

CONTRACT FOR THE CASHLESS PURCHASE CARD SYSTEM

THIS CONTRACT made and entered into by and between the following:

The Government of the Republic of the Philippines, through the:

DEPARTMENT OF BUDGET AND MANAGEMENT, a government agency created by virtue of the laws of the Philippines, with principal office located at General Solano Street, San Miguel, Manila, represented herein by its Secretary, **FLORENCIO B. ABAD** (hereinafter called "DBM");

- and -

DEPARTMENT OF NATIONAL DEFENSE, a government agency created by virtue of the laws of the Philippines, with principal office located at Camp General Emilio F. Aguinaldo, Quezon City represented herein by its Secretary, **VOLTAIRE T. GAZMIN** (hereinafter called "DND");

- and -

CITIBANK, N.A., Philippine Branch, a national association duly organized and existing under the laws of the United States of America, duly licensed to do business in the Philippines, with principal office located at 8741 Paseo de Roxas, Makati City, represented herein by its Managing Director, **MS. MYLENE A. CAPARAS** (hereinafter called the "Consultant");

(Collectively referred to as the "Parties")

WITNESSETH:

WHEREAS, the DBM and DND, through an Inter-Agency Bids and Awards Committee duly created for the purpose, conducted public bidding for the Cashless Purchase Card System under Consulting Services (hereinafter called the "CPCS") and the bid of the Consultant was determined to be the highest rated and responsive bid;

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

1. The CPCS shall be implemented subject to the terms and conditions of this Contract, which includes all of the documents enumerated in item 2 below. The words and expressions used herein shall have the same meanings as are respectively assigned to them in the Conditions of Contract and Service Terms and Conditions hereinafter referred to.
2. The following documents shall be attached hereto in their entirety (including any annexes, addenda, exhibits, or attachments to each of the following documents), deemed to form an integral part of, and be read and construed as part of this Contract:

Annex A	-	Notice of Award of Contract and Consultant's <i>conforme</i> thereto
B	-	Terms of Reference
C	-	General and Special Conditions of Contract


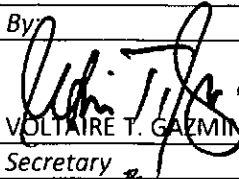
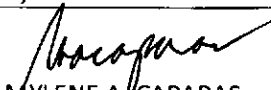
- D - List of Professional Key Personnel
- E - Service Terms and Conditions

The documents referred to in Section 37.2.3 of the Implementing Rules of Republic Act No. 9184 and the implementing guidelines for the CPCS as agreed upon by the Parties shall likewise form part of this Contract ("Implementing Guidelines").


3. The Parties each hereby represent and warrant to each other that, on Contract effectivity date and throughout the term of the Contract, (i) it is duly organized, validly existing and in good standing in the jurisdiction in which it is legally required to be (ii) it has full power and authority to execute, deliver and perform its obligations under this Contract, (iii) that this Contract has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms; and (iv) the execution and delivery of this Contract or its performance of any provision, condition, covenant or other term thereof will not violate any applicable law and circular, and on the part of the Government, including, the General Appropriations Act and the Government Procurement Reform Act and its Implementing Rules, and any judgment, authorization or agreement to which it is a party or by which it or any of its property is bound. Consultant hereby covenants to develop the CPCS and remedy any defects therein in conformity with the provisions of this Contract.

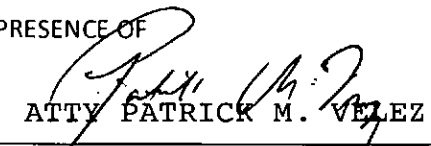
4. This Contract shall be effective as of and from the date of receipt of the favorable opinion of the Monetary Board pursuant to the BSP letter addressed to Citibank dated January 25, 2012, and the execution of the Implementing Guidelines.

IN WITNESS WHEREOF, the parties hereto have signed this Contract on this 28 day of ~~February~~ May, 2013 at Manila, Philippines.

DEPARTMENT OF BUDGET AND MANAGEMENT	DEPARTMENT OF NATIONAL DEFENSE	CITIBANK, N.A., PHILIPPINE BRANCH
By:	By:	By:
 FLORENCIO B. ABAD Secretary	 VOLTIRE T. GARMIN Secretary	 MYLENE A. CAPARAS Managing Director

SIGNED IN THE PRESENCE OF


Richard E. Moya
Undersecretary / CIO


ATTY. PATRICK M. VELEZ
Assistant Secretary
DEPARTMENT OF NATIONAL DEFENSE

ACKNOWLEDGMENT

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

BEFORE ME, a Notary Public for and in the City of Manila, Philippines, personally appeared the following

Name	Community Tax Certificate/ Government ID No.	Date and Place Issued
FLORENCIO B. ABAD	CTC No. 30043118 DBM ID No. 3706	January 23, 2013, Basco, Batanes Manila
VOLTAIRE T. GAZMIN	Philippine Veterans Affairs Office ID No. A-11-007980	January 20, 2011; Quezon City
MYLENE A. CAPARAS	Passport No. EB 2107511	March 17, 2011; Manila

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 deed and of the entities they respectively represent.

This Contract for the Cashless Purchase Card System was signed by the Parties on the signature page, and signed/initialled by their material witnesses on each and every page thereof.

WITNESS MY HAND AND SEAL this **MAY 28 2013** day of ~~March~~ 2013.

Doc. No. 114 ;
Page No. 84 ;
Book No. 7 ;
Series of 2013

ATTY. DONALD G. DELEGENCIA
Notary Public for Makati City
Appt. No. 241 until December 31, 2013
7th Flr Citibank Center
Paseo de Roxas, Makati City
IBP No. 916060; 01/03/13; Makati Chapter
PTR No. 3673358; 01/04/13; Makati City
Roll No. 50877
MCLE Compliance # 11-0006371; 11/26/09

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GENERAL CONDITIONS OF CONTRACT

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1. Definitions

1.1. Unless the context otherwise requires, the following terms whenever used in this Contract shall have the following meanings:

- (a) "Applicable Law" means 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.
- (b) "Consultant" refers to the short listed consultant with the Highest Rated and Responsive Bid determined by the Procuring Entity in accordance with the ITB.
- (c) "Consulting Services" refer to services for Infrastructure Projects and other types of projects or activities of the Government of the Philippines (GOP) requiring adequate external technical and professional expertise that are beyond the capability and/or capacity of the Procuring Entity to undertake such as, but not limited to: (i) advisory and review services; (ii) pre-investment or feasibility studies; (iii) design; (iv) construction supervision; (v) management and related services; and (vi) other technical services or special studies.
- (d) "Contract" means the agreement signed by the Parties, to which these General Conditions of Contract (GCC) and other sections of the Bidding Documents are attached.
- (e) "Effective Date" means the date on which this Contract comes into full force and effect.
- (f) "Foreign Currency" means any currency other than the currency of the Philippines.
- (g) "Funding Source" means the entity indicated in the SCC.
- (h) "GCC" means these General Conditions of Contract.
- (i) "Government or GOP" means the Government of the Philippines.
- (j) "Local Currency" means the Philippine Peso (Php).
- (k) "Member," in case the Consultant is a Joint Venture (JV) of two (2) or more entities, means any of these entities; and "Members" means all these entities.
- (l) "Party" means the Procuring Entity or the Consultant, as the case may be, and "Parties" means both of them.
- (m) "Personnel" means persons hired by the Consultant or by any Sub-Consultant as employees and assigned to the performance of the Services or any part thereof; "Foreign Personnel" means such persons

who at the time of being so hired had their domicile outside the Government's country; "Local Personnel" means such persons who at the time of being so hired had their domicile inside the Philippines; and "Key Personnel" means the Personnel referred to in GCC Clause 36.

- (n) "Procuring Entity" refers to any branch, constitutional commission or office, agency, department, bureau, office or instrumentality of the Government, including GOCC, GFI, SUC, and LGU procuring Goods, Consulting Services, and Infrastructure Projects.
- (o) "SCC" means the Special Conditions of Contract by which the GCC may be amended or supplemented.
- (p) "Services" means the work to be performed by the Consultant pursuant to this Contract, as described in Annex B
- (q) "Sub-consultant" means any person or entity to whom/which the Consultant subcontracts any part of the Services in accordance with the provisions of GCC Clause 42.
- (r) "Third Party" means any person or entity other than the Government, the Procuring Entity, the Consultant or a Sub-Consultant.

2. Headings

The headings shall not limit, alter nor affect the meaning of this Contract.

3. Location

The Services shall be performed at such locations as are specified i and, where the location of a particular task is not so specified, at such locations, whether in the Philippines or elsewhere, as the Procuring Entity may approve.

4. Law Governing Contract and Services

- 4.1. This Contract, its meaning and interpretation, and the relation between the Parties shall be governed by the Applicable Law.
- 4.2. The Consultant shall perform the Services in accordance with the Applicable Law and shall take all practicable steps to ensure that any Sub-Consultant, as well as the Personnel of the Consultant and any Sub-Consultant, complies with the Applicable Law. The Procuring Entity shall notify the Consultant in writing of relevant local customs, and the Consultant shall, after such notification, respect such customs.

5. 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.

6. Consultants and Affiliates Not to Engage in Certain Activities

- 6.1. The Consultant agrees that, during the term of this Contract and after its termination, the Consultant and any entity affiliated with the Consultant, 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.
- 6.2. The Consultant 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:
- (a) 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
 - (b) after the termination of this Contract, such other activities as may be specified in the SCC.

7. Authority of Member in Charge

In case the Consultant is a JV, the Members hereby authorize the entity specified in the SCC to act on their behalf in exercising all the Consultant's rights and obligations towards the Procuring Entity under this Contract, including without limitation the receiving of instructions and payments from the Procuring Entity.

8. Resident Project Manager

If required by the SCC, the Consultant shall ensure that at all times during the Consultant's performance of the Services in the Government's country, a resident project manager, acceptable to the Procuring Entity, shall take charge of the performance of such Services.

9. Entire Agreement

This Contract, including the documents specified in Section 37.2.3 of the IRR, 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.

10. Modification

Unless otherwise specified in the SCC, no modification of the terms and conditions of this Contract, including any modification of the scope of the Services shall be allowed. Pursuant to GCC Clause 14 hereof, however, each Party shall give due consideration to any proposal for modification made by the other Party.

11. Relationship of Parties

11.1. Nothing contained herein shall be construed as establishing a relation of employer and employee or of principal and agent as between the Procuring Entity and the Consultant. The Consultant, subject to this Contract, has 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.

11.2. The Consultant shall during the performance of the Services be an independent contractor, retaining complete control over its Personnel, conforming to all statutory requirements with respect to all its employees, and providing all appropriate employee benefits.

12. Authorized Representatives

Any action required or permitted to be taken, and any document required or permitted to be executed, under this Contract by the Procuring Entity or the Consultant may be taken or executed by the officials specified in the SCC.

13. 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.

14. 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; and that, 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 Clause shall give rise to a dispute subject to arbitration in accordance with GCC Clause 31 hereof.

15. Notices

15.1. 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 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 the SCC.

15.2. Notice shall be deemed to be effective as specified in the SCC.

15.3. A Party may change its address for notice hereunder by giving the other Party notice of such change pursuant to the provisions listed in the SCC with respect to **GCC** Clause 15.2.

16. Warranty as to Eligibility

16.1. The Consultant 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 Part I of the Bidding Documents issued for this project.

16.2. The Consultant shall fulfill its obligations under this Contract by using knowledge according to the best accepted professional standards. The Consultant 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.

17. Confidentiality

Except with the prior written consent of the Procuring Entity, the Consultant and the Personnel shall not at any time communicate to any person or entity any confidential information acquired in the course of the Services, nor shall the Consultant and the 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 the Consultant 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.

18. Liability of the Consultant

Subject to additional provisions, if any, set forth in the SCC, the Consultant's liability under this Contract shall be as provided by the laws of the Republic of the Philippines.

19. Insurance to be Taken Out by the Consultant

19.1. The Consultant, at its own cost, shall be responsible for taking out or maintaining any insurance policy against any risk related to the project.

19.2. The Procuring Entity undertakes no responsibility in respect of life, health, accident, travel or any other insurance coverage for the Personnel or for the dependents of any such Personnel.

20. Effectivity of Contract

This Contract shall take effect on the date of the Consultant's receipt of the Notice to Proceed, subject to compliance with the conditions, if any, listed in the SCC.

21. Commencement of Services

The Consultant shall begin carrying out the Services starting from the effectivity date of this Contract, as mentioned in GCC Clause 20.

22. Expiration of Contract

Unless sooner terminated pursuant to GCC Clauses 25 or 26 hereof, this Contract shall terminate at the end of such time period specified in the SCC.

23. Force Majeure

23.1. 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 the Consultant 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 the Consultant.

23.2. 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.

23.3. 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) the Procuring Entity's failure to review, approve or reject the outputs of the Consultant beyond a reasonable time period.

- 23.4. 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.
- 23.5. 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) days following the occurrence of such event, providing evidence of the nature and cause of such event, and shall similarly give notice of the restoration of normal conditions as soon as possible.
- 23.6. The Parties shall take all reasonable measures to minimize the consequences of any event of force majeure.
- 23.7. 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.
- 23.8. During the period of their inability to perform the Services as a direct and proximate result of an event of force majeure, the Consultant 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 the Procuring Entity suspends or terminates this Contract in writing, notice thereof duly received by the Consultant, pursuant to GCC Clauses 24 and 25 hereof with the exception of the direct and proximate result of force majeure.
- 23.9. Not later than fifteen (15) days after the Consultant, 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 considering the circumstances.
- 23.10. 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 GCC Clause 31.

24. Suspension

- 24.1. The Procuring Entity shall, by written notice to the Consultant, suspend implementation of this Contract if the Consultant fails to perform any of its obligations due to its own fault or due to force majeure or other circumstances beyond the control of either party (e.g. suspension of civil works being supervised by the consultant) under this Contract, including the carrying out of the Services, provided that such notice of suspension:

- (a) shall specify the nature of the failure; and
- (b) shall request the Consultant to remedy such failure within a period not exceeding thirty (30) days after receipt by the Consultant of such notice of suspension.

24.2. The Consultant may, without prejudice to its right to terminate this Contract pursuant to **GCC** Clause 26, by written notice of suspension, suspend the Services if the Procuring Entity fails to perform any of its obligations which are critical to the delivery of the Consultant's services such as, non-payment of any money due the Consultant within forty-five (45) days after receiving notice from the Consultant that such payment is overdue.

25. Termination by the Procuring Entity

25.1. The Procuring Entity shall terminate this Contract when any of the following conditions attends its implementation:

- (a) Outside of force majeure, the Consultant fails to deliver or perform the Services within the period(s) specified in the Contract or any subsequent agreement, or within any extension thereof granted by the Procuring Entity pursuant to a request made by the Consultant prior to the delay;
- (b) As a result of force majeure, the Consultant is unable to deliver or perform a material portion of the Services for a period of not less than sixty (60) calendar days after the Consultant's receipt of the notice from the Procuring Entity stating that the circumstance of force majeure is deemed to have ceased;
- (c) In whole or in part, at any time for its convenience, the Head of the Procuring Entity 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 National Government policies;
- (d) If the Consultant is declared bankrupt or insolvent as determined with finality by a court of competent jurisdiction; in which event, termination will be without compensation to the Consultant, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the Procuring Entity and/or the Consultant;
- (e) In case it is determined prima facie that the Consultant 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 Instructions to Bidders of the Bidding Documents of this Project.

- (f) The Consultant fails to remedy a failure in the performance of their obligations hereunder, as specified in a notice of suspension pursuant to GCC Clause 15.2, within thirty (30) days of receipt of such notice of suspension or within such further period as the Procuring Entity may have subsequently approved in writing;
- (g) The Consultant's failure to comply with any final decision reached as a result of arbitration proceedings pursuant to GCC Clause 31; or
- (h) The Consultant fails to perform any other obligation under the Contract.

25.2. In case of termination, written notice shall be understood to mean fifteen (15) days for short term contracts, *i.e.*, four (4) months or less, and thirty (30) days for long term contracts.

26. Termination by the Consultant

The Consultant must serve a written notice to the Procuring Entity 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 the Procuring Entity with regard to such written notice within thirty (30) calendar days after the receipt thereof by the Procuring Entity. The Consultant may terminate this Contract through any of the following events:

- (a) The Procuring Entity 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 the Consultant's notice specifying such breach;
- (b) The Procuring Entity's failure to comply with any final decision reached as a result of arbitration pursuant to GCC Clause 31;
- (c) As the direct and proximate result of force majeure, the Consultant is unable to perform a material portion of the Services for a period of not less than sixty (60) days; or
- (d) The Procuring Entity fails to pay any money due to the Consultant pursuant to this Contract and not subject to dispute pursuant to GCC Clause 29 hereof within eighty four (84) days after receiving written notice from the Consultant that such payment is overdue.

27. Procedures for Termination of Contracts

The following provisions shall govern the procedures for the termination of this Contract:

- (a) Upon receipt of a written report of acts or causes which may constitute ground(s) for termination as aforementioned, or upon its own initiative, the Procuring Entity 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;
- (b) Upon recommendation by the Procuring Entity, the Head of the Procuring Entity shall terminate this Contract only by a written notice to the Consultant conveying such termination. The notice shall state:
 - (i) that the contract is being terminated for any of the ground(s) aforementioned, and a statement of the acts that constitute the ground(s) constituting the same;
 - (ii) the extent of termination, whether in whole or in part;
 - (iii) an instruction to the Consultant to show cause as to why the contract should not be terminated; and
 - (iv) special instructions of the Procuring Entity, if any.

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

- (c) Within a period of seven (7) calendar days from receipt of the Notice of Termination, the Consultant shall submit to the Head of the Procuring Entity a verified position paper stating why this Contract should not be terminated. If the Consultant fails to show cause after the lapse of the seven (7) day period, either by inaction or by default, the Head of the Procuring Entity shall issue an order terminating this Contract;
- (d) The Procuring Entity may, at any time before receipt of the Consultant's verified position paper, withdraw the Notice to Terminate if it is determined that certain services subject of the notice had been completed or performed before the Consultant's receipt of the notice;
- (e) Within a non-extendible period of ten (10) calendar days from receipt of the verified position paper, the Head of the Procuring Entity shall decide whether to terminate this Contract. It shall serve a written notice to the Consultant of its decision and, unless otherwise provided, this Contract is deemed terminated from receipt of the Consultant of the notice of decision. The termination shall only be based on the ground(s) stated in the Notice to Terminate; and
- (f) The Head of the Procuring Entity 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 Head of the Procuring Entity.

28. Cessation of Services

Upon termination of this Contract by notice of either Party to the other pursuant to **GCC** Clauses 25 or 26 hereof, the Consultant 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 the Consultant and equipment and materials furnished by the Procuring Entity, the Consultant shall proceed as provided, respectively, by **GCC** Clauses 32 or 33 hereof.

29. Disputes about Events of Termination

If either Party disputes whether an event specified in **GCC** Clause 25.1 or in **GCC** Clause 26 hereof has occurred, such Party may refer the matter to arbitration pursuant to **GCC** Clause 31 hereof, and this Contract shall not be terminated on account of such event except in accordance with the terms of any resulting arbitral award.

30. Cessation of Rights and Obligations

Upon termination of this Contract pursuant to **GCC** Clauses 25 or 26 hereof, or upon expiration of this Contract pursuant to **GCC** Clause 22, all rights and obligations of the Parties hereunder shall cease, except:

- (a) such rights and obligations as may have accrued on the date of termination or expiration;
- (b) the obligation of confidentiality set forth in **GCC** Clause 17 hereof; and
- (c) the Consultant's obligation to permit inspection, copying and auditing of their accounts and records set forth in **GCC** Clauses 43.1(b) and 43.1(c), any right which a Party may have under the Applicable Law.

31. Dispute Settlement

31.1. 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.

31.2. Any and all disputes arising from the implementation of this Contract shall be submitted to arbitration in accordance with the rules of procedure specified in the **SCC**.

32. Documents Prepared by the Consultant and Software Developed to be the Property of the Procuring Entity

32.1. All plans, drawings, specifications, designs, reports, other documents and software prepared by the Consultant for the Procuring Entity under this Contract shall become and remain the property of the Procuring Entity, and the Consultant shall, prior to termination or expiration of this Contract, deliver all such documents to the Procuring Entity, together with a detailed inventory thereof. The Consultant may retain a copy of such documents and software. The plans, drawings, specifications, designs, reports, other documents and software, including restrictions on future use of such documents and software, if any, shall be specified in the SCC.

32.2. All computer programs developed by the Consultant under this Contract shall be the sole and exclusive property of the Procuring Entity; provided, however, that the Consultant may use such programs for its own use with prior written approval of the Procuring Entity. If license agreements are necessary or appropriate between the Consultant and third parties for purposes of development of any such computer programs, the Consultant shall obtain the Procuring Entity's prior written approval to such agreements. In such cases, the Procuring Entity shall be entitled at its discretion to require recovering the expenses related to the development of the program(s) concerned.

33. Equipment and Materials Furnished by the Procuring Entity

Equipment and materials made available to the Consultant by the Procuring Entity, or purchased by the Consultant with funds provided by the Procuring Entity, shall be the property of the Procuring Entity and shall be marked accordingly. Upon termination or expiration of this Contract, the Consultant shall make available to the Procuring Entity an inventory of such equipment and materials and shall dispose of such equipment and materials in accordance with the Procuring Entity's instructions. While in possession of such equipment and materials, the Consultant, unless otherwise instructed by the Procuring Entity in writing, shall insure it at the expense of the Procuring Entity in an amount equal to their full replacement value.

34. Services, Facilities and Property of the Procuring Entity

The Procuring Entity shall make available to the Consultant and the Personnel, for the purposes of the Services and free of any charge, the services, facilities and property described in Appendix V at the terms and in the manner specified in said appendix, provided that if such services, facilities and property shall not be made available to the Consultant as and when so specified, the Parties shall agree on:

- (a) any time extension that may be appropriate to grant to the Consultant for the performance of the Services; and

- (b) the manner in which the Consultant shall procure any such services, facilities and property from other sources; and

35. Consultant's Actions Requiring Procuring Entity's Prior Approval

The Consultant shall obtain the Procuring Entity's prior approval in writing before taking any of the following actions:

- (a) appointing such members of the Personnel as are listed in Annex D – List of Professional Key Personnel merely by title but not by name;
- (b) replacement, during the performance of the contract for any reason, of any Personnel in Annex D – List of Professional Key Personnel of this Contract; and
- (c) any other action that may be specified in the SCC.

36. Personnel

- 36.1. The Consultant shall employ and provide such qualified and experienced Personnel and Sub-Consultants as are required to carry out the Services.
- 36.2. The title, agreed job description, minimum qualification and estimated period of engagement in the carrying out of the Services of each of the Consultant's Key Personnel are described in Annex D – List of Professional Key Personnel.
- 36.3. The Key Personnel and Sub-Consultants listed by title as well as by name in Annex D – List of Professional Key Personnel are hereby approved by the Procuring Entity. In respect of other Key Personnel which the Consultant proposes to use in the carrying out of the Services, the Consultant shall submit to the Procuring Entity for review and approval a copy of their biographical data. If the Procuring Entity does not object in writing, or if it objects in writing but fails to state the reasons for such objection, within twenty-one (21) calendar days from the date of receipt of such biographical data, the Key Personnel concerned shall be deemed to have been approved by the Procuring Entity.
- 36.4. The Procuring Entity may request the Consultants to perform additional services not covered by the original scope of work but are determined by the Procuring Entity to be critical for the satisfactory completion of the Services, subject to **GCC** Clause 44.4.
- 36.5. No changes shall be made in the Key Personnel, except for justifiable reasons beyond the control of the Consultant, as indicated in the SCC, and only upon prior approval of the Procuring Entity. If it becomes justifiable and necessary to replace any of the Personnel, the Consultant shall forthwith provide as a replacement a person of equivalent or better qualifications. If the Consultant introduces changes in Key Personnel for reasons other than those mentioned

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

40. Assistance by the Procuring Entity on Government Requirements

- 40.1. The Procuring Entity may assist the Consultant, Sub-Consultants, and Personnel in the payment of such taxes, duties, fees and other impositions as may be levied under the Applicable Law by providing information on the preparation of necessary documents for payment thereof.
- 40.2. The Procuring Entity shall use its best efforts to ensure that the Government shall:
- (a) provide the Consultant, Sub-Consultants, and Personnel with work permits and such other documents as shall be necessary to enable the Consultant, Sub-Consultants, or Personnel to perform the Services;
 - (b) arrange for the foreign Personnel and, if appropriate, their eligible dependents to be provided promptly with all necessary entry and exit visas, residence permits, and any other documents required for their stay in the Philippines for the duration of the Contract;
 - (c) facilitate prompt clearance through customs of any property required for the Services and of the necessary personal effects of the foreign Personnel and their eligible dependents;
 - (d) issue to officials, agents and representatives of the Government all such instructions as may be necessary or appropriate for the prompt and effective implementation of the Services; and
 - (e) grant to foreign Consultant, any foreign Sub-Consultant and the Personnel of either of them the privilege, pursuant to the Applicable Law, of bringing into the Government's country reasonable amounts of foreign currency for purposes of the Services or for the personal use of the foreign Personnel and their dependents.

41. Access to Land

The Procuring Entity warrants that the Consultant 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. The Procuring Entity shall be responsible for any damage to such land or any property thereon resulting from such access and shall indemnify the Consultant and each of the Personnel in respect of liability for any such damage, unless such damage is caused by the default or negligence of the Consultant or any Sub-Consultant or the Personnel of either of them.

42. Subcontract

- 42.1. Subcontracting of any portion of the Consulting Services, if allowed in the **BDS**, does not relieve the Consultant of any liability or obligation under this Contract. The Consultant will be responsible for the acts, defaults, and negligence of any sub-consultant, its agents, servants or workmen as fully as if these were the Consultant's own acts, defaults, or negligence, or those of its agents, servants or workmen.
- 42.2. Sub-consultants disclosed and identified during the bidding may be changed during the implementation of this Contract, subject to compliance with the required qualifications and the approval of the Procuring Entity.

43. Accounting, Inspection and Auditing

- 43.1. The Consultant 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 the Procuring Entity or its designated representative and or the designated representative 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 the Procuring Entity; and
 - (c) permit the Funding Source to inspect the Consultant's accounts and records relating to the performance of the Consultant and to have them audited by auditors approved by the Funding Source, if so required.
- 43.2. The basic purpose of this audit is to verify payments under this Contract and, in this process, to also verify representations made by the Consultant in relation to this Contract. The Consultant shall cooperate with and assist the Procuring Entity and its authorized representatives in making such audit. In the event the audit discloses that the Consultant has overcharged the Procuring Entity, the Consultant shall immediately reimburse the Procuring Entity an amount equivalent to the amount overpaid. If overpayment is a result of the Consultant having been engaged in what the Procuring Entity (or, as the case may be, the Funding Source) determines to constitute corrupt, fraudulent, or coercive practices, as defined in **GCC Clause 25.1(e)** and under the Applicable Law, the Procuring Entity shall, unless the Procuring Entity decides otherwise, terminate this Contract.
- 43.3. The determination that the Consultant has engaged in corrupt, fraudulent, coercive practices shall result in the Procuring Entity and/or the Funding

Source seeking the imposition of the maximum administrative, civil and criminal penalties up to and in including imprisonment.

44. Lump Sum Contracts

- 44.1. For Lump Sum Contracts when applicable, notwithstanding the terms of **GCC** Clauses 10 and 31, the provisions contained hereunder shall apply.
- 44.2. Personnel - Any replacement approved by the Procuring Entity in accordance shall be provided by the Consultant at no additional cost.
- 44.3. Staffing Schedule - Should the rate of progress of the Services, or any part hereof, be at any time in the opinion of the Procuring Entity too slow to ensure that the Services are completed in accordance with the Staffing Schedule, the Procuring Entity shall so notify the Consultant in writing and the Consultant shall at its sole cost and expense, thereupon take such steps as necessary, subject to the Procuring Entity's approval, or as reasonably required by the Procuring Entity, to expedite progress so as to ensure that the Services are completed in accordance with the Staffing Schedule.
- 44.4. Unless otherwise provided in the **SCC**, no additional payment for variation order, if any, shall be allowed for this Contract.

45. Liquidated Damages for Delay

If the Consultant fails to deliver any or all of the Services within the period(s) specified in this Contract, the Procuring Entity shall, without prejudice to its other remedies under this Contract and under the Applicable Law, impose liquidated damages of ten thousand pesos (P10,000) for each day of delay. The Procuring Entity may also consider terminating this Contract pursuant to **GCC** Clause 25.

SECTION V. SPECIAL CONDITIONS OF CONTRACT


GCC Clause	
1(g)	The Funding Source is the Government of the Philippines (GOP)
6.2(b)	Not applicable.
7	Not applicable.
8	The person designated as resident project manager in Annex D – List of Professional Key Personnel.
10	The terms and conditions of this Contract, including the scope of the Services may be modified during contract implementation as between Parties; provided, however, that each Party shall give due consideration to any proposal for modification made by the other Party. Such modifications shall become effective upon the execution of a written agreement between the Parties.
12	<p>The Authorized Representatives are as follows:</p> <p>For the Procuring Entity: Sec. Voltaire T. Gazmin for the Department of National Defense Sec. Florencio B. Abad for the Department of Budget and Management</p> <p>For the Consultant: Mylene Arnaldo Caparas</p> <p>The authorized representatives of the other government agencies which will be authorized to participate under this Contract will be indicated in their respective accession agreements with the Consultant.</p>
15.1	<p>The addresses are:</p> <p>Procuring Entity: Department of Budget and Management</p> <p>Attention: Sec. Florencio B. Abad</p> <p>Address: General Solano Street, San Miguel, Manila</p> <p>Facsimile: (02)735-4936</p> <p>Email Address: osec@dbm.gov.ph</p> <p>Procuring Entity: Department of National Defense</p> <p>Attention: Sec. Voltaire T. Gazmin</p>

	<p>Address: Camp General Emilio Aguinaldo, Quezon City</p> <p>Facsimile: (02) 911-6213</p> <p>Email Address: dndosec@yahoo.com</p> <p>Consultant: Citibank N.A., Philippine Branch</p> <p>Attention: Mylene Arnaldo Caparas</p> <p>Address: 8741 Paseo de Roxas, Makati City</p> <p>Facsimile: (02) 894-7774</p> <p>Email Address: mylene.arnaldo.caparas@citi.com</p>
15.2 and 15.3	<p>Notice shall be deemed to be effective as follows:</p> <p>(a) in the case of personal delivery or registered mail, on delivery;</p> <p>(b) in the case of facsimiles, immediately following confirmed transmission; or</p> <p>(c) in the case of telegrams, immediately following confirmed transmission.</p>
18	Not applicable.
20	Receipt of the favorable opinion of the Monetary Board pursuant to the BSP letter addressed to Citibank dated January 25, 2012 and execution of the Implementing Guidelines for the CPCS.
22	Contract term shall be two (2) years from effectivity date, renewable for another year at the exclusive option of the GOP.
31.2	Any and all disputes arising from the implementation of this contract shall be submitted to arbitration in the Philippines according to the provisions of Republic Act Nos. 876 and 9285, as required in Section 59 of the Implementing Rules and Regulations of Republic Act No. 9184.
32.1	Reports and other documents prepared by the Consultant for the Procuring Entity under this Contract shall become and remain the property of the Procuring Entity. Pursuant to Section 37.2.3 of the Implementing Rules of the Government Procurement Reform Act, the Parties have agreed to indicate all the specific terms and conditions relating to the provision of the Services in Annex E Service Terms and Conditions and in the Implementing Guidelines, both of which form part of the Contract. In addition, pursuant to Annex B Terms of Reference, other government agencies may participate under this Contract, provided they will execute their respective accession agreement with the Consultant.
35.1(c)	Not applicable.

36.5	The Consultant may change its Key Personnel only for reasons of death, serious illness, incapacity, or resignation. No damages shall be imposed.
44.4	Not applicable.

TPF 5. TEAM COMPOSITION AND TASKS

Key Professional Staff		
Name	Position	Task
John Ong	Senior Account Manager	Senior contact for escalation of issues; ensure customer satisfaction and timelines are met.
Desi Mendoza	Account Manager	Act as liaison officer to ensure timelines and expansion of project is met.
Anne Dee	Account Manager	Act as liaison and provides overall relationship support and assists Senior Account Manager
Philip Glickman	Senior Oversight Account Manager	Provide support regarding Citibank Wholesale cards and functionality with client.
Minell Co	Lead Project Manager	Supervise the team to ensure the deals are implemented in a timely manner; Provide detailed implementation schedule and timelines for project
Sari Mortel	Co Project Manager Committee Member	Coordinate with lead project manager on project milestones; Ensure all project issues are resolved
Rowena Baking	Lead Technical/Systems Manager	Work on the project definition/solution planning and delivery rollout
Deven Somaya	Senior Oversight on Technical/Systems Support	Provide technical/systems support to the local team and ensure we deliver required output.


 MYLENE ARNALDO CAPARAS
 Managing Director
 Head, Global Transaction Services
 Citibank N.A. Philippine Branch

SERVICE TERMS AND CONDITIONS

1. DEFINITIONS

For purposes of these Service Terms and Conditions, the following terms shall have the meanings set forth below.

"Account" means each credit account established by the Consultant for use by a Cardholder pursuant to this Contract.

"Billing Entity" means an operating unit under a Participating Agency.

"Card" means a card issued by the Consultant in connection with an Account.

"Card Association" means MasterCard.

"Cardholder" means an official or employee duly authorized by the Participating Agency to be issued a Card for official purposes.

"Consultant" means Citibank, N.A., Philippine Branch.

"Implementing Guidelines" means the operation details of the Program, including but not limited to controls, security process, turn-around time, payment procedure and realignment process, which is a condition for the effectivity of the Contract for the Cashless Purchase Card System and its Annexes (the "Contract").

"Participating Agency" means a government agency authorized to participate in the Program, which also includes the Procuring Entity, and its authorized representative(s) and any other government agency who has executed the prescribed accession agreement with the Consultant.

"Procuring Entity" means the Department of Budget and Management and the Department of National Defense being the initial Participating Agencies.

"Program" means the Cashless Purchase Card System set-up for a Participating Agency.

All definitions stated in Annex C - General and Special Conditions of the Contract, are likewise hereby adopted.

2. THE CASHLESS PURCHASE CARD SYSTEM

(a) The Consultant hereby agrees to provide the Procuring Entity and each Participating Agency the Program. Under the Program, the Consultant will establish Accounts for, and issue Cards to Cardholders. A main Account shall be maintained by the Consultant for the Government of the Philippines and separate Accounts for each of the Procuring Entity or Participating Agency and each Cardholder thereof.

(b) Each Card is issued for the purpose of permitting Cardholders to charge purchases of eligible goods and services as defined by the Procuring Entity or Participating Agencies. The list of eligible goods and services shall be approved by the Procuring Entity, as may be indicated in the prescribed form. Said list may be amended from time to time by the Procuring Entity.

- (c) The Parties shall agree on the Implementing Guidelines for the Program, including, but not limited to, controls, security process, and turnaround time (the "Implementing Guidelines").
- (d) In order to roll-out this Program to other government agencies, each concerned agency must sign an accession agreement with the Consultant whereby such agency agrees to be bound by the terms and conditions of this Contract and its Annexes. The accession agreement shall be finalized by the Procuring Entity and the Consultant before any roll-out phase.

3. FOCAL PERSON

- (a) The Focal person(s) designated or to be designated by each Participating Agency shall have the sole authority to act in behalf of the Participating Agency concerned with respect to the implementation of this Program, and specifically, to perform the responsibilities listed in the Implementing Guidelines and except for specific acts or transactions identified by the Procuring Entity to be beyond the scope of such Focal Person(s), if any.

The Participating Agency shall not be liable for such unauthorized acts or transactions, provided that the concerned Participating Agency timely submits a written notice to the Consultant identifying the specific acts or transactions that are beyond the scope of the Focal Persons.

For each Participating Agency, there will be Program Level Agency Focal Persons and Agency Focal Person/s for each Billing Entity level ("Billing Entity Agency Focal Persons").

The Program Level Agency Focal Persons' authority extends over the entire Program across Billing Entities. On the other hand, the Billing Entity Agency Focal Persons' authority will be limited to their respective Billing Entities.

The appointment of Program Level Agency Focal Persons and Billing Entity Agency Focal Person shall require the submission of the appropriate supporting documents cited in the Implementing Guidelines.

- (b) The Participating Agency shall inform the Consultant promptly of any change (including termination) of the Focal Person(s) who have been granted access to the Consultant's electronic and reporting systems. The Participating Agency shall comply with any security procedures designed to verify the origination of communications from the Participating Agency) and the Focal Person(s) as the Consultant may implement from time to time. The Consultant is not responsible for errors or omissions made by the Participating Agency and the Focal Person(s) in such communications, and may act in reliance on such communications; provided that the Consultant reserves the right to not act on any such communication where it reasonably doubts its authenticity or appropriateness.

4. COMMUNICATION AND TRAINING PLANS

- (a) The Consultant shall develop a communications plan for the Program as indicated and described in Annex C – Terms of Reference geared towards informing the Cardholders, other agencies of the GOP, and merchants that were acquired by the Consultant of the benefits of participation in the Program. For nominated merchants who were acquired by other acquiring banks, the Consultant shall likewise provide the materials and other

marketing resources that discuss the benefits of accepting the Cards issued under the Program, which the Procuring Entity may give to such nominated merchants.

- (b) Moreover, the Consultant shall develop a training program as indicated and described in Annex C – Terms of Reference and provide training materials, and provide classroom and/or online presentations.

5. CARD DESIGN AND EMBOSSING

- (a) The Consultant shall be responsible for the embossing and personalization of the Cards in accordance with the specifications of the Procuring Entity. The Procuring Entity will furnish the necessary digital artwork in order to identify the Card as the purchase card of the GOP. Upon approval by the Procuring Entity, the Consultant will produce the Cards reflecting the approved artwork without any cost to the Procuring Entity for a minimum order of 5,000 cards. The Consultant shall make available a colored sample of the artwork to be approved by the Procuring Entity before the final production of the Card
- (b) The Procuring Entity reserves the right to change the card design for a maximum of three (3) instances during the effectivity of the Contract, provided that the current card stock of 5,000 Cards have been issued to Cardholders.

6. CARD ISSUANCE, RENEWAL, REPLACEMENT AND ACCEPTANCE

- (a) The Consultant will establish an Account for and issue a Card to each official or employee to be authorized in writing by the pertinent Participating Agency, provided that such official or employee either executes a standard Card application form, which is countersigned by the Focal Person(s), or fulfills an alternative application process specified by the Consultant from time to time. The Participating Agency shall be responsible for determining to whom the cards should be issued and the corresponding purchasing authority of each Cardholder, subject to policy guidelines to be determined by the Procuring Entity. The Consultant reserves the right to establish additional requirements in connection with the application process to be met by proposed Cardholders from time to time, to comply with applicable law, rules, and regulations.
- (b) Each Card shall be valid for the term indicated thereon, unless earlier canceled or suspended by the Consultant at the request of the Participating Agency or as otherwise permitted under this Contract. Prior to the expiration of a Card, the Consultant will provide the Cardholder with a new Card unless otherwise requested by the pertinent Participating Agency.
- (c) The Participating Agency represents and warrants that it has used reasonable procedures to verify the personal information submitted to the Consultant regarding each proposed Cardholder (which may include name, home address and date of birth). The Participating Agency shall obtain the written consent of each proposed Cardholder (in a form designated by the Consultant from time to time) to the disclosure, use and transfer of personal information to and by the Consultant for the sole purpose of establishing and maintaining Accounts and issuing Cards.
- (d) The Participating Agency agrees to provide such information and documents as are reasonably required by the Consultant to comply with any anti-money laundering and/or counter terrorism financing laws, regulations, or directives or guidance from regulators.

- (e) The Consultant shall deliver all Cards issued to the designated point of Contact identified by the Focal Person of the Participating Agency concerned within twelve (12) working days from its receipt of the completed Cardholder Account Set-up Form.
- (f) The Consultant shall replace lost, stolen, defective or otherwise malfunctioning cards, at no cost to the Participating Agency concerned, except when such loss, defect or malfunction was determined by the Participating Agency concerned to be the fault or negligence of the Cardholder concerned, in which case, such Cardholder shall be liable for the cost of the card replacement.
- (g) The Consultant must have a mechanism in place to enroll and acquire new merchants as acceptors of the Cards. The Consultant will provide assistance to disseminate information to potential new merchants concerning participation in card acceptance. The Consultant shall likewise assist in promoting the benefits of accepting the Card and allow selected merchants of the government to undergo assessment/accreditation for card acceptance/acquiring services, subject to the Consultant's accreditation requirements, including credit/risk and business policies of the Consultant.

7. CREDIT LIMITS AND OTHER RESTRICTIONS

- (a) The Consultant must have the capability to apply flexible card limits and restrictions on the Program and the means and time frames for changing those limits and restrictions, within the current system capability of the Consultant as previously disclosed. In this regard, the Consultant shall recommend to the Procuring Entity the following:
 - (a) Purchase Limits – single, daily, weekly and monthly, purchase limits;
 - (b) Transaction limits – daily, weekly, monthly (or billing cycle), number of transaction limits; and
 - (c) Merchant category limits – provide a list of recommended merchant category exclusions in consideration of the eligible goods and services which may be charged against the Card.
- (b) The final credit limits shall be set upon agreement with the Procuring Entity and the Participating Agency.
- (c) The Procuring Entity and the Participating Agency warrant that the credit limits set for all Accounts under the Program are duly authorized and within the maximum amount appropriated for the procurement of Eligible Goods under the Participating Agency's budget for maintenance and other operating expenses for the current year.
- (d) In this regard, the Consultant shall be under no obligation to verify with the Focal Person(s) any card transaction prior to approving the same for as long as said transaction falls within the set credit limit for such Account and is not made from an excluded merchant.
- (f) All card transactions that are found to be unauthorized pursuant to internal rules or policies of the Procuring Entity or the Participating Agency shall be resolved directly by the Procuring Entity or the Participating Agency with the concerned Cardholder, and will not affect the payment liability of the Procuring Entity or the Participating Agency to the

Consultant on the payment due date. It shall be the sole responsibility of the Procuring Entity or the Participating Agency to seek reimbursement from the concerned Cardholder.

8. BILLING AND PAYMENT PROCEDURES

- (a) The billing cycle of each Participating Agency shall end on the fifteenth (15th) of the current month, to cover purchases for the period from the sixteenth (16th) of the previous month. For each billing cycle period, the Consultant will provide the Participating Agency with a consolidated billing statement for such Account(s) in the billing currency, which will indicate the outstanding balance, total amount due, and the payment due date, and will list the charges to the Account(s) for the applicable billing cycle period. Individual statements must be sent to each Cardholder for reference purposes.
- (b) All billing statements will be delivered in writing and made available for viewing via an online facility. Moreover, the Consultant will provide a secure and encrypted platform to access and view electronic billing statements.
- (c) Full payment of the total undisputed amount appearing in the billing statement(s) shall be made by the Participating Agency within twenty-two (22) calendar days from the fixed monthly cut-off date. A grace period of three (3) calendar days from the lapse of said 22-day period is also given within which to make payment thereof. Full payment within these periods shall not incur any interest charges or late payment fees.
- (d) In the event of any disputed transaction(s) appearing on the billing statement, the Participating Agency or the Cardholder shall notify the Consultant in writing within thirty (30) calendar days from receipt of the billing statement or from the date the electronic billing statement is made available online, whichever is earlier. Otherwise, the Participating Agency agrees and confirms that said billing statement is true and correct;
- (e) The Consultant shall send delinquency reports on a monthly basis, if applicable, to the Participating Agency through its designated Focal Person/s. These include all unpaid and outstanding amounts for specific periods.
- (f) In the event that an Account is delinquent for more than ninety (90) days from billing cut-off: (i) DBM commits to assist the Consultant in the settlement of such delinquent Account by the Participating Agency, in accordance with existing budgeting rules and regulations, including approval, if required, of the request for realignment by the Participating Agency; and (ii) the Consultant will block all Cards issued to such Participating Agency without need of further notice to or demand on said Participating Agency.

9. DISPUTED TRANSACTIONS

- (a) The Consultant must have in place a resolution procedure for dealing with disputed transactions resulting from unauthorized charges and errors in Cardholder billings. The Consultant must provide detailed information on the proposed resolution procedure. The Procuring Entity may propose amendments to the resolution procedure it may see fit, subject to acceptance by the Consultant, and provided, further, that there shall only be one resolution procedure under the Program to be applied uniformly across all Participating Agencies. The Procuring Entity agrees, and shall ensure that each Participating Agency shall agree to comply with such process and complete and submit all required forms and documentation, as and when requested by the Consultant.

- (b) Amounts corresponding to said disputed transactions raised prior to the cut-off date shall not be included in the billing statement while those raised after the cut-off date shall be included in the billing statement.
- (c) The Participating Agency concerned may opt not to pay the disputed amounts until resolution thereof in accordance with the proposed resolution procedure. In case of a finding that the transaction(s) is in fact authorized by the Participating Agency, or while it was not authorized by the Participating Agency, it was made by a Cardholder, the Participating Agency concerned must pay the amounts corresponding to said disputed transaction within fifteen (15) working days from receipt of a written finding. The Participating Agency may file a claim under the Corporate Liability Waiver Insurance Program for amounts it paid for unauthorized transactions made by its employees. In the event that the transaction(s) is authorized or while it was not authorized by the Participating Agency, it was made by a Cardholder, and the dispute resolution took longer than one hundred twenty (120) days from the date of the disputed transaction, and such delay is caused by or attributable to the Participating Agency, Focal Person or a Cardholder, the Consultant may impose the applicable late payment fees on the disputed amount for that period beyond the 120 days stated herein until the date such amount is paid.
- (d) In case the Participating Agency concerned paid the amounts corresponding to the disputed transaction and the finding is 1) that the transaction is erroneous or 2) that it was not made by the Cardholder absent any bad faith, the Consultant shall immediately process the refund of said amount to the Participating Agency concerned within fifteen (15) working days from receipt of a written finding.

10. LIABILITY

- (a) Subject to Clauses 9, 10 (b) and 18(a), the Participating Agency confirms that it shall be liable for all amounts charged to the Accounts plus any late payment fees, if any.
- (b) If a Cardholder or Focal Person has any reason to believe that a Card or Account information is lost or stolen, or that any fraud or unauthorized use of an Account has occurred or is likely to or will occur, the Participating Agency must notify the Consultant promptly. The Participating Agency shall cooperate with the Consultant in its efforts to investigate any disputed transactions or fraudulent activity. The Participating Agency shall not be liable for any amount that may be charged to a Card or Account after the Participating Agency or Cardholder concerned has notified the Consultant in writing or via its customer service hotline of said lost or stolen Card or Account information or fraud or unauthorized use.
- (c) In addition to the dispute process set forth in Clause 9 above, the Parties acknowledge that the Corporate Liability Waiver Insurance may offer full or partial waiver for certain liabilities described in Item 10 (a), subject to the terms and conditions of such policy and any agreement between the Parties.

11. SPECIAL USE ACCOUNTS

- (a) The Procuring Entity reserves its right to exercise its option to activate special use accounts and cash advance facility during the effectivity of this Contract, without incurring additional costs in enabling said service(s), subject to agreement by the Parties of the terms and conditions specific to such accounts and facility.

12. LATE PAYMENT FEES

- (a) A late payment fee of three percent (3%) of the due and demandable unpaid amount for every month of delay will be charged for non-payment of the full outstanding balance after the expiration of the grace period indicated in item 8(c) hereof. The Consultant will show any unpaid portion of the balance due as a "past due" balance on subsequent billing statements. In addition, the Consultant shall provide a written report to the Procuring Entity and the Participating Agency concerned all unpaid Accounts which are subject to potential suspension or cancellation.
- (b) It is understood that no late payment fees may be imposed by the Consultant unless the pertinent billing statements were duly delivered by the Consultant or made available online by the Consultant to the Participating Agency, pursuant to item 8(b).

13. FOREIGN EXCHANGE CONVERSION RATE

Card transactions initiated in a currency other than the Philippine Peso will be converted to the Philippine Peso in accordance with the foreign currency conversion procedures of the Card Association and as indicated in the Implementing Guidelines.

14. REBATE PROGRAM

The Consultant shall grant the Government as a whole an annual rebate in accordance with the following rebate table. The annual rebate will be calculated based upon the total annual spend (excluding cash advances, if any, and the amount spent which was not paid by the Participating Agency by the relevant payment due dates) and will be net of credit losses (i.e., unpaid past due amounts owed to the Consultant) under the Program. The proceeds hereof shall be released by the Consultant in accordance with the rebate payout process in the Implementing Guidelines.

Annual Spend	Rebate
From PHP 100,000,000 to PHP 500,000,000	0.10% of Annual Spend
From PHP 500,000,001 to PHP 1,000,000,000	0.20% of Annual Spend
From PHP 1,000,000,001 and above	0.30% of Annual Spend

15. CUSTOMER SERVICE AND SUPPORT SYSTEM

In addition to the Professional Key Personnel to be provided by the Consultant, customer service personnel who are accessible in the Philippines via domestic toll-free telephone numbers, direct-e-mails, and dedicated facsimile access, shall also be provided. Cardholder services shall be available 24 hours a day, every day of the year. Cardholder services are defined, at minimum, to cover the reporting of lost or stolen cards, transaction authorization and verification, account inquiries, account maintenance, and Cardholder customer assistance in general. On the other hand, customer service with respect to accounting and billing shall be available from 8:00 a.m. to 5:00 p.m., Mondays to Fridays.

16. SERVICE LEVEL AGREEMENT

The Consultant commits to the provision of the foregoing customer service and support system and further undertakes that the response time for critical issues (those that are transactional and affect a great number of Program users) shall be immediate and the resolution thereof shall be within one hour from report thereof. For non-critical issues, the response time shall be within four (4) hours and resolution shall be within twenty-four (24) hours from report thereof, provided that the complaint was received by the Consultant on a working day.

17. AVAILABILITY OF SYSTEMS AND PROGRAMS

The Consultant shall provide the Procuring Entity and Participating Agency the full range of capabilities of the following systems as may be deemed necessary by the Procuring Entity, without cost thereto:

- ECS+: the main card system
- CitiManager: online card management system
- Citi Custom Reporting System (CCRS): reporting and analytics tool
- Citi Global Card Management System (GCMS): expense management system
- Citi Program Audit Tool
- Program Dashboard: visual representation of data
- Advanced Fraud Early Warning System (AFEWS)
- other similar or pertinent systems (online or through direct e-mail or a toll-free customer service hotline or dedicated facsimiles)

18. CLOSING AND SUSPENSION OF ACCOUNTS

- (a) The Participating Agency concerned shall notify the Consultant either in writing or through its customer service system whenever the Participating Agency desires to close an Account or cancel a Card. The Participating Agency shall not be liable for charges made to an Account after the Participating Agency has given the Consultant notice to close such Account.
- (b) The Participating Agency shall immediately advise the Consultant of the termination of employment of any Cardholder (which shall include, among other things, dismissals, voluntary resignation by the Cardholder and termination due to death or illness) and hereby authorizes the Consultant to cancel the Accounts of such terminated employees. The Participating Agency shall prohibit access and use of such cancelled Accounts, and immediately collect and destroy their corresponding Cards.
- (c) In the event that the Consultant determines that the Account has been misused, compromised or has been used for fraudulent transactions, the Consultant will immediately block or suspend the Card and notify the Cardholder of such incident. The Consultant will then issue a new card to the Cardholder, unless otherwise instructed by the Participating Agency.
- (d) The Consultant reserves the right to suspend or cancel a Card at any time without prior notice for any suspected fraud, misuse, violation of applicable law, rules, or regulations, such as, but not limited to, inclusion in the Specially Designated Nationals (SDN) list of the Office of Foreign Assets Control of the US Treasury; provided, that the Consultant will inform the Procuring Entity and the concerned Participating Agency of such suspension or cancellation of an Account if reasonably practicable to do so and allowed by law or

regulation. Upon the prompt resolution of such suspicion in the negative, the Consultant shall reactivate or issue a new Card for the authorized Cardholder.

19. RIGHT TO USE OTHER PARTY'S MARKS

- (a) The Procuring Entity and Participating Agency hereby grant to the Consultant a non-exclusive, non-sublicensable, revocable, royalty-free license to use the trademark(s), service mark(s), tradename(s), trade dress(es), or other like mark(s) of the Procuring Entity and Participating Agency (the "Government Mark(s)") to promote and administer the Program. Additionally, the Consultant hereby grants to the Procuring Entity and Participating Agency a non-exclusive, non-sublicensable, revocable, royalty-free license to use the Consultant's "Citibank" trademark (the "Citibank Mark") (the Government Mark(s) and the Citibank Mark, individually and collectively, the "Mark(s)") to promote and administer the Program. Each party must obtain the other party's prior written approval of the desired form and manner of use of said other party's Mark(s) and shall not change or modify the form and manner of use of the other party's Mark(s) without the prior written consent of the other party. Each party acknowledges that it acquires no title or interest in or to any Mark(s) of the other party by virtue of this license and all use of the other party's Mark(s) inures to the benefit of the owner of said Mark(s). Each party represents that it has secured all consents required to enable it to grant this license. Each party will ensure that the quality of services it provides in association with the other party's Mark(s) is in accordance with the standards set forth by said other party. If these standards are not maintained, the other party may immediately terminate the license granted herein. Upon termination of this Contract, the licenses granted under this Clause will automatically terminate.
- (b) Each party (an "Indemnifying Party") agrees to indemnify, defend and hold the other (an "Indemnified Party") harmless from and against any and all loss, cost, damage or liability, including reasonable counsel fees and costs, arising directly or indirectly as a result of any claim or cause of action for infringement ("Infringement Claim") of any Mark(s) asserted against the Indemnified Party by virtue of the Indemnified Party's use of or reference to the Indemnifying Party's Mark(s) in accordance with the terms of this Contract. The Indemnifying Party will have the right to control and direct the investigation, defense and settlement of each such claim. The Indemnified Party shall reasonably cooperate with the Indemnifying Party in connection with the foregoing. In the event the Consultant is the Indemnified Party, the Procuring Entity and Participating Agency shall reimburse the Consultant for all costs associated with issuing new Cards that do not infringe the Mark(s) of a third party.
- (c) Each party shall give prompt notice of any Infringement Claim to the other, provided that failure to give such notice shall not affect the Indemnifying Party's obligation to indemnify as set forth in this Clause unless and limited to the extent that the Indemnifying Party is materially prejudiced by such failure to receive notice.
- (d) Neither party shall have any obligation to the other under this Clause for any claim that results directly or indirectly from:
- (i) any modification, alteration or change to the Mark(s) by a party or its representatives not expressly authorized by the other party or inconsistent with the provisions of this Agreement; or
 - (ii) use of the Mark(s) by a party or its representatives in a manner not expressly authorized by the other party or inconsistent with the provisions of this Agreement.

20. CONFIDENTIALITY; DATA PROTECTION

(a) Definitions

- (i) **"Confidential Information"** means:
- a. where the Disclosing Party (as defined below) is the Consultant, or any of their respective employees, partners, officers, contractors, agents and subcontractors: information relating to the Consultant received by the Participating Agency in connection with the Program, including, without limitation, Bank Personal Data, product information, technology (including software, the form and format of reports and on-line computer screens), pricing information, internal policies, operational procedures and any other information which is either designated by the Consultant as confidential or proprietary at the time of disclosure or that a reasonable person would consider to be of a confidential or proprietary nature; and,
 - b. where the Disclosing Party is the Participating Agencies, or any of their respective employees or officers, information relating to the Participating Agency or Cardholders received by the Consultant in connection with the Program, including, without limitation, Company Personal Data, Account information, and any other information which is either designated by the Participating Agencies as confidential or proprietary at the time of disclosure or that a reasonable person would consider to be of a confidential or proprietary nature.
- (ii) **"Data Protection Laws"** means all laws, enactments, regulations, mandatory regulatory policies and processes, and other legal requirements relating to or impacting on privacy and/or the Processing of Personal Data that are in force in the relevant jurisdiction(s) during the term of this Agreement;
- (iii) **"Personal Data"** means any information that can be used, directly or indirectly, alone or in combination with other information, to identify an individual, and includes Bank Personal Data and/or Company Personal Data, as the context requires;
- a. **"Bank Personal Data"** means Personal Data relating to employees, partners, officers, contractors, agents and subcontractors of the Consultant received by the Participating Agencies in connection with the Program;
 - b. **"Company Personal Data"** means Personal Data relating to Cardholders, employees or officers, of the Participating Agencies received by the Consultant in connection with the Program;
- (iv) **"Permitted Purposes"** means the following purposes: (A) for the Consultant to provide the Program and ancillary services; (B) to fulfill legal, regulatory and compliance requirements applicable to the Consultant (including, without limitation, in connection with anti-money laundering laws and regulations, audit and reporting requirements and the maintenance of accounting and tax records); (C) to verify the identity of representatives of the Participating Agencies and Cardholders who contact the Bank or may be contacted by Bank; (D) in respect of the monitoring and recording of telephone calls, as provided in Section 21, to help maintain service quality, train staff and deal with complaints, disputes and potential criminal activity; (E) to monitor and analyze the use of any Account, in each case to prevent fraud, assure security, and for statistical and trend analysis; (F) to operate the Consultant's risk and control systems and management information systems; (G) to allow system administration, operation, testing and support; (H) to investigate and remediate Security Incidents; (I) to enforce a

party's rights or performing a party's obligations under this Agreement; and (J) to manage the Consultant's relationship with the Participating Agencies.

- (v) **"Processing"** and **"Process"** means any operation or set of operations performed on Personal Data manually or automatically, such as collection, recording, organization, storage, adaptation or alteration, retrieval, accessing, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, blocking, erasure or destruction.
- (b) **Protection of Confidential Information:** The party receiving Confidential Information ("**Receiving Party**") of the other party ("**Disclosing Party**") will exercise at least the same degree of care with respect to the Disclosing Party's Confidential Information that the Receiving Party exercises to protect its own Confidential Information of a similar nature, and in any event, no less than reasonable care.
- (c) **Use and disclosure of Confidential Information:** The Disclosing Party hereby grants the Receiving Party the right to use or disclose the Disclosing Party's Confidential Information to the extent necessary to accomplish the Permitted Purposes. The Receiving Party will only use and disclose the Disclosing Party's Confidential Information to the extent permitted in this Section 20(c).
- (d) **Disclosure to Representatives:** The Receiving Party may disclose the Disclosing Party's Confidential Information and the terms of this Agreement to those of the Receiving Party's employees, Affiliates, professional advisers, agents, contractors and subcontractors (collectively "**Representatives**") who have a "need to know" such Confidential Information, although only to the extent necessary to fulfill the purposes set forth in Section 20(c) above. The Receiving Party shall ensure that any of its Representatives to whom it does disclose the Disclosing Party's Confidential Information shall be bound to keep such Confidential Information confidential.
- (e) **Disclosure to designated third parties:** The Participating Agencies may request the Consultant to communicate with third parties designated by the Participating Agencies, such as Travel Management Companies and merchant vendors, in connection with the Program. If the Consultant receives such a request, then the Consultant may disclose certain Participating Agency Confidential Information to such third parties. The Consultant may also disclose to Card Associations, acquiring banks, and merchants such Confidential Information as is required in connection with the transaction authorization and clearing process, the dispute process, and as otherwise necessary to provide the Program.
- (f) **Exceptions to Confidentiality:** Notwithstanding anything in this Agreement to the contrary, the following information shall not be deemed Confidential Information of either the Consultant or the Participating Agencies: information (i) that is in or enters the public domain other than as a result of the wrongful act or omission of the Receiving Party or its Affiliates, or their respective employees, contractors, agents or subcontractors, (ii) that is lawfully obtained by the Receiving Party from a third party or already known by the Receiving Party in each case without notice of any obligation to maintain it as confidential, (iii) that was independently developed by the Receiving Party without reference to the Disclosing Party's Confidential Information, and (iv) that an authorized officer of the Disclosing Party has agreed in writing that the Receiving Party may disclose on a non-confidential basis.
- (g) **Legal disclosure:** The Receiving Party may disclose the Disclosing Party's Confidential Information without further notice to the Disclosing Party if required by applicable law, regulation or legal process, including disclosure to courts, or if required to comply with

obligations to regulatory and/or governmental authorities. If the Receiving Party is requested by any court to disclose the Disclosing Party's Confidential Information, the Receiving Party shall (if reasonably practicable and not restricted from doing so by applicable law or competent authority) use commercially reasonable efforts to give the Disclosing Party advance notification of the disclosure. If the Receiving Party is subject to such a request by any court, if the Disclosing Party does not obtain a protective order relieving the Receiving Party of its obligation to disclose such Confidential Information before the Receiving Party is obliged to make such disclosure, or the Disclosing Party waives the requirement that the Receiving Party restrict the disclosure of the requested Confidential Information, then the Receiving Party may disclose such part of the Disclosing Party Data that is legally required to be disclosed. The Receiving Party shall use commercially reasonable efforts to obtain reasonable assurances that any disclosed Confidential Information will be treated confidentially.

- (h) **Record Retention:** On closure of any Accounts or termination of the Program, each party shall be entitled to retain and use the other party's Confidential Information (i) in order to fulfill legal, regulatory and compliance requirements applicable to such party, or (ii) for the Receiving Party's legitimate business purposes (including, without limitation, the maintenance of accounting and tax records, and the enforcement and defense of the Receiving Party's legal rights) to the extent that this is legally permissible and in accordance with its internal records management policy. Thereafter, the Receiving Party shall securely destroy or delete the Confidential Information.
- (i) **Company Consent:** The Participating Agencies hereby consent, and shall ensure that such of its Representatives whose Personal Data may be disclosed to the Consultant or their Representatives in connection with this Agreement (and who are not proposed Cardholders) consents, to the Processing of such Personal Data by the Consultant, their Representatives and third parties selected by the Consultant or the Participating Agencies, for the purposes of implementation and administration of the Program and this Agreement and the management of Consultant's relationship with the Company. Such Processing may include the transfer of the Personal Data to Affiliates and third parties located in other countries including countries that may have only limited or no data protection laws, but the Bank remains obliged to protect the Personal Data in accordance with this Section 20.
- (j) **Protection of Personal Data:**
- (i) Each party shall comply with Data Protection Laws which are applicable to it in transferring Personal Data to the other party and/or in Processing Personal Data received from the other party in connection with this Agreement; and,
- (ii) Each party shall apply adequate technical and organizational security measures to protect against unauthorized or unlawful damage to, loss, disclosure or destruction of all such Personal Data. Each party shall on request by the other party provide the requesting party with an overview of such measures that it maintains, provided that it is not required that such overview include any detailed information which if disclosed, in the view of the party, may in any way threaten or adversely impact on the adequacy of such measures.
- (k) **Anonymized and Aggregated Data:** The Participating Agencies agree that the Consultant may use Anonymized and/or Aggregated Data for their own purposes (including without limitation trend analysis), and that all intellectual property rights in any databases, reports or other works created as a result of such use shall vest in the Consultant upon their creation and be its sole and exclusive property. For the purpose of this Section, "Anonymized and/or Aggregated Data" means data in respect of which all personal

identifiers have been removed, and/or which has been aggregated with other data, in both cases such that the data cannot identify the Participating Agencies, or a natural person, and which had originally been obtained through Consultant's electronic card management and reporting system.

- (l) **Security Incidents:** If a Receiving Party becomes aware of an incident whereby the security or confidentiality of Personal Data of the Disclosing Party within the custody or control of the Receiving Party has been materially compromised ("Security Incident"), the Receiving Party will investigate and remediate the Security Incident in accordance with its internal policies and procedures. The Receiving Party will notify the Disclosing Party of the Security Incident as soon as reasonably practicable (taking into account any legal or regulatory restraints on notification and the need to avoid prejudicing current investigations) after it becomes aware of the Security Incident and will provide reasonable co-operation and assistance to the Disclosing Party to remediate the impact of the Security Incident on the Disclosing Party. Each party agrees to respond to reasonable enquiries received from the other party in connection with the Security Incident, and where requested shall make available relevant employees to discuss such enquiries with the other party's representatives.
- (m) **Survival:** The provisions of this Section 20 shall survive, with respect to Personal Data, for so long as the Receiving Party has possession, custody or control of such Personal Data and for all other Confidential Information, for three years after the expiration or earlier termination of this Agreement.

21. MONITORING OF CALLS

The Procuring Entity and the Participating Agency consent to the recording and monitoring of their telephone calls (including calls with the Focal Persons and other employees, agents and contractors of the Procuring Entity and the Participating Agency) with the Consultant and its agents and contractors.

22. LIMITATIONS

The Procuring Entity and the Participating Agency agree not to, and shall ensure that the Cardholder shall not, use the Card for the purchase of items/goods the importation into the Philippines of which is subject to the provisions of the BSP Manual of Regulations for Foreign Exchange Transactions and all other circulars, laws, rules, regulations pertaining to importation.

23. COMPLIANCE WITH LAW OR DIRECTIVE

If it is or will become contrary to any law or directive of any applicable authority for the Consultant to continue the Program, the Consultant may forthwith terminate the Program by written notice to the Procuring Entity and the Participating Agency in accordance with the provisions of the pertinent law or directive. Upon such notification by the Consultant, the Consultant shall be released from all its obligations under the Program and the Procuring Entity and the Participating Agency shall pay all sums due and payable under this Contract to the Consultant within 30 calendar days from such notification.

IMPLEMENTING GUIDELINES FOR THE CASHLESS PURCHASE CARD SYSTEM

Note: This is the Implementing Guidelines referred to in Annex C General and Special Conditions of Contract

PURPOSE

These Implementing Guidelines ("Guidelines") contain the operation details of the Cashless Purchase Card System ("CPCS"), including but not limited to, the responsibilities of the Agency Focal Persons, controls, security process, payment procedure and dispute process, which is a condition for the effectivity of the Contract for the Cashless Purchase Card System and its Annexes (the "Contract").

SUPPLEMENTAL REFERENCES AND INTERPRETATION

1. Matters / Items unspecified in these Guidelines shall require reference to the Citi® Program Administrator's Guide – Philippines, September 2011 Version, produced by the Citigroup® Global Transaction Services, as may be amended from time to time. The same, here attached, shall apply suppletorily to these Guidelines; provided, that such suppletory application is limited and circumscribed by the Terms of Reference and Scope of the Agreement with Citi pursuant to the procurement of consultancy services for the CPCS.

2. Capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed to such terms in the Contract.

PROGRAM GUIDELINES

1. PROGRAM CREATION AND CREDIT LIMIT ALLOCATION

Pursuant to the [state the supporting document which is the source of the creation of the Steering Committee] (Resolution #2012-03 Issued by the CPCS Inter-Agency Bids and Awards Committee dated June 21, 2012), a Steering Committee shall be created to perform an oversight function over the Programs, and in particular, the Steering Committee shall have the following powers:

- i) To set credit limits for each Program and for every Billing Entity under it;
- ii) To designate or remove Program Focal Persons and Billing Entity Focal Persons or modify their profiles;
- iii) To approve the reallocation of credit limits across Billing Entities of a Program; and
- iv) To approve the final rebate

Each Participating Agency will be set-up as individual Programs. The different departments or units of the Participating Agency shall be treated as separate Billing Entities.

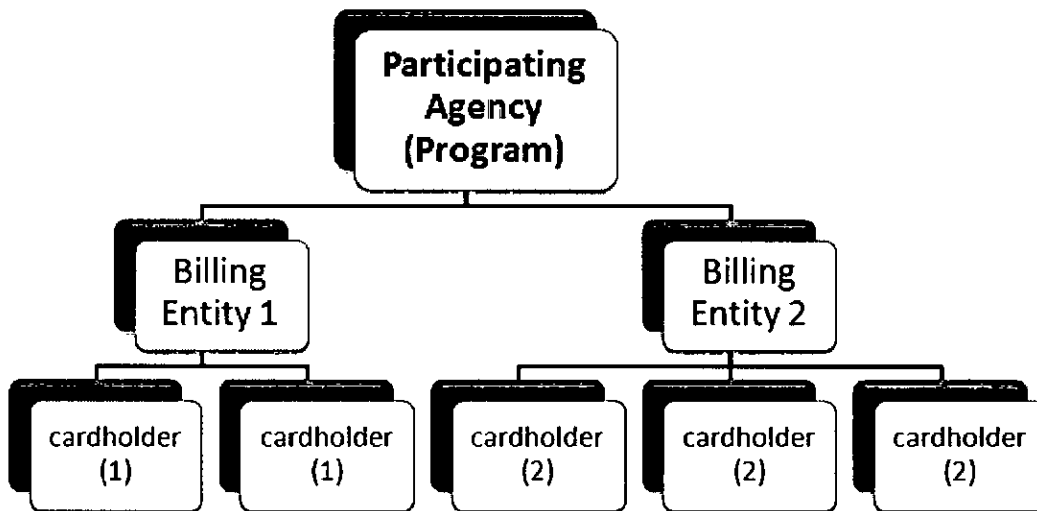
To create a Program, the following documents must be submitted: (i) Signed Contract, with respect to the Procuring Entity, or an accession agreement, for any subsequent Participating Agency (in every case, executed by the Secretary of the Participating Agency); (ii) An Order, Circular or equivalent

document issued by the Participating Agency and signed by its Secretary providing for the availment by the Participating Agency of the CPCS and the authority of the person signing the Contract or the accession agreement, whichever is applicable; and (iii) Credit limit approval for the total limit to be assigned to the Program and each Billing Entity of the Participating Agency, which shall be in the form of a signed document by the Steering Committee.

A Program's total credit limit shall be divided among the Billing Entities, which credit limit shall then be assigned to the Cardholders of each Billing Entity. The aggregate credit limits of all Cardholders in the Billing Entity cannot exceed the maximum credit limit of such Billing Entity.

The Steering Committee will also set the credit limits for each Billing Entity, including the reallocation of said credit limits across Billing Entities under one Program. The Billing Entity's credit limit shall be indicated in the Billing Account form, and such credit limit shall be set up in the system ONLY upon verification by Citi of the details in the Billing Account form.

Sample Program Assignment as seen below:



2. PROGRAM AND BILLING ENTITY FOCAL PERSONS' DESIGNATION AND RESPONSIBILITIES

Each Program shall have Program Level Focal Persons and Billing Entity Focal Persons. The Steering Committee shall designate employees of a Participating Agency to be the Participating Agency's Program Level or Billing Entity Focal Persons.

The appointment of Program Focal Persons and Billing Entity Focal Persons will require the submission of a signed and filled-up Program Administrator Form (see Annex A) by the Steering Committee.

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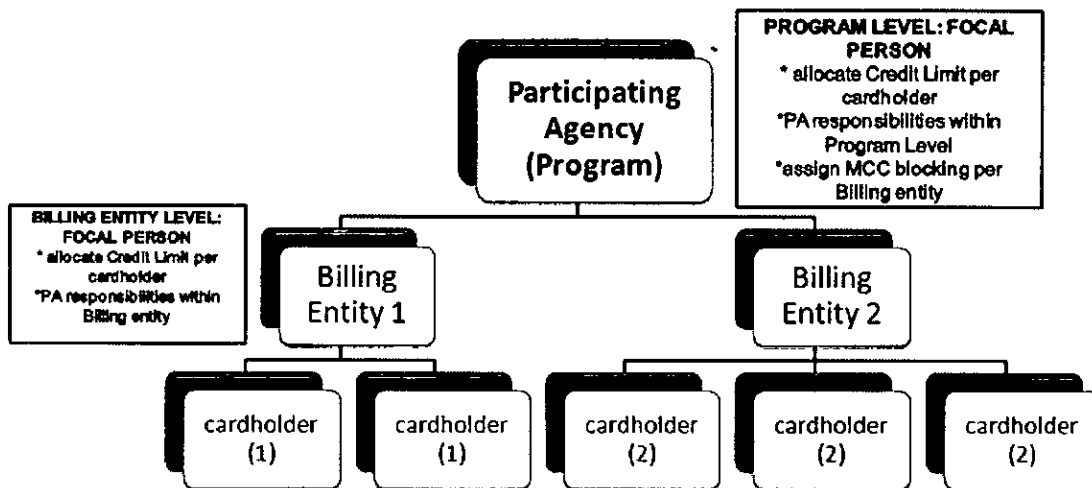
Both The Program and Billing Entity Focal Person/s' can perform all of the following:

- Approving/Declining cards
- Cancelling cards
- Managing number and status of cards
- Managing cardholder credit limits
- Managing card statements
- Managing merchant category codes
- Access to online reporting tools
- General enquiries – (not limited to lost/renewal card replacement, billing and payment disputes etc.)

The Program and Billing Entity Focal Persons are authorized to perform all of the foregoing acts unless otherwise expressly indicated by the Steering Committee in the Program Administrator Form.

- While both Program and Billing Entity Focal Persons may have the same functions, the authority of the Billing Entity Focal Persons is limited only to the specific Billing Entity where they are assigned.

Diagram as seen below:



Turn-around Time for Processing the addition/deletion of Program or Billing Entity Focal Person or any profile modification will be 4 Business days upon receipt of the corresponding Program Administrator Form (see Annex A).

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Security and Controls for Assigning/Adding/Deleting of Program or Billing Entity Focal Person:

The addition or deletion of Program or Billing Entity Focal Persons shall require the submission of the Program Administrator Form duly signed by the Participating Agency to the assigned Citi Implementation Manager via email.

Citi shall signature verify the submitted Program Administrator Form and check the completeness of the information.

3. COMMUNICATION AND TRAINING

Citi shall develop a communications plan and provide the training materials and other resources during the launch of the program. Each Participating Agency, together with its designated Program and Billing Entity Focal Persons, and potential Cardholders will be given the following training sessions at the Participating Agency's office premises on the agreed dates:

Program or Billing Entity Agency Focal Person Training session

Cardholder Training session

AML/KYC Process Training session

After the sessions are conducted, Citi will supply the Participating Agency with a Cardholder Quick Reference guide and a Program or Billing Entity Focal Person Guide and all the training slides. The current Program or Billing Entity Focal Persons will then be required to train incoming/new Program or Billing Entity Focal Persons and new Cardholders.

4. CARD ISSUANCE, RENEWAL, REPLACEMENT AND ACCEPTANCE

(a) Card Application Process

- i. The Cardholder must fill up the Cardholder Application Form and the Transmittal Form and complete all mandatory fields. (see Annex A) Submit a photocopy of one government issued ID.
- ii. Upon completion of the foregoing documents, the Program or Billing Entity Focal Persons shall forward the documents to the address listed below for Citi to process:

Citi Commercial Cards
c/o Global Transaction Services
9th Flr Citi Tower
8741 Paseo de Roxas
Makati City 1226, Philippines

- (b) Each Card shall be valid for 3 years, unless earlier canceled or suspended by Citi at the request of the Participating Agency via email from the Program or Billing Entity Focal Person or by calling the Customer Service Centre. Prior to the expiration of a Card, Citi

will provide the Cardholder with a new Card unless otherwise requested by the pertinent Participating Agency.

- (c) Citi shall deliver all Cards issued to the designated point of contact identified by the Program or Billing Entity Focal Person of the Participating Agency concerned within twelve (12) working days from its receipt of the completed Cardholder Account Set-up Form. Citi
- (d) Citi shall replace lost, stolen, defective or otherwise malfunctioning cards, at no cost to the Participating Agency concerned. However, if a Cardholder loses his Card more than 3 times in a calendar year, such Cardholder shall be liable for the cost of the card replacement.

If a replacement card is needed, the Cardholder may contact the Customer Service Centre or any Program or Billing Entity Focal Person may email the request on the Cardholder's behalf. There is no need to submit another Cardholder Application Form for card replacement.

There are two options available to contact the Customer Service Centre:

- i. **Phone – Immediate Response**
TELEPHONE (Metro Manila): +63 (2) 894-7435
TELEPHONE (Toll Free - Outside Metro Manila): 1 800 10 894 7435

Ensure that the following information is ready for the cardholder verification process:

- Security Password (established when registered as a Program or Billing Entity Focal Person and Cardholder)
 - Corporate Name
 - Card Number
- ii. **Email – Response within 48 hours**
(For Program Administrators Only)

EMAIL: customerservice.commcards@citigroup.com

Ensure that the email ID is a registered Program or Billing Entity Focal Person ID and include the following details:

- Card Number (Restricted to the last 6 digits)
- Cardholder Name
- Reason for Replacement/Request Details
- Confirmation of mailing address (if there is any change in the Delivery Address)

5. CREDIT LIMITS AND PURCHASE RELATED RESTRICTIONS

- (a) Citi can provide the following control features to the Program :

i. Card Limits – single, daily, weekly or monthly, purchase limits

Each Card is assigned a monthly card limit by the Program or Billing Entity Focal Person upon its creation, which limit must be within the Program credit limit. Monthly card limits are mandatory and must be indicated in the Cardholder Application Form (*see Annex A*), duly signed by the appropriate Program or Billing Entity Focal Person. A scanned copy of said form must be submitted via email.

In the event the Cardholder reaches his or her credit limit, the Program or Billing Entity Focal Person can increase the credit limit temporarily or permanently by calling or emailing the Customer Service Centre.

The available credit limit of a cardholder in a given month shall be his/her assigned cardholder limit less value of purchases made during the preceding monthly billing cycle.

For Immediate Changes in cardholder details, card delivery address, credit limits, activation or deactivation of cards– Billing Entity or Program Focal Person can contact the Customer Service Centre.

For Changes within 48 hours – Billing Entity or Program Focal Person can email Customer Service at customerservice.commcards@citi.com

The following details are required:

- Card Number (Restricted to the last 6 digits)
- Amount of increase/decrease
- Cardholder Name
- Card Expiry Date
- Type of Profile – Permanent or Temporary (If a Temporary adjustment is requested, please provide the expiry date for the same)

Note: Requests cannot be future dated.

Only registered Program or Billing Entity Focal Persons are authorized to change card control limits.

ii. Transaction limits – daily, weekly, monthly (or billing cycle), number of transaction limits; and The Program or Billing Entity Focal Person may elect to assign a transaction limit per transaction to any Card. This optional function will limit the amount of spending per transaction to a specified amount per transaction. This function can be selected in the Card Application Form (*see Annex A*) by the Program or Billing Entity Focal Person and submitted to Citi via email or via telephone request to the Customer Service.

iii. Merchant category limits – provide a list of recommended merchant category exclusions in consideration of the eligible goods and services which may be charged against the Card.

The Merchant Category Code (MCC) can be Blocked/Unblocked at corporate levels by the Program or Billing Entity Focal Person. Note that MCCs listed in Table 1 and Table 2 below will always be blocked by default due Citi's internal policy or due to a local regulatory

requirement under the Citigroup Default MCC Block list¹. To block or unblock a merchant category, contact our Customer Service and provide details of the requested change. Processing time for merchant category blocking is 4 working days.

Table 1: Merchant Category Code Block List (Applicable for all Card types)

Please note that the following MCC codes are always blocked by default by Citibank across all Product types:	
4899 - Cable, Satellite & Other Pay Television & Radio Services	7273 - Dating/Escort Services
5300 - Wholesale Clubs	7277 - Counseling Services-Debt, Marriage, Personal
5641 - Children & Infants Wear Stores	7297 - Massage Parlors
5681 - Furriers & Fur Shops	7841 - Video Tape Rentals
5949 - Sewing, Needlework, Fabric & Piece Goods Stores	7995 - Betting Facilities
5967 - Direct Marketing - Inbound Telemarketing Merchants	9211 - Court Costs including child support
5970 - Artists Supply & Craft Shops	9223 - Bail and Bond Payments
5993 - Cigar Stores & Stands	9311 - Tax Payments
7211 - Laundries (Family and Commercial)	9401 - Food Stamps

¹ MCC Block List is available from Customer Service

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Table 2: Merchant Category Code Block List – Entertainment Categories (Applicable for Purchasing Cards Only)

Please note that the following MCC codes are always blocked by default by Citibank across all Product types:	
4899 - Cable, Satellite & Other Pay Television & Radio Services	7273 - Dating/Escort Services
5300 - Wholesale Clubs	7277 - Counseling Services-Debt, Marriage, Personal
5641 - Children & Infants Wear Stores	7297 - Massage Parlors
5681 - Furriers & Fur Shops	7841 - Video Tape Rentals
5949 - Sewing, Needlework, Fabric & Piece Goods Stores	7995 - Betting Facilities
5967 - Direct Marketing – Inbound Telemarketing Merchants	9211 - Court Costs including child support
5970 - Artists Supply & Craft Shops	9223 - Bail and Bond Payments
5993 - Cigar Stores & Stands	9311 - Tax Payments
7211 - Laundries (Family and Commercial)	9401 - Food Stamps
Please note that the following entertainment merchant categories are blocked for purchasing cards as per the Banking Act Chapter 19 Banking Credit Card and Charge Card Regulations	
4411 - Steamship And Cruise Lines	7929 - Bands, Orchestras, And Miscellaneous Entertainers Not Elsewhere Classified
4457 - Boat Rentals And Leasing	7932 - Billiard And Pool Establishments
5094 - Precious Stones And Metals, Watches And Jewelry	7933 - Bowling Alleys
5812 - Eating Places And Restaurants	7941 - Commercial Sports, Professional Sports Club, Athletic Fields And Sports Promoters
5813 - Drinking Places (Alcoholic Beverages) – Bars, Taverns	7991 - Tourists Attractions And Exhibits
5921 - Nightclubs, Cocktail Lounges, And Discotheques	7992 - Public Golf Courses
6010 - Financial Institution – Manual Cash Disbursements	7993 - Video Amusement Game Supplies
6011 - Financial Institution - Automated Cash Disbursements	7994 - Video Game Arcades/Establishments
7012 - Timeshares	7995 - Betting, Including Lottery Tickets, Casino Gaming Chips Off-Track Betting, And Wagers At Race Tracks
7230 - Barber And Beauty Shops	7996 - Amusement Parks, Circuses, Carnivals & Fortune Tellers
7273 - Dating And Escort Services	7997 - Membership Clubs (Sports, Recreation, Athletic), Country Clubs And Private Golf Courses
7277 - Counseling Services – Debt, Marriage, And Personal	7998 - Aquariums, Seaquariums, Dolphinariums
7297 - Massage Parlors	7999 - Recreation Services – Not Elsewhere Classified
7298 - Health And Beauty Spas	9751 - U.K. Supermarkets - Electronic Hot File
7299 - Miscellaneous Personal Services – Not Elsewhere Classified	9752 - U.K. Petrol Stations - Electronic Hot File
7829 - Motion Picture & Video Tape Production & Distribution	
7832 - Motion Picture Theaters	
7841 - Video Tape Rental Stores	
7911 - Dance Halls, Studios And Schools	
7922 - Theatrical Producers (Except Motion Pictures) & Ticket Agencies	

Page 1

Requirements to Block/Unblock

1. Submission of completely filled up Custom MCC Setup Form (example copy in Annex A) by the Program of Billing Entity Focal Persons of the Participating Agency
2. The following details should be included in the form:
 - Card Number (Restricted to the last 6 digits)
 - Company Name
 - The MCC (To refer Company Application Form of Citi) and Description

Note: Requests to unblock any MCCs grouped under the Citigroup Default MCC Block list² have to be submitted by the Program Level Focal Person via the Custom MCC Setup Form (example copy in Annex A)³, subject to Citi's approval (see PA guide).

² MCC Block List is available from Customer Service

³ Custom MCC Setup Form is available from Customer Service

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[Signature]

[Signature]

6. BILLING AND PAYMENT PROCEDURES

- (a) Cardholders and Program or Billing Entity Focal Persons are required to log on and use CitiManager® to view their electronic statements for an itemized list of transactions.

Billing and Payment shall follow the Central Bill and Central Pay.

The Steering Committee shall make, for each participating agency, a prior determination on:

- i. the level of the Focal Person (Program Level or Billing Entity Level) at which bill payment will be settled, and
- ii. the method or mode of payment (e.g. cheque, fund transfer, etc.).

Absent such a prior determination, each Participating Agency may make a determination on the foregoing matters for their respective Agencies, within the framework of Central Bill and Central Pay.

Payment Option	Methods
<p>Billing Entity Payment (Central Bill)</p>	<p>1. Cheque Payment</p> <ul style="list-style-type: none"> ✓ Payer may issue cheque payable to Citi N.A. – Commercial Cards ✓ Indicate the following details on the reverse side of the cheque <ul style="list-style-type: none"> ○ Relationship Account Number¹/Billing Entity Account Number¹ ○ Participating Agency or Billing Entity Name ✓ Indicate the following details on the Payment Slip: <ul style="list-style-type: none"> ○ Account Name: Citi GTS Philippines ○ Account Number: 5756759037 <p>¹ Account Number indicated in the billing statement</p>
<p>Program/Billing Entity Payment (Central Bill)</p>	<p>2. Or such other payment method mutually agreed upon by both parties</p>

7. DISPUTED TRANSACTIONS

- (a) Resolution Procedure:

If the Program or Billing Entity Focal Person or Cardholder disagrees with or disputes any transaction, they must fill-up the Transaction Dispute Form (see Annex A) and submit the same

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via email to Customer Service for investigation. Resolution period for disputes raised to Customer Service will be between 5-10 working days from date of submission of complete documents, i.e. the Transaction Dispute Form and any supporting documents.

If after investigation it is found that a disputed transaction is erroneous and the same has been paid, the Program or Billing Entity Focal Person(s) or Cardholders may request for a credit refund by filling up a Credit Refund Form (*See Annex A*) and emailing/submitting said form, together with any proof of payment, to the Citi Credit Refunds Processing Team at aspaccommcard.rebate.refund@citi.com. The turn-around time for resolution for all disputes shall be determined by the Customer Service Centre.

8. CLOSING AND SUSPENSION OF ACCOUNTS

The Program or Billing Entity Focal Person(s) concerned shall notify Citi either in writing via email to customerservice.commcards@citi.com or through the Customer Helpdesk whenever the Participating Agency desires to close an Account or cancel a Card. For closures and cancellations made directly through the Customer Helpdesk, the Participating Agency shall not be liable for charges made to an Account after the authorized Program or Billing Entity Focal Person has given the Bank notice to close such Account. Otherwise, a reasonable period of not more than 24 hours for telephone cancellation notice or not more than 3 working days for notice of cancellation in writing, shall be accorded to the Consultant to close such Account and update its records.

The Program or Billing Entity Focal Person shall take all reasonable actions necessary to collect Cards issued to Cardholders whose employment have been terminated or whose Cards have been cancelled and shall immediately destroy such Cards.

- (a) The Participating Agency through the Program or Billing Entity Focal Person(s) shall immediately advise Citi of the termination of employment of any Cardholder (which shall include, among other things, dismissals, voluntary resignation by the Cardholder and termination due to death or illness) and hereby authorizes Citi to cancel the Accounts of such terminated employees. The Participating Agency shall prohibit access and use of such cancelled Accounts, and immediately collect and destroy their corresponding Cards.
- (b) In the event that Citi determines that the Account has been misused, compromised or has been used for fraudulent transactions, Citi will immediately block or suspend the Card and shall attempt to notify the Cardholder of such incident within the same day (or on succeeding days if call attempt was unsuccessful) the account was flagged by the Internal Fraud Management system. Citi will then issue a new card to the Cardholder within the standard turn-around time of 5-10 working days, unless otherwise instructed by the Participating Agency.
- (c) Citi reserves the right to suspend or cancel a Card at any time without prior notice for any suspected fraud, misuse, violation of applicable law, rules, or regulations, such as, but not limited to, inclusion in the Specially Designated Nationals (SDN) list of the Office of Foreign Assets Control of the US Treasury; provided, that Citi will inform the concerned Participating Agency of the suspension or cancellation of such Account within 48 hrs. of the incident or finding. Upon the prompt resolution of such suspicion in the negative, Citi shall reactivate or issue a new Card for the authorized Cardholder.

9. CUSTOMER SERVICE AND SUPPORT SYSTEM

Contact Details of Customer Service are as follows:
Customer Helpdesk at 1800 10 894-7435 (Domestic Toll Free) or +63 (2) 894-7435
customerservice.commcards@citi.com

On the other hand, customer service with respect to accounting and billing concerns shall be available from 8:00 a.m. to 5:00 p.m., Mondays to Fridays except on non-working holidays.

10. LATE PAYMENT FEES

In the extreme situation that settlements are not timely made, for the additional protection of Citi and the continued operation of the CPCS, the Participating Agencies agree to pay a late payment fee of three percent (3%) of the due and demandable unpaid amount for every month of delay.

11. FOREIGN EXCHANGE CONVERSION

All purchases made in a currency other than Philippine Pesos will be converted to Philippine Peso using the applicable foreign exchange rates assigned by Mastercard.

12. CORPORATE LIABILITY INSURANCE




A corporate liability waiver program is available which may offer partial or full waiver for certain liabilities charged to the Accounts, subject to the terms and conditions of such program, including the requirements and process for claiming. (see Annex A). Pursuant to Clauses 9 and 10 of Annex E, the Participating Agency must have settled and paid to the Consultant all amounts that it will claim under the corporate liability waiver program before filing such claim.

13. REBATES

Citi shall grant the Government as a whole an annual rebate in accordance with the following rebate table. The annual rebate will be calculated based upon the total annual spend (excluding cash advances, if any, and the amount spent which was not paid by the Participating Agency on the relevant payment due dates) and will be net of credit losses (i.e., unpaid past due amounts owed to Citi) across Programs. The final rebate will be determined and agreed upon by Citi and the Steering Committee.

Annual Spend	Rebate
From PHP 100,000,000 to PHP 500,000,000	0.10% of Annual Spend
From PHP 500,000,001 to PHP 1,000,000,000	0.20% of Annual Spend
From PHP 1,000,000,001 and above	0.30% of Annual Spend

Approved by:

DEPARTMENT OF BUDGET AND MANAGEMENT	DEPARTMENT OF NATIONAL DEFENSE	CITIBANK, N.A., PHILIPPINE BRANCH
By:	By:	By:
 FLORENCIO B. ABAD	 VOLTAIRE T. GAZMIN	 MYLENE A. CAPARAS
Secretary	Secretary	Managing Director



ANNEX A: RELEVANT FORMS

Company Country Form:



PH
Company_Country Form

Cardholder Liability Waiver Policy:



Cardholder Liability
Waiver Policy.pdf

Cardholder Application Form:



PH Cardholder
Application Form (8).x

Cardholder Dispute Form



PH Dispute Form.doc

Program Administrator Form:



PH PA Form.xls

Cardholder Refund Form



Refund Form.doc

MCC Setup Form:



PH Custom MCC
Setup Form.xls

Billing Account Form:



PH Billing Account
Form RV2.xls

REPUBLIC OF THE PHILIPPINES



Department of
National Defense
Camp Aguinaldo, Quezon City



Department of
Budget and Management
Malacañang, Manila

NOTICE OF AWARD

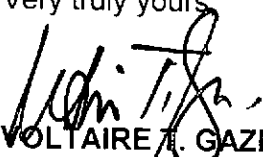
MS. MYLENE ARNALDO-CAPARAS
Managing Director
Head of Global Transaction Services
Citibank N.A.
8741 Paseo de Roxas, Makati, Metro Manila

Dear Ms. Arnaldo-Caparas:

Based on the Inter-Agency Bids and Awards Committee Resolution No. 2012-02, we are pleased to inform you that the contract for the Project "Cashless Purchase Card System" is hereby awarded to Citibank N.A.

In this regard, you are hereby required to post a performance security in the amount and form stipulated in Section 39 of the Revised Implementing Rules and Regulations of Republic Act No. 9184 prior to signing of the contract.

Very truly yours,


VOLTAIRE T. GAZMIN
Secretary, DND
Head of Procuring Entity

Date: MAR 13 2012

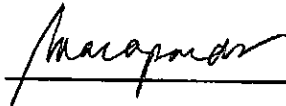


SECRETARY OF
NATIONAL DEFENSE



VTG-121216

Conforme:



Mylene Arnaldo Caparas
Global Transaction Services
Citibank, N.A.

TERMS OF REFERENCE

I. Background

One of the major financial risks identified in a recent study is the high value and high volume of cash advances and payments especially in the military. It is estimated that as much as 45% of the total appropriation of the military is payable in cash. This includes the cash advances disbursed by numerous special disbursement officers in the general headquarters (estimated at P500 Million for 2010) and its major services (P3.8 Billion for 2010)

The Government of the Philippines (GOP), through the Department of National Defense (DND) and the Department of Budget and Management (DBM), thus commits to reducing the number and value of cash advances over the medium-term. One of the ways towards accomplishing this goal is the implementation of a "cashless" system through the use of purchase cards, which will be undertaken on a pilot basis starting with the DBM and the DND. If successful, the GOP intends to implement this system throughout the bureaucracy.

Purchase cards shall be plastic or "virtual" cards. It shall be used for low value payments of a restricted number and type of goods and services, including airline tickets for official travel. While these cards would resemble commercial charge cards, they will have additional restrictions and controls more applicable to a governmental context.

II. Objectives

The Cashless Purchase Card Program shall have the following objectives:

- A. Reduce cash handling by limiting the frequency and amount of cash advances;
- B. Shorten the time to liquidate government obligations to suppliers of goods and services;
- C. Develop a database of financial information derived from transaction records of purchasing card activity that can be used to improve overall financial management; and
- D. Maintain sufficient internal controls on the issuance and use of cards so as not to undermine existing financial management (i.e., accounting, auditing, budget and treasury) standards.

III. Scope of Services

In general

The bank shall issue the cards, manage the card program, and provide training to government employees on the use and management of the card program, as follows:

1. Providing 30-day revolving credit financing of purchases, made through the cards, for the benefit of government;
2. Issuing purchase cards to authorized users (or cardholders);
3. Billing and sending account statements to cardholders and/or the relevant finance unit/division;
4. Resolving disputes between cardholders and vendors;
5. Providing accurate and timely data and reporting as may be prescribed by DBM, DND and other authorized users;
6. Providing technical support to DBM, DND, and other authorized users in marketing, delinquency management, account administration, and detection and prevention of waste, fraud and abuse;

ANNEX B

7. Coordinating and cooperating with the DBM and the relevant investigative authorities regarding inquiries concerning instances of waste, fraud or abuse within an agency;
8. Providing training and other informational resources to the government; and
9. Sustaining an effective business relationship with the government.

Digital/Data System Requirements

The Bank shall provide access to an on-line card management system that will allow all program and transaction data to be available and accessible electronically. At a minimum, the electronic access system shall:

1. Provide the ability to perform the functions for program implementation and management which shall include, but not limited to:
 - a. Purchase card application and account set-up;
 - b. Account maintenance;
 - c. Activating/deactivating a card;
 - d. Renewing a card;
 - e. Updating and adjusting required authorization controls;
 - f. Data extracts and management reports of card activity;
 - g. Set up of controls using any combination of:
 - i. Value limit per transaction, month, billing cycle or day;
 - ii. Number of transactions per day, month or billing cycle;
 - iii. Supplier type (Merchant Category Classification Codes);
2. Allow electronic review and control of all captured transaction information to include the ability to:
 - a. Sort data by any field;
 - b. Filter out unnecessary information;
 - c. Edit account allocation manually, as needed;
 - d. Split transaction amounts across multiple cost categories prior to processing, including summary roll-up, review, and control at different levels;
3. Generate standard commercial reports and *ad hoc* reports;
4. Allow downloading/exporting of reports in Excel and Pdf format;
5. Be user friendly.
6. Ensure that all program and transaction data on the card program is secured and kept confidential, at a minimum, according to standard commercial practices;
7. Provide the ability to export card transactions into either a fixed-length or comma-delimited file suitable for processing by any authorized user for its general ledger accounting system;
8. Allow government to dispute transactions electronically as well as track transactions from the time of charge through final resolution of the charge;
9. Perform electronic reconciliation;
10. Be available 24 hours a day, every day of the year;
11. Be a web-based solution that is easily deployable to users, and operates under MS Internet Explorer 6.0; and
12. There should be no requirement to install and operate vendor software on authorized user's personal computers and servers.

Employee Training:

The bank, as may be requested by DBM, DND or other government agencies that may be authorized to participate in the purchase card program, shall provide training to government employees designated to use the cards. The training will include but not be limited to: (i) how to use the card; and (ii) the employee's responsibilities for use of the card.

Management Training:

1. The bank shall provide DBM, DND and other government agencies that may be authorized to participate in the purchase card program, participant manuals, technical materials, industry information, and training in the use of the bank's card program management systems.
2. The bank will develop a reference guide in monitoring and supervising the purchase card program. At a minimum, this guide shall include:
 - a. Card application procedures;
 - b. Account set-up and maintenance procedures;
 - c. Transaction dispute procedures;
 - d. Reconciliation procedures;
 - e. Account suspension and cancellation procedures;
 - f. Payment requirements;
 - g. Authorized uses;
 - h. A list of cardholder, agency and responsibilities;
 - i. A list of samples and explanation of reports and how to read them;
 - j. Explanation of electronic access screens, necessary key sequences and functions for performing the account set up, cardholders maintenance and management; and
 - k. The bank's telephone numbers and email addresses for key contacts.

Other Requirements

1. The design of the issued cards may be customized.
2. The cards must be accepted at the widest number of possible locations, both domestically and abroad.
3. The purchase cards must have either a revolving credit limit or a declining balance limit, depending on the needs of the authorized government agency.

IV. Fees and Charges

The GOP will not be charged fees for credit card usage and related items unless specifically agreed to in writing.

Set forth below is a list of items that will be provided at no additional cost to the GOP. This is not a complete list and the GOP reserves the right to include additional items prior to award of the contract.

1. Per transaction /usage fee
2. Annual Card Fee
3. Costs of implementing card program
4. Delivery of cards, both initially and on-going.
5. Training
6. Delivery of statements and reports – includes electronic and standard delivery methods
7. Reporting – standard, customized, Ad hoc, paper vs. electronic
8. Consulting – costs associated with necessary business, support or technical consulting that pertains to the requirements of the Project
9. Fraud protection – any cost associated with fraud screening and/or insurance
10. IT software or hardware costs, including annual maintenance, license, upgrade fees, and installation
11. Cost of card design and production, including replacement cards (except lost or stolen cards) throughout the term of the program

- 12. Currency conversion rates
- 13. Licensing and Maintenance
- 14. Any other fees/charges not previously mentioned that may apply to the card program

IV. Contract Period and Phases

Contract period is two years, renewable for another year at the exclusive option of the GOP.

It shall be implemented in phases, as follows:

Phase I - Limited distribution of cards to DBM, DND and the General Headquarters of the Armed Forces of the Philippines (AFP). Eligible card purchases will be limited to medical supplies, meals/food, transportation of official documents, airline tickets, and construction supplies for minor repairs.

Phase II - Expand card issuance to AFP's Major Services (i.e., Air Force, Navy, and Army) and other national government agencies.

Phase III - Expand card usage to other categories of expenditures.

