

CONTRACT No. 2014-17
DBM DATA CENTER SUPPORT SERVICES

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

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

- and -

MAXIMUM DATA INFRASTRUCTURE TECHNOLOGIES, INC., a corporation duly organized and existing under the laws of the Philippines, with office address at 2nd and 3rd Floors, TVJM Center, No. 81 Maysilo Circle cor. San Francisco St., Plainview, Mandaluyong City represented by **JO ANTHONY ANDRADA**, hereinafter referred to as the "**SUPPLIER**".

WITNESSETH:

WHEREAS, the DBM conducted a public bidding for the DBM Data Center Support Services for FYs 2014-2015 and the bid of the Supplier in the total amount of Six Million Three Hundred Eighty Thousand Pesos (P6,380,000.00) (hereinafter called the "Contract Price");

WHEREAS, the Notice of Award was issued to the Supplier on July 31, 2014, and Supplier posted its performance security on August 6, 2014;

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

1. In this Contract, words and expressions shall have the same meanings as are respectively assigned to them in the General and Special Conditions of Contract referred to in Annex D and E, respectively.
2. The following documents shall form and be read and construed as part of this Contract:

Annex A	-	Bid Form
B	-	Schedule of Requirements
C	-	Technical Specifications
D	-	General Conditions of Contract
E	-	Special Conditions of Contract
F	-	Notice of Award
G	-	Performance Security

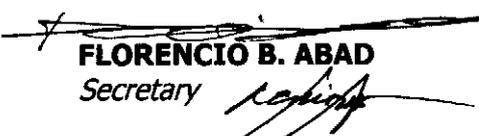


3. In consideration of the payments to be made by the DBM to the Supplier, the Supplier hereby covenants with the DBM to provide the Goods and Services and to remedy defects therein in conformity with the provisions of the Contract.
4. The DBM hereby covenants to pay the Supplier, in consideration of the provision of the Goods and Services and the remedying of defects therein, the Contract Price or such other sum as may become payable under the provisions of the contract at the time and in the manner prescribed by the Contract.

IN WITNESS WHEREOF, the parties hereto have signed this Contract on this ____ day of _____, 2014 at Malacanang, Manila, Philippines.

DEPARTMENT OF BUDGET
AND MANAGEMENT
By:

MAXIMUM DATA INFRASTRUCTURE
TECHNOLOGIES, INC.
By:

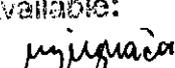

FLORENCIO B. ABAD
Secretary


MR. JO ANTHONY ANDRADA
Authorized Representative

SIGNED IN THE PRESENCE OF


VINZON R. MANANSALA
OIC-Director, ICTSS


MR. CARL TRISTAN B. ALCANTARA

Funds Available:

ESPERANZA Q. IGNACIO
Chief Accountant

OR# 2014-7-1382
7/31/2014

ACKNOWLEDGMENT

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

BEFORE ME, a Notary Public for and in the City of _____, Philippines on this _____ day of _____, 2014 personally appeared the following:

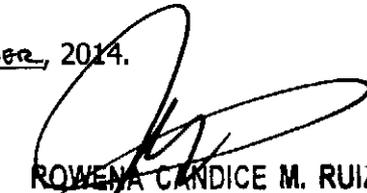
NAME	VALID ID	VALID UNTIL
FLORENCIO B. ABAD	DBM ID NO. 3706	2014
JO ANTHONY ANDRADA	SSS ID No. 02-1097503-5	

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 Project "DBM Data Center Support Services" was signed by the parties and their material witnesses on each and every page thereof.

WITNESS MY HAND AND SEAL this 15 day of SEPTEMBER, 2014.

Doc No 489 ;
Page No 100 ;
Book No 1 ;
Series of 2014.



ROWENA CANDICE M. RUIZ
 NOTARY PUBLIC-MANILA
 COMMISSION SERIAL NO. 2014-166
 UNTIL DECEMBER 31, 20 16
 ROLL NO. 49404, LBP LRN 05140
 PTR NO. 3038612/Manila/April 21, 2014
 OFFICE: DBM
 BLDG. 1, GROUND FLR.,
 GEN. SOLANO ST. MALACANANG
 MANILA

Bid Form

Date: 7/1/14

To: **Department of Budget and Management (DBM)**
 BAC Room, Ground Floor, DBM Bldg. III,
 General Solano St., San Miguel, Manila

Gentlemen and/or Ladies:

Having examined the Bidding Documents Including Bid Bulletin number 1, the receipt of which is hereby duly acknowledge, I, the undersigned, offer to DBM Data Center Support Services for FY 2014-2015 in conformity with the said Bidding Documents for the sum of **Six Million Three Hundred Eighty Thousand Pesos Only** details is shown below:

	PARTICULARS	Quantity	Cost for the first year	Cost for the second year	Total Price
			(a)	(b)	(a+b)
(Inclusive of Vat)					
1	Regular Preventive Maintenance Services for the Data Center Equipment and Components as stated in the Technical Specifications	Two (2) regular visits per quarter for check-up and monitoring and one (1) regular visit per quarter for preventive maintenance	3,190,000.00	2,690,000.00	5,880,000.00
2	Refill of aragonite gas	One (1) time optional refill for the second year	N/A	500,000.00	500,000.00
	TOTAL				6,380,000.00

We undertake, if our Bid is accepted, to deliver the Goods in accordance with the delivery schedule specified in the Schedule of Requirements.

If our Bid is accepted, we undertake to provide a performance security in the form, amounts, and within the times specified in the Bidding Documents.

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We agree to abide by this Bid for the Bid Validity Period specified in **BDS** provision for ITB clause 18.2 and it shall remain binding upon us and may be accepted at any time before the expiration of that period.

Until a formal Contract is prepared and executed, this Bid, together with your written acceptance thereof and your Notice of Award, shall be binding upon us.

We understand that you are not bound to accept the lowest or any Bid you may receive.

We certify/confirm that, we comply with the eligibility requirements as per **ITB** Clause 5 of the Bidding Documents.

Dated this 1st day of July 2014.

JO ANTHONY ANDRADA
[signature]

OPERATIONS MANAGER
[in the capacity of]

Duly authorized to sign Bid for and on behalf of **Maximum Data Infrastructure Technologies Inc.**

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Section VI. Schedule of Requirements

The delivery schedule expressed as weeks/months stipulates hereafter a delivery date which is the date of delivery to the project site.

Item No.	Description	Quantity/ Units	Delivery Date
	For the first and second years:		
1.	Provision of the following personnel: <ul style="list-style-type: none"> • Project Manager / Maintenance Administrator or equivalent trained in handling Data Center facilities and/or its related components. • Trained Technical Engineer in Fire Systems Design, Configuration, Installation • Trained Technical Engineer in UPS handling and installation • Trained Technical Engineer in surveillance system (CCTV and video surveillance) • Trained Technical Engineer in PACU system • Licensed Engineers and must be registered as Sustaining Technical Engineers (STE): <ul style="list-style-type: none"> ▪ Electrical Engineer ▪ Mechanical Engineer ▪ Electronics and Communications Engineer 	1 personnel 1 personnel 1 personnel 1 personnel 1 personnel 1 personnel 1 personnel 1 personnel	❖ At the start of the project, on regular schedule and on call basis, as determined by the DBM-ICTSS
2.	Regular Preventive Maintenance for the following Data Center Equipment and components: <ul style="list-style-type: none"> • 20TR PACU Liebert DS Precision cooling, air cooled unit, down blast, parallel redundant setup (2 units) • 40kVA UPS Powerware 9355 Uninterruptible Power Supply (UPS) System (2 units), standard run time of 30mins • Closed-Circuit Television (CCTV) Control System (Model JNC-2433) 1.3MP, IP CMOS camera (Total: 14 cameras) ICTSS Area: 2 cameras Data Center: 5 cameras NOC Areas: 1 camera Tape Vault Storage: 1 camera Electrical Distribution: 1 camera 	two (2) visits for check-up and monitoring and one (1) regular visit for Preventive Maintenance per quarter	As determined by the DBM-ICTSS

Item No.	Description	Quantity/ Units	Delivery Date
	3rd Floor Hallway: 4 cameras • Biometric Access Control Systems (F-702) Biometrics and proximity (10 units) - Asus CPU - AOC Monitor - HP Procurve Hub/Switch • Fire suppression system (Argonite F-38-2000) 12 argonite cylinder assembly 80L capacity (1 set) • Data Center Cabinet, 42 U x 600mm x 1100 mm rack 5p, Emerson Knurr Miracel (27 units) • Raised Floor System • Water leak Detection System		
3.	Provision of Emergency Service Call		❖ Response time shall be within two (2) to four (4) hours upon receipt of service call by email, text or phone from authorize personnel of DBM-ICTSS. ❖ Three (3) incidents of non-compliance to the required response time shall be equivalent to one (1) day of delay which shall be subject to liquidated damages.
4.	Provision of one-time refill of argonite gas, only when necessary		❖ Upon the request of DBM-ICTSS (second year).

Note:

The bidder determined as having the lowest calculated bid is required to show proof of competency by submitting certifications and/or other appropriate supporting documents (i.e., licenses/certificates of technical engineers) during Post-Qualification.

I hereby certify to comply and deliver all the above requirements.

MAXIMUM DATA INFRASTRUCTURE
TECHNOLOGIES INC.

Name of Company/Bidder

JS-ANTHONY
Signature over Printed Name of Representative

7/1/14
Date

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Section VII. Technical Specifications

Bidders must state either "Comply" or "Not Comply" or any equivalent term in the column "Statement of Compliance" against each of the individual parameters of each "Specification". Please do not just place check in the bidder's "Statement of Compliance".

Item	Specification*	Bidder's Statement of Compliance
1.	<p>The SERVICE PROVIDER shall render maintenance service from the notification date for the following EQUIPMENT and COMPONENTS</p> <p>1.0 Power components:</p> <ul style="list-style-type: none"> 1.1 Testing of circuit breakers and switches. 1.2 Perform load balancing to prevent power overload and other power issues. <ul style="list-style-type: none"> 1.2.1 Study the system load during the actual operation 1.2.2 Determine the unbalance phase load 1.2.3 Transfer / reconfigure load to balance the phase load 1.2.4 Monitor the balanced current load 1.2.5 Project the additional load per phase 1.2.6 Re-balance load as the change arise 1.3 Calibration of protective relays. 1.4 Perform Megger Testing. 1.5 Identification of potential electrical problems. 1.6 Survey and identify of high temperature excursions. 1.7 Switchgear cleaning and inspection. 1.8 Cleaning and tightening of all electrical connections and equipment enclosures. 1.9 Replacement of lighting fixture. 1.10 Replacement of defective power outlets and related components. 1.11 Updating of as-built documentation. 1.12 Checking of electrical connection for all DC components such as PACU, UPS, Generator Set, ATS, Fire Suppression System, Security Access, Video Surveillance and Water Leak detector. 	<p>COMPLY</p>

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<p>2.0 Surveillance System:</p> <ul style="list-style-type: none"> 2.1 Check cameras in accordance with the specification and any amendment. 2.2 Check indicator lamps condition. 2.3 Check all cables and conduit are properly supported, undamaged and showing no signs of wear. 2.4 Check the picture quality of each camera and correct monitor selection. 2.5 Clean camera housings and lenses. 2.6 Check camera functions and movement and fields of view are free from obstruction. 2.7 Check overall performance of the system. 2.8 Check camera functions and movement and fields of view are free from obstruction. 2.9 Check if the NVR and DVR are recording properly. 2.10 Check the status of the storage if it reaches the maximum capacity. 2.11 Check communication and recording of all IP cameras with the NVR. 2.12 Check communication and recording of all analog Cameras with the DVR. 2.13 Check if all storage devices are functioning properly. 2.14 Check all power connections to ensure AC plugs are not loose or cable power frayed. 2.15 Check all control equipment running condition. 2.16 Check functionality of the Monitoring Servers, its mouse, keyboard, and related peripherals. 2.17 Clean monitor screen, control panel and keyboard with diluted cleaning solution. 2.18 Check monitor for proper brightness and contrast. 2.19 Provision of spare IP-based and analog camera units per installed model. 2.20 Maintenance and updates of video analytics management software. 	<p>COMPLY</p>
<p>3.0 Biometrics Access Control System:</p> <ul style="list-style-type: none"> 3.1 Visual inspection of all internal sub-assemblies and major components. 3.2 Hardware troubleshooting and problem isolation as needed. 3.3 Replacement of defective parts as needed. 3.4 Maintenance and version updates of security management software. 3.5 Checking of primary and backup power supply. 3.6 Cleaning and maintenance inspection of the access control unit including its peripherals such as the electromagnetic lock mechanism, push-to-exit button, as necessary. 	<p>COMPLY</p>

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4.0 Fire Suppression System

4.1 Inspection of Devices

4.1.1 Hazard Enclosure

4.1.1.1 Check original installation for any changes and equipment have not been replaced, modified, or relocated. Verify if the hazard volume is still the same and no walls or partition has been added.

4.1.1.2 Verify protected rooms are effectively sealed any significant air leaks that could result to agent leakage and a failure of the enclosure to hold the specified agent concentration level for the specified holding period.

4.1.2 Agent Cylinder

4.1.2.1 Verify containers and brackets are securely fastened. Check mounting position of horizontally mounted containers.

4.1.2.2 Verify the status of agent in each cylinder.

4.1.2.3 Check all containers pressure gauges.

4.1.2.4 Check Solenoid Valve/Gas cartridge Actuator leads and wiring to agent release modules for corrosion and loosen or broken wires.

4.1.3 Mechanical Piping and Nozzles

4.1.3.1 Verify discharge nozzles and pipe size.

4.1.3.2 Verify piping joints & discharge nozzles securely fastened.

4.1.3.3 Verify piping distribution system internally to detect the possibility of any oil. Or particulate matter soiling the hazard area or affecting the agent distribution due to a reduction in the effective nozzle orifice area.

4.1.3.4 Verify the nozzle deflectors are positioned to obtain maximum benefits.

4.1.3.5 Verify if discharge nozzle, pipe and fittings.

4.1.4 Mechanical Pipe Supports and Braces

4.1.4.1 Inspect pipe supports hangers and braces. For loose, corrosion, and physical damage.

4.1.5 Fire Detection, Alarm, Releasing Devices and Peripherals

4.1.5.1 Verify all wiring systems are properly installed in compliance with local codes and the system drawings.

4.1.5.2 Verify the control panels.

4.1.5.3 Check if all end-of-line resistors.

4.1.5.4 Verify alternating current (ac) and direct current (dc) wiring.

4.1.5.5 Verify all field circuits.

4.1.5.6 Check the control panel power supplied to the control unit from a separate dedicated source that will not be shut down on system operation.

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	<p>4.1.5.7 Verify availability of adequate and reliable primary and 24-hour minimum standby sources of energy are used to provide for operation of the detection, signaling, control, and actuation requirements of the system.</p> <p>4.1.5.8 Verify all auxiliary functions for proper operation in accordance with system requirements.</p> <p>4.1.5.9 Verify detection devices in proper type and location.</p> <p>4.1.5.10 Verify condition of detectors.</p> <p>4.1.5.11 Verify manual pull stations are properly installed, readily accessible, accurately identified, and properly protected to prevent damage.</p> <p>4.1.5.12 Verify all manual stations used to release agents require two separate and distinct actions for operation and properly identified.</p> <p>4.1.5.13 Verify the main/reserve switches are properly installed, readily accessible, and clearly identified.</p> <p>4.2. System Testing</p> <p>4.2.1 Disable each agent storage container release mechanism so that activation of the release circuit will not release agent</p> <p>4.2.2 Verify the control panel is connected to a dedicated circuit and labeled properly.</p> <p>4.2.3 Verify control panel is readily accessible, yet restricted from unauthorized personnel.</p> <p>4.2.4 Using smoke tester, check each detector for proper response. Verify all alarm functions occur according to design specification.</p> <p>4.2.5 Operate the necessary circuit to initiate a second alarm circuit if present. Check each detector for proper response. Verify that all second alarm functions occur according to design specifications.</p> <p>4.2.6 Operate manual release. Verify manual release functions occur according to design specifications.</p> <p>4.2.7 Operate abort switch circuit if supplied. Verify abort functions according to design specifications.</p> <p>4.2.8 Test all supervised circuits for proper trouble response.</p> <p>4.2.9 Operate one of each type of input device while on standby power. Verify that an alarm signal is received at remote panel after device is operated. Reconnect primary power supply.</p> <p>4.2.10 Operate each type of alarm condition on each signal circuit and verify receipt of trouble condition at the remote station.</p> <p>4.2.11 The system shall be returned to its fully operational design condition.</p>	<p>COMPLY</p>
	<p>4.3. Replacement of defective argonite components as determined.</p>	

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	<p>4.4. Provision of hand-held, stand-alone fire suppression cylinder as service unit during the refill process and until the actual argonite cylinder has been re-installed.</p> <p>4.5. Re-testing of the entire fire suppression system upon installation of any replaced device or component</p>	COMPLY
	<p>5.0 Raised Floor System:</p> <p>5.1 Solid and perforated panel rotation for even wear</p> <p>5.2 Under structure adjustments</p> <p>5.3 Replacement of broken edge trim</p> <p>5.4 Replacement of warped panels</p> <p>5.5 Refurbish delaminated panels</p> <p>5.6 Sub-micron filter vacuuming</p> <p>5.7 Sealant applied to sub flooring</p> <p>5.8 Spot cleaning to remove stains</p> <p>5.9 Professional surface cleaning</p> <p>5.10 Detail cleaning of entry points</p>	COMPLY
	<p>6.0 Emerson Knurr Miracel Racks with Power Distribution Units (PDUs):</p> <p>6.1 Surface cleaning.</p> <p>6.2 Check for possible defective or worn out power strips, replace if necessary.</p> <p>6.3 Check for possible defective or worn out accessories such as axial fan and door lock. Replace if necessary.</p> <p>6.4 Provision for additional cable organizer, hooks, latch straps and pull out shelf.</p> <p>6.5 Visual inspection of all parts of data cabinet including panels, door, rack mounting rail, casing, rack connector, cable routing panel, and cantilever arm.</p> <p>6.6 Ensure the ventilation is sufficient to cope with the heat dissipated by equipments inside the data cabinet.</p> <p>6.7 Checking of mounting nuts, adapter, brackets, and multifunction strut.</p> <p>6.8 Cable harnessing.</p>	COMPLY

	<p>7.0 Eaton Powerware Uninterruptible Power Supply (UPS):</p> <p>7.1 Periodic monthly maintenance services for the UPS unit and battery system to be performed on a mutually agreed schedule.</p> <p>7.2 All the necessary spare parts or consumable items to maintain the UPS must be allotted from stock inventory.</p> <p>7.3 Conduct on-site inspection of the equipment and check the integrity of any electrified hinges or similar power-transfer devices.</p> <p>7.4 Replace batteries as necessary and fine-tune each opening.</p> <p>7.5 Check current UPS installation condition. Installation should be in accordance with the manufacturer's guideline and wiring regulations.</p> <p>7.6 Provide necessary recommendation to expand the life of the equipment.</p> <p>7.7 Perform appropriate preventive measures to keep the UPS in good and running condition and ensure that ventilation is capable of maintaining the DC within recommended ambient temperature and humidity.</p> <p>7.8 Perform power failure simulation to check charging and discharging capacity of battery.</p>	COMPLY
	<p>8.0 Precision Air Conditioning Unit (PACU):</p> <p>8.1 Inspection and regular preventive maintenance of PACU units and ensure that it is working on optimum level.</p> <p>8.2 Check and replace worn-out parts including filters, fan belts and other consumable components.</p> <p>8.3 Checking and testing of system integration with the other DC components.</p>	COMPLY
	<p>9.0 Water Leak Detection System</p> <p>9.1 Routine checking and cleaning of all water leak detection components.</p> <p>9.2 Inspection of all sensing cable laid out in the Data Center perimeter.</p> <p>9.3 Testing of the control panel and alarm system.</p> <p>9.4 All the necessary spare parts or consumable items to maintain the Water leak Detection System will be allotted from inventory for immediate replacement of defective.</p>	COMPLY

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2.	<p>Bidders' Technical Competency Requirements</p> <ul style="list-style-type: none"> a. Must have completed data center projects involving design and build-out within the last five (5) years. b. Must have maintained at least two (2) Data Center facilities and/or its related components within the last five (5) years. c. Must have a Project Manager/Maintenance Administrator or equivalent trained in handling Data Center facilities and/or its related components. d. Must have a trained technical engineer in Fire Systems design, Configuration, Installation. e. Must have a trained technical engineer in UPS handling and installation. f. Must have a trained technical engineer in surveillance system (CCTV and video surveillance). g. Must have a trained technical engineer in PACU system. h. Must have the following Licensed Engineers and must be registered as Sustaining Technical Engineers (STE): <ul style="list-style-type: none"> • Electrical Engineer • Mechanical Engineer • Electronics and Communications Engineer 	COMPLY
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* Cost of repair and replacement of the following equipment shall be borne by the DBM:

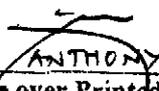
- Desktop server PC for the surveillance system
- Electrical Materials (e.g., wires, circuit breakers, lugs, bus bars, panels, pilot lamps, twist locks, grounding components, screws, spacers, terminal blocks, ballasts)

I hereby certify to comply with all the above Technical Specifications.

MAXIMUM DATA INFRASTRUCTURE

TECHNOLOGIES INC.

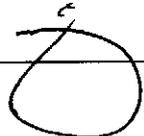
Name of Company/Bidder


JO ANTHONY ANORADA

Signature over Printed Name of Representative

JULY 1, 2014

Date

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General Conditions of Contract

1. Definitions

1.1. In this Contract, the following terms shall be interpreted as indicated:

- (a) "The Contract" means the agreement entered into between the Procuring Entity and the Supplier, as recorded in the Contract Form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
- (b) "The Contract Price" means the price payable to the Supplier under the Contract for the full and proper performance of its contractual obligations.
- (c) "The Goods" means all of the supplies, equipment, machinery, spare parts, other materials and/or general support services which the Supplier is required to provide to the Procuring Entity under the Contract.
- (d) "The Services" means those services ancillary to the supply of the Goods, such as transportation and insurance, and any other incidental services, such as installation, commissioning, provision of technical assistance, training, and other such obligations of the Supplier covered under the Contract.
- (e) "GCC" means the General Conditions of Contract contained in this Section.
- (f) "SCC" means the Special Conditions of Contract.
- (g) "The Procuring Entity" means the organization purchasing the Goods, as named in the SCC.
- (h) "The Procuring Entity's country" is the Philippines.
- (i) "The Supplier" means the individual contractor, manufacturer distributor, or firm supplying/manufacturing the Goods and Services under this Contract and named in the SCC.
- (j) The "Funding Source" means the organization named in the SCC.
- (k) "The Project Site," where applicable, means the place or places named in the SCC.
- (l) "Day" means calendar day.
- (m) The "Effective Date" of the contract will be the date of receipt by the Supplier of the Notice to Proceed or the date provided in the Notice to Proceed. Performance of all obligations shall be reckoned from the Effective Date of the Contract.

- (n) "Verified Report" refers to the report submitted by the Implementing Unit to the Head of the Procuring Entity setting forth its findings as to the existence of grounds or causes for termination and explicitly stating its recommendation for the issuance of a Notice to Terminate.

2. ~~Corrupt, Fraudulent, Collusive, and Coercive Practices~~

- 2.1. Unless otherwise provided in the SCC, the Procuring Entity as well as the bidders, contractors, or suppliers shall observe the highest standard of ethics during the procurement and execution of this Contract. In pursuance of this policy, the Procuring Entity:
- (a) defines, for the purposes of this provision, the terms set forth below as follows:
- (i) "corrupt practice" means behavior on the part of officials in the public or private sectors by which they improperly and unlawfully enrich themselves, others, or induce others to do so, by misusing the position in which they are placed, and it includes the offering, giving, receiving, or soliciting of anything of value to influence the action of any such official in the procurement process or in contract execution; entering, on behalf of the Government, into any contract or transaction manifestly and grossly disadvantageous to the same, whether or not the public officer profited or will profit thereby, and similar acts as provided in Republic Act 3019.
- (ii) "fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of the Procuring Entity, and includes collusive practices among Bidders (prior to or after bid submission) designed to establish bid prices at artificial, non-competitive levels and to deprive the Procuring Entity of the benefits of free and open competition.
- (iii) "collusive practices" means a scheme or arrangement between two or more Bidders, with or without the knowledge of the Procuring Entity, designed to establish bid prices at artificial, non-competitive levels.
- (iv) "coercive practices" means harming or threatening to harm, directly or indirectly, persons, or their property to influence their participation in a procurement process, or affect the execution of a contract;
- (v) "obstructive practice" is
- (aa) deliberately destroying, falsifying, altering or concealing of evidence material to an administrative proceedings or investigation or making false statements to investigators in order to materially impede an

administrative proceedings or investigation of the Procuring Entity or any foreign government/foreign or international financing institution into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party ~~to prevent it from disclosing its knowledge of matters~~ relevant to the administrative proceedings or investigation or from pursuing such proceedings or investigation; or

(bb) acts intended to materially impede the exercise of the inspection and audit rights of the Procuring Entity or any foreign government/foreign or international financing institution herein.

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

2.2. Further the Funding Source, Borrower or Procuring Entity, as appropriate, will seek to impose the maximum civil, administrative and/or criminal penalties available under the applicable law on individuals and organizations deemed to be involved with any of the practices mentioned in GCC Clause 2.1 (a).

3. Inspection and Audit by the Funding Source

The Supplier shall permit the Funding Source to inspect the Supplier's accounts and records relating to the performance of the Supplier and to have them audited by auditors appointed by the Funding Source, if so required by the Funding Source.

4. Governing Law and Language

4.1. This Contract shall be interpreted in accordance with the laws of the Republic of the Philippines.

4.2. 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. All correspondence and other documents pertaining to this Contract exchanged by the parties shall be written in English.

5. Notices

5.1. 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, which shall be effective when delivered and duly received or on the notice's effective date, whichever is later.

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- 5.2. 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 for GCC Clause 5.1.

6. Scope of Contract

- 6.1. The GOODS and Related Services to be provided shall be as specified in Section VI. Schedule of Requirements.
- 6.2. This Contract shall include all such items, although not specifically mentioned, that can be reasonably inferred as being required for its completion as if such items were expressly mentioned herein. Any additional requirements for the completion of this Contract shall be provided in the SCC.

7. Subcontracting

- 7.1. Subcontracting of any portion of the Goods, if allowed in the BDS, does not relieve the Supplier of any liability or obligation under this Contract. The Supplier will be responsible for the acts, defaults, and negligence of any subcontractor, its agents, servants or workmen as fully as if these were the Supplier's own acts, defaults, or negligence, or those of its agents, servants or workmen.
- 7.2. Subcontractors 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.

8. Procuring Entity's Responsibilities

- 8.1. Whenever the performance of the obligations in this Contract requires that the Supplier obtain permits, approvals, import, and other licenses from local public authorities, the Procuring Entity shall, if so needed by the Supplier, make its best effort to assist the Supplier in complying with such requirements in a timely and expeditious manner.
- 8.2. The Procuring Entity shall pay all costs involved in the performance of its responsibilities in accordance with GCC Clause 6.

9. Prices

- 9.1. For the given scope of work in this Contract as awarded, all bid prices are considered fixed prices, and therefore not subject to price escalation during contract implementation, except under extraordinary circumstances and upon prior approval of the GPPB in accordance with Section 61 of R.A. 9184 and its IRR or except as provided in this Clause.
- 9.2. Prices charged by the Supplier for Goods delivered and/or services performed under this Contract shall not vary from the prices quoted by the Supplier in its bid, with the exception of any change in price resulting from a Change Order issued in accordance with GCC Clause 29.

10. Payment

- 10.1. Payments shall be made only upon a certification by the Head of the Procuring Entity to the effect that the Goods have been rendered or delivered in accordance with the terms of this Contract and have been duly inspected and ~~accepted. Except with the prior approval of the President no payment shall be~~ made for services not yet rendered or for supplies and materials not yet delivered under this Contract. Ten percent (10%) of the amount of each payment shall be retained by the Procuring Entity to cover the Supplier's warranty obligations under this Contract as described in GCC Clause 17.
- 10.2. The Supplier's request(s) for payment shall be made to the Procuring Entity in writing, accompanied by an invoice describing, as appropriate, the Goods delivered and/or Services performed, and by documents submitted pursuant to the SCC provision for GCC Clause 6.2, and upon fulfillment of other obligations stipulated in this Contract.
- 10.3. Pursuant to GCC Clause 10.2, payments shall be made promptly by the Procuring Entity, but in no case later than sixty (60) days after submission of an invoice or claim by the Supplier.
- 10.4. Unless otherwise specified in the SCC, the currency in which payment is made to the Supplier under this Contract shall be in Philippine Pesos.

11. Advance Payment and Terms of Payment

- 11.1. Advance payment shall be made only after prior approval of the President, and shall not exceed fifteen percent (15%) of the Contract amount, unless otherwise directed by the President or in cases allowed under Annex "D" of RA 9184.
- 11.2. For Goods supplied from abroad, the terms of payment shall be as follows:
 - (a) On Contract Signature: Ten percent (10%) of the Contract Price shall be paid within sixty (60) days from signing of the Contract and upon submission of a claim and a bank guarantee for the equivalent amount valid until the Goods are delivered and in the form provided in Section VIII. Bidding Forms.
 - (b) On Delivery: Seventy percent (70%) of the Contract Price shall be paid to the Supplier within sixty (60) days after the date of receipt of the Goods and upon submission of the documents (i) through (vi) specified in the SCC provision on Delivery and Documents.
 - (c) On Acceptance: The remaining twenty percent (20%) of the Contract Price shall be paid to the Supplier within sixty (60) days after the date of submission of the acceptance and inspection certificate for the respective delivery issued by the Procuring Entity's authorized representative. In the event that no inspection or acceptance certificate is issued by the Procuring Entity's authorized representative within forty five (45) days of the date shown on the delivery receipt the

Supplier shall have the right to claim payment of the remaining twenty percent (20%) subject to the Procuring Entity's own verification of the reason(s) for the failure to issue documents (vii) and (viii) as described in the SCC provision on Delivery and Documents.

~~11.3. All progress payments shall first be charged against the advance payment until the latter has been fully exhausted.~~

12. Taxes and Duties

The Supplier, whether local or foreign, shall be entirely responsible for all the necessary taxes, stamp duties, license fees, and other such levies imposed for the completion of this Contract.

13. Performance Security

13.1. Within ten (10) calendar days from receipt of the Notice of Award from the Procuring Entity but in no case later than the signing of the contract by both parties, the successful Bidder shall furnish the performance security in any the forms prescribed in the ITB Clause Error! Reference source not found..

13.2. The performance security posted in favor of the Procuring Entity shall be forfeited in the event it is established that the winning bidder is in default in any of its obligations under the contract.

13.3. The performance security shall remain valid until issuance by the Procuring Entity of the Certificate of Final Acceptance.

13.4. The performance security may be released by the Procuring Entity and returned to the Supplier after the issuance of the Certificate of Final Acceptance subject to the following conditions:

(a) There are no pending claims against the Supplier or the surety company filed by the Procuring Entity;

(b) The Supplier has no pending claims for labor and materials filed against it; and

(c) Other terms specified in the SCC.

13.5. In case of a reduction of the contract value, the Procuring Entity shall allow a proportional reduction in the original performance security, provided that any such reduction is more than ten percent (10%) and that the aggregate of such reductions is not more than fifty percent (50%) of the original performance security.

14. Use of Contract Documents and Information

14.1. The Supplier shall not, except for purposes of performing the obligations in this Contract, without the Procuring Entity's prior written consent, disclose this Contract, or any provision thereof, or any specification, plan, drawing,

pattern, sample, or information furnished by or on behalf of the Procuring Entity. Any such disclosure shall be made in confidence and shall extend only as far as may be necessary for purposes of such performance.

- 14.2. Any document, other than this Contract itself, enumerated in GCC Clause 14.1 shall remain the property of the Procuring Entity and shall be returned (all copies) to the Procuring Entity on completion of the Supplier's performance under this Contract if so required by the Procuring Entity.
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15. Standards

The Goods provided under this Contract shall conform to the standards mentioned in the Section VII. Technical Specifications; and, when no applicable standard is mentioned, to the authoritative standards appropriate to the Goods' country of origin. Such standards shall be the latest issued by the institution concerned.

16. Inspection and Tests

- 16.1. The Procuring Entity or its representative shall have the right to inspect and/or to test the Goods to confirm their conformity to the Contract specifications at no extra cost to the Procuring Entity. The **SCC** and Section VII. Technical Specifications shall specify what inspections and/or tests the Procuring Entity requires and where they are to be conducted. The Procuring Entity shall notify the Supplier in writing, in a timely manner, of the identity of any representatives retained for these purposes.
- 16.2. If applicable, the inspections and tests may be conducted on the premises of the Supplier or its subcontractor(s), at point of delivery, and/or at the goods' final destination. If conducted on the premises of the Supplier or its subcontractor(s), all reasonable facilities and assistance, including access to drawings and production data, shall be furnished to the inspectors at no charge to the Procuring Entity.
- 16.3. The Procuring Entity or its designated representative shall be entitled to attend the tests and/or inspections referred to in this Clause provided that the Procuring Entity shall bear all of its own costs and expenses incurred in connection with such attendance including, but not limited to, all traveling and board and lodging expenses.
- 16.4. The Procuring Entity may reject any Goods or any part thereof that fail to pass any test and/or inspection or do not conform to the specifications. The Supplier shall either rectify or replace such rejected Goods or parts thereof or make alterations necessary to meet the specifications at no cost to the Procuring Entity, and shall repeat the test and/or inspection, at no cost to the Procuring Entity, upon giving a notice pursuant to GCC Clause 5.
- 16.5. The Supplier agrees that neither the execution of a test and/or inspection of the Goods or any part thereof, nor the attendance by the Procuring Entity or its representative, shall release the Supplier from any warranties or other obligations under this Contract.

17. Warranty

- 17.1. The Supplier warrants that the Goods supplied under the Contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials, except when the technical ~~specifications required by the Procuring Entity provides otherwise.~~
- 17.2. The Supplier further warrants that all Goods supplied under this Contract shall have no defect, arising from design, materials, or workmanship or from any act or omission of the Supplier that may develop under normal use of the supplied Goods in the conditions prevailing in the country of final destination.
- 17.3. In order to assure that manufacturing defects shall be corrected by the Supplier, a warranty shall be required from the Supplier for a minimum period specified in the SCC. The obligation for the warranty shall be covered by, at the Supplier's option, either retention money in an amount equivalent to at least ten percent (10%) of every progress payment, or a special bank guarantee equivalent to at least ten percent (10%) of the Contract Price or other such amount if so specified in the SCC. The said amounts shall only be released after the lapse of the warranty period specified in the SCC; provided, however, that the Supplies delivered are free from patent and latent defects and all the conditions imposed under this Contract have been fully met.
- 17.4. The Procuring Entity shall promptly notify the Supplier in writing of any claims arising under this warranty. Upon receipt of such notice, the Supplier shall, within the period specified in the SCC and with all reasonable speed, repair or replace the defective Goods or parts thereof, without cost to the Procuring Entity.
- 17.5. If the Supplier, having been notified, fails to remedy the defect(s) within the period specified in GCC Clause 17.4, the Procuring Entity may proceed to take such remedial action as may be necessary, at the Supplier's risk and expense and without prejudice to any other rights which the Procuring Entity may have against the Supplier under the Contract and under the applicable law.

18. Delays in the Supplier's Performance

- 18.1. Delivery of the Goods and/or performance of Services shall be made by the Supplier in accordance with the time schedule prescribed by the Procuring Entity in Section VI. Schedule of Requirements.
- 18.2. If at any time during the performance of this Contract, the Supplier or its Subcontractor(s) should encounter conditions impeding timely delivery of the Goods and/or performance of Services, the Supplier shall promptly notify the Procuring Entity in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the Supplier's notice, and upon causes provided for under GCC Clause 22, the Procuring Entity shall evaluate the situation and may extend the Supplier's time for performance, in which case the extension shall be ratified by the parties by amendment of Contract.

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- 18.3. Except as provided under GCC Clause 22, a delay by the Supplier in the performance of its obligations shall render the Supplier liable to the imposition of liquidated damages pursuant to GCC Clause 19, unless an extension of time is agreed upon pursuant to GCC Clause 29 without the application of liquidated damages.
-

19. Liquidated Damages

Subject to GCC Clauses 18 and 22, if the Supplier fails to satisfactorily deliver any or all of the Goods and/or to perform the Services within the period(s) specified in this Contract inclusive of duly granted time extensions if any, the Procuring Entity shall, without prejudice to its other remedies under this Contract and under the applicable law, deduct from the Contract Price, as liquidated damages, the applicable rate of one tenth (1/10) of one (1) percent of the cost of the unperformed portion for every day of delay until actual delivery or performance. The maximum deduction shall be ten percent (10%) of the amount of contract. Once the maximum is reached, the Procuring Entity shall rescind the Contract pursuant to GCC Clause 23, without prejudice to other courses of action and remedies open to it.

20. Settlement of Disputes

- 20.1. If any dispute or difference of any kind whatsoever shall arise between the Procuring Entity and the Supplier in connection with or arising out of this Contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.
- 20.2. If after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the Procuring Entity or the Supplier may give notice to the other party of its intention to commence arbitration, as hereinafter provided, as to the matter in dispute, and no arbitration in respect of this matter may be commenced unless such notice is given.
- 20.3. Any dispute or difference in respect of which a notice of intention to commence arbitration has been given in accordance with this Clause shall be settled by arbitration. Arbitration may be commenced prior to or after delivery of the Goods under this Contract.
- 20.4. In the case of a dispute between the Procuring Entity and the Supplier, the dispute shall be resolved in accordance with Republic Act 9285 ("R.A. 9285"), otherwise known as the "Alternative Dispute Resolution Act of 2004."
- 20.5. Notwithstanding any reference to arbitration herein, the parties shall continue to perform their respective obligations under the Contract unless they otherwise agree; and the Procuring Entity shall pay the Supplier any monies due the Supplier.

21. Liability of the Supplier

- 21.1. The Supplier's liability under this Contract shall be as provided by the laws of the Republic of the Philippines, subject to additional provisions, if any, set forth in the SCC.
-
- 21.2. Except in cases of criminal negligence or willful misconduct, and in the case of infringement of patent rights, if applicable, the aggregate liability of the Supplier to the Procuring Entity shall not exceed the total Contract Price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.

22. Force Majeure

- 22.1. The Supplier shall not be liable for forfeiture of its performance security, liquidated damages, or termination for default if and to the extent that its delay in performance or other failure to perform its obligations under the Contract is the result of a *force majeure*.
- 22.2. 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 Contractor 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 Contractor. Such events may include, but not limited to, acts of the Procuring Entity in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions, and freight embargoes.
- 22.3. If a *force majeure* situation arises, the Supplier shall promptly notify the Procuring Entity in writing of such condition and the cause thereof. Unless otherwise directed by the Procuring Entity in writing, the Supplier shall continue to perform its obligations under the Contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the *force majeure*.

23. Termination for Default

- 23.1. The Procuring Entity shall terminate this Contract for default when any of the following conditions attends its implementation:
- (a) Outside of *force majeure*, the Supplier fails to deliver or perform any or all of the Goods within the period(s) specified in the contract, or within any extension thereof granted by the Procuring Entity pursuant to a request made by the Supplier prior to the delay, and such failure amounts to at least ten percent (10%) of the contract price;
 - (b) As a result of *force majeure*, the Supplier is unable to deliver or perform any or all of the Goods, amounting to at least ten percent (10%) of the contract price, for a period of not less than sixty (60) calendar days after receipt of the notice from the Procuring Entity

stating that the circumstance of force majeure is deemed to have ceased; or

(c) The Supplier fails to perform any other obligation under the Contract.

~~23.2. In the event the Procuring Entity terminates this Contract in whole or in part, for any of the reasons provided under GCC Clauses 23 to 26, the Procuring Entity may procure, upon such terms and in such manner as it deems appropriate, Goods or Services similar to those undelivered, and the Supplier shall be liable to the Procuring Entity for any excess costs for such similar Goods or Services. However, the Supplier shall continue performance of this Contract to the extent not terminated.~~

23.3. In case the delay in the delivery of the Goods and/or performance of the Services exceeds a time duration equivalent to ten percent (10%) of the specified contract time plus any time extension duly granted to the Supplier, the Procuring Entity may terminate this Contract, forfeit the Supplier's performance security and award the same to a qualified Supplier.

24. Termination for Insolvency

The Procuring Entity shall terminate this Contract if the Supplier is declared bankrupt or insolvent as determined with finality by a court of competent jurisdiction. In this event, termination will be without compensation to the Supplier, 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 Supplier.

25. Termination for Convenience

25.1. The Procuring Entity may terminate this Contract, in whole or in part, at any time for its convenience. The Head of the Procuring Entity may terminate a contract for the convenience of the Government 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.

25.2. The Goods that have been delivered and/or performed or are ready for delivery or performance within thirty (30) calendar days after the Supplier's receipt of Notice to Terminate shall be accepted by the Procuring Entity at the contract terms and prices. For Goods not yet performed and/or ready for delivery, the Procuring Entity may elect:

(a) to have any portion delivered and/or performed and paid at the contract terms and prices; and/or

(b) to cancel the remainder and pay to the Supplier an agreed amount for partially completed and/or performed goods and for materials and parts previously procured by the Supplier.

- 25.3. If the Supplier suffers loss in its initial performance of the terminated contract, such as purchase of raw materials for goods specially manufactured for the Procuring Entity which cannot be sold in open market, it shall be allowed to recover partially from this Contract, on a *quantum meruit* basis. Before recovery may be made, the fact of loss must be established under oath by the Supplier to the satisfaction of the Procuring Entity before recovery may be made.

26. Termination for Unlawful Acts

- 26.1. The Procuring Entity may terminate this Contract in case it is determined *prima facie* that the Supplier has engaged, before or during the implementation of this Contract, in unlawful deeds and behaviors relative to contract acquisition and implementation. Unlawful acts include, but are not limited to, the following:
- (a) Corrupt, fraudulent, and coercive practices as defined in ITB Clause 3.1(a);
 - (b) Drawing up or using forged documents;
 - (c) Using adulterated materials, means or methods, or engaging in production contrary to rules of science or the trade; and
 - (d) Any other act analogous to the foregoing.

27. Procedures for Termination of Contracts

- 27.1. The following provisions shall govern the procedures for 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 Implementing Unit 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 Implementing Unit, the Head of the Procuring Entity shall terminate this Contract only by a written notice to the Supplier conveying the termination of this Contract. The notice shall state:
 - (i) that this Contract is being terminated for any of the ground(s) afore-mentioned, and a statement of the acts that constitute the ground(s) constituting the same;
 - (ii) the extent of termination, whether in whole or in part;
 - (iii) an instruction to the Supplier to show cause as to why this Contract should not be terminated; and
 - (iv) special instructions of the Procuring Entity, if any.

- (c) The Notice to Terminate shall be accompanied by a copy of the Verified Report;
- (d) Within a period of seven (7) calendar days from receipt of the Notice of Termination, the Supplier shall submit to the Head of the Procuring Entity ~~a verified position paper stating why this Contract should not be terminated~~. If the Supplier 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;
- (e) The Procuring Entity may, at anytime before receipt of the Supplier's verified position paper described in item (d) above withdraw the Notice to Terminate if it is determined that certain items or works subject of the notice had been completed, delivered, or performed before the Supplier's receipt of the notice;
- (f) 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 or not to terminate this Contract. It shall serve a written notice to the Supplier of its decision and, unless otherwise provided, this Contract is deemed terminated from receipt of the Supplier of the notice of decision. The termination shall only be based on the ground(s) stated in the Notice to Terminate;
- (g) 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; and
- (h) The Supplier must serve a written notice to the Procuring Entity of its intention to terminate the contract at least thirty (30) calendar days before its intended termination. The Contract is deemed terminated if it is not resumed in thirty (30) calendar days after the receipt of such notice by the Procuring Entity.

28. Assignment of Rights

The Supplier shall not assign his rights or obligations under this Contract, in whole or in part, except with the Procuring Entity's prior written consent.

29. Contract Amendment

Subject to applicable laws, no variation in or modification of the terms of this Contract shall be made except by written amendment signed by the parties.

30. Application

These General Conditions shall apply to the extent that they are not superseded by provisions of other parts of this Contract.

Special Conditions of Contract

GCC Clause	
1.1 (g)	The Procuring Entity is the Department of Budget and Management (DBM).
1.1 (i)	The Supplier is Maximum Data Infrastructure Technologies, Inc.
1.1 (j)	The Funding Source is: The Government of the Philippines (GOP) through the authorized appropriations under the FY 2014 General Appropriations Act and Multi-year Obligational Authority No. BMB-C-14-001.
1.1 (k)	The Project Site is: Department of Budget and Management DBM Bldg. II, Boncodin Hall, General Solano St., San Miguel, Manila.
5.1	<u>The Procuring Entity's address for Notices is:</u> Department of Budget and Management Information and Communications Technology Systems Service (ICTSS) 3rd Floor, Boncodin Hall, General Solano Street, San Miguel, Manila Telefax No. (02) 735-4837 Contact Person: OIC- Director Vinzon R. Manansala <u>The Supplier's address for Notices is:</u> 2 nd and 3 rd Floors, TVJM Center No. 81 Maysilo Circle cor. San Francisco St. Plainview, Mandaluyong City Contact Person: Jo Anthony Andrada
6.2	No further instruction.
9.0	For the given scope of work in this Contract as awarded, all bid prices are considered fixed prices, and therefore not subject to price escalation during contract implementation, except under extraordinary circumstances and upon prior approval of the GPPB in accordance with Section 61 of R.A. 9184 and its IRR.
10.2	The maintenance service provider shall submit quarterly billing statements together with reports and results of the conducted services, citing in particular the status of equipment under service with appropriate recommendations, if any. Payment for the refill of argonite gas shall be made only when the refill is actually undertaken and included in the billing.

10.4	No further instructions.
13.4	No further instructions.
16.1	Not applicable.
17.3	Not applicable.
21.1	No additional provision.



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
GENERAL SOLANO ST., SAN MIGUEL, MANILA

July 30, 2014

NOTICE OF AWARD

MR. JO ANTHONY ANDRADA
Maximum Data Infrastructure Technologies, Inc.
2nd and 3rd Floors, TVJM Center
#81 Maysilo Circle Corner San Francisco St.
Plainview, Mandaluyong City

Dear **Mr. Andrada**:

We are pleased to inform you that the contract for the Project "DBM Data Center Support Services for FYs 2014-2015" is hereby awarded to your company in the amount of Six Million Three Hundred Eighty Thousand Pesos (P6,380,000.00).

In this regard, you are hereby required to post a performance security in the amount and form stated in Section 39 of the Implementing Rules and Regulations of Republic Act No. 9184 within ten (10) calendar days upon receipt of this Notice.

Very truly yours,


FLORENCIO B. ABAD
Secretary



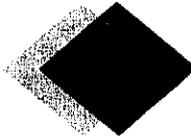
RECEIVED BY ..
JO-ANTHONY ANDRADA
7/31

MGAC BOND NO.

Premium : _____
Doc. Stamps : _____
Premium VAT : _____
Indemnity : _____
LBT : _____
Notarial : _____
Total : _____

HO/CONTROL No 18957

G (13) 188 0543



MILESTONE

Milestone Guaranty and Assurance Corp.

2654 Leveriza (Saygan) Street, Malate, Manila, 1004 P.O. Box 3692 Manila
Telephone No.: (02) 353-8024 (Connecting all Departments) Fax Number: 523-7775
E-mail: info@milestoneguaranty.com TIN #: 001-094-068-000

PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS:

That we, MAXIMUM DATA INFRASTRUCTURE TECHNOLOGIES, INC. contractor of 2nd flr., TVJM Center, 81 Maysilo Circle, Mand. City Philippines as Principal and the MILESTONE GUARANTY AND ASSURANCE CORP. a corporation duly organized, and existing under and by virtue of the laws of the Philippines with office at Manila, Philippines as Surety, are held and firmly bound unto the DEPARTMENT OF BUDGET AND MANAGEMENT

and to any individual, firm, partnership, corporation or association supplying the principal with labor or materials, in the penal sum of PESOS ONE MILLION NINE HUNDRED FOURTEEN THOUSAND (P 1,914,000.00), Philippine Currency, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly these presents.

THE CONDITIONS OF THIS OBLIGATION, are as follows:

WHEREAS, the above bounded principal, on the 30th day of July 2014 entered into a contract with the herein OBLIGEE FLORENCIO B. ABAD, DBM Secretary represented by FLORENCIO B. ABAD, DBM Secretary to fully and faithfully

guarantee the performance of the Contract for the Project "DBM Data Center Support Services for FYs 2014-2015.

The liability of the Surety under this Bond shall in no case exceed the amount ONE MILLION NINE HUNDRED FOURTEEN THOUSAND (P1,914,000.00) only, Philippine Currency.

This Bond is callable on demand in accordance with the Implementing

This Bond is valid only for construction contracts of public works or for prosecution and completion of any public works entered into with the Government of the Philippines or Government-owned or controlled corporations. Rules and Regulation of R.A. No. 9184 and valid for 2 yrs upon issuance

WHEREAS, said contract requires the said principal to give a good and sufficient bond in the above stated sum to secure the full and faithful performance on its part of said contract and the satisfaction of obligations for materials used and labor employed upon the work

NOW, THEREFORE, if the principal shall perform well and fulfill all the undertakings, covenants terms, conditions and agreements during the original term of said contract and any extension thereof that may be granted by the Obligee

with notice to the Surety, and during the life of any guaranty required under the contract, and shall also perform well and truly fulfill the undertaking covenants, terms, conditions and agreements of any and duly authorized modifications of said contract that may hereafter be made without notice to the Surety except when such modifications extend the original term of said contract and increase the contract price and such principal contractors or its subcontractors shall promptly make payment to any individual, firm, partnership, corporation or association supplying the principal or his or its subcontractors with labor and materials in the prosecution of the work provided for in said contract, then, this obligation shall be null and void, otherwise, it shall remain in full force and effect. Any extension of the period of time with notice to the surety which may be granted by the Obligee to the contractors shall be considered as given and any modifications of said contract except those increasing the contract price shall be considered as authorized with the express consent of the Surety.

The right of any individual, firm, partnership corporation or association supplying the contractor with labor or materials for the prosecution of the work hereinabove stated, to institute action in the penal bond pursuant to the provisions of Act. No. 3688, is hereby acknowledged and confirmed.

IN WITNESS WHEREOF, we have set our hands and signed our names at Makati City Philippines on the 4th day of August 2014

PRINCIPAL
MAXIMUM DATA INFRASTRUCTURE TECH., INC.
By: [Signature]

MICHAEL HENRY MAKINANO SIGNED IN THE PRESENT OF:
General Manager

MILESTONE GUARANTY AND ASSURANCE CORP.

(Surety)
[Signature]
D. R. VELUZ
GENERAL AGENT &
ATTY.-IN-FACT
AUTHORIZED SIGNATURE

Authorized under Administrative Order No. _____

of the President of the Philippines. 9.5



Republika ng Pilipinas
Kagawaran ng Pananalapi
KOMISYON NG SEGURO
INSURANCE COMMISSION

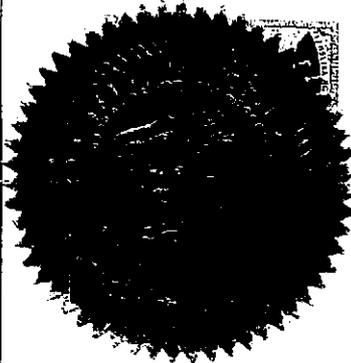
KATIBAYAN NG PAGKAMAYKAPANGYARIHAN
CERTIFICATE OF AUTHORITY

ITO AY PATUNAY na ang **MILESTONE GUARANTY AND ASSURANCE CORPORATION**
NG LUNGSOD NG MAYNILA, PILIPINAS

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

na kompanya ng seguro ay nakatugon sa lahat ng mga kailangang itinakda ng batas
ng Pilipinas kaugnay sa gayong mga kompanya ng seguro, kung kaya pinagkakalooban
nitong **KATIBAYAN NG PAGKAMAYKAPANGYARIHAN** upang makapagnegosyo ng
uri ng seguro na itinakda sa taas hanggang ikalabindalawa ng hatinggabi, ng ikatatlumpung
araw ng Hunyo, taong dalawampung libo't labing-apat
maliban kung agad na bawiin o pigilin ng may makatuwirang dahilan.

Bilang **KATUNAYAN NITO**, inilagda ko ang aking pangalan
at ikinintal ang Opisyal na Tatak ng aking Tanggapan
sa Lungsod ng Maynila, Pilipinas. Ito ay may bisa
simula ika-isa ng Hulyo 2013.



*AO No. 30 issued on
November 16, 1962

Date Issued

VALID UNTIL
DECEMBER 31, 2013
PURSUANT TO R.A. No. 10607
EMMANUEL F. DOOC
Insurance Commissioner

Emmanuel F. Dooc
EMMANUEL F. DOOC
Insurance Commissioner

CERTIFIED TRUE COPY

BY: *[Signature]*



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
GENERAL SOLANO ST., SAN MIGUEL, MANILA

NOTICE TO PROCEED

September 12, 2014

MR. JO ANTHONY ANDRADA

Maximum Data Infrastructure Technologies, Inc.
2nd and 3rd Floors, TVJM Center
#81 Maysilo Circle Corner San Francisco St.
Plainview, Mandaluyong City

Dear **Mr. Andrada**:

This is to inform your company that performance of the obligations specified in the attached Contract for the project, DBM Data Center Support Services, shall commence upon receipt of this Notice to Proceed.

Very truly yours,


FLORENCIO B. ABAD
Secretary

RECEIVED BY:

JO ANTHONY ANDRADA
9/24