



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
MANILA 1099

NOTICE TO PROCEED

April 7, 2014

NUCTECH COMPANY LIMITED

2/F Block A, Tongfang Bldg.
Shuangqinglui, Haidian District
Beijing 100084
P.R. China

Sir:

The attached Contract Agreement having been approved, notice is hereby given to NUCTECH COMPANY LIMITED that the Provision of Repair and Maintenance Service Package for Thirty (30) Container X-Ray Machines installed in selected Ports for a period of six (6) months effective on January 1 to June 30, 2014.

Upon receipt of this notice, it is understood that you have continued providing maintenance service to the X-Ray Machines and be responsible for performing the services under the terms and conditions of the Agreement and in accordance with the Implementation Schedule.

Very truly yours,

JOHN P. SEVILA

Commissioner



MAY 12 2014

I acknowledge receipt of this Notice on May 13, 2014

Name of the Representative of the Bidder: Hu Xiaochen

Authorized Signature:

**Repair and Maintenance Service Contract For Thirty (30) Container X-ray
Machines Installed in Selected Ports**

This CONTRACT made and entered into by between the following:
BUREAU OF CUSTOM (BOC), A GOVERNMENT AGENCY CREATED BY VIRTUE OF THE LAWS OF THE Republic of the Philippines, with principal office address at Bureau of Custom, Port Area, Manila, represented herein by Commissioner, John Phillip Sevilla, hereinafter called the "BOC";

-and-

Nuchtech Company Limited, a corporation duly organized and existing under the law of the Philippines, with office address at Asia & CIS Center, Hu Xiaochen, hereinafter referred to as the "SUPPLIER";

WITNESSETH:

WHEREAS, pursuant to Article XVI, Section 48 (b), R.A. 9184, in relation to Section 50 (a), Rule XVI of the Implementing Rules and Regulations of Republic Act No. 9184, alternative methods of procurement through Direct Contracting shall be allowed with a technically, legally and financially capable supplier and contractor to provide goods/services that are highly technical or proprietary in nature and which can be obtained only from one source or exclusive dealer;

WHEREAS, the X-Ray Unit requested for the continuance of the repair and maintenance support service for the thirty (30) container X-ray machines installed in selected ports for the period of six (6) months in 2014;

WHEREAS, the BOC Bids and Awards Committee (BAC) recommended to the Head of the Procuring Entity the award of the contract to NUCTECH having found that the goods/services subject of procurement is indeed proprietary in nature and the Supplier, being the current service provider of BOC and the exclusive service provider for the repair and maintenance of X-Ray Machines in the Philippines;

NOW THIS CONTRACT WITNESSETH AS FOLLOWS:

1. In this Contract, words and expression shall have the same meanings as respectively assigned to them in the General and Special Conditions of Contract referred to in Annexes B and C, respectively.
2. The following documents shall be deemed to form and be read and construed as part of this Contract:

Annex	A	-	Proposal;
	B	-	General Conditions of Contract;
	C	-	Special Conditions of Contract;
	D	-	Service level Agreement (SLA);
	E	-	Notice to Proceed; and
	F	-	Performance Security.

3. In consideration of the payment to be made by the BOC to the Supplier as hereinafter mentioned, the Supplier hereby covenants with the BOC to provide the goods and ancillary services therein in conformity in all aspect with the provisions of the Contract.
4. The BOC hereby covenants to pay the Supplier in consideration of the provision of the goods and ancillary services therein, the Contract Price or such other sum as may be payable under the provisions of the Contract at the time and in the manner prescribed by the Contract.
5. This Contract cannot be change, amended or modified without the express written consent of both parties.

This agreement shall take effect on January 1, 2014 until June 30, 2014.

IN WITNESS WHEREOF, the parties hereto have signed this Contract this 12th day of May 2014 at the BOC, Port area, Manila, Philippines.

BUREAU OF CUSTOMS

By:

JOHN P. SEVILLA

Commissioner



MAY 12 2014

Signed in the presence of:

NUCTECH COMPANY LIMITED

By:

Hu Xiao Chen

JULITO L. DORIA

Head, XIP

ACKNOWLEDGEMENT

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

BEFORE ME, a Notary Public and in the City of _____, Philippines on this _____ day of MAY 19 2014 personally appeared the following:

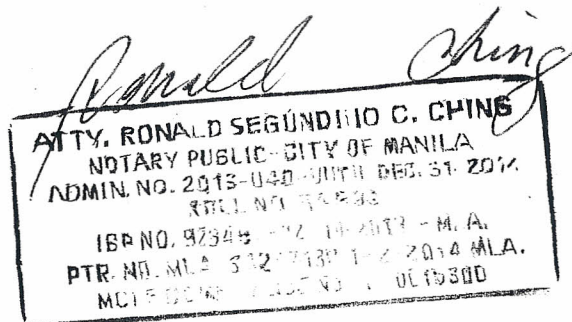
NAME	VALID ID	Date and Place of Issue
John P. Sevilla	Driver's License 1010807896	Feb. 20, 2012, QC.
<u>HU XIAO CHEN</u>	<u>E05943396</u>	<u>06 NOV. 2012. Beijing.</u>

known to me to be the same person who executed the foregoing Contract and who acknowledged to me that the same is their free and voluntary act and deed and of the entities they respectively represent.

This contract for the Project, "Repair and Maintenance Service Package for Thirty (30) Container X-ray Machines Installed in selected Ports" for a period of six (6) months was signed by the parties and their material witness on each and every page thereof.

WITNESS MY HAND SEAL this _____ day of MAY 19 2014.

Doc No. 84 ;
Page No. 19 ;
Book No. XVI ;
Series of 2014





**Proposal 1 : Allotting the budget for the maintenance service of
X-ray Inspection Project 6 months from January 1 to June 30 in 2014**

**1, 27 unites of X-ray Inspection Systems:
(12 units Level AAA + 15 units Level AA)**

NO	Model/Serial No.	Quotation of 6 months (USD)	Workstation	Level
1	TFNAH-06060/MT1213LT	\$ 90,415.00	Manila South Harbor	Level AAA
2	TFNAH-06076/MT1213LT	\$ 90,415.00		Level AAA
3	TFNAH-10001/MT1213LT	\$ 90,415.00		Level AAA
4	TFNAH-10002/MT1213LT	\$ 69,015.00		Level AA
5	TFNAH-10016/MT1213LT	\$ 69,015.00		Level AA
6	TFNAH-10019/MT1213LT	\$ 69,015.00		Level AA
7	TFNAH-10018/MT1213LT	\$ 0	ZAMBANGA Harbor	Level AA
8	TFNAH-06069/MT1213LT	\$ 90,415.00	Manila North Harbor	Level AAA
9	TFNAH-06070/MT1213LT	\$ 90,415.00		Level AAA
10	TFNAH-10003/MT1213LT	\$ 69,015.00		Level AA
11	TFNAH-10004/MT1213LT	\$ 69,015.00		Level AA
12	TFNAH-10005/MT1213LT	\$ 90,415.00		Level AAA
13	TFNAH-10006/MT1213LT	\$ 69,015.00		Level AA
14	TFNAH-10009/MT1213LT	\$ 69,015.00	Level AA	
15	TFNAH-10007/MT1213LT	\$ 69,015.00	Clark	Level AA
16	TFNAH-10013/MT1213LT	\$ 69,015.00		Level AA
17	TFNAH-06062/MT1213LT	\$ 90,415.00	Subic	Level AAA
18	TFNAH-10020/MT1213LT	\$ 69,015.00		Level AA
19	TFNAH-06075/MT1213LT	\$ 69,015.00	Cebu	Level AA
20	TFNAH-10008/MT1213LT	\$ 69,015.00		Level AA
21	TFNAH-10014/MT1213LT	\$ 90,415.00		Level AAA
22	TFNAH-10015/MT1213LT	\$ 69,015.00		Level AA
23	TFNAZ-06010/MB1215HL	0	Davao	General Check
24	TFNAH-06078/MT1213LT	\$ 69,015.00		Level AA
25	TFNAH-10012/MT1213LT	\$ 90,415.00		Level AAA
26	TFNAH-10017/MT1213LT	\$ 90,415.00		Level AAA
27	TFNAH-06077/MT1213LT	\$ 69,015.00	Cagayan de Oro	Level AA
28	TFNAH-10011/MT1213LT	\$ 90,415.00		Level AAA
29	TFNAH-10021/MT1213LT	\$ 90,415.00	General Santos	Level AAA
30	TFNAZ-06011/MB1215HL	0	Batangas	General Check
Price (exclusive of any taxes)			\$ 2,120,205.00;	
VAT (= exclusive price × 12%)			\$ 254,424.60;	
Final Income Tax (=exclusive price × 30%)			\$ 636,061.50;	
Contract Price(VAT & Income Tax)			USD \$ 3,010,691.10;	
Contract Price (\$1 = Php 45)			PHP 135,481,099.50	

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.

2. Corrupt, Fraudulent, Collusive and Coercive Practices

- 2.1 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;
- (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

3.1 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 **in** the Proposal and Schedule A, attached.
- 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 cost involved in the performance of its responsibilities in accordance with GCC Clause 6.


9. Prices

- 9.1 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, or if applicable, adjustments authorized in accordance with the price adjustment provisions specified in the **SCC**.

10. Payment

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

11. Advance Payment

- 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, ten percent (10%) of the Contract price shall be paid within sixty (60) calendar days from signing of the contract and upon submission of a claim and a bank guarantee issued by a licensed bank for the equivalent amount valid until the Goods are delivered and in the form provided in Error! Reference source not found.
- 11.3 All progress payments shall first be charged against the advance payment until the latter has been fully exhausted.
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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 Unless otherwise specified in the SCC, 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 Section 39.2 of the IRR of R.A. No. 9184.
- 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 Unless otherwise specified in the SCC, the performance security may be released by the Procuring Entity and returned to the Supplier after the issuance of the Certificate of Final Acceptance subject to the following conditions:
 - (a) There are no pending claims against the Supplier or the surety company filed by the Procuring Entity;
 - (b) The Supplier has no pending claims for labor and materials filed against it; and
 - (c) Other terms specified in the SCC.
- 13.5 In case of a reduction of the contract value, the Procuring Entity shall allow a proportional reduction in the original performance security, provided that any such reduction is more than ten percent (10%) and that the aggregate of such reductions is not more that 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

15.1 The GOODS provided under this Contract shall conform to the standards mentioned in the Error! Reference source not found.; 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 Schedule A shall specify what inspections and/or tests the PROCURING ENTITY requires and where they are to be conducted. The PROCURING ENTITY shall notify the Supplier in writing, in a timely manner, of the identity of any representatives retained for these purposes.

16.2 If applicable, the inspections and tests may be conducted on the premises of the Supplier or its subcontractor(s), at point of delivery, and/or at the GOODS' final destination. If conducted on the premises of the Supplier or its subcontractor(s), all reasonable facilities and assistance, including access to drawings and production data, shall be furnished to the inspectors at no charge to the PROCURING ENTITY.

16.3 The PROCURING ENTITY or its designated representative shall be entitled to attend the tests and/or inspections referred to in this Clause provided that the PROCURING ENTITY shall bear all of its own costs and expenses incurred in connection with such attendance including, but not limited to, all traveling and board and lodging expenses.

16.4 The PROCURING ENTITY may reject any GOODS or any part thereof that fail to pass any test and/or inspection or do not conform to the specifications. The Supplier shall either rectify or replace such rejected GOODS or parts thereof or make alterations necessary to meet the specifications at no cost to the PROCURING ENTITY, and shall repeat the test and/or inspection, at no cost to the PROCURING ENTITY, upon giving a notice pursuant to **GCC** Clause 5.

16.5 The Supplier agrees that neither the execution of a test and/or inspection of the GOODS or any part thereof, nor the attendance by the PROCURING ENTITY or its representative, shall release the Supplier from any warranties or other obligations under this Contract.

17. Warranty

17.1 The Supplier warrants that the GOODS supplied under the Contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials except when the design and/or material 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, manufacturer, or distributor, as the case may be, a warranty shall be required from the Supplier for a minimum period of three (3) months, in the case of supplies, and one (1) year, in the case of equipment, after performance of the contract or other such period as may be specified in the **SCC**. The obligation for the warranty shall be covered by, at the Supplier's option, either retention money in an amount equivalent to at least ten percent (10 %) of every progress payment, or a special bank guarantee equivalent to at least ten (10%) of the total Contract Price or other such amount if so specified in the SCC. The said amounts shall only be released after the lapse of the warranty period: Provided, however, that the GOODS supplied are free from patent and latent defects and all the conditions imposed under the 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 the SCC, the PROCURING ENTITY may proceed to take such remedial actions 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 Error! Reference source not found.
- 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

- 19.1 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, a sum equivalent to the percentage specified in the **SCC** of the delivered price of the delayed GOODS or unperformed Services for each week or part thereof of delay until actual delivery or performance, up to a maximum deduction of the percentage specified in the **SCC**. 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 Arbitration proceedings shall be conducted in accordance with the rules of procedure specified in the **SCC**.
- 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 Subject to additional provisions, if any, set forth in the SCC, the Supplier's liability under this Contract shall be as provided by the laws of the Republic of the Philippines.
- 21.2 Except in cases of criminal negligence or willful misconduct, and in the case of infringement of patent rights, if applicable, the aggregate liability of the



Supplier to the Procuring Entity shall not exceed the total Contract Price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.

22. Force Majeure

- 22.1 The Supplier shall not be liable for forfeiture of its Performance Security, liquidated damages, or termination for default if and to the extent that its delay in performance or other failure to perform its obligations under the Contract is the result of a *force majeure*.
- 22.2 For purposes of this Contract the terms "*force majeure*" and "fortuitous event" may be used interchangeably. In this regard, a fortuitous event or *force majeure* shall be interpreted to mean an event which the Contractor could not have foreseen, or which though foreseen, was inevitable. It shall not include ordinary unfavorable weather conditions; and any other cause the effects of which could have been avoided with the exercise of reasonable diligence by the Contractor.
- 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 21 to 24, 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

- 24.1 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.
- 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

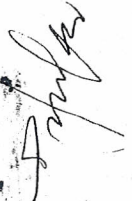
26.1 The PROCURING ENTITY may terminate this Contract in case it is determined *prima facie* that the Supplier has engaged, before or during the implementation of this Contract, in unlawful deeds and behaviors relative to contract acquisition and implementation. Unlawful acts include, but are not limited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

- a. Corrupt, fraudulent, and coercive practices as defined in **ITB** Clause Error! Reference source not found.
- 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) afore-mentioned, and a statement of the acts that constitute the ground(s) constituting the same;
 - ii. the extent of termination, whether in whole or in part;
 - iii. an instruction to the Supplier to show cause as to why this Contract should not be terminated; and
 - iv. special instructions of the PROCURING ENTITY, if any.
- c. The Notice to Terminate shall be accompanied by a copy of the Verified Report;
- d. Within a period of seven (7) calendar days from receipt of the Notice of Termination, the Supplier shall submit to the 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 anytime before receipt of the Supplier's verified position paper to 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

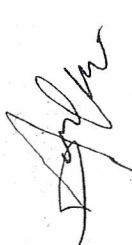
- 28.1 The Supplier shall not assign his rights or obligations under this Contract, in whole or in part, except with the PROCURING ENTITY's prior written consent.

29. Contract Amendment

- 29.1 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

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



Special Conditions of Contract

GCC Clause	
1.1(g)	The PROCURING ENTITY is the BUREAU OF CUSTOMS
1.1(i)	The Supplier is NUCTECH COMPANY LIMITED
1.1(j)	<p>The Funding Source is:</p> <p>The Government of the Philippines (GOP) through the CSF Project in the amount of One Hundred Thirty Five Million Four Hundred Eighty One Thousand Ninety Nine Pesos and Fifty Centavos (P135,481,099.50)</p>
1.1(k)	<p>The Project Sites are:</p> <p>Port of Manila, Bureau of Customs, South Harbor, Port Area, Manila Port of MICP, Bureau of Customs, MICT, North Harbor, Manila Port of Subic Port of Clark Port of Cebu Port of Davao Port of Cagayan De Oro Port of General Santos Port of Zamboanga Port of Batangas</p>
5.1	<p>The PROCURING ENTITY's address for Notices is:</p> <p>John P. Sevilla Commissioner Bureau of Customs Port Area, Manila</p> <p>Atty. Julito Doria Head, X-ray Inspection Project Bureau of Customs Port Area, Manila</p> <p>The Supplier's address for Notices is:</p> <p>Hu Xiaochen Marketing Manager Asia & CIS Center Nuctech Company Limited Tel. No. (0086) 13910787697</p>
6.1	The SUPPLIER shall, in accordance with the Contract, provide the PROCURING ENTITY with the Maintenance Service Package in relation to the products / units for a period of six months from January 1 to

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	<p>June 30, 2014 in accordance with Schedule A of this Contract.</p> <p>This Contract will be deemed automatically renewed and continued for the succeeding six (6) months, provided none of the two parties propose to terminate the contract within sixty (60) days before the expiry date of this Contract. Thereafter, a new contract shall be executed between the two parties.</p>
6.2	<p>Provision of Maintenance Service shall be made by the Supplier in accordance with the terms specified in the Service Level Agreement (Schedule A) together with Forms A-1, A-2, A-3 and Maintenance Outline Package.</p> <p>For purposes of this Clause, the PROCURING ENTITY's Representative at the Project Site is <i>Atty. Julito Doria, Head, XIP.</i></p> <p>Patent Rights –</p> <p>The Supplier shall indemnify the PROCURING ENTITY against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the GOODS or any part thereof.</p> <p>NUCTECH has and reserves any Intellectual Property Rights used in connection with or embodied in NUCTECH's Products, Maintenance Services and other relevant documents under this Contract. Nothing in this Contract shall be deemed a transfer of any Intellectual Property Rights from the Supplier to the Procuring Entity. The Procuring Entity shall not, by any conduct, infringe the Intellectual Property Rights of the Supplier.</p> <p>OBLIGATIONS OF THE PARTIES</p> <p>Undertaking of the BOC</p> <p>The BOC shall –</p> <ol style="list-style-type: none"> 1. provide a place, at each Operational Sites, suitable for the storage of spare parts, tools and measuring instruments for maintenance service of the Nuctech products; 2. make payments to the Contractor/Supplier for its maintenance services of the Nuctech Products as specified in the attached Schedule B; 3. provide the Contractor with necessary assistance to apply for and obtain the visas and all licenses required for its execution of this Contract locally 4. provide sufficient working environment and office space for entire operation period

5. make sure that X-ray machines covered in contract are normal operational status with indispensable and integrated parts before the commencement of maintenance service.

Undertaking of the SUPPLIER

The SUPPLIER shall –

1. provide the BOC with Preventive and Corrective Maintenance Package as specified in the attached Schedule A;
2. submit the following reports to the Buyer : Form A-1, Form A-2 and Form A-3
3. contractor warrant that the units not covered by this contract will be maintained in operational status; Applicable charges shall apply for additional spare parts.
4. In addition to this undertaking, the SUPPLIER shall effect the following requirements:

A. MANPOWER REQUIREMENTS

- i. The SUPPLIER shall provide/designate a competent representative or Maintenance Supervisor and a Time-Keeper (not included in the manpower count) who shall be available at the premises at all times to ensure effective implementation of the scope of services.
- ii. All personnel of the SUPPLIER shall be recognizable inside the facilities of the PROCURING ENTITY thru their Identification Card and proper wearing of Uniforms.
- iii. The SUPPLIER shall submit a Monthly Performance Report to the Head, XIP showing the type of work being accomplished, and area(s) of assignment and the name of the assigned personnel.
- iv. The SUPPLIER shall abide with all the BOC company rules and regulations implemented inside the company premises.
- v. The SUPPLIER shall provide additional personnel within 48 hours upon request of the PROCURING ENTITY with the approval of the HEAD OF THE PROCURING ENTITY if the request is for permanent assignment and Director, Administration through the Head, XIP, if the request is only for temporary assignment.

LOGISTICAL REQUIREMENTS

- i. The SUPPLIER shall provide consumable spare parts/materials,



	<p>equipment (excluding Accelerator Tube) necessary to perform the task specified in the Contract.</p> <p>ii. All equipment to be used in the repair and maintenance package shall be inspected by the PROCURING ENTITY. Said equipment will remain the property of the SUPPLIER, however, they shall be stationed at the premises of the PROCURING ENTITY and must be in good working condition for the entire duration of the CONTRACT.</p> <p>iii. All materials to be used/replaced for repair/replacement purposes, shall be high quality and as specified in the purchase contract. All materials specified in Schedule A and Corrective and Preventive Maintenance Outline shall be delivered on site and properly received by the PROCURING ENTITY.</p>
8.1	<p>For the given scope of work in this Contract as awarded, all bid prices are considered fixed prices, and therefore not subject to price escalation during contract implementation, except under extraordinary circumstances and upon prior approval of the GPPB in accordance with Section 61 of R.A. 9184 and its IRR.</p> <p>In consideration of the Maintenance Services provided by the Contractor, as specified in Schedule A, and for the performance of this Contract, the BOC shall pay the Supplier the Contract Price specified in Schedule B in accordance with the terms set out in that Schedule.</p>
9.1	<p>The SUPPLIER shall be paid on a progress or monthly basis, to be paid in US Dollars based on Philippine Peso equivalent fixed at the time of Contract Signing.</p> <p>The payment for the SUPPLIER shall be based on the rendered services at the given billing period every 1st week of the month in accordance with Schedule B.</p> <p>The following requirements shall be submitted prior to payment:</p> <ol style="list-style-type: none"> 1. Accomplishment Report 2. Billing Statement
10.1	<ol style="list-style-type: none"> 1. Nuctech Company Limited is only responsible for Value Added Tax and Final Income Tax limitedly imposed for the completion of this contract; 2. Bureau of Customs shall provide official duty-paid proof to Nuctech after each taxes levied by BIR.
11.1 and 11.3(c)	<p>The Performance Security shall be in any of the following forms and amounts:</p> <ol style="list-style-type: none"> 1. Cash, certified check, cashier's check, manager's check, bank draft or irrevocable letter of credit in the amount of five percent

	<p>(5%) of the Contract Price; or</p> <p>2. Bank guarantee in the amount of five percent (5%) of the Contract Price; or</p> <p>3. Surety bond in the amount of thirty percent (30%) of the Contract Price issued by any insurance company duly accredited by the Insurance Commission.</p>
11.4	No further instructions.
12.1	<p>Neither party hereto shall disclose to any third party the contents of this Contract, correspondences between the parties (including email and fax), documents and conversations that contain Confidential Information of the other party without the expressed prior written consent of the other party.</p> <p>Obligations of confidence shall last until its expiry or termination of this Contract.</p>
13.1	The Supplier shall perform the Maintenance Services in respect of the products as set forth in the Scope of Contract (Schedule A) and Maintenance Outline Package.
14.1	<p>The Supplier shall not be liable for any malfunctions or faults and/or damages caused by the following:</p> <ol style="list-style-type: none"> 1. Force Majeure 2. A traffic accident on the road during the transfer of the product 3. A collision by the scanned vehicle or any other vehicle/machinery 4. Violation of the operation manual and/or instruction given by NUCTECH. 5. Malfunction or fault caused by electrical problem, telecom or other supply not provided by NUCTECH. 6. Disassembling, replacing, repair of components and spare parts by Buyer or any third party without the approval of NUCTECH 7. The delay or cancellation of any preventive maintenance due to Buyer's reason
15	Should any risk or terrorism or other military attacks occur the maintenance engineer of NUCTECH would withdraw from the site and stay anywhere the engineer thinks safe and secured until the risk has passed.
15.3, 15.5 & 15.6	Not applicable.

17.1	<p>The applicable rate is one-tenth of one percent (0.1%) of the cost of the unperformed portion for every day of delay, for:</p> <p>A) manpower shortage in case of no reliever/s, deductible in the current monthly billing;</p> <p>B) the required equipment/spare parts not available due to breakdown deductible in the current monthly billing;</p> <p>C) every day of delay or incomplete delivery of consumables spare parts/materials deductible in the current monthly billing.</p> <p>The maximum deduction shall be ten percent (10%) of the amount of contract. Once the cumulative amount of liquidated damages reaches ten percent (10%) of the total amount of the contract, the BOC shall rescind the contract, without prejudice to other courses of action and remedies open to it.</p>
18.4	<p>The additional requirement for the settlement of dispute shall be the following:</p> <p>Any disputes arising from, or in connection with this Contract, shall be settled through friendly negotiation between both Parties.</p> <p>If the disputes cannot be settled through friendly negotiation within 30 days, then all disputes arising out in of or in connection with the Contract shall be submitted to Hong Kong International Arbitration Centre for arbitration in accordance with Arbitration the Arbitration Rules of United Nations Commission on International Trade Law ("UNCITRAL") by on or three arbitrators appointed in accordance with the said rules. The arbitration proceedings shall take place in Hong Kong, in the English language.</p>



Annex "D"

SERVICE LEVEL AGREEMENT

SCHEDULE A

1. INTRODUCTION

This Schedule outlines the agreed scope of maintenance services, which forms the basis of the Contract between the PROCURING ENTITY and the SUPPLIER for maintenance services of thirty (30) of the X-Ray Machines:

Service Level	Description	Model/Production No.	Quantity
level AAA	<p>1) Preventive Maintenance and Corrective Maintenance; 2) Spare parts (magnetron included) 3) Expert-level technical support from the Headquarters of Nuctech in Beijing, once per year 4) Imaging software upgrade based on Nuctech's system of the operational edition upgrading; Response time: present within 2 hours in maximum from the initial call for troubleshooting from BOC</p> <p>NUCTECH will provide perfect service for BOC in order to ensure that the annual operational availability of the supplied system be not less than 90%.</p>	<p>TFNAH-06060 ✓ TFNAH-06076 ✓ TFNAH-10001 ✓ TFNAH-06069 ✓ TFNAH-06070 ✓ TFNAH-10005 ✓ TFNAH-06062 ✓ TFNAH-10014 ✓ TFNAH-10012 ✓ TFNAH-10017 ✓ TFNAH-10011 ✓ TFNAH-10021 ✓</p>	14
level AA	<p>1) Preventive Maintenance and Corrective Maintenance; 2) Spare parts (magnetron included) 3) Expert-level technical support from the Headquarters of Nuctech in Beijing, once per year 4) Imaging software upgrade based on Nuctech's system of the operational edition upgrading; Response time: present within 36 hours in maximum from the initial call for troubleshooting from BOC.</p>	<p>TFNAH-10002 ✓ TFNAH-10016 ✓ TFNAH-10019 ✓ TFNAH-10018 ✓ TFNAH-10003 ✓ TFNAH-10004 ✓ TFNAH-10006 ✓ TFNAH-10009 ✓ TFNAH-10007 ✓ TFNAH-10013 ✓ TFNAH-10020 ✓ TFNAH-06075 ✓ TFNAH-10008 ✓ TFNAH-10015 ✓ TFNAH-06078 ✓ TFNAH-06077 ✓</p>	16

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2. MAINTENANCE SERVICE

2.1 Preventive Maintenance

Well-scheduled preventive maintenance, which includes Monthly Maintenance, Quarterly Maintenance and Annual Maintenance, can eliminate some potential troubles, reduce the fault-rate and increase the operational availability of the Product(s).

Refer to the Attachment 1 for the preventive maintenance outline of the Product(s).

2.2 Corrective Maintenance

A Corrective Maintenance will be performed for the troubleshooting of a fault/failure of the Product in order to restore the Product to a normally operational condition.

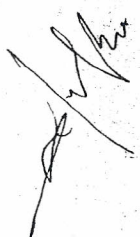
For shortening the breakdown-time as possible, NUCTECH will provide the PROCURING ENTITY with an urgent service, namely Emergency Service on Call at PROCURING ENTITY's request by phone, fax or E-mail. NUCTECH will open a hot line for 24-hour response for diagnosis/removal support to the PROCURING ENTITY and dispatch, if necessary, at least one engineer to the operational site of the Product as soon as possible.

2.3 Spare Parts

The SUPPLIER shall be responsible for providing all the spare parts free of charge except for the accelerating tube, for any replacement of which the PROCURING ENTITY shall pay the SUPPLIER USD 200,000.00 exclusive of any taxes (say two hundred thousand US Dollars) for it specially, which is FOB (free on board) price.

Form A-1

Preventive Maintenance Record		
Form No.:	System Type:	Country:
Location:	Record Date:	Attendant:
Start Time:	End Time:	
Service Level:	<input type="checkbox"/> Monthly Maintenance	<input type="checkbox"/> Quarterly Maintenance
	<input type="checkbox"/> Annual Maintenance	
Operation Record		
Signature of the End-User		



Form A-2

Failure/Repair Report				
Form No.:				
Station:	System Type:	Report Date:	System No./ID:	
Country:	Attendant:	Failure Date:	Failure Time:	
Failed Subsystem: Failure Phenomenon:				
Troubleshooting Procedure:				
Failed/Replaced Parts Information				
S.No.	Name	Failure Mode	Failed Part No.	Replaced Part No.
Maintenance/Repair Information				
Restoration Condition:				
Restarting Time:		Repair Time:		Delay Time for Spare Parts:
Failure/Delay Cause Analysis:				
Corrective Suggestion (If any):				
Comment of the Customer:				

Form A-3

Monthly Availability List			
Form No.			
Site:			System Type:
No.	Statistician:	Date:	Failure Description
1	Failure Date:	Repair Time(h):	
	Delay Time(h):	Down-Time d1(h): 0	
2	Failure Date:	Repair Time(h):	
	Delay Time(h):	Down-Time d2(h): 0	
3	Failure Date:	Repair Time(h):	
	Delay Time(h):	Down-Time d3(h): 0	
4	Failure Date:	Repair Time(h):	
	Delay Time(h):	Down-Time d4(h): 0	
5	Failure Date:	Repair Time(h):	
	Delay Time(h):	Down-Time d5(h): 0	
6	Failure Date:	Repair Time(h):	
	Delay Time(h):	Down-Time d6(h): 0	
7	Failure Date:	Repair Time(h):	
	Delay Time(h):	Down-Time d7(h): 0	
8	Failure Date:	Repair Time(h):	
	Delay Time(h):	Down-Time d8(h): 0	
Accumulative Runtime in the Current Month R (h):			Signature by the Statistician:
Accumulative Down-Time D [=Σdi] (h):		0	

Availability of the Current Month A [=R/(R+Σdi)]: %
Comment of the Customer:

Note: -

1. Failure Date means the day on which the relevant failure occurred
2. Repair Time means hours taken for repairing the failure
3. Delay Time means hours taken for making spare parts and/or condition for troubleshooting ready
4. Down-Time " di " means the repair-time and delay-time related to the ith failure in the current month
5. Accumulative Runtime "R" means the actual runtime of the system in the current month

Maintenance Outline Package

Schedule of Preventive Maintenance															
Task Name	Time / Per Task	Schedule (Month)												Qty	
		1	2	3	4	5	6	7	8	9	10	11	12		
Monthly Maintenance	4 hr.														32hr.

No.	Descriptions	Monthly	Quarterly	Annually
1	Generator: check Voltage / Frequency	v	v	v
2	Generator Maintenance: Replace Oil / Oil filter / Fuel filter / Air filter / Coolant / Battery water, if it needs.	v	v	v
3	Volvo: check Suspension Pressure / Oil Level	v	v	v
4	Hydraulic: check Oil Level / Leaks / System Pressure / Drive Wheel Press.	v	v	v
5	Grease Points: Arm / Turn Table / Ladders / Driving Wheel	v	v	v
6	SF6 Gas: check System Pressure	v	v	v
7	Cooling Machine: check Water Level / Water Condition / Water Pressure	v	v	v
8	Air condition: check Linac Room / Control Room / Detector Arm, Clean Filters	v	v	v
9	Computer: check Disk Space	v	v	v
10	Lights: check Warning / Cabins / Tunnel	v		

11	PA System: check Sound Condition	v		
12	Dose Meter: check Battery	v		
13	Sound Alert: check Ready/Beam Mode	v	v	v
14	Cleaning: Linac Room	v	v	v
15	Door Locks: Fix and Oil	v	v	v
16	Proximity Sensors: Clean Surface	v	v	v
17	Camera: check Camera Status / Clean Lens	v	v	v
18	Water Proofing: check Arms / Linac Cabin	v	v	v
19	Calibration Table Check		v	v
20	Cooling Machine: Replace water / clean Strainer		v	v
21	X-Ray Head: Clean / Check Screws		v	v

22	Modulator: Clean / Check Screws		✓	✓
23	Electric Cabinet: Clean / Tighten Screws		✓	✓
24	EM-Stops Test: X-ray Head / Modulator / Control Cabin / Linac Cabin / External		✓	✓
25	Limit Switches Test: Container Channel / Volvo Front/Rear		✓	✓
26	Perimeter Dose Check			✓
27	Gear Box Oil Level Check			✓
28	Tighten all Screws/Bolts & Nuts			✓

Annex "D-1"

SCHEDULE B

CONTRACT PRICE AND PAYMENT

1. Currency of Payment

The PROCURING ENTITY shall pay the Contract Price to the SUPPLIER in USD.

2. Contract Price

The Contract price is One Hundred Thirty Five Million Four Hundred Eighty One Thousand Ninety Nine Pesos and Fifty Cents (P135,481,099.50)

3. Terms of Payment

Payment of the Contract Price shall be made monthly within thirty (30) days from the date of the BOC's acceptance of a correct invoice issued by the Supplier.

4. Contractor's Nominated Bank Account

The payment shall be made by direct credit to the following Contractor's nominated bank account:-

Bank Name: BANK OF CHINA BEIJING BRANCH HAIDIAN SUB
BRANCH KE XUE CHENG SUB OFFICE

Account Name: NUCTECH COMPANY LIMITED

Account No. 12109208092014

SWIFT Code: BKCHCNBJ110

Bank Address: No. 8, YABAOLU, CHAOYANG DISTRICT, BEIJING
CHINA



同方威视技术股份有限公司
NUCTECH COMPANY LIMITED

The Certificate
of the Exclusive Maintenance Service Provider in the
Philippines

This is to certify that the

NUCTECH COMPANY LIMITED

a corporation organized and existing under the Laws of the People's Republic of China and registered addressed in 2/F Block A, Tongfang Building, Shuangqinglu, Haidian District, Beijing PRC., is the supplier of the X-ray MT1213LT Mobile Inspection Systems and the X-ray MB1215HL Relocatable Inspection Systems installed in the Bureau of Customs, Philippines, and is the unique company and the exclusive service provider in the Philippines, which can provide the comprehensive and professional maintenance service for the said X-ray Inspection Systems.

Date of issue: March 4, 2014

Nuctech Company Limited
(Corporate Seal)



SUBSCRIBED AND SWORN TO before me this 17 MAR 2014 day of March, 2014, affiant exhibiting to me his/her Community Tax Certificate No. _____ issued on _____ at _____, Philippines.

(Notary Public)

Ronald C. Ching
ATTY. RONALD SEGUNDO CHING
NOTARY PUBLIC

Until _____
PTR No. _____
Date _____
Place _____
TIN _____

UNTIL DEC. 31, 2014 ROLL NO. 54899
IBP NO. 928492/12-10-2013 MLA.
PTR NO. 34267168/1-2-2014 MLA.
MCLE COMPLIANCE NO. IV-0920660
NO. 945 BENVIDES ST. BINONDO, M.L.A.

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