



Republic of the Philippines
DEPARTMENT OF TRANSPORTATION
OFFICE FOR TRANSPORTATION SECURITY

NOTICE TO PROCEED

NOV 15 2021

Date

DEFENSE AND PROTECTION SYSTEM PHILS., INC. (DPSPI)
64 Bautista Street , AFPOVAI Phase II,
AFP Officer's Village, Fort Bonifacio Taguig City, Philippines

Dear Sir/Madam:

The attached Contract Agreement having been approved, notice is hereby given to you that your work may commence on Procurement Project for the Supply, Delivery Installation, Testing and Commissioning of Automatic Explosive Detection System Using Computed Tomography (CT) Technology and Explosive Trace Detector for the Office as per BAC Resolution No. BAC7 2021-08-01 "in response to the requirement of this Office, for the Contract Price **One Hundred Ten Million Eight Hundred Thousand Pesos Only (P 110,800,000.00)** effective upon receipt of this notice.

Accordingly, you shall be responsible in performing the services for this Office under the terms and conditions of the said Contract.

Please acknowledge receipt and acceptance of this Notice by signing in the space provided below, in two copies. Keep one copy and return the other to the Office for Transportation Security.

Very truly yours,

SIGNATURE REDACTED

USEC RAUL L. DEL ROSARIO
Administrator

Conforme:

SIGNATURE REDACTED

JUANITO C. GARCIA
Name of Bidder / Representative

DEFENSE AND PROTECTION SYSTEM PHILS., INC. (DPSPI)

Date: 11-16-2021

SIGNATURE REDACTED

RECEIVED BY:
[Signature]
11/16/2021

CONTRACT AGREEMENT

for the

SUPPLY, DELIVERY, INSTALLATION, TESTING AND COMMISSIONING OF EXPLOSIVE DETECTION SYSTEM USING COMPUTED TOMOGRAPHY (CT) TECHNOLOGIES FOR THE OFFICE FOR TRANSPORTATION SECURITY (OTS)

KNOW ALL MEN BY THESE PRESENTS:

This CONTRACT, entered and executed this 25 NOV 2021 day of _____ 2021 by and between;

the **OFFICE FOR TRANSPORTATION SECURITY**, a national government agency attached to the Department of Transportation (DOTr), created by virtue of Executive Order No. 277, as amended by Executive Order No. 311, with office address at Andrews Avenue corner Aurora Boulevard, Pasay City, represented by its Administrator, Undersecretary Raul L. Del Rosario, hereinafter referred to as the "OTS"

-and-

the **DEFENSE AND PROTECTION SYSTEMS PHILS., INC. (DPSPI)** a private entity duly registered with the Security and Exchange Commission represented by its President, **JOSE MARI C. CASTAÑEDA**, with office address at 64 Bautista Street, AFPOVAL Phase II, AFP Officer's Village, Fort Bonifacio Taguig City, Philippines hereinafter referred to as the "DPSPI" of the other part

WHEREAS, the **OTS** is desirous in entering into a Procurement of Supply, Delivery, Installation, Testing and Commissioning of Explosive Detection System Using Computed Tomography (CT) Technologies for the Office for Transportation Security (OTS);

WHEREAS, the **OTS**, through its Procuring Agent, the Department Budget of Budget and Management-Procurement Service (DBM-PS) invited bids for certain Goods and Services for the Procurement of Supply, Delivery, Installation, Testing and Commissioning of Explosive Detection System Using Computed Tomography (CT) Technologies for the Office for Transportation Security (OTS);

WHEREAS, the DBM-PS advertised and posted calls for tenders for one (1) lot Procurement of Supply, Delivery, Installation, Testing and Commissioning of Explosive Detection System Using Computed Tomography (CT) Technologies for the Office for Transportation Security (OTS) under *PB NO. 21-057-7*;

WHEREAS, the DBM-PS BAC -VII issued a Notice of Third Lowest Calculated Bid on August 4, 2021 to **DPSPI** and was subjected to post qualification and evaluation;

WHEREAS, upon careful examination, validation and verification of the technical and financial documents submitted, the bid of the **DPSPI** was found to be **Responsive**;

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WHEREAS, the DBM-PS BAC – VII issued a notice of Lowest Calculated and Responsive Bid (LCRB) to the DPSPI on August 16, 2021, for the aforementioned project in the amount of **One Hundred Ten Million Eight Hundred Thousand Pesos Only (P110,800,000.00)** referred to as the “Contract Price”;

WHEREAS, the **OTS** is the Procuring Entity and **DPSPI** is the supplier awarded with the contract by the virtue of DBM-PS BAC VII Resolution No. BAC7-2021-08-01 dated August 20, 2021;

WHEREAS, the DBM-PS BAC-X has endorsed/recommended to the Head of Procuring Entity, Undersecretary Raul L. Del Rosario the award of contract to the **DEFENSE AND PROTECTION SYSTEMS PHILS., INC. (DPSPI)**;

NOW, THEREFORE, in consideration of the foregoing and further commitments as hereinafter set forth, the parties agree as follows:

I. SCOPE

In this Contract, words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of the Contract herein referred to for the Supply, Delivery, Installation, Testing and Commissioning of Explosive Detection System Using Computed Tomography (CT) Technologies for the Office for Transportation Security (OTS consisting of the following:

Quantity	Item /Description
4 Units	Explosive Detection System Using Computed Tomography (CT) Technologies

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.

II. PRICE

For the given scope of work in this Contract as awarded, all prices are considered fixed prices and therefore not subject to price escalation during the contract implementation except under extraordinary circumstances and upon prior approval of the Government Procurement Policy Board (GPPB). The total Contract Price for this project activity is **One Hundred Ten Million Eight Hundred Thousand Pesos Only (P110,800,000.00)**.

III. PERFORMANCE SECURITY

The **DPSPI** shall post a security bond to guarantee its full and faithful performance equivalent to the amount required under R.A. 9184. The Performance Security shall be denominated in Philippine Peso in favor of **OTS** which shall be forfeited in the event it is established that the **DPSPI** is in default in its any of its obligations under the Contract.

IV. PAYMENT

Advance Payment – No advance payment shall be allowed under this contract;

On Delivery	Sixty-Five percent (65%) of the Contract Price shall be paid to the DPSPI within sixty (60) calendar days after the receipt of
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	Goods and upon submission of the relevant documents in accordance with the prevailing accounting and auditing rules and regulation.
On Installation and Commissioning	Fifteen Percent (15%) of the Contract Price shall be paid to the DPSPi within sixty (60) calendar days after the date of installation of Goods and upon submission of the relevant documents in accordance with the prevailing accounting and auditing rules and regulation including corresponding service/testing report or equivalent.
On Acceptance	Twenty Percent (20%) of the Contract Price shall be paid to the DPSPi within sixty (60) calendar days after the submission of the acceptance and inspection certificate for the respective delivery issued by OTS authorized representatives and upon submission of the relevant documents in accordance with the prevailing accounting and auditing rules and regulation.

Partial Payment for partial delivery of goods is allowed provided that such payment shall correspond to the 65% value of the goods delivered or 15% value of good installed/commissioned or to the 20% value of goods accepted in accordance with the prevailing accounting and auditing rules and regulation.

V. TAXES AND DUTIES

The DPSPi shall be entirely responsible for all the necessary taxes, stamp duties, license fees and other such levies imposed for the imposition of this Contract.

VI. INSPECTION AND TESTS

The Administrator, OTS or his duly authorized representatives 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 OTS.

The OTS shall notify the DPSPi in writing, in a timely manner, of the identity of its authorized representatives.

The inspections and tests shall be conducted on the premises of the DPSPi or its subcontractor, at the place of delivery, and/or at the goods' final destination. If conducted on the premises of the DPSPi, all reasonable facilities and assistance, including access to drawings and production data, shall be furnished to the inspectors at no charge to the OTS. The DPSPi shall provide the OTS with results of such inspections and tests.

The OTS or its authorized representative shall be entitled to attend the tests and/or inspections referred to in the Clause¹ provided that the OTS shall bear all of its own costs and expenses incurred in connection with such attendance including, but not limited to traveling expenses.

The OTS shall reject any Goods or any part thereof that fail to pass any test and/or inspection or do not conform to the specifications. The DPSPi shall either rectify or replace such rejected Goods or parts thereof or make alterations necessary to meet

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the specifications at no cost to the **OTS**, and shall repeat the test and/or inspection, at no cost to the **OTS**.

The **DPSPI** agrees that neither the execution of a test and/or inspection of the Goods or any part thereof, nor the attendance by the **OTS** or its authorized representative, shall release the **DPSPI** from any warranties or other obligations under this Contract.

VII. WARRANTY

The **DPSPI** warrants that the Goods and parts supplied under the Contract are new, unused and thereof fit for the purpose for which the same were procured. Further, it shall warrant that the Goods supplied under this Contract shall have no defect, arising from design, materials or workmanship or from any act of omission of the **DPSPI** that may develop under normal use of the supplied Goods in the conditions prevailing in the place of its final destination.

VIII. DOCUMENTS AND INFORMATION

The following documents shall be deemed to form and be read and construed as part of this Agreement:

Bidding Documents	Tab "A"
Supplemental Bid Documents	Tab "B"
Bid Submission	Tab "C"
Technical Documents	Tab "D"
Financial Documents	Tab "E"
Notice of Award	Tab "F"
Performance Security	Tab "G"
Winning Bidders Bid	Tab "H"

IX. PLACE OF DELIVERY

The Place of delivery of four (4) units Explosive Detection System Using Computed Tomography (CT) Technologies are as follows:

SECURITY SCREENING EQUIPMENT	QTY	PLACE OF DELIVERY
Explosive Detection System Using Computed Tomography (CT) Technologies	4	Puerto Princessa International Airport, Puerto Princessa City, Palawan; Davao International Airport, Davao City; Gen. Santos International Airport, Gen. Santos City; and Zamboanga International Airport, Zamboanga City.

X. DELAY IN THE DPSPI's PERFORMANCE

Delivery of the Goods shall be made by the **DPSPI** in accordance with the time schedule prescribed by the **OTS**. If in any time during the performance of this Contract, should **DPSPI** encounter conditions impeding timely delivery of the Goods or performance of services, the **DPSPI** shall promptly notify **OTS** in writing the fact of the delay, its likely duration and its valid and justifiable cause(s). As soon as practicable, after the receipt of the **DPSPI** notice, the **OTS** shall evaluate the situation and may extend the **DPSPI** time for performance, in which case the

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XI. LIQUIDATED DAMAGES

If **DPSPI** fails to satisfactory deliver any or all of the Goods and/or to perform services within the period specified in this contract inclusive of duly granted time extension of any, the **OTS** shall without prejudice to its other remedies under this contract and other under the applicable law, deduct from the contract price, as liquidated damages, the applicable rate of 1 tenth (1/10) of 1 percent (1%) of the cost of unperformed portion for every day of delay until the actual delivery or performance. One the cumulative amount of liquidated damages reached ten percent (10 %) of the amount of the contract, the Procuring Entity may rescind or terminate the contract, without prejudice to other courses of action and remedies available under the circumstance

XII. SETTLEMENT OF DISPUTES

If any disputes or difference of any kind whatsoever shall arise between the **OTS** and the **DPSPI** in connection with or arising out of this Contract, the dispute shall be resolve in accordance with Republic Act 9285, otherwise known as the "Alternative Dispute Resolution Act of 2004".

XIII. CONTRACT AMENDMENT

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

XIII. APPLICATION

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

IN WITNESS HEREOF, the parties hereto have caused this Agreement to be executed this ____ day of ____ 2021.

**OFFICE FOR TRANSPORTATION
SECURITY**

**DEFENSE AND PROTECTION
SYSTEMS PHILS. INC.**

BY:

SIGNATURE REDACTED

USEC. RAUL L. DEL ROSARIO
Administrator

BY:

SIGNATURE REDACTED

JOSE MARI C. CASTAÑEDA
President

SIGNED IN THE PRESENCE OF:

SIGNATURE REDACTED

DIR. JOSE A. BRIONES JR.
DBM-PS BAC-X Ad Hoc Member

SIGNATURE REDACTED

MR. ELVIN B. TINSAY
OTS Chief Accountant

SIGNATURE REDACTED

MR. VIRGILIO A. RAYMUNDO
Senior Vice President

SIGNATURE REDACTED

MR. JUANITO C. GALLARDO
Vice President

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
 CITY OF ~~PASAY~~ **MAKATI CITY**) S.S

BEFORE ME, a Notary Public for and in the City of ~~Pasay~~ **MAKATI CITY**, this 25 day of NOV 2021 appeared the following persons presenting to me their respective identifications, to wit:

Name	Competent Evidence of Identity	Date & Place of Issue
USEC RAUL L. DEL ROSARIO Administrator OFFICE FOR TRANSPORTATION SECURITY		
JOSE MARI C. CASTAÑEDA President DEFENSE AND PROTECTION SYSTEMS PHILS., INC.		

Known to me and to me known to be the same persons who executed and voluntarily signed the foregoing Agreement which they acknowledged before me as their own free and voluntary act and deed and with full authority to sign in that capacity.

This Contract consisting of six (6) pages including this page on which this Acknowledgment is written, signed by the parties and their witnesses on each and every page thereof.

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

[Handwritten signature]

Doc. 228;
 Page 15;
 Book XVI;
 Series of 2021.

ATTY. GERVASIO B. ORTIZ JR.
 NOTARY PUBLIC
 UNTIL DECEMBER 31, 2021
 PTR NO. 8531011 JAN 04, 2021
 IBP NO 656155 LIFETIME MEMBER
 ROLL NO 40091-MAKATI CITY
 MCLE COMPLIANCE NO. VI-0024312
 APPT. NO. M-40/04-14-22
 ADD: URBAN AVE. BRGY. PIO DEL PILAR, MAKATI CITY

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