

**CONTRACT FOR THE SUPPLY, DELIVERY, INSTALLATION AND
COMMISSIONING OF VESSEL TRAFFIC MANAGEMENT SYSTEM (VTMS)
AT THE PORTS OF DANGAY (ROXAS, MINDORO), ILOILO, DAVAO AND
ZAMBOANGA**

KNOW ALL MEN BY THESE PRESENTS:

This Contract made and entered into by and between:

PHILIPPINE PORTS AUTHORITY, a government instrumentality created under and by virtue of Presidential Decree No. 857, as amended, with principal office address at Bonifacio Drive, South Harbor, Port Area, Manila, represented herein by its duly authorized General Manager, **ATTY. JUAN C. STA. ANA**, hereinafter referred to as the "**AUTHORITY**";

-and-

(Name of Contractor), a corporation duly organized and existing in accordance with the Philippine Laws, with principal office address at _____, represented herein by its duly authorized President/General Manager _____, as evidenced by the Secretary's Certificate dated _____, a copy of which is attached hereto as Annex "A" and made integral part hereof, hereinafter referred as the "**CONTRACTOR**".

WITNESSETH:

WHEREAS, one of the corporate duties of the AUTHORITY as embodied in Presidential Decree No. 857, as amended, is to provide services (whether on its own, by contract or otherwise) within the Port District and the approaches thereof;

WHEREAS, as a signatory to the International Convention for the Safety of Life at Sea (SOLAS), the Philippine government is committed to undertake measures and provide services in improving the safety and efficiency of vessel traffic, reducing the risk of vessel traffic accidents in the harbors and approaches and protecting the environment;

WHEREAS, it is stated in the revised Chapter 5 (Safety of Navigation) of SOLAS, with entry into force on 1 July 2002, that "Vessel Traffic Service (VTS) contributes to safety of life at sea, safety and efficiency of navigation and protection of maritime environment, adjacent shore areas, work sites and offshore installations from possible adverse effects of maritime traffic";

WHEREAS, there is a need to establish Vessel Traffic Management System (VTMS) at least in major ports of the country, in keeping with and in order to comply with the up-to-date standards set by the International Maritime Organization (IMO) pursuant to the SOLAS Convention pertaining to vessel traffic service;

WHEREAS, in accordance with Republic Act No. 9184 and its Implementing Rules and Regulations, PPA advertised and published in newspaper of general

circulation and posted in the Websites of PPA and G-EPS as well as in its bulletin board an Invitation to Bid for the Supply, Delivery, Installation and Commissioning of Vessel Traffic Management System (VTMS) at the Ports of Dangay (Roxas, Mindoro), Iloilo, Davao and Zamboanga;

WHEREAS, the Contractor and other registered firms/bidders submitted their respective bids for the said VTMS at the ports mentioned above on _____;

WHEREAS, after opening of bids submitted, and the conduct of bid evaluation and required post-qualification by the PPA Special Bids and Awards Committee, the bid of the CONTRACTOR as set forth in its proposal was found to be the "single/lowest calculated and responsive bid" in the amount of _____ (Php _____), Philippine Currency.

WHEREAS, pursuant to the PPA Special Bids and Awards Committee Resolution No. _____, dated _____, the award of the Contract for the Supply, Delivery, Installation and Commissioning of Vessel Traffic Management System (VTMS) at the Ports of Dangay (Roxas, Mindoro), Iloilo, Davao and Zamboanga was made to the CONTRACTOR in a Notice of Award dated _____; and

WHEREAS, the CONTRACTOR duly accepted the award by signing its conforme on the Notice of Award.

NOW, THEREFORE, for and in consideration of the foregoing premises and the mutual covenants, stipulations and agreements herein contained, the AUTHORITY and the CONTRACTOR have agreed as they do hereby agree and contract as follows:

ARTICLE I

CONTRACT DOCUMENTS

1.1 The following documents shall constitute integral parts of this Contract, as fully as if the contents of the said documents are reproduced, incorporated and set forth herein, and shall govern and control in full force and effect the rights and obligations of the Parties, except as otherwise modified by the terms and conditions of this Contract, or by mutual agreement in writing of both parties, to wit:

- 1.1.1 Invitation to Bid
- 1.1.2 Bid Documents and the Addendum thereto
- 1.1.3 Authority of the Signing Officials
- 1.1.4 Contractor's Bid Proposal consisting of the following
 - 1.1.4.1 Technical Proposal
 - 1.1.4.2 Financial Proposal
- 1.1.5 Bidder's Bond
- 1.1.6 Resolution of the SBAC Recommending Award
- 1.1.7 Notice of Award of Contract and Contractor's "conforme" thereto
- 1.1.8 Performance Security
- 1.1.9 Notice to Proceed
- 1.1.10 Certificate of Availability of Funds
- 1.1.11 Other documents that may be required under existing laws

1.2 All contract documents are and shall remain the property of the AUTHORITY.

- 1.3 The words and expressions used in this Contract shall purport the same meaning as they are used in the Contract Documents referred to in Section 1.1 of this Article.

ARTICLE II

CONTRACTOR'S UNDERTAKING

2.1 SCOPE OF WORK

2.1.1 The scope of work to be performed and undertaken by the CONTRACTOR under this Contract for the Supply, Delivery, Installation and Commissioning of Vessel Traffic Management System (VTMS) at the Ports of Dangay (Roxas, Mindoro), Iloilo, Davao and Zamboanga, shall be those specified in the Terms of Reference (TOR) for the aforementioned bidding and its annexes, Supplemental/Bid Bulletins, Schedule of Requirements and other pertinent Contract Documents which form parts of this Contract. In particular, the following shall be performed and undertaken by the CONTRACTOR:

- 2.1.1.1 Conduct of a separate study and review to validate the requirements of the project and to augment the same as appropriate subject to the approval of PPA and at no cost to PPA, and shall entail no revision of the Approved Budget for the Contract (ABC).
- 2.1.1.2 Construction of Control Center in each of the ports under consideration. Any proposal or changes in the design or development of the same shall be coursed thru PPA for approval at no cost to PPA and no addition to the contract cost. Locations of the Control Center are specified through coordinates (i.e. longitude and latitude). The Center shall be at a location which will not be affected by any future development in the ports.
- 2.1.1.3 Soil exploration (min. of 1 borehole per location, L=30m) for identification of soil bearing capacity shall be at the expense of the CONTRACTOR.
- 2.1.1.4 Application of "Open System Architecture" (OSA), both in hardware and software. The standard interfaces shall be used to enable the system to be connected to other sources or users of information. The system must be able to accommodate technical upgrades during its lifetime.
- 2.1.1.5 Contractor shall guarantee a specified degradation period. System shutdown during the period shall require system restoration to the account of the Contractor.
- 2.1.1.6 Supply a system that can detect, plot and track vessels and stationary objects like shore lines and navigational aids. It must have user friendly displays, which show the detected objects on the background of an electronic chart, known as Electronic

Navigational Chart (ENC), approved by the NAMRIA, which shall be state of the art.

- 2.1.1.7 Installation of consoles with at least, but not limited to, the following functional capabilities:
 - 2.1.1.7.1 Accept data from the sensors and integrate it to enhance detection of vessels and stationary objects
 - 2.1.1.7.2 Accept information from the data bases and integrate it with that of the vessel position information on the traffic display
 - 2.1.1.7.3 Provide data about vessel movements to appropriate data bases
 - 2.1.1.7.4 Process data for the Display and for the distribution to other users
 - 2.1.1.7.5 Perform operations for the automatic control of sensors
 - 2.1.1.7.6 Perform calculations and logic operations for the automatic resolution of traffic conflicts and issue warnings
 - 2.1.1.7.7 Growth potential by providing 50% spare memory and 60% spare processor capability
 - 2.1.1.7.8 Capable of monitoring all the controlled functions and forward designated results to the display
- 2.1.1.8 Provision of traffic displays with menu-oriented access for the operator and shall use windows for the detailed display of all functions The main windows shall have the following features and capabilities:
 - 2.1.1.8.1 Access control to operator controllable data handling functions
 - 2.1.1.8.2 Choice of currently monitored functions
 - 2.1.1.8.3 System window: General system status information, sensor status
 - 2.1.1.8.4 Traffic situation window: charts, plots, tracks, sectors, fairways, anchor areas, coastlines, outlines of shoals, navigational aids, alert zones
 - 2.1.1.8.5 Target identification, traffic situation alerts (collision avoidance, SAR applications, etc.)
 - 2.1.1.8.6 Clutter window: maps, type, height, threshold
 - 2.1.1.8.7 Built in and Test Equipment (BITE), equipment alert levels
 - 2.1.1.8.8 Equipment alert window: at least three levels
 - 2.1.1.8.9 Operator window: to facilitate communication for the operator, such as sending and receiving messages relevant to his work
 - 2.1.1.8.10 Data Handling
- 2.1.1.9 Installation of LAN network components for the control center.
- 2.1.1.10 Provision of traffic display that is selectable by the operator as to the type, manner and combination of information for display and that includes, but need not be limited to, the following:

- 2.1.1.10.1 Plots
- 2.1.1.10.2 Raw video
- 2.1.1.10.3 Tracks with course vectors and labels
- 2.1.1.10.4 Range and sector markers
- 2.1.1.10.5 Charts
- 2.1.1.10.6 Capability to zoom and off-center to maximum range
- 2.1.1.10.7 Measurement of distance and bearing between any two points in the position sensor coverage area
- 2.1.1.10.8 Closest Point of Approach (CPA) and Time to Closest Point of Approach (TCPA) for vessels and any point or line and vessel. Warnings (visual, audible and other electronic alert) of critical values of CPA and TCPA
- 2.1.1.10.9 Guard lines and circles, warnings and alarms when a vessel crosses these marked boundaries (visual, audible and other electronic alert)
- 2.1.1.11 Supply, test, calibration, installation and setting to work of the following equipment and systems including the components and subsystems thereof in accordance to the specifications of the manufacturers and existing standards and regulations:
 - 2.1.1.11.1 Radar
 - 2.1.1.11.2 Automatic Identification System (AIS)
 - 2.1.1.11.3 VHF Communication system
 - 2.1.1.11.4 Database system
 - 2.1.1.11.5 Closed Circuit TV (CCTV) system
 - 2.1.1.11.6 VHF radio directional finder (VHF-DF)
 - 2.1.1.11.7 Multi-integrated tracker with anti-virus server
 - 2.1.1.11.8 Recording and playback Processor
- 2.1.1.12 Provision of VTMS that has 99.9% maximum system availability with high redundancy and independent operation of subsystems as well as fallback operational modes in case of malfunctioning of subsystem parts.
- 2.1.1.13 Supply of a system that has automated functions which include the calculations of Closest Point of Approach (CPA) and Time to CPA (TCPA) and warnings of potential collisions as well as course deviations from shipping lanes and proximity to danger zones. The warning from the system to the controller must be timely and concise, i.e. alarm is automatically activated if CPA is 0.2 nautical miles and 5 minutes for TCPA subject to amendment to be agreed upon by the CONTRACTOR and the AUTHORITY.
- 2.1.1.14 Provision of traffic display using symbols that conform to IMO recommendations, with the addition of other symbols to convey to the operator required information.
- 2.1.1.15 Application of redundancy concept for the following equipment/installations:
 - 2.1.1.15.1 VTMS LAN
 - 2.1.1.15.2 Workstations

- 2.1.1.15.3 Radar transceivers/transmitters
- 2.1.1.15.4 Radar data processor
- 2.1.1.15.5 Multi or Integrated tracker
- 2.1.1.16 Completion of contract/project shall not be more than twelve (12) months from the receipt of the Notice to Proceed. Failure to complete will be subject to liquidated damages.
- 2.1.1.17 Organization and conduct of the training program for operators and VTMS personnel which shall be handled by technical personnel of PPA and winning bidder in coordination with HRMD. The training courses shall be conducted separately at the respective areas of the concerned ports. Planning of training shall be done in coordination with PPA designated Project Manager for VTMS Project for a period of approximately four (4) weeks. The hands-on training shall be conducted after the training course and shall be extended up to six (6) months with the assistance of the technical personnel of the winning bidder. The content of training module shall include but not limited to the following:
 - 2.1.1.17.1 International instruments that require VTMS and related navigational aids
 - 2.1.1.17.2 Basic physics of radar
 - 2.1.1.17.3 Basic concept and operation of radar
 - 2.1.1.17.4 Knowledge, understanding and operation of all components and controls of the system and
 - 2.1.1.17.5 Ability to require changes in system configuration and software
- 2.1.1.18 Conduct of Factory Acceptance Test (FAT) by PPA VTMS Project Manager and Site Acceptance Test (SAT) by concerned PMOs, which shall be completed within the 12 month period and shall be done separately in the following order:
 - 2.1.1.18.1 Port of Davao
 - 2.1.1.18.2 Port of Zamboanga
 - 2.1.1.18.3 Port of Iloilo
 - 2.1.1.18.4 Terminal Port of Dangay
- 2.1.1.19 Supply and installation of a complete ORACLE or SQL based Management and Information System with sufficient capacity for the design system and for future extensions.

2.2 RESPONSIBILITIES OF THE CONTRACTOR

- 2.2.1 The CONTRACTOR shall assume full responsibility for the entire contract work until its final acceptance by the AUTHORITY and shall be held responsible for any damage or destruction of works until such final acceptance.
- 2.2.2 The CONTRACTOR 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.

- 2.2.3 Any actionable act or acts of **(CONTRACTOR'S SIGNING AUTHORITY)** arising out of or in the course of this Contract shall be understood and binding as an act of the CONTRACTOR and vice versa.
- 2.2.4 The CONTRACTOR shall likewise be responsible for:
- 2.2.4.1 The supply, transport, delivery, installation, starting-up, operationalization, and commissioning of brand new equipment and software components for the entire system.
 - 2.2.4.2 The availability of spare parts during the 15 year life.
 - 2.2.4.3 Guaranteeing that all software and hardware have been tested and inspected prior to their delivery.
 - 2.2.4.4 Guaranteeing that all major equipment and system as a whole including its components and subsystems have a life expectancy of 15 years. After the turnover of equipment and facilities, qualified technical personnel shall be on standby and shall be ready to attend to technical problems that may occur within the warranty period.
 - 2.2.4.5 Ensuring that all software components are licensed to the AUTHORITY.
 - 2.2.4.6 Guaranteeing that the components are standard state-of-the-art equipment and have been proven as successful operation in foreign ports.
 - 2.2.4.7 The use, to the maximum extent possible, of Commercial Off-the-Shelf (COTS) equipment that is available in local market.
 - 2.2.4.8 Preparation including traveling expenses of officially designated PPA Inspectors and technical personnel for the conduct of Factory Acceptance Test (FAT).
 - 2.2.4.9 Supply of Operator's and Service Manuals, in print and soft copy versions (PDF searchable).
 - 2.2.4.10 Securing and payment of the necessary permits/clearances issued by the National Telecommunication Commission, Local Government Units and other government agencies.
 - 2.2.4.11 Payment of all taxes, import duties, port dues and other charges.
 - 2.2.4.12 Providing the manufacturers' operational and maintenance manuals for COTS components and subsystems.
 - 2.2.4.13 Ensuring that all operator oriented documentations, manuals and all information displayed on the screen, including symbols, menus etc. shall be in the English language, using standard IMO symbols.

- 2.2.4.14 Ensuring that human interface of the system shall be designed using the related IMO standards and recommendations particularly for operational procedures and symbology.
- 2.2.4.15 Providing one (1) year warranty period for the system including parts and components thereof.
- 2.2.4.16 Mobilization of the specified equipment for each Control Center to carry out the supervision of the works.
- 2.2.4.17 Employment of key personnel for each Control Center to carry out the supervision of the Works. The AUTHORITY shall approve any proposed replacement of key personnel, only if their relevant qualifications and abilities are equal to or better than those of the personnel listed in the submitted Schedule.
- 2.2.4.18 Securing all necessary permits needed in the implementation of the Control Center on the account of the CONTRACTOR.
- 2.2.4.19 Ensuring that if there is a need to relocate the Control Center, the cost of any new or additional surveys, shall be for the account of the CONTRACTOR.

2.3 EQUIPMENT DESCRIPTIONS AND SPECIFICATIONS

2.3.1 Radar Antenna

- 2.3.1.1 Circular polarization
- 2.3.1.2 Frequency: 9100 - 9500 MHz
- 2.3.1.3 Rotation rate: approx. 23 rpm
- 2.3.1.4 Effective range: approx. 24 nautical miles (no rain) and 19 nautical miles (heavy rain)
- 2.3.1.5 Traffic handling capacity: 300 targets simultaneously
- 2.3.1.6 Target height: min. 5 meters
- 2.3.1.7 Design life: ≥ 15 yrs
- 2.3.1.8 Power Input: single phase, 220 V ~ 60 Hz
- 2.3.1.9 Operational Wind: 40 - 45 m/sec
- 2.3.1.10 Survival Wind: 60 - 65 m/sec

2.3.2 Closed Circuit Television (CCTV)

- 2.3.2.1 Function: automatic (switching over from color to black and white when the conditions are changing) or auto focus; with pan, tilt and zoom control
- 2.3.2.2 Installation: waterproof housing with pan/tilt platform
- 2.3.2.3 Size of monitor: 17"
- 2.3.2.4 High sensitivity
- 2.3.2.5 Pan Angle: 360 degrees endless
- 2.3.2.6 Tilt Angle: +20 degrees to -70 degrees
- 2.3.2.7 Zoom lens

2.3.3 Radar Transceiver/Transmitter

- 2.3.3.1 Mechanical layout: Rack Mount or self-stand type
- 2.3.3.2 Receiver Sensitivity: High with very low noise figure
- 2.3.3.3 Interference Rejection: Capable of canceling other interferences from other ship-borne and land-based radars by sweep stagger function
- 2.3.3.4 Pulse Lengths and Pulse Repetition Frequencies: High detection performance with best resolution in range and azimuth. Configuration: Dual transceiver with hot-standby redundancy connected via an electronically controlled waveguide switch to the antenna waveguide
- 2.3.3.5 System Control: Digital with manual and automatic tuning, built-in test system, choice of the radar pulse lengths, transceiver selection in a redundant configuration and on/off/standby
- 2.3.3.6 Transmission Frequency: 9375 MHz \pm 30 MHz
- 2.3.3.7 Magnetron Pulse Peak Power: 25 - 50 kW nominal

2.3.4 Multi Tracker Integrated Processor

2.3.4.1 Main Functions

- 2.3.4.1.1 Central track management with multi-sensor track fusion for radar and AIS tracks
- 2.3.4.1.2 Comprehensive track monitoring on area surveillance, collision assessment and speed monitoring and with recording and playback processor
- 2.3.4.1.3 Fully synchronous multimedia data logging including radar images, track data, track alarms, voice communication, remote sensors data and system alarms
- 2.3.4.1.4 Permanent control of communications with remote stations
- 2.3.4.1.5 Central diagnostic functions from system status and fault localization

2.3.4.2 Design Features

- 2.3.4.2.1 High speed operating system
- 2.3.4.2.2 Traffic handling capacity: 2000 targets at any one time
- 2.3.4.2.3 High resolution radar and signal data logging with no signal degradation
- 2.3.4.2.4 Full radar recording of all radars with total operational range, independent of the display settings
- 2.3.4.2.5 Standardized interfaces for system-wide communication
- 2.3.4.2.6 Hardware components are of commercial high standard
- 2.3.4.2.7 Redundancy of hard disk components

2.3.5 Radar Data Processor

2.3.5.1 Radar preprocessing with

- 2.3.5.1.1 high video bandwidth processing

- 2.3.5.1.2 supreme resolution in range and azimuth raw radar video processing with precise amplitude resolution
- 2.3.5.1.3 correlation in range, azimuth and time, for improved detection performance
- 2.3.5.1.4 receiver blanking to eliminate undesired land clutter
- 2.3.5.2 Target extraction with
 - 2.3.5.2.1 target detection by constant false alarm rate (CFAR) processing
 - 2.3.5.2.2 automatic adaptive area dependent clutter threshold calculation
 - 2.3.5.2.3 target extraction with retention of echo original shapes and target
- 2.3.5.3 Radar tracking with
 - 2.3.5.3.1 sophisticated plot-to-track correlation to prevent target swapping
 - 2.3.5.3.2 high tracking accuracy and tracking capability during fast maneuvers
 - 2.3.5.3.3 video extraction for transmission over broadband links
 - 2.3.5.3.4 standard output for easy and industry standard connections between remote radar site and Control Center
 - 2.3.5.3.5 with Service Monitor (Back up traffic display monitor)
- 2.3.5.4 Data communication function
 - 2.3.5.4.1 With raw radar video processing capable for transfer of the full radar video signal to the traffic displays at the operators' work stations, i.e. with no automatic target extraction threshold in the process and consequently with smallest possible echo transfer
 - 2.3.5.4.2 Expandability for additional installations of displays or sensors
 - 2.3.5.4.3 Radar track display: various track types; visualization of dangerous cargo vessels and special vessel guard zones for collision warnings
- 2.3.6 VHF Communication Equipment
 - 2.3.6.1 Redundancy: High, operating on simplex, semi-duplex and full duplex modes
 - 2.3.6.2 Number of channels: Full multi-channel capabilities, 55 international maritime channels and 6 or more private channels
 - 2.3.6.3 Control: Full remote control of all transceivers function
 - 2.3.6.4 Installations: Both radios use the same antenna via a duplex filter
 - 2.3.6.5 Interfaces: VHF antenna, voice output and voice input, and for synthetic voice for broadcasting of messages like weather forecast, water levels and similar information which will be connected at the VHF control panel
 - 2.3.6.6 Phone patch: To connect public telephone line to any one of the VHF radios

2.3.6.7 Effective range: approx. 25 km

2.3.7 Automatic Identification System (AIS)

2.3.7.1 The information supplied by the AIS transponder installed on ships shall be displayed on the traffic displays at the Operators' Work Stations in graphical and text form for automatic identification of such ships. The system shall be:

2.3.7.1.1 Continuous, dual channel, operating on two VHF high seas

2.3.7.1.2. Be reconfigured for any VHF channel

2.3.7.1.3 Fully automatic and broadcast capable

2.3.7.1.4 Fully integrated into the VTMS

2.3.7.1.5 Able to display on the display monitor the name of the vessel and speed

2.3.7.1.6 Provided with two (2) transponders for redundancy which are housed in one (1) unit

2.3.8 Database System

2.3.8.1 Computer system consisting of 2 unit-server system that provides full hardware, software and data redundancy. Database for server and clients with separate display

2.3.8.2 To be integrated into the VTMS or to be used as a stand-by unit

2.3.8.3 Size of each data base display: 21"

2.3.8.4 To be provided with anti-virus server that have the following:

2.3.8.4.1 updated information of the virus vaccine

2.3.8.4.2 A quantity of IP transmission monitor function of the management object monitor

2.3.8.4.3 The non-recognition process detection function with the management object computer

2.3.8.5 System designed for multiple users (can handle at least 8 simultaneous users)

2.3.8.6 With external access via internet for forecasting incoming ships, provided with password for authentication and based on commercial database (e.g. ORACLE or SQL server)

2.3.8.7 To be provided with tool for automatic data back up and restoring information

2.3.8.8 Prevents user to remove data on which other data is dependent for consistency and transaction monitoring. The system must therefore use reference data (i.e. just one time input and usage everywhere)

2.3.8.9 To be provided with user interface to enter new vessel data, modify existing vessel data and search for a vessel, by vessel name, call-sign or country. The search criteria will allow the use of wildcards

2.3.8.10 System is capable of maintaining at least 100,000 records of vessel data. The system shall allow outsourcing and archiving facilities

2.3.8.11 Requires password for the user's access, user's name and Position in the VTMS Control Center

- 2.3.8.12 System is capable of dynamic multi language for the user to be able to define his own language, labels, menus, description, etc.
- 2.3.8.13 Provides data bases to support the following tasks:
 - 2.3.8.13.1 Extended vessel detailed identification using own or imported ship data bases, e.g. Lloyds
 - 2.3.8.13.2 Traffic scheduling (ship's arrival and departure, ETA and ETD) and reporting
 - 2.3.8.13.3 Wizard, for fast identification of new ship visit with predefined attributes. For "unknown" ship visit, the system should allow the late completion of data but should maintain its control. Capable of storing full visit history of ship and its sequence of actions, i.e. movement and berthing
 - 2.3.8.13.4 Destination: Port, anchorage or berth area, cargo and passenger information (cargo and passenger manifests)
 - 2.3.8.13.5 Hazardous goods (IMDG) coding
 - 2.3.8.13.6 Information exchange. System should be able to interface with other applications such as Excel, MS Word, MS Access or Crystal Report and can be exported into flat files such as ASCII, CSV or HTML. External SQL interface is required to read the data directly or via ODBC from the MIS Database by 3rd party SQL editors and execute any SQL select queries by the customer. The operating system for the MIS server must be at least Windows NT. The system should contain Publisher and Notice board facilities within the database, to publish categorized messages and documents with a configurable access for different users. The system should support all common document formats and the user should be able to check/confirm if the recipient has read the sent message
 - 2.3.8.13.7 Port facilities management (port structure, port equipment, radar stations, maintenance log and service details) with maintenance history and automatic maintenance reminder
 - 2.3.8.13.8 Berth management. The system should allow the change in the berth specifications such as the name or number, draft, etc. and with built in automatic trigger reporting for restricted or dangerous areas
 - 2.3.8.13.9 Retrieval of relevant addresses of port clients and users. The VTMS-MIS data exchange must be configurable
 - 2.3.8.13.10 Roster facility, to plan human resources as to the schedule of shift of VTMS crew, pilots, etc. The roster must be configurable and extendable by user
 - 2.3.8.13.11 Pilotage Management, to allow coordination with Pilots (time and place Pilot boarded, time and place Pilot disembarked) and establishment of history of employment, renewal of certificate, etc.
 - 2.3.8.13.12 Accounting pre-processing (billing), visit validation (optional)
 - 2.3.8.13.13 Reporting statistics (export into HTML and ASCII)

2.3.8.13.14 The Computer System shall have a database capacity capable of storing at least two (2) months worth of data/records

2.3.9 Traffic Display at the Operator Work Station

- 2.3.9.1 Electronic Navigational Chart (ENC): Official sea chart digitized by the supplier and approved by the National Mapping Resources and Information Authority (NAMRIA), IMO-IHO Standard S-57/S-63 (ENC)
- 2.3.9.2 The display provides the overview of the complete surveillance on VTMS covered areas of the subject ports
- 2.3.9.3 Color: Operator can select color and shading under ergonomics considerations
- 2.3.9.4 Screen Display: Flat with high extreme resolution of 1920 x 1200 pixels
- 2.3.9.5 Size of screen: 21"
- 2.3.9.6 Language on the Display: English
- 2.3.9.7 Editing: The Operator shall be able to edit, except the ENC, existing symbols and add an almost 300 of new symbols
- 2.3.9.8 Chart related Objects: Possibility to display objects such as navigational aids, wrecks, anchorage areas, pipelines, power lines, etc.
- 2.3.9.9 Zoom: With zoom in-zoom out support
- 2.3.9.10 Speed vectors: Operator can select tracks for showing the speed vectors and measured course
- 2.3.9.11 Speed monitoring: The system shall be capable of monitoring track speed. A warning shall be displayed if a vessel violates speed limit
- 2.3.9.12 Closest Point of Approach (CPA): CPA (0.2 nautical miles) shall be shown and the Time (5 minutes) to reach CPA (TCPA) of two tracks or one track and any fixed point which shall be subject to change
- 2.3.9.13 Simulator with display shall be provided independent of the traffic display of the Operator; it shall provide the overview of the complete surveillance on VTMS covered areas

2.3.10 Radio Direction Finder

- 2.3.10.1 Signal evaluation and bearing are automatic
- 2.3.10.2 The applied DF antenna is protected against lightning strokes. The over-voltages are conducted to earth by ground connection
- 2.3.10.3 Remote control is possible via a bi-directional data interface as well as audio interface
- 2.3.10.4 The DF can be fed into VTMS consoles, radar, etc. via serial data interface
- 2.3.10.5 Technical Data
 - 2.3.10.5.1 Frequency range: 155.5 – 163.5 MHz (FM) / 121.5 MHz (AM)
 - 2.3.10.5.2 Number of frequency channels: 99
 - 2.3.10.5.3 Channel separation: 25 kHz
 - 2.3.10.5.4 Power supply 220 V, 47 – 63 Hz

2.3.11 DF Antenna

- 2.3.11.1 With high degree of protection against lightning strikes
- 2.3.11.2 Made of material resistant to environmental (salt atmosphere) corrosion
- 2.3.11.3 Frequency range: 108 – 165 MHz
- 2.3.11.4 Polarization: vertical
- 2.3.11.5 Number of antenna elements: more than 4
- 2.3.11.6 Humidity: max. of 95%

2.3.12 Wireless Internet Protocol Radio System

- 2.3.12.1 Bandwidth compatible with the system design
- 2.3.12.2 Average data transmission rate, 46Mbps at maximum
- 2.3.12.3 Data transmissions between the access point (base station) and the wireless terminal are encrypted by different keys for subscriber terminals, ensuring sufficient security

2.3.13 Recording and Playback Processor

- 2.3.13.1 Fully synchronous multimedia data logging including radar images, track data, track alarms, voice communication, remote sensors data and system alarms
- 2.3.13.2 High resolution radar and signal data logging with no signal degradation
- 2.3.13.3 Full radar recording with total operational range independent of the display settings

2.4 PROVISIONS FOR THE CONTROL CENTER

The CONTRACTOR shall provide the following:

- 2.4.1 Venetian Blinds for Glass walls
- 2.4.2 Water-Proofing Membrane for the Roof Deck and Comfort Rooms (CR)
- 2.4.3 Housing for the Generator with steel door and heavy duty padlock and hinges
- 2.4.4 Fire escape ladder for all floors and made of steel
- 2.4.5 Vinyl tile finish for all floors except for the operations room which is carpet finish
- 2.4.6 Concrete walls to be painted applying three (3) coatings
- 2.4.7 Concrete stairways (1 meter wide) with stainless pipe railings from ground floor to roof deck
- 2.4.8 Enclosures for electronic and operation room shall be provided
- 2.4.9 Aluminum window framing with 6mm thick clear glass and 12mm diameter bar grills for all windows
- 2.4.10 Six (6) mm thick hardiplex ceiling board with 50mm x 50mm good lumber ceiling joist for all ceilings including the generator house
- 2.4.11 One (1) inch thick glass walls, panel type for the Operation room. Height of the glass walls shall be approximately 1.6 mounted on a concrete wall of one (1) meter high
- 2.4.12 Fifth (5th) floor shall have an open space on all sides of about 1 meter from the wall with 1.5 meter high concrete parapet with stainless pipe resting on top with a door as access
- 2.4.13 Roof deck shall be enclosed with a 1.5 meter concrete parapet
- 2.4.14 Panel door complete with hinges and knobs and 150mm x 50mm door jamb made of yakal or equivalent shall be provided
- 2.4.15 All trenches and the like shall be sprayed with termite protection at a rate specified on the manufacturer's manual

- 2.4.16 An elevated wooden floor (1 ft. high) at the 5th floor in order to accommodate electrical/electronic cables for the machine
- 2.4.17 Sofa Set, Binocular, Fax machine, Rectangular Table with Six (6) chairs and Four (4) chairs for operators

ARTICLE III

CONSIDERATION

- 3.1 For and in consideration of the full, satisfactory and faithful performance by the CONTRACTOR of all its undertakings defined and provided for under this Contract and Contract Documents, the AUTHORITY agrees to pay the CONTRACTOR the total amount not exceeding Philippine Currency, inclusive of the twelve percent (12%) value-added-tax, payment to be made and computed based on the unit price for each item of work actually performed and finished for each pay item as determined and accepted by the AUTHORITY as full compensation for everything furnished and done by the CONTRACTOR under this Contract, including all works required but not specifically mentioned, and also for all losses and damages to the CONTRACTOR arising out of the work/project aforesaid, from the action of the elements, or from any obstruction or difficulty encountered in the prosecution of this Contract, for all expenses incurred by or in consequence of the suspension or discontinuance of the contract work herein and for faithfully completing the Contract and the whole thereof, at the time and in the manner specified hereunder.

Except as provided for under existing laws or regulations, it is agreed upon and understood that the stipulated contract price shall not be subject to upward adjustment for any cause or reason, whatsoever.

- 3.2 Pursuant to Memorandum Order No. 15 of the President of the Philippines dated 09 May 2011 entitled "Amending No. 4.5 of Annex "D", Contract Implementation Guidelines for the Procurement of Goods, Supplies and Materials, of the Implementing Rules and Regulations of Republic Act No. 9184, Authorizing Advance Payment Upon Submission of an Irrevocable Letter of Credit or Bank Guarantee" the AUTHORITY, upon submission by the CONTRACTOR of an irrevocable letter of credit or bank guarantee issued by a Universal or Commercial Bank, shall allow an advance payment in the amount not exceeding fifteen percent (15%) of the contract amount within sixty (60) calendar days from signing of the contract. The irrevocable letter of credit or bank guarantee must be for an equivalent amount, and shall remain valid until the supply, delivery, installation and commissioning of VTMS for the four (4) ports has been completed and accompanied by a claim for advance payment.
- 3.3 Full payment of the stipulated consideration shall be made to the CONTRACTOR only upon full completion of the project, fulfillment by the CONTRACTOR of all the terms and conditions set forth in this Contract and issuance by the AUTHORITY of the corresponding Certificate of Completion and Acceptance. The AUTHORITY shall have the right to retain ten percent (10%) of the aforesaid consideration, which shall be referred to as the retention money, to serve as guarantee that the manufacturing defects or other defects that may be discovered within the warranty period shall be corrected by the CONTRACTOR. However, the CONTRACTOR may request for the substitution of said retention money with a special bank guarantee of equal amount. The aforesaid retention

money or special bank guarantee as the case may be, shall only be released after the warranty period provided that the project or any component thereof is free from defects and all the conditions imposed under the contract are met.

- 3.4 Any payment due and payable to the CONTRACTOR may be set off against liquidated damages and other liabilities payable to the AUTHORITY by the CONTRACTOR under this Contract.
- 3.5 It is agreed and understood that the CONTRACTOR shall show proof evidencing payment by the CONTRACTOR of the equipment, labor, materials, supplies, etc. used in the project before payment is made to it. For this purpose, the CONTRACTOR shall, before payment is made, submit to the AUTHORITY as affidavit attesting to the fact of payment of said equipment, labor, materials, supplies, etc.
- 3.6 All payments to the CONTRACTOR shall be in **Philippine Currency** (Philippine Peso) and shall be subject to existing government accounting and auditing rules and regulations.

ARTICLE IV

PERFORMANCE SECURITY

- 4.1 To guarantee the faithful performance by the CONTRACTOR of its obligations under this Contract, it shall post, upon signing of this Contract, a Performance Security in the form of cash, certified check, cashier's/manager's check, bank draft/guarantee (confirmed by a reputable local bank in case of foreign contractor) irrevocable letter of credit issued by a reputable commercial bank, surety bond, callable upon demand, issued by the Government Service Insurance System or by surety or insurance company duly accredited by the Insurance Commission, or any combination thereof, as may be required by the AUTHORITY, in accordance with the following schedule:
 - 4.1.1 Cash, manager's check, cashier's check, certified check, bank guarantee, or irrevocable letter of credit – five percent (5%) of the total contract price
 - 4.1.2 Bank guarantee – five percent (5%) of the total contract price
 - 4.1.3 Surety bond – thirty percent (30%) of the total contract price
- 4.2 This performance security shall be posted in favor of the AUTHORITY and shall guarantee the payment of the amount of the security as penalty in the event it is established that the CONTRACTOR is in default in his obligations thereunder.
- 4.3 In the execution of the performance security, the following conditions shall be complied with:
 - 4.3.1 It shall be executed in accordance with the form as prescribed in Section 4.1.
 - 4.3.2 It shall be at least co-terminus with the final completion of the project.
 - 4.3.3 The following provisions shall form part of the performance security: "The right to institute action on the penal bond pursuant to Act No. 3688 otherwise known as "An Act For The Protection Of Persons Furnishing Materials And Labor For The Construction Of Public Works" of any individual firm, partnership, corporation and association supplying the CONTRACTOR with labor and material for the prosecution of the work is hereby acknowledged and confirmed".

- 4.4 Subject to the conditions of the Contract, the performance security may be released by the AUTHORITY after the issuance of the Certificate of Completion and Acceptance of the project, provided that there are no claims for labor and materials filed against the contractor or the surety company.
- 4.5 Should any surety upon the bond for the performance of this Contract become unacceptable to the AUTHORITY, the CONTRACTOR shall promptly furnish such replacement security as may be required from time to time up to the sum equal to the amount of the original surety.
- 4.6 The CONTRACTOR shall post an additional performance security to cover any cumulative increase of more than ten percent (10%) over the original value of the contract as a result of change order or extra work order, as the case may be. The CONTRACTOR shall cause the extension of the validity of the performance security to cover approved contract time extension.
- 4.7 In case of a reduction in the contract value, the AUTHORITY may allow a proportional reduction in the original performance security, provided that any such reduction is more than ten percent (10%) and that the aggregate of such reduction is not more than fifty percent (50%) of the original performance security.

ARTICLE V

COMPLETION TIME: LIQUIDATED DAMAGES

- 5.1 The CONTRACTOR agrees and obligates itself to perform and complete all works provided for in this Contract within **TWELVE (12) months** (including Sundays and Holidays), reckoned after fifteen (15) calendar days from the date of receipt of the Notice to Proceed issued by the AUTHORITY. Notice to Proceed shall be issued after this Contract has been approved by the PPA Board of Directors and signed by the parties hereof.
- 5.2 Time is of the essence of this Contract. Should the CONTRACTOR refuse or fail to satisfactorily complete the work/project within the specified contract time, plus any time extension duly granted and is hereby in default under the contract, the CONTRACTOR shall pay the AUTHORITY for liquidated damages, and not by way of penalty, an amount equal to one-tenth (1/10) of one percent (1%) of the cost or value of the delayed and/or uncompleted portion(s) of the work/project for every day of delay until such portion(s) is completed and accepted by the AUTHORITY.
- 5.3 It is understood that the damages herein provided are fixed and agreed liquidated damages and to be entitled to such damages, the AUTHORITY does not have to prove that it has incurred actual damages. 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 AUTHORITY. In no case shall the total sum of the liquidated damages exceed fifteen percent (15%) of the total contract price in which event the AUTHORITY shall automatically terminate the Contract and impose appropriate sanctions on the CONTRACTOR over and above the liquidated damages to be paid.

- 5.4 In case that the delay in the completion of the work exceed a time duration equivalent to twenty percent (20%) of the specified contract time plus any time extension duly granted to the CONTRACTOR, the AUTHORITY may forfeit the CONTRACTOR's performance security and take over the prosecution of the project or award the same to a qualified contractor in accordance with the laws and rules and regulations pertaining to government contracts.

ARTICLE VI

EXTENSION OF CONTRACT TIME

- 6.1 Extension of contract time may be granted when there is delay in the implementation of the project due to major calamities such as exceptionally destructive typhoons, floods, earthquakes and other meritorious causes as determined by the AUTHORITY.
- 6.2 No extension of contract shall be granted to the CONTRACTOR due to ordinary unfavorable weather conditions, inexcusable failure or negligence of CONTRACTOR to provide the required equipment, supplies or materials, or other causes for which the Government is not directly responsible.
- 6.3 Should the amount of additional work of any kind or other special circumstances of any kind whatsoever occur such as to fairly entitle the CONTRACTOR to an extension of contract time, the AUTHORITY shall determine the length of such extension; provided that the AUTHORITY is not bound to take into account any claim for an extension of time unless the CONTRACTOR has, prior to the expiration of the contract time and within thirty (30) calendar days after such work has been commenced or after the circumstances leading to such claim have arisen, delivered to the AUTHORITY written notices in order that it could have investigated them at that time. Failure to provide such written notice shall constitute a waiver by the CONTRACTOR of any claim. Upon receipt of full and detailed particulars, the AUTHORITY shall examine the facts and extent of the delay and shall extend the contract time for completing the contract work when, in the AUTHORITY's findings justify an extension.

ARTICLE VII

CONTRACTOR'S LIABILITY

- 7.1 The Parties, likewise, hereby agree that the employees of the CONTRACTOR are not employees of the AUTHORITY; hence, the AUTHORITY shall not in any way be liable or responsible for any personal injury or damages, including death sustained or caused by any of the employees of the CONTRACTOR and/or his subcontractor or agent or supplier whether or not occurring during the performance of their duties. The CONTRACTOR agrees and binds itself to indemnify the AUTHORITY for whatever injuries or damages caused or occasioned or contributed to by the failure, negligence or conduct of the CONTRACTOR and/or its employees, subcontractors, agent and supplier or consultant arising out of or in connection with or on the occasion of the performance of this Contract. The CONTRACTOR shall, at all times, stand solely liable and/or responsible for the enforcement of, and compliance with all existing laws, rules and regulations and binds itself to save, hold and keep the

AUTHORITY forever free, harmless and safe from any all liability in respect thereof and/or arising thereof and/or by reason of this Contract and its implementation.

- 7.2 The CONTRACTOR shall be solely liable and responsible to the AUTHORITY for the supply, delivery, installation and commissioning of VTMS at the Ports of Dangay (Roxas, Mindoro), Iloilo, Davao and Zamboanga and all other obligations and responsibilities of the CONTRACTOR under this Contract. The CONTRACTOR shall receive and maintain all the necessary communications and contacts with the AUTHORITY for the proper implementation of this Contract.

ARTICLE VIII

INSPECTION OF CONTRACT WORK

- 8.1 Inspection of contract work shall be made by the AUTHORITY while such contract work is in progress to ascertain that the completed works comply in all respects, with the standards and requirements set forth in this Contract and in the Contract Documents. Notwithstanding such inspection, the CONTRACTOR shall be held responsible for the acceptability of the finished works. The CONTRACTOR shall promptly correct all works determined by the AUTHORITY as failing to meet requirements, at the CONTRACTOR's own expense.

ARTICLE IX

NON-ASSIGNMENT AND NO SUBCONTRACT

- 9.1 The CONTRACTOR shall not, without the written approval of the AUTHORITY, assign, transfer, pledge, sub-contract or make any other disposition of interest in this Contract. Any unapproved assignment, transfer, pledge, sub-contract or any other disposition, shall be sufficient ground for the AUTHORITY to terminate or cancel this Contract *motu proprio* without need of judicial action. Should the AUTHORITY give its written approval, such consent shall not relieve the CONTRACTOR of its responsibilities under this Contract. The CONTRACTOR shall ensure that the terms and conditions of any such sub-contract shall comply and conform to the terms and conditions of the Contract. The CONTRACTOR shall be responsible for the observance by any such sub-contractor of the terms and conditions of this Contract.
- 9.2 If any portion of the project sub-contracted is not prosecuted faithfully in accordance with this Contract, the sub-contractor shall be removed or replaced immediately upon the written request of the AUTHORITY, provided, however, that any failure of the AUTHORITY to make such as request shall not relieve the CONTRACTOR of its obligations under the Contract. The AUTHORITY shall not be responsible for the delays or costs incurred by the CONTRACTOR because of the disapproval or removal of the sub-contractor or because of the late submittal of its or his approval.
- 9.3 Should there arise any litigation on or pre-termination of this Contract between the AUTHORITY and the CONTRACTOR, all contracts with the sub-contractors shall be considered automatically terminated or rescinded unless the sub-

contractor is retained by the AUTHORITY in accordance with the law and rules and regulations on government contracts.

ARTICLE X

INSURANCE

- 10.1 The CONTRACTOR shall, prior to the actual commencement of work, secure the standard CONTRACTOR's All Risk Insurance (CARI) from the Government Service Insurance System (GSIS) to insure the works against all losses or damages arising from whatever cause for which the CONTRACTOR is responsible under the contract.

ARTICLE XI

AGREEMENT MODIFICATION

- 11.1 No modification, alteration or waiver of any provision herein contained shall be binding on the Parties hereto unless evidenced by a written agreement signed by the Parties hereof and approved by the PPA Board of Directors.
- 11.2 A variation order (change order or extra work order) may be issued by the AUTHORITY for additional/extra works as may be determined by the AUTHORITY as needed and necessary for the completion, improvement or protection of the project. For additional/extra work covered by change order involving work items, equipment, gadgets or spare parts in the original Contract, the applicable unit prices of work items, equipment, gadgets or spare parts in the original Contract shall be used. For additional/extra works, equipment, gadgets or spare parts duly covered by extra work order involving new items, equipment, gadgets or spare parts that are not in the original contract, the unit prices thereof shall be agreed upon by the Parties hereof.
- 11.3 Request for payment by the CONTRACTOR for any additional/extra work shall be accompanied by a statement, with approved supporting forms, giving a detailed accounting and record of amount for which he claims payments. Said request for payment shall be included with the CONTRACTOR's statement of progress payment.
- 11.4 Any delay in the execution of the work under this Contract due to a court litigation initiated by the CONTRACTOR shall not be construed as a suspension of work.

ARTICLE XII

SUSPENSION OF WORK

- 12.1 The AUTHORITY or its duly authorized representatives shall have the authority to suspend the work wholly or partially by written order for such period as may be deemed necessary due to force majeure or any fortuitous events or for failure on the part of the CONTRACTOR to correct bad conditions which are unsafe for workers or for the general public to carry out valid orders given by the

Government or to perform any provisions on the contract, or due to adjustment of plans to suit field conditions as found necessary during implementation of this Contract. The CONTRACTOR shall immediately comply with such order to suspend the work wholly or partly.

- 12.2 In case of total suspension, or suspension of activities, which is not due to any fault of the CONTRACTOR, the elapsed time between the effective order of suspending operation and the order to resume work shall be allowed the CONTRACTOR by adjusting the contract time accordingly.

ARTICLE XIII

INDIVISIBILITY OF OBLIGATION

- 13.1 It is the intent of the Contract that all the documents, annexes and addenda forming part hereof, shall be read together and that each and every provision or stipulation hereof be given full force, effect and applicability. However, in the event that one or more provisions or stipulations herein be declared null and void by the courts, or otherwise rendered ineffective, the remaining provisions and stipulations shall not be affected thereby.

ARTICLE XIV

REMEDY AND RELIEF

- 14.1 Should there be any dispute or controversy in connection with this Contract or difference between the Parties arising from the interpretation of this Contract, the Parties hereto shall, as far as practicable, settle the same amicably. In the event that such dispute or disagreement is not resolved to their mutual satisfaction, and that either party is constrained to litigate and/or resort to court action to enforce or safeguard their respective rights and interests under this Contract, the same shall be filed exclusively before the appropriate court in the City of Manila, Philippines.
- 14.2 Should either party resort to litigation, the prevailing party shall be liable to the other party for attorney's fees in an amount equivalent to twenty percent (20%) of the total sum claimed in the complaint but in no case less than fifty thousand pesos (Php 50,000.00), exclusive of other damages and the expenses of litigation.
- 14.3 Should any dispute or disagreement arise between the AUTHORITY and the CONTRACTOR in the execution of the work or in the manner by which the latter is performing works, the CONTRACTOR shall observe the rule on exhaustion of administrative remedies before it can exercise the right of relief before the courts.

ARTICLE XV

OTHER COVENANTS

- 15.1 (Name of the Contractor), for purposes of this Contract, shall be jointly and severally liable and responsible to the AUTHORITY for the performance of this Contract and in all the CONTRACTOR's undertakings, responsibilities, obligations and liabilities under this Contract.
- 15.2 Any and all taxes, duties, fees, imposts or charges of whatever form, kind or nature due or which may due to national and/or local government units and/or its instrumentalities/agencies in connection with the VTMS equipment, components, materials and accessories to be supplied/installed by the CONTRACTOR and/or on account of the performance and completion of the project shall be paid for by the CONTRACTOR on its own account. Likewise, all expenses for the testing and inspection of the project by all agencies having jurisdiction over the same as well as the expenses for the preparation of this document and notarial fee thereof shall be borne and paid for by the CONTRACTOR. Should the AUTHORITY be compelled to advance the same, the AUTHORITY is hereby authorized to deduct the amount advanced from whatever amount the CONTRACTOR owe the AUTHORITY.
- 15.3 It is expressly agreed and understood that in case of irreconcilable conflict between the provisions of this Contract and the provisions of the Contract Documents incorporated as forming part hereof, the former shall be controlling.
- 15.4 It is clearly understood that any payment or failure of the AUTHORITY to demand compliance with any of the terms and conditions of this Contract or any act of liberality on the part of the AUTHORITY shall not be construed or considered as a waiver on the part of the AUTHORITY for the enforcement of this Contract, nor shall it relieve the CONTRACTOR of any of its obligations provided thereunder.
- 15.5 Notwithstanding any provision to the contrary, the AUTHORITY has the right to terminate, cancel and/or rescind this Contract *motu proprio*, in case of breach thereof by the CONTRACTOR, without need of judicial action by giving at least ten (10) days written Notice to that effect to the CONTRACTOR, which notice shall be final and binding on all the parties. It is agreed and understood that upon receipt of the Notice mentioned above, the CONTRACTOR cannot remove, withdraw or pull out any of the equipment, machinery, tools, materials and/or supplies brought to the project site without the written approval of the AUTHORITY.
- Within thirty (30) days after termination, cancellation or rescission of this Contract, the Parties shall settle their respective accountabilities as of the date of termination, cancellation or rescission, including the refund of any and all advances made plus legal interest from date of receipt of the amount or amount advanced.
- 15.6 The CONTRACTOR shall provide and do everything necessary to perform its obligations under this Contract according to the true intent and meaning of all Contract Documents taken together, whether the same may or may not be shown or described particularly in the drawings, plans and specifications provided that the same can be inferred therefrom. Should the CONTRACTOR find discrepancy in the drawings, plans and specifications, it shall immediately refer the same to the AUTHORITY, whose decision shall be followed.
- 15.7 The CONTRACTOR guarantees and warrants the availability, quality and genuineness of all machinery, equipment, accessories, tools, materials and

supplies it will supply, deliver and install for the construction and workmanship of all its work under this Contract, and shall, on its own account and expense, make good any defect or defects which may be discovered within one (1) year after the Certification of Completion and Acceptance has been issued by the AUTHORITY.

- 15.8 The CONTRACTOR agrees and obligates itself to restore to its original condition, on its own account, any public road, pavement or open space and/or public or private property which are excavated or in any manner used by the CONTRACTOR in connection with the performance of its obligations under this Contract.
- 15.9 The CONTRACTOR agrees and binds itself to forever hold and save the AUTHORITY free and harmless from any damage, claims and rights of action arising out of or by reason of this Contract and all injuries that may be suffered by the AUTHORITY due to the failure, negligence, delay or conduct on the part of the CONTRACTOR and/or its employees in the performance of their obligations under this Contract.
- 15.10 No final payment of the Contract shall be made to the CONTRACTOR without the Certificate of Completion and/or Acceptance from the AUTHORITY.
- 15.11 Notwithstanding any extra work, change of work or orders made, if any, by the AUTHORITY, it is agreed that the same shall be completed within the period herein fixed and provided.
- 15.12 The CONTRACTOR shall hold the AUTHORITY free and harmless from whatever suit and hereby binds and obligates itself to indemnify the AUTHORITY for any and all liabilities, losses, damages, judgment, awards, fines, penalties and all expenses, legal or otherwise, of whatever kind and nature, arising from and by reason of this Contract, due to the fault, negligence, act, omission, delay, conduct, breach of trust, or non-observance or violation of this Contract or any stipulation and warranty by the CONTRACTOR and/or any of its employees, agents, representatives or sub-contractors.

ARTICLE XVI

SPECIAL REPRESENTATION

- 16.1 The CONTRACTOR hereby represents that all documents it submitted which form integral parts hereof are authentic and duly executed with all the required formalities for the same, and that the facts and/or data contained therein are true and correct. A breach of this representation including all misrepresentation in the documents or suppression of material facts therein, which if known, could have disqualified the CONTRACTOR such that this Contract would not have been made and entered into, gives the AUTHORITY the immediate right or recourse to *motu proprio* rescind, abrogate or otherwise terminate the Contract without need of judicial action.
- 16.2 The CONTRACTOR hereby warrants that it has not given nor promised to give money, gift or any material favor/consideration to any official or employee of the AUTHORITY to secure this Contract; that any violation of this warranty shall be

sufficient ground for the AUTHORITY to revoke or cancel this Contract extrajudicially or without need of judicial intervention.

ARTICLE XII

BUDGETARY REQUIREMENT

17.1 The Parties hereto hereby adopt and incorporate herein by reference, Letter of Instruction No. 767 dated 16 November 1978 issued by the Office of the President, as implemented by the Letter Circular dated 7 December 1978 of the Minister of Budget.

ARTICLE XIII

EFFECTIVITY OF CONTRACT

18.1 This Contract shall take effect upon approval by the PPA Board of Directors and its signing by the parties hereof.

IN WITNESS WHEREOF, the Parties hereto have hereunto set their hands on this ____ day of _____ 2011 in the City of Manila, Philippines.

PHILIPPINE PORTS AUTHORITY

(Name of Company)

By:

By:

ATTY. JUAN C. STA. ANA
General Manager

(Authorized Signing Official)
(Position)

Signed in the Presence of:

Assistant General Manager for Operations
Philippine Ports Authority

(Representative of the
Contractor)

ACKNOWLEDGMENT

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

BEFORE ME, a Notary Public for and in the City of Manila, Philippines, this _____ day of _____, 2011 personally appeared the following parties with their respective valid identification documents:

NAME	COMPETENT EVIDENCE OF IDENTITY
ATTY. JUAN C. STA. ANA	Passport ID No. _____, issued on _____ at _____, Philippines
_____	Passport ID No. _____, issued on _____ at _____, Philippines

who identified themselves to me through the foregoing identification documents bearing their pictures and signatures which are competent evidence of identification allowed under the rules representing to me that they are the same persons who executed the foregoing instrument as:

POSITION	COMPANY	CTC NO.	DATE	PLACE ISSUED
General Manager	Philippine Ports Authority	_____	_____	Manila
President	_____	_____	_____	Manila

and they acknowledged to me that the same is their own free act and deed as well as the free and voluntary act of the corporations/entities they represent.

The foregoing instrument is a Contract for the Supply, Delivery, Installation and Commissioning of Vessel Traffic Management System (VTMS) at the Ports of Dangay (Roxas, Mindoro), Iloilo, Davao and Zamboanga, consisting of twenty five (25) pages, including this page on which this acknowledgment is written but excluding the Annexes, signed by the parties and their instrumental witnesses on each and every page hereof.

IN WITNESS WHEREOF, I have hereunto affixed my hand and seal on these presents at the place and on the date first above written.

NOTARY PUBLIC

Doc. No. _____;
Page No. _____;
Book No. _____;
Series of 2011