



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

NOTICE OF AWARD

NOV 29 2024

MR. GERARD RAO

Vice President - Services
Freebalance (Philippines) Inc.
10th Floor Six/Neo Building, 5th Avenue
Corner 26th Street, Crescent Park West,
Bonifacio Global City,
Taguig City 1634

Dear **Mr. Rao:**

We are pleased to inform you that the contract for the Project, "Budget and Treasury Management System (BTMS) Cloud/Subscription-Based Licenses with Software Maintenance and Enhancements," is hereby awarded to FreeBalance (Philippines), Inc. in the amount of Three Hundred Twenty Six Million Seven Hundred Twenty Six Thousand Four Hundred Pesos (P326,726,400.00).

In this regard, you are hereby required to post a warranty security in the said amount and the form stated in Section 62 of the 2016 Revised Implementing Rules and Regulations of Republic Act No. 9184 (The Government Procurement Reform Act) upon acceptance by the Procuring Entity of the delivered goods.

Thank you and God Bless.

Very truly yours,


AMENAH F. PANGANDAMAN
Secretary



DEC 02 2024



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

NOTICE TO PROCEED

DEC 04 2024

MR. GERARD RAO

Vice President - Services

Freebalance (Philippines) Inc.

10th Floor Six/Neo Building, 5th Avenue

Corner 26th Street, Crescent Park West,

Bonifacio Global City,

Taguig City 1634

Dear **Mr. Rao:**

This is to inform your company that its performance of the obligations specified in the attached Contract for the Project, "Budget and Treasury Management System (BTMS) Cloud/Subscription-Based Licenses with Software Maintenance and Enhancements," shall commence upon receipt of this Notice to Proceed in accordance with Section 37.4 of the 2016 Revised Implementing Rules and Regulations of Republic Act No. 9184 (The Government Procurement Reform Act).

Thank you and God Bless.

Very truly yours,

AMENAH F. PANGANDAMAN

Secretary

I acknowledge receipt and acceptance of this Notice on DEC 04 2024.

Name of Authorized Representative: GERARD RAO

Signature:

CONTRACT No. 2024-53
BUDGET AND TREASURY MANAGEMENT SYSTEM (BTMS)
CLOUD/SUBSCRIPTION-BASED LICENSES WITH SOFTWARE
MAINTENANCE AND ENHANCEMENTS

This CONTRACT made and entered into this DEC 04 2024 2024 by and between the following:

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

-and -

FREEBALANCE (PHILIPPINES), INC. (hereinafter referred to as the **"SUPPLIER"**), represented herein by its Vice President-Services, **GERARD S. RAO**, with office address at 10th Floor Six/Neo Building, 5th Avenue Corner 26th Street, Crescent Park West, Bonifacio Global City, Taguig City 1634

Collectively, the **"Parties"**;

WITNESSETH:

WHEREAS, the Department of Budget and Management-Bids and Awards Committee (DBM-BAC) conducted a Direct Contracting for the procurement of the Project, "Budget and Treasury Management System (BTMS) Cloud/Subscription-Bpased Licenses with Software Maintenance and Enhancements," with an Approved Budget for the Contract of Three Hundred Twenty Six Million Seven Hundred Twenty Six Thousand Four Hundred Pesos (P326,726,400.00) for FYs 2024-2027, through the FY 2024 General Appropriations Act and Multi-Year Contractual Authority No. MYCA-BMB-C-24-0000025, as reflected in Supplemental Annual Procurement Plan No. 7, CY 2024;

WHEREAS, as a background, the Performance Financial Management (PFM) Committee, under Resolution No. 1-2022, dated December 19, 2022, approved the reactivation of the use of the Budget and Treasury Management System (BTMS)¹ FreeBalance Tool and called for the conduct of policy review for the implementation of the Integrated Financial management Information Systems (IFMIS);

WHEREAS, FreeBalance (Philippines), Inc. presented to the DBM-Office of the Chief Information Officer a Certificate of Exclusive Distributorship issued by FreeBalance Inc.,² dated April 1, 2024, certifying the prior as the sole and exclusive distributor of the FreeBalance Accountability Suite and all associated product support and maintenance for the projects with Department of Budget and Management, Government of Philippines effective from October 13, 2020, and until otherwise notified;

¹ The BTMS is a centralized database that would facilitate the compilation of crucial data on all parts of government financial operations, from purchase through payment and every transaction is monitored by the network in real-time. The BTMS is envisioned to be the core on the roadmap towards digitalization, which will examine the potential of cloud computing, application programming interfaces (APIs), and blockchain technology for decentralized transparency as well as for real-time processing of government services.
² Issued by Atty. Alicia Roman, General Counsel of FreeBalance Inc.

WHEREAS, under Section 50 of the 2016 Revised Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9184, Direct Contracting may be undertaken by the Procuring Entity (PE) when any of the following circumstances are present: (a) procurement of goods of proprietary nature which can be obtained only from the proprietary source, i.e., when patents, trade secrets, and copyrights prohibit others from manufacturing the same item; (b) when the procurement of critical components from a specific supplier is a condition precedent to hold a contractor to guarantee its project performance, in accordance with the provisions of its contract; or **(c) those sold by an exclusive dealer or manufacturer which does not have sub-dealers selling at lower prices and for which no suitable substitute can be obtained at more advantageous terms to the Government;**

WHEREAS, the DBM-Bids and Award Committee (BAC) determined that the procurement for the Project can be undertaken through Direct Contracting, pursuant to Section 50 (c) of the 2016 Revised IRR of RA No. 9184;

WHEREAS, relatedly, item 6.1, Appendix 9 of the 2016 Revised IRR of RA No. 9184 states that "[i]n cases where the procuring entity intends to procure goods from an exclusive local manufacturer, supplier, distributor, or dealer through direct contracting under Section 50 (c) of the IRR, xxx it shall, before commencing any negotiations with a local supplier, post through the website of the procuring entity, if any, and in the Philippine Government Electronic Procurement System (PhilGEPS), an invitation to foreign manufacturers to submit a manifestation of its intention to participate. Should any foreign manufacturer submit such manifestation within the period prescribed in the invitation, the procuring entity shall commence the conduct of public bidding. **If no foreign manufacturer submits such manifestation within the said period, the procuring entity may proceed with the intended procurement through direct contracting with the said exclusive local manufacturer, supplier, distributor, or dealer;**" (emphases supplied)

WHEREAS, in accordance with item 6.1, Appendix 9 of the 2016 Revised IRR of RA No. 9184, the Invitation to Foreign Suppliers or Distributors to Submit a Manifestation of Intention to Participate for the Project was posted on the DBM website on June 26, 2024;

WHEREAS, no foreign supplier, manufacturer, or distributor submitted any manifestation of intention to participate for the Project within the prescribed period which ended on July 3, 2024, 4:00 p.m.;

WHEREAS, subsequently, the DBM-BAC issued a Request for Quotation to FreeBalance (Philippines), Inc., dated July 4, 2024, which includes a request for the submission of the following documentary requirements: (i) valid and current Mayor's/Business Permit; (ii) PhilGEPS Registration Number; (iii) Income/Business Tax Return; and (iv) Certificate of Exclusive Distributorship;

WHEREAS, on July 11, 2024, FreeBalance (Philippines), Inc. submitted its Price Quotation, amounting to P326,726,400.00, and the corresponding documentary requirements;

WHEREAS, in accordance with Section V(A)(2)(b) of the Guidelines, two (2) online negotiation meetings between the DBM-BAC and FreeBalance (Philippines), Inc. were conducted on July 30, 2024 and August 27, 2024;

WHEREAS, the DBM-BAC issued its final points for negotiation, as recommended by the DBM-OCIO as the End-user Unit, to FreeBalance (Philippines), Inc., through electronic mail on November 8, 2024, which was subsequently agreed upon by the latter via electronic mail on November 11, 2024;

WHEREAS, FreeBalance (Philippines), Inc. confirmed its agreement on the amendments made in the Technical Specifications, Software Maintenance Agreement, and Work

Breakdown Structure during the above-mentioned negotiations, as reflected in the attached **Annex C³** hereof;

WHEREAS, after verification, validation, and ascertainment of all statements made and documents submitted by FreeBalance (Philippines), Inc., the DBM-BAC found that the same fully complied with all the requirements stated in the Request for Quotation, and that FreeBalance (Philippines), Inc. was determined to be technically, legally and financially capable to deliver the subject goods and services in the amount as P326,726,400.00;

WHEREAS, in accordance with items V(A)(2)(c) and IV(L) of Annex "H" of the Guidelines, the DBM-BAC, through Resolution No. 2024-92, recommended to the Secretary of the DBM as the HoPE, that the contract for the Project, Budget and Treasury Management System (BTMS) Cloud/Subscription-Based Licenses with Software Maintenance and Enhancements, in the amount of P326,726,400.00 be awarded to FreeBalance (Philippines), Inc. through Direct Contracting, pursuant to Section 50 of the same IRR of RA No. 9184;

WHEREAS, the aforesaid recommendation of the DBM-BAC was subsequently approved by the Secretary of the DBM as the HoPE;

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 meaning as are respectively assigned to them in the Conditions of Contract referred to.
2. The following documents shall form and be read and construed as part of this contract:
 - Annex A – Request for Quotation
 - Annex B – Price Quotation
 - Annex C – Negotiation Agreements
 - Annex D – Technical Specifications
 - Annex E – Software Maintenance Agreement
 - Annex F – Work Breakdown Structure
 - Annex G – Notice of Award
3. In consideration of the payments to be made by the DBM to the Supplier hereby covenants with the DBM to provide the Goods and Services and to remedy any defects therein conformity in accordance with the following Technical Specifications specified in Annex D hereof.
4. The DBM hereby covenants to pay the Supplier, in consideration of the provision of Goods and Services and the remedying of defects therein, the amount of P326,726,400.00
5. The period for the performance of the obligations under this Contract shall not go beyond the validity of the appropriations for this Project.
6. Entire Agreement. The Parties agree that this Contract, including the attached Annexes, contains their full agreement and supersedes all previous agreements, either written or oral, if there are any. No agreements, understandings, commitments, discussions, warranty, representations or other covenants, whether oral or written, between the Parties are included in this Contract, including the attached Annexes, except as set forth herein.

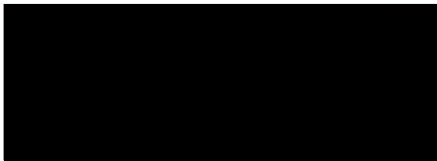
³ Annex C - Negotiation Agreement No. 1 dated July 30, 2024, Negotiation Agreement No. 2 dated August 27, 2024, and Negotiation Agreement No. 3 dated November 11, 2024

7. Confidentiality. The Parties are required to maintain the confidentiality of information which shall pertain to those which: (i) are by its nature confidential; (ii) are designated by the Parties as such; and (iii) they know or ought reasonably to know are confidential. Disclosure of any confidential information may only be made upon consent of the party to whom the confidential information belong or pertain to.
8. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the Republic of the Philippines. Any action brought to enforce or interpret this Contract shall be brought to the courts of the City of Manila to the exclusion of all other courts.
9. Good Faith. The Parties undertake to act in good faith with respect to each other's rights under this Contract and to adopt all reasonable measures to ensure the realization of the objectives of this Contract.

IN WITNESS WHEREOF, the parties hereto have caused this Contract on this DEC 04 2024 day of 2024 at General Solano St., San Miguel, Manila, Philippines.

**DEPARTMENT OF BUDGET AND
MANAGEMENT**

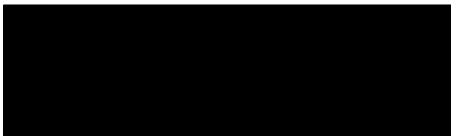
By:



AMENAH F. PANGANDAMAN
Secretary

FREEBALANCE (PHILIPPINES), INC.

By:



GERARD S. RAO
Vice President - Services

SIGNED IN THE PRESENCE OF



MARIA FRANCESCA M. DEL ROSARIO
Undersecretary
Office of the Chief Information Officer



ARFEL D. AFRICA
Project Director

ACKNOWLEDGMENT

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

BEFORE ME, a Notary Public for and in the City of CITY OF MANILA, Philippines on this DEC 04 2024 day of _____, 2024 personally appeared the following:

NAME	VALID ID	VALID UNTIL
AMENAH F. PANGANDAMAN	DBM ID No. [REDACTED]	12/2024
GERARD S. RAO	[REDACTED]	7/JAN/2030

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 "Budget and Treasury Management System (BTMS) Cloud/Subscription-Based Licenses with Software Maintenance and Enhancements," was signed by the parties on each and every page thereof.

WITNESS MY HAND AND SEAL this _____ day of DEC 04 2024, 2024.

Doc. No 21;
Page No 6;
Book No 3;
Series of 2024.

Teneessee
TENEESSEE ANNE L. MENGULLO
Notary Public - Manila
Commission Serial No.: 2023-158 (Until Dec. 31, 2024)
Roll No. 79527 IBP OR No.: 381943 / 12-30-23 / Pasig
PTR No.: 1545942 / 1-10-24 / Manila
Department of Budget and Management
General Solano St., San Miguel, Manila
new compliance No. VM-0007268



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

REQUEST FOR QUOTATION (RFQ)

July 4, 2024

ATTY. ALICIA ROMAN

General Counsel

FreeBalance (Philippines) Inc.
10th Floor Six/Neo Building, 5th Avenue
Corner 26th Street, Crescent Park West,
Bonifacio Global City, Fort Bonifacio,
Taguig City

Dear **Atty. Roman**:

This Department of Budget and Management (DBM), through the FY 2024 General Appropriations Act and Multi-Year Contractual Authority No. MYCA-BMB-C-24-0000025, intends to apply the sum of **Three Hundred Twenty-Six Million Seven Hundred Twenty Six Thousand Four Hundred Pesos (P326,726,400.00)**, being the Approved Budget for the Contract (ABC) to payment under the contract for the Project **"Budget and Treasury Management System (BTMS) Cloud/Subscription-Based Licenses with Software Maintenance and Enhancements"**, for FYs 2024 to 2027, through Direct Contracting under Section 50 (c) of the 2016 Revised Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9184.¹

The delivery of the goods and services is required for CYs 2024-2027 in accordance with the provisions specified in the attached **Annex A Technical Specifications** hereof.

In this regard, may we request you to submit the following documentary requirements:

- 1) Valid and current Mayor's/Business Permit;
- 2) Philippine Government Electronic Procurement System (PhilGEPS) Registration Number;
- 3) Income/Business Tax Return (filed and paid through Electronic Filing and Payment System of the Bureau of Internal Revenue [BIR]);
- 4) Certificate of Exclusive Distributorship; and

¹ The Government Procurement Reform Act

- 5) Price Quotation or Invoice, in accordance with the provisions specified in the attached Annex A Technical Specifications hereof.

Please submit the above-requirements, together with the signed Annex A – Detailed Technical Specifications showing conformance thereto, to the DBM-Bids and Awards Committee (BAC) Secretariat, Ground Floor, DBM Bldg. III, General Solano St., San Miguel, Manila or through email at procurement@dbm.gov.ph during the submission of offer/quotation on or before **July 11, 2024, 4:00 p.m.**

Any interlineations, erasures or overwriting shall be valid only if they are signed or initialed by the authorized representative/s of FreeBalance (Philippines) Inc.

For any clarification, you may contact the DBM-BAC Secretariat at telephone no. (02) 8657-3300 local 3115 or through email at procurement@dbm.gov.ph.

Thank you very much for your usual preferential attention.

Very truly yours,



Digitally signed by
Ramon Vicente B.
Asuncion

ATTY. RAMON VICENTE B. ASUNCION
Vice Chairperson, DBM-BAC

Appendix 6 - Price Quotation

FreeBalance is pleased to submit a Price Quotation in response to your request using the tables and format specified in the RFQ.

As part of our submission, we have included a list of exceptions. These exceptions, which follow the provided tables, are detailed to provide clarity and transparency regarding specific revisions to be made to the original specifications.

PROJECT FINANCIALS

A. Initial Implementation of BTMS

Activity	Duration	Price (Based on Activity Plan)	Payment Terms
Installation of the FreeBalance Accountability Suite on the Cloud Infrastructure	Day 1	8,600,000.00	The one hundred percent (100%) shall be based on the key project milestones in the Work Breakdown Structure (WBS) to be submitted by the service provider.
Reconfiguration of the UACS	Weeks 1 to 2	5,733,333.33	
Reconfiguration of user roles, users, functional classes, security groups, and workflows	Weeks 1 to 2	5,733,333.33	
Data Migration	Weeks 3 to 4	8,600,000.00	
Functional and Technical Documentation	Weeks 5 to 6	2,866,666.67	
Implementation of National Tax Allotment (NTA)	Weeks 7 to 8	2,866,666.67	

B. Subscription-based Licenses for BTMS

Description	FY 2024-2025	FY 2025-2026	FY 2026-2027
Number of Users	1,904	7,684	9,707
Annual Subscription Price	51,608,800.00	108,908,800.00	108,908,800.00
Price per User	27,105.46	14,173.45	11,219.61
Payment Terms	Cost for 306 licenses upon commencement of the project shall be paid and succeeding payments shall be based on actual deployment and operational acceptance		
	Succeeding payments shall be based on actual deployment and operational acceptance		Succeeding payments shall be based on actual deployment and operational acceptance

C. Four (4) Interfaces

Activity	Duration	Price (Based on Activity Plan)	Payment Terms
mGEPS Interface	5 months	6,870,000.00	The one hundred percent (100%) shall be based on the key project milestones in the WBS to be submitted by the service provider.
Bank Interface	5 months	6,870,000.00	
Microsoft Entra ID Interface	5 months	4,007,500.00	
DMS Interface	5 months	5,152,500.00	

EXCEPTIONS

NO.	PROJECT FINANCIALS Reference	FreeBalance Revisions to PROJECT FINANCIALS
1	<p>Section IX. PAYMENT DETAILS</p> <p>9.1. Payment shall be made quarterly, in accordance with the actual support and maintenance services provided. The payment will exclude any applicable liquidated damages that cover the entire quarter, starting from the first day up to the last day of the respective quarter in the</p>	<p>FreeBalance requests the substitution of this section with the following language:</p> <p><i>9.1. Payments shall be paid quarterly in advance based on the contracted number of licenses for the FY as detailed in table in Section XII. PROJECT FINANCIALS B. Subscription-based Licenses for BTMS (inclusive of software maintenance and</i></p>

applicable year.

training). The payment will exclude any applicable liquidated damages that cover the entire quarter, starting from the first day up to the last day of the respective quarter in the applicable year.

FreeBalance would further like to include language similar to the following:

Without limiting any other provision in relation to pricing, for so long as the exchange rate for the US dollar remains within the range of XXX and XXX Philippine Pesos (Review Range), the price remains firm. If the exchange rate moves outside of that range either party may initiate a price review.

2 Section XII. PROJECT FINANCIALS

B. Subscription-based Licenses for BTMS (inclusive of software maintenance and training)

- FY 2024-2025 Payment Terms
Cost for 306 licenses upon commencement of the project shall be paid and succeeding payments shall be based on actual deployment and operational acceptance
- FY 2025-2026 Payment Terms
Succeeding payments shall be based on actual deployment and operational acceptance
- FY 2026-2027 Payment Terms
Succeeding payments shall be based on actual deployment and operational acceptance

The Price per User is based on a tier-pricing derived from the Annual Commitment as stated in "Annex A.1 - Roll-Out Deployment Plan"

- FY 2024-2025 - 1,904 users
- FY 2025-2026 - 5,780 users
- FY 2026-2027 - 2,023 users

There is no operational acceptance upon roll-out to the additional user base since operational acceptance will be part of the 2-month Initial Implementation of BTMS.

FreeBalance requests the substitution of this section with the following language:

- *FY 2024-2025 Payment Terms
Cost for 306 (for 2024-2025 Fiscal Year) user licenses shall be paid upon commencement of the project. Subsequent user license payments shall be paid quarterly in advance based on the contracted number of licenses for the FY as detailed in table in Section XII. PROJECT FINANCIALS B. Subscription-based Licenses for BTMS (inclusive of software maintenance and training).*
- *FY 2025-2026 Payment Terms
User license payments shall be paid*

quarterly in advance based on the contracted number of licenses for the FY as detailed in table in Section XII. PROJECT FINANCIALS B.

Subscription-based Licenses for BTMS (inclusive of software maintenance and training).

- FY 2026-2027 Payment Terms
User license payments shall be paid quarterly in advance based on the contracted number of licenses for the FY as detailed in table in Section XII. PROJECT FINANCIALS B.
Subscription-based Licenses for BTMS (inclusive of software maintenance and training).

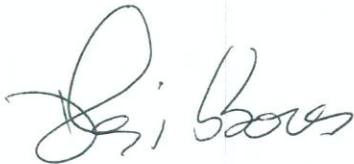
3 XII. PROJECT FINANCIALS

Please refer to Appendix 7.2.

The one hundred percent (100%) shall be based on the key project milestones in the Work Breakdown Structure (WBS) to be submitted by the service provider.

Sign-off on Exceptions to Project Financial Tables

Donald Gibbons, CPA
Authorized representative of FreeBalance (Philippines) Inc.
July 11, 2024





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

NEGOTIATION AGREEMENT NO. 1

July 30, 2024

In accordance with Section 50¹ and Annex "H",² item V(A)(2)(b) of the 2016 Revised Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9184,³ this Negotiation Agreement No. 1 dated July 30, 2024 between the Department of Budget and Management-Bids and Awards Committee (DBM-BAC) and FreeBalance (Philippines) Inc. (FreeBalance Phils) shall form part of Contract No. 2024-39 for the Project, **"Budget and Treasury Management System (BTMS) Cloud/Subscription-Based Licenses with Software Maintenance and Enhancements,"** to be entered into by and between the DBM and FreeBalance Phils, as follows:

Negotiation Coverage ⁴	Discussion	Agreement
A. Discussion and clarification on Section IX, Item 9.1 of the Annex "A" Technical Specifications	<p>1) The FreeBalance Phils requested for the substitution of Section IX, Item No. 9.1 under the Payment Details of the Annex "A" Technical Specifications with the following language:</p> <p>IX. PAYMENT DETAILS</p> <p>9.1 Payments shall be paid quarterly in advance based on the contracted number of licenses for the Fiscal Year as detailed in table in Section XII. PROJECT FINANCIALS B. Subscription-based Licenses for BTMS</p>	<p>1) The DBM-BAC and FreeBalance Phils, with due consideration to the recommendation of the DBM-Office of the Chief Information Officer (OCIO), as the end-user unit, agreed to revise Section IX, Item No. 9.1 of the Annex "A" Technical Specifications as follows:</p> <p>IX. PAYMENT DETAILS</p> <p>9.1 Payment shall be MADE AS FOLLOWS:</p>

¹ Direct Contracting.

² Consolidated Guidelines for the Alternative Methods of Procurement

³ The Government Procurement Reform Act

⁴ Section 33.2.5 of the 2016 Revised IRR of RA No. 9184

Negotiation Coverage ⁴	Discussion	Agreement
	<p>(inclusive of software maintenance and training). The payment will exclude any applicable liquidated damages that cover the entire quarter, starting from the first day up to the last day of the respective quarter in the applicable year.</p> <p>However, the DBM-OCIO informed FreeBalance Phils that the license deployment and payment will be based on the rollout plan. Licenses will be paid upon deployment to the agencies.</p> <p>Given that the system is configured by activating the licenses and the licenses can be used immediately once activated, the FreeBalance Phils proposed to itemize the deliverables with regard to the payment and requested the inclusion of the term "activation" under Item (a) Subscription to Licenses on DBM-OCIO's proposed payment details.</p>	<p>a. Subscription to Licenses - within thirty (30) CALENDAR days UPON THE ACTIVATION AND/OR DEPLOYMENT, WHICHEVER IS APPLICABLE, OF LICENSES BASED ON ANNEX A.1 - ROLL-OUT DEPLOYMENT PLAN UNDER SECTION XII. PROJECT FINANCIALS OF THE TECHNICAL SPECIFICATIONS.</p> <p>b. PAYMENT FOR ACTUAL SUPPORT AND MAINTENANCE SERVICES PROVIDED WILL BE ON A QUARTERLY BASIS. THE PAYMENT WILL EXCLUDE ANY APPLICABLE LIQUIDATED DAMAGES THAT COVER THE ENTIRE QUARTER, STARTING FROM THE FIRST DAY UP TO THE LAST DAY OF THE RESPECTIVE QUARTER IN THE APPLICABLE YEAR.</p> <p>c. PAYMENT FOR THE OTHER DELIVERABLES IN SECTIONS XI. PROJECT TIMELINE AND XII. PROJECT FINANCIALS (A. INITIAL</p>

Negotiation Coverage ⁴	Discussion	Agreement
	<p>2) Additionally, the FreeBalance Phils would like to include a statement similar to the following:</p> <p>Without limiting any other provision in relation to pricing, for so long as the exchange rate for the US dollar remains within the range of XXX and XXX Philippine Pesos (Review Range), the price remains firm. If the exchange rate moves outside of that range either party may initiate a price review.</p>	<p>IMPLEMENTATION OF BTMS [TWO (2) MONTHS FROM RECEIPT OF THE NTP] AND C. FOUR (4) INTERFACES [SIX (6) MONTHS FROM THE RECEIPT OF NTP]) OF THE TECHNICAL SPECIFICATIONS SHALL BE MADE UPON DELIVERY AND COMPLETION BY THE FREEBALANCE OF THE REQUIRED DELIVERABLES AND THE CORRESPONDING ACCEPTANCE THEREOF BY THE DBM.</p> <p>2) The DBM-BAC highlighted that Section 61.1 of the 2016 Revised IRR of RA No. 9184 provides that "[f]or the given scope of work in the contract as awarded, all bid prices shall be considered as fixed prices, and therefore not subject to price adjustment and escalation during contract implementation, except under extraordinary circumstances and upon prior approval of the GPPB, or when a Treaty or International or Executive Agreement expressly allows it pursuant to Section 4 of this IRR."</p>

Negotiation Coverage ⁴	Discussion	Agreement
		<p>Further, Item 6.1, Appendix 16⁵ of the same IRR states that as a general rule, Contracts shall be denominated and paid in Philippine currency, except when the procuring entity agrees that obligations shall be settled in any other currency, which shall be accepted or tradeable by the Bangko Sentral ng Pilipinas, subject to conditions provided for under these guidelines.</p> <p>In consideration of the foregoing, FreeBalance Phils opted to withdraw their subject proposal and both parties agreed to not consider the request on the price escalation and exchange rate.</p>
B. Discussion and clarification on Section XII(B) of the Annex "A" Technical Specifications	<p>The FreeBalance Phils requested for the revision of the Payment Terms under Section XII(B) of the Technical Specifications with the following language:</p> <p>XII. PROJECT FINANCIALS</p> <p>xxx</p>	<p>The DBM-BAC and FreeBalance Phils, with due consideration to the recommendation of the DBM-OCIO, agreed to revise the Payment Terms under Section XII(B) of the Project Financials, as follows:</p> <p>XII. PROJECT FINANCIALS</p> <p>xxx</p> <p>B. Subscription-based Licenses for BTMS</p>

⁵ Guidelines on Procurements Involving Foreign-Denominated Bids, Contract Prices and Payment Using Letters of Credit

Negotiation Coverage ⁴	Discussion	Agreement
	<p>B. Subscription-based Licenses for BTMS (inclusive of software maintenance and training)</p> <p>XXX</p> <p>Payment Terms</p> <ul style="list-style-type: none">FY 2024-2025 <p>Cost for 306 (for 2024-2025 Fiscal Year) user licenses shall be paid upon commencement of the project. Subsequent user license payments shall be paid quarterly in advance based on the contracted number of licenses for the FY as detailed in table in Section XII. PROJECT FINANCIALS B. Subscription-based Licenses for BTMS (inclusive of software maintenance and training).</p> <ul style="list-style-type: none">FY 2025-2026 <p>User license payments shall be paid quarterly in advance based on the contracted number of licenses for the FY as detailed in table in Section XII. PROJECT FINANCIALS B. Subscription-based Licenses for BTMS (inclusive of software</p>	<p>(inclusive of software maintenance and training)</p> <p>XXX</p> <p>Payment Terms</p> <ul style="list-style-type: none">FY 2024 – 2025 <p>Cost for 306 licenses shall be PAID WITHIN THIRTY (30) CALENDAR DAYS UPON RECEIPT OF THE NOTICE TO PROCEED (NTP)</p> <ul style="list-style-type: none">FY 2025 – 2026 <p>Succeeding payments shall be MADE WITHIN THIRTY (30) CALENDAR DAYS UPON THE ACTIVATION AND/OR DEPLOYMENT, WHICHEVER IS APPLICABLE, OF LICENSES BASED ON ANNEX A.1 - ROLL-OUT DEPLOYMENT PLAN UNDER SECTION XII OF THE TECHNICAL SPECIFICATIONS.</p> <ul style="list-style-type: none">FY 2026 – 2027 <p>Succeeding payments shall be MADE WITHIN</p>

Negotiation Coverage ⁴	Discussion	Agreement
	<p>maintenance and training).</p> <ul style="list-style-type: none"> FY 2026-2027 <p>User license payments shall be paid quarterly in advance based on the contracted number of licenses for the FY as detailed in table in Section XII. PROJECT FINANCIALS B. Subscription-based Licenses for BTMS (inclusive of software maintenance and training).</p> <p>xxx</p>	<p>THIRTY CALENDAR (30) DAYS UPON THE ACTIVATION AND/OR DEPLOYMENT, WHICHEVER IS APPLICABLE, OF LICENSES BASED ON ANNEX A.1 - ROLL-OUT DEPLOYMENT PLAN UNDER SECTION XII OF THE TECHNICAL SPECIFICATIONS.</p> <p>xxx</p>
C. Discussion and clarification on Section XII(C) of the Annex "A" Technical Specifications	In compliance with the Payment Terms under Section XII(C) of the Technical Specifications, the FreeBalance Phils submitted Appendix 7.2 for its Work Breakdown Structure (WBS), which outlines the Task Name, Duration, Start Date and Finish Date as well as the Resource Names.	The DBM-BAC and FreeBalance Phils, with due consideration to the recommendation of the DBM-OCIO, agreed to the WBS submitted by the FreeBalance Phils, subject to the adjustment of the start dates and finish dates which is contingent upon the receipt of the Notice to Proceed (NTP).
D. Discussion and clarification on Section IV(A) of the Annex "A" Technical Specifications	In compliance with Item No. 11 of Section IV(A) under the Reinstatement of Subscription-based BTMS of the Technical Specifications, the FreeBalance Phils submitted Appendix 7.1 for the BTMS Sizing Requirements.	The DBM-BAC and FreeBalance Phils, with due consideration to the recommendation of the DBM-OCIO, agreed to the BTMS Sizing Requirements, particularly on the cloud infrastructure sizing provided by the FreeBalance Phils.

Negotiation Coverage ⁴	Discussion	Agreement
E. Discussion and clarification on Section IV(C)(3) of the Annex "A" Technical Specifications	<p>The FreeBalance Phils requested the inclusion of the provision for disclaimer under Section IV(C)(3) of the Technical Specifications, as follows:</p> <p>DISCLAIMER: BTMS is capable of plugging into any LDAP v2/v3 provider, for the sole purpose of user authentication. When configured, user credentials are validated against the LDAP Directory. No user credentials are stored/maintained within BTMS itself. Any other item related to configuration such as ACL is managed within BTMS.</p>	<p>The DBM-BAC and FreeBalance Phils, with due consideration to the recommendation of the DBM-OCIO, agreed to include the disclaimer provision under the Section IV(C)(3) of the Technical Specifications, as follows:</p> <p>IV. SCOPE OF WORK AND SERVICES</p> <p>xxx</p> <p>B. Interfaces</p> <p>xxx</p> <p>3. Interface with Microsoft Entra ID</p> <p>a. Integration with DBM's Active Directory and Identity and Access Management solution.</p> <p>b. Authentication of BTMS Users</p> <p>DISCLAIMER: BTMS IS CAPABLE OF PLUGGING INTO ANY LDAP V2/V3 PROVIDER, FOR THE SOLE PURPOSE OF USER AUTHENTICATION. WHEN CONFIGURED, USER CREDENTIALS ARE VALIDATED AGAINST THE LDAP DIRECTORY. NO USER CREDENTIALS ARE STORED/MAINTAINED WITHIN BTMS ITSELF.</p>

Negotiation Coverage ⁴	Discussion	Agreement
		ANY OTHER ITEM RELATED TO CONFIGURATION SUCH AS ACL IS MANAGED WITHIN BTMS.
<p>F. Discussion and clarification on Section IV(E)(e)(iii) of the Annex "A" Technical Specifications</p>	<p>The FreeBalance Phils requested for inclusion of the term "via a Contract Change Order" in Section IV(E)(e)(iii) of the Technical Specifications with the following language:</p> <p>IV. SCOPE OF WORK AND SERVICES</p> <p>xxx</p> <p>E. CUSTOMER SUPPORT</p> <p>xxx</p> <p>e. Service Provider Help Desk</p> <p>iii. Based on emerging needs, DBM may ask the Service Provider to deploy additional resources and related support for the helpdesk to support the volume of BTMS transactions via a Contract Change Order.</p>	<p>The DBM-BAC and FreeBalance Phils, with due consideration to the recommendation of the DBM-OCIO, agreed to include the clause "via Amendment to Order," subject to the limits and requirements provided under existing laws, rules and regulations" in Section IV(E)(e)(iii) of the Technical Specifications, as follows:</p> <p>IV. SCOPE OF WORK AND SERVICES</p> <p>xxx</p> <p>E. CUSTOMER SUPPORT</p> <p>xxx</p> <p>e. Service Provider Help Desk</p> <p>iii. Based on emerging needs, DBM may ask the Service Provider to deploy additional resources and related support for the helpdesk to support the volume of BTMS transactions VIA AMENDMENT TO ORDER, SUBJECT TO THE LIMITS AND REQUIREMENTS PROVIDED UNDER</p>

Negotiation Coverage ⁴	Discussion	Agreement
		EXISTING LAWS, RULES AND REGULATIONS.
<p>G. Discussion and clarification on Section VII of the Annex "A" Technical Specifications</p>	<p>The FreeBalance Phils requested for the revision of the last sentence of Item No. 7.1 under Section VII of the Technical Specifications with the following language:</p> <p>VII. INTELLECTUAL PROPERTY RIGHTS</p> <p>XXX</p> <p>7.1 The Service Provider shall own all proprietary rights, including patent, copyright, trade secret and other proprietary rights, in and to the Program(s), and any corrections, bug fixes, Enhancements, updates or other modifications to the Program(s), and any intellectual or other property rights therein shall be the exclusive property of Service Provider. Any patches, workarounds, Minor Releases or Major Releases provided to the DBM by Service Provider shall be subject to and governed by the current Software Maintenance Agreement.</p> <p>XXX</p>	<p>The DBM-BAC and FreeBalance Phils with due consideration to the recommendation of the DBM-OCIO, agreed to the proposed revision of the last sentence of Item No. 7.1 under Section VII of the Technical Specifications as follows:</p> <p>VII. INTELLECTUAL PROPERTY RIGHTS</p> <p>XXX</p> <p>7.1 The Service Provider shall own all proprietary rights, including patent, copyright, trade secret and other proprietary rights, in and to the Program(s), and any corrections, bug fixes, Enhancements, updates or other modifications to the Program(s), and any intellectual or other property rights therein shall be the exclusive property of Service Provider. Any patches, workarounds, Minor Releases or Major Releases provided to the DBM by Service Provider shall be subject to and governed by the CURRENT SOFTWARE MAINTENANCE AGREEMENT.</p> <p>XXX</p>

Negotiation Coverage ⁴	Discussion	Agreement
	Relatedly, the FreeBalance Phils submitted Appendix 7.3 for the copy of the Software Maintenance Agreement.	

BY AND BETWEEN:

DBM-BAC:



Digitally signed by Maria Francesca M. Del Rosario

MARIA FRANCESCA M. DEL ROSARIO

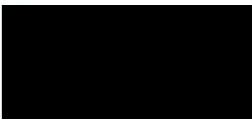
End-User Representative/
DBM-Undersecretary
ICT Group and Chief Information Officer



Sheryll
Grace S.
Aromin

SHERYLL GRACE AROMIN

B.U.D.G.E.T. Representative/DBM-BAC Member



Digitally signed by Rowel D. Escalante

ROWEL D. ESCALANTE

DBM-BAC Member



Digitally signed by Dante B. De Chavez

DANTE B. DE CHAVEZ

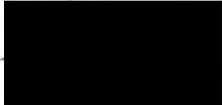
DBM-BAC Member

Not Present

ANDREA CELENE M. MAGTALAS

DBM-BAC Member

FREEBALANCE (PHILIPPINES) INC.:



Digitally signed by Donald Gibbons

FREEBALANCE (PHILIPPINES) INC.

Service Provider



Digitally signed by
Ramon Vicente B.
Asuncion

RAMON VICENTE B. ASUNCION
DBM-BAC Vice Chairperson

Not Present

GERARDO E. MAULA
DBM-BAC Chairperson



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

NEGOTIATION AGREEMENT NO. 2

August 27, 2024

In accordance with Section 50¹ and Annex "H",² item V(A)(2)(b) of the 2016 Revised Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9184,³ this Negotiation Agreement No. 2 dated August 27, 2024 between the Department of Budget and Management-Bids and Awards Committee (DBM-BAC) and FreeBalance (Philippines) Inc. (FreeBalance Phils) shall form part of Contract No. 2024-39 for the Project, **"Budget and Treasury Management System (BTMS) Cloud/Subscription-Based Licenses with Software Maintenance and Enhancements,"** to be entered into by and between the DBM and FreeBalance Phils, as follows:

Negotiation Coverage ⁴	Discussion	Agreement
A. Discussion and clarification on Section VI Item 6.8 and Section IX Item 9.2 of the Annex "A" Technical Specifications		<p>The DBM-BAC and FreeBalance Phils with due consideration to the recommendation of the DBM-OCIO, agreed to the proposed revision of Section VI, Item No. 6.8 of the Annex "A" Technical Specifications as follows:</p> <p>VI. WARRANTIES OF THE SERVICE PROVIDER</p> <p>xxx</p> <p>6.8 The SERVICE PROVIDER shall provide EITHER of the following warranty security FOR A MINIMUM PERIOD OF ONE (1) YEAR AFTER ACCEPTANCE BY THE PROCURING ENTITY OF THE</p>

¹ Direct Contracting.

² Consolidated Guidelines for the Alternative Methods of Procurement

³ The Government Procurement Reform Act

⁴ Section 33.2.5 of the 2016 Revised IRR of RA No. 9184

Negotiation Coverage ⁴	Discussion	Agreement
		<p>DELIVERED SUPPLIES (IN THIS CASE, GOODS), in accordance with Section 62.1 of the 2016 Revised Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9184:</p> <p>a) RETENTION MONEY IN AN AMOUNT EQUIVALENT TO AT LEAST ONE PERCENT (1%) BUT NOT TO EXCEED FIVE PERCENT (5%) OF EVERY PROGRESS PAYMENT, OR</p> <p>b) A SPECIAL BANK GUARANTEE EQUIVALENT TO AT LEAST ONE PERCENT (1%) BUT NOT EXCEED FIVE PERCENT (5%) OF THE TOTAL CONTRACT PRICE.</p> <p>THE SAID AMOUNTS SHALL ONLY BE RELEASED AFTER THE LAPSE OF THE WARRANTY PERIOD OR, IN THE CASE OF EXPENDABLE SUPPLIES (IN THIS CASE GOODS), AFTER CONSUMPTION THEREOF. PROVIDED, HOWEVER, THAT SUPPLIES DELIVERED ARE FREE FROM PATENT AND LATENT DEFECTS AND ALL THE CONDITIONS IMPOSED UNDER THE CONTRACT HAVE BEEN FULLY MET.</p>

Negotiation Coverage ⁴	Discussion	Agreement						
		<p>Consequently, both parties agreed to retain one percent (1%) of each progress payment as retention money, serving as the warranty security for the Project. Accordingly, Section IX. Item 9.2 of the Payment Details will be revised as follows:</p> <p>IX. PAYMENT DETAILS</p> <p>xxx</p> <p>9.2 The DBM shall retain one percent (1%) of the quarterly contract price as retention money every quarter for the duration of the contract and the service provider shall provide monthly service reports citing resolution of problem/issues raised.</p> <p>THE DBM SHALL RELEASE THE RETENTION MONEY AS FOLLOWS:</p> <table><tr><th>DELIVERABLES</th><th>SCHEDULE OF RELEASE OF RETENTION MONEY</th></tr><tr><td>REINSTATEMENT OF THE BTMS AND IMPLEMENTATION OF INTERFACES</td><td>TWELVE (12) MONTHS FROM THE DATE OF ACCEPTANCE OF THE DELIVERABLES</td></tr><tr><td>PRODUCT SUPPORT AND</td><td>THREE (3) MONTHS FROM THE</td></tr></table>	DELIVERABLES	SCHEDULE OF RELEASE OF RETENTION MONEY	REINSTATEMENT OF THE BTMS AND IMPLEMENTATION OF INTERFACES	TWELVE (12) MONTHS FROM THE DATE OF ACCEPTANCE OF THE DELIVERABLES	PRODUCT SUPPORT AND	THREE (3) MONTHS FROM THE
DELIVERABLES	SCHEDULE OF RELEASE OF RETENTION MONEY							
REINSTATEMENT OF THE BTMS AND IMPLEMENTATION OF INTERFACES	TWELVE (12) MONTHS FROM THE DATE OF ACCEPTANCE OF THE DELIVERABLES							
PRODUCT SUPPORT AND	THREE (3) MONTHS FROM THE							

Negotiation Coverage ⁴	Discussion	Agreement	
		MAINTENANCE (PSM)	DATE OF ACCEPTANCE OF THE 4 TH QUARTER LICENSE DEPLOYMENT SCHEDULED EACH YEAR

BY AND BETWEEN:

DBM-BAC:



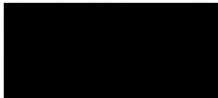
Digitally signed
by Maria
Francesca M.
Del Rosario

MARIA FRANCESCA M. DEL ROSARIO
End-User Representative/
DBM-Undersecretary
ICT Group and Chief Information Officer



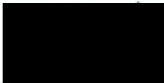
Sheryll
Grace S.
Aromin

SHERYLL GRACE AROMIN
B.U.D.G.E.T. Representative/DBM-BAC Member



Digitally signed by
Rowel D. Escalante

ROWEL D. ESCALANTE
DBM-BAC Member



Digitally signed by
Dante B. De Chavez

DANTE B. DE CHAVEZ
DBM-BAC Member

FREEBALANCE (PHILIPPINES) INC.:



Digitally signed by
Donald Gibbons

FREEBALANCE (PHILIPPINES) INC.
Service Provider

Not Present

ANDREA CELENE M. MAGTALAS

DBM-BAC Member



Digitally signed by
Ramon Vicente B.
Asuncion

RAMON VICENTE B. ASUNCION

DBM-BAC Vice Chairperson



Digitally signed
by Gerardo E.
Maula

GERARDO E. MAULA

DBM-BAC Chairperson



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

NEGOTIATION AGREEMENT NO. 3
November 12, 2024

In accordance with Section 50¹ and Annex "H",² item V(A)(2)(b) of the 2016 Revised Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9184,³ this Negotiation Agreement No. 3 dated November 12, 2024 between the Department of Budget and Management-Bids and Awards Committee (DBM-BAC) and FreeBalance (Philippines) Inc. (FreeBalance Phils) shall form part of Contract No. 2024-39 for the Project, **"Budget and Treasury Management System (BTMS) Cloud/Subscription-Based Licenses with Software Maintenance and Enhancements,"** to be entered into by and between the DBM and FreeBalance Phils, as follows:

Negotiation Coverage ⁴	Discussion	Agreement
A. Discussion and clarification on the Software Maintenance Agreement (SMA) under Section VII, Item 7.1 of the Technical Specifications	In relation to Section VII, Item 7.1, Technical Specifications, the FreeBalance Phils submitted the draft SMA. Accordingly, the proposed revision on certain provisions under the SMA is included in the attached matrix of the Negotiated Points on the SMA.	The DBM and FreeBalance Phils agreed to the proposed revision on specific provisions under the SMA. Attached is the Matrix of the Negotiated Points on Software Maintenance Agreement for the project, for reference.
B. Discussion on the Work Breakdown Structure (WBS), Appendix 7.2	Given the duration of time within which Commission on Audit (COA) undertook the first quality assurance engagement for BTMS in 2020, the DBM recommends removing the same from the WBS, to wit:	The DBM and FreeBalance Phils have agreed to the proposed revision to exclude the requirement or reference to the COA Technical Quality Assurance under SN 8 of the WBS, as detailed below:

¹ Direct Contracting.
² Consolidated Guidelines for the Alternative Methods of Procurement
³ The Government Procurement Reform Act
⁴ Section 33.2.5 of the 2016 Revised IRR of RA No. 9184

Negotiation Coverage ⁴	Discussion	Agreement
	<p>Appendix 7.2 – WBS</p> <p>SN 8 – Review the Installation Blueprint and Report, including the COA’s Technical Quality Assurance</p>	<p>Appendix 7.2 – WBS</p> <p>xxx</p> <p>TASK NAME</p> <p>SN 8 – REVIEW THE INSTALLATION BLUEPRINT AND REPORT. INCLUDING THE COMMISSION ON AUDIT’S (COA) TECHNICAL QUALITY ASSURANCE</p> <p>RESOURCE NAMES</p> <p>DBM, COA</p>
<p>C. Discussion and clarification on Section IV, Scope of Work and Services of the Annex “A” Technical Specifications</p>	<p>The DBM recommends the inclusion of additional provision for the access to the BTMS database and non-production instance/s under Section IV, Scope of Work of the Annex “A” Technical Specifications, to wit:</p> <p>IV. SCOPE OF WORK AND SERVICES</p> <p>xxx</p> <p>12. The DBM should have read-only access to the BTMS Database, which shall be limited to authorized personnel, as approved by the DBM Chief Information Officer.</p> <p>13. The DBM should maintain full access to all data within both production and non- production instances of the BTMS, even in the event that the contract is terminated or not renewed. Such access to data under these phases</p>	<p>The DBM-BAC and FreeBalance Phils agreed to the proposed inclusion of the following provision under Section IV, Scope of Work and Services of the Annex “A” Technical Specifications:</p> <p>IV. SCOPE OF WORK AND SERVICES</p> <p>xxx</p> <p>12. THE DBM SHOULD HAVE READ-ONLY ACCESS TO THE BTMS DATABASE, WHICH SHALL BE LIMITED TO AUTHORIZED PERSONNEL, AS APPROVED BY THE DBM CHIEF INFORMATION OFFICER.</p> <p>13. THE DBM SHOULD MAINTAIN FULL ACCESS TO ALL DATA WITHIN BOTH PRODUCTION AND NON-</p>

Negotiation Coverage ⁴	Discussion	Agreement
	<p>of the system shall be restricted to authorized personnel, as approved by the DBM Chief Information Officer</p> <p>Moreover, the FreeBalance Phils note that in the event the DBM does not continue the subscription, they should make arrangements to export the data prior to the termination of services for continued access to same.</p>	<p>PRODUCTION INSTANCES OF THE BTMS, EVEN IN THE EVENT THAT THE CONTRACT IS TERMINATED OR NOT RENEWED. SUCH ACCESS TO DATA UNDER THESE PHASES OF THE SYSTEM SHALL BE RESTRICTED TO AUTHORIZED PERSONNEL, AS APPROVED BY THE DBM CHIEF INFORMATION OFFICER.</p>
D. Discussion and clarification on Section V, Service Level Agreement of the Annex "A" Technical Specifications	<p>The DBM proposed a revision on the Update and Target Resolution Time for high severity and urgent incidents under Section V, Service Level Agreement of the Annex "A" Technical Specifications, as follows:</p> <p>V. SERVICE LEVEL AGREEMENT</p> <p>xxx</p> <p>HIGH – P1 Target Restoration: four (4) regular hours</p> <p>HIGH – P2 Target Restoration: eight (8) regular hours</p> <p>xxx</p>	<p>The DBM and FreeBalance Phils agreed to the proposed revision on the Update and Target Resolution Time for high severity and urgent incidents under Section V, Service Level Agreement of the Annex "A" Technical Specifications, as follows:</p> <p>V. SERVICE LEVEL AGREEMENT</p> <p>xxx</p> <p>HIGH – P1 Target Restoration: four (4) REGULAR hours</p> <p>HIGH – P2 Target Restoration: eight (8) REGULAR hours</p> <p>xxx</p>

BY AND BETWEEN:

DBM-BAC:



Digitally signed by
Maria Francesca M.
Del Rosario

MARIA FRANCESCA M. DEL ROSARIO

End-User Representative/
DBM-Undersecretary
ICT Group and Chief Information Officer

not present

SHERYLL GRACE S. AROMIN

B.U.D.G.E.T. Representative/DBM-BAC Member



Digitally signed by
Rowel D. Escalante

ROWEL D. ESCALANTE

DBM-BAC Member



Digitally signed by
Dante B. De Chavez

DANTE B. DE CHAVEZ

DBM-BAC Member



Digitally signed by
Andrea Celene M.
Magtalas

ANDREA CELENE M. MAGTALAS

DBM-BAC Member



Digitally signed by
RAMON VICENTE B.
ASUNCION

RAMON VICENTE B. ASUNCION

DBM-BAC Vice Chairperson



Digitally signed
by Gerardo E.
Maula

GERARDO E. MAULA

DBM-BAC Chairperson

FREEBALANCE (PHILIPPINES) INC.:



Digitally signed by
Donald Gibbons

FREEBALANCE (PHILIPPINES) INC.

Service Provider

TECHNICAL SPECIFICATIONS (REVISED)

I. PROJECT TITLE

Budget and Treasury Management System (BTMS) Cloud/Subscription-Based Licenses with Software Maintenance and Enhancements

II. OBJECTIVE

The roadmap towards digitalization will pursue the potential of cloud computing, application programming interfaces (APIs), and block chain technology for decentralized transparency as well as real-time processing of government services.

For the proposed roadmap, the BTMS is envisaged to be the central core for the Integrated Financial Management Information System (IFMIS). The BTMS is a centralized database that would facilitate the compilation of crucial data on all parts of government financial operations, from purchase through payment and every transaction is monitored by the network real-time.

The Public Financial Management (PFM) Committee, in Resolution No. 1-2022 dated December 19, 2022, approved the reactivation of the use of the BTMS FreeBalance Tool and called for the conduct of policy review for the implementation of IFMIS. In June 2023, President Ferdinand R. Marcos Jr. issued Executive Order (EO) No. 29, directing the full digitalization of PFM processes through the adoption of the IFMIS throughout the bureaucracy. Under EO No. 29, the PFM Committee is directed to reengineer PFM processes and the IFMIS. The IFMIS facilitates the generation of vital information on all aspects of government financial transactions, to be made publicly accessible through information technology.

An integral part of the IFMIS is the BTMS, a web-based, fully automated and centralized database that will facilitate the generation of vital information on all aspects of government financial transactions and serve as an online ledger where transactions are mapped in real-time from purchase to payment.

The cloud-based reinstatement of BTMS also aligns to DICT's Department Circular No. 010, s. 2020 which introduced amendments to the country's Cloud First Policy, as prescribed in DICT Department Circular No. 2017-002, s. 2017. The Philippine Government's Cloud First Policy promotes cloud computing as the preferred technology for government administration and the delivery of government services. Shifting to cloud computing is expected to foster flexibility, security, and cost-efficiency among users. Cloud computing also offers key advantages such as access to global systems of solutions, innovations, and services, as well as up-to-date cybersecurity.

The BTMS reactivation, based on a software subscription on a user basis and its associated software maintenance, training, and enhancements, are not applicable for any IT Infrastructure, hardware, or third-party licenses in relation to infrastructure provided under the Project Contract.

III. DURATION OF THE CONTRACT

The implementation of subscription based BTMS with progressive provision of user-based subscription licenses, including initial reinstatement, subscription license, maintenance and training, will be for a period of thirty-six (36) months starting from receipt of the Notice to Proceed (NTP).

IV. SCOPE OF WORK AND SERVICES

A. Reinstatement of subscription based BTMS

With the implementation of the subscription based BTMS, the Department of Budget and Management (DBM) can continue to lead the PFM Reform agenda of the GoP to support this administration's mandate on digitalization, through a centralized IFMIS.

The following activities shall be performed as part of the Initial Implementation of the BTMS for DBM and its eventual roll-out to the rest of the spending agencies of the government:

1. Update the BTMS v7.0 to the latest Government Resource Planning (GRP) v7.5
 - a. Provision of new subscription-based license keys
 - b. Reconfiguration of BTMS to accommodate hosting on the Cloud Infrastructure (Open Cloud Portability)
 - c. Managed Services that will be provided for the BTMS Platform as well as the management of the users in a SaaS environment so users can be added as DBM procures additional subscription licenses.
 - d. Ongoing maintenance of the Integration Points for the use of the system
 - e. Continued support for the API to enable seamless integration irrespective of the cloud provider.
 - f. Significant UI change
 - g. New features, Patches, Security Updates, Performance improvements
 - h. The Service Provider will provide demo workshops on the ground to show the Power Users the BTMS features, and what they are getting "new" from the latest version of the software.
2. Technical Audit Assessment
 - a. Installation of BTMS based on DBM's cloud infrastructure.
 - b. Installation Guide and Report.

3. Migration of Data for BTMS Day one (1) Operations (moving forward system) – master/reference data, and opening balances. This includes any master/reference data required and opening balances as we onboard each department and agency into BTMS. The service provider's responsibilities include workshops and end-user support for data migration.
4. Full reconfiguration of the Chart of Accounts based on the recent changes to the design and structure of the Unified Account Code Structure (UACS) of the Government of the Philippines. This includes mapping the data of the old Chart of Accounts to the new Chart of Accounts.
5. Revisiting the Security Access Matrix (SAM) for the reinstatement to enable configuration of user roles, users, functional classes, security groups, and workflows.
6. The service provider shall conduct demonstration workshops with each of the pilot departments/agencies to showcase the reconfigured and hosted BTMS and how the system can adapt to the existing business processes. The team shall also cover critical steps and activities required for the Department to onboard fully into BTMS; at the same time identifying gaps in process and technology that will require assessment and resolution.
7. Training Materials for BTMS of the initial reinstatement and Train-the-Trainer (TTT) to the pilot departments/agencies.
 - a. Development of end user training materials for various user roles including Guides, Decks, and recording of Computer Based Training (CBTs) (to be available throughout contract duration as subscription-based training)
 - i. The training materials need to be transferable and compatible with DBM's LMS.
 - b. User Manuals
 - c. TTT classroom training - delivery of 4 - 6 sessions each for a maximum of five (5) days, for a maximum of one hundred (100) trainees (maximum of twenty five (25) trainees per session)
 - d. All classroom training will be performed in facilities to be provided by DBM, including the required logistics, for the conduct of the training. Laptops, internet connectivity and printed training materials will be required and shall be the responsibility of DBM.
 - e. The Service Provider is responsible for maintaining and updating all materials as needed. The service provider is required to provide a CBT training platform for housing of the CBT training videos and all training materials.

8. Documentation

- a. System Design & Functional Specifications
- b. Technical Manuals – APIs, ERDs, Infrastructure Deployment
- c. Standard Operating Procedures for Support and Maintenance

9. Cloud-based Infrastructure Hosting for the Development Instance only.

- a. The service provider shall provide hosting services for three (3) months during the reinstatement period and for the pilot departments/agencies. DBM shall separately procure its permanent cloud infrastructure for the LIVE Production instance.

10. Enhancement of the Internal Revenue Allotment (IRA) (to be renamed as National Tax Allotment) Functionality of the Budget Management Module to incorporate possible modifications resulting from the Mandanas-Garcia Ruling. Reference: <https://www.dbm.gov.ph/index.php/national-tax-allotment-nta>

11. The service provider shall provide information on the comprehensive database sizing for the cloud infrastructure of the BTMS for every deployment.

12. The DBM should have read-only access to the BTMS database, which shall be limited to authorized personnel, as approved by the DBM Chief Information Officer.

13. The DBM should maintain full access to all data within both production and non-production instances of the BTMS, even in the event that the contract is terminated or not renewed. Such access to data under these phases of the system shall be restricted to authorized personnel, as approved by the DBM Chief Information Officer.

B. Provision of Subscription-based Licenses for BTMS (inclusive of software maintenance and training)

Governments use cloud computing methods to improve reliability, elasticity, maintainability, performance, and cybersecurity of enterprise-class software applications. Cloud computing can also reduce capital expenditures, provide better ICT cost predictability, and enable scaling.

In support of the government's roadmap towards digitalization, the underlying platforms for the IFMIS solutions should be portable across deployment options and should adapt to the interoperability requirements of the digitalization roadmap. The BTMS will support deployment portability by providing a subscription-based model, inclusive of software license and maintenance. The subscription user requirements shall be based on the 3-year roll-out plan for BTMS as DBM progressively onboards the national government departments and agencies.

The subscription-based licenses for BTMS are based on the actual users who will use the system per department or agency. Each department or agency will have seventeen (17) envisioned users, including the transaction creators, budgeting and accounting officers, approvers, and representatives as shown in Annex A.1 - Lists of the Envisioned BTMS Users. The specified number of users and their roles suggest a structured approach to user access, ensuring that each department or agency has a designated set of individuals fulfilling key functions within the BTMS. This approach helps in defining responsibilities and access levels, contributing to effective, controlled, and secured system usage.

Below is the table for the estimated allocation of users across the 3-year BTMS roll-out plan, details of the deployment are attached as Annex A.1:

Envisioned users per Operating Unit:17 envisioned users per department/agency						
Coverage	FY 2024-2025		FY 2025-2026		FY 2026-2027	
	No. of Agencies	No. of Users	No. of Agencies	No. of Users	No. of Agencies	No. of Users
Departments & Agencies	32 (5 Departments with attached agencies)	544	119	2,023	119	2,023
Regional Offices	80	1,360	221	3,757		
Total	112	1,904	340	5,780	119	2,023
Cumulative		1,904		7,684		9,707

Included in the 3-year contract is the provision of five (5) Helpdesk personnel to address application related concerns at DBM. DBM will maintain control over the management of the ticketing tool and will involve the Service Provider’s support at Level 3 for ticket resolutions.

C. Interfaces

The following interfaces will be implemented in Year 1:

1. Modernized Government Electronic Procurement System (MGEPS)

- a. To enable full transparency in procurement, DBM has enabled a total e-Government procurement solution. The modernized Philippine

Government Electronic Procurement System (mPhilGEPS) employs a system that covers eBidding, eShopping, and eReverse Auction platforms to lessen the procurement workload and to eliminate exposure to corruption of government employees.

- b. The Service Provider shall provide its APIs for the following:
 - i. Purchase Order (PO) - BTMS Receives PO from mGEPS or BTMS Receives Cancelled NTP/Cancelled Contracts from mGEPS
 - ii. Goods Received Note (GRN) - BTMS receives GRN from mGEPS
 - iii. Disbursement Voucher (DV) - BTMS sends payment Information to mGEPS
 - iv. Payment Extract (PEP) - BTMS sends payment Information to mGEPS

2. Bank Interface (Landbank as the conduit bank)

- a. Landbank plays a crucial role in the collection of government revenue and in processing payments related to government expenditure.
- b. All vendors must have an account with Landbank or other Authorized Government Servicing Banks (AGSBS) to transact with the government.
- c. Once implemented, the BTMS can provide its feature for automated bank reconciliation.

3. Interface with Microsoft Entra ID

- a. Integration with DBM's Active Directory and Identity and Access Management solution.
- b. Authentication of BTMS Users.

DISCLAIMER: BTMS is capable of plugging into any LDAP v2/v3 provider, for the sole purpose of user authentication. When configured, user credentials are validated against the LDAP Directory. No user credentials are stored/maintained within BTMS itself. Any other item related to configuration such as ACL is managed within BTMS.

4. Interface with DBM's Document Management System (DMS)

- a. All official government external documents (e.g. PO, Payment Advice) shall be automatically pushed to the DMS.

D. OUT OF SCOPE SERVICES

The following services are considered to be out-of-scope of this engagement:

- 1. Provision of cloud infrastructure, and related software licenses, except during the reinstatement phase of the BTMS (DEV instance only);
- 2. Historical Data Migration;

3. Additional interfaces on top of the four (4) covered in this tender;
4. Reports Customization;
5. The Local Government Units (LGUs), Government Owned and Controlled Corporations (GOCCs), and Government Financing Institutions (GFIs) are not covered in the roll-out; and
6. The Helpdesk Tool/Software shall be provided by DBM.

E. CUSTOMER SUPPORT

a. Availability

- i. Support Hours: Support shall be available to the concerned Department/Agency by contacting the Service Provider Customer Support Center during the business hours (8:00 AM – 6:00 PM Philippine Standard Time).
- ii. Access to the Service Provider Customer Support Portal shall be provided continuously (subject to Service Provider's planned maintenance of the Service Provider Customer Support Portal for any downtime).

b. Categories of Support Requests

- i. Product Issue
- ii. Enhancement
- iii. General Inquiries
 - a. Sales Request

c. Information to be Provided

- i. With respect to all Support Requests from the Department/Agency:
 - a. the name of the concerned Department/Agency ;
 - b. the contact person, if applicable;
 - c. the telephone number and email address, if applicable;
 - d. the location of the concerned Department/Agency;
 - e. the name and version of the database management system used by the concerned Department/Agency;
 - f. the name of the operating system;
 - g. the particular Program(s) used by the concerned Department/Agency, including version/revision number(s);
- ii. **With respect to Product Issues:**
 - a. the steps leading up to the manifestation of the problem;
 - b. the Program module(s) affected;
 - c. the Program function(s) affected;
 - d. a short narrative description of the case;
 - e. the error message displayed, including the screenshot/print-screen, if

- applicable; and
- f. the database and application log files.

d. Logging a Support Request.

- i. Upon receipt of a Support Request, all information required shall be logged by Service Provider and a case number shall be issued to the Customer (“Case Number”) acknowledging the receipt of the Support Request and defining it as one of the three Categories of Support Requests, as defined above.
- ii. The Case Number must be used in all communications between the concerned Department/Agency and Service Provider with respect to the particular Support Request. The concerned Department/Agency, using the Support Portal, should be able to monitor the progress of its Support Request upon issuance of the case number.
- iii. The resolution of a Support Request shall be officially communicated to the concerned Department/Agency through email addressed to the Project Manager or to the authorized representative of the pilot agencies, apart from the original requester.

e. Service Provider Help Desk

- i. The central Help Desk shall act as a coordination point for reporting the end user issues related to products and services for the BTMS solution, excluding hardware.
- ii. The Service Provider shall continue to provide the following Help Desk Support Team as established under the Project Contract, with a minimum of five (5) team members available during Support Hours:
 - 1. Help Desk Specialist
 - 2. Service Desk Incident Manager
 - 3. Helpdesk / Service Desk Lead
 - 4. Platform & Application Manager

All help desk support staff shall be able to speak English and Filipino fluently.

- iii. Based on emerging needs, DBM may ask the Service Provider to deploy additional resources and related support for the helpdesk to support the volume of BTMS transactions via Amendment to Order, subject to the limits and requirements provided under existing laws, rules and regulations.
- iv. The physical space for the Help Desk will be provided by the DBM including necessary supporting infrastructure (non-IT) as well as network

connectivity from help desk to data center site. The other IT infrastructure for help desk staff shall be supplied and implemented by Service Provider.

Based on help desk operations, the Service Provider shall submit the monthly service reports on help desk operations including number of calls reports, number of calls resolved within and outside of the agreed KPIs, etc. The Service Provider shall submit such reports on a monthly basis to DBM.

V. SERVICE LEVEL AGREEMENT

5.1 The DBM shall maintain a Service Level Agreement (SLA) with the Service Provider, with provisions for liquidated damages for their non-compliance. Liquidated damages shall be charged against any money due, or which may become due to the Service Provider, or collected from any securities or warranties posted by the Service Provider. The Service Provider shall respond to a Customer Support Requests in accordance with the following:

Severity	Priority	Description	Update and Target Resolution Time	Target	Liquidated Damages
HIGH	P1	Entire Business is affected, PRODUCTION system is inaccessible	Initial update must take place within thirty (30) minutes. Succeeding updates will be sent every one (1) hour. Target Restoration: <= four (4) regular hours	Upon confirmation of receipt, the Service Provider will begin continuous work on the problem. The DBM must provide the Service Provider with an onsite contact to assist with data gathering, testing, and applying fixes or workarounds. This resource should have direct access to the machine and any application impacted.	1/10th of 1% of monthly contract price shall be imposed for every day of no resolution per problem or issue (pertaining to similar concerns raised to the helpdesk).

Severity	Priority	Description	Update and Target Resolution Time	Target	Liquidated Damages
	P2	<p>Data Integrity is at risk.</p> <p>Groups or Select Teams of End Users are not able to use the system</p>	<p>Initial update must take place within one (1) hour.</p> <p>Succeeding updates will be sent every two (2) hours.</p> <p>Target Restoration: <= eight (8) regular hours</p>	<p>The Service Provider will assist the Customer in loading the data (during downtime) using our Data Import Facility.</p> <p>The Service Provider will work to provide a workaround.</p> <p>For the fixes and patches that require revision upgrades, Service Provider must make sure that all implemented fixes and patches from the previous version should be incorporated in the new version upgrade.</p>	<p>1/10th of 1% of monthly contract price shall be imposed for every day of no resolution per problem or issue (pertaining to similar concerns raised to the helpdesk).</p>
MEDIUM-CRITICAL	P1	<p>The business service, major application, or system is seriously affected</p>	<p>Initial update must take place within two (2) hours.</p> <p>Succeeding updates will be sent every four (4) hours.</p> <p>Target Restoration:</p>	<p>Upon Confirmation of Receipt, the Service Provider will begin work on the problem. The DBM must provide an onsite contact to assist with data gathering, testing, and applying hotfixes when warranted.</p> <p>The resource should also work with Service</p>	<p>1/10th of 1% of monthly contract price shall be imposed for every day of no resolution per problem or issue (pertaining to similar concerns raised to the helpdesk).</p>

Severity	Priority	Description	Update and Target Resolution Time	Target	Liquidated Damages
			<= twenty-four (24) hours	Provider to try the suggested workaround or fix that Service Provider will provide.	
	P2	The implementation is affected with no workaround. The sub systems are affected with no workaround. Major Functions and/or Procedures are nonfunctional with the program/application	Initial update must take place within three (3) hours. Succeeding updates will be sent every six (6) hours. Target Restoration: <= thirty-six (36) hours	For the fixes and patches that require revision upgrades, Service Provider must make sure that all implemented fixes and patches from the previous version should be incorporated in the new version upgrade.	1/10th of 1% of monthly contract price shall be imposed for every day of no resolution per problem or issue (pertaining to similar concerns raised to the helpdesk).
LOW-CRITICAL	P1	The business service, major application, or system is moderately impacted	Initial update must take place within six (6) hours. Succeeding updates will be sent daily. Target Restoration:	Upon Confirmation of Receipt, the Service Provider will begin work on the problem based on the queued system. The task will be assigned after validation and confirmation to the Development Team. The DBM is expected to provide an onsite contact to assist Service	1/10th of 1% of monthly contract price shall be imposed for every day of no resolution per problem or issue (pertaining to similar concerns raised to the helpdesk).

Severity	Priority	Description	Update and Target Resolution Time	Target	Liquidated Damages
			<= forty-eight (48) hours	Provider to work through the problem. Service Provider will either provide a fix or workaround. For the fixes and patches that requires revision upgrades, Service Provider must make sure that all implemented fixes and patches from the previous version should be incorporated in the new version upgrade.	
	P2	There is no data loss and the business service, or the application is still functioning in a limited manner. Single or subset of users are affected. The issues may be temporarily circumvented using an available workaround. Single user non-critical functions/procedures are affected	Initial update must take place within six (6) hours. Succeeding updates will be sent daily. Target Restoration: <= sixty (60) hours		1/10th of 1% of monthly contract price shall be imposed for every day of no resolution per problem or issue (pertaining to similar concerns raised to the helpdesk).

Severity	Priority	Description	Update and Target Resolution Time	Target	Liquidated Damages
ENHANCEMENT	N/A	Enhancement Requests	As per Service Provider Product Roadmap	Will be assigned to the Product Management Team when a complete description of the Enhancement is received with screenshots and examples where applicable. Based on the Product Roadmap, the Product Management team may decide on inclusion in a future release.	1/10th of 1% of the price of the unperformed portion of the services for each day of delay based on the approved change requests that contain the timelines for the development and deployment of the enhancement

The Service Provider shall be required to respond and address inquiries, questions, concerns, technical requests of the external service provider/s to the satisfaction of the DBM.

- 5.2 If the Service Provider fails to deliver any or all of the Services within the period(s) specified in this Contract, the Procuring Entity shall, without prejudice to its other remedies under this Contract and under the Applicable Law, deduct from the contract price, as liquidated damages, a sum equivalent to one-tenth of one percent of the price of the unperformed portion of the Services for each day of delay based on the approved contract schedule up to a maximum deduction of ten percent (10%) of the contract price. Once the maximum is reached, the Procuring Entity may consider termination of this Contract.

VI. WARRANTIES OF THE SERVICE PROVIDER

- 6.1 The SERVICE PROVIDER warrants that it shall conform strictly to the terms and conditions of this TOR.
- 6.2 The SERVICE PROVIDER warrants represent and undertake the reliability of the services and that their manpower complements are hardworking, qualified/reliable, and dedicated to doing 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 DBM compound.

- 6.3 The SERVICE PROVIDER 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 SERVICE PROVIDER undertakes to pay all fees or charges payable to any instrumentality of government or any other duly constituted authority relating to the use or operation of the installation.
- 6.4 The SERVICE PROVIDER'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.
- 6.5 The SERVICE PROVIDER shall coordinate with the authorized and/or designated DBM personnel in the performance of their jobs.
- 6.6 The SERVICE PROVIDER 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 liabilities arising therefrom.
- 6.7 The SERVICE PROVIDER shall neither assign, transfer, pledge, nor sub-contract any part or interest therein.
- 6.8 The SERVICE PROVIDER shall provide **EITHER** of the following warranty security for a minimum period of one (1) year after acceptance by the Procuring Entity of the delivered goods and services, in accordance with Section 62.1 of the 2016 Revised Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9184:
 - a) Retention money in an amount equivalent to at least one percent (1%) but not to exceed five percent (5%) of every progress payment, or
 - b) A special bank guarantee equivalent to at least one percent (1%) but not to exceed five percent (5%) of the total contract price.

The said amounts shall only be released after the lapse of the warranty period or, in the case of Expendable Supplies (in this case, goods), after consumption thereof: provided, however, that the supplies delivered are free from patent and latent defects and all the conditions imposed under the contract have been fully met.

VII. INTELLECTUAL PROPERTY RIGHTS

- 7.1 The Service Provider shall own all proprietary rights including patent, copyright, trade secret and other proprietary rights, in and to the Program(s), and any corrections, bug fixes, Enhancements, updates or other modifications to the Program(s), and any

intellectual or other property rights therein shall be the exclusive property of Service Provider. Any patches, workarounds, Minor Releases or Major Releases provided to the DBM by Service Provider shall be subject to and governed by the current Software Maintenance Agreement.

- 7.2 The Service Provider shall provide a copy of the source software, modifications, and any changes to the software system needs to be provided to the DBM.
- 7.3 The DBM shall retain ownership of all custom forms, business rules, custom reports and third party system integrations developed by the Service Provider exclusively for the project under the Project Contract.

VIII. CONFIDENTIALITY OF DATA

- 8.1 The Parties agree to hold all information, documents, software, reports, data, records, forms, and other materials provided by the other Party ("Confidential Information") in confidence and agree not to use any Confidential Information except as expressly permitted by this Agreement. The Parties shall exercise the same degree of care, but no less than a reasonable degree of care, to protect the Confidential Information of the other Party as it does with its own confidential information. Neither Party will disclose Confidential Information of the other to third parties without the prior written consent of the disclosing Party. The Parties may disclose Confidential Information to their own employees or contractors only for the purposes of this Agreement provided that such each employee or contractor has entered into a written confidentiality and non-disclosure agreement at least as restrictive as these provisions.
- 8.2 Confidential Information shall not include any Information that can be established by the receiving Party, on a balance of probabilities, to be:
 - 8.2.1 Publicly available;
 - 8.2.2 Already known or in the possession of the receiving Party at the time of disclosure to it by the disclosing Party;
 - 8.2.3 Lawfully received from a third party without obligation of confidentiality;
 - 8.2.4 Independently developed by the receiving Party without reliance on Confidential Information; or
 - 8.2.5 Required to be disclosed by court order or other legal process provided that the receiving Party shall take all reasonable steps to permit the disclosing Party to limit such disclosure.
- 8.3 All project personnel of SERVICE PROVIDER shall be required to sign a Non-Disclosure Agreement (NDA)

- 8.4 The SERVICE PROVIDER agrees to hold the Proprietary Information in strict confidence. The SERVICE PROVIDER furthermore agrees not to reproduce, translate, or disclose the Proprietary Information to third parties without the prior written approval of the DBM.

IX. PAYMENT DETAILS

- 9.1. Payment shall be made as follows:
- a. Subscription to Licenses - within thirty (30) calendar days upon the activation and/or deployment, whichever is applicable, of licenses based on Annex A.1 - Roll-Out Deployment Plan under Section XII. Project Financials of the Technical Specifications.
 - b. Payment for actual support and maintenance services provided will be on a quarterly basis. The payment will exclude any applicable liquidated damages that cover the entire quarter, starting from the first day up to the last day of the respective quarter in the applicable year.
 - c. Payment for the other deliverables in Sections XI. Project Timeline and XII. Project Financials (A. Initial Implementation of BTMS [Two (2) months from receipt of the NTP] and C. Four (4) Interfaces [Six (6) months from the receipt of NTP]) of the Technical Specifications shall be made upon delivery and completion by the FreeBalance of the required deliverables and the corresponding acceptance thereof by the DBM.
- 9.2 In case the SERVICE PROVIDER opts to provide warranty in the form of retention money, the DBM shall retain one percent (1%) of the quarterly contract price as retention money every quarter for the duration of the contract and the service provider shall provide monthly service reports citing resolution of problem/issues raised.

The DBM shall release the retention money as follows:

Deliverables	Schedule of Release of Retention Money
Reinstatement of the BTMS and Implementation of Interfaces	Twelve (12) months from the date of acceptance of the deliverables.
Product Support and Maintenance (PSM)	Three (3) months from the date of acceptance of the 4 th quarter license deployment scheduled each year.

- 9.3. Payment shall be made, subject to the submission of the following documentary requirements to the Chief Information Officer, after the applicable month/cut-off, all other supporting documentary requirements, and outputs provided under Items XII in

accordance with budgeting, accounting, and auditing laws, rules, and regulations:

- 9.3.1. Proof of completion and/or submission of required milestone deliverables per Section XII;
- 9.3.2. Proof of License Subscription activation and/or deployment based on the deployment plan;
- 9.3.3. Quarterly Service Report;
- 9.3.4 Quarterly Supplier and Contractor Performance Evaluation Form;
- 9.3.5 Non-Disclosure Agreement (NDA);
- 9.3.6 Certificate of Acceptance issued by the Undersecretary for Information and Communications Technology (ICT) Group;
- 9.3.7 Sales Invoice / Billing Statement; and
- 9.3.8 Valid and updated Tax Clearance Certificate

X. PRE-TERMINATION OF CONTRACT

- 10.1 The contract for the BTMS Cloud/Subscription-Based Licenses with Software Maintenance and Enhancements may be pre-terminated by the DBM for any violation of the terms of the contract. In the case of pre-termination, the SERVICE PROVIDER shall be informed by the DBM thirty (30) calendar days before such pre-termination.
- 10.2 In the case of pre-termination, the SERVICE PROVIDER shall be liable to additional liquidated damage 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 SERVICE PROVIDER in case of pre-termination.
- 10.4 The BTMS Cloud/Subscription-Based Licenses with Software Maintenance and Enhancements may be terminated by the DBM in accordance with the agreement to which these project terms are attached.

XI. PROJECT TIMELINE

The duration of activities is estimated below:

Item	Description	Duration (T = receipt of the NTP)
1	Implementation (Reinstatement) of BTMS	T+ 2 months [Two (2) Months from receipt of NTP]

2	Interfaces	T + 6 months [Six (6) Months from receipt of the NTP]
3	Roll-out to the Remaining Spending Departments/Agencies	T + 3 to 36 months [Three (3) Months to Thirty-Six (36) Months from receipt of the NTP]

XII. PROJECT FINANCIALS

A. Initial Implementation of BTMS [Two (2) months from receipt of the NTP]

Activity	Duration	Price (Based on Activity Plan)	Payment Terms
Installation at the Cloud Infrastructure			The one hundred percent (100%) shall be based on the key project milestones in the Work Breakdown Structure (WBS) to be submitted by the service provider.
Reconfiguration of the UACS			
Reconfiguration of user roles, users, functional classes, security groups, and workflows			
Data Migration			
Functional and Technical Documentation			
Implementation of National Tax Allotment (NTA)			

B. Subscription-based Licenses for BTMS (inclusive of software maintenance and training)

Description	FY 2024-2025	FY 2025-2026	FY 2026-2027
Cumulative Number of Users	1,904	7,684	9,707
Annual Subscription Price			
Price per User			
Payment Terms	Cost for 306 licenses shall be paid within thirty (30) calendar days upon receipt of the Notice to Proceed (NTP)	Succeeding payments shall be made within thirty (30) calendar days upon the activation and/or deployment, whichever is applicable, of licenses based on Annex A.1 - Roll-Out Deployment Plan under Section XII of the Technical Specifications.	Succeeding payments shall be made within thirty (30) calendar days upon the activation and/or deployment, whichever is applicable, of licenses based on Annex A.1 - Roll-Out Deployment Plan under Section XII of the Technical Specifications.

C. Four (4) Interfaces [Six (6) months from receipt of NTP

Activity	Duration	Price (Based on Activity Plan)	Payment Terms

mGEPS Interface			The one hundred percent (100%) shall be based on the key project milestones in the WBS to be submitted by the service provider.
Bank Interface			
Microsoft Entra ID Interface			
DMS Interface			

Annex A.1

Roll-Out Deployment Plan

Month (M)	Number of Users		
	FY 2024-2025	FY 2025-2026	FY 2026-2027
M1	306	476	170
M2	153	476	170
M3	136	476	170
Quarter 1	595	1,428	510
M4	136	476	170
M5	153	476	170
M6	153	476	170
Quarter 2	442	1,428	510
M7	153	476	170
M8	153	476	170
M9	153	493	170
Quarter 3	459	1,445	510
M10	153	493	170
M11	119	493	170
M12	136	493	153
Quarter 4	408	1,479	493
Total Annual No. of Users	1,904	5,780	2,023
Total Cumulative No. of Users	1,904	7,684	9,707

ANNEX A.2

LIST OF ENVISIONED BTMS USERS

		OBLIGATION			PURCHASE REQUEST			PURCHASE ORDER			GOODS RECEIVED NOTE		DISBURSEMENT VOUCHER					PAYMENT			RV	RRV	JOURNAL VOUCHER		ASSET REGISTRY		ASSET DISPOSAL/ASSET TRANSFER		ASSET TRANSACTION (FINANCIAL TRANSACTIONS)		CUSTODY TRANSACTION		BUDGET REALIGNMENT	
User Count	User Type	B B	B B	BD	B B	B B	B B	B B	B B	B B	P R	B /S	A C	S D	C A	S C	S C	C A	A C	C A	JE JE	PR O	A C	P S	A S	PR O	A C	P S	A S	PR O	ASS	BUDGET CREATOR	APPROVER	
		/ /	/ /	/	/	/	/	/	/	/	P	/S /S	H I	B B	C A	S C	S C	C A	A C	C A	JE JE	PP SU	PP SU	PP SU	PP SU	PP SU	PP SU	PP SU	PP SU	PP SU	PP SU	PP SU		
		D D	D D	GT	D D	D D	D D	D D	D D	D D	O O	O /O	G T	M M	D B	M M	M M	D B	C C	C C	RE RE	OP OP	S S	S S	S S	S S	S S	S S	S S	S S	S S	S S		
		G G	G G	IV	G G	G G	G G	G G	G G	G G	- -	-	N N	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	
		T T	T T	HF	T T	T T	T T	T T	T T	T T	U U	U	U /U	F F	U U	U U	U U	U U	U U	U U	U U	U U	U U	U U	U U	U U	U U	U U	U U	U U	U U	U U	U U	
2	End User	E	E		E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E			

SOFTWARE MAINTENANCE AGREEMENT

THIS SOFTWARE MAINTENANCE AGREEMENT (the “Agreement”) is entered into on the ____ day of _____ 2024 by and between FREEBALANCE INC., a corporation incorporated under the laws of Canada (“FreeBalance”) and Department of Budget and Management for the Government of the Philippines (“Customer”).

In consideration of the mutual covenants, terms and conditions set forth below and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Interpretation

1.1 Definitions. In this Agreement, unless something in the subject matter or context is inconsistent therewith:

- (a) “**Agreement**” means this Software Maintenance Agreement, its Schedules and all amendments made hereto by written agreement between the Parties.
- (b) “**Concurrent User License**” means a license based on the maximum number of users who will use it simultaneously for the specific functionality of the Product(s) specified in the Order Document and for which the License Fees have been paid by the Customer. Concurrent Users are licensed by module, sub-module, add on, etc. Customer controls the access rights of the Concurrent Users.
- (c) “**Delivery Date**” means the date established in the Order Document for delivery of Product(s).
- (d) “**Delivery Location**” means the location established in the Order Document for delivery of Product(s).
- (e) “**Disaster Recovery**” means the installation and storage of Product(s) on ready-to-execute, back-up computer systems, prior to and as protection against disaster or breakdown, which are not used for active Production.
- (f) “**Documentation**” means FreeBalance’s end user documentation relating to the Program(s) that FreeBalance provides to the Customer which describes the functionality, components, features, or requirements of the Program(s), including any aspect of installation, configuration, integration, operation, or use of the Program(s).
- (g) “**Enterprise License**” means a license based on the number of Full Time Equivalent Employees in the Customer’s organization for the specific functionality of the Product(s) specified in the Order Document and for which the License Fees have been paid by the Customer.
- (h) “**Fees**” means any of the fees as set out in Section 8.
- (i) “**Full Access User**” means an authorized Named User pursuant to a Full Access User License.
- (j) “**Full Access User License**”, also known as “**Named User License**”, means a license under which Full Access Users may use all of the functionality of the Product(s) provided the number of Full Access Users does not exceed the number specified in the Order Document and for which the License Fees have been paid by the Customer.
- (k) “**Full Time Equivalent Employee**” (“FTE”) means an employee, or a number of employees in the aggregate, of the Customer, including full time, part time, casual, contract and seasonal employees, as well as independent contractors, whose service is, or services are, equivalent to full-time employment solely for the purposes of this Agreement.

- (l) **"Interface License"** means a license under which an unlimited number of Users may use the specific functionality of the Product(s) specified in the Order Document and for which the License Fees have been paid by the Customer.
- (m) **"IP Rights"** means any and all registered and unregistered rights, granted, applied for or otherwise, now or hereafter in existence, under or related to any patent, copyright, trademark, trade secret, database protection or other intellectual property rights laws, and all similar or equivalent rights or forms of protection, in any part of the world.
- (n) **"License"** means a Full Access User License, Named User License, Limited Access User License, Concurrent User License, Site License, Subscription License, and/or Interface License.
- (o) **"Limited Access User"** means an authorized Named User pursuant to a Limited Access User License.
- (p) **"Limited Access User License"** means a license under which Limited Access Users may use the specific functionality of the Product(s) specified in the Order Document provided the number of Limited Access Users does not exceed the number specified in the Order Document and for which the License Fees have been paid by the Customer.
- (q) **"Named User"** means a User to whom a unique user identifier and password are assigned by the Customer in connection with that individual's licensed use of the Product(s).
- (r) **"Named User License"**, means a license under which Named Users may use all of the functionality of the Product(s) provided the number of Named Users does not exceed the number specified in the Order Document and for which the License Fees or Subscription Fees have been paid by the Customer. Named users are licensed by module, sub-module, add-on, etc. Customer controls the access rights of the Named Users.
- (s) **"Order Document"** means a document signed by the Customer and accepted by FreeBalance under which the Customer orders Licenses for Products. Order Document includes the Project Contract.
- (t) **"Party"** means either FreeBalance or Customer and **"Parties"** means both of them.
- (u) **"Permitted Use"** means use of the Product(s) by a User consistent with the terms of the Order Document and License for which the License Fees have been paid by the Customer.
- (v) **"Person"** means an individual, corporation, unlimited liability company, partnership, joint venture, governmental authority, unincorporated organization, trust, association or other entity. includes, subject to the context in which it appears, an individual, partnership, association, corporation, trustee, executor, administrator or legal representative.
- (w) **"Product(s)"** has the meaning set out in the recitals to this Agreement and as set out in a Schedule if attached hereto, or as otherwise mutually agreed upon by the Parties and set forth on the Order Document.
- (x) **"Production"** means use of the Product(s) by Users for its intended end use in a live data environment.
- (y) **"Program(s)"** has the meaning set out in the recitals to this Agreement.
- (z) **"Project Contract"** means the Contract for Budget and Treasury Management System (BTMS) Cloud/Subscription-Based Licenses with Software Maintenance and Enhancements.

- (aa) **"Representatives"** means, as to any Person, such Person's affiliates, and its and their respective directors, officers, employees, general partners, agents and consultants (including lawyers, financial advisors and accountants).
- (bb) **"Reseller"** means any third party who has sold or delivered a License to the Product(s) to the Customer with the express permission, knowledge, and consent of FreeBalance.
- (cc) **"Server"** means a computer storage device that contains information, software, documentation and/or data which are accessible to other computers through a network or other connection, and which is identified by a host ID or other serial number.
- (dd) **"Site"** means a specific location and department, organization or other similar entity mutually agreed upon by the Parties as identified in the Order Document.
- (ee) **"Site License"** means a license that is meant for use across the Site for the Product(s) specified in the Order Document which is independent of the number of users or FTE's, and for which the License Fees have been paid by the Customer.
- (ff) **"Software Maintenance Services"** means those services described in a Schedule if attached hereto, or as otherwise mutually agreed upon by the Parties and set forth on the Order Document.
- (gg) **"Source Code"** means the database structures, dictionaries, definitions, program source files, and any other symbolic representations necessary for the compilation, execution, and subsequent maintenance of the Program(s).
- (hh) **"Support Services"** means those services described in a Schedule if attached hereto, or as otherwise mutually agreed upon by the Parties and set forth on the Order Document.
- (ii) **"Subscription License"** means a Named Users License, except that it is paid on a subscription (recurring) basis. Subscription Fees combine the License Fee and Software Maintenance Fee, and continue throughout the term of the use of the Product(s). A Subscription License expires when Subscription Fees are unpaid.
- (jj) **"Testing"** means installation and use of the Product(s) to verify its complete, proper and intended functionality, but not in Production.
- (kk) **"Training Services"** means those services described in a Schedule if attached hereto, or as otherwise mutually agreed upon by the Parties and set forth on the Order Document.
- (ll) **"User"** means a Full Time Equivalent Employee of the Customer or, in the case of an Interface License, a member of the Customer's public, who is authorized to use the Product(s) pursuant to a License granted to the Customer by FreeBalance hereunder.

1.2 **Interpretation.** In this Agreement, words importing the singular number include the plural and vice versa and words importing gender include all genders.

1.3 **Headings.** The division of this Agreement into Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.4 **Currency.** All references to currency herein are to lawful money of the Order Document.

2. **Scope of Agreement**

2.1 This is a master agreement under which Customer may License Products and receive maintenance, training, and other services during its term. Each Order Document incorporates the terms of this Agreement, and this Agreement shall apply to and govern the use of each Product. In the event of any conflict between an Order Document and this Agreement, the relevant provision of the Order Document shall control the extent of the conflict.

3. License Grant

3.1 Subject to this Agreement and conditional on Customer's and its Users' compliance, and on payment of the applicable License Fees or Subscription Fees by Customer, FreeBalance hereby grants to Customer and Customer accepts, a non-transferable, non-sublicensable, non-exclusive limited license to install, use and run one copy of the Product(s) on Customer's Servers, or as may be mutually agreed upon by the Parties in an Order Document, and to permit the specific number and type of Users to use the Product(s) in accordance with the terms applicable to the type of Licenses purchased and in accordance with the Documentation.

3.2 Additional Licenses. If Customer has a License or Licenses and requires that the Product(s) be accessed by additional Users, Customer shall notify FreeBalance (whether directly or through a Reseller) with the delivery of an Order Document and pay the additional License Fees and corresponding annual Software Maintenance Fees (if applicable), or Subscription Fees. No additional Users shall be permitted until such time as FreeBalance receives the additional Fees required and grants its written consent to such additional Users. Upon receipt of the Order Document.

3.3 FreeBalance will issue the Customer a new license key that enables the Customer to set up the number of corresponding Users.

3.4 Documentation License. Customer and its Users may use the Documentation solely to support Customer's use of the Products and to assist Users with the operation and use of the Products.

3.5 License Restrictions. Except as expressly authorized by FreeBalance in writing, Customer shall not, and shall not permit any other Person to:

- (a) make any copies of the Products including, but not limited to, copies required in the normal course as security backups, or as part of an established business continuity plan or Disaster Recovery procedure;
- (b) modify, correct, adapt, translate, enhance or otherwise prepare derivative works or improvements of any Programs;
- (c) reverse engineer, disassemble, reverse translate, de-compile, or in any other manner decode the object code for the Programs in order to derive the Source Code form, or decode any passwords or encrypted license or installation keys that have been provided to Customer by FreeBalance in order to enable the execution of the Programs on unauthorized equipment, or do, or attempt to do, any of the foregoing;
- (d) bypass or breach any security device or protection used for or contained in the Programs;
- (e) sublicense, rent, lease, lend, sell, assign, distribute, publish, transfer or otherwise make available the Program and Documentation or any part thereof to any third party, including on or in connection with the internet of any time-sharing, service bureau, software as a service, cloud or other technology service;
- (f) remove, delete, efface, alter, obscure, translate, combine, supplement or otherwise change any trademarks, terms of the Documentation, warranties, disclaimers, or IP Rights, proprietary rights or other symbols, notices, marks or serial numbers on or relating to any copy of the Products;

- (g) use the Programs in any manner or for any purpose that infringes, misappropriates or otherwise violates any IP Rights, privacy right or other right of any Person, or that violates any applicable law;
- (h) use the Programs for purposes of: (i) benchmarking or competitive analysis of the Programs; (ii) developing, using or providing a competing software product or service; or (iii) any other purpose that is to FreeBalance's detriment or commercial disadvantage;
- (i) use the Programs in or in connection with the design, construction, maintenance, operation or use of any hazardous environments, systems or applications, any safety response systems or other safety-critical applications or any other use or application in which the use or failure of the Programs could lead to personal injury or severe physical or property damage;
- (j) export or re-export Product(s) to other countries; or
- (k) use the Products other than for the Permitted Uses specified in the Order Document and Licenses or in any manner or for any purpose or application not expressly permitted by this Agreement.

4. Orders, Delivery, Risk of Loss and Installation

4.1 Orders.

- (a) Customer may order the Products by providing FreeBalance (whether directly or through a Reseller) with an Order Document which (i) references this Agreement, (ii) specifies the Products, License types, Training, and Services ordered by Customer, (iii) sets out the applicable Fees as agreed upon by FreeBalance and Customer, (iv) specifies the Delivery Location(s) to which the Products are to be delivered and invoiced, and (v) contains such additional provisions as are agreed upon by FreeBalance and Customer.
- (b) An Order Document that complies with the requirements of Section 4.1(a) that is accepted by FreeBalance, shall be governed by the terms of conditions of the Order Document and this Agreement, and shall create contractual rights and obligations solely between Customer and FreeBalance.

4.2 Delivery

- (a) FreeBalance shall deliver the Program(s) set out in the Order Document to the Delivery Location on or before the Delivery Date. FreeBalance shall deliver a reasonable number of copies of the then current Documentation. FreeBalance shall bear all freight, shipping, packaging and handling costs associated with delivery of the Product(s) to the Delivery Location.
- (b) FreeBalance shall bear the risk of any loss or damage that occurs to the Product(s) before it has been delivered to the Delivery Location and FreeBalance shall immediately replace any lost or damaged Product(s) at no charge to Customer.
- (c) Upon delivery of the Product(s), FreeBalance may provide to Customer one or more authorization codes which will allow the Product(s) to be activated.

4.3 Disclaimer of Purchase Order Terms. The terms and conditions on the reverse side of a Customer's purchase order are of no force and effect. The acceptance of any order placed by Customer (whether directly or through a Reseller) for a Product is expressly made conditional upon Customer's acceptance of and agreement to the terms and conditions of this Agreement and FreeBalance will furnish the Product(s) only upon these terms and conditions unless agreed otherwise by the Parties in the Order Document.

4.4 Installation. If the Customer is responsible for installation of the Program(s), FreeBalance shall, at its then prevailing rates or as otherwise provided in the related Order Document, provide reasonable assistance and advice

as reasonably requested by Customer. Alternatively, if FreeBalance is responsible for installation of the Program(s), installation shall occur at the time and for the charges, if any, set forth in the Order Document. The installation by FreeBalance shall be completed only when FreeBalance can certify that such Program(s) can operate on Customer's system. Installation shall be performed during Customer's business hours and Customer shall make all necessary arrangements to allow FreeBalance's personnel sufficient workspace and access at Customer's site.

5. Software Maintenance Services

5.1 Requirement to Purchase Software Maintenance. It is a condition of each License acquired under this Agreement that the Customer shall purchase, and shall continue to purchase, Software Maintenance Services and pay the annual Software Maintenance Fees for all licensed Product(s) for as long as the Customer accesses Software Maintenance Services. As it applies to Subscription Licences, the cost of Software Maintenance Services is included in the monthly Subscription Fee.

5.2 Software Maintenance Services. FreeBalance shall provide the Customer with Software Maintenance Services as described in the *Budget and Treasury Management System (BTMS) Cloud/Subscription-Based Licenses with Software Maintenance and Enhancements* Project Contract, as further defined in Schedule A, and as supplemented by a subsequent Order Document from time to time, subject to the Customer being up to date on all Subscription Fees.

6. Training Services

6.1 Requirement to Purchase Training. Each License obtained under this Agreement is covered by training as provided under the requirements of the Contract. Any additional training required by the customer not covered in the Contract requirements, shall be covered by a separate contract or amendment to order subject to the limits and requirements provided under existing laws, rules and regulations.

6.2 Training Services. FreeBalance shall provide the Customer with Training Services as described in the *Budget and Treasury Management System (BTMS) Cloud/Subscription-Based Licenses with Software Maintenance and Enhancements* Project Contract and as supplemented by a subsequent Order Document from time to time, subject to the Customer being up to date on all Subscription Fees.

7. Support Services

7.1 Requirement to Purchase Support Services. Each License obtained under this Agreement is covered by support services as provided under the requirements of the Contract. Any additional support required by the customer not covered in the Contract requirements shall be covered by a separate contract or amendment to order subject to the limits and requirements provided under existing laws, rules and regulations.

7.2 Support Services. FreeBalance shall provide the Customer with Support Services as described in the *Budget and Treasury Management System (BTMS) Cloud/Subscription-Based Licenses with Software Maintenance and Enhancements* Project Contract and as supplemented by a subsequent Order Document from time to time, subject to the Customer being up to date on all Subscription Fees.

7.3 Professional Services. If Customer purchases additional professional services from FreeBalance, such services shall be provided on the terms and conditions set out in FreeBalance's standard consulting services agreement or on such other terms and conditions as may be mutually agreed upon by FreeBalance and Customer.

8. Fees and Payment

8.1 Fees:

(a) Subscription License Fees. Customer shall pay to FreeBalance the subscription fees set out in the Contract (the "**Subscription Fees**"). Any additional fees for additional licenses not covered in the scope of Contract will require a separate contract or amendment to order subject to the limits and requirements provided under existing laws, rules and regulations.

(b) Software Maintenance Fees. The customer shall pay to FreeBalance the software maintenance fees set out in the Contract (the "**Software Maintenance Fees**"). Any additional fees for software maintenance for additional licenses not covered in the scope of Contract require a separate contract or amendment to order subject to the limits and requirements provided under existing laws, rules and regulations.

(c) Training Services Fees. Customer shall pay to FreeBalance the training services fees set out in the Contract (the "**Training Services Fees**"). Any additional fees for re-training, additional licenses, and change management activities that are not covered in the scope of the Contract require a separate contract or amendment to order subject to the limits and requirements provided under existing laws, rules and regulations.

(d) Support Services Fees. Customer shall pay to FreeBalance the support services fees set out in the Contract (the "**Support Services Fees**"). Any fees for additional resources/personnel to be assigned to the Project not covered by the scope in the Contract, require a separate contract or amendment to order subject to the limits and requirements provided under existing laws, rules and regulations.

8.2 Invoice. Invoices shall be prepared and sent in accordance with FreeBalance's standard policies and procedures unless otherwise provided for in the Order Document.

8.3 Payment. Customer will process and pay FreeBalance invoices within thirty (30) days of receipt unless otherwise provided for in the Order Document.

8.4 Taxes. All Fees are **inclusive** of taxes. Freebalance is responsible for all taxes, charges or duties including, without limitation, sales, use, value added, royalty or withholding taxes and all applicable taxes imposed by the Philippine Government on software or services provided under this Agreement.

8.5 No Deductions or Set-offs. All amounts payable to FreeBalance under this Agreement shall be paid in full without any set-off, recoupment, counterclaim, deduction, debit or withholding for any reason (other than any deduction or withholding of tax as may be required by applicable law).

9. **Confidentiality**

9.1 Confidential Information. In connection with this Agreement, FreeBalance may disclose or make available to Customer certain Confidential Information. Subject to Section 9.2, "**Confidential Information**" means information that FreeBalance considers confidential or proprietary, including information consisting of or relating to FreeBalance's technology, trade-secrets, know-how, business operations, plans, strategies, customers and pricing information, whether or not marked or otherwise identified as "confidential". Without limiting the foregoing, the Products and terms of this Agreement are Confidential Information.

9.2 Exclusions and Exceptions. Confidential Information as used herein does not include information the Customer can demonstrate by written or documentary records: (a) was, at the time of disclosure, is or becomes generally available to and known by the public (other than as a direct result of disclosure, directly or indirectly, by Customer or its Representatives in violation of this Agreement); (b) is or becomes available to Customer from a

source other than FreeBalance, provided that such source, to the best of Customer's knowledge after reasonable inquiry, was not and is not bound by a confidentiality agreement regarding FreeBalance or its affiliates, or otherwise prohibited from disclosing such information by a legal, contractual or fiduciary obligation; (c) was already known by or in the possession of Customer before being disclosed by or on behalf of FreeBalance pursuant to this Agreement; or (d) has been or is independently developed by Customer without violating any of its obligations under this Agreement or use of or reference to, in whole or in part, any of FreeBalance's Confidential Information

9.3 Use. As a condition to being provided any disclosure or access to Confidential Information, Customer shall not access or use Confidential Information other than as necessary to exercise its rights or perform its obligations under and in accordance with this Agreement. Further Customer agrees to safeguard the Confidential Information from unauthorized use, access or disclosure using at least the degree of care it uses to protect sensitive information and, in no event, less than a reasonable degree of care; and ensure its Representatives' compliance with and be responsible and liable for any of its Representatives' non-compliance with, the terms of this Section 9.

9.4 Perpetual Confidentiality. Perpetual Confidentiality shall apply for those Confidential Information that by its nature remains to be Confidential even after the completion/termination of this Agreement.

9.5 Compelled Disclosure. If Customer or any of its Representatives is compelled by law, regulation, or a subpoena or valid court order of a competent court to disclose any Confidential Information, then it shall only disclose that portion of the Confidential Information that is it required to disclose and use commercially reasonable efforts to ensure that such Confidential Information is afforded confidential treatment.

10. IP Rights

10.1 IP Ownership. Customer acknowledges and agrees that:

- (a) the Product(s) are licensed, not sold, and Customer does not and will not have or acquire under or in connection with this Agreement any ownership interest in the Products, or in any related IP Rights; and
- (b) FreeBalance and its licensors are and will remain the sole and exclusive owners of all right, title and interest in and to the Products, including all IP Rights relating thereto, subject only to the License(s) granted to Customer under this Agreement.

10.2 Customer Co-operation and Notice of Infringement. Customer shall:

- (a) take all commercially reasonable measures to safeguard the Products (including all copies thereof) from infringement, misappropriation, theft, misuse or unauthorized access;
- (b) promptly notify FreeBalance in writing if Customer becomes aware of: (i) any actual or suspected infringement, misappropriation or other violation of FreeBalance's IP Rights; or (ii) any claim that the Products, in whole or in part, infringes, misappropriates or otherwise violates the IP Rights or other rights of any Person; and
- (c) fully co-operate with and assist FreeBalance in all reasonable ways to prevent or abate any actual or threatened infringement, misappropriation or violation of FreeBalance's rights in, and attempt to resolve any claims relating to, the Products.

10.3 No Implied Rights. Except for the limited rights and licenses expressly granted under this Agreement, nothing in this Agreement grants, by implication, waiver, estoppel or otherwise, to Customer or any third party any IP Rights or other right, title or interest in or to any of the Products.

11. Term and Termination

11.1 Term. This Agreement is effective from the earlier of the date on which Customer installs, copies or otherwise uses the Product(s) or executes the Agreement (the "Effective Date") and shall remain in effect until terminated as set forth below (the "Term").

11.2 Termination for Cause. Termination of this Agreement shall be in Accordance with Annex "I" (Guidelines on Termination of Contracts) of the 2016 Revised Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9184 (The Government Procurement Reform Act).

11.3 Effect of Termination. Upon termination of this Agreement:

(a) All rights and authorizations granted to Customer hereunder will immediately terminate and Customer shall:

(i) Immediately cease all use of and other activities with respect to the Product(s) to the extent the applicable Fee remains unpaid;

(ii) within ten (10) days destroy and permanently erase the Products and FreeBalance's Confidential Information from all devices and systems Customer directly or indirectly controls, including all documents, files and tangible materials (and any partial or complete copies) containing, reflecting, incorporating or based on any of the foregoing, whether or not modified or merged into other materials; and

(iii) certify to FreeBalance in a signed and notarized written instrument that it has complied with the requirements of this Section.

(b) all amounts payable by Customer to FreeBalance of any kind are immediately payable and due no later than ten (10) days after FreeBalance's termination of this Agreement under Section 11.2 hereof.

(c) Termination of this Agreement shall not bar FreeBalance from seeking any other remedy it may have available against Customer for breach of the Agreement. Customer shall indemnify and hold FreeBalance harmless for any loss or other consequences of a termination of this Agreement.

12. Warranties

12.1 Limited Warranty. Subject to the limitations and conditions set forth in this Section 12, FreeBalance warrants to Customer that, for a period equal to the greater of ninety (90) days from the date of shipment of the Programs to Customer and the warranty period provided for in the Order Document (hereinafter the "**Warranty Period**"), the Programs, if properly installed and used, shall be capable of performing the functions described in the accompanying Documentation, provided that the Customer (a) notifies FreeBalance in writing of the warranty breach before the expiration of the Warranty Period; and (b) is in compliance with all terms and conditions of this Agreement.

12.2 Exceptions. Notwithstanding any provisions to the contrary in this Agreement, the limited warranty set forth in Section 12.1 does not apply to problems arising out of or relating to:

(a) Programs, or the media on which they are provided, that are modified or damaged by Customer or its Representatives;

(b) any operation or use of, or other activity relating to, the Programs other than as specified in the Documentation including any incorporation in the Programs of, or combination, operation or use of the Programs in or with, any technology (including any software, hardware, firmware, system or network) or

service not specified for Customer's use in the Documentation, unless otherwise expressly permitted by FreeBalance in writing;

- (c) Customer's or any third party's negligence, abuse, misapplication or misuse of the Programs, including any use of the Programs other than as specified in the Documentation or expressly authorized by FreeBalance in writing;
- (d) the operation of, or access to, Customer's or a third party's system or network;
- (e) any beta software, software that FreeBalance makes available for testing or demonstration purposes, temporary software modules or software for which FreeBalance does not receive a license fee;
- (f) Customer's material breach of any provision of this Agreement; or
- (g) any other circumstances or causes outside of the reasonable control of FreeBalance (including abnormal physical or electrical stress).

12.3 **Sole Remedy.** Customer's only remedy for breach of this warranty shall be limited to the correction or replacement as soon as practicable of any defective item(s) at FreeBalance's expense.

12.4 **DISCLAIMER OF WARRANTIES.** EXCEPT FOR THE EXPRESS LIMITED WARRANTIES SET FORTH IN SECTION 12.1, ALL PROGRAMS, DOCUMENTATION AND OTHER PRODUCTS, INFORMATION, MATERIALS AND SERVICES PROVIDED BY FREEBALANCE ARE PROVIDED "AS IS." FREEBALANCE HEREBY DISCLAIMS ALL CONDITIONS AND WARRANTIES, WHETHER EXPRESS, IMPLIED, STATUTORY OR OTHER (INCLUDING ALL CONDITIONS AND WARRANTIES ARISING FROM COURSE OF DEALING, USAGE OR TRADE PRACTICE), AND SPECIFICALLY DISCLAIMS ALL IMPLIED CONDITIONS AND WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE AND NON-INFRINGEMENT. WITHOUT LIMITING THE FOREGOING, FREEBALANCE MAKES NO CONDITION OR WARRANTY OF ANY KIND THAT THE PROGRAMS OR DOCUMENTATION, OR ANY OTHER FREEBALANCE OR THIRD-PARTY GOODS, SERVICES, TECHNOLOGIES OR MATERIALS (INCLUDING ANY SOFTWARE OR HARDWARE), OR ANY PRODUCTS OR RESULTS OF THE USE OF ANY OF THEM, WILL MEET CUSTOMER'S OR OTHER PERSONS' REQUIREMENTS, OPERATE WITHOUT INTERRUPTION, ACHIEVE ANY INTENDED RESULT, BE COMPATIBLE OR WORK WITH ANY OTHER GOODS, SERVICES, TECHNOLOGIES OR MATERIALS (INCLUDING ANY SOFTWARE, HARDWARE, SYSTEM OR NETWORK) EXCEPT IF AND TO THE EXTENT EXPRESSLY SET FORTH IN THE DOCUMENTATION, OR BE SECURE, ACCURATE, COMPLETE, FREE OF HARMFUL CODE OR ERROR FREE.

13. FreeBalance Indemnity

13.1 **Indemnity.** FreeBalance will defend any claim that the Product(s) in the form supplied by FreeBalance infringes any copyright protected by the Berne Convention, the Universal Copyright Convention, or the Agreement insofar as it relates to copyright, and will indemnify the Customer against any final damages awarded, or settlement entered into, in connection with any such claim, provided Customer gives FreeBalance immediate written notice and control of the defense of any such claim, and provided further that Customer cooperates with FreeBalance in defense of any such claim.

13.2 **Exclusions.** FreeBalance's obligations under Section 13.1 with respect to infringement of any third party's rights do not apply to the extent that any such claim, damages award or settlement arise from an allegation of or relating to any:

- (a) third-party materials;
- (b) incorporation in the Programs of, or combination, operation or use of the Programs in or with, any technology (including software, hardware, firmware, system or network) or service not provided by

FreeBalance or specified for Customer's use in the Documentation, unless otherwise expressly permitted by FreeBalance in writing;

- (c) modification of the Programs other than: (i) by FreeBalance in connection with this Agreement; or (ii) with FreeBalance's express written authorization in strict accordance with FreeBalance's written directions and specifications;
- (d) negligence, abuse, misapplication or misuse of the Products by or on behalf of Customer, Customer's Representatives or a third-party;
- (e) use of the Products by or on behalf of Customer that is outside the purpose, scope or manner of use authorized by this Agreement or in any manner contrary to FreeBalance's instructions;
- (f) events or circumstances outside of FreeBalance's commercially reasonable control (including any third-party hardware, software or system bugs, defects or malfunctions); or
- (g) any claim or losses for which Customer is obligated to indemnify FreeBalance under Section 13.

13.3 Remedies. If Customer is enjoined by an order of a court of competent jurisdiction to cease any use of the Product(s) as a result of copyright infringement contemplated under Section 13.1, then FreeBalance will, at its discretion and expense, do one of the following: (1) obtain the right for Customer to continue to use the Products as contemplated in this Agreement; (2) replace or modify the Products, in whole or in part, to seek to make the Products non-infringing; or (3) refund a *pro rata* portion of the License Fees paid for the Products.

13.4 Exclusive remedies. THIS SECTION 13 SETS FORTH CUSTOMERS SOLE REMEDIES AND FREEBALANCE'S SOLE LIABILITY AND OBLIGATION FOR ANY ACTUAL, THREATENED OF ALLEGED CLAIMS THAT THIS AGREEMENT OR ANY SUBJECT MATTER HEREOF, INCLUDING BUT NOT LIMITED TO THE PRODUCT(S), INFRINGES, MISAPPROPRIATES OR OTHERWISE VIOLATES ANY THIRD PERSON'S IP RIGHTS, PROPRIETARY, CONTRACTUAL OR OTHER RIGHTS IN RELATION TO THE PRODUCTS.

14. Customer Indemnity

14.1 Customer shall indemnify, defend and hold harmless FreeBalance, its employees and agents, from and against any losses relating to (i) the negligence, abuse, misapplication, misuse or more culpable act or omission (including recklessness or willful misconduct) by or on behalf of the Customer or any of its Representatives in connection with this Agreement, including, but not limited to, any act or omission leading to the bodily injury or death of any person or damage to real and or tangible property; (ii) breaches of its obligations of confidentiality hereunder; (iii) claims of its employees for wages or benefits; (iv) claims of third parties relating to Customer's business or services except to the extent any such losses relate to the Product(s); and (v) any violations of law by Customer.

15. Limitation of Liability

15.1 Indirect Damages. IN NO EVENT SHALL FREEBALANCE BE LIABLE UNDER OR IN CONNECTION WITH THIS AGREEMENT, ITS SUBJECT MATTER OR ANY OF THE SCHEDULES ATTACHED HERETO, OR RESULTING FROM THE FURNISHING, PERFORMANCE, OR USE OR LOSS OF ANY PRODUCTS OR OTHER MATERIALS DELIVERED TO CUSTOMER HEREUNDER, UNDER ANY LEGAL OR EQUITABLE THEORY, INCLUDING BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY AND OTHERWISE, FOR ANY (a) INCREASED COSTS, DIMINUTION IN VALUE OR LOST BUSINESS, PRODUCTION, REVENUES OR PROFITS, (b) LOSS OF GOODWILL OR REPUTATION, (c) USE, INABILITY TO USE, LOSS, INTERRUPTION, DELAY OR RECOVERY OF ANY PROGRAMS, (d) LOSS, DAMAGE, CORRUPTION OR RECOVERY OF DATA, OR BREACH OF DATA SYSTEM SECURITY, (e) COST OF REPLACEMENT GOODS OR SERVICES, OR (f) ANY SPECIAL, INCIDENTAL, INDIRECT, AGGRAVATED, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES OF ANY KIND, IN EACH CASE REGARDLESS OF WHETHER FREEBALANCE WAS ADVISED OF THE POSSIBILITY OF SUCH

LOSSES OR DAMAGES OR SUCH LOSSES OR DAMAGES WERE OTHERWISE FORESEEABLE, AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE.

15.2 Direct Damages. FREEBALANCE SHALL ONLY BE LIABLE FOR THE CUSTOMER'S DIRECT PROVEN DAMAGES WHICH ARISE FROM OR ARE IN CONNECTION WITH THE DELIVERY, USE OR PERFORMANCE OF THE PRODUCT(S), PROVIDED THAT IN NO EVENT SHALL FREEBALANCE'S TOTAL CUMULATIVE LIABILITY FOR ALL COSTS, LOSSES AND DAMAGES EXCEED THE AMOUNT PAID BY THE CUSTOMER TO FREEBALANCE PURSUANT TO THIS AGREEMENT FOR THE PRODUCT. THE FOREGOING LIMITATIONS AND EXCLUSIONS OF LIABILITY SHALL APPLY EVEN IF FREEBALANCE HAD BEEN ADVISED OF THE POSSIBILITY OF ANY SUCH COSTS, LOSSES OR DAMAGES OR KNEW OR OUGHT TO HAVE KNOWN OF SUCH COSTS, LOSSES OR DAMAGES AND SHALL APPLY REGARDLESS OF WHETHER THE ACTION AROSE IN CONTRACT, INCLUDING, WITHOUT LIMITATION, FROM A FUNDAMENTAL BREACH, OR BREACH OF A CONDITION, FUNDAMENTAL TERM OR WARRANTY, OR IN TORT (INCLUDING, WITHOUT LIMITATION NEGLIGENCE) OR OTHERWISE. THE FOREGOING PROVISIONS LIMITING THE LIABILITY OF FREEBALANCE SHALL ALSO APPLY TO ITS OFFICERS, DIRECTORS, EMPLOYEES, AND AGENTS AS TRUST PROVISIONS FOR THE BENEFIT OF SUCH OFFICERS, DIRECTORS, EMPLOYEES, AND AGENTS AND SHALL BE ENFORCEABLE BY SUCH PERSONS AS TRUST BENEFICIARIES.

16. Miscellaneous Provisions

16.1 Export Restrictions Compliance. Customer agrees that it will not use the Product(s) for any purposes prohibited in export laws or regulations in Canada, including without limitation, nuclear, chemical or biological weapons proliferation.

16.2 Assignment. Unless and to the extent expressly permitted by the Order Document, neither this Agreement nor any rights hereunder, in whole or in part, shall be assignable or otherwise transferable by Customer, and any purported assignment or transfer shall be null and void.

16.3 Severability

(a) If any term or provision of this Agreement shall be found to be illegal or unenforceable, then, notwithstanding, it will be enforced to the maximum extent permissible, and the legality and enforceability of the other provisions of this Agreement will not be affected.

(b) IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT EACH AND EVERY PROVISION OF THIS AGREEMENT WHICH PROVIDES FOR A LIMITATION OF LIABILITY OR LIMITED WARRANTY IS INTENDED BY THE PARTIES TO BE SEVERABLE AND INDEPENDENT OF ANY OTHER PROVISION AND TO BE ENFORCED AS SUCH.

16.4 Non-Waiver. No consent or waiver a breach of this Agreement shall constitute a consent, waiver, or excuse of a different or subsequent breach.

16.5 Audit and Records. Customer agrees to maintain records of use, locations, names, types and number of Users and passwords of the Product(s) and to certify in writing to FreeBalance the Customer's compliance with the terms and conditions of this Agreement on written request by FreeBalance. FreeBalance will have the right, no more than once annually, to appoint an independent third party to examine Customer's facilities and audit Customer's books and records to verify Customer's compliance with the terms and conditions of this Agreement. Any such audit shall be at the expense of FreeBalance unless the audit reveals a material non-compliance by Customer with the terms and conditions of this Agreement, in which case the audit shall be at the expense of Customer.

16.6 Non-Solicitation. FreeBalance and Customer agree that, without the prior written consent of the other Party, for a period of three (3) years from the commencement of the Term, neither FreeBalance nor Customer shall, directly or indirectly, hire any employees or consultants of the other Party nor shall either Party solicit or induce or

attempt to induce any persons who are employees or consultants of the other Party to terminate their employment or consulting agreement.

16.7 Independent Contractors. Each Party shall perform its obligations under this Agreement as an independent contractor. Nothing herein shall be deemed to constitute FreeBalance and Customer as partners, joint venturers or principal and agent.

16.8 Survival. Any provision of this Agreement which contemplates performance or observance subsequent to any termination or expiration of this Agreement shall survive expiration or termination of same.

16.9 Notices. Any notice or communication required under this Agreement will be effective when received if given in writing and delivered by hand delivery, by facsimile, by first class mail, by certified mail or registered mail, or by an overnight delivery service of general commercial use (such as UPS, Federal Express or Airborne), addressed as follows (or to such other address as either Party may hereafter give notice of to the other Party in accordance with this Section 16.9):

if to FreeBalance:	and if to Customer:
FreeBalance Inc. 343 Preston Street, Suite 400 Ottawa, Ontario Canada K1S 1N4 Tel: +1 (613) 236-5150 Fax: +1 (613) 236-7785 Attn: Chief Financial Officer	as set out in the Order Document • Tel: • Fax: • Attn: •

16.10 Entire Agreement. This Agreement constitutes the entire agreement between the Parties concerning the Product(s) and supersedes all prior agreements, whether written or verbal, between the Parties. No Order Document, purchase order, other ordering document or any other document which purports to modify or supplement this Agreement shall add to or vary the terms and conditions of this Agreement unless executed by both FreeBalance and Customer. Any discrepancy between an Order Document and this Agreement shall be governed by the Order Document. No amendment shall be considered to have been made to this Agreement unless it is in writing and is executed by both Parties.

16.11 Equitable Remedies. The Parties agree that in the event of any breach or threatened breach of any provision of this Agreement concerning confidential information or other matters for which equitable remedies may be granted, money damages may not be an adequate remedy. Accordingly, such provisions may be sought to be enforced by seeking a preliminary, interlocutory, interim or permanent injunction or other order of a court of competent jurisdiction.

16.12 Governing Law. The Parties agree that this Agreement shall be governed by and construed in accordance with the laws of the Republic of the Philippines. Any action brought to enforce or interpret this Agreement shall be brought in the courts of the city of Manila to the exclusion of all other courts. Notwithstanding the foregoing, all of the intellectual property rights herein are protected by copyright and/or trade secret laws and international treaty provisions.

16.13 Force Majeure. FreeBalance shall not be liable in damages nor shall Customer have the right to terminate this Agreement for any delay or default in performing hereunder if such delay or default is caused by conditions beyond FreeBalance’s reasonable control including, but not limited to, acts of God, flood, fire, earthquake, tsunami, explosion, war, terrorism, epidemic, invasion, riot or other civil unrest, embargoes, blockades in effect on or after

the date of this Agreement, national or regional emergency, strikes, labor stoppages or slowdowns or other industrial disturbances, passage of law or any action taken by a governmental or public authority, including imposing an export or import restriction, quota or other restriction or prohibition of any complete or partial government shutdown, or national or regional shortage of adequate power or telecommunications or transportation.

16.14 Good Faith. The parties shall act in good faith with respect to each other’s rights under this agreement and to adopt all reasonable measures to ensure the realization of the objectives of this agreement.

IN WITNESS WHEREOF, FreeBalance and Customer have caused this Agreement to be executed by the duly authorized and empowered officers or representatives of the Parties, as of the date set out below.

**Department of Budget and Management for the
Government of the Philippines**

FREEBALANCE INC.

Authorized Signature

Authorized Signature

Date

Date

SCHEDULE A**SOFTWARE MAINTENANCE SERVICES****1. Definitions**

In these Software Maintenance Terms (the “**Software Maintenance Terms**” or “**SM Terms**”) unless something in the subject matter or context is inconsistent with the following definitions, the following terms shall have the following meanings:

- 1.1. “**Access**” means the ability of the Customer to access the FreeBalance Customer Support Center, containing FreeBalance’s corporate and software information and tools, problem reporting capabilities, problem resolution status tracking, product bulletin board, knowledge base, downloads, release schedules, feedback forms, news bulletins, graphics gallery and electronic documentation.
- 1.2. “**Business Day**” means a business day in the jurisdiction of the Customer.
- 1.3. “**Customer**” means the party identified as “Customer” in the Software Maintenance Agreement.
- 1.4. “**Documentation**” means FreeBalance’s end user documentation relating to the Module(s), that FreeBalance provides to the Customer, which describes the functionality, components, features, or requirements of the Module(s), including any aspect of installation, configuration, integration, operation or use of the Module(s).
- 1.5. “**Enhancement**” means new functionality for the Module(s).
- 1.6. “**Enhancement Request**” means a request for an Enhancement.
- 1.7. “**Fix(es)**” means a piece of code developed to correct a software defect and released as quickly as possible, with minimal downtime.
- 1.8. “**FreeBalance**” means FreeBalance Inc., a corporation incorporated under the laws of Canada.
- 1.9. “**FreeBalance Customer Portal**” means a secure, internet accessible, internet portal through which the Customer can request Service and verify the status of a Service Request.
- 1.10. “**FreeBalance Customer Support Center**” means the FreeBalance Customer Portal or telephone from which Customers can make a Service Request.
- 1.11. “**Full Time Equivalent Employee**” means an employee, or a number of employees in the aggregate, of the Customer, including full time, part time, casual, contract and seasonal employees, whose service is or is equivalent to full-time employment.
- 1.12. “**General Inquiry**” is a general question posed by the Customer to FreeBalance that is neither a Software Defect nor an Enhancement Request.
- 1.13. “**Incident(s)**” means a request for Service, as it relates to a Software Defect, that begins when Customer contacts FreeBalance to report a Software Defect and ends when FreeBalance either: (a) Resolves the Software Defect; or (b) determines in its sole discretion that the Software Defect cannot be Resolved.
- 1.14. “**Major Release**” means a new version of the Module(s) that includes significant new functionality and that is identified by FreeBalance as Release version X.0 (for example, version 7.0).
- 1.15. “**Minor Release**” means a new version of the Module(s) that is generally provided to Customers with a valid Software Maintenance Agreement that provides for Fixes and error corrections and that is identified by FreeBalance as Release version X.n, where “n” is any number other than 0 (for example, version 7.1).
- 1.16. “**Modules(s)**” means certain proprietary computer software modules and/or interfaces which FreeBalance has developed or for which FreeBalance has acquired the right to sublicense, and which have been licensed by FreeBalance to the Customer pursuant to a Software Maintenance Agreement.

- 1.17. **"Production Environment"** means use of the Modules(s) by Users for its intended end use in a live data environment.
- 1.18. **"Remote Services"** means the delivery of Services remotely over the internet using remote access software provided by the customer.
- 1.19. **"Resolve"** means the provision of: (a) Software Maintenance Services that, in FreeBalance's sole discretion, correct the Software Defect; (b) information to Customer that corrects the Software Defect; (c) information to Customer on how to obtain a solution that corrects the Software Defect; (d) information to Customer that the Software Defect is caused by a known, unresolved issue or an incompatibility issue with the Module(s); (e) information to Customer that states the Software Defect can be corrected by upgrading to a newer version of the Module(s); or (f) notice to Customer that the Software Defect has been identified as arising out of or resulting from a Service Exception. **"Resolution"** shall have a correlative meaning.
- 1.20. **"Respond"** means FreeBalance's initial communication with Customer, whether by telephone, email, or otherwise, acknowledging Customer's request for Software Maintenance Services in connection with a specific Software Defect. **"Response"** has a correlative meaning.
- 1.21. **"Service"** means FreeBalance's customer support representatives providing support to the Customer with respect to a Software Defect or General Inquiry, in accordance with Section 7, below.
- 1.22. **"Service Request"** means a request for Service.
- 1.23. **"Software"** means the Module(s) together with the corresponding Documentation.
- 1.24. **"Software Defect"** means a reproducible failure of a Module to perform in substantial conformity with the specifications set forth in the Documentation, the origin of which can be isolated to a single cause, except for declared known issues as stated in the release notes.
- 1.25. **"Software Maintenance Fees"** or **"SM Fees"** have the meaning set forth in the Software Maintenance Agreement.
- 1.26. **"Software Maintenance Services"** means the Service, Access and Software Releases provided by FreeBalance to the Customer hereunder in accordance with these Software Maintenance Terms.
- 1.27. **"Software Releases"** means a Major Release or a Minor Release.
- 1.28. **"Target"** is generally defined as a goal or objective toward which effort is directed; Target(s) are specifically defined with respect to the Priority definitions.
- 1.29. **"User"** means a Full Time Equivalent Employee of the Customer who is authorized to use the Module(s) pursuant to a License granted to the Customer by FreeBalance under the Software Maintenance Agreement.

2. **Software Maintenance**

2.1 **Software Maintenance Services.** Subject to the terms of the Software Maintenance Agreement, FreeBalance shall provide Software Maintenance Services to the Customer during the Term in accordance with these terms.

2.2 **Out of Scope Services.** The following tasks, work, activities and services are not included in, and are specifically excluded from Software Maintenance Services: (a) installation; (b) upgrades; (c) Enhancements (d) training (e) Module use in more than one Production Environment or in any non-Production Environment; (f) on-site visit requests from the Customer; (g) contracted service maintenance; (h) troubleshooting a network environment; (i) system down due to a network or database issue; (j) database and system performance and tuning; (k) non-FreeBalance software issues (for example: network, database, operating system, drivers); (l) Customer set-up issues; (m) data migration; (n) data conversion; (o) installation and implementation of a Major Release; (p) system down (i.e., Priority 1) issues resulting in a Customer site visit that have been inappropriately defined (i.e., not a system down) by the Customer, and (q) the operation of, or access to, Customer's or a third-party's system or network. FreeBalance is not responsible for performing any Out-of-Scope Services unless FreeBalance specifically agrees to do so in a separate agreement signed by the Parties.

2.3 Remote Services. Customer acknowledges and agrees that FreeBalance may provide Remote Services to Customer to assist in analyzing and Resolving any Incident. Customer agrees to provide FreeBalance with access to Customer's network, including a copy of the database, to install and use remote access software necessary for FreeBalance to provide the Remote Services to Customer.

2.4 Availability

- (a) Service shall be available to the Customer by contacting the FreeBalance Customer Support Center, which can be reached as follows:
 - (i) Primary method is by the FreeBalance Customer Portal
http://www.freebalance.com/customer_login/
Additional tools after the case is raised on the Customer Portal
- (b) Access to the FreeBalance Customer Support Portal shall be provided continuously (subject to FreeBalance's maintenance of the FreeBalance Customer Support Portal).

2.5 International Steering Committee/ Ministers' Conference. The Customer is entitled to have two (2) delegates participate at the annual FreeBalance International Steering Committee and bi-annual participation in the FreeBalance Ministers' Conference, when and if scheduled; provided, in each case, the Customer is current in the payment of its annual SM Fees.

2.6 Module Releases.

- (a) FreeBalance shall from time to time deliver to the Customer a Minor Release, including prior released Fixes. Customer is required to transition from a Fix to a Minor Release no less than once per year. It will be the customer's responsibility to test and certify the revision recommended by FreeBalance before applying it to the production environment.
- (b) FreeBalance shall advise its customers on the FreeBalance Customer Portal of the general availability of all Major Releases as they become available. The Delivery and implementation of a Major Release shall be dictated by a separate agreement between the parties.

3. Exceptions.

3.1 Service Exceptions. FreeBalance has no obligation to provide Software Maintenance Services relating to Software Defects that, in whole or in part, arise out of or result from any of the following (each a "Service Exception"):

- (a) a Module, or the media on which it is provided, that is modified or damaged by Customer or a third-party;
- (b) any operation or use of, or other activity relating to, the Module(s) other than as specified in the Documentations, including incorporation in any Module or, or combination, operation or use of a Module in or with, any technology (including software, hardware, firmware, system, or network) or service not specified for Customer's use in the Documentation, unless otherwise expressly permitted in writing by FreeBalance;
- (c) issues in Production environment due to fixes/changes made by customer directly on the Production environment without first testing in a test environment successfully;
- (d) any negligence, abuse, misapplication or misuse of the Module(s) other than by FreeBalance, including any Customer use of the Module(s) other than as specified in the Documentation or expressly authorized by FreeBalance in writing;
- (e) any beta software or any other software that FreeBalance makes available for testing or demonstration purposes, temporary software modules, or software for which FreeBalance did not receive a license fee;
- (f) any breach of or noncompliance with any provision of these SM Terms or the Software Maintenance Agreement by Customer; or

(g) any Force Majeure Event.

4. Customer Obligations

4.1 Notification. Customer shall promptly notify FreeBalance of any Software Defect and provide FreeBalance with reasonable detail of the nature and circumstances of the Software Defect as detailed in Section 6 hereof.

4.2 Compliance. Customer shall comply with all terms and conditions of these SM Terms and the Software Maintenance Agreement.

4.3 Use. Customer shall use the Module(s) solely in accordance with the terms of the Documentation.

4.4 Environment. Customer (or their IT department) shall set up, maintain, and operate in good repair and in accordance with the Documentation all environmental conditions and components, including all networks, systems, and hardware, in or through which: (a) the Module(s) may operate; and/or (b) the Customer and Users accesses or uses any of the Software Maintenance Services.

4.5 Access. In connection with the performance of the Software Maintenance Services, Customer shall provide FreeBalance with all such cooperation and assistance as they may reasonably request, or otherwise may reasonably be required, to enable FreeBalance to perform its obligations (including the provision of the Software Maintenance Services), and exercise its rights, under and in accordance with the terms and conditions of these SM Terms, including:

- (a) reasonable, uninterrupted access, both physical and virtual, to the Module(s) at Customer's premises, systems, networks, and facilities;
- (b) a safe working environment;
- (c) reasonable access to the appropriate Customer personnel, including network, systems, operations, and applications personnel; and
- (d) all necessary authorizations and consents, whether from third parties or otherwise, in connection with any of the foregoing.

4.6 Data Back-up. Customer agrees to back up all data, files, and information prior to the performance of any Software Maintenance Services and hereby assumes sole responsibility for any lost or altered data, files, or information.

4.7 Information. Customer shall provide FreeBalance with all information reasonably requested by FreeBalance from time to time relating to Customer's use of the Module(s) or Software Maintenance Services, including information on Customer's hardware, network, systems, and any related Third-Party Materials.

5. Using Customer Support

5.1 Categories of Service Requests

(a) Software Defect

- (i) Notwithstanding a Customer's assignment in a Service Request of a Severity, Impact, or Priority level to a Software Defect, FreeBalance may re-classify same based upon the Severity, Impact, and Priority levels set forth in Section 7.
- (ii) Reasonable efforts will be made to meet the Response and Resolution Targets. However, the Customer acknowledges that circumstances may arise that prevent FreeBalance from meeting Targets in all cases. FreeBalance will notify the Customer in cases where FreeBalance believes Targets are unlikely to be met.

(b) General Inquiries

- (i) If possible, a General Inquiry will be answered by the FreeBalance Customer Support Center. If appropriate, Customer Support may also direct the Customer to the applicable "how to" or FAQ document in the FreeBalance Customer Portal.
- (ii) Service Requests categorized as General Inquiries, if they cannot be answered by the FreeBalance Customer Support Center immediately, will be assigned to the responsible area of expertise within FreeBalance for a response.

5.2 Information to be Provided. When initiating a Service Request the following information must be provided by the Customer by using the FreeBalance Customer Portal:

- (a) with respect to all Service Requests:
 - (i) the name and version of the database management system used by the Customer;
 - (ii) the name and version of the operating system used by the Customer;
 - (iii) the Module(s) used by the Customer, including version/revision number(s);
 - (iv) the Module(s) affected;
 - (v) the Module function(s) affected;
 - (vi) a short narrative description of the case;
 - (vii) the error message displayed, if applicable; and
 - (viii) the database and application log files;
- (b) and, with respect to Software Defect:
 - (i) the steps leading up to the manifestation of the problem; and
 - (ii) a copy of the database.

5.3 Logging a Service Request. Upon receipt of a Service Request and all information required by Subsection 5.2 through the customer portal, a case number shall be issued to the Customer ("**Case Number**") acknowledging the receipt of the Service Request and defining it as one of the following:

- (a) Software Defect
- (b) Enhancement;
- (c) General Inquiry; or
- (d) a sales and service request.

The Case Number must be used in all communications between the Customer and FreeBalance with respect to the Service Request.

6. Severity Levels for Software Defects

6.1 When the Customer reports a problem FreeBalance will assign a severity, impact, and priority to the problem in accordance with Section 7.

6.2 In the event of any dispute between the Customer and FreeBalance as to the severity, impact, or priority assigned to a problem, FreeBalance and the Customer shall escalate the dispute to the next level of management for resolution of the dispute. In the event a dispute is escalated under 6.2, the response time shall be tolled until resolution of the dispute.

7. **Severity, Impact, and Priority; Response Procedures; Resolution Targets**

7.1 Incidents are processed in an order determined by three metrics:

- (a) **Severity:** The potential effect that an unresolved issue has on the ability of the customer to effectively carry on its activities or deliver its services
- (b) **Impact:** The urgency that is considered appropriate to resolve a given issue
- (c) **Priority:** How quickly the service desk should address the problem

7.2 **Description of Severity**

Severity

- 1 - Emergency**
 - Entire institution is affected
 - Critical service is affected
- 2 - High**
 - Individual department(s) are affected
 - Non-critical service is affected
- 3 - Medium**
 - Multiple users or workgroup(s) are affected
- 4 - Low**
 - One or fewer users affected

7.3 **Description of Impact**

Impact

- 1 - Critical** Incident affects an entire service, resulting in the inability to perform/provide the functions of the service. No workaround is available.
- 2 - High** Incident affects a user's ability to perform a function that is critical to their role and standard business operations.
- 3 - Medium** Incident moderately affects a user's ability to perform functions as a part of their role.
- 4 - Low** Incident does not impede a user's ability to perform a function or a workaround is available.

7.4 **Determination of Priority (Automatically set based off selections for Severity & Impact)**

Severity / Impact	Critical	High	Medium	Low
Emergency	P 1	P 2	P 2	P 3
High	P 2	P 2	P 3	P 4
Medium	P 2	P 3	P 4	P 4
Low	P 3	P 4	P 4	P 4

7.5 **Target Response and Resolution Times**

Priority	Duration		Schedule
P1	Response	2 hours	24 x 7
	Resolution	Continuous work, up to 8 business hours	
P2	Response	4 hours	Business hours, excluding holidays
	Resolution	24 business hours	

P3	Response	6 hours	
	Resolution	40 business hours	
P4	Response	8 hours	
	Resolution	72 business hours	

7.6 Response times are calculated from the time the Customer files a Service Request until the time FreeBalance acknowledges receipt of the Service Request, classifies the Service Request as a Software Defect, Enhancement Request or General Inquiry and, if it is a Software Defect, reproduces the Software Defect and assigns it a severity, impact, and priority.

7.7 Resolution times are calculated from the moment a Priority is confirmed or assigned by FreeBalance until the problem is resolved. The resolution time is suspended if information is pending from the Customer.

7.8 Limitations.

- (a) Incidents. FreeBalance has the sole right to determine, in its reasonable discretion: (i) what constitutes an Incident; and (ii) when an Incident is deemed to be Resolved.
- (b) Response Time and Resolution. FreeBalance will use commercially reasonable efforts to: (i) Respond within the applicable Response Time provided in Section 7; and (b) Resolve an Incident, but FreeBalance does not guarantee that any Incident will be Resolved within the Resolution time as one cannot reasonably foresee the complexity of an Incident.
- (c) FreeBalance is not responsible for any delay or failure caused by any delay or failure on the part of the Custom to comply with the terms of this Agreement.

Change in Definitions. FreeBalance shall give sixty (60) days written notice to the Customer of any change in its Severity, Impact, or Priority definitions, which changes shall take effect immediately following the expiry of the notice period.

8. **Intellectual Property Rights:**

8.1 FreeBalance shall own all proprietary rights, including patent, copyright, trade secret and other proprietary rights, in and to the Software, and any corrections, bug fixes, Enhancements, updates or other modifications to the Software, and any intellectual or other property rights therein shall be the exclusive property of FreeBalance. Any patches, workarounds, Minor Releases or Major Releases provided to the Customer by FreeBalance shall be subject to and governed by the SMA.

9. **Discrepancies:**

9.1 This Schedule A and the Project Contract are meant to be read and interpreted harmoniously. Notwithstanding, any discrepancy between this Schedule A and the Project Contract shall be governed by the Project Contract.

Appendix 7.2 - WBS

SN	WBS	Task Name	Duration	Start	Finish	Resource Names
1	1	FY 2024 BTMS Initial Implementation and Enhancements	100 days	Mon 8/5/24	Fri 12/20/24	
2	1.1	Initial Implementation of BTMS [Two (2) months from receipt of the NTP]	45 days	Mon 8/5/24	Fri 10/4/24	
3	1.1.1	Installation at the Cloud Infrastructure	11 days	Mon 8/5/24	Mon 8/19/24	
4	1.1.1.1	Install BTMS v7.5 in the AWS Cloud Development (DEV) instance	1 day	Mon 8/5/24	Mon 8/5/24	FreeBalance
5	1.1.1.2	Installation Blueprint and Report	11 days	Mon 8/5/24	Mon 8/19/24	
6	1.1.1.2.1	Document the Installation Blueprint and Report	1 day	Mon 8/5/24	Mon 8/5/24	FreeBalance
7	1.1.1.2.2	Submit the Installation Blueprint and Report	1 day	Mon 8/5/24	Mon 8/5/24	FreeBalance
8	1.1.1.2.3	Review the Installation Blueprint and Report	5 days	Tue 8/6/24	Mon 8/12/24	DBM
9	1.1.1.2.4	Revise the Installation Blueprint and Report	3 days	Tue 8/13/24	Thu 8/15/24	FreeBalance
10	1.1.1.2.5	Sign-off the Installation Blueprint and Report	2 days	Fri 8/16/24	Mon 8/19/24	FreeBalance,DB M, COA
11	1.1.2	Reconfiguration of the UACS	12 days	Mon 8/5/24	Tue 8/20/24	
12	1.1.2.1	Provide the recent changes to the UACS design/structure and Government Institutions	2 days	Mon 8/5/24	Tue 8/6/24	DBM
13	1.1.2.2	Provide the mapping of the old UACS to the new UACS design/structure	2 days	Wed 8/7/24	Thu 8/8/24	DBM

14	1.1.2.3	Analyze the impact to the BTMS Chart of Accounts	2 days	Fri 8/9/24	Mon 8/12/24	FreeBalance
15	1.1.2.4	Configure the UACS in the BTMS Chart of Accounts	1 day	Tue 8/13/24	Tue 8/13/24	FreeBalance
16	1.1.2.5	Configuration Blueprint for the BTMS Chart of Accounts	5 days	Wed 8/14/24	Tue 8/20/24	
17	1.1.2.5.1	Document the Configuration Blueprint for the BTMS Chart of Accounts	1 day	Wed 8/14/24	Wed 8/14/24	FreeBalance
18	1.1.2.5.2	Submit the Configuration Blueprint for the BTMS Chart of Accounts	1 day	Thu 8/15/24	Thu 8/15/24	FreeBalance
19	1.1.2.5.3	Review the Configuration Blueprint for the BTMS Chart of Accounts	1 day	Fri 8/16/24	Fri 8/16/24	DBM
20	1.1.2.5.4	Revise the Configuration Blueprint for the BTMS Chart of Accounts	1 day	Mon 8/19/24	Mon 8/19/24	FreeBalance
21	1.1.2.5.5	Sign-off the Configuration Blueprint for the BTMS Chart of Accounts	1 day	Tue 8/20/24	Tue 8/20/24	DBM, FreeBalance
22	1.1.3	Reconfiguration of user roles, users, functional classes, security groups, and workflows	12 days	Mon 8/5/24	Tue 8/20/24	
23	1.1.3.1	Provide the Security Access Matrix for the Pilot Ministry(ies), including the workflow as prescribed by NGAS	4 days	Mon 8/5/24	Thu 8/8/24	DBM
24	1.1.3.2	Configure the user roles, users, functional classes, security groups, and workflows	3 days	Fri 8/9/24	Tue 8/13/24	DBM
25	1.1.3.3	Configuration Blueprint for the related parameters and entities related to the user roles, users, functional classes, security groups, and workflows	5 days	Wed 8/14/24	Tue 8/20/24	

26	1.1.3.3.1	Document the Configuration Blueprint for the Security Access	1 day	Wed 8/14/24	Wed 8/14/24	FreeBalance
27	1.1.3.3.2	Submit the Configuration Blueprint for the Security Access	1 day	Thu 8/15/24	Thu 8/15/24	FreeBalance
28	1.1.3.3.3	Review the Configuration Blueprint for the Security Access	1 day	Fri 8/16/24	Fri 8/16/24	DBM
29	1.1.3.3.4	Revise the Configuration Blueprint for the Security Access	1 day	Mon 8/19/24	Mon 8/19/24	FreeBalance
30	1.1.3.3.5	Sign-off the Configuration Blueprint for the Security Access	1 day	Tue 8/20/24	Tue 8/20/24	DBM,FreeBalance
31	1.1.4	Data Migration	20 days	Mon 8/5/24	Fri 8/30/24	
32	1.1.4.1	Provide and Conduct a Walkthrough of the Data Migration Templates for the Master/Reference Data and Opening Balances	2 days	Mon 8/5/24	Tue 8/6/24	FreeBalance
33	1.1.4.2	Provision of Master/Reference Data (e.g. Vendors, Financial Institutions, etc.)	3 days	Wed 8/7/24	Fri 8/9/24	DBM
34	1.1.4.3	Provision of Opening Balances	2 days	Mon 8/12/24	Tue 8/13/24	DBM
35	1.1.4.4	Prepare Migration Environment	1 day	Wed 8/14/24	Wed 8/14/24	FreeBalance
36	1.1.4.5	Perform data mapping, screening and cleanup	2 days	Thu 8/15/24	Fri 8/16/24	FreeBalance
37	1.1.4.6	Perform data migration	2 days	Mon 8/19/24	Tue 8/20/24	FreeBalance
38	1.1.4.7	Perform data migration validation tests	2 days	Wed 8/21/24	Thu 8/22/24	DBM,FreeBalance
39	1.1.4.8	Data Migration Report	6 days	Fri 8/23/24	Fri 8/30/24	
40	1.1.4.8.1	Document the Data Migration Report	1 day	Fri 8/23/24	Fri 8/23/24	FreeBalance
41	1.1.4.8.2	Submit the Data Migration Report	1 day	Mon 8/26/24	Mon 8/26/24	FreeBalance

42	1.1.4.8.3	Review the Data Migration Report	2 days	Tue 8/27/24	Wed 8/28/24	DBM
43	1.1.4.8.4	Revise the Data Migration Report	1 day	Thu 8/29/24	Thu 8/29/24	FreeBalance
44	1.1.4.8.5	Sign-off the Data Migration Report	1 day	Fri 8/30/24	Fri 8/30/24	DBM,FreeBalance
45	1.1.5	User Acceptance Testing	19 days	Wed 8/21/24	Mon 9/16/24	
46	1.1.5.1	Submit the Test Plan and Test Cases	5 days	Wed 8/21/24	Tue 8/27/24	
47	1.1.5.2	Conduct the UAT	5 days	Wed 8/28/24	Tue 9/3/24	
48	1.1.5.3	Address the Defects/Issues	3 days	Wed 9/4/24	Fri 9/6/24	
49	1.1.5.4	Conduct Final Regression	3 days	Mon 9/9/24	Wed 9/11/24	
50	1.1.5.5	Submit the UAT Report	2 days	Thu 9/12/24	Fri 9/13/24	
51	1.1.5.6	Sign-Off the UAT	1 day	Mon 9/16/24	Mon 9/16/24	
52	1.1.6	Train the Trainers (Pilot Only)	45 days	Mon 8/5/24	Fri 10/4/24	
53	1.1.6.1	Submit the Training Materials and User Manuals	35 days	Mon 8/5/24	Fri 9/20/24	FreeBalance
54	1.1.6.2	Prepare the Training Plan	2 days	Mon 9/23/24	Tue 9/24/24	FreeBalance
55	1.1.6.3	Finalize the Logistics (Attendees and Location)	2 days	Wed 9/25/24	Thu 9/26/24	DBM
56	1.1.6.4	Conduct the Training	5 days	Fri 9/27/24	Thu 10/3/24	FreeBalance,DBM
57	1.1.6.5	Prepare and Submit the Training Report	1 day	Fri 10/4/24	Fri 10/4/24	FreeBalance
58	1.1.7	Functional and Technical Documentation	30 days	Mon 8/5/24	Fri 9/13/24	
59	1.1.7.1	Deliver the following documentation	30 days	Mon 8/5/24	Fri 9/13/24	
60	1.1.7.1.1	System Design & Functional Specifications	15 days	Mon 8/5/24	Fri 8/23/24	FreeBalance
61	1.1.7.1.2	Technical Manuals – APIs, ERDs, Infrastructure Deployment	15 days	Mon 8/26/24	Fri 9/13/24	FreeBalance

62	1.1.7.1.3	Standard Operating Procedures for Support and Maintenance	15 days	Mon 8/26/24	Fri 9/13/24	FreeBalance
63	1.1.8	Implementation of National Tax Allotment (NTA)	45 days	Mon 8/5/24	Fri 10/4/24	
64	1.1.8.1	Requirements Gathering	5 days	Mon 8/5/24	Fri 8/9/24	FreeBalance,DB M
65	1.1.8.2	System Requirements Specification (SRS)	8 days	Mon 8/12/24	Wed 8/21/24	
66	1.1.8.2.1	Document the SRS	3 days	Mon 8/12/24	Wed 8/14/24	FreeBalance
67	1.1.8.2.2	Submit the SRS	1 day	Thu 8/15/24	Thu 8/15/24	FreeBalance
68	1.1.8.2.3	Review the SRS	2 days	Fri 8/16/24	Mon 8/19/24	DBM
69	1.1.8.2.4	Revise the SRS	1 day	Tue 8/20/24	Tue 8/20/24	FreeBalance
70	1.1.8.2.5	Sign-off the SRS	1 day	Wed 8/21/24	Wed 8/21/24	DBM, FreeBalance
71	1.1.8.3	Develop the Customization	15 days	Thu 8/22/24	Wed 9/11/24	
72	1.1.8.3.1	Develop and Configure the NTA Enhancement	10 days	Thu 8/22/24	Wed 9/4/24	FreeBalance
73	1.1.8.3.2	Internal Testing	5 days	Thu 9/5/24	Wed 9/11/24	FreeBalance
74	1.1.8.4	Configuration Blueprint	7 days	Thu 9/12/24	Fri 9/20/24	
75	1.1.8.4.1	Document the Configuration Blueprint	2 days	Thu 9/12/24	Fri 9/13/24	FreeBalance
76	1.1.8.4.2	Submit the Configuration Blueprint	1 day	Mon 9/16/24	Mon 9/16/24	FreeBalance
77	1.1.8.4.3	Review the Configuration Blueprint	2 days	Tue 9/17/24	Wed 9/18/24	DBM
78	1.1.8.4.4	Revise the Configuration Blueprint	1 day	Thu 9/19/24	Thu 9/19/24	FreeBalance
79	1.1.8.4.5	Sign-off the Configuration Blueprint	1 day	Fri 9/20/24	Fri 9/20/24	DBM, FreeBalance
80	1.1.8.5	User Acceptance Testing (UAT)	8 days	Mon 9/23/24	Wed 10/2/24	

81	1.1.8.5.1	Submit the Test Plan and Test Cases	1 day	Mon 9/23/24	Mon 9/23/24	FreeBalance
82	1.1.8.5.2	Conduct the UAT	2 days	Tue 9/24/24	Wed 9/25/24	DBM, FreeBalance
83	1.1.8.5.3	Address the Defects/Issues	2 days	Thu 9/26/24	Fri 9/27/24	FreeBalance
84	1.1.8.5.4	Conduct Final Regression	1 day	Mon 9/30/24	Mon 9/30/24	DBM, FreeBalance
85	1.1.8.5.5	Submit the UAT Report	1 day	Tue 10/1/24	Tue 10/1/24	FreeBalance
86	1.1.8.5.6	Sign-Off the UAT	1 day	Wed 10/2/24	Wed 10/2/24	DBM
87	1.1.8.6	Training	10 days	Mon 9/23/24	Fri 10/4/24	
88	1.1.8.6.1	Submit the Training Materials and User Manuals	5 days	Mon 9/23/24	Fri 9/27/24	FreeBalance
89	1.1.8.6.2	Prepare the Training Plan	1 day	Mon 9/30/24	Mon 9/30/24	FreeBalance
90	1.1.8.6.3	Finalize the Logistics (Attendees and Location)	1 day	Tue 10/1/24	Tue 10/1/24	DBM
91	1.1.8.6.4	Conduct the Training	2 days	Wed 10/2/24	Thu 10/3/24	FreeBalance, DBM
92	1.1.8.6.5	Prepare and Submit the Training Report	1 day	Fri 10/4/24	Fri 10/4/24	FreeBalance
93	1.2	Four (4) Interfaces [Six (6) months from receipt of NTP]	100 days	Mon 8/5/24	Fri 12/20/24	
94	1.2.1	mGEPS Interface	100 days	Mon 8/5/24	Fri 12/20/24	
95	1.2.1.1	Requirements Gathering	10 days	Mon 8/5/24	Fri 8/16/24	FreeBalance, DBM
96	1.2.1.2	Interface Design Specifications (IDS)	14 days	Mon 8/19/24	Thu 9/5/24	
97	1.2.1.2.1	Document the IDS	5 days	Mon 8/19/24	Fri 8/23/24	FreeBalance
98	1.2.1.2.2	Submit the IDS	1 day	Mon 8/26/24	Mon 8/26/24	FreeBalance
99	1.2.1.2.3	Review the IDS	5 days	Tue 8/27/24	Mon 9/2/24	DBM

100	1.2.1.2.4	Revise the IDS	2 days	Tue 9/3/24	Wed 9/4/24	FreeBalance,DB M
101	1.2.1.2.5	Sign-off the IDS	1 day	Thu 9/5/24	Thu 9/5/24	FreeBalance
102	1.2.1.3	Develop the Interface	40 days	Fri 9/6/24	Thu 10/31/24	
103	1.2.1.3.1	Develop and Configure the Interface	30 days	Fri 9/6/24	Thu 10/17/24	FreeBalance
104	1.2.1.3.2	Internal Testing	10 days	Fri 10/18/24	Thu 10/31/24	FreeBalance
105	1.2.1.4	Configuration Blueprint	11 days	Fri 11/1/24	Fri 11/15/24	
106	1.2.1.4.1	Document the Configuration Blueprint	4 days	Fri 11/1/24	Wed 11/6/24	FreeBalance
107	1.2.1.4.2	Submit the Configuration Blueprint	1 day	Thu 11/7/24	Thu 11/7/24	FreeBalance
108	1.2.1.4.3	Review the Configuration Blueprint	3 days	Fri 11/8/24	Tue 11/12/24	DBM
109	1.2.1.4.4	Revise the Configuration Blueprint	2 days	Wed 11/13/24	Thu 11/14/24	FreeBalance,DB M
110	1.2.1.4.5	Sign-off the Configuration Blueprint	1 day	Fri 11/15/24	Fri 11/15/24	FreeBalance
111	1.2.1.5	User Acceptance Testing (UAT)	20 days	Mon 11/18/24	Fri 12/13/24	
112	1.2.1.5.1	Submit the Test Plan and Test Cases	2 days	Mon 11/18/24	Tue 11/19/24	FreeBalance
113	1.2.1.5.2	Conduct the UAT	5 days	Wed 11/20/24	Tue 11/26/24	DBM, FreeBalance
114	1.2.1.5.3	Address the Defects/Issues	5 days	Wed 11/27/24	Tue 12/3/24	FreeBalance
115	1.2.1.5.4	Conduct Final Regression	5 days	Wed 12/4/24	Tue 12/10/24	DBM, FreeBalance
116	1.2.1.5.5	Submit the UAT Report	2 days	Wed 12/11/24	Thu 12/12/24	FreeBalance
117	1.2.1.5.6	Sign-Off the UAT	1 day	Fri 12/13/24	Fri 12/13/24	DBM
118	1.2.1.6	Training	8 days	Wed 12/11/24	Fri 12/20/24	

119	1.2.1.6.1	Submit the Training Materials and User Manuals	3 days	Wed 12/11/24	Fri 12/13/24	FreeBalance
120	1.2.1.6.2	Prepare the Training Plan	1 day	Mon 12/16/24	Mon 12/16/24	FreeBalance
121	1.2.1.6.3	Finalize the Logistics (Attendees and Location)	1 day	Tue 12/17/24	Tue 12/17/24	DBM
122	1.2.1.6.4	Conduct the Training	2 days	Wed 12/18/24	Thu 12/19/24	FreeBalance, DBM
123	1.2.1.6.5	Prepare and Submit the Training Report	1 day	Fri 12/20/24	Fri 12/20/24	FreeBalance
124	1.2.2	Bank Interface	100 days	Mon 8/5/24	Fri 12/20/24	
125	1.2.2.1	Requirements Gathering	10 days	Mon 8/5/24	Fri 8/16/24	FreeBalance, DBM
126	1.2.2.2	Interface Design Specifications (IDS)	14 days	Mon 8/19/24	Thu 9/5/24	
127	1.2.2.2.1	Document the IDS	5 days	Mon 8/19/24	Fri 8/23/24	FreeBalance
128	1.2.2.2.2	Submit the IDS	1 day	Mon 8/26/24	Mon 8/26/24	FreeBalance
129	1.2.2.2.3	Review the IDS	5 days	Tue 8/27/24	Mon 9/2/24	DBM
130	1.2.2.2.4	Revise the IDS	2 days	Tue 9/3/24	Wed 9/4/24	FreeBalance, DBM
131	1.2.2.2.5	Sign-off the IDS	1 day	Thu 9/5/24	Thu 9/5/24	FreeBalance
132	1.2.2.3	Develop the Interface	40 days	Fri 9/6/24	Thu 10/31/24	
133	1.2.2.3.1	Develop and Configure the Interface	30 days	Fri 9/6/24	Thu 10/17/24	FreeBalance
134	1.2.2.3.2	Internal Testing	10 days	Fri 10/18/24	Thu 10/31/24	FreeBalance
135	1.2.2.4	Configuration Blueprint	11 days	Fri 11/1/24	Fri 11/15/24	
136	1.2.2.4.1	Document the Configuration Blueprint	4 days	Fri 11/1/24	Wed 11/6/24	FreeBalance
137	1.2.2.4.2	Submit the Configuration Blueprint	1 day	Thu 11/7/24	Thu 11/7/24	FreeBalance
138	1.2.2.4.3	Review the Configuration Blueprint	3 days	Fri 11/8/24	Tue 11/12/24	DBM

139	1.2.2.4.4	Revise the Configuration Blueprint	2 days	Wed 11/13/24	Thu 11/14/24	FreeBalance, DBM
140	1.2.2.4.5	Sign-off the Configuration Blueprint	1 day	Fri 11/15/24	Fri 11/15/24	FreeBalance
141	1.2.2.5	User Acceptance Testing (UAT)	20 days	Mon 11/18/24	Fri 12/13/24	
142	1.2.2.5.1	Submit the Test Plan and Test Cases	2 days	Mon 11/18/24	Tue 11/19/24	FreeBalance
143	1.2.2.5.2	Conduct the UAT	5 days	Wed 11/20/24	Tue 11/26/24	DBM, FreeBalance
144	1.2.2.5.3	Address the Defects/Issues	5 days	Wed 11/27/24	Tue 12/3/24	FreeBalance
145	1.2.2.5.4	Conduct Final Regression	5 days	Wed 12/4/24	Tue 12/10/24	DBM, FreeBalance
146	1.2.2.5.5	Submit the UAT Report	2 days	Wed 12/11/24	Thu 12/12/24	FreeBalance
147	1.2.2.5.6	Sign-Off the UAT	1 day	Fri 12/13/24	Fri 12/13/24	DBM
148	1.2.2.6	Training	8 days	Wed 12/11/24	Fri 12/20/24	
149	1.2.2.6.1	Submit the Training Materials and User Manuals	3 days	Wed 12/11/24	Fri 12/13/24	FreeBalance
150	1.2.2.6.2	Prepare the Training Plan	1 day	Mon 12/16/24	Mon 12/16/24	FreeBalance
151	1.2.2.6.3	Finalize the Logistics (Attendees and Location)	1 day	Tue 12/17/24	Tue 12/17/24	DBM
152	1.2.2.6.4	Conduct the Training	2 days	Wed 12/18/24	Thu 12/19/24	FreeBalance, DBM
153	1.2.2.6.5	Prepare and Submit the Training Report	1 day	Fri 12/20/24	Fri 12/20/24	FreeBalance
154	1.2.3	Microsoft Entra ID Interface	100 days	Mon 8/5/24	Fri 12/20/24	
155	1.2.3.1	Requirements Gathering	10 days	Mon 8/5/24	Fri 8/16/24	FreeBalance, DBM
156	1.2.3.2	Interface Design Specifications (IDS)	14 days	Mon 8/19/24	Thu 9/5/24	
157	1.2.3.2.1	Document the IDS	5 days	Mon 8/19/24	Fri 8/23/24	FreeBalance

158	1.2.3.2.2	Submit the IDS	1 day	Mon 8/26/24	Mon 8/26/24	FreeBalance
159	1.2.3.2.3	Review the IDS	5 days	Tue 8/27/24	Mon 9/2/24	DBM
160	1.2.3.2.4	Revise the IDS	2 days	Tue 9/3/24	Wed 9/4/24	FreeBalance, DBM
161	1.2.3.2.5	Sign-off the IDS	1 day	Thu 9/5/24	Thu 9/5/24	FreeBalance
162	1.2.3.3	Develop the Interface	40 days	Fri 9/6/24	Thu 10/31/24	
163	1.2.3.3.1	Develop and Configure the Interface	30 days	Fri 9/6/24	Thu 10/17/24	FreeBalance
164	1.2.3.3.2	Internal Testing	10 days	Fri 10/18/24	Thu 10/31/24	FreeBalance
165	1.2.3.4	Configuration Blueprint	11 days	Fri 11/1/24	Fri 11/15/24	
166	1.2.3.4.1	Document the Configuration Blueprint	4 days	Fri 11/1/24	Wed 11/6/24	FreeBalance
167	1.2.3.4.2	Submit the Configuration Blueprint	1 day	Thu 11/7/24	Thu 11/7/24	FreeBalance
168	1.2.3.4.3	Review the Configuration Blueprint	3 days	Fri 11/8/24	Tue 11/12/24	DBM
169	1.2.3.4.4	Revise the Configuration Blueprint	2 days	Wed 11/13/24	Thu 11/14/24	FreeBalance, DBM
170	1.2.3.4.5	Sign-off the Configuration Blueprint	1 day	Fri 11/15/24	Fri 11/15/24	FreeBalance
171	1.2.3.5	User Acceptance Testing (UAT)	20 days	Mon 11/18/24	Fri 12/13/24	
172	1.2.3.5.1	Submit the Test Plan and Test Cases	2 days	Mon 11/18/24	Tue 11/19/24	FreeBalance
173	1.2.3.5.2	Conduct the UAT	5 days	Wed 11/20/24	Tue 11/26/24	DBM, FreeBalance
174	1.2.3.5.3	Address the Defects/Issues	5 days	Wed 11/27/24	Tue 12/3/24	FreeBalance
175	1.2.3.5.4	Conduct Final Regression	5 days	Wed 12/4/24	Tue 12/10/24	DBM, FreeBalance
176	1.2.3.5.5	Submit the UAT Report	2 days	Wed 12/11/24	Thu 12/12/24	FreeBalance

177	1.2.3.5.6	Sign-Off the UAT	1 day	Fri 12/13/24	Fri 12/13/24	DBM
178	1.2.3.6	Training	8 days	Wed 12/11/24	Fri 12/20/24	
179	1.2.3.6.1	Submit the Training Materials and User Manuals	3 days	Wed 12/11/24	Fri 12/13/24	FreeBalance
180	1.2.3.6.2	Prepare the Training Plan	1 day	Mon 12/16/24	Mon 12/16/24	FreeBalance
181	1.2.3.6.3	Finalize the Logistics (Attendees and Location)	1 day	Tue 12/17/24	Tue 12/17/24	DBM
182	1.2.3.6.4	Conduct the Training	2 days	Wed 12/18/24	Thu 12/19/24	FreeBalance, DBM
183	1.2.3.6.5	Prepare and Submit the Training Report	1 day	Fri 12/20/24	Fri 12/20/24	FreeBalance
184	1.2.4	Document Management System (DMS)	100 days	Mon 8/5/24	Fri 12/20/24	
185	1.2.4.1	Requirements Gathering	10 days	Mon 8/5/24	Fri 8/16/24	FreeBalance, DBM
186	1.2.4.2	Interface Design Specifications (IDS)	14 days	Mon 8/19/24	Thu 9/5/24	
187	1.2.4.2.1	Document the IDS	5 days	Mon 8/19/24	Fri 8/23/24	FreeBalance
188	1.2.4.2.2	Submit the IDS	1 day	Mon 8/26/24	Mon 8/26/24	FreeBalance
189	1.2.4.2.3	Review the IDS	5 days	Tue 8/27/24	Mon 9/2/24	DBM
190	1.2.4.2.4	Revise the IDS	2 days	Tue 9/3/24	Wed 9/4/24	FreeBalance, DBM
191	1.2.4.2.5	Sign-off the IDS	1 day	Thu 9/5/24	Thu 9/5/24	FreeBalance
192	1.2.4.3	Develop the Interface	40 days	Fri 9/6/24	Thu 10/31/24	
193	1.2.4.3.1	Develop the Interface	30 days	Fri 9/6/24	Thu 10/17/24	FreeBalance
194	1.2.4.3.2	Internal Testing	10 days	Fri 10/18/24	Thu 10/31/24	FreeBalance
195	1.2.4.4	Configuration Blueprint	11 days	Fri 11/1/24	Fri 11/15/24	
196	1.2.4.4.1	Document the Configuration Blueprint	4 days	Fri 11/1/24	Wed 11/6/24	FreeBalance

197	1.2.4.4.2	Submit the Configuration Blueprint	1 day	Thu 11/7/24	Thu 11/7/24	FreeBalance
198	1.2.4.4.3	Review the Configuration Blueprint	3 days	Fri 11/8/24	Tue 11/12/24	DBM
199	1.2.4.4.4	Revise the Configuration Blueprint	2 days	Wed 11/13/24	Thu 11/14/24	FreeBalance, DBM
200	1.2.4.4.5	Sign-off the Configuration Blueprint	1 day	Fri 11/15/24	Fri 11/15/24	FreeBalance
201	1.2.4.5	User Acceptance Testing (UAT)	20 days	Mon 11/18/24	Fri 12/13/24	
202	1.2.4.5.1	Submit the Test Plan and Test Cases	2 days	Mon 11/18/24	Tue 11/19/24	FreeBalance
203	1.2.4.5.2	Conduct the UAT	5 days	Wed 11/20/24	Tue 11/26/24	DBM, FreeBalance
204	1.2.4.5.3	Address the Defects/Issues	5 days	Wed 11/27/24	Tue 12/3/24	FreeBalance
205	1.2.4.5.4	Conduct Final Regression	5 days	Wed 12/4/24	Tue 12/10/24	DBM, FreeBalance
206	1.2.4.5.5	Submit the UAT Report	2 days	Wed 12/11/24	Thu 12/12/24	FreeBalance
207	1.2.4.5.6	Sign-Off the UAT	1 day	Fri 12/13/24	Fri 12/13/24	DBM
208	1.2.4.6	Training	8 days	Wed 12/11/24	Fri 12/20/24	
209	1.2.4.6.1	Submit the Training Materials and User Manuals	3 days	Wed 12/11/24	Fri 12/13/24	FreeBalance
210	1.2.4.6.2	Prepare the Training Plan	1 day	Mon 12/16/24	Mon 12/16/24	FreeBalance
211	1.2.4.6.3	Finalize the Logistics (Attendees and Location)	1 day	Tue 12/17/24	Tue 12/17/24	DBM
212	1.2.4.6.4	Conduct the Training	2 days	Wed 12/18/24	Thu 12/19/24	FreeBalance, DBM
213	1.2.4.6.5	Prepare and Submit the Training Report	1 day	Fri 12/20/24	Fri 12/20/24	FreeBalance



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

NOTICE OF AWARD

NOV 29 2024

MR. GERARD RAO

Vice President - Services
Freebalance (Philippines) Inc.
10th Floor Six/Neo Building, 5th Avenue
Corner 26th Street, Crescent Park West,
Bonifacio Global City,
Taguig City 1634

Dear **Mr. Rao:**

We are pleased to inform you that the contract for the Project, "Budget and Treasury Management System (BTMS) Cloud/Subscription-Based Licenses with Software Maintenance and Enhancements," is hereby awarded to FreeBalance (Philippines), Inc. in the amount of Three Hundred Twenty Six Million Seven Hundred Twenty Six Thousand Four Hundred Pesos (P326,726,400.00).

In this regard, you are hereby required to post a warranty security in the said amount and the form stated in Section 62 of the 2016 Revised Implementing Rules and Regulations of Republic Act No. 9184 (The Government Procurement Reform Act) upon acceptance by the Procuring Entity of the delivered goods.

Thank you and God Bless.

Very truly yours,


AMENAH F. PANGANDAMAN
Secretary



DEC 02 2024