

Procurement of the Reinsurance of the
**DIRECTOR'S & OFFICERS LIABILITY
INSURANCE**

of the

BANGKO SENTRAL NG PILIPINAS

For the Period

From: **November 27, 2015**

To: **November 27, 2016**



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INVITATION TO BID

REINSURANCE OF THE DIRECTORS AND OFFICERS LIABILITY INSURANCE OF THE BANGKO SENTRAL NG PILIPINAS

The *Government Service Insurance System (GSIS)*, through the *GSIS Corporate Budget for CY 2015* wishes to receive bids for the REINSURANCE OF THE DIRECTORS AND OFFICERS LIABILITY INSURANCE OF THE **BANGKO SENTRAL NG PILIPINAS** for the period 27 November 2015 to 27 November 2016, with a Total Sum Insured of Five Hundred Million Pesos (PHP 500,000,000.00) with an Approved Budget for the Contract (ABC) of Eleven Million Nine Hundred Thousand Pesos (PHP 11,900,000.00) with a premium rate of 2.38%, with the following particulars:

Coverage	ABC (inclusive of 20% GSIS Commission)	Retention (%)	Facultative Reinsurance (%)
Directors and Officers Liability Insurance	PHP 11,900,000.00	10%	90%

Bids received in excess of the ABC shall be automatically rejected at bid opening.

1. Bidders should have completed, within *two years* from the date of submission and receipt of bids, a contract similar to the Project. The description of an eligible bidder is contained in the Bidding Documents, particularly in Section II-Instructions to Bidders.
2. Bidding will be conducted through open competitive bidding procedures using a non-discretionary “pass/fail” criterion as specified in the revised Implementing Rules and Regulations (IRR) of Republic Act (RA) 9184, otherwise known as the “Government Procurement Reform Act”.

Bidding is open to all interested bidders, whether local or foreign, subject to the conditions for eligibility provided in the IRR of RA 9184.

3. Interested bidders may obtain further information and inspect the Bidding Documents at the Reinsurance Department, Insurance Group, Level 3, GSIS Building, Financial Center, Roxas Blvd., Pasay City, during office hours.

A complete set of Bidding Documents may be purchased by interested Bidders from the date of publication of this ITB at the above address and upon payment of a non-refundable fee for the Bidding Documents in the amount of *Php 25,000.00*.

It may also be downloaded free of charge from the website of the Philippine Government Electronic Procurement System (PhilGEPS) and the website of the Procuring Entity. However, the Underwriting Information *shall only be available to Bidders who have paid the non-refundable fee of Php 25,000.00* not later than the submission of their bids.

4. The GSIS will hold a Pre-Bid Conference on 07 October 2015 (09:00 am) *at GIBAC Conference Room, Core C, Level 3, GSIS Building, Financial Center, Roxas Blvd., Pasay City.*
5. Bids must be delivered on or before 19 October 2015 (8:30 am) *at the GIBAC Secretariat, Insurance Group, Level 3, GSIS Building, Financial Center, Roxas Blvd. Pasay City.* All Bids must be accompanied by a bid security in any of the acceptable forms and in the amount stated in **ITB** Clause 18.
6. Bid opening shall be on 19 October 2015 (9:00 am) *at the GIBAC Conference Room, Core C, Level 3, GSIS Building, Financial Center, Roxas Blvd., Pasay City.* Bids will be opened in the presence of the Bidder's representatives who chose to attend at the address below. Late bids shall not be accepted.
7. The GSIS encourages that the eligibility requirements be submitted before the deadline of submission of bids.
8. A sixty (60) day cover note effecting the insurance coverage on its inception date, 27 November 2015, will be required by the GSIS from the lowest calculated bidder on the *opening of bids.*
9. The GSIS reserves the right to accept or reject any bid, to annul the bidding process, and to reject all bids at any time prior to contract award, without thereby incurring any liability to the affected bidder or bidders.
10. For further information, please refer to:

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*Vice Chairperson
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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 10.30.
- (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 27.10.

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 15.1 and 15.4;
 - (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 16.1, 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 18.20.
- 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 18.2.
- 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 29.20;
 - (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 23.10 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 18.5, 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 13.20, 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	<u>The Funding Source is:</u> The Government of the Philippines (GOP) through <u>the GSIS Corporate Budget for the Year 2015 in the amount of (Php11,900,000.00)</u> <u>The name of the Project is: REINSURANCE OF THE DIRECTORS & OFFICERS LIABILITY INSURANCE OF THE BANGKO SENTRAL NG PILIPINAS.</u>
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	Except c. When the Goods sought to be procured are not available from local suppliers
5.4	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 <i>or</i> monopoly that will defeat the purpose of public bidding, the Bidder should comply with the following requirements: The Bidder must have an existing similar policy/ies or has issued at least one such policy in the last two years
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 07 October 2015 (09:00 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. <p>Only financial statements audited by Accredited External Auditors for Universal Banks of the Bangko Sentral ng Pilipinas (BSP) will be accepted.</p> <p>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.</p>



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 2014 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 2014 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

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.

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.

12. NFCC, computed using the following formula, must be at least equal to the ABC to be bid:

	<p>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>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>Where:</p> <p>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>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>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. 2. Bid security in accordance with ITB Clause 18. If the Bidder opts to submit the bid security in the form of: <ol style="list-style-type: none"> a. Cash or cashier's/ manager's check issued by a Universal or Commercial Bank ; or

	<p>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</p> <p>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> <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> <p style="padding-left: 20px;"><u>a. Insurance & Reinsurance Companies</u></p> <ul style="list-style-type: none"> ▪ <u>If the terms and conditions are allowed under the bidder's reinsurance treaty agreement</u> <p style="padding-left: 40px;">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 style="padding-left: 40px;">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 style="padding-left: 40px;">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 style="padding-left: 40px;">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>
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- If the terms and conditions are not allowed under the bidder's reinsurance treaty agreement

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)**.

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.

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.

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.

b. Reinsurance Brokers

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.

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.

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.

6. Certification from the bidder that it will provide a lead line of at least 10% of the reinsured risk.

	<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 original Secretary's Certificate executed and notarized within the procurement year by the corporation or the members of the joint venture providing the authorization to the signatory of the Sworn Statement as provided in Item No. 2 of said Sworn Statement (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 Eleven Million Nine Hundred Thousand Pesos (Php11,900,000.00). 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	<p>The bid security shall be in the following form and amount:</p> <p>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;</p>

	<p>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.</p> <p>3. Any combination of the foregoing proportionate to the share of form with respect to total amount of security.</p> <p>4. Notarized Bid Securing Declaration.</p>
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	<p>The address for submission of bids is:</p> <p style="text-align: center;">GIBAC Secretariat, Insurance Group, Level 3 GSIS Building, Financial Center, Roxas Blvd., Pasay City</p> <p>The deadline for submission of bids is 19 October 2015 (8:30 am).</p>
24.1	<p>The place of bid opening is:</p> <p style="text-align: center;">GIBAC Conference Room, Core C, Level 3 GSIS Building, Financial Center, Roxas Blvd., Pasay City</p> <p>The date and time of bid opening is 19 October 2015 (9:00 am)</p>
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.

	<p><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></p>
29.2(d)	<p>Bidders shall also submit a certification of the list of securities supported by:</p> <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 Eleven Million Nine Hundred Thousand Pesos (Php11,900,000.00).
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 Address: nbgellaco@gsis.gov.p 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	:	Director's & Officers Liability Insurance
INSURED	:	BANGKO SENTRAL NG PILIPINAS
ADDRESS	:	A. Mabini cor. P. Ocampo St. Malate, Manila
REINSURED	:	Government Service Insurance System
POLICY PERIOD	:	November 27, 2015 to November 27, 2016 (both days inclusive)
TOTAL SUM INSURED	:	Php500,000,000.00
LIMIT OF LIABILITY	:	Php500,000,000.00 total aggregate for all losses, arising out of claims made against the Insureds under all insurance covers combined (including defense costs). Inner limit for lawyer's fees Php 5,000,000.00 any one claim or claims arising from a single act covered (inclusive of acceptance and appearance fees, time charges, incidental expenses) Success Fee – Php 1,000,000.00 for Monetary Board Corporate case only
COVERAGE	:	Section A – Directors, Officers and Agency Liability Insurance Section B – Corporate Reimbursement
RETROACTIVE/ CONTINUITY DATES	:	Pending & Prior Litigation - January 13, 2006 Pollution Claims - January 13, 2006
DEDUCTIBLE	:	The Insured shall bear the first amount of loss: <ul style="list-style-type: none">▪ Section A – Nil▪ Section B – Php3,000,000.00 for any one claim including any judgments, settlement or final agreements as specified in 5.4 Retention, only one retention shall be applied for loss from any claim or claims alleging single act covered.



APPROVED BUDGET FOR THE CONTRACT	:	Php11,900,000.00
WARRANTIES, CLAUSES AND ENDORSEMENTS	:	Code of Corporate Governance Endorsement Money Laundering Exclusion Claims Cooperation Endorsement Payment and Gratuities Exclusion War/Act of War Exclusion Investment Banking Professional Liability Exclusion Financial Institution Professional Indemnity Exclusion Failure to Maintain Insurance Exclusion Known Claims and Circumstances Exclusion Special Extension Clause Provision on GSIS Applicable Taxes and Documentary Stamp Tax
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	:	Director's & Officers Liability Insurance
ITEM 1. INSURED	:	BANGKO SENTRAL NG PILIPINAS
ITEM 2. LOCATION	:	A. Mabini cor. P. Ocampo St. Malate, Manila
ITEM 3. PERIOD	:	November 27, 2015 to November 27, 2016 (both days inclusive)
ITEM 4. TOTAL SUM INSURED	:	Php500,000,000.00
ITEM 5 . LIMIT OF LIABILITY	:	Php500,000,000.00 total aggregate for all losses, arising out of claims made against the Insureds under all insurance covers combined (including defense costs). Inner limit for lawyer's fees Php 5,000,000.00 any one claim or claims arising from a single act covered (inclusive of acceptance and appearance fees, time charges, incidental expenses) Success Fee – Php 1,000,000.00 for Monetary Board Corporate case only
ITEM 6. COVERAGE	:	Section A – Directors, Officers and Agency Liability Section B – Corporate Reimbursement
ITEM 6.a	:	List of Directors and Officers and their positions (as per list submitted)
ITEM 7. RETROACTIVE/ CONTINUITY DATES	:	Pending & Prior Litigation - January 13, 2006 Pollution Claims - January 13, 2006
ITEM 8. DEDUCTIBLE	:	The Insured shall bear the first amount of loss: <ul style="list-style-type: none">▪ Section A – Nil▪ Section B – Php3,000,000.00 for any one claim including any judgments, settlement or final agreements as specified in 5.4 Retention, only one retention shall be applied for loss from any claim or claims alleging single act covered.

ITEM 9. PREMIUM

As Awarded

ITEM 10. WARRANTIES,
CLAUSES AND
ENDORSEMENTS

: Code of Corporate Governance Endorsement
Money Laundering Exclusion
Claims Cooperation Endorsement
Payment and Gratuities Exclusion
War/Act of War Exclusion
Investment Banking Professional Liability Exclusion
Financial Institution Professional Indemnity Exclusion
Failure to Maintain Insurance Exclusion
Known Claims and Circumstances Exclusion
Special Extension Clause
Provision on GSIS Applicable Taxes and Documentary
Stamp Tax



DIRECTORS AND OFFICERS LIABILITY INSURANCE

In consideration of the payment of the premium, the *Insurer* agrees as follows:

1. INSURANCE COVER

A. DIRECTORS, OFFICERS and AGENCY LIABILITY

The insurer shall pay the loss of each insured resulting from any claim first made against the insured during the policy period for any act/s covered in the Insured's capacity as a director or officer of the agency except for and to the extent that the agency has indemnified the insured.

The insurer shall also pay the loss of each insured resulting from the acts or omissions of covered directors and officers of the insured in their capacity/ies as ex-officio officers, directors, members, or advisors and their alternates of other companies, agencies or institutions, whether government or private, local or foreign; provided that, these directors and officers or alternates were appointed or designated to said ex-officio positions by virtue of their positions with insured.

The insurer shall hold safe and harmless any insured who is sued, made party to or otherwise involved in any action, suit or proceeding filed against the insured by reason of his /her being a director/officer of the agency, to the extent that the insured is sued for acts committed while in the performance of his/her official functions, duties and responsibilities as such director/officer, Provided, the insured charged or sued must be exonerated, acquitted or held not liable. However, even if the insured is found liable for the act charged or complained of, there must be a finding that he/she has acted in utmost good faith, within the scope of his/her official functions and duties, and has exercised extraordinary diligence.

B. CORPORATE REIMBURSEMENT

The insurer shall pay the loss of the BSP as the Named Insured of the policy resulting from any claim first made against the director or officer during the policy period for any act/s covered as a director or officer but only when and to the extent that the BSP as the Named Insured has indemnified the director or officer for the loss.



Subject to the terms and conditions of this policy, the **insurer may advance defense costs** to the **director or officer or agency resulting from any claim** before its final resolution, subject to the deductible stated in Item 8 of the Schedule.

Should there be a finding that the act done does not fall within the meaning of act/s covered as defined in 2.17 of this policy, the amounts advanced by the insurer shall be considered a loan by the director or officer or agency which shall become immediately due and payable to the insurer upon finality of the judgment against the insured.

2. DEFINITIONS

2.1 **Agency** means the *policyholder* specified in Item 1 of the Schedule

2.2 **Claim(s)** means:

- (i) any suit or proceeding brought by any person or organization against an *insured* for monetary damages or other relief, including non-pecuniary relief;
- (ii) any written demand from any person or organization to hold an *insured* responsible for the results of any *act/s covered*;
- (iii) any administrative or regulatory proceeding or official investigation regarding any *act/s covered* of an *insured*.

Claims arising out of, based upon or attributable to a *single act covered* shall be considered to be a single *claim* for the purposes of this policy.

2.3 **Continuity date(s)** means the date(s) specified in Item 7 of the Schedule. The pending and prior litigation *continuity date* shall be the date from which the *policyholder* has maintained uninterrupted cover with the *insurer*, or with any other *insurer* if the initial proposal form submitted to such *insurer* is provided to and accepted by the *insurer* at the inception of this policy, or such other dates(s) as agreed with the *insurer*.

2.4 **Defense costs** means reasonable and necessary fees, costs and expenses which were incurred upon written notice to the *insurer* resulting solely from the investigation, adjustment, defense and appeal of any claim but shall not include the salary of any *insured*.

2.5 **Director or officer** means any natural person duly appointed or elected as a director or officer of the agency, pursuant to applicable laws.

2.6 **Discovery period** means the period of time specified in Extension 4.1, immediately following the termination of this policy during which written notice may be given to the *insurer* of any *claims* first made against the *insured* during such period of time for any *act/s covered* occurring prior to the end of the *policy period* and otherwise covered by this policy.



- 2.7 **Employment practice claim** means any *claim* or series of related *claims* relating to a past, present or prospective employee of the *agency* and arising out of any actual or alleged dismissal, discharge or termination, either actual or constructive, of employment, failure to employ or promote, deprivation of career opportunities, discipline; failure to grant tenure or negligent employee evaluation; or workplace or racial or disability harassment of any kind (including the alleged creation of a harassing workplace environment); or unlawful discrimination, whether direct, indirect, intentional or unintentional, or failure to provide adequate employee policies and procedures.
- 2.8 **Full annual premium** means the annual premium level in effect immediately prior to the end of the *policy period*.
- 2.9 **Insured** means any natural person who was, is, or shall become a *director* or *officer* of the *agency*, or any natural person who is a trustee of a pension, retirement or provident benefit fund established for the benefit of the employees of the *agency*, or the *agency* itself, whenever applicable. Cover will automatically apply to any natural person who becomes a *director* or *officer* of the *agency* after the inception date of this policy. *Insured* shall include any employee of the *agency*, but only for a *claim* or *claims* alleging *act/s covered*, committed by the employee in a managerial or supervisory or confidential capacity, occupying positions, as listed by the agency in Item 6.a. With respect to an *employment practice claim* only, *insured* shall include any past, present or future employee of the *agency*.
- 2.10 **Insurer** means the **GOVERNMENT SERVICE INSURANCE SYSTEM**.
- 2.11 **Loss** means damages, judgments, settlements and *defense costs*; however, *loss* shall not include civil or criminal fines or penalties imposed by law, non-compensatory damages, taxes, any amount for which the *insured* is not legally liable or matters which may be considered uninsurable under the law pursuant to which this policy shall be construed. Damages, judgments, settlements and *defense costs* incurred in more than one *claim* against the *insured* but resulting from a *single act covered* shall constitute a single *loss*.
- 2.12 **Policyholder** means the *agency* specified in Item 1 of the Schedule.
- 2.13 **Policy Period** means the period of time from the inception date to the expiry date specified in Item 3 of the Schedule.
- 2.14 **Pollutants** include (but are not limited to) any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes (but is not limited to) material to be recycled, reconditioned or reclaimed.
- 2.15 **Single act covered** means *act/s covered* or any related, continuous or repeated *act/s covered*, whether committed by the *insured* individually or by more than one *insured* and whether directed to or affecting one or more than one person or legal entity.
- 2.16 **Transaction** means that the *policyholder* consolidates with or merges into any other entity.

2.17 **Act/s Covered** means any act or omission committed in good faith by the *insured* in their respective capacities as a *director or officer or employee* of the *agency* or any matter *claimed* against them solely because of their status as a *director or officer or employee* of the *agency*, which gives rise to a cause of action against the *insured* or the *agency* in any court, tribunal or administrative agency exercising quasi-judicial functions.

2.18 **Third party** claimant includes employees of the agency who are not insured.

3. EXCLUSIONS

The insurer shall not be liable to make any payment for loss in connection with any claim made against the insured:

(i) *Where the court or tribunal or administrative agency finds that there was malfeasance, misfeasance, nonfeasance, any form of negligence or bad faith, illegal, dishonest, fraudulent, unethical conduct or any other act that constitutes a breach of duty as fiduciary of the State, involved in the conduct of his/her office on the part of the insured concerned.*

(ii) *Where the court or tribunal or administrative agency finds that the transaction involved is purely private and unconnected with the office of the insured.*

The insurer shall not be liable to make any payment for loss in connection with any claim made against the insured:

3.1 arising out of, based upon or attributable to:

(i) the gaining in fact of any personal profit or advantage to which the *insured* was not legally entitled;

(ii) the committing in fact of any dishonest or fraudulent act.

For the purpose of determining the applicability of these exclusions, the act/s covered of any insured shall not be imputed to any other insured.

These exclusions shall only apply if it is established through a judgment, or any other final adjudication adverse to the insured, or any admission by an insured that the relevant conduct did in fact occur;

3.2 arising out of, based upon or attributable to the facts alleged or to the same or related *act/s covered* alleged or contained in any *claim* which has been reported or in any circumstances of which notice has been given under any policy of which this policy is a renewal or replacement or which it may succeed in time;

- 3.3 arising out of, based upon or attributable to any pending or prior litigation as of the pending and prior litigation *continuity date* specified in Item 7 of the Schedule, or alleging or deriving from the same or essentially the same facts as alleged in the pending or prior litigation;
- 3.4 which are brought by or on behalf of any *insured* or the *agency*; provided, however, that this exclusion shall not apply to:
- (i) any employment practice *claim* brought by any *insured*;
 - (ii) any *claim* brought or maintained by an *insured* for contribution or indemnity, if the *claim* directly results from another *claim* otherwise covered under this policy;
 - (iii) any *claim* brought or maintained by any former *director*, *officer* or employee of the *agency*.
- 3.5 arising out of, based upon or attributable to or in any way involving, directly or indirectly, the actual, alleged or threatened discharge, dispersal, release or escape of *pollutants*; or any direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize *pollutants*, nuclear material or nuclear waste.

Provided, however, that this exclusion shall not apply to any *claim* made against the *insured* by any stakeholder of the *agency* either directly or derivatively, alleging damage to the *agency* or its stakeholders, unless on or before the pollution continuity date specified in Item 7 of the Schedule, the *agency*, the *insured* or any employee of the *agency* with managerial responsibilities over environmental affairs, control or compliance, knew or could have reasonably foreseen that there existed any situation, circumstances or condition which could have given rise to a *claim* against the *agency*, or the *insured*.

This exclusion is subject to Extension 4.4, unless on or before the pollution *continuity date* specified in Item 7 of the Schedule, the *agency*, the *insured* or any employee of the *agency* with managerial responsibilities over environmental affairs, control or compliance, knew or could have reasonably foreseen that there existed any situation, circumstance or condition which could have given rise to a *claim* against the *agency*, or the *insured*.

- 3.6 for bodily injury, sickness, disease, death or emotional distress of any person, or damage to or destruction of any tangible property, including *loss* of use thereof; provided, however, that any *claim* for emotional distress shall not be excluded with respect to an employment practice *claim*.

4. EXTENSIONS

Subject to all of the terms and conditions of this policy, cover is extended as follows:

4.1 *Discovery Period*

If the *insurer* refuses to offer any terms or conditions to renew this policy, or the *policyholder* refuses to renew this policy, then the *policyholder* shall have the right to a *discovery period* of 12 months following the effective date of non-renewal:

- (i) provided the *agency* cannot renew or replace this policy with or does not purchase, effect or otherwise acquire, any other policy affording *directors* and *officers* liability or similar liability cover; and
- (ii) upon payment of an additional premium of 100% of the full annual premium. If a *transaction* takes place, then the *agency* shall not have the right to a *discovery period* as set out above. However, the *agency* shall have the right within 60 days of the end of the policy period to request an offer from the *insurer* of a *discovery period* of up to 12 months. The *insurer* shall offer a *discovery period* with terms, conditions and premium as the *insurer* may reasonably decide.

No *discovery period* of any length is available in the event of this policy being cancelled due to the non-payment of premium.

4.2 *Heirs, Estates and Legal Representatives*

If an *insured* dies, becomes incompetent, insolvent or bankrupt, this policy shall cover *loss* arising from any *claim* made against the estate, heirs, or legal representatives of the insured for any *act/s covered* of such *insured*.

4.3 *Joint Property Liability*

This policy shall cover *loss* arising from any *claim* made against the lawful spouse (whether that status is derived by reason of the statutory law, common law or otherwise of any applicable jurisdiction in the world) of an *insured* for any *claim* arising out of his or her status as the spouse of an *insured* including any *claim* that seeks damages recoverable from marital community property or property jointly held by the *insured* and the spouse; provided, however, that this extension shall not afford cover for any *claim* for any *act/s covered* of the spouse and that this policy shall apply only to *act/s covered* of an *insured*.

4.4 *Pollution Legal Costs*

Notwithstanding Exclusion 3.5, the *insurer* will pay on behalf of an *insured* any *defense costs* incurred in defending a *claim* by reason of any *act/s covered* resulting in *loss* arising out of the discharge, dispersal, release or escape of *pollutants*. However, the total of all payments under this extension shall not exceed Philippine Peso 10,000,000.00 or the limit of liability whichever is lower.



5. GENERAL PROVISIONS

5.1 *Representation*

In granting cover to any one *insured*, the *insurer* has relied upon the proposal form, and all statements and particulars therein or incorporated therein, together with any attachment, the agency's financial statements and other information supplied or requested (if, this policy is a renewal of a previous policy(ies) issued by the *insurer*, then, regarding this policy, the insurer is also relying upon all applications, attachments, etc. for such previous policy(ies) issued by the *insurer*). These statement, particulars, attachments and information are the bases of cover and shall be considered incorporated into and constituting part of this policy.

Notwithstanding any provision to the contrary, the *insurer* shall consider the signatory in the proposal form as the agency's authorized signatory and shall bind the agency represented under this policy.

5.2 *Changes in Risk During Policy Period*

If during the *policy period*, a *transaction* takes place, then the cover provided under this policy is amended to apply only to *act/s covered* committed prior to the effective date of the *transaction*.

5.3 *Limit of Liability*

The limit of liability specified in Item 5 of the Schedule is the total aggregate limit of the *insurer's* liability for all *loss*, arising out of all *claims* made against all *insureds* under all insurance covers under this policy combined. The limit of liability for the *discovery period* shall be part of and not in addition to the total aggregate limit of liability for the *policy period*. *Loss* arising from any *claim* which is made subsequent to the *policy period* or *discovery period* which pursuant to General Provision 5.5 is considered made during the *policy period* or *discovery period* shall also be subject to the same total aggregate limit of liability. *Defense costs* are not payable by the *insurer* in addition to the total aggregate limit of liability for *loss*.

5.4 *Retention*

The *insurer* shall only be liable for the amount of *loss* arising from a *claim* which is in excess of the retention amount/deductible specified in Item 8 of the Schedule with regard to all *loss* under all insurance covers under this policy for which the *agency* has indemnified or is permitted or required to indemnify the *insured*. It is agreed that the *agency* will be conclusively deemed to have indemnified the *insured* to the maximum extent that the *agency* is permitted or required to grant such indemnification pursuant to law or contract, or by the charter or by-laws or the Articles of Incorporation of the *agency*.

The retention amount/deductible will be covered by the insured's existing complementary self-funded insurance scheme. A single retention amount shall apply to *loss* arising from all *claims* alleging a *single act covered*.

5.5 How to Give Notice and Report a Claim

- (i) Notice of a *claim* or of circumstances which may result in a *claim* shall be given in writing to the head office of the *insurer* as shown on the declaration page. If posted, the date of posting shall constitute the date that the notice was given, and proof of posting shall be sufficient proof of notice.
 - (ii) The *agency* or the *insured* shall, as a condition precedent to the obligation of the *insurer* under this policy, give written notice to the *insurer* of any *claim* made against an *insured* as soon as practicable and either:
 - a. any time during the *policy period* or during the *discovery period*;
or
 - b. within 30 days after the end of the *policy period* or the *discovery period*, as long as such *claim(s)* is reported no later than 30 days after the date such *claim* was first made against an *insured*.
2. *If, during the policy period or during the discovery period* written notice of a *claim* against an *insured* has been given to the *insurer* pursuant to the terms and conditions of this policy, then any *claim* arising out of, based upon or attributable to the facts alleged in the *claim* previously notified to the *insurer* or alleging a *single act covered*, which is the same as or related to any *act/s covered* alleged in the previously notified *claim*, shall be considered made against the *insured* and reported to the insurer at the time the first notice was given.
 3. If during the *policy period* or during the *discovery period*, the *agency* or the *insured* shall become aware of any circumstances which may reasonably be expected to give rise to a *claim* being made against an *insured* and shall give written notice to the *insurer* of the circumstances and the reason for anticipating a *claim*, with full particulars as to dates and persons involved, then any *claim* which is subsequently made against an *insured* and reported to the *insurer* arising out of, based upon or attributable to the circumstances or alleging any *act/s covered* which is the same as or related to any *act/s covered* alleged or contained in those circumstances, shall be considered made against the *insured* and reported to the *insurer* at the time the notice of the circumstances was first given.

5.6 Advancement of Costs



The *insurer* shall advance to the *insured* or the *agency* defense costs under all insurance covers under this policy before the final disposition of the *claim*. Advances to the *agency* shall be subject to the deductible as stated in Item 8. The advance payments by the *insurer* shall be repaid in full to the *insurer* by the *insured* or the *agency*, in the event and to the extent that the *insured* or the *agency* shall not be entitled to payment of the *loss* under the terms and conditions of this policy.

5.7 How Defense Will Be Conducted

The *insured* shall have the right and duty to defend and contest any *claim*. The *insurer* shall have the right to effectively associate with the *insured* and the *agency* in the defense and settlement of any *claim* that appears reasonably likely to involve the *insurer*, including but not limited to effectively associating in the negotiation of any settlement.

The *insured* shall not admit or assume any liability, enter into any settlement agreement, stipulate to any judgment or incur any *defense costs* without the prior written consent of the *insurer* as a condition precedent to the *insurer's* liability for *loss* arising out of the *claim*. Only those settlements, stipulated judgment and *defense costs* which have been informed to by the *insurer* shall be recoverable as *loss* under the terms of this policy.

The *insurer* may make any settlement of any *claim* it deems expedient with respect to any *insured* subject to such *insured's* written consent. If any *insured* withholds consent to such settlement, the *insurer's* liability for all *loss* on account of such *claim* shall not exceed the amount for which the *insurer* could have settled such *claim* plus *defense costs* incurred as of the date such settlement was proposed in writing by the *insurer*.

The *agency* and the *insured* shall give the *insurer* full co-operation and all information as it may reasonably require as a condition precedent to the *insurer's* liability for *loss* arising out of the *claim*. In the event that a dispute arises between the *insurer* and the *insured* regarding whether or not to contest any legal proceedings, neither the *insured* nor the *agency* shall be required to contest any legal proceedings unless a Government Corporate Counsel or equivalent (to be mutually agreed by the *policyholder* and the *insurer*) shall advise that the proceedings should be contested. The cost of the Government Corporate Counsel shall be borne by the *insurer*.

5.8 Allocation

- (I) The *insurer* has no obligation under this policy for *defense costs* incurred by the *agency*, or any judgment rendered against or settlements by the *agency*, or any obligation to pay *loss* arising out of any legal liability that the *agency* has to the third party claimant.
- (II) However, with respect to:
 - a. *defense costs* jointly incurred by;

- b. any joint settlement made by; and/or
- c. any adjudicated judgment of joint and several liability rendered against the *agency* and any *insured*,

the *agency*, the *insured* and the *insurer* agree to use their best efforts to determine a fair and proper allocation of the amounts as between the *agency* and the *insured* and the *insurer*, taking into account the relative legal and financial exposures of and the relative benefits obtained by the *insured* and the *agency*.

- (III) In the event that a determination as to the amount of *defense costs* to be advanced to the *agency* under this policy cannot be agreed to, then the *insurer* shall advance *defense costs* which the *insurer* states to be fair and proper until a different amount shall be agreed upon or determined pursuant to the provisions of this policy and applicable law.

5.9 Subrogation

In the event of any payment under this policy, the *insurer* shall be subrogated to the extent of such payment to all of the *agency's* and the *insured's* rights of recovery in respect of the payment, and the *agency* and the *insured* shall execute all papers required and shall do everything that may be necessary to secure any rights including the execution of any documents necessary to enable the *insurer* effectively to bring suit in the name of the *agency* and/or *insured*.

5.10 Other Insurance

Unless otherwise required by law, any insurance as is provided under this policy shall apply only as excess over any other valid and collectible insurance.

5.11 Notice and Authority

It is agreed that the *agency* shall act on behalf of all *insureds* with respect to the giving and receiving of notice under this policy, including the giving of notice of *claim*, the payment of premiums that may become due under this policy, the receipt and acceptance of any endorsements issued to form a part of this policy and the exercising or declining to exercise any right to a *discovery period*.

5.12 Assignment

This policy and any rights hereunder cannot be assigned without the written consent of the *insurer*.



5.13 Jurisdiction and Governing Law

Any interpretation of this policy relating to its construction, validity or operation shall be made in accordance with the laws of the Philippines. The parties agree to submit to the exclusive jurisdiction of the court of general jurisdiction in the Philippines.

5.14 Plurals and Titles

The titles of these paragraph are for convenience only and do not lend any meaning to this contract. In this policy words in italics have special meaning and are defined.

5.15 Terms of Policy Conformed to Ordinances

Terms of this policy which are in conflict with the statutes of the Philippines are hereby amended to conform to such statutes or ordinances.

Any provisions of this policy which is prohibited or unenforceable, shall be ineffective to the extent of such prohibition or unenforceability, but that shall not invalidate the remaining provisions of this policy.

The *insurer* shall not avoid this policy by reason only that it may be so entitled by virtue of any statute or rule of law that makes or deems void any provision or contract to indemnify or make payment to any *insured* of the *agency* against liability for any *act/s covered*.

5.16 Data Privacy

It is hereby declared that as a condition precedent to the liability of the *insurer*, the *insured* has agreed that any personal information collected or held by the *insurer* is provided and may be held, used and disclosed by the *insured* to individual/organizations associated with the *insurer* or any selected third party (within or outside the country where the *insured* is domiciled) for the purposes of processing the application and providing subsequent services to the *insured* for such purposes. The *insured* has the right to obtain access to and to request correction of any personal information held by the *insurer* concerning the *insured*.

5.17 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 named *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 its limits or elimination of coverage, the named *insured* shall be entitled to renew the policy upon payment of the premium due on the effective date of the renewal. Any policy written for a term of less than one year shall be considered as if written for a term of one year. Any policy written for a term longer than one year or any policy with no fixed expiration date shall be considered as if written for successive policy periods or terms of one year.

5.18 Cancellation

This policy shall not be cancelled by the *insurer* except upon prior notice thereof to the *insured*, and no notice of cancellation shall be effective unless it is based on the occurrence, after effective date of the policy, of one or more of the following:

- (a) non-payment of premium;
- (b) conviction of a crime arising out of acts increasing the hazard insured against;
- (c) discovery of fraud or material misrepresentation;
- (d) discovery of willful or reckless acts or omissions increasing the hazard insured against;
- (e) a determination by the Insurance Commissioner that the continuation of the policy would violate or would place the *insurer* in violation of the Insurance Code.

All notices of cancellation shall be in writing, mailed or delivered to the *insured* at the address shown in the policy, and shall state (a) which of the grounds set forth in this provisions is relied upon and (b) that, upon written request of the *insured*, the *insurer* will furnish the facts on which the cancellation is based.

If the *insured* cancels this policy, which must be in writing, earned premium shall be computed in accordance with the applicable percentage indicated under the following Short Rate Cancellation Table.

5 days or less	- 6%	Up to 4 months	- 50%
Up to 10 days	- 10%	Up to 5 months	- 60%
Up to 15 days	- 13%	Up to 6 months	- 70%
Up to 20 days	- 17%	Up to 7 months	- 75%
Up to 1 month	- 20%	Up to 8 months	- 80%
Up to 2 months	- 30%	Up to 9 months	- 90%
Up to 3 months	- 40%	above 9 months	- The annual rate

Delivery of such written notice either by the *insured* or by the *insurer* shall be equivalent to mailing. If the *insurer* cancels, earned premium shall be computed pro-rata. Premium adjustment may be made at the time cancellation is effected and, if not then made, shall be made as soon as practicable after cancellation becomes effective. The *insurer's* check or the check of its representative mailed or delivered as aforesaid shall be a sufficient tender of any refund of premium due to the *insured*. Reinstatement, if granted by the *insurer* after cancellation, shall be in writing.

5.19 Arbitration Clause

All differences as to amount of any *loss* 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 arbitrators, one to be appointed in writing by each of the parties within thirty (30) days after having been required in writing to do so by either of the parties or in case of disagreement between the arbitrators, to the decision of an umpire to be appointed in writing by the arbitrators, before entering on the reference, and an award by the arbitrator or arbitrators or umpire shall be a condition precedent to any right of action against the *insurer* only in cases of differences as to the amount of liability arising out of this policy.

5.20 Action Against 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 an arbitration taking place as provided herein, within twelve (12) months after due notice of the award made by the arbitrator or arbitrators or umpire, then the *claim* shall for all purposes be deemed to have been abandoned and shall not thereafter be recoverable hereunder.

Code of Corporate Governance Endorsement

In order to clarify the covered acts in this Policy, Sec. 32 of the Code of Corporate Governance for GOCCs shall form part of this policy, quoted as follows:

“Sec. 32. Obtaining of Directors and Officers Liability Insurance (DOLI) – Having imposed the highest level of responsibility and accountability on the members of the Board and Officers, i.e., that of extraordinary diligence, it is equitable that when the GOCC itself and/or the members of the Board and Management are hailed before the tribunals on matters that are within the official functions and capacity and on matters where business judgment has been exercised in good faith, that there be proper recovery of the costs of litigation and the judgment liability imposed. It is prudent measure therefore for every GOCC to obtain “Directors and Officers Liability Insurance” (DOLI) coverage for itself and the members of the Governing Board and Officers against contingent claims and liabilities that may arise from, as well as the expenses that may be incurred in prosecuting, the actions that may be filed against the GOCC arising from the actions of the Governing Board and/or Management that may cause loss or damage to third parties.

Nothing in this section shall be construed as to authorize the reimbursement or the incurring of costs, such as the payment of premiums on DOLI coverage, by the GOCC on the litigation expenses incurred and the judgment liability decreed against a Director or Officer for breach of any of his fiduciary duties or for fraud committed in the performance of his or her duties to the GOCC and/or its stakeholders.”

Money Laundering Exclusion

It is hereby understood and agreed that the *insurer* shall not be liable to make any payment in connection with any *claim* arising out of, based upon or attributable to, or in any way involving any actual or alleged act of Money Laundering.

The burden of proving that any *claim* does not fall within this Money Laundering Exclusion shall be upon the Insured.

Solely for the purposes of this Exclusion, the following Definition applies:

“Money Laundering” means the actual or attempted conspiracy to commit or commission, aiding, abetting, counseling, procuring, or inciting of any act which is in breach of and/or constitute an offence or offences under the Anti-Money Laundering Act of 2001 and any amendment thereto.

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

Claims Cooperation Endorsement

Notwithstanding anything contained in the Insurance Agreement and/or Policy Wording to the contrary, it is a condition of any liability under this Policy that: -

- a) The *Insured* shall, upon knowledge of any circumstances which may give rise to a claim against them, advise the Insurers within a reasonable period of time.
- b) The *Insured* shall co-operate with Insurers and/or their Appointed Representatives subscribing to this Policy in the investigation and assessment of any loss and/or circumstances giving rise to a loss.
- c) No settlement and/or compromise shall be made and no liability admitted without the prior approval of the *Insurer*.

All other terms and conditions remain the same.



Payment and Gratuities Exclusion

It is hereby understood and agreed that the *insurer* shall not be liable to make any payment for *loss* in connection with any *claim* made against the *insured* directly or indirectly arising out of, based upon or attributable to, or in any way involving:

- (i) payments, commissions, gratuities, benefits or any other favors to or for the benefit of any full or part-time domestic or foreign governmental or armed services officials, agents, representatives, employees or any members of their family or any entity with which they are affiliated; or
- (ii) payments, commission, gratuities, benefits or any other favors to or for the benefit of any full or part-time officials, directors, agents, partners, representatives, principal shareholder, or owners or employees, or affiliates of any customers of the *agency* or any members of their family or any entity with which they are affiliated; or
- (iii) political contributions, whether domestic or foreign.

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

War / Act of War Exclusion

It is hereby understood and agreed that this policy does not cover any *loss* in connection with any *claim* made against the *insured* arising out of, in whole or in part, directly or indirectly or resulting from or by:

- (i) *war*, any act of *war*, civil *war*, invasion, insurrection, revolution, use of military power or usurpation of government or military power; or
- (ii) the intentional use of military force to intercept, prevent, or mitigate any know or suspected *terrorist act*, or
- (iii) any *terrorist acts*.



It is further agreed that the terms war and terrorist acts are respectively defined as follows:

- (i) *War* shall mean *war*, whether declared or not, or any warlike activities including use of military force by any sovereign nation to achieve economic, geographic, nationalistic, political, racial, religious or other ends;
- (ii) *Terrorist act(s)* shall mean any actual or threatened use of force or violence directed at or causing damage, injury, harm or disruption, or commission of an act of force or violence dangerous to human life or property, against any individual, property or government, with the stated or unstated objective of pursuing economic, ethnic, nationalistic, political, racial or religious interests, whether such interests are declared or not. Thefts or other criminal acts, primarily committed for personal gain and acts arising primarily from prior personal relationship between perpetrator(s) and victim(s) shall not be considered *terrorist acts*.

A *terrorist act* shall also include any act which is verified or recognized by the Philippine Government, or the Government of the country in which the claim is made against the insured, as an act of terrorism.

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

Investment Banking Professional Liability Exclusion

It is hereby understood and agreed that the *insurer* shall not be liable to make any payment for *loss* in connection with any *claim* made against the *insured* alleging, arising out of, based upon or attributable to, in whole or in part, any Investment Banking Activity, including but not limited to any disclosure requirements in connection with the foregoing. "Investment Banking Activity" means, but is not limited to, the underwriting, syndicating or promotion of any security or partnership interest in connection with any of the following: any actual, alleged or threatened merger, acquisition, divestiture, tender offer, proxy contest, leveraged buy-out, going private transaction, reorganization (voluntary or involuntary), capital restructuring, recapitalization, spin-offs, primary or secondary offerings of securities (regardless of whether the offering is a public offering or private placement), dissolution or sale of all or substantially all of the assets or stock of a business entity, or effort to raise or furnish capital or financing for any enterprise or entity, or any acquisition or sale of securities by the Broker/Dealer for its own account, or any activity by an insured as a specialist or market maker (including the failure to make a market) for any securities, or any disclosure requirements in connection with any of the foregoing. Investment Banking also includes the rendering of advice or recommendation or the rendering of a written opinion in connection with any of the foregoing.

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



Financial Institution Professional Indemnity Exclusion

It is hereby understood and agreed that the *insurer* shall not be liable to make any payments for *loss* in connection with any *claim* made against the *insured*, alleging, arising out of, based upon or attributable to the *agency's*, or an *insured's* performance of professional services for others for a fee, or any alleged act, error or omission relating thereto, including but not limited to, services rendered in the following areas: broker, dealer, financial advisor, investment advisor, investment banker, investment manager, clearing agent, insurance broker, real state syndicator; or services rendered in the *agency's* Trust Department or as a trustee or other fiduciary or agent for individuals, partnerships, corporations or government bodies; or any function similar to those mentioned above; or any other professional services.

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

Failure to Maintain Insurance Exclusion

It is hereby understood and agreed that the *insurer* shall not be liable to make any payments for *loss* in connection with any *claim* alleging, arising out of, based upon or attributable to any failure or omission on the part of the *insured* or the *agency* to effect and maintain insurance or adequate insurance.

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



Known Claims and Circumstances Exclusion

It is hereby understood and agreed that this policy does not provide any indemnity against any claim or claims:

- (i) Made or threatened or in any way intimated on or before the inception of the policy
- (ii) For pending or prior litigation, disputes or any development therefrom with respect to any act/s covered committed by any director or officer in his/her capacity as such whether or not disclosed in the proposal or application form
- (iii) Arising out of any matter disclosed in the answer given in the application form or in the annual report of the agency or which ought to be disclosed.

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 DIRECTORS & OFFICERS LIABILITY INSURANCE 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 the 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 _____.)



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

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



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

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



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

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



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

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



**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 [$A = E \times 10\%$]	PHP
II. Reinsured Premium at 90% of the TOTAL Bid Price [$B = E \times 90\%$] (inclusive of 20% GSIS Commission)	PHP
II.A GSIS Commission [$C = B \times 20\%$] (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:

_____ Php _____

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]

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Form 11

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 [Name of Reinsurer] shall furnish GSIS true copies of the Underwriters Acceptance Slips/Cover Notes of all participating reinsurers included in the submitted written lines within five (5) days from receipt of the award of the Reinsurance of the [Project Name].
- (3) 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)

Public Notary

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Page No. _____
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