

CONTRACT

Procurement of Primary and Secondary Internet Services for One (1) Year

KNOW ALL MEN BY THESE PRESENTS:

This Agreement is made and executed by and between:

NATIONAL ELECTRIFICATION ADMINISTRATION (NEA), a government-owned and controlled corporation created and existing under and by virtue of the provision of Presidential Decree 269, represented by this act by **ANTONIO MARIANO C. ALMEDA**, Administrator, hereinafter called the "Procuring Entity"

- and -

PHILIPPINE GLOBAL COMMUNICATIONS, INC. (PhilCom), a domestic corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with office address at *8755 Paseo de Roxas, Makati City* (hereinafter called "the Internet Service Provider (ISP)", of the other part).

WHEREAS, NEA procured through Public Bidding, viz., the Procurement of Primary and Secondary Internet Services for One (1) Year and has accepted a proposal by the Philippine Global Communications, Inc. (PhilCom) for Component 2 Secondary Internet Services in the sum of **Four Hundred Sixty Six Thousand Six Hundred Fifty Six Pesos (PhP466,656.00)** inclusive of VAT hereinafter called the "Contract Price".

WITNESSETH THAT:

- 1) In this agreement, words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract referred to.
- 2) The following documents shall be deemed to form and be read and construed as part of this agreement, viz.:
 1. The Financial Proposal form submitted by the Philippine Global Communications, Inc. (PhilCom);
 2. The Terms of Reference; and
 3. The Entity's Notification of Award
- 3) In consideration of the payments to be made to the PhilCom as hereinafter mentioned, the PhilCom hereby covenants with NEA to provide the services in conformity with the provisions of the Contract.

4) TERMS OF PAYMENT

- Project Cost

Payment of the Total Contract Price for each component shall be divided equally with the number of months of the CP stated in ANNEX A of the Terms of Reference. The Contractor shall bill NEA on a monthly basis.

- Penalties

Internet outages or slow connectivity shall be subject to penalty based on the following formula and will be deducted from the monthly billing:

(Total monthly cost/No. of days per month)/24 x total duration of slow connectivity/outages in hours within the month

5) SCOPE OF WORKS:

1. Install, configure, and provide the NEA Office a private circuit/dedicated leased line using Fiber Optic (FO) Internet connectivity with a guaranteed speed of 120 MBPS Committed Information Rate (CIR) or better bandwidth data line.
2. The ISP's Internet Service must have at least 120 MBPS bandwidth for both upload and connectivity load at NEA's gateway router.
3. Handle Site Preparation
 - Mount and configure communication devices including the main router and other network devices to connect and enable the data link for NEA.
 - Subject to a Committed Information Rate (CIR) of 120 MBPS or better data line to a 24-hour Bit Error Rate (BER) testing and submit the result to the Information Technology and Communication Services Department (ITCSD) for approval before proceeding with the installation.
 - Provide, install and configure necessary device/s for the internet connection. Required links in last mile connection should be wired (Fiber Optic).
 - Provide at least 15 public internet protocol (IP) addresses, grouped within the same subject, for the NEA's public servers and other internet devices/hardware.
 - Provide tools/utilities to monitor bandwidth utilization for the NEA office
 - Provide the required necessary Customer Premises Equipment (CPE) at the customer premises such as Modem, Router, Switch, and others
 - Provide the Optical Distribution Frame (ODF) from the end-user to the last-mile connection
4. Availability and Quality of Connection, not less than 99.9% link uptime in a month
5. Latency (Delay)
 - Not more than 80 milliseconds on an average round trip from Customer Premises Equipment to ISP Port
 - Not more than 250 milliseconds average round trip from ISP port to International Destination
6. Provide Access to a web-based Multi Router Traffic Grapher (MRTG) for NEA.
7. Provide notice as soon as possible on unscheduled or emergency connectivity times or service interruption

TERMS AND CONDITIONS

1. Provide training for NEA technical personnel on basic troubleshooting and management of the Primary and Secondary internet service facilities.
2. Provide a dedicated personnel for customer service support, 24/7 (online service or on-site).
3. One-hour response time in cases where troubleshooting is required.

Two handwritten signatures in black ink, one on the left and one on the right, positioned at the bottom right of the page.

4. Provide detailed reports on every internet access-related incident (i.e. connectivity time, Slow/intermittent connection);
5. Submit monthly reports on NEA's internet usage to ITCSD e-mail;
6. Provide notice at least three (3) days before the scheduled system upgrading/maintenance.
7. Internet Protocol Version 6 (IPV6) – ready and/or compliant.

6) **TIME FRAME:**

The PhilCom shall supply the Secondary Internet Services for One (1) year.

- 7) This Agreement may be terminated by either party upon the other party's default in performance, provided that termination may not be effected unless written notice specifying nature and extent of default is given to the concerned party and such party fails to cure such default in performance within thirty (30) days from the date of receipt of such notice. Termination shall be without prejudice to any and all other rights and remedies by both parties.
- 8) Any dispute, controversy, difference or claim arising out of or in relation to this agreement, including any question as to the interpretation, implementation, existence, validity, breach or termination thereof or as to any non-contractual obligation arising out of or relating thereto, shall be referred to and finally resolved by arbitration, in accordance with the Arbitration Rules in force at the time of the commencement of the arbitration which rules are deemed incorporated by references in this clause.
- 9) Any portion or provision of this contract that may be prohibited or unenforceable under the laws of the Philippines shall be ineffective to the extent of such prohibition or unenforceability without affecting the validity or enforceability of the remaining provisions thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in accordance with the laws of the Republic of the Philippines on the day and year first above written.

**NATIONAL ELECTRIFICATION
ELECTRIFICATION**

**PHILIPPINE GLOBAL
COMMUNICATIONS, INC.**

(Procuring Entity)

By:

By:


ANTONIO MARIANO C. ALMEDA
Administrator


KRISTINE D. GAMBOA
Head, Business Development Group

SIGNED IN THE PRESENCE OF:

Witness


JOSEPH D. BAUTISTA

Witness
SENIOR MANAGER FOR TECHNICAL SERVICE

