



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

NOTICE TO PROCEED

September 8, 2014

MS. MARY ANN BRIONES

E-Copy Corporation
5837 Zobel Roxas St.,
Palanan, Makati City

Dear Ms. BRIONES:

The attached Contract (Purchase Order) having been approved, notice is hereby given to E-COPY CORPORATION that work may commence on the project "**Lease of Photocopying Machines with Multi-Functional Device for CY 2014 to 2015**", effective upon receipt and acceptance of this Notice.

You are responsible for performing the services in coordination with the General Services Division under the terms and conditions of the Contract and in accordance with the technical specifications provided thereto.

Very truly yours,

JOHN P. SEVILLA
Commissioner *tr*



Received by: SEP 16 2014

9/18/2014



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS

NOTICE OF AWARD

September 5, 2014

MS. MARY ANN BRIONES
E-Copy Corporation
5837 Zobel Roxas St.
Palanan, Makati City

Dear Ms. Briones:

Based on the Bureau of Customs Bids and Awards Committee (BAC) Resolution No. 2014-17, we are pleased to inform you that the contract for the Project "Lease of Photocopying Machines with Multi-Functional Device" is hereby awarded to your company in the amount of Five Million Nine Hundred Ninety Two Thousand Pesos (5,992,000.00).

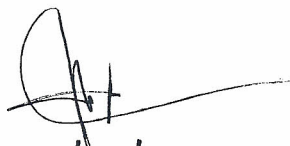
In this regard, you are hereby required to post a performance security in the amount and form stated in Section 39 of the Revised Implementing Rules and Regulations of Republic Act No. 9184 within ten (10) calendar days from receipt of this notice.

Very truly yours,


JOHN P. SEVILLA
Commissioner/m



SEP 16 2014


9/16/2014

CONTRACT FOR THE LEASE OF PHOTOCOPIING MACHINES WITH MULTI-FUNCTIONAL DEVICE FOR CY 2014 TO 2015

THIS CONTRACT made and entered into by and between the following:

BUREAU OF CUSTOMS, a government agency created by virtue of the laws of the Philippines, with principal office located at Gate 3, South Harbor, Port Area, Manila, represented herein by Commissioner **JOHN P. SEVILLA** (hereinafter called the "BOC");

-and-

E-COPY CORPORATION, a corporation duly organized and existing under the laws of the Philippines, with principal office located at 5837 Zobel Roxas St., Palanan, Makati City, represented herein by **MARY ANN BRIONES** (hereinafter called the "Supplier");

WITNESSETH:

WHEREAS, the BOC conducted a negotiated procurement after two failed biddings, for the Lease of Photocopying Machines with Multi-Functional Device for CY 2014 to 2015 (hereinafter, the "Goods and Services") and the bid of the Supplier in the total amount of Five Million Nine Hundred Ninety Two Thousand Pesos (P5,992,000.00) (hereinafter called the "Contract Price") was determined to be the Single Calculated Responsive Bid;

NOW, THEREFORE, for and in consideration of the foregoing premises, the parties hereby mutually stipulate and agree as follows:

1. In this Contract, words and expressions shall have the same meanings as are respectively assigned to them in the General and Special Conditions of Contract referred to in Annex D and E, respectively.
2. The following documents shall form and be read and construed as part of this Contract:

Annex A	-	Bid Form;
B	-	Schedule of Requirements;
C	-	Technical Specifications;
D	-	General Conditions of Contract;
E	-	Special Conditions of Contract;
F	-	Notice of Award; and
G	-	Performance Security.
3. In consideration of the payments to be made by the BOC to the Supplier, the Supplier hereby covenants with the BOC to provide the Goods and Services and to remedy defects therein in conformity with the provisions of the Contract.
4. The BOC hereby covenants to pay the Supplier, in consideration of the provision of the Goods and Services and the remedying of defects herein, 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.



SEP 18 2014

IN WITNESS WHEREOF, the parties hereto have signed this Contract on this _____ day of _____, 2014 at the BOC, Manila, Philippines.

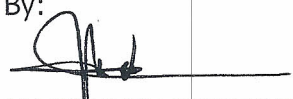
BUREAU OF CUSTOMS
By:



JOHN P. SEVILLA
Commissioner



E-COPY CORPORATION
By:



MARY ANN BRIONES
Consultant, Government-Sales

SIGNED IN THE PRESENCE OF

SEP 16 2014

ARTURO M. LACHICA, CESO II
Deputy Commissioner, IAG


RODRIGO DELA PEÑA
Group Manager

ACKNOWLEDGMENT

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

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

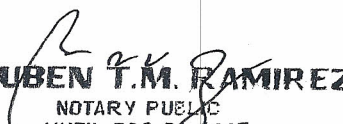
Name	Valid ID	Date and Place of Issue
JOHN P. SEVILLA	Driver's License No. 1-88-078956	February 20, 2012 -Quezon City
MARY ANN BRIONES	Driver's License No. 1-96-202936	May 9, 2014 -Makati City

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

This Contract for the **Lease of Photocopying Machine with Multi-Functional Device for CY 2014 to 2015** was signed by the parties, and signed/initialled by their witnesses on each and every page thereof.

WITNESS MY HAND AND SEAL this SEP 18 2014 day of _____, 2014

Doc. No. : 255
Page No.: 52
Book No. 227
Series of 2014.


RUBEN T.M. RAMIREZ
NOTARY PUBLIC
UNTIL DEC. 31, 2015
2734 M. AURORA ST., MAKATI CITY
IBF NO. 942556/GY-2014
ROLL NO. 28947/MCLE-4 NO. 0006334
PTR NO. MKT. 4225649/1-2-14 MAKATI CITY

Financial Proposal Form

Date : August 26, 2014

The Chairperson
Bureau of Customs
Bids and Awards Committee
Port Area, Manila

Gentlemen and/or Ladies:

We, the undersigned, offer to supply deliver and perform "LEASE OF PHOTOCOPYING MACHINES WITH MULTI-FUNCTIONAL DEVICE COVERING THE PERIOD SEPTEMBER 1, 2014 TO DECEMBER 31, 2015" in conformity with the technical specifications and schedule of requirements for the sum of FIVE MILLION NINE HUNDRED NINETY TWO THOUSAND PESOS.

Units	Particulars	Cost
71	Average of 500,000 copies per month	
	Cost per Copy (inclusive of 12% VAT)	Php 0.749
	Grand Total Cost for 16 months	Php 5,992,000.00
Total Amount in Words: FIVE MILLION NINE HUNDRED NINETY TWO THOUSAND PESOS.		

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

If our Offers is accepted, we undertake to provide a performance security in the form, amounts, and within the times specified in the Implementing Rules and Regulations of Republic Act No. 9184.

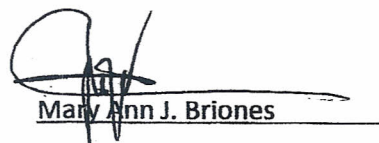
We agree to abide by for this Offer for one hundred twenty (120) calendar days and it shall remain binding upon us and may be accepted at any time before the expiration of that period.

Until a formal Contract is prepared and executed, this Offer, 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 Offer you may receive.

We certify /confirm that we comply with the eligibility requirements as stated in the Invitation for Negotiated Procurement.

Dated this 26th day of August, 2014.



Mary Ann J. Briones

(Signature)

Consultant- Gov't Sales

(In the capacity of)

Duly authorized to sign Bid for and on behalf of E-copy Corporation


CERTIFIED TRUE COPY
BY CORPORATION

Section VI. Schedule of Requirements

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

Item Number	Description	Qty	Total	Delivery Date
1	Photocopying Machines to be installed at the following BOC Buildings located at Gate 3, Port Area, Manila, North Harbor, Manila and Terminal 2, NAIA, Paranaque City. (i) OCOM Building <ul style="list-style-type: none"> • Tax Exempt Div. • CRMD • Off. of the Commissioner • HRMD • Depcom. RCMG • Depcom. IG • Appellate Division (LS) • Director Office, Legal Service • External Affairs • Budget Division/FMO • PIAD • Dir. Ofc., CLIS • IPO • ESS • Accounting Div. • Depcom. EG • Depcom. IAG • ITDD • Depcom. AOCG • Collection Services • Administration Office • Dir., POS • COA • Depcom. MISTG • TMS (MISTG) • CIIS Admin. • RAD • PMC / PSDS • GSD • IAS-VCD • X-ray • AMO • Legal Service 	34 units	34 units	Fifteen (15) calendar days from receipt of Notice to Proceed


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 E-COPY CORPORATION

<p>(ii) POM Building</p> <ul style="list-style-type: none"> • District Coll. Ofc. • Depcoll for operation Depcoll for Admin. • Cash Div. • WDRD • Admin. Div. • Law Div. • COA-POM • Garments • Depcoll. for Assessment • 1ED • LBD • WCD 	14 units	14 units	
<p>(iii) MICP Building</p> <ul style="list-style-type: none"> • District Collector's Office • FED • IED • Admin. Div. • LBD • Bonds Div. • North Harbour • COA • Law Div. 	9 Units	9 units	
<p>(iv) NA1A Building</p> <ul style="list-style-type: none"> • District Collector's Office • AOD • Admin. Div. • Bonded • Export • Disbursement • Arrival • 1ED / FED • Law Div. • Duty free • DepColl. for Operations LBD • Collection Div. • COA 	14 Units	14 units	

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E-COPY CORPORATION**

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2	On-call technician to repair defective machines. Response time shall be within four (4) hours from verbal or written notification. Machines that cannot be repaired within 24 hours shall be replaced with a new unit, Otherwise penalty will be imposed at 1/10% of one percent of the applicable billing month for every day of delay			
3	On-site training of BOC's personnel on how to use the machine.			

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

E COPY CORPORATION

MARYANN J. BRIONES

AUGUST 26, 2014

Name of Company/ Bidder

Signature over Printer Name of Representative

Date

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E-COPY CORPORATION

Section VII. Technical Specifications

Item	Specification	Statement of Compliance (either "comply" or "not comply")
General:		
1	Rental of remanufactured or brand new (year 2009 onwards) paper copier with Multi-functional device (configuration) (Copier, Printer and Scanner) Digital Type, automatic electronic sorter and feeder and back to back feature	Comply
2	Model (with LCD display, user friendly and with capability to deliver clear high quality copies)	Comply
3	Warm up time is 2 minutes	Comply
4	Fixing: heated roller fixing	Comply
5	Density Control: Automatic and Manual	Comply
6	Paper Supply and Tray: 500 sheets/tray, minimum of 2 trays plus 1 by-pass tray	Comply
7	Memory Capacity 1G	Comply
8	Indicate the locking mechanism of the units to be supplied i.e. manual key lock, coding pin lock, etc.	Comply
9	The units to be supplied should be in existence for only five (5) years or less from the manufacturing date as of the date of submission/opening of bids. The maximum number of meter reading is 600,000 per unit. (repair / replacement must be done within 24 hours- subject to penalty	Comply
Copier Specifications:		
1	Copy speed 30 and up copies/minute	Comply
2	Continuous copying — 1-999 copies	Comply
3	Copy paper size: A3-A5R and 11" x 17"	Comply
4	Maximum original size: A3	Comply
5	Reduction/Enlargement: 25% to 400%	Comply
6	Copy paper: regular or special paper (transparencies)	Comply
Scanner Specifications:		
1	Interface: 10 base-T/100 Base-TX/1000 Base-T	Comply
2	Driver: TWAIN Driver, HDD TWAIN Driver	Comply
3	Protocol: TCP/IP (FTP, SMB, SMT P)	Comply
4	Speed: Black — 50/50 opm (300dpi)	Comply
5	Size: Max. A3	Comply
6	Output Format: Black and White TIFF, PDF Output Format : Colored – TIFF, PDF, compact PDF, Jpeg (5 ocom, 3 for the port)	Comply
7	Resolution: Push-200 to 600 dpi; Pull-200 to 600 dpi	Comply


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E-COPY CORPORATION

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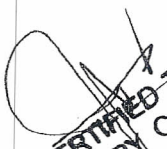
Printer Specifications:		
1	HDD: 60 GB (shared with Copier)	Comply
2	Print Resolution: 1,200 dpi x 600 dpi or equivalent	Comply
3	PDL: PCL5e/c, PCL XL, Postscript 3	Comply
4	Protocol: TCP/IP, IPX/SPX (NDS support), SMB (Net BEU), LPD, IPP1.1, SNMP, HTTP	Comply
5	OS Support: Windows 7, XP, 32, 64 bit (upgradable to windows 8)	Comply
6	Fonts: Manufacturer's Standard	Comply
7	Interface: 10 BASE-T/100 BASE-TX/1000 BASE-T	Comply
Others:		
1	On-call technician to repair defective machines. Response time shall be within for (4) hours from verbal or written notification. Machines that cannot be repaired within 24 hours shall be replaced with a new unit, otherwise penalty will be imposed at 1/10% of one percent of the applicable billing month for every day of delay.	Comply
2	Total billing charges is computed by multiplying the actual total number of copies reproduced less 2% spoilage and test copies by the rental rate.	Comply

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

Ecopsy Corporation
Name of Company/Bidder


Mary Ann J. Briones
Signature over Printed Name of
Representative

August 26, 2014
Date


CERTIFIED TRUE COPY
E-COPY CORPORATION

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General Conditions of Contract

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1. Definitions

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

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

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. Subcontractors must comply with the eligibility criteria as provided under ITB Clause 5. For this purpose, the Bidder shall include in its Technical Proposal all the documents required under ITB Clause 1 for any subcontractor. If the Procuring Entity determines that a subcontractor is ineligible, the

subcontracting of such portion of the Goods assigned to the ineligible subcontractor shall be disallowed.

- 7.2. Unless otherwise indicated in the **SCC**, the Supplier cannot subcontract more than twenty percent (20%) of the total Project cost. Subcontracting of any portion of the Contract or Project does not relieve the Contractor 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.
- 7.3. All subcontracting arrangements as disclosed and identified during the eligibility check shall not be changed during the implementation of this Contract.

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

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 17.3.
- 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 fulfilment 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. For cases mentioned under GCC Clause 9.7 however, no prior approval by the President shall be necessary.
- 11.2. All progress payments shall first be charged against the advance payment until the latter has been fully exhausted, unless otherwise approved by the President.
- 11.3. Prior approval by the President shall be unnecessary in the following cases:
 - (a) A single advance payment not to exceed fifty percent (50%) of the Contract shall be allowed for contracts entered into by a Procuring Entity for the following services where requirement of down payment is standard industry practice:
 - (i) Hotel and restaurant services;
 - (ii) Use of conference, seminar or exhibit areas; and
 - (iii) Lease of office space.
 - (b) Advance payment not to exceed fifteen percent (15%) of the Contract amount, unless otherwise directed by the President, shall also be allowed for the procurement of goods required to address contingencies arising from natural or man-made calamities in areas where a "State of Calamity" has been declared by appropriate authorities.
- 11.4. For Good 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 the SCC.

12. Taxes and Duties

- 12.1. A foreign Supplier shall be entirely responsible for all the necessary taxes, stamp duties, license fees, and other such levies imposed for the completion of this Contract.

- 12.2. A local Supplier shall be entirely responsible for all the necessary taxes, 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 the ITB Clause 11.
- 13.2. The performance security shall be denominated in Philippine Pesos and posted in favor of the Procuring Entity, which 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 final Certificate of 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 final Certificate of 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 Contractor has no pending claims for labor and materials filed against it; and
 - (c) Other terms of the contract.
- 13.5. In case of a reduction of the contract value, the Procuring Entity shall allow a proportional reduction in the original performance security, provided that any such reduction is more than ten percent (10%) and that the aggregate of such reductions is not more than fifty percent (50%) of the original performance security.

14. Use of Contract Documents and Information

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

15. Standards

The Goods provided under this Contract shall conform to the standards mentioned in 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.
- 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 Expendable Supplies, and one (1) year, in the case of Non-expendable Supplies, after acceptance by the Procuring Entity of the delivered suppliers 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 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 or in the case of Expendable Supplies, after consumption thereof: Provided, however, that the Supplies delivered are free from patent and latent defects and all the conditions imposed under the Contract have been fully met.
- 17.4. The Procuring Entity shall promptly notify the Supplier in writing of any claims arising under this warranty.
- 17.5. 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 costs to the Procuring Entity.
- 17.6. 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 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

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. Limitation of Liability

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 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.
- 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) 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 any time 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

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.



PERFORMANCE SECURITY: BANK GUARANTY
Reference No.: 066/LG/002072/14

September 16, 2014

DEPARTMENT OF FINANCE, BUREAU OF CUSTOMS
Port Area, Manila

Gentlemen:

Whereas, **E-COPY CORPORATION**, with principal office at 65 Sen. Gil J. Puyat Ave., Makati City, (hereinafter called the "Contractor") has undertaken to execute the **Lease of Photocopying Machines with Multi-Functional Device** pursuant to the Notice of Award BAC Resolution No. 2014-17 dated September 05, 2014 (hereinafter called the "CONTRACT").

And whereas, it has been stipulated by you in the said Contract that the Contractor shall furnish you a Bank Guaranty by a recognized bank as performance security for the compliance with his obligations in accordance with the Contract.

Now, therefore, in consideration of the Contract, We, **METROPOLITAN BANK & TRUST COMPANY – International Operations Division – Import Department**, having our registered office at Metrobank Plaza, Head Office, Sen. Gil J. Puyat Ave., Makati City (the "BANK") hereby guarantees for a period **from September 15, 2014 up to March 15, 2015 (the "Expiry Date")**, the faithful performance of the obligation of the Contractor with you under the Contract but the obligation of the BANK shall in no case exceed the principal sum of **PESOS: TWO HUNDRED NINETY NINE THOUSAND SIX HUNDRED ONLY (PHP299,600.00)**.

Notwithstanding any contest or objection thereto by the Contractor, the BANK shall pay you within three (3) days upon its receipt of (i) your sworn statement declaring the Contractor in default of his performance obligations under the Contract indicating the amount due and demandable, (ii) this Guaranty (the original), and (iii) Secretary's Certificate authorizing your claim from the BANK based on this Guaranty and your authorized signatory.

You may demand payment from the BANK only within the effectivity period of this Guaranty. Unless earlier terminated, this Guaranty shall automatically become null and void after the Expiry Date.

The amount of the Guaranty shall be reduced automatically by any payments made hereunder.

If for any reason the BANK terminates this Guaranty before the Expiry Date, the BANK shall notify you in writing at least thirty (30) calendar days, before the termination takes effect.

This Guaranty is personal to you. It is not assignable.

This Guaranty shall be governed by Philippine laws and any action hereunder shall be brought in the proper court of Makati City, Metro Manila.

METROPOLITAN BANK & TRUST COMPANY
International Operations Division – Import Department
Metrobank Plaza, Head Office, Sen Gil J. Puyat Ave., Makati City


PERFECTO LEONCIO D. EBREO III
JUNIOR ASSISTANT MANAGER


MABEL V. TOBIAS
SENIOR MANAGER

MB-II-I-33/Rev. May '08 (Item Code: 4402-005)

CERTIFIED TRUE COPY


BAC SECRETARIAT
DATE: 9/18/14