Republic of the Philippines
Philippine Economic Zone Authority

TERMS OF REFERENCE

PROJECT : PROVISION OF SECURITY SERVICES FOR PERIOD OF ONE (1) YEAR IN MACTAN ECONOMIC ZONE AND ITS SELECTED SPECIAL ECONOMIC ZONES UNDER CLUSTER 2

PROCURING ENTITY : PHILIPPINE ECONOMIC ZONE AUTHORITY (PEZA)

AREAS OF DEPLOYMENT: MACTAN ECONOMIC ZONE

JOINT PEZA CUSTOMS CLEARANCE OFFICE
- *Cebu International Port*

VISAYAS SPECIAL ECONOMIC ZONES
- *Mactan Economic Zone II*
- *Cebu Light Industrial Park – Special Economic Zone*
- *Mitsumi Realty Incorporated – Special Economic Zone*
- *New Cebu Township One / NAVA*
- *West Cebu Estate – Special Economic Zone*

A. PURPOSE

The Philippine Economic Zone Authority (PEZA) desires to engage the services of a security agency to provide security services in Mactan Economic Zone and its selected Special Economic Zones under Cluster 2 for a period of one (1) year.

The estimated budget cost of this contract is at **THIRTY MILLION TWO HUNDRED SIXTY-FOUR THOUSAND THREE HUNDRED EIGHTEEN PESOS (Php30,264,318.00).** Herein cost breakdown is based under the prevailing Cost Distribution of Philippine Association of Detective and Protective Agency Operators (PADPAO), Inc. which shall form part of this document and shall be referred to as "ANNEX A".

B. GENERAL CONDITIONS

The security services provider shall be hereunto onwards be referred to as CONTRACTOR and shall provide PEZA the following:

1. The CONTRACTOR shall assign **SEVENTY-ONE (71)** qualified, competent, uniformed, armed, bonded and licensed as private security guards in accordance with Republic Act No. 11917, as amended, as well as other related laws and regulations with the following minimum qualifications, among others to wit:

   i. Filipino Citizen;
   ii. Good moral character and reputation, and without any previous criminal record or conviction, police or derogatory record.
   iii. Security Guards must be:
      a. At least second (2^{nd}) year college and
      b. At least one (1) year of security job experience
   iv. Shift in Charge and/or Supervisors must be:
      a. College level with a minimum of 72 units earned.

b. Certified Security Professional or Certified Security and Safety Professional (CSSP);
c. Two (2) years relevant supervisory experience.

v. With a valid security guard license (at least one (1) year validity prior to deployment) issued by PNP-CSG-SOSIA.
vi. Physically, psychologically and mentally fit. Has passed and undergone neuro-psychiatric examinations from DOH-accredited provider. (Taken within 6 months prior to deployment)
vii. Passed and undergone drug testing prior to deployment (Taken within 6 months prior to deployment).
viii. Trained in First Aid Basic Course and Disaster Preparedness.
ix. Fully-vaccinated against Covid19

2. The CONTRACTOR shall allow its security guards to render service of at least twelve (12) hours per day with one (1) day off per week. CONTRACTOR shall provide an adequate number of guards and a sufficient number of relievers to cover for guards on rest days and absences. The CONTRACTOR shall consult with PEZA on the mode of deployment of its guards in their operational sector and tours of duty.

Table 1. Deployment Matrix

AREA	No. of Guards per Shift		Total No. of Guards
	1st Shift 8am-8pm (12hours)	2nd Shift 8pm-8am (12hours)	
MEZ			
Gate 1	3	2	5
Gate 2	3	2	5
Gate 3	6	4	10
Gate 4	2	1	3
Gate 5	1	1	2
Gate 6	1	1	2
Gate 7	1	1	2
Admin Bldg.	2	1	3
Zone Administrator Staff House	1	1	2
MEZ Staff House	1	1	2
Power Plant (Substation)	1	1	2
Sewage Treatment Plant	1	1	2
Santa Maria Area	1	2	3
Shemberg/Evercat/Abtech	2	2	4
Patrol/Roving/Traffic	1	1	2
Civilian Guard	1	-	1
Shift in Charge	1	1	2
Detachment Commander	1		1
Sub-total for MEZ	**30**	**23**	**53**
JPCO			
Cebu International Port	1	1	2
Sub-total for JPCO	**1**	**1**	**2**
Visayas Special Eco-zone			
MEZ II	3	2	5
CLIP-SEZ	2	1	3
MRI-SEZ	2	1	3
NCTO	1	1	2
WCIP-SEZ	2	1	3
Sub-total for Visayas Eco-zone	**10**	**6**	**16**
Grand Total	**41**	**30**	**71**

3. PEZA reserves the right to increase/decrease the number of detachments/posts, the number of guards, and hours of duty to be assigned in each detachment/post as it may deemed needed in a security situation and exigencies of service to be determined by the PEZA MEZ Station Commander recommended by the Department Manager – Operations and duly approved by MEZ Economic Zone Administrator which shall be effected within five (5) working days from date of the written request.

4. The CONTRACTOR shall have direct supervision over and control of the assigned security guards. The CONTRACTOR shall have the exclusive and absolute right to reshuffle, reassign, suspend, lay off, terminate and/or impose disciplinary measures, direct and control the services; Provided that the reshuffling, reassignment, suspension, layoff, termination and/or disciplinary measures imposed on the security guards by the CONTRACTOR shall not affect the performance by the CONTRACTOR of its obligations and undertakings under this Contract. Before the CONTRACTOR reshuffles, reassigns, suspends, lays off, terminates, or imposes disciplinary measures on the security guards assigned to Procuring Entity (PEZA MEZ), it must first inform the Procuring Entity in writing of such action at least five (5) days prior thereto.

5. The CONTRACTOR must have Trained for First Aider (refer to DOLE D.O. 235-22) and BOSH Trained Safety Officer deployed in every shift. In addition, they must have a functional Occupational Safety and Health (OSH) policy program which will cover its employees deployed in PEZA and meet the requirement as provided in the CSC-COA-DBM Joint Circular No. 1, s. 2017-14 dated June 15, 2017, as amended by CSC-COA-DBM Joint Circular No. 1, s. 2018. *(See CSC-COA-DBM Joint Circular No. 1, s. 2017 dated June 15, 2017, Rules and Regulations Governing Contract of Service and Job Order Workers in the Government as amended by CSC-COA-DBM Joint Circular No. 1, s. 2018)*

6. The CONTRACTOR must have, or should establish a functional office within a month from the issuance of the Notice to Proceed in Cebu province preferably within Lapu-Lapu City to manage their Administrative and Operational support services and also a help Assistance Desk.

7. The CONTRACTOR shall provide the necessary valid licensed firearms and ammunitions to the guards assigned at PEZA as well as communication equipment, service vehicles, and other security equipment and shall see to it that when on duty they are in prescribed uniform with standard security guard provisions, as provided under Table 2 below at no cost to PEZA:

Table 2. Provision of Materials and Equipment

Description	Requirement	Quantity
a. Uniform (with all the necessary patches)	2 per guard	142 pieces
b. Sidearm with full ammo	1 per guard/	31 pieces
• Ammunition – 9mm	15 ammos per sidearm	465 pieces
• Firearms License		31 pieces
c. Night Stick	1 per guard	71 pieces
d. Whistle	1 per guard	71 pieces
e. Flashlight with battery	1 per guard	71 pieces
f. Medical Kit/ First Aid Kit	1 per guard	71 pieces
g. Handheld Radio with NTC License under the name of Contractor	1 per guard	31 pieces
h. Shotgun	1 per detachment	5 pieces
• Ammunition-12 gauge	10 ammos per shotgun	50 pieces
• Firearms License		
i. Heavy Duty Raincoat	1 per guard	71 pieces

j.	Rain boots	1 per guard	71 pieces
k.	Golf Umbrella	1 per detachment	10 pieces
l.	Handcuffs	1 per guard	71 pieces
m.	Reflectorized vest and gloves	1 set per detachment	20 pieces
n.	Handheld "STOP" sign for guards assigned to man traffic at entrances / exit	1 per detachment	5 pieces
o.	Teargas Canister	1 unit/guard/shift	31 pieces
p.	Motorcycle Patrol w/ Helmet (125cc) with updated/valid registration		2 units
q.	Mobile Patrol (FB Type Van) with updated/valid registration		1 unit
r.	Hand held Metal Detectors		5 pieces
s.	Truncheons, Shields, and Helmet		10 sets
t.	Under Chassis View Mirror	1 unit per gate	6 pieces
u.	Mega Phone		2 pieces
v.	Standby Wheelchairs for persons with disabilities		2 pieces
w.	Stretcher		1 piece
x.	Computer with Printer		1 set
y.	Bundy Clock (MEZ 1)		1 unit

8. All firearms issued by the CONTRACTOR to its security guards must be original, branded, and duly licensed by PNP with a complete load of ammunition.

9. All vehicles provided by the CONTRACTOR must be roadworthy and registered with the Land Transportation Office (LTO) and with applicable Comprehensive Insurance Coverage.

10. PEZA shall not provide any tools or equipment to the CONTRACTOR. Based on the CONTRACTOR's assessment of the work at hand, the CONTRACTOR may provide additional tools and equipment in addition to those stipulated in Table 2.

11. The CONTRACTOR shall not engage to any contract for security services with PEZA-Registered Business Enterprise (RBE's) during the duration of the Contract.

12. The CONTRACTOR and its security guards shall strictly observe, enforce and adhere to PEZA rules and regulations as it applies to security and well-being of PEZA, its employees and clients.

13. The CONTRACTOR, through its agents/guards, shall safeguard, secure, and protect the offices, employees, guests, properties, and premises of PEZA covered by the Contract to be entered into, against the threat, theft, robbery, pilferage/s, or any unlawful acts and/or omissions that would cause harm or loss or damages to the properties and premises of PEZA.

14. The CONTRACTOR shall maintain adequate control of all incoming and outgoing cargoes, and persons, including vehicles entering and/or leaving PEZA premises, offices and installations. To this end, the CONTRACTOR's guards to be assigned under this Contract shall, prior to or at the start of their tour of duty, undergo an orientation on PEZA rules and regulations and PEZA, subsequently, to issue a Certificate of Completion.

15. The CONTRACTOR shall prevent the entry of unauthorized persons and/or vehicles in the PEZA premises, and if this cannot be done peacefully within the guards' normal duty, to immediately report the same to the PEZA Zone Police Unit or its Officer/Employee concerned whose legal course of action the guards shall assist but employing only the necessary means and/or force that is reasonable under the circumstances.

16. The CONTRACTOR shall conduct, *motu proprio* and whenever requested by PEZA, an investigation on breach of security by any person within PEZA premises including the commission of crimes against persons or property, and shall make an immediate report thereof to both the PEZA and Police Authority of competent jurisdiction.

17. The CONTRACTOR shall implement health protocols and standards on workplace prevention and control of Covid19 virus stipulated in the Workplace Handbook on Covid19 Management and Prevention prepared by the Department of Health and other DOLE issuances related thereto.

18. Documents or logbooks maintained by the CONTRACTOR containing matters involving security concerns and/or those matters that are of confidential in nature, shall not be disclosed to any person/s, government official or entity, unless authorized by the PEZA Director General or his/her duly authorized representative. Any violation of this rule shall automatically result in the cancellation of this contract.

19. The CONTRACTOR shall submit brief profile of the security guards to be deployed to PEZA attested by its authorized signatory upon receipt of the notice to proceed.

20. In addition, the CONTRACTOR shall furnish PEZA for each personnel including reliever guards prior to deployment the following documents:

    a. Police and NBI Clearance
    b. Medical Certificate with Medical and Neuro-Psychiatric Examination Results
    c. Drug Test Results
    d. Training Certificates or Related Credentials
    e. Firearms License
    f. Security License from PNP-CSG-SOSIA
    g. Duty Detail Order (DDO)
    h. Covid19 Vaccination Cards/Records

21. The CONTRACTOR shall submit a monthly status report for each Zone provided with the prescribed format.

22. The CONTRACTOR shall make quarterly security surveys of PEZA premises upon prior permission and shall submit a report including suggestions on enhancing security.

23. Upon request of PEZA, the CONTRACTOR shall submit operational activities, contingency, and/or emergency plans in case of natural calamities, industrial unrest, public disorder, or rampant violations of penal laws inside the PEZA premises.

24. The CONTRACTOR should be financially capable; it must have sufficient current/liquid assets to shoulder the current liabilities particularly the payment of salaries and benefits for at least two (2) months of their deployed guards to PEZA. The administrative cost and profit margin of the Contractor should not be less than twenty percent (20%) and must be able to provide the salaries and benefits of the security guards pursuant to Section 9 of Republic Act No. 11917.

25. The CONTRACTOR shall pay the salaries, allowances, and other statutory monetary benefits of all the guards assigned under this Contract in accordance with existing laws, rules, and regulations governing the employment of labor. Should the CONTRACTOR fail to pay the salaries, wages, and other statutory monetary benefits of its guards as scheduled, except during force majeure or circumstances beyond the CONTRACTOR'S control, the CONTRACTOR shall authorize PEZA to withhold the amount due to the CONTRACTOR and allow PEZA to pay directly the CONTRACTOR'S guards of their salaries, wages, and other statutory monetary benefits using as a basis the latter's payroll computation of the immediately preceding pay period. Such direct payments made by PEZA shall be deducted from the CONTRACTOR'S billing for the subject pay period.

26. Should there be any law and/or wage order passed increasing the minimum wage or requiring additional compensation in any form, the agreed consideration shall be automatically adjusted pursuant to said law or wage order upon written request of the CONTRACTOR duly approved by PEZA Director General.

27. Payment shall be made on a monthly basis for twelve (12) months subject to submission of billing statement and other supporting documents by the CONTRACTOR. Services shall be billed based on the actual services received by PEZA, hence, may be computed by a fraction of a month.

28. The CONTRACTOR shall submit to PEZA its monthly billing statement within the first fifteen (15) days of the succeeding month together with the following documents:

    28.1 Report on actual services rendered by the guards for the billing period claimed;
    28.2 Signed Daily Time Records and summary of attendance of security guards assigned per Zone;
    28.3 Report on overtime services shall be accompanied by a certification of overtime duty rendered signed by the Shift in Charge including those in the private economic zones and approved by the Detachment Commander;
    28.4 Signed payroll/proof of payment of the salaries, wages, and/or benefits of all its guards for the billing period claimed;
    28.5 Sworn Certification by the CONTRACTOR citing that the wages of the security guards including other emoluments and/or allowances due to them for the preceding month have all been paid;
    28.6 Official receipt/proof of payment of remittances of SSS / PhilHealth / Pag-Ibig premiums/payments and other deductions/contributions required or authorized by law;
    28.7 Other documents as may be required by the Procuring Entity (refer to Clauses 17, 18, and 19, including Deployment Records, Approved Leave Applications, etc.).

29. The CONTRACTOR shall likewise submit a sworn certification and proof that it has complied with DOLE Department Order No. 150, Series of 2016 establishing a Retirement Trust Fund in the name for and in behalf of the Security Guards callable upon demand by the concerned security guard. Failure to comply shall cause the pre-termination or cancellation of the Contract.

30. The CONTRACTOR must ensure that emergency OSH-related services will be provided to its employees but not limited to first aid, emergency medical supplies and emergency

hospitalization assistance, confinement, and other related expenses, and such account shall be borne by the said CONTRACTOR.

31. It is expressly understood and agreed that the CONTRACTOR is not an agent or employee of PEZA and the security guards to be assigned by the CONTRACTOR to PEZA are in no case employees of the latter as they are for all intents and purposes under contract with the CONTRACTOR. The CONTRACTOR as the sole employer of all the guards assigned under this Contract shall be solely responsible and liable for strict compliance with all pertinent labor legislations, rules, and regulations. The CONTRACTOR shall hold PEZA absolutely free and clear from any liabilities or responsibilities on any claim or claims which may be filed by any of the said guards for any reason whatsoever.

32. The CONTRACTOR shall guarantee payment to PEZA, of any loss of or damage to its property provided the same occurred within the jurisdiction of the CONTRACTOR or incurred or inflicted by its guards, and it has been duly established after due investigation that said loss or damage was due to the negligence or fault of the CONTRACTOR or its guards. Provided, further that such loss, pilferage, breakage or damage on the properties involved is reported in writing to the CONTRACTOR within seven (7) working days from the occurrence or discovery thereof. When such loss or damage is caused by force majeure or fortuitous event, the CONTRACTOR shall not be in any way be held responsible. In the event the CONTRACTOR is made to pay for such loss or damage, it shall be subrogated to the rights of the PEZA against the party or parties responsible for such loss or damage.

33. The CONTRACTOR shall post a Performance Security in accordance with Section 39 of 2016 IRR of RA 9184.

34. In the event that the CONTRACTOR's license to engage in the security business is suspended, cancelled, revoked, or otherwise rendered ineffective for any reason by the Philippine National Police-Supervisory Office for Security and Investigation Agencies or the Department of Labor and Employment, the CONTRACTOR shall undertake to inform PEZA of such development. Upon written notice to PEZA, the Contract shall be automatically terminated as of the date of said suspension, cancellation, revocation or ineffectiveness.

35. The performance of the CONTRACTOR shall be rated based on a prescribed set of performance criteria on a monthly basis. PEZA may also conduct an overall annual assessment or evaluation of the performance of the CONTRACTOR and must garner an average score at least 3.0 (wherein 1.0 is the lowest and 5.0 is the highest). Based on the assessment, PEZA may pre-terminate and rescind the contract for failure by the CONTRACTOR to perform its obligation under this Terms of Reference and conform to the standards of PEZA

TABLE 3. PERFORMANCE CRITERIA

i.	Quality of service delivered
ii.	Time Management
iii.	Management and suitability of personnel
iv.	Contract administration and management
v.	Provision of regular progress reports

36. The Contract shall be effective for one (1) year. PEZA may pre-terminate or rescind the same in case of any violation on the stipulations and covenants of the Contract by the CONTRACTOR; Provided that written notice must be served by PEZA to the CONTRACTOR

at least thirty (30) days prior to the intended date of termination, and that PEZA shall be entitled to the refund of its payment including liquidated damages as herein stipulated, in addition to what may be granted and/or awarded to it in the courts of law.

37. The CONTRACTOR shall be liable for payment of liquidated damages in case of breach of any provisions of the Agreement. The amount of liquidated damages shall be at least equal to one-tenth of one (1) percent of the cost of the unperformed portion for every day of delay. Once the cumulative amount of liquidated damages reaches ten percent (10%) of the amount of the Contract, PEZA may rescind or terminate the Contract, without prejudice to other courses of action and remedies available under the circumstances such as but not limited to forfeiture of performance security and/or blacklisting of the CONTRACTOR.

38. For entitlement to such liquidated damages, PEZA need not prove the damages actually incurred. Said damages in any amount shall be deducted from any money due or which may become due the CONTRACTOR under the Contract and/or collect such liquidated damages from the retention money or other securities posted by the CONTRACTOR at the PEZA's convenience;

39. In the event that the Contract expires without a successful procurement of security services, the Contract may be extended for one (1) month, or for such period necessary until a successful procurement of security services. The extension shall be subject to termination upon thirty (30) days written notice by one party to the other. PEZA may, however, renew the contract on a monthly basis up to a maximum duration of one (1) year subject to performance evaluation and compliance with guidelines prescribed with the Revised Implementing Rules and Regulations (RIRR) of Republic Act No. 9164.

C. **QUALIFICATIONS OF CONTRACTOR** (supported by a Company Profile with required attachments):

1. Should have at least five (5) years of experience in providing security services. The contractor is to submit a list of clients with an attached photocopy of notarized contracts that would show an experience of at least five (5) years in security service.

2. Has completed, within the last five (5) years from the date of submission and receipt of bids, a single contract that is similar to the Contract to be bidded. A similar contract must be a security services contract with the value of which must be at least fifty percent 50% of the Approved Budget for the Contract (ABC);

3. Must be Eligible in the criteria provided under Section 23.4 in relation to Section 5(r) of 2016 Revised Implementing Rules and Regulations (RIRR) of Republic Act No. 9164.

4. Must be a member of the Philippine Association of Detective and Protective Agency Operators (PADPAO) in good and active standing by submitting a Certified True Copy of the PADPAO Certificate of Membership and a Certified True Copy of PADPAO Certificate of Good Standing.

5. Must be a duly registered Contractor by the Department of Labor and Employment (DOLE) by submitting a Certified True Copy of their valid DOLE D.O. 174 Certificate of Registration.

6. Must be a duly licensed and registered Contractor by the Philippine National Police (PNP) by submitting the Certified True Copy of the Agency's License to Operate as a Security Agency issued by the PNP Supervisory Office for Security and Investigation Agencies (SOSIA) and Certified True Copy of Certification from SOSIA that the Agency is not blacklisted by any government and private institution, issued not later than six (6) months from the date of the opening of bids.

7. Must be duly registered with the Social Security System (SSS), Home Development Mutual Fund (PAGIBIG), and Philippine Health Insurance Corporation (PHILHEALTH);

8. Certificate from previous contracting companies/agencies of satisfactory Performance issued by at least one (1) biggest client within the last five (5) years.

9. Agency's Organizational Set-up indicating the Names of Key Personnel and Personnel Manning its Key Offices.

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