



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

**BIDS AND AWARDS COMMITTEE**

**Resolution No. 2018-30**

**WHEREAS**, the Department of Budget and Management-Bids and Awards Committee (DBM-BAC) conducted a public bidding for the Project, "Provision of Courier Services," with an Approved Budget for the Contract of P2,700,000.00 for eighteen (18) months;

**WHEREAS**, on March 13, 2018, an Invitation to Bid was posted on the Philippine Government Electronic Procurement System website, the DBM website, and all DBM bulletin boards;

**WHEREAS**, only one (1) prospective bidder, LBC Express Inc., responded to the said Invitation and attended the Pre-bid Conference on March 20, 2018;

**WHEREAS**, Supplemental/Bid Bulletin Nos. 1 and 2 were both issued on March 27, 2018 to clarify, modify or amend items in the Bidding Documents;

**WHEREAS**, during the submission and opening of bids on April 4, 2018, only LBC Express Inc. submitted a bid;

**WHEREAS**, after preliminary examination of the bid, the BAC, using non-discretionary "pass/fail" criteria, determined the submission of LBC Express Inc. as "passed" for complying with all the eligibility and technical requirements as stated in the Bidding Documents;

**WHEREAS**, after evaluation of the financial proposal, the BAC declared the submission of LBC Express Inc. as the Single Calculated Bid in the amount of P2,698,617.06;

**WHEREAS**, after careful evaluation, validation and verification of the eligibility, technical and financial proposals of the bid, the BAC found that the submission of LBC Express Inc. passed all the criteria for post-qualification; thus, it was declared as the Single Calculated and Responsive Bid in the amount of P2,698,617.06.

**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, "Provision of Courier Services," be awarded to LBC Express Inc., in accordance with Republic Act No. 9184 and its 2016 Revised Implementing Rules and Regulations

**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, "Provision of Courier Services," be awarded to

LBC Express Inc., in accordance with Republic Act No. 9184 and its 2016 Revised Implementing Rules and Regulations.

**ADOPTED**, this 17<sup>th</sup> day of April 2018 at the Department of Budget and Management, General Solano St., San Miguel, Manila.

  
**MARISSA A. SANTOS**  
*End-user Representative*

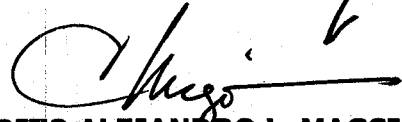
not present  
**VIRGILIO A. UMPACAN, JR.**  
*B.U.D.G.E.T. Representative*

  
**EDEN D. PANGILINAN**  
*Member*

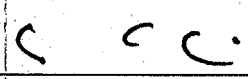
  
**JESUSA DIMPNA O. LEJOS**  
*Member*

not present  
**ROWENA CANDICE M. RUIZ**  
*Member*

  
**RYAN S. LITA**  
*Vice Chairperson*

  
**CLARITO ALEJANDRO L. 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**

April 17, 2018

**MR. ALLAN OCHOA**  
LBC Express, Inc.  
General Aviation Area  
Domestic Road, Pasay City

Dear **Mr. Ochoa:**

We are pleased to inform you that the contract for the Project, "Provision of Courier Services," is hereby awarded to LBC Express Inc in the amount of P2,698,617.06.

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,

  
**BENJAMIN E. DIOKNO**  
*Secretary*





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

**BIDS AND AWARDS COMMITTEE**

**NOTICE OF AWARD**

April 17, 2018

**MR. ALLAN OCHOA**  
LBC Express, Inc.  
General Aviation Area  
Domestic Road, Pasay City

**ORIGINAL RECEIVED**

By: *Allan E. Ochoa*  
Designation: *Special Projects - Pgr*  
Office: *LBC*  
Date: *4/25/18*

Dear **Mr. Ochoa**:

We are pleased to inform you that the contract for the Project, "Provision of Courier Services," is hereby awarded to LBC Express Inc in the amount of P2,698,617.06.

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,

*B. E. Diokno*  
**BENJAMIN E. DIOKNO**  
*Secretary*



**CONTRACT No. 2018-13**  
**PROVISION OF COURIER 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 -

**LBC EXPRESS, INC.**, a corporation duly organized and existing under the laws of the Republic of the Philippines, with office address at General Aviation Area, Domestic Road, Pasay City, Metro Manila, represented by **ALLAN OCHOA**, hereinafter referred to as the "**SUPPLIER**";

WITNESSETH:

**WHEREAS**, the DBM conducted a public bidding for the Project, "Provision of Courier Services," and the bid of the Supplier is in the amount of Two Million Six Hundred Ninety Eight Thousand Six Hundred Seventeen Pesos & 06/100 (P2,698,617.06), hereinafter called the "Contract Price";

**WHEREAS**, the Notice of Award was issued to the Supplier last April 25, 2018, and the Supplier posted its performance security on May 2, 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

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

**IN WITNESS WHEREOF**, the parties hereto have signed this Contract on this \_\_\_\_ day of \_\_\_\_\_, 2018 at General Solano St., San Miguel, Manila, Philippines.

DEPARTMENT OF BUDGET  
AND MANAGEMENT

by:

*C E C*

**BENJAMIN E. DIOKNO**  
*Secretary*



LBC EXPRESS, INC.

by:

*[Handwritten Signature]*

**ALLAN OCHOA**  
*Special Project Manager*

SIGNED IN THE PRESENCE OF

*[Handwritten Signature]*  
**THEA MARIE CORINNE F. PALARCA**  
*Assistant Director*  
Administrative Service

*[Handwritten Signature]*  
**MARITES CADYAC**

Not Available  
*[Handwritten Signature]*  
**ESPERANZA Q. IGNACIO**  
Chief Accountant

ONS# 02/01/01/2018-04-747  
4/26/2018

**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 **MAY 02 2018** day of \_\_\_\_\_, 2018 personally appeared the following:

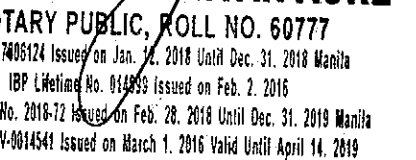
NAME	VALID ID	VALID UNTIL
<b>BENJAMIN E. DIOKNO</b>	DBM ID No. 0005	
<b>ALLAN OCHOA</b>	DRIVER'S LICENSE NO 9-80 - 040.643	OCT 2, 2020

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

WITNESS MY HAND AND SEAL this \_\_\_\_\_ day of **MAY 02 2018**, 2018.

Doc. No 382;  
Page No 27;  
Book No V;  
Series of 2018.

  
**ATTY. GARY CAMITAN AURE**  
 NOTARY PUBLIC, ROLL NO. 60777  
 PTR No. 7406124 Issued on Jan. 12, 2018 Until Dec. 31, 2018 Manila  
 IBP Lifetime No. 014899 Issued on Feb. 2, 2016  
 Commission No. 2018-72 Issued on Feb. 28, 2018 Until Dec. 31, 2019 Manila  
 MCLE No. V-0014541 Issued on March 1, 2016 Valid Until April 14, 2019  
 Office Address: Room 306 3F WFWC Bldg. Escoda Corner San Marcelino St. Ermita, Manila  
 TIN No. 188-331-246

**Bid Form  
(Revised)**

Date: April 4, 2018  
Invitation to Bid No.: DBM-2018-09

To: Department of Budget and Management  
General Solano Street, San Miguel, Manila

Gentlemen and/or Ladies:

Having examined the Bidding Documents including Bid Bulletin Numbers 1 & 2, the receipt of which is hereby duly acknowledged, we, the undersigned, offer to *perform Provision of Courier Services* in conformity with the said Bidding Documents for the sum of *Two Million Six Hundred Ninety Eight Thousand Six Hundred Seventeen Pesos and Six Centavos (PHP 2,698,617.06)* or such other sums as may be ascertained in accordance with the Schedule of Prices attached herewith and made part of this Bid.

**DBM REQUIREMENTS FOR 18 MONTHS**

<b>A. REGULAR COURIER SERVICE</b>									
Area of Distribution	Letter Envelope		Large Envelope		Total Cost (Inclusive of VAT)				
	Quantity (in units)	Unit Cost (Inclusive of VAT)	Quantity (in units)	Unit Cost (Inclusive of VAT)					
	a	b	c	d		=(axb) + (cxd)			
NCR	1,200	127.50	500	180.00	243,000.00				
Luzon	1,100	165.00	1,300	225.00	474,000.00				
Visayas	400	180.00	600	240.00	216,000.00				
Mindanao	600	180.00	1,000	240.00	348,000.00				
Sub-total (Inclusive of VAT)	3,300		3,400		1,281,000.00				
<b>B. OTHER COURIER REQUIREMENTS (PUBLICATIONS)</b>									
Area of Distribution	POUCH		BOX						Total Cost (Inclusive of VAT)
	less than 3kg		3 to 10 kgs		10.01 to 20 kgs		20.01 to 50 kgs		
	Quantity (in units)	Unit Cost (Inclusive of VAT)	Quantity (in units)	Unit Cost (Inclusive of VAT)	Quantity (in units)	Unit Cost (Inclusive of VAT)	Quantity (in units)	Unit Cost (Inclusive of VAT)	
	a	b	c	d	e	f	g	h	
NCR	100	232.50	15	945.84	10	1891.70	10	4729.26	103,647.18
Luzon	60	270.00	70	1147.44	40	2296.94	20	5742.35	303,245.47
Visayas	40	285.00	60	1281.84	60	2565.92	30	6414.80	434,709.60
Mindanao	50	285.00	90	1281.84	60	2565.92	30	6414.80	476,014.80
Sub-total (Inclusive of VAT)	250		235		170		90		1,317,617.06
<b>C. REGULAR INTERNATIONAL COURIER SERVICE</b>									



Area of Distribution	Letter Envelope		Large Envelope		Total Cost (Inclusive of VAT)
	Quantity (in units)	Unit Cost (Inclusive of VAT)	Quantity (in units)	Unit Cost (Inclusive of VAT)	
	a	b	c	d	=(axb) + (cxd)
International	10	5,000.00	5	10,000.00	100,000.00
Sub-total (Inclusive of VAT)	10		5		

<b>A. Regular Courier Service (Inclusive of VAT)</b>	<b>1,281,00.00</b>
<b>B. Other Courier Requirements (Inclusive of VAT)</b>	<b>1,317,617.06</b>
<b>C. Regular International Courier Service (Inclusive of VAT)</b>	<b>100,000.00</b>
<b>Total (Inclusive of VAT)</b>	<b>2,698,617.06</b>

Note: It is understood that the cost of the additional provision of one (1) unit of motor vehicle courier service as required in the Technical Specifications shall be incorporated in the bid prices quoted for items A, B and C above.

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 LBC Express, Inc., to participate, submit the bid, and to sign and execute the ensuing contract on the latter's behalf for Provision of Courier Services 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 4<sup>th</sup> day of April 2018.

Allan Ric S. Ochoa  
[Signature]

Special Projects Manager  
[In the capacity of]

Duly authorized to sign Bid for and on behalf of LBC EXPRESS, INC.

**Section VI. Schedule of Requirements**  
(Revised)

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

<b>A. REGULAR COURIER SERVICE</b>			
Area of Distribution	Quantity (in units) *		Delivery Date**
	Letter Envelope	Large Envelope	
	18 months		
NCR	1,200	500	To be delivered within twenty four (24) hours upon receipt of the documents from the AS-CRD; daily pick-up time is 5:00 p.m.
Luzon	1,100	1,300	To be delivered within three (3) working days upon receipt of the documents from the AS-CRD; daily pick-up time is 5:00 p.m.
Visayas	400	600	To be delivered within seven (7) working days upon receipt of the documents from the AS-CRD; daily pick-up time is 5:00 p.m.
Mindanao	600	1,000	
Total	3,300	3,400	

<b>B. OTHER COURIER REQUIREMENTS (PUBLICATIONS)</b>					
Area of Distribution	Quantity (in units) *				Delivery Date**
	Pouch less than 3kg	Box			
		3 to 10 kgs	10.01 to 20 kgs	20.01 to 50 kgs	
18 months					
NCR	100	15	10	10	To be delivered within twenty four (24) hours upon receipt of the documents from the AS-CRD; daily pick-up time is 5:00 p.m.
Luzon	60	70	40	20	To be delivered within three (3) working days upon receipt of the documents from the AS-CRD; daily pick-up time is 5:00 p.m.
Visayas	40	60	60	30	To be delivered within seven (7) working days upon receipt of the documents from the AS-CRD; daily pick-up time is 5:00 p.m.
Mindanao	50	90	60	30	
Total	250	235	170	90	

CERTIFIED TRUE COPY  
BY: \_\_\_\_\_  
LPS INC

*[Handwritten Signature]*

<b>C. REGULAR INTERNATIONAL COURIER SERVICE</b>			
<b>Area of Distribution</b>	<b>Quantity (in units) *</b>		<b>Delivery Date**</b>
	<b>Letter Envelope</b>	<b>Large Envelope</b>	
	<b>18 months</b>		
International	10	5	To be delivered within seven (7) working days upon receipt of the documents from the AS-CRD; daily pick-up time is 5:00 p.m.
Total	10	5	
<b>D. PICK-UP TIME</b>			
On top of the scheduled daily courier service, provision of one (1) unit of motor vehicle courier service			One (1) unit of motor vehicle courier service with daily pick-up time every 8:00 a.m. and 3:00 p.m.; delivery must not be later than 5:00 p.m. of the same day.

**NOTES:**

- \* Specified quantities are indicative numbers and for bidding purposes only.
- \*\* During implementation, the delivery schedule is subject to change based on mutual agreement by the parties.

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

WBC EXPRESS, INC.      KUAN JUC S. ECHDA      1/4/18  
 Name of Company/Bidder      Signature over Printed Name of Representative      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	The Contractor must have a respectable track record in nationwide courier service delivery (minimum of three [3] years).	"Comply"
2	The Contractor must have the capacity to accomplish the following: <ul style="list-style-type: none"> <li>a. Deliver to the following locations: all provinces, cities, municipalities and barangays in the Philippines (NCR, Luzon, Visayas and Mindanao) and international.</li> <li>b. Ensure on-time delivery of mails, packages and budgetary documents/publications based on the Schedule of Requirements.</li> <li>c. Provide on-line document tracking systems.</li> <li>d. Provide automated e-mail and short messaging services (SMS) notification.</li> <li>e. Provide receipt tickets with records of proofs of deliveries retrievable within the day.</li> <li>f. Provide a clear pouch for its packaging, for easy identification of the content of each package.</li> </ul>	"Comply"  "Comply"  "Comply"  "Comply"  "Comply"
3	The Contractor must submit to the AS Director a progressive reporting/tracking of delivery status, with reasons in case of delays, non-deliveries, open, lost or non-arrival of mails/packages within twenty four (24) hours from discovery.	"Comply"
4	On top of the regular courier service, the Contractor must provide one (1) unit of motor vehicle courier service with pick-up time every 8:00 a.m. and 3:00 p.m., delivery must not be later than 5:00 p.m. of the same day.	"Comply"

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

LBC EXPRESS, Inc.  
Name of Company/Bidder

RUSN RUC S. ECHON  
Signature over Printed Name of Representative

4/4/18  
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 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)	<p>The Funding Source is:</p> <p>The Government of the Philippines (GOP) through the authorized appropriations under the FY 2018 General Appropriations Act and Multi-year Obligational Authority No. <b>MYOA-BMB-C-18-0000005</b> in the amount of <b>Two Million Seven Hundred Thousand Pesos (P2,700,000.00)</b>.</p>
1.1(k)	<p>The Project Site is:</p> <p>Department of Budget and Management General Solano St. San Miguel, Manila.</p>
2.1	No further instructions.
5.1	<p>The Procuring Entity's address for Notices is:</p> <p style="padding-left: 40px;">Department of Budget and Management Administrative Service (AS) Ground Floor, DBM Building III, General Solano St. San Miguel, Manila Tel No. (02)657-3300 loc. 3115</p> <p style="padding-left: 40px;">Contact Person: Director Ryan S. Lita Administrative Service (AS)</p> <p>The Supplier's address for Notices is:</p>
6.2	<p>The Goods shall be delivered by the Supplier in all Cities and Municipalities in the Philippines (NCR, Luzon, Visayas, and Mindanao) and internationally only upon receipt of notice from the AS-CRD, as indicated in Section VI. Schedule of Requirements.</p> <p>Moreover, the delivery schedule as indicated in Section VI. Schedule of Requirements may be modified at the option of the Procuring Entity, with prior due notice, written or verbal, to the Supplier.</p> <p>The Supplier must be able to provide receipt tickets or other forms of verification that the recipients have received their packages.</p> <p>The Supplier must undertake up to three (3) delivery attempts to the same address to effect the delivery of the packages.</p>

	The Supplier must submit to the AS Director a progressive reporting/tracking of delivery status starting two (2) days from the pick-up date.
10.1	In addition to the provisions of GCC Clause 10.1, the DBM will only pay for packages that have been fully delivered to their intended recipients. Consequently, payment will not be made for undelivered packages regardless of reason.
10.4	Not applicable.
10.5	Payment using LC is not allowed.
13.4(c)	No further instructions.
15	<p>The Contractor shall maintain a satisfactory level of performance throughout the Contract period based on the following set of performance criteria:</p> <ul style="list-style-type: none"> <li>(a) quality of work delivered;</li> <li>(b) time management;</li> <li>(c) management and suitability of personnel;</li> <li>(d) Contract administration and management;</li> <li>(e) provision of regular progress report;</li> <li>(f) attentiveness to details; and</li> <li>(g) compliance with DBM instructions and policies.</li> </ul> <p>The AS shall conduct a periodic review using the above-cited criteria to ensure compliance with the technical specifications, as well as with the other terms and conditions imposed by the DBM during contract period. Further, the DBM-AS shall conduct a year-end assessment or evaluation of the performance of the Contractor. Based on its assessment, the DBM may pre-terminate the contract for failure of the Contractor to perform its obligations thereon following the procedures prescribed under the Guidelines on Termination of Contracts issued by the Government Procurement Policy Board under Resolution No. 018-2004 dated December 22, 2004.</p>
16.1	Inspections and tests at the Contractor's site within ten (10) calendar days upon receipt of the Notice to Proceed.
19	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



	<p>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 the Contract pursuant to GCC Clause 23, without prejudice to other courses of action and remedies open to it.</p>
21.1	<ol style="list-style-type: none"> <li>1. The Contractor shall be liable for the following: <ol style="list-style-type: none"> <li>a. Loss or damage incidental to transportation, storage and delivery equivalent to the cost of the goods lost or damaged. The goods remain at the risk and title of the Contractor until their final acceptance by the DBM.</li> <li>b. Any delay by the Service Provider in the performance of its obligations in accordance with Section VI. Schedule of Requirements equivalent to the liquidated damages pursuant to GCC Clause 19.</li> </ol> </li> <li>2. Failure to comply with any of the terms and conditions of the contract by the service provider shall mean forfeiture of the performance bond.</li> <li>3. In case of joint venture, "All partners to the joint venture shall be jointly and severally liable to the Procuring Entity."</li> </ol>



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

**BIDS AND AWARDS COMMITTEE**

**NOTICE OF AWARD**

April 17, 2018

**MR. ALLAN OCHOA**  
LBC Express, Inc.  
General Aviation Area  
Domestic Road, Pasay City

**ORIGINAL RECEIVED**

By: *Manila S. Ochoa*  
Designation: *Special Project - Bgr*  
Office: *LBC*  
Date: *4.25.18*

Dear **Mr. Ochoa**:

We are pleased to inform you that the contract for the Project, "Provision of Courier Services," is hereby awarded to LBC Express Inc in the amount of P2,698,617.06.

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. S.*  
**BENJAMIN E. DIOKNO**  
*Secretary*



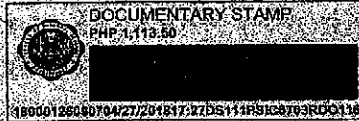
041501	
BOND RATE (%)	1.10
PREMIUM CHARGES	8,905.44 2,782.93
TOTAL (PHP)	11,688.37

# MALAYAN INSURANCE

A YGC Member  
 Yuchingco Tower, 500, Quirón Parasol Street, Alameda, Manila  
 Tel. No. 242-8888 Fax No. 242-2272  
 Website: http://www.malayan.com  
 E-Mail: msi@malayan.com

S-A000-0216

MICO BOND NO. B0026337  
 Period Covered: 04/26/2018-04/25/2020



BOND SERIAL G(13)  
 NO. 201800768

## PERFORMANCE BOND (SURETY BOND)

(Performance Security pursuant to Section 39  
 of the Implementing Rules and Regulations of R.A. No. 9184)

KNOW ALL MEN BY THESE PRESENTS:

That we, LBC EXPRESS INC. of GEN. AVIATION CENTER DOMESTIC AIRPORT COMPOUND, PASAY CITY 1361, as PRINCIPAL, and MALAYAN INSURANCE CO., INC., a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, as SURETY, are held firmly bound unto DEPARTMENT OF BUREAU OF GOVERNMENT ACQUISITION (DBG) as OBLIGEE and procuring entity, in the sum of EIGHT HUNDRED THIRTY TWO THOUSAND HUNDRED EIGHTY FIVE AND 12/100 PISO(S) (PHP 809,585.12), PHILIPPINE CURRENCY, in full payment of which sum, well and truly to be made, we bind ourselves, our heirs, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the above principal has entered into a contract with the Obligees for the PROVISION OF COURIER SERVICES BY NOTICE OF FILING;

WHEREAS, the Obligees requires performance security on the above contract to secure the full and complete performance of the obligations of the principal under the contract within the period from APRIL 25, 2018 to APRIL 25, 2020, as specified in the Bidding documents/terms of reference pursuant to Section 39 of the Implementing Rules and Regulations of R.A. No. 9184;

This bond is payable on demand. The liability of the surety company herein is no more except the sum of ONE HUNDRED NINE THOUSAND NINE HUNDRED EIGHTY FIVE AND 12/100 PISO(S) (PHP 809,585.12), PHILIPPINE CURRENCY. In case of default or failure of the principal, the Obligees shall notify the surety by sending the notice of claim with attached supporting documents to prove default of the principal to comply by the Principal.

NOW, THEREFORE, the PRINCIPAL shall well and truly perform and fulfill all the undertakings, covenants, terms, conditions and agreements stipulated in the contract and Implementing Rules and Regulations (IRR\*) of R.A. No. 9184, that the obligations shall be null and void, otherwise shall remain in full force and effect.

The liability of MALAYAN INSURANCE CO., INC. under this bond shall be valid until the issuance of a certificate of acceptance pursuant to Section 39, IRR of R.A. No. 9184 and the surety shall not assume responsibility for any liability incurred or created after the date of issuance of the certificate of acceptance. The surety shall be released from liability after the issuance of a certificate of acceptance. The surety shall not be liable for extension of contract and/or amendments thereto issued consenting to such extension.

IN WITNESS WHEREOF, we have set our hands and signed our names on the 16<sup>th</sup> day of APRIL 2018 in the City of Manila, Philippines.

IN THE PRESENCE OF:

LBC EXPRESS INC.  
 (Principal)

By:

JEROME S. SANTOS AND/OR ENRIQUE V. REYES JR.  
 AUTHORIZED SIGNATORIES

Witness to Principal

Attest:

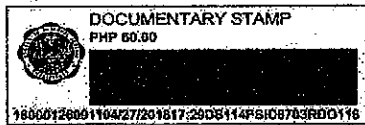
MALAYAN INSURANCE CO., INC.  
 (Surety)

By:

Atty. Christopher R. Hernandez  
 Surety Department Head

DST PAID

**ACKNOWLEDGEMENT**



REPUBLIC OF THE PHILIPPINES )  
 City of Manila ) S.S.

BEFORE ME, the undersigned authority, for and in the City of Manila, Philippines this 26th day of APRIL 2018, personally appeared:

NAME	Competent Evidence of Identity	Date Issued	Expiry Date
JEROME S. SANTOS AND/OR ENRIQUE V. REY, JR.	S99 card/ID #		
ATTY. CHRISTOPHER R. HERNANDEZ	Drivers Licence # D04-06-004777	12/21/2017	12/26/2022

known to me and to me known to be the same persons who executed the foregoing documents and acknowledged to me that the same is their free and voluntary act and deed and the voluntary act and deed of the company they represent for the uses and purposes therein stated.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal at the place and on the date first above written.

Doc. No. 00358  
 Page No. 073  
 Book No. 048  
 Series of 2018

ATTY. ERIC P. FUENTES  
 1458 Laon Laan cor. Navarra Sts.,  
 Sampaloc, Manila  
 Notary Public  
 Commission Expires on December 31, 2018  
 Rol No. 51826  
 PTR#6929720 / 12-06-2017 / Manila  
 IBP No. 1048414 / 09-21-16 / Manila  
 MCLE V Compliance No. 6937 / 03-26-15

REPUBLIC OF THE PHILIPPINES )  
 City of Manila ) S.S.

I, ATTY. CHRISTOPHER R. HERNANDEZ - SURETY DEPARTMENT HEAD OF MICO, after having been duly sworn to depose and say that MICO is a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines and duly authorized to execute and issue all bonds for all purposes within the Philippines and that it is actually worth the amount specified in the foregoing undertaking, with EIGHT HUNDRED NINE THOUSAND FIVE HUNDRED EIGHTY FIVE AND 12/100 PESOS ONLY (PHP \*\*\*889,585.12), PHILIPPINE Currency, after outward reinsurances in appropriate cases over and above all judicially established debts and obligations and property exempt from execution.

MALAYAN INSURANCE CO., INC.

By: \_\_\_\_\_  
 ATTY. CHRISTOPHER R. HERNANDEZ /  
 SURETY DEPARTMENT HEAD

SUBSCRIBED AND SWORN to before me this 26th day of APRIL 2018 at the City of Manila, Philippines, affiant exhibiting to me his Competent Evidence of Identity and that of the Corporation as above stated.

Doc. No. 00359  
 Page No. 073  
 Book No. 048  
 Series of 2018

ATTY. ERIC P. FUENTES  
 1458 Laon Laan cor. Navarra Sts.,  
 Sampaloc, Manila  
 Notary Public  
 Commission Expires on December 31, 2018  
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 IBP No. 1048414 / 09-21-16 / Manila  
 MCLE V Compliance No. 6937 / 03-26-15



Republic of the Philippines  
Department of Finance  
**INSURANCE COMMISSION**  
1071 United Nations Avenue  
Manila

15 December 2015

**MALAYAN INSURANCE COMPANY, INC.**  
Yuchengco Building, 484 Q. Paredes Street  
Binondo, Manila.

Attention: Ms. Yvonne S. Yuchengco  
President

Re: Payment

We are sending herewith License No. 2016/t-R issued by this Commission in  
favor of Malayan Insurance Company, Inc.

Please acknowledge receipt.

Very truly yours,

**EMMANUEL F. DOOC**  
Insurance Commissioner

Head Office: P.O. Box 3589 Manila FAX No. 322-14-34 Tel. Nos. 323-84-61 to 70 Website: [www.insurance.gov.ph](http://www.insurance.gov.ph)

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of original copy on file

CERTIFIED TRUE / PHOTO COPY

Big 2017  
No. 00107

*hjm*  
**LEONILA R. LANSANGAN**  
IC Supervising Insurance Specialist  
Licensing Division  
Insurance Commission  
Date: **AUG 08 2017**  
KINIBAYAN NG SEGURO  
INSURANCE COMMISSION



**KATIBAYAN NG PAGKAMAYKAPANGYARIHAN**  
CERTIFICATE OF AUTHORITY

ITO AY PATUNAY na ang **MALAYAN INSURANCE COMPANY, INC.**  
(This is to certify that **MALAYAN INSURANCE COMPANY, INC.**  
**NG LINGSOD NG MAYNILA, PHILIPPINES**

na ipang- **DI-PUHAY**  
**NON-LIFE**  
**(FIRE, MARINE, CASUALTY & SURETY)**

na kompanya ng asiguro ay nakatugon sa lahat ng mga kailangang itinakdang batay sa  
insurance company, has complied with all requirements of law

ng Pilipinas katarap sa buong mga kompanya ng asiguro, kung kaya ipataguyod  
of the Philippines relative to such insurance companies, and it is hereby granted

nilang **KATIBAYAN NG PAGKAMAYKAPANGYARIHAN** upang maging magaya ng  
this **CERTIFICATE OF AUTHORITY** is granted

uring asiguro na itinakda sa lahat ng hanggang lalabingdalawa ng horingsebi; ng ikalimang  
the class of insurance business licensed forth with such effect and weight as if this certificate

araw ng **15** Agosto, **2017** (libo't labing-wal)  
day of **August**, **2017**

maliban sa mga agad na bawala o pigilin ng may makuwtrang dahilan.  
unless appear revoked or suspended for cause)



Bilang **KATIBAYAN NITO**, inilagda ko ang akong pangalang  
In **WITNESS WHEREOF**, I have hereunto subscribed my name

at ikadinalang Opisyal na Tatak ng akong Pangalan  
and caused my Official Seal to be affixed

sa **Lingsod ng Maynila, Pilipinas**, ito ay may base  
at the **City of Manila, Philippines**. This becomes

simula ita-isa ng **Enero 2016**.  
effective on **1 January 2016**

*Emmanuel T. Doco*  
**EMMANUEL T. DOCO**  
Insurance Commission

\*AO 16  
Date to be used on  
May 2017

*Emmanuel T. Doco*  
Certified true and faithful reproduction  
of original copy on file



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

**BIDS AND AWARDS COMMITTEE**

**NOTICE TO PROCEED**

**MR. ALLAN OCHOA**  
*Special Project Manager*  
LBC Express, Inc.  
General Aviation Area  
Domestic Road, Pasay City

Dear **Mr. Ochoa:**

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

Very truly yours,

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



I acknowledge receipt and acceptance of this Notice on: May 3, 2016

Name of Consultant and/or Representative: ASND REC 5 - OCT 2015

Authorized Signature: *[Handwritten Signature]*