

Procurement of the Reinsurance of the
INDUSTRIAL ALL RISK INSURANCE
of the

BANGKO SENTRAL NG PILIPINAS

For the Period

From: 4:00 P.M. May 1, 2015

To: 4:00 P.M. May 1, 2016

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Section II. Instructions to Bidders

A. General

1. Scope of Bid

- 1.1. The procuring entity named in the **BDS** (hereinafter referred to as the “Procuring Entity”) wishes to receive bids for supply and delivery of the goods as described in Section VI. Technical Specifications (hereinafter referred to as the “Goods”).
- 1.2. The name, identification, and number of lots specific to this bidding are provided in the **BDS**. The contracting strategy and basis of evaluation of lots is described in ITB Clause 28.

2. Source of Funds

The Procuring Entity has a budget or has applied for or received funds from the Funding Source named in the **BDS**, and in the amount indicated in the **BDS**. It intends to apply part of the funds received for the Project, as defined in the **BDS**, to cover eligible payments under the contract.

3. Corrupt, Fraudulent, Collusive, and Coercive Practices

- 3.1. Unless otherwise specified in the **BDS**, the Procuring Entity as well as the bidders and suppliers shall observe the highest standard of ethics during the procurement and execution of the contract. In pursuance of this policy, the Procuring Entity:
 - (a) defines, for purposes of this provision, the terms set forth below as follows:
 - (i) “corrupt practice” means behavior on the part of officials in the public or private sectors by which they improperly and unlawfully enrich themselves, others, or induce others to do so, by misusing the position in which they are placed, and includes the offering, giving, receiving, or soliciting of anything of value to influence the action of any such official in the procurement process or in contract execution; entering, on behalf of the government, into any contract or transaction manifestly and grossly disadvantageous to the same, whether or not the public officer profited or will profit thereby, and similar acts as provided in RA 3019.
 - (ii) “fraudulent practice” means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of the Procuring Entity, and includes collusive practices among Bidders (prior to or after bid submission) designed to establish bid prices at artificial, non-competitive levels and to deprive the Procuring Entity of the benefits of free and open competition.



- (iii) “collusive practices” means a scheme or arrangement between two or more Bidders, with or without the knowledge of the Procuring Entity, designed to establish bid prices at artificial, non-competitive levels.
 - (iv) “coercive practices” means harming or threatening to harm, directly or indirectly, persons, or their property to influence their participation in a procurement process, or affect the execution of a contract;
 - (v) “obstructive practice” is
 - (aa) deliberately destroying, falsifying, altering or concealing of evidence material to an administrative proceedings or investigation or making false statements to investigators in order to materially impede an administrative proceedings or investigation of the Procuring Entity or any foreign government/foreign or international financing institution into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the administrative proceedings or investigation or from pursuing such proceedings or investigation; or
 - (bb) acts intended to materially impede the exercise of the inspection and audit rights of the Procuring Entity or any foreign government/foreign or international financing institution herein.
 - (b) will reject a proposal for award if it determines that the Bidder recommended for award has engaged in any of the practices mentioned in this Clause for purposes of competing for the contract.
- 3.2. Further, the Procuring Entity will seek to impose the maximum civil, administrative, and/or criminal penalties available under applicable laws on individuals and organizations deemed to be involved in any of the practices mentioned in ITB Clause 3.1(a).
- 3.3. Furthermore, the Funding Source and the Procuring Entity reserve the right to inspect and audit records and accounts of a bidder or supplier in the bidding for and performance of a contract themselves or through independent auditors as reflected in the GCC Clause 3.

4. Conflict of Interest

- 4.1. All Bidders found to have conflicting interests shall be disqualified to participate in the procurement at hand, without prejudice to the imposition of appropriate administrative, civil, and criminal sanctions. A Bidder may be considered to have conflicting interests with another Bidder in any of the events described in paragraphs (a) through (c) below and a general conflict of interest in any of the circumstances set out in paragraphs (d) through (f) below:
- (a) A Bidder has controlling shareholders in common with another Bidder;
 - (b) A Bidder receives or has received any direct or indirect subsidy from any other Bidder;
 - (c) A Bidder has the same legal representative as that of another Bidder for purposes of this bid;
 - (d) A Bidder has a relationship, directly or through third parties, that puts them in a position to have access to information about or influence on the bid of another Bidder or influence the decisions of the Procuring Entity regarding this bidding process. This will include a firm or an organization who lends, or temporarily seconds, its personnel to firms or organizations which are engaged in consulting services for the preparation related to procurement for or implementation of the project if the personnel would be involved in any capacity on the same project;
 - (e) A Bidder submits more than one bid in this bidding process. However, this does not limit the participation of subcontractors in more than one bid; or
 - (f) A Bidder who participated as a consultant in the preparation of the design or technical specifications of the Goods and related services that are the subject of the bid.
- 4.2. In accordance with Section 47 of the IRR of RA 9184, all Bidding Documents shall be accompanied by a sworn affidavit of the Bidder that it is not related to the Head of the Procuring Entity, members of the Bids and Awards Committee (BAC), members of the Technical Working Group (TWG), members of the BAC Secretariat, the head of the Project Management Office (PMO) or the end-user unit, and the project consultants, by consanguinity or affinity up to the third civil degree. On the part of the Bidder, this Clause shall apply to the following persons:
- (a) If the Bidder is an individual or a sole proprietorship, to the Bidder himself;
 - (b) If the Bidder is a partnership, to all its officers and members;
 - (c) If the Bidder is a corporation, to all its officers, directors, and controlling stockholders; and

- (d) If the Bidder is a joint venture (JV), the provisions of items (a), (b), or (c) of this Clause shall correspondingly apply to each of the members of the said JV, as may be appropriate.

Relationship of the nature described above or failure to comply with this Clause will result in the automatic disqualification of a Bidder.

5. Eligible Bidders

5.1. Unless otherwise provided in the **BDS**, the following persons shall be eligible to participate in this bidding:

- (a) Duly licensed Filipino citizens/sole proprietorships;
- (b) Partnerships duly organized under the laws of the Philippines and of which at least sixty percent (60%) of the interest belongs to citizens of the Philippines;
- (c) Corporations duly organized under the laws of the Philippines, and of which at least sixty percent (60%) of the outstanding capital stock belongs to citizens of the Philippines;
- (d) Cooperatives duly organized under the laws of the Philippines, and of which at least sixty percent (60%) of the interest belongs to citizens of the Philippines; and
- (e) Unless otherwise provided in the **BDS**, persons/entities forming themselves into a JV, *i.e.*, a group of two (2) or more persons/entities that intend to be jointly and severally responsible or liable for a particular contract: Provided, however, that Filipino ownership or interest of the joint venture concerned shall be at least sixty percent (60%).

5.2. Foreign bidders may be eligible to participate when any of the following circumstances exist, as specified in the **BDS**:

- (a) When a Treaty or International or Executive Agreement as provided in Section 4 of the RA 9184 and its IRR allow foreign bidders to participate;
- (b) Citizens, corporations, or associations of a country, included in the list issued by the GPPB, the laws or regulations of which grant reciprocal rights or privileges to citizens, corporations, or associations of the Philippines;
- (c) When the Goods sought to be procured are not available from local suppliers; or
- (d) When there is a need to prevent situations that defeat competition or restrain trade.

- 5.3. Government corporate entities may be eligible to participate only if they can establish that they (a) are legally and financially autonomous, (b) operate under commercial law, and (c) are not dependent agencies of the GOP or the Procuring Entity.
- 5.4. Unless otherwise provided in the **BDS**, the Bidder must have completed at least one contract similar to the Project the value of which, adjusted to current prices using the National Statistics Office consumer price index, must be at least equivalent to a percentage of the ABC stated in the **BDS**.

For this purpose, contracts similar to the Project shall be those described in the **BDS**, and completed within the relevant period stated in the Invitation to Bid and ITB Clause 12.1(a)(iii).

- 5.5. **The Bidder must submit a computation of its Net Financial Contracting Capacity (NFCC), which must be at least equal to the ABC to be bid, calculated as follows:**

NFCC= [(Current assets minus current liabilities) (K)] minus the value of all outstanding or uncompleted portions of the projects under ongoing contracts, including awarded contracts yet to be started coinciding with the contract to be bid.

Current assets and current liabilities shall be based on the data submitted to the Bureau of Internal Revenue (BIR), through its electronic Filing and Payment System (EFPS).

Where:

K=10 for a contract duration of one year or less, 15 for a contract duration of more than one year up to two years, and 20 for a contract duration of more than two years.

*The value of all outstanding or uncompleted portions of the projects under ongoing contracts, including awarded contracts yet to be started coinciding with the contract to be bid shall be the bidder's **net premiums written** (per latest report released by the Insurance Commission (IC) in its website).*

6. Bidder's Responsibilities

- 6.1. The Bidder or its duly authorized representative shall submit a sworn statement in the form prescribed in Section VII Bidding Forms as required in ITB Clause 12.1(b)(iii).



The Bidder is responsible for the following:

- (a) Having taken steps to carefully examine all of the Bidding Documents;
- (b) Having acknowledged all conditions, local or otherwise, affecting the implementation of the contract;
- (c) Having made an estimate of the facilities available and needed for the contract to be bid, if any;
- (d) Having complied with its responsibility to inquire or secure Supplemental/Bid Bulletin(s) as provided under ITB Clause 0.
- (e) Ensuring that it is not “blacklisted” or barred from bidding by the GOP or any of its agencies, offices, corporations, or LGUs, including foreign government/foreign or international financing institution whose blacklisting rules have been recognized by the GPPB;
- (f) Ensuring that each of the documents submitted in satisfaction of the bidding requirements is an authentic copy of the original, complete, and all statements and information provided therein are true and correct;
- (g) Authorizing the Head of the Procuring Entity or its duly authorized representative/s to verify all the documents submitted;
- (h) Ensuring that the signatory is the duly authorized representative of the Bidder, and granted full power and authority to do, execute and perform any and all acts necessary and/or to represent the Bidder in the bidding, with the duly notarized Secretary’s Certificate attesting to such fact, if the Bidder is a corporation, partnership, cooperative, or joint venture;
- (i) Complying with the disclosure provision under Section 47 of RA 9184 in relation to other provisions of RA 3019; and
- (j) Complying with existing labor laws and standards, in the case of procurement of services.

Failure to observe any of the above responsibilities shall be at the risk of the Bidder concerned.

6.3 The Bidder is expected to examine all instructions, forms, terms, and specifications in the Bidding Documents.

6.4 It shall be the sole responsibility of the Bidder to determine and to satisfy itself by such means as it considers necessary or desirable as to all matters pertaining to the contract to be bid, including: (a) the location and the nature of this Project; (b) climatic conditions; (c) transportation facilities; and (d) other factors that may affect the cost, duration, and execution or implementation of this Project.



- 6.5 The Procuring Entity shall not assume any responsibility regarding erroneous interpretations or conclusions by the prospective or eligible bidder out of the data furnished by the procuring entity.
- 6.6 The Bidder shall bear all costs associated with the preparation and submission of his bid, and the Procuring Entity will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the bidding process.
- 6.7 Before submitting their bids, the Bidder is deemed to have become familiar with all existing laws, decrees, ordinances, acts and regulations of the Philippines which may affect this Project in any way.
- 6.8 The Bidder should note that the Procuring Entity will accept bids only from those that have paid the nonrefundable fee for the Bidding Documents at the office indicated in the Invitation to Bid.

7. Origin of Goods

Unless otherwise indicated in the **BDS**, there is no restriction on the origin of goods other than those prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations, subject to **ITB** Clause 0.

8. Subcontracts

- 8.1 Unless otherwise specified in the **BDS**, the Bidder may subcontract portions of the Goods to an extent as may be approved by the Procuring Entity and stated in the **BDS**. However, subcontracting of any portion shall not relieve the Bidder from any liability or obligation that may arise from the contract for this Project.
- 8.2 Subcontractors must comply with the eligibility criteria and the documentary requirements specified in the **BDS**. In the event that any subcontractor is found by the Procuring Entity to be ineligible, the subcontracting of such portion of the Goods shall be disallowed.
- 8.3 The Bidder may identify the subcontractor to whom a portion of the Goods will be subcontracted at any stage of the bidding process or during contract implementation. If the Bidder opts to disclose the name of the subcontractor during bid submission, the Bidder shall include the required documents as part of the technical component of its bid.

B. Contents of Bidding Documents

9. Pre-Bid Conference

- 9.1 (a) If so specified in the **BDS**, a pre-bid conference shall be held at the venue and on the date indicated therein, to clarify and address the Bidders' questions on the technical and financial components of this Project.
- (b) *The pre-bid conference shall be held at least twelve (12) calendar days before the deadline for the submission and receipt of bids. If the Procuring Entity determines that, by reason of the method, nature, or complexity of the contract to be bid, or when international participation will be more advantageous to the GOP, a longer period for the preparation of bids is necessary, the pre-bid conference shall be held at least thirty (30) calendar days before the deadline for the submission and receipt of bids, as specified in the **BDS**.*
- 9.2 Bidders are encouraged to attend the pre-bid conference to ensure that they fully understand the Procuring Entity's requirements. Non-attendance of the Bidder will in no way prejudice its bid; however, the Bidder is expected to know the changes and/or amendments to the Bidding Documents discussed during the pre-bid conference.
- 9.3 Any statement made at the pre-bid conference shall not modify the terms of the Bidding Documents unless such statement is specifically identified in writing as an amendment thereto and issued as a Supplemental/Bid Bulletin.

10. Clarification and Amendment of Bidding Documents

- 10.1 Bidders who have purchased the Bidding Documents may request for clarification on any part of the Bidding Documents for an interpretation. Such request must be in writing and submitted to the Procuring Entity at the address indicated in the **BDS** at least ten (10) calendar days before the deadline set for the submission and receipt of bids.
- 10.2 Supplemental/Bid Bulletins may be issued upon the Procuring Entity's initiative for purposes of clarifying or modifying any provision of the Bidding Documents not later than seven (7) calendar days before the deadline for the submission and receipt of bids. Any modification to the Bidding Documents shall be identified as an amendment.
- 10.3 Any Supplemental/Bid Bulletin issued by the BAC shall also be posted on the Philippine Government Electronic Procurement System (PhilGEPS) and the website of the Procuring Entity concerned, if available. It shall be the responsibility of all Bidders who secure the Bidding Documents to inquire and secure Supplemental/Bid Bulletins that may be issued by the BAC. However, Bidders who have submitted bids before the issuance of the Supplemental/Bid Bulletin must be informed and allowed to modify or withdraw their bids in accordance with **ITB** Clause 23.

C. Preparation of Bids

11. Language of Bid

The bid, as well as all correspondence and documents relating to the bid exchanged by the Bidder and the Procuring Entity, shall be written in English. Supporting documents and printed literature furnished by the Bidder may be in another language provided they are accompanied by an accurate translation in English certified by the appropriate embassy or consulate in the Philippines, in which case the English translation shall govern for purposes of interpretation of the bid.

12. Documents Comprising the Bid: Eligibility and Technical Components

12.1. Unless otherwise indicated in the **BDS**, the first envelope shall contain the following eligibility and technical documents:

(a) Eligibility Documents –

Class “A” Documents:

- (i) Registration certificate from the Securities and Exchange Commission (SEC), Department of Trade and Industry (DTI) for sole proprietorship, or Cooperative Development Authority (CDA) for cooperatives, or any proof of such registration as stated in the **BDS**;
- (ii) Mayor’s permit issued by the city or municipality where the principal place of business of the prospective bidder is located;
- (iii) Statement of all its ongoing and completed government and private contracts within the period stated in the **BDS**, including contracts awarded but not yet started, if any. The statement shall include, for each contract, the following:
 - (iii.1) name of the contract;
 - (iii.2) date of the contract;
 - (iii.3) kinds of Goods;
 - (iii.4) amount of contract and value of outstanding contracts;
 - (iii.5) date of delivery; and
 - (iii.6) end user’s acceptance or official receipt(s) issued for the contract, if completed.
- (iv) Audited financial statements, stamped “received” by the Bureau of Internal Revenue (BIR) or its duly accredited and authorized

institutions, for the preceding calendar year, which should not be earlier than two (2) years from bid submission;

- (v) NFCC computation in accordance with **ITB** Clause 5.5;
- (vi) Tax clearance per Executive Order 398, Series of 2005, as finally reviewed and approved by the BIR or appropriate equivalent documents, if any, issued by the country of the foreign Bidder concerned authenticated ('consularized') by the Philippine Embassy; and

Class "B" Document:

- (vii) If applicable, the JVA in case the joint venture is already in existence, or duly notarized statements from all the potential joint venture partners stating that they will enter into and abide by the provisions of the JVA in the instance that the bid is successful.
- (b) Technical Documents –
- (i) Bid security in accordance with **ITB** Clause 18. If the Bidder opts to submit the bid security in the form of:
 - (i.1) a bank draft/guarantee or an irrevocable letter of credit issued by a foreign bank, it shall be accompanied by a confirmation from a Universal or Commercial Bank; or
 - (i.2) a surety bond, it shall be accompanied by a certification by the Insurance Commission that the surety or insurance company is authorized to issue such instruments;
 - (ii) Conformity with technical specifications, as enumerated and specified in Sections VI and VII of the Bidding Documents; and
 - (iii) Sworn statement in accordance with Section 25.2(a)(iv) of the IRR of RA 9184 and using the form prescribed in Section VII. Bidding Forms.

13. Documents Comprising the Bid: Financial Component

- 13.1 Unless otherwise stated in the **BDS**, the financial component of the bid shall contain the following:
- (a) Financial Bid Form, which includes bid prices and the bill of quantities and the applicable Price Schedules, in accordance with **ITB** Clauses 0 and 0;
 - (b) If the Bidder claims preference as a Domestic Bidder or Domestic Entity, a certification from the DTI, SEC, or CDA issued in accordance with **ITB** Clause 27, unless otherwise provided in the **BDS**; and



- (c) Any other document related to the financial component of the bid as stated in the **BDS**.
- 13.2
- (a) Unless otherwise stated in the **BDS**, all bids that exceed the ABC shall not be accepted.
 - (b) Unless otherwise indicated in the **BDS**, for foreign-funded procurement, a ceiling may be applied to bid prices provided the following conditions are met:
 - (i) Bidding Documents are obtainable free of charge on a freely accessible website. If payment of Bidding Documents is required by the procuring entity, payment could be made upon the submission of bids.
 - (ii) The procuring entity has procedures in place to ensure that the ABC is based on recent estimates made by the responsible unit of the procuring entity and that the estimates reflect the quality, supervision and risk and inflationary factors, as well as prevailing market prices, associated with the types of works or goods to be procured.
 - (iii) The procuring entity has trained cost estimators on estimating prices and analyzing bid variances.
 - (iv) The procuring entity has established a system to monitor and report bid prices relative to ABC and engineer's/procuring entity's estimate.
 - (v) The procuring entity has established a system to monitor and report bid prices relative to ABC and procuring entity's estimate. The procuring entity has established a monitoring and evaluation system for contract implementation to provide a feedback on actual total costs of goods and works.

14. Alternative Bids

Alternative Bids shall be rejected. For this purpose, alternative bid is an offer made by a Bidder in addition or as a substitute to its original bid which may be included as part of its original bid or submitted separately therewith for purposes of bidding. A bid with options is considered an alternative bid regardless of whether said bid proposal is contained in a single envelope or submitted in two (2) or more separate bid envelopes.

15. Bid Prices

15.1 The Bidder shall complete the appropriate Price Schedules included herein, stating the unit prices, total price per item, the total amount and the expected countries of origin of the Goods to be supplied under this Project.



- 15.2 The Bidder shall fill in rates and prices for all items of the Goods described in the Bill of Quantities. Bids not addressing or providing all of the required items in the Bidding Documents including, where applicable, Bill of Quantities, shall be considered non-responsive and, thus, automatically disqualified. In this regard, where a required item is provided, but no price is indicated, the same shall be considered as non-responsive, but specifying a "0" (zero) for the said item would mean that it is being offered for free to the Government.
- 15.3 The terms Ex Works (EXW), Cost, Insurance and Freight (CIF), Cost and Insurance Paid to (CIP), Delivered Duty Paid (DDP), and other trade terms used to describe the obligations of the parties, shall be governed by the rules prescribed in the current edition of the International Commercial Terms (INCOTERMS) published by the International Chamber of Commerce, Paris.
- 15.4 Prices indicated on the Price Schedule shall be entered separately in the following manner:
- (a) For Goods offered from within the Procuring Entity's country:
 - (i) The price of the Goods quoted EXW (ex works, ex factory, ex warehouse, ex showroom, or off-the-shelf, as applicable), including all customs duties and sales and other taxes already paid or payable:
 - (i.1) on the components and raw material used in the manufacture or assembly of Goods quoted ex works or ex factory; or
 - (i.2) on the previously imported Goods of foreign origin quoted ex warehouse, ex showroom, or off-the-shelf and any Procuring Entity country sales and other taxes which will be payable on the Goods if the contract is awarded.
 - (ii) The price for inland transportation, insurance, and other local costs incidental to delivery of the Goods to their final destination.
 - (iii) The price of other (incidental) services, if any, listed in the **BDS**.
 - (b) For Goods offered from abroad:
 - (i) Unless otherwise stated in the **BDS**, the price of the Goods shall be quoted DDP with the place of destination in the Philippines as specified in the **BDS**. In quoting the price, the Bidder shall be free to use transportation through carriers registered in any eligible country. Similarly, the Bidder may obtain insurance services from any eligible source country.
 - (ii) The price of other (incidental) services, if any, listed in the **BDS**.

- 15.5 Prices quoted by the Bidder shall be fixed during the Bidder's performance of the contract and not subject to variation or price escalation on any account. A bid submitted with an adjustable price quotation shall be treated as non-responsive and shall be rejected, pursuant to **ITB** Clause 24.

All bid prices shall be considered as fixed prices, and therefore not subject to price escalation during contract implementation, except under extraordinary circumstances. Extraordinary circumstances refer to events that may be determined by the National Economic and Development Authority in accordance with the Civil Code of the Philippines, and upon the recommendation of the Procuring Entity. Nevertheless, in cases where the cost of the awarded contract is affected by any applicable new laws, ordinances, regulations, or other acts of the GOP, promulgated after the date of bid opening, a contract price adjustment shall be made or appropriate relief shall be applied on a no loss-no gain basis.

16. Bid Currencies

- 16.1 Prices shall be quoted in the following currencies:
- (a) For Goods that the Bidder will supply from within the Philippines, the prices shall be quoted in Philippine Peso.
 - (b) For Goods that the Bidder will supply from outside the Philippines, the prices may be quoted in the currency(ies) stated in the **BDS**. However, for purposes of bid evaluation, bids denominated in foreign currencies shall be converted to Philippine currency based on the exchange rate as published in the BSP reference rate bulletin on the day of the bid opening.
- 16.2 If so allowed in accordance with **ITB** Clause 0, the Procuring Entity for purposes of bid evaluation and comparing the bid prices will convert the amounts in various currencies in which the bid price is expressed to Philippine Pesos at the foregoing exchange rates.
- 16.3 Unless otherwise specified in the **BDS**, payment of the contract price shall be made in Philippine Pesos.

17. Bid Validity

- 17.1 Bids shall remain valid for the period specified in the **BDS** which shall not exceed one hundred twenty (120) calendar days from the date of the opening of bids.
- 17.2 In exceptional circumstances, prior to the expiration of the Bid validity period, the Procuring Entity may request Bidders to extend the period of validity of their bids. The request and the responses shall be made in writing. The bid security described in **ITB** Clause 18 should also be extended corresponding to the extension of the bid validity period at the least. A Bidder may refuse the request without forfeiting its bid security, but his bid shall no longer be considered for further evaluation and award. A Bidder granting the request shall not be required or permitted to modify its bid.



18. Bid Security

18.1 The bid security in the amount stated in the **BDS** shall be equal to the percentage of the ABC in accordance with the following schedule:

Form of Bid Security	Amount of Bid Security (Equal to Percentage of the ABC)
(a) Cash or cashier's/manager's check issued by a Universal or Commercial Bank.	Two percent (2%)
(b) Bank draft/guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank: Provided, however, that it shall be confirmed or authenticated by a Universal or Commercial Bank, if issued by a foreign bank.	
(c) Surety bond callable upon demand issued by a surety or insurance company duly certified by the Insurance Commission as authorized to issue such security.	Five percent (5%)
(d) Bid Securing Declaration Form	

For biddings conducted by LGUs, the Bidder may also submit bid securities in the form of cashier's/manager's check, bank draft/guarantee, or irrevocable letter of credit from other banks certified by the BSP as authorized to issue such financial statement.

18.2 The bid security should be valid for the period specified in the **BDS**. Any bid not accompanied by an acceptable bid security shall be rejected by the Procuring Entity as non-responsive.

18.3 No bid securities shall be returned to bidders after the opening of bids and before contract signing, except to those that failed or declared as post-disqualified, upon submission of a written waiver of their right to file a motion for reconsideration and/or protest. Without prejudice on its forfeiture, bid securities shall be returned only after the bidder with the Lowest Calculated and Responsive Bid has signed the contract and furnished the performance security, but in no case later than the expiration of the bid security validity period indicated in **ITB** Clause 0.

18.4 Upon signing and execution of the contract pursuant to **ITB** Clause 32, and the posting of the performance security pursuant to **ITB** Clause 33, the successful Bidder's bid security will be discharged, but in no case later than the bid security validity period as indicated in the **ITB** Clause 0.



18.5 The bid security may be forfeited:

- (a) if a Bidder:
 - (i) withdraws its bid during the period of bid validity specified in **ITB** Clause 17;
 - (ii) does not accept the correction of errors pursuant to **ITB** Clause 28.3(b);
 - (iii) fails to submit the requirements within the prescribed period or a finding against their veracity as stated in **ITB** Clause 0;
 - (iv) submission of eligibility requirements containing false information or falsified documents;
 - (v) submission of bids that contain false information or falsified documents, or the concealment of such information in the bids in order to influence the outcome of eligibility screening or any other stage of the public bidding;
 - (vi) allowing the use of one's name, or using the name of another for purposes of public bidding;
 - (vii) withdrawal of a bid, or refusal to accept an award, or enter into contract with the Government without justifiable cause, after the Bidder had been adjudged as having submitted the Lowest Calculated and Responsive Bid;
 - (viii) refusal or failure to post the required performance security within the prescribed time;
 - (ix) refusal to clarify or validate in writing its bid during post-qualification within a period of seven (7) calendar days from receipt of the request for clarification;
 - (x) any documented attempt by a bidder to unduly influence the outcome of the bidding in his favor;
 - (xi) failure of the potential joint venture partners to enter into the joint venture after the bid is declared successful; or
 - (xii) all other acts that tend to defeat the purpose of the competitive bidding, such as habitually withdrawing from bidding, submitting late Bids or patently insufficient bid, for at least three (3) times within a year, except for valid reasons.
- (b) if the successful Bidder:

- (i) fails to sign the contract in accordance with **ITB** Clause 32; or
- (ii) fails to furnish performance security in accordance with **ITB** Clause 33.

19. Format and Signing of Bids

- 19.1 Bidders shall submit their bids through their duly authorized representative using the appropriate forms provided in Section VII. Bidding Forms. on or before the deadline specified in the **ITB** Clauses 21 in two (2) separate sealed bid envelopes, and which shall be submitted simultaneously. The first shall contain the technical component of the bid, including the eligibility requirements under **ITB** Clause 12.1, and the second shall contain the financial component of the bid.
- 19.2 Forms as mentioned in **ITB** Clause 19.1 must be completed without any alterations to their format, and no substitute form shall be accepted. All blank spaces shall be filled in with the information requested.
- 19.3 The Bidder shall prepare and submit an original of the first and second envelopes as described in **ITB** Clauses 12 and 13. In the event of any discrepancy between the original and the copies, the original shall prevail.
- 19.4 The bid, except for unamended printed literature, shall be signed, and each and every page thereof shall be initialed, by the duly authorized representative/s of the Bidder.
- 19.5 Any interlineations, erasures, or overwriting shall be valid only if they are signed or initialed by the duly authorized representative/s of the Bidder.

20. Sealing and Marking of Bids

- 20.1 Bidders shall enclose their original eligibility and technical documents described in **ITB** Clause 12 in one sealed envelope marked "ORIGINAL - TECHNICAL COMPONENT", and the original of their financial component in another sealed envelope marked "ORIGINAL - FINANCIAL COMPONENT", sealing them all in an outer envelope marked "ORIGINAL BID".
- 20.2 Each copy of the first and second envelopes shall be similarly sealed duly marking the inner envelopes as "COPY NO. ___ - TECHNICAL COMPONENT" and "COPY NO. ___ - FINANCIAL COMPONENT" and the outer envelope as "COPY NO. ___", respectively. These envelopes containing the original and the copies shall then be enclosed in one single envelope.
- 20.3 The original and the number of copies of the Bid as indicated in the **BDS** shall be typed or written in indelible ink and shall be signed by the bidder or its duly authorized representative/s.

- 20.4 All envelopes shall:
- (a) contain the name of the contract to be bid in capital letters;
 - (b) bear the name and address of the Bidder in capital letters;
 - (c) be addressed to the Procuring Entity's BAC in accordance with **ITB** Clause 1.1;
 - (d) bear the specific identification of this bidding process indicated in the **ITB** Clause 1.2; and
 - (e) bear a warning "DO NOT OPEN BEFORE..." the date and time for the opening of bids, in accordance with **ITB** Clause 21.
- 20.5 If bids are not sealed and marked as required, the Procuring Entity will assume no responsibility for the misplacement or premature opening of the bid.

D. Submission and Opening of Bids

21. Deadline for Submission of Bids

Bids must be received by the Procuring Entity's BAC at the address and on or before the date and time indicated in the **BDS**.

22. Late Bids

Any bid submitted after the deadline for submission and receipt of bids prescribed by the Procuring Entity, pursuant to **ITB** Clause 21, shall be declared "Late" and shall not be accepted by the Procuring Entity.

23. Modification and Withdrawal of Bids

23.1 The Bidder may modify its bid after it has been submitted; provided that the modification is received by the Procuring Entity prior to the deadline prescribed for submission and receipt of bids. The Bidder shall not be allowed to retrieve its original bid, but shall be allowed to submit another bid equally sealed, properly identified, linked to its original bid marked as "TECHNICAL MODIFICATION" or "FINANCIAL MODIFICATION" and stamped "received" by the BAC. Bid modifications received after the applicable deadline shall not be considered and shall be returned to the Bidder unopened.

23.2 A Bidder may, through a Letter of Withdrawal, withdraw its bid after it has been submitted, for valid and justifiable reason; provided that the Letter of Withdrawal is received by the Procuring Entity prior to the deadline prescribed for submission and receipt of bids.

- 23.3 Bids requested to be withdrawn in accordance with **ITB** Clause 0 shall be returned unopened to the Bidders. A Bidder may also express its intention not to participate in the bidding through a letter which should reach and be stamped by the BAC before the deadline for submission and receipt of bids. A Bidder that withdraws its bid shall not be permitted to submit another bid, directly or indirectly, for the same contract.
- 23.4 No bid may be modified after the deadline for submission of bids. No bid may be withdrawn in the interval between the deadline for submission of bids and the expiration of the period of bid validity specified by the Bidder on the Financial Bid Form. Withdrawal of a bid during this interval shall result in the forfeiture of the Bidder's bid security, pursuant to **ITB** Clause 0, and the imposition of administrative, civil and criminal sanctions as prescribed by RA 9184 and its IRR.

24. Opening and Preliminary Examination of Bids

- 24.1 The BAC shall open the first bid envelopes of Bidders in public as specified in the **BDS** to determine each Bidder's compliance with the documents prescribed in **ITB** Clause 12. For this purpose, the BAC shall check the submitted documents of each bidder against a checklist of required documents to ascertain if they are all present, using a non-discretionary "pass/fail" criterion. If a bidder submits the required document, it shall be rated "passed" for that particular requirement. In this regard, bids that fail to include any requirement or are incomplete or patently insufficient shall be considered as "failed". Otherwise, the BAC shall rate the said first bid envelope as "passed".
- 24.2 Unless otherwise specified in the **BDS**, immediately after determining compliance with the requirements in the first envelope, the BAC shall forthwith open the second bid envelope of each remaining eligible bidder whose first bid envelope was rated "passed". The second envelope of each complying bidder shall be opened within the same day. In case one or more of the requirements in the second envelope of a particular bid is missing, incomplete or patently insufficient, and/or if the submitted total bid price exceeds the ABC unless otherwise provided in **ITB** Clause 0, the BAC shall rate the bid concerned as "failed". Only bids that are determined to contain all the bid requirements for both components shall be rated "passed" and shall immediately be considered for evaluation and comparison.
- 24.3 Letters of withdrawal shall be read out and recorded during bid opening, and the envelope containing the corresponding withdrawn bid shall be returned to the Bidder unopened. If the withdrawing Bidder's representative is in attendance, the original bid and all copies thereof shall be returned to the representative during the bid opening. If the representative is not in attendance, the bid shall be returned unopened by registered mail. The Bidder may withdraw its bid prior to the deadline for the submission and receipt of bids, provided that the corresponding Letter of Withdrawal contains a valid authorization requesting for such withdrawal, subject to appropriate administrative sanctions.

- 24.4 If a Bidder has previously secured a certification from the Procuring Entity to the effect that it has previously submitted the above-enumerated Class “A” Documents, the said certification may be submitted in lieu of the requirements enumerated in **ITB** Clause 12.1(a), items (i) to (v).
- 24.5 In the case of an eligible foreign Bidder as described in **ITB** Clause 5, the Class “A” Documents described in **ITB** Clause 12.1(a) may be substituted with the appropriate equivalent documents, if any, issued by the country of the foreign Bidder concerned.
- 24.6 Each partner of a joint venture agreement shall likewise submit the requirements in **ITB** Clauses 12.1(a)(i) and 12.1(a)(ii). Submission of documents required under **ITB** Clauses 12.1(a)(iii) to 12.1(a)(v) by any of the joint venture partners constitutes compliance.
- 24.7 A Bidder determined as “failed” has three (3) calendar days upon written notice or, if present at the time of bid opening, upon verbal notification, within which to file a request or motion for reconsideration with the BAC: Provided, however, that the motion for reconsideration shall not be granted if it is established that the finding of failure is due to the fault of the Bidder concerned: Provided, further, that the BAC shall decide on the request for reconsideration within seven (7) calendar days from receipt thereof. If a failed Bidder signifies his intent to file a motion for reconsideration, the BAC shall keep the bid envelopes of the said failed Bidder unopened and/or duly sealed until such time that the motion for reconsideration or protest has been resolved.
- 24.8 The Procuring Entity shall prepare the minutes of the proceedings of the bid opening that shall include, as a minimum: (a) names of Bidders, their bid price, bid security, findings of preliminary examination; and (b) attendance sheet. The BAC members shall sign the abstract of bids as read.

E. Evaluation and Comparison of Bids

25. Process to be Confidential

- 25.1 Members of the BAC, including its staff and personnel, as well as its Secretariat and TWG, are prohibited from making or accepting any kind of communication with any bidder regarding the evaluation of their bids until the issuance of the Notice of Award, unless otherwise allowed in the case of **ITB** Clause 26.
- 25.2 Any effort by a bidder to influence the Procuring Entity in the Procuring Entity’s decision in respect of bid evaluation, bid comparison or contract award will result in the rejection of the Bidder’s bid.

26. Clarification of Bids

To assist in the evaluation, comparison, and post-qualification of the bids, the Procuring Entity may ask in writing any Bidder for a clarification of its bid. All responses to requests for clarification shall be in writing. Any clarification submitted by a Bidder in respect to its bid and that is not in response to a request by the Procuring Entity shall not be considered.

27. Domestic Preference

27.1 Unless otherwise stated in the **BDS**, the Procuring Entity will grant a margin of preference for the purpose of comparison of bids in accordance with the following:

- (a) The preference shall be applied when (i) the lowest Foreign Bid is lower than the lowest bid offered by a Domestic Bidder, or (ii) the lowest bid offered by a non-Philippine national is lower than the lowest bid offered by a Domestic Entity.
- (b) For evaluation purposes, the lowest Foreign Bid or the bid offered by a non-Philippine national shall be increased by fifteen percent (15%).
- (c) In the event that (i) the lowest bid offered by a Domestic Entity does not exceed the lowest Foreign Bid as increased, or (ii) the lowest bid offered by a non-Philippine national as increased, then the Procuring Entity shall award the contract to the Domestic Bidder/Entity at the amount of the lowest Foreign Bid or the bid offered by a non-Philippine national, as the case may be.
- (d) If the Domestic Entity/Bidder refuses to accept the award of contract at the amount of the Foreign Bid or bid offered by a non-Philippine national within two (2) calendar days from receipt of written advice from the BAC, the Procuring Entity shall award to the bidder offering the Foreign Bid or the non-Philippine national, as the case may be, subject to post-qualification and submission of all the documentary requirements under these Bidding Documents.

27.2 A Bidder may be granted preference as a Domestic Entity subject to the certification from the DTI (in case of sole proprietorships), SEC (in case of partnerships and corporations), or CDA (in case of cooperatives) that the (a) sole proprietor is a citizen of the Philippines or the partnership, corporation, cooperative, or association is duly organized under the laws of the Philippines with at least seventy five percent (75%) of its interest or outstanding capital stock belonging to citizens of the Philippines, (b) habitually established in business and habitually engaged in the manufacture or sale of the merchandise covered by his bid, and (c) the business has been in existence for at least five (5) consecutive years prior to the advertisement and/or posting of the Invitation to Bid for this Project.

27.3 A Bidder may be granted preference as a Domestic Bidder subject to the certification from the DTI that the Bidder is offering unmanufactured articles, materials or supplies of the growth or production of the Philippines, or manufactured articles, materials, or supplies manufactured or to be manufactured in the Philippines substantially from articles, materials, or supplies of the growth, production, or manufacture, as the case may be, of the Philippines.

28. Detailed Evaluation and Comparison of Bids

28.1 The Procuring Entity will undertake the detailed evaluation and comparison of bids which have passed the opening and preliminary examination of bids, pursuant to **ITB** Clause 24, in order to determine the Lowest Calculated Bid.

28.2 The Lowest Calculated Bid shall be determined in two steps:

- (a) The detailed evaluation of the financial component of the bids, to establish the correct calculated prices of the bids; and
- (b) The ranking of the total bid prices as so calculated from the lowest to the highest. The bid with the lowest price shall be identified as the Lowest Calculated Bid.

28.3 The Procuring Entity's BAC shall immediately conduct a detailed evaluation of all bids rated "passed," using non-discretionary pass/fail criteria. Unless otherwise specified in the **BDS**, the BAC shall consider the following in the evaluation of bids:

- (a) Completeness of the bid. Unless the ITB specifically allows partial bids, bids not addressing or providing all of the required items in the Schedule of Requirements including, where applicable, bill of quantities, shall be considered non-responsive and, thus, automatically disqualified. In this regard, where a required item is provided, but no price is indicated, the same shall be considered as non-responsive, but specifying a "0" (zero) for the said item would mean that it is being offered for free to the Procuring Entity; and
- (b) Arithmetical corrections. Consider computational errors and omissions to enable proper comparison of all eligible bids. It may also consider bid modifications, if allowed in the **BDS**. Any adjustment shall be calculated in monetary terms to determine the calculated prices.

28.4 Based on the detailed evaluation of bids, those that comply with the above-mentioned requirements shall be ranked in the ascending order of their total calculated bid prices, as evaluated and corrected for computational errors, discounts and other modifications, to identify the Lowest Calculated Bid. Total calculated bid prices, as evaluated and corrected for computational errors, discounts and other modifications, which exceed the ABC shall not be considered, unless otherwise indicated in the **BDS**.

- 28.5 The Procuring Entity's evaluation of bids shall only be based on the bid price quoted in the Financial Bid Form.
- 28.6 Bids shall be evaluated on an equal footing to ensure fair competition. For this purpose, all bidders shall be required to include in their bids the cost of all taxes, such as, but not limited to, value added tax (VAT), income tax, local taxes, and other fiscal levies and duties which shall be itemized in the bid form and reflected in the detailed estimates. Such bids, including said taxes, shall be the basis for bid evaluation and comparison.

29. Post-Qualification

- 29.1 The Procuring Entity shall determine to its satisfaction whether the Bidder that is evaluated as having submitted the Lowest Calculated Bid (LCB) complies with and is responsive to all the requirements and conditions specified in **ITB** Clauses 5, 12, and 13.
- 29.2 Within a non-extendible period of three (3) calendar days from receipt by the bidder of the notice from the BAC that it submitted the LCB, the Bidder shall submit the following documentary requirements:
- (a) Latest income and business tax returns in the form specified in the **BDS**;
 - (b) Certificate of PhilGEPS Registration; and
 - (c) Other appropriate licenses and permits required by law and stated in the **BDS**.
- Failure of the Bidder declared as Lowest Calculated Bid to duly submit the requirements under this Clause or a finding against the veracity of such shall be ground for forfeiture of the bid security and disqualification of the Bidder for award.
- 29.3 The determination shall be based upon an examination of the documentary evidence of the Bidder's qualifications submitted pursuant to **ITB** Clauses 12 and 13, as well as other information as the Procuring Entity deems necessary and appropriate, using a non-discretionary "pass/fail" criterion.
- 29.4 If the BAC determines that the Bidder with the Lowest Calculated Bid passes all the criteria for post-qualification, it shall declare the said bid as the Lowest Calculated Responsive Bid, and recommend to the Head of the Procuring Entity the award of contract to the said Bidder at its submitted price or its calculated bid price, whichever is lower.
- 29.5 A negative determination shall result in rejection of the Bidder's Bid, in which event the Procuring Entity shall proceed to the next Lowest Calculated Bid to make a similar determination of that Bidder's capabilities to perform satisfactorily. If the second Bidder, however, fails the post qualification, the procedure for post qualification shall be repeated for the Bidder with the next Lowest Calculated Bid, and so on until the Lowest Calculated Responsive Bid is determined for contract award.

- 29.6 Within a period not exceeding seven (7) calendar days from the date of receipt of the recommendation of the BAC, the Head of the Procuring Entity shall approve or disapprove the said recommendation. In the case of GOCCs and GFIs, the period provided herein shall be fifteen (15) calendar days.

30. Reservation Clause

- 30.1 Notwithstanding the eligibility or post-qualification of a Bidder, the Procuring Entity concerned reserves the right to review its qualifications at any stage of the procurement process if it has reasonable grounds to believe that a misrepresentation has been made by the said Bidder, or that there has been a change in the Bidder's capability to undertake the project from the time it submitted its eligibility requirements. Should such review uncover any misrepresentation made in the eligibility and bidding requirements, statements or documents, or any changes in the situation of the Bidder which will affect its capability to undertake the project so that it fails the preset eligibility or bid evaluation criteria, the Procuring Entity shall consider the said Bidder as ineligible and shall disqualify it from submitting a bid or from obtaining an award or contract.
- 30.2 Based on the following grounds, the Procuring Entity reserves the right to reject any and all bids, declare a failure of bidding at any time prior to the contract award, or not to award the contract, without thereby incurring any liability, and make no assurance that a contract shall be entered into as a result of the bidding:
- (a) If there is *prima facie* evidence of collusion between appropriate public officers or employees of the Procuring Entity, or between the BAC and any of the Bidders, or if the collusion is between or among the bidders themselves, or between a Bidder and a third party, including any act which restricts, suppresses or nullifies or tends to restrict, suppress or nullify competition;
 - (b) If the Procuring Entity's BAC is found to have failed in following the prescribed bidding procedures; or
 - (c) For any justifiable and reasonable ground where the award of the contract will not redound to the benefit of the GOP as follows:
 - (i) If the physical and economic conditions have significantly changed so as to render the project no longer economically, financially or technically feasible as determined by the head of the procuring entity;
 - (ii) If the project is no longer necessary as determined by the head of the procuring entity; and
 - (iii) If the source of funds for the project has been withheld or reduced through no fault of the Procuring Entity.

- 30.3 In addition, the Procuring Entity may likewise declare a failure of bidding when:
- (a) No bids are received;
 - (b) All prospective Bidders are declared ineligible;
 - (c) All bids fail to comply with all the bid requirements or fail post-qualification; or
 - (d) The Bidder with the Lowest Calculated Responsive Bid (LCRB) refuses, without justifiable cause to accept the award of contract, and no award is made.

F. Award of Contract

31. Contract Award

- 31.1 Subject to **ITB** Clause 29, the Procuring Entity shall award the contract to the Bidder whose bid has been determined to be the LCRB.
- 31.2 Prior to the expiration of the period of bid validity, the Procuring Entity shall notify the successful Bidder in writing that its bid has been accepted, through a Notice of Award received personally or sent by registered mail or electronically, receipt of which must be confirmed in writing within two (2) days by the Bidder with the LCRB and submitted personally or sent by registered mail or electronically to the Procuring Entity.
- 31.3 Notwithstanding the issuance of the Notice of Award, award of contract shall be subject to the following conditions:
- (a) Submission of the valid JVA, if applicable, within ten (10) calendar days from receipt by the Bidder of the notice from the BAC that the Bidder has the LCRB;
 - (b) Posting of the performance security in accordance with **ITB** Clause 33;
 - (c) Signing of the contract as provided in **ITB** Clause 32; and
 - (d) Approval by higher authority, if required.
- 31.4 At the time of contract award, the Procuring Entity shall not increase or decrease the quantity of goods originally specified in Section VI. Technical Specifications.

32. Signing of the Contract

- 32.1 At the same time as the Procuring Entity notifies the successful Bidder that its bid has been accepted, the Procuring Entity shall send the Contract Form to the Bidder, which contract has been provided in the Bidding Documents, incorporating therein all agreements between the parties.
- 32.2 Within ten (10) calendar days from receipt of the Notice of Award, the successful Bidder shall post the required performance security and sign and date the contract and return it to the Procuring Entity.
- 32.3 The Procuring Entity shall enter into contract with the successful Bidder within the same ten (10) calendar day period provided that all the documentary requirements are complied with.
- 32.4 The following documents shall form part of the contract:
- (a) Contract Agreement;
 - (b) Bidding Documents;
 - (c) Winning bidder's bid, including the Technical and Financial Proposals, and all other documents/statements submitted;
 - (d) Performance Security;
 - (e) Credit line in accordance with **ITB** Clause 5.5, if applicable;
 - (f) Notice of Award of Contract; and
 - (g) Other contract documents that may be required by existing laws and/or specified in the **BDS**.

33. Performance Security

- 33.1 To guarantee the faithful performance by the winning Bidder of its obligations under the contract, it shall post a performance security within a maximum period of ten (10) calendar days from the receipt of the Notice of Award from the Procuring Entity and in no case later than the signing of the contract.
- 33.2 The performance security shall be denominated in Philippine peso and posted in favor of the Procuring Entity in an amount equal to the percentage of the total contract price in accordance with the following schedule:

Form of Performance Security	Amount of Performance Security (Equal to Percentage of the Total Contract Price)
(a) Cash or cashier's/manager's check issued by a Universal or Commercial Bank.	Five percent (5%)
(b) Bank draft/guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank: Provided, however, that it shall be confirmed or authenticated by a Universal or Commercial Bank, if issued by a foreign bank.	
(c) Surety bond callable upon demand issued by a surety or insurance company duly certified by the Insurance Commission as authorized to issue such security; and/or	Thirty percent (30%)
(d) Any combination of the foregoing.	Proportionate to share of form with respect to total amount of security

33.3 Failure of the successful Bidder to comply with the above-mentioned requirement shall constitute sufficient ground for the annulment of the award and forfeiture of the bid security, in which event the Procuring Entity shall initiate and complete the post qualification of the second Lowest Calculated Bid. The procedure shall be repeated until the LCRB is identified and selected for contract award. However if no Bidder passed post-qualification, the BAC shall declare the bidding a failure and conduct a re-bidding with re-advertisement.

34. Notice to Proceed

34.1 Within three (3) calendar days from the date of approval of the contract by the appropriate government approving authority, the Procuring Entity shall issue its Notice to Proceed to the Bidder.

34.2 The contract effectivity date shall be provided in the Notice to Proceed by the Procuring Entity, which date shall not be later than seven (7) calendar days from the issuance of the Notice to Proceed.

III. Bid Data Sheet

ITB Clause	
1.1	The Procuring Entity is Government Service Insurance System (GSIS)
1.2	The lot(s) and reference is/are: Not applicable
2	<p><u>The Funding Source is:</u></p> <p>The Government of the Philippines (GOP) through the <u>GSIS Corporate Budget for the Year 2015 in the amount of (Php10,348,707.22)</u></p> <p><u>The name of the Project is: REINSURANCE OF THE INDUSTRIAL ALL RISK INSURANCE OF THE BANGKO SENTRAL NG PILIPINAS.</u></p>
3.1	No further instructions.
4.2	The bidder should also not be related to any of the members of the GSIS Board of Trustees or the GSIS Insurance Bids and Awards Committee (GIBAC), by consanguinity or affinity up to the third civil degree.
5.1	No further instructions.
5.2	<p>Except</p> <p>c. When the Goods sought to be procured are not available from local suppliers</p>
5.4	<p>In view of the determination by the Procuring Entity that imposition of the provisions of Section 23.5.1.3 of the IRR of RA 9184 will likely result in the failure of bidding or monopoly that will defeat the purpose of public bidding, the Bidder should comply with the following requirements:</p> <p>The Bidder must have an existing similar policy/ies or has issued at least one such policy in the last two years</p>
7	No further instructions.
8.1	Subcontracting is not allowed.
8.2	Not applicable.

9.1	The Procuring Entity will hold a pre-bid conference for this Project on 12 March 2015 (9:00 am) at the GIBAC Conference Room, Core C, Level 3, GSIS Building, Financial Center, Roxas Blvd.,- Pasay City
10.1	<p>The Procuring Entity's address is:</p> <p style="text-align: center;">Atty. Nelo B. Gellaco Head, GSIS Insurance Bids and Awards Committee Secretariat, Claims Department, Insurance Group, Level 3, GSIS Building Financial Center, Roxas Blvd., Pasay City Contact no. 479-3558 Email Address: nbgellaco@gsis.gov.ph</p>
12.1 (a)	<p>Eligibility Documents</p> <p>The first envelope shall contain the following eligibility documents:</p> <ol style="list-style-type: none"> 1. Notarized Application for Eligibility 2. Secretary's Certificate to include list of directors and major stockholders with their no. of shares subscribed and paid-up 3. For Insurers/ Reinsurers, certified true copy of a valid and current Certificate of Authority issued by the Office of the Insurance Commission. For Brokers, certified true copy of a valid and current Brokers Insurance License issued by the Insurance Commission. For Foreign Bidders, certified true copy of a valid and current Certificate of Authority/ Brokers Insurance License issued by the country of origin and a certified true copy of the documentation issued by the Insurance Commission on the registration of its resident agent. 4. List of Local Affiliate/Subsidiary Company, if any 5. Registration certificate from Securities and Exchange Commission (SEC), <u>or equivalent registration or incorporation certificate for foreign bidders.</u> 6. Valid and current Mayor's permit issued by the city or municipality where the principal place of business of the prospective bidder is located, if applicable. 7. Audited financial statements, showing, among others, the prospective bidder's total and current assets and liabilities, stamped "received" by the BIR or its duly accredited and authorized institutions for the past two (2) years from date of bid submission.



Only financial statements audited by Accredited External Auditors for Universal Banks of the Bangko Sentral ng Pilipinas (BSP) will be accepted.

In case of foreign insurance/reinsurance entity or broker, audited financial statements showing, among others, the prospective bidder's total and current assets and liabilities, for the past two (2) years duly received by the equivalent local regulator in the country of origin and duly acknowledged or authenticated by the Philippine Consulate therein.

8. For Non Life Insurance Companies and Reinsurance Companies, Annual Statement duly received by the Insurance Commission showing the following required minimum statutory net worth as of 31 December 2013 per Department Order 27 – 2006, to wit:

P350M (with at least P175M paid up capital (PUC)) if Non Life Insurance company (NLIC) is 100% Filipino-owned company

P600M (with at least P300M PUC) if NLIC is not more than 40% foreign-owned

P700M (with at least P350M PUC) if NLIC is 40% to 60% foreign-owned

P1B (with at least P500M PUC) if NLIC is more than 60% foreign-owned

P2B (with at least P1B PUC) for reinsurance companies

Above may be waived in view of compliance to Insurance Commission (IC) Circular No IMC 7 – 2006 (Adoption of RBC Framework for Non-Life Insurance Industry), and IMC 10 – 2006 (Integrating Compliance Standards for Fixed Capitalization under DO No 27-06 (IMC 27-06) and RBC Framework).

9. For Insurance Brokers or Reinsurance Brokers, Annual Statement duly received by the Insurance Commission showing the following required minimum statutory net worth as of 31 December 2013 per Insurance Memorandum Circular No 1 – 2006, to wit:

P10M for Insurance Brokers or Reinsurance Brokers

P25M for entities operating both as an Insurance Broker and Reinsurance Broker

P50M for new entrants as of 1 July 2006

	<p>10. Certified True Copy of their Treaty Slip i.e. Property, Engineering, Casualty, Marine, Aviation, etc. relevant to the bidding showing gross and net retention, and the panel of reinsurers and their respective share.</p> <p>11. Tax clearance per Executive Order 398, Series of 2005, as finally reviewed and approved by the BIR or appropriate equivalent documents, if any, issued by the country of the foreign Bidder concerned authenticated ('consularized') by the Philippine Embassy.</p> <p>12. NFCC, computed using the following formula, must be at least equal to the ABC to be bid:</p> <p style="padding-left: 40px;">NFCC= [(Current assets minus current liabilities) (K)] minus the value of all outstanding or uncompleted portions of the projects under ongoing contracts, including awarded contracts yet to be started coinciding with the contract to be bid.</p> <p style="padding-left: 40px;">Current assets and current liabilities shall be based on the data submitted to the Bureau of Internal Revenue (BIR), through its electronic Filing and Payment System (EFPS).</p> <p style="padding-left: 40px;">Where:</p> <p style="padding-left: 40px;">K=10 for a contract duration of one year or less, 15 for a contract duration of more than one year up to two years, and 20 for a contract duration of more than two years.</p> <p style="padding-left: 40px;">The value of all outstanding or uncompleted portions of the projects under ongoing contracts, including awarded contracts yet to be started coinciding with the contract to be bid shall be the bidder's net premiums written (per latest report released by the Insurance Commission (IC) in its website).</p> <p style="padding-left: 40px;">In lieu of the submission of the foregoing eligibility documents stated in 12.1 (a) during the opening of bids, a Certification may be issued by the Chairman GSIS Insurance Bids and Awards Committee (GIBAC), provided that the bidder has maintained a current and updated file of the above documents with the GIBAC.</p>
12.1(b)	<p>Technical Documents</p> <p>The first envelope shall likewise contain the following technical documents:</p> <ol style="list-style-type: none"> 1. Statement of at least one ongoing and/or one expired similar insurance policy or reinsurance binder, copy attached, issued within the last two years. The statement shall include, for each policy/binder, the following:



	<ul style="list-style-type: none"> - Name of the Assured/Reinsured - Period of cover of the Insurance - Limit of the Cover - Premium - Certified true copy of the Official Receipts as evidence of premium payment for the insurance policy. <p>2. Bid security in accordance with ITB Clause 18. If the Bidder opts to submit the bid security in the form of:</p> <ul style="list-style-type: none"> a. Cash or cashier's/ manager's check issued by a Universal or Commercial Bank ; or b. A bank draft/ guarantee or an irrevocable letter of credit issued by a foreign bank, it shall be accompanied by a confirmation from a Universal or Commercial Bank; or c. Surety Bond issued by any authorized insurance company and it shall be accompanied by a certification by the Insurance Commission that the surety or insurance company is authorized to issue such instruments. The surety bond shall be obtained from another insurance company other than the bidder. <p>d. Bid Securing Declaration Form</p> <p>3. A single Errors and Omission Policy for P1M enforceable in the Philippines.</p> <p>4. For Local Insurance/Reinsurance Companies, Certification, as of December 31, 2014 from the Insurance Commission, that it has no derogatory claims settlement record with the Claims Adjudication Division.</p> <p>5. The bidder must submit the following:</p> <ul style="list-style-type: none"> a. <u>Insurance & Reinsurance Companies</u> <ul style="list-style-type: none"> ▪ <u>If the terms and conditions are allowed under the bidder's reinsurance treaty agreement</u>
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	<p>5.1a Sworn statement indicating the amount and percentage retention out of the total sum insured, the amount retained by the bidder and that the retained amount is within the gross retention of the Treaty (form provided).</p> <p>5.2a In case of facultative reinsurance for the portion in excess of its treaty facility, a Certification that its securities are rated at least “A-” by the Standard & Poor’s or AM Best and these securities are duly authorized to transact reinsurance business in the Philippines through their appointed resident agent.</p> <p>For domestic companies as securities, rating is not required. Instead, a notarized undertaking that if the bidder qualifies as the lowest calculated bidder, it will submit the domestic securities’ net retention or treaty showing maximum retention and panel of reinsurers and respective shares.</p> <p>The list of securities, foreign and/or domestic, is a post-qualification requirement and must be submitted within fourteen (14) calendar days from the declaration of the lowest calculated bidder.</p> <ul style="list-style-type: none"> ▪ <u>If the terms and conditions are not allowed under the bidder’s reinsurance treaty agreement</u> <p>5.3a Sworn statement indicating the amount and percentage retention out of the total sum insured and the amount retained provided the amount retained by the bidder should not be more than five percent (5%) of the bidder’s networth which should also be stated (form provided).</p> <p>5.4a Certification that its facultative reinsurance placement in excess of its net retention is supported by securities rated at least “A-” by the Standard & Poor’s and AM Best and which securities are duly authorized to transact reinsurance business in the Philippines through their appointed resident agent.</p> <p>For domestic companies as securities, rating is not required. Instead, a notarized undertaking that if the bidder qualifies as the lowest calculated bidder, it will submit the domestic securities’ net retention or treaty showing maximum retention and panel of reinsurers and respective shares.</p> <p>The list of securities, foreign and domestic, is a post-qualification requirement and must be submitted within fourteen (14) calendar days from the declaration of the lowest calculated bidder.</p>
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	<p><u>b. Reinsurance Brokers</u></p> <p>5.1b Certification that its reinsurance placement is supported by securities rated at least “A-” by the Standard & Poor’s and AM Best and which securities are duly authorized to transact reinsurance business in the Philippines through their appointed resident agent.</p> <p>However, no rating shall be required if the securities are domestic insurance companies. Instead, the bidder shall submit a notarized undertaking that if the bidder qualifies as the lowest calculated bidder, it will submit the domestic securities’ net retention or treaty showing maximum retention and panel of treaty reinsurers and respective shares.</p> <p>The list of securities, foreign and/or domestic, is a post-qualification requirement and must be submitted within fourteen (14) calendar days from the declaration of the lowest calculated bidder.</p> <p>6. Certification from the bidder that it will provide a lead line of at least 10% of the reinsured risk.</p> <p>7. The bidder must certify conformity to Section VI - Technical Specifications and its acceptance shall remain as such for the duration of the Reinsurance contract. Further, bidder must certify that its reinsurance placement and acceptance of its reinsurers is likewise in accordance with Section VI - Technical Specifications and shall remain as such for the duration of the Reinsurance contract (form provided).</p> <p>8. Sworn Statement in accordance with Section 25.2 (a)(iv) of the IRR of RA 9184 and using the form prescribed in Section VII. Bidding Forms including the duly notarized Secretary’s Certificate providing the authorization to the signatory or its representative (form provided).</p> <p>9. Notarized Undertaking that the bidder, if appointed shall furnish GSIS true copies of the Underwriters Acceptance Slip/Cover Notes of all participating Reinsurers included in the submitted written lines within five (5) days from receipt of the award</p>
13.1	(b) If the Bidder claims preference as a Domestic Bidder or Domestic Entity, a certification from the DTI, SEC, or CDA issued in accordance with ITB Clause 27, unless otherwise provided in the <u>BDS</u> ;
13.1(b)	No further instructions.



13.2	The ABC is Ten Million Three Hundred Forty Eight Thousand Seven Hundred Seven Pesos and 22/100 (Php10,348,707.22). Any bid with a financial component exceeding this amount shall not be accepted.
15.1	Bid Prices – The bidder shall complete the financial bid stating the bid for the contract If no price is indicated in a particular module, or specifying a “0” for a given module, the bid shall be considered unresponsive.
15.2	Not applicable
15.3	Not applicable
15.4	Not applicable.
16.1	Prices shall be quoted in Philippine Peso.
16.3	Contract Price must be in Philippine Peso.
17.1	Bids will be valid until One Hundred Twenty (120) Calendar days from the opening of Bids.
18.1	The bid security shall be in the following form and amount: <ol style="list-style-type: none"> 1. The amount of 2% of ABC if bid security is in cash, cashier’s/manager’s check, bank draft/guarantee or irrevocable letter of credit; 2. The amount of 5% of ABC if bid security is in Surety Bond to be issued by any authorized insurance company and it shall be accompanied by a certification by the Insurance Commission that the surety or insurance company is authorized to issue such instruments. The surety bond shall be obtained from another insurance company other than the bidder. 3. Any combination of the foregoing proportionate to the share of form with respect to total amount of security. 4. Notarized Bid Securing Declaration.
18.2	The bid security shall be valid until One Hundred Twenty (120) Calendar days from the opening of Bids.
20.3	Each Bidder shall submit 1 original and 2 copies of the first and second components of its bid.
21	The address for submission of bids is: <p style="text-align: center;">GIBAC Secretariat, Insurance Group, Level 3 GSIS Building, Financial Center, Roxas Blvd., Pasay City</p>



	The deadline for submission of bids is 24 March 2015 (8:30 am).
24.1	The place of bid opening is: GIBAC Conference Room, Core C, Level 3 GSIS Building, Financial Center, Roxas Blvd., Pasay City The date and time of bid opening is 24 March 2015 (9:00 am).
24.2	No further instructions.
27.1	No further instructions.
28.3	
28.3(a)	Bid Prices – If no price is indicated, or “0” is specified, the bid shall be considered unresponsive.
28.3(b)	Bid modification is not allowed.
28.4	No further instructions.
29.2(a)	No further instructions.
29.2(b)	Bidders shall submit manually filed tax returns, or an equivalent document for foreign bidders issued by the appropriate government agency of the country of their origin. <i>NOTE: The latest income and business tax returns (VAT or Percentage Tax Returns) are those within the last six months preceding the date of bid submission.</i>
29.2(d)	Bidders shall also submit a certification of the list of securities supported by: <ol style="list-style-type: none"> 1. written lines to cover 100% of the risk in excess of the bidder’s retention within fourteen (14) days from the opening of bids. 2. Treaty slip showing maximum retention and panel of reinsurers and their respective share including full contractual wordings.

IV. General Conditions of the Contract

1. Definitions

1.1 In this Contract, the following terms shall be interpreted as indicated:

- (a) “The Contract” means the agreement entered into between the Procuring Entity and the Supplier, as recorded in the Contract Form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
- (b) “The Contract Price” means the price payable to the Supplier under the Contract for the full and proper performance of its contractual obligations.
- (c) “The Goods” means all of the supplies, equipment, machinery, spare parts, other materials and/or general support services which the Supplier is required to provide to the Procuring Entity under the Contract.
- (d) “The Services” means those services ancillary to the supply of the Goods, such as transportation and insurance, and any other incidental services, such as installation, commissioning, provision of technical assistance, training, and other such obligations of the Supplier covered under the Contract.
- (e) “GCC” means the General Conditions of Contract contained in this Section.
- (f) “SCC” means the Special Conditions of Contract.
- (g) “The Procuring Entity” means the organization purchasing the Goods, as named in the **SCC**.
- (h) “The Procuring Entity’s country” is the Philippines.
- (i) “The Supplier” means the individual contractor, manufacturer distributor, or firm supplying/manufacturing the Goods and Services under this Contract and named in the **SCC**.
- (j) The “Funding Source” means the organization named in the **SCC**.
- (k) “The Project Site,” where applicable, means the place or places named in the **SCC**.
- (l) “Day” means calendar day.
- (m) The “Effective Date” of the contract will be the date of receipt by the Supplier of the Notice to Proceed or the date provided in the Notice to Proceed. Performance of all obligations shall be reckoned from the Effective Date of the Contract.

- (n) "Verified Report" refers to the report submitted by the Implementing Unit to the Head of the Procuring Entity setting forth its findings as to the existence of grounds or causes for termination and explicitly stating its recommendation for the issuance of a Notice to Terminate.

2. Corrupt, Fraudulent, Collusive, and Coercive Practices

2.1 Unless otherwise provided in the **SCC**, the Procuring Entity as well as the bidders, contractors, or suppliers shall observe the highest standard of ethics during the procurement and execution of this Contract. In pursuance of this policy, the Procuring Entity:

- (a) defines, for the purposes of this provision, the terms set forth below as follows:
 - (i) "corrupt practice" means behavior on the part of officials in the public or private sectors by which they improperly and unlawfully enrich themselves, others, or induce others to do so, by misusing the position in which they are placed, and it includes the offering, giving, receiving, or soliciting of anything of value to influence the action of any such official in the procurement process or in contract execution; entering, on behalf of the Government, into any contract or transaction manifestly and grossly disadvantageous to the same, whether or not the public officer profited or will profit thereby, and similar acts as provided in Republic Act 3019.
 - (ii) "fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of the Procuring Entity, and includes collusive practices among Bidders (prior to or after bid submission) designed to establish bid prices at artificial, non-competitive levels and to deprive the Procuring Entity of the benefits of free and open competition.
 - (iii) "collusive practices" means a scheme or arrangement between two or more Bidders, with or without the knowledge of the Procuring Entity, designed to establish bid prices at artificial, non-competitive levels.
 - (iv) "coercive practices" means harming or threatening to harm, directly or indirectly, persons, or their property to influence their participation in a procurement process, or affect the execution of a contract;
 - (v) "obstructive practice" is

- (aa) deliberately destroying, falsifying, altering or concealing of evidence material to an administrative proceedings or investigation or making false statements to investigators in order to materially impede an administrative proceedings or investigation of the Procuring Entity or any foreign government/foreign or international financing institution into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the administrative proceedings or investigation or from pursuing such proceedings or investigation; or
- (bb) acts intended to materially impede the exercise of the inspection and audit rights of the Procuring Entity or any foreign government/foreign or international financing institution herein.

(b) will reject a proposal for award if it determines that the Bidder recommended for award has engaged in any of the practices mentioned in this Clause for purposes of competing for the contract.

2.2 Further the Funding Source, Borrower or Procuring Entity, as appropriate, will seek to impose the maximum civil, administrative and/or criminal penalties available under the applicable law on individuals and organizations deemed to be involved with any of the practices mentioned in **GCC** Clause 2.1(a).

3. Inspection and Audit by the Funding Source

The Supplier shall permit the Funding Source to inspect the Supplier's accounts and records relating to the performance of the Supplier and to have them audited by auditors appointed by the Funding Source, if so required by the Funding Source.

4. Governing Law and Language

4.1 This Contract shall be interpreted in accordance with the laws of the Republic of the Philippines.

4.2 This Contract has been executed in the English language, which shall be the binding and controlling language for all matters relating to the meaning or interpretation of this Contract. All correspondence and other documents pertaining to this Contract exchanged by the parties shall be written in English.

5. Notices

- 5.1 Any notice, request, or consent required or permitted to be given or made pursuant to this Contract shall be in writing. Any such notice, request, or consent shall be deemed to have been given or made when received by the concerned party, either in person or through an authorized representative of the Party to whom the communication is addressed, or when sent by registered mail, telex, telegram, or facsimile to such Party at the address specified in the **SCC**, which shall be effective when delivered and duly received or on the notice's effective date, whichever is later.
- 5.2 A Party may change its address for notice hereunder by giving the other Party notice of such change pursuant to the provisions listed in the **SCC** for **GCC** Clause 5.1.

6 Scope of Contract

- 6.1 The GOODS and Related Services to be provided shall be as specified in Section VI Schedule of Requirements.
- 6.2 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. Any additional requirements for the completion of this Contract shall be provided in the **SCC**.

7 Subcontracting

- 7.1 Subcontracting of any portion of the Goods, if allowed in the **BDS**, does not relieve the Supplier of any liability or obligation under this Contract. The Supplier will be responsible for the acts, defaults, and negligence of any subcontractor, its agents, servants or workmen as fully as if these were the Supplier's own acts, defaults, or negligence, or those of its agents, servants or workmen.
- 7.2 Subcontractors disclosed and identified during the bidding may be changed during the implementation of this Contract, subject to compliance with the required qualifications and the approval of the Procuring Entity.

8 Procuring Entity's Responsibilities

- 8.1 Whenever the performance of the obligations in this Contract requires that the Supplier obtain permits, approvals, import, and other licenses from local public authorities, the Procuring Entity shall, if so needed by the Supplier, make its best effort to assist the Supplier in complying with such requirements in a timely and expeditious manner.
- 8.2 The Procuring Entity shall pay all costs involved in the performance of its responsibilities in accordance with **GCC** Clause 6.



9 Prices

- 9.1 For the given scope of work in this Contract as awarded, all bid prices are considered fixed prices, and therefore not subject to price escalation during contract implementation, except under extraordinary circumstances and upon prior approval of the GPPB in accordance with Section 61 of R.A. 9184 and its IRR or except as provided in this Clause.
- 9.2 Prices charged by the Supplier for Goods delivered and/or services performed under this Contract shall not vary from the prices quoted by the Supplier in its bid, with the exception of any change in price resulting from a Change Order issued in accordance with **GCC** Clause 29.

10 Payment

- 10.1 Payments shall be made only upon a certification by the Head of the Procuring Entity to the effect that the Goods have been rendered or delivered in accordance with the terms of this Contract and have been duly inspected and accepted. Except with the prior approval of the President no payment shall be made for services not yet rendered or for supplies and materials not yet delivered under this Contract. Ten percent (10%) of the amount of each payment shall be retained by the Procuring Entity to cover the Supplier's warranty obligations under this Contract as described in **GCC** Clause 17.
- 10.2 The Supplier's request(s) for payment shall be made to the Procuring Entity in writing, accompanied by an invoice describing, as appropriate, the Goods delivered and/or Services performed, and by documents submitted pursuant to the **SCC** provision for **GCC** Clause 6.2, and upon fulfillment of other obligations stipulated in this Contract.
- 10.3 Pursuant to **GCC** Clause 10.2, payments shall be made promptly by the Procuring Entity, but in no case later than sixty (60) days after submission of an invoice or claim by the Supplier.
- 10.4 Unless otherwise provided in the SCC, the currency in which payment is made to the Supplier under this Contract shall be in Philippine Pesos.

11 Advance Payment and Terms of Payment

- 11.1 Advance payment shall be made only after prior approval of the President, and shall not exceed fifteen percent (15%) of the Contract amount, unless otherwise directed by the President or in cases allowed under Annex "D" of RA 9184.
- 11.2 For Goods supplied from abroad, the terms of payment shall be as follows:
- (a) On Contract Signature: Ten percent (10%) of the Contract Price shall be paid within sixty (60) days from signing of the Contract and upon submission of a claim and a bank guarantee for the equivalent amount valid until the Goods are delivered and in the form provided in Section VIII. Bidding Forms.



- (b) On Delivery: Seventy percent (70%) of the Contract Price shall be paid to the Supplier within sixty (60) days after the date of receipt of the Goods and upon submission of the documents (i) through (vi) specified in the SCC provision on Delivery and Documents.
- (c) On Acceptance: The remaining twenty percent (20%) of the Contract Price shall be paid to the Supplier within sixty (60) days after the date of submission of the acceptance and inspection certificate for the respective delivery issued by the Procuring Entity's authorized representative. In the event that no inspection or acceptance certificate is issued by the Procuring Entity's authorized representative within forty five (45) days of the date shown on the delivery receipt the Supplier shall have the right to claim payment of the remaining twenty percent (20%) subject to the Procuring Entity's own verification of the reason(s) for the failure to issue documents (vii) and (viii) as described in the SCC provision on Delivery and Documents.

11.3 All progress payments shall first be charged against the advance payment until the latter has been fully exhausted.

12 Taxes and Duties

The Supplier, whether local or foreign, shall be entirely responsible for all the necessary taxes, stamp duties, license fees, and other such levies imposed for the completion of this Contract.

13 Performance Security

- 13.1 Within ten (10) calendar days from receipt of the Notice of Award from the Procuring Entity but in no case later than the signing of the contract by both parties, the successful Bidder shall furnish the performance security in any the forms prescribed in the **ITB** Clause 33.2.
- 13.2 The performance security posted in favor of the Procuring Entity shall be forfeited in the event it is established that the winning bidder is in default in any of its obligations under the contract.
- 13.3 The performance security shall remain valid until issuance by the Procuring Entity of the Certificate of Final Acceptance.
- 13.4 The performance security may be released by the Procuring Entity and returned to the Supplier after the issuance of the Certificate of Final Acceptance subject to the following conditions:
 - 13.4.1 There are no pending claims against the Supplier or the surety company filed by the Procuring Entity;
 - 13.4.2 The Supplier has no pending claims for labor and materials filed against it; and



13.4.3 Other terms specified in the **SCC**.

- 13.5 In case of a reduction of the contract value, the Procuring Entity shall 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 reductions is not more than fifty percent (50%) of the original performance security.

14 Use of Contract Documents and Information

- 14.1 The Supplier shall not, except for purposes of performing the obligations in this Contract, without the Procuring Entity's prior written consent, disclose this Contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the Procuring Entity. Any such disclosure shall be made in confidence and shall extend only as far as may be necessary for purposes of such performance.
- 14.2 Any document, other than this Contract itself, enumerated in **GCC** Clause 14.1 shall remain the property of the Procuring Entity and shall be returned (all copies) to the Procuring Entity on completion of the Supplier's performance under this Contract if so required by the Procuring Entity.

15 Standards

The Goods provided under this Contract shall conform to the standards mentioned in the Section VII Technical Specifications; and, when no applicable standard is mentioned, to the authoritative standards appropriate to the Goods' country of origin. Such standards shall be the latest issued by the institution concerned.

16 Inspection and Tests

- 16.1 The Procuring Entity or its representative 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 Procuring Entity. The **SCC** and Section VII Technical Specifications shall specify what inspections and/or tests the Procuring Entity requires and where they are to be conducted. The Procuring Entity shall notify the Supplier in writing, in a timely manner, of the identity of any representatives retained for these purposes.
- 16.2 If applicable, the inspections and tests may be conducted on the premises of the Supplier or its subcontractor(s), at point of delivery, and/or at the goods' final destination. If conducted on the premises of the Supplier or its subcontractor(s), all reasonable facilities and assistance, including access to drawings and production data, shall be furnished to the inspectors at no charge to the Procuring Entity. The Supplier shall provide the Procuring Entity with results of such inspections and tests.

- 16.3 The Procuring Entity or its designated representative shall be entitled to attend the tests and/or inspections referred to in this Clause provided that the Procuring Entity shall bear all of its own costs and expenses incurred in connection with such attendance including, but not limited to, all travelling and board and lodging expenses.
- 16.4 The Procuring Entity may reject any Goods or any part thereof that fail to pass any test and/or inspection or do not conform to the specifications. The Supplier shall either rectify or replace such rejected Goods or parts thereof or make alterations necessary to meet the specifications at no cost to the Procuring Entity, and shall repeat the test and/or inspection, at no cost to the Procuring Entity, upon giving a notice pursuant to **GCC** Clause 5.
- 16.5 The Supplier agrees that neither the execution of a test and/or inspection of the Goods or any part thereof, nor the attendance by the Procuring Entity or its representative, shall release the Supplier from any warranties or other obligations under this Contract.

17 Warranty

- 17.1 The Supplier warrants that the Goods supplied under the Contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials, except when the technical specifications required by the Procuring Entity provides otherwise.
- 17.2 The Supplier further warrants that all Goods supplied under this Contract shall have no defect, arising from design, materials, or workmanship or from any act or omission of the Supplier that may develop under normal use of the supplied Goods in the conditions prevailing in the country of final destination.
- 17.3 In order to assure that manufacturing defects shall be corrected by the Supplier, a warranty shall be required from the Supplier for a minimum period specified in the **SCC**. The obligation for the warranty shall be covered by, at the Supplier's option, either retention money in an amount equivalent to at least ten percent (10%) of the final payment, or a special bank guarantee equivalent to at least ten percent (10%) of the Contract Price or other such amount if so specified in the **SCC**. The said amounts shall only be released after the lapse of the warranty period specified in the **SCC**; provided, however, that the Supplies delivered are free from patent and latent defects and all the conditions imposed under this Contract have been fully met.
- 17.4 The Procuring Entity shall promptly notify the Supplier in writing of any claims arising under this warranty. Upon receipt of such notice, the Supplier shall, within the period specified in the **SCC** and with all reasonable speed, repair or replace the defective Goods or parts thereof, without cost to the Procuring Entity.

- 17.5 If the Supplier, having been notified, fails to remedy the defect(s) within the period specified in **GCC** Clause 17.4, the Procuring Entity may proceed to take such remedial action as may be necessary, at the Supplier's risk and expense and without prejudice to any other rights which the Procuring Entity may have against the Supplier under the Contract and under the applicable law.

18 Delays in the Supplier's Performance

- 18.1 Delivery of the Goods and/or performance of Services shall be made by the Supplier in accordance with the time schedule prescribed by the Procuring Entity in Section VI Schedule of Requirements.
- 18.2 If at any time during the performance of this Contract, the Supplier or its Subcontractor(s) should encounter conditions impeding timely delivery of the Goods and/or performance of Services, the Supplier shall promptly notify the Procuring Entity in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the Supplier's notice, and upon causes provided for under **GCC** Clause 22, the Procuring Entity shall evaluate the situation and may extend the Supplier's time for performance, in which case the extension shall be ratified by the parties by amendment of Contract.
- 18.3 Except as provided under **GCC** Clause 22, a delay by the Supplier in the performance of its obligations shall render the Supplier liable to the imposition of liquidated damages pursuant to **GCC** Clause 19, unless an extension of time is agreed upon pursuant to **GCC** Clause 29 without the application of liquidated damages.

19 Liquidated Damages

Subject to **GCC** Clauses 18 and 22, if the Supplier fails to satisfactorily deliver any or all of the Goods and/or to perform the Services within the period(s) specified in this Contract inclusive of duly granted time extensions if any, the Procuring Entity shall, without prejudice to its other remedies under this Contract and under the applicable law, deduct from the Contract Price, as liquidated damages, the applicable rate of one tenth (1/10) of one (1) percent of the cost of the unperformed portion for every day of delay until actual delivery or performance. The maximum deduction shall be ten percent (10%) of the amount of contract. Once the maximum is reached, the Procuring Entity shall rescind the Contract pursuant to **GCC** Clause 23, without prejudice to other courses of action and remedies open to it.

20 Settlement of Disputes

- 20.1 If any dispute or difference of any kind whatsoever shall arise between the Procuring Entity and the Supplier in connection with or arising out of this Contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.

- 20.2 If after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the Procuring Entity or the Supplier may give notice to the other party of its intention to commence arbitration, as hereinafter provided, as to the matter in dispute, and no arbitration in respect of this matter may be commenced unless such notice is given.
- 20.3 Any dispute or difference in respect of which a notice of intention to commence arbitration has been given in accordance with this Clause shall be settled by arbitration. Arbitration may be commenced prior to or after delivery of the Goods under this Contract.
- 20.4 In the case of a dispute between the Procuring Entity and the Supplier, the dispute shall be resolved in accordance with Republic Act 9285 (“R.A. 9285”), otherwise known as the “Alternative Dispute Resolution Act of 2004.”
- 20.5 Notwithstanding any reference to arbitration herein, the parties shall continue to perform their respective obligations under the Contract unless they otherwise agree; and the Procuring Entity shall pay the Supplier any monies due the Supplier.

21 Liability of the Supplier

- 21.1 The Supplier’s liability under this Contract shall be as provided by the laws of the Republic of the Philippines, subject to additional provisions, if any, set forth in the **SCC**.
- 21.2 Except in cases of criminal negligence or willful misconduct, and in the case of infringement of patent rights, if applicable, the aggregate liability of the Supplier to the Procuring Entity shall not exceed the total Contract Price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.

22 Force Majeure

- 22.1 The Supplier shall not be liable for forfeiture of its performance security, liquidated damages, or termination for default if and to the extent that the Supplier’s delay in performance or other failure to perform its obligations under the Contract is the result of a *force majeure*.
- 22.2 For purposes of this Contract the terms “*force majeure*” and “fortuitous event” may be used interchangeably. In this regard, a fortuitous event or *force majeure* shall be interpreted to mean an event which the Contractor could not have foreseen, or which though foreseen, was inevitable. It shall not include ordinary unfavorable weather conditions; and any other cause the effects of which could have been avoided with the exercise of reasonable diligence by the Contractor. Such events may include, but not limited to, acts of the Procuring Entity in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions, and freight embargoes.

- 22.3 If a *force majeure* situation arises, the Supplier shall promptly notify the Procuring Entity in writing of such condition and the cause thereof. Unless otherwise directed by the Procuring Entity in writing, the Supplier shall continue to perform its obligations under the Contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the *force majeure*.

23 Termination for Default

- 23.1 The Procuring Entity shall terminate this Contract for default when any of the following conditions attends its implementation:
- 23.1.1 Outside of *force majeure*, the Supplier fails to deliver or perform any or all of the Goods within the period(s) specified in the contract, or within any extension thereof granted by the Procuring Entity pursuant to a request made by the Supplier prior to the delay, and such failure amounts to at least ten percent (10%) of the contract price;
- 23.1.2 As a result of *force majeure*, the Supplier is unable to deliver or perform any or all of the Goods, amounting to at least ten percent (10%) of the contract price, for a period of not less than sixty (60) calendar days after receipt of the notice from the Procuring Entity stating that the circumstance of force majeure is deemed to have ceased; or
- 23.1.3 The Supplier fails to perform any other obligation under the Contract.
- 23.2 In the event the Procuring Entity terminates this Contract in whole or in part, for any of the reasons provided under **GCC** Clauses 23 to 26, the Procuring Entity may procure, upon such terms and in such manner as it deems appropriate, Goods or Services similar to those undelivered, and the Supplier shall be liable to the Procuring Entity for any excess costs for such similar Goods or Services. However, the Supplier shall continue performance of this Contract to the extent not terminated.
- 23.3 In case the delay in the delivery of the Goods and/or performance of the Services exceeds a time duration equivalent to ten percent (10%) of the specified contract time plus any time extension duly granted to the Supplier, the Procuring Entity may terminate this Contract, forfeit the Supplier's performance security and award the same to a qualified Supplier.

24 Termination for Insolvency

The Procuring Entity shall terminate this Contract if the Supplier is declared bankrupt or insolvent as determined with finality by a court of competent jurisdiction. In this event, termination will be without compensation to the Supplier, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the Procuring Entity and/or the Supplier.

25 Termination for Convenience

- 25.1 The Procuring Entity may terminate this Contract, in whole or in part, at any time for its convenience. The Head of the Procuring Entity may terminate a contract for the convenience of the Government if he has determined the existence of conditions that make Project Implementation economically, financially or technically impractical and/or unnecessary, such as, but not limited to, fortuitous event(s) or changes in law and national government policies.
- 25.2 The Goods that have been delivered and/or performed or are ready for delivery or performance within thirty (30) calendar days after the Supplier's receipt of Notice to Terminate shall be accepted by the Procuring Entity at the contract terms and prices. For Goods not yet performed and/or ready for delivery, the Procuring Entity may elect:
- 25.2.1 to have any portion delivered and/or performed and paid at the contract terms and prices; and/or
- 25.2.2 to cancel the remainder and pay to the Supplier an agreed amount for partially completed and/or performed goods and for materials and parts previously procured by the Supplier.
- 25.3 If the Supplier suffers loss in its initial performance of the terminated contract, such as purchase of raw materials for goods specially manufactured for the Procuring Entity which cannot be sold in open market, it shall be allowed to recover partially from this Contract, on a *quantum meruit* basis. Before recovery may be made, the fact of loss must be established under oath by the Supplier to the satisfaction of the Procuring Entity before recovery may be made.

26 Termination for Unlawful Acts

- 26.1 The Procuring Entity may terminate this Contract in case it is determined *prima facie* that the Supplier has engaged, before or during the implementation of this Contract, in unlawful deeds and behaviors relative to contract acquisition and implementation. Unlawful acts include, but are not limited to, the following:
- 26.1.1 Corrupt, fraudulent, and coercive practices as defined in **ITB** Clause 3.1(a);
- 26.1.2 Drawing up or using forged documents;
- 26.1.3 Using adulterated materials, means or methods, or engaging in production contrary to rules of science or the trade; and
- 26.1.4 Any other act analogous to the foregoing.

27 Procedures for Termination of Contracts

- 27.1 The following provisions shall govern the procedures for termination of this Contract:
- 27.1.1 Upon receipt of a written report of acts or causes which may constitute ground(s) for termination as aforementioned, or upon its own initiative, the Implementing Unit shall, within a period of seven (7) calendar days, verify the existence of such ground(s) and cause the execution of a Verified Report, with all relevant evidence attached;
 - 27.1.2 Upon recommendation by the Implementing Unit, the Head of the Procuring Entity shall terminate this Contract only by a written notice to the Supplier conveying the termination of this Contract. The notice shall state:
 - 27.1.2.1 that this Contract is being terminated for any of the ground(s) afore-mentioned, and a statement of the acts that constitute the ground(s) constituting the same;
 - 27.1.2.2 the extent of termination, whether in whole or in part;
 - 27.1.2.3 an instruction to the Supplier to show cause as to why this Contract should not be terminated; and
 - 27.1.2.4 special instructions of the Procuring Entity, if any.
 - 27.1.3 The Notice to Terminate shall be accompanied by a copy of the Verified Report;
 - 27.1.4 Within a period of seven (7) calendar days from receipt of the Notice of Termination, the Supplier shall submit to the Head of the Procuring Entity a verified position paper stating why this Contract should not be terminated. If the Supplier fails to show cause after the lapse of the seven (7) day period, either by inaction or by default, the Head of the Procuring Entity shall issue an order terminating this Contract;
 - 27.1.5 The Procuring Entity may, at any time before receipt of the Supplier's verified position paper described in item (d) above withdraw the Notice to Terminate if it is determined that certain items or works subject of the notice had been completed, delivered, or performed before the Supplier's receipt of the notice;

- 27.1.6 Within a non-extendible period of ten (10) calendar days from receipt of the verified position paper, the Head of the Procuring Entity shall decide whether or not to terminate this Contract. It shall serve a written notice to the Supplier of its decision and, unless otherwise provided, this Contract is deemed terminated from receipt of the Supplier of the notice of decision. The termination shall only be based on the ground(s) stated in the Notice to Terminate;
- 27.1.7 The Head of the Procuring Entity may create a Contract Termination Review Committee (CTRC) to assist him in the discharge of this function. All decisions recommended by the CTRC shall be subject to the approval of the Head of the Procuring Entity; and
- 27.1.8 The Supplier must serve a written notice to the Procuring Entity of its intention to terminate the contract at least thirty (30) calendar days before its intended termination. The Contract is deemed terminated if it is not resumed in thirty (30) calendar days after the receipt of such notice by the Procuring Entity.

28 Assignment of Rights

The Supplier shall not assign his rights or obligations under this Contract, in whole or in part, except with the Procuring Entity's prior written consent.

29 Contract Amendment

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

30 Application

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

V. Special Conditions of the Contract

GCC Clause	
1.1(a)	“The Contract” means the Facultative Reinsurance Treaty Slip signed by the GSIS and the Reinsurer including all its attachments, appendices as well as all the Bid documents which are deemed incorporated therein.
1.1(b)	“The Contract Price” means the reinsurance premium (net of Reinsurance Commission) to be paid by the GSIS to the Reinsurer under the Reinsurance Binder.
1.1(c)	“Goods” means the reinsurance cover.
1.1(g)	“The Procuring Entity” is <i>Government Service Insurance System</i>
1.1(i)	“The Supplier” means the winning bidder if it is a reinsurance company. If the winning bidder is a reinsurance broker, the Supplier means the reinsurance broker and/or its securities as appropriate.
1.1(j)	The Funding Source is The Government of the Philippines (GOP) through <i>GSIS Corporate Budget for the Year 2015</i> in the amount of Ten Million Three Hundred Forty Eight Thousand Seven Hundred Seven Pesos and 22/100 (Php10,348,707.22).
1.1(k)	Not applicable.
5.1	The Procuring Entity’s address for Notices is: Atty. Nelo B. Gellaco Head, GSIS Insurance Bids and Awards Committee Secretariat Claims Department, Insurance Group, Level 3, GSIS Bldg Financial Center, Roxas Blvd., Pasay City Contact no. 479-3558 Email: nbgellaco@gsis.gov.ph The Supplier’s address for Notices is:
6.1	The Goods and Related Services to be provided shall be specified in the Technical Specifications, in Section VI hereof.
6.2	Not Applicable
10	Full Payment of premium shall be made by the GSIS as stated in the Technical Specifications. Payment shall be made in Philippine Pesos.
11	Not applicable.
15	Not applicable
16	Not applicable



17	Not applicable
21.1	All partners to the joint venture shall be jointly and severally liable to the Procuring Entity.
22	Not applicable
23.1(b)	Not applicable
25.2	Not applicable
25.3	Not applicable

SECTION VI. TECHNICAL SPECIFICATIONS

LINE	:	Industrial All Risk									
ORIGINAL INSURED	:	BANGKO SENTRAL NG PILIPINAS									
ADDRESS	:	Malate, Manila									
REINSURED	:	Government Service Insurance System									
PERIOD OF INSURANCE	:	From: 4:00 P.M. May 1, 2015 To: 4:00 P.M. May 1, 2016									
LOCATION OF RISK	:	Various Locations (As per attached)									
PROPERTY INSURED	:	Buildings, Machineries and Contents									
TOTAL SUM INSURED	:	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Building and Machineries -</td> <td style="width: 5%; text-align: right;">Php</td> <td style="width: 35%; text-align: right;">7,174,452,784.78</td> </tr> <tr> <td>Contents</td> <td></td> <td style="text-align: right;"><u>786,091,234.14</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;">-</td> <td style="text-align: right;">Php7,960,544,018.92</td> </tr> </table>	Building and Machineries -	Php	7,174,452,784.78	Contents		<u>786,091,234.14</u>	Total	-	Php7,960,544,018.92
Building and Machineries -	Php	7,174,452,784.78									
Contents		<u>786,091,234.14</u>									
Total	-	Php7,960,544,018.92									
APPROVED BUDGET FOR THE CONTRACT	:	Php10,348,707.22									
COVERAGE	:	<p>All Risks of physical loss, destruction of or damage to the property of the insured, including but not limited to the perils described below, directly and wholly attributable to any sudden and unforeseen cause, except as hereinafter excluded, occurring during the currency of the policy.</p> <ul style="list-style-type: none"> ▪ Fire & Lightning ▪ Earthquake Fire/Shock ▪ Typhoon ▪ Flood ▪ Extended Cover ▪ Riot, Strike & Malicious Damage ▪ Sprinkler Leakage ▪ Broad Water Damage ▪ Bursting &/or overflowing of Water Tanks, Apparatus and Pipes ▪ Landslide & Subsidence ▪ Spontaneous Combustion ▪ Electrical Fire 									
EXTENSIONS	:	Comprehensive General Liability (Premises Operation Only) Combined Single Limit and annual aggregate of Php20 Million									



Machinery Breakdown - Php10 Million each and every loss occurrence and in the annual aggregate

Plate Glass - first loss limit of Php5 Million

Group Personal Accident - limited to the first 20 officials/ employees at Php200,000.00 each (work related and in excess of Health Maintenance Organization coverage).

Robbery/Burglary - Php5 Million aggregate limit

DEDUCTIBLES

: The insured shall bear the first amount of loss:

Fire & Lightning, RSMD and Personal Accident - NIL

Earthquake, Typhoon and Flood, and other Natural Catastrophic Perils -
2% of the actual value of the property affected at the time of loss for each claim or series of claims arising out of one occurrence.

Extended Cover -
1% of the sum insured on the affected item at the time of the loss, subject to a minimum of Php1,000.00 and a maximum of Php500,000.00 in respect of aircraft, smoke, explosion and vehicle impact.

Machinery Breakdown -
10% of loss, minimum of Php25,000.00

Comprehensive General Liability -
Php25,000.00 each and every loss for Third Party Property Damage only

Robbery/Burglary -
10% of the amount of loss, minimum of Php5,000.00 for each and every loss

All Other Losses - Php25,000.00 each and every loss

WARRANTIES, CLAUSE AND ENDORSEMENT

: As stated in the Proposed Policy Wordings

DEDUCTION FROM REINSURANCE PREMIUM

: 20% as Reinsurance Commission

REINSURER SHARE HEREON

: 90% of 100% Total Sum Insured

REINSURANCE PREMIUM PAYMENT TERM

: Within One Hundred Twenty (120) days from the date of inception of the policy



PROPOSED POLICY WORDINGS

LINE	:	Industrial All Risk						
INSURED	:	BANGKO SENTRAL NG PILIPINAS						
PERIOD OF INSURANCE	:	From: 4:00 P.M. May 1, 2015 To: 4:00 P.M. May 1, 2016						
LOCATION OF RISK	:	Various Locations (As per attached)						
PROPERTY INSURED	:	Buildings, Machineries and Contents						
TOTAL SUM INSURED	:	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Building and Machineries -</td> <td style="width: 40%; text-align: right;">Php7,174,452,784.78</td> </tr> <tr> <td>Contents</td> <td style="text-align: right;"><u>786,091,234.14</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;">Php7,960,544,018.92</td> </tr> </table>	Building and Machineries -	Php7,174,452,784.78	Contents	<u>786,091,234.14</u>	Total	Php7,960,544,018.92
Building and Machineries -	Php7,174,452,784.78							
Contents	<u>786,091,234.14</u>							
Total	Php7,960,544,018.92							
PREMIUM	:	As Awarded						
COVERAGE	:	<p>All Risks of physical loss, destruction of or damage to the property of the insured, including but not limited to the perils described below, directly and wholly attributable to any sudden and unforeseen cause, except as hereinafter excluded, occurring during the currency of the policy.</p> <ul style="list-style-type: none"> • Fire & Lightning • Earthquake Fire/Shock • Typhoon • Flood • Extended Cover • Riot, Strike & Malicious Damage • Sprinkler Leakage • Broad Water Damage • Bursting &/or overflowing of Water Tanks, Apparatus and Pipes • Landslide & Subsidence • Spontaneous Combustion • Electrical Fire 						
EXTENSIONS	:	<p>Comprehensive General Liability – (Premises Operation Only) Combined Single Limit and annual aggregate of Php20 Million</p> <p>Machinery Breakdown – Php10 Million each and every loss occurrence and in the annual aggregate</p>						



Plate Glass - first loss limit of Php5 Million

Group Personal Accident - limited to the first 20 officials/ employees at Php200,000.00 each (work related and in excess of Health Maintenance Organization coverage).

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: The insured shall bear the first amount of loss:

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Earthquake, Typhoon and Flood, and other Natural Catastrophic Perils -
2% of the actual value of the property affected at the time of loss for each claim or series of claims arising out of one occurrence.

Extended Coverage -
1% of the sum insured on the affected item at the time of the loss, subject to a minimum of Php1,000.00 and a maximum of Php500,000.00 in respect of aircraft, smoke, explosion and vehicle impact.

Machinery Breakdown -
10% of loss, minimum of Php25,000.00

Comprehensive General Liability -
Php25,000.00 each and every loss for Third Party Property Damage only

Robbery/Burglary -
10% of the amount of loss, minimum of Php5,000.00 for each and every loss

All Other Losses - Php25,000.00 each and every loss

CLAUSES & WARRANTIES:

- Automatic Extensions of Period (30 days)
- Automatic Increase Clause (30%, 90 days)
- Breach of Conditions and Warranties
- Appraisement Clause
- Broad Water Damage
- Capital Additions (30%, 90 days)
- Designation of Property
- Electrical Clause
- Errors and Omissions
- Expediting Expense Cost up to Php2,000,000.00
- Extinguishment and Mitigation Clause



- Fire Fighting Expense up to Php1,000,000.00
- Internal Removal
- Misdescription
- Outbuilding Clause
- Automatic Reinstatement Clause
- Professional Fees up to Php1,000,000.00
- Reinstatement of Sum Insured
- Removal of Debris up to Php2,000,000.00
- Temporary Removal up to Php2,000,000.00
- 72 Hours Clause

APPLICABLE TO ALL SECTIONS

- Period for Filing Notice of Loss by the Insured
- Provision On GSIS Applicable Taxes & Documentary Stamp Tax
- Special Extension Clause

MAJOR EXCLUSIONS

:

APPLICABLE TO ALL SECTIONS

- War & Terrorism Endorsement - NMA2918
- Electronic Data Endorsement - NMA2915
- Mold & Fungi (MAP Absolute)
- Trade Embargo Endorsement
- Industries, Seepage, Pollution & Contamination – NMA 1685e
- Nuclear & Radiological Exclusion (Absolute)
- Transmission & Distribution Lines
- Political Risks Exclusions

For Comprehensive General Liability:

- Asbestos and Silicosis Exclusion
- Pure Financial Loss
- Professional and Products Liability
- Property under care, custody and control
- Absolute Lead Exclusion

BASIS OF INDEMNIFICATION:

Comprehensive General Liability -
Actual Cost plus Defense Cost



Machinery Breakdown

- a. In cases where damage to an insured item can be repaired, the insurer will pay all expenses necessarily incurred to restore the damaged machine to its condition immediately before the occurrence of the damage plus the cost of dismantling and re-erection for the purpose effecting the repairs as well as ordinary freight to and from a repair shop and customs duties if any to the extent that such expense have been included in the sum insured, if any parts are found to be unprocurable, the insurer's liability shall be limited to the manufacturers or suppliers' latest price thereof. Any extra charges incurred for overtime night work on public holidays express freight etc. are not covered by this insurance. The cost of any alterations, additions, improvements or overhauling undertaken at the time of such repairs and the cost of any provisional repairs and consequences thereof shall not be recoverable under the policy.
- b. In cases where an insured item is totally destroyed - the insurer shall pay the actual replacement value of the item immediately before the occurrence of the loss including ordinary freight by sea or land, costs of erection and customs duties if any. The Insurer will also pay any normal charges for the removal of the property destroyed.

MATERIAL DAMAGE

I. General Insuring Condition

In consideration of the Insured in paying the premium to the insurer, the Insurer agree(s) to indemnify the insured in respect of:

Sudden and accidental physical destruction of or damage to the property fully described in the schedule hereto directly and wholly attributable to any cause, except as hereinafter excluded, occurring during the currency of this policy.

II. Extension of cover, clauses and special conditions

- Automatic Extensions of Period (30 days)
- Automatic Increase Clause (30%, 90 days)
- Appraisal Clause
- Breach of Conditions and Warranties
- Broad Water Damage
- Capital Additions (30%, 90 days)
- Designation of Property
- Electrical Clause
- Errors and Omissions
- Expediting Expense Cost up to Php2,000,000.00
- Extinguishment and Mitigation Clause
- Fire Fighting Expense up to Php1,000,000.00
- Internal Removal
- Misdescription
- Outbuilding Clause
- Automatic Reinstatement Clause
- Professional Fees up to Php1,000,000.00
- Reinstatement of Sum Insured
- Removal of Debris up to Php2,000,000.00
- Temporary Removal up to Php2,000,000.00
- 72 Hours Clause

Occurrence Clause

For the purpose of the application of any deductible under this policy, all losses, destructions, or damages resulting from earthquake, typhoon, flood and other natural disasters occurring during each period of 72 consecutive hours shall be considered as one loss whether the peril insured against is continuous or sporadic in their sweep and scope and irrespective of whether the loss, destruction or damage was due to the same meteorological conditions. Each occurrence shall be deemed to commence on the first happening of any loss, destruction or damage from the perils insured against not within the period of any previous occurrence.



Basis of Indemnification

In the event of destruction of or damage to property insured hereunder by a contingency insured against the amount payable under each of the items of the policy shall be calculated on the basis of the sound value of the risks and/or ancillary industrial properties as contemplated in the standard fire policy. The reinstatement or replacement value, instead of the sound value, as basis thereof shall be an option to the Insurer and accordingly manifested as the insurer's choice y the corresponding endorsement attached to the policy.

Reinstatement or replacement shall mean:

1. where property is destroyed, the rebuilding of any buildings or the replacement by similar property, in either case in a condition equal to but not better or more extensive than condition when new.
2. where property is damaged, the repair of the damage and the restoration of the damaged portion of the property to a condition substantially the same as but not better or more extensive that its condition when new.

Special Provisions

- a. the work of reinstatement (which may be carried out upon another site and in any manner suitable to the requirements of the insured subject to the liability of the insurers not being thereby increased) must be carried out within 12 months of the date of damage, otherwise no payment beyond the amount which would have been payable under the policy if this clause had not been incorporated herein shall be made.
- b. Where any property is damaged or destroyed in part only the liability of the insurer shall not exceed the sum representing the cost which the insurer could have been called upon to pay for reinstatement if such property had been wholly destroyed.
- c. If at the time of reinstatement the sum representing the cost which would have been incurred in the reinstatement if the whole property covered by such item had been destroyed exceed the sum insured thereon at the commencement of any destruction of or damage then the Insured shall be considered as being their own insurer for the difference between the sum insured and the sum representing the cost of reinstatement of the whole of the property and shall bear a ratable proportion of the loss accordingly.
- d. No payment beyond the amount which would have been payable under the policy if this clause had not been incorporated therein shall be covered by any other insurance effected by or on behalf of the insured which is not upon the identical basis of reinstatement as stated in this policy.

Public Authorities

The policy cover includes such additional cost of reinstatement of the destroyed or damaged sections of the property caused by a contingency insured against as may be incurred solely by reason of the necessity to comply with any regulations, by-laws or statutory provisions relating to the reinstatement of property provided that:

- a. the amount recoverable under this extension shall not include:
 - i. the cost in complying with any such regulations, by-laws or statutory provisions where destruction or damage occur prior to inception of this clause or is not insured by this policy, or where notice to comply has been served upon the occurrence of any destruction or damage or in respect of any undamaged sections of the property.
 - ii. the additional cost that would have been required to make good the property damaged or destroyed to a condition equal to its condition when new had the necessity to comply with any of the aforesaid regulations, by-laws or statutory provisions not risen.
 - iii. any increased rates, taxes, duties, charges, levies or assessment as a result of complying with such regulations, by-laws or statutory provisions.
- b. the work reinstatement must be completed within twelve (12) months of the date of occurrence of any loss or damage unless permitted by the insurer within the said twelve (12) months and may be carried out wholly or practically upon another site, provided that the liability of the insurer is not increased thereby.

Removal of Debris

The policy covers the cost of removal of debris up to Php2,000,000.00 only following damage or destruction by fire or any other peril hereby insured against including legal liability for the cost or removal of such debris from adjoining premises, roadways or waterways. The indemnity afforded by this premises shall not apply to or include liability assumed by the insured from any agreement entered into after the commencement date of the insurance of this item unless such liability would have attached to the insured in the absence of such agreement.

Temporary Removal

Subject to the following provisions, the property insured by this policy (other than stocks if insured thereby) is covered whilst temporarily removed for cleaning, renovation, repair or other similar purposes, elsewhere on the same or to any other premises within the Philippines and in transit thereto and therefrom by road or rail.



The amount recoverable under this extension in respect of each item of the policy shall not exceed Php2,000,000.00 nor the amount which would have been recoverable had the destruction or damage occurred is that part of the premises from which the property is temporarily removed.

The extension does not apply to property if in so far as it is otherwise insured, not property held by the Insured in trust, other than machinery and plant.

Capital Addition

The insurance by this policy shall, subject to its terms and conditions, extends to cover:

- a. any newly acquired buildings, machinery and plant insofar as the same are not otherwise insured, and
- b. alterations, additions and improvements to buildings, machinery and plant, during the current period of insurance at any of the premises hereby insured, provided that:
 1. at any one location this cover shall not exceed an annual aggregate of 30% of the sum insured on such property or whichever is lower.
 2. the Insured undertake to give particulars of any such capital additions forthwith and pay such additional premiums as the insurer may require.

Errors and Omissions

This policy shall not be prejudiced by any inadvertent or unintentional error, omission or oversight by the insured in making reports or declarations that might be required under this policy provided they are communicated to the insurer as soon as known or discovered by the designated representative of the primary insured and agreement made to pay any additional premium that may reasonably be required by the insurer.

Fire Fighting Expense

Insurer agrees to pay for the fire fighting expenses necessarily and reasonably incurred by the Insured to prevent or to minimize the extent of any insured destruction of or damage to the insured property including the cost of materials expended but excluding salaries, wages and similar disbursements to own personals or personnel on contract or secondment to the insured and only to the extent that such expenses are not recoverable from a public authority or any other party.

The cover provided by this extension is limited to Php1,000,000.00 and it is agreed and understood that any payment under this extension shall not increase insurer's total liability under the policy.



Automatic Increase Clause

It is hereby declared and agreed that this policy extends to cover any increase in amount representing increase in value up to but not exceeding 30% of the existing limits for each item and to include new and unreported locations. It being understood that the insured undertakes to declare such additional amounts within ninety (90) days and to pay the pro-rata additional premium therefore.

Following the declaration of such additional amounts, the provisions of this clause shall be fully reinstated.

Breach of Conditions and Warranties

The conditions and warranties of this Policy shall apply individually to each of the item insured and not collectively to them. Thus a breach of any condition or warranty shall void the Policy only in respect of all the risks to which that breach applied and does not affect the Policy in respect of the other risks.

Broad Water Damage Endorsement (With BOWTAP)

It is hereby declared and agreed that notwithstanding anything contained herein to the contrary, the insurance under this policy is extended to include loss or damage caused by:

1. Accidental discharge, leakage or overflow of water/steam from plumbing, septic tanks, heating systems, elevated and/or underground tanks and cylinders, bursting or overflowing of water tanks, apparatus or pipes, standpipes for fire hose, domestic appliances, refrigerating system, air conditioning system
2. Breakage of or leakage from street water supply mains or fire hydrants; and
3. Accidental discharge or leakage of refrigerants from air-conditioning or refrigeration systems.

PROVIDED THAT:

- a) The insured undertakes to exercise all ordinary and reasonable precautions for the maintenance and safety of the property;
- b) The Insured shall bear a minimum deductible of Php1,500.00 as stated in the schedule, for each and every claim under this endorsement in addition to other deductible that may be applicable under the policy;
- c) All conditions of this policy shall apply, except in so far as they may be hereby expressly varied and that reference to loss or damage by fire shall be deemed to apply also to loss or damage as aforementioned; and



- d) The liability of the Insurer under this endorsement shall in no case exceed the sum insured by each item of the policy

Automatic Reinstatement Clause

Losses, if any, paid under this policy is automatically reinstated to the extent replaced/repared, subject to payment of additional premium computed pro-rata for the number of days remaining in the policy period.

Professional Fee Clause

The policy covers architects, supervisors and consulting engineers fees up to Php1,000,000.00 of the damaged property necessarily incurred in the reinstatement of the property specified consequent upon its damage or destruction by fire or any peril hereby insured against, but not the amount payable for such fees shall not exceed those authorized under the scale or professional charges of the respective local representative organization.

Reinstatement of Sum Insured

It is declared and agreed that the insurance provided by this Policy shall not be reduced by the amount of any loss or damage. It is further agreed that the premium due for the reinstatement following any loss or damage covered under this policy is considered paid and included in the premium stated in the schedule of this policy.

Expediting Expenses Clause (Extra Charges/Air Freight Clause)

This policy covers the reasonable and necessary extra costs of temporary repair of damage to party and the extra costs of expediting the permanent repair or replacement of such damaged property resulting from physical damage insured against by this policy which shall include extra charges for overtime, night work, on public holidays and express freight including airfreight.

In no event shall these extra charges (expediting expense) including expenses recoverable elsewhere in this policy of the cost of permanent repair of the damaged property. Limit of liability under this clause is Php2,000,000.00.

Protection and Preservation of Property Clause (Loss Minimization Expense Clause)

In the case of actual or imminent physical loss or damage of the type insured against by this policy, the expenses incurred by the Insured in taking reasonable and necessary actions for the temporary protection and preservation of property insured hereunder shall be added to the total physical loss or damage otherwise recoverable under this policy and be subject to the applicable deductible and without increase in the Limit provision contained in this policy.



Sue and Labor Clause

The sum insured by this policy extends to include reasonable expenses incurred by the Insured in their efforts to recover, safeguard or preserve the property insured, to minimize any loss insured thereunder or to prosecute in its own name any claim for indemnity or damages or otherwise in respect of such loss provided insurer(s) have consented to such action. Limit of liability under this clause is Php2,000,000.00.

Property Damage Clarification Clause Clarification Agreement

Property damage covered under this agreement shall mean physical damage to the substance of property.

Physical damage to the substance of property shall not include damage to data or software in particular any detrimental change in data, software or computer programs that is caused by a deletion, a corruption or a deformation of the original structure.

Consequently, the following are excluded from this agreement:

- a. Loss or damage to data or software, in particular any detrimental change in data, software or computer programs that is caused by a deletion, a corruption or a deformation of the original structure and any business interruption losses resulting from such loss or damage. Notwithstanding this exclusion, loss or damage to data or software which is the direct consequences of insured physical damage to the substance of property shall be covered.
- b. Loss or damage resulting from an impairment in the function, availability, range of use or accessibility of data, software or computer programs and any business interruption losses resulting from such loss or damage.

III. GENERAL EXCLUSIONS

Unless otherwise expressly agreed this insurance does not cover any destruction or damage occasioned by or through or in consequence of, directly or indirectly, any of the following:

1. War & Terrorism Endorsement (NMA 2918)
2. Electronic Data Endorsement
3. Mold & Fungi (MAP Absolute)
4. Trade Embargo Endorsement
5. Industries, Seepage, Pollution & Contamination - NMA1685e



6. Nuclear & Radiological Exclusion (Absolute)
7. Transmission & Distribution Lines
8. Political Risks Exclusions
9.
 - a. war, invasion, act of foreign enemy, hostilities or warlike operation , whether war be declared or not), civil war
 - b. mutiny, riot, military popular rising, insurrection, rebellion, revolution, military or usurped power, martial law or set of siege or any of other events or causes which determine the proclamation or maintenance of martial law or state of siege.

In any action, suit or other proceedings, where the insurer alleges that by reason of the provisions of this condition any loss or damage is not covered by this insurance, the burden of proving that such loss or damage is covered shall be upon the Insureds.

10. Damage directly or indirectly caused by or arising from or in consequence of or contributed to by:
 - a. nuclear weapons material, and
 - b. ionizing, radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. Solely for the purpose of this exclusion, combustion shall include any self-sustaining process of nuclear fission.
11. The deliberate and sustained operation of the Insured's plant, machinery, pipelines or other equipment in excess of the design specifications on the specific and intentional instructions of the Insured.
12. Withdrawal or go-slow of labor or cessation of work.
13. Unexplained disappearance, shortages revealed at any stocktaking, shortages due to clerical or accounting error.
14. Any fraudulent scheme, trick, device or false pretense practiced upon the Insured's or on any person or persons having care of the property at such time.
15. Infidelity or dishonesty on the part of the Insured's or any of their employees whether acting alone or in collusion with others.
16. Theft except from a building and then only if there is violent or forcible entry or exit from such building.
17. Exposure to weather conditions, sand or dust when property is in the open and not contained in fully enclosed buildings.

18. Delay or loss of market or any other consequential or indirect loss or interruption of business except as provided for in the policy.
19. Interference by employees or others with customary operations or any consequential or indirect loss.
20. Physical loss, destruction or damage directly or indirectly caused by or arising out of:
 - a. mechanical, hydraulic, electrical or electronic breakdown, failure, malfunction or derangement of any machine or electrical and/or electronic device and/or damage to goods maintained in a temperature controlled environment were such loss, destruction or damage arises directly out of mechanical, hydraulic, electrical or electronic breakdown to the temperature controlling equipment.
 - b. data processing or media failure or breakdown or malfunction of the processing system including operator error or omission; provided that this exclusion shall not apply to loss, destruction or damage to the machine, device or processing system immediately affected occasioned by any peril (not otherwise excluded) resulting from such breakdown, failure, malfunction or derangement nor the subsequent loss, destruction or damage caused by any peril (not otherwise excluded) to other property insured by this policy, such property being external to the machine, device or processing system in which such loss, destruction or damage occurs.
21. Explosion or collapse of any pressure vessel except explosion of the furnace or gas passages or loss or damage to surrounding property as a result of any explosion or collapse.
22. Wear and tear, inherent vice, gradual deterioration, rusting, corrosion, metal fatigue, oxidation, auto oxidation, dampness, change in temperature or humidity, action of air or light or natural heating or drying.
23. Fermentation, evaporation, loss of weight, contamination or change in quality (except where such is directly caused by an occurrence which is not otherwise excluded).
24. Short-circuiting, self-heating, leakage or surge of electrical current, overloading or excessive power from whatever cause, unless fire ensues therefrom and liability shall be limited to actual damage by the ensuing fire.
25. The cost of replacing, repairing or rectifying defective parts, materials, workmanship, design or defect or omission in design or specification or latent defect.

26. Clean up costs other than as provided under the removal of debris extension.
27. Inherent or latent defect, slowly developing deformation or distortion of any building plant or machinery.
28. Permanent or temporary dispossession of any premises resulting from the unauthorized possession of such premises by any person.
29. Hydraulic tests, experiments or overload or similar tests requiring the imposition of abnormal conditions.
30. Fault, defect, error or omission in design, plan or specification
31.
 - a. errors in design, poor workmanship or use of faulty materials in the development, processing or manufacture of the insured's products;
 - b. manufacturing or processing operations which result in damage to stock or materials being processed, manufactured or otherwise being worked upon
32.
 - a. solidification of molten materials
 - b. inadvertent escape of molten materials
33. any legal liability for whatsoever nature other than for property damage as provided for under the description of Property Insured.

IV. EXCLUDED PROPERTIES

Unless otherwise expressly agreed this insurance does not cover destruction of or damage to any of the following:

1. cash, money orders, coins, bullion, promissory notes, cheeses, stamps, precious stones, jewelry furs, works of art, antiques, securities, obligations or documents or any kind, books of account or other business books or records, computer records or data, manuscripts, drawings or designs, patterns or models, molds;
2. property in course of construction or erection or demolition or undergoing testing or commissioning;
3. animals, birds, fish or other living creatures;
4. standing timber or growing crops;
5. goods or property in transit (except those within the Insured's premises);
6. catalyst and consumable materials whilst in process, production or manufacture;

7. property which is, or would be put for the existence of this policy, be insured by a more specific policy;
8. motor and other mechanically or electrically propelled vehicles and accessories (whilst in or on such vehicles), railway locomotives and rolling stock, watercraft or aircraft and or property contained therein, mobile equipment except those in the insured's premises;
9. any boiler or other apparatus due to its own explosion or collapse as defined hereinafter. Explosion means the sudden and violent rending or tearing apart of the permanent structure by force of internal steam or fluid pressure causing bodily displacement of the structure or any part or parts thereof and accompanied by the forcible ejection of its contents. Collapse means the sudden and dangerous distortion of any parts of a boiler or other apparatus by bending or crushing caused by steam or fluid pressure whether attended by rupture or not; it shall not mean lowly developing deformation due to any cause.

WAR AND TERRORISM EXCLUSION ENDORSEMENT

Notwithstanding any provision to the contrary with this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

1. war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
2. any act of terrorism
for the purpose of this endorsement, an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to (1) and/or (2).

If the insurers allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance, the burden of proving the contrary shall be upon the Insured.

In the event of any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

NMA2918
08/10/2001



POLITICAL RISK EXCLUSION ENDORSEMENT

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

“Confiscation, expropriation, nationalization, commandeering, requisition or destruction of or damage to the property by order of the Government de jure or de facto or any public, municipal or local authority of the country or area in which the property is situated, seizure or destruction under quarantine or customs regulation”

This endorsement also excludes loss, damage cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to the above.

If the insurers allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance, the burden of proving the contrary shall be upon the Insured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.



INDUSTRIES, SEEPAGE, POLLUTION AND CONTAMINATION CLAUSE NO. 3

This insurance does not cover any liability for:

1. Personal injury or bodily injury or loss of, damage to, or loss of use of property directly or indirectly caused by seepage, pollution or contamination, provided always that this paragraph1, shall not apply to liability for personal injury or loss of or physical damage to or destruction of tangible property, or loss of use of such property damaged or destroyed, where such seepage, pollution or contamination is caused by a sudden, unintended and unexpected happening during the period of this insurance.
2. The cost of removing nullifying or cleaning-up seeping, polluting or contaminating substance unless the seepage, pollution or contamination is caused by a sudden, unintended and unexpected happening during the period of this insurance.
3. Fines, penalties, punitive or exemplary damages

This Clause shall not extend this insurance to cover any liability which would not have been covered under this insurance had this Clause not been attached.

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ELECTRONIC DATA AND INTERNET ENDORSEMENT

It is noted and agreed that this policy is hereby amended as follows:

The Insurer will not pay for Damage or Consequential loss directly or indirectly caused by, consisting of, or arising from:

1. Any functioning or malfunctioning of the internet or similar facility, or of any intranet or private network or similar facility.
2. Any corruption, destruction, distortion, erasure or other loss or damage to data, software, or any kind of programming or instruction set.
3. Loss of use or functionality whether partial or entire of data, coding, program, software, any computer or computer system or other device dependent upon any microchip or embedded logic and any ensuing inability or failure of the insured to conduct business.

This Endorsement shall not exclude subsequent damage or consequential loss, not otherwise excluded, which itself results from a Defined Peril. Defined Peril shall mean: Fire, Lightning, Earthquake, Explosion, Falling Aircraft, Flood, Smoke, Vehicle Impact, Windstorm or Tempest.

Such damage or consequential loss described in 1, 2 or 3 above is excluded regardless of any other cause that contributed concurrently or in any other sequence.

All other terms, conditions and exclusions of this policy remain unchanged.



MOLD & FUNGI ENDORSEMENT

- A. This Policy only insures physical loss or damage to property insured by mold, mildew, fungus or spores, when directly caused by damage to property insured during the policy period by one of the following Listed Perils.

Fire; Earthquake; Explosion; Lightning; Windstorm; Hail, Flood or Water Damage; Direct Impact of Vehicle; Aircraft or Vessel; Riot or Civil Commotion; Vandalism or Malicious Mischief or Accidental Discharge of fire protection equipment.

This coverage is subject to all limitations of this Policy and, in addition, to each of the following specific limitation:

1. The said property must be insured for physical loss or damage by that Listed Peril.
 2. The Insured must report to the insurer the existence and cost of the physical loss or damage by mold, mildew, fungus or spores as soon as practicable, but no later than six (6) months after the Listed Peril first caused any physical loss or damage to such insured property during the policy period. The policy does not insure any physical loss or damage by mold, mildew, fungus or spores first reported to the insurer after that six (6) month period.
- B. Except as set forth in the foregoing Section A, this Policy does not insure any loss, damage, claim, cost, expense or other sum directly or indirectly arising out of or relating to mold, mildew, fungus or spores of any type, nature or description.

TRANSMISSION & DISTRIBUTION LINES EXCLUSIONS

Exclusion to all sections - Physical loss, destruction, loss or damage to transmission & distribution lines including but not limited to transformers, poles towers, wiring and equipment connected therewith.



TRADE EMBARGO ENDORSEMENT

The Insurer is not liable to make any payment for the liability under the coverage sections of this Policy or make any payments under any extensions:

For any loss or claim arising in, or where the insured or any beneficiary under the policy is a citizen or instrumentality of the government of any country/ies against which any laws and/or regulations governing this policy and/or the insurer, its parent company or its ultimate controlling entity have established an embargo or other form of economic sanction which have the effect prohibiting the insurer to provide insurance coverage, transacting business with or otherwise offering economic benefits to the insured or any other beneficiary under the policy.

It is further understood and agreed that no benefits or payment will be made to any beneficiary/ies who is/are declared unable to receive economic benefits under the laws and/or regulations governing this policy and/or insurer, its parent company or its ultimate controlling entity.

Subject otherwise to the terms, exclusions and conditions of this policy.



NUCLEAR EXCLUSION CLAUSE

1. This Policy does not cover
 - a. loss or destruction of or damage to any property whatsoever or any loss or expenses whatsoever resulting or arising therefrom or any consequential loss
 - b. any legal liability of whatsoever nature

directly or indirectly caused by or contributed to by or arising from ionizing radiation or contamination by radioactivity from any nuclear waste from the combustion of nuclear fuel. For the purpose of this exclusion, only combustion shall include any self-sustaining process of nuclear fission.
2. The indemnity provided by this Policy shall not apply to nor include any loss, destruction or damage or legal liability directly or indirectly caused by or contributed to by or arising from nuclear weapons material.

EARTHQUAKE FIRE ENDORSEMENT

It is hereby understood and agreed that this Policy insures loss and damage due to Earthquake, subject to the definition and Special Conditions as set forth in this Schedule.

This insurance covers loss or damage to any of the property insured by this Policy occasioned by or through or in consequence of Fire following Earthquake but loss or damage due to Earthquake Shock only is excluded.

SPECIAL CONDITIONS:

1. Average.

If the property hereby insured shall on the occurrence of any loss or damage be collectively of greater value than the sum insured thereon, shall be considered as being his own insurer for the difference and shall bear a ratable proportion of the loss accordingly. Every item, if more than one, of the policy shall be separately subject to the conditions.

2. Consequential Loss.

No consequential loss or damage of any kind or description nor any loss or damage caused by confiscation or willful destruction by Government or any Municipal or Local Authority is covered.

3. Excess Clause.

It is understood and agreed that the Insured shall bear any loss or damage caused by earthquake equivalent to at least two percent (2%) of the actual value of the property affected at the time of loss, for each claim or series of claims arising out of one occurrence. All losses caused by earthquake or series of earthquakes (whether continuous or sporadic and whether or not due to the same seismic conditions) during each period of 48 consecutive hours commencing from the first tremor shall be considered as arising out of one occurrence. This clause shall apply separately to each numbered item insured under this Policy provided that said deductible shall apply to each insured building including its contents and rent, if insured and provided further that the aggregate deductible shall not exceed 2% of the actual value of each insured building including its contents and rent, if insured.

However, in case of other insurance on the same item of property or on different interests of one insured involving only one building as provided above, this clause shall apply only once or on the basis of each insured building regardless of the number of policies or insurers.

It is further understood and agreed that in the computation of loss or damage, Condition No. 20 (Average Clause) of this policy shall apply after the application of deductible as provided herein.



4. This insurance does not cover any loss or damage occasioned by or through or in consequence, directly or indirectly by FIRE, unless the proximate cause of the loss is Earthquake.
5. Provided always that all the printed conditions of the policy to which this schedule is attached shall apply except as they may be hereby expressly varied.

EARTHQUAKE SHOCK ENDORSEMENT

It is hereby understood and agreed that this policy insures loss and damage due to Earthquake, subject to the definition and Special Condition as set forth in this Schedule.

This insurance covers loss or damage to any of the property insured by this Policy occasioned by or through or in consequence of Earthquake.

SPECIAL CONDITIONS

1. **Average**
If the property hereby insured shall on the occurrence of any loss or damage be collectively of greater value than the sum insured thereon, then the Insured shall be considered as being his own insurer for the difference and shall bear a ratable proportion of the loss accordingly. Every item, if more than one, of the policy shall be separately subject to the condition.
2. **Consequential Loss**
No consequential loss or damage of any kind or description nor any loss or damage caused by confiscation or willful destruction by Government or any Municipal or Local Authority is covered.
3. **Excess Clause**
It is understood and agreed that the Insured shall bear any loss or damage caused by earthquake equivalent to at least two percent (2%) of the actual value of the property affected at the time of loss, for each claim or series of claims arising out of one occurrence. All losses caused by earthquake or series of earthquakes (whether continuous or sporadic and whether or not due to the same seismic conditions) during each period of 48 consecutive hours commencing from the first tremor shall be considered as arising out of one occurrence. This clause shall apply separately to each numbered item insured under this policy provided that said deductible shall apply to each insured building including its contents and rent, if insured and provided further that the aggregate deductible shall not exceed 2% of the actual value of each insured building including its contents and rent, if insured.



However, in case of other insurance on the same item of property or on different interests of one insured involving only one building as provided above, this clause shall apply only once or on the basis of each insured building regardless of the number of policies or insurers.

It is further understood and agreed that in the computation of loss or damage, Condition No. 20 (Average Clause) of this Policy shall apply after the application of deductible as provided herein.

4. This insurance does not cover any loss or damage occasioned by or through or in consequence, directly or indirectly by FIRE, unless the proximate cause of the loss is earthquake.
5. Provided always that all the printed conditions of the policy to which this schedule is attached shall apply except as they may be hereby expressly varied.



TYPHOON ENDORSEMENT

IT IS HEREBY UNDERSTOOD AND AGREED THAT in consideration of the Payment by the Insured to the Insurer of an additional premium. It is hereby agreed that this insurance as herein defined subject to the Special Conditions hereinafter contained extends to include loss or damage directly caused by Typhoon.

DEFINITION:

The term "TYPHOON" as used in this endorsement shall be understood to mean a Typhoon or Storm recorded by the Weather Bureau.

SPECIAL CONDITIONS:

1. It is a condition of this insurance that the Insured undertakes to exercise all ordinary and reasonable precautions for the safety of the property.
2. Unless liability is specifically assumed by amendments to this endorsement, the Insurer shall not be liable for loss or damage to buildings in the course of construction or reconstruction (or their contents) unless entirely enclosed and under roof with all outside doors and windows permanently in place or property contained in any portion of any building described in this policy not completely enclosed and roofed.
3. The Insurer shall not be liable for:
 - a) Loss or damage caused directly or indirectly by flood, tidal wave, high water or overflow whether driven by wind or not. The Insurer shall not be liable for loss and/or damage caused directly or indirectly by backing up of sewers, drains, canals, creeks, rivers and/or storm drainage system.
 - b) Loss or damage caused directly or indirectly by landslide, subsidence, cloudburst or explosion, whether incidental to Typhoon or by theft whether occurring during or after a Typhoon or by the neglect of the Insured to use all reasonable means to save and preserve the property during and after a Typhoon.
 - c) Loss or damage caused by rain whether driven by wind or not, unless the building insured or containing the property insured shall first sustain an actual damage to roof or walls by the direct force of a Typhoon and shall then be liable for such loss or damage to the building or insured property therein as may be caused by rain entering the building through openings in the roof or walls direct action of such Typhoon.
 - d) Loss or damage to any building, or the contents thereof, if on the happening of such loss or damage the building was already in a damage, defective, fallen or displaced condition as regards foundations, walls, ceiling, roofs, roof gutters and flushing, roof lights, air vents, doors, windows and transoms.



- e) Loss or damage occasioned by or through or in consequence of the action or order of any government or public authority.
- 4. In the event of this policy being surrendered by the Insured for cancellation, the Insurer shall retain a premium in accordance with customary Short Period of Rate Scale.
- 5. It is understood and agreed that the insured shall bear the first 2% of the actual value of the property affected under this endorsement on any one Typhoon occurrence the duration and extent of which shall be limited to 168 consecutive hours.
- 6. It is further understood and agreed that in the computation of loss or damage, Condition No. 20 (Average Clause) of this Policy shall apply after the application of deductible as provided herein.
- 7. Provided always that all the printed conditions of the policy to which this schedule is attached shall apply except as they may be hereby expressly varied.

FLOOD ENDORSEMENT

IT IS HEREBY UNDERSTOOD AND AGREED THAT in consideration of the Payment by the Insured to the Fund of an additional premium. It is hereby agreed that this insurance as herein defined subject to the Special Conditions hereinafter contained extends to include loss or damage directly caused by Flood.

DEFINITION:

The term "FLOOD" is defined as the entry of water into the premises insured, from without, due to inundation, of land not usually covered by water, (a) by reason of an extra ordinary high tide or (b) following Typhoon, Cyclone and/or windstorm or (c) due to bursting or overflowing of rivers, reservoirs, canals and the like.

SPECIAL CONDITIONS:

1. It is a condition of this insurance that the Insured undertakes to exercise all ordinary and reasonable precautions for the maintenance and safety of the property.
2. Unless liability is specifically assumed by amendments to this endorsement, the Fund shall not be liable for loss or damage to the following property: (a) goods in the open, or (b) drains, water courses, boundary walls, retaining walls, gates, posts, fences, driveway roads, walks or bulkheads.
3. The Fund shall not be liable for:
 - (a) Loss or damage caused directly or indirectly by landslide, subsidence, cloudburst or explosion, whether incidental to Flood or not by theft whether occurring during or after a Flood, nor by the neglect of the Insured to use all reasonable means to save and preserve the property during and after a Flood.
 - (b) Loss or damage caused by overflowing, bursting or leakage of water tanks, pipes and other water apparatus; loss or damage caused by overflowing of gutters and downpipes or bursting or overflowing of municipal or other public water supply mains; loss or damage due to seepage, leakage or influx of water from basement walls, including doors, windows, and other openings therein, foundations, basement floors and sidewalks or water, which backs up through sewers or drains; loss or damage occasioned by high water unless directly caused by Flood as defined herein.
 - (c) Loss or damage occasioned by or through or in consequence of the action or order of any government or public authority.
 - (d) Loss or damage to property which at the time of the happening of such loss or damage, is insured by or would, but for the existence of this policy, be insured by Marine or Plate Glass policy nor policies.
 - (e) Consequential loss or damage of any kind or description whatsoever.



4. In the event of this Policy being surrendered by the Insured for cancellation, the Fund shall retain 100% of the premium notwithstanding what is stated in Condition Nos. 11 and 12 of this Policy to the contrary.
5. IT IS UNDERSTOOD AND AGREED THAT the Insured shall bear that portion of the loss or damage caused by flood to each affected item of Insured property equivalent to 2% of the actual value of the property affected at the time of the loss, for each claim or series of claims arising out of any one flood occurrence the duration and extent of which shall be limited to 168 consecutive hours. For the purpose of this clause, the following shall be considered as separate items of Insured property, regardless of what is indicated in the policy schedule.
 - 1) Each building, including machinery, equipment and fixtures normal to its operations;
 - 2) All machinery and equipment contained in each building;
 - 3) All stocks in trade (raw materials, work-in process, supplies and finished goods), contained in each building.
 - 4) All other contents contained in each building.
6. Provided always that all the conditions of the policy shall apply except as they may be hereby expressly varied.

EXTENDED COVER

(TO INCLUDE THE PERILS OF EXPLOSION, AIRCRAFT, VEHICLE AND SMOKE)

In consideration of the payment by the Insured to the Fund of an additional premium it is hereby agreed that this insurance, as herein defined subject to the special conditions hereinafter contained extend to include loss or damage directly caused by explosion, aircraft, vehicle and smoke.

Loss of or damage to the property Insured directly caused by explosion, but excluding loss of or damage on boilers, economizers, pipes, turbines, engines or other vessels, machinery, or apparatus in which pressure is used or their contents, resulting from their explosion, and rotating parts of machinery, including the machinery itself, caused by centrifugal force.



The following are not explosions within the intent or meaning of this endorsement:

- a) Concussion unless caused by explosion,
- b) Electrical arcing,
- c) Water hammer,
- d) Rupture or bursting of water pipes.

Provided always that all the conditions of the policy (except insofar as condition No. 8(h) is hereby expressly varied) shall apply as if they had been Incorporated herein and for the purpose hereof any loss or damage by explosion as aforesaid shall be deemed to be loss or damage within the meaning of this Policy.

SPECIAL CONDITIONS:

1. The Fund shall not be liable for loss or damage occasioned by or through or in consequence, directly or indirectly, of any act of any person acting on behalf, of or in connection with any organization with activities directed towards the overthrow by force of the government "de jure" or "de facto", or to the influencing of it by terrorism or violence. In any action, suit or other proceeding, where the Fund alleges that by reason of the provisions of this Condition any loss or damage is not covered by this insurance, the burden of proving that such loss or damage is covered shall be upon the Insured.
2. If there shall be any other insurance on the property insured under this Policy, the Fund shall be liable only pro-rata for any loss or damage with such other insurance extended to cover loss or damage by explosion.
3. The Fund shall not be liable for loss or damage which at the time of the happening of such loss or damage is insured by or would, but for existence of this insurance be insured by any other existing policy or policies in respect of any excess beyond the amount which would have been payable under such other policy or policies had this insurance not been effected.

PROVISIONS APPLICABLE TO AIRCRAFT & VEHICLE

The term vehicle as used herein means running on land or tracks but not aircraft. Loss by aircraft or by vehicles shall include only direct loss resulting from actual physical contact of an aircraft or a vehicle with the property covered hereunder or with the building containing the property covered hereunder, except that loss by aircraft include direct loss by objects falling therefrom. The Fund shall not be liable, however, for loss.

- a) By any vehicle owned or operated by the Insured or by tenant of the described premises;
- b) By any vehicle to fences, driveways, walks or lawns;
- c) To any aircraft or vehicle including contents thereof other than stocks or aircraft or vehicles in process of manufacture or for sale.



PROVISION APPLICABLE TO SMOKE

The term Smoke as used in this endorsement means only smoke due to a sudden, unusual and faulty operation of any heating or cooking unit, only when such unit is connected to a chimney by a smoke pipe or by a vent, and while in or on the premises described in this policy excluding however, smoke from fire places or industrial apparatus.

DEDUCTIBLE APPLICABLE TO EXPLOSION, AIRCRAFT, VEHICLE AND SMOKE

It is understood and agreed that the insured shall bear the first 1% of the sum insured on the affected item/s under this endorsement but not less than P1,000.00 nor more than P500,000.00 on any material damage loss from any of the above mentioned perils.

GENERAL CONDITIONS APPLICABLE TO EXPLOSION, AIRCRAFT, VEHICLE AND SMOKE

1. It is a condition of this Insurance that the Insured undertakes to exercise all ordinary and reasonable precautions for maintenance and safety of the property.
2. The Fund shall not be liable for loss or damage occasioned by or through or in consequence of the action or order of any government or public authority.
3. In the event of this endorsement being surrendered by the Insured for cancellation, the Fund shall retain a premium in accordance with the following scale for the time this endorsement has been in force.

For 1 month	20% of the annual premium
For 2 months	30% of the annual premium
For 3 months	40% of the annual premium
For 4 months	50% of the annual premium
For 5 months	60% of the annual premium
For 6 months	70% of the annual premium
For 7 months	80% of the annual premium
For 8 months	90% of the annual premium
In excess of 8 months	100% of the annual premium

4. Provided always that all the conditions on the policy to which this endorsement is attached shall apply except as they may be hereby expressly varied, and that any reference therein to loss or damage by fire shall be deemed to apply also to loss or damage directly caused by the above named perils.

APPRAISEMENT CLAUSE

If the aggregate claim for any one loss does not exceed Php5,000,000.00 or five percent (5%) of the Sum Insured of the item or items affected, no special inventory or appraisalment of the undamaged property shall be required.

If two or more buildings be included in a single item, this provision shall apply to the range of buildings and/or contents by the item or items affected.

RIOT AND STRIKE ENDORSEMENT

In consideration of the payment of the aforementioned premiums, it is hereby agreed and declared that notwithstanding anything in the within written Policy contained to the contrary the insurance under this Policy shall extend to cover Riot and Strike damage which for the purpose of this endorsement shall mean (subject always to the Special Conditions hereinafter contained)

Loss or damage to property insured directly caused by:

1. The act of any person taking part together with others in any disturbance of the public peace (whether in connection with a strike or lock-out or not) not being an occurrence mentioned in Condition 6 of the Special Conditions hereof.
2. The action of any lawfully constituted authority in suppressing or attempting to suppress any such disturbance or in minimizing the consequences of any such disturbance.
3. The willful act of any striker or lock-out worker done in furtherance of a strike or in resistance to a lock-out.
4. The action of any lawfully constituted authority in preventing or attempting to prevent any such act or in minimizing the consequences of any such act.

SPECIAL CONDITIONS

For the purposes of this Endorsement but not otherwise there shall be substituted for the respectively numbered Conditions of the Policy the following: -

CONDITION 5

This insurance does not cover: -

- a. Loss of earnings, loss by delay, loss of market or other consequential or indirect loss or damage of any kind or description whatsoever.



- b. Loss or damage resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation.
- c. Loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority.
- d. Loss or damage occasioned by permanent or temporary dispossession of any building resulting from the unlawful occupation by any person of such building.

PROVIDED nevertheless that the Fund is not relieved under (c) or (d) above of any liability to the Insured in respect of physical damage to the property insured occurring before dispossession or during temporary dispossession.

CONDITION 6

This insurance does not cover any loss or damage occasioned by or through or in consequence, directly or indirectly of any of the following occurrences, namely: -

- a. War, invasion, act of foreign enemy, hostilities, or war like operations (whether war be declared or not), civil war.
- b. Mutiny, civil commotion assuming the proportions of or amounting to popular rising, military rising, insurrection, rebellion, revolution, military or usurped power, or any act of any person acting on behalf of or in connection with any organization with activities directed towards the overthrow by force of the Government de jure or de facto to the influence of it by terrorism or violence.

In any action, suit, or other proceeding, where the Fund alleges that by reason of the provisions of this Condition any loss or damage is not covered by this Insurance, the burden of proving that such loss or damage is covered shall be upon the Insured.

CONDITION 7

Unless otherwise expressly stated in the Policy this insurance does not cover: -

- a. Goods held in trust or on commission
- b. Bullion or unset precious stones
- c. Any curiosity or work of art for an amount exceeding Php 200.00
- d. Manuscripts, plans, drawings or designs, patterns, models or moulds
- e. Securities, obligations or documents of any kind, stamps, coined or paper money, cheques, books of account or other business books, computer system records.
- f. Explosives

CONDITION 10

This insurance may at any time be terminated by the Fund on notice to that effect being given to the Insured, in which case the Fund shall be liable to repay a ratable proportion of the premium for the unexpired term from the date of cancellation. If the insurance be terminated at the request of the Insured, the Fund shall not be liable to repay the premium or any part of It except in so far as the insurance applies to stocks in respect of which the Fund shall retain a premium calculated according to its customary short period scale for the time the said insurance has been in force.

CONDITION 17

If the property hereby insured shall at the breaking out of any fire or at the commencement of any destruction of or damage to such property by any other peril insured against by this Endorsement be collectively of greater value than the sum insured thereon, then the Insured shall be considered as being his own insurer for the difference and shall bear a ratable share of the amount of the loss accordingly. Every item, if more than one, of the Policy shall be separately subject to this condition.

PROVIDED that it is hereby further expressly agreed and declared that: -

1. All the Conditions of this Policy shall apply in all respects to the insurance granted by this extension save in so far as the same are expressly varied by the above Special Conditions and any reference to fire in the Conditions of the Policy shall be deemed to include the perils hereby insured against.
2. The Special Conditions herein shall apply only to the insurance granted by this extension and the Conditions of the Policy shall apply in all respects to the insurance granted by the Policy as if this Endorsement had not made thereon.

MALICIOUS DAMAGE ENDORSEMENT

It is hereby agreed and declared that the Insurance under the said Riot and Strike Endorsement shall extend to include MALICIOUS DAMAGE which for the purpose of this extension shall mean:

Loss of, or damage to the property insured directly caused by the malicious act of any person (whether or not such act is committed in the course of a disturbance of the public peace) not being an act amounting to or committed in connection with an occurrence mentioned in Special Condition No. 6 of the said Riot and Strike Endorsement.

But the Fund shall not be liable under this extension for any loss or damage by fire or explosion, nor for any loss or damage arising out of or in the course of burglary, housebreaking, theft or larceny or any attempt thereat or caused by any person taking part therein.

Provided always that all the Conditions and Provisos of the said Riot and Strike Endorsement shall apply to this extension as if they had been incorporated herein.



ROBBERY & BURGLARY ENDORSEMENT

Subject to the payment by the Insured to the Fund of the additional premium, the Fund agrees, notwithstanding what is stated in the printed conditions of this policy to the contrary, that this insurance covers.

1. Loss or damage to property specified in this policy following actual forcible and violent entry of the premises described in this policy, by person or persons committing robbery: or
2. Any damage done to the premises described in this policy following upon or occasioned by an actual forcible and violent entry of the premises or any attempt thereat by the person or persons committing or attempting to commit such robbery:

Provided that the liability of the Fund shall in no case exceed the limit specified in this policy.

IT IS FURTHER DECLARED AND AGREED that this endorsement does not cover the following unless specifically mentioned and expressly insured in this policy:

1. Gold or silver articles, watches, jewelry, precious stones, models, coins, sculptures, manuscripts, rare books, plans, patterns, medals, moulds and designs.
2. Deeds, bonds, bills or exchanges, promissory notes, money or securities for money, stamps, business books or documents.
3. Loss or damage to plate glass whether forming part of the premises or otherwise.
4. Loss or damage where any inmate or member of the insured's household or of his business staff or any other person lawfully in the premises is concerned in the actual robbery or of damage to any of the articles or premises nor where such loss or damage has been expedited or in any way assisted or brought by any of such person or persons.

Deductible : 10% of amount of loss, minimum of Php5,000 for each and every loss

All matters not provided for herein or by Endorsement hereon shall be governed by the terms and conditions of this Fund's printed policy form to which these provisions are attached and which have been issued in conjunction herewith.

The foregoing provisions, shall however, be considered to supersede any clauses therein which may be of the same or similar effect.

ELECTRICAL FIRE CLAUSE

Loss or damage by fire to the property insured arising from or occasioned by over running, excessive pressure, short circuiting, arcing, self-heating or leakage of electricity including all loss or damage by lighting to the property insured cover, subject to the terms and conditions of the policy



COMPREHENSIVE LIABILITY INSURANCE

SECTION I – THE COVER

The insured named in the Schedule (“the Insured”) has supplied information in connection with the written Proposal (which shall be the basis of this contract and to be incorporated herein) and applied for coverage to the Insurer named in the Schedule (“the Insurer”) and subject to the payment of premium, the Insurer agrees with the named Insured as follows:

1. INSURING AGREEMENT

The Insurer, subject to the terms limitations, definitions, exceptions and conditions of this Policy will pay to or on behalf of the Insured all sums which the Insured shall become legally liable to pay, by reason of liability imposed on the Insured by the law, for compensation (excluding punitive or exemplary damage) in respect of:

1. Bodily Injury
2. Property damage

Occurring during the Period of Insurance within the Geographical Limits as a result of an Occurrence and happening in connection with the Insured’s business as described in the Schedule

2. LIMITS OF LIABILITY

The liability of the Insurer for all compensation under this Policy as a result of any one occurrence shall not exceed the Limits of Liability specified in the Schedule.

3. DEFENSE AND LITIGATION EXPENSES

The Insurer shall have the right and duty to defend any suit against the Insured seeking damages on account of such bodily injury, or property damage, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the Insurer shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the Insurer will pay with respect of any claim or suit:

- 3.1 All expenses incurred by the Insurer, all costs taxed against the Insured in any suit defended by the Insurer and all interests on the entire amount of any judgment therein which accrues after entry of the judgment before the Insurer has paid or tendered or deposited in court that part of the judgment which does not exceed the limit of the Insurer’s liability thereon;
- 3.2 Premium on appeal bonds required in any suit, and premium on bonds to released attachment in any such suit for an amount not in excess of the applicable limit of liability of this Policy.



The Insurer agrees to pay the claims expenses incurred under this section but such payment shall be part of, and not in addition to the applicable limits of liability of this Policy.

4. JURISDICTION

The indemnity provided by this Policy shall apply IN RESPECT OF

- a. compensation resulting from judgment delivered by or obtained from a court of competent jurisdiction in the PHILIPPINES ONLY;
- b. charges expenses and legal costs incurred or recoverable in the PHILIPPINES ONLY.

SUPPLEMENTARY FIRST AID PAYMENTS

The Insurer will pay, in addition to the applicable limit of liability, all expenses incurred by the Insured for first aid to others at the time of an occurrence, for bodily injury to which this policy applies but expenses for first aid to be paid under this policy shall be limited to the amount stipulated in the Scheduled.

SECTION II – EXCEPTIONS

1. PRODUCTS LIABILITY

Bodily Injury and/or Property Damage caused by the nature, condition or quality of the Insured's Product after they have ceased to be in the actual physical custody or under the control of the Insured. But the Exception (1) shall not apply to products sold or supplied at or from a canteen provided by the Insured primarily for the use of the Insured's employees.

2. EMPLOYER'S LIABILITY

Bodily Injury to any Employee in the service of the Insured or claiming compensation from the Insured under any workman's compensation law or similar legislation as a workman in the service of the subcontractor of the Insured.

3. CONTRACTUAL LIABILITY

- a. Any liability that may arise out of the non-performance, non-completion of any contract or agreement, or the payment of penalty sum, fines or liquidated damages.
- b. Any liability assumed by the Insured under any contract, warranty or agreement unless such liability would have attached to the Insured notwithstanding such contract, warranty, or agreement.



- c. Any liability assumed by the Insured under any contract, warranty or agreement by the reason of waiver or limitations of the Insured's right of recovery against any other party.

4. PROFESSIONAL LIABILITY

Claims arising of a breach of the duty owed in a professional capacity by the Insured and/or person whose breaches of such duty the Insured maybe legally liable. Consequently, it is hereby understood and agreed that the Insurer shall not be liable for the claims in respect of:

- a. Any welfare or first aid treatment provided by the Insured on the Insured's premises.
- b. Bodily Injury or Property Damage occurring as consequences of faulty or wrongful advice rendered by the Insured.
- c. Property Damage to any property or products for which the Insured provided any design, plan specification, formula and/or pattern.
- d. The direct or indirect activities of the Insured acting as a consultant or professional adviser to render services or to provide design plan specification formula and/or pattern.
- e. Bodily Injury or Property Damage of any firm, group or interest.
 - (i) owned, controlled or managed by the Insured, or
 - (ii) which owns, controls or manages the Insured's business.

5. INTENTIONAL ACT OF THE INSURED

Bodily Injured and/or Property Damage expected or intended from the standpoint of the Insured. The exception does not apply to bodily injury resulting from the use of reasonable force to protect person's property.

6. PROPERTY IN PHYSICAL AND/OR LEGAL CONTROL

Property damage to property owned or in the care, custody or legal control of the Insured. But this Exception (6) shall not apply to Property Damage to:

- a. Personal effects (including vehicle) belonging to directors, visitors or employees of the Insured.
- b. Premises (including the contents) not owned or rented by the Insured but temporarily occupied by the Insured for the purposes of work therein or thereon. But excluding Property Damage to that part of such property upon which the Insured is or has been working.

7. MECHANICALLY PROPELLED VEHICLES

The ownership, possessions, or use of any mechanically propelled vehicle except the use within the Insured's premises of a vehicle which is not licensed for road use and which is not subject to compulsory insurance requirement, whether such insurance is effected or not. Provided that there is not indemnity afforded by insurance, the Exception (7) shall not apply to the loading or unloading of any mechanically propelled vehicle used in work undertaken by or on behalf of the Insured but in the care, custody, or under the legal control of the Insured.

8. WATERCRAFT, AIRCRAFT, OIL DRILLING PLATFORM

Bodily Injury or Property Damage caused by or arising directly or indirectly out of or in connection with:

- a. The ownership, existence, use, operation, loading or unloading by or on behalf of the Insured of
 - any Watercraft, Aircraft, Hovercraft, Oil Drilling platform or rig
 - any premises for the purpose of an Airport or Aircraft Landing Strip and all operations necessary or incidental thereto, or
- b. The repair, maintenance, servicing of or installation work in or on any Watercraft, Aircraft or other aerial device, oil drilling platform or rig.

9. LOSS OF USE

Loss of use of ANY property which has not been physically injured or destroyed.

10. SUBSIDENCE

Property Damage to land, building, or other structure caused by pile driving, subsidence or demolition, or resulting from the removal or weakening of support to such land, building or other structure or claims arising in consequences of such Property Damage.

11. ASBESTOS

Bodily Injury or Property Damage caused by or arising directly or indirectly out of or in connection with:

- a. Any mining, handling, processing, manufacture, sale transport, distribution, storage or use of asbestos product or asbestos contained in any product.
- b. Any installation, removal or treatment of asbestos materials.

12. PREGNANCY/FETUS

- a. Any injury caused by products whose main function is to prevent, induce or sustain pregnancy.



- b. Abnormalities in pregnancy or injury to or anomalies of the ovum, embryo or fetus, congenital anomalies or diseases resulting from any products whatsoever.

Unless the Insured furnishes proof that the injury, damaged or loss results exclusively from a mistake or deficiency in manufacture or supply, and not in design, formula, specifications, testing or instruction for use.

13. POLLUTION

Bodily Injury or Property Damage arising out of the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acid, alkalis, toxic chemicals, liquid or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the governmental demand or request than an Insured test for, assess, monitor or clean-up, remove or contain, treat or detoxify or neutralize any such irritants, contaminants or pollutants. The Insurer shall not have the duty to defend any claim or suit seeking to impose such cost, expense, liability for such damages, or any other relief.

14. RADIOACTIVE CONTAMINATION

Any liability of whatsoever nature directly or indirectly caused by or contributed to or arising from

- a. Ionizing radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. For the purposes of this Exception only, combustion shall include any self-sustaining process of nuclear fission.
- b. Nuclear weapons materials.

15. FINES AND PENALTIES

Claims for fines or penalties imposed by statutes or regulations.

16. WAR

Any consequences of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution insurrection or military or usurped power, terrorism and subversion.

SECTION III – DEFINITIONS

When used in the Policy, the following definitions shall apply:

- 1. BODILY INJURY shall mean injury, sickness, disease and mental injury or death resulting therefrom.

MENTAL INJURY shall mean any physical injury to the brain or part thereof which can be detected, or traced or registered in any of the following brain examinations:



Computerized Tomographic Scanning (CT Scan)
Magnetic Resonance Imaging (MRI)
Positron Emission Tomography (PET)
Radionuclide Imaging
Cerebral Angiography
Digital Intravenous Subtraction Angiography (DISA)
Myelography
Electroencephalography
Electromyography
Echoencephalography

2. PROPERTY DAMAGE shall mean physical injury to or loss or destruction of tangible property including loss of use resulting therefrom.
3. BUSINESS shall include:
 - a. All activities and operations of the Insured designated in the Schedule.
 - b. The ownership of premises.
 - c. The provision and management of canteen for the benefit of Employees
 - d. First aid, Fire, and ambulance services.
 - e. Private work carried out by any Employee with the consent of the Insured for any director, partner or senior official of the Insured.
5. GEOGRAPHICAL LIMITS

The Insurance under this Policy shall apply only within the PHILIPPINES.

6. INSURED shall include
 - a. All Subsidiary Companies of the Insured or any other entity over which the Insured assumes active management whose premises and operations are situated within the PHILIPPINES ONLY and details of which have been lodged with the Insurer;
 - b. In the event of the death of the Insured then the personal representative of the Insured in respect of liability incurred by the Insured per Condition 10, Section IV of this Policy;
 - c. Any principal for whom the Insured is carrying out a contract away from the Insured's own premises but only to the extent required by such contract and only arising out of the performance by the Insured of such contract and at the request of the Insured;
 - d. Any director, partner, employee or shareholder of the Insured whilst acting on behalf of or in the course of his employment or engagement by the Insured in respect of liability for which the Insured would have been entitled to claim under this Insurance if the claim had been made against the Insured;



- e. Any officer or member of the Insured's canteen, first aid, fire or ambulance services while acting in his respective capacity as such; provided that each person shall, though they were the Insured named in the Schedule, fulfill and be subject to the terms and exceptions and conditions of this Policy so far as they may be applied.

6. OCCURRENCE

Any event, including continuous or repeated exposure to substantially the same general condition which result in Bodily Injury or Property Damage neither expected nor intended from the standpoint of the Insured. All occurrences arising directly or indirectly from one source or original cause shall be deemed ONE OCCURRENCE.

In the event the Named Insured and the Insurer cannot agree when the Bodily Injury or Property Damage took place then:

- a. Bodily Injury will be deemed to have taken place when the claimant first consulted a qualified practitioner in respect of such injury; and
- b. Property damage will be deemed to have taken place when it first became evident to the claimant, even if the cause was unknown.

7. INSURED'S PRODUCT

Any good manufactured, constructed, erected, installed, repaired, serviced, treated, sold, supplied or distributed (including containers thereof) in the course of the Business designated in the Schedule after it has ceased to be in the physical custody or under the legal control of the Insured.

8. VEHICLE

Any type of machine designated to travel on wheels or on self laid tracks and to be propelled by any power other than manual or animal power.

9. WATERCRAFT

Any vessel, craft or thing made or intended to float on or in or travel on or through water.

10. AIRCRAFT

Any vessel, craft or thing made or intended to fly or move in through the atmosphere or space.

11. TURNOVER (GROSS SALES)

The gross amount of money charged by the Insured or by other trading under his name during the Period of Insurance in the course of the Business



12. FIRST AID EXPENSE

For the purpose of this Policy shall be defined as medical and/or surgical expenses incurred for the purpose of saving or protecting human life, within 24 hours from the time of occurrence.

13. AGGREGATE LIMIT

The maximum cumulative limit of liability that the Insurer shall pay in anyone policy period for an occurrence or various occurrences covered by this Policy.

14. TERRORISM

Any act of terrorism, political or otherwise, and includes any use of violence for the purpose of putting the public or any section of the public in fear.

SECTION IV – CONDITIONS

1. CONTRACT CONTENTS

This Policy including the schedule, endorsement and Proposal shall be read together as one contract and any word or expression to which a specific meaning has been attached in any part of this Policy shall bear that meaning wherever it may appear.

2. ALTERATIONS/CHANGES

The Insured shall give immediate notice to the Insurer of any alteration which materially affects the risk. Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this Policy or stop the Insurer from asserting any right under the terms of this Policy nor shall the terms of this Policy be waived or changed except by endorsement issued to form part of this Policy and signed by an authorized representative of the Insurer.

3. CLAIMS

- a. The Insured shall give written notice to the Insurer of any Bodily Injury, Property Damage or claim proceeding impending prosecution inquest or fatal accident enquiry immediately when the same shall have come to the knowledge of the Insured or his representative.
- b. The Insured shall not admit liability for or negotiable settlement of any claim without the written consent of the Insurer which shall be entitled to conduct in the name of the /insured the defense or settlement of any claim to prosecute for its own benefit any claim for indemnity or damages or otherwise and shall have full discretion in the conduct of any proceedings and in the settlement of any claim and the Insured shall give all such information and assistance as the Insurer may require.



- c. The Insured shall not, except at his own expense, voluntarily make any payment, assume any obligation or incur any expense other than for such immediate medical and surgical relief to others as shall be imperative at the time of Occurrence.
- d. The Insured shall retain unaltered and unrepaired any machinery, plant, appliances or things in any way causing or connected with any event which may give rise to a claim under this Policy for such time as the Insurer may reasonably require.
- e. If the Insurer is required to indemnify more than one party named in Definition 5 (Insured) the liability of the Insurer shall not exceed in all the limits of liability stated in the Schedule.
- f. In connection with anyone claim or number occurring in anyone Period of Insurance, the Insurer may at anyone Period of Insurance, the Insurer at any time pay to the Insured the amount of the limits of liability (after deduction of any sum or sums already paid as compensation) or any loss amount for which claim or claims can be settled and thereafter the Insurer shall be under no further liability under this Policy.

4. FRAUDULENT CLAIM

If any claim be in any respect fraudulent or in any fraudulent means or devices be used by the Insured or any one acting on his behalf to obtain any benefit under this Policy, the Insurer shall deny liability in respect to such claim and shall cancel this Policy as hereinafter provided.

5. REASONABLE CARE AND PRECAUTION

The Insured shall:

- a. Take all reasonable care
 - to employ competent employees
 - to maintain all premises, fittings and plant and everything used in the Business in sound conditions
- b. Take all reasonable precautions to
 - prevent Bodily Injury and Property Damage
 - prevent the manufacture, sale or supply of defective products.
- c. Comply with all statutory obligations, by-laws or regulations imposed by any Public Authority for the safety of person or property, particularly concerning the inspection of passenger lifts and steam pressured apparatus.
- d. At his own expense take reasonable action to trace, recall or modify any of the products containing any defect or deficiency the Insured has knowledge of or has reason to suspect.

6. CANCELLATION

This Policy shall not be cancelled by or on behalf of the Insurer, except in accordance with and pursuant to the provisions of Sections 64 and 65 of the Insurance Code of 1987. In the event of such cancellation of the Insurer shall refund the paid premiums less the earned portion thereof to the Insured. Likewise, this Policy may be cancelled on the short rate basis set forth in the short rate cancellation table at the request of the Insured.

SHORT PERIOD RATE SCALE

It is hereby agreed that in the event this Policy is surrendered by the Insured for cancellation, the Insurer shall retain a premium in accordance with the following scale for the time the Policy has been force.

No. of Mos.	1	2	3	4	5	6	7	8	9	10	11
Percentage	20	30	40	50	60	70	75	80	85	90	95

7. OTHER INSURANCE

If at the time of any Bodily Injury or Property Damage there is or but for the existence of this Policy, would be, any other policy of indemnity or insurance in favour of or effected by or on behalf of the Insured applicable to such Bodily Injury or Property Damage, the insurance under this Policy shall be excess insurance over and above the amount of liability covered under such policy of indemnity or insurance.

8. ACTION AGAINST INSURER

No action shall lie against the Insurer unless, as a condition precedent thereto, the Insured shall have fully complied with all the terms of this Policy, nor until the amount of the Insured's obligation to pay shall have been finally determined either by judgment against the Insured after actual trial or by written agreement of the Insured, the claimant and the Insurer, if a claim be made and rejected and an action or suit be not commenced either in the Insurance Commission or any court of competent jurisdiction within twelve (12) months from receipt of notice of such rejection or in case of arbitration taking place as provided herein, within twelve (12) months after due notice of the award made by the arbitrators or umpire, the claim shall for all purposes be deemed to have been abandoned and shall not thereafter be recoverable hereunder.

9. DEDUCTIBLE

It is agreed that

1. The Insurer's obligation to settle claims shall be confined to that part of the compensation in excess of the Deductible (see schedule).
2. The Policy conditions shall be unaffected by this Deductible.



10. ASSIGNMENT

Assignment of interest under this Policy shall not bind the Insurer until its consent is endorsed; if however, the named Insured shall die or be adjudged bankrupt or insolvent within the policy period, this policy, unless cancelled, shall if written notice be given to the Insurer within sixty (60) days after the date of such death or adjudication, cover the named Insured's legal representative as the named Insured.

11. INSPECTION AND AUDIT

The Insurer shall be permitted to inspect the premises and operations of the Insured and to examine and audit the Insured's books and record at any time during the policy period and any extension thereof and within three (3) years after the final termination of this Policy, as far as they relate to the premium bases or the subject matter of this insurance.

12. SUBROGATION

In the event of any payment under this Policy, the Insurer shall be subrogated to all the Insured's right of recovery thereof against any person or organization and the Insured shall execute and deliver instrument and papers and do whatsoever else is necessary to secure such rights. The Insured shall do nothing after loss to prejudice such right.

13. DECLARATIONS

By acceptance of this Policy the named Insured agrees that the statement in the written Proposal are his agreements and representations, that this Policy is issued in reliance upon the truth of such representation and that this Policy embodies all agreements existing between himself and the Insurer or any of its agents relating to this insurance.

14. RENEWAL CLAUSE

Unless the Insurer at least forty-five (45) days in advance of the end of the Policy period mails or delivers to the Insured at the address shown in the Policy notice of its intention not to renew the Policy or to condition its renewal upon reduction of limits or elimination of coverage, the Insured shall be entitled to renew the Policy upon payment of the premium due on the effective date of renewal.



15. SETTLEMENT OF CLAIM CLAUSE

The amount of any loss or damage for which the Insurer may be liable, under this Policy, shall be paid within thirty (30) days after proof of loss is received by the Insurer and ascertainment of the loss or damage is made either by agreement between the Insured and the Insurer or by arbitration; but if such ascertainment is not had or made within sixty (60) days after such receipt by the Insurer of the proof of loss, then loss or damage shall be paid within ninety (90) days after such receipt.

16. ARBITRATION CLAUSE

All differences as to the amount of any loss or damage covered by this Policy shall be referred to the decision of an arbitrator to be appointed by the parties in difference or if they cannot agree upon a single arbitrator to the decision of two (2) arbitrators, one to be appointed in writing by each of the parties within thirty (30) after days having been required in writing to do so by either of the parties or in case of disagreement between the arbitrators to the decisions of an umpire to be appointed in writing by the arbitrators before entering on the reference and an award by the arbitrators or umpire shall be a condition precedent to any right of action against the Insurer.

17. RECEIPT OF PAYMENT CLAUSE

Except only in those specific cases where corresponding rules and regulations which are now or may hereafter be in force provide for the payment of the stipulated premiums in periodic installments at fixed percentages, it is hereby agreed, declared and warranted that this Policy shall be deemed effective, valid and binding upon the Insurer only when the premiums therefore have actually been paid in full and duly acknowledged in a receipt signed by any authorized official or representative/agent of the Insurer.

18. CIVIL CODE WAIVER

IT IS HEREBY DECLARED AND AGREED that the provision of Article 1250 of the Civil Code of the Philippines (Republic Act No. 386) which reads:

“In case an extraordinary inflation or deflation of the currency stipulated should supervene, the value of the currency at the time of the establishment of the obligation shall be the basis of payment”.

SHALL NOT APPLY in determining the extent of liability under the provision of this Policy.

NOTICE

The Insurance Commissioner, with offices in Manila, Dagupan, Cebu, and Davao is the government official in charge of the faithful execution and enforcement of all laws relating to insurance and has supervision over insurance companies. He is ready at all times to render assistance in settling any controversy between an insurance company and a policyholder relating to insurance matters.



APPLICABLE TO ALL SECTIONS

PROVISIONS FOR FILING NOTICE OF LOSS

The insured under the policy is required to file a Notice of Loss to the insurance company, without unnecessary delay, that is, within sixty (60) days from the date of accident or discovery of the loss.

Failure to submit said Notice of Loss on the above stipulated prescription period shall mean a loss of interest on the part of the Insured and will exonerate the Insurer from any liability on the benefit of the insurance to which the Insured may be entitled to.

PROVISION ON GSIS APPLICABLE TAXES & DOCUMENTARY STAMP TAX

It is understood that all applicable taxes, including Documentary Stamp Tax (DST), if any shall be borne by the Insured.

For this purpose, the insured 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 performance of this Policy.

SPECIAL EXTENSION CLAUSE

In the event that the renewal terms and conditions of this policy have not been concluded upon its expiration, this policy shall be automatically extended for a period not exceeding six (6) months.

As consideration for any extension under this clause there will be an additional premium which shall be calculated at daily pro rata of the annual premium for this policy and added to the premium for the original 12 month period for this policy.



Section VII. Bidding Forms

ELIGIBILITY AND TECHNICAL FORMS

Form No.1

COMPANY'S LETTERHEAD

LETTER OF APPLICATION FOR ELIGIBILITY TO BID REINSURANCE OF THE INDUSTRIAL ALL RISKS INSURANCE POLICY OF THE BANGKO SENTRAL NG PILIPINAS

Date

The Chairman

GSIS Insurance Bids and Awards Committee
GSIS Bldg., Pasay City

Sir :

The undersigned Declarant, _____ (Full Name), of legal age, _____ national with residence at _____, in his capacity as _____ (Position) of the _____ (Name of Applicant Firm), and in accordance with the Instructions to Applicants for eligibility, hereby states that:

1. The Declarant is legally authorized to act in the name, and for the account, of the Applicant,
2. (i) The full name and address of the Applicant is :

(Name and Address of the Applicant)

Pursuant to the attached written authority/Resolution of the Governing Board of the Applicant, the undersigned Declarant applies, for and in behalf of the Applicant, for eligibility to bid for the reinsurance of GSIS- Issued Insurance Policies.

By this letter, the Applicant, by and through the undersigned Declarant, hereby declares/acknowledges, without qualification, that :

1. The GSIS and/or its duly designated representative shall have full authority to conduct any investigation to verify the statements, documents and information herewith submitted, for this purpose, this application, among others, shall serve as full authorization for any public official, engineer, accountant, officer, agent, representative, trustee, bank, depository, or any other person or firm in the confidence of the Applicant to furnish all pertinent information deemed necessary and requested by the or its representative to verify statements and information provided in this application or regarding our competence and standing.



2. The Applicant is fully aware of, and unconditionally accepts, the dates and periods fixed or to be fixed by, for the Eligibility Check, Tendering and Award of Contract, renouncing consequently any request for extension.
3. The Applicant has vested the Declarant with full powers and authority to execute agreements and to effect all necessary formalities, for and in behalf of the Applicant, for the Eligibility Check and tender, including the acceptance of award and execution of the necessary contract, by virtue of the Power of Attorney/Board Resolution issued by the Applicant.
4. The Applicant(s) sworn affidavit that they are not related to the head of the procuring entity by consanguinity or affinity up to the third civil degree, in compliance with the Disclosure Provision under Section 47 of RA 9184.
5. The GSIS has the full right without need of justification other than that allowed in the Instructions to Applicants for Eligibility:
 - a. To declare ineligible or disqualify any Applicant who failed to submit or accomplish the required documentation, and to disqualify any applicant or bidder at any stage of the proceedings for violation of laws, rules and regulations that are intended to protect the integrity of the bidding process;
 - b. To evaluate the qualifications of eligible applicants who will be requested to submit Technical and Financial Bid Proposals
 - c. To deny request for reconsideration of rules, procedure and decisions adopted by the or of the results of the Eligibility Check and tender on grounds that are not made manifest in the eligibility documents or bid proposals submitted; and
 - d. To reject any or all bids or to declare failure of the bidding for any reason that, in the GSIS's sound judgment, may be in the best interest of the GSIS and the Assured.

The undersigned declares that the statements made and the information provided in this application are complete, true and correct in every detail.

Signature
Name
For and in behalf of : (Name of Applicant)



Republic of the Philippines)
Province/City of _____)

SUBSCRIBED AND SWORN to before me this _____ day of _____, _____,
at _____, affiant having exhibited his/her Community Tax Certificate No./Passport No.
_____ issued on _____ at _____.

Notary Public
PTR No. _____
Until _____

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



FORM NO. 1A

AFFIDAVIT OF APPLICATION

I, _____ (full name), of legal age, Filipino, with residence at _____, under oath depose and state that : (1) All information in this Applicant's Confidential Application of Statement Eligibility, including the annexes and enclosures thereto, are true and correct, (2) I hold myself liable for any legal consequence for any misrepresentation or false statement knowingly made therein, and (3) I hold the members of the GIBAC and Secretariat, free and harmless from any liability whatsoever in relation to the appreciation thereof.

In witness whereof, I have hereunto affixed my signature this ____ day of _____, _____ at _____.

(Declarant/Affiant)

Republic of the Philippines)
Province/City of _____)

SUBSCRIBED AND SWORN to before me this ____ day of _____, _____ at _____, affiant having exhibited his/her Community Tax Certificate No./Passport No. _____ issued on _____ at _____.

NOTARY PUBLIC
PTR No. _____
Until _____

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

DRY SEAL

* A similar attestation may be used abroad provided that the same is authenticated by a duly authorized Consular Office of the Philippines.



Form 1B

STATEMENT OF APPLICATION

A. GENERAL INFORMATION

1. Name of Applicant : _____
2. Field of Principal Business : _____
3. Other Business : _____
4. Address and Liaison
 - a. Office Address : _____
 - b. Address : _____
 - c. Telephone No. : _____
 - d. Facsimile No. : _____
 - e. E-mail Address : _____
5. In case of Foreign Applicant
 - a. Name of Phil. Representative : _____
 - b. Address : _____
 - c. Telephone No. : _____
 - d. Facsimile No. : _____
 - e. E-mail Address : _____
6. Type of Organization (Please Check)
 - Sole Proprietorship
 - Corporation
 - Partnership
 - Joint Venture
 - Others
7. Chief Executive or Person Managing the Affairs of Application organization
 - a. Name : _____
 - b. Designation : _____
 - c. Certified copy of his appointment/designation and authority
8. Person officially Designated as Liaison Officer
 - a. Name : _____
 - b. Designation : _____
 - c. Certified copy of his appointment/designation and authority



OTHER INFORMATION

1. Date when Applicant's Organization was registered: _____
2. Place of Registration: _____
3. Insurance License: _____
4. List of Local Affiliate/Subsidiary Company
5. Errors and Omission Policy
6. Certification from the Insurance Commission that it has no derogatory claims settlement record
7. Sworn statement of the proponent that it has no other pending case/complaint with the courts, quasi-judicial body or any other government agency or instrumentality
8. If applicant is a Corporation:

Certified Copy of Articles of Incorporation
9. Certified copy of the Applicant's Securities and Exchange Commission (SEC) Registration Certificate or its equivalent, if applicable.
10. A Sworn Statement under Oath, that the Applicant is not blacklisted or barred from bidding by any government agency, department, office or corporation of the Philippines, or such other country of incorporation.

Form 5

Joint Venture Agreement

This Joint Venture Agreement is between:

_____, Filipino, of legal age, (civil status), owner of _____, residing at _____

and
_____, Filipino, of legal age, (civil status), owner of _____, residing at _____.

The parties agree to combine their manpower, equipment, and other resources in connection with the joint venture's participation in the bidding which (Name of the GSIS) will conduct for the following project:

Name of Project	Contract Amount
-----------------	-----------------

The parties agree to undertake the project and to be jointly and severally liable for the entire project.

The parties appoint _____ and/or _____ to be the official representative/s of the joint venture. He/they is/are granted full authority to perform all the acts that are necessary to enable him/them to fully and effectively represent the joint venture in the bidding. The parties may change the joint venture's official representative/s or to revoke his/their appointment.

This agreement shall be valid only for the above-stated project.

(Date and place where the document was made _____.)



Form 5.1a

SWORN STATEMENT

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

I, *[Name of Affiant]*, of legal age, *[Civil Status]*, *[Nationality]*, and residing at *[Address of Affiant]*, after having been duly sworn in accordance with law, do hereby depose and state that:

- (1) I am the duly authorized and designated representative of *[Name of Bidder]* with office address at *[address of Bidder]*;
- (2) That if awarded, *[Name of Bidder]* will retain *[amount in words and figures]* equivalent to *[percentage of retention]* of the total sum insured;
- (3) That the *[Name of Treaty]* evidenced by the submitted Treaty Slip as part of the eligibility documents for this bidding covers the risk indicated in Section VI. Technical Specifications of the Bidding Documents for the *[Name of Project ex. Procurement for the Reinsurance of the Industrial All Risk cover of Government Agency]*
- (4) That the amount retained of *[amount in words and figures]* is within the gross retention of the above-mentioned Treaty as indicated in the submitted Treaty Slip; and,
- (5) I execute this Affidavit in compliance with the bid requirements of the Government Service Insurance System and for whatever legal purpose it may serve.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____ at _____, Philippines.

Affiant

SUBSCRIBED AND SWORN to before me this _____ (date) _____, at _____ (place) _____ affiant having exhibited to me his _____ (valid government-issued ID)

Notary Public

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SWORN STATEMENT

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

I, [Name of Affiant], of legal age, [Civil Status], [Nationality], and residing at [Address of Affiant], after having been duly sworn in accordance with law, do hereby depose and state that:

- (1) I am the duly authorized and designated representative of [Name of Bidder] with office address at [address of Bidder];
- (2) That if awarded, [Name of Bidder] will retain [amount in words and figures] equivalent to [percentage of retention] of the total sum insured;
- (3) That the above-mentioned retention for the [Name of Project ex. Procurement for the Reinsurance of the Industrial All Risk cover of Government Agency] is not more than five percent (5%) of the networth of [Name of Bidder] amounting to [amount in words and figures] as evidenced by the submitted Annual Statement;
- (4) I execute this Affidavit in compliance with the bid requirements of the Government Service Insurance System and for whatever legal purpose it may serve.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____ at _____, Philippines.

Affiant

SUBSCRIBED AND SWORN to before me this _____ (date) _____, at _____ (place) _____ affiant having exhibited to me his _____ (valid government-issued ID)

Notary Public

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LETTER OF CONFORMITY

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

This is to certify that _____ [Name of Bidder] _____, located at _____ conforms to the Technical Specifications as enumerated and specified in Section VI of the bidding documents for the [Name of Project ex. Procurement for the Reinsurance of the Industrial All Risk cover of Government Agency] and the acceptance of this reinsurance placement shall remain in conformity thereto for the duration of the reinsurance contract.

Further, the reinsurance placement and acceptance of each of the reinsurers/ retrocessionaires for the [Name of Project ex. Procurement for the Reinsurance of the Industrial All Risk cover of Government Agency] are likewise in accordance with Section VI - Technical Specifications of the bidding documents for the [Name of Project ex. Procurement for the Reinsurance of the Industrial All Risk cover of Government Agency] and shall remain in conformity thereto for the duration of the reinsurance contract.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____ at _____, Philippines.

Affiant

SUBSCRIBED AND SWORN to before me this _____ (date) _____, at _____ (place) _____ affiant having exhibited to me his _____ (valid government-issued ID)

Notary Public

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OMNIBUS SWORN STATEMENT

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

AFFIDAVIT

I, *[Name of Affiant]*, of legal age, *[Civil Status]*, *[Nationality]*, and residing at *[Address of Affiant]*, after having been duly sworn in accordance with law, do hereby depose and state that:

1. **Select one, delete the other:**

If a sole proprietorship: I am the sole proprietor of *[Name of Bidder]* with office address at *[address of Bidder]*;

If a partnership, corporation, cooperative, or joint venture: I am the duly authorized and designated representative of *[Name of Bidder]* with office address at *[address of Bidder]*;

2. **Select one, delete the other:**

If a sole proprietorship: As the owner and sole proprietor of *[Name of Bidder]*, I have full power and authority to do, execute and perform any and all acts necessary to represent it in the bidding for *[Name of the Project]* of the *[Name of the Procuring Entity]*;

If a partnership, corporation, cooperative, or joint venture: I am granted full power and authority to do, execute and perform any and all acts necessary and/or to represent the *[Name of Bidder]* in the bidding as shown in the attached *[state title of attached document showing proof of authorization (e.g., duly notarized Secretary's Certificate issued by the corporation or the members of the joint venture)]*;

3. *[Name of Bidder]* is not "blacklisted" or barred from bidding by the Government of the Philippines or any of its agencies, offices, corporations, or Local Government Units, foreign government/foreign or international financing institution whose blacklisting rules have been recognized by the Government Procurement Policy Board;
4. Each of the documents submitted in satisfaction of the bidding requirements is an authentic copy of the original, complete, and all statements and information provided therein are true and correct;
5. *[Name of Bidder]* is authorizing the Head of the Procuring Entity or its duly authorized representative(s) to verify all the documents submitted;

6. **Select one, delete the rest:**

If a sole proprietorship: I am not related to the Head of the Procuring Entity, members of the Bids and Awards Committee (BAC), the Technical Working Group, and the BAC Secretariat, the head of the Project Management Office or the end-user unit, and the project consultants by consanguinity or affinity up to the third civil degree;

If a partnership or cooperative: None of the officers and members of [Name of Bidder] is related to the Head of the Procuring Entity, members of the Bids and Awards Committee (BAC), the Technical Working Group, and the BAC Secretariat, the head of the Project Management Office or the end-user unit, and the project consultants by consanguinity or affinity up to the third civil degree;

If a corporation or joint venture: None of the officers, directors, and controlling stockholders of [Name of Bidder] is related to the Head of the Procuring Entity, members of the Bids and Awards Committee (BAC), the Technical Working Group, and the BAC Secretariat, the head of the Project Management Office or the end-user unit, and the project consultants by consanguinity or affinity up to the third civil degree;

7. [Name of Bidder] complies with existing labor laws and standards; and
8. [Name of Bidder] is aware of and has undertaken the following responsibilities as a Bidder:
- a) Carefully examine all of the Bidding Documents;
 - b) Acknowledge all conditions, local or otherwise, affecting the implementation of the Contract;
 - c) Made an estimate of the facilities available and needed for the contract to be bid, if any; and
 - d) Inquire or secure Supplemental/Bid Bulletin(s) issued for the [Name of the Project].
9. It did not give or pay directly or indirectly, any commission, amount, fee, or any form of consideration, pecuniary or otherwise, to any person or official, personnel or representative of the government in relation to any procurement project or activity.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____ at _____, Philippines.

Bidder's Representative/ Authorized Signatory

SUBSCRIBED AND SWORN to before me this _____ (date), at _____ (place) affiant having exhibited to me his _____ (*valid government-issued ID*)

Notary Public

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Page No. _____
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SECRETARY'S CERTIFICATE
(For Corporations or Corporate Members of Joint Venture)

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

KNOW ALL MEN BY THESE PRESENTS

I, _____, (full name), Filipino, of legal age, and with postal address at _____, under oath, depose and say that:

I am the Corporate Secretary of _____ (Name of Firm), a _____ (type of organization) duly organized and existing under and by virtue of the laws of the _____ (country), with principal office at _____ (firm's address).

I hereby certify that the information relative to the names of the major stockholders and directors, number of shares subscribed, amount subscribed and amount paid-up are true and correct and are in accordance with the stock and transfer books of the Corporation under my custody. **(please attach the names of directors and major stockholders to include number of shares subscribed, amount subscribed and paid-up)**

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____ at _____, Philippines.

Affiant

SUBSCRIBED AND SWORN to before me this _____ (date), at _____ (place) affiant having exhibited to me his _____ (valid government-issued ID)

Notary Public

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[Bidder's Letterhead]

FINANCIAL FORM

Form 9 Bid Form

Financial Proposal Summary

Date: _____

To: [name and address of Procuring Entity]

Gentlemen:

Having examined the Bidding Documents including Bid Bulletins, the receipt of which is hereby duly acknowledged, we, the undersigned, offer to [supply/deliver/perform] [description of the Goods] in conformity with the said Bidding Documents for the sum of [total Bid amount in words and figures] or such other sums as may be ascertained in accordance with the Breakdown below and made part of this Bid.

It is understood that bids in excess of the ABC shall automatically be rejected at bid opening.

OFFERED PREMIUM RATE AND PREMIUM

TOTAL Bid Price (100% Premium)	:	PHP	Absolute Net Premium
		%	Premium Rate

Breakdown of the Total Bid Price

I. Retained Premium at 10% of the TOTAL Bid Price [A = E x 10%]	PHP
II. Reinsured Premium at 90% of the TOTAL Bid Price [B = E x 90%] (inclusive of 20% GSIS Commission)	PHP
II.A GSIS Commission [C = B x 20%] (20% of the Reinsured Premium)	PHP
II.B Net Amount due Reinsurer [D = B - C] (Reinsured Premium less the GSIS Commission)	PHP
TOTAL Bid Price [E] (100% Premium)	PHP



Grand Total in figures and in words:

Bidder's name:

Address:

Telephone/Fax numbers:
Authorized Representative:
Signature:



[Bidder's Letterhead]

Bid-Securing Declaration Form

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

x-----x

BID-SECURING DECLARATION

Title of the Project: _____

To: *[Insert name and address of the Procuring Entity]*

I/We, the undersigned, declare that:

1. I/We understand that, according to your conditions, bids must be supported by a Bid Security, which may be in the form of a Bid-Securing Declaration.

2. I/We accept that: (a) I/we will be automatically disqualified from bidding for any contract with any procuring entity for a period of two (2) years upon receipt of your Blacklisting Order; and, (b) I/we will pay the applicable fine provided under Section 6 of the Guidelines on the Use of Bid Securing Declarations, if I/we have committed any of the following actions:

(i) Withdrawn my/our Bid during the period of bid validity required in the Bidding Documents; or

(ii) Fail or refuse to accept the award and enter into contract or perform any and all acts necessary to the execution of the Contract, in accordance with the Bidding Documents after having been notified of your acceptance of our Bid during the period of bid validity.

3. I/We understand that this Bid-Securing Declaration shall cease to be valid on the following circumstances:

(a) Upon expiration of the bid validity period, or any extension thereof pursuant to your request;

(b) I am/we are declared ineligible or post-disqualified upon receipt of your notice to such effect, and (i) I/we failed to timely file a request for reconsideration or (ii) I/we filed a waiver to avail of said right;

(c) I am/we are declared as the bidder with the Lowest Calculated and Responsive Bid/Highest Rated and Responsive Bid⁴, and I/we have furnished the performance security and signed the Contract.



IN WITNESS WHEREOF, I/We have hereunto set my/our hand/s this ____ day of [month] [year] at [place of execution].

**[Insert NAME OF BIDDER'S
AUTHORIZED REPRESENTATIVE]
[Insert signatory's legal capacity]
Affiant**

SUBSCRIBED AND SWORN to before me this __ day of [month] [year] at [place of execution], Philippines. Affiant/s is/are personally known to me and was/were identified by me through competent evidence of identity as defined in the 2004 Rules on Notarial Practice (A.M. No. 02-8-13-SC). Affiant/s exhibited to me his/her [insert type of government identification card used], with his/her photograph and signature appearing thereon, with no. _____ and his/her Community Tax Certificate No. _____ issued on _____ at _____.
Witness my hand and seal this __ day of [month] [year].

NAME OF NOTARY PUBLIC

Serial No. of Commission _____
Notary Public for _____ until _____
Roll of Attorneys No. _____
PTR No. __, [date issued],[place issued]
IBP No. __, [date issued], [place issued]

Doc. No. ____
Page No. ____
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