnel, that occurred during the previous day.

ARTICLE VI  
PERFORMANCE SECURITY

1. The AGENCY shall file a performance security in the form of cash, cashier's/manager's check, bank draft/guarantee or letter of credit, surety bond acceptable to NPC in the amount and form stipulated in Section IV - GCC 3 of the Bidding Documents for a term or effective period co-terminus with the duration of this Contract plus sixty (60) days after NPC's acceptance of the last delivery/final acceptance of the contract, to guarantee the faithful and satisfactory fulfillment of all the AGENCY'S obligations under this Contract.
2. This security shall answer for any damages and losses that may be suffered by NPC as a result of the failure of the AGENCY to perform any of its obligations under this Contract. This security shall be released by NPC at the expiration or termination of this Contract provided that there are no pending claims filed against the AGENCY and/or the surety company.

ARTICLE VII  
RIGHTS OF NPC

1. NPC, TSSD or its authorized representative shall conduct inspection in ranks/formation of guards, firearms and other equipage as required in the Contract upon the initial assumption of the contracted services before posting, and at least once every month thereafter;
2. NPC, TSSD or its authorized representative shall have the authority and prerogative to conduct inspections of the guards during their tour of duty and to institute measures and implement plans/programs aimed to upgrade their state of morale, discipline, efficiency, fitness and general preparedness.
3. NPC, TSSD or its authorized representative shall have the right to screen, select, accept and/or reject AGENCY's individual guards in accordance with NPC's preset criteria.

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TCO SECURITY AGENCY  
(AGENCY)

BENEDICTO T. OCHEA J.D.  
Proprietor/General Manager

BY:

4. NPC, TSSD or its authorized representative shall have the right to inspect the guards at any time to insure the proper security of the personnel, materials and equipment within its premises. Likewise, TSSD or its authorized representative shall have the authority and prerogative to conduct inspection and impose disciplinary actions for any violation(s) committed by the AGENCY guards, as provided in the preceding paragraph 1 above. This right of inspection by NPC shall not relieve AGENCY from full responsibility for any inadequate security and protection of its personnel, premises and the contents thereof.
5. AGENCY security guards and personnel shall be under the supervision and control of NPC, TSSD or its authorized representative with respect to deployment, work shifts and execution of security plans.
6. NPC, for the purpose of implementing the operational aspects of this Contract, shall officially deal only with the Licensee as indicated in the License to Operate of AGENCY.
7. NPC, TSSD or its authorized representative shall have access to records of payment of salaries and/or auditorial right over the payroll of AGENCY.
8. NPC, TSSD or its authorized representative shall deduct the penalties for absences and tardiness of the security guards and other violations of the guards and of the AGENCY from AGENCY'S monthly billings.

SIGNED IN THE PRESENCE OF:

(AGENCY)

**ARTICLE VIII  
ADMINISTRATIVE SANCTIONS**

**1 Sanctions against Licensed Security Personnel**

A. Classification of offenses. The following terms shall be construed to mean as indicated which shall likewise refer to the individual person as private security personnel:

A.1 Light offenses shall include, but not limited to:

A.1.1 Those related to uniforms except those falling under item A.3.1 hereunder;

A.1.2 Use of profane languages;

A.1.3 Acts of discourteousness;

A.1.4 Failure to notify/call the head of installation or his designee, and nearest PNP Station or law enforcement agency, in case of disorders, riots or strikes and other emergency cases;

A.1.5 Failure to report all violations or regulations or orders for enforcement

A.1.6 Failure to sound or call the alarm in case of fire or disorder;

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(NPC)

FERNANDO MARTIN Y. ROXAS  
President and CEO

ALEXANDER P. JAPON  
Vice President – Admin and Finance  
(NPC)

BY:

Contract between NPC and TCO Security Agency  
Supply of Two (2) Year Security Services for SPUG Eastern and Western Visayas Area  
Plants and Installations  
Contract No. LOG MSSP 2023-03-019-MDC

*Handwritten initials*

NATIONAL POWER CORPORATION  
(NPC)

BY:

**FERNANDO MARTIN Y. ROXAS**  
President and CEO

SIGNED IN THE PRESENCE OF:

**ALEXANDER P. JAPON**  
Vice President – Admin and Finance  
(NPC)

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(AGENCY)

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- A.1.7 Late or failure to maintain and/or submit records/reports;
  - A.1.8 Violation of Section 1, Rule X of the Implementing Rules of RA 5487 otherwise not specifically falling under this and items A.2 and A.3; and
  - A.1.9 All acts prejudicial to good conduct, behavior, morals and similar acts, pursuant to existing laws, rules and regulations.
- A.2 Less grave offenses shall include, but not limited to:
- A.2.1 Not having in possession his/her license to exercise profession, duty detail order and/or firearms license (when carrying firearms), while on duty;
  - A.2.2 Use of uniform not appropriate for one's ranks or position;
  - A.2.3 Leaving his post without being properly relieved, thus exposing the lives and properties he/she is supposed to protect from danger;
  - A.2.4 Indiscriminate firing of firearm not in connection with the performance of duty;
  - A.2.5 Other similar offenses pursuant to existing laws, rules and regulations.
- A.3 Grave offenses shall include, but not limited to:
- A.3.1 Using uniform other than that prescribed under the Implementing Rules of RA 5487;
  - A.3.2 Using personally owned or unlicensed firearm during tour of duty;
  - A.3.3 Allowing the use/lending issued firearms to unauthorized persons;
  - A.3.4 Assisting, abetting or protecting criminals during or off duty;
  - A.3.5 Providing confidential information to unauthorized persons;
  - A.3.6 Refusal to provide information to authorized persons;
  - A.3.7 Illegal search;
  - A.3.8 Taking alcoholic beverages or being drunk while on guard duty;
  - A.3.9 Abuse or acting beyond the scope of authority;

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BENEDICTO T. OCHEA J.D.  
Proprietor/General Manager

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SIGNED IN THE PRESENCE OF:

ALEXANDER P. JAPON  
Vice President – Admin. and Finance  
(NPC)

(AGENCY)

NATIONAL POWER CORPORATION  
(NPC)

FERNANDO MARTIN Y. ROXAS  
President and CEO

BY:

A.3.10 Other similar offense pursuant to existing laws, rules and regulations.

B. Penalties. Without prejudice to the filing of the appropriate criminal action, the following penalties shall be imposed on the AGENCY after investigation of any security personnel, thereafter, found guilty of committing any of the offenses previously enumerated in Item A of this contract:

- 1 For light offenses. – Deduction from the billing of ₱100.00 per guard for 1<sup>st</sup> offense; ₱300.00 per guard for 2<sup>nd</sup> offense; ₱500.00 per guard for 3<sup>rd</sup> offense;
- 2 For less grave offenses. – Deduction from the billing of ₱500.00 per guard for 1<sup>st</sup> offense; ₱750.00 per guard for 2<sup>nd</sup> offense; ₱1,000.00 per guard for 3<sup>rd</sup> offense;
- 3 For grave offenses. – Deduction from the billing of ₱10,000.00 per guard for 1<sup>st</sup> offense; ₱30,000.00 per guard for 2<sup>nd</sup> offense; ₱50,000.00 per guard for 3<sup>rd</sup> offense.

2 Sanctions against Private Security Agencies

2.1 The following administrative fines shall be imposed on the AGENCY found committing the following offenses:

- a. Improper wearing of prescribed uniform by Posted Security Personnel ₱100.00 per guard for 1<sup>st</sup> offense; ₱300.00 per guard for 2<sup>nd</sup> offense; ₱500.00 per guard for 3<sup>rd</sup> offense.
- b. Posted security guard not carrying his ID, Private Security License, Firearms License and Duty Detail Orders. ₱100.00 per guard for 1<sup>st</sup> offense; ₱300.00 per guard for 2<sup>nd</sup> offense; ₱500.00 per guard for 3<sup>rd</sup> offense.
- c. Posted security personnel not covered by written contract for security services. ₱100.00 per guard for 1<sup>st</sup> offense; ₱300.00 per guard for 2<sup>nd</sup> offense; ₱500.00 per guard for 3<sup>rd</sup> offense.
- d. Imposing and collecting unauthorized deductions from the salary of their security guard. ₱100.00 per guard for 1<sup>st</sup> offense; ₱300.00 per guard for 2<sup>nd</sup> offense; ₱500.00 per guard for 3<sup>rd</sup> offense.

2.2 Classification of offenses. Except in cases already specifically provided in this contract, the following term shall be construed to mean as indicated:

a. Light offenses committed by AGENCY shall include, but not limited to:

1. Late or failure to maintain and/or submit records/reports;

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Proprietor/General Manager

(AGENCY)

2. Posting security personnel not covered by written contract;
3. Other similar offense pursuant to existing laws, rule and regulations.

b. Less grave offense committed by AGENCY shall include but not limited to:

1. Ordering its posted security guards to conduct illegal search;
2. Posting unlicensed personnel for duty;
3. Posted personnel not wearing the prescribed uniform;
4. Other similar offense pursuant to existing laws, rule and regulations.

c. Grave offense committed by AGENCY shall include but not limited to:

1. Allowing the set of unlicensed firearm personally owned by security guard or other person or entity than that of the AGENCY having jurisdiction of the place being secured;
2. Issuing unlicensed firearm to guards;
3. Abuse or acting beyond the scope of authority;
4. Use and/or employment of security guard for purposes of committing threats, intimidation, coercion or any other crime/offenses, including show of force;
5. Violation of Sections 3A (Security Agency Operator's Creed), 3B (Ethical Standard), and 3C (Code of Conduct) of the IRR of RA 5487;
6. Other similar offense pursuant to existing laws, rule and regulations.

2.3 Penalties. Without prejudice to the filing of the appropriate criminal action and except as already provided in this contract, the following penalties shall be imposed on the AGENCY after investigation of any guard or AGENCY and thereafter found guilty of committing any of the offenses previously enumerated in Item 2.2 hereof:

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Proprietor/General Manager

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(AGENCY)

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Vice President – Admin and Finance  
(NPC)

**FERNANDO MARTIN Y. ROXAS**  
President and CEO

BY:

a. For light offense committed by AGENCY:

1. Deduction from the billing of ₱5,000.00 for 1st offense;
2. Deduction from the billing of ₱10,000.00 for 2nd offense;
3. Deduction from the billing of ₱15,000.00 for 3rd offense

b. For less grave offense committed by AGENCY:

1. Deduction from the billing of ₱10,000.00 for 1st offense;
2. Deduction from the billing of ₱20,000.00 for 2nd offense;
3. Deduction from the billing of ₱30,000.00 for 3rd offense.

c. For grave offense committed by AGENCY:

1. Deduction from the billing of ₱50,000.00 for 1st offense;
2. Termination of contract upon thirty (30) days prior written notice therefore to AGENCY for the 2<sup>nd</sup> offense.

2.4 Miscellaneous

NPC (Telecom and Security Services Division) shall impose on AGENCY penalties for violations of this Contract committed by the AGENCY as listed below, if applicable:

|    | <u>AGENCY VIOLATIONS</u>   | <u>PENALTY</u>  |
|----|--|---|
| a) | AGENCY failed to provide the required service vehicle as per Contract.     | Deduction from the billing of P500.00 per vehicle per day.  |
| b) | AGENCY'S service vehicle is unserviceable.                                 | Agency shall repair vehicle w/in 2 days and NPC to start deduction from the billing of P500.00 per vehicle per day after 2 days, if not repaired. |
| c) | AGENCY provided a service vehicle but not in accordance with the Contract. | Deduction from the billing of P400.00 per vehicle per day.  |
| d) | AGENCY'S radio/communication equipment is defective or unserviceable.      | Deduction from the billing of P100.00 per radio equipment per day.  |
| e) | AGENCY failed to provide the required number of radios or communications   | Deduction from the billing of P100.00 per radio or communications   |

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(AGENCY)

**BENEDICTO T. OCHEA J.D.**  
Proprietor/General Manager

|    |   |   |
|----|---|---|
|    | equipment as required by the Contract.  | equipment per day.  |
| f) | AGENCY issued a firearm of lower caliber than required by the Contract.   | Deduction from the billing of P75.00 per firearm per day.                                 |
| g) | AGENCY failed to issue the required equipment required by the Contract, like metal detectors, power source, antenna, etc. or has issued, but unserviceable. | Deduction from the billing of P75.00 each for lacking or unserviceable equipment per day. |
| h) | AGENCY has not issued any magazine or holder for extra ammunition.  | Deduction from the billing of P50.00 per magazine per day.                                |
| i) | AGENCY has issued ammunitions short of the requirements as per Contract or has issued defective bullets.  | Deduction from the billing of P10.00 per unavailable ammo per day.                        |
| j) | Guard performing duty for more than eight (8) hours without written permission from the head of installation.   | Deduction from the billing of P100.00 per violation.                                      |
| k) | AGENCY failed to issue firearm or the issued firearm to posted guard is defective.  | Deduction from the billing of P200.00 per post/firearm per day.                           |

- 3 NPC (Telecom and Security Services Division) shall inform AGENCY of any offense or violation of rules, name of guard apprehended, time and date of apprehension. Apprehension reports shall be signed by apprehended party and apprehending party.

**ARTICLE IX  
RIGHT OF NPC TO TERMINATE CONTRACT**

1. It is expressly understood herein that the relationship of AGENCY with NPC is based purely on the trust and confidence of the latter in the former and that NPC shall have the right to terminate the Contract in case of loss of said trust and confidence in AGENCY, upon thirty (30) days prior written notice therefore to AGENCY.
2. NPC shall have the right to terminate the Contract, after a thirty- (30) day written notice therefore to the AGENCY on the following grounds:
  - a. When AGENCY guard has willfully and intentionally or through negligence caused the death of, or has inflicted serious physical injury on any person or any NPC personnel inside NPC premises/installation while on official duty.
  - b. When AGENCY guard has willfully and intentionally or through negligence caused irreparable damage to the prestige or any vital interest of NPC, great destruction of NPC properties and equipment, or great economic loss by personal participation or non-performance of his duties and responsibilities.
  - c. When AGENCY has violated other obligation required under this Contract and refused to comply and/or remedy the violation within the reasonable period given by NPC.

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