



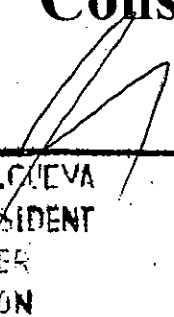
REPUBLIC OF THE PHILIPPINES
Department of Budget and Management
Malacañang, Manila
Telephone Nos. 735-49-02/735-4921 Fax No. 735-4979
Website Address: www@dbm.gov.ph

**TPF 1. TECHNICAL PROPOSAL SUBMISSION
FORM**

For the

DEPARTMENT OF BUDGET AND MANAGEMENT

**Document Management System
Consultancy Project**


EISEN VICENTE A. BALOCUEVA
ASSISTANT VICE PRESIDENT
UBIX DATA CENTER
UBIX CORPORATION

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**CONTRACT FOR THE
DOCUMENT MANAGEMENT SYSTEM PROJECT**

2011

KNOW ALL MEN BY THESE PRESENTS:

This Contract made and entered into by and between:

DEPARTMENT OF BUDGET AND MANAGEMENT, a government agency created by virtue of the laws of the Republic of the Philippines, with principal office address at Mabini Hall, Malacañang, Manila, represented herein by its Chief Information Officer, Undersecretary **RICHARD E. MOYA**, hereinafter called "**DBM**";

- and -

U-BIX CORPORATION, with office address at 1331 Angono Street, Poblacion, Makati City represented by its Assistant Vice President, **EISEN VICENTE A. BALCUEVA**, hereinafter referred to as "**U-BIX**".

WITNESSETH:

WHEREAS, the DBM Bids and Awards Committee (BAC) publicly bid the Document Management System Consultancy Project with an Approved Budget for the Contract (ABC) of P12,000,000;

WHEREAS, the Request for Expression of Interest was advertised in the Philippine Star, posted on the Philippine Government Electronic Procurement System and DBM Websites, and in all DBM Bulletin Boards last June 6, 2011;

WHEREAS, upon examination of Eligibility Documents, three prospective bidders, namely: (i) LAS Management & General Services Inc.; (ii) U-BIX; and (iii) Joint Venture of Incuventure Partners Corporation and Imaging Works Inc. were included in the short list for the project;

WHEREAS, upon careful evaluation and examination of technical and financial proposals using the Quality Cost Based Evaluation procedure, the BAC found the submission of U-BIX as the Highest Rated and Responsive Bid with a financial proposal of Six Million Forty Three Thousand Two Hundred Forty Eight Pesos and Ninety Six Centavos (P6,043,248.96);

WHEREAS, the Notice of Award was issued last September 19, 2011;

WHEREAS, U-BIX submitted its Performance Security last September 21, 2011;

NOW, THEREFORE, for and in consideration of the foregoing premises, the parties hereby mutually stipulate and agree as follows:

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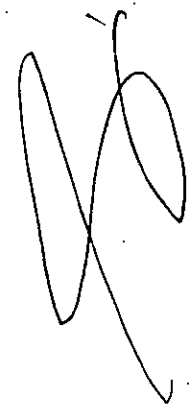
Article 1- Contract Agreement

- 1.1 **Effectivity of Contract.** This Contract shall take effect on the date specified in the Notice to Proceed.
- 1.2 **Commencement of Services.** U-BIX shall begin carrying out the Services specified under this Contract from the effectivity date of this Contract.
- 1.3 **Attachments to the Contract.** The following documents shall be deemed to form and be read and construed as part of this Contract, namely:

<u>Annex</u>	<u>Description of Document</u>
A	Terms of Reference
B	Request for Expression of Interest
C	Instructions to Bidders
D	Bid Data Sheet
E	Supplemental Bid Bulletin No. 1 dated 3 August 2011
F	Eligibility Documents
G	Technical Proposal Forms submitted by U-BIX
G-1	Team Composition and Tasks
G-2	Services and Facilities to be provided by DBM
G-3	Time Schedule for Professional Personnel
G-4	Revised Work Schedule
H	Financial Proposal Forms submitted by U-BIX
H-1	Summary of Costs
I	Performance Security
J	Notice of Award

- 1.4 **Definition of Terms.** When referred to in this Contract, the following shall mean:
 - 1.4.1 **Applicable Law** shall refer to the laws and any other instruments having the force of law in the Philippines as they may be issued and enforced from time to time.
 - 1.4.2 **Contract** means this agreement signed by DBM and U-BIX, and to which the bidding documents and all other documents under Article 1.3 are attached.
 - 1.4.3 **Effective Date** shall refer to the date on which this Contract comes into full force and effect.
 - 1.4.4 **Funding Source** shall refer to the Government of the Philippines (GOP)
 - 1.4.5 **Government** shall refer to the GOP.
 - 1.4.6 **Party** shall refer to DBM or U-BIX, as the case may be, and **Parties** shall mean both of them.

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- 1.4.7 **Personnel** shall refer to persons hired by U-BIX or by any Sub-Consultant as employees and assigned to the performance of the Services or any part thereof; and the **Key Personnel** means the Personnel referred to in Article 3.6.2 of this Contract.
- 1.4.8 **Services** shall refer to the work to be performed by U-BIX pursuant to this Contract, as described in *Annex A – Terms of Reference* and *Annex E - Supplemental Bid Bulletin*.
- 1.4.9 **Sub-Consultant** means any person or entity to whom U-BIX subcontracts any part of the Services in accordance with Article 3.7 of the Contract.
- 1.4.10 **Third Party** shall refer to any person or entity other than the Government, the DBM, the U-BIX or a Sub-Consultant.
- 1.5 **Headings.** The headings shall not limit, alter nor affect the meaning of this Contract.
- 1.6 **Law Governing Contracts and Services.**
- 1.6.1 This Contract, its meaning and interpretation, and the relation between the Parties shall be governed by the relevant laws and other issuances.
- 1.6.2 U-BIX shall perform the Services in accordance with the Applicable Laws and shall take all practicable steps to ensure that any Sub-Consultant, as well as Personnel of U-BIX and any Sub-Consultant, complies with the Applicable Laws. DBM shall notify U-BIX in writing of the relevant local customs, and U-BIX shall, after such notification, respect such customs.
- 1.6.3 After the Effective Date, should there be any change in the Applicable Laws with respect to taxes and duties which increases or decreases the cost incurred by U-BIX in performing the Services, the remuneration otherwise payable to U-BIX under this Contract shall be increased or decreased on a no loss-no gain basis, and the corresponding adjustments shall be made to the ceiling amounts specified in Article 6.1 of the Contract, provided that the cost is within the ABC.
- 1.7 **Good Faith.** The Parties undertake to act in good faith with respect to each other's rights under this Contract and to adopt all reasonable measures to ensure the realization of the objectives of this Contract.
- 1.8 **Operation of the Contract.** The Parties recognize that it is impractical for this Contract to provide for every contingency which may arise during the life of this Contract, and the Parties hereby agree that it is their intention that this Contract shall operate fairly as between them, and without detriment to the interest of either of them. Thus, if during the term of this Contract, either Party believes that this Contract is operating unfairly, the Parties shall use their best

efforts to agree on such action as may be necessary to remove the cause or causes of such unfairness, but no failure to agree on any action pursuant to this Article shall give rise to a dispute subject to arbitration in accordance with Article 10 of the Contract.

- 1.9 **Language.** This Contract has been executed in the English language, which shall be the binding and controlling language for all matters relating to the meaning or interpretation of this Contract.
- 1.10 **Modification.** The terms and conditions of this Contract, including the scope of the Services may be modified during contract implementation. Pursuant to Article 1.6, each Party shall give due consideration to any proposal for modification made by the other Party. Any such modification shall become effective upon the execution of a written agreement between the Parties.
- 1.11 **Entire Agreement.** This Contract, including the documents specified in Article 1.3, contains all covenants, stipulations and provisions agreed by the Parties. No agent or representative of either Party has authority to make any statement, representation, promise, or agreement not set forth herein of which the Parties shall not be bound by or be liable for.

Article 2- Parties to the Contract

- 2.1 **Authorized Representatives.** Any action required or permitted to be taken, and any document required or permitted to be executed, under this Contract by the Parties may be taken or executed by the following officials:

For DBM: Undersecretary Richard E. Moya
Chief Information Officer
Mabini Hall, General Solano Street, Manila
Fax No. 735-49-29

For U-BIX: Mr. Eisen Vicente A. Bulcueva
Assistant Vice President and General Manager
1331 Angono Street, Poblacion, Makati City
Fax No. 896-4202

- 2.2 **Relationship of Parties.** Nothing contained herein shall be construed as establishing a relation of employer and employee or of principal and agent as between the DBM and U-BIX. U-BIX shall have complete charge of its Personnel and Sub-Consultants, if any, performing the Services and shall be fully responsible for the Services performed by them or on their behalf hereunder.

U-BIX shall, during the performance of the Services, be considered as an independent contractor, retaining complete control over its personnel, in conformity with all statutory requirements with respect to all its employees, and providing all appropriate employee benefits.

2.3 Consultants and Affiliates Not to Engage in Certain Activities.

2.3.1 U-BIX agrees that, during the term of this Contract and after its termination, it and any entity affiliated with it, as well as any Sub-Consultant and any entity affiliated with such Sub-Consultant, shall be disqualified from providing goods, works, or consulting services for any project resulting from or closely related to this Contract other than the Services and any continuation thereof provided there is no current or future conflict.

2.3.2 U-BIX shall not engage, and shall cause their Personnel as well as their Sub-Consultants and their Personnel not to engage, either directly or indirectly, in any of the following activities: (i) during the term of this Contract, any business or professional activities in the Government's country which would conflict with the activities assigned to them under this Contract; and (ii) for a period of two years after the termination of this Contract, in the activity of a purchaser (directly or indirectly) of the assets on which they advised DBM under this Contract nor in the activity of an adviser (directly or indirectly) of potential purchasers of such assets. U-BIX also agrees that their affiliates shall be disqualified for the same period of time from engaging in the said activities.

2.4 Notices

2.4.1 Any notice, request or consent required or permitted to be given or made pursuant to this Contract shall be in writing. Any such notice, request or consent shall be deemed to have been given or made when received by the concerned party, either in person or through an authorized representative/s of the Party to whom the communication is addressed, or when sent by registered mail, telex, telegram or facsimile to such Party at the address specified in this Contract.

2.4.2 Notice shall be deemed to be effective as follows: (i) in case of personal delivery or registered mail, on date of delivery; (ii) in case of facsimile, within 24 hours following confirmed transmission; or (iii) in case of telegrams, within 24 hours following confirmed transmission.

2.4.3 A Party may change its address for notice hereunder by giving the other Party notice of such change. The said notice shall be deemed to take effect pursuant to Article 2.4.2 of this Contract.

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Article 3- Duties and Obligations of U-BIX

3.1 Warranty as to Eligibility

- 3.1.1 U-BIX represents, warrants, and confirms that it, as well as its Sub-Consultant, if any, is eligible, *i.e.*, has the legal personality to act as a consultant in accordance with *Annex B- Request for Expression of Interest and Annex F - Eligibility Documents*.
- 3.1.2 U-BIX shall fulfill its obligations under this Contract by using knowledge according to the best accepted professional standards. It shall exercise all reasonable skill, care and diligence in the discharge of duties agreed to be performed and shall work in the best interest of the GOP.

3.2 Insurance to be Taken Out by U-BIX

- 3.2.1 U-BIX, at its own cost, shall be responsible for taking out or maintaining any insurance policy against any risk related to the project.
- 3.2.2 DBM undertakes no responsibility in respect of life, health, accident, travel or any other insurance coverage for U-BIX's Personnel or for the dependents of any such Personnel.

3.3 Location. The Services shall be performed at such locations as are specified in *Annex A - Terms of Reference* and, where the location of a particular task is not so specified, at such locations, whether in the Philippines or elsewhere, as the DBM may approve.

3.4 Documents Prepared by U-BIX and Software Developed to be the Property of DBM

- 3.4.1 All plans, drawings, specifications, designs, reports, other documents and software prepared by U-BIX for DBM under this Contract, including but not limited to (i) System Design, (ii) Functional Design, (iii) Database Design, (iv) Program Source Code, (v) Proprietary software, tools and other related digital assets, including documentation and licenses, if any, for the use, support and operation of the foregoing applications and tools, shall become and remain the property of DBM. U-BIX shall, prior to termination or expiration of this Contract, deliver all such documents to DBM, together with a detailed inventory thereof. U-BIX may retain a copy of such documents and software.
- 3.4.2 All computer programs developed by U-BIX under this Contract shall be the sole and exclusive property of DBM: PROVIDED, however, that U-BIX may use such programs for its own use upon prior written approval of DBM. If license agreements are necessary or appropriate between U-BIX and Third Parties for developing any such computer programs, U-BIX shall obtain DBM's prior written approval to such agreements. In such

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cases, DBM shall be entitled at its discretion to require recovery of any expenses related to the development of the program(s) concerned.

3.5 **Consultant's Actions Requiring DBM's Approval.** U-BIX shall obtain DBM's prior approval in writing before taking any of the following actions:

- 3.5.1 appointing such members of the Personnel as provided under *Annex G-1 - Team Composition and Tasks*, by title but not by name;
- 3.5.2 entering into a subcontract for the performance of any part of the Services, it being understood that: (i) the selection of the Sub-Consultant and the terms and conditions of the subcontract shall have been approved in writing by DBM prior to its execution; and (ii) U-BIX shall remain fully liable for the performance of the Services by the Sub-Consultant and its personnel pursuant to this Contract;
- 3.5.3 replacement for any reason of the Personnel as already approved by DBM, at any stage during the implementation of the contract;
- 3.5.4 when required under Article 5 or any other agreement that may be signed by the Parties to protect confidential information; and
- 3.5.5 when using this Contract as a reference in marketing collateral, other business ventures, and corporate profile. However, U-BIX without securing prior written approval from DBM, may use this Contract as reference when participating in any public bidding under Republic Act (R.A.) No. 9184 and its Implementing Rules and Regulations (IRR).

3.6 **Personnel**

- 3.6.1 U-BIX shall employ and provide such qualified and experienced Personnel and Sub-Consultants as are required to carry out the Services.
- 3.6.2 The title, agreed job description, minimum qualification and estimated period of engagement in the carrying out of the Services of each of U-BIX's Key Personnel are described in *Annex G-1 - Team Composition and Tasks*.
- 3.6.3 The Key Personnel and Sub-Consultants listed by title as well as by name, in *Annex G-1 - Team Composition and Tasks* are hereby approved by DBM. In respect of other Key Personnel which U-BIX proposes to use in the carrying out of the Services, it shall submit to DBM for review and approval a copy of their biographical data. If DBM does not object in writing, or if it objects in writing but fails to state the reasons for such

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objection, within twenty-one (21) calendar days from the date of receipt of such biographical data and, if applicable, such certificate, the Key Personnel concerned shall be deemed to have been approved by the DBM.

3.6.4 DBM may request U-BIX to perform additional services not covered by the original scope of work but are determined by DBM to be critical for the satisfactory completion of the Services, subject to Article 1.10 of the Contract.

3.6.5 No changes shall be made in the Key Personnel, except for justifiable reasons or beyond the control of U-BIX, such as (i) death, (ii) serious illness, (iii) incapacity of an individual consultant, or (iv) until after fifty percent (50%) of the personnel's man-months have been served, and only upon prior approval of DBM. If it becomes justifiable and necessary to replace any of the Personnel, U-BIX shall forthwith provide, as a replacement, a person of equivalent or better qualifications. If U-BIX introduces changes in the Key Personnel for reasons other than those mentioned above, U-BIX shall be liable for the imposition of damages equal to the refund of the replaced personnel's basic rate, which should be at least fifty percent (50%) of the total basic rate for the duration of the engagement.

3.6.6 The rate of remuneration applicable to any of the Personnel provided as a replacement under Articles 3.6.5 and 3.6.7 of this Contract, as well as any reimbursable expenditures U-BIX may wish to claim as a result of such replacement, shall be subject to prior written approval of DBM. Except when otherwise agreed upon by DBM, U-BIX shall bear all additional travel and other costs arising out of or incidental to any removal and/or replacement, and the remuneration to be paid for any of the Personnel provided as a replacement shall not exceed the remuneration which would have been payable to the Personnel replaced.

3.6.7 If DBM finds that any of the Personnel has committed serious misconduct or has been charged with having committed a criminal action as defined in the relevant laws, or has reasonable cause to be dissatisfied with the performance of any of the Personnel, then U-BIX shall, at DBM's written request, specifying the grounds therefor, forthwith provide as a replacement a person with qualifications and experience acceptable to DBM.

3.7 **Subcontract**

Subcontracting of any portion of the Consulting Services, does not relieve U-BIX of any liability or obligation under this Contract. U-BIX will be responsible for the acts, defaults, and negligence of any Sub-Consultant, its agents, servants or workmen as fully as if these were

U-BIX's own acts, defaults, or negligence, or those of its agents, servants or workmen.

3.8 Standard of Performance

3.8.1 U-BIX shall perform the Services and carry out their obligations hereunder with all due diligence, efficiency and economy, in accordance with generally accepted professional techniques and practices, and shall observe sound management practices, and employ appropriate advanced technology and safe and effective equipment, machinery, materials and methods.

3.8.2 U-BIX shall always act, in respect of any matter relating to this Contract or to the Services, as faithful advisers to DBM, and shall at all times support and safeguard DBM's legitimate interests in any dealings with Sub-Consultants or Third Parties.

3.8.3 U-BIX shall furnish DBM such information related to the Services as DBM may from time to time reasonably requests.

3.8.4 U-BIX shall at all times cooperate and coordinate with DBM with respect to the carrying out of its obligations under this Contract.

3.9 Consultant Not to Benefit from Commissions, Discounts, etc.

The remuneration of U-BIX pursuant to Article 6 of the Contract shall constitute U-BIX's sole remuneration in connection with this Contract or the Services and, subject to Article 3.10 of this Contract, U-BIX shall not accept, for their own benefit, any trade commission, discount or similar payment in connection with activities pursuant to this Contract, to the Services, or in the discharge of their obligations hereunder, and it shall use its best efforts to ensure that any Sub-Consultants, as well as the Personnel and agents of either of them, shall not receive any such additional remuneration.

3.10 Procurement by U-BIX. If U-BIX, as part of the Services, has the responsibility of advising or procuring goods, works or services, for DBM, it shall comply with any applicable procurement guidelines of the Funding Source, and shall at all times exercise such responsibility in the best interest of the DBM. Any discounts or advantages obtained by U-BIX in the exercise of such procurement responsibility shall be for the benefit of DBM.

3.11 Specifications and Designs

3.11.1 U-BIX shall prepare all specifications and designs using the metric system and shall embody the best design criteria applicable to Philippine conditions. It shall specify standards which are accepted and well-known among industrial nations.

3.11.2 U-BIX shall ensure that the specifications and designs and all documentation relating to procurement of goods and services

for this Contract are prepared on an impartial basis so as to promote national and international competitive bidding.

3.12 **Reports and Deliverables.** U-BIX shall submit to DBM the reports, deliverables and documents in English, in the form, in the numbers, and within the time periods set forth under *Annex G-4 - Revised Work Schedule*.

3.13 **Accounting, Inspection and Auditing**

3.13.1 U-BIX shall:

- (a) keep accurate and systematic accounts and records in respect of the Services hereunder, in accordance with internationally accepted accounting principles, and in such form and detail as shall clearly identify all relevant time changes and costs, and the bases thereof;
- (b) permit DBM or its designated representative/s and or the designated representative/s of the Funding Source at least once for short-term Contracts, and annually in the case of long-term Contracts, and up to one year from the expiration or termination of this Contract, to inspect the same and make copies thereof as well as to have them audited by auditors appointed by DBM; and
- (c) permit the Funding Source to inspect U-BIX's accounts and records relating to the performance of U-BIX and to have them audited by auditors approved by the Funding Source, if so required.

3.13.2 The basic purpose of this audit is to verify payments under this Contract and, in this process, to also verify representations made by U-BIX in relation to this Contract. U-BIX shall cooperate with and assist DBM and its authorized representative/s in making such audit. In the event the audit discloses that U-BIX has overcharged DBM, it shall immediately reimburse DBM an amount equivalent to the amount overpaid. If overpayment is a result of U-BIX having been engaged in what the DBM (or, as the case may be, the Funding Source) determines to constitute corrupt, fraudulent, or coercive practices, as defined in Article 8.3.5 of the Contract and under the Applicable Laws, DBM shall, unless it decides otherwise, terminate this Contract.

3.13.3 The determination that U-BIX has engaged in corrupt, fraudulent, coercive practices shall result in DBM and/or the Funding Source seeking the imposition of the maximum administrative, civil and criminal penalties up to and including imprisonment.

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Article 4- Duties and Obligations of DBM

- 4.1 **Equipment and Materials Furnished by DBM.** Equipment and materials made available to U-BIX by DBM, or purchased by U-BIX with funds provided by DBM, shall be the property of DBM and shall be marked accordingly. Upon termination or expiration of this Contract, U-BIX shall make available to DBM an inventory of such equipment and materials and shall dispose of such equipment and materials in accordance with DBM's instructions. While in possession of such equipment and materials, it shall unless otherwise instructed by DBM in writing, shall insure it, at the expense of DBM, an amount equal to their full replacement value.
- 4.2 **Services, Facilities and Property of DBM.** DBM shall make available to U-BIX and its Personnel, for the purposes of the Services and free of any charge, the services, facilities and property described in *Annex G-2 - Services and Facilities to be provided by DBM* at the terms and in the manner specified in said Annex, provided that if such services, facilities and property shall not be made available to U-BIX as and when so specified, the Parties shall agree on:
- 4.2.1 any time extension that it may be appropriate to grant U-BIX for the performance of the Services;
- 4.2.2 the manner in which U-BIX shall procure any such services, facilities and property from other sources; and
- 4.2.3 the additional payments, if any, to be made to U-BIX as a result thereof which should be within the ABC.
- 4.3 **Working Hours, Overtime, Leave, etc.**
- 4.3.1 Working hours and holidays for Key Personnel are set forth in the Applicable Laws and issuances. Any travel time prior to and after contract implementation shall not be considered as part of working hours.
- 4.3.2 The Key Personnel shall not be entitled to claim payment for overtime work, sick leave, or vacation leave from DBM since these items are already covered by U-BIX's remuneration. All leaves to be allowed to the personnel are included in the staff-months of service set forth under this Contract and as specified in *Annex G-3 - Time Schedule for Professional Personnel*. Taking of leave by any Personnel should not delay the progress and adequate supervision of the Services.
- 4.3.3 If required to comply with Article 3.8.1 of this Contract, adjustments with respect to the estimated periods of engagement of Key Personnel may be made by U-BIX without prior written notice to DBM, provided that:

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(a) such adjustments shall not alter the originally estimated period of engagement of any individual by more than ten percent (10%); and

(b) the aggregate of such adjustments shall not cause payments under this Contract to exceed the contract cost set forth under Article 6.1 of this Contract.

Any other such adjustments shall only be made with DBM's prior written approval.

4.4 Counterpart Personnel

4.4.1 If so provided under this Contract, DBM shall make available to U-BIX, free of charge, Counterpart Personnel to be selected by DBM, with U-BIX's advice. Counterpart Personnel shall work with U-BIX. If any member of the Counterpart Personnel fails to perform adequately any work assigned to such member by U-BIX, which is consistent with the position occupied by such member, U-BIX may request the replacement of such member, and DBM shall not unreasonably refuse to act upon such request.

4.4.2 The responsibilities of the Counterpart Personnel shall be specified in *Annex G-2 - Services and Facilities to be provided by DBM*, and the Counterpart Personnel shall not perform any work beyond the said responsibilities.

4.4.3 If Counterpart Personnel are not provided by DBM to U-BIX, and or if the Counterpart Personnel lacks the necessary training, experience or authority to effectively undertake their responsibilities, DBM and U-BIX shall agree on how the affected part of the Services shall be carried out, and the additional payments, if any, to be made by DBM to U-BIX as a result thereof pursuant to Article 6.1 hereof.

4.5 Assistance by DBM on Government Requirements

DBM may assist U-BIX, its Sub-Consultants, and its respective personnel in the payment of such taxes, duties, fees and other impositions as may be levied under Applicable Laws by providing information on the preparation of necessary documents for payment thereof.

4.6 **Access to Land.** DBM warrants that U-BIX shall have, free of charge, unimpeded access to all lands in the Philippines in respect of which access is required for the performance of the Services. DBM shall be responsible for any damage to such land or any property thereon resulting from such access and shall indemnify U-BIX and each of its personnel in respect of liability for any such damage, unless such damage is caused by the default or negligence of U-BIX, any Sub-Consultant, or its personnel of either of them.

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Article 5- Confidentiality

- 5.1 Except with the prior written consent of DBM, U-BIX and its Personnel shall not at any time communicate to any person or entity any confidential information acquired in the course of the Services, nor shall U-BIX and its personnel make public the recommendations formulated in the course of, or as a result of, the Services. For purposes of this clause, "confidential information" means any information or knowledge acquired by U-BIX and/or its personnel arising out of, or in connection with, the performance of the Services under this Contract that is not otherwise available to the public.
- 5.2 U-BIX acknowledges that all information such as, but not limited to, systems, processes, reports, correspondences, emails, faxes, documentation and other works in connection with its Services under this Contract (collectively referred to as "Information Resource") shall be the property of DBM, and U-BIX acquires no right, title or interest therein. U-BIX covenants that it shall not use, copy, disclose, distribute, store, retrieve or destroy any such information for any purpose without the prior written consent of DBM. For this purpose, U-BIX shall require all Personnel who shall be assigned in this Project to sign a Non-Disclosure Agreement, containing such terms and conditions as DBM may reasonably deem necessary, to ensure protection of any Confidential Information or Information Resource. This obligation will be strictly interpreted and shall survive the termination of this Contract.

Article 6- Consideration and Payment

6.1 Contract Cost

- 6.1.1 Except as may be otherwise agreed under Articles 1.10 and 3.6.4 of this Contract, payments under this Contract shall not exceed Six Million Forty Three Thousand Two hundred Forty Eight Pesos and Ninety Six Centavos (P6,043,248.96).
- 6.1.2 In consideration of the Services performed by U-BIX under this Contract, DBM shall make to U-BIX such payments and in such manner as is provided under Article 6.2 of this Contract. However, DBM may refuse to make payments when the terms and conditions of the contract are not satisfactorily performed by U-BIX.
- 6.1.3 The cost of the Services shall be payable in Philippine Pesos.
- 6.1.4 Payment of Services do not relieve U-BIX of any obligation hereunder.

6.2 Schedule of Payments

- 6.2.1 Document Scanning and Data Capture Services

DBM shall pay U-BIX based on the actual number of pages scanned per month at the rate specified under *Annex H-1 - Summary of Costs*.

6.2.2 Software Development and Other Professional Services

Payment shall be made in accordance with the schedule provided under *Annex A - Terms of Reference*.

6.2.3 Billings and payments in respect of the Services shall be made as follows:

(a) Not later than five (5) calendar days after the end of each calendar month during the period of the Services, U-BIX shall submit to DBM, in duplicate, itemized statements, accompanied by copies of receipted invoices, vouchers and other appropriate supporting materials, of the amounts payable under this Contract for such month.

(b) Issuance of Certificate of Acceptance by DBM.

i. With respect to document scanning and data capture services, the Certificate of Acceptance as to the works accomplished and the amount to be paid to U-BIX shall be issued not later than fifteen (15) calendar days from receipt of the foregoing documents;

ii. With respect to software development and other professional services, any request for payment must already be supported by a Certificate of Acceptance. However, DBM shall issue a Certificate of Acceptance or explain in writing why it is unable to issue said certificate not later than fifteen (15) calendar days from date of receipt by the DBM of the relevant reports required under *Annex-A- Terms of Reference*.

(c) DBM shall cause the payment of U-BIX's monthly statements within sixty (60) days after the receipt by the DBM of such statements with supporting documents. Only such portion of a monthly statement that is not satisfactorily supported may be withheld from payment. Should any discrepancy be found to exist between actual payment and costs authorized to be incurred by U-BIX, DBM may add or subtract the difference from any subsequent payments.

6.3 **Final Payment**

6.3.1 The final payment shall be made only after the final report and final statement, identified as such, shall have been submitted by U-BIX and approved as satisfactory by DBM. The Services shall be deemed completed and finally accepted by DBM and the final report and final statement shall be deemed

approved by the DBM as satisfactory ninety (90) calendar days after receipt of the final report and final statement by DBM unless, within such ninety (90)-day period, DBM gives written notice to U-BIX specifying in detail deficiencies in the Services, the final report or final statement. U-BIX shall thereupon promptly make any necessary corrections within a maximum period of ninety (90) calendar days, and upon completion of such corrections, the foregoing process shall be repeated.

Upon approval by the DBM of the foregoing final report and final statement, U-BIX shall issue a Certificate of Deletion in favor of DBM attesting among others, the removal/deletion of all data from all U-BIX owned scanning and indexing workstations.

- 6.3.2 Any amount which DBM has paid or caused to be paid in accordance with this clause in excess of the amounts actually payable in accordance with the provisions of this Contract shall be reimbursed by U-BIX to the DBM within thirty (30) days after receipt by U-BIX of notice thereof. Any such claim by DBM for reimbursement must be made within twelve (12) calendar months after receipt of a final report and a final statement approved by DBM in accordance with the above.

Article 7 – Performance Security.

- 7.1 Within ten (10) calendar days from receipt of the Notice of Award from DBM but in no case later than the signing of the contract by both parties, U-BIX shall furnish the performance security in any the forms prescribed in Section 39.2 of the IRR of R.A. No. 9184.
- 7.2 The performance security posted in favor of DBM shall be forfeited in the event it is established that U-BIX is in default in any of its obligations under the Contract.
- 7.3 The performance security shall remain valid until issuance by DBM of the Certificate of Final Acceptance.
- 7.4 The performance security may be released by DBM and returned to U-BIX after issuance of the Certificate of Final Acceptance subject to the following conditions:
- 7.4.1 There are no pending claims against U-BIX or the surety company filed by DBM; and
- 7.4.2 U-BIX has no pending claims for labor and materials filed against it.
- 7.5 In case of a reduction of the contract value, DBM shall allow a proportional reduction in the original performance security, provided that any such reduction is more than ten percent (10%) and that the aggregate of such reductions is not more than fifty percent (50%) of the original performance security.



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Article 8- Contract Termination

8.1 **Expiration of Contract.** Unless sooner terminated pursuant to Articles 8.3 and 8.4, or extended under Article 1.10 hereof, this Contract shall terminate eight (8) months from Effectivity Date of this Contract.

8.2 **Force Majeure**

8.2.1 For purposes of this Contract the terms "force majeure" and "fortuitous event" may be used interchangeably. In this regard, a fortuitous event or force majeure shall be interpreted to mean an event which U-BIX could not have foreseen, or which though foreseen, was inevitable. It shall not include ordinary unfavorable weather conditions and any other cause the effects of which could have been avoided with the exercise of reasonable diligence by U-BIX.


8.2.2 The failure of a Party to fulfill any of its obligations hereunder shall not be considered to be a breach of, or default under, this Contract insofar as such inability arises from an event of force majeure: provided, that the Party affected by such an event has taken all reasonable precautions, due care and reasonable alternative measures, all with the objective of carrying out the terms and conditions of this Contract.

8.2.3 Unless otherwise agreed herein, force majeure shall not include:

- (a) any event which is caused by the negligence or intentional action of a Party or such Party's Sub-Consultants or agents or employees;
- (b) any event which a diligent Party could reasonably have been expected to both take into account at the time of the conclusion of this Contract and avoid or overcome in the carrying out of its obligations hereunder;
- (c) insufficiency of funds or failure to make any payment required hereunder; or
- (d) DBM's failure to review, approve or reject the outputs of U-BIX beyond a reasonable time period.

8.2.4 A Party affected by an event of force majeure shall take all reasonable measures to remove such Party's inability to fulfill its obligations hereunder immediately or within a reasonable time.

8.2.5 A Party affected by an event of force majeure shall notify the other Party of such event as soon as possible, and in any event not later than fifteen (15) calendar days following the occurrence of such event, providing evidence of the nature



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and cause of such event, and shall similarly give notice of the restoration of normal conditions as soon as possible.

8.2.6 The Parties shall take all reasonable measures to minimize the consequences of any event of force majeure.

8.2.7 Any period within which a Party shall, pursuant to this Contract, complete any action or task, shall be extended for a period equal to the time during which such Party was unable to perform such action as a direct and proximate result of force majeure.

8.2.8 During the period of their inability to perform the Services as a direct and proximate result of an event of force majeure, U-BIX shall be entitled to continue receiving payment under the terms of this Contract as well as to be reimbursed for additional costs reasonably and necessarily incurred by it during such period for the purposes of the Services and in reactivating the Services after the end of such period, provided that such costs are still within the total contract price. However, the foregoing provision shall not apply if DBM suspends or terminates this Contract in writing, notice thereof duly received by the U-BIX, pursuant to Articles 8.3 and 8.6 of the Contract, with the exception of the direct and proximate result of force majeure.

8.2.9 Not later than fifteen (15) calendar days after U-BIX, as the direct and proximate result of an event of force majeure, has become unable to perform a material portion of the Services, the Parties shall consult with each other with a view to agreeing on appropriate measures to be undertaken, considering the said circumstances.

8.2.10 In the case of disagreement between the Parties as to the existence, or extent of force majeure, the matter shall be submitted to arbitration in accordance with Article 10 of this Contract.

8.3 **Termination by DBM.** DBM shall terminate this Contract when any of the following conditions attends its implementation:

8.3.1 Outside of force majeure, U-BIX fails to deliver or perform the outputs and deliverables within the period(s) specified in the Contract, or within any extension thereof granted by DBM pursuant to a request made by U-BIX prior to the delay;

8.3.2 As a result of force majeure, U-BIX is unable to deliver or perform a material portion of the outputs and deliverables for a period of not less than sixty (60) calendar days after U-BIX's receipt of notice from DBM stating that the circumstance of force majeure is deemed to have ceased;



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- 8.3.3 In whole or in part, at any time for its convenience, the Secretary of Budget and Management or his authorized representative may terminate the Contract for its convenience if he has determined the existence of conditions that make project implementation economically, financially or technically impractical and/or unnecessary, such as, but not limited to, fortuitous event(s) or changes in law and Government policies;
- 8.3.4 If U-BIX is declared bankrupt or insolvent as determined with finality by a court of competent jurisdiction; in which event, termination will be without compensation to U-BIX, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to DBM and/or U-BIX;
- 8.3.5 In case it is determined prima facie that U-BIX has engaged, before or during the implementation of this Contract, in unlawful deeds and behaviors relative to contract acquisition and implementation, such as, but not limited to, the following: corrupt, fraudulent, collusive and coercive practices; drawing up or using forged documents; using adulterated materials, means or methods, or engaging in production contrary to rules of science or the trade; and any other act analogous to the foregoing. For purposes of this clause, corrupt, fraudulent, collusive, and coercive practices shall have the same meaning as that provided in **ITB** Clause 3.1:
- 8.3.6 U-BIX fails to remedy a failure in the performance of their obligations hereunder, as specified in a notice of suspension pursuant to Article 2.4 of this Contract, within thirty (30) days of receipt of such notice of suspension or within such further period as DBM may have subsequently been approved in writing;
- 8.3.7 U-BIX's failure to comply with any final decision reached as a result of arbitration proceedings pursuant to Article 10 of the Contract; or
- 8.3.8 U-BIX fails to perform any other obligation under the Contract.
- 8.4 **Termination by U-BIX.** U-BIX must serve a written notice to DBM of its intention to terminate this Contract at least thirty (30) calendar days before its intended termination. This Contract is deemed terminated if no action has been taken by DBM with regard to such written notice within thirty (30) calendar days after receipt. U-BIX may terminate this Contract through any of the following events:
- 8.4.1 DBM is in material breach of its obligations pursuant to this Contract and has not remedied the same within sixty (60) calendar days following its receipt of U-BIX's notice specifying such breach;
- 8.4.2 DBM's failure to comply with any final decision reached as a result of arbitration pursuant to Article 10 of the Contract;
- 8.4.3 As the direct and proximate result of force majeure, U-BIX is unable to perform a material portion of the Services for a period of not less than sixty (60) calendar days; or

8.4.4 DBM fails to pay any money due to U-BIX pursuant to this Contract and not subject to dispute pursuant to Article 8.9 hereof within eighty four (84) calendar days after receiving written notice from U-BIX that such payment is overdue.

8.5 **Procedure for Termination of Contracts by DBM.** The following provisions shall govern the procedures for the termination of this Contract:

8.5.1 Upon receipt of a written report of acts or causes which may constitute ground(s) for termination as aforementioned, or upon its own initiative, DBM shall, within a period of seven (7) calendar days, verify the existence of such ground(s) and cause the execution of a verified report, with all relevant evidence attached;

8.5.2 Upon recommendation by the relevant official of DBM, the Secretary of Budget and Management or his authorized representative shall terminate this Contract only by a written notice to U-BIX conveying such termination. The notice shall state:

- (a) that the contract is being terminated for any of the ground(s) afore-mentioned, and a statement of the acts that constitute the ground(s) constituting the same;
- (b) the extent of termination, whether in whole or in part;
- (c) an instruction to U-BIX to show cause as to why the Contract should not be terminated; and
- (d) special instructions of DBM, if any.

The Notice to Terminate shall be accompanied by a copy of the Verified Report;

8.5.3 Within a period of seven (7) calendar days from receipt of the Notice of Termination, U-BIX shall submit to the Secretary of Budget and Management or his authorized representative a verified position paper stating why this Contract should not be terminated. If U-BIX fails to show cause after the lapse of the seven (7) day period, either by inaction or by default, the Secretary of Budget and Management or his authorized representative shall issue an order terminating this Contract;

8.5.4 DBM may, at any time prior to the receipt of U-BIX's verified position paper, withdraw the Notice to Terminate if it has determined that certain services subject of the notice had been completed or performed before U-BIX's receipt of the notice;

8.5.5 Within a non-extendible period of ten (10) calendar days from receipt of the verified position paper, the Secretary of Budget and Management or his authorized representative shall decide whether or not to terminate this Contract. It shall serve a written notice to U-BIX of its decision and, unless otherwise provided, this Contract is deemed terminated from receipt by U-BIX of the notice of said decision. The

termination shall only be based on the ground(s) stated in the Notice to Terminate; and

8.5.6 The Secretary of Budget and Management may create a Contract Termination Review Committee (CTRC) to assist him in the discharge of this function. All decisions recommended by the CTRC shall be subject to the approval of the Secretary of Budget and Management.

8.6 **Suspension**

8.6.1 DBM shall, by written notice of suspension to U-BIX, suspend all payments to U-BIX hereunder if U-BIX fails to perform any of their obligations due to their own fault or due to force majeure or other circumstances beyond the control of either party under this Contract, including the carrying out of the Services, provided that such notice of suspension: (i) shall specify the nature of the failure; and (ii) shall request U-BIX to remedy such failure within a period not exceeding thirty (30) days after receipt by U-BIX of such notice of suspension.

8.6.2 U-BIX may, without prejudice to its right to terminate this Contract pursuant to Article 8.4 of this Contract, by written notice of suspension, suspend the Services if DBM fails to perform any of its obligations which are critical to the delivery of U-BIX's services such as, non-payment of any money due U-BIX within forty-five (45) calendar days after receiving notice from U-BIX that such payment is overdue.

8.7 **Cessation of Services.** Upon termination of this Contract by notice of either Party to the other pursuant to Articles 8.3 and 8.4 of this Contract, U-BIX shall, immediately upon dispatch or receipt of such notice, take all necessary steps to bring the Services to a close in a prompt and orderly manner and shall make every reasonable effort to keep expenditures for this purpose to a minimum. With respect to documents prepared by U-BIX and equipment and materials furnished by DBM, U-BIX shall proceed as provided under Articles 3.4 and 4.1 of the Contract.

8.8 **Payment upon Termination.** Upon termination of this Contract pursuant to Articles 8.3 or 8.4 of this Contract, DBM shall make the following payments to U-BIX:

8.8.1 Cost of Services satisfactorily performed prior to the effective date of termination;

8.8.2 In case of termination pursuant to Article 8.3.2 of this Contract, reimbursement of any reasonable cost incident to the prompt and orderly termination of this Contract.

8.9 **Disputes about Events of Termination.** If either Party disputes whether an event specified in Items 8.3 or 8.4 of this Contract, has occurred, such Party may refer the matter to arbitration pursuant to Item 10 of the Contract, and this Contract shall not be terminated on account of such event except in accordance with the terms of any resulting arbitral award.

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8.10 **Cessation of Rights and Obligations.** Upon termination of this Contract pursuant to Articles 8.3 or 8.4 hereof, or upon expiration of this Contract pursuant to Article 8.1 of this Contract, all rights and obligations of the Parties hereunder shall cease, except:

8.10.1 such rights and obligations as may have accrued on the date of termination or expiration;

8.10.2 the obligation of confidentiality set forth in Article 5 of this Contract; and

8.10.3 U-BIX's obligation to permit inspection, copying and auditing of their accounts and records set forth in Article 3.13 of this Contract, any right which a Party may have under the Applicable Laws.

Article 9- Liquidated Damages for Delay

9.1 If U-BIX fails to deliver any or all of the Services within the period(s) specified in this Contract, DBM shall, without prejudice to its other remedies under this Contract and under Applicable Laws, deduct from the contract price, as liquidated damages, a sum equivalent to one-tenth (1/10) of one percent (1%) of the price of the unperformed portion of the Services for each day of delay based on the approved contract schedule up to a maximum deduction of ten percent (10%) of the contract price. Once the maximum is reached, DBM may consider termination of this Contract pursuant Article 8.3 of this Contract.

9.2 U-BIX's liability under this Contract shall be as provided by the laws of the Republic of the Philippines.

Article 10- Dispute Settlement

10.1 If any dispute or difference of any kind whatsoever shall arise between the Parties in connection with the implementation of this Contract, the Parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.

10.2 Any and all disputes arising from the implementation of this Contract shall be submitted to arbitration in the Philippines in accordance with the provisions of R.A. No. 876 and R.A. No. 9285, as required in Section 59 of the IRR of R.A. No. 9184.

IN WITNESS WHEREOF, the Parties have hereunto signed this Contract this 30th day of Sept. 2011, in the City of Manila, Philippines.

DEPT OF BUDGET & MANAGEMENT

U-BIX CORPORATION

by:

by:

[Signature]
RICHARD E. MOYA
Undersecretary

[Signature]
EISEN VICENTE A. BALCUEVA
Asst. Vice Pres. and Gen. Manager

SIGNED IN THE PRESENCE OF

[Signature]
ARNONDER V. O. GISMUNDO
Administrative officer II

[Signature]
CLAUDINE C. CASTAÑEDA
National Sales Manager

ACKNOWLEDGEMENT

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

Funds Available:
[Signature]
ESPERANZA Q. IGNACIO
Chief Accountant

[Signature] 2011-9-12
9/20/2011

BEFORE ME, a Notary Public for and in the City of Manila, Philippines, on this 30th day of September, 2011 personally appeared the following:

RICHARD E. MOYA
ID No. 3751
Issued at Manila
Issued on May 17, 2011
CTC No. 36291332
Issued at Manila
Issued on June 13, 2011

EISEN VICENTE A. BALCUEVA
ID No. XX4219694
Issued at MANILA
Issued on JULY 23, 2009
CTC No. 22922563
Issued at Makati
Issued on April 26, 2011

known to me to be the same persons who executed the foregoing Contract and who acknowledged to me that the same is their free and voluntary act and of the entities they represent.

This **CONTRACT FOR THE DOCUMENT MANAGEMENT SYSTEM PROJECT** consisting of twenty two (22) pages, including this page where this acknowledgement is written was signed by the parties and their material witnesses on each and every page thereof and sealed with my notarial seal.

WITNESS MY HAND, this 30th day of September, 2011, at Manila Philippines.

Doc. No: 146
Page No: 31
Book No: I
Series of 2011.

[Signature]
MARIA LIBERTY D. MORALES
NOTARY PUBLIC-MANILA
COMMISSION SERIAL NO. 2011-134
UNTIL DECEMBER 31, 2012
ROLL NO. 58360, IBP NO. 809378
PTR NO. 9201041 Manila, Jan. 16, 2011
LEGAL SERVICE, DBR
MABINI HALL, MALACAÑANG
MANILA

Terms of Reference

Department of Budget and Management Document Management System Project

I. Background

All bureaus/services/offices, especially the Central Records Division, of the Department of Budget and Management (DBM) manage numerous hard copies of various documents for reference. Presently, management of these documents is characterized with high storage space requirement, inefficient retrieval system, limited if not restricted access only to the keeper of the document, and lack of transparency.

However, different bureaus/services/offices have their own unique nuances on how they manage their received, archived, and outgoing files. The Document Management System Consultancy Project (the "Project") is envisioned to streamline business operations allowing better transmission of information across the organization. It aims to provide the different bureaus/services/offices with a customized IT facility that will handle the capture, location tracking, transmission, indexing and archiving of DBM documents.

II. Objectives

The objectives of this Project are:

- 1) To provide DBM with a web-enabled system that would function as an electronic storage facility of important files. The system should have the capability to store, version, index, and retrieve electronic data securely.
- 2) To be able to convert existing records and transactional documents into an electronic format for storage into a secure digital repository. This also includes document indexing and tagging for search purposes.
- 3) To improve organizational efficiency in handling/processing hard copies of documents, including but not limited to release documents such as Statement of Allotment Release Order and Notice of Cash Allocation, through digitized capture into a secure digital repository. This would simplify tasks towards an effective and efficient record processing, retrieval, transmission, and archival.

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- 4) To digitally and securely forward or link such documents to identified parties of interest, including but not limited to external websites.
- 5) To assess DBM's existing hardware and peripherals that might be utilized to fully maximize DBM's resources.
- 6) To easily track movement and status of transactional records being processed. Indexing and versioning will help keep track of changes made by different authorized users.
- 7) Lastly, to ensure security of DBM's records and protect them from possible legal disputes.

III. Scope of Services

1) General:

- a) Requirements gathering, analysis, design, coding, testing and deployment of the Project's functionalities and features, (as determined by DBM) using DBM-supported technologies. Acceptance testing shall be done in a test environment server (provided by U-BIX) and signed User Acceptance Testing (UAT) reports/results will have to be submitted to designated DBM personnel in this Project.
- b) Optimization of system performance in terms of:
 - i. User response time (Web-based)
 - ii. Current backup and restore processes of database
- c) Fortification of the Project's security features within the department
 - i. Application
 - ii. Operating system
 - iii. Network
- d) Conduct of necessary system management training, general user training, and technical training
 - i. Management reports/ System generated reports
 - ii. End-User/Processor trainings
 - iii. Administration, performance tuning, trouble-shooting

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- e) Project documentation of functional (functional specification design, user's manual), technical (system administration, maintenance and operation) and user procedures of operation and maintenance.
- f) Formal and legal turnover of source codes, files, documents (printed/electronic), equipment, any other related digital assets and necessary licenses and transfer of their ownership to DBM.
- g) Provision of warranties for software systems/packages and application systems that should be consistent with the provision under Republic Act No. 9184 and its Implementing Rules and Regulations. At least six (6) months warranty on the software and business model should be provided by U-BIX, which will start on the date of acceptance of the system.
- h) The implementation coverage of the services (implementation and deployment) shall apply only within the DBM's central office.

2) System Development

The proposed system should be developed using technologies already supported by DBM to ensure immediate support continuity along with the existing DBM applications and systems. The application will initially reside in the existing servers at the data center located in the office of the DBM with appropriate data and power back-up facilities. To ensure continuity, the proposal must include data back-up, failover and recovery plan. The document management system will be later migrated to the new recommended servers once purchased. It must also be accessible to the users through the LAN connection setup at DBM.

The architecture and design of the system should be approached in a modular way, meaning that there is loose integration between components/modules, thus, reducing dependencies between modules. It is a requirement that system components should be well documented (functional and technical) and have been clearly defined. This approach offers the benefit for system flexibility, less cost for further customization and augmentation (easily plug-in other separate modules). The user interface must be browser based, user-friendly, intuitive, and with online help features.

System Capability Requirements

- Reliability and Availability – the system should be available to a time-frame specified by DBM and must be fully operational except during scheduled or planned down times.

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- Scalability – the proposed DBM DMS must be readily scalable in terms of numbers of files and content being managed without requiring any changes in the system specification and functionalities. Since the system will initially be deployed on the existing hardware of DBM, the recommended hardware must also correspond with the expected scalability of the DMS.
- DBM-Supported Technologies – DBM sets a higher preference to a solution where components of the system use DBM-supported technologies and are based on a technology that has multi-vendor support. This is to ensure compatibility with existing system and to guarantee full support to the proposed DMS immediately upon deployment.

General Systems Specifications

- a) The system's source codes and all other related digital assets must be submitted to DBM. This is to ensure that the software to be used and its vendor would not control DBM's processes while giving U-BIX and DBM the freedom to freely customize the system according to the department's needs/requirements.
- b) Systems considerations:
 - Application should utilize Oracle (current database of all DBM applications) as the database for storing and the development platform as mandated by DBM.
 - Operating System to be used must require approval from DBM.
 - DBM sets a higher preference to a solution where components of the system use DBM-supported technologies.
 - The software license needed to develop the DBM DMS should be arranged based on DBM-supported technologies. It must already include a provision for downloading both major and minor updates, technical notes, and new product information to ensure that upgrades are not missed.
- c) The system's user interface must run on the operating system of standard DBM workstations.

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- d) The system should be able to retrieve digitized articles and files from identified scanning workstations and incorporate it into the system.
- e) It must be capable of adding index fields on digitized files, such as but not limited to document numbers (barcode numbers), keywords/remarks, file name, document location, document source, and document date.
- f) There should be a function for a defined schedule for back-up and disposal of content, including recovery support when necessary.
- g) It must provide for a user-friendly, browser based, search and retrieval facility. Search options should include but is not limited to the following: document numbers (barcode numbers), keywords/ remarks, file name, document location, documents source, and document date in the search option.
- h) The system must have capability to securely share selected digital files or provide link to other applications (e.g. DBM website), including but not limited to external websites.
- i) The system must also have the capability of archiving, backup, and storing records.
- System should be capable of managing retention periods based on DBM specified parameters.
 - Capable of versioning documents.
 - Stored documents should be tamper-proof and cannot be altered unless specified by law or authorized by DBM administrators.
 - The system must also have an administration tool to manage the retention period of stored documents and provide notification for files with expiring retention period.
 - The system must be capable to back-up/archive files using external storage or other media.
 - Search results should have a brief description of the content or document to enable users to have an idea of the search result rather than going through each result.
- j) Others

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- Maintain audit log to monitor and track the system transactions for traceability of ownership.
- System provision for process flow to track document movement and status of transactional records being processed (document aging) from one user or office to another. This includes automatic system acknowledgement of actual transfer of digital records from one user to another.
- Capability to import electronic based information and to extract metadata in one central location.

3) Scanning and Indexing Services of Archived DBM documents

- a) Covering the documents filed or archived with the Central Records Division estimated at 2.5 million pages.
- b) Recommend the file format and convert them into an electronic format for storage (e.g. jpeg, tiff, pdf).
- c) The conversion and migration of documents to the new system must be through a method that must support the approved file organization structure of DBM.
- d) Index fields of migrated or scanned documents shall be standardized per document classification.

4) Identification of hardware and software requirements

- a) Recommend the technical specifications of the hardware (e.g. servers, document scanners, barcode printers, barcode readers, etc.) and database licenses in accordance with the proposed development of the system.
- b) It must also take into account and assess the existing hardware (e.g. Fuji Xerox DocuCentre-II 2005), current architecture, and network structure of DBM.
- c) Moreover, this includes the determination, preparation, and submission of the Scope of Works and Services needed for procurement of said hardware and software requirements.

5) Training/Change Management Plan

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- a) U-BIX shall prepare a detailed training and change management plan/program mutually acceptable to both parties.
- b) The training shall cover all user-related functionalities and technical support.
- c) The training shall provide the users with the technical skills in handling digitized files and records.
- d) U-BIX shall be able to provide user training for all bureaus/services/unit representatives/users.
- e) A detailed technical training for IT personnel shall likewise be provided to ensure that they can provide assistance in the implementation of the system and maintain/manage the system after the implementation.
- f) Users are as follows: (Central Office only)
 - i. Technical User/Administrator
 - ii. System User

IV. Qualification Requirements

- 1) U-BIX's Project Team should be composed of at least five (5) experts or specialists with roles as indicated below (one person may have more than one role as may be appropriate), and U-BIX may opt to increase the number of staff based on the task complexity and project schedules.
 - Project Manager
 - Systems Analyst
 - Technical Lead
 - Senior Developer
 - Developer
 - Database Administrator
 - Network/Hardware Specialist
 - Quality Assurance
 - Trainer
- 2) U-BIX should assign an experienced Project Manager during the course of the contract. S/he must have a college degree, at least five (5) years technical experience in the IT industry, and at least one (1) year managing projects which involve the development and implementation of large-scale IT systems.

- 3) Technical personnel must have a college degree and at least three (3) years working experience in system analysis, software development or database administration.
- 4) U-BIX must have people who have undergone training in the core technologies to be used in developing the system.

V. Project Duration

The Project must be completed with eight (8) months from contract effectivity date.

Part of U-BIX's Project Proposal is an implementation strategy and schedule. This should also specify the outputs to be submitted at the end of each project phase. Project milestones should include the following, but not necessarily limited to:

- 1) Submission of Inception Report in addition to Systems Development Specifications (SDS) and Functional Specifications Documents (FSD) for all modules to be developed or redeveloped.
- 2) Total integrated and inter-operative testing.
- 3) System performance and security testing.
- 4) Other necessary activities: training, knowledge transfer, turnover.

VI. Terms of Delivery

- 1) U-BIX shall conduct a systems analysis, design, development and deployment of the system; provide and conduct trainings to the stakeholders and necessary system audience; and conduct a user acceptance testing of all the deployed system prior to acceptance. It will also provide the necessary support needed for the service.
- 2) U-BIX shall also provide recommendations of hardware, peripherals, and database licenses for the DBM DMS; a reusability assessment of DBM's existing hardware (e.g. Fuji Xerox DocuCentre-II 2005).
- 3) Payment schedule:
 - For the scanning services rendered by U-BIX, monthly payments shall be made based on the actual number of pages of scanned documents and

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quoted scanning services per page stated in Annex H-1 - Summary of Costs.

- For the Consultancy and IT services rendered, it shall be as follows:
 - 20% upon delivery and acceptance of Inception Report which includes a recommendation for hardware and database licenses and service level agreement.
 - 20% upon delivery and acceptance of Systems Design which includes SDS and FSD including U-BIX's analysis report..
 - 40% upon completion of testing and sign-off of UAT.
 - 20% upon Go-Live and Turnover of ALL Project documentations, source codes, and other pertinent assets.
- 4) U-BIX shall deliver whatever necessary documentation the study will require. Also, the authorized DBM personnel shall sign a Certificate of Acceptance as proof of the acceptability of the said deliverables.

VII. Warranty

- 1) Any error or fault in any of the services delivered (e.g. design, programming, integration, etc.) shall be acted upon, resolved and/or replaced accordingly at no cost to DBM.
- 2) Notwithstanding the provision of quality assurance, U-BIX is required to provide a six-month (after final Project acceptance) guarantee and assurance that the project and all its component parts are accurate, complete, operable, uncompromised, and error-free in accordance with set standards and performance criteria. In this regard U-BIX shall supply or make available to DBM the necessary services to correct data entry/data validation error/faults, modify programs, develop a required interface, and other services within the conditions of warranty.

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- 4.5. Before submitting their bids, the Consultants are deemed to have become familiar with all existing laws, decrees, ordinances, acts and regulations of the GOP which may affect the contract in any way.
- 4.6. The Consultant shall bear all costs associated with the preparation and submission of his bid, and the Procuring Entity will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the bidding process.
- 4.7. Consultants should note that the Procuring Entity will only accept bids only from those that have paid the nonrefundable fee for the Bidding Documents at the office indicated in the Request for Expression of Interest.

5. Origin of Associated Goods

Unless otherwise indicated in the **BDS**, there is no restriction on the origin of Goods other than those prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations.

6. Subcontracts

- 6.1. Unless otherwise specified in the **BDS**, the Consultant may subcontract portions of the Consulting Services to an extent as may be approved by the Procuring Entity and stated in the **BDS**. However, subcontracting of any portion shall not relieve the Consultant from any liability or obligation that may arise from the contract for this Project.
- 6.2. Subcontractors must comply with the eligibility criteria and the documentary requirements specified in the **BDS**. In the event that any subcontractor is found by the Procuring Entity to be ineligible, the subcontracting of such portion of the Consulting Services shall be disallowed.
- 6.3. The Consultant may identify the subcontractor to whom a portion of the Consulting Services will be subcontracted at any stage of the bidding process or during contract implementation. If the Consultant opts to disclose the name of the subcontractor during bid submission, the Consultant shall include the required documents as part of the technical **component of its bid**.

B. Contents of Bidding Documents

7. Pre-Bid Conference

- 7.1. If so specified in the **BDS**, a pre-bid conference shall be held at the venue and on the date indicated therein, to clarify and address the Consultants' questions on the technical and financial components of this Project.



REPUBLIC OF THE PHILIPPINES

DEPARTMENT OF BUDGET AND MANAGEMENT

**REQUEST FOR EXPRESSION OF INTEREST FOR THE
DOCUMENT MANAGEMENT SYSTEM CONSULTANCY
PROJECT**

1. The Department of Budget and Management (DBM), through the authorized appropriations for 2011 General Appropriations Act, intends to apply the sum of Twelve Million Pesos (P12,000,000.00) being the Approved Budget for the Contract (ABC) to payments under the contract for its Document Management System Consultancy Project ("the Project"). Bids received in excess of the ABC shall be automatically rejected at the opening of the financial proposals.
2. The DBM now calls for the submission of eligibility documents for the procurement of Consulting Services to handle and implement the Project. A brief description of the Project requirements is attached as Annex "A". Interested consultants are invited to a briefing on eligibility requirements on June 15, 2011, 10:00 a.m. and must submit their eligibility documents on or before June 22, 2011, 9:00 a.m. at the G/F AS Conference Room, Mabini Hall, Malacañang, Manila. Applications for eligibility will be evaluated based on a non-discretionary "pass/fail" criterion.
3. The BAC shall draw up the short list of consultants from those who have submitted Expressions of Interest and other required documents, and have been determined as eligible in accordance with the provisions of Republic Act (R.A.) 9184, and its Revised Implementing Rules and Regulations (IRR). All eligible consultants shall also be invited to present before the BAC work products done from similar completed contracts on June 29, 2011
4. The short list shall consist of 3 to 5 prospective bidders who meets the minimum score below and will be allowed to submit bids. The criteria and rating system for short listing are the following using multi-level weighted scoring:

Evaluation Criteria	Percent Distribution	Minimum Score
Manpower Capacity/Qualifications	30 %	21 %
Current Workload relative to job capacity	30 %	21 %
Applicable experience of the Consulting Firm/Group (Past five years)	40 %	28 %

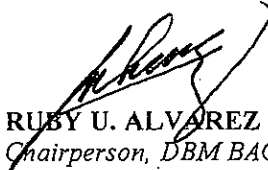
5. Bidding will be conducted through open competitive bidding procedures using non-discretionary "pass/fail" criterion as specified in the IRR of RA 9184.

Bidding is restricted to Filipino citizens/sole proprietorships, partnerships, or organizations with at least sixty percent (60%) interest or outstanding capital stock belonging to citizens of the Philippines.

6. The DBM shall evaluate bids using the Quality-Cost Based Evaluation (QCBE) procedure. The weights allocated are seventy percent (70%) for the Technical Proposal and thirty percent (30%) for the Financial Proposal. The criteria and rating system for the evaluation of bids shall be provided in the Instructions to Bidders.
7. The contract shall be completed within eight (8) months.
8. The DBM reserves the right to reject any and all bids, annul the bidding process, or not award the contract at any time prior to contract award, without thereby incurring any liability to the affected bidder or bidders.
9. For further information, please refer to:

*DBM-BAC Secretariat
Department of Budget and Management
Malacañang, Manila
Tel. No. 7354902; Fascimile No.: 7354979/7351957
Email address: jcenteno@dbm.gov.ph*

June 6, 2011


RUBY U. ALVAREZ
Chairperson, DBM BAC

Section II. Instructions to Bidders

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the generality of this rule, Consultants shall not be hired under the circumstances set forth below:

- (a) If a Consultant combines the function of consulting with those of contracting and/or supply of equipment;
- (b) If a Consultant is associated with, affiliated to, or owned by a contractor or a manufacturing firm with departments or design offices offering services as consultants unless such Consultant includes relevant information on such relationships along with a statement in the Technical Proposal cover letter to the effect that the Consultant shall limit its role to that of a consultant and disqualify itself and its associates from work in any other capacity that may emerge from the Project (including bidding for any part of the future project). The contract with the Consultant selected to undertake the Project shall contain an appropriate provision to such effect; or
- (c) If there is a conflict among consulting projects, the Consultant (including its personnel and subcontractors) and any subsidiaries or entities controlled by such Consultant shall not be recruited for the relevant project. The duties of the Consultant depend on the circumstances of each case. While continuity of consulting services may be appropriate in particular situations where no conflict exists, a Consultant cannot be recruited to carry out a project that, by its nature, shall result in conflict with a prior or current project of such Consultant. Examples of the situations mentioned are when a Consultant engaged to prepare engineering design for an infrastructure project shall not be recruited to prepare an independent environmental assessment for the same project; similarly, a Consultant assisting a Procuring Entity in privatization of public assets shall not purchase, nor advise purchasers, of such assets; or a Consultant hired to prepare Terms of Reference (TOR) for a project shall not be recruited for the project in question.

2.2. Consultants shall not be related to the Head of the Procuring Entity, members of the BAC, the TWG, and the BAC Secretariat, the head of the PMO or the end-user unit, and the project consultants, by consanguinity or affinity up to the third civil degree. The prohibition shall apply as follows:

- (a) If the Consultant is an individual or sole proprietorship, then to himself;
- (b) If the Consultant is a partnership, then to all its officers and members;
- (c) If the Consultant is a corporation, then to all its officers, directors and controlling stockholders; or

and grossly disadvantageous to the same, whether or not the public officer profited or will profit thereby, and similar acts as provided in Republic Act 3019.

(ii) "fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of the Procuring Entity, and includes collusive practices among Bidders (prior to or after bid submission) designed to establish bid prices at artificial, non-competitive levels and to deprive the Procuring Entity of the benefits of free and open competition.

(iii) "collusive practices" means a scheme or arrangement between two or more Bidders, with or without the knowledge of the Procuring Entity, designed to establish bid prices at artificial, non-competitive levels.

(iv) "coercive practices" means harming or threatening to harm, directly or indirectly, persons, or their property to influence their participation in a procurement process, or affect the execution of a contract;

(b) will reject a proposal for award if it determines that the Bidder recommended for award has engaged in any of the practices mentioned in this Clause for purposes of competing for the contract.

3.2. Further, the Procuring Entity will seek to impose the maximum civil, administrative, and/or criminal penalties available under applicable laws on individuals and organizations deemed to be involved in any of the practices mentioned in ITB Clause 3.1(a).

3.3. Furthermore, the Funding Source and the Procuring Entity reserve the right to inspect and audit records and accounts of a Consultant in the bidding for and performance of a contract themselves or through independent auditors as reflected in the GCC Clause 51.

4. Consultant's Responsibilities

4.1. The Consultant or its duly authorized representative shall submit a sworn statement in the form prescribed in Section VII. Bidding Forms as required in ITB Clause 10.2(c).

4.2. The Consultant is responsible for the following:

(a) Having taken steps to carefully examine all of the Bidding Documents;

(b) Having acknowledged all conditions, local or otherwise, affecting the implementation of the contract;

- (a) The Technical Proposal shall not include any financial information. Any Technical Proposal containing financial information shall be declared non-responsive.
- (b) For projects on a staff-time basis, the estimated number of professional staff-months specified in the BDS shall be complied with. Bids shall, however, be based on the number of professional staff-months estimated by the Consultant.
- (c) Proposed professional staff must, at a minimum, have the experience indicated in the BDS, preferably working under conditions similar to those prevailing in the Republic of the Philippines.
- (d) No alternative professional staff shall be proposed, and only one Curriculum Vitae (CV) may be submitted for each position.

10.2. The Technical Proposal shall contain the following information/documents:

- (a) Bid security as prescribed in ITB Clause 15. If the Bidder opts to submit the bid security in the form of:
 - (i) a bank draft/guarantee or an irrevocable Letter of Credit issued by a foreign bank, it shall be accompanied by a confirmation from a Universal or Commercial Bank; or
 - (ii) a surety bond, it shall be accompanied by a certification coming from an authorized Insurance Commission that the surety or insurance company is authorized to issue such instrument.
- (b) Information indicated in the paragraphs below must be provided by the Consultant and each partner and/or subcontractor, if any, following the formats described in Section VI. Terms of Reference:
 - (i) A brief description of the organization and outline of recent experience of the Consultant and each partner and/or subcontractor on projects of a similar and related nature as required in form TPF 2. Consultant's References. For each project, the outline should indicate *inter alia*, the project, contract amount and the Consultant's involvement. Information should be provided only for those projects for which the Consultant was legally contracted by itself or as one of the major participating consultants within an association. Whenever applicable, the experience of individual experts from projects completed independently or when associated with consultants other than the one with whom the individual is currently associated with cannot be claimed as the experience of the current consultant or any one of its partners and/or subcontractors, but can be claimed by the individuals

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including ongoing projects, with particular reference to the type of experience required for the tasks assigned should be presented in the CV format shown in TPF 6. Format of Curriculum Vitae (CV) for Proposed Professional Staff.

- (ix) Only one CV for each consultant involved in the Project may be submitted for each position.
- (x) The Procuring Entity requires that each expert confirm that the content of his/her CV is correct and the experts themselves should sign the certification of the CV. In addition, the expert should submit a signed written commitment stating that the expert shall work for the Project once awarded the contract. A zero rating shall be given to a nominated expert if the expert:
 - (x.1) is proposed for a domestic position but is not a Filipino citizen;
 - (x.2) failed to state nationality on the CV; or
 - (x.3) the CV is not signed in accordance with paragraph (x) above.
- (c) Sworn statement in accordance with Section 25.2(b)(iv) of the IRR of RA 9184 and using the form prescribed in Section VII. Bidding Forms.

11. Documents Comprising the Bid: Financial Proposal

- 11.1. All information provided in a Consultant's Financial Proposal shall be treated as confidential. The Financial Proposal must be submitted in hard copy using the format shown in Financial Proposal Forms.
- 11.2. The Financial Proposal requires completion of six (6) forms, particularly, FPF 1, FPF 2, FPF 3, FPF 4, FPF 5, and FPF 6. FPF 1. Financial Proposal Submission Form should form the covering letter of the Financial Proposal. Form FPF 2. Summary of Costs FPF 3. Breakdown of Price per Activity, FPF 4. Breakdown of Remuneration per Activity, FPF 5. Reimbursables per Activity, and FPF 6. Miscellaneous Expenses, relate to the costs of consulting services under two distinct categories, namely: (a) Remuneration; and (b) Reimbursable Expenditures.
- 11.3. Remuneration is divided into billing rate estimates for international and domestic consultants. Reimbursable Expenditures are divided into per diem rates for international and domestic consultants and costs for other reimbursable expenditure items required to perform the consulting services.

14.2. In exceptional circumstances, prior to the expiration of the bid validity period, the Procuring Entity may request Consultants to extend the period of validity of their bids. The request and the responses shall be made in writing. The bid security described in ITB Clause 15 should also be extended corresponding to, at least, the extension of the bid validity period. A Consultant may refuse the request without forfeiting its bid security, but his bid shall no longer be considered for further evaluation and award. A Consultant granting the request shall not be required or permitted to modify its bid.

15. Bid Security

15.1. The bid security, issued in favor of the Procuring Entity, in the amount stated in the **BDS** shall be equal to the percentage of the ABC in accordance with the following schedule:

Form of Bid Security	Amount of Bid Security (Equal to Percentage of the ABC)
a) Cash or cashier's/manager's check issued by a Universal or Commercial Bank.	Two percent (2%)
b) Bank draft/guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank: Provided, however, that it shall be confirmed or authenticated by a Universal or Commercial Bank, if issued by a foreign bank.	
c) Surety bond callable upon demand issued by a surety or insurance company duly certified by the Insurance Commission as authorized to issue such security.	Five percent (5%)
d) Any combination of the foregoing.	Proportionate to share of form with respect to total amount of security

For biddings conducted by LGUs, the Consultant may also submit bid securities in the form of cashier's/manager's check, bank draft/guarantee, or irrevocable letter of credit from other banks certified by the BSP as authorized to issue such financial statement.

15.2. The bid security should be valid for the period specified in the **BDS**. Any bid not accompanied by an acceptable bid security shall be rejected by the Procuring Entity as non-responsive.

- 16.2. Forms as mentioned in ITB Clause 16.1 must be completed without any alterations to their format, and no substitute form shall be accepted. All blank spaces shall be filled in with the information requested.
- 16.3. The Consultant shall prepare an original of the first and second envelopes as described in ITB Clauses 10 and 11. In addition, the Consultant shall submit copies of the first and second envelopes. In the event of any discrepancy between the original and the copies, the original shall prevail.
- 16.4. The bid, except for unamended printed literature, shall be signed, and each and every page thereof shall be initialed, by the duly authorized representative/s of the Consultant.
- 16.5. Any interlineations, erasures, or overwriting shall be valid only if they are signed or initialed by the duly authorized representative/s of the Consultant.

17. Sealing and Marking of Bids

- 17.1. Unless otherwise indicated in the **BDS**, Consultants shall enclose their original technical proposal described in ITB Clause 10, in one sealed envelope marked "ORIGINAL - TECHNICAL PROPOSAL", and the original of their financial proposal in another sealed envelope marked "ORIGINAL - FINANCIAL PROPOSAL", sealing them all in an outer envelope marked "ORIGINAL BID".
- 17.2. Each copy of the first and second envelopes shall be similarly sealed duly marking the inner envelopes as "COPY NO. ___ - TECHNICAL PROPOSAL" and "COPY NO. ___ - FINANCIAL PROPOSAL" and the outer envelope as "COPY NO. ___", respectively. These envelopes containing the original and the copies shall then be enclosed in one single envelope.
- 17.3. The original and the number of copies of the bid as indicated in the **BDS** shall be typed or written in indelible ink and shall be signed by the bidder or its duly authorized representative/s.
- 17.4. All envelopes shall:
 - (a) contain the name of the contract to be bid in capital letters;
 - (b) bear the name and address of the Consultant in capital letters;
 - (c) be addressed to the Procuring Entity's BAC identified in ITB Clause 8.1;
 - (d) bear the specific identification of this bidding process indicated in the Request for Expression of Interest; and
 - (e) bear a warning "DO NOT OPEN BEFORE..." the date and time for the opening of bids, in accordance with ITB Clause 18.

E. Evaluation and Comparison of Bids

21. Process to be Confidential

- 21.1. Members of the BAC, including its staff and personnel, as well as its Secretariat and TWG, are prohibited from making or accepting any kind of communication with any Consultant regarding the evaluation of their bids until the issuance of the Notice of Award, unless otherwise allowed in the **BDS** or in the case of ITB Clause 22.
- 21.2. Any effort by a bidder to influence the Procuring Entity in the Procuring Entity's decision in respect of bid evaluation, bid comparison or contract award will result in the rejection of the Consultant's bid.

22. Clarification of Bids

To assist in the evaluation, comparison and post-qualification of the bids, the Procuring Entity may ask in writing any Consultant for a clarification of its bid. All responses to requests for clarification shall be in writing. Any clarification submitted by a Consultant in respect to its bid and that is not in response to a request by the Procuring Entity shall not be considered.

23. Bid Evaluation

- 23.1. For the evaluation of bids, numerical ratings shall be used. In order to eliminate bias in evaluating the Bids, it is recommended that the highest and lowest scores for each Consultant for each criterion shall not be considered in determining the average scores of the Consultants, except when the evaluation is conducted in a collegial manner.
- 23.2. For complex or unique undertakings, such as those involving new concepts/technology or financial advisory services, participating short listed consultants may be required, at the option of the Procuring Entity concerned, to make an oral presentation to be presented by each Consultant, or its nominated Project Manager or head, in case of consulting firms, within fifteen (15) calendar days after the deadline for submission of Technical Proposals.
- 23.3. The entire evaluation process, including the submission of the results thereof to the Head of the Procuring Entity for approval, shall be completed in not more than twenty-one (21) calendar days after the deadline for receipt of bids. The bid with the highest rank shall be identified as the Highest Rated Bid. The Head of the Procuring Entity shall approve or disapprove the recommendations of the BAC within two (2) calendar days after receipt of the results of the evaluation from the BAC.
- 23.4. All participating short listed consultants shall be furnished the results (ranking and total scores only) of the evaluation after the approval by the

described in ITB Clauses (a) to (b) and failed to make a proper statement to that effect in the cover letter; or

- (d) the Technical Proposal included any cost of the services.

25. Opening and Evaluation of Financial Proposals

- 25.1. Financial Proposals shall be opened on the date indicated in the **BDS**.
- 25.2. The Financial Proposals opened shall be evaluated based on the evaluation procedure indicated in ITB Clause 1.1 using the corresponding procedure provided in the **BDS**.

26. Negotiations

- 26.1. Negotiations shall be held at the address indicated in the **BDS**. The aim is to reach agreement on all points.
- 26.2. Negotiations shall cover the following:
 - (a) Discussion and clarification of the TOR and Scope of Services;
 - (b) Discussion and finalization of the methodology and work program proposed by the Consultant;
 - (c) Consideration of appropriateness of qualifications and pertinent compensation, number of man-months and the personnel to be assigned to the job, taking note of over-qualified personnel to be commensurate with the compensation of personnel with the appropriate qualifications, number of man-months and schedule of activities (manning schedule);
 - (d) Discussion on the services, facilities and data, if any, to be provided by Procuring Entity concerned;
 - (e) Unless otherwise indicated in the **BDS**, discussion on the Financial Proposal submitted by the Consultant; and
 - (f) Provisions of the contract.
- 26.3. Having selected the Consultant on the basis of, among other things, an evaluation of the proposed key professional staff, the Procuring Entity expects to negotiate a contract on the basis of the experts named in the bid. Before contract negotiations, the Procuring Entity shall require assurances that the experts shall be actually available. The Procuring Entity shall not consider substitutions during contract negotiations other than for reasons of death or illness unless both parties agree that undue delay in the selection process makes such substitution unavoidable or that such changes are critical to meet the objectives of the Project. If this is not the case and if it is

- (d) Other appropriate licenses and permits required by law and stated in the BDS.

Failure of the Consultant declared as HRB to duly submit the requirements under this Clause or a finding against the veracity of such, shall be ground for forfeiture of the bid security and disqualification of the Consultant for award.

- 27.3. The determination shall be based upon an examination of the documentary evidence of the Consultant's qualifications submitted pursuant to ITB Clauses 10 and 11, as well as other information as the Procuring Entity deems necessary and appropriate, using a non-discretionary "pass/fail" criterion.
- 27.4. If the BAC determines that the Consultant with the HRB passes all the criteria for post-qualification, it shall declare the said bid as the Consultant with the Highest Rated and Responsive Bid (HRRB), and recommend to the Head of the Procuring Entity the award of contract to the said Consultant at its submitted price or its calculated bid price, whichever is lower, subject to ITB Clause 29.3.
- 27.5. A negative determination shall result in rejection of the Consultant's bid, in which event the Procuring Entity shall proceed to the next HRB to make a similar determination of that Consultant's capabilities to perform satisfactorily. If the second Consultant, however, fails the post qualification, the procedure for post qualification shall be repeated for the Consultant with the next HRB, and so on until the HRRB is determined for contract award.
- 27.6. Within a period not exceeding seven (7) calendar days from the date of receipt of the recommendation of the BAC, the Head of the Procuring Entity shall approve or disapprove the said recommendation. In the case of GOCCs and GFIs, the period provided herein shall be fifteen (15) calendar days.

28. Reservation Clause

- 28.1. Notwithstanding the eligibility, short listing, or post-qualification of a Consultant, the Procuring Entity concerned reserves the right to review its qualifications at any stage of the procurement process if it has reasonable grounds to believe that a misrepresentation has been made by the said Consultant, or that there has been a change in the Consultant's capability to undertake this Project from the time it submitted its eligibility requirements. Should such review uncover any misrepresentation made in the eligibility and bidding requirements, statements or documents, or any changes in the situation of the Consultant which will affect its capability to undertake the project so that it fails the preset eligibility or bid evaluation criteria, the Procuring Entity shall consider the said Consultant as ineligible and shall disqualify it from submitting a bid or from obtaining an award or contract.
- 28.2. Based on the following grounds, the Procuring Entity reserves the right to reject any and all bids, declare a failure of bidding at any time prior to the

- 29.2. Prior to the expiration of the period of bid validity, the Procuring Entity shall notify the successful Consultant in writing that its bid has been accepted, through a Notice of Award received personally or sent by registered mail or electronically, receipt of which must be confirmed in writing within two (2) days by the Consultant with the HRRB and submitted personally or sent by registered mail or electronically to the Procuring Entity.
- 29.3. Notwithstanding the issuance of the Notice of Award, award of contract shall be subject to the following conditions:
- (a) Submission of the valid JVA, if applicable, within ten (10) calendar days from receipt by the Consultant of the notice from the BAC that the Consultant has the HRRB;
 - (b) Posting of the performance security in accordance with ITB Clause 31;
 - (c) Signing of the contract as provided in ITB Clause 30; and
 - (d) Approval by higher authority, if required.

30. Signing of the Contract

- 30.1. At the same time as the Procuring Entity notifies the successful Bidder that its bid has been accepted, the Procuring Entity shall send the Contract Form to the Bidder, which contract has been provided in the Bidding Documents, incorporating therein all agreements between the parties.
- 30.2. Within ten (10) calendar days from receipt of the Notice of Award, the successful Bidder shall post the required performance security and sign and date the contract and return it to the Procuring Entity.
- 30.3. The Procuring Entity shall enter into contract with the successful Bidder within the same ten (10) calendar day period provided that all the documentary requirements are complied with.
- 30.4. The following documents shall form part of the contract:
- (a) Contract Agreement;
 - (b) Bidding Documents;
 - (c) Winning bidder's bid, including the Technical and Financial Proposals, and all other documents/statements submitted;
 - (d) Performance Security;
 - (e) Notice of Award of Contract; and
 - (f) Other contract documents that may be required by existing laws and/or specified in the **BDS**.

32. Notice to Proceed

- 32.1. Within three (3) calendar days from the date of approval of the contract by the appropriate government approving authority, the Procuring Entity shall issue its Notice to Proceed to the Consultant.
- 32.2. The date of the Consultant's receipt of the Notice to Proceed will be regarded as the effective date of the contract, unless otherwise specified in the **BDS**.

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Section III. Bid Data Sheet

ITB Clause	
1.1	<p>The Procuring Entity is the Department of Budget and Management (DBM)</p> <p>The evaluation procedure is Quality Cost Based Evaluation</p>
1.2	<p>The Funding Source is the Government of the Philippines (GOP) through the General Appropriations Act</p> <p>The name of the project is the DBM Document Management System Consultancy Project.</p>
1.3	Please see Section VI - Terms of Reference
1.4	The Project shall not be phased.
5	No further instructions.
6.1	Scanning services of archived DBM, which constitute 30% of the ABC, may be sub-contracted.
6.2	Not applicable.
7	The Procuring Entity will hold a pre-bid conference on July 27, 2011 at 2/F Usec. Guerrero's Conference Room, Boncodin Hall, Gen. Solano St., San Miguel Malacañang, Manila.
8.1	<p>The Procuring Entity's address is:</p> <p>Department of Budget and Management Administrative Service, Ground Floor Mabini Hall, Malacañang, Manila</p>
10.1(b)	Not applicable.
10.1(c)	<p>The minimum required experience of proposed professional staff is as follows:</p> <p>At least one Project Manager who must have a bachelor's degree and at least five (5) years technical experience in the IT industry. S/he must also have undertaken project management responsibility over projects which involve development and implementation of large-scale IT systems for at least one (1) year.</p> <p>At least four Technical Personnel who must have a bachelor's degree at least three (3) years' working experience in either system and software development or database administration.</p>

	<p>7. Any documented unsolicited attempt by a bidder to unduly influence the outcome of the bidding in his favor.</p> <p>8. Failure of the potential joint venture partners to enter into the joint venture after their bid is declared successful.</p> <p>9. All other acts that tend to defeat the purpose of the competitive bidding, such as habitually withdrawing from bidding, submitting late or patently insufficient bids for at least three (3) times within a year, except for valid reasons.</p>
15.5(b)(iii)	No further instructions.
17.1	No further instructions.
17.3	Each Bidder shall submit one (1) original copy and two (2) duplicate copies of the technical and financial components of the bid.
18	<p>The bids shall be submitted to the BAC Secretariat at the 2/F Usec. Guerrero's Conference Room, Boncodin Hall, Gen. Solano St., San Miguel Malacañang, Manila.</p> <p>The deadline for submission of bid/s is August 10, 2011, 10:00 a.m. Late bid/s shall not be accepted.</p>
21.1	No further instructions.
24.1	<p>The following processes for the opening and evaluation of bids shall be adopted:</p> <p>a) The technical proposal together with the financial proposal shall be considered in the evaluation of consultants. The technical proposals shall be evaluated first using the criteria in ITB Clause 24.2. The financial proposals of the consultants who meet the minimum technical score shall then be opened.</p> <p>b) The financial and technical proposals shall be given corresponding weights: (i) financial proposal – thirty percent (30%); and (ii) the technical proposal – seventy percent (70%). The BAC shall rank the consultants in descending order based on the combined numerical ratings of their technical and financial proposals and identify the Highest Rated Bid.</p> <p>c) The Head of the Procuring Entity shall approve or disapprove the recommendations of the BAC within two (2) calendar days after receipt of the results of the evaluation from the BAC.</p> <p>d) After approval by the Head of the Procuring Entity of the Highest Rated Bid, the BAC shall, within three (3) calendar days, notify and</p>

	covering the months of January to June 2011
27.2(d)	No further instructions.
30.4(f)	No further instructions.
31.1	No further instructions.
32.2	Effectivity date shall be stated in the Notice to Proceed.

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REPUBLIC OF THE PHILIPPINES
Department of Budget and Management
 Malacañang, Manila
 Telephone Nos. 735-49-02/735-4921 Fax No. 735-4979
 Website Address: www@dbm.gov.ph

SUPPLEMENTAL/BID BULLETIN

**ADDENDUM NO. 1
 (Document Management System Consultancy Project)**

This Addendum No. 1 dated August 3, 2011 is issued to clarify, modify or amend items in the Bidding Documents. This shall form an integral part of the Bidding Documents.

ISSUES	CLARIFICATION
Section II. Instructions to Bidders	
10.2 (b) (iv) (TPF 7 – Time Schedule for Professional Personnel)	Professional Personnel refers to Technical/Managerial Staff in TPF 5.
10.2 (b) (v) An organization chart indicating relationships amongst the Consultant and any partner and/or subcontractor, the Procuring Entity, the Funding Source and the GOP, and other parties or stakeholders, if any, involved in the project.	Not applicable
10.2 (b) (viii) The name, age, nationality, background employment record and professional experience of each nominated expert including ongoing projects, with particular reference to the type of experience required for the tasks assigned should be presented in the CV format shown in TPF 6. Format of Curriculum Vitae (CV) for Proposed Professional Staff.	Only CVs of Technical/Managerial Staff shall be submitted.
10.2 (b) (x) The Procuring Entity requires that each expert confirm that the content of his/her CV is correct and the experts themselves should sign the certification of the CV. In addition the expert should submit a signed written commitment stating that the expert shall work for the Project once awarded the contract. xxx	To comply with the second statement in Section 10.2 (b) (x), you may use the attached REVISED TPF 6 .
11.2 The Financial Proposal requires completion of six (6) forms, particularly FPF 1, FPF 2, FPF 3, FPF 4, FPF 5, FPF 6. FPF 1. Financial Proposal Submission	11.2 The Financial Proposal requires completion of six (6) five (5) forms, particularly FPF 1, FPF 2, FPF 3, FPF 4, [FPF-5] , and FPF 6. FPF 1.

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<p>Form should form the covering letter of the Financial Proposal. Form FPF 2. Summary of Costs. FPF 3. Breakdown of Price per Activity. FPF 4. Breakdown of Remuneration per Activity. FPF 5. Reimbursables per Activity, and FPF 6. Miscellaneous Expenses, relate to the costs of consulting services under the two distinct categories, namely: (a) Remuneration; and (b) Reimbursable Expenditures.</p> <p>27.2 Within a non-extendible period of three (3) calendar days from receipt by the Consultant of the notice from the BAC that it is the HRB, the Consultant shall submit the following documentary requirements:</p> <p>a. Tax clearance per Executive Order 398, Series of 2005;</p> <p>b. Latest income and business tax returns in the form specified in the <u>BDS</u>;</p> <p>c. Certificate of PhilGEPS Registration</p>	<p>Financial Proposal Submission Form should form the covering letter of the Financial Proposal. Form FPF 2. Summary of Costs. FPF 3. Breakdown of Price per Activity. FPF 4. Breakdown of Remuneration per Activity. FPF 5. Reimbursables per Activity, and FPF 6. Miscellaneous Expenses. relates to the costs of consulting services under the two distinct categories, namely: (a) Remuneration; and (b) Reimbursable Expenditures.</p> <p>For joint venture (JV), each partner of the JV shall submit: (a) Tax clearance per Executive Order 398; Series of 2005; and (b) Latest income and business tax returns in the form specified in the BDS.</p> <p>However, submission of the Certificate of PhilGEPS Registration by any of the JV partners constitutes compliance.</p>
<p>Section III. Bid Data Sheet</p> <p>15.1 (2) Six Hundred Thousand (P600,000), if bid security is in surety bond;</p>	<p>15.1 (2) Six Hundred Thousand (P600,000), if bid security is in surety bond. Shortlisted consultants shall submit a certification from Insurance Commission that the surety or insurance company is specifically authorized to issue surety bonds callable upon demand. Copy of the firm's license or certificate of authority to transact in insurance business will not suffice.</p>
<p>Section VI. Terms of Reference</p> <p>III.1.d Conduct of necessary management, user, and technical training</p> <p>i. Management reports/System generated reports</p> <p>ii. End-User/Processor trainings</p> <p>iii. Administration, performance tuning, troubleshooting</p>	<p>Target participants for items i and ii will be around 30 personnel coming from different DBM offices in the Central Office. For item iii, participants will be around 6 from the ICTSS.</p> <p>Reports to be generated from the system shall be determined during contract implementation.</p>

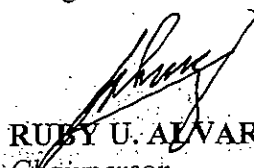
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<p>III.3.a Covering Central Records Division (CRD) backlog with estimated 2.5 million pages.</p> <p>III.2.c The system's user interface must run on the operating system of standard DBM workstations.</p>	<p>III.3.a Covering [Central Records Division (CRD) backlog] all records of DBM Central Office not less than with an estimated 2.5 million pages.</p> <p>Workstations are running on Windows Operating System (OS), while database servers use Linux. However, since the application is browser based, the operating system of the workstation will not be relevant.</p>
<p>Others:</p> <ol style="list-style-type: none"> 1. There are two application servers stated in the technical specifications, namely: (i) application server that has 7 units which can support multiplatform OS; and (ii) application server running in Windows 2008 with 25 CAL. In which servers will the Document Management System (DMS) be deployed? 2. Is the bidder required to submit a credit line certificate? 3. Is there a slot for additional module in blade server on hypervisor platform for Windows 2008 and Enterprise Linux? 	<p>Please note that part of the services to be rendered by the consultant is the specification of the server that must be procured where the DMS will be installed. It must also be noted that the consultant will have to provide the test environment server. However, if there is need to temporarily deploy the DMS prior to procurement of the required server, consultant may utilize DBM application server using Windows OS.</p> <p>Not applicable.</p> <p>Yes, there are available slots for additional blade server.</p>

Other Matters:

- The deadline for submission and receipt of the bids is on **August 10, 2011, 10:00 a.m.** at Left Wing G/F Boncodin Hall, Gen. Solano St., San Miguel Malacañang, Manila. The DBM bundy clock time shall be followed. Opening of Technical Proposals will immediately follow thereafter, while the opening of Financial Proposals shall be on **August 17, 2011, 10:00 a.m.**
- **Late Bids shall not be accepted.**
- The "No Contact Rule" shall be strictly observed. Bidders are not allowed to contact any member of the BAC, TWG or Secretariat effective August 10, 2011 right after opening of bids.

For guidance and information of all concerned.


RUBY U. ALVAREZ
 Chairperson



TPF 6. Format of Curriculum Vitae (CV) for Proposed Professional Staff

Proposed Position: _____

Name of Firm: _____

Name of Staff: _____

Profession: _____

Date of Birth: _____

Years with Firm/Entity: _____ Nationality: _____

Membership in Professional Societies: _____

Detailed Tasks Assigned: _____

Key Qualifications:

[Give an outline of staff member's experience and training most pertinent to tasks on project. Describe degree of responsibility held by staff member on relevant previous projects and give dates and locations. Use about half a page.]

Education:

[Summarize college/university and other specialized education of staff members, giving names of schools, dates attended, and degrees obtained. Use about one quarter of a page.]

Employment Record:

[Starting with present position, list in reverse order every employment held. List all positions held by staff member since graduation, giving dates, names of employing organizations, titles of positions held, and locations of projects. For experience in last ten years, also give types of activities performed and client references, where appropriate. Use about two pages.]

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Languages:

[For each language, indicate proficiency: excellent, good, fair, or poor in speaking, reading, and writing.]

Certification:

I, the undersigned, certify that to the best of my knowledge and belief, these data correctly describe me, my qualifications, and my experience.

I also commit to work for the DBM Document Management System Consultancy Project, if contract is awarded to [please state name of firm].

[Signature of staff member and authorized representative of the firm] Date: _____
Day/Month/Year

Full name of staff member: _____

Full name of authorized representative: _____

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REPUBLIC OF THE PHILIPPINES
Department of Budget and Management
Malacañang, Manila

NOTICE OF ELIGIBILITY AND SHORT LISTING

July 25, 2011

Mr. Eisen Vicente A. Balcueva

Assistant Vice President

U-BIX Corporation

1344 Angono Street,

Poblacion, Makati City

ORIGINAL RECEIVED

By: *Aniel F. Fajardo*

Designation: *Message*

Office: *U.B.I.X. Corporation*

Date: *July 25, 2011*

Dear Mr. Balcueva:

The Department of Budget and Management (DBM) has received financing from the General Appropriations Act in the amount of Twelve Million Pesos (P12,000,000.00) for the cost of *Document Management System Consultancy Project* (the "Project").

Relative thereto, the DBM now invites bids to provide the following for the project: (i) design, development and deployment of web based Document Management System; (ii) Scanning and indexing services of archived documents for the DBM Central Records Division; (iii) Identification of hardware and software requirements; and (iv) Provision of training and change management plan. The details on the services are provided in the Terms of Reference and the winning consultant shall be selected and employed in accordance with Quality Cost Based Evaluation procedures as described in the Bidding Documents.

This notice is given to the following short listed consultants: (i) LAS Management & General Services Inc.; (ii) UBIX Corp; and (iii) Joint Venture of Incuventure Partners Corporation and Imaging Works Inc., who are prohibited from transferring their invitation to other consultant.

The DBM will hold a Pre-Bid Conference on July 28, 2011, 10:00 a.m. at 2nd floor, DBM Boncodin Hall, Usec. Guerrero's Conference Room. The Pre-Bid Conference shall be open only to all interested parties who have purchased the Bidding Documents in the amount of Six Thousand Five Hundred Pesos (P6, 500.00). The Bidding Documents for the Project shall be available at the G/F AS Conference Room, Mabini Hall, Malacañang, Manila.

Very truly yours,

[Signature]
RUBY U. ALVAREZ

Chairperson
DBM BAC

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TPF 1. TECHNICAL PROPOSAL SUBMISSION FORM

August 10, 2011

The Chairperson

DBM- Bids and Awards Committee
Department of Budget and Management
Malacañang, Manila

Ladies/Gentlemen:

We, the undersigned, offer to provide the consulting services for *DBM Document Management System (DMS) Consultancy Project* in accordance with your Bidding Documents dated *July 2011* and our Bid. We are hereby submitting our Bid, which includes this Technical Proposal, and a Financial Proposal sealed under a separate envelope.

If negotiation are held during the period of bid validity, i.e., before December 8, 2011, we undertake to negotiate on the basis of the proposed staff. Our Bid is binding upon us and subject to the modifications resulting from contract negotiations.

In accordance with GCC Clause 18 we acknowledge and accept the Procuring Entity's right to inspect and audit all records relating to our Bid irrespective of whether we enter into a contract with the Procuring Entity as a result of this Bid or not.

We understand you are not bound to accept any Bid received for the selection of a consultant for the Project.

We remain,

Yours sincerely,

Eisen Vicente A. Balcueva

Assistant Vice President and General Manager

Ubix Corporation

1331 Angono Street, Makati City

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REPUBLIC OF THE PHILIPPINES
Department of Budget and Management
Malacañang, Manila
Telephone Nos. 735-49-02/735-4921 Fax No. 735-4979
Website Address: www@dbm.gov.ph

BID SECURITY

For the

DEPARTMENT OF BUDGET AND MANAGEMENT

Document Management System Consultancy Project

EISEN VICENTE A. RALCUEVA
ASSISTANT VICE PRESIDENT
UBIX DATA CENTER
UBIX CORPORATION

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Republika ng Pilipinas
Republic of the Philippines
Kagawaran ng Pananalapi
Department of Finance
KOMISYON NG SEGURO
INSURANCE COMMISSION

KATIBAYAN NG PAGKAMAYKAPANGYARIHAN
CERTIFICATE OF AUTHORITY

ITO AY PATUNAY na ang **UTILITY ASSURANCE CORPORATION**
(This is to certify that

NG LUNGSOD NG MAKATI, PILIPINAS

na isang pang **DI-BUHAY**
a **NON-LIFE**
(FIRE, MARINE, CASUALTY & SURETY*)

na kompanya ng seguro ay nakatugon sa lahat ng mga kailangang itinakda ng batas
insurance company, has complied with all requirements of law.

ng Pilipinas kaugnay sa gayong mga kompanya ng seguro, kung kaya pinagkakalooban
of the Philippines relative to such insurance companies, and it is hereby granted

nitong **KATIBAYAN NG PAGKAMAYKAPANGYARIHAN** upang makipagnegosyo ng
this CERTIFICATE OF AUTHORITY to transact

uri ng seguro na itinakda sa itaas hanggang ikalabindalawa ng hatinggabi, ng ikatatumpung
the class of insurance business above set forth until twelve o'clock midnight, on the thirtieth

araw ng Hunyo, taong dalawampung libo't labing-dalawa
day of June, year 2012

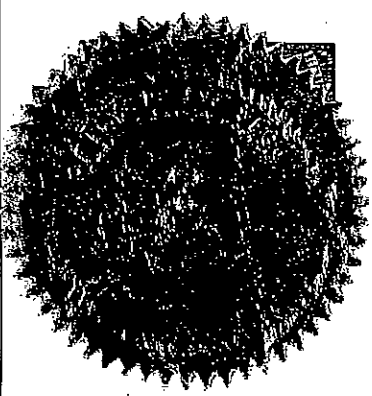
maliban kung agad na bawiin o pigilin ng may makatuwirang dahilan.
unless sooner revoked or suspended for cause.)

Bilang **KATUNAYAN NITO**, inilagda ko ang aking pangalan
(In WITNESS WHEREOF, I have hereunto subscribed my name

at ikinintal ang Opisyal na Tatak ng aking Tanggapan
and caused my Official Seal to be affixed,

sa Lungsod ng Maynila, Pilipinas. Ito ay may bisa
at the City of Manila, Philippines. This becomes

simula ika-isa ng Hulyo 2011.
effective on 1 July 2011.)



Emmanuel F. Dooc
EMMANUEL F. DOOC
Insurance Commissioner

CERTIFIED TRUE COPY!
UTILITY ASSURANCE CORPORATION

BY: *Jose D. Gantán*
JOSE D. GANTAN
SVP/Comptroller

*AO No. 296 issued on
April 21, 1959

Date Issued: **070111**

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EISEN VIENTE A. BALCIEVA
ASSISTANT VICE PRESIDENT
BANK DATA CENTER
UNIX CORPORATION



UTILITY ASSURANCE CORPORATION

Room 1408, 14th Floor, Cityland 10, Tower 2
6817 Ayala Avenue, Salcedo Village, Makati City
Tel. Nos.: 892-4340 to 42 * 892-4349
Fax No.: 892-4346
Email address: info@utassco.ph
TIN: 000-532-408-000 VAT

UTASSCO BOND
NO.

G(2) No. 133356

DOCUMENTARY STAMP
PHP 375.00



238008/04/201111:37DS111PSIC6703RDO116

BIDDER'S BOND (SINGLE BID)

Premium	_____
Doc. Stamps	_____
E.V.A.T	_____
Indemnity Agreement	_____
L.G.T.	_____
TOTAL	_____

KNOW ALL MEN BY THESE PRESENTS:

That we UBIX DATA CENTER, UBIX CORPORATION as PRINCIPAL and UTILITY ASSURANCE CORPORATION, a corporation duly organized and existing under and by virtue of the laws of the Philippines, as SURETY, are held and firmly bound unto the Department of Budget and Management

in the sum of Six Hundred Thousand Pesos only Pesos (₱600,000.00) Philippine Currency, for the payment of which well and truly to be made, we bind ourselves jointly and severally by these presents:

Whereas the above-bounded PRINCIPAL will submit a BID for the Document Management System Consultancy Project.

This bond is Callable on Demand and shall be valid up to 120 cal. days from date of to be opened on August 10, 2011 at 10:00 AM bidding.

Whereas the conditions of obligee require of the BIDDER a bond for the said bid;

Whereas, the PRINCIPAL agrees to comply with all the terms and conditions of the said bid with obligee

NOW, THEREFORE, the conditions of this obligations are such that if the above-bounded PRINCIPAL shall, in case becomes the successful bidder in the said bid mentioned above, accept a contract with obligee

under the terms and conditions of said bid, then this obligation shall be void; otherwise, it shall remain in full force and effect.
Dated at Makati city, Philippines, this 3rd day of August, 2011

UTILITY ASSURANCE CORPORATION
TIN: 000-532-408-000 VAT
JOSE D. GANTAN
SVP/Comptroller
Authorized Signature

UBIX DATA CENTER, UBIX CORPORATION
By:
EISEN VICENTE A. BALCUEVA
Assistant Vice-President
Principal

SIGNED IN THE PRESENCE OF:

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
CITY of Makati) S.S.

This is to certify that on August 3, 2011 before me the undersigned authority, personally appeared Eisen Vicente A. Balcueva representing Ubox Data Center, Ubox Corp. exhibiting Res. Cert. No. A-..... issued at..... on..... and Jose D. Gantán exhibiting Res. Cert. A- 05930650 issued at Makati-Jan. 4, 2011 representing the UTILITY ASSURANCE CORPORATION, who executed the foregoing document and acknowledged to me that they executed the same as their free and voluntary act and deed and voluntary act and deed of the company which they represent, for the uses and purposes therein mentioned.

In witness whereof, I have hereunto set my hand and affixed my notarial seal on the date and place above indicated.

Doc. No. 354 Page No. 71;
Book No. 11 Series of 20.....;
REPUBLIC OF THE PHILIPPINES)
CITY OF Makati) S.S.

I, JOSE D. GANTAN, SVP/Comptroller

of the UTILITY ASSURANCE CORPORATION having been duly sworn, states and deposes that the said UTILITY ASSURANCE CORPORATION is a corporation organized and existing under and by the virtue of the laws of the Philippines, with its principal office in the City of Makati, and is duly authorized to execute and furnish surety bonds for all purpose with said Islands, and that it is actually worth the amount specified in the foregoing undertaking over and above all just debts and obligations and properly exempt from execution.

CORPORATION TAX CERT. C- 00072659
Issued at Makati City on Jan. 4, 2011



UTILITY ASSURANCE CORPORATION
TIN: 000-532-408-000 VAT


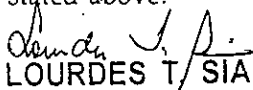
JOSE D. GANTAN
Authorized Signature

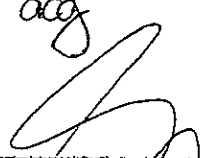
SUBSCRIBED AND SWORN to before me on August 3, 2011 at Makati city, Philippines Affiant have exhibit to me their residence certificates and that of the Corporation above described.

RODOLFO E. MENDOZA
Notary Public City of Makati
Until December 31, 2011
PTR No. 264166/Makati/01-03-11
IBP No. 24288

Doc. No. 355 Page No. 71;
Book No. 11 Series of 20.....;

RODOLFO E. MENDOZA
Notary Public City of Makati
Until December 31, 2011
PTR No. 264166/Makati/01-03-11
IBP No. 24288
Roll No. 24288

	Official Receipt of the Republic of the Philippines		
	No 0243178 D		
	Date <i>July 26, 2011</i>		
Agency <i>DBM</i>		Fund	
Payor <i>U-BIX corporation</i>			
Nature of Collection	Account Code	Amount	
<i>Payment of bid document for document req.</i>		P	
<i>System consultancy Project (the Project)</i>		<i>6,500.-</i>	
		<i>9</i>	
TOTAL		P 6,500.-	
Amount in Words <i>six thousand five hundred pesos only.</i>			
<input type="checkbox"/> Cash	Drawee Bank	Number	Date
<input type="checkbox"/> Check			
<input type="checkbox"/> Money Order			
Received the amount stated above.			
 LOURDES T. SIA Chief of Cash Div. Office			
EISEN VICENTE A. BALCUEVA ASSISTANT VICE PRESIDENT UBIX DATA CENTER UBIX CORPORATION			
NOTE: Write the number and date of this receipt on the back of check or money order received.			

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REPUBLIC OF THE PHILIPPINES
Department of Budget and Management
Malacañang, Manila
Telephone Nos. 735-49-02/735-4921 Fax No. 735-4979
Website Address: www@dbm.gov.ph

**EXECUTIVE SUMMARY / BRIEF DESCRIPTION
OF THE ORGANIZATION**

For the

DEPARTMENT OF BUDGET AND MANAGEMENT

**Document Management System
Consultancy Project**


EISEN VICENTE A. PALCUEVA
ASSISTANT VICE PRESIDENT
UBIX DATA CENTER
UBIX CORPORATION

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EXECUTIVE SUMMARY / BRIEF DESCRIPTION OF THE ORGANIZATION

I. Introduction

The U-Bix Data Center (UDC) provides Document Archiving, Document Digitization and Data Capture services, Data Processing, Document Management Software (DMS) and Essential Mail Printing and Letter Shopping. The equipment supporting these services is housed in U-Bix Data Center located at 9F and 10/F Petplans Tower, EDSA, Guadalupe Viejo, Makati City, Philippines. This is operated by the Document and Data Services (DDS) and Essential and Mail and Printing Services (EMPS) group.

The UDC - DDS offers document archiving, document Digitization and Data Capture services with the use of the following major equipment:

- Kodak/Bell and Howell High Speed Scanners x 21 units (Kodak 3500, i600 series)
- Kodak Mid Volume Scanners x 7 units (Kodak i260/i280)
- Kodak and Canon Check Scanners x 4 units
- Server with Windows 2003 NOS x 3 units
- Desktop PC with XP OS x 106 units
- Philcom and PLDT i-gate Broadband Connections

While UDC -EMPS Offers essential printing and mailing services with the use of the following major equipment:

- Konika Minolta Bizhub 1050 Printers x 7 units
- Riso High Speed Printer x 1 unit (Kodak i260/i280)
- Server with Windows 2003 NOS x 2 units
- Desktop PC with Windows 2000 OS x 12 units
- Philcom and PLDT i-gate Broadband Connections

A Business Continuity Plan (BCP) for its various projects was developed as a result of the service offering to assure its customers of continuous operations in the event a disaster interrupts operations.

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[Signature]

EISEN VICENTE A. BALQUEVA ASSISTANT VICE PRESIDENT UBIX DATA CENTER UBIX CORPORATION

II. Company Overview

a. Company History

U-Bix Corporation has been in the office machines business for the past 33 years, founded on February 11, 1974 by Atty. Edilberto B. Bravo and Atty. Enrique M. Belo. It started as the exclusive distributor of Konica copiers in the Philippines, and since then, the business has evolved into an integrated office systems and services provider. U-Bix Corporation acquired the distributorship of leading companies such as Epson Corporation for printers, and multi-media projectors, Riso Kagaku Corporation for digital duplicators, and Okamura Corporation for office furniture systems. In 1996, U-Bix Corporation then ventured into exclusive U.S. franchise agreements with ServiceMaster for facilities maintenance services (janitorial/ housekeeping/ grounds-keeping services and plant operations maintenance), Terminix for termite and pest control services, and most recently, Merry Maids for home cleaning services.

The company's objective is to be a "one-stop shop" for anyone in need of office systems and services; from the customer's perspective, they have the convenience of being able to rely on one company with a proven thirty seven (37) years track record of high quality and excellent service to cater to all their office needs, whether for office equipment or facilities maintenance services. From the company's perspective, its strength is being able to know what its customers need and deliver these products and services to their full and complete satisfaction.

The recent acquisition of the KODAK's Imaging Center (now called the U-Bix Data Center) brings U-Bix Corporation the full portfolio of services from equipment to document management software to outsourcing solutions. The U-Bix Data Center group is the leader in imaging services and has been providing Digital conversion, Archiving solutions and Essential Mail Printing Services for more than twenty (20) years with diversified businesses in all areas of optical and digital imaging. In 2006, the group's turnover worldwide was approximately US\$2.1 million.

The KODAK Imaging Center is now be called the U-Bix Data Center (UDC) and will be a division of U-BIX CORPORATION. It will be the main outsourcing service arm of U-BIX and will continue to provide professional imaging and business outsourcing services.

Good
The UDC is committed to outstanding quality in the many services it offers. In fact, our services have gone beyond imaging to include innovative solution for the advanced handling of image and information as well as to progress ourselves to the Business Process Outsourcing market. The new name UDC reflects our continuing evolution to embrace new technology and ideas.

EISEN VICENTE A. BALCUEVA
ASSISTANT VICE PRESIDENT
UBIX DATA CENTER
UBIX CORPORATION

In fact, our dedication, experience, technology and innovation have ensured U-Bix Data Center to remain at the forefront in the outsourcing arena.

The facilities and equipment supporting these services is housed in U-Bix Data Center located at 9/F and 10/F Petplans Tower, EDSA, Guadalupe Viejo, Makati City, Philippines. This is operated by the Document and Data Services (DDS) and Essential and Mail and Printing (EMPS) group.

b. Key Management

The U-Bix Data Center, a Division of U-Bix Corporation, has the following Key Officers and Managers:

1. Mr. Edilberto Bravo – Chairman and CEO
2. Mr. Daniel A. Dumlao – Senior Vice President for Sales
3. Mr. Edwin D. Magpantay – Chief Finance Officer
4. Mr. Eisen Vicente A. Balcueva – Assistant Vice President – U-BIX Data Center
5. Ms. Razel T. Gonzaga - Operations Manager
6. Ms. Claudine C. Castaneda – National Sales Manager

c. Business/Services

1. Document and Data Service

U-Bix Data Center recognized as one of the country's leading service provider in the document imaging services allows us to produce multiple and full text indexing in a timely manner. Multiple indexing may be done upon client's preference of selecting the data elements in order to retrieve the document images systematically and quickly. Full text indexing however provides a wider scope of searching and retrieving the electronics documents using our process automation system and Indexing customized software.

We integrate existing databases with files kept in paper and microfilm. UDC has completed document scanning projects from paper, microfilm since 1990. Our large conversion projects are conducted both in-house and onsite with twenty (20) plus years imaging experience; including state-of-the-art Business Process Outsourcing, Facilities Management, Document Management System and a broad array of scanning and data capture functions.

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[Signature]

EISEN VICENTE A. BALCUEVA ASSISTANT VICE PRESIDENT UBIX DATA CENTER UBIX CORPORATION

We have a separate group dedicated to onsite projects, an important focus of our firm. Between forty to sixty projects are generally underway Nationwide. UDC, also caters to offshore projects. UDC provides the equipment, software, personnel and, most importantly, project management.

We fully administer our sites for backup, software and hardware upgrades, security monitoring, etc. All phases of a conversion project such as document preparation, scanning, indexing, PDF conversion, OCR, etc. can be done by UDC, directly by our client or apportioned to either based upon the most efficient systems approach. No service bureau can match our experience and state-of-the-art techniques.

Indexed Data is validated in automated manner using the **index software**; Validation is being done by Batch by the Quality Control Team Leader / Supervisor to ensure the overall integrity of the indexed information. Quality Assurance also performs a page-by-page final inspection of the images to ensure the completeness of the images and the indexes.

Indexed data with issues will be recorded to "Exception Handling Form" to ensure that all recorded issues were taking into account to extract the necessary action.

U-BIX Data Center also develops custom document management system by integrating imaging components from third party software, packaged software, custom software, or combination of software products can represent the best solution for everything from a single departmental document management application to enterprise wide workflow. Our products are fully featured, user friendly and easily justifiable.

Just recently, last April 2008, UDC has expanded its outsourcing arm in the Visayas and Mindanao clients by opening the data center in Cebu.

The main objective of U-BIX Data Center is to "provide our customers with products and services of the highest quality through continual improvement of our management system" as our corporate objectives.

Service Specification

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Imaging Services provides the following services to clients:

- Document Preparation/Grooming
- Document Scanning

EISEN VICENTE A. BALCUEVA
ASSISTANT VICE PRESIDENT
UBIX DATA CENTER
UBIX CORPORATION

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- Digital / Microfilm Processing
- Data Encoding / Indexing
- Data Processing
- OCR – Optical Character Recognition

2. Essential Mail and Printing Services

Design, productions and distribution of critical business communication such as bills, statements, notices and renewals.

Business-critical documents such as invoices or statutory notices have a direct impact on the cash flow and risk profile of your organization. These documents are also often the primary form of communication you have with your customers. UDC's expertise in managing this type of essential communication can deliver substantial benefits for both you and your customers.

For example, specialized document design ensures that customers can find all the details they need quickly and easily, minimizing queries and improving on-time payment levels.

Multi-channel distribution by mail, email, and fax or via a secure web link allows you to deliver information in your customers' preferred format: all from the same data stream. You may also choose to use your essential mail for brand-building or customer loyalty programs.

Whatever your objectives, UDC's production systems provide the high process integrity and reporting options crucial for this type of commercially-sensitive material. Our Essential Mail and Printing Services are the following:

1. High-speed printing (variable, static, On-demand)
2. Automated Letter shopping (sorting, collating, folding, Inserting)
3. Attachment of Proof Delivery Receipt
4. Manual Letter shopping Services (odd-size packaging, Voluminous enveloping, attachment of gum-label stickers)
5. Hand writing of special messages
6. Data Conversion Services

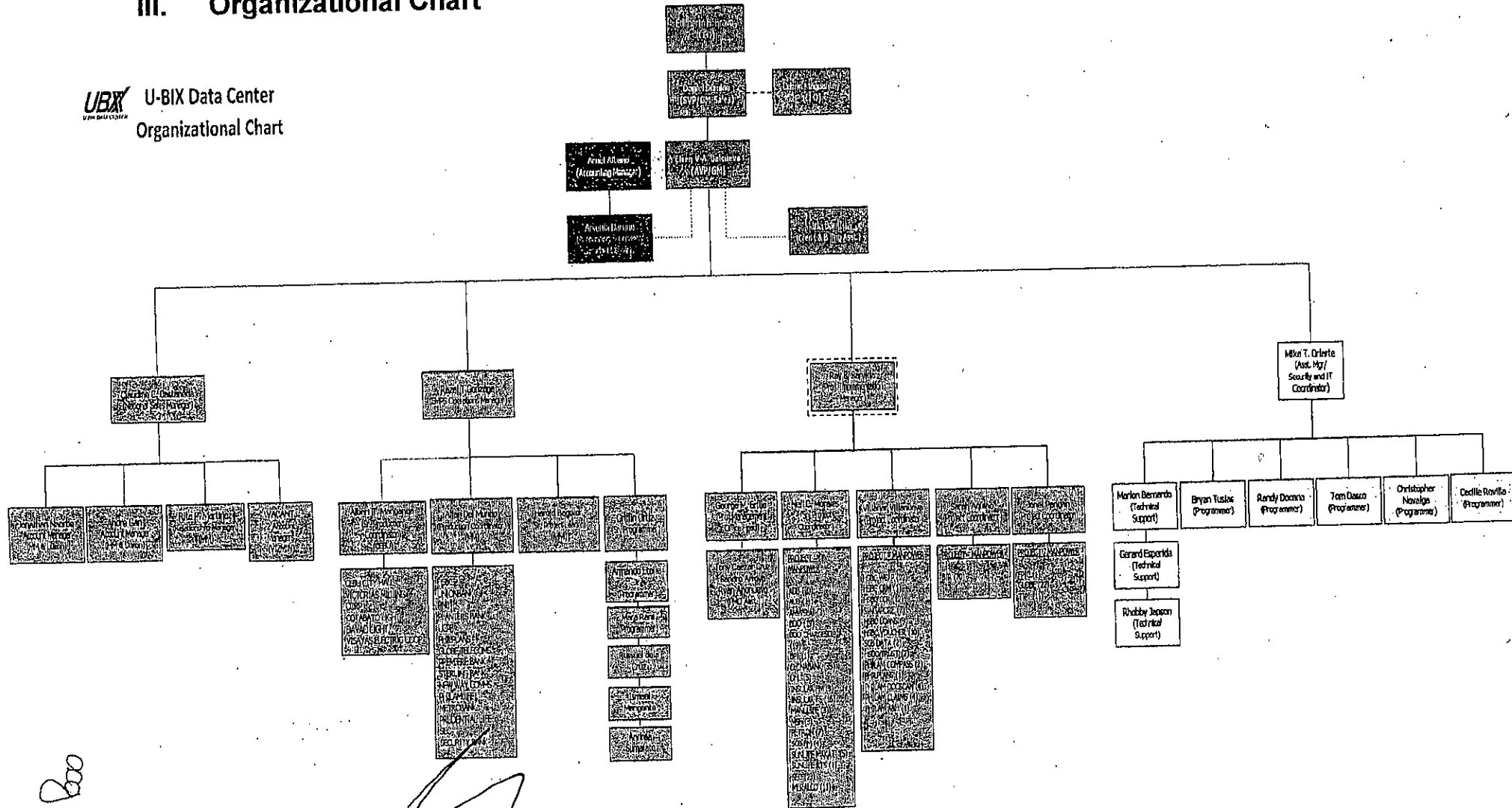
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III. Organizational Chart

UBX U-BIX Data Center
Organizational Chart



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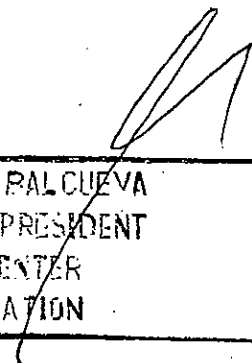
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Department of Budget and Management
Malacañang, Manila
Telephone Nos. 735-49-02/735-4921 Fax No. 735-4979
Website Address: www@dbm.gov.ph

TPF 2. CONSULTANT'S REFERENCES

For the

DEPARTMENT OF BUDGET AND MANAGEMENT

Document Management System Consultancy Project


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**Relevant Services Carried Out in the Last Two Years
That Best Illustrate Qualifications**

Using the format below, provide information on each project for which your firm/entity, either individually, as a corporate entity, or as one of the major companies within an association, was legally contracted.

Project Name: BIR ISG TECHNICAL LIBRARY SYSTEM BIR		Country: PHILIPPINES
Location within Country: - BIR, National Office Bldg. Diliman, Quezon City		Professional Staff Provided by Your Firm/Entity(profiles):
Name of Client: BUREAU OF INTERNAL REVENUE		No. of Staff: 10 Managerial and Technical Staff 40+ Project Based Support Staff for Scanning and Data Capture
Address: - BIR National Office Bldg. Diliman, Quezon City		No. of Staff-Months; Duration of Project: 1 year
Start Date (Month / Year) BIR ISG – May 2010 BIR Document Imaging – Jan 2009	Completion Date (Month/Year): BIR ISG – May 2011 BIR Document Imaging – Dec. 2009	Approx. Value of Services (in Current US \$): BIR ISG PHP 445,000.00 (USD10,500) BIR Document Imaging – PHP16,219,819 (USD386,000)
Name of Associated Consultants, if any: - Not applicable		No. of Months of Professional Staff Provided by Associated Consultants: - Not applicable
Name of Senior Staff (Project Director/Coordinator, Team Leader) Involved and Functions Performed: Eisen Vicente Balcueva – Client Engagement Manager Ray Sarvida – Project Manager and Account Manager Villanar Villanueva – Production and Service Delivery Manager Michael Oriarte – Technical Lead / Hardware Specialist Randy Docena – Developer (Document Management System) Bryan Tusias – Developer (forms processing and data capture for Income Tax Returns) Nhatz Bulawan –Quality Assurance and Testing George Erfilo – Business Analyst / PMO Head Sarah Aquino – Project Coordinator		
Narrative Description of Project: The BIR project involves the forms processing and data capture of 48+ form types for income tax return from Revenue District 39 and 40 with 2 million ITR forms to be processed. The extracted information will be uploaded into a Document Management and Repository system to enable BIR to mine data, create reports in line with its tax rates and tax policies. The document imaging and capture technology is aimed to reduce tax-reducing and tax-evading activities. The access is web-based and unlimited being shared by employees from National office, revenue offices and external government agencies. The ISG Technical Library is a repository of all information assets of Information Services Group (ISG) such as but not limited to training manuals, source codes for systems installed in BIR, project contracts and bid documents and confidential records such as Top Delinquent and Tax Payers.		
Description of Actual Services Provided by Your Staff: Lease of Docuvu Document Management Software Licenses, Document Management Server, Web Server, Database Server, Storage Device Technical Consultancy on MS SQL Database Technical Consultancy on Server and Storage for DMS configuration and sizing Setup of MS SQL Database Installation, configuration, deployment of Docuvu Software in National Office – Revenue Center Mapping of document scanner to Docuvu Document Capture Module and set up per department user Customization of Adobe Acrobat Professional Licenses as OCR extraction tool for all scanned images Customization of user Interfaces and other software enhancement Migration of Documentum Database and Images into Docuvu DMS Project Management Consultancy Training and Knowledge Transfer for Docuvu Software Training in Best Practices in Records Management and Document Imaging		

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Using the format below, provide information on each project for which your firm/entity, either individually, as a corporate entity, or as one of the major companies within an association, was legally contracted.

Project Name: DOCUMENT SCANNING AND DATA CAPTURE, DOCUMENT MANAGEMENT SYSTEM FOR HONGKONG AND SHANGHAI BANKING CORPORATION, PHILIPPINES		Country: PHILIPPINES
Location within Country: TAGUIG CITY		Professional Staff Provided by Your Firm/Entity(profiles): Programmer/ Technical Support
Name of Client: HONGKONG AND SHANGHAI BANKING CORPORATION, PHILIPPINES (HSBC)		No. of Staff: 13
Address: -5/F HSBC Centre 3058 Fifth Avenue West, Bonifacio Global City, Taguig City		No. of Staff-Months; Duration of Project: - 12 months per period
Start Date (Month / Year) October 18, 2009 October 19, 2010	Completion Date (Month/Year): October 18, 2010 On-going until October 19, 2011	Approx. Value of Services (in Current US \$): For 2009 to 2010 period- PHP14,756,353.00 USD351,342 (PHP42/USD1)
Name of Associated Consultants, if any: Not applicable		No. of Months of Professional Staff Provided by Associated Consultants: Not applicable
Name of Senior Staff (Project Director/Coordinator, Team Leader) Involved and Functions Performed: Eisen Vicente Balcueva – Operations Manager Villanar Villanueva – Project Manager Ray Sarvida – Service Delivery Manager Michael Oriarte – Technical Lead / Hardware Specialist Armando Etolle Jr – Developer (Statement of Account and Direct Mail) Randy Docena – Developer (Document Management System) Bryan Tusias – Developer (forms processing and data capture) Nhatz Bulawan -Assurance and Testing George Erfilo – Business Analyst Griffin Ortiz – System Analyst Razel Gonzaga – Printing Service Delivery Manager Nancy Mabagos – Project Coordinator Claudine Castaneda – Customer Engagement Manager		
Narrative Description of Project: HSBC Document Scanning, Data Capture and Document Management And Archiving Project involves the back office processing of credit card, remittance, deposit and loan application forms at 10,000 pages per day to be processed within 24 hours. The scanned application forms and attachments are processed using forms capture OCR technology with 100% validation for an accuracy of 99.95%. Processed documents are uploaded into Docuvu DMS which can be accessed over HSBC's 20+ branches nationwide including concurrent access fro regional offices. DMS technology provided HSBC with control, security, transparency and means to streamline client-facing operations, improve response times and approval cycle times in the very competitive credit card industry. DMS enabled HSBC to easily comply with BSP and Anti-Money Laundering policies, facilitated timely auditable documents to be retrieved by both third party and internal auditors. The DMS is a cost-effective way to comply with legal retention periods in a digital mode. The bank has reduced its office space and storage warehouse with document imaging. The technology enabled HSBC to manage retention and purging policies and has an easy way to monitor access and privilege rights to the DMS with an advanced audit trail.		
Description of Actual Services Provided by Your Staff: Docuvu Document Management Software Licenses Installation, configuration, deployment of Docuvu Software Mapping of Kodak High Speed Scanners to Docuvu Document Capture Module and set up per department user Design, creation and deployment of a power indexing tool for high volume forms processing with capability to check accuracy Project Management Consultancy Training and Knowledge Transfer for Docuvu Software Training in Best Practices in Records Management and Document Imaging 99.995% Data Capture Services within 12 hours turnaround time Scanning and processing of 10,000 pages of banking documents within 12 hours turnaround time		

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Relevant Services Carried Out in the Last Two Years That Best Illustrate Qualifications

Using the format below, provide information on each project for which your firm/entity, either individually, as a corporate entity, or as one of the major companies within an association, was legally contracted.

Project Name: DOCUMENT MANAGEMENT SYSTEM FOR NEGROS NAVIGATION		Country: PHILIPPINES
Location within Country: MANILA CITY		Professional Staff Provided by Your Firm/Entity(profiles): Programmer/ Technical Support
Name of Client: NEGROS NAVIGATION		No. of Staff: 5
Address: NEGROS NAVIGATION Pier 2, North Harbor, Manila City		No. of Staff-Months; Duration of Project: Two (2) Months
Start Date (Month / Year) October 2010	Completion Date (Month/Year): November 2010	Approx. Value of Services (in Current US \$): 22,000 USD
Name of Associated Consultants, if any: Not applicable		No. of Months of Professional Staff Provided by Associated Consultants: Not applicable
Name of Senior Staff (Project Director/Coordinator, Team Leader) Involved and Functions Performed: Ray S. Sarvida – Operations and Service Delivery Manager Michael T. Oriarte- Technical Lead / Training Officer Randy E. Docena- Developer and DBA Nathaniel Bulawan – Quality Assurance and Software Tester (resigned as of June 2011) Neil C. Morales – Production and Service Delivery Coordinator		
Narrative Description of Project: Document Management System, Unlimited License to be used through nationwide Negros Navigation ticketing and passenger offices in the country. Negros Navigation wants to have easy control, security, easy and concurrent access to documents such as passenger files and records, fleet passenger contracts, legal cases, HR documents such as 201 files, accounting documents with a retention period of 5 years or more such as official receipts, invoices, and disbursement records. Negros Navigation was looking for a solutions provider with a strong presence in Vismin areas where their operations are focused. With the 17 branches of Ubix throughout the Philippines, NN is assured of reliable 24/7 service on software and hardware in their operations center. The IT manager wanted to implement forms processing (OCR) and searchable PDF formats for easy retrieval and research for the legal and finance teams.		
Description of Actual Services Provided by Your Staff: Docuvu Document Management Software Licenses Technical Consultancy on MS SQL Database Technical Consultancy on Server and Storage for DMS configuration and sizing Setup of MS SQL Database Installation, configuration, deployment of Docuvu Software in negros navigation head office Delivery of Konica Minolta C280 Multi-function, Scanner, printer and copier, color, bi-tonal capability Mapping of Konica Minolta Bizhub to Docuvu Document Capture Module and set up per department user Customization of Adobe Acrobat Professional Licenses as OCR extraction tool for all scanned images Creation of media archive (DVD View) tool for negros navigation to back-up scanned images into DVD with built-in viewer, search engine, database and images Project Management Consultancy Training and Knowledge Transfer for Docuvu Software Training and Knowledge Transfer for Konica Minolta Bizhub C280 Training in Best Practices in Records Management and Document Imaging		

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That Best Illustrate Qualifications**

Using the format below, provide information on each project for which your firm/entity, either individually, as a corporate entity, or as one of the major companies within an association, was legally contracted.

Project Name: DOCUMENT IMAGING, DATA CAPTURE AND DOCUMENT MANAGEMENT SYSTEM FOR ASSESSOR DEPARTMENT, CITY GOVERNMENT OF CEBU CITY		Country: PHILIPPINES
Location within Country: - Cebu City		Professional Staff Provided by Your Firm/Entity(profiles):
Name of Client: City Government of Cebu – Assessor Department		No. of Staff: 7 Managerial and Technical Staff 9+ Project Based Support Staff for Scanning and Data Capture
Address: - Sto. Nino, Cebu City		No. of Staff-Months; Duration of Project: 1 year
Start Date (Month / Year) June 2010	Completion Date (Month/Year): December 2010	Approx. Value of Services (in Current US \$): PHP2,992,000.00 (USD71,238)
Name of Associated Consultants, if any: - Not applicable		No. of Months of Professional Staff Provided by Associated Consultants: - Not applicable
Name of Senior Staff (Project Director/Coordinator, Team Leader) Involved and Functions Performed: Ray S. Sarvida – Project Manager Albert T. Mangande – Production Coordinator Michael Oriarte – Technical Lead / Hardware Specialist Randy Docena – Developer (Document Management System) / DBA Bryan Tusias –Quality Assurance and Testing George Erfilo – Business Analyst / PMO Head Analyn Bandagoza – Group Leader		
Narrative Description of Project: The DMS for Cebu City Assessor Department involved the conversion of 1million tax declaration documents into digital format and data extraction /capture. The information can be mined to produce various management reports for the Office of the Mayor consumption. The DMS has increased transparency in public service and deterrent for illegal fixing internally and falsification of real estate taxes assessment and collection. The successful implementation of DMS resulted in accelerated decision making, increased transparency and elimination of risk from fire and flood. The security and audit trail has provided the users with complete control of information.		
Description of Actual Services Provided by Your Staff: Docuvu Document Management Licenses Delivery of IBM Blade Server and Storage Array Delivery of IBM Workstations with Microsoft Licenses Setup, configuration and testing of blade server and storage Warranty and Technical Support for blade server and storage Technical Consultancy on MS SQL Database Technical Consultancy on Server and Storage for DMS configuration and sizing Setup of MS SQL Database Design, Installation, configuration, deployment of Docuvu Software in Cebu City Assessor Department Mapping of Kodak document scanner to Docuvu Document Capture Module and set up Customization of user Interfaces and other software enhancement Project Management Consultancy Training and Knowledge Transfer for Docuvu Software Training and Knowledge Transfer for Kodak Scanner Training in Best Practices in Records Management and Document Imaging Document Imaging and Data Capture for 1 million documents with 65+ fields for extraction		

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**TPF 3. COMMENTS AND SUGGESTIONS OF
CONSULTANT ON THE TERMS OF REFERENCE
AND ON DATA, SERVICES, AND FACILITIES TO
BE PROVIDED BY THE PROCURING ENTITY**

For the

DEPARTMENT OF BUDGET AND MANAGEMENT

**Document Management System
Consultancy Project**

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TPF 3. Comments and Suggestions of Consultant on the Terms of Reference
and on Data, Services, and Facilities to be Provided By the Procuring Entity

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I. Connectivity of DBM's existing Multifunction Printer to Document Management System

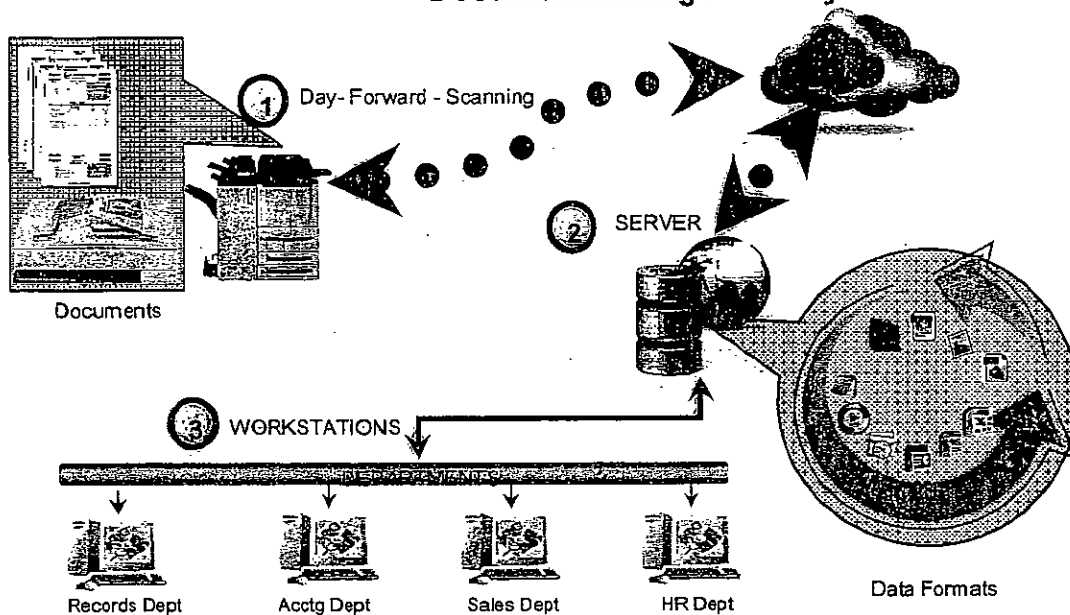


Figure 1.0 – Overview

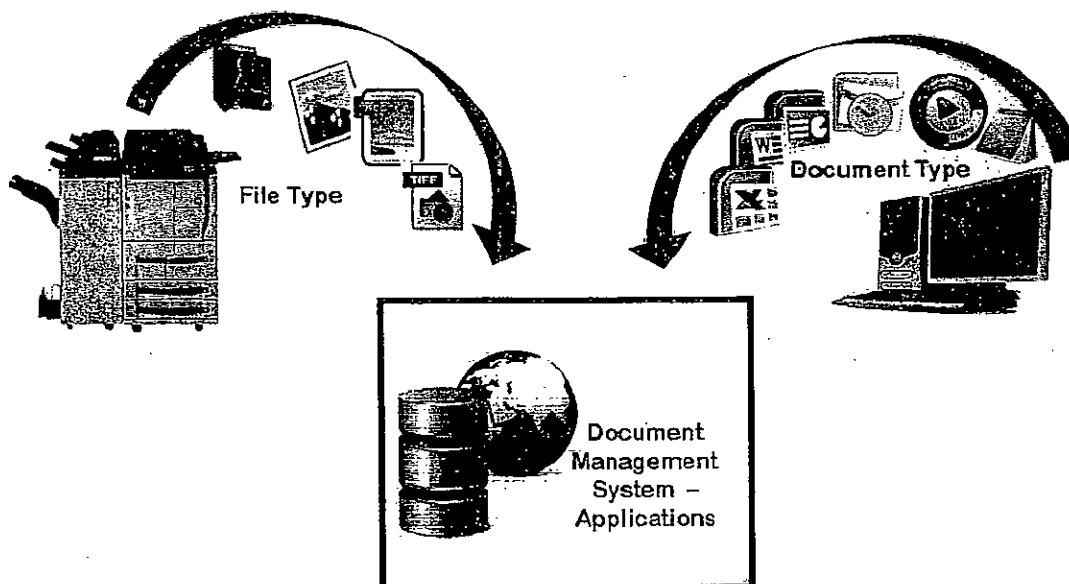


Figure 2.0 – Document Formats



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Document Management System (DMS) has a capacity to connect to MULTIFUNCTION PRINTER by using these programs which are Irfanview (for Real-Time Viewing) and Scan Assist (for Document Structuring).

1. Irfanview (for REAL – TIME Viewing)

- Open Irfanview Program
- Detecting twain Driver
- Start of scanning process
- Batch scanning setup
- Specify the scanner setting
- Selecting the paper size
- Selecting the scan mode
- Selecting the desired resolution – Dots per Inch (DPI)
- Select the scan type
- Selecting Duplex scanning

2. Scan Assist (for Document Structuring)

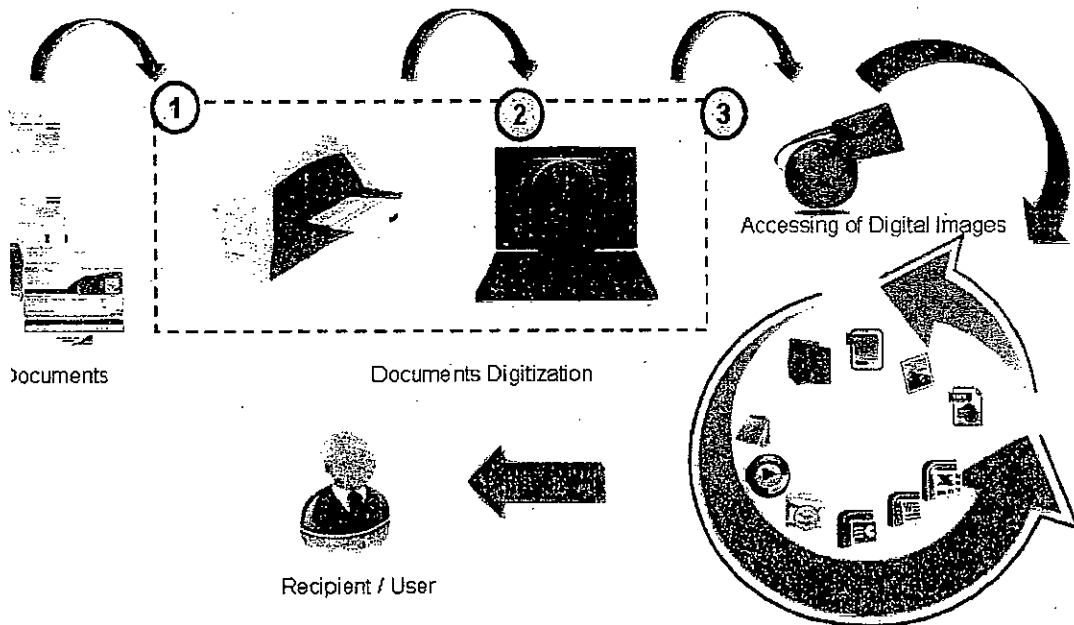
- Open Scan Assist Program
- Load destination Path
- Select file format eg. Image list, flat file, Doc_cd format and etc.

DMS has the capacity of automatic access to the source images for indexing, image can be rotated based on the desire orientation and image can be zoomed in and out.

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II. The KODAK i1420 Scanner for Day-Forward Scanning



Based on the Document Survey from Department of Budget and Management Central Records Division after Backfile Scanning, we recommend a scanner mid-volume, production type capable to manage the moving forward documents which is estimated hereunder.

Monthly		
No. of Boxes per Month	Pages per Box	Pages per Month
15.00	1,500.00	22,500.00

Yearly		
No. of Boxes per Month	Pages per Box	Pages per Month
180.00	1,500.00	270,000.00

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Other Features and Benefits

- Handles all kinds of documents ranging from onionskin to card stock in just about any condition, up to 863 mm (34 in.) long, at speeds up to 60 pages per minute/120 images per minute (at 200 dpi)
- Five output options: black-and-white, grayscale or color, plus dual stream simultaneous output—color and black-and-white or grayscale and black-and-white to give your organization the types of images needed to meet a range of business needs.

Specifications:

- Handles everything from onionskin to card stock
- Scan documents up to 863 mm (34 in.) long—"tethered" A3 and A4 flatbed accessories are available for scanning bound material.
- Support TIFF, JPEG, PDF and searchable PDF
- Handles up to 2,000 – 3,000 pages per day

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III. HARDWARE AND SOFTWARE SPECIFICATIONS

(PRODUCTION ENVIRONMENT)

APPLICATION/WEB/DATABASE

Quantity	Specification	Usage
1 Unit	Window 2008 Standard Edition Server - Quad Core 3.0ghz or higher - 10GB Disk Storage for Application - Additional 100GB of disk storage for scanned images. - 4GB RAM	Application and Web Servers - IIS / Document Management System
1 Unit	Linux Server - Quad Core 3.0ghz or higher - 100GB disk capacity for DBMS - 4GB RAM	Database Server - Oracle Database Index and other metadata storage

Uploading Workstation

Specification	Usage
Window XP, Vista or Window 7 - Dual Core 2.0 GHz of higher processor - 2GB Memory or higher - 80GB Hard or higher	DMS (Document Management System) - Uploading Workstation

Viewing Workstation

Specification	Usage
Window XP, Vista or Window 7 - Dual Core 2.0 GHz of higher processor - 2GB Memory or higher - 80GB Hard or higher	DMS (Document Management System) - Retrieval Workstation

Assumptions:

1. Initial estimate of 100GB of disk is based on 2.5 million pages given by DBM.
2. Server and Workstation will be provided by DBM.
3. To accommodate Day-Forward scanning, assuming an annual growth rate of 500,000 pages, there should be an additional 100GB for the next three (3) years.

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IV. CHANGE MANAGEMENT PLAN

1.0 Executive Summary

To define the mechanisms for requesting, evaluating, deciding, and tracking possible changes to the project scope and all related activities and deliverables. The plan:

- Establishes a Change Control Process that defines the method by which proposed changes are approved or rejected based on the analysis of the change and the implication of the proposed changes on schedule, budget, and scope.
- Defines a procedure by which project team members and stakeholders can request changes. The project management office will manage those requests.
- Defines how the results of analysis and evaluation are recorded.

2.0 Purpose

To control and monitor project changes. Change is defined as any activity that alters the scope, schedule, deliverables, or costs of the project. The Change Management Plan also seeks to increase communication regarding change to the project, while delegating authority to facilitate appropriate decisions. Key objectives are to:

- Identify changes in scope, or other unplanned activity, in advance and control them.
- Resolve any questions or issues that may surface between vendors and the project team regarding scope and/or project deliverables outlined in the Statement of Work (SOW).
- Ensure that new tasks and other requested changes are justified, and that affected deliverables are identified and modified accordingly.
- Obtain authorization to proceed with the changes and assign them to appropriate individuals to be completed.
- Monitor the progress and cost of the changes.
- The Change Management Plan will apply to the following types of changes:
 - Any change of project scope or unplanned activity not explicitly within the scope of the current baselined work plan.
 - Any change to the baselined project plan.
 - Modifications to approved (signed-off) project deliverables except where the deliverable has a suspected fault (e.g., where factual errors are subsequently discovered in an approved document.)

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3.0 Change Request Roles & Responsibilities

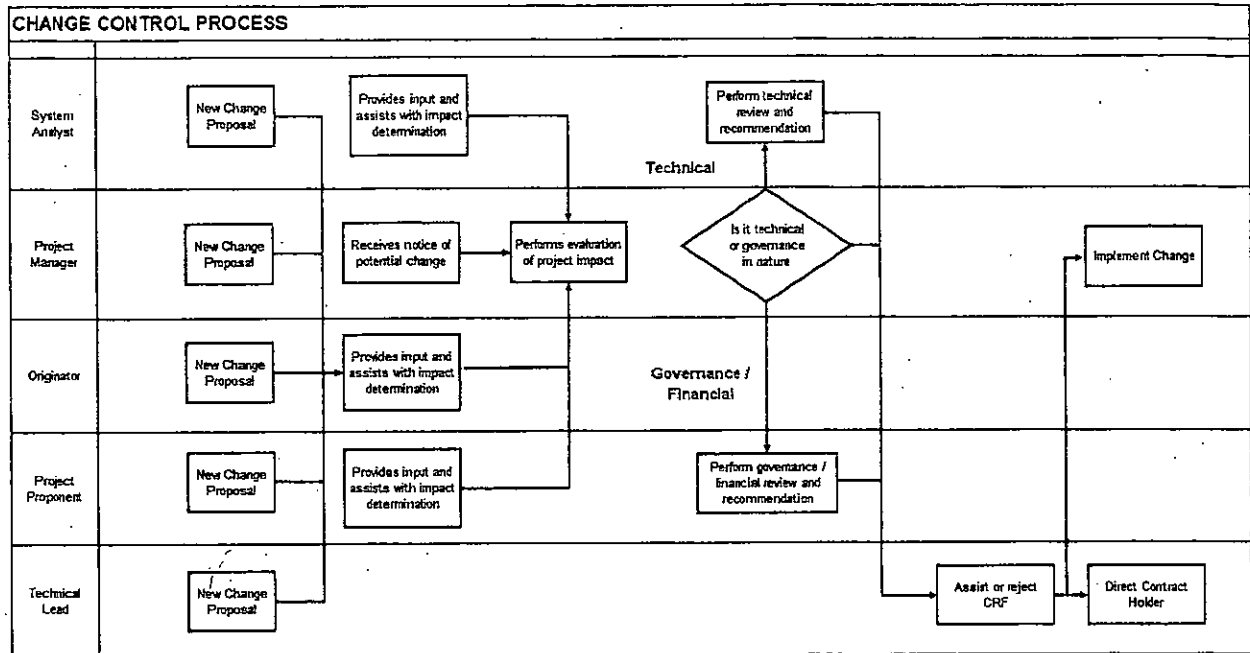
A change request can originate from a variety of sources. This includes, but is not limited to, the immediate project team, sub-contractors, any state agency and stakeholders. Regardless of the source, each change request will be subject to same process for documentation, evaluation, analysis and disposition.

Role	Duties
Originator	<ul style="list-style-type: none"> Identifies need for change request form (CRF) Notifies project manager of the pending change Assists in providing additional research Assists in documenting the CRF Identifies potential risks associated with the CRF Assists in identifying scope and schedule impacts
Project Manager	<ul style="list-style-type: none"> Receives notice of an impending change Performs initial evaluation and analysis with the originator including: <ul style="list-style-type: none"> Impact to the project scope and quality Impact to the project schedule Impact to the project cost Assigns CRF number and updates the Change Management Register Completes the CRF form Presents the CRF to the System Analyst, Project Proponent, or Technical Lead.
System Analyst	<ul style="list-style-type: none"> Perform technical review of new CRF's that have a technical impact to the project Formulate and carry forward a recommendation to the Project Manager
Project Proponent	<ul style="list-style-type: none"> Perform review of new CRF's that have an impact to the governance or financing of the project Formulate and carry forward a recommendation to the Project Manager
Technical Lead	<ul style="list-style-type: none"> Discuss on a monthly basis to review open CRF's, and to evaluate new CRF's Review CRF's and provide direction Render decisions on CRF's Prepare recommendations for CRF's escalated by the Project Manager, System Analyst and Project Proponent Direct Contract Holder of approved CRF's

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4.0 Project Change Control Procedure

The Change Control Form (CRF) Register and CRF Form are the primary tools to document, record and track any change that could impact scope or budget. When a potential change is identified, it should be brought to the attention of the project manager for initial evaluation. Based on the merit of the proposed change, and its potential of impacting scope, schedule and budget, the project manager will decide on the proper course of action. Normally the results of this first evaluation will be one of the following:

- Does not meet the criteria of a change
- An alternative approach negates the need for the change
- The potential impact falls within the project managers disposition authority
- The CRF will require review

If the proposed CRF is accepted by the project manager, it will be assigned a control number and entered in the CRF register along with the title, a brief description, priority, name of originator and the date issued. The originator with the assistance of the project manager will complete the CRF form.

The following information will be documented:

- Date required – the desired date for final disposition
- Reason for the change – explanation of why the change is required
- Description of the change – detailed description of the change to include alternative if applicable
- Cost estimate – the estimated cost of implementing the change
- Ramifications if the change is not accepted – expected impact if change is not accepted

Executive project management will determine the disposition authority of the project manager. If the CRF falls within these parameters, the project manager will assess the merits of the CRF and render a decision. However, if the CRF requires review by the PROJECT PROPONENT, the project manager will distribute the CRF for discussion at the next scheduled PROJECT PROPONENT meeting. If the CRF is of a high priority, the project manager has the

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option of scheduling a conference call with the PROJECT PROPONENT to expedite reaching a decision on the disposition. The PROJECT PROPONENT will review the merits of the proposed change taking into account the impact on the project budget and schedule.

- To establish a common approach for requesting/documenting change requests/requirements
- To implement proper controls/sign-off's/authorizations for all change requests
- To describe the required communications/coordination points for properly processing changes
- To create an audit trail of all processes and procedure requested and implemented changes

5.0 Scope

This plan addresses all preparations and steps necessary to restore processing on those systems so that the critical operations can continue processing after an interruption has rendered any or all of the systems inoperable.

This process shall be used by all stakeholders requesting changes to/within the DBM production environments including (but not limited to) changes such as:

- Hardware changes
- Application changes (e.g. functionality updates.)
- Network changes
- Interface changes (other application, links, uploads/downloads, etc.)
- Database changes
- Operational and support procedures changes

6.0 Risk Item

A. Manpower

Risk	Action Required by Project Team	Responsible
Loss of People	Recall staffs currently deployed to off-site projects.	Project Implementation Manager
	Arrange supervision of new personnel and provide updated operating procedures	Production Coordinator
Loss of Systems (Project Site Still Intact)	Escalate with IT group and line management.	Project Implementation Manager
	Contact Third Party Suppliers for the necessary systems.	UBIX IT
Out of Working Hours - Emergency Notified by Telephone		
Call will most likely be received from Production Team Leader	Start an Incident Log and monitor progress.	Project Coordinator
	Escalate to Senior Line Management	Project Coordinator

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B. Technical Problem

Item 1	Descriptions	Responsible
Risk	Network/Leased line Down	Production and Technical Team
Vulnerabilities	A malfunction on the primary internet connection	
Impact	High	
Probability	Medium	
Risk treatment	Ensure availability of a back up leased line	
Action Plan	A back up leased line (PLDT DSL) will be set up, which will automatically switch on in case the primary leased line bogged down	
Procedure	In case of downtime, the System will automatically switch to the back up leased line	
Recovery Time	< 10 mins	

Item 2	Descriptions	Responsible
Risk	Leased line Server station Down	Production and Technical Team
Vulnerabilities	Technical failure of the system	
Impact	High	
Probability	Medium	
Risk treatment	Ensure availability of a back up Server station	
Action Plan	A back up Server station will be configured, particularly the Workstation used by the Team Leader.	
Procedure	1. Once a technical failure occurs on the Server station, Team Leader will immediately call the attention of IT. 2. IT staff will assess the problem, if the problem cannot be contained within 30 minutes, back up server station will be activated	
Recovery Time	< 1 hour	

Item 3	Descriptions	Responsible
Risk	Workstation down	Production and Technical Team
Vulnerabilities	Technical failure of the system	
Impact	Medium	
Probability	Medium	
Risk treatment	Ensure availability of a back up workstation	
Action Plan	All workstations will be configured to have similar function capabilities	
Procedure	Team Leader will transfer the production staff to available back up workstation	
Recovery Time	Immediate	
Preventive Plan	Perform regular Preventive Maintenance on the system, every 1 st day of the month	

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Item 4		Descriptions	Responsible
Risk		Power outage	Production and Technical Team
Vulnerabilities		Electrical system failure	
Impact		High	
Probability		Low	
Risk treatment		Ensure availability of a Back up power source	
Action Plan		Coordinate with the Facility management, as the need arise	
Procedure		Team Leader will call the attention of the Building Facility management	
Recovery Time		< 1 hour	

Item 5		Descriptions	Responsible
Risk		Office Telephone line down	Production and Technical Team
Vulnerabilities		Technical failure of the system	
Impact		Low	
Probability		Low	
Risk treatment		Ensure availability of back up communication line, thru mobile phone service	
Action Plan		Mobile contact number will be cascaded to all concerned staffs	
Procedure		All concerned staffs will use the mobile contact option	
Recovery Time		Immediate	
Preventive Plan		Perform regular Preventive Maintenance on the system, every 1 st day of the month	

Item 6		Descriptions	Responsible
Risk		Production Software malfunction	Production and Technical Team
Vulnerabilities		Corruption	
Impact		High	
Probability		Low	
Risk treatment		Ensure availability of back up software system	
Action Plan		Secure back up software system that will be readily available when needed	
Procedure		1. Team leader will call the attention of IT 2. IT staff will proceed to the working area to diagnose the problem and re-install it if necessary	
Recovery Time		< 2 hours	
Preventive Plan		Perform regular Preventive Maintenance on the system, every 1 st day of the month	

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Item 7		Descriptions	Responsible
Risk		Loss/damage of the working area/building	Production and Technical Team
Vulnerabilities		Fire and other physical calamities	
Impact		High	
Probability		Low	
Risk treatment		Ensure the presence of a Disaster Recovery Plan (DRP)	
Action Plan		See separate documentation for DRP	
Procedure		See separate documentation for DRP	
Recovery Time		2 days	

Item 8		Descriptions	Responsible
Risk		Change in Document Management System	Technical Team
Vulnerabilities		Upgrading of Database Management System or Operating System	
Impact		High	
Probability		Low	
Risk treatment		Ensure the presence of a Disaster Recovery Plan	
Action Plan		Back up the Current Systems	
Procedure		In case of downtime, the System will automatically switch to the back up Server	
Recovery Time			

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Change Request Form (CRF)

Client Name:			
Project Name:			
Project Phase:			
Project Manager:			
Request Title:			
Request Number:			
Date Issued:			
Date Required			
Reason for Change:			
Description of Change:			
Cost Estimate:			
Ramifications:			
Approved:		Rejected:	
Pended:		Deferred:	
Reason for Rejection or Deferral:			
Project Proponent		Project Manager	
Name:		Name:	
Signature:		Signature:	
Date Signed:		Date Signed:	

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V. Document Retention Period as Benchmark

Document Type	Retention Period
1. Stock Certificates	Permanent
2. Material & Mgmt. Agreement	Permanent
3. Contracts with Financial Commitments	Permanent
4. Licenses/Permits	Permanent
5. Labor Cases	Permanent
6. General Litigations	Permanent
7. Quasi Judicial Cases (DTI, Local Gov. Environmental Transport office)	Permanent
8. Admin Cases (NTC)	Permanent
9. Intellectual Property Rights (IPR)	Permanent
10. Affiliates and Subsidiaries	Permanent
11. Promo Approval	2 years
Section 2	
1. Tax Documents	5 years
2. Payroll Tax Return	5 years
3. Payroll Withholding Tax	5 years
4. Electronics Payment & Collection System	5 years
5. Vouchers (APV, JV) and Invoices	5 years
6. Financial Statement	5 years
7. Certificates	5 years
Section 3	
1. Employee Contract	Permanent
2. Employee Application/Resume/TOR/Certificates	Permanent
3. Employee Performance Records	Permanent
4. SSS (Social Security System record) Remittance	Permanent
5. HMDF/ Philhealth	Permanent
6. Medical Records	Permanent
Section 4	
1. Permits (Operational Permits)	5 years
2. Project Plan	5 years
3. Warranty	5 years
4. Project Site Records	5 years

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1. Bank Records	5 years
2. Vendor Contracts	Permanent
3. Legal Correspondence	Permanent
4. Strategic Plan, Recovery Plan	Permanent
5. Insurance	Permanent
6. General Ledger	Permanent
7. IT Documents (Intellectual Property), working papers, manuals etc...	Permanent
8. Application Forms	2 years
9. Vendor Contracts	5 years



Point of References

Under R.A. 8972, e-Commerce Law an Act providing the use of electronic commercial and non-commercial document, **Section 13** on Retention of data messages or electronic document where it provides that:

"Where the law requires that certain documents, records or information be retained, that requirement is met by retaining data messages, provided that the following conditions are satisfied:

- a.) the information contained therein is accessible so as to be usable for subsequent reference;
- b.) is retained in the format in which it was generated, sent or received, or in a format which can be demonstrated to accurately represent the electronic data message or electronic document generated, sent or received;
- c.) Enables the identification of its originator and addressee, as well as the determination of the date and the time it was sent or received.

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- b. RA 8972 e-Commerce Law Section 13.



Under this law, the retention of documents in its original form is satisfied by retaining them in the form of an electronic data message or electronic document as long as the criteria of accessibility, integrity, and identification of person and time is assured. **Section 13. Retention of Electronic Data Messages.** The person required to retain the forms may also do so by using the services of a third party. This may be applied where the government, say, the BIR, requires the retention of receipts for at least three years for audit purposes. This can free corporations from having to keep the required documents in paper form.

Affidavits are dealt with under Sections 14 and 15. The requirements in Section 9 on integrity, and Section 12 on admissibility may be established by affidavit. This is useful as the requirements may prove to be too stringent and inflexible. Of course, as in any statement contained in affidavits and presented in court, such are subject to the right of the person against whom the affidavit is executed to test the accuracy and truth of the affidavit by cross-examination.

- c. R.A 7925 Department of Trade and Industry



(a) The Department of Trade and Industry shall:

- (i) Supervise and coordinate the full implementation of Section 27 of the Act. For this purpose, all government agencies intending to comply with the said provision of law shall coordinate with the DTI in order to ensure adherence with the principles provided for in Section 38 of these Rules. Observance of all laws and regulations on public bidding, disbursements and other restrictions, including COA policies, shall be mandatory.
- (ii) Install an online public information and quality and price monitoring system for goods and services aimed in protecting the interests of the consuming public availing of the advantages of the Act.
- (iii) Establish a voluntary listing system for all businesses or entities involved in electronic commerce including, but not limited to, value added service (VAS) providers as this term is understood in Republic Act No. 7925, banks, financial institutions, manufacturing companies, retailers, wholesalers, and on-line exchanges. The list of electronic commerce entities shall be maintained by the DTI and made available electronically to all interested parties.
- (iv) Review, study and assess all legal, technical and commercial issues arising in the field of electronic commerce which may be directed to the DTI and if necessary, convene the

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- d. Under Circular No. 0542 of the Bangko Sentral ng Pilipinas on Disclosure and Business Availability where it provides that:

Circular No. 4 b.

"Banks should apply to e-banking financial transactions and disclosures the retention provisions required in paper-based transactions"...

Conclusion:

This provision requires written electronic documentation policy has to be written and enforced.

- e. Under the National Internal Revenue Code (NIRC), R.A 8424 where it provides, **SEC. 6. Power of the Commissioner to Make assessments and Prescribe additional Requirements for Tax Administration and Enforcement. – Examination of Returns and Determination of Tax Due.** - After a return has been filed as required under the provisions of this Code, the Commissioner or his duly authorized representative may authorize the examination of any taxpayer and the assessment of the correct amount of tax: Provided, however; That failure to file a return shall not prevent the Commissioner from authorizing the examination of any taxpayer. Any return, statement of declaration filed in any office authorized to receive the same shall not be withdrawn: Provided, That within three (3) years from the date of such filing, the same may be modified, changed, or amended: Provided, further, That no notice for audit or investigation of such return, statement or declaration has in the meantime been actually served upon the taxpayer.

Conclusion:

The said provision would say that BIR requires retention of pertinent audit documents for at least three years.



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- f. Under the Joint Department Administrative Order No. 02 of the Department of Trade and Industry setting forth the Guidelines implementing R.A 8972 on electronic payment and collection system (EPCS):

Data Retention Record: All EPCS data, reports, records, documents, receipts, and correspondence in their final form must be kept in the active file of the Government Entity for a minimum period of sixty (60) days. Thereafter, these shall be kept in electronic archives for a minimum period of ten (10) years.

Conclusion:

With the above mentioned laws, rules and regulations, there seem to be an apparent indistinctness on how long should electronic documents be kept. E-commerce law doesn't mention about how long and what types of documents must be kept. A company may keep its records for the longest period of time but the precept is something that cannot identify which ones are needed. However, EPCS requires a minimum of (10) ten years archiving period for electronic documents/records.

g.



**Final Rule:
Retention of Records Relevant to Audits and Reviews**

Securities and Exchange Commission

17 CFR Part 210

[Release Nos. 33-8180; 34-47241; IC-25911; FR-66; File No. S7-46-02]

RIN 3235-A174

Retention of Records Relevant to Audits and Reviews

Agency: Securities and Exchange Commission.

Action: Final rule.

Summary: We are adopting rules requiring accounting firms to retain for seven years certain records relevant to their audits and reviews of issuers' financial statements. Records to be retained include an accounting firm's workpapers and certain other documents that contain conclusions, opinions, analyses, or financial data related to the audit or review.

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