



BAC Resolution
Recommending Resort to Direct Contracting as Alternative
Method of Procurement and Recommending Approval

Resolution No. 2019-017

WHEREAS, the Philippine Atmospheric, Geophysical and Astronomical Services Administration (PAGASA), through the Engineering Technical Services Division (ETSD), the responsible Division, is desirous to undertake a certain project entitled: **"Comprehensive One (1) Year – Quarterly Maintenance of Aparri, Virac and Guiuan S-Band Doppler Radar Systems and VSAT Communications Equipment and Mechanical Equipment" (hereinafter, "Project")**; and intends to apply the Approved Budget for Contract (ABC) in the amount of **Seventeen Million One Hundred Forty One Thousand One Hundred Fifty Two Pesos Only (Php17,141,152.00)** under **Purchase Request No. 2019-01-0028**, for the implementation and completion thereof;

WHEREAS, records show that a previous contract for this purpose had already been executed with the contractor, **Japan Radio Co., Ltd., Philippine Branch Office**, a foreign corporation duly organized and existing under the laws of Japan and was duly licensed in accordance with the Corporation Code of the Philippines and the Foreign Investment Act of 1991, which has been previously determined by the PAGASA-BAC as the **sole and exclusive distributor and service provider of JICA radar systems**. However, said contract was not timely renewed upon its expiration;

WHEREAS, for and in consideration of the foregoing; and, notwithstanding the Philippine government's commitment to the Government of Japan in ensuring the up-and-running condition of the above radar systems, the Agency acknowledges the vital role of the weather radar systems in its day-to-day operations especially in the gathering of timely and accurate data for the formulation of weather and flood forecasts and other weather-related products. Thus, the continuity of the preventive maintenance thereof is hereby deemed necessary;

WHEREAS, the PAGASA-BAC, by virtue of its authority under the law, has been duly authorized by the Head of the Procuring Entity to conduct bidding activities for all projects and to recommend to the Head of the Agency the appropriate method of procurement of Projects that are included in the Agency's Annual Procurement Plan (APP);

WHEREAS, after a careful examination, evaluation and deliberation of the circumstances to determine the appropriate method to be undertaken for the above-mentioned Project, the PAGASA-BAC, in its meeting held on 08 June 2017 at the Administrator's Office Conference Room, 4th Floor PAGASA Main Building, unanimously concurred to recommend to the Administrator **the resort to alternative method of procurement, through Direct Contracting, under Section 50 (c)** of the Revised Implementing Rules and Regulations of R.A 9184, otherwise known as the Government Procurement Reform Act, which specifically provides that, Alternative Mode of Procurement through Direct Contracting maybe resorted to by a procuring entity under any of the following conditions:

"...


c. Those sold by an exclusive dealer or manufacturer which does not have sub-dealers selling at lower prices and for which no suitable substitute can be obtained at more advantageous terms to the GOP" (Underscoring ours)

NOW, THEREFORE, for and in consideration of the foregoing, We, The Members of the PAGASA Bids and Awards Committee, hereby RESOLVE as it is hereby RESOLVED:

- a) to **RECOMMEND** the resort to **Alternative Method of Procurement through Direct Contracting** be undertaken in the conduct of the procurement of the above-described Project pursuant to **Section 50 (c) of the Revised IRR of R.A. 9184**; and,
- b) to **RECOMMEND**, further that, **Japan Radio Co., Ltd., Philippine Branch Office** be considered and directly invited to bid for the Project; and

c) to **RECOMMEND**, finally, for the approval of the foregoing findings and recommendations.

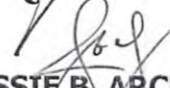
RESOLVED this 24th day of January 2019 at the Amihan Conference Room, 2nd Floor PAGASA Main Building, Science Garden Complex, Diliman, Quezon City.


EDWIN F. MANRESA
Interim Member/End-user

CESAR A. RAMOS
Member


EDNA L. JUANILLO
1st Vice-Chairperson


JOEL C. RIVERA
Member


JESSIE B. ARCE
2nd Vice-Chairperson


CATALINO L. DAVIS
Chairperson

APPROVED/DISAPPROVED:


VICENTE B. MALANO, Ph.D.
Administrator

Approved on _____



Republic of Philippines
DEPARTMENT OF SCIENCE AND TECHNOLOGY
Philippine Atmospheric, Geophysical and Astronomical Services
Administration (PAGASA)

NOTICE OF AWARD

JAPAN RADIO CO., LTD. Philippine Branch Office

Unit 603 Liberty Center
104 H.V. dela Costa St., Salcedo Village
Makati City
Tel. No: (+632) 884-8767; (+632) 886-4185 / Fax: (+632) 844-6812

Attention: MR. KOICHI MAKINO
Managing Partner and Duly Authorized Representative

Sir/Madame:

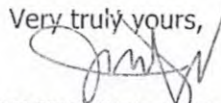
We are pleased to notify you that the PAGASA Management has approved the award to your firm the contract for the **"Comprehensive One (1) Year Quarterly Maintenance of Aparri, Virac, Guiuan S-Band Doppler Radar System and VSAT Communication Equipment and Mechanical Equipment"** (Reference: **PR No. 2019-01-0028**) in the total calculated amount of **SEVENTEEN MILLION ONE HUNDRED FORTY THOUSAND FOUR HUNDRED EIGHTY PESOS (Php17,140,480.00) ONLY.**

You are therefore requested to accept and conform to this award in writing by affixing your signature hereunder and provide **ten (10) calendar days**, from receipt hereof, the requisite performance security in any of the following forms:

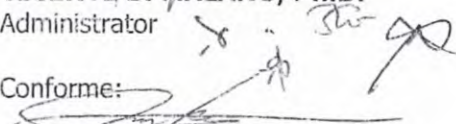
Form of Performance Security	AMOUNT (Equal to Percentage of the Total Contract Price)	
<ul style="list-style-type: none">Cash or Cashier's/Manager's check, Bank Draft/Guarantee confirmed by a Universal or Commercial Bank.	5%	Php857,024.00
<ul style="list-style-type: none">Irrevocable letter of credit issued by a Universal or Commercial Bank.		
<ul style="list-style-type: none">Surety bond callable upon demand issued by a surety or insurance company duly certified by the Insurance Commission as authorized to issue such security.	30%	Php5,142,144.00

Failure to provide the performance security shall constitute sufficient ground for cancellation of the award and forfeiture of the bid security.

Very truly yours,


VICENTE B. MALANO, Ph.D.
Administrator

Conforme:


KOICHI MAKINO

Date: June 07, 2019



**Bids and Awards Committee (BAC) Resolution Recommending Acceptance of
 Lowest Price Quotation and Recommending Award**

Resolution No. 2019-030

WHEREAS, the Philippine Atmospheric, Geophysical and Astronomical Services Administration (PAGASA), through the PAGASA Bids and Awards Committee, by virtue of BAC Resolution No.2019-017, Series of 2019, posted the Notice to Bidders (NTB) on 11 March 2019 at the PAGASA Website, the G-EPS and PAGASA Bulletin Board, notifying all interested bidders of the Agency's resort to Alternative Method of Procurement through Direct Contracting under Rule XVI, Section 50 of the Revised IRR of R.A 9184 for the procurement of the following goods and services with their corresponding Approved Budget for the Contract (ABC), to wit:

PARTICULARS	ABC	Reference
Comprehensive One (1) Year Quarterly Maintenance of Aparri, Virac and Guiuan S-Band Doppler Radar systems and VSAT Communications Equipment and Mechanical Equipment	Php17,141,152.00	PR No.2019-01-0028

WHEREAS, the **Japan Radio Co. Ltd., Philippine Branch Office**, a corporation duly established under the laws of Philippines and determined by the Committee as the duly authorized supplier and distributor of the above-mentioned project, has been duly invited to participate in the procurement process thereof and submit its lowest price quotation in connection with the aforementioned Project;

WHEREAS, in response to said invitation, Japan Radio Co. Ltd., Philippine Branch Office, accepted the invitation and on 01 April 2019, the schedule for the submission of the tender documents for the Project, timely submitted its price quotations and other pertinent documents in accordance with the specific requirements of the Project; and the same was accepted by the PAGASA Bids and Awards Committee, having complied with the preliminary evaluation of bids. Its price quotation for the implementation of the Project is summarized as follows:

Name of Bidder	Price Quotation (As "Read")
Japan Radio Co. Ltd., Philippine Branch Office	Php17,140,480.00

WHEREAS, the report on the detailed evaluation of bids conducted by the TWG resulted in the following:

Name of Bidder	Price Quotation (As "Calculated")
Japan Radio Co. Ltd., Philippine Branch Office	Php17,140,480.00

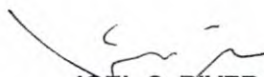
WHEREAS, upon careful examination, validation and verification of Japan Radio Co. Ltd., Philippine Branch Office tender documents, including the evaluation report submitted by the TWG, the Committee has determined that, Japan Radio Co. Ltd., Philippine Branch Office has complied with all the criteria for post-qualification and was responsive on all requirements and conditions specified in the Bidding Documents. Hence, it was moved and duly concurred by the BAC Members that Japan Radio Co. Ltd., Philippine Branch Office lowest price quotation be accepted accordingly, thereby, recommending that award of the contract to Japan Radio Co. Ltd., Philippine Branch Office for the implementation of the above Project.

- a) to **DECLARE**, the Award of the contract for the Project entitled: “**Comprehensive One (1) Year Quarterly Maintenance of Aparri, Virac and Guiuan S-Band Doppler Radar systems and VSAT Communications Equipment and Mechanical Equipment**” to Japan Radio Co. Ltd., Philippine Branch Office;
- b) to **RECOMMEND**, the acceptance of the lowest price quotation of Japan Radio Co. Ltd., Philippine Branch Office for the project in the total calculated amount of **Seventeen Million One Hundred Forty Thousand Four Hundred Eighty Pesos Only (Php17,140,480.00)**;
- c) to **RECOMMEND**, finally the **APPROVAL** of the foregoing findings and recommendations.

RESOLVED this 15th day of April 2019 at the Administrator’s Conference Room, 4th Floor PAGASA Central Office.


FULGENCIO A. AUSTRIA
Interim Member/End-user

CESAR A. RAMOS
Member (Finance)

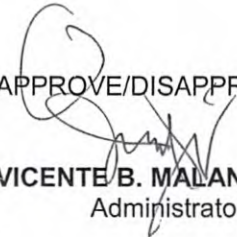

JOEL C. RIVERA
Member (Legal)


JESSIE B. ARCE
2nd Vice-Chairperson


EDNA L. JUANILLO
1st Vice-Chairperson


CATALINO L. DAVIS
Chairperson

APPROVE/DISAPPROVED:


VICENTE B. MALANO, Ph.D.
Administrator

Date: _____



Republic of Philippines

DEPARTMENT OF SCIENCE AND TECHNOLOGY
Philippine Atmospheric, Geophysical and Astronomical Services
Administration (PAGASA)

NOTICE TO PROCEED

JAPAN RADIO CO., LTD. Philippine Branch Office

Unit 603 Liberty Center

104 H.V. dela Costa St., Salcedo Village

Makati City

Tel. No: (+632) 884-8767; (+632) 886-4185 / Fax: (+632) 844-6812

Thru: MR. KOICHI MAKINO
Managing Partner and Duly Authorized Representative

Sir:

The attached **Contract** (Reference No. CI 2019-013) having been approved, notice is hereby given to your firm that, delivery of the goods and other ancillary services may proceed for the Project entitled: **"Comprehensive One (1) Year Quarterly Maintenance of Aparri, Virac, Guiuan S-Band Doppler Radar System and VSAT Communication Equipment and Mechanical Equipment"** (Reference: **PR No. 2019-01-0028**), effective upon receipt of this Notice.

You are therefore responsible for performing the services under the terms and conditions of the Contract and in accordance with the Implementation Schedule.

Please acknowledge receipt and acceptance of this notice by signing both copies in the space provided below. Keep one copy and return the other to PAGASA.

Very truly yours,

VICENTE B. MALANO, Ph.D.
Administrator

I hereby acknowledge receipt of this Notice on June 21, 2019
(date of receipt)

Name of Representative of the Bidder: KOICHI MAKINO

Authorized Signature: 

"tracking the sky...helping the country"

Science Garden Compound, BIR Road, Brgy. Central, Quezon City,
Metro Manila, Philippines 1100
Postal Address: P.O. Box 3278 Manila

Tel. Nos. (632) 929 48 65; (632) 434 90 40
Fax: (632) 929 48 65
Website: <http://bagong.pagasa.dost.gov.ph>



Republic of the Philippines

DEPARTMENT OF SCIENCE AND TECHNOLOGY

**Philippine Atmospheric, Geophysical and Astronomical Services
Administration (PAGASA)**

Contract ID No. : **CI 2019-013**
Contract Name : **Comprehensive One (1) Year - Quarterly Maintenance of Aparri, Virac and Guiuan S-Band Doppler Radar Systems and VSAT Communications Equipment and Mechanical Equipment**
Location of Project : *Aparri, Virac & Guiuan Weather Radar Stations, WFFC*

CONTRACT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

This Contract is entered into on this 19 JUN 2019 day of _____ 2019 by and between:

The **PHILIPPINE ATMOSPHERIC, GEOPHYSICAL AND ASTRONOMICAL SERVICES ADMINISTRATION (PAGASA)**, a government agency, under the Department of Science and Technology with principal office located at the PAGASA Central Office, Science Garden Complex, BIR Road, Diliman Quezon City, represented herein by **DR. VICENTE B. MALANO**, in his capacity as Administrator, hereinafter referred to as "PAGASA";

-and-

The **JAPAN RADIO CO. LTD., PHILIPPINE BRANCH OFFICE**, a foreign corporation duly organized and existing under the laws of Japan and was duly licensed in accordance with the Corporation Code of the Philippines and the Foreign Investment Act of 1991 with principal office address at Unit 603, Liberty Center, 104 H.V. de la Costa St., Salcedo Village, Makati City, represented in this Contract by **MR. KOICHI MAKINO**, in his capacity as the General Manager, now and hereinafter referred to as the "CONTRACTOR".

WITNESSETH, That:

WHEREAS, PAGASA has been operating the Virac S-Band Weather Radar System since 2012; while, Aparri, and Guiuan S-Band Weather Radars since 2013, which were acquired through the JICA Grant Aid Project, for which the radar equipment was supplied and installed by the **CONTRACTOR**;

WHEREAS, among PAGASA's commitment to the above-mentioned Project is to ensure the continuous operation of the Weather Radar Systems, their critical components and sub-systems upon their turn-over to the Agency, purposely, for the effective, timely and accurate monitoring of various weather-related phenomena affecting the country. As such, the regular maintenance of said Radar Systems is one of the Agency's primary considerations;

WHEREAS, considering the proprietary nature of said Radar Systems, including the critical equipment and components thereof, the PAGASA-BAC recommended to the PAGASA Administrator, by virtue of **BAC Resolution No. 2019-017-DC, series of 2019**, the resort to Alternative Method of Procurement through Direct Contracting under Section 50 of the Revised Implementing Rules and Regulations of RA 9184; thereby, directly inviting to submit its lowest price quotation for the needed services, the herein **CONTRACTOR**, who had been determined as the sole distributor and service provider of the subject weather radar systems;

WHEREAS, after a careful and detailed evaluation and deliberation of the **CONTRACTOR**'s proposal for the Project, the PAGASA-BAC, by virtue of **BAC Resolution No. 2019-030, series of 2019**, had concluded its procurement activities for the Project, finding the **CONTRACTOR**'s proposal and price quotation as acceptable and within the Approved Budget for the Contract (ABC); and, therefore, recommending the award of the Contract to the latter;

WHEREAS, the **CONTRACTOR**, upon receipt of the Notice of Award, has accepted the same in writing, complied with the issuance of a Performance Security; and, had represented itself to be qualified to undertake the **Maintenance Services** in accordance with the Terms and Conditions set forth in this Contract.

WHEREAS, the following documents shall be deemed to form and be read and construed as part of this Contract, viz.:

- Attachment (a) the Invitation to Bid (Notice to Bidders);
- Attachment (b) the Contractor's Eligibility and Technical documents;
- Attachment (c) the Contractor's Lowest Price Quotation and Schedule of Requirements
- Attachment (d) the Detailed Evaluation Report submitted by the TWG;
- Attachment (e) the PAGASA-BAC Resolution No. 2019-017, s. 2019, Recommending Resort to Alt. Method of Procurement through Direct Contracting;
- Attachment (f) the PAGASA-BAC Resolution No. 2019-030, s. 2019, Recommending Award;
- Attachment (g) the Notice of Award (NOA) of Contract and the Contractor's conforme thereto;
- Attachment (h) the Performance Security;
- Attachment (i) Other contract documents as may be deemed necessary by the Parties.

The aforementioned shall collectively be referred to as "**Contract Documents**."

WHEREAS, in this Contract words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract.

NOW, THEREFORE, for and in consideration of the above premises and the undertakings set forth, the parties hereto shall mutually comply and agree as follows:

ARTICLE I. SCOPE OF THE CONTRACT

The **CONTRACTOR**, for and in consideration of a sum of money, indicated under Article III, hereof, to be paid by **PAGASA**, agrees to furnish all labor, consumables, spare parts, Scheduled Mechanical maintenance works and other facilities necessary for the satisfactory and faithful performance of all the works and services stipulated for the implementation of **Project**.

The works and services contemplated in this Contract shall consist of the following:

A. Scope of Works

1. Supply of consumable items as per the Contractor's submitted Detailed Cost Breakdown under Attachment (b), hereof, in compliance with the Conformity with the Technical Specifications of the Project.
2. Submission of a clear and comprehensive schedule of the maintenance scope of works.
3. Perform test and inspection of the subsystems, equipment and/or components contained in the Weather Radar System on regular basis as in accordance with the "Maintenance Schedule" and the "Maintenance Scope of Works" (refer to Attachment-1 & Attachment-2 respectively of the Conformity with the Technical Specification in the Eligibility & Technical Components).
4. Perform "Preventive and Corrective Maintenance" on the radar system's faults and equipment failures and/or calibration or adjustment of equipment to optimal equipment performance and operation as per Attachment-1 of the Conformity with the Technical Specification in the Eligibility & Technical Components.
5. Conduct guaranteed repair (unscheduled corrective maintenance) services as per "Priority Level", item no. 9.4.1 and 9.4.2 of the Conformity with the Technical Specification in the Eligibility & Technical Components.
6. Provision of full technical support (via phone calls or on-site) for issues or concerns regarding system faults and/or equipment failures, maintenance and equipment operations.
7. Submission of quarterly maintenance report inclusive of:
 - 7.1 Equipment Assessment and Status
 - 7.2 Maintenance work accomplished
 - 7.3 Recommendations to improve system or equipment maintainability, which may include recommendations to rectify other factors that can affect equipment performance (i.e., non-operating air condition unit, damage facilities, etc.)

In addition, the Parties agree, that the **CONTRACTOR**:

8. Shall be fully responsible for the safety, protection, security and convenience of its personnel, third parties and the public at large, as well as the works, equipment, installation and the like to be affected by the implementation of this Contract.
9. Shall deliver all brand new consumables and parts, and ensure that all parts supplied have been tested and inspected prior to their delivery.
10. Guarantees and warrants the availability, quality and genuineness of all equipment, and parts it will supply, deliver and install for the maintenance, repair and workmanship of all its work under this Contract, and shall, on its account and expense, make good any defect or defects which may be discovered within one (1) year after the receipt of delivery of the equipment and parts by PAGASA.

B. Additional Works

If in the course of the implementation of this Maintenance Contract there are certain additional works or services that are deemed necessary to be performed but are not included in the Scope of Works and will entail an increase in the total contract cost herein agreed upon by the Parties, the CONTRACTOR shall promptly inform PAGASA in writing of the additional work to be done and seek the latter's approval or consent before performing the same.

Upon receipt of such information, PAGASA shall approve or disapprove the same in writing within ten (10) calendar days.

In the event that the CONTRACTOR performed the additional work but failed to priorly notify PAGASA thereof, the CONTRACTOR forfeits the right to demand payment for the additional work as well as claim compensation for resultant losses; unless, the latter can prove that the necessity for immediate action was in the best interest of PAGASA, particularly if delaying the performance of such work would potentially result in losses or damage to the radar system under maintenance.

Any and all additional works or services not contemplated in the scope of works of this Contract should be subjected to a Supplemental Agreement.

C. Exclusions

The following shall be construed as excluded in the above scope of works:

1. *Board component level repair.* Board component level repair and other fees and charges, including parts, shipping fees, customs fees, and other expenses related to board component level repair shall be billed to PAGASA. Boards that are determined to be un-repairable shall be recommended for replacement and subject to the approval of PAGASA.
2. Corrective guaranteed repairs for system faults or equipment failures that are caused by third party supplied component.
3. Any maintenance service for fire alarm system including sprinkle system, plumbing, water pump, drainage, receptacle outlets, lighting and cable/wiring or rough-ins related to electrical system.
4. Any maintenance service for the building and structures compromising the building, i.e., fence, lamp posts, gate and other structures within the vicinity of station.
5. All other services and provisions of items not included or mentioned in "Maintenance Scope of Works" and Annexes thereof.
6. Supply of Spare Parts for Weather Radar System
7. Guaranteed Repair (unscheduled corrective maintenance) for Mechanical Works (Air conditioning and Ventilation Units)

D. Responsibility of PAGASA

1. Issuance of access pass, gate pass, or ID's to CONTRACTOR's maintenance personnel.
2. Assignment of PAGASA representative from the Weather Radar Station for coordination purposes.
3. Supply of diesel fuel for Diesel Engine Generators at all radar stations.
4. Provision of all lost/damaged equipment parts or components.

5. Make available and operational the air conditioning units at the Equipment Room (4F) prior to the operationalization (power-on) of the Virac radar system.
6. Provision of measuring instrument.

E. Other Terms and Conditions

1. All equipment upgraded and added by CONTRACTOR shall be continuously maintained as per "Maintenance Schedule" and the "Maintenance Scope of Works" (refer to Attachment-1 & Attachment-2 respectively of the Conformity with the Technical Specification in the Eligibility & Technical Components).
2. Emergency corrective maintenance works performed by CONTRACTOR which was brought about by a failure of third-party supply equipment shall be billed accordingly to PAGASA.
3. Cost or repair service and/or shipping out or transport of printed boards or modules that requires repairs in Japan shall be billed to PAGASA.
4. Cost of replaced parts shall be billed to PAGASA, if the parts that needs replacement is not available on-site list of consumables and spare parts.
5. To ensure continuous operation of the Weather Radar System, equipment or parts that are to be replaced or repaired but the same are not readily available, temporary repairs, replacement or modification on the system shall be provided by CONTRACTOR with no additional cost on the part of PAGASA provided that PAGASA has written approval on the temporary repairs.

F. Warranty

Repair service warranty of CONTRACTOR to PAGASA shall be governed by the following:

1. Coverage of the repair service warranty shall be for a period of **Ninety (90) days** commencing upon the completion of repair and acceptance by PAGASA.
2. Effectivity

The Parties agree that the services warranty shall only become effective provided that the Weather Radar System, equipment and/or devices are used in the conditions stated below:

- 2.1 The equipment or devices are operated in a suitable operating environment as recommended and described in the equipment manual provided by the Contractor; and
- 2.2 The equipment or devices are used for the purposes for which they are intended and/or to the recommended use or operations stated in the equipment manual and the monthly submitted maintenance report provided by CONTRACTOR.

3. Limitations of Warranty

The Parties likewise agree that the following limitations of the warranty:

- 3.1 If there is any breach in the following:

3.1.1 Any injury, damage or failure caused by the misuse, abuse, acts of nature including damage by lightning, accidents, electrical mishaps, or claims other than the original purchaser, unsuitable physical or operating environments, improper operations including frequent power on and off operations for a short period of time, or causes other than the ordinary prudent use for which the system or equipment was designed.

3.1.2 If there has been any (1) tampering with the equipment's external label or serial number or any identifiable marks on the product; (2) attempted or actual repair of defects without any authorization or recommendation from authorized CONTRACTOR personnel or representative; and, (3) installation of software which is not recommended or authorized by CONTRACTOR.

- 3.2 Upgrades, alterations, updates or installation of any device or equipment to the system which is performed by any third party suppliers or contactors, wherein the modifications carried out contributes to the system faults and/or equipment failures.

3.3 Any consumable items and parts supplied that are already used or installed in the system prior to the awarding of this maintenance contract.

3.4 Consumable Parts and accessories such as cord assembly, adapter and external parts like cabinet, panel, knobs, plugs, socket, carrying case, handle and all other attachment etc. are also not included in this warranty.

ARTICLE II. CONTRACT DURATION AND EFFECTIVITY

This **Contract** shall be for a period of **one (1) year** on a quarterly basis and shall immediately commence upon receipt by the **CONTRACTOR** of the Notice to Proceed (NTP) to be issued by **PAGASA** upon execution of this Contract.

ARTICLE III. CONTRACT PRICE / PAYMENT SCHEDULE

For and in consideration of the fulfillment of all the terms and conditions of this Contract, **PAGASA** shall pay the **CONTRACTOR**, in Philippine Currency, the total amount of **SEVENTEEN MILLION ONE HUNDRED FORTY THOUSAND FOUR HUNDRED EIGHTY & 00/100 PESOS (Php17,140,480.00) ONLY** (hereinafter, "**Contract Price**") as the calculated bid price offered by the **CONTRACTOR**, inclusive of Value Added Tax (VAT) and all applicable import duties and taxes as may be required by law.

PROVISION OF ADVANCE PAYMENT

Pursuant to **GPPB Resolution No. 04-2010**, dated June 25, 2010, an Advance Payment not to exceed fifteen percent (15%) of the total contract amount shall be allowed by **PAGASA**, upon a written request by the **CONTRACTOR** which shall be submitted as a contract document; and, accompanied by an **irrevocable standby letter of credit** or a **bank guarantee** of equal amount, issued by a Commercial or Universal Bank. The **irrevocable standby letter of credit** or a **bank guarantee** shall remain valid until the goods are delivered and accepted by **PAGASA**.

The Advance Payment shall be paid by **PAGASA** within sixty (60) calendar days from signing of the Contract and upon receipt of a written claim. The advance payment shall be repaid by the **CONTRACTOR** by deducting the amount requested from its final payments.

MODE OF PAYMENT

Payments shall be made on a quarterly basis for one (1) year upon submission by the **CONTRACTOR** of the quarterly service maintenance accomplishment report as certified by **PAGASA**'s authorized representative.

All payments to the **CONTRACTOR** shall be in Philippine Currency (Philippine Peso) and subject to existing government accounting and auditing rules and regulations.

Deliveries of all spare parts and consumables shall be subject to the **PAGASA**'s inspection before the same are installed and shall have a corresponding inspection and acceptance report to support the payment claim of the **CONTRACTOR**.

Payment of the consumables and spare parts shall be based on the actual delivery and receipt and acceptance of the same by **PAGASA**.

The **Parties** agree that the payment of the Contract Price specified above shall be made by **PAGASA** within **30 calendar days** upon submission by the **CONTRACTOR** of the billing invoice.

Pursuant to and in compliance with the **DBM Circular No. 3-2013-16A**, dated February 6, 2014, the **CONTRACTOR** shall be required to apply and/or submit to **PAGASA**, through the **Cashier Unit**, its **bank account number and branch thereof**; and, preferably from any authorized government servicing bank such as, Land Bank of the Philippines (LBP), Development Bank of the Philippines (DBP) or Philippine Veterans Bank (PVB), to which any payment due to the **CONTRACTOR** shall be made or credited.

In the event; however, that the **CONTRACTOR**'s bank account is not among the listed authorized government servicing banks, any corresponding bank charges shall be borne/paid by the **CONTRACTOR**.

**ARTICLE IV.
PERFORMANCE SECURITY**

The **CONTRACTOR** shall post a Performance Security payable to **PAGASA**, upon signing of the contract and/or receipt of the Notice of Award, whichever comes first, in the form of cash, certified check, cashier's or manger's check, bank draft/guarantee confirmed by a reputable local bank, irrevocable letter of credit issued by a reputable commercial bank; surety bond callable upon demand issued by any reputable surety or insurance company duly accredited by the Philippine Insurance Commission or a combination of the foregoing in accordance with the following schedules:

Form of Performance Security	Amount of Performance Security (Equal to Percentage of the Total Contract Price)
a) Cash or cashier's/manager's check, bank draft/guarantee confirmed by a Universal or Commercial Bank	Five percent (5%)
b) Irrevocable letter of credit issued by a universal or Commercial Bank	
c) Surety bond callable upon demand; and/or,	Thirty percent (30%)
d) Any combination of the foregoing.	Proportionate to share of form with respect to total amount of security

The performance bond must be callable upon demand and valid until the Project has been completed and accepted by the **PAGASA** and which shall be withdrawn only upon submission of warranty bond for the fulfillment of all the warranties in the project.

**ARTICLE V.
DELIVERY OF SERVICES AND EXTENSION OF TIME**

In the event that the performance of this Contract, or any obligations hereunder, is prevented, restricted, or interfered with by reason of: fire, earthquake, explosion or other casualty or accident or act of God; strikes or labor disputes, war or other violence; order, proclamation, regulation, ordinance; demand or requirement of any governmental authority; or any other act or condition which are beyond reasonable control of the affected Party, the Party so affected shall duly notify the other Party in writing.

Appropriate time extension may be granted in favor of the **CONTRACTOR**; *Provided, that*, the **CONTRACTOR** shall take all reasonable steps to avoid or remove such cause of non-performance and shall resume performance hereunder with dispatch whenever such causes are removed.

Extensions of the time may also be granted as mutually agreed upon by both **Parties** for any reasonable and valid causes.

If delays are likely to be incurred, the **CONTRACTOR** must immediately notify the Procuring Entity in writing. It must state therein the cause/s and duration of the expected delay. **PAGASA** may grant time extensions, at its discretion, if based on meritorious grounds, with or without liquidated damages.

In all cases, **the request for extension should be submitted before the lapse of the original delivery date**. The maximum allowable extension shall not be longer than the initial delivery period as stated in the original contract.

For purposes of this Contract, *force majeure* or fortuitous events are those causes that are beyond its reasonable control, including but not limited to action of the elements, extreme weather conditions, fires, floods, sabotage and the like.

**ARTICLE VI.
SECURITY OF THE EQUIPMENT AND PERSONNEL**

The **CONTRACTOR**, with the assistance of **PAGASA**, shall coordinate with concerned provincial or municipal government units for assistance on matters involving the security of the equipment and for the safety and unhampered movement of its personnel during maintenance works.

**ARTICLE VI.
LIQUIDATED DAMAGES**

It is understood that time is an essential component of this Contract and that upon its failure to complete the said contract within the period stipulated herein, **CONTRACTOR** shall pay **PAGASA** liquidated damages in the amount equivalent to one-tenth (1/10) of one percent (1%) of the unperformed portion of contract price for each calendar day of delay.

Such amount shall be deducted from any money due or which may become due the **CONTRACTOR** under the Contract and/or collect such liquidated damages from the retention money or other securities posted by the **CONTRACTOR** whichever is convenient to the procuring entity.

In the event that the delay in the completion of the work exceeds a time duration equivalent to ten percent (10%) of the specified contract time plus any time extension duly granted to the **CONTRACTOR**, **PAGASA** may rescind the Contract, forfeit the **CONTRACTOR's** performance security.

Such other provisions on liquidated damages under Annex "E" of R.A. 9184 and its IRR shall likewise be implemented.

ARTICLE VIII. CANCELLATION/TERMINATION OF CONTRACT

The **PAGASA** has the right to terminate or cancel this Contract without the need of judicial action, at any time before its expiration on reasonable grounds, such as, but not limited to: unsatisfactory service and performance or violation of the terms and conditions of this Contract, by giving the **CONTRACTOR** at least fifteen (15) calendar days written notice in advance to that effect, which Notice shall be final and binding on all the parties.

Within thirty (30) days after the termination, cancellation, or rescission of this Contract, the Parties shall settle their respective accountabilities as of the date of termination, cancellation, or rescission.

ARTICLE IX. MUTUAL CONSULTATIONS AND ARBITRATION AND VENUE OF ACTION

The **Parties** shall as often as practicable, mutually consult with each other with respect to the faithful performance of their respective obligations under this contract.

The **Parties** shall use their best efforts to promptly resolve any differences or disagreement in connection with implementation of the terms and conditions of this contract. However, in the event that any dispute cannot be resolved after mutual consultation by the parties, then such dispute(s) shall be submitted to arbitration in accordance with the provisions of Republic Act No. 876 otherwise known as the "Arbitration Law". At the option of **PAGASA**, the arbitration shall be held only in Quezon City, excluding other venues. A decision in any such arbitration shall be final and binding on the parties, unless the aggrieved party appealed by way of a petition for review to the Court of Appeals.

The **CONTRACTOR** shall continue to supply, deliver, install and commission the said weather radar system and other related equipment, notwithstanding that any dispute which may have arisen between the Parties is being arbitrated.

ARTICLE X. VALIDITY AND ENTIRETY CLAUSE

If any term or condition of this Contract is held invalid or contrary to law, the validity of the other terms and conditions hereof shall not be affected thereby.

This Contract, including the Annexes cited herein as integral parts thereto, constitute the entire agreement between the parties respecting the subject matter hereof. All prior arrangements, written or oral, between the **Parties** relating to the subject matter hereof are hereby canceled and superseded.

This Contract may not be amended or modified, except in writing, signed by the **Parties**.

ARTICLE XI. GOVERNING LAWS

The governing laws of Republic Act No. 9184 otherwise known as "The Government Procurement Reform Act" and its Revised Implementing Rules and Regulations, the laws on Obligations and Contracts and other pertinent laws shall govern this Contract.

ARTICLE XII. NOTICE AND ADDRESSES

All correspondences between the parties and all notices required to be given under this contract shall be deemed to have been properly given only when made in writing and sent or delivered by Registered Mail, confirmed fax or hand delivered to the parties at their following respective addresses:

For **PAGASA:**

**Philippine Atmospheric, Geophysical
and Astronomical Services Administration (PAGASA)**
Science Garden Complex, BIR Road, Diliman
Quezon City

Attention: **DR. VICENTE B. MALANO, Ph. D.**
Administrator
Tel/Fax No. (02) 434-90-40

For **JRC:**

Japan Radio Co. Ltd., Philippine Branch Office
Unit 603, Liberty Centre, 104 H.V. Dela Costa St.
Salcedo Village, Makati City

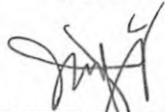
Attention: **MR. KOICHI MAKINO**
General Manager
Tel. No. (02) 886-41-85 / (02) 884-87-67
Fax. No. (02) 844-68-12

IN WITNESS WHEREOF, the **Parties** hereto have caused this Contract to be executed in accordance with the laws of the Republic of the Philippines on the day and year first above written.

**PHILIPPINE ATMOSPHERIC, GEOPHYSICAL AND
ASTRONOMICAL SERVICES ADMINISTRATION
(PAGASA)**

**JAPAN RADIO CO. LTD.,
PHILIPPINE BRANCH OFFICE**

By:



VICENTE B. MALANO, Ph. D.
Administrator

By:



MR. KOICHI MAKINO
General Manager

Signed in the Presence of:

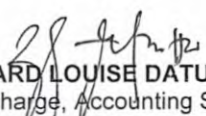


LANDRICO U. DALIDA, JR., Ph. D.
Deputy Administrator
for Operations and Services



PEDRITO Y. MALUNHAO
Department Manager
Japan Radio Co., Ltd.
Philippine Branch Office

Funds Available:



BERNARD LOUISE DATUIN
Officer-in-Charge, Accounting Section

ORS # 2019-06-2985

5021305014

₱ 17,140,480-

ACKNOWLEDGEMENT

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

BEFORE ME, personally appeared:

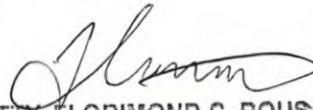
Name	Valid Identification Document/Passport	Date Issued	Place Issued
VICENTE B. MALANO	TIN No. 115-409-992		Quezon City
KOICHI MAKINO	Passport # 721330533	1-31-2019	Japan Embassy in the Phil

both known to me to be the same persons who executed the foregoing **CONTRACT** and they acknowledged to me that the same is their own, free and voluntary act and deed as well as that of the entity represented.

This instrument consists of ten (10) pages including this page on which this Acknowledgment is written and has been duly signed by the parties and their witnesses.

SIGNED AND SEALED on _____ 2019 at Quezon City.

19 JUN 2019



ATTY. FLORIMOND C. ROUS
Notary Public for Quezon City
Until December 31, 2019
PTR No. 7323525 / 1-3-19 / Q.C.
IBP LIFETIME NO. 00315
ROLL NO. 25769 / TIN 142-154-935
MCLE 5 Comp. 00001549; 1-22-2014
Adm Matter No.156 / RTC-QC / 2018-2019

Doc. No. 407 ;
Page No. 84 ;
Book No. 44 ;
Series of 2019.