Republic of the 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 "**Supply, Delivery, Testing, Training, Installation and Commissioning of a Coordinated Network of One (1) Pulse Compression and Dual Polarization Doppler X-Band Radar Rain Gauge for Davao River basin**" (Reference: **PR No. 2018-11-0848**) in the total calculated amount of **EIGHTY FOUR MILLION FIVE HUNDRED NINETY NINE THOUSAND FOUR HUNDRED TWELVE PESOS (Php84,599,412.00) ONLY.**

You are therefore requested to accept the award in writing and provide, within **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)	
• Cash or Cashier's/Manager's check, Bank Draft/Guarantee confirmed by a Universal or Commercial Bank.	**5%**	**Php4,229,970.60**
• Irrevocable letter of credit issued by a Universal or Commercial Bank.		
• 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%**	**Php25,379,823.60**

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: Feb. 21, 2019

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

BAC Resolution
Declaring Single Calculated and Responsive Bidder (SCRB) and Recommending Award and Approval

Resolution No. 2018-079

WHEREAS, the Philippine Atmospheric, Geophysical and Astronomical Services Administration (PAGASA), through the Bids and Awards Committee (PAGASA-BAC), posted the Invitation to Bid (**ITB 2018-023**) at the PhilGEPS and the PAGASA website and its Bulletin Board, continuously for 7 days from **06 to 13 December 2018,** the procurement of the following goods/equipment described hereunder, with its corresponding Approved Budget for Contract (ABC), under **PR#2018-11-0848,** to wit:

PARTICULARS	ABC (in Php)	Contract Duration
Supply, Delivery, Testing, Training, Installation and Commissioning of a Coordinated Network of One (1) Pulse Compression and Dual Polarization Doppler X-Band Radar Rain Gauge for Davao River Basin	**85,000,000.00**	**18 months**

WHEREAS, the provision of R.A. 9184 and its Revised Implementing Rules and Regulations (IRR), other pertinent guidelines and procedures relative to government procurement system are hereby observed and strictly implemented for the whole duration of this bidding activity;

WHEREAS, in response to the said invitation, at least **four (4) prospective bidders** expressed their respective intentions to participate in the bidding process thereof and attended the **Pre-Bid Conference** conducted by the PAGASA-BAC on **14 December 2018**. The prospective bidders are the following:

1) West Point Engineering Supplies;
2) Japan Radio Co. Ltd. (Philippine Branch Office);
3) Information Tech Services Management Corporation; and,
4) Domestic Trading Corporation

WHEREAS, any and all deviations and/or amendments in the Bidding Documents, schedules of subsequent bidding activities, and the Terms of Reference (TOR) of the Project, as discussed during the Pre-negotiation conference including the BAC's responses to all written queries by the prospective bidders had been issued through Supplemental Bid/Bulletin (SBB) and hereby made part of this Resolution as Annexes **Annex "A"** and **"B,"** respectively;

WHEREAS, on **28 December 2018,** the amended schedule for submission and opening of Envelope I (Eligibility and Technical Components) and Envelope II (Financial Component); however, **only one (1) prospective bidder, Joint Venture of Japan Radio Co. Ltd. PBO and Comm Trend Construction Corporation**, submitted its tender document and subsequently determined by the BAC to have passed the preliminary examination of bids;

WHEREAS, the subsequent opening of Envelope No. 2 containing the bidders' financial proposals for the project resulted in the following:

Name of Bidder	Bid Amount (As Read)	Remark
Joint Venture of Japan Radio Co. Ltd. PBO and Comm Trend Construction Corporation	**Php84,599,412.00**	**Lone bidder**

WHEREAS, the report of the detailed evaluation of bids conducted by the PAGASA-BAC with the assistance of the Technical Working Group (TWG) resulted in the following:

Name of Bidder	Bid Amount (As Calculated)	RANK
Joint Venture of Japan Radio Co. Ltd. PBO and Comm Trend Construction Corporation	**Php84,599,412.00**	**SCB**

WHEREAS, after a careful examination, validation and verification of the lone bidder's tender documents, including the evaluation report submitted by the TWG, the PAGASA-BAC determined that, **the lone bidder** has complied accordingly on 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 seconded that the **Joint Venture of Japan Radio Co. Ltd. PBO and Comm Trend Construction Corporation** be declared as the bidder with the **Single Calculated and Responsive Bidder (SCRB)** for the implementation of the foregoing Project.

NOW, THEREFORE, We, the Members of the Bids and Awards Committee, hereby **RESOLVE** as it is hereby **RESOLVED**:

a) to **DECLARE**, **Joint Venture of Japan Radio Co. Ltd. PBO and Comm Trend Construction Corporation** as the Bidder with the **Single Calculated Responsive Bid (SCRB)** for the implementation of the Project entitled, ***"Supply, Delivery, Testing, Training, Installation and Commissioning of a Coordinated Network of One(1) Pulse Compression and Dual Polarization Doppler X-band Radar Raingauge,"*** in its total calculated offer in the amount of **EIGHTY FOUR MILLION FIVE HUNDRED NINETY NINE THOUSAND FOUR HUNDRED TWELVE PESOS (Php84,599,412.00) ONLY**;

b) to **RECOMMEND**, further, the award of the contract to the latter; and,

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

RESOLVED this 22nd day of January 2019 at the Amihan Conference Room, 2nd Floor, PAGASA Main Building, Science Garden Complex, BIR Road, Diliman, Quezon City.

EDWIN F. MANRESA
Interim Member/End-user

JOEL C. RIVERA
Member

(on leave)
CESAR A. RAMOS
Member

JESSIE B. ARCE
2nd Vice-Chairperson

EDNA L. JUANILLO
1st Vice-Chairperson

CATALINO L. DAVIS
Chairperson

APPROVED/DISAPPROVED:

VICENTE B. MALANO, Ph.D.
Administrator

Approved on _____

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

NOTICE TO PROCEED

JAPAN RADIO CO., LTD. Philippine Branch Office and
COMM TREND CONSTRUCTION CORP. Joint Venture
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** (Contract ID No. CI 2019-009)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: **"Supply, Delivery, Testing, Training, Installation and commissioning of a Coordinated Network of One (1) Pulse Compression and Dual Polarization Doppler X-Band Radar Rain Gauge for Davao River Basin" (Reference: PR No. 2018-11-0848))**, 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 April 17, 2019
(date of receipt)

Name of Representative of the Bidder: Koichi Makino

Authorized Signature: _____

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

Contract ID No.	:	***CI 2019-009***
Contract Name	:	***Supply, Delivery, Testing, Training, Installation and Commissioning of a Coordinated Network of One (1) Pulse Compression and Dual Polarization Doppler X-Band Radar Rain Gauge***
Location of Project	:	***Davao River Basin***

CONTRACT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS: APR 17 2019

This contract is entered into on this _____ 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 PAGASA 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 **JOINT VENTURE OF JAPAN RADIO CO., LTD., PHILIPPINE BRANCH OFFICE AND COMM TREND CONSTRUCTION CORPORATION**, hereinafter referred to as the **"SUPPLIER"**. ***JAPAN RADIO CO., LTD., PHILIPPINE BRANCH OFFICE*** is a foreign corporation duly organized and existing under the laws of Japan and duly licensed in accordance with the Corporation Code of the Philippines and Foreign Investment Act of 1991 with principal address at Unit 603, Liberty Center, 104 H. V. De la Costa., Salcedo Village, Makati City, represented herein by **MR. KOICHI MAKINO,** General Manager; while, ***COMM TREND CONSTRUCTION CORPORATION*** is a corporation duly organized and existing under and by virtue of the laws of the Philippines, with corporate office at 23 Sarmiento Street, corner Street, Tinajeros, Malabon City, represented herein by **MR. ARNEL D. DIZON**, President. Both Joint Venture partners expressly concurring that, **MR. KOICHI MAKINO** shall be the duly authorized representative for the instant Project.

WITNESSETH THAT:

WHEREAS, PAGASA, through the PAGASA Bids and Awards Committee (PAGASA-BAC) invited Bids for certain goods and ancillary services, *viz.*: **Supply, Delivery, Testing, Training, Installation and Commissioning of a Coordinated network of One (1) Pulse Compression and Dual Polarization Doppler X-Band Radar Rain Gauge for Davao River Basin (Reference: PR No. 2018-11-0848),** hereinafter referred to as the *"PROJECT"*;

WHEREAS, the **SUPPLIER** is among the prospective bidders who offered to provide the above goods and services required by **PAGASA** and has complied with all the requisite Eligibility, Technical and Financial submissions, in accordance with the specific requirements of the **Project** and with the provisions of Republic Act No. 9184, *otherwise known as* The Government Procurement Reform Act and its Implementing Rules and Regulations (IRR);

WHEREAS, after a careful and detailed evaluation and deliberation of the **SUPPLIER's** submitted proposals, the PAGASA-BAC, by virtue of **BAC Resolution No. 2018-079**, *series of 2018*, has concluded the said public bidding and declaring the **SUPPLIER** as the bidder with the Single Calculated and Responsive Bid (SCRB); and, finally, recommended the award of the Contract to the latter;

WHEREAS, the **SUPPLIER**, upon receipt of the Notice of Award, has accepted the same in writing; has complied with the issuance of a Performance Security within the prescribed period; and, has represented itself to be qualified to undertake the Project in accordance with the Terms and Conditions set forth in this Contract and with the Terms of Reference for the Project;

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

Attachment (a)	the Invitation to Bid (ITB);
Attachment (b)	the Instructions to Bidders;
Attachment (c)	the General and Special Conditions of Contract;
Attachment (d)	the Terms of Reference including the Technical Specifications;
Attachment (e)	the Bid Data Sheet (BDS);
Attachment (f)	Addendum and/or Supplemental/Bid Bulletins, *if any;*
Attachment (g)	the Eligibility and Technical Documents submitted by the SUPPLIER; *including,* the Bid Security, the Schedule of Requirements, the SUPPLIER's Conformity with the Technical Specifications, and brochures and other related literatures;
Attachment (h)	the SUPPLIER's technical proposals for the Project;
Attachment (i)	the Bidding Form and the Price Schedule submitted by the SUPPLIER;
Attachment (j)	the Additional Bidding Documents/Requirements, as required;
Attachment (k)	the Evaluation Report submitted by the TWG;
Attachment (l)	the PAGASA-BAC Resolution No. 2018-079, *s. 2018,* Recommending Award;
Attachment (m)	the Abstract of Bids, ("as READ" and "as CALCULATED");
Attachment (n)	the Notice of Award (NOA) of Contract and the SUPPLIER's conforme thereto;
Attachment (o)	the Minutes of Meeting;
Attachment (p)	the Performance Security;
Attachment (q)	the Supplier's duly notarized Joint Venture Agreement (JVA);
Attachment (r)	Approved Documents (Technical Description, Equipment Specification, Drawings, Schedule, etc.); and
Attachment (s)	Other contract documents as may be deemed necessary by the Parties.

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

WHEREAS, in this Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract and the Terms of Reference (TOR) respectively referred to in **items (c) and (d)** of the immediately foregoing **Clause**.

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 **SUPPLIER**, for and in consideration of a sum of money to be paid by **PAGASA**, agrees to Supply, Deliver, Test. Train, Install and Commission in favor of **PAGASA**, Coordinated Network Composed of One (1) Pulse Compression and Dual Polarization Doppler X-Band Radar Rain Gauge at Davao River Basin, including Factory and On-Site Training for PAGASA Radar Operators, Engineers and Technicians and furnish all labor, materials, equipment, tools and other facilities necessary for the satisfactory and faithful performance of all the works and services for the **Project**.

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

A. Scope of Works Contents

a. The Scope of work to be covered under the project between PAGASA and the SUPPLIER are shown hereinafter;

Item No.	Qty.	Unit	Description	
1			**Remote Radar Site**	
1.1	**1**	**Set**	**X-Band Radar Rain Gauge**	**JRC-JMA-912 RAINWATCHER**
1.1-1	1	Lot	Radome	

1.1-2	1	Set	Antenna	
1.1-3	1	Set	Antenna Controller	
1.1-4	1	Set	Transmitter / Receiver	
1.1-5	1	Set	Signal Processor	
1.1-6	1	Set	Media Converter	
1.1-7	1	Set	Fiber Optic Cable (65mm)	
1.2			**Radar Controller Workstation**	
1.2-1	1	Sets	Radar Controller Workstation Hardware	
1.2-2	1	Sets	Radar Controller Workstation Software	
1.2-3	1	Sets	Monitor (22" LED)	SAMSUNG LS2F350FHEXXP
1.2-4	1	Sets	UPS with AVR (at least 5 minute back up time)	
1.3			**On-site Accessories**	
1.3-1	1	Sets	AVR	POWEREX PS-115BS
1.3-2	1	Sets	UPS	EATON9E15Ki
1.3-3	2	Sets	Diesel Engine Generating Set with Auto-Transfer Switch	YAMAGEN YTG30TLV1
1.3-4	2	Sets	Air Condition Unit	KOPPEL KV12WM-ARF
1.3-5	1	Sets	Transient Voltage Surge Suppressor	PROSURGE PSP C
1.3-6	1	Sets	Isolation Transformer	
1.3-7	2	Sets	CCTV Camera	HIKVISION DS-2CD2120F
13.-8	3	Sets	High-End Maintenance Laptop with OS	HP ZBOOK 15 G5
1.3-9	2	Sets	Electronic / Electrical and Mechanical Tools	
1.4	1	lot	Radar Shelter and Tower	
1.5	1	Set	Spare Parts for Radar	
1.6			**SCADA**	
1.6-1	1	Set	SCADA System Server (Local)	HP Z8 G4 Workstation
1.6-1-1	1	Set	CPU (with keyboard and Mouse)	
1.6-1-2	1	Set	Software (OS, SCADA Software)	Regin EXOscada
1.6-1-3	1	Set	Monitor (22" LED)	SAMSUNG LS2F350FHEXXP
1.6-1-4	1	Set	UPS with AVR (at least 5 min back up time)	
1.6-2	1	Set	SCADA Gateway	Regin EX8282
1.7	1	Set	Communication Link	
1.7-1	1	Set	-VSAT antenna Controller w/TX and RX (for CO)	
1.7-2	1	Set	-SCPC C-Band Satellite Modem	
1.7-3	1	Set	-Parabolic Antenna (for VSAT)	
1.7-4	1	Set	-2.4m C-band VSAT Antenna Set	
1.7-5	1	Set	-20W Block-Up Converter (BUC), C-Band	
1.7-6	1	Set	-PLL-LNB	
1.7-7	1	Set	-Feeder (for VSAT Coms)	
1.8	1	Set	L2 Switch	Cisco SG95-16-AS
1.9			Contact IP Converter (Included on SCADA System)	Regin IO-16DI
1.10	1	Set	VoIP Tel	Grandstream GXP1625
1.11	1	Set	Network Camera	HIKVSION DS-2CD2463G0-I (W))
1.12	1	Set	Server Rack	
1.13	1	Set	AC PDB	

1.14	1	Set	IPVPN Router (provision)	
2			**DAVAO RIVER CENTER**	
2.1	1	Set	Workstation PC for accessing Radar Web Server	HP290-a0201d
2.2	1	Set	High-End Maintenance Laptop	HP ZBOOK 15 G5
2.3	1	Sets	UPS with AVR for the Workstation	APC SMT1500I
2.4	1	Set	Printer	HP M45nw
2.5	2	Sets	46" Led Display Monitor (for SCADA and Workstation PC)	SAMSUNG N5000
2.6	1	lot	IPVPN Connection (6Mbps)	
2.7	1	Set	L2 / L3 Switch	Cisco SG95-16-AS
2.8			Contact IP Converter	Regin IO-16DI
2.9	1	Set	VoIP Tel	Grandstream GXP1625
2.10	1	Set	Network Camera	HIKVISION DS-2CD2463G0-I(W))
2.11	1	Set	Server Rack	
2.12	1	Set	Workstation PC for Accessing SCADA Web Server	HP-290-aO201d
2.13	1	Lot	Grounding connected to existing PAGASA grounding system	
3			**HMD**	
3.1			Radar Product Server	HP Z8 G4 Workstation
3.1.1	1	Set	Radar Product Server Hardware	
3.1.2	1	Set	Radar Product Server Software	
3.2	1	Set	Monitor(22"LED)	SAMSUNG LS24F350FHEXXP
3.3	1	Set	UPS with AVR (at least 5 min back up time)	Eaton PW9130i2000T-XL
3.4	1	Set	VPN Router	
3.5	1	Set	IPVPN 12 Mbps	

B. Testing Procedure

The **SUPPLIER** shall submit a detailed testing procedure or methodology. The detailed testing procedure and methodology shall include the full validation and testing on-site.

Bench test procedures for alignment of circuits in PCA's/ modules, and the likes, shall also be provided. The procedure shall be accomplished using standard test equipment and external power supplies.

C. Acceptance Testing

Acceptance testing shall be conducted both at the FACTORY (Factory Acceptance Test) and at the RADAR SITE (Site Acceptance Test). The purpose of these tests is to verify the performance of the system in accordance with the specifications and functional requirements. Any defect or deviation discovered during the site acceptance tests shall be rectified by the **SUPPLIER** immediately or within a maximum period of one (1) month from the completion of the test. After such rectification, another testing shall be made to verify the rectification.

The Factory Acceptance Test (FAT) before delivery shall be witnessed and accepted by five (5) PAGASA technical personnel/engineers and shall be conducted within five (5) calendar days. All related expenses, such as, round trip airfare, transportation, lodging/accommodation and daily allowance of 150 USD for each participant shall be shouldered by the **SUPPLIER**.

The Site Acceptance Test (SAT) may be conducted simultaneously with On-Site Training

D. Factory and Site Trainings

The **SUPPLIER** shall conduct a 5-day Factory Training to be attended by five (5) qualified technical personnel of PAGASA on radar maintenance. Factory training shall also be conducted for five (5) PAGASA hydro-meteorologists for the Radar Data Analysis,. In the same manner, all related expenses, such as but not limited to the training materials, round trip airfare, local transportation, lodging/accommodation and daily allowance of 150 USD for each participant shall be borne by the **SUPPLIER.**

A 10-day local training to be attended by fifteen (15) qualified technical personnel of PAGASA. Training courses shall cover the operation, maintenance and data interpretation, model capability and mosaics. Training materials shall be provided to the participants.

E. System Commissioning of the Network

After the satisfactory conclusion of the Site Acceptance Test, the **SUPPLIER** shall demonstrate the capability of the radar system which will be operated continuously for a 30-day period using the supplied generator set and AC commercial power, alternately. The successful demonstration thereof shall mean that the radar system has been commissioned.

All expenses incurred, such as, fuel or electric consumption shall be borne by the supplier.

F. System Documentation

The **SUPPLIER** shall likewise provide PAGASA with the radar system's installation, operations and maintenance manuals. Said manuals shall contain, among others, the complete and detailed schematic diagrams, theory of operations, calibration and maintenance procedures.

All other hardware and software requirements shall also be turned-over to PAGASA prior to the issuance of the Final Inspection and Acceptance report

ARTICLE II.
CONTRACT DURATION AND EFFECTIVITY

This Contract for the Supply, Delivery, Testing, Training, Installation and Commissioning of a Coordinated network Composed of One (1) Pulse Compression and Dual Polarization Doppler X-Band Rain Gauge for Davao River basin, Including Factory and On-Site Training for PAGASA Radar Operators, Engineers and Technicians shall be for a period of **eighteen (18) months** and shall immediately commence when the following conditions have been complied with:

1) When the herein Contract has been signed and approved by duly authorized representatives of both **Parties** and duly notarized; and,

2) Upon receipt by the **SUPPLIER** of the Notice to Proceed (NTP) from **PAGASA.**

ARTICLE III.
CONTRACT PRICE / PAYMENT SCHEDULE

For and in consideration of the fulfillment of all the terms and conditions of this Contract and consistent with the government accounting and auditing rules and regulations, **PAGASA** shall pay the **SUPPLIER,** in Philippine Currency, the total amount of **EIGHTY FOUR MILLION FIVE HUNDRED NINETY NINE THOUSAND FOUR HUNDRED TWELVE PESOS (Php84,599,412.00) ONLY** (hereinafter, **"Contract Price")** as bid price offered by the **SUPPLIER,** inclusive of the Value Added Tax (VAT).

Provision of Advance Payment

Pursuant to GPPB Resolution No. 04-2010, dated June 25, 2010, an Advance Payment not to exceed fifteen (15%) percent of the total contract amount shall be allowed by **PAGASA,** upon a written request by the **SUPPLIER** 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 such claim.

The advance payment shall be repaid by the **SUPPLIER** by deducting the amount requested from its final payments.

ARTICLE IV.
PERFORMANCE SECURITY

The **SUPPLIER** shall post a Performance Security payable to the **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)
1. a) Cash or cashier's/manager's check, bank draft/guarantee confirmed by a Universal or Commercial Bank	Five percent (5%)
2. b) Irrevocable letter of credit issued by a universal or Commercial Bank	
3. c) Surety bond callable upon demand; and/or,	Thirty percent (30%)
4. d) Any combination of the foregoing.	Proportionate to share of form with respect to total amount of security

The performance Security shall be **valid until the system has been completely delivered, installed, tested, commissioned, inspected 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.
RETENTION MONEY

The total billing submitted by the **SUPPLIER** will be subject to retention of one percent (1%) referred to as the "**retention money".**

The "retention money" shall be due for release upon final acceptance of the works. The **SUPPLIER** may, however request for the substitution of the retention money for each progress billing with irrevocable standby letter of credit from a commercial bank, bank guarantees or surety bonds callable upon demand, of amounts equivalent to the retention money substituted for and acceptable to the **PAGASA**; *Provided, that*, the **Project** is on schedule and is satisfactorily undertaken. Otherwise, the one percent (1%) retention shall be made. Said irrevocable standby letter of credit, bank guarantee and/or surety bond, to be posted in favor of the **PAGASA,** shall be valid for a duration to be determined by the **PAGASA** and will answer for the purpose for which the one percent (1%) retention is intended *i.e.* to cover uncorrected discovered defects and third party liabilities.

ARTICLE VI.
DELIVERY TERMS AND CONDITIONS

The **Parties** herein agree that the following terms and conditions shall be observed on the delivery of the radar system, its accessories and peripherals:

1) The **SUPPLIER** shall deliver and install a complete hardware of Radar System. It is the supplier's responsibility to assess the newly constructed radar tower building, plan appropriate modifications and provide necessary materials particularly on the installation of the radar transmitter and receiver, Radar antenna and pedestal system that can be mounted on the newly constructed radar tower building, waveguide route, waveguide support, communication cable, power cable, cable rack and grounding system. All materials and workmanship shall be warranted as stated in the warranty section.
2) The supplier shall deliver and install brand-new hardware equipment and it shall belong to a series productions. No refurbished parts are allowed to be used in the system.
3) Terms and condition written under Technical Specification shall also be applied.
4) That, the nameplates intended for the radar equipment/system, its accessories and other peripherals shall bear the manufacturer's/**SUPPLIER**s standard information;
5) That, all items furnished under this Contract must be Cost, Insurance and Freight (CIF)- **Davao.** The **SUPPLIER** shall undertake the transportation of the radar system/equipment at the project site and all risks in this transportation shall be assumed by the **SUPPLIER**.

6) That, the delivery, installation, testing and commissioning of the equipment/system at the project site shall be made by the **SUPPLIER** in the presence of **PAGASA's** Project Monitoring Committee (PMC).

7) That, all site preparations incidental to the installation such as antenna/radome base footing preparation, cable trenches/trays and other related installation works shall be at the expense of the **SUPPLIER.**

8) That, the shipment of the radar equipment including its accessories described in **Article I** of this Contract shall be made on-site at the expense of the SUPPLIER.

9) That, the radar equipment shall be packaged in accordance with best commercial standards for air or sea freight, as the case may be.

ARTICLE VII.
TITLE AND RISK OF LOSS

The **SUPPLIER** shall be responsible for all risks and shall bear the cost of all necessary insurance on the equipment and other related equipment until such equipment shall have been finally accepted by **PAGASA**. It is understood that title and ownership of all equipment called for in this Contract shall be vested to **PAGASA** only upon final acceptance and payment thereof.

ARTICLE VIII.
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 **SUPPLIER**; *Provided that,* the **SUPPLIER** 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.

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 IX.
SECURITY OF THE EQUIPMENT AND PERSONNEL

The **SUPPLIER**, 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 installation phase.

PAGASA shall allow the **SUPPLIER** to assign its own security personnel from the time of delivery of equipment to installation and commissioning of the system.

ARTICLE X.
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, **SUPPLIER** 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.

PAGASA does not have to prove that it has incurred actual damages in claiming for liquidated damages.

Such amount shall be deducted from any money due or which may become due the **SUPPLIER** under the Contract and/or collect such liquidated damages from the retention money or other securities posted by the **SUPPLIER** 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 **SUPPLIER**, **PAGASA** may rescind the Contract, forfeit the **SUPPLIER's** performance security and takeover the prosecution of the Project or award the same to a qualified contractor through negotiated contract.

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

ARTICLE XI.
WARRANTY and AFTER SALES SERVICE

The **SUPPLIER** warrants that it shall strictly conform to all the Terms and Conditions set forth in this Contract. Specifically, the **SUPPLIER** warrants:

1. All workmanship, system parts, accessories, other materials and equipment and services shall be warranted by the **SUPPLIER** for two (2) years. The SUPPLIER shall be required to post a warranty bond in any acceptable form under the procurement law in order to assure that manufacturing defects will be corrected within the warranty period.
2. During the warranty period, any workmanship, system parts, accessories, other materials and equipment that fails to provide satisfactory operation shall be immediately replaced at the SUPPLIER's expense.
3. The repair of any defective material or equipment may be permitted; provided, however, that the item/s being repaired is/are restored to its/their original specifications.
    a. Upon receipt and acknowledgment of PAGASA's report of such defect or problem, the **SUPPLIER** warrants that it shall take the necessary remedial action/s within seven (7) calendar days or any specified period acceptable to PAGASA. Failure on the part of the **SUPPLIER** to take appropriate action within the specified period shall render the **SUPPLIER** liable for penalty using the following formula: warranty bond 730 calendar days (2 years) x number of days of delay. Said penalty shall be charged against any collectible amount by the **SUPPLIER** to PAGASA or shall be deducted from the warranty bond posted by the SUPPLIER in favor of PAGASA.
    b. Customs charges, if any, for re-export/re-import of defective parts/repaired parts or replaced parts to the foreign supplier country for repairs etc. shall be borne by SUPPLIER only.
    c. Transportation cost for sending defective parts for repairs and sending back repaired or replaced one to radar site, shall be borne by supplier itself.
    d. Other condition under warranty clause of "Technical specifications" section shall also be applicable.
    e. Complete schematic diagrams of whole radar system and accessories particularly those not provided by the supplier/manufacturer under section of Systems Documentations must be turned over to PAGASA after the warranty period and before the issue of the final acceptance of the radar system.

    This shall include:

        i. Lists of recommended spare parts with price schedule valid for the next five years. Parts shall include SSPA, modulator, and power supply, TR-limiters, signal processor and receiver components. Mean Time Between Failure (MTBF) of individual recommended spare parts shall be indicated.
        ii. List of major parts with corresponding price in foreign currency (Euro or US dollar) valid for five (5) years without price increase.

    f. Emergency Repairs (Radar System and accessories)
    g. Priority Level-1 (Problems which caused the Weather Radar Operation to stop. Unable to perform normal observation).
        i. Response Time -Within 48 hours from the time the fault/problem is reported. Mobilization might be affected by severe weather condition which might cause cancellation of flight, delay, etc.
        ii. Repair Time

        Within <u>3 days</u> starting from maintenance team arrives at site provided parts are available for the repair.

        Within 10 days after required parts are identified (if parts are not available on site).

    h. Priority Level -2 (Observation is possible, but minor problem is occurring).

i. Response Time - On the scheduled maintenance time.
ii. Repair Time
During the scheduled maintenance time provided parts are available for repair.
Within 10 days after required parts are identified (if parts are not available on site).
Provision of service unit is required to provisionally replace the defective parts until such time that it was repaired.

i. The SUPPLIER shall include in its commitment a dependable long term support for ten (10) years to PAGASA for the repair and maintenance of the radar system to be supplied.

j. It shall include in its commitment a provision of a reliable, swift and efficient on-site support and ensure a quick and readily available supply of spare and replacement parts.

4. That, the warranty for parts and services shall be TWO (2) YEARS ON-SITE on Doppler Weather Radar System. The warranty service begins after the site acceptance test. (SAT)

5. That, the **SUPPLIER** shall provide a clear written warranty describing the type of warranty PAGASA required.

6. All goods to be supplied should be free from all defects and faults in material workmanship and manufacture. They should be of the highest grade and consistent with the established and generally accepted standards for material of the type used and in full conformity with the specifications, drawings, or samples and shall operate properly.

7. The supplier will be required to provide warranty certificate from the Original Equipment Manufacturer (OEM) of the goods.

For this purpose, the **SUPPLIER** shall post a **warranty security** for the period of **two (2) years** (the "**Warranty Period**") to ensure that all manufacturing defects may be corrected within the specified period. The obligation for the warranty shall be covered by either a **retention money** in the amount equivalent to **at least one percent (1%) of the total contract price** or **a special bank guarantee equivalent to at least ten percent (10%) of the total contract price.**

The said amount shall only be released only after the lapse of the warranty period. *Provided, however, that*, the material/equipment supplied are free from patent and latent defects and all the conditions imposed under the contract have been fully met.

The two-year warranty period on all system parts, accessories, paraphernalia and services shall commence upon the issuance of the final acceptance by **PAGASA**.

The **Parties** agree that, during the effectivity of the warranty period, any problem or material defect that may arise or discovered shall be duly and timely reported by **PAGASA** with the **SUPPLIER** or its duly authorized representative/s. The **SUPPLIER** or its duly authorized representative/s shall respond and take appropriate remedial action within **seven (7) calendar days** upon receipt of the **PAGASA** report.

In the event, however, that the **SUPPLIER** fails to take action within the specified period, the **SUPPLIER** will be charged with a penalty of an equivalent amount to be deducted from the warranty bond. The computation shall be made as follows:

$$\text{Penalty} = \frac{\text{warranty bond}}{730 \text{ c.d.}} \times \text{no. of days of delay}$$

In the case of equipment and peripherals ("**third party equipment**") other than the Doppler Weather Surveillance Radar (DWSR) System, the following warranty periods shall be provided by the **SUPPLIER**:

For all local equipment, the **SUPPLIER** shall provide **PAGASA** with a standard warranty period, based on the recommended offers by the third party **SUPPLIER**s/manufacturers and shall commence after final acceptance by the **PAGASA.**

For all imported equipment, the **SUPPLIER** will require Certificates of Compliance and two (2) years Warranty, as the case may be, from all sub-system manufacturers and agrees to make such Certificates/Warranty to be made in favor of the **PAGASA.**

ARTICLE XII.
OWNERSHIP OF DOCUMENTS AND NON-DISCLOSURE OF INFORMATION

Upon acceptance by **PAGASA** of the **Project**, its components, parts and all products, product samples and specifications, data ideas, technology, plans, drawings, designs and technical and non-technical materials, all or any of which may be derived from any of the foregoing (all of which, individually and collectively, referred to as "Proprietary Information") are confidential and proprietary, the ownership of which shall transfer to **PAGASA** upon acceptance by **PAGASA** of the **Project.**

SUPPLIER agrees to hold the Proprietary Information in strict confidence. **SUPPLIER** further agrees not to reproduce, transcribe, or disclose the Proprietary Information to third parties without prior written consent or approval of the **PAGASA.**

ARTICLE XIII.
TERMINATION OF CONTRACT

PAGASA reserves the right to terminate this Contract at any time for a valid cause, without incurring liability and without prejudice to any other right of **PAGASA,** upon the **SUPPLIER's** material default of its obligations under this Contract such as violation of the terms and conditions of this Contract, significant delay in the work schedule that is not attributable to *force majeure* or fortuitous events or any valid reason beneficial to **PAGASA,** fraud, falsification or misrepresentation in any of the documents submitted by the **SUPPLIER** during the accreditation or eligibility check and post qualification*, Provided, however, that*, notice shall first be served by **PAGASA** to the **SUPPLIER**, within ten (10) days from the default, specifying the default and giving the **SUPPLIER** at least thirty (30) days from receipt of the notice to remedy the default. However, if the **SUPPLIER** is adjudged by competent authority, whether final or not, to suffer any sanction for serious infractions, **PAGASA** may unilaterally terminate this Contract at any time even before expiration of thirty (30) days.

ARTICLE XIV.
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 **SUPPLIER** 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 XV.
VALIDITY 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.

ARTICLE XVI.
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 XVII.
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**
Administrator
Fax No. **(02) 434-90-39**

For **SUPPLIER:** Japan Radio Co.,Ltd Philippine Branch Office /
Comm trend Constructions Corporation

Attention: **MR.KOICHI MAKINO**
General Manager
Unit 603, Liberty Center, 104H.V. De la Costa
Salcedo Village, Makati City
Tel./Fax No. **884-8767 / 886-4185 Fax# 844-6812**

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)

By:

VICENTE B. MALANO Ph.D.
Administrator

JAPAN RADIO CO., LTD. PHILIPPINE BRANCH OFFICE / COMM TREND CONSTRUCTION CORPORATION

By:

MR. KOICHI MAKINO
General Manager

Signed in the Presence of:

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

ARNEL D. DIZON
Representative for COMM TREND CONSTRUCTION CORP.

Funds Available:

BERNARD LOUISE C. DATUIN
Office in Charge, Accounting Section
ORS# 2016-12-7354
1060514000

₱ 84,599,412

ACKNOWLEDGEMENT

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

BEFORE ME, personally appeared:

Name	Valid Identification Document	Date Issued	Place Issued
VICENTE B. MALANO	Office ID # 571	12/06/1982	Quezon City
KOICHI MAKINO	Passport #TZ1330533	01/31/2019	Embassy of Japan in the Philippines

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 **TWELVE (12) pages** including this page on which this Acknowledgment is written and has been duly signed by the parties and their witnesses.

APR 17 2019

SIGNED AND SEALED on _____ 2019 at Quezon City.

Doc. No. 371;
Page No. 77;
Book No. VII;
Series of 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