

CONTRACT FOR THE BIDDING OF DIGITAL SUBSCRIBER LINE (DSL) NETWORK CONNECTIVITY

THIS AGREEMENT made on the 26th day of JUNE 2013 between **PHILIPPINE HEALTH INSURANCE CORPORATION**, a government owned and controlled corporation created and existing by virtue of R.A. 7875, otherwise known as the "National Health Insurance Act of 1995", with office address at 19th Floor, City State Center Building, 709 Shaw Blvd corner Oranbo Drive, Pasig City, represented herein by its **PRO-NCR and Rizal Vice-President, SHIRLEY B. DOMINGO, MD**, (hereinafter called "**PHILHEALTH**").

-and-

PHILIPPINE LONG DISTANCE TELEPHONE COMPANY, a stock corporation, organized and registered with the Securities and Exchange Commission under Sec. Reg. No. PW-55, issued on June 5, 2012 and existing under the laws of the Republic of the Philippines, with business address at 6/flr. MGO Bldg. Dela Rosa St., Makati City, represented herein by its **Vice-President and Head, Corporate Relationship Management, RENATO L. CASTAÑEDA**, (hereinafter called "**PLDT**").

WHEREAS, **PHILHEALTH** invited Bids for the *Bidding on the Procurement of Digital Subscriber Line (DSL) Network Connectivity* and has accepted a Bid by **PLDT** for the supply of those goods in the sum of **SEVEN HUNDRED THIRTY NINE THOUSAND TWO HUNDRED PESOS (PhP739,200.00)**, (hereinafter called "**the Contract Price**").

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. In this Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract referred to.
2. The following documents shall be deemed to form and be read and construed as part of this Agreement, viz.:
 - (a) PLDT's Schedule of Requirements (**Annex "A"**);
 - (b) PLDT's Bid Form (**Annex "B"**);
 - (c) PLDT's Technical Proposal (**Annex "C"**);
 - (d) Notice of Award (**Annex "D"**);
 - (e) BAC-ITR Resolution No. 07, s. 2013 (**Annex "E"**);
 - (f) General Conditions of the Contract (GCC) (**Annex "F"**);
 - (g) Special Conditions of the Contract (SCC) (**Annex "G"**);
 - (h) Bid Bulletin (**Annex "H"**); and
 - (i) Performance Security (**Annex "I"**).
3. In consideration of the payments to be made by **PHILHEALTH** to **PLDT** as hereinafter mentioned, **PLDT** hereby covenants with **PHILHEALTH** to provide the goods and services and to remedy defects therein in conformity in all respects with the provisions of the Contract;
4. **PHILHEALTH** hereby covenants to pay **PLDT** in consideration of the provision of the goods and services and the remedying of defects therein, the Contract Price or such other sum as may become payable under the provisions of the contract at the time and in the manner prescribed by the contract;
5. The contract price covers the costs of all Deliverable Items and Services and includes all applicable taxes and duties in the Philippines, costs of importation, insurance, transportation and delivery at the time and to the locations specified but

excludes any special handling or hosting charges which may be incurred at **PHILHEALTH's** site and which are for the account of **PHILHEALTH**;

The contract price covers all taxes, including the 12% Value-Added-Tax, customs duties, license fees, freight, insurance and other charges which may be imposed on the Product by foreign and local authorities;

6. PLDT hereby covenants to deliver in favor of **PHILHEALTH** the **Eight (8) Digital Subscriber Line (DSL) Network Connectivity to Eight (8) Sites** in accordance with the technical specifications attached as Annex "C" of this Contract. Delivery of which shall be made within **Thirty (30) Calendar Days** after the issuance and receipt of the Notice To Proceed.
7. Upon submission of **PLDT** of the **STATEMENT OF BILLING ACCOUNT** and other documentary requirements as may be required by **PHILHEALTH** as a condition for payment, the latter shall pay the sum of **Six Hundred Sixty Five Thousand and Two Hundred Eighty Pesos (PhP665,280.00)**, which is ninety percent (90%) of the total contract price, within Sixty (60) working days after complete delivery to and acceptance by **PHILHEALTH** in accordance with the General Conditions of the Contract (GCC) attached as Annex "F" of this Contract.

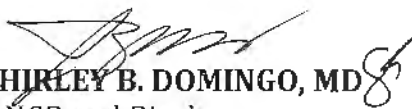
As obligation for the warranty, **PHILHEALTH** shall withhold ten percent (10%) of the total contract price as retention money in an amount equivalent to **Seventy Three Thousand Nine Hundred Twenty Pesos (PhP73,920.00)**. The retention money shall only be released after the lapse of the **two (2) year warranty period as required under Annex "G" of this Contract pursuant to Section 62 (Warranty) of the Revised IRR of RA 9184**. Provided, however, that the goods supplied are free from patent and latent defects and all conditions imposed under the contract have been fully met. Provided further, that **PLDT** may opt to post a **Special Bank Guarantee** equivalent to **at least ten percent (10%) of the total contract price**. The said special bank guarantee must have a validity period of two (2) years covering the whole duration of the **warranty period**.

7. All other terms, conditions and stipulations accompanying this Contract together with all proposals and all mandatory provisions of the Revised Implementing Rules and Regulations of R.A. 9184, shall form an integral part of the contract between the PARTIES hereto.

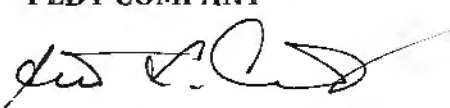
The PARTIES hereby certify that they have read or caused to be read to them each and every provision of the foregoing Contract and that they had fully understood the same.

IN WITNESS whereof the parties hereto have caused this Agreement to be executed in accordance with the laws of the Republic of the Philippines on the day and year first above written.

PHILIPPINE HEALTH INSURANCE CORPORATION

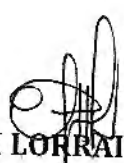

VP SHIRLEY B. DOMINGO, MD
PRO-NCR and Rizal

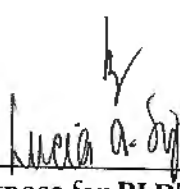
PLDT COMPANY

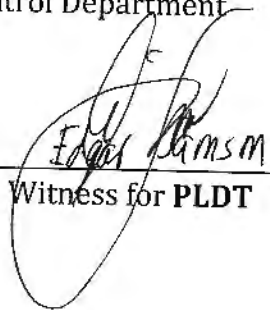

RENATO L. CASTAÑEDA
Vice-President and Head,
Corporate Relationship Management

Signed in the presence of:


SVP EDGAR JULIO S. ASUNCION
Chief Legal Executive


HANNAH LORRAINE DALISAY
Division Chief
Accounting and Internal
Control Department


Witness for PLDT

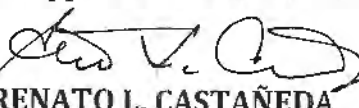

Witness for PLDT

ACKNOWLEDGEMENT

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

BEFORE ME, this ____ day of _____ 2013, personally appeared the following persons exhibiting to me their respective Government issued ID's, to wit:

VP SHIRLEY B. DOMINGO
Philippine Health Insurance Corp.


RENATO L. CASTAÑEDA
PLDT Company

DFA Passport # EB 728 2699
ISSUED ON Feb 3, 2013
Expiration: Feb 2, 2018
Manila

Known to me to be the same persons who executed the foregoing Contract Agreement consisting of **thirty two (32) pages** including the annexes and this page on which the acknowledgement is written and they acknowledged that the same is their free act and deed and that of the corporations being represented.

WITNESS MY HAND AND SEAL on the date and place first above written.

Doc No. ____
Page No. ____
Book No. ____
Series of 2013

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF MAKATI

) S.S.

BEFORE ME, this 26 day of JUN 2013, 2013, personally appeared:

NAME	PASSPORT NO.	ISSUED PLACE/DATE
RENATO L. CASTAÑEDA	EB7282699	Feb. 3, 2013, DFA Manila

Know to me and to be the same person who executed the foregoing Contract Agreement consisting of three (3) pages including the annexes and this page on which the acknowledgment is written and he acknowledged that the same is his free act and deed and that of the corporations being represented.

WITNESS MY HAND AND SEAL on the date and place first above written.

Doc. No. 7;
Page No. 3;
Book No. 11;
Series of 2013.


ROSA NATIVIDAD P. VILLANUEVA
Notary Public for the City of Makati
Until December 31, 2013
Notarial Appointment No. M-85
Roll of Attorneys No. 54494
IBP Lifetime Roll No. 06639 04/18/2007
PTR No 3876503-01/07/2013- Makati City
9/F MGO Bldg. Legazpi St. Legaspi VII, Makati City, MM

Section VI. Schedule of Requirements

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

Item Number	Description	Quantity	Total	Delivered, Weeks/Months
	Digital Subscriber Line (DSL) Network Connectivity	8 sites	8 sites	Within Thirty (30) Calendar Days after the issuance and receipt of the Notice to Proceed by the winning bidder.

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

PC07

Name of Company/Bidder

Signature

Lucia A. Sy

Signature over Printed Name of Representative

Jan 30, 2013

Date

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Bid Form

Date: January 30, 2013

Invitation to Bid No: DSL 2012-011-1T

The Chairperson
Bids and Awards Committee
PHILHEALTH

Gentlemen and/or Ladies:

Having examined the Bidding Documents including Bid Bulletin Numbers [1], the receipt of which is hereby duly acknowledged, we, the undersigned, offer to [supply/deliver/perform] Digital Subscriber Line (DSL) Network Connectivity in conformity with the said Bidding Documents for the sum stated hereunder:

PARTICULARS	COST per item (Inclusive of VAT)	Total Cost (Inclusive of VAT)
Seven Hundred Thirty Nine Thousand Two Hundred Pesos	Php 3,850.00	Php 739,200.00

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

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

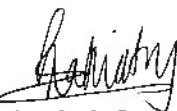
We agree to abide by this Bid for the Bid Validity Period specified in BDS provision for ITB Clause 0 and it shall remain binding upon us and may be accepted at any time before the expiration of that period.

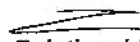
Until a formal Contract is prepared and executed, this Bid, together with your written acceptance thereof and your Notice of Award, shall be binding upon us.

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

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

Dated this 30th day of January, 2013


Lucia A. Sy
[signature]


Relationship Manager
[in the capacity of]

Duly authorized to sign Bid for and on behalf of Philippine Long Distance Telephone Company

hy

For Goods Offered From Within the Philippines

Name of Bidder Philippine Long Distance Tel. Co.

Invitation to Bid

DSL 2012-011-IT

Page 1 of 1

1 Item	2 Description	3 Country of origin	4 Quantity	5 Unit price EXW per item	6 Cost of local labor, raw material, and component item	7 Total price EXW per item (cols 4 x 5)	8 Unit prices per item destination and unit price of other incidental services	9 Sales and other taxes payable per item if Contract is awarded	10 Total Price delivered Final destination (col 8+ 9) x 4
1	Digital Subscriber Line (DSL) Network Connectivity with 2 PCs per site	Philippines	8	3,437.84	included	27,502.72	82,508.16	Php9,900.98	Php739,273.11

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Section VII. Technical Specifications

SPECIFICATIONS	Statement of Compliance
* Statement of Compliance- Bidders must state here either "Comply" or "Not Comply" against each of the individual parameters of each Specification stating the corresponding performance parameter of the equipment offered. Statements of "Comply" or "Not Comply" must be supported by evidence in a Bidders Bid and cross-referenced to that evidence. Evidence shall be in the form of manufacturer's un-amended sales literature, unconditional statements of specification and compliance issued by the manufacturer, samples, independent test data etc., as appropriate. A statement that is not supported by evidence or is subsequently found to be contradicted by the evidence presented will render the Bid under evaluation liable for rejection. A statement either in the Bidders statement of compliance or the supporting evidence that is found to be false either during Bid evaluation, post-qualification or the execution of the Contract may be regarded as fraudulent and render the Bidder or supplier liable for prosecution subject to the provisions of ITB Clause Error! Reference source not found. and/or GCC Clause Error! Reference source not found.	
1. SCOPE OF THE PROJECT	Statement of Compliance *
The project will cover the delivery, installation, commissioning, testing, maintenance, documentation, and support of the Digital Subscriber Line (DSL) Network Connectivity. The project comprises of Eight (8) units of Digital Subscriber Line (DSL) Network Connectivity.	Comply
1. DELIVERABLES	
Digital Subscriber Line (DSL) Network Connectivity: 1. Number of Sites- eight (8) sites The following are the list of Sites for the DSL Network Connectivity: 1.1 Robinson Galleria Lingkod Pinoy Center Level 1, West Edsa Cor. Ortigas Avenue 1.2 Robinson Place Manila, Lingkod Pinoy Center, Basement Pedro Gil Cor. Adriatico St. Ermita Manila 1.3 Robinson Metro East, Lingkod Pinoy Center, Marcos Highway Brgy. Dela Paz, Santolan Pasig City 1.4 Robinson Nova Market, Lingkod Pinoy center, Level 3 Brgy. Pasong Putik 2, Qurino Highway Novaliches Quezon City 1.5 Robinson Otis, Lingkod Pinoy Level 2 Paz M. Guanzon St. 831 Zone, 90 Paco Manila 1.6 SM Sucat Muntinlupa, National Road Brgy Tunasan Muntinlupa City 1.7 Alimall, Cubao Quezon City 1.8 Alimall, Cubao Quezon City 2. Technology- Digital Subscriber Line or DSL 3. Internet rate/speed of access- Must be at least 1Mbps up to 3.5 Mbps Bandwidth 4. IP Address- must have at least one (1) static IP address per site. 5. Committed Information Rate (CIR)- at least 350 kbps 6. Router- must include router with at least 4 ports 7. Modem- must include modem 8. Subscription period- Two (2) years 9. Must include all necessary cables to interconnect and operate all	Comply

1/3

equipment (in-house wiring will be provided by PhilHealth NCR)

10. Number of PCs needed per site: 2-3PCs.

3. OTHER REQUIREMENTS

1. The proponent must be able to conduct and pass on-site testing. This will form part of the acceptance of the project.
2. The proponent must be able to relocate the network connectivity upon end-user's request to another target serviceable site/location, free of charge for the duration of the subscription.

Comply

4. INSTALLATION AND TESTING

The winning bidder will install the link between PHILHEALTH Express Sites and its network facility to connect to the internet.

In house wiring should be provided by the Internet Service Provider for PHILHEALTH Express sites entrance conduits going through the building main equipment room. Horizontal distribution wiring must also be installed from the main equipment room going to the PHILHEALTH's facility where the active components are located.

Installation of router, modem and necessary cables should also be installed by the winning bidder.

Installation period should not be more than thirty (30) calendar days. The proponent shall indicate the details of installation for the entire project. Both parties will determine the installation and implementation based upon the agreed schedule. Implementation will immediately commence upon the issuance of the Notice to Proceed. The winning proponent shall guarantee installation and testing of the equipment within the specified period of agreed schedule.

Intensive tests should be done for the site to ensure the efficiency of the link. Test results should be provided to PHILHEALTH technical representatives.

Comply

5. MAINTENANCE/TECHNICAL SUPPORT

1. The Proponent shall provide highly technical personnel to service the wireless equipment and all of its component/peripherals whenever hardware and/or any related problem should occur.
2. On call support shall be available 24 hours a day, 7 days a week. A two (2) hour response from time of the call (through telephone call) shall be provided. Onsite support must have a response time of not more than 24 hours from the time of the call in cases where in the phone support could not solve the problem.
3. On hardware repair, testing shall be done on-site to know the extent of the problem. All components beyond repair shall be replaced at no cost during the affectivity and conditions of the

Comply

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warranty. Service unit should be available for the equipment and peripherals within a day after testing and diagnosis for temporary replacement of the defective unit. 4. Service unit must have the same or higher specifications with the defective unit. 5. The vendor must shoulder all expenses of the technical person(s) who will be providing the technical services on-site.	
6. WARRANTY	
1. The network equipment should be covered by warranty on parts and services during the subscription or lock-in period. The warranty period for the hardware supplied shall commence upon acceptance. 2. The vendor must ensure that PHILHEALTH would be given the following: • Parts replacement- FREE for the duration of the warranty period • Preventive Maintenance- FREE at least twice a year for the duration of the warranty period. • Configuration- FREE assistance on product reconfiguration (on-site) for the duration of the warranty period.	Comply
7. DOCUMENTATION	
The bidder must provide user and system manuals and technical materials of each device. Complete documentation of software, licenses and utility disks must also be provided including the inventory of the network equipment and its component and serial numbers. The proponent must provide List of IP Addresses with the corresponding site assignments.	Comply
8. ACCEPTANCE	
PHILHEALTH technical personnel must review and approve the installation, commissioning and testing conducted by the vendor based on the test and actual results submitted. All deliverables mentioned above should be checked by PHILHEALTH and complied by the vendors before the final acceptance and turnover of the project.	Comply
9. DELIVERY PERIOD, ADDRESSES AND DATE	
The bidder must deliver, install, commission and test the DSL connectivity not more than thirty (30) days after the receipt and issuance of the Notice to Proceed. Exact addresses of the PhilHealth Express will be determined during the rollout proper. All sites are located within the NCR and Rizal	Comply

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I hereby certify to comply with all the above Technical Specifications

P107
Name of Company/Bidder

[Signature]
LUCIA A. GY
Signature over Printed Name of
Representative

Jan 30, 2013
Date

[Handwritten mark]

PhilHealth (8Sites)

CMS					SE RECO RECOMMENDATION
PID	AREA	MUNICIPALITY	BRANCH	ADDRESS	
1	GMM EAST	ORTIGAS	ORTIGAS	Robinson Galleria Lingkod Pinoy Center Level 1, West Edsa Cor. Ortigas Avenue	Feasible for DSL
2	GMM WEST	MANILA	ERMITA	Robinson Place Manila, Lingkod Pinoy Center, Basement Pedro Gil Cor. Adriatico St. Ermita Manila	Feasible for DSL
3	GMM EAST	PASIG	PASIG	Robinson Metro East, Lingkod Pinoy Center, Marcos Highway Brgy. Dela Paz, Santolan Pasig City	Feasible for DSL
4	GMM NORTH	QUEZON CITY	NOVALICHES	Robinson Nova Market, Lingkod Pinoy center, Level 3 Brgy. Pasong Putik 2, Qurino Highway Novaliches Quezon City	Feasible for DSL
5	GMM WEST	MANILA	PACO	Robinson Otis, Lingkod Pinoy Level 2 Paz M. Guanzon St. 831 Zone, 90 Paco Manila.	Feasible for DSL
6	GMM SOUTH	MUNTINLUPA	MUNTINLUPA	SM Sucat Muntinlupa, National Road Brgy Tunasan Muntinlupa City	Feasible for DSL
7	GMM NORTH	QUEZON CITY	CUBAO	Alimall, Cubao Quezon City	Feasible for DSL
8	GMM NORTH	QUEZON CITY	CUBAO	Alimall, Cubao Quezon City	Feasible for DSL

SM



Republic of the Philippines
PHILIPPINE HEALTH INSURANCE CORPORATION

Citystate Centre Building, 709 Shaw Boulevard, Pasig City
Healthline 441-7444 www.philhealth.gov.ph



NOTICE OF AWARD

Date Issued: 21 MAR 2013

Ms. LUCIA A. SY

PLDT Company

6/Fir. MGO Bldg. Dela Rosa St., Makati City

Telephone No.: 775-4575

Fax No.: 860-6220

Dear Ms. Sy:

We are pleased to notify you that your bid proposal for the procurement of **Digital Subscriber Line (DSL) Network Connectivity** for the execution of **PLDT Company** at the Contract Price equivalent to **Seven Hundred Thirty Nine Thousand Two Hundred pesos (PhP739,200.00)** is hereby accepted.

You are hereby required to provide within ten (10) calendar days the **performance security** in the form and amount stipulated in the Bid Documents of the said procurement. Failure to provide the performance security shall constitute sufficient ground for cancellation of the award and forfeiture of the bid security.

Very truly yours,

ENRIQUE T. ONA, M.D.

Secretary of Health/ Chairman of the Board and
OIC- President and CEO

Conforme:

Ms. LUCIA A. SY

PLDT Company

Date: March 21, 2013



**BIDS AND AWARDS COMMITTEE FOR INFORMATION TECHNOLOGY
RESOURCES (BAC-ITR)
RESOLUTION NO. 07, S. 2013**

**RESOLUTION RECOMMENDING THE DECLARATION OF PLDT COMPANY AS THE BIDDER
WITH THE SINGLE CALCULATED AND RESPONSIVE BID (SCRB) AND THE AWARD THERETO
OF THE CONTRACT FOR THE BIDDING ON THE PROCUREMENT OF DIGITAL SUBSCRIBER
LINE (DSL) NETWORK CONNECTIVITY**

WHEREAS, the Invitation to Bid (ITB) No. DSL 2012-011-JT on the bidding for the Procurement of Digital Subscriber Line (DSL) Network Connectivity with an Approved Budget for the Contract (ABC) of Eight Hundred Fourteen Thousand Nine Hundred Twenty Five Pesos and Thirty Three Centavos (PhP814,925.33) was posted at the Phil-GEPS and PhilHealth Corporate website and at conspicuous places located at the PhilHealth Head Office on December 21, 2012 to January 16, 2013;

WHEREAS, in response to the said invitation, two (2) bidders secured the bidding documents, nameiy Innove Communications, Inc. and PLDT Company;

WHEREAS, a pre bid conference was held on January 17, 2013 to address the issues and clarifications raised by the prospective bidders and thereafter a bid bulletin was issued on January 23, 2013;

WHEREAS, the Opening of Bids was held on January 30, 2013, wherein PLDT Company was adjudged as the proponent with the Single Calculated Bid amounting to Seven Hundred Thirty Nine Thousand Two Hundred Pesos (PhP739,200.00). Consequently, the BAC-ITR instructed the Technical Working Group (TWG) concerned to proceed with the post-qualification of the aforementioned bidder;

WHEREAS, the TWG conducted an evaluation on February 6, 2013 and presented its report in the BAC-ITR meeting held on February 19, 2013 and informed the committee that the bid proposal of PLDT Company was found to be compliant with the eligibility, technical and financial requirements of PhilHealth;

WHEREAS, the BAC-ITR concurred with the recommendation of the TWG to declare PLDT Company as the bidder with the Single Calculated and Responsive Bid;

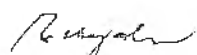
NOW, THEREFORE, premises considered, the BAC-ITR resolves, as it is hereby resolved, to recommend to the Secretary of Health/ Chairman of the Board and OIC-President and CEO the award of the contract for the bidding on the procurement of Digital Subscriber Line (DSL) Network Connectivity to PLDT Company.

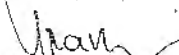
Award of Contract to PLDT Company- DSL Network Connectivity

IT IS SO RESOLVED.

Signed this 19th day of February 2013 at Pasig City

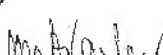

SVP EDGAR JULIO S. ASUNCION
Chairperson

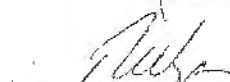

VP EVELYN C. BANGALAN
Vice-Chairperson


SM EVANGELINE F. RACELIS
Member


ATTY. JERRY F. IBAY
Member

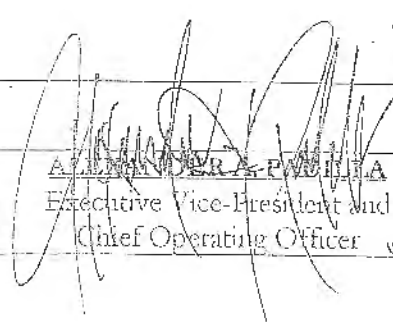

ATTY. ALFREDO B. PINEDA II
Member


SM MA. SOPHIA B. VARLEZ
Member


VP RUBEN JOHN A. BASA
End-user/Member

☒ APPROVED
☐ DISAPPROVED
☐ Others _____


ENRIQUE T. ONA, M.D.
Secretary of Health/ Chairman of the Board and
CIC-President and CEO
Date Signed: _____


ALEXANDER P. PINEDA
Executive Vice-President and
Chief Operating Officer 3/1/13

Award of Contract to PLDT Company- DSL Network Connectivity

 teamphilhealth

 www.facebook.com/PhilHealth

 info@philhealth.gov.ph

Section IV. General Conditions of Contract

1. Definitions

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

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

Handwritten signature and initials in the bottom right corner of the page.

2. Corrupt, Fraudulent, Collusive, and Coercive Practices

2.1. Unless otherwise provided in the SCC, the Procuring Entity as well as the bidders, contractors, or suppliers shall observe the highest standard of ethics during the procurement and execution of this Contract. In pursuance of this policy, the Procuring Entity:

(a) defines, for the purposes of this provision, the terms set forth below as follows:

- (i) "corrupt practice" means behavior on the part of officials in the public or private sectors by which they improperly and unlawfully enrich themselves, others, or induce others to do so, by misusing the position in which they are placed, and it includes the offering, giving, receiving, or soliciting of anything of value to influence the action of any such official in the procurement process or in contract execution; entering, on behalf of the Government, into any contract or transaction manifestly and grossly disadvantageous to the same, whether or not the public officer profited or will profit thereby, and similar acts as provided in Republic Act 3019.
- (ii) "fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of the Procuring Entity, and includes collusive practices among Bidders (prior to or after bid submission) designed to establish bid prices at artificial, non-competitive levels and to deprive the Procuring Entity of the benefits of free and open competition.
- (iii) "collusive practices" means a scheme or arrangement between two or more Bidders, with or without the knowledge of the Procuring Entity, designed to establish bid prices at artificial, non-competitive levels.
- (iv) "coercive practices" means harming or threatening to harm, directly or indirectly, persons, or their property to influence their participation in a procurement process, or affect the execution of a contract;
- (v) "obstructive practice" is
 - (aa) deliberately destroying, falsifying, altering or concealing of evidence material to an administrative proceedings or investigation or making false statements to investigators in order to materially impede an administrative proceedings or investigation of the Procuring Entity or any foreign government/foreign or international financing institution into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the administrative proceedings or investigation or from pursuing such proceedings or investigation; or
 - (bb) acts intended to materially impede the exercise of the inspection and audit rights of the Procuring Entity or any foreign government/foreign or international financing institution herein.

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

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

3. Inspection and Audit by the Funding Source

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

4. Governing Law and Language

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

4.2. This Contract has been executed in the English language, which shall be the binding and controlling language for all matters relating to the meaning or interpretation of this Contract. All correspondence and other documents pertaining to this Contract exchanged by the parties shall be written in English.

5. Notices

5.1. Any notice, request, or consent required or permitted to be given or made pursuant to this Contract shall be in writing. Any such notice, request, or consent shall be deemed to have been given or made when received by the concerned party, either in person or through an authorized representative of the Party to whom the communication is addressed, or when sent by registered mail, telex, telegram, or facsimile to such Party at the address specified in the SCC, which shall be effective when delivered and duly received or on the notice's effective date, whichever is later.

5.2. A Party may change its address for notice hereunder by giving the other Party notice of such change pursuant to the provisions listed in the SCC for GCC Clause 5.1.

6. Scope of Contract

6.1. The GOODS and Related Services to be provided shall be as specified in Section VI. Schedule of Requirements.

6.2. This Contract shall include all such items, although not specifically mentioned, that can be reasonably inferred as being required for its completion as if such items were expressly mentioned herein. Any additional requirements for the completion of this Contract shall be provided in the SCC.

7. Subcontracting

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

- 7.2. Subcontractors disclosed and identified during the bidding may be changed during the implementation of this Contract, subject to compliance with the required qualifications and the approval of the Procuring Entity.

8. Procuring Entity's Responsibilities

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

9. Prices

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

10. Payment

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

11. Advance Payment and Terms of Payment

- 11.1. Advance payment shall be made only after prior approval of the President, and shall not exceed fifteen percent (15%) of the Contract amount, unless otherwise directed by the President or in cases allowed under Annex "D" of RA 9184.
- 11.2. For Goods supplied from abroad, the terms of payment shall be as follows:

- (a) On Contract Signature: Ten percent (10%) of the Contract Price shall be paid within sixty (60) days from signing of the Contract and upon submission of a claim and a bank guarantee for the equivalent amount valid until the Goods are delivered and in the form provided in Section VIII. Bidding Forms.
- (b) On Delivery: Seventy percent (70%) of the Contract Price shall be paid to the Supplier within sixty (60) days after the date of receipt of the Goods and upon submission of the documents (i) through (vi) specified in the SCC provision on Delivery and Documents.
- (c) On Acceptance: The remaining twenty percent (20%) of the Contract Price shall be paid to the Supplier within sixty (60) days after the date of submission of the acceptance and inspection certificate for the respective delivery issued by the Procuring Entity's authorized representative. In the event that no inspection or acceptance certificate is issued by the Procuring Entity's authorized representative within forty five (45) days of the date shown on the delivery receipt the Supplier shall have the right to claim payment of the remaining twenty percent (20%) subject to the Procuring Entity's own verification of the reason(s) for the failure to issue documents (vii) and (viii) as described in the SCC provision on Delivery and Documents.

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

12. Taxes and Duties

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

13. Performance Security

- 13.1. Within ten (10) calendar days from receipt of the Notice of Award from the Procuring Entity but in no case later than the signing of the contract by both parties, the successful Bidder shall furnish the performance security in any the forms prescribed in the ITB Clause 33.2.
- 13.2. The performance security posted in favor of the Procuring Entity shall be forfeited in the event it is established that the winning bidder is in default in any of its obligations under the contract.
- 13.3. The performance security shall remain valid until issuance by the Procuring Entity of the Certificate of Final Acceptance.
- 13.4. The performance security may be released by the Procuring Entity and returned to the Supplier after the issuance of the Certificate of Final Acceptance subject to the following conditions:
 - (a) There are no pending claims against the Supplier or the surety company filed by the Procuring Entity;
 - (b) The Supplier has no pending claims for labor and materials filed against it; and
 - (c) Other terms specified in the SCC.
- 13.5. In case of a reduction of the contract value, the Procuring Entity shall allow a proportional reduction in the original performance security, provided that any such

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reduction is more than ten percent (10%) and that the aggregate of such reductions is not more than fifty percent (50%) of the original performance security.

14. Use of Contract Documents and Information

- 14.1. The Supplier shall not, except for purposes of performing the obligations in this Contract, without the Procuring Entity's prior written consent, disclose this Contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the Procuring Entity. Any such disclosure shall be made in confidence and shall extend only as far as may be necessary for purposes of such performance.
- 14.2. Any document, other than this Contract itself, enumerated in GCC Clause 14.1 shall remain the property of the Procuring Entity and shall be returned (all copies) to the Procuring Entity on completion of the Supplier's performance under this Contract if so required by the Procuring Entity.

15. Standards

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

16. Inspection and Tests

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

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17. **Warranty**

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

18. **Delays in the Supplier's Performance**

- 18.1. Delivery of the Goods and/or performance of Services shall be made by the Supplier in accordance with the time schedule prescribed by the Procuring Entity in Section VI. Schedule of Requirements.
- 18.2. If at any time during the performance of this Contract, the Supplier or its Subcontractor(s) should encounter conditions impeding timely delivery of the Goods and/or performance of Services, the Supplier shall promptly notify the Procuring Entity in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the Supplier's notice, and upon causes provided for under GCC Clause 22, the Procuring Entity shall evaluate the situation and may extend the Supplier's time for performance, in which case the extension shall be ratified by the parties by amendment of Contract.
- 18.3. Except as provided under GCC Clause 22, a delay by the Supplier in the performance of its obligations shall render the Supplier liable to the imposition of liquidated damages pursuant to GCC Clause 19, unless an extension of time is agreed upon pursuant to GCC Clause 29 without the application of liquidated damages.

19. **Liquidated Damages**

Subject to GCC Clauses 18 and 22, if the Supplier fails to satisfactorily deliver any or all of the Goods and/or to perform the Services within the period(s) specified in this Contract inclusive of

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

20. Settlement of Disputes

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

21. Liability of the Supplier

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

22. Force Majeure

- 22.1. The Supplier shall not be liable for forfeiture of its performance security, liquidated damages, or termination for default if and to the extent that the Supplier's delay in performance or other failure to perform its obligations under the Contract is the result of a *force majeure*.
- 22.2. For purposes of this Contract the terms "*force majeure*" and "fortuitous event" may be used interchangeably. In this regard, a fortuitous event or *force majeure* shall be interpreted to mean an event which the Contractor could not have foreseen, or which though foreseen, was inevitable. It shall not include ordinary unfavorable weather conditions; and any other cause the effects of which could have been avoided with the exercise of reasonable diligence by the Contractor. Such events may include, but not

limited to, acts of the Procuring Entity in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions, and freight embargoes.

- 22.3. If a *force majeure* situation arises, the Supplier shall promptly notify the Procuring Entity in writing of such condition and the cause thereof. Unless otherwise directed by the Procuring Entity in writing, the Supplier shall continue to perform its obligations under the Contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the *force majeure*.

23. Termination for Default

- 23.1. The Procuring Entity shall terminate this Contract for default when any of the following conditions attends its implementation:

- (a) Outside of *force majeure*, the Supplier fails to deliver or perform any or all of the Goods within the period(s) specified in the contract, or within any extension thereof granted by the Procuring Entity pursuant to a request made by the Supplier prior to the delay, and such failure amounts to at least ten percent (10%) of the contract price;
- (b) As a result of *force majeure*, the Supplier is unable to deliver or perform any or all of the Goods, amounting to at least ten percent (10%) of the contract price, for a period of not less than sixty (60) calendar days after receipt of the notice from the Procuring Entity stating that the circumstance of *force majeure* is deemed to have ceased; or
- (c) The Supplier fails to perform any other obligation under the Contract.

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

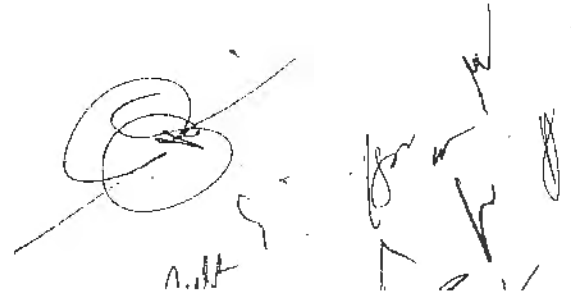
- 23.3. In case the delay in the delivery of the Goods and/or performance of the Services exceeds a time duration equivalent to ten percent (10%) of the specified contract time plus any time extension duly granted to the Supplier, the Procuring Entity may terminate this Contract, forfeit the Supplier's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

24. Termination for Insolvency

The Procuring Entity shall terminate this Contract if the Supplier is declared bankrupt or insolvent as determined with finality by a court of competent jurisdiction. In this event, termination will be without compensation to the Supplier, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the Procuring Entity and/or the Supplier.

25. Termination for Convenience

- 25.1. The Procuring Entity may terminate this Contract, in whole or in part, at any time for its convenience. The Head of the Procuring Entity may terminate a contract for the convenience of the Government if he has determined the existence of conditions that make Project Implementation economically, financially or technically impractical and/or unnecessary, such as, but not limited to, fortuitous event(s) or changes in law and national government policies.

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

- (a) to have any portion delivered and/or performed and paid at the contract terms and prices; and/or
- (b) to cancel the remainder and pay to the Supplier an agreed amount for partially completed and/or performed goods and for materials and parts previously procured by the Supplier.

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

26. Termination for Unlawful Acts

26.1. The Procuring Entity may terminate this Contract in case it is determined *prima facie* that the Supplier has engaged, before or during the implementation of this Contract, in unlawful deeds and behaviors relative to contract acquisition and implementation. Unlawful acts include, but are not limited to, the following:

- (a) Corrupt, fraudulent, and coercive practices as defined in ITB Clause 3.1(a);
- (b) Drawing up or using forged documents;
- (c) Using adulterated materials, means or methods, or engaging in production contrary to rules of science or the trade; and
- (d) Any other act analogous to the foregoing.

27. Procedures for Termination of Contracts

27.1. The following provisions shall govern the procedures for termination of this Contract:

- (a) Upon receipt of a written report of acts or causes which may constitute ground(s) for termination as aforementioned, or upon its own initiative, the Implementing Unit shall, within a period of seven (7) calendar days, verify the existence of such ground(s) and cause the execution of a Verified Report, with all relevant evidence attached;
- (b) Upon recommendation by the Implementing Unit, the Head of the Procuring Entity shall terminate this Contract only by a written notice to the Supplier conveying the termination of this Contract. The notice shall state:
 - (i) that this Contract is being terminated for any of the ground(s) aforementioned, and a statement of the acts that constitute the ground(s) constituting the same;
 - (ii) the extent of termination, whether in whole or in part;
 - (iii) an instruction to the Supplier to show cause as to why this Contract should not be terminated; and

- (iv) special instructions of the Procuring Entity, if any.
- (c) The Notice to Terminate shall be accompanied by a copy of the Verified Report;
- (d) Within a period of seven (7) calendar days from receipt of the Notice of Termination, the Supplier shall submit to the Head of the Procuring Entity a verified position paper stating why this Contract should not be terminated. If the Supplier fails to show cause after the lapse of the seven (7) day period, either by inaction or by default, the Head of the Procuring Entity shall issue an order terminating this Contract;
- (e) The Procuring Entity may, at any time before receipt of the Supplier's verified position paper described in item (d) above withdraw the Notice to Terminate if it is determined that certain items or works subject of the notice had been completed, delivered, or performed before the Supplier's receipt of the notice;
- (f) Within a non-extendible period of ten (10) calendar days from receipt of the verified position paper, the Head of the Procuring Entity shall decide whether or not to terminate this Contract. It shall serve a written notice to the Supplier of its decision and, unless otherwise provided, this Contract is deemed terminated from receipt of the Supplier of the notice of decision. The termination shall only be based on the ground(s) stated in the Notice to Terminate;
- (g) The Head of the Procuring Entity may create a Contract Termination Review Committee (CTRC) to assist him in the discharge of this function. All decisions recommended by the CTRC shall be subject to the approval of the Head of the Procuring Entity; and
- (h) The Supplier must serve a written notice to the Procuring Entity of its intention to terminate the contract at least thirty (30) calendar days before its intended termination. The Contract is deemed terminated if it is not resumed in thirty (30) calendar days after the receipt of such notice by the Procuring Entity.

28. **Assignment of Rights**

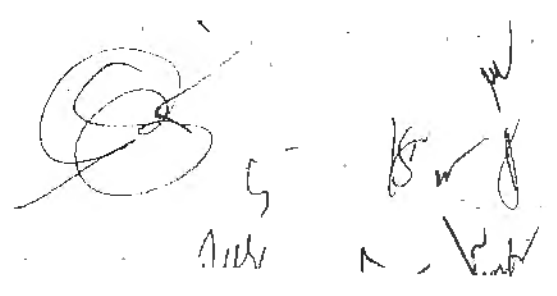
The Supplier shall not assign his rights or obligations under this Contract, in whole or in part, except with the Procuring Entity's prior written consent.

29. **Contract Amendment**

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

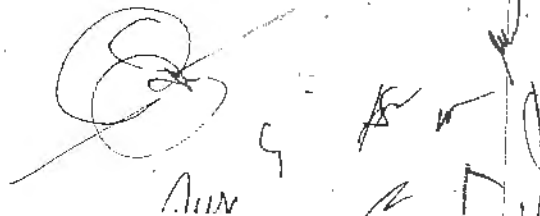
30. **Application**

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

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Section V. Special Conditions of Contract

GCC Clause	
1.1(g)	The Procuring Entity is <i>Philippine Health Insurance Corporation</i> .
1.1(i)	The Supplier is <i>[to be inserted at the time of contract award]</i> .
1.1(j)	The Funding Source is: Philippine Health Insurance Corporation Corporate Operating Budget for CY 2012 in the amount of <i>Eight Hundred Fourteen Thousand Nine Hundred Twenty Five Pesos and Thirty Three Centavos (PhP814,925.33)</i>
1.1(k)	The Project Site is <i>at PhilHealth Head Office</i>
5.1	The Procuring Entity's address for Notices is: EDGAR JULIO S. ASUNCION, Senior Vice-President, Chief Legal Executive, and BAC-ITR Chairperson, Room 1002, 10th Floor CityState Centre, 709 Shaw Boulevard, Pasig City
6.2	Delivery of the Goods and Services shall be made by the Supplier in accordance with the terms specified in Section VI. Delivery and Documents – The Delivery terms of this Contract shall be as follows: Digital Subscriber Line (DSL) Network Connectivity shall be delivered to the offices within PhilHealth NCR and Rizal Area. Delivery of the Goods and Services shall be made by the Supplier in accordance with the terms specified in Section VI. Schedule of Requirements. The details of shipping and/or other documents to be furnished by the Supplier are as follows: Upon delivery of the Goods and Services to the Project Site, the Supplier shall notify PhilHealth and present the following documents to PhilHealth: (i) Original and four copies of the Supplier's invoice showing Services' description, quantity, unit price, and total amount; (ii) Original and four copies delivery receipt/note, railway receipt, or truck receipt; (iii) Original Supplier's factory inspection report; (iv) Original and four copies of the Manufacturer's and/or Supplier's warranty certificate; (v) Original and four copies of the certificate of origin; (vi) Delivery receipt detailing number and description of items received signed by the authorized receiving personnel; (vii) Certificate of Acceptance/Inspection Report signed by the Procuring Entity's representative at the Project Site; and (viii) Four copies of the Invoice Receipt for Property signed by the Procuring Entity's representative at the Project Site. Incidental Services – The Supplier is required to provide all of the following services, including additional services, if any, specified in Section VI. Schedule of Requirements: (a) performance or supervision of on-site assembly and/or start-up of the supplied Services; (b) furnishing of tools required for assembly and/or maintenance of the supplied Services; (c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied Services; (d) performance or supervision or maintenance and/or repair of the supplied Services, for a period of time agreed by the parties, provided that this service shall not relieve the Supplier of any warranty obligations under this Contract; and



	The Contract price for the Services shall include the prices charged by the Supplier for incidental services and shall not exceed the prevailing rates charged to other parties by the Supplier for similar services. Spare Parts – The Supplier is required to provide all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the Supplier: The Supplier shall carry sufficient inventories to assure ex-stock supply of consumable spares for the Services for a period of <i>two (2) years</i>. Packaging – The Supplier shall provide such packaging of the Services as is required to prevent their damage or deterioration during transit to their final destination, as indicated in this Contract. The packaging shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packaging case size and weights shall take into consideration, where appropriate, the remoteness of the SERVICES' final destination and the absence of heavy handling facilities at all points in transit. The packaging, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the Contract, including additional requirements, if any, specified below, and in any subsequent instructions ordered by the Procuring Entity. The outer packaging must be clearly marked on at least four (4) sides as follows: PHILIPPINE HEALTH INSURANCE CORPORATION Name of the Supplier Contract Description Final Destination Gross weight Any special lifting instructions Any special handling instructions Any relevant HAZCHEM classifications A packaging list identifying the contents and quantities of the package is to be placed on an accessible point of the outer packaging if practical. If not practical the packaging list is to be placed inside the outer packaging but outside the secondary packaging. Insurance – The Services supplied under this Contract shall be fully insured by the Supplier in a freely convertible currency against loss or damage incidental to manufacture or acquisition, transportation, storage, and delivery. The Services remain at the risk and title of the Supplier until their final acceptance by the Procuring Entity. Transportation – PhilHealth accepts no liability for the damage of Services during transit. In the case of Services supplied from within the Philippines or supplied by domestic Suppliers risk and title will not be deemed to have passed to PhilHealth until their receipt and final acceptance at the final destination. Patent Rights – The Supplier shall indemnify the Procuring Entity against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the Services or any part thereof.
10.2	NO FURTHER INSTRUCTIONS

Handwritten signatures and initials, including a large circular stamp and several scribbles, located at the bottom right of the page.

10.4	NO FURTHER INSTRUCTIONS.
13.4(c)	NO FURTHER INSTRUCTIONS
16.1	The bidders should be able to comply with the following: • The winning bidder should work in parallel with PHILHEALTH Physical Resources and Infrastructure Department (PRID) during the installation, testing, and commissioning of the Project. • The bidders must ensure that the proposed Digital Subscriber Line (DSL) Network Connectivity is compatible with the existing equipment of PHILHEALTH. • Intensive testing should be done by the winning bidder to achieve the functionality and benefits of the Digital Subscriber Line (DSL) Network Connectivity.
17.3	• The maintenance period will be for a period of two (2) years. • All software/hardware should be covered by warranty on services, upgrades and updates on the Digital Subscriber Line (DSL) Network Connectivity within the maintenance period which shall commence upon acceptance of the delivered goods.
17.4	The period for correction of defects within the warranty period are: • The bidders should be able to provide expert personnel to service the Digital Subscriber Line (DSL) Network Connectivity whenever problems should occur. • The winning bidder should provide an 24x7 phone and technical support to PhilHealth within the two (2) years contract. • Expenses for the technical personnel who will provide the technical service on-site to PHILHEALTH shall be at the expense of the winning bidder.
21.1	NO ADDITIONAL PROVISION.

Handwritten signatures and initials are present at the bottom right of the page, including a large circular signature and several smaller initials.

static IP address - Committed Information Rate (CIR)- at least 350 kbps - Router- must include router with at least 4 ports - Modem- must include modem - Subscription period- Two (2) years - Must include all necessary cables to interconnect and operate all equipment.	<u>Address per site.</u> <i>DSL Service for CIR must be met. Latency not required.</i> <i>Must include all necessary cables to interconnect and operate all equipment (<u>in-house wiring will be provided by PhilHealth NCR</u>)</i> <i>Number of PCs needed per site : <u>2-3 PCs</u></i>
On page 9: PREPARATION OF BIDS 12. Documents Comprising the Bid: Eligibility and Technical Components 12.1 Unless otherwise indicated in the BDS, the first envelope shall contain the following eligibility and technical documents: (a.) Eligibility Documents - <u>Class "A" Documents:</u> (ii) Mayor's permit issued by the city or municipality where the principal place of business of the prospective bidder is located;	The BAC-ITR and the Secretariat for the Bids and Awards Committees would like to inform the bidders of the following: <i>The prospective bidder MUST submit :</i> <i><u>CY 2013 Mayor's permit</u> issued by the city or municipality where the principal place of business of the prospective bidder is located</i> <i><u>OR</u></i> <i><u>CY 2012 Mayor's permit AND Official Receipt for Application of the CY 2013 Mayor's Permit if not yet issued.</u></i>
On page 41: SECTION VII TECHNICAL SPECIFICATIONS OTHER REQUIREMENTS - The proponent must be able to conduct and pass on-site testing. This will form part of the acceptance of the project. - The proponent must be able to relocate the network connectivity upon end-user's request to another target site/location, free of charge for the duration of the subscription.	The BAC-ITR, Technical Working Group (TWG) and the End-user would like to inform the bidders of the following: <i>The proponent must be able to relocate the network connectivity upon end-user's request to another target <u>SERVICEABLE</u> site/location, free of charge for the duration of the subscription.</i>

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On page 43:SECTION VII
TECHNICAL SPECIFICATIONS

DOCUMENTATION

The bidder must provide user and system manuals and technical materials of each device. Complete documentation of software, licenses and utility disks must also be provided including the inventory of the network equipment and its component and serial numbers.

The BAC-ITR, Technical Working Group (TWG) and the End-user would like to inform the bidders of the following:

The proponent must provide List of IP Addresses with the corresponding site assignments.

REMINDERS:

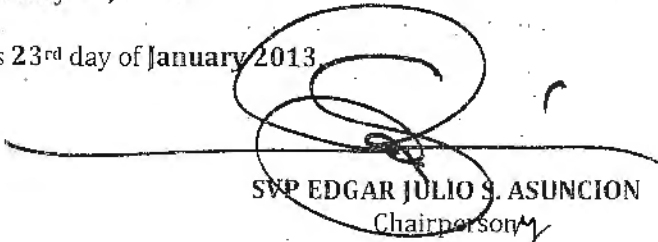
The BAC-ITR would like to remind the Bidder/s to **double check the eligibility requirements** prior to submission of bid proposals.

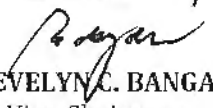
This BID BULLETIN shall form part of the eligibility and technical bid proposal to be submitted on **January 30, 2013**.

The deadline for submission of bid proposals will be on **January 30, 2013 10:00 a.m.** Likewise, **Opening of Bids** will commence on the said date and time.

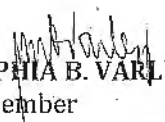
Those bidders who obtained the bidding documents for this project and would not submit their respective bid proposals on **January 30, 2013** **must submit a letter of non-participation** stating their reasons at the Office of the Secretariat for the Bids and Awards Committees. The letter of non-participation must be submitted to SBAC on or before **5:00 p.m.** of **January 30, 2013**.

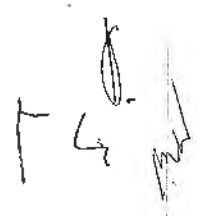
Issued this 23rd day of January 2013


SVP EDGAR JULIO S. ASUNCION
Chairperson


VP EVELYN C. BANGALAN
Vice-Chairperson

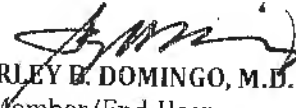
on leave
SM EVANGELINE F. RACELIS
Member


SM MA. SOPHIA B. VARLEZ
Member



an official business
SM HENRY V. ALMANON
Member


ATTY. JERRY F. IBAY
Member


VP SHIRLEY B. DOMINGO, M.D.
Member/End-User



TC



FEDERAL PHOENIX

BE ASSURED!

FEDERAL PHOENIX ASSURANCE CO., INC.
6/F Zuellig Building, Makati Avenue
cor. Paseo de Roxas, Makati City, 1225 Philippines
Tels: (+632) 859-1200
Fax: (+632) 811-5110
www.federalphoenix.com

BOND NO. G(16) 0000148

SURETY BOND (PERFORMANCE SECURITY)

Premium	Php	4,190.67
DST	Php	524.00
VAT	Php	502.88
LGT	Php	8.38
Other Charges	Php	300.00
Total Premium	Php	5,525.93

KNOW ALL MEN BY THESE PRESENTS:

That we, PHILIPPINE LONG DISTANCE TELEPHONE COMPANY, a domestic company duly organized under the laws of the Philippines, with principal office at Ramon Cojuangco Building Makati Ave., Makati City, as PRINCIPAL, and FEDERAL PHOENIX ASSURANCE CO., INC., a corporation duly organized and existing under and by virtue of the laws of the Philippines, as SURETY, are held and firmly bound unto PHILIPPINE HEALTH INSURANCE CORPORATION, a government institution, with principal office at Citystate Centre Building, 709 Shaw Boulevard, Pasig City, as OBLIGEE, in the sum of PESOS: Two Hundred Twenty One Thousand Seven Hundred Sixty Only (Php221,760.00), Philippine Currency, for the payment of which sum, we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, in the Contract Agreement entered into by and between the Principal and the Obligee, the Principal agreed and covenanted to undertake the Procurement of Digital Subscriber Line (DSL) Network Connectivity under Notice of Award dated March 21, 2013, a copy of which is hereto attached for the reference;

WHEREAS, this bond is conditioned to guarantee the faithful compliance of the Principal to complete the above-mentioned project. Provided, however, that the liability of the Surety under this bond shall in no case EXCEED the amount of PESOS: Two Hundred Twenty One Thousand Seven Hundred Sixty Only (Php221,760.00), Philippine Currency.

WHEREAS, said contract requires the PRINCIPAL to give a good and sufficient bond in the above stated sum to secure the full and faithful performance on his part of said contract.

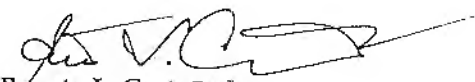
WHEREAS, it is a special condition of this bond that any change in the scope, duration, cost or nature of work as provided in the contract between the PRINCIPAL and the OBLIGEE; and/or additional work that the OBLIGEE may impose upon the PRINCIPAL without the knowledge and consent of herein SURETY, shall render this bond null and void and therefore relieves the SURETY of its liabilities hereunder.

NOW THEREFORE, if the PRINCIPAL shall well and truly perform and fulfill all the undertakings, covenants, terms, conditions and agreements stipulated in said contract / agreement, then this obligation shall be null and void; otherwise, it shall remain in full force and effect.

FURTHER, the liability of FEDERAL PHOENIX ASSURANCE CO., INC. under this bond will commence on the 21st day of March, 2013 and shall expire on 21st day of March, 2014 and it shall not assume responsibility for any liability incurred or created after said date. Furthermore, it is hereto agreed and understood that FEDERAL PHOENIX ASSURANCE CO., INC. shall not be liable for any claim not presented in writing to the Company within TEN (10) DAYS from the expiration of this bond, and that the OBLIGEE hereby waives his right to file any claim against the SURETY after the termination of the period of TEN (10) days above mentioned after which time this bond shall definitely terminate and be deemed absolutely cancelled.

IN WITNESS WHEREOF, we have set our hands and signed our names at Makati City, Philippines, this 25th day of March, 2013.

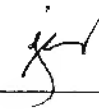
Philippine Long Distance Telephone Company
Principal
By:


Renato L. Castañeda
Vice President
and Head of Corporate Relationship Management C

Federal Phoenix Assurance Co., Inc.
Surety
By:


Brian L. D'Souza
Senior Vice President

WITNESSES



BOND NO. G(16) 0000148



FEDERAL PHOENIX

BE ASSURED!

FEDERAL PHOENIX ASSURANCE CO., INC.
6/F Zuellig Building, Makati Avenue
cor. Paseo de Roxas, Makati City, 1225 Philippines
Tels: (+632) 859-1200
Fax: (+632) 811-5110
www.federalphoenix.com

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES.....]
MAKATI CITY.....] S.S.

BEFORE ME, a Notary Public for and in the City of Makati, personally appeared the following persons, showing their respective Identification Documents, as follows:

<u>Name</u>	<u>Identification Documents</u>	<u>Expiry Date</u>
Brian L. D' Souza	Tax Identification No. 010-060-858	
Renato L. Castañeda		

all known to me and to me known to be the same persons who executed the foregoing instrument for and in behalf of the companies they represent and they acknowledged to me that the same is their corporate act and deed, consisting of only two (2) pages, including this page in which this Acknowledgment is written, duly signed by them and their instrumental witnesses on each and every page hereof.

WITNESS MY HAND AND SEAL, this 25th day of March, 2013 at Makati City, Philippines.


ATTY. CHRISTOPHER JAY R. SACUTI
NOTARY PUBLIC FOR MAKATI CITY
UNTIL DECEMBER 31, 2014
PTR NO. 0029832/ MAKATI CITY
IBP ROLL NO. 54071
LIFETIME IBP NO. 7433660

Doc. No.: 202 ;
Page No.: 41 ;
Book No.: II ;
Series of : 2013.

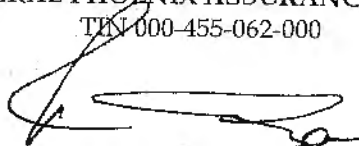
SWORN STATEMENT

REPUBLIC OF THE PHILIPPINES.....]
MAKATI CITY] S.S.

I, BRIAN L. D 'SOUZA, authorized signatory of FEDERAL PHOENIX ASSURANCE CO., INC., having been duly sworn, state and depose that FEDERAL PHOENIX ASSURANCE CO. INC., is corporation organized and existing under and by virtue of the laws of the Philippines, with its Head Office at the City of Makati, and is duly authorized to execute and furnish surety bonds for all purposes within said territory and jurisdiction, and that it is actually worth the amount specified in the foregoing undertaking to wit: PESOS: Two Hundred Twenty One Thousand Seven Hundred Sixty Only (Php221,760.00), Philippine Currency, over and above all just debts, obligations and property exempt from execution.

FEDERAL PHOENIX ASSURANCE CO., INC.
TEL 000-455-062-000

By:


BRIAN L. D' SOUZA
Authorized Signature

SUBSCRIBED AND SWORN TO before me this 25th day of March, 2013 at Makati City, Affiant exhibited to me his Tax Identification No. 010-060-858 and that of the Corporation above represented.


ATTY. CHRISTOPHER JAY R. SACUTI
NOTARY PUBLIC FOR MAKATI CITY
UNTIL DECEMBER 31, 2014
PTR NO. 0029832/ MAKATI CITY
IBP ROLL NO. 54071
LIFETIME IBP NO. 7433660

Doc. No.: 203 ;
Page No.: 41 ;
Book No.: II ;
Series of : 2013.

BOND NO. G(16) 0000148

INDEMNITY AGREEMENT**KNOW ALL MEN BY THESE PRESENTS:**

This Agreement is made and entered into on the 25th day of March, 2013, by **PHILIPPINE LONG DISTANCE TELEPHONE COMPANY**, a domestic company incorporated under the laws of the Philippines, with principal office at Ramon Cojuangco Building Makati Ave., Makati City, and herein represented in this agreement by its Vice President and Head of Corporate Relationship Management C, Renato L. Castañeda, as **PRINCIPAL**; and collectively referred herein as **INDEMNITORS**.

WITNESSETH:

WHEREAS, **PRINCIPAL** has filed applications for **SURETY BOND**, described in Exhibit "A" attached hereto and incorporated herein by this reference ("**BOND**"), from **FEDERAL PHOENIX ASSURANCE CO., INC.**, a corporation duly organized and registered under the laws of the Philippines, with principal place of office located at Makati City, which hereinafter will be known as the "**SURETY COMPANY**";

WHEREAS, prior to the **SURETY COMPANY**'s issuance of the **SURETY BOND**, **INDEMNITORS** have agreed, jointly and severally, to indemnify the **SURETY COMPANY** for any damages, prejudice, loss, cost, payments, advances and expenses of whatever kind and nature, including counsel or attorney's fees, in accordance with the provisions of this Agreement;

WHEREAS, **PRINCIPAL** has requested the execution and delivery of a **SURETY BOND** by the **SURETY COMPANY**;

WHEREAS, the **INDEMNITORS** understand the **SURETY COMPANY** expressly requires the delivery of this Indemnity Agreement as part of the consideration for the bond requested; and

WHEREAS, the **INDEMNITORS** have a substantial, material and beneficial interest in the obtaining of the **SURETY BOND** by the **PRINCIPAL** or in the **SURETY COMPANY** refraining from canceling such **SURETY BOND**;

NOW, THEREFORE, in consideration of the execution and delivery by the **SURETY COMPANY** of the **SURETY BOND**, the **INDEMNITORS**, jointly and severally, covenant and agree with the **SURETY COMPANY**, as follows:

AGREEMENT AND COVENANT**DEFINITIONS:**

The following definitions shall apply to this Agreement:

"Bond" means any and/or all contracts of suretyship, guaranty or indemnity, undertaking or other writings obligatory in nature, including continuations, extensions, alterations or substitutions thereof, the Surety has or may execute or procure the execution of, for and/or all indemnitors in the capacity of the Principal.

"Contract" means all documents comprising the written contract including general and special conditions, specifications and drawings.

"Expense" means any and all expense, including but not limited to investigative charges, accounting charges, engineering charges, fees and disbursements of counsel (whether on salary, retainer, or otherwise).

"Indemnitor" means the Subscriber to this Agreement or addendum hereto, whether an individual, organization, partnership, corporation, unincorporated association, joint venture or other entity, for themselves, their heirs, executors, administrators, successors and assigns. Subscription to this Agreement shall include the Named Indemnitor and any and all presently existing and future subsidiaries, and all other existing and future corporations, partnerships, organizations or other entity controlled by the Subscriber. The word indemnitor or any personal pronoun shall apply regardless of number of gender.

"Obligee" means the party in whose favor a bond runs.

"Principal" means an indemnitor (a) by himself, or (b) a joint venture not named herein for which the Surety executes bond(s) and which has the primary responsibility to the Obligee.

"Surety" means as their interest may appear, the named company or co-surety which have been procured to execute the bond(s), their successors or assigns.

FIRST: APPLICATION - That the **PRINCIPAL** have applied to the **SURETY COMPANY**, to execute as surety, a **SURETY BOND** in the amount of **PESOS: Two Hundred Twenty One Thousand Seven Hundred Sixty Only (Php221,760.00)**, Philippine Currency, in favor of **PHILIPPINE HEALTH INSURANCE CORPORATION**, which application has been accepted by said **SURETY COMPANY**.

SECOND: CONSIDERATION OF GENERAL OBLIGATIONS - That for and in consideration of the obligation undertaken by the **SURETY COMPANY** upon execution of the original Bond, and its renewals, extensions or substitutions, we hereby bind ourselves, jointly and severally, to faithfully comply with the following obligations:

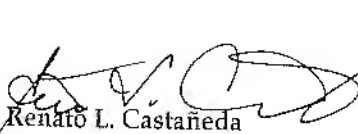
- a) **PREMIUM** - To pay to the **SURETY COMPANY** at its principal offices the sum of **PESOS: Five Thousand Five Hundred Twenty Five and 93/100 Only (Php5,525.93)**, Philippine Currency, in advance as annual premium or fraction thereof, to be computed from this date cancelled in full by the person or entity guaranteed thereby, or by a court of competent jurisdiction.
- b) **INDEMNITY** - to indemnify the **SURETY COMPANY** at its principal offices for any damages, prejudice, loss, cost, payments, advances and expenses of whatever kind and nature, including counsel or attorney's fees, which the **SURETY COMPANY** may, at any time, sustain or incur, as a consequence of having executed the above mentioned Bond. Its renewals, extensions or substitutions and said attorney's fees shall not be less than twenty five (25%) percent of the amount claimed by the **SURETY COMPANY** in each action, the same to be due and payable, irrespective of whether the cases are settled judicially or extra judicially.
- c) **MATURITY OF OUR OBLIGATIONS AS CONTRACTED HERewith** - The said indemnities will be paid to the **SURETY COMPANY** as soon as demand is received from the **OBLIGEE**, or as soon as it becomes liable to make payment of any sum under the terms of the above-mentioned bond, its renewals, extensions or substitutions whether the said sum or sums or part thereof, have been actually paid or not. We hereby authorize the **SURETY COMPANY** to accept in any case and its entire discretion, from any of us, payments on account of the pending obligation, and to grant extension to any of us, to liquidate said obligations, without necessity of previous knowledge or consent from other obligors.
- d) **INTEREST IN CASE OF DELAY** - In the event that payments of obligations stipulated in subparagraphs (a) and (b) of this Clause are not made to the **SURETY COMPANY** as they become due, the latter may take judicial or extra-judicial action against us, and at the time and as long as the said obligations are not fully paid, we shall pay interest at the rate of twelve (12%) percent per annum on the amounts due, which interest, until fully paid, shall be computed monthly and automatically accumulated to the outstanding capital and shall bear the same interest as said capital.



- e) **INCONTESTABILITY OF PAYMENTS MADE BY THE SURETY COMPANY** - Any payment or disbursement made by the SURETY COMPANY on account of the above-mentioned Bond, its renewals, extensions or substitutions, either in the belief that the SURETY COMPANY was obligated to make such payment or in the belief that said payment was necessary in order to avoid greater losses or obligations for which the SURETY COMPANY might be liable by virtue of the terms of the above-mentioned Bond, its renewals, extensions or substitutions, shall be final and will not be disputed by the undersigned INDEMNITORS who, jointly and severally, bind themselves to indemnify the SURETY COMPANY of any such payments as stated in the preceding clauses.
- f) **WAIVER OF VENUE OF ACTION** - We hereby agree that any question which may arise between the SURETY COMPANY and the undersigned by reason of this document and which has to be submitted for decision to the Courts of Justice, shall be brought before the Court of Competent Jurisdiction in the City of Makati, waiving for this purpose any other proper venue.
- g) **WAIVER** - The undersigned hereby waived all rights, privileges and benefits that they have under Articles 2077, 2078, 2079, 2080 and 2081 of the Civil Code of the Philippines.
- h) **CANCELLATION OF BOND BY THE SURETY COMPANY** - The SURETY COMPANY may at any time ask the OBLIGEE to cancel the above-mentioned Bond, its renewals, extensions or substitution, subject to any liability which might have accrued prior to the date of cancellation, refunding the proportionate amount of the premium unearned on the date of cancellation.
- i) **RENEWALS, EXTENSIONS AND SUBSTITUTIONS** - The undersigned hereby empower and authorize the SURETY COMPANY to grant or consent to the granting of any renewals, extension, substitutions, continuation, increase, modification, change, and/or alteration of the original bond herein referred to, and to execute or consent to the executions of any substitution for said bond with the same or different conditions of any substitution for said bond with the same or different conditions and parties, and the undersigned hereby hold themselves, jointly and severally, liable with the SURETY COMPANY for the original bond hereinabove-mentioned and for any renewals, extension, substitutions, continuations, increase, modification, change and/or alteration thereof, until the full amount including principal interest, premiums, cost and all other expenses due to the SURETY COMPANY thereunder is fully paid up.
- j) **NOTIFICATION** - The undersigned hereby accept due notice that the SURETY COMPANY has accepted this Indemnity Agreement executed by the undersigned in favor of the SURETY COMPANY.
- k) Each and everyone of the obligors, jointly and severally, by this instrument grant a special power of attorney in favor of all or any of the other obligors, jointly and severally, so that any of the obligors may represent all the others, in all transactions related to this Bond, its renewals, extension, substitutions and any other agreements in connection with the suretyship, without the necessity of the knowledge or consent of the other obligors who hereby promise to accept as valid each and every act done or executed by any of the attorneys-in-fact by virtue of this special power of attorney.

Done at Makati City this _____, 2012.

PHILIPPINE LONG DISTANCE TELEPHONE COMPANY
By:


Renato L. Castañeda

Vice President

and Head of Corporate Relationship Management C

Renato L. Castañeda

WITNESSES

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES]

MAKATI CITY

] S.S

BEFORE ME, a Notary Public for and in the City of Makati, personally appeared the following persons:

Name

Identification Document

Expiry Date

PHILIPPINE LONG DISTANCE TELEPHONE COMPANY

Renato L. Castañeda

known to me and to me known to be the same persons who executed the foregoing instrument which he acknowledged to me to be his free and voluntary act and deed, consisting of two (2) pages, including this page in which this Acknowledgment is written, duly signed by him and his instrumental witnesses on each and every page hereof.

WITNESS MY HAND AND SEAL this 25th day of March, 2013 at Makati City, Philippines.


ATTY. CHRISTOPHER JAY R. SACUTI
NOTARY PUBLIC FOR MAKATI CITY

UNTIL DECEMBER 31, 2014

PTR NO. 0029832/MAKATI CITY

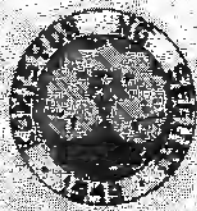
IBP ROLL NO. 54071

LIFETIME IBP NO. 7433660

Doc. No.: 204 ;
Page No.: 41 ;
Book No.: II ;
Series of: 2013.

BOND NO. G(16) 0000148

Big. 2012/44-R
(No.) 2012/449-R



Republika ng Pilipinas
Republic of the Philippines
Kagawaran ng Pananalapi
Department of Finance
KOMISYON NG SEGURO
INSURANCE COMMISSION

KATIBAYAN NG PAGKAMAYKAPANGYARIHAN
CERTIFICATE OF AUTHORITY

ITO AY PATUNAY na ang **FEDERAL PHOENIX ASSURANCE CO., INC.**
(This is to certify that

NG LUNGSOD NG MAKATI, PILIPINAS

na isang

pang **DI-BUHAY**

NON-LIFE

(FIRE, MARINE, CASUALTY & SURETY)

na kompanya ng seguro ay nakatugon sa lahat ng mga kailangang itinakda ng batas
insurance company has complied with all requirements of law

ng Pilipinas kaugnay sa gayong mga kompanya ng seguro, kung kaya pinagkakalooban
of the Philippines relative to such insurance companies, and it is hereby granted

nitong **KATIBAYAN NG PAGKAMAYKAPANGYARIHAN** upang makinagnegosyo ng
this **CERTIFICATE OF AUTHORITY** to transact

uri ng seguro na itinakda sa itaas hanggang ikatambalawa ng hatinggabi, ng ikatatlumpung
the class of insurance business above set forth until twelve o'clock midnight, on the thirtieth

araw ng Hunyo, taong datawampung libo't labing-tatlo
day of June, year 2013.

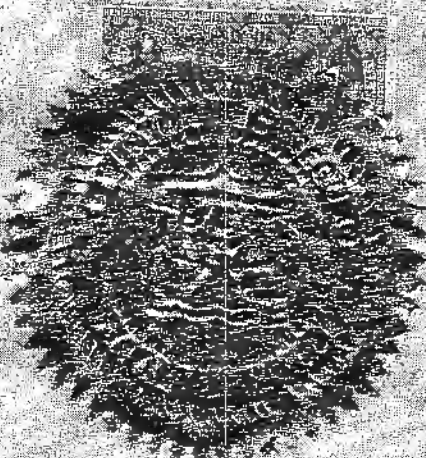
maliban kung agad na bawlin o pigilin ng may makatuwirang dahilan.
unless sooner revoked or suspended for cause.

Bilang **KATUNAYAN NILO**, inilagda ko ang aking pangalan
(In WITNESS WHEREOF, I have heretunto subscribed my name

at itinatag ang Opisyal na Tatak ng aking Tanggapan
and caused my Official Seal to be affixed,

sa Lungsod ng Maynila, Pilipinas. Ito ay may bisa
at the City of Manila, Philippines. This becomes

simula ika-isa ng Hulyo 2012.
effective on 1 July 2012.)



Date Issued: 07/02/12

EMMANUEL F. DOOC
Insurance Commissioner