

**CONTRACT**  
**FOR THE SUPPLY, DELIVERY, INSTALLATION AND COMMISSIONING OF**  
**TWELVE (12) STAND-ALONE IP CCTV SYSTEM TO GSIS BRANCH OFFICES IN**  
**LUZON, VISAYAS, AND MINDANAO**

MAR 26 2015

This Contract is made and executed this \_\_\_\_\_ day of \_\_\_\_\_ 2015 at Pasay City, Philippines, by and between:

The **GOVERNMENT SERVICE INSURANCE SYSTEM**, a social insurance institution created under Commonwealth Act No. 186, as amended, and operating under its present Charter, Republic Act No. 8291, otherwise known as the GSIS Act of 1997, with principal office address at the GSIS Central Office, Financial Center, Roxas Boulevard, Pasay City, herein represented by its Senior Vice President, Corporate Services Group, **RACQUEL D. BUENSALIDA**, and hereinafter referred to as the "**GSIS**";

-and-

**FAIRE TECHNOLOGIES, INCORPORATED**, a private corporation duly organized and existing under the laws of the Philippines, with principal office address at No. 49 E. Fernandez Street, Brgy. Batis, San Juan City, Philippines, represented herein by **NORVIN DUKE C. CO**, Vice-President for Operations and duly authorized for this purpose, and hereinafter referred to as the "**SUPPLIER**".

**RECITALS**

**WHEREAS,**

1. The **GSIS** invited bids for the Supply, Delivery, Installation and Commissioning of Twelve (12) Stand-Alone IP CCTV System to **GSIS** Branch Offices in Luzon, Visayas and Mindanao.
2. The **SUPPLIER** participated in the public bidding held on December 03, 2014 and submitted the Lowest Calculated Responsive Bid.
3. The **GSIS** President and General Manager and concurrently Head of Procuring Entity (HOPE) approved the **GSIS** Bids and Awards Committee (GBAC) Resolution No. 2015-011 awarding the Contract to the **SUPPLIER** which represented that it has the resources and the capabilities to meet the requirements as defined under this Contract and the Official Bid Documents.

**NOW, THEREFORE**, for and in consideration of the foregoing premises, the parties have agreed as follows:

**ARTICLE I**  
**DEFINITION OF TERMS**

- 1.1. **WORDS AND PHRASES.** The following terms shall have the following meaning for purposes of this Contract:
  - 1.1.1. **Contract** means this agreement entered into between the **GSIS** and the **SUPPLIER**, signed by the parties, including all attachments and appendices hereof and all documents incorporated by reference herein.

- 1.1.2. **Contract Price** means the price payable to the **SUPPLIER** for the full and proper performance of its contractual obligations.
- 1.1.3. **Project** means the supply, delivery, installation and commissioning of a stand-alone CCTV system to all **GSIS** Branch Offices in Luzon, Visayas, and Mindanao.
- 1.1.4. **Goods** refer to the Stand-alone CCTV System consisting of CCTV Cameras, Digital Video Recorder, Power Supply, High Resolution LED Monitor, Video Management Software and other accessories.
- 1.1.5. **Notice to Proceed** is a written notice issued by the **GSIS** to the **SUPPLIER** requiring the latter to begin the **Project** not later than the specified date.

## ARTICLE II CONTRACT DOCUMENTS

- 2.1. **OFFICIAL BID DOCUMENTS.** The following Official Bid Documents are incorporated and made integral parts of this Contract:
  - 2.1.1. Invitation to Apply for Eligibility and to Bid;
  - 2.1.2. Instructions to Bidders;
  - 2.1.3. Bid Data Sheet;
  - 2.1.4. General Conditions of the Contract;
  - 2.1.5. Special Conditions of the Contract;
  - 2.1.6. Schedule of Requirements;
  - 2.1.7. Terms of Reference;
  - 2.1.8. Technical Specifications/Scope of Work;
  - 2.1.9. Sample Forms; and
  - 2.1.10. Supplemental Bid Bulletins (if any).
- 2.2. **COMPLEMENTARY NATURE.** This Contract and the Official Bid Documents shall be complementary with each other, and what one prescribes shall be prescribed by all. In case of discrepancy between this Contract and the Official Bid Documents, the Official Bid Documents shall prevail.
- 2.3. **INCIDENTAL ITEMS.** 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 therein.

## ARTICLE III SCOPE OF WORK

- 3.1. **COVERAGE.** The **SUPPLIER** shall apply labor, equipment, tools and materials for the **Project** in accordance with the technical specifications provided by the **GSIS**.
- 3.2. **QUALITY OF MATERIALS.** All materials, equipment, proponent and devices shall be new and unused, of current manufacture and first quality. The technical specifications shall conform to the requirements stated in Section VII. Technical Specifications/Scope of Work under the Official Bid Documents.

**ARTICLE IV  
SUPPLIER'S UNDERSTAKING**

- 4.1. **COMMITMENT.** The **SUPPLIER** shall provide all the incidental services including supervision and other facilities as may be needed in accordance with this Contract and the Official Bid Documents.
- 4.2. **TECHNICAL REQUIREMENTS.** The **SUPPLIER** shall perform all works in the best and most acceptable manner and in strict compliance with the requirements and specifications provided in this Contract and the Official Bid Documents.
- 4.3. **MANPOWER REQUIREMENTS.** The **SUPPLIER** shall field sufficient number of professionals, provide manpower with expertise who can deliver the required services and outputs as provided for in this Contract and the Official Bid Documents.

**ARTICLE V  
EFFECTIVITY AND TERMS OF CONTRACT**

- 5.1. **EFFECTIVITY OF THE CONTRACT.** This Contract shall take effect upon receipt by the **SUPPLIER** of the Notice to Proceed or the date stated therein whichever is later. Performance of all obligations shall be reckoned from the effectivity of the Contract.
- 5.2. **DURATION OF THE PROJECT.** The **SUPPLIER** shall complete the **Project** and the required services under this Contract and the Official Bid Documents within forty-five (45) calendar days from the effectivity date of this Contract.
- 5.3. **CONTRACT PRICE.** For and in consideration of the satisfactory performance by the **SUPPLIER** of the services required under this Contract and the Official Bid Documents, and the acceptance thereof by the **GSIS**, the **GSIS** shall pay the **SUPPLIER** the Contract Price of **Two Million One Hundred Sixty Six Thousand Two Hundred Thirty Eight Pesos and Thirty Two Centavos (Php2,166,238.32)**. It is understood that all applicable taxes, including Documentary Stamp Tax (DST), if any, shall be borne by the **SUPPLIER**.

For this purpose, the **SUPPLIER** acknowledges that the **GSIS** is not a withholding agent for DST and hereby undertakes and commits itself to make direct payments to the BIR of any DST that may be imposed on the execution and/or performance of this Contract.

- 5.4. **SCHEDULE OF PAYMENT.** The Contract Price shall be paid upon submission of the pertinent invoice by the Supplier and the issuance of the Certificate of Completion and Final Acceptance by the **GSIS**.
- 5.5. **REQUIREMENTS FOR PAYMENT.** Before the **GSIS** pays the **SUPPLIER** in full, the **SUPPLIER** shall submit the following:
  - 5.5.1. Warranty Security under 8.3 hereof;
  - 5.5.2. The **SUPPLIER**'s written request for payment and/or progress billings;

- 5.5.3. A sworn statement stating that all materials, wages of personnel and all indebtedness connected with the required services have been fully settled; and
- 5.5.4. A sworn statement stating that all waste materials and supplies, unnecessary tools and equipment, and all properties not pertaining to the **GSIS** have been properly disposed of or removed from the premises of the **GSIS**.
- 5.6. **AUDITING RULES.** All payments made to the **SUPPLIER** shall be subject to existing accounting and auditing rules and regulations applicable to **GSIS**.

## **ARTICLE VI SUPERVISION OF WORK**

- 6.1. **ACCESS TO GSIS PREMISES.** The **GSIS** shall grant the **SUPPLIER** access to the **GSIS** premises reasonably necessary for the **SUPPLIER** to perform the services required under this Contract and the Official Bid Documents.
- 6.2. **REGULAR INSPECTION.** The **GSIS** Security Department (SD), shall at reasonable times during the effectivity of this Contract be entitled to examine, inspect, measure and test the work done, the materials, tools and equipment brought and used within the premises, and check the progress of the implementation of the **Project**.
- 6.3. **TRAINING AND OTHER SUPPORT SERVICES.** The **SUPPLIER** shall provide appropriate hands-on training to **GSIS** Technical Staff for the efficient operation of the proposed System including systems administration and maintenance. The **SUPPLIER** shall provide the support services as provided in this Contract and the Official Bid Documents.
- 6.4. **SAFETY AND SECURITY.** The **SUPPLIER** shall strictly observe the sanitation, safety and security rules and regulations of the **GSIS** in the execution of this Contract. The **SUPPLIER** shall be fully responsible for the safety, protection, security, convenience of its personnel, third parties, the public at large, as well as its works, equipment, installation, and the like to be effected by the implementation of this **Project**.
- 6.5. **SURPLUS MATERIALS AND WASTE MANAGEMENT.** During the implementation of the **Project**, the **SUPPLIER** shall keep the premises in order. Upon completion of the same, the **SUPPLIER** shall immediately remove all surplus materials and waste from the premises unless prevented by unavoidable cause/s in which case the **GSIS** shall give the **SUPPLIER** a reasonable period within which to do the same. The **SUPPLIER** shall indemnify the **GSIS** for any damage or loss incurred by it for failure of the **SUPPLIER** to remove such materials and waste.
- 6.6. **INSPECTION AND ACCEPTANCE.** Upon receipt of written notice from the **SUPPLIER** that the **Project** is ready for inspection and acceptance, the **GSIS** shall send duly authorized representative/s from its Security Department to promptly make such inspection. When the **GSIS** determines that the **Project** is acceptable under the terms and provisions of this Contract and the Official Bid Documents and the same has been fully performed, the **GSIS** shall issue a Certificate of Completion and Final Acceptance duly signed with the statement that the **Project** and services covered in this Contract have been delivered satisfactorily.
- 6.7. **EXTENSION OF TIME.** If at any time during the effectivity of this Contract, the **SUPPLIER** encounters conditions impeding timely delivery of the **Project**, the **SUPPLIER** shall notify the **GSIS** promptly in writing of the fact of the delay, its likely duration and causes. As soon as practicable upon receipt of such notice, the

In case of any defect, failure and poor workmanship of any part or parts of the **Project** discovered or found within this period, the **SUPPLIER** shall make the necessary replacement or repairs at no expense to the **GSIS**.

8.3. **WARRANTY SECURITY.** Pursuant to Sections 5.5.1 and 8.2 hereof, the **SUPPLIER** shall furnish the **GSIS** with a warranty security which is a percentage of the total Contract Price, in any of the following forms:

8.3.1. Retention Money: Ten percent (10%)

8.3.2. Special **GSIS** Guarantee Bond: Ten percent (10%)

The warranty security shall remain effective during the warranty period and shall answer for any loss, damage, injury or expense which may be incurred as a result of any defect, negligence, poor workmanship and the like in the **SUPPLIER**'s work.

8.4. **ANTI-GRAFT PRACTICES.** The **SUPPLIER** warrants that it has not given or promised to give money or gift, directly or indirectly, to any official or employee of the **GSIS** to secure this Contract. Any violation of this warranty shall be sufficient ground for the **GSIS** to revoke or cancel this Contract without the necessity of judicial intervention, by giving written notice to that effect to the **SUPPLIER**.

#### ARTICLE IX TERMINATION

9.1. **TERMINATION FOR DEFAULT.** The **GSIS** shall have the right to pre-terminate this Contract in whole or in part for default of the **SUPPLIER** or breach or violation of the terms and conditions of this Contract without need of judicial action or for just cause to be determined by the **GSIS**, which shall be final and binding to the **SUPPLIER**.

9.2. **TERMINATION FOR INSOLVENCY.** The **GSIS** shall have the right to terminate this Contract if the **SUPPLIER** is declared bankrupt or insolvent as determined by a court of competent jurisdiction.

9.3. **TERMINATION FOR UNLAWFUL ACTS.** The **GSIS** shall have the right to terminate this Contract, which termination shall take effect immediately upon receipt of the Notice of Termination, in case it is determined prima facie that the **SUPPLIER** has engaged, before or during the implementation of this Contract, in unlawful deeds and behavior relative to the acquisition and implementation thereof.

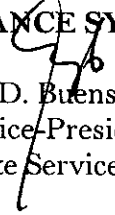
9.4. **TERMINATION FOR CONVENIENCE.** In any event, the **GSIS** shall have the right to terminate this Contract by serving a thirty-day written notice to the **SUPPLIER**. The termination under this Section shall be resorted to by the **GSIS** if it has determined the existence of conditions that make the performance of the **SUPPLIER** economically, financially or technically impractical and/or unnecessary, such as, but not limited to, fortuitous events or changes in law and national government policies.

9.5. **COMPLETED DELIVERY.** In case of pre-termination of this Contract, the **GSIS** shall pay the **SUPPLIER** for all the **Goods** delivered and services rendered and accepted by the **GSIS** up to the date of the pre-termination, unless such pre-termination was due to the acts or omissions of the **SUPPLIER** or breach of this Contract by the **SUPPLIER**.

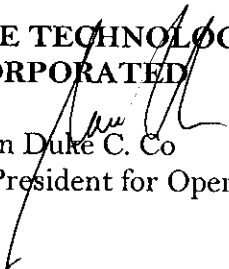
9.6. **REMEDIAL RIGHTS.** The termination of this Contract pursuant to this Article shall be without prejudice to any other rights or remedies the **GSIS** may be entitled

IN WITNESS WHEREOF, the parties have hereunto set their hands on the date and place stated above.

**GOVERNMENT SERVICE  
INSURANCE SYSTEM**

  
Racquel D. Buensalida  
Senior Vice-President  
Corporate Services Group

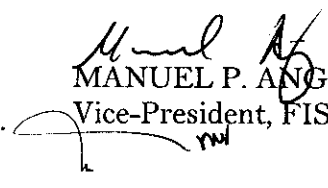
**FAIRE TECHNOLOGIES,  
INCORPORATED**


  
Norvin Duke C. Co  
Vice President for Operations

**SIGNED IN THE PRESENCE OF:**

  
**CARLITO P. GAMIT**  
Chief Security Officer

Certified Funds Available:  
Php2,166,238.32

  
**MANUEL P. ANG**  
Vice-President, FISMOASO

  
Nestor BADA

Certified included in the GSIS  
2015 Annual Procurement Plan

\_\_\_\_\_  
\_\_\_\_\_

