

# Commercial Contract

## SECURITY SERVICES CONTRACT



*Empowered lives.  
Resilient nations.*



### Small and Medium Enterprises Development Authority

### Ministry of Industries & Production

### Government of Pakistan

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**January 2013**

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Pro-Gole (Right to do Business)

Legal Services, B&SDS

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### **LEGAL SERVICES, SMEDA**

The Legal Services (LS) department is a part of Business & Sector Development Services Division of the Small Medium Enterprises Development Authority and plays a key role in providing an overall facilitation and support to the small businesses. The LS believes that information dissemination among the small businesses on the existing legal & regulatory environment and business to business and business to client contracting is of paramount importance and plays a pivotal role in their sustainable development.

In order to facilitate small businesses, the LS, under the Pro-GOLE (Right to do business) project, a joint SMEDA-UNDP initiative for supporting the small businesses, has developed user-friendly contract templates.

### **Pro-GOLE, (Right to do Business)**

The UNDP has partnered with the Small and Medium Enterprises Development Authority to initiate and execute the Pillar 4 (Right to do business) component of the UNDP PRO-GOLE project which seeks to enhance the legal awareness and mobility of marginalized/ informal businesses. Under the project legal services outreach shall be extended to small businesses including home based enterprises, small shopkeepers, growers, women entrepreneurs, hawking vendors etc. In addition, small business shall be mobilized to access legal services.

### **The Need for Commercial Contracts Templates**

In an increasingly complex and competitive industry, it is vital that suppliers and purchasers are fully protected against legal and commercial risks. To counter such risks, a viable solution; available as- of the shelf commercial contract templates- will provide the users with first class ready to use support. With obligations properly set out and liabilities accurately defined, the users will be in a far better position to look after their rights and interests and move forward from their marginalized positions to being active players of the economy. The Legal Service Providers can equally take benefit of these templates for their professional and business development.

### **Disclaimer**

The information contained in this template is meant to facilitate the businesses in documenting transactions with reference to service matters. However, SMEDA, UNDP or any of their employees or representatives accept no responsibility and expressly disclaim any and all liabilities for any and all losses/shortfalls caused by or motivated by recommendations from the information contained within this document. Although SMEDA's ambition is to provide accurate and reliable information; yet, the document is not an alternative to expert legal advice and should ideally be used in conjunction with the same. Any person using this document and or benefiting from the information contained herein shall do so at his/her own risk and costs and be deemed to have accepted this disclaimer.

All information contained in this document may be freely used provided that relevant acknowledgement is accurately quoted with each usage.

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### **B1. SECURITY SERVICES CONTRACT**

**THIS SECURITY SERVICES CONTRACT** (hereinafter referred to as the "Agreement") is made at [insert place] on this \_\_\_\_ (insert date) day of \_\_\_\_\_ (insert month), 2012,

#### **BY AND BETWEEN:**

M/s [insert Name], a public/private company incorporated under the Companies Ordinance, 1984, having its registered office at [insert Address] through its [insert Designation], Mr/Mrs/Ms [insert Name];

**OR**

M/s [insert Name], a partnership concern of Mr/Mrs/Ms [insert Name] and Mr/Mrs/Ms [insert Name], having its place of business at [insert Address] through its Partner, Mr/Mrs/Ms [insert Name];

**OR**

M/s [insert Name], a sole proprietorship concern of Mr/Mrs/Ms [insert Name], having its place of business at [insert Address] through Mr/Mrs/Ms [insert Name];

(hereinafter referred to as the "Business", which expression shall, wherever the context so provides, include its assigns, nominees, agents and successors-in-interest).

**AND**

Mr/Mrs/Ms [insert Name], son/wife/daughter of [insert Name], r/o [insert Address] CNIC # [insert Number];

**OR**

M/s [insert Name], a public/private company incorporated under the Companies Ordinance, 1984, having its registered office at [insert Address] through its [insert Designation], Mr/Mrs/Ms [insert Name];

**OR**

M/s [insert Name], a partnership concern of Mr/Mrs/Ms [insert Name] and Mr/Mrs/Ms [insert Name], having its place of business at [insert Address] through its Partner, Mr/Mrs/Ms [insert Name];

**OR**

M/s [insert Name], a sole proprietorship concern of Mr/Mrs/Ms [insert Name], having its place of business at [insert Address] through Mr/Mrs/Ms [insert Name];

(hereinafter referred to as the "Service Provider", which expression shall, wherever the context so provides, include its heirs, assigns, nominees, agents and successors-in-interest).

(The Business and the Service Provider are hereinafter collectively referred to as the "Parties" and individually as the "Party".)

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**WHEREAS** the Business wishes to hire security services, including the provision of armed security guards and supervisors, as detailed in Schedule A hereto (hereinafter referred to as the "Services") from an experienced and professional security service company for the safety and protection of its employees and property at the Business' premises i.e. [insert complete address] (hereinafter referred to as the "Premises").

**AND WHEREAS** the Service Provider has represented to the Business that it is engaged in providing the Services at the premises of its clients by training and appointing its security guards and supervisor(s), and possesses adequate skill, experience and expertise in respect of the Services.

**AND WHEREAS** in reliance on the aforementioned representations of the Service Provider, the Business has agreed to accept the Services from the Service Provider on certain terms and conditions, which the Parties are desirous of reducing into writing.

**NOW, THEREFORE,** in consideration of mutual representations, it is hereby agreed by and between the Parties as follows:

## 1. APPOINTMENT

- (1) The Business hereby appoints the Service Provider for the non-exclusive provision of the Services, which appointment the Service Provider accepts hereto, subject to the terms and conditions contained herein.
- (2) The Business reserves the right to accept Services from any other Party without the prior consent of the Service Provider.

## 2. TERM

- (1) This Agreement shall remain intact for a period of [insert number] months commencing from [insert date] to [insert date] (hereinafter referred to as the "Term"). During the Term, the Services shall be provided at the Premises of the Business without any interruption.
- (2) On the expiry of the Term, this Agreement shall be renewable/extendable for a further period, and upon such terms and conditions as mutually agreed upon between the Parties.

## 3. TERMINATION

- (1) Either Party may terminate this Agreement subject to a written notice to the other Party at least [insert number] days before the date of termination proposed by the Party. In case of termination of this Agreement by mutual consent, both

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Parties will be required to send each other their accounts. After rendition of accounts, the Parties are bound to pay each other all dues within a period of 7 days.

- (2) In the event that the Service Provider shall have failed to fulfill its obligations under this Agreement for more than [insert number] days after the due date, the Business may terminate this Agreement and shall be entitled to recover all losses resulting thereof from the Service Provider.

### 4. TERMS OF PAYMENT

- (1) An amount of Rs. \_\_\_\_\_/- (Rupees \_\_\_\_\_) (insert amount) per month per armed guard, Rs. \_\_\_\_\_/- (Rupees \_\_\_\_\_) (insert amount) per armed shift Supervisor and Rs. \_\_\_\_\_/- (Rupees \_\_\_\_\_) (insert amount) for the over all In charge in lump-sum shall be payable on a monthly basis after submission of a bill/invoice by the Service Provider to the Business (if required) and the same will be paid within [insert number] days from the date of receipt of the bill.
- (2) A security deposit, equal to three-month service charges i.e. Rs. \_\_\_\_\_/- (Rupees \_\_\_\_\_) (insert amount) shall be paid in advance by the Business at the time of signing of this Agreement and the same will be refundable/adjustable at the termination of the Agreement.
- (3) If the payment of service charges, indicated in sub-Clause (1) above, is delayed more than [insert number] days by the Business, a written warning will be issued by or on behalf of the Service Provider to the Business demanding the payment of the dues. If the Business does not respond to the warning within [number] days, [insert number]% penalty will be imposed and recoverable from the Business.

### 5. CONFIDENTIALITY

- (1) All information obtained by the Service Provider in the provision of the Services under this Agreement shall remain confidential and shall not be divulged by the Service Provider to any third party either during the term of this Agreement or thereafter.
- (2) The Service Provider shall ensure that its employees and supervisors shall preserve the confidential nature of such information.

### 6. SERVICE PROVIDER'S DUTIES, WARRANTIES AND REPRESENTATIONS

- (1) The Service Provider hereby acknowledges that the function of the guards is to prevent outsiders or persons lacking proper identification from entering the

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premises of the Business. During each shift the supervisor(s), in addition to their other duties, will pay surprise visits to monitor the performance and efficiency of the guards.

- (2) The services of armed guards will form two shifts, consisting of [insert number] hours per shift in twenty-four (24) hours, and shall be provided as specified at the Premises of duty as required by the Business.
- (3) The shifts are to be arranged by the Service Provider in a reasonable manner so as to provide adequate cover for any guards on leave or other absentees .
- (4) All the essential equipment for security duties, such as 44 Bore Semi Automatic Rifle, 12 Bore Pump action Gun for a guard, 30 Bore Semi Automatic Pistol with sufficient ammunition, service card, torch, uniform, weapons/arms are to be provided by the Service Provider. The ammunition cost of the guards will be borne by the Service Provider. The Business will not provide their own weapons to the Service Provider's guards.
- (5) The Service Provider hereby further warrants and represents that it shall
  - (a) supply the Services using reasonable skill and care;
  - (b) comply with all applicable laws relating to the supply of the Services;
  - (c) provide the Services and carry out all work related thereto in a safe, workmanlike and professional manner in accordance with all applicable laws, rules and regulations as well as the best industry practice;
  - (d) be solely responsible for the performance of the Services and for the adequacy, inspection and maintenance of the resources utilized;
  - (e) in relation to the Services at all times carry out the planning and scheduling necessary to facilitate the timely and efficient provision of the Services; and
  - (f) bear all expenses associated with the personnel employed under this Agreement including all wages, salaries, taxes, benefits and allowances.

### **7. BUSINESS' RESPONSIBILITIES**

- (1) The Business shall not utilize the guards provided by the Service Provider for any illegal purposes, including *qabza*, or personal enmity.
- (2) The Business will not ask the guards to perform the duties of a house servant.
- (3) The Business shall not shift guards provided for a specified jurisdiction to any other place.
- (4) The Business will provide accommodation with the necessary facilities to the guards.
- (5) The Business will not provide any loans to the guards. If provided, the Service Provider will not be held responsible for any recovery from guards in this regard.

### **8. WAGES**

- (1) Since the Service Provider is the employer of persons providing Services specified in the Agreement, the Service Provider shall pay wages to such persons, control and supervise the work done by them, instruct them as to the manner in which the work has to be done by them and shall take such disciplinary action against them as may be warranted.

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- (2) The Business shall not interfere with the right of the Service Provider to hire and fire its employees or in the selection or non-selection of any persons as its employees.

### **9. REMEDIAL ACTION AGAINST EMPLOYEES**

If in the opinion of the Business, the presence, action or omission of any employee of the Service Provider is prejudicial to its interests, the Business shall inform the Service Provider whereupon the Service Provider shall take immediate remedial action against such employee to the possible satisfaction of the Business, and replace such employee if reasonably required.

### **10. TAXES**

The Service Provider shall be responsible for payment of all taxes/contributions required to be paid by it under relevant laws and Labor Laws of the country, such as Employees' Old Age Benefit Institution, Social Security, Education Cess and payment under the Minimum Wages Ordinance, 1936.

### **11. ASSIGNMENT**

The Parties hereby agree that either Party is allowed to assign the rights created hereunder with a written notice to the other Party. However, the obligations created hereunder cannot be assigned by either Party without prior written consent of the other Party. Any unauthorized assignment or attempt to assign the obligations will render the other Party the right to terminate this Agreement.

### **12. INSURANCE**

The Parties shall effect and maintain during the period of this Agreement a policy or policies of relevant types of insurance to cover liabilities for personal injury (including injury and loss of life) and for property damage for all claims arising out of willful or negligent acts or omissions of their employees. The Parties shall furnish each other with certificates issued by or on behalf of the insurance company evidencing such coverage.

### **13. INDEMNIFICATION**

- (1) The Service Provider shall indemnify, hold harmless and defend the Business and its officers, employees and representatives from and against any claim, demand, cause of action, loss, expense or liability (including but not limited to the cost of litigation) arising by reason of:

(a) Non-compliance with Laws

Claims by governmental authorities or others of any actual or asserted failure of the Service Provider to comply with any law, regulation, rule or order of any governmental or judicial body; and

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### (b) Injury to Employees and Damage to Property of the Business

Injury to or death of persons employed by or damage to or loss or destruction of property of the Business its agents, guests or suppliers, irrespective of any contributory negligence, whether active or passive, of the Party to be indemnified, unless such injury, death, damage, loss or destruction was caused by the sole negligence or willful misconduct of the Party which would otherwise be indemnified.

### (c) Other Injury and Property Damage

The Service Provider hereby agrees to indemnify the Business for personal injury and/or property damage of third parties arising out of the Service Provider's negligence during the provision of the Services.

## **14.FORCE MAJEURE**

- (1) Force Majeure shall mean any event that is beyond the reasonable control of a Party, or the effects of which adversely affect the performance by such Party of its obligations under this Agreement, including, but not limited to, acts of God, sabotage, insurrection, terrorism, riots, hostilities or war (whether declared or not), acts of the public enemy, civil disturbances, any kind of fire, explosion, flood or accidental damage, epidemics, landslides, washouts, lightening, storms, earthquakes, lockouts, blockades, shortage of labor or material, major equipment failure, or other causes beyond the control of the Party affected.
- (2) Notwithstanding anything contained hereinabove, neither Party shall be liable to the other if it is unable to perform any of its obligations under this Agreement due to the occurrence of Force Majeure.
- (3) The Party affected by the Force Majeure event shall be entitled to suspend performance of its obligations under the Agreement to the extent that such performance is impeded or made impossible by the events of Force Majeure.
- (4) Each Party shall give a notice within [insert number] days of the occurrence of the event of Force Majeure and shall promptly thereafter consult the other Party for the purpose of finding a mutually acceptable solution to the Force Majeure event.

## **15.CHANGE IN REQUIREMENTS**

A change in requirements of the Business in respect of the Services shall be communicated to the Service Provider via the Business's authorized representative [insert number] days in advance and the Service Provider shall mobilize the required personnel within [insert number] days.



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## 16. GOVERNING LAW & JURISDICTION

- (1) This Agreement shall be interpreted in accordance with the laws of Pakistan.
- (2) This Agreement is made at [insert place] and the Courts at [insert place] shall have sole and exclusive jurisdiction for any dispute arising out of this Agreement.

## 17. DISPUTE RESOLUTION

Any dispute, controversy or claim arising out of or relating to this Agreement or the breach, termination or invalidity thereof, shall be settled by arbitration in accordance with the Pakistan Arbitration Act, 1940, subject to the exclusive jurisdiction of the Courts of [insert place].

## 18. ENTIRE AGREEMENT

This Agreement embodies the entire understanding between the Parties hereto on this subject and there are no commitments, terms, conditions, obligations, oral or written, express or implied, other than those contained therein.

**IN WITNESS WHEREOF**, the Parties hereto have executed this Agreement at the place and on the date mentioned hereinabove.

\_\_\_\_\_  
for and on behalf of  
the Business

\_\_\_\_\_  
for and on behalf of  
the Service Provider

Witnesses:

1. \_\_\_\_\_

2. \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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## **SCHEDULE A**

### **SCOPE OF SERVICES**