



# **PHILIPPINE BIDDING DOCUMENTS**

## **REINSURANCE OF THE PROTECTION AND INDEMNITY INSURANCE OF THE NATIONAL POWER CORPORATION**

**For the Period**

**From:** 01 June 2019

**To:** 31 December 2019

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# Section I. Invitation to Bid



**GSIS** Government Service Insurance System  
Financial Center, Pasay City, Metro Manila 1308

## REINSURANCE OF THE PROTECTION AND INDEMNITY INSURANCE OF THE NATIONAL POWER CORPORATION

1. The Government Service Insurance System (GSIS), through its 2019 Corporate Budget, wishes to receive bids for the Reinsurance of the Protection and Indemnity Insurance of the **NATIONAL POWER CORPORATION** for the period June 01, 2019 to December 31, 2019, with a Total Sum Insured of **Two Billion Nine Million Nine Hundred Thirty Five Thousand Eight Hundred Seventy Pesos (Php2,009,935,870.00)**. The Approved Budget for the Contract<sup>1</sup> (ABC) amounts to **Three Million Six Hundred Twenty Six Thousand Two Hundred Fifty Two Pesos and 05/100 (Php3,626,252.05)**, with the following particulars:

Coverage	ABC (inclusive of 20% GSIS Commission)	Retention	Facultative Reinsurance
Protection and Indemnity	Php3,626,252.05	Php902,081.53	Php2,724,170.52

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

2. Bidders should have completed, within five (5) 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.
3. 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.

4. Interested bidders may obtain further information and inspect the Bidding Documents at the GSIS Bids and Awards Committee (GBAC) Secretariat (Project Coordinators), Level 3 Core C, GSIS Headquarters Building, Financial Center, Pasay City, during office hours.

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<sup>1</sup> The ABC for CY 2019 is based on the approved GSIS’ APP for CY 2019 GSIS’ Corporate Budget for CY 2019

5. A complete set of Bidding Documents may be acquired by interested bidders starting on the date of publication/posting of this Invitation to Bid from the abovementioned address and upon payment of a non-refundable fee for the Bidding Documents in the amount of **Php5,000.00**.

It may also be downloaded free of charge from the website of the Philippine Government Electronic Procurement System (PhilGEPS) and the GSIS website (<http://www.gsis.gov.ph/opportunities/gibac-notice>), provided that bidders shall pay the applicable fee for the Bidding Documents not later than the submission of their bids. However, the Underwriting Information shall be available only to bidders who purchased the Bidding Documents not later than the submission of their bids.

6. The GSIS will hold a Pre-Bid Conference on **May 8, 2019, 9:00 AM** at the GBAC Conference Room, Level 2, GSIS Headquarters Building, Financial Center, Pasay City. The Pre-Bid Conference shall be open to prospective bidders.
7. The short list of preferred lead market accordingly ranked must be delivered by the potential bidders on or before March 15, 2019 (8:30 AM) at the GBAC Secretariat (for GIBAC), Level 3, Core C, GSIS Building, Financial Center, Macapagal Avenue, Pasay City, in the presence of the Bidders or their representatives who chose to attend. The GSIS shall thereafter issue the corresponding certificates of exclusive Lead Market allocation which shall be posted in the GSIS and Philippine Government Electronic Procurement System (Philgeps) websites. Potential bidders are prohibited from approaching retrocessionaires who have been allocated to other potential bidders for the purpose of securing quotations for the submission of bids. Previous market allocations are deemed superseded.
8. Potential bidders who did not participate in the market allocation activity are not disqualified from submitting their bids. However, they are prohibited from approaching retrocessionaires who have been allocated to other potential bidders for the purpose of securing quotations for the submission of bids.
9. Bids must be submitted to the address stated in Item No. 4 and must be duly received by the GBAC Secretariat (Project Coordinators) or other authorized GSIS personnel on or before **May 20, 2019, 01:30PM**. All bids must be accompanied by a bid security in any of the acceptable forms and in the amount stated in **ITB** Clause 18

Bid opening shall be on **May 20, 2019, 02:00PM** at the address stated in Item No. 6. Bids will be opened in the presence of the bidders' representatives who choose to attend the said activity. Late bids shall not be accepted.

10. The GSIS warns the public/bidders of unscrupulous individuals and groups posing as officers/employees of the GSIS soliciting money, gifts, favors or benefits for alleged aid for whatever purpose. **DO NOT GIVE** anything to these unscrupulous individuals and groups. The GSIS thus enjoins the cooperation of the public/bidders to report these individuals/groups to the GSIS Insurance Bids and Awards Committee and GBAC Secretariat Project Coordinators.
11. 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.

12. For further information, please refer to

GBAC Secretariat (Project Coordinators)  
GSIS Insurance Bids and Awards Committee (GIBAC)  
Level 3 Core C, GSIS Headquarters Building  
Financial Center, Pasay City  
Contact no. 479-3600 loc. 3306 / 976-4655  
Email: gbac\_secretariat@gsis.gov.ph

**ASVP EDUARDO V. FERNANDEZ**  
Chairperson  
GSIS Insurance Bids and Awards Committee



# *Section II. Instructions to Bidders*

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## **General**

### **1. Scope of Bid**

- 1.1. The Procuring Entity named in the **BDS** invites bids for the supply and delivery of the Goods as described in Section VII. Technical Specifications.
- 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 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 (g) 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;
- (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;
- (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; or
- (g) A Bidder 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.

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 (HoPE), 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;
- (d) If the Bidder is a cooperative, to all its officers, directors, and controlling shareholders or members; and

- (e) If the Bidder is a joint venture (JV), the provisions of items (a), (b), (c), or (d) 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
- (e) Persons/entities forming themselves into a Joint Venture (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 JV 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 RA 9184 and its IRR allow foreign bidders to participate;
- (b) Citizens, corporations, or associations of a country, 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 owned or –controlled corporations (GOCCs) 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 attached agencies of the Procuring Entity.

- 5.4. Unless otherwise provided in the **BDS**, the Bidder must have completed a Single Largest Completed Contract (SLCC) similar to the Project and the value of which, adjusted, if necessary, by the Bidder to current prices using the Philippine Statistics Authority (PSA) 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)(ii).

- 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) (15)] 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.

The values of the domestic bidder's current assets and current liabilities shall be based on the latest Audited Financial Statements submitted to the BIR.

For purposes of computing the foreign bidders' NFCC, the value of the current assets and current liabilities shall be based on their audited financial statements prepared in accordance with international financial reporting standards.

If the prospective bidder opts to submit a committed Line of Credit, it must be at least equal to ten percent (10%) of the ABC to be bid. If issued by a foreign universal or commercial bank, it shall be confirmed or authenticated by a local universal or commercial bank.

## **6. Bidder's Responsibilities**

- 6.1. The Bidder or its duly authorized representative shall submit a sworn statement in the form prescribed in Section VIII. Bidding Forms as required in **ITB** Clause 12.1(b)(iii).
- 6.2. 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 10.4.

- (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 HoPE 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 and its IRR in relation to other provisions of RA 3019;
- (j) Complying with existing labor laws and standards, in the case of procurement of services; Moreover, bidder undertakes to:
  - (i) Ensure the entitlement of workers to wages, hours of work, safety and health and other prevailing conditions of work as established by national laws, rules and regulations; or collective bargaining agreement; or arbitration award, if and when applicable.

In case there is a finding by the Procuring Entity or the DOLE of underpayment or non-payment of workers’ wage and wage-related benefits, bidder agrees that the performance security or portion of the contract amount shall be withheld in favor of the complaining workers pursuant to appropriate provisions of Republic Act No. 9184 without prejudice to the institution of appropriate actions under the Labor Code, as amended, and other social legislations.

- (ii) Comply with occupational safety and health standards and to correct deficiencies, if any.

In case of imminent danger, injury or death of the worker, bidder undertakes to suspend contract implementation pending clearance to proceed from the DOLE Regional Office and to comply with Work Stoppage Order; and

- (iii) Inform the workers of their conditions of work, labor clauses under the contract specifying wages, hours of work and other benefits under prevailing national laws, rules and regulations; or collective bargaining agreement; or arbitration award, if and when applicable, through posting in two (2) conspicuous places in the establishment's premises; and
- (k) Ensuring that 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.

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. However, the Procuring Entity shall ensure that all information in the Bidding Documents, including bid/supplemental bid bulletin/s issued, are correct and consistent.
- 6.6. 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.
- 6.7. 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.
- 6.8. The Bidder should note that the Procuring Entity will accept bids only from those that have paid the applicable 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 27.1.

## **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 submit the documentary requirements under **ITB** Clause 12 and comply with the eligibility criteria 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.

## **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, but not earlier than seven (7) calendar days from the posting of the invitation to bid/bidding documents in the PhilGEPS website. 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 as recorded in the minutes of the pre-bid conference and the Supplemental/Bid Bulletin. The minutes of the pre-bid conference shall be recorded and prepared not later than five (5) calendar days after the pre-bid conference. The minutes shall be made available to prospective bidders not later than five (5) days upon written request.
- 9.3. Decisions of the BAC amending any provision of the bidding documents shall be issued in writing through a Supplemental/Bid Bulletin at least seven (7) calendar days before the deadline for the submission and receipt of bids.



## **10. Clarification and Amendment of Bidding Documents**

- 10.1. Prospective bidders may request for clarification on and/or interpretation of any part of the Bidding Documents. 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. The BAC shall respond to the said request by issuing a Supplemental/Bid Bulletin, to be made available to all those who have properly secured the Bidding Documents, at least seven (7) calendar days before the deadline for the submission and receipt of Bids.
- 10.3. Supplemental/Bid Bulletins may also 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.
- 10.4. Any Supplemental/Bid Bulletin issued by the BAC shall also be posted in the PhilGEPS and the website of the Procuring Entity concerned, if available, and at any conspicuous place in the premises of the Procuring Entity concerned. It shall be the responsibility of all Bidders who have properly secured 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.

### **Preparation of Bids**

## **11. Language of Bids**

The eligibility requirements or statements, the bids, and all other documents to be submitted to the BAC must be in English. If the eligibility requirements or statements, the bids, and all other documents submitted to the BAC are in foreign language other than English, it must be accompanied by a translation of the documents in English. The documents shall be translated by the relevant foreign government agency, the foreign government agency authorized to translate documents, or a registered translator in the foreign bidder's country; and shall be authenticated by the appropriate Philippine foreign service establishment/post or the equivalent office having jurisdiction over the foreign bidder's affairs in the Philippines. 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) PhilGEPS Certificate of Registration and Membership in accordance with Section 8.5.2 of the IRR. For procurement to be performed overseas, it shall be subject to the Guidelines to be issued by the GPPB.
- (ii) Statement of all its ongoing government and private contracts, including contracts awarded but not yet started, if any, whether similar or not similar in nature and complexity to the contract to be bid; and

Statement of the Bidder’s SLCC similar to the contract to be bid, in accordance with ITB Clause 5.4, within the relevant period as provided in the **BDS**.

The two statements required shall indicate for each contract the following:

- (ii.1) name of the contract;
  - (ii.2) date of the contract;
  - (ii.3) contract duration;
  - (ii.4) owner’s name and address;
  - (ii.5) kinds of Goods;
  - (ii.6) For Statement of Ongoing Contracts - amount of contract and value of outstanding contracts;
  - (ii.7) For Statement of SLCC - amount of completed contracts, adjusted by the Bidder to current prices using PSA’s consumer price index, if necessary for the purpose of meeting the SLCC requirement;
  - (ii.8) date of delivery; and
  - (ii.9) end user’s acceptance or official receipt(s) or sales invoice issued for the contract, if completed, which shall be attached to the statements.
- (iii) NFCC computation in accordance with ITB Clause 5.5 or a committed Line of Credit from a universal or commercial bank.

Class “B” Document:

- (iv) If applicable, the Joint Venture Agreement (JVA) in case the joint venture is already in existence, or duly notarized statements from all the potential joint venture partners in accordance with Section 23.1(b) of the IRR.

- (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 VII and VIII of the Bidding Documents; and
  - (iii) Sworn statement in accordance with Section 25.3 of the IRR of RA 9184 and using the form prescribed in Section VIII. Bidding Forms.
  - (iv) For foreign bidders claiming eligibility by reason of their country's extension of reciprocal rights to Filipinos, a certification from the relevant government office of their country stating that Filipinos are allowed to participate in their government procurement activities for the same item or product.

### **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 applicable Price Schedules, in accordance with **ITB** Clauses 15.1 and 15.4;
  - (b) If the Bidder claims preference as a Domestic Bidder, a certification from the DTI 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 monitoring and evaluation system for contract implementation to provide a feedback on actual total costs of goods and works.

## **14. Alternative Bids**

- 14.1 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.
- 14.2 Each Bidder shall submit only one Bid, either individually or as a partner in a JV. A Bidder who submits or participates in more than one bid (other than as a subcontractor if a subcontractor is permitted to participate in more than one bid) will cause all the proposals with the Bidder's participation to be disqualified. This shall be without prejudice to any applicable criminal, civil and administrative penalties that may be imposed upon the persons and entities concerned.

## **15. Bid Prices**

- 15.1. The Bidder shall complete the appropriate Schedule of Prices 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 Schedule of Prices. Bids not addressing or providing all of the required items in the Bidding Documents including, where applicable, Schedule of Prices, 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 zero (0) or a dash (-) for the said item would mean that it is being offered for free to the Government, except those required by law or regulations to be accomplished.

- 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);
    - (ii) The cost of all customs duties and sales and other taxes already paid or payable;
    - (iii) The cost of transportation, insurance, and other costs incidental to delivery of the Goods to their final destination; and
    - (iv) 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**.
  - (c) For Services, based on the form which may be prescribed by the Procuring Entity, in accordance with existing laws, rules and regulations
- 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 for the given scope of work in the contract as awarded shall be considered as fixed prices, and therefore not subject to price escalation during contract implementation, except under extraordinary circumstances. Upon the

recommendation of the Procuring Entity, price escalation may be allowed in extraordinary circumstances as may be determined by the National Economic and Development Authority in accordance with the Civil Code of the Philippines, and upon approval by the GPPB. 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 Pesos.
- (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 *Bangko Sentral ng Pilipinas* (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 Bidder shall submit a Bid Securing Declaration or any form of Bid Security in the amount stated in the **BDS**, which shall be not less than the percentage of the ABC in accordance with the following schedule:

Form of Bid Security	Amount of Bid Security (Not Less than the Percentage of the ABC)
<p>(a) Cash or cashier's/manager's check issued by a Universal or Commercial Bank.</p> <p><i>For biddings conducted by LGUs, the Cashier's/Manager's Check may be issued by other banks certified by the BSP as authorized to issue such financial instrument.</i></p>	
<p>(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.</p> <p><i>For biddings conducted by LGUs, Bank Draft/Guarantee, or Irrevocable Letter of Credit may be issued by other banks certified by the BSP as authorized to issue such financial instrument.</i></p>	Two percent (2%)
<p>(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.</p>	Five percent (5%)

The Bid Securing Declaration mentioned above is an undertaking which states, among others, that the Bidder shall enter into contract with the procuring entity and furnish the performance security required under ITB Clause 33.2, within ten (10) calendar days from receipt of the Notice of Award, and commits to pay the corresponding amount as fine, and be suspended for a period of time from being qualified to participate in any government procurement activity in the event it violates any of the conditions stated therein as provided in the guidelines issued by the GPPB.

- 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 request for reconsideration and/or protest, or upon the lapse of the reglementary period to file a request for reconsideration or protest. Without prejudice on its forfeiture, bid securities shall be returned only after the Bidder with the Lowest Calculated Responsive Bid (LCRB) 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 18.2.
- 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) has a finding against the veracity of any of the documents submitted as stated in **ITB** Clause 29.2;
    - (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 LCRB;
    - (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 VIII. 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. This shall also be observed for each lot in the case of lot procurement.
- 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 addition, the Bidder shall submit copies of the first and second envelopes. In the event of any discrepancy between the original and the copies, the original shall prevail.
- 19.4. Each and every page of the Bid Form, including the Schedule of Prices, under Section VIII hereof, shall be signed by the duly authorized representative/s of the Bidder. Failure to do so shall be a ground for the rejection of the bid.
- 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 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 21;
  - (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. Bid envelopes that are not properly sealed and marked, as required in the bidding documents, shall not be rejected, but the Bidder or its duly authorized representative shall acknowledge such condition of the bid as submitted. The BAC or the Procuring Entity shall assume no responsibility for the misplacement of the contents of the improperly sealed or marked bid, or for its premature opening.

## **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**. In case the deadline for submission of bids fall on a non-working day duly declared by the president, governor or mayor or other government official authorized to make such declaration, the deadline shall be the next working day.

### **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. The BAC shall record in the minutes of bid submission and opening, the Bidder’s name, its representative and the time the late bid was submitted.

## 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 and properly identified in accordance with ITB Clause 20, 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. The Letter of Withdrawal must be executed by the duly authorized representative of the Bidder identified in the Omnibus Sworn Statement, a copy of which should be attached to the letter.
- 23.3. Bids requested to be withdrawn in accordance with **ITB** Clause 23.1 shall be returned unopened to the Bidders. A Bidder, who has acquired the bidding documents, 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 bids in public, immediately after the deadline for the submission and receipt of bids, as specified in the **BDS**. In case the Bids cannot be opened as scheduled due to justifiable reasons, the BAC shall take custody of the Bids submitted and reschedule the opening of Bids on the next working day or at the soonest possible time through the issuance of a Notice of Postponement to be posted in the PhilGEPS website and the website of the Procuring Entity concerned.
- 24.2. Unless otherwise specified in the **BDS**, the BAC shall open the first bid envelopes and determine each Bidder’s compliance with the documents prescribed in **ITB** Clause 12, 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”.

- 24.3. 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 13.2, 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.
- 24.4. 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.
- 24.5. All members of the BAC who are present during bid opening shall initial every page of the original copies of all bids received and opened.
- 24.6. In the case of an eligible foreign bidder as described in **ITB** Clause 5, the following Class “A” Documents may be substituted with the appropriate equivalent documents, if any, issued by the country of the foreign Bidder concerned, which shall likewise be uploaded and maintained in the PhilGEPS in accordance with Section 8.5.2 of the IRR:
  - (a) Registration certificate from the Securities and Exchange Commission (SEC), Department of Trade and Industry (DTI) for sole proprietorship, or CDA for cooperatives;
  - (b) Mayor’s/Business permit issued by the local government where the principal place of business of the bidder is located; and
  - (c) Audited Financial Statements showing, among others, the prospective bidder’s total and current assets and liabilities stamped “received” by the Bureau of Internal Revenue or its duly accredited and authorized institutions, for the preceding calendar year which should not be earlier than two years from the date of bid submission.
- 24.7. Each partner of a joint venture agreement shall likewise submit the requirements in **ITB** Clause 12.1(a)(i). Submission of documents required under **ITB** Clauses 12.1(a)(ii) to 12.1(a)(iii) by any of the joint venture partners constitutes compliance.
- 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 (per lot, if applicable, and/or including discount, if any), bid security, findings of preliminary examination, and whether there is a withdrawal or

modification; and (b) attendance sheet. The BAC members shall sign the abstract of bids as read.

- 24.8 The bidders or their duly authorized representatives may attend the opening of bids. The BAC shall ensure the integrity, security, and confidentiality of all submitted bids. The Abstract of Bids as read and the minutes of the bid opening shall be made available to the public upon written request and payment of a specified fee to recover cost of materials.
- 24.9 To ensure transparency and accurate representation of the bid submission, the BAC Secretariat shall notify in writing all bidders whose bids it has received through its PhilGEPS-registered physical address or official e-mail address. The notice shall be issued within seven (7) calendar days from the date of the bid opening.

## **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 the lowest Foreign Bid is lower than the lowest bid offered by a Domestic Bidder.
  - (b) For evaluation purposes, the lowest Foreign Bid shall be increased by fifteen percent (15%).
  - (c) In the event that the lowest bid offered by a Domestic Bidder does not exceed the lowest Foreign Bid as increased, then the Procuring Entity

shall award the contract to the Domestic Bidder at the amount of the lowest Foreign Bid.

- (d) If the Domestic Bidder refuses to accept the award of contract at the amount of the Foreign Bid 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, 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 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. The BAC shall consider the following in the evaluation of bids:

- (a) Completeness of the bid. Unless the **BDS** allows partial bids, bids not addressing or providing all of the required items in the Schedule of Requirements including, where applicable, Schedule of Prices, 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 zero (0) or a dash (-) for the said item would mean that it is being offered for free to the Procuring Entity, except those required by law or regulations to be provided for; and
- (b) Arithmetical corrections. Consider computational errors and omissions to enable proper comparison of all eligible bids. It may also consider bid modifications. 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 be based on the bid price quoted in the Bid Form, which includes the Schedule of Prices.
- 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.
- 28.7. If so indicated pursuant to **ITB** Clause 1.2, Bids are being invited for individual lots or for any combination thereof, provided that all Bids and combinations of Bids shall be received by the same deadline and opened and evaluated simultaneously so as to determine the Bid or combination of Bids offering the lowest calculated cost to the Procuring Entity. Bid prices quoted shall correspond to all items specified for each lot and to all quantities specified for each item of a lot. Bid Security as required by **ITB** Clause 18 shall be submitted for each contract (lot) separately. The basis for evaluation of lots is specified in **BDS** Clause 28.3.

## **29. Post-Qualification**

- 29.1. The BAC shall determine to its satisfaction whether the Bidder that is evaluated as having submitted the Lowest Calculated Bid 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 five (5) calendar days from receipt by the bidder of the notice from the BAC that it submitted the Lowest Calculated Bid, the Bidder shall submit its latest income and business tax returns filed and paid through the BIR Electronic Filing and Payment System (eFPS) and other appropriate licenses and permits required by law and stated in the **BDS**.  
  
Failure to submit any of the post-qualification requirements on time, or a finding against the veracity thereof, shall disqualify the bidder for award. Provided in the event that a finding against the veracity of any of the documents submitted is made, it shall cause the forfeiture of the bid security in accordance with Section 69 of the IRR of RA 9184.
- 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, which shall be completed within a period of twelve (12) calendar days.

- 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 LCRB, and recommend to the HoPE 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 with a fresh period 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 LCRB is determined for recommendation for contract award.
- 29.6. Within a period not exceeding fifteen (15) calendar days from the determination by the BAC of the LCRB and the recommendation to award the contract, the HoPE or his duly authorized representative shall approve or disapprove the said recommendation.
- 29.7. In the event of disapproval, which shall be based on valid, reasonable, and justifiable grounds as provided for under Section 41 of the IRR of RA 9184, the HoPE shall notify the BAC and the Bidder in writing of such decision and the grounds for it. When applicable, the BAC shall conduct a post-qualification of the Bidder with the next Lowest Calculated Bid. A request for reconsideration may be filed by the bidder with the HoPE in accordance with Section 37.1.3 of the IRR of RA 9184.

### **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 HoPE;
    - (ii) If the project is no longer necessary as determined by the HoPE; 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 LCRB refuses, without justifiable cause to accept the award of contract, and no award is made in accordance with Section 40 of the IRR of RA 9184.

## **Award of Contract**

### **31. Contract Award**

- 31.1. Subject to **ITB** Clause 29, the HoPE or its duly authorized representative 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 duly received by the Bidder or its representative 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 valid JVA, if applicable, within ten (10) calendar days from receipt of the Notice of Award;
  - (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, as provided in Section 37.3 of the IRR of RA 9184.
- 31.4. At the time of contract award, the Procuring Entity shall not increase or decrease the quantity of goods originally specified in Section VII. 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, 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 (*e.g.*, bidder's response to request for clarifications on the bid), including corrections to the bid, if any, resulting from the Procuring Entity's bid evaluation;
  - (d) Performance Security;
  - (e) Notice of Award of Contract; and
  - (f) 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 Pesos and posted in favor of the Procuring Entity in an amount not less than the percentage of the total contract price in accordance with the following schedule:

Form of Performance Security	Amount of Performance Security (Not less than the Percentage of the Total Contract Price)
<p>(a) Cash or cashier's/manager's check issued by a Universal or Commercial Bank.</p> <p><i>For biddings conducted by the LGUs, the Cashier's/Manager's Check may be issued by other banks certified by the BSP as authorized to issue such financial instrument.</i></p>	
<p>(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.</p> <p><i>For biddings conducted by the LGUs, the Bank Draft/Guarantee or Irrevocable Letter of Credit may be issued by other banks certified by the BSP as authorized to issue such financial instrument.</i></p>	<p>Five percent (5%)</p>
<p>(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.</p>	<p>Thirty percent (30%)</p>

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 have a fresh period to 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 recommendation of 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, if necessary.

#### **34. Notice to Proceed**

Within seven (7) calendar days from the date of approval of the contract by the appropriate government approving authority, the Procuring Entity shall issue the Notice to Proceed (NTP) together with a copy or copies of the approved contract to the successful Bidder. All notices called for by the terms of the contract shall be effective only at the time of receipt thereof by the successful Bidder.

#### **35. Protest Mechanism**

Decisions of the procuring entity at any stage of the procurement process may be questioned in accordance with Section 55 of the IRR of RA 9184.

## *Section III. Bid Data Sheet*

<b>ITB Clause</b>	
1.1	The Procuring Entity is <i>Government Service Insurance System (GSIS)</i>
1.2	<p>The name of the Contract is <b>REINSURANCE OF THE PROTECTION AND INDEMNITY INSURANCE OF THE NATIONAL POWER CORPORATION</b></p> <p>The lot(s) and reference is/are:</p> <p><i>Not Applicable</i></p>
2	<p>The Funding Source is:</p> <p>The Government Service Insurance System (GSIS), through its 2019 Corporate Budget, in the amount of <b>Three Million Six Hundred Twenty Six Thousand Two Hundred Fifty Two Pesos and 05/100 (Php3,626,252.05)</b></p> <p>The name of the Project is: <b>REINSURANCE OF THE PROTECTION AND INDEMNITY INSURANCE OF THE NATIONAL POWER CORPORATION</b></p>
3.1	No further instructions.
5.1	No further instructions.
5.2	Foreign bidders may be reinsurers or reinsurance brokers.
5.4	<p>The Bidder must have completed, within the period specified in the Invitation to Bid and <b>ITB</b> Clause 12.1(a)(ii), a single contract that is similar to this Project, equivalent to at least fifty percent (50%) of the ABC.</p> <p style="text-align: center;"><i>Or</i></p> <p>In view of the determination by the Procuring Entity that imposition of the provisions of Section 23.4.1.3 of the IRR of RA 9184 will likely result to “failure of bidding” <i>or</i> “monopoly that will defeat the purpose of public bidding”, the Bidder should comply with the following requirements:</p> <ol style="list-style-type: none"> <li>a) Completed at least two (2) similar contracts, the aggregate amount of which should be equivalent to at least fifty percent (50%) of the ABC for this Project; and</li> <li>b) The largest of these similar contracts must be equivalent to at least half of the percentage of the ABC as required above.</li> </ol> <p>For this purpose, similar project/contract shall refer to</p>
7	No further instructions.

8.1	Subcontracting is not allowed.
8.2	Not applicable
9.1	Pre-Bid Conference will be held on <b>May 8, 2019, 9:00 AM</b> at the following address: <ul style="list-style-type: none"> <li>• GBAC Conference Room Level 2, GSIS Headquarters Building, Financial Center, Pasay City</li> </ul>
10.1	The Procuring Entity's address is: <p>GBAC Secretariat  GSIS Insurance Bids and Awards Committee  Level 3 Core C, GSIS Headquarters Building  Financial Center, Pasay City  Contact no. 479 3600 loc 3306 / 976-4655  Email Address: <b><u>gbac_secretariat@gsis.gov.ph</u></b></p>
12.1	The first envelope shall contain the following: <p><b>I. Legal Documents</b></p> <p>A. PhilGEPS Certificate of Registration and membership, with the following attachments:</p> <p>A.1. Registration certificate from Securities and Exchange Commission (SEC), Department of Trade and Industry (DTI) for sole proprietorship, or CDA for cooperatives</p> <p>For the registration certificate from SEC, any of the following may be submitted:</p> <ul style="list-style-type: none"> <li>(a) Certificate of Registration;</li> <li>(b) Certificate of Incorporation or Partnership;</li> <li>(c) Certificate of Filing of Amended Articles of Incorporation or Partnership</li> </ul> <p>A.2. Mayor's/Business permit issued by the city or municipality where the principal place of business of the prospective bidder is located, or the equivalent document for Exclusive Economic Zones or Areas</p> <p>In cases of recently expired Mayor's/Business permits, it shall be accepted together with the official receipt as proof that the bidder has applied for renewal within the period prescribed by the concerned local government unit, provided that the renewed permit shall be submitted as a post-qualification requirement in accordance with Section 34.2 of the RIRR of RA 9184.</p> <p>A.3. Tax clearance per E.O. 398, s. 2005, as finally reviewed and approved by the Bureau of Internal Revenue (BIR).</p>

## **II. Technical Documents**

### **A. Statement of all Ongoing Government and Private Contracts**

A.1 Bidder is required to submit certified true copies of its latest Recapitulations I and IV as submitted to the Insurance Commission, in lieu of the “Statement of all its ongoing government and private contracts, including contracts awarded but not yet started, if any, whether similar or not similar in nature and complexity to the contract to be bid”.

A.2 Bidder is required to submit a statement of its ongoing similar contracts for the top twenty (20) risks in terms of premiums (*form provided*)

### **B. Statement of Single Largest Completed Contract (SLCC)**

Statement of completed similar insurance policy/ies or reinsurance binder/s, issued within the period as stated in the Invitation to Bid. Bidder must submit any of the following:

- B.1. A single contract that must be at least fifty percent (50%) of the ABC for this project; or
- B.2. At least two (2) similar contracts and the aggregate contract amounts should be equivalent to at least 50% of the ABC. The largest of these similar contracts must be equivalent to at least half of the percentage of the ABC as required above.

The statement shall include, for each policy/binder, the following:

- Name of the Assured/Reinsured
- Period of cover of the Insurance
- Limit of the Cover
- Amount of Contract:
  - (i) For Insurance Policy/ies, the amount of Contract refers to the Total Premium, including taxes;
  - (ii) For Reinsurance Binder/s, the amount of Contract refers to the Net Amount Due Reinsurer, net of commission earned and applicable taxes.
- Certified true copy/ies of the Official Receipt/s as evidence of premium payment for the insurance policy/ies or reinsurance binder/s.
- Certified true copy/ies of the insurance policy/ies or reinsurance binder/s.

## **III. Financial Documents**

- A. The prospective bidder’s 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 preceding calendar year which should not be earlier than two (2) years from the date of bid submission.

B. Prospective bidder's computation of its Net Financial Contracting Capacity (NFCC); or committed Line of Credit from a Universal or Commercial Bank

The Line of Credit must be at least equal to ten percent (10%) of the ABC to be bid.

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

$$\text{NFCC} = [(\text{Current assets minus current liabilities}) (15)] \text{ minus the value of all outstanding or uncompleted portions of the projects under ongoing contracts, including awarded contracts yet to be started coinciding with the contract to be bid. The values of the domestic bidder's current assets and current liabilities, breakdown of which is attached, shall be based on the latest Audited Financial Statements submitted to the BIR through its Electronic Filing and Payment System (EFPS).}$$

For purposes of computing the foreign bidders' NFCC, the value of current assets and current liabilities shall be based on their Audited Financial Statements prepared in accordance with international financial reporting standards.

The value of all outstanding or uncompleted portions of the projects under on-going contracts, including awarded contracts yet to be started coinciding with the contract to be bid shall be the bidder's net premiums written.

IV. Class "B" Document

Notarized Joint Venture Agreement or the Duly Notarized Statement in accordance with Section 23.1(b) of the RIRR of RA 9184, if applicable;

V. Bid security in the prescribed form, amount and validity period

The bidder shall submit a Bid Securing Declaration using the form prescribed in the Bidding Documents or any of the following form of Bid Security, in an amount not less than the required percentage of the ABC:

- a) Amount equivalent to 2% of the ABC, if bid security is in cash, cashier's/manager's check, or bank draft/guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank

Bidders who opt to submit a bid security in the form of cash and/or cashier's/manager's check shall deposit the said bid security to the GSIS Cashier, in coordination with the GBAC Secretariat, prior to the submission of bids. The Official Receipt issued by the GSIS Cashier shall be submitted as part of the Technical Component.



	<p>b) Amount equivalent to 5% of the ABC, if bid security is in Surety Bond. A valid certification from the Insurance Commission must be attached/submitted.</p> <p>VI. Technical Specifications</p> <p>The bidder must submit a Sworn Statement that it complies with Section VII – Technical Specifications of the Bidding Documents (<i>form provided</i>).</p> <p>In addition, it must submit all documents required in Section VII – Technical Specifications of the Bidding Documents.</p> <p>VII. Omnibus Sworn Statement in accordance with Section 25.3 of the RIRR of RA 9184 and using the form prescribed in the Bidding Documents</p> <p>VIII. For foreign bidders claiming eligibility by reason of their country’s extension of reciprocal rights to Filipinos, a certification from the relevant government office of their country stating that Filipinos are allowed to participate in their government procurement activities for the same item or product.</p>
12.1(a)(iii)	<p>In case of joint venture, the partner/party who is responsible for the submission of the NFCC shall also submit the following:</p> <ol style="list-style-type: none"> <li>1. Statement of All of Ongoing Contracts (as part of Technical Component); and</li> <li>2. Audited Financial Statements in accordance with the provisions/requirements stated in ITB Clause 12.1(a)(i) of the Bid Data Sheet.</li> </ol>
13.1	The financial component of the bid shall contain the Bid Form.
13.1(b)	No further instructions.
13.1(c)	No additional requirements.
13.2	The ABC is <b>Php3,626,252.05</b> . Any bid with a financial component exceeding this amount shall not be accepted.
15.4(a)(iv)	No incidental services are required.
15.4(b)	Not applicable
16.1(b)	The Bid prices shall be quoted in the same currency as the ABC.
16.3	Payment shall be made in in the same currency as the ABC.
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 form of a Bid Securing Declaration using the form prescribed in the Bidding Documents or any of the following forms and amounts:</p> <ol style="list-style-type: none"> <li><b>Php72,252.04</b> [2% of ABC], if bid security is in cash, cashier's/manager's check, bank draft/guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank</li> </ol> <p>Bidders who opt to submit a bid security in the form of cash and/or cashier's/manager's check shall deposit the said bid security to the GSIS Cashier, in coordination with the GBAC Secretariat, prior to the submission of bids. The Official Receipt issued by the GSIS Cashier shall be submitted as part of the Technical Component.</p> <p>If a bank draft/guarantee or an irrevocable letter of credit issued by a foreign bank, it shall be confirmed or authenticated by a Universal or Commercial Bank.</p> <ol style="list-style-type: none"> <li><b>Php181,312.60</b> [5% of ABC], if bid security is in Surety Bond. It shall be accompanied by a certification from the Insurance Commission stating that the surety or insurance company is authorized to issue such instruments.</li> </ol>
18.2	<p>The bid security shall be valid until up to <i>One Hundred Twenty (120) Calendar days from the opening of Bids.</i></p>
20.3	<p>Each Bidder shall submit 1 original and 1 copy of the first and second components of its bid.</p>
20.4	<p>All envelopes shall be properly marked/labeled. The marking/label shall contain the following details:</p> <ul style="list-style-type: none"> <li>Name of the contract to be bid</li> <li>Name and address of the prospective bidder</li> <li>Be addressed to the following: <p style="text-align: center;">GBAC Secretariat GSIS Insurance Bids and Awards Committee Level 3 Core C, GSIS Headquarters Building, Financial Center Pasay City</p> </li> <li>Bear a warning "DO NOT OPEN BEFORE..." the date and time of the Bid Opening</li> </ul>
21	<p>Bids must be submitted to the address below and must be duly received by the GBAC Secretariat or other authorized GSIS personnel on or before <b>May 20, 2019, 01:30PM:</b></p> <ul style="list-style-type: none"> <li>GBAC Secretariat (Project Coordinators), Level 3 Core C, GSIS Headquarters Building, Financial Center, Pasay City</li> </ul>

24.1	Bid Opening shall be on <b>May 20, 2019, 02:00PM</b> at the following address: <ul style="list-style-type: none"> <li>• Multi-Purpose Conference Room, Level 3 Core C, GSIS Headquarters Building, Financial Center, Pasay City</li> </ul>
24.2	No further instructions.
24.3	No further instructions.
27.1	No further instructions.
28.3 (a)	Partial bid is not allowed. The goods are grouped in a single lot and the lot shall not be divided into sub-lots for the purpose of bidding, evaluation, and contract award.
28.4	No further instructions.
29.2	<p>Post-Qualification Documents</p> <p>After the Bid Opening, the GIBAC/Technical Working Group (TWG) shall conduct a detailed evaluation of the financial component of the eligible bid/s to determine the Lowest Calculated (LCB)/Single Calculated Bid (SCB). The bidder with the LCB/SCB shall be notified to submit the following post-qualification documents (4 copies each) within five (5) calendar days from receipt of the Notice from the GIBAC:</p> <ol style="list-style-type: none"> <li>1. Latest Income Tax Return (for monthly or quarterly tax remittance) within the last six months prior to the date of bid submission or Annual Income Tax for CY 2018. <i>(Only tax returns filed and paid through the BIR eFPS shall be accepted.)</i></li> <li>2. Business Tax (Percentage Tax or VAT) Returns within the last six months prior to the date of bid submission. <i>(Only tax returns filed and paid through the BIR eFPS shall be accepted.)</i></li> <li>3. All parties to the Joint Venture shall submit the following:             <ol style="list-style-type: none"> <li>a. Latest Income Tax Return (for monthly or quarterly tax remittance) within the last six months prior to the date of bid submission or Annual Income Tax for CY 2018. <i>(Only tax returns filed and paid through the BIR eFPS shall be accepted.)</i></li> <li>b. Business Tax (Percentage Tax or VAT) Returns within the last six months prior to the date of bid submission. <i>(Only tax returns filed and paid through the BIR eFPS shall be accepted.)</i></li> </ol> </li> <li>4. Certified true copy of Notes to Financial Statement</li> </ol>

# *Section IV. General Conditions of Contract*

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## 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 signing the contract, however the Supplier shall commence performance of its obligations only upon receipt of the Notice to Proceed and copy of the approved contract.

- (n) “Verified Report” refers to the report submitted by the Implementing Unit to the HoPE 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. If subcontracting is allowed, the Supplier may identify its subcontractor during contract implementation. Subcontractors disclosed and identified during the bidding may be changed during the implementation of this Contract. In either case, subcontractors must submit the documentary requirements under **ITB** Clause 12 and comply with the eligibility criteria 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. 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 HoPE 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. At least one percent (1%) but shall not exceed five percent (5%) 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. Payments shall be in accordance with the schedule stated in the **SCC**.
- 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.
- 10.5. Unless otherwise provided in the **SCC**, payments using Letter of Credit (LC), in accordance with the Guidelines issued by the GPPB, is allowed. For this purpose, the amount of provisional sum is indicated in the **SCC**. All charges for the opening of the LC and/or incidental expenses thereto shall be for the account of the Supplier.

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

- 11.3. For Goods supplied from abroad, unless otherwise indicated in the **SCC**, the terms of payment shall be as follows:
- (a) On Contract Signature: Fifteen Percent (15%) 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: Sixty-five percent (65%) 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.

## **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:

- (a) There are no pending claims against the Supplier or the surety company filed by the Procuring Entity;
  - (b) The Supplier has no pending claims for labor and materials filed against it; and
  - (c) 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 traveling 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 one percent (1%) but shall not exceed five percent (5%) of every progress payment, or a special bank guarantee equivalent to at least one percent (1%) but shall not exceed five percent (5%) of the total 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.
- 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 may rescind or terminate 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 Supplier 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 Supplier. 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:
- (a) 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;
  - (b) 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
  - (c) 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 HoPE 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:
- (a) to have any portion delivered and/or performed and paid at the contract terms and prices; and/or
  - (b) 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:
- (a) Corrupt, fraudulent, and coercive practices as defined in **ITB** Clause 3.1(a);
  - (b) Drawing up or using forged documents;
  - (c) Using adulterated materials, means or methods, or engaging in production contrary to rules of science or the trade; and
  - (d) 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:

- (a) 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;
- (b) Upon recommendation by the Implementing Unit, the HoPE shall terminate this Contract only by a written notice to the Supplier conveying the termination of this Contract. The notice shall state:
  - (i) 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;
  - (ii) the extent of termination, whether in whole or in part;
  - (iii) an instruction to the Supplier to show cause as to why this Contract should not be terminated; and
  - (iv) special instructions of the Procuring Entity, if any.
- (c) The Notice to Terminate shall be accompanied by a copy of the Verified Report;
- (d) Within a period of seven (7) calendar days from receipt of the Notice of Termination, the Supplier shall submit to the HoPE 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 HoPE shall issue an order terminating this Contract;
- (e) 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;
- (f) Within a non-extendible period of ten (10) calendar days from receipt of the verified position paper, the HoPE 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;
- (g) The HoPE 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 HoPE; and

- (h) 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.

## *Section V. Special Conditions of Contract*

GCC Clause	
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 Government Service Insurance System (GSIS), through its 2019 Corporate Budget, in the amount of <b>Three Million Six Hundred Twenty Six Thousand Two Hundred Fifty Two Pesos and 05/100 (Php3,626,252.05.00)</b> .
1.1(k)	Not applicable.
2.1	No further instructions.
5.1	<p>The Procuring Entity’s address for Notices is:</p> <p style="text-align: center;">GBAC Secretariat GSIS Insurance Bids and Awards Committee Level 3 Core C, GSIS Headquarters Building, Financial Center Pasay City Contact no. 479-3600 loc. 3306 / 976-4655 Email: gbac_secretariat@gsis.gov.ph</p> <p>The Supplier’s address for Notices is: <i>[Insert address including, name of contact, fax and telephone number]</i></p>
6.2	Not Applicable.
10.4	Full Payment of premium shall be made by the GSIS as stated in Section VII. Technical Specifications. Payment shall be made in the currency specified in the contract.
10.5	Payment using LC is not allowed.
11.3	Terms of Payment as stated in Section VII. Technical Specifications
13.4(c)	No further instructions.
16.1	None.
17.3	Not applicable.
17.4	Not applicable.
21.1	All partners to the joint venture shall be jointly and severally liable to the Procuring Entity.

## ***Section VI. Schedule of Requirements***

The delivery schedule expressed as weeks/months stipulates hereafter a delivery date which is the date of delivery to the project site.

<b>Item No.</b>	<b>Description</b>	<b>Qty.</b>	<b>Delivery (Weeks/Months)</b>	<b>Statement of Compliance</b>
<b><i>NOT APPLICABLE</i></b>				

## *Section VII. Technical Specifications*

### **I. SCHEDULE**

INSURED	:	NATIONAL POWER CORPORATION (NPC)
REINSURED	:	Government Service Insurance System
COVERAGE	:	Protection & Indemnity
PERIOD OF INSURANCE	:	From: June 1, 2019 To : December 31, 2019
INTEREST INSURED	:	Operating Power Barge Power Barge 106 Power Barge 108 Power Barge 109 Power Barge 113 Power Barge 114 Power Barge 116 Power Barge 119 Power Barge 120  Non-Operating Power Barge Power Barge 111 Tugboat No. 1
TOTAL SUM INSURED	:	<b>Php2,009,935,870.00</b>
LIMIT OF LIABILITY	:	Php450,000,000.00 all claims inclusive of costs, fees and expenses either approved and/or incurred by the Insured any one accident or occurrence arising of one event, Combined Single Limit
APPROVED BUDGET FOR THE CONTRACT	:	<b>Php3,626,252.05</b>
DEDUCTIBLE	:	Php800,000.00 from all collision and FFO (Fix and Floating objects) claims each accident or occurrence  Php600,000.00 from all pollution claims, each accident or occurrence  Php400,000.00 from all other claims

WARRANTIES, CLAUSES : As per Proposed Policy Wordings  
AND ENDORSEMENT

DEDUCTIONS FROM : 20% as Reinsurance Commission  
REINSURANCE PREMIUM

REINSURERS SHARE : Php1,509,935,870.00  
HEREON

REINSURANCE PREMIUM : Within One Hundred Twenty (120) days from the  
PAYMENT TERM date of receipt of the reinsurance binder or the date of  
the inception of the Policy whichever comes later.

## I. OTHER REQUIREMENTS

The “Technical Component” Envelope must also contain the following:

- A. Sworn Statement that it complies with Section VII – Technical Specifications of the Bidding Documents (*form provided*)
- B. Certified true copy/ies of the following:
  1. Certificate of Authority issued by the Insurance Commission, if the bidder is an Insurer/Reinsurer.
  2. Brokers Insurance License issued by the Insurance Commission, if the bidder is a Broker.
  3. Certificate of Authority/ Brokers Insurance License issued by the country of origin, for a foreign bidder; and a documentation issued by the Insurance Commission on the registration of the resident agent of the foreign bidder.
  4. Current Credit Rating of at least B+ issued by A.M. Best.
  5. Sworn Statement executed by the bidder that its retrocessionaires, foreign or domestic, is rated at least “A” by the A.M. Best, if applicable.
- C. The bidder must disclose its retention and its list of securities/panel of reinsurers. The bidder must submit the following:
  1. For Insurance & Reinsurance Companies:
    - 1.a If the terms and conditions are allowed under the bidder’s reinsurance treaty
      - 1.a.1. Sworn statement indicating the amount and percentage retention out of the total sum insured, and that the retained

amount is within the gross retention of the Treaty (form provided).

1.a.2. Sworn Statement indicating the list of securities/panel of reinsurers and their respective shares, in case of facultative reinsurance for the portion in excess of its treaty facility. The securities/panel of reinsurers, foreign or domestic, should be rated at least "A" by the A.M. Best. The foreign securities/panel of reinsurers must be duly authorized to transact reinsurance business in the Philippines through their appointed resident agent (form provided).

1.b If the terms and conditions are not allowed under the bidder's reinsurance treaty agreement

1.b.1. Sworn statement indicating the amount and percentage retention out of the total sum insured, provided the amount retained by the bidder should not be more than twenty percent (20%) of the bidder's net worth which should also be stated (form provided).

1.b.2. Sworn Statement indicating the list of securities/panel of reinsurers and their respective shares, in case of facultative reinsurance for the portion in excess of its net retention. The securities/panel of reinsurers, foreign or domestic, should be rated at least "A" by the A.M. Best. The foreign securities/panel of reinsurers must be duly authorized to transact reinsurance business in the Philippines through their appointed resident agent (form provided).

2. Reinsurance Brokers

A Sworn Statement indicating the list of securities/panel of reinsurers and their respective shares. The securities/panel of reinsurers, foreign or domestic, should be rated at least "A" by the A.M. Best. The foreign securities/panel of reinsurers must be duly authorized to transact reinsurance business in the Philippines through their appointed resident agent.

D. Single Errors and Omission Policy for P1M enforceable in the Philippines.

E. Certification from the Insurance Commission that it has a reputable claims settlement record with the Claims Adjudication Division as of January 31, 2018, if the insurance/reinsurance company is a domestic corporation.

F. Sworn Statement that it will furnish GSIS certified 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 notice of award (form provided).



## II. PROPOSED POLICY WORDINGS

INSURED	:	NATIONAL POWER CORPORATION (NPC) (and the designated operation and maintenance contractor of Tugboat No. 1)
COVERAGE	:	Protection & Indemnity
PERIOD OF INSURANCE	:	From: June 1, 2019 To : December 31, 2019
INTEREST INSURED	:	Operating Power Barge Power Barge 106 Power Barge 108 Power Barge 109 Power Barge 113 Power Barge 114 Power Barge 116 Power Barge 119 Power Barge 120  Non-Operating Power Barge Power Barge 111 Tugboat No. 1
TRADING WARRANTY	:	Philippine Waters only
TOTAL SUM INSURED	:	<b>Php2,009,935,870.00</b>
LIMIT OF LIABILITY	:	Php450,000,000.00 all claims inclusive of costs, fees and expenses either approved and/or incurred by the Insured any one accident or occurrence arising of one event, Combined Single Limit
PREMIUM	:	As Awarded
DEDUCTIBLE	:	Php800,000.00 from all collision and FFO (Fix and Floating objects) claims each accident or occurrence  Php600,000.00 from all pollution claims, each accident or occurrence  Php400,000.00 from all other claims
CONDITIONS	:	Protection & Indemnity Risks in accordance with Protection & Indemnity, Marine Liability, Protection & Legal Expenses Terms and Conditions 2013 Edition Section A Clauses 1-33

incorporating sections B & C Clauses 41-82 attached thereto, including cover in respect of collision, property damage, wreck removal and pollution liabilities in accordance with the Policy Terms, Conditions and Exceptions and subject to the Special Conditions and Warranties

Claims Control Clause

WARRANTIES, CLAUSES :  
AND ENDORSEMENT

- a. Collision Clause  
4/4<sup>th</sup> Collision
- b. Pollution  
Pollution including Loss or Damage, Death or Personal Injury, Containment, Environmental Purposes.
- c. Towage  
Liabilities incurred by the Assured by reason of the Towage
- d. Cargo  
Excluding liability to cargo and property on board
- e. Crew  
Including crew liability for Tugboat No. 1
- f. War Protection & Indemnity Risk  
To be covered at no extra cost to the Assured
- g. Other terms  
Cancelling Returns Only  
Provisions For Filing Notice of Loss Provision on GSIS applicable taxes and Documentary Stamp Tax (DST)

## TERMS AND CONDITIONS

### SECTION A – RISKS COVERED

#### 1. **Accidental Death or Injury**

Liability to pay compensation or damage for loss of life or personal injury caused by an accident in respect of:

- 1.1 A member of the Crew.
- 1.2 A Supernumerary.
- 1.3 A Passenger.
- 1.4 A Stevedore, where such liability arises:
  - 1.4.1 on board the Insured Vessel(s), or
  - 1.4.2 in the course of handling cargo from the time of receipt of the cargo from the consignor or shipper at the port of loading until the time of delivery of that cargo to the consignee at the port or place of discharge.
- 1.5 Any Third Person, together with any person not on board the Insured Vessel(s) who suffers loss of life or personal injury caused by an accident in connection with the operation of the Insured Vessel(s).
- 1.6 Any person on a vessel(s) which is in collision with the Insured Vessel(s) or which is damaged by the Insured Vessel(s) other than by collision, or on any property or object damaged by the Insured Vessel(s).

#### 2. **Illness and Disease**

Liability to pay compensation or damages for loss of life caused by illness or disease or for any illness or disease contracted by:

- 2.1 A member of the Crew.
  - 2.2 A Supernumerary.
  - 2.3 A Passenger.
  - 2.4 A Stevedore, where such liability arises:
    - 2.4.1 on board the Insured Vessel(s), or
    - 2.4.2 in the course of handling cargo from the time of receipt of the cargo from the consignor or shipper at the port of loading until the time of delivery of that cargo to the consignee at the port or place of discharge.
- save where such liability arises solely under the terms of a contract between the Assured and any other party.
- 2.5 Any Third Person

**3. Medical and Funerary Expenses**

Liability to pay for the cost of medical or hospital treatment and ancillary expenses necessarily incurred in relation to any injury, illness or disease, and of funeral arrangements and the repatriation of remains necessarily incurred, in respect of:

3.1 Any member of the Crew.

3.2 A Supernumerary

3.3 A Passenger.

**4. Repatriation by Reason of Illness, Injury or Disease**

Liability for maintenance and repatriation costs and expenses necessarily incurred, by reason of illness, disease, personal injury or death giving rise to a claim covered under Clause 1, 2 or 3 of this policy in respect of:

4.1 Any member of the Crew.

4.2 A Supernumerary.

4.3 A Passenger.

4.4 Any Third Person.

4.5 Any person on a vessel(s) which is in collision with the Insured Vessel(s) or which is damaged by the Insured Vessel(s) other than by collision, or on any property or object damaged by the Insured Vessel(s).

**5. Obligatory Repatriation**

Liability for repatriation costs and expenses in respect of any member of the Crew necessarily incurred under the terms of any contract of service or employment, or collective agreement, or pursuant to any statutory obligation or any order or decree issued by a governmental agency or authority, except where such expense is payable by reason of:

5.1 the end of a member of the Crew's contractual term of service, under such a contract or collective agreement, or by agreement.

5.2 the sale or disposal of the Insured Vessel(s).

5.3 the default of the Assured.

5.4 The laying up of the Insured Vessel(s).

**6. Crew Substitution**

Costs and expenses necessarily incurred to substitute a member of the Crew when the Assured is deprived of the services of that member of the Crew, by reason of:

6.1 the death of or repatriation of that member of the Crew pursuant to Clause 4 of this policy.

6.2 death, injury or illness of that member of the Crew, not giving rise to repatriation.

6.3 desertion by that member of the Crew.

**7. Casualty Indemnity for Crew**

Liability for wages or compensation payable to any member of the Crew for a maximum period of 60 days, following the actual or constructive or compromised total loss of the Insured Vessel(s) which necessitates the termination of the employment of any member of the Crew under the terms of any contract of service or employment or collective agreement, or other legal obligation.

**8. Defaulting Crew**

Liability for costs and expenses necessarily incurred by the Assured pursuant to any statutory obligation or any order or decree issued by any governmental agency or authority applicable to any member of the Crew who goes absent from the Insured Vessel(s) without leave, where such costs or expenses cannot be recovered from the member of the Crew concerned.

**9. Stowaways, Refugees and Persons Rescued at Sea**

Costs and expenses other than the costs of diversion of the Insured Vessel(s), necessarily incurred by the Assured in meeting its legal obligations in respect of stowaways, persons rescued at sea, or refugees, including the cost of maintaining, landing and where necessary repatriating such persons. Costs and expenses incurred shall only be covered to the extent that they cannot be recovered from any other party.

Any claim for costs and expenses in respect of bunkers, stores, Crew wages, insurance and port charges shall be limited to the Assured's Net Loss.

**10. Diversion**

Costs and expenses necessarily incurred by reason of the diversion or delay of the Insured Vessel(s) solely:

10.1 for the provision of medical treatment ashore of an ill or injured member of the Crew, or any other person on board the Insured Vessel(s).

10.2 in awaiting a substitute for a member of the Crew who has died or for an ill or injured member of the Crew who has been landed for medical treatment or repatriated.

10.3 For the purpose only of landing stowaways, persons rescued at sea or refugees.

Any claim for costs and expenses in respect of bunkers, stores, Crew wages, insurance and port charges shall be limited to the Assured's Net Loss.

**11. Life Salvage**

Liability to a third party arising by reason of saving or attempted saving by that third party of any member of the Crew or other person on or from the Insured Vessel(s), save to the extent that payment in respect of such a liability is recoverable under the Insured Vessel(s)'s Hull and Machinery insurance or from cargo interests.

**12. Quarantine**

Costs and expenses of disinfection, fumigation or quarantine in respect of the Insured Vessel(s) or cargo or persons on board the Insured Vessel(s), necessarily incurred by the Assured directly by reason of the outbreak of, or presence on board the Insured Vessel(s) of, an infectious human disease or any measures taken to control or eliminate such disease. Such costs and expenses shall be limited to those incurred specifically in respect of the measures taken to eliminate or control such disease and the Assured's Net Loss in respect of bunkers, stores, Crew wages, insurance and port charges.

### **13. Collision Liabilities**

Liabilities, costs and expenses arising as a result of a collision between the Insured Vessel(s) and any other vessel(s) in respect of:

- 13.1 one fourth of the liabilities, costs and expenses incurred by reason of such a collision, in respect of claims other than those set out at Clause 13.2 below, and which are not covered by the Insured Vessel(s)'s Hull and Machinery insurance, save where the Insurer has agreed in writing to cover some other proportion of such liabilities, costs and expenses.
- 13.2 The full extent of the Assured's liabilities, costs and expenses incurred by reason of such a collision in respect of:
  - 13.2.1 accidental death or injury under Clause 1.
  - 13.2.2 medical and funerary costs and expenses under Clause 3.
  - 13.2.3 repatriation under Clause 4.
  - 13.2.4 crew substitution under Clause 6.
  - 13.2.5 loss of or damage to property under Clause 15.
  - 13.2.6 wreck removal under Clause 16.
  - 13.2.7 damage to cargo on the Insured Vessel(s) under Clause 17.
  - 13.2.8 pollution under clause 19.
  - 13.2.9 general average or salvage paid by those interested in cargo carried on board the Insured Vessel(s) or in property on board the Insured Vessel(s).
- 13.3 such part of the Assured's liabilities incurred by reason of collision, other than those referred to in Clause 13.2 as exceeds the amount recoverable under the Insured Vessel(s)'s Hull and Machinery insurance solely because those liabilities exceed the Insured Vessel(s)'s insured value under such insurance.

Cover under this Clause is subject to the provisions at Clause 41, 54 and 67 of this policy.

Unless agreed by the Insurer in writing, if both vessels in collision are to blame, and the liability of one or both vessel(s) is limited by operation of law, claims in respect of liabilities arising under this Clause shall be settled by reference to the principle of single liability. Save in these circumstances, claims in respect of such liabilities shall be settled by reference to the principle of cross-liabilities.

### **14. Damage to Vessel(s) other than by Collision**

Liabilities, costs and expenses in respect of loss of or damage to any other vessel(s) or craft, or to property on board such other vessel(s) or craft, not caused by a collision with the Insured Vessel(s), and the impairment or infringement of any rights of any third party caused by such loss or damage.

Where such loss or damage, impairment or infringement occurs, the Assured shall also be covered under the Clauses referred to below in respect of:

- 14.1 accidental death or injury under Clause 1.
- 14.2 medical and funerary costs and expenses under Clause 3.
- 14.3 repatriation under Clause 4.
- 14.4 substitution under Clause 6.
- 14.5 damage to property under Clause 15.
- 14.6 wreck removal under Clause 16.
- 14.7 loss of or damage to cargo on the Insured Vessel(s) under Clause 17.
- 14.8 pollution under Clause 19.
- 14.9 towage by or of the Insured Vessel(s) under Clauses 30 or Clause 31.

Cover under this Clause is subject to the provisions at Clauses 41, 54 and 67 of this policy.

**15. Loss of or Damage to Property**

Liabilities, costs and expenses arising in respect of loss of or damage to any fixed or movable property or object (other than any other vessel(s) or craft, or property on any other vessel(s) or craft), including but not limited to any dock, pier, harbour, jetty, buoy, lighthouse, breakwater, beacon or cable, caused by the Insured Vessel(s), or the impairment or infringement of any rights of any third party caused by the Insured Vessel(s).

Where such loss, damage, impairment or infringement occurs, the Assured shall also be covered under the Clauses referred to below in respect of:

- 15.1 accidental death or injury under Clause 1.
- 15.2 medical funerary costs and expenses under Clause 3.
- 15.3 repatriation under Clause 4.
- 15.4 substitution under Clause 6.
- 15.5 wreck removal under clause 16.
- 15.6 loss of or damage to cargo on the Insured Vessel(s) under Clause 17.
- 15.7 pollution under Clause 19.
- 15.8 towage by or of the Insured Vessel(s) under Clause 30 or Clause 31.

Cover under this Clause is subject to the provisions at Clauses 41, 54 and 67 of this policy.

**16. Wreck Removal and Liabilities**

16.1 Liabilities, costs and expenses in respect of the removal or disposal of, or the lighting or marking of:

- 16.1.1 the wreck of the Insured Vessel(s).

16.1.2 cargo, property or goods on board or which were carried on board the Insured Vessel(s) (other than oil or any other polluting substance).

16.1.3 the wreck of any vessel damaged by the Insured Vessel(s), by collision or otherwise, or cargo on board such a wreck.

where such removal or disposal, or lighting or marking, is either required by law, or by any order or decree issued by any governmental agency or authority, or the cost of such removal or disposal, or lighting or marking is legally recoverable from the Assured, or is performed under the terms of a contract which the Insurer, in its absolute discretion, agrees in writing.

Any claim in respect of such liabilities, costs and expenses shall be subject to the following:

16.1.4 the salvaged value of the wreck, cargo, property or goods shall be deducted from any claim under this section.

16.1.5 there shall be no claim under this Clause if the Assured has divested itself of its interest in the wreck, cargo, property or goods other than by way of abandonment, before such removal, disposal, marking or lighting takes place.

16.2 Liabilities incurred by the Assured

16.2.1 by reason of the attempted or actual removal or disposal of the wreck of the Insured Vessel(s) or property on board the Insured Vessel(s).

16.2.2 in respect of the wreck of the Insured Vessel(s) including in respect of the release or escape of oil or any other polluting substance, or any failure to remove or dispose of, or light or mark the said wreck.

## **17. Cargo**

Liabilities, costs and expenses incurred by the Assured in respect of cargo intended to be carried, which is carried or which has been carried on board the Insured Vessel(s), which arise by reason of a breach by the Assured of its duties or obligations as carrier, whether directly or through acts or omissions of a party for whom the Assured is responsible, or by reason of the unseaworthiness of the Insured Vessel(s) (always subject to Clauses 17.11 – 17.21) in respect of:

17.1 loss of or damage to cargo.

17.2 shortage of cargo on discharge.

17.3 delay, save where the Assured's liability arises under an express term of a contract of carriage requiring delivery on or before specified date or time or within a specified period, or save where liability arises by a failure to maintain a contractual rate of discharge.

In particular the Assured shall be covered in respect of:

17.4 additional costs of discharging, restowage and resecuring of damaged cargo, over and above the costs which would have been incurred by the Assured in the normal course of the performance of the contract of carriage, and save insofar as much costs are recoverable from any third party.

17.5 costs of disposal of damaged cargo, save insofar as such costs are recoverable from any third party.



- 17.6 additional costs of discharging, restowage and resecuring of cargo on board the Insured Vessel(s) following a casualty, which are necessarily incurred to complete the intended voyage, which do not constitute General Average expenditure, save insofar as such costs are recoverable from any third party.
- 17.7 default of a consignee or receiver in failing to take delivery of, rejecting or failing to collect cargo on board, or which has been carried on board, the Insured Vessel(s), save insofar as the liabilities, costs and expenses incurred are recoverable through the sale of the cargo or from any third party. Such liabilities, costs and expenses are covered under this Clause irrespective of whether or not the Assured as in breach of its duties and obligations as carrier.
- 17.8 loss of or damage to cargo, or other property on board the Insured Vessel(s) by reason of a collision, for which the Assured is liable.
- 17.9 the effects or consequences of the emission of ionising radiation from cargo whilst on board the Insured Vessel(s) (and only whilst on board the Insured Vessel(s)), if such cargo consists of radio-isotopes used for or destined for commercial, agricultural, industrial, medical or other scientific purposes and provided that the prior approval in writing of the Insurer has been obtained for the carriage of such cargo, subject always to the provisions of Clause 76 of this policy.
- 17.10 Liabilities directly caused by loss of, damage to, or shortage of cargo for:
- 17.10.1 loss of market.
- 17.10.2 idle time or depletion in output of any plant or factory for which the cargo in respect of which a claim is made was or is destined.
- 17.10.3 contamination of cargo belonging to any third party.

**There shall be no cover under this policy in respect of the following:**

- 17.11 **Terms of Carriage:** Liabilities incurred by reason of the carriage of goods on terms and subject to exclusions and limitations of liability less favourable to the Assured than those which would have applied had the goods been carried subject to the Hague Rules or Hague-Visby Rules or the Hamburg Rules where the Hamburg Rules are compulsorily applicable to such carriage.
- 17.12 **Combined Transport:** Liabilities for:
- 17.12.1 loss of or damage to cargo.
- 17.12.2 shortage of cargo on discharge.
- 17.12.3 delay, save where the Assured's liability arises under an express term of a contract of carriage requiring delivery on or before a specified date or time or within a specified period.

Incurred by reason of carriage of goods under a contract of carriage or bill of lading providing for through transport or transshipment, unless the Insurer has given its prior written agreement to cover such liabilities, costs and expenses.

- 17.13 **Failure to Load:** Liabilities, costs or expenses Incurred by reason of the failure by the Assured to load a particular cargo on board the Insured Vessel(s), save where such

failure is caused by an accident, casualty or breakdown suffered by the Insured Vessel(s) after its arrival at the berth where such cargo is to be loaded.

- 17.14 ***Non-Arrival and Late Arrival:*** Liabilities, costs and expenses incurred by reason of a delay in the arrival or the non-arrival of the Insured Vessel(s) at any load port.
- 17.15 ***Misdelivery:*** Liabilities for misdelivery where cargo which is carried on board the Insured Vessel(s):
  - 17.15.1 Under negotiable bill of lading or other document of title, is delivered to any person without production by that person of the original negotiable bill of lading or other document of title duly endorsed to that person.
  - 17.15.2 Under a non-negotiable bill of lading or other non-negotiable document, is delivered to a person other than the person entitled to receive the cargo under its terms.
- 17.16 ***Non-Contractual Discharge:*** Liabilities, costs or expenses incurred by reason of the discharge of cargo on board the Insured Vessel(s) at a port or location other than that provided for under the contract of carriage.
- 17.17 ***Incorrect Statements:*** Liabilities, costs or expenses incurred in circumstances where a bill of lading or other document evidencing the terms of a contract of carriage is issued which, to the knowledge of the Assured or the Master, misstates:
  - 17.17.1 the date of issue of such bill of lading or other document, the date of shipment of the cargo, or the date when the cargo was received for shipment.
  - 17.17.2 the description of the cargo.
  - 17.17.3 the quality or condition of the cargo.
  - 17.17.4 the quantity of cargo.
  - 17.17.5 the port or place of loading.
  - 17.17.6 the location of cargo as being under deck, when it is carried on deck.
- 17.18 ***Ad Valorem Bills of Lading:*** Liabilities arising in respect of cargo carried under an ad valorem bill of lading.
- 17.19 ***Deviation:*** Liabilities, costs or expenses which result from or as a consequence of a deviation from the voyage required to be performed under a contract of carriage by the Insured Vessel(s), where such deviation would operate to prevent the Assured from relying on defences, exclusions or limitations under that contract of carriage, save where such deviation is made with the prior approval in writing of the Insurer.
- 17.20 ***Livestock:*** Liabilities arising in respect of any contract for the carriage of live animals.
- 17.21 ***High Value and Documentary Cargo:*** Liabilities, costs or expenses in respect of:
  - 17.21.1 bullion, precious metals or minerals, diamonds, precious or semi-precious stones or coinage.

- 17.21.2 artworks, antiques, jewellery or rare or precious artefacts.
- 17.21.3 documents of value including but not limited to, currency notes, bonds, bearer documents, negotiable instruments, bank drafts, cheques or payment orders.

Unless the carriage of such goods or items has the prior approval in writing of the Insurer.

## **18. Personal Effects**

Liability to pay compensation or damages for loss of or damage to property belonging to:

- 18.1 a member of the Crew.
- 18.2 a Supernumerary.
- 18.3 a Passenger
- 18.4 any Third Person.

Except in respect of:

- 18.5 bullion, precious metals or minerals, diamonds, precious or semi-precious stones or coinage.
- 18.6 artworks, antiques, jewellery or rare or precious artefacts.
- 18.7 documents of value including but not limited to currency notes, bonds, bearer documents, negotiable instruments, bank drafts, cheques or payment orders.
- 18.8 any item with a value in excess of US\$2,500 or such other sum agreed in writing.

Unless cover in respect of such goods or items has the prior approval in writing of the Insurer. Where such liabilities, costs or expenses are incurred pursuant to a contract between the Assured and persons referred to at Clauses 18.1 to 18.4 above, there shall be no cover in respect of such liabilities, costs or expenses unless the terms of that contract have the prior approval in writing of the Insurer.

## **19. Pollution**

Liabilities, costs and expenses incurred by reason of or in consequence of the actual or threatened accidental release or escape of oil or any other polluting substance from the Insured Vessel(s) including:

- 19.1 ***Loss or Damage:*** Loss of or damage to property belonging to any third party, or loss sustained by any third party by reason of contamination.
- 19.2 ***Death or Personal Injury:*** Death, injury or illness suffered by any person.
- 19.3 ***Containment:*** Measures reasonably taken to avert or minimise the risk of an imminent release or escape of oil or other polluting substance from the Insured Vessel(s), together with any liability for loss or damage to property caused by measures so taken.

- 19.4 ***Environmental Purposes:*** Measures reasonably taken after the accidental release or escape of oil or any other polluting substance from the Insured Vessel(s), in containing the spread of and cleaning up such oil or any other polluting substance, in order to minimise any resulting loss, damage or contamination.
- 19.5 ***Governmental Intervention:*** Compliance with any direction, decree or order made by any governmental agency or authority to avert or minimise the threat of pollution, or following such accidental release or escape, save where such liabilities, costs or expenses:
- 19.5.1 are recoverable under the Insured Vessel(s)'s Hull and Machinery insurance, or
- 19.5.2 would be incurred in any event in the course of the ordinary operation of the Vessel(s) or in the ordinary course of the performance of repair work or salvage services.
- 19.6 There shall be no recovery in respect of any liability loss, damage, costs, fines and expenses arising as a consequence of the discharge or escape or the presence of any substance, material or product or waste determined or deemed to be hazardous in any dump, site, storage or disposal facility whether or not such substance, material, product or waste was previously carried on board the Insured Vessel(s) as cargo, fuel, slops or stores.

**20. Pollution following Collision or Damage other than by Collision**

Liabilities incurred by reason of the actual or threatened accidental release or escape of oil or any other polluting substance from any vessel with which the Insured Vessel(s) is in collision, or which suffers damage caused by the Insured Vessel(s) other than by collision, falling within the scope of Clause 19, save that references to the Insured Vessel(s) shall be treated as references to any vessel(s) with which the Insured Vessel(s) is in collision, or which suffers damage caused by the Insured Vessel(s) other than by collision.

**21. Special Compensation for Salvors**

Liability to pay special compensation to a salvor in respect of the Insured Vessel(s), to avert, limit or prevent damage to the environment under the provisions of Article 14 of the International Convention on Salvage 1989, or under a Lloyd's Open Form, 1980, 1990 or 1995 editions, or any standard form salvage agreement incorporating the effect of Article 14 of the said Convention, save insofar as such special compensation is payable by any third party also interested in property which is the subject of salvage services.

**22. Pollution Control Indemnities**

Liabilities, costs or expenses incurred by the Assured for death or injury of any person or for loss of or damage to property belonging to any person by reason of the granting of an indemnity by the Assured to, or the conclusion of a contract by the Assured with, any party in connection with the provision of services covered under Clause 19.3 and 19.4 above, provided the terms of such indemnity or contract have the prior approval in writing of the Insurer.

**23. Fines and Penalties**

A fine or monetary penalty levied in respect of the Insured Vessel(s) or any member of the Crew, for which either the Assured is legally liable, or in respect of which the Insurer agrees in writing that reimbursement for such fine or monetary penalty should be given, which is levied by any Court or other judicial body, tribunal, or by any governmental agency or authority for:

- 23.1 breach of an administrative, governmental or customs requirement in relation to the administration of cargo documentation or for short delivery or over-delivery of cargo, including any sum for which the Assured is liable to any charterer of the Insured Vessel(s) in respect of such fine or monetary penalty levied against such a charterer, under the terms of a charter party to which the Assured is party.
- 23.2 the accidental release or escape of oil or any other polluting substance from the Insured Vessel(s).
- 23.3 any breach of customs laws, regulations or requirements, or smuggling, other than in respect of cargo carried under a contract of carriage to which the Assured is party.
- 23.4 breach of any laws, regulations or requirements in respect of immigration.
- 23.5 any act or omission by any member of the Crew acting pursuant to their obligations to the Assured under a contract of employment or service, or under any Collective Agreement, in respect of the Insured Vessel(s), which attracts a fine or monetary penalty.

There shall however be no cover under this policy for a fine or monetary penalty levied in respect of:

- 23.6 any overloading of the Insured Vessels(s), or the presence on board the Insured Vessel(s) of a greater number of passengers than is legally permitted.
- 23.7 contravention of any law, regulation or requirement in respect of fishing.
- 23.8 criminal activity embarked on with the knowledge, connivance, complicity or reckless disregard of the Assured.
- 23.9 Any breach or infringement of the requirements and provisions relating either to the configuration and equipping of the Insured Vessel(s) or the maintaining of proper records or documents under or in connection with the International Convention for the Prevention of Pollution from Ships 1973, as amended or any statutory reenactment of such requirements and provisions.

**24. Legal Costs**

Legal costs necessarily incurred by the Assured after a casualty suffered by the Insured Vessel(s), or an event likely to give rise to a claim under this policy, to avoid or limit liabilities, costs and expenses in respect of risks covered by this policy, provided that such legal costs have been incurred with the prior approval of the Insurer.

**25. Investigative Costs**

Costs, other than legal costs, necessarily incurred by the Assured after a casualty suffered by the Insured Vessel(s), or an event likely to give rise to a claim under this policy, for the purpose of conducting an investigation into the circumstances of such a casualty or event, provided that such costs have been incurred with the prior approval of the Insurer.

**26. Sue and Labour Costs**

Costs and expenses, other than those which would be incurred in the course of the ordinary operation or trading of the Insured Vessel(s), necessarily incurred by the Assured, after a casualty suffered by the Insured Vessel(s), or an event likely to give rise to a claim under this

policy, solely to avoid or limit liabilities, costs or expenses in respect of risks covered by this policy, provided that such costs and expenses have been incurred with the prior approval of the Insurer.

**27. Inquiry Expenses**

Costs and expenses necessarily incurred by the Assured following a casualty suffered by the Insured Vessel(s) to protect the interests of the Assured or any member of the Crew, before any inquiry or tribunal constituted to investigate that casualty, provided that such costs and expenses have been incurred with the prior approval of the Insurer.

**28. Discrimination and Harassment**

Liabilities, costs and expenses incurred by reason of a claim by any member of the Crew for breach of contract or of any statutory duty in respect of discrimination or harassment by reason of their:

28.1 sex or sexual orientation.

28.2 Race or ethnic origin.

Including costs and expenses necessarily incurred in providing a substitute, if the member of the Crew making the claim goes absent from the Insured Vessel(s) without leave.

The costs and expenses of providing such a substitute shall be limited to the Assured's net loss in respect of bunkers, stores, Crew wages, insurance and port charges.

**29. Insurer's Interest**

Costs and expenses incurred by the Assured at the request or direction of the Insurer for the purpose of protecting or advancing the interests of the Insurer.

**30. Towage of the Insured Vessel(s)**

Liabilities, incurred by the Assured by reason of the Insured Vessel(s), under the terms of a contract (save in respect of payment for the tow itself) for:

30.1 entering and leaving port for the purpose of the Insured Vessel's ordinary trading.

30.2 shifting the Insured Vessel(s) in port or between places, and securing the Insured Vessel(s) in port, for the purpose of the Insured Vessel(s)'s ordinary trading.

30.3 any other purpose, provided that any contract for towage of the Insured Vessel(s), is on the Towcon or Towhire standard forms, all in unamended form, or any other standard form towage contract which affords the Assured equivalent or better protection than the said standard forms, or to which the Insurer may, on such terms as it requires, agree in writing.

Save insofar as such liabilities are covered under the Insured Vessel(s)'s Hull and Machinery insurance.

**31. Towage by the Insured Vessel(s)**

Liabilities, costs and expenses incurred by the Assured by reason of the Insured Vessel(s) of any other vessel(s) or object, provided that any contract under which such services are given is on the UK Standard Conditions for Towing or Other Services (1986 Edition), the Towcon or Towhire standard forms, all in unamended form, or any other standard form towage contract which affords the Assured equivalent or better protection than the said Standard

Conditions or standard forms, or to which the Insurer may, on such terms as it requires, agree in writing.

**32. Third Party General Average Contributions**

A sum equivalent to the proportion of General Average, salvage or special compensation payable to salvors, due to the Assured from any third party including but not limited to cargo interests, but which cannot be recovered through legal process or through negotiation, solely by reason of a breach by the Assured of the Assured's obligations as carrier under a contract of carriage with that third party.

Cover under this Clause is subject to the provisions at Clauses 17.11 to 17.21 of this policy.

**33. Excess General Average Payable by the Assured**

A sum equivalent to the amount of or proportion of General Average, salvage or special compensation due to a salvor, due in respect of the Insured Vessel(s), which cannot be recovered under the Insured Vessel(s)'s Hull and Machinery insurance, by reason of that proportion being adjusted on the basis of a Sound valuation of the Insured Vessel(s) which exceeds its insured value under the said insurance.

Cover under this Clause is subject to the provisions at Clauses 41 and 67 of this policy.

**34. Stand-by Crew**

Where an Assured has concluded a contract for the purchase of:

34.1 a new vessel(s), and stations a person at a shipyard for the purpose of supervision of work, familiarisation and hand-over

34.2 a second-hand vessel(s), and stations a person on board that vessel(s) for the purpose of inspection, familiarisation and hand-over

or

34.3 where an Insured Vessel(s) is undergoing repair, refit or drydocking and the Assured stations a person, not being a member of the Crew, on board for the purpose of supervision of the repair, refitting or drydocking work that person may be treated as a member of the Crew of an Insured Vessel(s) for the purpose of coverage under Clauses 1, 2, 3 and 4 of this policy, by special arrangement with the Insurer, on such terms as the Insurer may agree in writing and subject to the payment of an additional premium.

**35. Confiscation**

The Assured may, on such terms as the Insurer may agree, be covered for loss of the Insured Vessel(s) by reason of confiscation. The Assured may, subject to such terms, recover a sum equivalent to the market value of the Insured Vessel(s), in the event of its confiscation by or on the order or decree of any Court or other judicial body, tribunal or by any governmental agency or authority, for any breach of customs or tax laws, regulations or requirements, or smuggling, other than in respect of cargo carried under a contract of carriage to which the Assured is party, provided that:

- 35.1 the activity which gives rise to such confiscation was not embarked on with the knowledge, connivance, complicity or reckless disregard of the Assured or the Master.
- 35.2 the Assured took all reasonable steps to prevent the activity giving rise to such confiscation occurring on board the Insured Vessel(s).
- 35.3 the Assured has been irrevocably and finally deprived of the use of the Insured Vessel(s).

The market value of the Insured Vessel(s) shall be the market value at the time that the confiscation took place.

**36. Legal Costs not covered by Clause 24**

Legal costs and expenses necessarily incurred by the Assured (including the costs of an opposing party where such costs are ordered to be paid by a court or tribunal, or are to be paid pursuant to the terms of any settlement concluded with the approval in writing of the Insurer and always subject to the provisions at Clause 57) in pursuing or defending claims, or in seeking to resolve disputes, on such terms as the Insurer may agree in writing, arising in respect of the following:

- 36.1 any contract for the building of the Insured Vessel(s), which has the prior approval in writing of the Insurer.
- 36.2 any contract for the purchase or sale of the Insured Vessel(s), which has the prior approval in writing of the Insurer.
- 36.3 any contract for the conversion, alteration, repair, refit, drydocking or maintenance of the Insured Vessel(s).
- 36.4 any charterparty, contract of carriage, bill of lading or contract of affreightment, to which the Assured is party in respect of the Insured Vessel(s) and disputes as to the conclusion or legal effect of any such charterparty, contract of carriage, bill of lading or contract of affreightment.
- 36.5 any contract for operational services provided to or in respect of the Insured Vessel(s), including but not limited to agency, stevedoring, towage or salvage, or harbour authority services.
- 36.6 any contract for administrative services provided to or in respect of the Insured Vessel(s) for insurance broking or ship broking services, management services or the provision of technical advice.
- 36.7 any contract in respect of goods or materials, necessaries and stores including bunkers and lubricating oil provided to the Insured Vessel(s).
- 36.8 the employment of the Crew.
- 36.9 any contract of marine insurance in respect of the Insured Vessel(s), or which the Assured contends covers the Insured Vessel(s), other than that evidenced by this policy.
- 36.10 any damage to the Insured Vessel(s), detention of the Insured Vessel(s), or the impairment of any right of the Assured in respect of the Insured Vessel(s), caused by any third party.



- 36.11 General Average contributions.
- 36.12 the presence on board the Insured Vessel(s) of stowaways, refugees or persons rescued at sea.
- 36.13 the handling, loading, stowing, lashing and discharge of cargo which is to be carried, which is carried or which has been carried on board the Insured Vessel(s).

Provided that the Assured has reasonable prospects of successfully pursuing or defending any such claim, or resolving any such dispute, through the incurring of legal costs and expenses, and provided that such costs and expenses are incurred with the prior written approval of the Insurer.

Approval by the Insurer of a contract under Clause 36.1 or 36.2 shall not connote acceptance or approval of the terms and conditions of such contract. There shall be no cover under this Clause in respect of any claim by a Joint Assured against another Joint Assured, nor in respect of disputes between Joint Assureds.

The following shall be taken into account in assessing the prospects of successfully pursuing or defending any such claim or resolving any such dispute:

- 36.14 the applicable law and jurisdiction.
- 36.15 the value of the claim or sum in issue or the significance of the dispute.
- 36.16 the level of the legal costs and expenses likely to be incurred.
- 36.17 the legal merit of the Assured's position.
- 36.18 any alternative means for pursuing or defending the claim or resolving the dispute.
- 36.19 the prospect of enforcement of any claim by or against the Assured.
- 36.20 the conduct of the Assured.
- 36.21 the importance of any issues that arise to the shipping community generally.

The conduct of any claim or the handling of any dispute under this Clause shall be governed by the procedure provided for at Clauses 56, 57, 58, 59 and 60 of this policy. Any dispute or disagreement between the Insurer and the Assured as to the prospects of successfully defending or pursuing any such claim, or resolving any such dispute, shall be submitted to arbitration in Singapore in accordance with the procedure provided for under this Clause.

The arbitration shall be conducted before three arbitrators, one to be appointed by each of the parties and a third by the arbitrators so appointed. The arbitration shall be on the basis of written submissions and supporting documentation alone and shall be subject to the provisions of the International Arbitration Act (Cap. 143 A) Revised Edition 2002 and any statutory modification or re-enactment of it for the time being in force, save as expressly provided in this Clause.

In the event that the arbitrators' award is adverse to the Assured, that award shall be final and binding on the Insurer and the Assured.

In the event that the arbitrators' award is adverse to the Insurer, the Insurer may, after expiry of six calendar months from the date of that award, require the re-submission of any dispute or disagreement to the same arbitrators for a further reference.

The parties shall make further written submissions and the arbitrators shall make a further award. The Insurer may require the re-submission of the dispute or disagreement to the same arbitrators after the expiry of six calendar months after the date of each further award the arbitrators make. The Insurer may require the re-submission of the dispute or disagreement to the arbitrators as often as the Insurer shall deem appropriate. All other disputes shall be determined pursuant to the provisions of Clause 64.

**37. Passenger Vessel(s)**

In addition to the risks covered under Clauses 1.3, 2.3, 3.3, 4.3, 10 and 18 in respect of a Passenger, the Assured may, on such terms as the Insurer agrees in writing, be covered for:

37.1 liability arising under a contract of carriage for reward to pay damages or compensation to passengers on board an insured vessel arising as a consequence of a casualty to the insured vessel, including the costs of forwarding passengers to destination or return to port of embarkation and of maintenance of passengers ashore.

**Provided that**

37.2 The terms of the passage ticket or other contract between the Passenger and the Assured have been approved by the Insurer in writing.

37.3 There shall be no cover under this policy in respect of liabilities incurred as a result of the carriage of any Passenger by air, except when such liability occurs during repatriation by air of injured or sick Passengers, or of Passengers following a casualty to the Insured Vessel(s).

37.4 There shall be no cover under this policy in respect of liabilities incurred when a Passenger is on an excursion from the Insured Vessel(s) where either:

37.4.1 a separate contract has been entered into by Passenger for the excursion, whether or not with the Assured; or

37.4.2 the Assured has waived any rights or recourse against any sub-contractor or other third party in respect of the excursion.

Cover under this Clause is subject to the provisions at Clause 18 in respect of the personal effects of any Passenger and at Clause 78.5 of this policy.

**38. Charterers' Liability**

The Assured may, on such terms as the Insurer may agree in writing, be covered for liabilities, costs and expenses incurred as the charterer of a vessel in respect of risks covered under Clauses 1-33 of this policy, and in respect of:

38.1 liabilities to an owner or demise charterer or disponent owner of such chartered vessel under the terms of a charter party concluded in respect of such chartered vessel, for loss of or damage to such chartered vessel.

- 38.2 Loss of or damage to the Assured's property (other than cargo) on board such chartered vessel including, but not limited to, bunkers and lubricating oil.
- 38.3 any contribution in salvage payable by the Assured.

### **39. Special Operations**

Where the Insured Vessel(s) is a vessel which carries out the special operations set out at 39.1 to 39.13 below, the Assured may, on such terms as the Insurer may agree in writing, also be covered in respect of liabilities, costs and expenses covered under Clauses 1 to 33 incurred by reason of the Insured Vessel(s) carrying out such special operations:

- 39.1 salvage.
- 39.2 firefighting.
- 39.3 exploration, surveying, drilling, production, and associated services in respect of oil, gas or minerals.
- 39.4 oil storage.
- 39.5 underwater operations by a submarine or other submersible, commercial diving and underwater surveying,
- 39.6 construction, including pile driving, blasting and the transport and construction of offshore installations.
- 39.7 dredging, and the removal and discharge of dredging or other spoil.
- 39.8 cable or pipeline laying or recovery, including preparatory surveying, laying or recovery operations and maintenance.
- 39.9 waste incineration or disposal.
- 39.10 pollution control.
- 39.11 Search and rescue at sea.
- 39.12 Research at sea.
- 39.13 Leisure, accommodation and catering services on board a permanently moored vessel.

Save as specifically agreed by the Insurer in writing there shall be no cover under this policy for liabilities, costs and expenses arising from or in connection with such special operations performed by the Insured Vessel(s) provided that this exclusion shall not apply to liabilities, costs and expenses incurred by the Vessel(s) in respect of:

- i) Loss of life, injury or illness of Crew and other personnel on board the Insured Vessel(s), and
- ii) The wreck removal of the Insured Vessel(s), and
- iii) Oil pollution emanating from the Insured Vessel(s)

but only to the extent that such liabilities and expenses are otherwise covered by the Insurer in accordance with the Terms and Conditions of cover.

#### 40. War Risks

The Assured may, on such terms as the Insurer may agree in writing, be covered for liabilities, costs and expenses caused by:

- 40.1 war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or for any hostile act by or against a belligerent power or any act of terrorism.
- 40.2 capture, seizure, arrest, restraint or detainment (barratry and piracy excepted) and the consequences thereof or any attempt thereat.
- 40.3 mines, torpedoes, bombs or other weapons of war.

provided such liabilities, costs and expenses are not covered under the terms of any other insurance in respect of the Insured Vessel(s) or the Assured. This Clause shall only cover such liabilities, costs and expenses insofar as they exceed amounts recoverable under any such other insurance including but not limited to the Insured Vessel(s)'s Hull and Machinery insurance and insurance in respect of Crew or war risks.

Cover under this Clause shall be subject to the following:

- 40.4 **Cancellation:** The Insurers may, on giving 7-day notice in writing:
  - 40.4.1 cancel the cover provided under this Clause, or
  - 40.4.2 vary or restrict the terms on which cover under this Clause is provided.
- 40.5 **Automatic Termination:** Cover under this Clause shall cease automatically without notice:
  - 40.5.1 on the outbreak of war, whether declared or not, between any of the following: the United Kingdom, The United State of America, the People's Republic of China, France or the Russian Federation.
  - 40.5.2 the requisitioning for any purpose of any Insured Vessel(s) covered under this policy.
  - 40.5.3 the hostile detonation by any party anywhere, of a weapon of war employing atomic or nuclear fission and/or fusion or other similar reaction or radioactive force or matter.
- 40.6 **Five Powers War:** There shall be no cover under this policy for any loss, damage, liability or expenses arising from or in connection with:
  - 40.6.1 the outbreak of war whether declared or not, between any of the following: the United Kingdom, the United States of America, the People's Republic of China, France or the Russian Federation.
  - 40.6.2 the requisition for any purpose of any Insured Vessel(s) covered under this policy.
- 40.7 **Chemical, Biological, Bio-chemical, Electromagnetic Weapons and Cyber Attack Risks:** Cover under this Clause is subject always to Clauses 76 and 81 of this policy.

- 40.8 ***Pre-attachment Events:*** there shall be no cover under this Clause if an event which would give rise to cover ceasing automatically without notice under Clause 40.5 occurs after the agreement of the Insurers in writing as been provided to the Assured, but before the date and time for the attachment of the cover so agreed.

## **SECTION B – GENERAL CONDITIONS**

### **41. Insured Value**

The Insured Vessel(s) shall be, throughout the policy period, deemed to be insured in respect of Hull and Machinery on terms which afford the Assured protection equivalent to or better than that provided under Lloyd's Marine Policy MAR (1.1.82 Edition) with the Institute Time Clauses 1.10.83 or, in the case of fishing vessel(s) only, Institute Fishing Vessel Clauses 20.7.87 attached, for an insured value equivalent to or higher than the market value of the Insured Vessel(s) from time to time. Such market value shall be assessed on the basis that the Insured Vessel(s) is available for sale, free of commitment from a willing Seller at the date of the event giving rise to a claim under this policy. Any dispute or disagreement between the Assured and the Insurer as to such market value shall in the first instance be submitted to the Claims Committee and/or Arbitration in accordance with Clause 64.

### **42. Classification – (DELETED)**

### **43. Flag State**

The Assured warrants that the Insured Vessel(s) complies at the time of inception of this policy with all requirements of the Insured Vessel(s)'s flag state including those relating to:

- 43.1 the construction, condition, manning and equipping of the Insured Vessel(s).
- 43.2 the maintenance of valid statutory certificates issued by or on behalf of the Insured Vessel(s)'s flag state.

It is a condition precedent to liability under this policy that the Insured Vessel(s) has complied with such requirements throughout the policy period including the implementation and maintenance of any vessel(s) or office systems in accordance with flag state requirements.

In the event of a failure by the Assured to comply with any warranty provided for under this Clause in respect of the Insured Vessel(s), the remedies provided for under the Marine Insurance Act 1906 shall apply and, in addition, the Insurer may:

- 43.3 cancel cover provided under this policy by notice in writing to the Assured. Such cancellation shall take effect from the date if such notice, or
- 43.4 vary or restrict the terms on which cover under this policy is provided.

### **44. Survey by Insurer**

The Assured shall permit the inspection of the Insured Vessel(s) by a surveyor or surveyors appointed on behalf of the Insurer:

- 44.1 prior to inception of this policy, or
- 44.2 at any time and as often as required by the Insurer during the policy period

and will co-operate fully in the performance of such an inspection. The Assured warrants that it shall comply with all recommendations or requirements made by the Insurer following the Inspection within the period required for compliance.

In the event of the Insured Vessel(s) being laid up for a continuous period of 180 or more days the Assured shall notify the Insurer in writing at least 7 days prior to the recommissioning of the Insured Vessel(s) in order for the Insurer to have an opportunity to commission an inspection of the Insured Vessel(s) pursuant to this Clause.

It is a condition precedent to liability under this policy that the Assured has complied with the requirements of this Clause.

In the event of a failure by the Assured to comply with any warranty provided for under this Clause in respect of the Insured Vessel(s), the remedies provided for under the Marine Insurance Act 1906 shall apply and, in addition, the insurer may:

44.3 cancel cover provided under this policy by notice in writing to the Assured. Such cancellation shall take effect from the date of such notice, or

44.4 vary or restrict the terms on which cover under this policy is provided.

#### **45. ISM Code**

If the Insured Vessel(s) is required to comply with the International Safety Management Code by the International Maritime Organisation the Assured warrants.

45.1 that the Insured Vessel(s) has a valid Safety Management Certificated.

45.2 that the Assured, Owner or Manager of the Insured Vessel(s) has a valid Document of Compliance.

45.3 that the Assured, Owner or Manager of the Insured Vessel(s) has implemented and continues to maintain and operate a Safety Management System in accordance with the International Safety Management Code.

In accordance with the requirements of the said Code, and that they shall be maintained in accordance with such requirements throughout the policy period.

The Assured further warrants that it shall notify the Insurer in writing forthwith on the suspension or withdrawal of the said Safety Management Certificated or Document of Compliance.

It is a condition precedent to liability under this policy that the Assured has complied with the requirements of this Clause.

In the event of a failure by the Assured to comply with any warranty provided for under this Clause in respect of the Insured Vessel(s), the remedies provided for under the Marine Insurance Act 1906 shall apply and, in addition the Insurer may:

45.4 cancel cover provided under this policy by notice in writing to the Assured. Such cancellation shall take effect from the date of such notice, or

45.5 vary or restrict the terms on which cover under this policy is provided.

#### **46. Mitigation and Sue and Labour**

The Assured shall, on the occurrence of an event likely to give rise to a claim under this policy, take all reasonable steps to avert or minimise any liabilities, costs and expenses which might be covered under this policy.

**47. Assignment**

Neither this policy, nor any interest under this policy, may be assigned by the Assured, unless the Insurer in its absolute discretion consents in writing to such an assignment and on such terms as the Insurer shall impose.

**48. Set Off**

The Insurer shall be entitled to set off any sum due from the Assured against any sum due to the Assured under this policy in respect of any Insured Vessel(s). The Assured shall not be entitled to set off any amount payable by the Insurer against any sum due from the Assured under this policy.

**49. Termination of Insurance**

This policy of insurance shall terminate automatically without notice in the following circumstances:

49.1 the Assured, being an individual:

49.1.1 14 days after he dies.

49.1.2 he becomes bankrupt.

49.1.3 he is the subject of a receiving order or of a scheme of arrangement or composition with his creditors.

49.1.4 ceases to be able to manage his business by reason of mental illness or incapacity.

49.2 the Assured, being a corporation:

49.2.1 it is the subject of a compulsory winding up order or resolution for its voluntary winding up.

49.2.2 it is dissolved.

49.2.3 it is the subject of the appointment of a receiver, administrator or manager or analogous person in respect of all or part of its business.

49.2.4 It initiates any proceedings to achieve legal protection from its creditors.

The Assured (or in the case of an individual Assured who dies, his personal representative) shall notify the Insurer in writing forthwith on the occurrence of an event referred to in this Clause.

49.3 Termination of Insurance by notice:

The Insurer may, at any time and without giving reasons, terminate the insurance of an Insured Vessel(s) by not less than 14 days written notice of termination, effective from the expiry thereof.

**50. Termination of Cover in respect of an Insured Vessel(s)**

Cover in respect of an Insured Vessel(s) shall cease without notice on the occurrence of any of the following:

- 50.1 sale of the Insured Vessel(s).
- 50.2 divestment or assignment by the Assured of part or all of his interest in the Insured Vessel(s).
- 50.3 change of manager or flag state in respect of the Insured Vessel(s).
- 50.4 mortgage or hypothecation of the Insured Vessel(s).
- 50.5 relinquishing of possession or control of the Insured Vessel(s) by the Assured or foreclosure by a mortgagee or bank in respect of the Insured Vessel(s).
- 50.6 total loss of the Insured Vessel(s) whether
  - 50.6.1 actual.
  - 50.6.2 constructive, upon agreement by or acknowledgment from the Insured Vessel(s)'s Hull and Machinery Insurer(s).
  - 50.6.3 compromised or agreed with the Insured Vessel(s)'s Hull and Machinery Insurer(s).
  - 50.6.4 in circumstances where the Insurer concludes that the Insured Vessel(s) is a total loss and notifies the Assured in writing accordingly.
- 50.7 the Insured Vessel(s) cannot be located or contacted for a consecutive period of ten days, unless the Insurer agrees in writing to maintain or reinstate cover in respect of the Insured Vessel(s), on the same or on varied or restricted terms.

The Assured shall notify the Insurer in writing forthwith on the occurrence of a circumstance or event referred to in this Clause.

Where cover ceases pursuant to this Clause the Insurer shall be liable only in respect of any claim arising prior to the time when cover ceases, except that, where cover ceases by virtue of Clause 50.6, the Insurer shall also be liable in respect of any claims which arise directly by reason of the casualty giving rise to the Insured Vessel(s) becoming a total loss.

## **51. Premium**

Premium payable in respect of this policy shall be paid on such terms as the Insurer shall agree in writing.

In the event of failure by the Assured to pay premium or any installment of premium due under the said terms or any other sum or sums debited by the Insurers, the Insurer may:

- 51.1 cancel this policy by giving a minimum notice period of 7 days.
- 51.2 vary or restrict the terms on which cover under this policy is provided.

In the event of the cancellation of this policy by the Insurer under this Clause, the Insurer shall not be liable in respect of any claim whatsoever, whether arising before or after such cancellation.



The Insurer shall be entitled to interest at a rate of 2% per annum pro-rata over the SIBOR rate for any premium or part of the premium which is due and unpaid.

Where the Assured has paid the premium due under this policy and:

- 51.3 termination of the policy takes effect pursuant to Clause 49, premium under the policy shall be returned to the Assured on a pro rata per day basis
- 51.4 termination of cover in respect of an Insured Vessel(s) takes effect pursuant to Clause 50, premium paid in respect of that Insured Vessel shall be returned to the Assured on a pro rata per day basis.
- 51.5 If any Insured Vessel(s) shall be laid up in a safe port, without employment, with no Crew on board (save the minimum number remaining for the maintenance and security of the Insured Vessel(s)), and no cargo on board for a period of 30 or more consecutive days after finally mooring there (such period being computed from the day of arrival to the day of departure, only one being included), and for each completed 30 day period thereafter, the Assured shall be entitled to a return of 70% of the premium attributable on a pro rata basis to the period during which such Insured Vessel(s) was laid up and unemployed provided that the Insurer is notified in writing within 6 months of the end of either such lay up period or the policy period, whichever the earlier.

Any vessel(s) laid up but under repair shall be entitled to only 50% return, subject otherwise to all other terms of this Clause.

- 51.6 The right to receive a return of premium from the Insurer shall not apply if the Insured Vessel(s) is a total loss as defined in Clause 50.6 during the relevant insurance period, where the Insurer will be entitled to receive full annual premium.

**52. Waiver**

No representation, act or omission, conduct or forbearance by the Insurer nor any agreement or acquiescence to the conduct of the Assured, shall amount to a waiver of any right of the Insurer under this policy, nor shall it give rise to an estoppel in respect of any such right unless expressed in writing and addressed by the Insurer to the Assured.

**53. Joint Assureds and Co-Assureds**

Joint Assureds and/or Co-Assureds shall not be covered in respect of any claims or liabilities between such Joint Assureds and/or Co-Assureds.

Such Joint Assureds and Co-Assureds shall:

- 53.1 be bound by the default of any one of the said Joint Assureds or Co-Assureds in failing to disclose or misrepresenting material information to the Insurer.
- 53.2 be bound by the conduct of any one of the said Joint Assured's or Co-Assureds which would give rise to:
  - 53.2.1 the termination of this policy.
  - 53.2.2 the termination of cover in respect of an Insured Vessel(s).
  - 53.2.3 the cancellation by the Insurer of cover provided under this policy.

53.2.4 the variation or restriction by the Insurer of the terms on which cover under this policy is provided.

53.3 be deemed to have received any notice or communication sent by the Insurer of to any one of the said Joint Assureds or Co-Assureds or the Assured.

53.4 be deemed to have sent any notice or communication sent by any one of the said Joint Assureds or Co-Assureds to the Insurer.

Joint Assureds shall be jointly and severally liable to pay premium due under this policy.

The deductibles and limits provided for in this policy shall apply to any claim by any one of such Joint Assureds or Co-Assureds, as if the Joint Assureds or Co-Assureds were a single Assured. Receipt by any Joint Assured or Co-Assured of any sum payable by the Insurer shall be deemed to be receipt on behalf of all the Joint Assureds and Co-Assureds, and shall discharge the Insurer of its liability for any claim in respect of which such payment is made.

#### **54. Common Ownership**

Where the Assured is also the owner or part owner of:

54.1 a vessel or craft with which the Insured Vessel(s) is in collision giving rise to a claim under Clause 13.

54.2 a vessel or craft which the Insured Vessel(s) damages other than by collision giving rise to a claim under Clause 14.

54.3 Property or an object which the Insured Vessel(s) damages giving rise to a claim under Clause 15.

54.4 Cargo on board a vessel with which the Insured Vessel(s) is in collision giving rise to a claim under Clause 13.

The Assured shall be covered under this policy as if the said vessel, craft property object or cargo belonged to a third party.

**55.** By the Insurer to the Assured shall be sent to the address, facsimile number or e-mail address last known to the Insurer. Proceedings issued by the Insurer against the Assured shall be deemed to have been duly served if delivered to such address.

#### **56. Claims Notification and Provision of Information**

It is a condition precedent to liability of the Insurer under this policy that the Assured shall:

56.1 notify the Insurer in writing as soon as reasonably practicable of any event which may give rise to a claim under this policy.

56.2 notify the Insurer in writing forthwith of any legal or other proceedings brought against the Assured or in respect of the Insured Vessel(s).

56.3 provide to the Insurer or to any party nominated by the Insurer as soon as reasonably practicable all material, including documents, photographs or reports in the possession of the Assured or its agents, and any information known to the Assured or its agents, relating to any event which may give rise to a claim under this policy, and

continue to keep the Insurer advised of all material developments in respect of such an event or claim.

56.4 notify the Insurer as soon as practicable of any opportunity to obtain information, relating to an event which may give rise to a claim under this policy, including but not limited to an opportunity to conduct medical examinations, surveys in respect of any cargo, vessel(s) or any other object.

56.5 give full co-operation to the Insurer in any investigation conducted by or on behalf of the Insurer into any event which may give rise to a claim under this policy.

56.6 not make any admission of liability, responsibility or blame to any third party in respect of any event which may give rise to a claim under this policy.

**57. Claims Handling**

The Insurer shall be entitled on such terms as it may require to assume control of the conduct of any claim, legal proceedings, arbitration or participation by the Assured in any inquiry or investigation, in respect of any event or matter which may give rise to a claim under this policy.

The Insurer may direct the Assured to take any step in connection with the conduct of such a claim, legal proceedings, arbitration, inquiry or investigation, including the conclusion of a settlement or compromise agreement.

In the event of a failure by the Assured to act as directed by the Insurer, any claim under this policy shall be limited to the amount of the claim which would have been recoverable had the Assured acted as directed by the Insurer.

**58. Assistance in Handling Claims**

The Insurer may, subject to the terms of this policy, appoint on behalf of the Assured any person to assist in or advise on the conduct of any investigation, claim or legal or other proceedings, in respect of any event that may give rise to a claim under this policy.

Any person so appointed, or appointed by the Assured with the Insurer's consent, will act for and on the instructions of the Assured as principal, but shall, without reference to the Assured, disclose all material, documents or information relating to such investigation, claim or legal or other proceedings to the Insurer, as if the Insurer was his principal.

**59. The Provision of Security**

The Insurer is under no obligation, but may, provided all sums due to the Insurer from the of any claim against the Assured by any party in respect of the risks referred to at Section A. The Insurer shall not provide security in respect of Clause 36, except by way of security provided to an opponent party for the costs of the Assured ordered to be provided by a Court or Tribunal, or pursuant to the terms of an agreement with such opponent party as the Insurer may agree in writing. The Assured shall indemnify the Insurer for the costs of, or liability incurred to any third party under the security so provided, save to the extent that such costs or liability are recoverable under this policy.

**60. Recoveries and Subrogation**

Where the Insurer has made a payment to or on behalf of the Assured in respect of a claim under this policy, and the Assured, or any person on the Assured's behalf, obtains the recovery or reimbursement of any sum representing all or part of the liability, loss, cost or expense which was the subject of the claim so paid, such sum shall be applied in favour of the Insurer and the Assured in the proportions of their respective contributions to such payment.

The Insurer shall be subrogated to all rights which the Assured may have against any third party in respect of any payment made under the policy, to the extent of such payment, and the Assured shall, at the request on the Insurer, execute forthwith any document required by the Insurer for the purpose of the exercising of such rights.

**61. Crew Contracts**

Where any liability, costs or expenses are incurred under the terms of any contract of service or employment, or collective agreement with any member of the Crew, such liability, costs or expenses shall only be covered under this policy if those terms have the prior approval in writing of the Insurer.

**62. Limitation of Liability**

Cover under this policy for a liability incurred by the Assured or in respect of the Insured Vessel(s) shall be limited to such liability as may be established under the applicable law, or as may be agreed to in writing by the Insurer, and shall be limited in particular by reference to any legal provision under the applicable law providing for the limitation of liability in respect of the Insured Vessel(s) or the Assured.

Where cover is provided under Clause 38 of this policy to a time charterer, such cover shall be limited to such liability as would be established under the applicable law, if the time charterer were the registered owner of the chartered vessel, and shall be limited in particular by reference to any legal provision which would apply under the applicable law providing for the limitation of liability in respect of the chartered vessel, had the time charterer been its registered owner.

**63. Duties of the Assured**

It is a condition precedent to liability under this policy that all facts material to this insurance have been disclosed, that such facts were true, and have not been misrepresented to the Insurer by or on behalf of the Assured prior to inception of this policy and that the Assured has disclosed and has not misrepresented to the Insurer any fact material to this insurance, during the policy period on any occasion:

- 63.1 when the approval or agreement of the Insurer in respect of any matter is sought by the Assured.
- 63.2 when the Insurer's right to vary or restrict the terms on which cover is provided accrues under this policy pursuant to Clauses 42, 43, 44, 45, 50 or 51.
- 63.3 when any other variation in respect of this policy is requested by the Assured.
- 63.4 in the course of negotiations for the renewal of the insurance provided under this policy.
- 63.5 in the course of the presentation or submission of a claim under the policy.

**64. Disputes and Governing Law**

Save where Clause 36 applies:

- 64.1 The Assured hereby submits to the jurisdiction of a competent court in the country in which the Insurer issues the policy in respect of any action brought by the Insurer to recover sums which the Insurer may consider to be due to it from the Assured. Without prejudice to the foregoing, the Insurer shall be entitled to commence and maintain in any jurisdiction any action to recover sums which the Insurer may consider to be due to it from the Assured.

- 64.2 Any other dispute or difference arising between the Insurer and the Assured under this policy shall in the first instance be referred to the Claims Committee for consideration and adjudication. Such reference shall be on written submission only.
- 64.3 If the Assured does not accept the decision of the Claims Committee, such difference or dispute shall be referred to the arbitration in Singapore of two arbitrators (one appointed by the Insurer and the other by the Assured) and an Umpire to be appointed by the Arbitrators, and the submission to arbitration and the proceedings therein shall be subject to the provisions of the International Arbitration Act (Cap. 143 A) Revised Edition 2002, and any statutory modification or re-enactment thereof for the time being in force.
- 64.4 This policy shall be governed by and construed in accordance with English law.
- 64.5 The Marine Insurance Act 1906 shall apply to this policy.
- 64.6 The Insurance provided by the Insurer shall not nor is intended to confer any right or benefit on any third party under the Contracts (Rights of Third Parties) Act 1999 or any similar provision, enactment or principle of law contained in the laws of any State which purports to do so.

**65. Policy Limit, Claims Payment and Recovery**

Where the Combined Single Limit exceeds US\$ 100 million, the Insurer shall only be liable to pay any sum by which any claim or claims subject to the Combined Single Limit exceed US\$ 100 million, when the Insurer has received such sum from its Reinsurers, from time to time, or such sum can be paid pursuant to any agreement to effect simultaneous settlement between the Insurer and its Reinsurers.

**66. Definitions and Construction**

66.1 For the purpose of this policy the terms set out below shall be defined as stated:

*Assured* – The Person insured under the policy and who is stated as being the Assured in the policy. Where the context permits, Assured shall also mean Joint Assured.

*Cargo* – Goods which are the subject of a contract of carriage to which the Assured is party including packaging or securing materials other than containers supplied by or on behalf of the Assured.

*Claims Committee* – A committee constituted periodically by the Insurer to consider claims issues and disputes that may arise from time to time.

*CIM Convention* – The Uniform Rules concerning the Contract for International Carriage of Goods by Rail at Appendix B to the Convention concerning International Carriage by Rail (COTIF) of 9<sup>th</sup> May 1980, as amended by the CMR Protocol of 5<sup>th</sup> July 1978.

*Co-Assured* – A Person named as a Co-Assured in the policy.

*Combined Single Limit* – The maximum figure for which the Insurer is liable in respect of any claim or claims under this policy arising out of any one event, accident or occurrence, or any series of accidents or occurrences arising out of one event.

*Crew* – Any person (including the Master) employed or engaged to serve on board the Insured Vessel(s) under Articles of Agreement or other crew agreement or contract of service or employment or collective agreement, including a substitute for such a person.

*Date Recognition Problem* – Any failure or anticipated failure of or inability of any computer system, software, hardware, integrated circuit, microchip, operating system and/or any other electronic device or component correctly, unambiguously or completely to assign, exchange, interpret, manipulate, process, recognise, sequence or transfer any time, year, date or date-like code, data or information.

*Guatemala Protocol* – The Protocol to Amend the Convention for the Unification of Certain Rules relating to International Carriage by Air, of 8<sup>th</sup> March 1971.

*Guadalajara Convention* – The Guadalajara Convention, supplementary to the Warsaw Convention for the Unification of Certain Rules pertaining to International Carriage by Air, of 18<sup>th</sup> September 1961.

*Hague Protocol* – The Protocol to Amend the Convention for the Unification of Certain Rules relating to International Carriage by Air of 28<sup>th</sup> September 1955.

*Hague Rules* – The International Convention for the Unification of Certain Rules of Law relating to Bills of Lading of Brussels, 25<sup>th</sup> August 1924.

*Hague-Visby Rules* – The International Convention for the Unification of Certain Rules relating to Bills of Lading signed at Brussels on 25<sup>th</sup> August 1924, as amended by the Protocol signed at Brussels on 23<sup>rd</sup> February 1968 and The Protocol signed at Brussels on 21<sup>st</sup> December 1979.

*Hamburg Rules* – The United Nations Convention on the Carriage of Goods by Sea signed at Hamburg on 31<sup>st</sup> March 1978.

*Hull and Machinery Insurance* – Insurance in respect of the Insurance Vessel(s)'s Hull and Machinery, increased value and excess liability.

*Insurer* – The Insurer in any of the following Asian countries which issues the policy.

*Joint Assured* – A Person insured under the policy and who is stated to be the Joint Assured in the policy.

*Marine Insurance Act 1906* – The Marine Insurance Act 1906 of the United Kingdom.

*Montreal Protocols* – Additional Protocols Nos. 1, 2, 3 and 4 to amend the Convention of the Unification of Certain Rules relating to International Carriage by Air, of 25<sup>th</sup> September 1975.

*Net Loss* – Loss suffered after deductions are made in respect of costs and expenses which would have been incurred in the ordinary course of the trading or operation of the Insured Vessel(s) in respect of bunkers, stores, Crew wages, insurance and port charges.

*Occupational Disease* – Any disease caused or aggravated by the conditions in which a person works which is both caused by that person's occupational environment or a disease inducing agent or agents present in that occupational environment, and has resulted in that person becoming disabled, or requiring medical treatment or dying.

*Cumulative Injury* – Any injury which is suffered by any person and which is both not traceable solely to a single accident or series of accidents arising out of one event which occurred during that person's occupation, and has occurred by reason of or has been aggravated by a repetitive occupational activity.

*Passenger* – A person on board the Insured Vessel(s) by virtue of their holding a ticket and making a payment of money for passage on board the Insured Vessel(s).

*Person* – A natural person, an incorporated or unincorporated body or a combination of both.

*Policy Period* – The period of insurance under this policy agreed by the Insurer and shown on the policy.

*SIBOR* – stands for Singapore Interbank Offered Rate and it means the reference rate per cent per annum (rounder upwards to 4 decimal places) for 3 months known as “3 months SIBOR” which is published by the Association of Banks in Singapore at about 11:30am (Singapore time) on any day that interest is payable under this policy provided that if such reference rate is not published at or about that time on any relevant day the SIBOR is the rate determined in good faith by the Insurer to be the arithmetic mean of the rates (rounded upwards to 4 decimal place) at which banks would offer to lend unsecured funds to other banks in the Singapore interbank market for 3 months which are quoted to the Insurer by at least three leading banks in the Singapore interbank market (selected by the Insurer in good faith) at or about that time on any relevant day.

*Special Operations* – Any of the operations described at Clauses 39.1 to 39.13 of this policy.

*Stevedore* – Any person engaged to handle cargo of the Insured Vessel(s) including but not limited to linesman, longshoreman, crane or forklift drivers and tally clerks.

*Supernumerary* – Any person, not being a member of the Crew, whom the Assured directs to go on board the Insured Vessel(s) whilst, and only whilst such person is on board the Insured Vessel(s), including but not limited to a port captain, superintendent or person employed by or on behalf of the Assured to carry out repairs or maintenance on the Insured Vessel(s).

*Third Person* – Any person on board the Insured Vessel(s), with or without the approval or agreement of the Assured, not being a member of the Crew, Passenger, Supernumerary or Stevedore. A Third Person shall include but shall not be limited to a surveyor, inspector, pilot, customs officer and a supercargo nominated by any charterer of the Insured Vessel(s).

*Towcon* – The BIMCO standard form for International Ocean Towage for lump sum payment.

*Towhire* - The BIMCO standard form for International Ocean Towage for payment by way of daily hire.

*Vessel* – Any ship, boat, hovercraft or other description of vessel or structure (including any ship, boat, hovercraft or other vessel or structure under construction) used or intended to be used for any purpose whatsoever in navigation or otherwise on, under, over or in water or any part thereof or any proportion of the tonnage thereof or any share therein.

*Warsaw Convention* – The Convention for the Unification of Certain Rules relating to International Carriage by Air of 12<sup>th</sup> October 1929.

*Wreck* – Any vessel or craft which is disabled, and is aground or has sunk, and which is not the subject of a contract for the provision of salvage services.

*Writing* – Text in English communicated by letter, notice, facsimile, telex or e-mail.

66.2 Words importing the singular shall include the plural and vice versa.

- 66.3 Words importing the masculine shall include the feminine.
- 66.4 Words importing natural persons shall include individuals and any legal entity including corporations or partnerships.
- 66.5 The headings and sub-headings in this policy are for guidance only and are not to be taken into account in its construction or interpretation.

## **SECTION C – EXCLUSIONS AND RESTRICTIONS AND LIMITATIONS**

### **67. Hull and Machinery Insurances**

There shall be no cover under this policy in respect of any liabilities, costs or expenses which would be recoverable under the Insured Vessel's Hull and Machinery insurance had the Insured Vessel(s) been insured for an insured value equivalent to or higher than the market value of the Insured Vessel(s) from time to time, under the terms of Lloyd's Marine Policy MAR (1.1.82 Edition) with the Institute Time Clauses 1.10.83 or, in the case of fishing vessels, Institute Fishing Vessel Clauses 20.7.87 attached. There shall be no cover under this policy in respect of any deductible provided for under the terms of the Insured Vessel's Hull and Machinery insurance. Any claim under Clause 13.3 shall be limited to the excess over and above any claim which would have been recoverable under Hull and Machinery insurances on the terms set out at Clause 41.

### **68. Time Bar**

There shall be no cover under this policy in respect of any claim unless:

- 68.1 the Assured gives notice of the event or casualty within 12 months of the Assured having notice of or gaining knowledge of that event or casualty, or
- 68.2 requests reimbursement of any costs or expenses covered under the terms of this policy within 12 months of that cost or expense being incurred.

If such notice or request is not given within the period required the claim shall be treated as extinguished and any liability of the Insurer discharged.

### **69. Double Insurance**

There shall be no cover under this policy in respect of any claim:

- 69.1 which falls within the scope of cover provided under any other insurance in respect of the Assured or the Insured Vessel(s), or
- 69.2 which would be so covered but for a provision in that other insurance which seeks or purports to exclude or limit liability on the basis of double insurance, and/or
- 69.3 in no circumstances shall the Insurer be liable for any liabilities, costs or expenses which relate to any franchise, deductible or deduction of a similar nature borne by the Assured under such other insurance.

### **70. Loss of or Damage to the Insured Vessel(s) and Equipment**

There shall be no cover under this policy for:



- 70.1 loss of, damage to, or the cost of repairs to, the Insured Vessel(s), or any part of it, except where the Insured Vessel(s) is lost through confiscation covered under Clause 35.
- 70.2 loss of or damage to, or the cost of repairs to, any equipment or property owned or leased by the Assured or any party associated or affiliated to the Assured, on the Insured Vessel(s), including but not limited to bunkers.
- 70.3 loss of or damage to a chartered vessel or equipment or property owned by the owners or disponent owner of such chartered vessel (except where the Assured is covered pursuant to Clause 38 of this policy.)

except where such loss, damage or cost of repairs forms part of a claim which is recoverable under Clause 32 or Clause 33.

#### **71. Commercial Losses**

There shall be no cover under this policy for loss, suffered by the Assured, or non-payment to the Assured, of:

- 71.1 freight or hire payable in respect of the Insured Vessel(s).
- 71.2 any sum by reason of the cancellation or termination of any charter, contract of carriage or other contract for the employment of the Insured Vessel(s).
- 71.3 demurrage or damages for detention or delay in respect of the Insured Vessel(s).

#### **72. Financial Default and Fraud**

There shall be no cover under this policy in respect of any liabilities, costs, expenses or losses which arise by reason of:

- 72.1 any debt or claim being unrecoverable from any party by reason of insolvency, financial default or impecuniosity of any party except:
  - 72.1.1 in respect of a claim under Clause 8 where liabilities, costs and expenses cannot be recovered from a member of the Crew who goes absent without leave.
  - 72.1.2 in respect of a claim under Clause 9 where costs and expenses cannot be recovered from a stowaway, a refugee or a person rescued at sea personally.
- 72.2 Fraud perpetrated against the Assured or the misappropriation of monies belonging to the Assured or held on the Assured's behalf.

#### **73. Illegal and Reckless Trading**

There shall be no cover under this policy in respect of any liabilities, costs or expenses which arise by reason of the use of the Insured Vessel(s), by or on behalf of the Assured, or with the knowledge, connivance, complicity or reckless disregard of the Assured for:

- 73.1 the carriage of contraband.
- 73.2 trade in breach of sanctions imposed by a competent authority, or the running of any blockade.

- 73.3 any illegal or unlawful trade.
- 73.4 any employment or trade which exposes the Insured Vessel(s) or the Assured to unreasonable or unnecessary risk or hazard.

**74. Occupational Disease or Cumulative Injury**

There shall be no cover under this policy in respect of any liabilities, costs or expenses which arise by reason of or in connection with:

- 74.1 Occupational Disease suffered by any person.
- 74.2 Cumulative Injury suffered by any person.
- 74.3 Death of any person caused by or contributed to by Occupational Disease or Cumulative Injury.

**75. Punitive or Exemplary Damages**

There shall be no cover under this policy in respect of liability for or exposure to:

- 75.1 punitive or exemplary damages.
- 75.2 any amount payable under any judgment or award of any Court or tribunal in favour of any third party which is not compensatory in nature or which is not payable in respect of loss or damage sustained by that third party except as provided under Clause 23.

**76. Radioactive, Contamination, Chemical, Biological, Bio-chemical and Electromagnetic Weapons Exclusion**

This Clause shall be paramount and shall override anything contained in this policy inconsistent therewith.

- 76.1 In no case shall this policy cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from:
  - 76.1.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel.
  - 76.1.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof.
  - 76.1.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive for or matter.
  - 76.1.4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes.
  - 76.1.5 any chemical, biological, bio-chemical, or electromagnetic weapon.

**77. War Risks**

There shall be no cover under this policy for loss, damage, liability, or expense caused by:

- 77.1 war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power or any act to terrorism.
- 77.2 capture, seizure, arrest, restraint or detainment (barratry and piracy expected), and the consequences thereof or any attempt thereat.
- 77.3 mines, torpedoes bombs or other weapons of war

except as provided under Clause 40.

**78. General Exclusions**

For the avoidance of doubt, there shall be no cover in respect of liability, costs or expenses arising in connection with the following except in so far as specifically provided for under the Clauses referred to:

- 78.1 Pollution – except as provided under Clause 19 and Clause 20.
- 78.2 Salvage – except in respect of claim for salvage which forms part of a claim for:
  - 78.2.1 Special Compensation under Clause 21.
  - 78.2.2 Third Party General Average Contributions under Clause 32.
  - 78.2.3 Excess General Average payable by the Assured under Clause 33.
  - 78.2.4 Life Salvage under Clause 11.
- 78.3 Towage – except as provided under Clause 30 and Clause 31.
- 78.4 Special Operations – except as provided for under Clause 39.
- 78.5 Passengers – except as provided under Clauses 1, 2, 3, 4, 10, 11, 18 and 37.
- 78.6 In any event liability to a Passenger shall be limited to the extent that the Assured would be liable had any contract with that Passenger provided the Assured with the maximum protection by way of the limitation or exclusion or liability permitted in accordance with the applicable law.

**79. Electronic Data Recognition**

The cover provided under this policy shall not be prejudiced by reason of a loss being caused or contributed to by a Date Recognition Problem provided always that this insurance will not cover any loss, damage, liability, or expense which has resulted from a want of due diligence by the Assured, Owners or Managers in respect of a Date Recognition Problem.

This policy shall not cover:

- 79.1 any expense incurred in respect of testing for, discovering, rectifying, correcting, averting or minimizing any Date Recognition Problem.
- 79.2 the cost of reprogramming or correcting any computer hardware, microchip, software, operating system, code or data.

79.3 the cost of repairing or replacing any computer hardware, microchip software, operating system, code or data that has broken down or malfunctioned as a consequence of any Electronic Data Recognition Problem.

**80. Indemnities and Contractual Liabilities**

Any claim in respect of liabilities, costs, expenses, compensation or wages under this policy which arise by reason of an indemnity granted by the Assured or under the terms of a contract to which the Assured is party shall only be covered under this policy if the terms of such indemnity or contract have the prior approval in writing of the Insurer.

**81. Cyber Attack Exclusion**

81.1 Subject only to Clause 81.2 below, in no case shall this policy cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from the use of operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or process or any other electronic system.

81.2 Where this Clause Is endorsed on policies covering risks of war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, or terrorism or any person acting from a political motive, Clause 81.1 shall not operate to exclude losses (which would otherwise be covered) arising from the use of any computer, computer system, computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

**82. Sanctions Limitation and Exclusion**

There shall be no cover under this policy and the Insurer shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the Insurer or any member of the Insurer's group to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of any country.

There shall be no entitlement under any circumstances for the Assured to recover under this policy that part of any liability, cost or expense which is not recovered or recoverable by the Insurer from any reinsurer because of a shortfall in recovery or non-recovery from such reinsurer by reason of any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of any country.

The terms 'shortfall' or 'non-recovery' include, but are not limited to, any failure or delay in payment to the Insurer by such reinsurer, and/or payment to an account other than an account of, or for the benefit of, the Insurer, in compliance with a requirement imposed by any recognised authority of competent jurisdiction to enforce any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of any country.

**CLAIMS CONTROL CLAUSE**

Notwithstanding anything herein contained to the contrary, it is a condition precedent to any right of recovery under this re-insurance that this clause shall be incorporated in the policy issued to the Original Insured, National Power Corporation, who shall, upon the occurrence of any accident, loss or losses which may give rise to a claim under this reinsurance, give immediate notice thereof directly to reinsurers and furnish them with all information available respecting such incident, loss or losses:

1. Comply will all directions of the reinsurer concerning the appointment of lawyers, adjusters, assessors and/or surveyors and/al negotiations, adjustments and settlements in connection with such incident, loss or losses.
2. Neither admit any liability nor agree any settlement without the prior consent in writing of the insurer/reinsurer.

### **PROVISIONS FOR FILING NOTICE OF LOSS**

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

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

### **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.

### **DUTY OF THE REINSURER FOR LOSS PREVENTION**

The Reinsurer, for its own account, shall conduct a one (1) day training/seminar to discuss the terms and conditions of the P&I cover.

**NOTE:** Whenever found in this policy, the word “Assured” shall also mean “Insured” and the word “Underwriters” shall also mean “Insurers”, and vice versa

NATIONAL POWER CORPORATION  
Marine Hull for Power Barges  
Summary of Statutory Certificates

Particulars	Date of Issue	Date of Expiry	Remarks
<b>1. POWER BARGE 106</b> Certificate of Ownership Certificate of Philippine Registry Cargo Ship Safety Certificate Load Line Certificate	23 Apr 97 23 Apr 97	N/A N/A	New Form New Form For application of Exemption Certificate based on the exemption granted by the Marina per existing provision of item 6.6, Chapter 1 of the PMMRR 1997
<b>2. POWER BARGE 108</b> Certificate of Ownership Certificate of Philippine Registry Cargo Ship Safety Certificate Coastwise Load Line Certificate	25 Nov 13 25 Nov 13	N/A N/A	New Form New Form For application of Exemption Certificate based on the exemption granted by the Marina per existing provision of item 6.6, Chapter 1 of the PMMRR 1997
<b>3. POWER BARGE 109</b> Certificate of Ownership Certificate of Philippine Registry Cargo Ship Safety Certificate Coastwise Load Line Certificate	18 May 98 18 May 98	N/A N/A	For application of Exemption Certificate based on the exemption granted by the Marina per existing provision of item 6.6, Chapter 1 of the PMMRR 1997
<b>4. POWER BARGE 111</b> Certificate of Ownership Certificate of Vessel Registry Cargo Ship Safety Certificate Coastwise Load Line Certificate	18 May 98 18 May 98	N/A N/A	Decommissioned
<b>5. POWER BARGE 113</b> Certificate of Ownership Certificate of Philippine Registry Cargo Ship Safety Certificate Coastwise License Minimum Safe Manning Certificate Load Line Certificate	18-May-98 18-May-98	N/A N/A 19 May 19	New Form New Form For application of Exemption Certificate based on the exemption granted by the Marina per existing provision of item 6.6, Chapter 1 of the PMMRR 1997 Valid
<b>6. POWER BARGE 114</b> Certificate of Ownership Certificate of Philippine Registry Cargo Ship Safety Certificate Coastwise Load Line Certificate	18 May 98 18 May 98	N/A N/A	New Form New Form For application of Exemption Certificate based on the exemption granted by the Marina per existing provision of item 6.6, Chapter 1 of the PMMRR 1997

Particulars		Date of Issue	Date of Expiry	Remarks
7.	<b>POWER BARGE 116</b> Certificate of Ownership Certificate of Philippine Registry Cargo Ship Safety Certificate Coastwise License Load Line Certificate Minimum Safe Manning Certificate	15 May 98 15 May 98	N/A N/A	New Form New Form For application of Exemption Certificate based on the exemption granted by the Marina per existing provision of item 6.6, Chapter 1 of the PMMRR 1997
8.	<b>POWER BARGE 119</b> Certificate of Ownership Certificate of Philippine Registry Cargo Ship Safety Certificate Coastwise Load Line Certificate		N/A N/A	For application of New Form For application of Exemption Certificate based on the exemption granted by the Marina per existing provision of item 6.6, Chapter 1 of the PMMRR 1997
9.	<b>POWER BARGE 120</b> Certificate of Ownership Certificate of Philippine Registry Cargo Ship Safety Certificate Coastwise Load Line Certificate		N/A N/A	For application of New Form For application of Exemption Certificate based on the exemption granted by the Marina per existing provision of item 6.6, Chapter 1 of the PMMRR 1997
10.	<b>TUGBOAT NO. 1</b> Certificate of Ownership Certificate of Philippine Registry Cargo Ship Safety Certificate Coastwise Load Line Certificate	15 Jun 97 15 Jun 97	N/A N/A	For application of New Form For application of Exemption Certificate based on the exemption granted by the Marina per existing provision of item 6.6, Chapter 1 of the PMMRR 1997

It is understood that the dry-docking activity of the subject vessels shall be done every five (5) years or as the need arises. The Insured shall take due diligence in informing the Insurer prior to the activity. The cost of dry-docking is for the account of the Insured.

# *Section VIII. Bidding Forms*

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# Form 1.a.1

(Sworn Statement for the Percentage of Retention)

## SWORN STATEMENT

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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]* covers the risk indicated in Section VII. 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; 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 \_\_\_\_\_

## Form 1.a.2

### 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 [position of the Affiant];
- (2) *I am the duly authorized and designated representative of [Name of Bidder] with office address at [address of Bidder], in its bid for the [Name of Project ex. Procurement for the Reinsurance of the Industrial All Risk cover of Government Agency];*
- (3) *I hereby submit the list of securities for the facultative reinsurance placement for the above project, for the portion in excess of [Name of Bidder]'s treaty facility, as follows:*

<b>Name of Company</b>	<b>Resident Agent</b>	<b>Percentage Share</b>	<b>Share Amount</b>	<b>AM Best Rating</b>

- (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 \_\_\_\_\_

**Form 1.b.1**

**(Sworn Statement that the Retention is not more than 20% of the Net Worth)**

**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) If awarded, *[Name of Bidder]* will retain *[amount in words and figures]* equivalent to *[percentage of retention]* of the total sum insured;
- (3) 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 twenty percent (**20%**) of the Networth of *[Name of Bidder]* amounting to *[amount of Networth in words and figures]*;
- (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 \_\_\_\_\_

**Form 1.b.2**

**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 [position of the Affiant];
- (2) *I am the duly authorized and designated representative of [Name of Bidder] with office address at [address of Bidder], in its bid for the [Name of Project ex. Procurement for the Reinsurance of the Industrial All Risk cover of Government Agency];*
- (3) *I hereby submit the list of securities for the facultative reinsurance placement for the above project, for the portion in excess of [Name of Bidder]'s net retention, as follows:*

<b>Name of Company</b>	<b>Resident Agent</b>	<b>Percentage Share</b>	<b>Share Amount</b>	<b>AM Best Rating</b>

- (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. \_\_\_\_\_  
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## Omnibus Sworn Statement

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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:

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

*If a sole proprietorship:* I am the sole proprietor or authorized representative 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]*;

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

*If a sole proprietorship:* As the owner and sole proprietor, or authorized representative of *[Name of Bidder]*, I have full power and authority to do, execute and perform any and all acts necessary to participate, submit the bid, and to sign and execute the ensuing contract for *[Name of the Project]* of the *[Name of the Procuring Entity]*, as shown in the attached duly notarized *Special Power of Attorney*;

*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 to participate, submit the bid, and to sign and execute the ensuing contract for *[Name of the Project]* of the *[Name of the Procuring Entity]*, as shown in the attached *[state title of attached document showing proof of authorization (e.g., duly notarized Secretary's Certificate, Board/Partnership Resolution, or Special Power of Attorney, whichever is applicable;)]*;

4. *[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;
5. 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;
6. *[Name of Bidder]* is authorizing the Head of the Procuring Entity or its duly authorized representative(s) to verify all the documents submitted;

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

*If a sole proprietorship:* The owner or sole proprietor is 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;

8. [Name of Bidder] complies with existing labor laws and standards; and
9. [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].
10. [Name of Bidder] 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 \_\_\_, 20\_\_ at \_\_\_\_\_, Philippines.

\_\_\_\_\_  
Bidder's Representative/Authorized Signatory

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

Witness my hand and seal this \_\_\_\_ day of [month] [year].

**NAME OF NOTARY PUBLIC**

Serial No. of Commission \_\_\_\_\_

Notary Public for \_\_\_\_\_ until \_\_\_\_\_

Roll of Attorneys No. \_\_\_\_\_

PTR No. \_\_\_\_\_ [date issued], [place issued]

IBP No. \_\_\_\_\_ [date issued], [place issued]

Doc. No. \_\_\_\_\_

Page No. \_\_\_\_\_

Book No. \_\_\_\_\_

Series of \_\_\_\_\_

**SWORN STATEMENT**

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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 VII of the bidding documents and all Bid Bulletins issued, if any, 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 VII- 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. \_\_\_\_\_  
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## BID SECURING DECLARATION FORM

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REPUBLIC OF THE PHILIPPINES)  
CITY OF \_\_\_\_\_) S.S.

X-----X

### **BID SECURING DECLARATION** **Invitation to Bid:** *[Insert Title of the Project]*

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

I/We<sup>2</sup>, 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 Declaration, within fifteen (15) days from receipt of the written demand by the procuring entity for the commission of acts resulting to the enforcement of the bid securing declaration under Sections 23.1(b), 34.2, 40.1 and 69.1, except 69.1(f), of the IRR of RA 9184; without prejudice to other legal action the government may undertake.
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 the bidder with the Lowest Calculated Responsive Bid, and I/we have furnished the performance security and signed the Contract.

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<sup>2</sup> Select one and delete the other. Adopt the same instruction for similar terms throughout the document.

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

[Insert NAME OF BIDDER'S AUTHORIZED REPRESENTATIVE]  
[Insert Signatory's Legal Capacity]  
Affiant

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

Witness my hand and seal this \_\_\_\_ day of [month] [year].

**NAME OF NOTARY PUBLIC**

Serial No. of Commission \_\_\_\_\_

Notary Public for \_\_\_\_\_ until \_\_\_\_\_

Roll of Attorneys No. \_\_\_\_\_

PTR No. \_\_\_\_\_ [date issued], [place issued]

IBP No. \_\_\_\_\_ [date issued], [place issued]

Doc. No. \_\_\_\_\_

Page No. \_\_\_\_\_

Book No. \_\_\_\_\_

Series of \_\_\_\_\_

## Bid Form

Date: \_\_\_\_\_  
Invitation to Bid No: \_\_\_\_\_

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

Gentlemen and/or Ladies:

Having examined the Bidding Documents including Bid Bulletin Numbers *[insert numbers]*, 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 Schedule of Prices attached herewith and made part of this Bid.

We undertake, if our Bid is accepted, to deliver the goods in accordance with the delivery schedule specified in the Schedule of Requirements.

If our Bid is accepted, we undertake to provide a performance security in the form, amounts, and within the times specified in the Bidding Documents.

We agree to abide by this Bid for the Bid Validity Period specified in **BDS** provision for **ITB** Clause 17.1 and it shall remain binding upon us and may be accepted at any time before the expiration of that period.

Commissions or gratuities, if any, paid or to be paid by us to agents relating to this Bid, and to contract execution if we are awarded the contract, are listed below:

Name and address of agent	Amount and Currency	Purpose of Commission or gratuity
_____	_____	_____
_____	_____	_____
_____	_____	_____

(if none, state "None")

Until a formal Contract is prepared and executed, this Bid, together with your written acceptance thereof and your Notice of Award, shall be binding upon us.

We understand that you are not bound to accept the Lowest Calculated Bid or any Bid you may receive.

We certify/confirm that we comply with the eligibility requirements as per **ITB** Clause 5 of the Bidding Documents.

We likewise certify/confirm that the undersigned, *[for sole proprietorships, insert: as the owner and sole proprietor or authorized representative of Name of Bidder, has the full*

power and authority to participate, submit the bid, and to sign and execute the ensuing contract, on the latter's behalf for the Name of Project of the Name of the Procuring Entity [for partnerships, corporations, cooperatives, or joint ventures, insert: is granted full power and authority by the Name of Bidder, to participate, submit the bid, and to sign and execute the ensuing contract on the latter's behalf for Name of Project of the Name of the Procuring Entity].

**OFFERED PREMIUM RATE AND PREMIUM  
for the period stated in the Technical Specifications**

TOTAL Bid Price [A] (100% Premium)	Php	Absolute Net Premium
	%	Premium Rate

**Breakdown of the Total Bid Price**

I. Retained Premium [B]		
II. Reinsured Premium [C] (inclusive of 20% GSIS Commission)		
<i>II.A GSIS Commission [D = C x 20%] (20% of the Reinsured Premium)</i>	Php	
<i>II.B Creditable Withholding Tax [E = C x 2%] (2% of the Reinsured Premium)</i>		
<i>II.C Net Amount due Reinsurer [F = C-D-E] (Reinsured Premium less the GSIS Commission and 2% Creditable Withholding Tax)</i>	Php	
<b>TOTAL Bid Price [B+C]</b> (100% Premium)	Php	

Grand Total in figures and in words:

\_\_\_\_\_

\_\_\_\_\_ PHP \_\_\_\_\_

We acknowledge that failure to sign each and every page of this Bid Form, including the attached Schedule of Prices, shall be a ground for the rejection of our bid.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_.

Bidder's name:

Address:

Telephone/Fax numbers:

Email Address:

Authorized Representative:

Signature:

(Submission of Underwriters Acceptance Slips/Cover Notes)

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 certified 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 notice of 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*)

\_\_\_\_\_  
Notary

Public

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Book No. \_\_\_\_\_  
Series of \_\_\_\_\_

**STATEMENT OF ONGOING SIMILAR CONTRACTS FOR THE TOP TWENTY  
(20) RISKS IN TERMS OF PREMIUMS**

<b>Line of Reinsurance</b>	<b>Name of the Insured</b>	<b>Total Sum Insured</b>	<b>Premium</b>	<b>Policy no./Reinsurance Binder no.</b>	<b>Period Covered</b>

(Signature Over Printed Name)

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Authorized Representative

Note:

- This Table is just a sample form/template. Bidder may come up with its own form/template, provided that the required information as stated above must be properly presented.

# **CHECKLIST OF REQUIREMENTS**

## **REINSURANCE OF THE PROTECTION AND INDEMNITY INSURANCE OF THE NATIONAL POWER CORPORATION**

### **ENVELOPE NO. 1 TECHNICAL COMPONENT**

The first envelope shall contain the following:

#### **I. Legal Documents**

A. PhilGEPS Certificate of Registration and membership in accordance with Section 8.5.2 of the RIRR of RA 9184

A.1. Registration certificate from SEC, Department of Trade and Industry (DTI) for sole proprietorship, or CDA for cooperatives

For the registration certificate from SEC, any of the following may be submitted:

- (a) Certificate of Registration;
- (b) Certificate of Incorporation or Partnership;
- (c) Certificate of Filing of Amended Articles of Incorporation or Partnership

A.2. Mayor's/Business permit issued by the city or municipality where the principal place of business of the prospective bidder is located, or the equivalent document for Exclusive Economic Zones or Areas

In cases of recently expired Mayor's/Business permits, it shall be accepted together with the official receipt as proof that the bidder has applied for renewal within the period prescribed by the concerned local government unit, provided that the renewed permit shall be submitted as a post-qualification requirement in accordance with Section 34.2 of the RIRR of RA 9184

A.3. Tax clearance per E.O. 398, s. 2005, as finally reviewed and approved by the Bureau of Internal Revenue (BIR).

#### **II. Technical Documents**

A. Statement of all Ongoing Government and Private Contracts

A.1 Bidder is required to submit certified true copies of its latest Recapitulations I and IV as submitted to the Insurance Commission, in lieu of the "Statement of all its ongoing government and private contracts, including contracts awarded but not yet started, if any, whether similar or not similar in nature and complexity to the



contract to be bid”.

A.2 Bidder is required to submit a statement of its ongoing similar contracts for the top twenty (20) risks in terms of premiums (*form provided*)

**B. Statement of Single Largest Completed Contract (SLCC)**

Statement of completed similar insurance policy/ies or reinsurance binder/s, issued within the period as stated in the Invitation to Bid. Bidder must submit any of the following:

- B.1. A single contract that must be at least fifty percent (50%) of the ABC for this project.
- B.2. At least two (2) similar contracts and the aggregate contract amounts should be equivalent to at least 50% of the ABC. The largest of these similar contracts must be equivalent to at least half of the percentage of the ABC as required above.

The statement shall include, for each policy/binder, the following:

- Name of the Assured/Reinsured
- Period of cover of the Insurance
- Limit of the Cover
- Amount of Contract:
  - (i) For Insurance Policy/ies, the amount of Contract refers to the Total Premium, including taxes;
  - (ii) For Reinsurance Binder/s, the amount of Contract refers to the Net Amount Due Reinsurer, net of commission earned and applicable taxes.
- Certified true copy/ies of the Official Receipt/s as evidence of premium payment for the insurance policy/ies or reinsurance binder/s.
- Certified true copy/ies of the insurance policy/ies or reinsurance binder/s.

**III. Financial Documents**

- A. The prospective bidder’s 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 preceding calendar year which should not be earlier than two (2) years from the date of bid submission
- B. Prospective bidder’s computation of its Net Financial Contracting Capacity (NFCC); or committed Line of Credit from a Universal or Commercial Bank

The Line of Credit must be at least equal to ten percent (10%) of the ABC to be bid.

NFCC, computed using the following formula, must be at least equal to the ABC

to be bid:

NFCC = [(Current assets minus current liabilities) (15)] 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. The values of the domestic bidder's current assets and current liabilities, breakdown of which is attached, shall be based on the latest Audited Financial Statements submitted to the BIR through its Electronic Filing and Payment System (EFPS).

For purposes of computing the foreign bidders' NFCC, the value of current assets and current liabilities shall be based on their Audited Financial Statements prepared in accordance with international financial reporting standards.

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.

#### IV. Class "B" Document

Notarized Joint Venture Agreement or the Duly Notarized Statement in accordance with Section 23.1(b) of the RIRR of Ra 9184, if applicable;

#### V. Bid security in the prescribed form, amount and validity period

The bid security shall be in the form of a Bid Securing Declaration using the form prescribed in the Bidding Documents or any of the following forms and amounts:

- A. **Php72,252.04** [2% of ABC], if bid security is in cash, cashier's/manager's check, bank draft/guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank

Bidders who opt to submit a bid security in the form of cash and/or cashier's/manager's check shall deposit the said bid security to the GSIS Cashier, in coordination with the GBAC Secretariat, prior to the submission of bids. The Official Receipt issued by the GSIS Cashier shall be submitted as part of the Technical Component.

If a bank draft/guarantee or an irrevocable letter of credit issued by a foreign bank, it shall be confirmed or authenticated by a Universal or Commercial Bank.

- B. **Php181,312.60** [5% of ABC], if bid security is in Surety Bond. It shall be accompanied by a certification from the Insurance Commission stating that the surety or insurance company is authorized to issue such instruments.

## VI. Technical Specifications

The bidder must submit a Sworn Statement that it complies with Section VII – Technical Specifications of the Bidding Documents (*form provided*).

In addition, it must submit the following documents required in Section VII – Technical Specifications of the Bidding Documents:

A. Sworn Statement that the bidder complies with Section VII – Technical Specifications of the Bidding Documents (*form provided*)

B. Certified true copy/ies of the following:

1. Certificate of Authority issued by the Insurance Commission, if the bidder is an Insurer/Reinsurer.
2. Brokers Insurance License issued by the Insurance Commission, if the bidder is a Broker.
3. Certificate of Authority/ Brokers Insurance License issued by the country of origin, for a foreign bidder; and a documentation issued by the Insurance Commission on the registration of the resident agent of the foreign bidder.
4. Current Credit Rating of at least B+ issued by A.M. Best.

C. Disclosure of the bidder's retention and list of securities/panel of reinsurers

1. For Insurance & Reinsurance Companies:

1.a If the terms and conditions are allowed under the bidder's reinsurance treaty

1.a.1. Sworn statement indicating the amount and percentage retention out of the total sum insured, and that the retained amount is within the gross retention of the Treaty (*form provided*).

1.a.2. Sworn Statement indicating the list of securities/panel of reinsurers and their respective shares, in case of facultative reinsurance for the portion in excess of its treaty facility. The securities/panel of reinsurers, foreign or domestic, should be rated at least "A" by the A.M. Best. The foreign securities/panel of reinsurers must be duly authorized to transact reinsurance business in the Philippines through their appointed resident agent (*form provided*).

1.b If the terms and conditions are not allowed under the bidder's reinsurance treaty agreement

1.b.1. Sworn statement indicating the amount and percentage retention out of the total sum insured, provided the amount retained by the bidder should not be more than twenty percent

(20%) of the bidder's net worth which should also be stated (*form provided*)

1.b.2. Sworn Statement indicating the list of securities/panel of reinsurers and their respective shares, in case of facultative reinsurance for the portion in excess of its net retention. The securities/panel of reinsurers, foreign or domestic, should be rated at least "A" by the A.M. Best. The foreign securities/panel of reinsurers must be duly authorized to transact reinsurance business in the Philippines through their appointed resident agent (*form provided*).

2. Reinsurance Brokers

A Sworn Statement indicating the list of securities/panel of reinsurers and their respective shares. The securities/panel of reinsurers, foreign or domestic, should be rated at least "A" by the A.M. Best. The foreign securities/panel of reinsurers must be duly authorized to transact reinsurance business in the Philippines through their appointed resident agent (*form provided*).

D. Single Errors and Omission Policy for P1M enforceable in the Philippines

E. Certification from the Insurance Commission that it has a reputable claims settlement record with the Claims Adjudication Division as of January 31, 2018, if the insurance/reinsurance company is a domestic corporation.

F. Sworn Statement that it will furnish GSIS certified 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 notice of award (*form provided*).

VII. Omnibus Sworn Statement in accordance with Section 25.3 of the RIRR of RA 9184 and using the form prescribed in the Bidding Documents

VIII. For foreign bidders claiming eligibility by reason of their country's extension of reciprocal rights to Filipinos, a certification from the relevant government office of their country stating that Filipinos are allowed to participate in their government procurement activities for the same item or product.

**ENVELOPE NO. 2:  
FINANCIAL COMPONENT**

<b>The Financial Proposal shall contain the following:</b>
--

<b>1. Bid Form</b>
--------------------

**Bidder's Information**

Bidder's name:

Address:

Telephone/Fax numbers:

Authorized Representative:

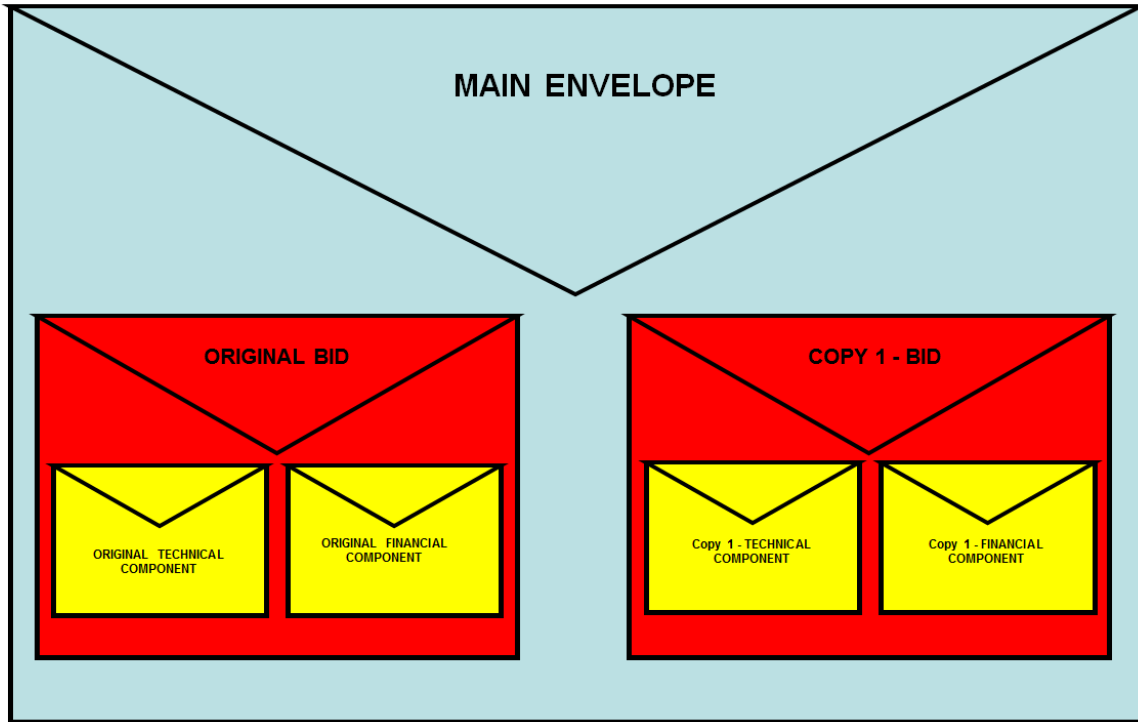
Signature:

## **POST-QUALIFICATION DOCUMENTS**

**The bidder with the Lowest Calculated Bid (LCB) / Single Calculated Bid (SCB) shall submit the following documentary requirements within five (5) calendar days from the receipt of the notice to submit the post-qualification documents:**

1. Latest Income Tax Return (for monthly or quarterly tax remittance) within the last six months prior to the date of bid submission or Annual Income Tax for CY 2018. *(Only tax returns filed and paid through the BIR eFPS shall be accepted.)*
2. Business Tax (Percentage Tax or VAT) Returns within the last six months prior to the date of bid submission. *(Only tax returns filed and paid through the BIR eFPS shall be accepted.)*
3. All parties to the Joint Venture shall submit the following:
  - a. Latest Income Tax Return (for monthly or quarterly tax remittance) within the last six months prior to the date of bid submission or Annual Income Tax for CY 2018. *(Only tax returns filed and paid through the BIR eFPS shall be accepted.)*
  - b. Business Tax (Percentage Tax or VAT) Returns within the last six months prior to the date of bid submission. *(Only tax returns filed and paid through the BIR eFPS shall be accepted.)*
4. Certified true copy of Notes to Financial Statement

**SKELETAL PERSPECTIVE OF A BIDDER'S BID ENVELOPE**



ALL envelopes must be properly sealed and marked/labeled. The marking/label shall contain the following details:

- Name of the contract to be bid
- Name and address of the prospective bidder
- Be addressed to the following:

GBAC Secretariat  
GSIS Insurance Bids and Awards Committee  
Level 3 Core C, GSIS Headquarters Building, Financial Center  
Pasay City

- Bear a warning “DO NOT OPEN BEFORE...” the date and time of the Bid Opening

# IMPORTANT REMINDER

The Government Service Insurance System (GSIS) warns the public/bidders of unscrupulous individuals and groups posing as officers/employees of the GSIS soliciting money for alleged aid for whatever purpose. **Do not give anything to these unscrupulous individuals and groups.**

GSIS is fully compliant with the *NO SOLICITATION AND GIFT POLICY*. In this regard, **GSIS officials and employees are prohibited** from “directly or indirectly soliciting gifts, favors or benefits from stakeholders and directly or indirectly soliciting, accepting or receiving any gift, favor or benefits from any party which may influence the performance of their official functions or which may be perceived as influencing their past, present and future official functions.”

We thus enjoin the cooperation of the public/bidders to report these individuals/groups to GSIS through the **Office of the President and General Manager at 859-0353** and **GBAC Secretariat at (02) 976-4961 and 976-4945.**



