

SERVICE CONTRACT

This SERVICE CONTRACT (the "Contract") is entered into and executed by and between:

PHILIPPINE AMUSEMENT AND GAMING CORPORATION, a government-owned and controlled corporation, created and existing pursuant to *Presidential Decree 1869*, as amended, with office address at PAGCOR Executive Office, 1588 M.H. Del Pilar corner Pedro Gil Sts., Malate, Manila 1004, represented in this act by its Chairman and Chief Executive Officer, **ANDREA D. DOMINGO**, hereinafter referred to as "PAGCOR";

- and -

VIGILANT INVESTIGATIVE AND SECURITY AGENCY INC., a corporation duly organized and existing under the laws of the Republic of the Philippines, with office address at Unit 1509 Cityland 10, Tower 1, 156 H.V. Dela Costa St. , represented in this act by its Authorized Representative, **MILAGROS O. CALIDA**, hereinafter referred to as the "CONTRACTOR".

RECITALS:

WHEREAS, **PAGCOR** has a requirement for a One (1) Lot Three (3) Years Private Security Agency (PSA) services for Ronquillo, Binondo, Universal, MGO and Malabon Satellite under ITB No. PB18-05-067COR (hereinafter referred to as the "Services");

WHEREAS, **PAGCOR** conducted a public bidding in accordance with Republic Act 9184 (Government Procurement Reform Act) and its 2016 Revised Implementing Rules and Regulations on May 17, 2018 for the procurement of the Services;

WHEREAS, the **CONTRACTOR** has submitted the lowest calculated responsive bid for the Services;

WHEREAS, **PAGCOR** has accepted the bid of the **CONTRACTOR**, subject to the terms and conditions hereunder stipulated;

NOW, THEREFORE, for an in consideration of the mutual covenants and agreements hereunder specified, **PAGCOR** and the **CONTRACTOR** hereby enter into this Service Contract, under the following terms, conditions and stipulations:

Milagros O. Calida

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**ARTICLE I
SCOPE OF UNDERTAKING**

The **CONTRACTOR** shall provide the Services to **PAGCOR** in accordance with the following specifications:

PROCUREMENT OF PRIVATE SECURITY AGENCY SERVICES FOR THREE (3) YEARS FOR RONQUILLO, BINONDO, UNIVERSAL, MGO AND MALABON SATELLITE

I. MANPOWER REQUIREMENT

Location	Number of Security Guards	Number of Lady Guards	Total No. of Guards
Ronquillo	5	9	14
Binondo	3	3	6
Manila Grand Opera (MGO)	3	4	7
Universal	3	3	6
Malabon	16	14	30
Total	30	33	63

Note:

PAGCOR may, at anytime, whenever the need arises, require the assignment of security guards, from the number provided in this procurement, to guard its mobile assets and the transportation thereof and /or assigned at venues/ locations other than those described above.

The CONTRACTOR must provide a day-off reliever for the weekly rest period of PSA Guards.

II. QUALIFICATIONS OF THE PRIVATE SECURITY AGENCY (PSA) AND ITS SECURITY GUARD PERSONNEL

A. AGENCY

1. Must be able to provide/post the required security guards seven days a week, 365 days a year.
2. Must have a main office or sub-office/s within the location. Office/s should be well-equipped, i.e. with adequate office equipment, staff, means of communication, vehicles for transportation and other essential security paraphernalia.
3. Must provide its personnel (SG/LG) posted on post requiring firearms with one (1) licensed and serviceable 9mm pistol with one (1) basic load of ammunition and/or 12gauge shotgun with basic load of ammunition (recognized and legitimate brand). SG posted at the lobby or frontage of the above venues/locations must be equipped with 12gauge semi-automatic shotgun.
4. Must ensure that no firearms produced by unauthorized/unlicensed manufacturer shall be issued/ used by its SG/LG and must conduct firearms training once every semester.

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5. PAGCOR may increase, in accordance with the law, or decrease, the number of security guards, or require the rendition of overtime work, depending on the exigencies of the service, and accordingly adjust the monthly payment.
6. Must provide PAGCOR with the security personnel services, equipment and supplies which shall include but not limited to the following:
a. SECURITY PERSONNEL (SG / LG):
<ul style="list-style-type: none">• Strictly adhere with <i>R.A. 5487</i> particularly on <i>RULE X "Professional Conduct and Ethics"</i> and <i>RULE XIII "Power and Duties"</i>• Other related/tasks as maybe required / directed by PAGCOR
b. EQUIPMENT AND SUPPLIES:
<ul style="list-style-type: none">• Logbook with serialized pages• Standard Flashlight• Medical Kit• Rain Coat/Boots• Umbrella• Clear Rain Cap Cover for Pershing Caps• Optical Wand• Reflectorized Traffic Vest, Gloves and other traffic devices• Plastic Search Stick• White Hand Gloves• Metal Detector• Handheld Radio Communication, with base radio with license, in every location and UHF with complete accessories (with earpiece)• Standby four (4) wheel vehicle and/or Motorcycle in good running condition (with fuel)• Police Bicycle• K9 Bomb Detection Dog w/ handler (when the need arise)• Fire suit, to include the following items:<ul style="list-style-type: none">➤ Hard hat➤ Gas mask

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➤ Fireman suit
➤ Boots
➤ 12V Rechargeable Halogen flashlight
7. Must replace its SG/LG reported by PAGCOR not performing his/her duties and responsibilities satisfactorily.
8. Must provide an equally trained and competent substitute in the absence of any of its regular SG/LG immediately.
9. Must warrant to comply with its obligations as employer under the Labor Code, its implementing rules, regulations and all other applicable laws and regulations. Non-compliance therein shall be for its exclusive risk and responsibility.
10. Must provide PAGCOR with a copy of the proof of remittance to Social Security System (SSS), Philippine Health Insurance Corporation (Philhealth), PAG-IBIG or Home Development Mutual Fund (HDMF) and other amount due to the government.
11. Must agree to protect and exercise due care and proper handling of properties of PAGCOR during the performance of its work.
12. Must agree to be jointly and severally liable for any damage to PAGCOR and to third person, loss breakage or destruction of properties as a consequence of their (CONTRACTOR and its SG/LG) willful intent or negligence in the performance of obligation and to indemnify PAGCOR through replacement with its equivalent or payment of the same.
13. Must be held liable in case of theft, robbery or any loss involving its SGs/LGs with PAGCOR .
14. Must agree to replace, repair or restitute any loss of PAGCOR's property involving its SGs/LGs.
15. Must not hold PAGCOR liable for any legal or personal claims of its SG/LG.
16. The CONTRACTOR shall inform PAGCOR and prepare Supplemental Schedule of Payment and the corresponding additional or replacement Performance Security and Surety Bond, if necessary, in case of amendments to present minimum wage and cost of living allowance, SSS, Philhealth, Employees' Compensation (EC) and PAG-IBIG premiums and all other similar amendments after the signing of the contract, by subsequent government decrees or orders, and submit the same to PAGCOR together with a copy of the government decree or order mandating the increase. Upon PAGCOR's verification of and conformity to the Supplemental Schedule of Payment, additional Performance Security and Surety Bond, if any, and the government decree or mandating the increase, the Supplemental Schedule of Payment shall form part of the Service Contract amendment thereto.

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17. Must conduct regular monthly inspection of its SG/ LG on site to check on their equipage and insure presentability of their uniforms.
18. The testing/training of its SG/ LG shall be for the account of the CONTRACTOR .
19. The CONTRACTOR's SGs/LGs shall be under the direct operational control and supervision of the CONTRACTOR's Shift-In-Charge (SIC), who in turn shall coordinate with External Security Section (ESS), Security Division (SD) of the concerned branch/location.
20. The CONTRACTOR shall be responsible for ensuring that its SGs/LGs render efficient and effective guard duties. PAGCOR shall not evaluate the individual performance of the SGs/LGs, but of the CONTRACTOR's service as a whole. Any poor or below standard performance shall be brought to the attention of the CONTRACTOR's SIC for appropriate corrective action. The SIC shall then inform the ESS, SD, in writing, of the course of action undertaken.
21. Since the CONTRACTOR's SGs/LGs are not regular employee of PAGCOR , they shall not be subject to the disciplinary jurisdiction of PAGCOR . The offense/violation committed shall constitute a breach in the contract entered into between the CONTRACTOR and PAGCOR . PAGCOR shall communicate to the CONTRACTOR all instances of breach. In case of serious and substantial breach, PAGCOR shall demand from the CONTRACTOR appropriate action within reasonable period. Failure of the CONTRACTOR to correct the situation shall furnish grounds for the imposition of penalties and fines to answer for or reimburse PAGCOR for any damage it may have suffered or for rescinding the contract.
22. When the CONTRACTOR's SGs/LGs have committed a serious offense, which includes but is not limited to Crimes Against Property (Robbery, Theft, Arson and Malicious Mischief) and Crimes Against persons (Parricide, Murder, Homicide, and Physical Injuries) against PAGCOR , its employees and casino customers, he or she shall be properly referred to the PNP augmentations for proper investigation and disposition. This procedure is without prejudice to PAGCOR's own investigation and other action necessary to protect its rights under the circumstances.
23. The CONTRACTOR shall enumerate how much they will pay each guard (e.g. payroll register or payslip) during contract implementation.
24. The CONTRACTOR shall provide Automated Teller Machine Cards to all PSA Guards for their payroll.
25. The CONTRACTOR shall deliver the salary of the security guards on a timely and regular basis:

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- Every 5th of the month – for the preceding month dates 16-30 (31) cut off;

- Every 20th of the month – for the current month dates 1 – 15 cut off.

B. PERSONNEL

Educational Attainment	At least college level
Height	At least 5'7" for male; at least 5'3" for female
Age	Preferably 21 to 38 years old
Built	Proportionately built and presentable; Body tattoos shall not be prominent; Further, cosmetic/aesthetic tattoos for lady guards include eyebrow, eyeliner and lip tattoos shall be acceptable.

1. Must have a valid SG License.

2. Must be a valid holder of National Telecommunications Commission (NTC) Operator's Certificate (Restricted Radiotelephone Land Mobile (RRLM)).

3. Must have completed the Philippine National Police-Supervisory Office for Security and Investigation Agency (PNP-SOSIA) prescribed Basic SG Pre-Licensing Training (Training Certificate authenticated by SOSIA, Chief Records Branch must be presented).

4. Must have a full knowledge of the Basic Guard Functions.

5. Must have undergone firearms training, certified to be under the supervision of SOSIA.

6. Must undergo and completed/passed the following before deployment;

- Updated/Renewed National Bureau of Investigation (NBI) Clearances and others basic requirements (Birth Certificate, Scholastic Records/Transcript of Records, Barangay Clearances, Local Police Clearance, PNP/DI Clearances and Court/Fiscal Clearances);

- Screening, written examination and interview at branch/facility concerned;

- Neuro-Psychiatry NP Test conducted by a **PAGCOR** accredited NP Testing Center;

- Drug Test conducted by a **PAGCOR** accredited Drug Testing Center;

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<ul style="list-style-type: none">• Medical examination certified by a PAGCOR accredited hospital/clinic to be physically fit/healthy and free from any contagious disease/sickness;
<ul style="list-style-type: none">• Orientation & OJT;
7. Must have a fresh set of prescribed SG uniform and complete paraphernalia as prescribed/ authorized by SOSIA.
ADDITIONAL TERMS AND CONDITIONS:
1. Overtime pay, which shall be computed separately, shall be for the account of PAGCOR .
2. For accounting purposes, deductions of the billings of the CONTRACTOR pertinent to SG's/ LG's absences shall be based on the existing daily labor rate.
3. PAGCOR's undertaking to pay the CONTRACTOR shall be confined to the aforesaid schedule. It shall not be obliged to pay the CONTRACTOR's SG/ LG any remuneration except as indicated in the service contract.
4. PAGCOR reserves the right to require the submission of clearances from DOLE, SSS, Philhealth, PAG-IBIG or Monthly Disposition Report (MDR) anytime during contract implementation to ensure continuing compliance with the labor laws and other social legislation.
5. Performance Assessment/ Evaluation:
<ul style="list-style-type: none">• The CONTRACTOR shall maintain a satisfactory level of performance throughout the term of the contract based on the following performance criteria:
a) Quality of service delivered
b) Time management
c) Management and suitability of personnel
d) Contract administration and management
e) Provision of regular progress report
f) Attentiveness and presence of mind of guards on duty
g) Compliance with PAGCOR instruction and policies
The above criteria shall be used to assess/evaluate annually the performance of the Security Agency and its Security Personnel as basis for the continuity of the Contract.

**ARTICLE II
NO EMPLOYER-EMPLOYEE RELATIONSHIP**

1. There shall be no employer-employee relationship between **PAGCOR** and the employees and security guards of the **CONTRACTOR**. The **CONTRACTOR**

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shall have the entire charge, control and supervision of the Services herein agreed upon. The **CONTRACTOR** shall be responsible for all acts and omissions of its employees, security guards and all persons allowed by it to have access to **PAGCOR's** premises, for any damage which may be caused to persons or property while remaining either casually or in business in any part of **PAGCOR's** premises. Any accident, injury or sickness of any kind, or death that may occur to any security guard or employee of the **CONTRACTOR** during the time and consequent to the performance of the Services under this Service Contract shall be the **CONTRACTOR's** sole responsibility. The **CONTRACTOR** further binds itself to hold **PAGCOR** free and harmless from any claim on account of the aforementioned injuries or damages.

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2. The **CONTRACTOR's** security guards are the employees of the **CONTRACTOR** and are not the employees of **PAGCOR** and shall not be subject to the disciplinary jurisdiction of **PAGCOR**. Any offense committed by the **CONTRACTOR's** security guards shall constitute a breach of this Service Contract. **PAGCOR** shall communicate to the **CONTRACTOR** all instances of such breach for immediate and appropriate action by the **CONTRACTOR**. In case of serious and substantial breach, as determined by **PAGCOR**, **PAGCOR** shall require that the **CONTRACTOR** take the appropriate steps to address **PAGCOR's** concerns within the period prescribed by **PAGCOR**. The inability of the **CONTRACTOR** to correct the situation will entitle **PAGCOR** to impose a corresponding and appropriate penalty against the **CONTRACTOR** or to rescind this Service Contract.
 3. The **CONTRACTOR** shall comply with all of its obligations as an employer under the Labor Code, its implementing rules and regulations and all other applicable laws and regulations. Non-compliance therewith shall be for its exclusive risk and responsibility and shall constitute a violation of and a ground for the termination of this Service Contract.
 4. The **CONTRACTOR** shall control and supervise its security guards thru its Supervisor-In-Charge (SIC) who shall closely coordinate with **PAGCOR's** Security Department.

**ARTICLE III
TERMS AND CONDITIONS**

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1. The **CONTRACTOR** shall regularly inspect its security guards on site to ensure their efficiency and that their equipment are serviceable and their uniforms presentable.

The **CONTRACTOR** shall ensure that its security guards render efficient and effective service. It is understood that **PAGCOR** shall not evaluate the individual performance of the **CONTRACTOR's** security guards but the **CONTRACTOR's** service as a whole. Poor performance shall immediately be brought to the attention of the **CONTRACTOR's** SIC for immediate and appropriate corrective action. The SIC shall then inform **PAGCOR**, in writing, of the corrective action undertaken.

2. The **CONTRACTOR** shall man an administrative office in the Satellite Operations Group (SOG) 1 to enable the **CONTRACTOR** to immediately address all problems and complaints.

3. **PAGCOR** may require the replacement of any security guard who is absent and/or not performing his/her duties and responsibilities to its satisfaction. In such an eventuality, the **CONTRACTOR** shall immediately provide a trained, able and competent substitute security guard. The **CONTRACTOR** shall provide **PAGCOR** with a list of the names of the **CONTRACTOR**'s security guards and their substitutes. Should no replacement be provided, the corresponding deduction in the monthly payment shall be made.
4. The **CONTRACTOR** shall not unilaterally pull out any security guard without the conformity of **PAGCOR**.
5. **PAGCOR** may increase, subject to the relevant government procurement laws, or decrease, the number of security guards, or require the rendition of overtime work, depending on the exigencies of the service, and accordingly adjust the monthly payment.
6. The **CONTRACTOR** shall provide **PAGCOR** with the duly acknowledged pay slips of all its security guards assigned in **PAGCOR**'s premises and proof of remittance of its Social Security System (SSS), Philippine Health Insurance Corporation (Philhealth), ECC and PAG-IBIG contributions. **PAGCOR** reserves the right to require the **CONTRACTOR** to submit clearances from DOLE, SSS, Philhealth, ECC or PAG-IBIG, at anytime during the term of this Service Contract. **PAGCOR** shall also have the right to inspect the employment records of the **CONTRACTOR**'s security guards.
7. In the event that the **CONTRACTOR** fails to pay the correct SSS, Philhealth, ECC or PAG-IBIG premiums or the mandated minimum wage, of its security guards assigned in **PAGCOR**'s premises, **PAGCOR** shall impose the corresponding penalties and withhold an amount from the **CONTRACTOR**'s service fee equal to the premiums and/or salaries/wages not paid by the **CONTRACTOR**. In addition, the **CONTRACTOR**'s failure to pay the correct premiums or wages shall also be a ground for the termination of this Service Contract.
8. In the event that the **CONTRACTOR** fails to comply with any of its undertakings, as set forth in this Service Contract, **PAGCOR** shall be released from its obligations under this Service Contract, without prejudice to its rights of restitution, recovery and damages.
9. All claims and disputes relating to or arising out of this Contract shall, as much as possible, be settled amicably by the parties before resorting to judicial action.
- If the parties fail to settle their differences of disputes, the parties waiving for the purpose any other venue, hereby agree that the courts of the City of Manila shall be the exclusive venue of any or all actions or suits between the parties, to the exclusion of all other courts and venues. This exclusive venue provision shall apply even if this Service Contract is declared void, in its entirety or in part, and in cases arising after or by reason of the declaration of nullity of this Contract in its entirety or in part.
10. This Contract, and all the rights and interests herein, may not be assigned or sub-contracted to another without the consent of the other party.
11. The relationship between the parties shall be limited to the performance of the Services as stipulated under this Service Contract. Nothing herein shall be

construed to create a general partnership between the parties, or to authorize any party to bind the other, except as set forth in this Contract, or to borrow money on behalf of another party, or to use the credit of any party for any purpose.

12. This Service Contract constitutes the entire agreement between the parties pertaining to the subject matter contained in it and supersedes all prior and contemporaneous contracts, representations, warranties and undertakings to this Service Contract shall be binding unless executed in writing by all the parties thereto.
13. No waiver of any of the provisions of this Service Contract shall be deemed or shall constitute a waiver of any other provision, whether similar or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless in writing and signed by the party making the waiver.

ARTICLE IV CONTRACTUAL PERIOD

1. This Service Contract shall be effective for a period of three (3) years to commence within thirty (30) calendar days from the date of receipt of the Notice to Proceed.

PAGCOR may terminate the Service Contract, with or without cause, without need for judicial intervention, upon thirty (30) days written notice to the **CONTRACTOR**.

2. Should the **CONTRACTOR** incur delay in the performance of the Services, the **CONTRACTOR** shall pay a penalty of one-tenth of one percent (1/10 of 1%) of the total cost of the undelivered Services for each day of delay, including Sundays and Holidays, beyond the specific period. The maximum deduction shall be ten percent (10%) of the Contract Price of the Service Contract. Once the cumulative maximum deduction reaches ten percent (10%) of the Contract Price, **PAGCOR** shall have the option to rescind the Service Contract, without prejudice to other courses of action and remedies open to it.

In case the **CONTRACTOR** still fails to deliver the Services after the lapse of fifteen (15) days from the supposed date of implementation, **PAGCOR** shall likewise have the option to terminate the Contract, without prejudice to other courses of action and remedies open to it.

ARTICLE V CONTRACT PRICE and SCHEDULE OF PAYMENTS

1. The Contract Price for the Services shall be in the total amount of Forty-Six Million Five Hundred Ninety-Six Thousand Two Hundred Eighty-Six Pesos and 80/100 (PhP 46,596,286.80), VAT Exclusive, Zero-Rated Transaction, for a period of three (3) years, or Fifteen Million Five Hundred Thirty-Two Thousand Ninety-Five Pesos and 60/100 (PhP 15,532,095.60), VAT Exclusive, Zero-Rated Transaction for a period of one (1) year and which shall be subject to the mandated withholding tax.

2. PAGCOR shall pay the CONTRACTOR a monthly service fee in the amount of **One Million Two Hundred Ninety-Four Thousand Three Hundred Forty-One Pesos and 30/100 (PhP 1,294,341.30)**, VAT Exclusive, Zero Rated Transaction, subject to the mandated withholding tax, for the monthly services of Sixty-Three (63) security guards, at the rate of **Twenty-Thousand Five Hundred Forty-Five Pesos and 10/100 (PhP 20,545.10)** per security guard, per month, payable in two (2) tranches, within seven (7) working days from receipt of the CONTRACTOR's billing every 15th and 30th of the month, broken down as follows:

DESCRIPTION		W.O. # NCR-21 eff. October 05, 2017
DAILY WAGE		502.00
COLA		10.00
DIRECT LABOR COST		(PhP)
1	Average pay per month	16,461.42
2	13 th month pay	1,272.43
3	5 days incentive pay	213.33
4	Night differential	548.71
5	COLA	314.17
6	Uniform allowance	-
A	TOTAL AMOUNT DIRECTLY TO SG	18,810.06
INDIRECT LABOR COST		
1	SSS Premium	1,178.70
2	Philhealth	226.34
3	State Insurance	30.00
4	PAG-IBIG	100.00
B	TOTAL AMOUNT TO GOV'T. IN FAVOR OF THE SG	1,535.04
C	TOTAL AMOUNT TO GOV'T. & GUARD (A + B)	20,345.10
OPERATING COST		
1	Administrative Overhead & Margin	200.00
D	CONTRACT RATE / MONTH / GUARD	20,545.10
E	RATE / MONTH / FOR 63 GUARDS	1,294,341.30
F	ANNUAL RATE FOR 63 GUARDS	15,532,095.60
G	THREE (3) YEARS COST FOR 63 GUARDS	46,596,286.80

3. Overtime pay shall be computed separately, as follows:

OVERTIME		
(Basic) Rate per Day	=	$\frac{\text{Regular rate per month} \times 12}{393.50 \text{ days}}$
Rate per Hour	=	(Rate per Day / 8)

Overtime pay (regular days)	=	Rate per Hour + 25% of the Rate per Hour
Overtime pay (holidays)	=	Rate per Hour (on a holiday) + 30% of the Rate per Hour (on a Holiday)

4. Deductions from the **CONTRACTOR's** billings pertinent to security guard absences shall be computed based on the gross rate as follows:

ABSENCES

(Gross) Rate per Day	=	(Cost of security guard per month x 12) / 365 days
Rate per Hour	=	(Gross Rate per Day / 8)

5. **PAGCOR** shall shoulder the overtime premium in case there is a need for additional services due to exigencies provided that the services rendered by security guards beyond eight (8) hours a day must be approved by the Estimator.

However, if the overtime hours are caused by the **CONTRACTOR**, where its employees will be required to perform work in excess of eight (8) hours a day due to lack of manpower, i.e. sick leaves, vacation leaves, absences without leave of its employees or any case attributable to the **CONTRACTOR**, which includes but not limited to the inefficiency of its employees, the **CONTRACTOR** will shoulder the overtime premium.

6. The Contract Price already includes all applicable taxes, fees and charges required by the government. The **CONTRACTOR** holds **PAGCOR** free from liability for any or all taxes arising out of this Service Contract.
7. The Contract Price shall not be subject to any increase or upward adjustment for any reason or cause whatsoever for the duration of the Service Contract, subject to the provisions of Article I and the succeeding paragraph.
8. The **CONTRACTOR** shall inform **PAGCOR** and prepare a Supplemental Schedule of Payment and the corresponding additional or replacement Performance Security and Surety Bond, as necessary, in case of an increase in the present minimum wage, cost of living allowance, SSS, Philhealth, ECC and PAG-IBIG premiums and all other similar increases, after the signing of this Service Contract, by subsequent government decrees or orders, and submit the same to **PAGCOR** together with a copy of the government decree or order mandating the increase.

Upon **PAGCOR's** verification of and conformity to the Supplemental Schedule of Payment, additional or replacement Performance Security and Surety Bond, if any, and the government decree or order mandating the increase, the Supplemental Schedule of Payment shall form a part of the Service Contract as an amendment thereto.

**ARTICLE VI
CLEARANCES, PERMITS, LICENSES and TAXES**

1. The **CONTRACTOR** warrants that it is an entity duly organized, validly existing and in good standing under the laws of the republic of the Philippines, and that it

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is duly registered and capable and has the requisite power, authority, permits, clearances and licenses, to enter into this Service Contract and to perform Services and all of its obligations under this Service Contract.

2. All amounts, claims, and expenses pertaining to clearances, licenses, permits, registrations or renewals thereof, required by **PAGCOR** or the appropriate government entities for the Services to be performed under this Service Contract shall be for the exclusive account of **CONTRACTOR**.
3. The **CONTRACTOR** shall provide **PAGCOR**, whenever required by the latter, with the Philippine National Police (PNP) and National Bureau of Investigation (NBI) clearances and health clearances of all of its security guards assigned in **PAGCOR**.
4. The **CONTRACTOR** shall pay its taxes in full and on time. Its failure to do so shall entitle **PAGCOR** to suspend payment for services rendered by the **CONTRACTOR**. The **CONTRACTOR** shall regularly present a tax clearance from the BIR and a copy of its income and business tax returns, duly stamped, received and validated by the BIR, indicating the tax payments made thereon.

**ARTICLE VII
PERFORMANCE SECURITY**

The **CONTRACTOR** shall post a Performance Security (the "Security"), for the benefit of **PAGCOR**, conditioned on former's compliance with all of its obligations under this Service Contract, prior to the signing of the Service Contract, in accordance with any of the following schedule:

Form of Security	Amount in Percentage of Total Contract Price
Cash, cashier's/manager's check issued by a Universal or Commercial Bank;	Five Percent (5%)
Bank draft/guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank, Provided however that if issued by a foreign bank, it shall be duly confirmed by a Universal or Commercial Bank; or	Two Million Three Hundred Twenty-Nine Thousand Eight Hundred Fourteen Pesos and 34/100 (PhP 2,329,814.34)
Surety Bond callable upon demand issued by a surety or insurance company duly certified by the Insurance Commission as authorized to issue such security.	Thirty Percent (30%) Thirteen Million Nine Hundred Seventy-Eight Thousand Eight Hundred Eighty-Six Pesos and 04/100 (PhP 13,978,886.04)

The Performance Security shall remain valid until the issuance of the final Certificate of Acceptance. It may be released only after the issuance of the final Certificate of Acceptance of the Services, provided that there are no claims filed against the **CONTRACTOR** or the surety company.

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**ARTICLE VIII
SURETY BOND**

In accordance with Art. 108 of the Labor Code, the **CONTRACTOR** shall post a Surety Bond in the amount of One Million Fifty-Six Thousand Eight Hundred Sixty-Two Pesos and 17/100 (PhP 1,056,862.17), which is equivalent to the cost of labor under contract of the sixty-three (63) security guards, upon the execution of this Service Contract, to answer for the non-payment/underpayment of salaries of the **CONTRACTOR's** security guards.

The Surety Bond shall be maintained by the **CONTRACTOR** during the effectivity of the Service Contract and any extension thereof.

**ARTICLE IX
INDEMNIFICATION**

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1. The **CONTRACTOR** hereby holds **PAGCOR** its guests, corporate affiliates and any director, officer, employee or agent free and harmless from any and all actions or liabilities arising out of this Service Contract, including, without being limited to, claims for unpaid and back wages, regularization, and other terms and conditions of employment, as well as civil and criminal liabilities that the **CONTRACTOR** and/or **PAGCOR** may incur as a result of, or arising out of, the conduct and/or pursuit of Services and to indemnify the **PAGCOR** from and against the costs of defending any action, suit or proceedings, including legal fees or other expenses incurred in relation to any such claims mentioned above.
 2. The **CONTRACTOR** and its personnel shall be jointly and severally liable and shall indemnify and hold **PAGCOR** free and harmless for any death, injury or damage to **PAGCOR** and to third person, loss, breakage, or destruction of properties, as a consequence of the **CONTRACTOR's** acts or omissions, willful intent or negligence, during the performance of the Services or its obligation under this Service Contract.
 3. The **CONTRACTOR** shall be liable in case of theft, robbery or any loss to **PAGCOR's** premises secured by the **CONTRACTOR**. The **CONTRACTOR** hereby agrees to replace, repair or restitute any loss involving its security guards. Insurance for loss, theft, and robbery shall be submitted by the **CONTRACTOR** upon the execution of this Service Contract.
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**ARTICLE IX
CONFIDENTIALITY**

1. All information disclosed to the **CONTRACTOR**, its directors, officers, employees, security guards, agents, and other persons acting on the **CONTRACTOR's** behalf, arising out of or as a result of this Service Contract shall be confidential in nature and shall remain **PAGCOR** property and shall be used only for the purposes specifically related to this Agreement. The **CONTRACTOR** will not, at any time, disclose such confidential information to any third party without **PAGCOR's** prior written consent.
2. In the event that the **CONTRACTOR**, its directors, officers, employees, security guards, agents, and other persons acting on the **CONTRACTOR's** behalf, is

required by law to disclose any information known to the **CONTRACTOR** as a result of this Service Contract, the **CONTRACTOR** will provide **PAGCOR** with prompt prior written notice of such requirement so that **PAGCOR** may seek an appropriate protective order/measure. In the event that **PAGCOR** fails to secure the appropriate order/measure, the **CONTRACTOR** shall disclose only that portion of the Confidential Information it is legally compelled to disclose.

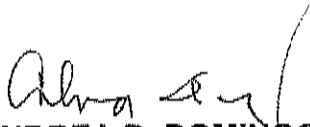
3. The **CONTRACTOR** acknowledges and agrees that money damages would not be a sufficient remedy for any breach of this Confidentiality Clause by the **CONTRACTOR**, its directors, officers, employees, security guards, agents, and other persons acting on the **CONTRACTOR's** behalf, and that **PAGCOR** shall be entitled to specific performance, including injunctive relief, as a remedy for any such breach. Such breach shall not be deemed to be the exclusive remedy for breach of this Confidentiality Clause but shall be in addition to all other remedies available at law or equity. The **CONTRACTOR** agrees to reimburse **PAGCOR** for all costs and expenses (including without limitations attorney's fees) incurred by **PAGCOR** in connection with the enforcement of this Confidentiality Clause.

IN WITNESS WHEREOF, the parties hereto have signed these presents on this _____ day of _____, 20__ in _____.

PHILIPPINE AMUSEMENT AND GAMING CORPORATION

TIN: 033-000-887-972

Represented by:



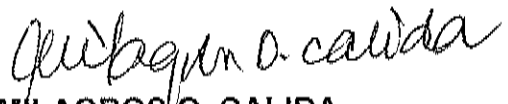
ANDREA D. DOMINGO
Chairman and Chief Executive Officer

TIN: 118-684-814

VIGILANT INVESTIGATIVE AND SECURITY AGENCY INC.

TIN: 214-077-732-000

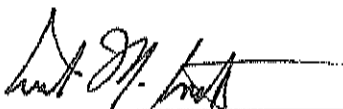
Represented by:



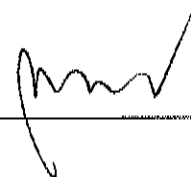
MILAGROS O. CALIDA
Authorized Representative

TIN: 175-130-685

Signed in the presence of:



ARMANDO M. SANTOS, JR.
Sr. Quality Control Mon. Off



ACKNOWLEDGEMENT

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

BEFORE ME, this SEP 26 2018 in CITY OF MANILA,
personally appeared the following persons, each of whom exhibited his/her competent
evidence of identity, to wit:

Justapan O. Calabita

Name	ID Issued at / on
ANDREA D. DOMINGO	Passport No. EC0241404 (valid until February 06, 2019)

and presented to me an integrally complete document/instrument for acknowledgement. They all represented and declared to me that they voluntarily affixed the signatures appearing on the instrument/document for the purposes stated therein and that they executed the instrument/document as their free and voluntary act and deed (and if they acted in representative capacity, they have the authority to sign in that capacity).

The instrument/document referred to is a Service Contract consisting of seventeen (17) pages including the page on which this Acknowledgement is written duly signed by the parties and their instrumental witnesses on each and every page hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal on the date and place first above written.

[Handwritten mark]

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Book No. 1
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[Signature]
JOY KEN G. BERNAS
 NOTARY PUBLIC
 IN AND FOR THE CITY OF MANILA
 6TH FLR, NEW WORLD MANILA BAY HOTEL & CASINO
 R.M. DEL PILAR ST. MALATE, MANILA
 COMMAND, 2018 - 053 / UNTIL DEC. 31, 2019
 ROLL NO. 59470 RBP LIFETIME REGISTRATION / MANILA III
 MCLE COMPLIANCE N/A (Admitted 2016)
 MANILA III - CHAPTER
 PTR NO. 7003427/JAN.05, 2018 /MANILA

Ab

[Handwritten mark]

ACKNOWLEDGMENT

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

BEFORE ME, this 20 SEP 2018 in _____
personally appeared the following persons, each of whom exhibited his / her competent
evidence of identity, to wit:

Name	Identification Document Presented
MILAGROS O. CALIDA	TIN No. 175-130-685

and presented to me an integrally complete document / instrument for
acknowledgement. They all represented and declared to me that they voluntarily affixed
the signatures appearing on the instrument / document for the purposes stated therein
and that they executed the instrument / document as their free and voluntary act and
deed (and if they acted in representative capacity, they have the authority to sign in that
capacity).

The instrument / document referred to is a Service Contract consisting of
seventeen (17) pages including the page on which this Acknowledgement is written duly
signed by the parties and their instrumental witnesses.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial
Seal on the date and place first above written.

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Page No. 15
Book No. 11
Series of 20 18

FELWIN RAU P. ELJANAL
 Notary Public until December 31, 2020
 Appointment No. M-354 (2017-2018)
 Unit 1710 Cityland 10, Tower 1, H/F, Dula Costa St.
 Salcedo Village, Makati City, Philippines
 Roll of Attorneys No. 61798
 MCLE Compliance No. Y-0020754
 (April 20, 2016/Pasig City)
 IBP No. 025751 / 01.03.15/Negos Oriental
 PTR No. 8623981/01.10.16/Makati City

Milagros O. Calida

[Signature]

[Signature]

[Signature]

SECRETARY'S CERTIFICATE

I, ATTY. JOSEF O. CALIDA, a duly elected and qualified Corporate Secretary of Vigilant Investigative and Security Agency, Inc., a corporation duly organized and existing under and by virtue of the law of the Republic of the Philippines, DO HEREBY CERTIFY, that:

I am familiar with the facts herein certified and duly authorized to certify the same;

At the regular meeting of the Board of Directors of the said Corporation duly convened and held on May 25, 2018 at which meeting a quorum was present and acting throughout, the following resolutions were approved, and the same have not been annulled, revoked and amended in any way whatever and are in full force and effect on the date hereof;

RESOLVED, that Vigilant Investigative and Security Agency, Inc. be, as it hereby is, authorized to participate in the bidding for the Procurement of Private Security Agency Services for Three (3) Years for Ronquillo, Binondo, Universal, MGO and Malabon Satellite with ITB No. PB18-05-067COR of the Philippine Amusement and Gaming Corporation and if awarded the contract shall enter into a contract with the Philippine Amusement and Gaming Corporation (PAGCOR) and in connection therewith hereby grants Milagros O. Calida full power and authority to execute and sign the ensuing contract while May P. Burgos is granted full power and authority to execute and sign all documents pertaining to this bidding, the submission of same and the performance of any and all acts necessary and/or to represent Vigilant Investigative and Security Agency, Inc. in the bidding as fully and effectively as the Vigilant Investigative and Security Agency, Inc. might do if personally present with full power of substitution and revocation and hereby satisfying and confirming all that my said representative shall lawfully do or cause to be done by virtue hereof;

RESOLVED FURTHER THAT, the Board hereby authorizes its President to:

- (1) Execute a waiver of jurisdiction whereby the Vigilant Investigative and Security Agency, Inc. hereby submits itself to the jurisdiction of the Philippine Government and hereby waives its right to question the jurisdiction of the Philippine courts;
- (2) Execute a waiver that Vigilant Investigative and Security Agency, Inc. shall not seek and obtain writ of injunctions or prohibition or restraining order against the Philippine Amusement and Gaming Corporation (PAGCOR) or any other Agency in connection with this contract to prevent and restrain the bidding procedures related thereto, the negotiating or/and award of a contract to successful bidder, and the carrying out of the awarded contract.

WITNESS the signature of the undersigned as such officer of the said Vigilant Investigative and Security Agency, Inc. this 25th day of May, 2018 in the City of Makati, Philippines.

Josef O. Calida
ATTY. JOSEF O. CALIDA
Corporate Secretary

ACKNOWLEDGMENT

SUBSCRIBED AND SWORN to before me this 01st day of May, 2018 affiant exhibited to me his Social Security System Identification No. 33-89264807.

Doc. No. 213
Page No. 73
Book No. 111
Series of 2018.

May P. Burgos
MAY P. BURGOS

BEYON SANDOZ
Notary Public for the State of Luzon
NEDDAPURONG, City of Marikina
Unit 17 Bldg. 1, Marikina City
Subdivision Office, Marikina City
Roxas Building
MGLS Center, Marikina City
Marikina City
HR No. 002751 (01/17) - Marikina City
PTR No. 0025081609 - Marikina City

Josef O. Calida

May P. Burgos

A

A

[Signature]