



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

BIDS AND AWARDS COMMITTEE

Resolution No. 2018-94

WHEREAS, the Department of Budget and Management-Bids and Awards Committee (DBM-BAC) conducted a public bidding for the Project, "Supply, Delivery, Installation, Configuration, and Operationability of Intrusion Detection and Prevention System (IDPS) Solution," with an Approved Budget for the Contract (ABC) of P20,759,000.00;

WHEREAS, on November 27, 2018, the Invitation to Bid was posted on the Philippine Government Electronic Procurement System website, the DBM website, and all DBM bulletin boards;

WHEREAS, three (3) prospective bidders, namely: (i) Accent Micro Technologies Inc.; (ii) Beyond Innovations Inc.; and (iii) Trends and Technologies Inc., responded to the said Invitation and attended the Pre-bid Conference on December 4, 2018;

WHEREAS, Supplemental/Bid Bulletin No. 1 was issued on December 11, 2018 to clarify, modify or amend items in the Bidding Documents;

WHEREAS, during the submission and opening of bids on December 18, 2018, two (2) bidders submitted their bids, namely: (i) Accent Micro Technologies Inc; and (ii) Trends and Technologies Inc.;

WHEREAS, after preliminary examination of the bids, the BAC, using non-discretionary "pass/fail" criteria, determined the submissions of Accent Micro Technologies Inc. and Trends and Technologies Inc. as "passed" for complying with all the eligibility and technical requirements as stated in the Bidding Documents;

WHEREAS, the bidders were ranked according to their financial proposals in the following order:

- | | | |
|-----------------------------------|---|-----------------|
| 1. Accent Micro Technologies Inc. | - | P14,083,487.00; |
| 2. Trends and Technologies Inc. | - | P17,778,000.00; |


WHEREAS, the BAC declared the submission of Accent Micro Technologies Inc. as the Lowest Calculated Bid in the amount of P14,083,487.00;

WHEREAS, after careful evaluation, validation and verification of the eligibility, technical and financial proposals of the bid, the BAC found that the submission of Accent Micro Technologies Inc. passed all the criteria for post-qualification; thus, it was declared as the Lowest Calculated and Responsive Bid in the amount of P14,083,487.00;

NOW, THEREFORE, for and in consideration of the foregoing premises, the BAC **RESOLVED**, as it hereby **RESOLVED**, to recommend to the Secretary of Budget and Management that the contract for the Project, "Supply, Delivery, Installation, Configuration, and Operationability of Intrusion Detection and Prevention System (IDPS) Solution," be awarded to Accent Micro Technologies Inc., in accordance with Republic Act No. 9184 and its 2016 Revised Implementing Rules and Regulations.

ADOPTED, this 20th day of December 2018 at the Department of Budget and Management, General Solano St., San Miguel, Manila.


ANDREA CELENE M. MAGTALAS
End-user Representative


MERIKA JOANNA DELA PEÑA
B.U.D.G.E.T. Representative


EDEN D. PANGILINAN
Member

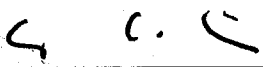
not present
YOLANDA R. REYES
Member

not present
ROSEMARIE D. PAGALA
Alternate Member

not present
RYAN S. LITA
Vice Chairperson


CLARITO ALEJANDRO D. MAGSINO
Chairperson

Approved
 Disapproved


BENJAMIN E. DIOKNO
Secretary, DBM



Date: _____



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

BIDS AND AWARDS COMMITTEE

NOTICE OF AWARD

MS. RONA MAE L. MALANA

Services Account Manager

PSG, ICT Solutions

Accent Micro Technologies, Inc.

8/F East Tower, Philippine Stock Exchange Center

Exchange Road, Ortigas Center, Pasig City

Dear **Ms. Malana:**

We are pleased to inform you that the contract for the Project, "Supply, Delivery, Installation, Configuration, and Operationability of Intrusion Detection and Prevention System (IDPS) Solution," is hereby awarded to Accent Micro Technologies, Inc. in the amount of P14,083,487.00.

In this regard, you are hereby required to post a performance security in the amount and form stated in Section 39 of the 2016 Revised Implementing Rules and Regulations of Republic Act No. 9184 prior to the signing of the contract.

Very truly yours,

C. C. C.
BENJAMIN E. DIOKNO
Secretary *MLC*



Received: - *Alexander Villagar*
- *12-27-18*

CONTRACT No. 2018-37

**SUPPLY, DELIVERY, INSTALLATION, CONFIGURATION, AND
OPERATIONABILITY OF INTRUSION DETECTION AND
PREVENTION SYSTEM (IDPS) SOLUTION**

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 -

ACCENT MICRO TECHNOLOGIES INC., a corporation duly organized and existing under the laws of the Republic of the Philippines, with office address at 8/F East Tower, Philippine Stock Exchange Center, Exchange Road, Ortigas Center, Pasig City, represented herein by **RONA MAE L. MALANA**, hereinafter referred to as the "**SUPPLIER**";

WITNESSETH:

WHEREAS, the DBM conducted a public bidding for the Project, "Supply, Delivery, Installation, Configuration, and Operationability of Intrusion Detection and Prevention System (IDPS) Solution," and the bid of the supplier is in the amount of Fourteen Million Eighty Three Thousand Four Hundred Eighty Seven Pesos (P14,083,487.00), hereinafter called the "Contract Price";

WHEREAS, the Notice of Award was issued to the Supplier last December 27, 2018, and the Contractor posted its performance security on December 28, 2018;

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

Handwritten signatures and initials are present in the left margin of the document. There are three distinct marks: a large, loopy signature at the top, a smaller signature in the middle, and a set of initials at the bottom.

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 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 _____, 2018 at General Solano St., San Miguel, Manila, Philippines.

DEPARTMENT OF BUDGET
AND MANAGEMENT

by:


BENJAMIN E. DIOKNO

Secretary *full*

ACCENT MICRO TECHNOLOGIES, INC.

by:


RONA MAE L. MALANA

Services Account Manager

SIGNED IN THE PRESENCE OF


ANDREA CELENE M. MAGTALAS

Director IV
Information and Communications
Technology Systems Service


CHRISTOPHER B. GARCIA

ANP-ICT SOLUTIONS

CERTIFIED FUNDS AVAILABLE


JEFFREY DM. GALARPE

Officer-in-Charge, ACCOUNTING DIVISION

ORS No: D6101102018-1273047

ORS Date: 12/28/18

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 JAN 22 2019 day of _____, 2018 personally appeared the following:

NAME	VALID ID	VALID UNTIL
BENJAMIN E. DIOKNO	DBM ID No. 0005	
RONA MAE L. MALANA	PASSPORT NO. EC1057000	MAY 11, 2019

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 Supply, Delivery, Installation, Configuration, and Operationability of Intrusion Detection and Prevention System (IDPS) Solution was signed by the parties, and their material witnesses on each and every page thereof.

WITNESS MY HAND AND SEAL this JAN 22 2019 day of _____, 2018.

Doc. No 84;
Page No 17;
Book No 2411
Series of 2018.

ATTY. GARY CAMITAN AURE
 NOTARY PUBLIC, ROLL NO. 60777
 PTR No. 8028975 Issued on Dec. 27, 2013 Until Dec. 31, 2019 Manila
 IBP Lifetime No. 044299 Issued on Feb. 2, 2016
 Commission No. 2018-072 Issued on Feb. 28, 2018 Until Dec. 31, 2019 Manila
 MCLE No. VI-0006796 Issued on Feb. 20, 2018 at Pasig City Valid Until April 14, 2022
 Office Address: Room 306 3F NFWC Bldg. Escoda Corner San Marcelino St. Ermita, Manila
 TIN No. 719-033-727-000

Bid Form

Date: December 18, 2018

Invitation to Bid No.: 2018-33

To: *Department of Budget and Management – Bids and Awards Committee*

Gentlemen and/or Ladies:

Having examined the Bidding Documents including Bid Bulletin Numbers 2018-33, the receipt of which is hereby duly acknowledged, we, the undersigned, offer to the DBM, our services for the Project, *Supply, Delivery, Installation, Configuration, and Operationability of Intrusion Detection and Prevention System (IDPS) Solution* in conformity with the said Bidding Documents for the sum of Fourteen Million Eighty Three Thousand Four Hundred Eighty Seven Pesos only (Php14,083,487.00).

PARTICULARS	Total Cost (Inclusive of VAT)
Supply, delivery, installation, configuration and operationability of Intrusion Detection and Prevention System (IDPS) Solution	Php14,083,487.00
TOTAL	

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.

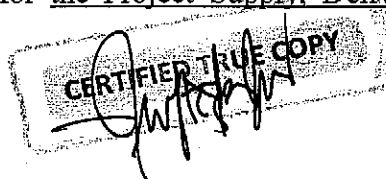
We agree to abide by this Bid for the Bid Validity Period specified in **BDS** provision for **ITB** Clause 18.2 and it shall remain binding upon us and may be accepted at any time before the expiration of that period.

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 Calculated Bid 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.

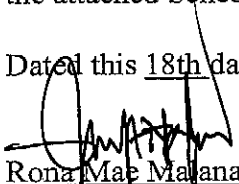
We likewise certify/confirm that the undersigned, is granted full power and authority by the ACCENT MICRO TECHNOLOGIES, INC., to participate, submit the bid, and to sign and execute the ensuing contract on the latter's behalf for the Project Supply, Delivery,



Installation, Configuration, and Operationability of Intrusion Detection and Prevention System (IDPS) Solution of the Department of Budget and Management.

We acknowledge that failure to sign each and every page of this Bid Form, including the attached Schedule of Prices, shall be a ground for the rejection of our bid.

Dated this 18th day of December 2018.



Rona Mae Malana
[Signature]

Services Account Manager
[In the capacity of]

Duly authorized to sign Bid for and on behalf of Accent Micro Technologies, Inc.


CERTIFIED TRUE COPY

For Goods Offered From Within the Philippines


Name of Bidder: ACCENT MICRO TECHNOLOGIES, INC. Invitation to Bid Number: 2018-33.

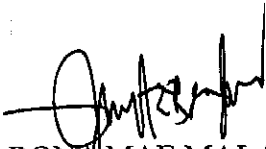
Page 1 of 1.

1	2	3	4	5	6	7	8	9	10
Item	Description	Country of origin	Quantity	Unit price EXW per item	Transportation and Insurance and all other costs incidental to delivery, per item	Sales and other taxes payable if Contract is awarded, per item	Cost of Incidental Services, if applicable, per item	Total Price, per unit (col 5+6+7+8)	Total Price delivered Final Destination (col 9) x (col 4)
1	Supply, Delivery, Installation, Configuration, and Operationability of Intrusion Detection and Prevention System (IDPS) Solution	US	1 lot	PHP 12,574,541.96	0.00	PHP 1,508,945.04	0.00	PHP 14,083,487.00	PHP 14,083,487.00

CERTIFIED TRUE COPY

2	Certificate for the following: - Manufacturer-Certified Security Administrator; - Manufacturer-Certified Technology Specialists; - Manufacturer-Certified Solution Expert; and - Certified Network Security Administrator and/or Professional	PH	1	0.00	0.00	0.00	0.00	0.00	0.00
3	Conduct five-day sessions of Basic IDPS Administrator Training	PH	3	0.00	0.00	0.00	0.00	0.00	0.00
4	Conduct five-day sessions of Advanced IDPS Administrator Training	PH	3	0.00	0.00	0.00	0.00	0.00	0.00

CERTIFIED TRUE COPY


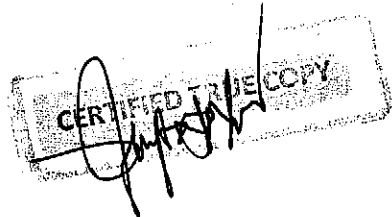

RONAMAEL MALANA

SERVICES ACCOUNT MANAGER

[signature]

in the capacity of

Duly authorized to sign Bid form and on behalf of ACCENT MICRO TECHNOLOGIES, INC.


CERTIFIED TRUE COPY

For Goods Offered From Abroad

Name of Bidder: ACCENT MICRO TECHNOLOGIES, INC. Invitation to Bid Number: 2018-33. Page 1 of 1.

1	2	3	4	5	6	7	8	9
Item	Description	Country of origin	Quantity	Unit price CIF port of entry (specify port) or CIP named place (specify border point or place of destination)	Total CIF or CIP price per item (col. 4 x 5)	Unit Price Delivered Duty Unpaid (DDU)	Unit price Delivered Duty Paid (DDP)	Total Price delivered DDP (col 4 x 8)
NA	NA	NA	NA	NA	NA	NA	NA	NA

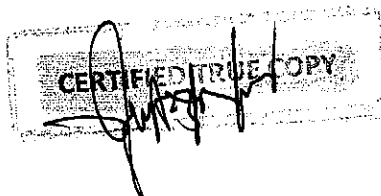

RONA MAE MALANA

SERVICES ACCOUNT MANAGER

[signature]

in the capacity of

Duly authorized to sign Bid form and on behalf of ACCENT MICRO TECHNOLOGIES, INC.



 CERTIFIED TRUE COPY

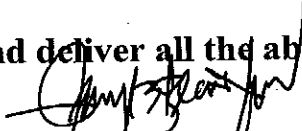
Section VI. Schedule of Requirements

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

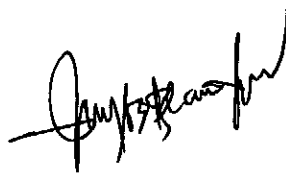
Item	Description	Quantity	Delivery Date
1	Supply, delivery, installation, configuration and operationability of Intrusion Detection and Prevention System (IDPS) Solution	1 lot	Within sixty (60) calendar days from receipt of the Notice to Proceed
2	Certificate for the following: <ul style="list-style-type: none"> • Manufacturer-Certified Security Administrator; • Manufacturer-Certified Technology Specialists; • Manufacturer-Certified Solution Expert; and • Certified Network Security Administrator and/or Professional 		
3	Conduct five-day sessions of Basic IDPS Administrator Training	3	As indicated in Item 5.8 of the Annex A (Terms of Reference)
4	Conduct five-day sessions of Advanced IDPS Administrator Training	3	

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

ACCENT MICROTECNOLOGIES, INC.
Name of Company/Bidder


RONA MAE L. MALANA
Signature Over Printed Name of Representative

12-18-2013
Date



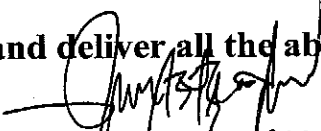
Section VII. Technical Specifications

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."

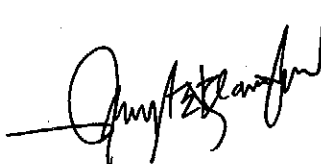
Item	Specification	Bidder's Statement of Compliance
1	I. Specifications <i>(see attached Annex A, Item IV)</i>	Comply
	II. Scope of Work <i>(see attached Annex A, Item V)</i>	Comply
	III. Service Level Agreement <i>(see attached Annex A, Item VI)</i>	Comply
	IV. Warranties of the Contractor <i>(see attached Annex A, Item VII)</i>	Comply
	V. Confidentiality of Data <i>(see attached Annex A, Item VIII)</i>	Comply
	VI. Terms of Payment <i>(see attached Annex A, Item IX)</i>	Comply
	VII. Pre-Termination of the Contract <i>(see attached Annex A, Item X)</i>	Comply

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

ACCENT MICRO TECHNOLOGIES, INC.
Name of Company/Bidder


RONA MAE L. MALANA
Signature over Printed Name of Representative

12-18-2018
Date



TERMS OF REFERENCE

I. PROJECT TITLE

Procurement of Intrusion Detection and Prevention System (IDPS) Solution

II. OBJECTIVE

To detect and generate alerts for suspicious traffic and more importantly block unwanted traffic and provide coverage against attacks which could inflict damage on the DBM information systems.

III. DELIVERY PERIOD

The delivery, installation, configuration and operationability of Intrusion Detection and Prevention System (IDPS) Solution shall be within sixty (60) calendar days from receipt of the Notice to Proceed (NTP).

IV. SPECIFICATIONS

4.1 IDPS shall have the following features:

4.1.1 Deep Packet Inspection (stream-based)

4.1.2 Stream-based protection against virus spyware & worms

4.1.2.1 Must have natively-integrated anti-spyware, anti-malware, and Command-and-Control (C2) prevention capabilities.

4.1.2.2 Must be able to perform stream-based antivirus inspection and not proxy-based or store-and-forward traffic inspection.

4.1.2.3 Must be able to block known network and application-layer vulnerability exploits.

4.1.2.4 Must have the capability of DNS sinkholing to identify actual malicious users behind a proxy or other networking devices.

4.1.2.5 For traffic encrypted with SSL, the IDPS must be able to selectively apply a policy-based decryption and then inspect the traffic for threats, regardless of ports.

4.1.2.6 Must have a correlation engine that looks for predefined indicators of compromise network-wide, correlates matched indicators, and automatically highlights compromised hosts, reducing the need for manual data mining.

4.1.2.7 Must have the capability to act as a multi-factor authentication gateway for various enterprise applications to prevent credential theft and abuse that may lead to unauthorized access, modification, and stealing of sensitive data.

4.1.3 Advanced Persistent Threat Protection

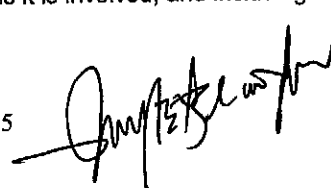
4.1.3.1 Must be able to identify unknown malware by using multi-method detection technology, such as static, dynamic, and bare metal analysis.

4.1.3.2 Must support dynamic analysis of the following file types: email links, APK, Adobe Flash, JAR, Microsoft Office files, PE, PDF, Mac OSX files, Linux ELF files, RAR, 7-Zip

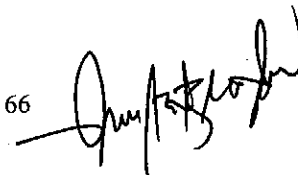
4.1.3.3 Must be able to support automatic creation and delivery of protection signatures from the threats seen in other customers in as frequent as every 5 minutes.

4.1.3.4 Must have the capability of detecting zero-day threats in various sandboxing virtual machines with Operating Systems such as Windows, Mac OSX, and Android.

4.1.3.5 Must be able to provide context around attacks, such as who is the attacker or adversaries, the campaigns it is involved, and including which industries are being targeted.



- 4.1.3.6 Must have "indicators of compromise" (IOCs) tagging for alerting organization when a specific threat has been observed in the organization or similar industry. The tags must be searchable, allowing the user to instantly pivot to associated malicious samples.
 - 4.1.3.7 Must provide a multi-layer searching capability up to artifact level for threats found both within the network and across other industry.
 - 4.1.3.8 Must be capable of creating threat protections by directly exporting IOCs that can be automatically enforced as policy, and also imported to the third-party security devices in the form of standard CSV format.
 - 4.1.3.9 Must be able to aggregate and correlate threat intelligence feeds from different sources such as Soltra, OSINT, and other 3rd party platforms supporting STIX and TAXII.
- 4.1.4 Integrated Uniform Resource Locator (URL) Filtering Application
- 4.1.4.1 Must have natively-integrated URL filtering capabilities.
 - 4.1.4.2 Must have local database of URL categories for faster response and not primarily dependent on cloud database inquiries. License must be perpetual and must still function even if expired.
 - 4.1.4.3 Must have an automated cloud-based dynamic URL categorization for classifying unknown web sites.
 - 4.1.4.4 Must have a specific category for Malware, Phishing, Command-and-Control, Proxy Avoidance and Anonymizers, among other usual web categories.
- 4.1.5 Application Awareness and Control
- 4.1.6 Internet Protocol (IP) version 6 application visibility, control and full content inspection
- 4.1.7 Operate in an in-line mode as an active gateway, directly in the path of traffic entering and leaving the network.
- 4.1.8 Performance
- 4.1.8.1 It must support at least four (4) Gbps of Intrusion Prevention System (IPS) throughput
 - 4.1.8.2 It must support at least three million (3,000,000) concurrent sessions
 - 4.1.8.3 It must be capable of executing full-stack inspection which include IPS, Application-level and granular policy control in a single pass stream-based with low latency
- 4.1.9 High Availability, it must support active/active, active/passive failover
- 4.1.10 Central Monitoring/Dashboard
- 4.1.10.1 Summary view of applications, threats, and URLs on the network
 - 4.1.10.2 Easily understandable security status and trends with a clear timeline overview
 - 4.1.10.3 Text search capability for specific terms
 - 4.1.10.4 Must be manageable from web-based Graphical User Interface (GUI) and Command-Line Interface (CLI) without the need for external servers or appliances, at the same time with a capability to be managed centrally.
 - 4.1.10.5 Must be able to delegate appropriate role-based administrative access controls to administrators.
 - 4.1.10.6 Must have the ability to automatically correlate indicators of threats from traffic and threat logs for improved visibility and context.
 - 4.1.10.7 Must have a highly customizable user interface for applications, users, content, and security threats.
 - 4.1.10.8 Must have a reporting management system capable of generating reports on a manual ad-hoc or schedule (daily, weekly, monthly, etc.) basis without the need of any additional software subscription, licenses, or hardware components.



4.1.10.9 Must have application dependency checks and warnings that notify the administrator when dependent applications must be added to a policy rule in order for a given application or applications to operate properly.

4.1.11 Reporting

- 4.1.11.1 Aggregation and correlation of logs to identify significant events
- 4.1.11.2 Quickly investigate incidents with one-click into detailed views/interpretations
- 4.1.11.3 Easily customizable reports for IT managers, network engineers and executives that can be exported (e.g. HTML, PDF, CSV, RTF and etc.)
- 4.1.11.4 Provide contextual threat intelligence service for threat analytics with full context. It can be hosted security service with high-fidelity intelligence, correlation, context and automated prevention workflow needed to identify and respond to events in real time.

4.1.12 It must obtained "recommended" latest result in the NSS Labs IDPS Comparative Analysis.

4.2 Branded and brand new IT equipment such as, but not limited to the following:

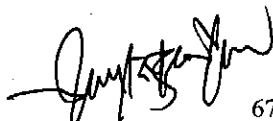
ITEM	
4.2.1	Two (2) units of Intrusion Detection Prevention System with the following minimum specifications: <ul style="list-style-type: none"> • Twelve (12) Gigabit Ethernet Ports • Eight (8) SFP+ 10Gigabit Ports with transceiver • Dedicated out-of-band Management Port • Dedicated High Availability (HA) interfaces • Redundant hot swappable power supply
4.2.2	One (1) unit of Management Console with the following minimum specifications: <ul style="list-style-type: none"> • Four (4) Gigabit Ethernet Ports • One (1) DB9 Console Serial Port • Four (4) x 8TB HDD for 16 TB of RAID Storage • Redundant hot swappable power supply

4.3 One (1) lot Subscription of Software Licenses for the following:

ITEM	
4.3.1	Advance Persistent Threat Protection
4.3.2	Uniform Resource Locator (URL) Filtering
4.3.3	Application Awareness and Control
4.3.4	Threat Prevention
4.3.5	Sandboxing

V. SCOPE OF WORK

- 5.1 The CONTRACTOR should have a local distributor representative in the Philippines that has been operating for at least five (5) years now.
- 5.2 The CONTRACTOR shall conduct pre-implementation meeting with DBM representatives so that all the necessary preparations, ideal set-up, contractor's familiarization of the computing environment, and other implementation matters are clearly discussed and finalized;



5.3 The CONTRACTOR shall deliver, install, configure and make operational the IDPS and its software licenses within sixty (60) calendar days from issuance of Notice to Proceed (NTP).

The CONTRACTOR must have the following Certified Professionals for the IDPS installation, commissioning (testing and configuration) and alignment to the DBM enterprise network:

- Manufacturer-Certified Security Administrator;
- Manufacturer-Certified Technology Specialists;
- Manufacturer-Certified Solution Expert; and
- Certified Network Security Administrator and/or Professional.

A Certificate of Acceptance shall be issued by the Director of Information and Communication Technology Systems Service (ICTSS).

5.4 Technical Support

5.4.1 The CONTRACTOR must be able to provide a 3-tier support:

- Local reseller as the first-level support
- Distributor as the second-level support
- Principal as the third-level of support

5.4.2 The CONTRACTOR shall provide/render twenty-four hours a day, seven days a week (24x7) technical support service during warranty period, as specified in Section 7.9 of this TOR. Technical support can be delivered in a form of telephone call, electronic mail, and/or on-site support.

The CONTRACTOR shall resolve every problem on software and hardware components within four (4) hours after it was reported during the warranty period. It shall refer to a condition wherein the reported problem is resolved by the CONTRACTOR to the satisfaction of the DBM. Problem and resolution shall be logged in the DBM Help Desk Facility.

5.5 The CONTRACTOR shall replace the defective parts/accessories of the same or better brand, model features, quality and functionalities if not repaired within the allowable resolution time of four (4) working hours during the warranty period at no additional cost to the DBM.

5.6 The CONTRACTOR shall provide service unit of at least the same brand, model, features and functionalities or its equivalent in case of equipment breakdown at no additional cost to the DBM. The service unit shall be made available and operational within (4) working hours from the time the problem has been reported by the DBM for the equipment undergoing repair during the warranty period.

However, mandatory replacement of defective unit with a brand new unit of the same or better brand or model shall be made, if not repaired beyond one (1) month from the time the service unit was provided, at no additional cost to the DBM.

5.7 The CONTRACTOR shall resolve all issues encountered/unresolved under section 5.4 to 5.6 even after the warranty ends.

5.8 The CONTRACTOR shall provide technical trainings based on the following schedules:

Training	Schedule	No. of Participants	Duration
1. Basic IDPS Administrator Training	<ul style="list-style-type: none"> • Within thirty (30) calendar days from the receipt of NTP. • Within forty five (45) calendar from the receipt of NTP. • Within sixty (60) calendar 	At least three (3) participants per conduct	five (5) days

	from the receipt of NTP.		
2. Advance IDPS Administrator Training	<ul style="list-style-type: none"> • Within thirty (30) calendar days from the receipt of NTP. • Within forty five (45) calendar from the receipt of NTP. • Within sixty (60) calendar from the receipt of NTP. 	At least three (3) participants per conduct	five (5) days

The CONTRACTOR shall issue individual training certificates and training materials for each of the participants.

A Certificate of Acceptance shall be issued by the Director of Information and Communication Technology Systems Service (ICTSS).

- 5.9 The CONTRACTOR shall provide Documentation of IDPS set-up/ diagram in both hard and soft copies including information on the licenses used in the deployment, system resource/overhead requirements of the software/IT equipment employed in the project as well as procedures for installation, uninstallation, configuration, integration, usage, backup and restoration within sixty (60) calendar days from the receipt of NTP.

A Certificate of Acceptance shall be issued by the Director of Information and Communication Technology Systems Service (ICTSS).

VI. SERVICE LEVEL AGREEMENT

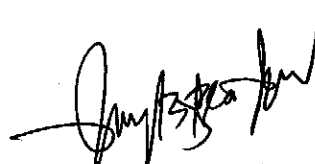
- 6.1 DBM shall maintain a Service Level Agreement (SLA) with the CONTRACTOR, with provisions for liquidated damages for their non-compliance.

Component	Description	Liquidated Damages
6.1.1 Delivery, Installation Configuration and Operationability	The CONTRACTOR shall deliver, install, configure and make operational the IDPS and its software licenses within sixty (60) calendar days from issuance of Notice to Proceed (NTP). (Sec. 5.3)	One percent (1%) of the total contract price shall be imposed per day of delay.
6.1.2 Technical Support	The CONTRACTOR shall provide/render twenty-four hours a day, seven days a week (24x7) technical support service during warranty period, as specified in Section 7.9 of this TOR. Technical support can be delivered in a form of telephone call, electronic mail, and/or on-site support. The CONTRACTOR shall resolve every problem on software and hardware components within four (4) hours after it was reported during the warranty period. It shall refer to a condition wherein the reported problem is resolved by the CONTRACTOR to the satisfaction of the DBM. Problem and resolution shall be logged in the DBM Help Desk Facility. (Sec. 5.4.2)	1/10 th of 1% of the total contract price shall be imposed for every hour of delay. Said penalty shall be deducted from the special bank guarantee.
6.1.3 Replacement of Parts	The CONTRACTOR shall replace the defective parts/accessories of the same	1/10 th of 1% of the total contract price shall be

	or better brand, model features, quality and functionalities if not repaired within the allowable resolution time of four (4) working hours during the warranty period at no additional cost to the DBM. (Sec. 5.5)	imposed for every hour of delay. Said penalty shall be deducted from the special bank guarantee.
6.1.4 Service Unit	The CONTRACTOR shall provide service unit of at least the same brand, model, features and functionalities or its equivalent in case of equipment breakdown at no additional cost to the DBM. The service unit shall be made available and operational within (4) working hours from the time the problem has been reported by the DBM for the equipment undergoing repair during the warranty period. (Sec. 5.6)	1/10 th of 1% of the total contract price shall be imposed for every hour of delay. Said penalty shall be deducted from the special bank guarantee.
6.1.5 Technology Transfer	The CONTRACTOR shall provide Technical Trainings (Sec. 5.8)	1/10 th of 1% of the total contract price shall be imposed per day of delay.
6.1.6 Documentation	The CONTRACTOR shall provide Documentation of IDPS set-up/ diagram in both hard and soft copies including information on the licenses used in the deployment, system resource/overhead requirements of the software/IT equipment employed in the project as well as procedures for installation, uninstallation, configuration, integration, usage, backup and restoration within sixty (60) calendar days from the receipt of NTP. (Sec. 5.9)	1/10 th of 1% of the total contract price shall be imposed per day of delay.

VII. WARRANTIES OF THE CONTRACTOR

- 7.1 The CONTRACTOR warrants that it shall conform strictly to the terms and conditions of this TOR.
- 7.2 The CONTRACTOR warrants, represents and undertakes reliability of the services and that their manpower complements are hardworking, qualified/reliable and dedicated to do the service required to the satisfaction of the DBM. It shall employ well-behaved and honest employees with ID displayed conspicuously while working within the compound. It shall not employ DBM employees to work in any category whatsoever.
- 7.3 The CONTRACTOR in the performance of its services shall secure, maintain at its own expense all registration, licenses or permits required by National or Local Laws and shall comply with the rules, regulations and directives of Regulatory Authorities and Commissions. The CONTRACTOR undertakes to pay all fees or charges payable to any instrumentality of government or to any other duly constituted authority relating to the use or operation of the installation.
- 7.4 The CONTRACTOR's personnel shall take all necessary precautions for the safety of all persons and properties at or near their area of work and shall comply with all the standard and established safety regulations, rules and practices.



- 7.5 The CONTRACTOR shall coordinate with the authorized and/or designated DBM personnel in the performance of their jobs.
- 7.6 The CONTRACTOR shall be liable for loss, damage or injury due directly or indirectly through the fault or negligence of its personnel. It shall assume full responsibility thereof and the DBM shall be specifically released from any and all liabilities arising therefrom.
- 7.7 The CONTRACTOR shall neither assign, transfer, pledge, nor sub-contract any part or interest therein.
- 7.8 The CONTRACTOR shall identify the technical support personnel that will be given authority to access and manage the IDPS. DBM shall be informed thru a formal notice on the change or replacement of technical personnel five (5) days prior the actual rendering of technical support services.
- 7.9 The CONTRACTOR shall provide a one (1) - year comprehensive warranty which shall include technical support, provision of service unit and parts replacement for the hardware/appliance which shall be covered by special bank guarantee equivalent to 10% of the total contract price. The said amount shall be released after the lapse of the warranty period. Provided, however that the goods supplied are free from patent and latent defect and all conditions imposed under the contract have been fully met.

The warranty and subscription shall commence on the day the DBM issues the Certificate of Acceptance.

VIII. CONFIDENTIALITY OF DATA

- 8.1 All assigned project personnel of CONTRACTOR to the DBM shall be required to sign a Non-Disclosure Agreement (NDA).
- 8.2 The DBM Enterprise Network System, its component, parts and all products, products samples and specifications, data, ideas, technology, and technical/non-technical materials, all or any which may be derived from any of the foregoing (all of which, individually and collectively, referred to as "Proprietary Information") are confidential and proprietary to DBM.
- 8.3 The CONTRACTOR agrees to hold the Proprietary Information in strict confidence. The CONTRACTOR furthermore agrees not to reproduce, translate or disclose the Proprietary Information to 3rd parties without prior written approval of the DBM.

IX. TERMS OF PAYMENT

- 9.1 The CONTRACTOR shall be paid upon completion of delivery, installation, configuration and operationability subject to applicable withholding taxes.
- 9.2 Payment shall be made within a reasonable time from the submission of the documentary requirements such as, but not limited to the following, based on existing accounting and auditing laws, rules and regulations:
- 9.2.1 Delivery Receipts
 - 9.2.2 Sales Invoice/Billings
 - 9.2.3 Certificate of Acceptance for the following:
 - Delivery, installation, configuration and operationability
 - Technology Transfer



- Documentation
- 9.2.4 Non-Disclosure Agreement

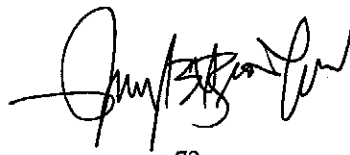
9.3 No advance payment shall be made as provided for in Section 88 of PD 1445.

X. PRE-TERMINATION OF CONTRACT

10.1 The contract for the Procurement of Intrusion Detection and Prevention System (IDPS) Solution may be pre-terminated by the DBM for any violation of the terms of the contract. In case of pre-termination, the CONTRACTOR shall be informed by the DBM thirty (30) days prior to such pre-termination.

10.2 In case of pre-termination, the CONTRACTOR shall be liable to an additional liquidated damages equivalent to one percent (1%) of the contract price as provided by the Government Accounting Manual (GAM) and forfeiture of the Performance Security.

10.3 The DBM shall have the right to blacklist the CONTRACTOR in case of pre-termination.



Section IV. General Conditions of Contract

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I. 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 signing the contract, however the Supplier shall commence performance of its obligations only upon receipt of the Notice to Proceed and copy of the approved contract.

- (n) "Verified Report" refers to the report submitted by the Implementing Unit to the HoPE 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.

- 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. If subcontracting is allowed, the Supplier may identify its subcontractor during contract implementation. Subcontractors disclosed and identified during the bidding may be changed during the implementation of this Contract. In either case, subcontractors must submit the documentary requirements under ITB Clause 12 and comply with the eligibility criteria specified in the BDS. In the event that any subcontractor is found by the Procuring Entity to be ineligible, the subcontracting of such portion of the Goods shall be disallowed.

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 HoPE 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. Payments shall be in accordance with the schedule stated in the SCC.
- 10.4. Unless otherwise provided in the SCC, the currency in which payment is made to the Supplier under this Contract shall be in Philippine Pesos.
- 10.5. Unless otherwise provided in the SCC, payments using Letter of Credit (LC), in accordance with the Guidelines issued by the GPPB, is allowed. For this purpose, the amount of provisional sum is indicated in the SCC. All charges for the opening of the LC and/or incidental expenses thereto shall be for the account of the Supplier.

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. All progress payments shall first be charged against the advance payment until the latter has been fully exhausted.
- 11.3. For Goods supplied from abroad, unless otherwise indicated in the SCC, 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.

- (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.

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 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 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. The Supplier shall provide the Procuring Entity with results of such inspections and tests.
- 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 one percent (1%) of every progress payment, or a special bank guarantee equivalent to at least one percent (1%) of the total 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 may rescind or terminate 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 the Supplier's 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 Supplier 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 Supplier. 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 HoPE 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 HoPE 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 HoPE 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 HoPE 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 HoPE 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 HoPE 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 HoPE; 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.

Section V. Special Conditions of 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
1.1(j)	The Funding Source is: The Government of the Philippines (GOP) through the authorized appropriations under the FY 2018 General Appropriations Act in the amount of Twenty Million Seven Hundred Fifty Nine Thousand Pesos (P20,759,000.00)
1.1(k)	The Project Site is: Department of Budget and Management Information and Communications Technology Systems Service 3 rd Floor, Boncodin Hall, General Solano St. San Miguel, Manila.
2.1	No further instructions.
5.1	The Procuring Entity's address for Notices is: Department of Budget and Management Information and Communications Technology Systems Service Boncodin Hall General Solano St., San Miguel, Manila Tel No. (02)657-3300 loc. 2360 Contact Person: Director Andrea Celene M. Magtalas, ICTSS The Supplier's address for Notices is:
6.2	Delivery of all services shall be made the Service Provider in accordance with the terms specified in Section VI. Schedule of Requirements. The term of the contract shall be for twelve (12) months. The Contract price for the services shall include the 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. 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.
9.1	Should the Supplier, during contract implementation, enter into a subsequent contract with any other government agency, which provides for benefits or terms more favorable than those contained in this

	<p>Contract, such as, a lower price for the same scope of services, then this Contract shall be deemed to be modified to provide the Procuring Entity with these more favorable benefits and terms.</p> <p>The Supplier shall notify the Procuring Entity promptly of the existence of such more favorable benefits and terms. If requested in writing by the Procuring Entity, the Supplier shall implement such more favorable benefits and terms, and the same shall be considered automatically incorporated in this Agreement.</p>
10.3	Terms of Payment shall be in accordance with the provisions under Item IX of the Annex A (Terms of Reference).
10.4	Not applicable.
10.5	Payment using LC is not allowed.
11.3	Maintain the GCC Clause.
13.4(c)	No further instructions.
15	No further instructions
16.1	No further instructions.
17.3	No further instructions.
17.4	As indicated under Item VII of the Annex A (Terms of Reference).
19.0	The imposition of liquidated damages in all instances shall be in accordance with Item VI. Service Level Agreement of the Annex A (Terms of Reference).
21.1	The Supplier shall be responsible and liable for cost of repair due to damages caused by its own staff while implementing the project



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

BIDS AND AWARDS COMMITTEE

NOTICE OF AWARD

MS. RONA MAE L. MALANA

Services Account Manager

PSG, ICT Solutions

Accent Micro Technologies, Inc.

8/F East Tower, Philippine Stock Exchange Center

Exchange Road, Ortigas Center, Pasig City

Dear **Ms. Malana:**

We are pleased to inform you that the contract for the Project, "Supply, Delivery, Installation, Configuration, and Operationability of Intrusion Detection and Prevention System (IDPS) Solution," is hereby awarded to Accent Micro Technologies, Inc. in the amount of P14,083,487.00.

In this regard, you are hereby required to post a performance security in the amount and form stated in Section 39 of the 2016 Revised Implementing Rules and Regulations of Republic Act No. 9184 prior to the signing of the contract.

Very truly yours,

C. C. C.
BENJAMIN E. DIOKNO
Secretary



Received: - *Alexander Villigor*
- 12-29-18



SECURITY BANK

December 27, 2018

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

Gentlemen:

We hereby issue this Irrevocable Domestic Standby Letter of Credit No. **ISB-130018001872** in your favor (hereinafter referred to as "**BENEFICIARY**") for the account of **ACCENT MICRO TECHNOLOGIES, INC.** (hereinafter referred to as "**APPLICANT**") with office address at 8th Floor East Tower, Philippine Stock Exchange Center, Exchange Road, Ortigas Center, Pasig City, available by your drafts at sight in duplicate up to the aggregate amount of **Philippine Pesos: Seven Hundred Four Thousand One Hundred Seventy Four and 35/100 Only (Php704,174.35).**

This Standby LC guarantees the performance obligation of the **APPLICANT** for the Supply, Delivery, Installation, Configuration and Operationability of Intrusion Detection and Prevention System (IDPS) Solution Project ID No. 2018-33 covered under Notice of Award.

Drawings under this Credit shall be made against presentation of the following:

1. The original of this Credit and amendment/s, if any.
2. Your sight drafts in duplicate drawn on Security Bank Corporation and marked "Drawn under Security Bank Corporation's Irrevocable Domestic Standby Letter of Credit No. **ISB-130018001872** dated December 27, 2018".
3. Certification duly signed by your authorized signatory(ies) stating that the Applicant has been declared in default of its obligation under the above-mentioned Notice of Award.

This Credit shall be effective on **December 28, 2018** and will expire on **December 23, 2019** at the counters of Security Bank Corporation, International Banking Services Division 3rd Floor, 6776 Ayala Avenue, Makati City.

We hereby engage with you that drafts drawn under and in compliance with the terms and conditions of this Credit, together with the specified documents stated herein, shall be duly honored upon presentation to us on or before **December 23, 2019**. This Credit shall cease to have any force or effect upon its expiration, whether or not the original credit is returned by the Beneficiary (any policy, rule, regulation of the Beneficiary to the contrary notwithstanding).

Furthermore, it is expressly agreed and understood that the Applicant shall, upon demand, have the sole and absolute liability to reimburse us for any drawings made under this Standby Letter of Credit.

Unless otherwise stated herein, this Credit is subject to the Uniform Customs and Practice for Documentary Credits (2007 revision) International Chamber of Commerce Publication No. 600.

Very Truly Yours,

SECURITY BANK CORPORATION
International Banking Services Division
By: _____

RYAN ANTHONY J. ADINA
Manager

NOEMI T. BOLIVAR
Asst. Vice President

For inquiries and comments, please call our 24-Hour Customer Service hotline at (632) 88-791-88 or email us at customercare@securitybank.com.ph. Security Bank Corporation is supervised by Bangko Sentral ng Pilipinas with telephone number (632) 708-7087 and email address consumeraffairs@bsp.gov.ph

SECURITY BANK CORPORATION

Security Bank Centre, 6776 Ayala Avenue, Makati City, Philippines 0719

Tel.: (+632) 888-78 • MCPO 2026 • www.securitybank.com

ESPINOZA, THOMAS



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

BIDS AND AWARDS COMMITTEE

NOTICE TO PROCEED

MS. RONA MAE L. MALANA

Services Account Manager
PSG, ICT Solutions
Accent Micro Technologies, Inc.
8/F East Tower, Philippine Stock Exchange Center
Exchange Road, Ortigas Center, Pasig City

Dear **Ms. Malana:**

This is to inform your company that performance of the obligations specified in the attached Contract for the Project, "Supply, Delivery, Installation, Configuration, and Operationability of Intrusion Detection and Prevention System (IDPS) Solution," shall commence upon receipt of this Notice to Proceed.

Very truly yours,

S. C. S.
BENJAMIN E. DIOKNO
Secretary *MLK*



I acknowledge receipt and acceptance of this Notice on: JANUARY 23, 2019

Name of Consultant and/or Representative: RONA MAE MALANA

Authorized Signature: *[Handwritten Signature]*

RECEIVING