

CONTRACT No. 2016-____
TELECOMMUNICATION 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, **BENJAMIN E. DIOKNO**, hereinafter called the "**DBM**";

- and -

PLDT, INC., a corporation duly organized and existing under the laws of the Republic of the Philippines, with office address at Ramon Cojuangco Bldg., Makati Avenue, San Lorenzo, Makati City, represented by **ERNESTO MA. R. ALBERTO**, hereinafter referred to as the "**SUPPLIER**";

WITNESSETH:

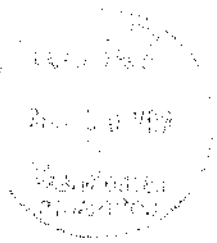
WHEREAS, the DBM conducted a public bidding for the Project, "Telecommunication Services," and the bid of the Supplier is in the amount of Eight Million Pesos and 04/100 (P8,000,000.04), hereinafter called the "Contract Price";

WHEREAS, the Notice of Award was issued to the Supplier last October 17, 2016, and the Supplier posted its performance security on October 20, 2016;

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



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[Handwritten initials]

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 NOV 11 2016 day of October , 2016 at General Solano St., San Miguel, Manila, Philippines.

DEPARTMENT OF BUDGET
AND MANAGEMENT

by:

C C-C
BENJAMIN E. DIOKNO
Secretary

PLDT, INC.

by:

[Signature]
ERNESTO MA. R. ALBERTO
Executive Vice President
Head of Enterprise, International and
Carrier Business

SIGNED IN THE PRESENCE OF

[Signature]
VINZON R. MANANSALA

OIC-Director IV

Information and Communications Technology
Systems Service

[Signature]
Lucia a G
PCOT

Funds Available:

[Signature]
ESPERANZA Q. IONACIO
Chief Accountant

ORS # 01101101 26 16-10 - 002234

10/27/2016



ACKNOWLEDGMENT

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

BEFORE ME, a Notary Public for and in the City of **MANILA**, Philippines on this NOV 11 2016 day of _____, 2016 personally appeared the following:

NAME	VALID ID	VALID UNTIL
BENJAMIN E. DIOKNO	DBM ID No. 0005	2016
ERNESTO MA. R. ALBERTO	Passport # 614 1266	aug 14, 2017

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 Telecommunication Services was signed by the parties, and their material witnesses on each and every page thereof.

WITNESS MY HAND AND SEAL this ___ day of NOV 11 2016, 2016.

ATTY. JOSELYN/BONNIE V. VALEROS

NOTARY PUBLIC, ROLL NO. 54515

PTR No. 4917213, issued on 12-22-15 Manila

IBP Life No. 723963 issued on: Aug. 21, 2007

Commission No. 2016-069, issued on 04-06-16 Manila Until 12-31-17

Office Add: Imperial Bayfront Tower, 1642 A. Mabini, Manila

MCLE NO. V-0022298 ISSUED ON JUNE 14, 2016

TIN No.: 215-945-713-000

Doc. No 131 ;
Page No 31 ;
Book No XL ;
Series of 2016.



Bid Form
(Revised)

Date: September 20, 2016

To: DBM-BAC Secretariat
BAC Conference Room
Department of Budget and Management
Ground Floor, DBM Building III, General Solano St., San Miguel, Manila
Telefax No. 791-2000 local 3115
Email address: yumali@dbm.gov.ph

Gentlemen and/or Ladies:

Having examined the Bidding Documents including Bid Bulletin Numbers *I*, the receipt of which is hereby duly acknowledged, we, the undersigned, offer to the DBM, our services for the Project, "*Telecommunication Services*," in conformity with the said Bidding Documents for the sum of *Eight Million Pesos Only Vat Inclusive (Php 8,000,000.00 Vat Inclusive)*

Particulars	Monthly Recurring Fee	Total Cost (VAT inclusive)
The IPVPN (MPLS) Domestic Data Service for the DBM Regional Offices (ROs)	Php 162,000.00	Php 1,944,000.00
Two (2) Internet Data Services	Php 80,000.00	Php 960,000.00
60 SIP trunk channels of IP-PBX Physical Layer Link and Hosted PBX Service	Php 424,666.67	Php 5,096,000.00
TOTAL (inclusive of VAT)		Php 8,000,000.00

Note: The above-quoted cost is inclusive of one-time installation costs and all other incidental charges.

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.

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.

[Handwritten Signature]
[Handwritten Initials]

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 20th day of September 2016.


[signature]

Dennis G. Magbatoc / Asst. VP and Sector Head CRM - G
[in the capacity of]

Duly authorized to sign Bid for and on behalf of PLDT INC.



PRICE SCHEDULE FOR GOODS OFFERED FROM WITHIN THE PHILIPPINES

f Bidder: PLDT INC.

Date: September 20, 2016

Invitation to Bid No: 4029725 / 2016-27

1 Item	2 Description	3 Country of Origin	4 Quantity	5 Unit price EXW per item	6 Cost of local labor, raw material, and component	7 Total price EXW per item (cols 4 x 5)	8 Unit prices per item final destination and unit price of other incidental services	9 Sales and other taxes payable per item if contract is awarded	10 Total Price delivered Final Destination (col 8 + 9) x 4
	The IPVPN (MPLS) Domestic Data Service for the DBM Regional Offices (ROs)				0.00				
a	DBM Head Office - MPLS Business Backhaul I (intra-city)	PHILS	1	17,084.61	0.00	17,084.61	17,084.61	2,050.15	19,134.76
b	DBM-Negros Island Regional Office	PHILS	1	7,972.39	0.00	7,972.39	7,972.39	956.69	8,929.08
c	DBM REGION NCR and IVA - Genl. Soliano St. Manila	PHILS	1	7,972.39	0.00	7,972.39	7,972.39	956.69	8,929.08
d	DBM CAR - Baguio	PHILS	1	7,972.39	0.00	7,972.39	7,972.39	956.69	8,929.08
e	DBM REGION I - La Union	PHILS	1	7,972.39	0.00	7,972.39	7,972.39	956.69	8,929.08
f	DBM REGION II - Tuguegarao City	PHILS	1	7,972.39	0.00	7,972.39	7,972.39	956.69	8,929.08
g	DBM REGION III - Pampanga	PHILS	1	7,972.39	0.00	7,972.39	7,972.39	956.69	8,929.08
h	DBM REGION IVB - Quezon City	PHILS	1	7,972.39	0.00	7,972.39	7,972.39	956.69	8,929.08
i	DBM REGION V - Lagazpi City	PHILS	1	7,972.39	0.00	7,972.39	7,972.39	956.69	8,929.08
j	DBM REGION VI - Iloilo City	PHILS	1	7,972.39	0.00	7,972.39	7,972.39	956.69	8,929.08
k	DBM REGION VII - Cebu City	PHILS	1	7,972.39	0.00	7,972.39	7,972.39	956.69	8,929.08
l	DBM REGION VIII - Tacloban City	PHILS	1	7,972.39	0.00	7,972.39	7,972.39	956.69	8,929.08
m	DBM REGION IX - Zamboanga City	PHILS	1	7,972.39	0.00	7,972.39	7,972.39	956.69	8,929.08
n	DBM REGION X - Cagayan de Oro City	PHILS	1	7,972.39	0.00	7,972.39	7,972.39	956.69	8,929.08
o	DBM REGION XI - Davao City	PHILS	1	7,972.39	0.00	7,972.39	7,972.39	956.69	8,929.08
p	DBM REGION XII - Koronadal City	PHILS	1	7,972.39	0.00	7,972.39	7,972.39	956.69	8,929.08
q	DBM REGION XIII - Butuan City	PHILS	1	7,972.39	0.00	7,972.39	7,972.39	956.69	8,929.08
	2 Two (2) Internet Data Services								
r	DBM Head Office - Direct Internet (Primary Link) / 27IPs	PHILS	1	45,000.00	0.00	45,000.00	45,000.00	5,400.00	50,400.00
s	DBM Head Office - Direct Internet (Secondary Link) / 28IPs	PHILS	1	26,428.57	0.00	26,428.57	26,428.57	3,171.43	29,600.00

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Section VI. Schedule of Requirements

(Revised)

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

Item No.	Description	Quantity	Delivery Date
1	Coordinate with existing TELCO for a seamless transition and to ensure connectivity of services for the entire DBM Bureaus/Offices/Services/Units		Upon receipt of the Notice to Proceed
2	Settle all recurring costs of the existing TELCO's link, facilities, equipment rental and maintenance until the switch over to the new TELCO		During transition period
3	<p>Installation/Commissioning of the IPVPN Multiprotocol Label Switching (MPLS) Domestic Data Service for the DBM Regional Offices (ROs)</p> <p>a) All DBM RO links shall be replaced and/or upgraded to a minimum of 6MBPS</p> <p>b) Increase in bandwidth in addition to the initial requirement for the MPLS service</p>		<p>Seventy-five (75) calendar days upon receipt of Notice to Proceed</p> <p>On-demand as necessary</p>
4	<p>Installation/Commissioning of the Internet Data Service</p> <p>a) Internet Access Services</p> <p>b) Internet Access Service must be two (2) different TELCO/Internet Service Providers (ISPs)</p>	<p>2</p> <p>2</p>	<p>Thirty (30) calendar days upon receipt of Notice to Proceed</p> <p>Thirty (30) calendar days upon receipt of Notice to Proceed</p>
5	Installation/Commissioning of the IP-PBX Physical Layer Link and Hosted PBX Service		

Sl. No.	Activity	1-6	8-10	11-18	18-20	21-25	26-30	31-35	36-40	41-46	46-50	51-55	56-60	61-65	66-70	71-75
1	Detailed Engineering Design															
	OSP															
	Detailed / Final Engineering Design / Requirement															
	BOM and BOQ / Sourcing of Materials															
	Issuance of Work Order															
	Request for Budget Transfer															
	Awarding to Contractor / Dispatch In-house															
	Staking															
	Permit Acquisition (Local Government/Barangay)															
	Request to Attach (RTA)															
	ISP															
	Detailed / Final Engineering Design / Requirement															
	BOM and BOQ / Sourcing of Materials															
	Issuance of Work Order															
	Request for Budget Transfer															
	Awarding to Contractor / Dispatch In-house															
	Permit Acquisition (Building Admin)															
2	Last Mile Build															
	OSP															
	Withdrawal of Materials															
	Installation and splicing of FOC / Copper															
	Request for Insertion (RFI), PHMA Approval															
	SMA : Insertion of FOC															
	End to end FOC testing															
	Withdrawal of materials															
	ISP															
	Bench Testing / Configuration															
	Installation of Transport Equipment (MSAP)															
	Project acceptance of Newly installed Equipment															
	Uploading at Huawei NMS & TMS Comnet															
3	Project Turn Over															
	Broadcast Newly installed Transport / Completion															
4	Data Provisioning (IPVPV)															
	Quote order creation															
	Credit Approval or A/R clearance															
	Solution Design															
	Issuance of NCAO															
	Issuance of CAO															
	Mapping/configuration															
	Issuance of IPWO															
	Mapping/configuration															
	Installation of Modern/Router testing															
	Testing/activation															
	Signing of ASF / Acceptance															
5	Data Provisioning (SIP Trunk)															
	Issuance of DMVO															
	Issuance of CAO															
	Mapping/configuration															
	Issuance of IPWO															
	Mapping/configuration															
	Activation / test call of SIP trunk															

- NOTES:
- completion of SPECIAL BUILD
 - completion of lgate / Pls note that provisioning for other TELCO will be parallel to PLDT lgate provisioning
 - completion of IPVPN
 - completion of SIP Trunk is dependent upon the activation of Backhaul and remote site

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Section VII. Technical Specifications

Bidders must state here either "Comply" or any equivalent term in the column "Bidder's Statement of Compliance" against each of the individual parameters of each "Specification."

Item No.	Specifications	Statement of Compliance
I	<p>General Requirements</p> <p>a) The TELCO must be a leader in providing connectivity in the major sector of services having nationwide coverage with points of presence in all major cities in the Philippines.</p> <p>b) Must have an extensive facility ownership in or partnership with a fiber optic network, having excellent customer service, 24x7 data network operations center and experienced technical support engineers.</p> <p>c) Must be required to observe, facilitate and execute a 99.96% core network availability service level agreement or the availability of the core components of the data network.</p> <p>d) Local loop must be required to a service level agreement of 99.5% on the local loop connection of DBM to the edge of TELCO's network access node.</p> <p>e) To assure the DBM of continuity of services delivered by the TELCO after a certain period of time, even during disasters and calamities, the TELCO must have a certification of its business continuity management system standards.</p>	<p>COMPLY</p> <p>COMPLY</p> <p>COMPLY</p> <p>COMPLY</p> <p>COMPLY</p>
II	<p>IPVPN MPLS Domestic Data Service for the DBM ROs</p> <p>a) A communication network that uses secured IP technology to provide point-to-point and multipoint connectivity which offers cost-</p>	<p>COMPLY</p>

	<p>effective deployment strategy for the DBM's existing and planned wide-area network infrastructure requirements.</p> <p>b) MPLS service must have domestic fiber optic backbone network that is used to carry business data traffic using own/partner network.</p> <p>c) Must have edge router points of presence in the country.</p> <p>d) Must have Metro Ethernet Forum certified engineers.</p> <p>e) Capable of providing up to three (3) types of quality of service (QoS) in its MPLS service to support different types of traffic like voice, video, and mission-critical data.</p> <p>f) Access to MPLS service can be via wired and mobile/wireless access.</p> <p>g) The MPLS service should be provisioned with a minimum of two (2) classes of service.</p>	<p>COMPLY</p> <p>COMPLY</p> <p>COMPLY</p> <p>COMPLY</p> <p>COMPLY</p> <p>COMPLY</p> <p>COMPLY</p>
III	<p>Internet Data Service</p> <p>a) Must be a dedicated and fixed internet bandwidth link to the Internet backbones in the US, Japan, Hong Kong and Singapore.</p> <p>b) Network must be connected to multiple, direct peering with major and local ISPs to address the volume of domestic internet traffic. The DBM requires two (2) Internet Access Services, at 50MBPS and 30MBPS, respectively, per link, of two (2) different TELCO/ISPs</p> <p>c) It is required that the TELCO is connected to the Philippine Internet Exchange for an efficient Internet infrastructure.</p>	<p>COMPLY</p> <p>COMPLY</p> <p>COMPLY</p>

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IV	<p>IP-PBX Physical Layer Link and Hosted PBX Service</p> <p>a) Providing SIP trunking service to cater the Department's IP-PBX system. SIP trunking is the use of Voice over IP (VoIP) to facilitate the connection of a private branch exchange (PBX) to the Internet.</p> <p>b) All the sixty (60) SIP trunk channels of the digital trunk service being subscribed must be connected to the PBX, enabling lines to make outgoing calls and receive incoming calls without passing through an operator or Interactive Voice Response System (IVRS).</p> <p>c) The SIP trunks should support at least the following features:</p> <ol style="list-style-type: none"> 1. Allow DBM's IP-PBX to use the IP network in lieu of the conventional telephone trunk to communicate with fixed and mobile telephone subscribers. 2. Highly scalable. 3. Faster to deploy while maintaining business quality voice service. 4. Capable of both Direct Inward Dialing (DID) and Direct Outward Dialing (DOD). <ol style="list-style-type: none"> i. DID functionality allows external callers to directly call an extension without passing thru an operator or NRS. An extension is assigned its own DID number/Multiple Subscriber Number (MSN) which can be dialed directly from outside. 	<p>COMPLY</p> <p>COMPLY</p> <p>COMPLY</p> <p>COMPLY</p> <p>COMPLY</p> <p>COMPLY</p> <p>COMPLY</p> <p>COMPLY</p>
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	<p>ii. DOD functionality allows an extension to make an outside call without passing thru an operator or NRS by dialing "9" + outside telephone number.</p> <p>5. No need to program DID and DOD channels for they adjust automatically.</p> <p>d) The TELCO's hosted PBX solution should have a roadmap for the following features - (i) Unified Communications; (ii) Mobile Phone Integration; and (iii) Bridge Conferencing.</p>	<p>COMPLY</p> <p>COMPLY</p> <p>COMPLY</p>
V	<p>Project Management</p> <p>a) TELCO, in recognition of the mission-critical nature of TELCO services to the DBM, shall ensure that, as much as can reasonably be expected, the transition from the outgoing service provider shall not result in any service interruption to the DBM. This shall be the case, even pending installation and deployment, upon the effectivity of the contract. TELCO shall be responsible for making arrangements with the outgoing service provider.</p> <p>In the event wherein link(s) and/or facility(ies), as the case may be, would need to be replaced in order to meet and satisfy the technical specifications and/or contract provisions, the winning TELCO must bear all the recurring costs of the existing TELCO link(s) until the switch over to the new TELCO's provided link(s)/facility(ies).</p> <p>The DBM shall incur no additional cost in the TELCO's transition for the TELCO services and charges on</p>	<p>COMPLY</p> <p>COMPLY</p> <p>COMPLY</p>

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	<p>the existing links, facilities, equipment rental and maintenance.</p> <p>b) Upon completion of installation/commissioning, the circuit will be turned over for acceptance testing. Within fifteen (15) working days, the DBM shall accept or require the TELCO to conduct further testing.</p> <p>c) The term of Contract shall be for two (2) years and shall be automatically reviewed accordingly and renewed thereafter at the same terms and conditions unless terminated by either party at least 30 days before the expiration of the Contract.</p>	<p>COMPLY</p> <p>COMPLY</p> <p>COMPLY</p>
VI	<p>Special Provisions</p> <p>a) The two (2) Internet Access Services must be of two (2) different TELCO/ISPs and last mile via Fiber Optic Cable (FOC).</p> <p>b) The DBM has direct command on the commercial and technical aspects of the TELCO for DBM accounts. However, the DBM Network Managed Services provider shall likewise act as a representative in dealing with TELCO's technical businesses.</p> <p>c) TELCO may engage a maximum of two (2) sub-contractors to address efficiently the local loop availability.</p>	<p>COMPLY</p> <p>COMPLY</p> <p>COMPLY</p>
VII	<p>Service Level Agreement</p> <p>a) The TELCO and the DBM shall jointly manage and maintain the DBM circuit installed with the service.</p> <p>b) The TELCO's network operation shall be manned 24 hours a day, 7 days a week.</p>	<p>COMPLY</p> <p>COMPLY</p> <p>COMPLY</p>

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	<p>c) The TELCO shall maintain and publish a customer support for data and IP services as single-point-of contact for reporting of faults and outages, inquiry, requests or complaints (technical or billing), etc.</p> <p>d) The TELCO shall arrange for QoS meetings to assess performance as required.</p> <p>e) The TELCO shall maintain all the equipment it provides for DBM in proper working order. DBM shall not attempt to repair or make any alterations, or otherwise open, alter, reprogram or tamper with the equipment supplied by or facilities of the TELCO.</p>	<p>COMPLY</p> <p>COMPLY</p> <p>COMPLY</p>															
VIII	<p>Mean Time to Respond</p> <table border="1"> <tr> <td>Phone Support</td> <td>Within 30 minutes</td> <td>COMPLY</td> </tr> <tr> <td colspan="2">For on-site dispatch (after phone support)</td> <td>COMPLY</td> </tr> <tr> <td>Within CBD, within business hours</td> <td>30 minutes</td> <td>COMPLY</td> </tr> <tr> <td>Outside CBD, within business hours</td> <td>2 hours</td> <td>COMPLY</td> </tr> <tr> <td>After business hours</td> <td>On-call (Field Operation Engineers)</td> <td>COMPLY</td> </tr> </table>	Phone Support	Within 30 minutes	COMPLY	For on-site dispatch (after phone support)		COMPLY	Within CBD, within business hours	30 minutes	COMPLY	Outside CBD, within business hours	2 hours	COMPLY	After business hours	On-call (Field Operation Engineers)	COMPLY	<p>COMPLY</p> <p>COMPLY</p> <p>COMPLY</p> <p>COMPLY</p> <p>COMPLY</p>
Phone Support	Within 30 minutes	COMPLY															
For on-site dispatch (after phone support)		COMPLY															
Within CBD, within business hours	30 minutes	COMPLY															
Outside CBD, within business hours	2 hours	COMPLY															
After business hours	On-call (Field Operation Engineers)	COMPLY															
IX	<p>Trouble Ticket Status Update</p> <p>TELCO shall provide a status update within thirty (30) minutes from receipt of DBM's complaint and thirty (30) minutes thereafter if necessary.</p>	<p>COMPLY</p>															
X	<p>Monthly Outage Report</p> <p>TELCO will provide an outage report for all applicable circuits in a monthly basis or upon the request of DBM.</p>	<p>COMPLY</p>															

XI	<p>Quality of Service</p> <p>a) The TELCO and the DBM shall conduct series of checks on measurable parameters to determine that the service is working in accordance with the committed service levels.</p> <p>b) The contracts may be renegotiated or terminated due to unsatisfactory circuit performance as to be defined and agreed by both parties.</p>	<p>COMPLY</p> <p>COMPLY</p>
XII	<p>Rebate and Liquidated Damages</p> <p>The TELCO shall exert reasonable efforts to ensure that the network link services, as defined in the contract, are operating and available to DBM. In the event that TELCO network is unavailable as set forth, or in the event the DBM experiences any interruption of the service performance due to the TELCO's failure to provide the service, the DBM shall be eligible to receive a rebate.</p>	<p>COMPLY</p>
XIII	<p>Interruptions Over 24 Hours</p> <p>a) The TELCO shall have a period of twenty-four (24) hours from the time of reporting of any and all outages, to restore MPLS, Internet Access Service and SIP line services. Beyond this 24-hour period, however, any partial interruption or total failure, malfunction or defect in any of the links contracted for shall entitle DBM to a rebate which shall be computed per trouble occurrence of each link/service in accordance with the following formula:</p> <p>REBATE = MRR x (ActualOutageHours-24) / 720</p> <p>In recognition of the coordinating role played by the DBM Central Office site, it is understood that interruption of MPLS, Internet</p>	<p>COMPLY</p> <p>COMPLY</p> <p>COMPLY</p>

	<p>Access Service and SIP line services resulting from total failure, malfunction or defect of the Central Office site shall entitle DBM to collect rebates in accordance with the foregoing formula multiplied by the total number of regional sites/major links.</p> <p>b) The TELCO shall promptly provide rebates for interruptions or outages in the service in the amounts set forth in the formula. However, the DBM shall not be entitled to a rebate if the interruptions or outages are caused by any of the following:</p> <ol style="list-style-type: none"> 1. The act, omission, fault or negligence of DBM; 2. The DBM's applications, equipment, or facilities including any third party equipment other than the equipment furnished by TELCO as part of its access services (i.e., DBM's equipment failure, power failure); 3. Outages or interruptions due to local power failure, power fluctuations or surges; 4. Interruptions during any period where TELCO or its agents are not allowed access to DBM premises; 5. Scheduled preventive maintenance and/or system updates; 6. Force Majeure (e.g., typhoons, lightning, flood, earthquakes, etc.); 7. War, terrorist and criminal acts, including theft of cable or equipment, civil disturbance, military insurrection and/or government takeover of Services. <p>c) The DBM must report a trouble in</p>	<p>COMPLY</p> <p>COMPLY</p> <p>COMPLY</p> <p>COMPLY</p> <p>COMPLY</p> <p>COMPLY</p> <p>COMPLY</p> <p>COMPLY</p> <p>COMPLY</p> <p>COMPLY</p>
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	<p>order to qualify for a rebate. It must notify TELCO within thirty (30) calendar days from the time DBM becomes eligible to receive a rebate. Failure to comply with this requirement will forfeit DBM's right to receive a rebate.</p> <p>d) The TELCO shall not be liable for any delay or interruption in or failure to provide or restore the service howsoever caused including, without limitation, anything caused by or attributable to DBM's equipment and facilities or any services provided by any person. In no event shall the TELCO be liable for indirect, remote, or consequential damage, loss of profits, loss of business or loss of opportunity and other like damages howsoever they may have been caused even if it has been notified of the possibility of such damages. TELCO's maximum liability for any damage arising out of or in any way related to this Contract shall be limited to the rebate as set forth, and in no event shall the rebate granted in any one month exceed the Monthly Recurring Charge.</p>	<p>COMPLY</p> <p>COMPLY</p>
<p>XIV</p>	<p>Maintenance Activities</p> <p>a) The TELCO shall respond to the DBM's maintenance requests, generally at no cost to DBM. However, the TELCO shall charge the DBM for responding to a maintenance request, and for all costs and charges of maintenance, in the event it is found that the maintenance request is not valid, or if the cause of fault, service or equipment failure or degradation is found to be an improper act or omission of DBM, or of persons authorized by DBM but not authorized by TELCO to maintain</p>	<p>COMPLY</p>

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	the equipment and facilities of the TELCO.	COMPLY
	b) The TELCO shall provide DBM with a trouble ticket number to log and track all maintenance actions.	COMPLY
	c) The TELCO shall exert reasonable efforts to answer all maintenance service calls with an average call answer time of twenty (20) seconds.	COMPLY
	d) The DBM agrees that TELCO may schedule upgrades and preventive maintenance (Scheduled Maintenance) on its network that might affect DBM's service. The schedule of such upgrades and maintenance shall be subject to DBM's approval, which approval shall not be unreasonably withheld. TELCO shall give DBM at least three (3) days prior notice of the scheduled network upgrade or maintenance work.	COMPLY
	If DBM refuses to allow TELCO to perform upgrade or maintenance work at TELCO's requested schedule despite notice then the DBM shall solely be responsible for any consequences as a result of such refusal.	COMPLY

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

PLDT INC.

Dennis G. Magbatoc / Asst. VP and Sector Head CRM - G

September 20, 2016

Name of Company/Bidder

Signature over Printed Name of Representative

Date

Section IV. General Conditions of Contract

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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.

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- (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.

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(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.

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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.
- 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.
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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: Fifteen percent (15%) 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.
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- (b) On Delivery: Sixty five percent (65%) 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 33.2.
- 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.

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.
- 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.
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- 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.
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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) 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 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 any time 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.
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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.

[Handwritten marks]

Section V. 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
1.1(j)	The Funding Source is: The Government of the Philippines (GOP) through the authorized appropriations under the FY 2016 General Appropriations Act.
1.1(k)	The Project Site is: Department of Budget and Management Ground Floor, DBM Building III General Solano St., San Miguel, Manila.
5.1	<p><u>The Procuring Entity's address for Notices is:</u></p> <p style="padding-left: 40px;">Department of Budget and Management Information and Communications Technology Systems Service (ICTSS) 3rd Floor, Building II, General Solano St. San Miguel, Manila Telefax No. (02)735-4837</p> <p><u>The Supplier's address for Notices is:</u></p> <p><i>[to be inserted at time of contract award].</i></p>
6.1	The term of the contract shall be two (2) years subject to a year-end assessment of ICTSS of the Service Provider's performance during the first year of the contract period and to a recommendation to the DBM Secretary for the continuance of the contract for the second year on the basis of the said assessment.
6.2	<p>Delivery of all services shall be made by the Service Provider in accordance with the terms specified in Section VI. Schedule of Requirements.</p> <p>The term of the contract shall be two (2) years subject to a year-end assessment of ICTSS of the service provider's performance during the first year of the contract period and to a recommendation to the DBM Secretary for the continuance of the contract for the second year on the basis of the said assessment.</p> <p>The contract prices for the Goods shall include prices charged by the Supplier for incidental services and shall not exceed the prevailing rates charged to other parties by the Supplier for similar services. The Supplier warrants that all of the benefits and terms granted herein are at least as favorable as the benefits and terms granted by it to any previous buyer of the Goods described in this Agreement.</p>

	<p>The Supplier shall indemnify the Procuring Entity against all third-party claims of infringement of patent, trademark, or industrial design rights arising from the Use of the Goods or any part thereof.</p> <p>Moreover, the delivery schedule as indicated in Section VI. Schedule of Requirements may be modified by the DBM during the term of the Contract with prior due notice, written or verbal, to the Service Provider.</p>
9	<p>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. No. 9184 and its Revised IRR.</p>
16.1	<p>The Goods delivered are accepted by the Procuring Entity as to quantity only. However, inspection as to the Goods' compliance with the technical specifications, and its order and condition, will be done in the presence of the representatives of both Supplier and Procuring Entity upon prior due notice, written or verbal, to the authorized representative of the Supplier. The inspection will push through as scheduled even in the absence of the Supplier's representative, if the latter was duly notified. In which case, the results of the inspection conducted by the Procuring Entity shall be final and binding upon the Supplier.</p> <p>The inspection and tests that will be conducted shall be in accordance with Section VII. Technical Specifications.</p>
17.3	No further instructions
21.1	If applicable, all partners to the joint venture shall be jointly and severally liable to the Procuring Entity.

[Handwritten marks]



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

BIDS AND AWARDS COMMITTEE

NOTICE OF AWARD

September 27, 2016

MR. ERNESTO MA. R. ALBERTO
Executive Vice President and
Head of Enterprise, International and Carrier Business
PLDT Inc.
Ramon Cojuangco Bldg.
Makati Avenue
San Lorenzo, Makati City

Dear Mr. Alberto:

We are pleased to inform you that the contract for the Project, "Telecommunication Services," is hereby awarded to your company in the amount of P8,000,000.04.

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

Very truly yours,

S. C. C.
BENJAMIN E. DIOKNO

Secretary



By
Lucia a Sy
RECEIVING
October 17, 2016

ML



BANK GUARANTEE NO.: IBG053016000073

October 19, 2016

**DEPARTMENT OF BUDGET AND MANAGEMENT
General Solano Street, San Miguel, Manila
Philippines**

Gentlemen:

We hereby issue our Bank Guarantee No. **IBG053016000073** in your favor for the account of **PLDT INC.**, with address at Ramon Cojuangco Building, corner Dela Rosa St., Makati Ave., Makati City, Philippines (hereinafter called "Accountee") for an amount not exceeding **PHILIPPINE PESOS: FOUR HUNDRED THOUSAND ONLY (PHP 400,000.00)**, hereinafter referred to as the "Guarantee", to guarantee Accountee's faithful performance of its obligation(s) relating to the Project "Telecommunication Services".

We irrevocably and unconditionally engage to pay yourselves the above amount, direct and without delay on your first written demand, upon presentation of your notarized certification quoting specifically the Guarantee's Ref. Number to the effect that the amount claimed by yourselves is due to you owing to the failure of Accountee to perform its obligation specifically stated in said certification in violation of the above-cited contract.

The Guarantee will remain in force on or before September 23, 2017 and we commit to pay any demand in respect to the Guarantee following the foregoing requirement if presented to our Head Office counters at 10th Floor, Yuchengco Tower, RCBC Plaza, 6819 Ayala Avenue, Makati City, Philippines not later than the expiry date of this Guarantee.

This Guarantee is subject to the Uniform Rules for Demand Guarantees No. 758.

This Guarantee is subject for confirmation with Rizal Commercial Banking Corporation.

AUTHORIZED SIGNATURES


**ENRICO R. RANCIO
JAM-TRADE SERVICES DEPT.**


**RAYMOND RENWICK B. FLORES
MGR-TRADE SERVICES DEPT.**

PHILIPPINE PESOS 400,000.00



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

BIDS AND AWARDS COMMITTEE

NOTICE OF AWARD

September 27, 2016

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Very truly yours,

S. E. C.
BENJAMIN E. DIOKNO

Secretary



by
Lucia a. Sg
RECEIVING
October 17, 2016



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

BIDS AND AWARDS COMMITTEE

NOTICE TO PROCEED

MR. ERNESTO MA. R. ALBERTO

Executive Vice President
Head of Enterprise, International and Carrier Business
PLDT Inc.
Ramon Cojuangco Bldg.
Makati Avenue
San Lorenzo, Makati City

Dear **Mr. Alberto:**

This is to inform your company that performance of the obligations specified in the attached Contract for the Project, "Telecommunication Services," shall commence upon receipt of this Notice to Proceed.

Very truly yours,

S. C. S.
BENJAMIN E. DIOKNO

B
Secretary

I acknowledge receipt and acceptance of this Notice on: DECEMBER 7, 2016

Name of Consultant and/or Representative: *ARLENE O. MERON*

Authorized Signature: *[Signature]*
ERNESTO R. ALBERTO DECEMBER 15, 2016