

PHILIPPINE BIDDING DOCUMENTS

(As Harmonized with Development Partners)

Procurement of GOODS

[Five (5) years Lease of the Philippine
Charity Sweepstakes Office (PCSO)
Lottery System]

SBAC Contract No. 2019-01



Government of the Republic of the Philippines
Philippine Charity Sweepstakes Office

Fifth Edition
August 2016

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Section I. Invitation to Bid

FIVE (5) YEARS LEASE OF THE PHILIPPINE CHARITY SWEEPSTAKES OFFICE (PCSO) LOTTERY SYSTEM (PLS) SBAC Contract No. 2019-01

- 1) The Philippine Charity Sweepstakes Office (PCSO), through its Approved Corporate Operating Budget (COB), intends to apply the sum of EIGHT BILLION THREE HUNDRED TWENTY-THREE MILLION, NINE HUNDRED NINETY THOUSAND, SIX HUNDRED FORTY-NINE PESOS AND EIGHT CENTAVOS Philippine Pesos (PhP 8,323,990,649.08), **inclusive of all applicable taxes, levies, duties, charges and fees**, being the Approved Budget for the Contract (ABC) under the Lottery System or FIVE (5) YEARS LEASE OF THE PHILIPPINE CHARITY SWEEPSTAKE OFFICE (PCSO) LOTTERY SYSTEM (PLS), with the following schedule of payments:

Schedule of Payments (In PhP)	
Year 1	1,664, 798,129.82
Year 2	1,664, 798,129.82
Year 3	1,664, 798,129.82
Year 4	1,664, 798,129.82
Year 5	1,664, 798,129.80
TOTAL	PhP 8,323,990,649.08

The release of the above schedule of payments shall commence on Year One (1) of the commercial operation of the PCSO Lottery System which shall be guaranteed and paid equally on a monthly basis at the end of each month.

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

- 2) The Philippine Charity Sweepstakes Office (PCSO) now invites bids for the Five (5) Years Lease of the PCSO Lottery System. Supply, delivery and installation of Goods with testing and commissioning is required within twelve (12) months or one (1) year, upon issuance of Notice to Proceed (NTP).

Bidders should have completed, within ten (10) years from the date of submission and receipt of bids, a contract similar in nature and complexity 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 2016 Revised Implementing Rules and Regulations (IRR) of Republic Act No. 9184, otherwise known as the "Government Procurement Reform Act" (GPRA).

Bidding is restricted to Filipino citizens/sole proprietorships, partnerships, or organizations with at least sixty percent (60%) interest or outstanding capital stock belonging to citizens of the Philippines, and to citizens or organizations of a country the laws or regulations of which grant similar rights or privileges to Filipino citizens, pursuant to RA 5183.

- 4) Interested bidders may obtain further information from the PCSO Special Bids and Awards Committee (SBAC) and inspect the Bidding Documents at the address given below during office hours 8:00am to 5:00pm.

A complete set of bidding documents may be acquired on May 17, 2019 (Friday) from the address below and upon payment of the applicable fee for the Bidding Documents, pursuant to the latest Guidelines issued by the GPPB, in the amount of SEVENTY-FIVE THOUSAND PHILIPPINE PESOS (PhP 75,000.00).

It may also be downloaded free of charge from the website of the Philippine Government Electronic Procurement System (PhilGEPS) and the website of the Procuring Entity (PCSO) at

www.pcsso.gov.ph, provided that Bidders shall submit a letter of intent and pay the applicable fee for the Bidding Documents not later than the submission of their bids.

- 5) The SBAC will hold a Pre-Bid Conference on **June 3, 2019 (Monday) at 10:00 AM** (Philippine Standard Time) at the Legend Villas Hotel, 60 Pioneer St., Mandaluyong, 1554 Metro Manila Philippines which shall be open to prospective bidders.
- 6) Bids must be submitted and duly received by the SBAC Secretariat on or before **12:00 NOON (Philippine Standard Time) on July 1, 2019 (Monday)** at the Ground Floor, Conservatory Building 605 Shaw Boulevard Mandaluyong City, Metro Manila, Philippines. All bids shall be accompanied by a bid security in any of the acceptable forms and in the amount stated in **ITB Clause 18.1. Late bids shall not be accepted.**
- 7) Bid opening shall be on **July 2, 2019 (Tuesday) at 8:00 AM** (Philippine Standard Time) at the Legend Villas Hotel, 60 Pioneer St., Mandaluyong, 1554 Metro Manila Philippines. Bids will be opened in the presence of the bidder and/or his/her representative who choose to attend.
- 8) a. The accomplished "Letter of Intent" form under Section VIII. Bidding Forms shall be required before SBAC Secretariat allows procurement of bid documents;
- b. The Bidder must have installed at least FOUR THOUSAND SEVEN HUNDRED FIFTY SIX (4,756) fixed terminal units, that are active, in commercial operation and connected to a single gaming system, **whether located within or outside the Philippines**, for the past ten (10) years, reckoned from date of submission and receipt of bids;
- c. The customized PCSO Lottery System contemplates and covers, an **ALL-IN working online lottery system** [lock, stock and barrel] in that, the bidder's leased lottery system must be functioning with integrated lottery software, brand new hardware/ accessories/ peripherals and guaranteed telecommunication connectivity nationwide;
- d. To generate more revenues from the State-run lotteries and augment scarce resources for the Government's priority health programs, the leased lottery system must be capable of processing interactive services such as, but not limited to, kiosks, fixed terminals, and to include new technology available in the lottery industry or market, if required by PCSO during the term of the lease contract;
- e. "**Commercial Operation**" for purposes of effecting rental payments (per year and payable on equal monthly installments) shall be the completion of Milestones 1-6, or PCSO's acceptance by PCSO of Milestone 6; and provided, that the PCSO LOTTERY SYTEM (PLS) is operational and installed lottery terminals are able to receive bets from players nationwide, produce transaction receipts, record sales, produce financial reports, etc.;
- f. "**Similar contracts**" shall refer to supply and delivery and installation of **GAMING SYSTEMS** that are active, operational and connected to a single gaming system, whether located within or outside the Philippines, for the past ten (10) years, reckoned from date of submission and receipt of bids;
- g. Bidders shall be required to submit their PhilGEPS Membership "**Certificate of Registration (PLATINUM CATEGORY)**" during eligibility check or bid submission in lieu of their Class "A" Documents. Said Certificate of Registration must be accessible (uploaded and maintained current /updated) in the PhilGEPS website pursuant to Section 8.5.2 of the 2016 Revised IRR of RA 9184 (*Section 4.1.2 of GPPB Circular 03-2016 dated October 27, 2016*);
- h. Bidders may still submit their Class "A" Eligibility Documents required to be uploaded and maintained current and updated in the PhilGEPS pursuant to Section 8.5.2 of the same IRR, or if already registered in the PhilGEPS under Platinum category, their Certificate of Registration and Membership in lieu of their uploaded file of Class "A" Documents, or a combination thereof; and in case the bidder opted to submit their Class "A" Documents, the Certificate of PhilGEPS Registration (Platinum Membership) shall remain as a post-qualification requirement to be submitted in accordance with Section 34.2 of the 2016 Revised IRR of RA 9184. (*Section 4.1.1, GPPB Circular 07-2017 also known as Deferment of the Implementation of the Mandatory Submission of PhilGEPS Certificate of Registration and Membership*);

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i. Forms for Envelope 2 (Financial Proposal):

- i. All bids must be quoted in Philippine Peso currency and the amount quoted in words therein shall prevail over those quoted in figures;
 - ii. The forms for "*Goods Offered From Abroad*" and "*Goods Offered From Within the Philippines*" which require bidders to indicate price per item/component of lottery system shall not be applicable since this is a mix contract for the lease of the PCSO Lottery System (PLS); and as such, not a contract to purchase only goods. For this reason, Bidders shall use the **BID FORM** under Section VIII (BIDDING FORMS) to indicate or quote their respective financial proposals;
 - iii. All bids or rentals quoted by bidders shall cover and contemplate an **ALL-IN working lottery system** [i.e., the aggregate/consolidated rentals of all milestones under Section VI. Schedule of Requirements of the bid documents for the 5 years lease of PCSO Lottery System (PLS)]; and **i inclusive of all applicable taxes, levies, duties, charges and fees;**
 - iv. All bids or rentals quoted by bidders shall be **FIXED** or **LOCK-IN**, not subject to escalation, unless for extraordinary circumstances allowed under the 2016 Revised IRR of RA 9184 and Revised Guidelines on Contract Price Escalation (Appendix 15).
- j. Bidders are required to submit their own technical eligibility documents for purposes of complying with the eligibility requirements. They cannot merely rely on the technical credentials of their subcontractors or any other bidder. The bidders, on their own credentials, shall be technically eligible to participate in any government procurement, unless the bidder is a joint venture where the technical and financial capacity of one joint venture partner shall be considered as the technical and financial capacity of all joint venturers. (GPPB NPM No. 165-2015 dated December 22, 2015);
- k. For Joint Venture (JV), Filipino ownership or interest shall be at least 60%. For this purpose, Filipino ownership or interest shall be based on the contribution of each of the partners of the joint venture as specified in their JVA. (Section 23.4.1.1 (e), 2016 RIRR of RA 9184). The JV partners shall reflect in the SBAC prescribed disclosure form and their JV Agreement their respective contributions, which may be in the form of monetary, property or industrial contribution; the determination of the required 60% Filipino participation may be made by examining the terms and conditions of the Joint Venture Agreement and other supporting financial documents submitted by the joint venture;
- l. Foreign bidders are also allowed to participate by reason of their country's extension of reciprocal rights to Filipinos (RECIPROCITY RULE) by submitting a sworn statement which must include/attach a certification from the relevant government office of their country [i.e., equivalent to the Philippine's Department of Foreign Affairs] stating that, "**Filipinos are allowed to participate in their government procurement for the same item/product that is the subject of this procurement.**" [Section 8.5.2, 2016 Revised IRR, RA 9184]. If the sworn statement or attachment to the certificate of reciprocity is in a language other than English language, it must be accompanied by a translation of the documents in English issued 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.
- m. Sealing and marking of bid documents; and transfer of bid box and bid documents from PCSO Office to venue of bid opening on July 1, 2019 at exactly 12:00 NOON (Deadline of submission of bids):
- i. **In lieu of the "mother envelope"**, all Bids (both Envelopes 1 and 2---one (1) original and eleven (11) duplicate copies per eligibility documents) must be placed inside a heavy duty, sturdy and durable box;
 - ii. The bid "box" shall be properly sealed and marked; and accompanied by the bidder; and upon submission thereof to PCSO, the sequence of arrival of bid boxes shall be recorded by the SBAC Secretariat on a "*first come, first served*" basis on or before the deadline of submission of bids on July 1, 2019 at exactly 12:00 NOON (Philippine Standard Time). **Late bids shall not be accepted;**

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- iii. The bidders or their authorized representative (*as named in the bidder's "Letter of Intent", upon purchase of bid documents*) who submitted their bid box before the deadline shall be required to:
- a. Re-seal their bidder's box in clear cling wrap to be provided by PCSO, in the presence of SBAC, COA and invited observers;
 - b. Sign and attach to their bid box, SBAC's **"RECEIVED, INTACT AND IN GOOD CONDITION"** sticker. The sticker shall bear the sequence no. of arrival of the bidder's bid box (i.e., date and time the bid box was submitted to and received by SBAC Secretariat) which shall be counter-signed by SBAC Secretariat and PCSO Internal Audit Services representatives and witnessed by COA;
 - c. Witness and escort the bidder's box from PCSO Office to venue of bid opening; provided, that the transport of the bid box and bid documents from the PCSO Office to the venue of bid opening shall be recorded and streamed live in social media; and escorted by SBAC, COA-PCSO other invited observers;
- iv. Upon arrival at the venue of bid opening, the bid box and all bid documents shall be accounted for; and Bidders and/or their authorized representative shall be requested to CONFIRM that their submitted bid box has been safely transported to the venue of bid opening and the same is still, sealed with the SBAC sticker bearing their signature and intact.
- v. Bidders and their authorized representatives are allowed to watch over their respective bid boxes at the venue of bid opening; provided, that PCSO reserves the right to engage the assistance of the Philippine National Police (PNP) and/or the Armed Forces of the Philippines (AFP) to maintain peace and order at the venue of bid opening, and guard the bid boxes.

9. THE PCSO RESERVES THE RIGHT TO REJECT ANY AND ALL BIDS, DECLARE A FAILURE OF BIDDING, OR NOT AWARD THE CONTRACT AT ANY TIME PRIOR TO CONTRACT AWARD IN ACCORDANCE WITH SECTION 41, REPUBLIC ACT NO. 9184 AND ITS REVISED IRR, WITHOUT THEREBY INCURRING ANY LIABILITY TO THE AFFECTED BIDDER OR BIDDERS.

FOR FURTHER INFORMATION, please contact:

Philippine Charity Sweepstakes Office
ISO Room, 3rd Floor Conservatory Bldg. 605 Shaw Blvd.,
Mandaluyong City, Metro Manila, Philippines

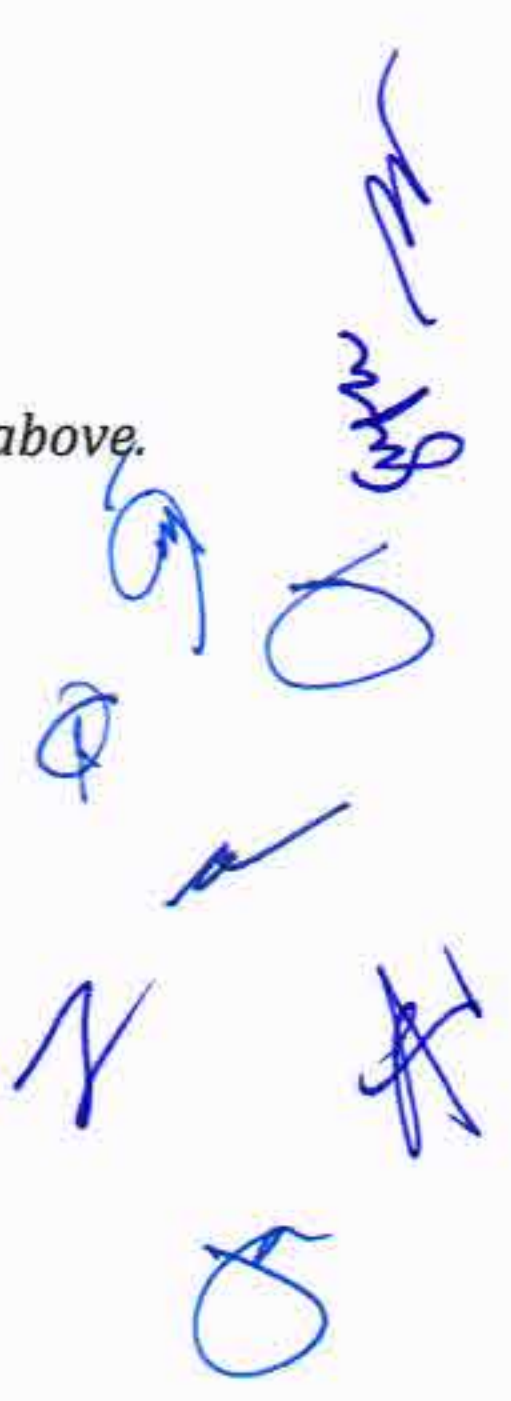
Attention: AGM Julieta F. Aseo
Chairperson, Special Bids and Awards Committee (SBAC)

Telefax: Country Code: +63 Area Code: 02 Phone No. 706-2638

E-mail address: 2019PCSOPLSsecretariat@gmail.com
2019PCSOPLSsecretariat@pcso.gov.ph

Note: All communications to SBAC shall be in writing; and copy furnished the email addresses above.

Original Signed
Julieta F. Aseo
SBAC Chairperson



Section II. Instructions to Bidders

A. 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 **Error! Reference source not found.**
- 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 **Error! Reference source not found.**

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**:

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- (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 **Error! Reference source not found.** 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

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- (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.

B. Contents of Bidding Documents

9. Pre-Bid Conference

- 9.1. (a) If so specified in the **BDS**, a pre-bid conference shall be held at the venue and on the date indicated therein, to clarify and address the Bidders' questions on the technical and financial components of this Project.

 (b) The pre-bid conference shall be held at least twelve (12) calendar days before the deadline for the submission and receipt of bids, 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.

C. 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, except for foreign bidders participating in the procurement by a Philippine Foreign Service Office or Post, which shall submit their eligibility documents under Section 23.1 of the IRR, provided, that the winning bidder shall register with the PhilGEPS in accordance with section 37.1.4 of the IRR.
- (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

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- (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 VI and VII 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 **Error! Reference source not found.**
 - (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:

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- (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>	Two percent (2%)
<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>	

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(c) Surety bond callable upon demand issued by a surety or insurance company duly certified by the Insurance Commission as authorized to issue such security.	Five percent (5%)
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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 **Error! Reference source not found.** 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 1.1;
 - (d) bear the specific identification of this bidding process indicated in the **ITB** Clause 1.2; and
 - (e) bear a warning "DO NOT OPEN BEFORE..." the date and time for the opening of bids, in accordance with **ITB** Clause 21.
- 20.5. 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.

D. Submission and Opening of Bids

21. Deadline for Submission of Bids

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

22. Late Bids

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

E. Evaluation and Comparison of Bids

25. Process to be Confidential

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

26. Clarification of Bids

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

27. Domestic Preference

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

- (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.

F. 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 the following documents within ten (10) calendar days from receipt of the Notice of Award:
 - (i) Valid JVA, if applicable; or
 - (ii) In the case of procurement by a Philippine Foreign Service Office or Post, the PhilGEPS Registration Number of the winning foreign Bidder;
 - (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 **Error! Reference source not found.**

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)
(a) Cash or cashier's/manager's check issued by a Universal or Commercial Bank. <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>	Five percent (5%)
(b) Bank draft/guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank: Provided, however, that it shall be confirmed or authenticated by a Universal or Commercial Bank, if issued by a foreign bank. <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>	
(c) Surety bond callable upon demand issued by a surety or insurance company duly certified by the Insurance	Thirty percent (30%)

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Commission as authorized to issue such security.	
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- 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.

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Section III. Bid Data Sheet

ITB Clause															
1.1	<p>The Procuring Entity is PHILIPPINE CHARITY SWEEPSTAKES OFFICE (PCSO)</p> <p>The name of the Contract is SBAC CONTRACT NO. 2019-01 [Re: Five (5) Years Lease of the Philippine Charity Sweepstakes Office (PCSO) Lottery System (PLS)] with Requisition and Authority to Purchase/Issue (RAPI) No. 05-06-190317.</p>														
1.2	<p>The lot(s) and reference is/are:</p> <p>SBAC CONTRACT NO. 2019-01 [Re: Five (5) Years Lease of the Philippine Charity Sweepstakes Office (PCSO) Lottery System (PLS)]</p>														
2	<p>The Funding Source is:</p> <p>The Government of the Philippines (GOP) under the APPROVED CORPORATE OPERATING BUDGET (COB) of the Philippine Charity Sweepstakes Office (PCSO) of EIGHT BILLION THREE HUNDRED TWENTY-THREE MILLION, NINE HUNDRED NINETY THOUSAND, SIX HUNDRED FORTY-NINE PESOS AND EIGHT CENTAVOS Philippine Pesos (PhP 8,323,990,649.08), inclusive of all applicable taxes, levies, duties, charges and fees, being the Approved Budget for the Contract (ABC) under the Lottery System or FIVE (5) YEARS LEASE OF THE PHILIPPINE CHARITY SWEEPSTAKE OFFICE (PCSO) LOTTERY SYSTEM (PLS), with the following schedule of payments:</p> <table border="1" data-bbox="637 1500 1568 1803"> <thead> <tr> <th colspan="2">Schedule of Payments (In PhP)</th></tr> </thead> <tbody> <tr> <td>Year 1</td><td>1,664, 798,129.82</td></tr> <tr> <td>Year 2</td><td>1,664, 798,129.82</td></tr> <tr> <td>Year 3</td><td>1,664, 798,129.82</td></tr> <tr> <td>Year 4</td><td>1,664, 798,129.82</td></tr> <tr> <td>Year 5</td><td>1,664, 798,129.80</td></tr> <tr> <td>TOTAL</td><td>PhP 8,323,990,649.08</td></tr> </tbody> </table> <p><u>The release of the above schedule of payments shall commence on Year One (1) of the commercial operation of the PCSO Lottery System which shall be guaranteed and paid equally on a monthly basis at the end of each month.</u></p> <p>Bids received in excess of the ABC shall be automatically rejected at bid opening.</p>	Schedule of Payments (In PhP)		Year 1	1,664, 798,129.82	Year 2	1,664, 798,129.82	Year 3	1,664, 798,129.82	Year 4	1,664, 798,129.82	Year 5	1,664, 798,129.80	TOTAL	PhP 8,323,990,649.08
Schedule of Payments (In PhP)															
Year 1	1,664, 798,129.82														
Year 2	1,664, 798,129.82														
Year 3	1,664, 798,129.82														
Year 4	1,664, 798,129.82														
Year 5	1,664, 798,129.80														
TOTAL	PhP 8,323,990,649.08														
3.1	No further instructions.														
5.1	No further instructions.														
5.2	<p>Foreign bidders, except those falling under ITB Clause 5.2(b), may not participate in this Project.</p> <p>Note:</p> <p>1. <i>Bidders are required to submit their own technical eligibility documents for purposes of complying with the eligibility requirements. They cannot merely rely on the technical credentials of their subcontractors or any other bidder. The bidders, on their own credentials, shall be technically eligible to participate in any government procurement, unless the bidder is a joint venture where the technical and financial capacity of one joint venture partner shall be considered as the technical and financial capacity of all joint venturers. (GPPB NPM No. 165-2015 dated December 22, 2015):</i></p>														

	<p>2. For Joint Venture (JV), Filipino ownership or interest shall be at least 60%. For this purpose, Filipino ownership or interest shall be based on the contribution of each of the partners of the joint venture as specified in their JVA. (Section 23.4.1.1 (e), 2016 RIRR of RA 9184). The JV partners shall reflect in the SBAC prescribed disclosure form and their JV Agreement their respective contributions, which may be in the form of monetary, property or industrial contribution; the determination of the required 60% Filipino participation may be made by examining the terms and conditions of the Joint Venture Agreement and other supporting financial documents submitted by the joint venture;</p> <p>3. Foreign bidders are also allowed to participate by reason of their country's extension of reciprocal rights to Filipinos (RECIPROCITY RULE) by submitting a <u>sworn statement</u> which must include/attach a certification from the relevant government office of their country [i.e., equivalent to the Philippine's Department of Foreign Affairs] stating that, "Filipinos are allowed to participate in their government procurement for the same item/product that is the subject of this procurement." [Section 8.5.2, 2016 Revised IRR, RA 9184). If the sworn statement or attachment to the certificate of reciprocity is in a language other than English language, it must be accompanied by a translation of the documents in English issued 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.</p>
5.4	<p>The Bidder must have completed, within the period specified in the Invitation to Bid and ITB 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>For this purpose, "similar contracts" shall refer to supply and delivery and installation of GAMING SYSTEMS that are active, operational and connected to a single gaming system, whether located within or outside the Philippines, within the past ten (10) years, reckoned from date of submission and receipt of bids;</p>
7	No further instructions.
8.1	<p>Except the lottery system (i.e., software, hardware, accessories, peripherals and paraphernalia), subcontracting is allowed; provided, that "subcontracting shall not relieve the Bidder from any liability or obligation that may arise from the contract for this Project".</p> <p>Note:</p> <ol style="list-style-type: none"> 1. The PCSO Lottery System (PLS) contemplates, an ALL-IN <i>working online lottery system</i> [lock, stock and barrel] in that, the bidder's leased lottery system must be functioning with integrated lottery software, brand new hardware/accessories/ peripherals and guaranteed telecommunication connectivity nationwide; 2. The sub-contracted works must not or should not exceed 20% of the Contract Price or Project Cost.
8.2	<p>Latest and updated copies of the following:</p> <ul style="list-style-type: none"> ❖ Business permit;

	<ul style="list-style-type: none"> ❖ Tax clearance; ❖ SEC registration or DTI registration permit; ❖ For civil works, PCAB license.
9.1	<p>The SBAC will hold a Pre-Bid Conference on June 3, 2019 (Monday) at 10:00 AM (Philippine Standard Time) at the Legend Villas Hotel, 60 Pioneer St., Mandaluyong, 1554 Metro Manila Philippines which shall be open to prospective bidders.</p> <p>The Pre-Bid Conference shall be streamed live at www.pcsso.gov.ph and the following official Facebook accounts:</p> <ul style="list-style-type: none"> a. Philippine Charity Sweepstakes Office (PCSO) (https://www.facebook.com/pcssoofficialsocialmedia/); and b. People's Television Philippines (https://www.facebook.com/PTVph/)
10.1	<p>The Procuring Entity's address is:</p> <p>Philippine Charity Sweepstakes Office ISO Room, 3rd Floor Conservatory Bldg. 605 Shaw Blvd., Mandaluyong City, Metro Manila, Philippines</p> <p>Attention: AGM Julieta F. Aseo Chairperson, Special Bids and Awards Committee (SBAC)</p> <p>Telefax: Country Code: +63 Area Code: 02 Phone No. 706-2638</p> <p>E-mail address: 2019PCSOPLSsecretariat@gmail.com 2019PCSOPLSsecretariat@pcsso.gov.ph</p> <p>Note:</p> <p><i>All communications to SBAC shall be in writing; and copy furnished the email addresses above.</i></p>
12.1(a)	No further instructions.
12.1(a)(ii)	The bidder's Single Largest Completed Contract (SLCC) similar to the contract to be bid should have been completed within the past ten (10) years, reckoned from date of submission and receipt of bids (July 1, 2019 at exactly 12:00 NOON (Philippine Standard Time).
13.1	No additional requirements.
13.1(b)	No further instructions.
13.1(c)	No additional requirements.
13.2	<p>The Approved Budget for Contract (ABC) is EIGHT BILLION THREE HUNDRED TWENTY-THREE MILLION, NINE HUNDRED NINETY THOUSAND, SIX HUNDRED FORTY-NINE PESOS AND EIGHT CENTAVOS Philippine Pesos (PhP 8,323,990,649.08), inclusive of all applicable taxes, levies, duties, charges and fees, being the Approved Budget for the Contract (ABC) under the Lottery System or FIVE (5) YEARS LEASE OF THE PHILIPPINE CHARITY SWEEPSTAKE OFFICE (PCSO) LOTTERY SYSTEM (PLS), with the following schedule of payments:</p>

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	Schedule of Payments (In PhP)	
	Year 1	1,664, 798,129.82
	Year 2	1,664, 798,129.82
	Year 3	1,664, 798,129.82
	Year 4	1,664, 798,129.82
	Year 5	1,664, 798,129.80
	TOTAL	PhP 8,323,990,649.08
<p><u>The release of the above schedule of payments shall commence on Year One (1) of the commercial operation of the PCSO Lottery System which shall be guaranteed and paid equally on a monthly basis at the end of each month.</u></p> <p>Bids received in excess of the ABC shall be automatically rejected at bid opening.</p>		
15.4(a)(iv)	<p>1. The customized PCSO Lottery System contemplates and covers, an ALL-IN working online lottery system [lock, stock and barrel] in that, the bidder's leased lottery system must be functioning with integrated lottery software, brand new hardware/ accessories/ peripherals and guaranteed telecommunication connectivity nationwide;</p> <p>2. All bids must be quoted in Philippine Peso currency and the amount quoted in words therein shall prevail over those quoted in figures;</p> <p>3. The forms for "Goods Offered From Abroad" and "Goods Offered From Within the Philippines" which require bidders to indicate price per item/component of lottery system shall not be applicable since this is a mix contract for the lease of the PCSO Lottery System (PLS); and as such, not a contract to purchase only goods. For this reason, Bidders shall use the BID FORM under Section VIII (BIDDING FORMS) to indicate or quote their respective financial proposals;</p> <p>4. All bids or rentals quoted by bidders shall cover and contemplate an ALL-IN working lottery system (i.e., the aggregate/consolidated rentals of all milestones under Section VI. Schedule of Requirements of the bid documents for the 5 years lease of PCSO Lottery System (PLS)); and inclusive of all applicable taxes, charges, levies, duties and fees;</p> <p>5. All bids or rentals quoted by bidders shall be FIXED or LOCK-IN, not subject to escalation, unless for extraordinary circumstances allowed under the 2016 Revised IRR of RA 9184 and Revised Guidelines on Contract Price Escalation (Appendix 15).</p>	
15.4(b)		
16.1(b)		
16.3	Not applicable.	
17.1	Bids will be valid for one hundred twenty (120) days from opening of bids.	
18.1	<p>The bid security shall be in the form of a Bid Securing Declaration, or any of the following forms and amounts:</p> <p>1. The amount of not less than PhP 166,479,812.98 equivalent to two percent (2%) of ABC, if bid security is in cash, cashier's/manager's check, bank draft/guarantee or irrevocable letter of credit; or</p> <p>2. The amount of not less than PhP 416,199,532.45 equivalent to five percent (5%) of ABC, if bid security is in Surety Bond. A valid certification from the Insurance Commission must be attached/submitted.</p>	

18.2	The bid security shall be valid for one hundred twenty (120) calendar days from opening of bids.
20.3	<p>Each Bidder shall submit one (1) original and eleven (11) duplicate copies of the first and second components (<i>i.e.</i>, ENVELOPE 1-Eligibility and technical components; and ENVELOPE 2- Financial Proposal) of its bid.</p> <p>Note:</p> <p>Sealing and marking of bid documents; and transfer of bid box and bid documents from PCSO Office to venue of bid opening on July 1, 2019 at exactly 12:00 NOON (Deadline of submission of bids):</p> <ol style="list-style-type: none"> 1. In lieu of the "mother envelope", all Bids (both Envelopes 1 and 2---one (1) original and eleven (11) duplicate copies per eligibility documents) must be placed inside a heavy duty, sturdy and durable box; 2. The bid "box" shall be properly sealed and marked; and accompanied by the bidder; and upon submission thereof to PCSO, the sequence of arrival of bid boxes shall be recorded by the SBAC Secretariat on a "<i>first come, first served</i>" basis on or before the deadline of submission of bids on July 1, 2019 at exactly 12:00 NOON (Philippine Standard Time). Late bids shall not be accepted; 3. The bidders or their authorized representative (<i>as named in the bidder's "Letter of Intent", upon purchase of bid documents</i>) who submitted their bid box before the deadline shall be required to: <ol style="list-style-type: none"> a. Re-seal their bidder's box in clear cling wrap to be provided by PCSO, in the presence of SBAC, COA and invited observers; b. Sign and attach to their bid box, SBAC's "Received, intact and in good condition" sticker. The sticker shall bear the sequence no. of arrival of the bidder's bid box (<i>i.e.</i>, date and time the bid box was submitted to and received by SBAC Secretariat) which shall be counter-signed by SBAC Secretariat and PCSO Internal Audit Services representatives and witnessed by COA; c. Witness and escort the bidder's box from PCSO Office to venue of bid opening; provided, that the transport of the bid box and bid documents from the PCSO Office to the venue of bid opening shall be recorded and streamed live in social media; and escorted by SBAC, COA-PCSO other invited observers; vi. Upon arrival at the venue of bid opening, the bid box and all bid documents shall be accounted for; and Bidders and/or their authorized representative shall be requested to CONFIRM that their submitted bid box has been safely transported to the venue of bid opening and the same is still, sealed with the SBAC sticker bearing their signature and intact. vii. Bidders and their authorized representatives are allowed to watch over their respective bid boxes at the venue of bid opening; provided, that PCSO reserves the right to engage the assistance of the Philippine National Police (PNP) and/or the Armed Forces of the Philippines (AFP) to maintain peace and order at the venue of bid opening, and guard the bid boxes.

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21	<p>The address for submission of bids <u>BEFORE</u> July 1, 2019 (deadline for submission of bids) is:</p> <p>Philippine Charity Sweepstakes Office ISO Room, 3rd Floor Conservatory Bldg. 605 Shaw Blvd., Mandaluyong City Metro Manila, Philippines</p> <p>The DEADLINE FOR SUBMISSION OF BIDS is July 1, 2019 (Monday) at exactly 12:00 NOON (Philippine Standard Time) at the Ground Floor, Conservatory Building 605 Shaw Boulevard Mandaluyong City, Metro Manila, Philippines.</p> <p>All bids shall be accompanied by a bid security in any of the acceptable forms and in the amount stated in ITB Clause 18.1.</p> <p>Late bids shall not be accepted.</p>
24.1	<p>The place of bid opening is at the Legend Villas Hotel, 60 Pioneer St., Mandaluyong, 1554 Metro Manila Philippines. The date and time of bid opening is on July 2, 2019 (Tuesday) at 8:00 PM (Philippine Standard Time).</p> <p>Bids will be opened in the presence of the bidder and/or his/her representative who choose to attend.</p>
24.2	No further instructions.
24.3	No further instructions.
27.1	No further instructions.
28.3 (a)	<p><u>PARTIAL BID IS NOT ALLOWED.</u> The goods are grouped in a single lot and the lot shall not be divided into sub-lots for the purpose of bidding.</p> <p>Note:</p> <ul style="list-style-type: none"> i. The customized PCSO Lottery System contemplates and covers, an ALL-IN working online lottery system [lock, stock and barrel] in that, the bidder's leased lottery system must be functioning with integrated lottery software, brand new hardware/ accessories/ peripherals and guaranteed telecommunication connectivity nationwide; ii. All bids or rentals quoted by bidders shall cover and contemplate an ALL-IN working lottery system (i.e., the aggregate/consolidated rentals of all milestones under Section VI. Schedule of Requirements of the bid documents for the 5 years lease of PCSO Lottery System (PLS); and inclusive of inclusive of all applicable taxes, charges, levies, duties and fees; iii. All bids or rentals quoted by bidders shall be FIXED or LOCK-IN, not subject to escalation, unless for extraordinary circumstances allowed under the 2016 Revised IRR of RA 9184 and Revised Guidelines on Contract Price Escalation (Appendix 15).
28.4	No further instructions.
29.2	<p>❖ Latest income and business tax returns filed and paid through the BIR Electronic Filing and Payment System (eFPS) within the last six (6) months reckoned from deadline of submission of bids;</p>

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	<ul style="list-style-type: none">❖ Latest Audited Financial Statement;❖ Updated Tax Clearance Certificate;
32.4(f)	No additional requirement.

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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

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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.

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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. Ten percent (10%) of the amount of each payment shall be retained by the Procuring Entity to cover the Supplier's warranty obligations under this Contract as described in **GCC** Clause 17.
- 10.2. The Supplier's request(s) for payment shall be made to the Procuring Entity in writing, accompanied by an invoice describing, as appropriate, the Goods delivered and/or Services performed, and by documents submitted pursuant to the **SCC** provision for **GCC** Clause 6.2, and upon fulfillment of other obligations stipulated in this Contract.
- 10.3. Pursuant to **GCC** Clause 10.2, payments shall be made promptly by the Procuring Entity, but in no case later than sixty (60) days after submission of an invoice or claim by the Supplier. 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%) of every progress payment, or a special bank guarantee equivalent to at least one percent (1%) 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 in Section VI. Schedule of Requirements.
- 18.2. If at any time during the performance of this Contract, the Supplier or its Subcontractor(s) should encounter conditions impeding timely delivery of the Goods and/or performance of Services, the Supplier shall promptly notify the Procuring Entity in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the Supplier's notice, and upon causes provided for under **GCC** Clause 22, the Procuring Entity shall evaluate the situation and may extend the Supplier's time for performance, in which case the extension shall be ratified by the parties by amendment of Contract.
- 18.3. Except as provided under **GCC** Clause 22, a delay by the Supplier in the performance of its obligations shall render the Supplier liable to the imposition of liquidated damages pursuant to **GCC** Clause 19, unless an extension of time is agreed upon pursuant to **GCC** Clause 29 without the application of liquidated damages.

19. Liquidated Damages

Subject to **GCC** Clauses 18 and 22, if the Supplier fails to satisfactorily deliver any or all of the Goods and/or to perform the Services within the period(s) specified in this Contract inclusive of duly granted time extensions if any, the Procuring Entity shall, without prejudice to its other remedies under this Contract and under the applicable

law, deduct from the Contract Price, as liquidated damages, the applicable rate of one tenth (1/10) of one (1) percent of the cost of the unperformed portion for every day of delay until actual delivery or performance. The maximum deduction shall be ten percent (10%) of the amount of contract. Once the maximum is reached, the Procuring Entity 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.

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Section V. Special Conditions of Contract

GCC Clause															
1.1(g)	The Procuring Entity is PHILIPPINE CHARITY SWEEPSTAKES OFFICE (PCSO)														
1.1(i)	The Supplier is <i>[to be inserted at the time of contract award]</i> .														
1.1(j)	<p>The Funding Source is:</p> <p>The Government of the Philippines (GOP) under the APPROVED CORPORATE OPERATING BUDGET (COB) of the Philippine Charity Sweepstakes Office (PCSO) in the amount of EIGHT BILLION THREE HUNDRED TWENTY-THREE MILLION, NINE HUNDRED NINETY THOUSAND, SIX HUNDRED FORTY-NINE PESOS AND EIGHT CENTAVOS Philippine Pesos (PhP 8,323,990,649.08), inclusive of all applicable taxes, charges and fees inclusive, being the Approved Budget for the Contract (ABC) under the Lottery System or FIVE (5) YEARS LEASE OF THE PHILIPPINE CHARITY SWEEPSTAKE OFFICE (PCSO) LOTTERY SYSTEM (PLS), with the following schedule of payments:</p> <table border="1"> <thead> <tr> <th colspan="2">Schedule of Payments (In PhP)</th></tr> </thead> <tbody> <tr> <td>Year 1</td><td>1,664, 798,129.82</td></tr> <tr> <td>Year 2</td><td>1,664, 798,129.82</td></tr> <tr> <td>Year 3</td><td>1,664, 798,129.82</td></tr> <tr> <td>Year 4</td><td>1,664, 798,129.82</td></tr> <tr> <td>Year 5</td><td>1,664, 798,129.80</td></tr> <tr> <td>TOTAL</td><td>PhP 8,323,990,649.08</td></tr> </tbody> </table> <p>The release of the above schedule of payments shall commence on Year One (1) of the commercial operation of the PCSO Lottery System which shall be guaranteed and paid equally on a monthly basis at the end of each month.</p> <p>Bids received in excess of the ABC shall be automatically rejected at bid opening.</p>	Schedule of Payments (In PhP)		Year 1	1,664, 798,129.82	Year 2	1,664, 798,129.82	Year 3	1,664, 798,129.82	Year 4	1,664, 798,129.82	Year 5	1,664, 798,129.80	TOTAL	PhP 8,323,990,649.08
Schedule of Payments (In PhP)															
Year 1	1,664, 798,129.82														
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Year 4	1,664, 798,129.82														
Year 5	1,664, 798,129.80														
TOTAL	PhP 8,323,990,649.08														
1.1(k)	The Project sites are defined in Section VI. Schedule of Requirements.														
2.1	No further instructions.														
5.1	<p>The Procuring Entity's address for Notices is:</p> <p>Philippine Charity Sweepstakes Office ISO Room, 3rd Floor Conservatory Bldg. 605 Shaw Blvd., Mandaluyong City, Metro Manila, Philippines</p> <p>Attention: AGM Julieta F. Aseo Chairperson Special Bids and Awards Committee (SBAC)</p> <p>Telefax: Country Code: +63 Area Code: 02 Phone No. 706-2638</p> <p>E-mail address: <u>2019PCSOPLSsecretariat@gmail.com</u> <u>2019PCSOPLSsecretariat@pcso.gov.ph</u></p> <p><i>Note: All communications to SBAC shall be in writing; and copy furnished the email addresses above.</i></p>														

	The Supplier's address for Notices is: <i>[Insert address including, name of contact, fax and telephone number; to be inserted at the time of contract award]</i>
6.2	<p>Special conditions of PCSO under SBAC Contract No. 2019-01:</p> <p>I. Reserved rights of the Philippine Charity Sweepstakes Office (PCSO) as the exclusive and primary government agency to hold and conduct lotteries and similar activities under Republic Act No. 1169, as amended (PCSO Charter). –</p> <ol style="list-style-type: none"> 1. The Philippine Charity Sweepstakes Office (PCSO) is the principal government agency for raising and providing for funds for health programs, medical assistance and services, and charities of national character with statutory mandate to hold and conduct charity sweepstakes races, lotteries, and other similar activities, in such frequency and manner, as shall be determined, and subject to such rules and regulations as shall be promulgated by the Board of Directors; 2. Pursuant to Republic Act No. 1169, as amended, in its capacity and mandate as the primary government agency mandated by law to exclusively hold and conduct lotteries and similar activities, the procuring entity (PCSO) reserves the right to terminate this Contract, in whole or in part, at any time for its convenience; 3. The PCSO LOTTERY SYSTEM (PLS) is a customized lottery system for the benefit and exclusive use of the Philippine Charity Sweepstakes Office (PCSO). As such, the concept and system specifications (<i>i.e., technical specifications to include number of accessories and paraphernalia, conditions on the holding and conduct of State-run lotteries, and similar activities including special conditions of the contract and the schedule of requirements</i>) were developed by PCSO officials and personnel to address or cater to the evolving needs of the procuring entity as a State-run lottery organization; 4. During the lifetime of the lease contract, PCSO shall have the discretion and exclusive right pursuant to its enabling law, Republic Act No. 1169, as amended, to: <ol style="list-style-type: none"> 4.1 To directly supervise and control the day to day operations and all components of the leased lottery system; 4.2 To require and prescribe that all game rules, regulation, mechanics, prize structures, ticket and bet slip design, markings, use of logo including product names for any and all games that will use and/or run under the leased lottery system and he use of the winning bidder's leased lottery system, shall strictly observe and comply with PCSO rules and regulations, to include future issuances of the PCSO Board of Directors; 4.3 Introduce new lottery games and/or variations thereof, to enhance the procuring entity's revenue

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	<p>generation capacity using the leased PCSO Lottery System;</p> <p>4.4 Modify the prize structure and/or game rules and regulation for any games using the PCSO Lottery System (PLS) during the term of the lease contract;</p> <p>4.5 Set aside or terminate or withdraw from the leased lottery system and market any and all lottery games that are determined by the PCSO Board of Directors to be economically, financially or technically impractical and/or unnecessary or exigencies of the service or public policy or public convenience;</p> <p>4.6 Enter into as many sales and marketing arrangements with individual retailers/distributors and/or merchant partners that will use the sales channels of the leased lottery system, as may be required to enhance revenues and subject to such rules and regulation as may be prescribed by the PCSO Board of Directors;</p> <p>4.7 There shall be no changes, alterations or any actions that will be introduced in the PCSO Lottery System (PLS) by the winning bidder, its officials and/or employees or representatives, without prior knowledge and written consent of PCSO during the lifetime of the lease contract;</p> <p>5. PCSO shall be the exclusive and beneficial owner of all game marks, signs and symbols that will run and be used by the leased lottery system consistent with the applicable provisions of Republic Act No. 1169, as amended in relation to, Republic Act No. 8491 (<i>An Act Prescribing The Code of The National Flag, Anthem, Motto, Coat-Of-Arms and Other Heraldic Items and Devices of the Philippines</i>):</p> <p>5.1 PCSO reserves all rights over all online lottery game marks, signs and symbols, as appearing in the leased PCSO LOTTERY SYTEM (PLS), to include design and marks in each and every bet slips and transaction receipts (tickets) that will be produced using the leased lottery system; and</p> <p>5.2 Pursuant to Republic Act No. 1169, as amended (PCSO Charter) and reasons of public convenience specifically, the protection of the agency's gaming public, the winning bidder, its representatives, assigns and heirs, shall be prohibited from registering the customized design, concept and technical specifications of the PCSO LOTTERY SYTEM (PLS) including signs, marks and symbols from any PCSO online lottery games processed or played using the leased lottery system with the Intellectual Property Office (IPO), Philippines or anywhere in the world;</p>
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5.3 The use of any and all marks and symbols referring to and/or alluding to Philippine Charity Sweepstakes Office or PCSO or any of its online lottery games shall be subject to the applicable provisions of Republic Act No. 8491 dated February 12, 1998 and such rules and regulations as may be prescribed by the National Historical Commission of the Philippines (NHCP);

5.4 PCSO reserves all rights and waives none in the exclusive use of "*Philippine Charity Sweepstakes Office*" and variations thereof such as, but not limited to, "*PCSO*", "*Philippine Lotto*", "*PCSO Lotto*", "*National Lottery*", "*National Lotto*", "*PCSO Digit Game*", "*PCSO Sweepstakes*", "*Philippine Sweepstakes*", "*National Sweepstakes*", "*Philippine Sweepstakes*", "*Charity Sweepstakes*", "*PCSO Game/s*", "*PCSO Charity Sweepstakes*", for reasons of public convenience and public policy as the commercial use thereof by third parties including the winning bidder may tend mislead the gaming public to believe or associate the name as alluding to or referring to the procuring entity;

6. The PCSO shall have full and exclusive ownership of the lottery data and games to ensure data integrity and consistency in its entire life cycle, subject to applicable provisions of the Data Privacy Act (Republic Act No. 10173) and subsequent issuances of the Data Privacy Commission. For this purpose, the winning proponent/bidder shall not be allowed to release any information/data/reports to third persons (*groups or individuals*) without the knowledge, written consent and/or instruction from PCSO or lawful Orders from Courts. Accordingly, all information about PCSO's lottery activities, to include those collected and maintained by the leased lottery system are deemed confidential; and shall not be used by the winning bidder and may not be shared except with prior written consent and/or approval by PCSO during and within five (5) years from the expiration of the lease contract;

7. The PCSO Lottery System shall generate and provide required reports, as may be required by the procuring entity, during the lifetime of the lease contract shall be at no additional cost to PCSO;

8. To generate more revenues from the State-run lotteries and augment scarce resources for the Government's priority health programs, the leased lottery system must be capable of processing interactive services such as, but not limited to, kiosks, fixed terminals, and to include new technology available in the lottery industry or market during the lifetime of the contract, if required by PCSO during the term of the contract;

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	<p>9. PCSO shall be allowed by the winning bidder as system administrator of the leased PCSO Lottery System, with the following reserved and non-negotiable rights during the duration of the lease contract:</p> <p>9.1 As system administrator of the leased lottery system, PCSO, shall be allowed unhampered access by the winning bidder to the leased lottery system to: a.) monitor; b.) detect; c.) respond, and d.) recommend preventive and curative actions against any and all vulnerabilities or cyber attack/s on the leased lottery system. For this purpose, PCSO, may engage the services of an independent Security Operations Center (SOC) which shall be provided access to the leased lottery system within the lifetime of the contract;</p> <p>9.2 The Security Operations Center shall be directly controlled and supervised by PCSO including the leased lottery system; and</p> <p>9.3 For check and balance and to maintain the integrity of the leased lottery system, the winning bidder under SBAC Contract No. 2019-01 shall be prohibited from participating in the public bidding of PCSO's Security Operations Center (SOC).</p> <p>10. The "source code" including development environment of the leased lottery system shall be escrowed in a PCSO designated government bank, with PCSO as designated beneficiary; provided that the annual payment/fees for the cost of the escrow shall be for the account of the winning bidder, at no additional expense to PCSO;</p> <p>11. Pursuant to Republic Act No. 1169, as amended, in its capacity and mandate as the primary government agency mandated by law to exclusively hold and conduct lotteries and similar activities, the procuring entity (PCSO) reserves the right to terminate this Contract, in whole or in part, at any time for its convenience.</p> <p>II. The customized PCSO Lottery System to be leased under SBAC Contract No. 2019-01. -</p> <p>1. The customized PCSO Lottery System contemplates and covers, an ALL-IN working online lottery system [lock, stock and barrel] in that, the bidder's leased lottery system must be functioning with integrated lottery software, brand new hardware/ accessories/ peripherals and guaranteed telecommunication connectivity nationwide;</p> <p>2. To generate more revenues from the State-run lotteries and augment scarce resources for the Government's priority health programs, the leased lottery system must be capable of processing interactive services such as, but not limited to, kiosks, fixed terminals, and to include new</p>
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technology available in the lottery industry or market, if required by PCSO during the term of the lease contract;

3. For Section VII. Technical Specification, Part I [*Technical Specification (for post-qualification evaluation)*] of this bidding documents, bidders shall be required to support their technical specifications with hard copies and soft copy (i.e., saved/stored in a virus-free USB/flash drive/external hard drive (2TB) compatible with both OS windows and mac) of the following:

3.1 Network diagram including list of all components and accessories;

3.2 System design (i.e., illustrate the whole lottery system configuration integrating and/or presenting the working lottery system with all components- hardware, software, telecommunication connectivity, linkages between fixed terminals and the computer systems; and to include all accessories, paraphernalia);

3.3 Brochures/Data Sheet/System Print-out or information materials;

3.4 Product and/or lottery system audio-visual presentation, if any;

3.5 To determine compliance with the 50% Single Largest Completed Contract (SLCC) bidders shall submit evidence to establish completed contracts, within the last ten (10) years reckoned from the last day of submission of bids or July 1, 2019, such as, but not to: Notice to Proceed/Notice of Award/ Contract or Agreement/ Proof of Installation/ Delivery Receipts/ Official Receipts and similar documents;

3.6 World Lottery Association (WLA) Security Control Standard: 2016 (WLA SCS:2016) certificate;

OR

In lieu of WLA SCS: 2016 certificate, all of the following shall be submitted:

- i. ISO/IEC 27001:2013 Information Security Management System certificate; and
- ii. ISO 9001:2015 Quality Management System certificate; and
- iii. Certification from any WLA's accredited gaming laboratories that the winning bidder's lottery system is compliant with WLA Security Control Standard: 2016 (WLA-SCS: 2016) requirement.

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	<p>3.7 Other relevant documents (Proof/evidence and the like to show relevant experience in supplying and delivering lottery and/or any gaming system);</p> <p>3.8 The bidders shall be required to support their technical specifications with an accomplished "Statement of Compliance/Undertaking" (Please see Section VIII - BIDDING FORMS).</p> <p>4. To ensure that the PCSO Lottery System project objectives are met, the following lease conditions shall likewise be included in the contract between PCSO and the winning bidder:</p> <p>4.1 The PCSO shall directly supervise, manage and control the leased lottery system. For this purpose, the roles and responsibilities of authorized PCSO officers and personnel in the management and control of the leased lottery system shall include, but not limited, to the following functions:</p> <ul style="list-style-type: none"> a. Setting up and maintenance of all level accounts and security policies for users; b. Managing passwords and identities for users; c. Creating of lottery operations policies which also include the back-up, recovery and disaster recovery procedures; d. Supervision and monitoring of system, system performance, network communications, call center operations, and other PLS operational activities; and e. Such other activities that may be determined by PCSO as exclusive to PCSO authorized officers and personnel consistent with the applicable provisions of RA 1169, as amended or as may be determined by the PCSO Board; provided that, the Level of access to the PCSO LOTTERY SYSTEM (PLS) shall be mapped out according to the PCSO organizational composition; <p>4.2 To ensure that the performance parameters required by PCSO are met, the winning bidder shall be responsible for system's maintenance, software patches, and enhancements, without additional cost to PCSO;</p> <p>4.3 The winning bidder shall enter into a separate Service Level Agreements (SLA) to ensure continuous supplies, maintenance and service support for the hardware components of PCSO LOTTERY SYSTEM (PLS). The SLA shall include, but not limited to, troubleshooting, repair, enhancements, delivery of spare parts, etc.;</p> <p>4.4 Software enhancement and replacement of hardware (e.g. servers, network, appliances, etc.) in</p>
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	<p>the Data Center and Data Recovery Facilities and Lottery Terminal's Firmware shall be done as the need arises or as may be determined by PCSO during the lifetime of the contract;</p> <p>4.5 All equipment, paraphernalia and enhancements to be delivered, introduced and used in the PCSO LOTTERY SYSTEM (PLS) shall be the latest model and version of the product (<i>i.e., having the most recent stage of the product or incorporating the newest ideas and most up to date features of the product</i>), subject to PCSO approval;</p> <p>5. The winning bidder shall provide technical and manpower complement in such number and manner for every milestones or deliverables as defined in Section VI Schedule of Requirements or as may be required by PCSO, subject to the following terms and conditions:</p> <p>5.1 It shall be understood that, there is no employer-employee relationship between PCSO and all technical and manpower complement provided by the winning bidder under this item. As such, it is the winning bidder, not PCSO, that shall be directly responsible for the salaries, wages, benefits and incentives and required to observe and comply with applicable labor standards for its supplied technical and manpower complement;</p> <p>5.2 The PCSO, thru its authorized representatives, as LESSEE of the PCSO Lottery System (PLS) shall retain and expressly reserves the right to supervise and control the <i>day-to-day</i> operation of the leased lottery system within the term of the contract. For this reason, the manpower complement supplied by the winning bidder shall only assist PCSO in operating the leased lottery system (<i>i.e., configuration, installation, deployment and maintenance of the lottery system including terminals</i>) in areas/locations, as may be determined by PCSO;</p> <p>6. For efficiency purposes, the winning bidder may at its option request to PCSO, changes in the Schedule of Requirements under Section VII. Technical Specifications, provided that the delivery period stated therein, <u>shall not or must not exceed 12 months</u> and the changes shall not result in additional expenses to PCSO.</p> <p>7. To ensure the integrity of PCSO's lottery activities, games and the leased lottery system, <i>the Winning Bidder, to include its directors, officers, employees, and their relatives within the fourth (4th) civil degree of affinity and consanguinity</i>, shall not be allowed to own and/or operate any interactive services, if any, of the leased lottery system;</p> <p>8. PCSO shall be the system administrator of the leased lottery system;</p> <p>9. The Winning Bidder shall be responsible to pay PCSO penalties/rebates during downtimes whether it is caused</p>
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by the system or due to telecommunication problems and shall be automatically deducted from the succeeding month's lease rental;

9.1 Computation of the Penalties "Sales Opportunity Loss" (i.e., lost revenue or rebates shall be based on the following formula:

Formula:

$$ADS = \frac{(S1 + S2 + S3 + S4)}{4}$$

$$AHS = \frac{ADS}{13.5 \text{ HOURS}}$$

$$SOL = AHS \times DT$$

WHERE:

DT = Down Time (in hours)

S1 to S4 = Daily Agency Sales or ALL agencies sales (i.e., Retail Receipts for the day) for the same day of the downtime for 4 weeks prior to the occurrence of the downtime.

ADS = Average Daily Agency Sales or ALL agencies sales (i.e., Retail Receipts for the day).

AHS = Average Hourly Sales or ALL Retail Receipts from all fixed lottery terminals.

13.5 hours = daily online selling hours (7:00 a.m. to 8:30 p.m.)

9.2 For purposes of computing Sales Opportunity Loss (SOL), there is "downtime" if, 0.3% of the installed terminals nationwide by the winning Bidder cannot accept bets at the same time, within the term of the lease contract, except force majeure or acts of man like civil disturbances, and the like.

10. In the event that there is insufficient and/or inadequate office space at PCSO, the winning bidder shall be required to provide space to house the PCSO Lottery System (PLS) facilities, such as, but not limited to *Data Center, Data Recovery, Call Center and DRF Call Center*. Further, the winning bidder shall provide a warehouse facility with an area of, at least 250 square meters depending on PCSO requirements, for the storage of lottery terminals, draw equipment, and other hardware devices; provided, that the control and supervision of the afore-mentioned facilities shall adopt and comply with the security protocols and level of access, as may be prescribed by PCSO;

11. In the likely event that procuring entity (PCSO) relocates its principal office at Conservatory Building Shaw Boulevard Mandaluyong City, Philippines to a new location, all expenses arising from the pullout and transfer of the leased

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online lottery system's components (*e.g., main data center, RAMT, draw equipment, warehouse, etc.*) shall be shouldered by the Winning Bidder, at no additional expense to PCSO;

12. The winning Bidder, with express consent of PCSO, shall develop an extensive transition plan from the Winning Bidder's system (Legacy System) to the succeeding/new lottery system on the 3rd year of the lease contract which shall be counted from the first day of commercial operation, as defined under Section VI. Schedule of Requirements hereof;

12.1 The period to implement the transition plan shall not exceed one (1) year; provided, That the transition plan shall include search and validation of tickets for one (1) year from date of contract expiration, to include the winning bidder's provision for a Stand Alone System (SAS) for storage and data management of all data of the winning bidder's legacy system;

12.2 All data stored, maintained and processed using the Stand Alone System (SAS) shall be subject to the applicable provisions of the Data Privacy Act (Republic Act No. 10173) and relevant rules, regulation and issuances by the Data Privacy Commission of the Philippines, with PCSO as beneficial and exclusive owner, not the winning bidder, its heirs or assigns;

13. The winning bidder shall deliver **TEN THOUSAND (10,000)** units of Fixed Lottery Terminals which must be interoperable (*i.e., may be used by PCSO lottery retailers, anywhere in the Philippines using the single and interconnected leased lottery system from the winning bidder*) within twelve (12) months or one (year) from receipt of Notice-To-Proceed (NTP) based on the Delivery Schedule as described under Section VI (Schedule of Requirements);

14. As needed, PCSO, may require additional units of lottery terminals to run under the leased lottery system, during the lifetime of the contract, subject to the following conditions:

14.1 The additional terminals shall be subject to Government and/or Quantity discounts, whichever is more advantageous to the Government;

14.2 The additional terminals must run and be accepted by the customized leased PCSO Lottery System, with the same warranties as the 10,000 fixed lottery terminals described under paragraph 18 hereof;

14.3 The additional terminals must be interoperable with the 10,000 fixed lottery terminals described under paragraph 18 hereof; and

14.4 The procurement of additional terminals shall be subject to Republic Act No. 9184 and its authorized alternative modes of procurement, where applicable

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	<p>such as but not limited to, <i>Direct Contracting</i>¹, as circumstances permits;</p> <p>15. The Winning Bidder shall provide for purposes of mock testing and simulation, actual consumables consisting of <u>at least</u> 100,000 pieces of play slips for each game; and <u>at least</u> 1,000 pieces of ticket rolls, unless otherwise specified by PCSO;</p> <p>16. User Acceptance shall be issued after completion of each and every Milestone, as specified under Section VI, Schedule of Requirements; provided, that for Milestone 6, user acceptance shall be issued upon PCSO's acceptance of the winning bidder's Milestone 6 accomplishment report and successful mock-up and simulation tests of the leased lottery system's "commercial operation";</p> <p>17. "Commercial Operation" for purposes of effecting rental payments (per year and payable on equal monthly installments) shall be the completion of Milestones 1-6, or PCSO's acceptance by PCSO of Milestone 6; and provided, that the PCSO LOTTERY SYTEM (PLS) is operational and installed lottery terminals are able to receive bets from players nationwide, produce transaction receipts, record sales, produce financial reports, etc.;</p> <p>18. The winning BIDDER shall be responsible to secure the necessary license, permit or authority to the use of systems, processes, technology, equipment, accessories and paraphernalia to ensure that there will be no copyright, patent, trademark and trade name infringement, if any and/or infringement in the use of its intellectual property rights over the leased lottery system, where applicable;</p> <p>18.1 The winning Bidder guarantees and warrants that the leased lottery system it will deliver is brand new, state of the art, free from any lien or encumbrances, and there are no third-party claims of infringement of patent, trademark, or industrial design rights arising from lease, use and installation of the Goods or any part thereof;</p> <p>18.2 The winning Bidder shall indemnify PCSO against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the leased lottery system (all-in) or any part thereof (accessories, paraphernalia, etc.);</p> <p>19. The cost of introduction/installation of new online lottery games and/or improvement and/or withdrawal of games, as the case may be, from the leased lottery system within the lifetime of the lease contract, are deemed included in the contract price and for this reason, shall be at no additional cost to PCSO;</p> <p>20. Within six (6) months or earlier, after the term of the lease contract, the winning bidder shall remove and/or pull-out</p>
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¹ Section 50 (c) RA 9184 and its Revised IRR

all components without need of written notice, to include all accessories and paraphernalia, of the PCSO LOTTERY SYTEM (PLS), at no additional expense to PCSO.

20.1 In case of delay or failure to remove all components within said period, PCSO shall cause its removal. All costs for its removal and storage shall be applied against the winning bidder's 10% retention fee, plus damages without prejudice to the filing of an action for collection of sum of money, to recover deficiencies, if any; provided, that PCSO shall not be liable for any damage caused in the removal of any components of the winning bidder's leased lottery system;

20.2 The winning bidder, at no additional cost to the procuring entity, shall provide PCSO with a Stand Alone System (SAS), with full technical support for another year (12 months), after the expiration of the five (5) years lease contract;

20.3 The SAS shall be used, supervised and controlled by PCSO for the purpose of validating winning tickets and ticket inquiries for tickets sold within one (1) year prior to prize claim forfeitures consistent with Republic Act No. 1169, as amended;

20.4 All data from the SAS arising from validation of winning tickets or ticket inquiry, shall be subject to applicable provisions of Data Privacy Act (Republic Act 10173) and turned over to PCSO as beneficial owner, in standard and readable format;

20.5 The SAS shall be upgraded by the winning bidder as required by PCSO, at no additional cost, until a new lottery system is procured;

21. The over-all system (PCSO LOTTERY SYSTEM), consisting of the servers, storage, DBMS, communications network, etc., including the outlet Lottery Terminal, must be capable of handling simultaneously a minimum of 10,000 transactions per second with a maximum of 6 seconds response time per transaction:

21.1 This response time shall be measured from the time the fixed terminal user presses the last key to enter a transaction, to the time the system finishes to print or display the results of the transaction;

21.2 This response time requirement will only cover Online Lottery Game customer transactions and Teller inquiry requests, but will not cover lengthy report printing requests; and

21.3 The Winning Bidder shall also provide, for purposes of mock testing and simulation, and before actual commercial operation of the PCSO Lottery System, consumables consisting of at least 100,000 pieces of play slips for each game; and at least 1,000 pieces of ticket rolls, unless otherwise specified by PCSO.

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22. **Incidental Services.** – The BIDDER is required to provide all of the following services, including additional services, if any, as specified in Section VI. Schedule of Requirements:

22.1 Performance and supervision of installation and commissioning of the leased lottery system (i.e., Modules 1 up to Module 6.6 as described under Section VI. Schedule of Requirements);

- a. Such other necessary and incidental services to performance or supervision of on-site assembly and/or start-up of the supplied Goods until commercial operation of the leased lottery system and within the lifetime of the lease contract;
- b. Packaging and transportation of the leased lottery system, to include all Goods and related components thereof;
- c. Provision for telecommunication connectivity of all terminals from site of retailers to the Main Data Facility and back;
- d. Furnishing of tools required for assembly and/or maintenance of the supplied Goods within the lifetime of the lease contract;

22.2 Completion and accomplishment of Module 10, as described under Section VI. Schedule of Requirements;

22.3 Insurance

22.4 Submission of detailed operations and maintenance manual for each appropriate unit of the leased lottery system;

22.5 Performance, supervision, maintenance and/or repair of the leased lottery system (all-in arrangement for price of lease contract), within the duration of the contract, provided that this service shall not relieve the BIDDER of any warranty and extended warranty obligations under the lease contract; and

22.6 Training of the Procuring Entity's personnel, at the winning bidder's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied Goods, at no additional expense to PCSO. For this purpose, the winning bidder shall develop and provide a capability development and enhancement program to qualified PCSO employees who shall be designated or serve as Systems Administrators, Data Base Administrators, Network Administrators and the likes, provided that:

22.6.1 The capability development and enhancement (training) program shall

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include the administrative, operational, and technical aspects of the PCSO Lottery System to include but not limited to good operational practices, quality assurance and Standard Operating Procedures (SOP) formulation; and

22.6.2 The training of PCSO personnel shall commence immediately after the issuance of Notice to Proceed (*i.e., simultaneous or parallel to the Schedule of Requirements, as defined under Section VI hereof*); and trainings shall be continuing throughout the duration of the lease contract.

22.7 The bidder's bid or quoted all-inclusive lease rental rates or Contract Price for the Project shall include the prices charged by the winning bidder for any and all incidental services and requirements under all Modules, as described under Section VII Schedule of Requirements; and provided that, all bids shall not exceed the prevailing rates charged to other parties by the Supplier for similar services and must not exceed the approved budget for the contract (ABC).

23. **Spare Parts.** - Subject to the separate Service Lease Agreement (SLA) with the procuring entity (PCSO), the winning Bidder shall be required to provide all spare parts necessary and incidental to repair and maintain the PCSO Lottery System in its optimum operating level, within the lifetime of the lease contract.

23.1 In the event of termination of production of the spare parts, the winning bidder shall provide PCSO with advance notification in writing of the pending termination of spare parts in the market;

23.2 Following the termination of the spare parts from the market, the winning bidder shall furnish PCSO the blueprints, drawings, and specifications of the spare parts, if requested and at no cost.

23.3 The winning bidder shall carry sufficient inventories to assure ex-stock supply of consumable spares for the PCSO Lottery System for a period of five (5) years or with the lifetime of the lease contract;

23.4 Spare parts shall be supplied as promptly as possible, and care shall be observed to avoid disrupting the commercial operation of the leased lottery system.

24. **Packaging.** - The winning bidder shall provide such packaging for the PCSO Lottery System (goods, accessories and paraphernalia) as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the lease Contract. The packaging shall be

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sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packaging case size and weights shall take into consideration, where appropriate, the remoteness of the GOODS' final destination and the absence of heavy handling facilities at all points in transit.

24.1 The project sites shall be described in Section VI. Schedule of Requirements and the place, delivery and installation of the fixed lottery terminals shall be prescribed and identified by PCSO within the term of this lease contract;

24.2 A packaging list identifying the contents and quantities of the package is to be placed on an accessible point of the outer packaging if practical. If not practical the packaging list is to be placed inside the outer packaging but outside the secondary packaging.

25. **Insurance** -The PCSO Lottery System supplied under the lease contract shall be fully insured by the winning bidder in a freely convertible currency against loss or damage incidental to manufacture or acquisition, transportation, storage, and delivery.

25.1 The PCSO Lottery System shall remain at the risk and title of the winning bidder until PCSO satisfactorily accepts completion of Milestone 6 under Section VI. Schedule of Requirements;

25.2 Effective upon the delivery and acceptance by PCSO of Milestone 6 under Section VI. Schedule of Requirements, all insurable lottery equipment, accessories, peripherals, and supplies of the leased PCSO Lottery System shall be covered by a comprehensive insurance from a reputable insurance company duly accredited by the Philippine's Insurance Commission; provided, that the annual insurance premiums within the effectivity of the five (5) years lease contract shall be for the account of the winning BIDDER.

26. **Transportation.** - Where the winning bidder is required under the lease contract and Section V. Schedule of Requirements to transport the Goods to a specified place of destination within the Philippines, the cost of transport or cost of delivery to such place of destination in the Philippines, including duties, freight, insurance and storage, shall be arranged by the winning bidder, and related costs shall be included in the Contract Price;

26.1 The winning bidder shall diligently observe and comply with the timelines under Section VI. Schedule of Requirements in transporting all components of the leased lottery system;

26.2 The procuring entity (PCSO) accepts no liability for the damage of Goods during transit whether or not the goods are coming from within or outside the Philippines in that until the receipt of the PCSO

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Lottery System including accessories and paraphernalia, at its final place of destination shall be at the exclusive risk and responsibility of the winning bidder.

27. Joint Venture (JV) and/or Consortium- If and when, the winning bidder is a Joint Venture or Consortium, the following conditions shall be observed:

27.1 The Consortium or Joint Venture (JV) partners shall not be allowed to transfer their interests for a period of one (1) year, reckoned from the issuance of Notice to Proceed (NTP) or until the completion and satisfactory acceptance by PCSO of Milestones 1 up to Milestone 6.6.

After the above period, any change in the Joint Venture partnership shall be conveyed to PCSO in writing, within thirty (30) days prior to such change; provided, that any change by and among the Consortium or Joint Venture agreement, partners and/or interests, nature and extent of contributions, and arrangements shall not affect the eligibilities and qualifications of the Consortium or Joint Venture existing at the time of the execution of the lease contract (*i.e., legal, technical and financial eligibilities*) to include the partners' capability to perform its obligations, warranties and/or undertakings under the lease contract; and

27.2 Each and every member/s or partner/s of the Joint Venture or Consortium shall be jointly and severally liable under and within the duration of the lease contract for the PCSO Lottery System.

III. Due diligence of bidders required. -

1. All bidders are required and presumed to have thoroughly read, examined, understood and freely and voluntarily agrees to be bound by all terms and conditions of this bidding documents for PCSO SBAC Contract No. 2019-01 (Re: Five (5) Years Lease of the Philippine Charity Sweepstakes Office (PCSO) Lottery System, with full knowledge of the consequences thereof;
2. The *NOTE* (*i.e., reminders and instructions*) in Paragraph 8, Section I (Invitation to Bid) and Section III [Bid Data Sheet (BDS)] are deemed relevant by the procuring entity (PCSO) and intended to properly inform prospective bidders about the scope of SBAC Contract No. 2019-01 and to clarify Instructions to Bidders (**ITB**);
3. By submitting their respective bid documents, the bidders agree and accept all terms and conditions or all items of this bidding documents, to include supplemental bid bulletins issued by SBAC, if any;
4. The bidders expressly, freely and voluntarily accept that, PCSO (thru SBAC) has reserved rights and the discretion

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to reject any and all bids without thereby creating any liability in favor of any and all bidders;

5. The bidders freely, voluntarily, unconditionally, irrevocably and absolutely waive all claims against any of the officers or employees of SBAC, its Technical Working Group and Secretariat which may arise out of or in connection with the making and acceptance or non-acceptance of the bidder's proposal or bid;
6. The bidders have performed *due diligence* or *complete staff work* (CSW) in gathering, studying and considering all relevant data, information and/or conducted needed investigation and examination of the customized lottery system required by PCSO; and fully apprised and completely cognizant of the true condition and accurate value of the said property. As such, all bids submitted to SBAC are deemed to have taken into account all information and factors to make an informed decision or offer or proposal to PCSO;
7. The bidders commit to advise SBAC, in writing, of any material change to the information contained in its Letter of Interest, Technical and Eligibility documents, Financial Bid and other accompanying documents, prior to the deadline prescribed for submission and receipt of bids at 12:00 NOON (Philippine Standard Time) on July 1, 2019 (Monday), consistent with applicable provisions under the 2016 Revised IRR of RA 9184;
8. After the deadline of submission of bids and opening of bids, no modification of submitted bids shall be allowed, upon the ground that the true condition and actual value of the assets subject of the Selection Process turns out to be different from its findings and/or assumptions of bidders;
9. All bids or the lease rental rates quoted by bidders in their respective Financial Offer, in the bid form and the lease contract price of the PCSO Lottery System, shall be subject to the following conditions:
 - 9.1 The customized PCSO Lottery System contemplates and covers, an ALL-IN *working online lottery system* [lock, stock and barrel] in that, the bidder's leased lottery system must be functioning with integrated lottery software, brand new hardware/ accessories/ peripherals and guaranteed telecommunication connectivity nationwide;
 - 9.2 All bids must be quoted in Philippine Peso currency and the amount quoted in words therein shall prevail over those quoted in figures;
 - 9.3 The forms for "Goods Offered From Abroad" and "Goods Offered From Within the Philippines" which require bidders to indicate price per item/component of lottery system shall not be

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applicable since this is a mix contract for the lease of the PCSO Lottery System (PLS); and as such, not a contract to purchase only goods. For this reason, Bidders shall use the **BID FORM** under Section VIII (BIDDING FORMS) to indicate or quote their respective financial proposals;

- 9.4 All bids or rentals quoted by bidders shall cover and contemplate an **ALL-IN working lottery system** (i.e., the aggregate/consolidated rentals of all milestones under Section VI. Schedule of Requirements of the bid documents for the 5 years lease of PCSO Lottery System (PLS); and inclusive of inclusive of all applicable taxes, charges, levies, duties and fees;
- 9.5 All bids or rentals quoted by bidders shall be **FIXED** or **LOCK-IN**, not subject to escalation, unless for extraordinary circumstances allowed under the 2016 Revised IRR of RA 9184 and Revised Guidelines on Contract Price Escalation (Appendix 15);
- 9.6 The bidder's Financial Bid constitutes an unconditional and irrevocable offer, which shall be valid, and may be accepted by the Philippine Charity Sweepstakes Office (PCSO) until a winning bidder is determined by Special Bids and Awards Committee (SBAC), under conditions set forth in Section 17.2 of the Instructions to Bidders and applicable provisions of this bidding document;
- 9.7 The bid bond may be drawn out in favor of the Philippine Charity Sweepstakes Office (PCSO) in case of occurrence of any of the events outlined in the technical Specifications, bid documents or any of the supplemental bid bulletins.

By participating in the bidding for PCSO SBAC Contract No. 2019-01, the bidders are aware, understand and shall be required, as follows:

- 10.1 The bidders must have at least fifty percent (50%) of PCSO's existing number of fixed online lottery terminals or FOUR THOUSAND SEVEN HUNDRED FIFTY SIX (4,756) units, that are active, in commercial operation and connected to a single gaming System, whether located within or outside the Philippines, within the past ten (10) years, reckoned from the deadline of submission of bids or July 1, 2019;
- 10.2 The bidders understand that it is required to and shall deliver and install a customized PCSO Lottery System that is, *ALL-IN working online lottery system* [lock, stock and barrel] in that, the bidder's leased lottery system must be functioning with integrated lottery software, brand new hardware/accessories/ peripherals and guaranteed telecommunication connectivity nationwide);

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- 10.3 The bidders understand that their respective "similar contracts" for purposes of computing the Single Largest Completed Contract (SLCC) that is equivalent to 50% of the approved budget for contract (ABC) shall refer to, *"supply and delivery and installation of gaming systems that are active, operational and connected to a single gaming system, whether located within or outside the Philippines, within the past ten (10) years, reckoned from the deadline of submission of bids or July 1, 2019"*;
- 10.4 The bidders understand that it must possess all qualifications and none of the disqualifications at the time of submission of bid documents;
- 10.5 The bidders understand that they are required to submit their own technical eligibility documents for purposes of complying with the eligibility requirements. They cannot merely rely on the technical credentials of their subcontractors or any other bidder. The bidders, on their own credentials, shall be technically eligible to participate in any government procurement, unless the bidder is a joint venture where the technical and financial capacity of one joint venture partner shall be considered as the technical and financial capacity of all joint venturers. (GPPB NPM No. 165-2015 dated December 22, 2015);
- 10.6 If the bidder is a Joint Venture, it understands that Filipino ownership or interest thereof shall be at least 60%. For this purpose, Filipino ownership or interest shall be based on the contribution of each of the partners of the joint venture as specified in their JVA. (Section 23.4.1.1 (e), 2016 RIRR of RA 9184);
- 10.7 The bidders understand that, *foreign bidders are also allowed to participate by reason of their country's extension of reciprocal rights to Filipinos (RECIPROCITY RULE) by submitting a sworn statement which must include/attach a certification from the relevant government office of their country [i.e., equivalent to the Philippine's Department of Foreign Affairs] stating that, "**Filipinos are allowed to participate in their government procurement for the same item/product that is the subject of this procurement.**" [Section 8.5.2, 2016 Revised IRR, RA 9184].* If the sworn statement or attachment to the certificate of reciprocity is in a language other than English language, it must be accompanied by a translation of the documents in English issued 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.

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11. Joint Venture or Consortium~ If the bidder is a Joint Venture (JV) or Consortium, its its Joint Venture Agreement (JVA) or Consortium Agreement must be:

- 11.1 In English language;
- 11.2 Executed and Notarized in the Philippines, except when all members of the Joint Venture or Consortium are foreigners invoking reciprocal rights;
- 11.3 Must and shall disclose and identify each and every partner's specific contribution/s, and/or nature and extent contribution to the Joint Venture or Consortium; and
- 11.4 A copy of the JV Agreement or Consortium Agreement shall be attached to the prescribed DISCLOSURE FORM under Section VIII. Bidding Forms; and the same, must be included in Envelope 1 (Legal and Technical Documents), subject to post-qualification, if the bidder is determined as the lowest, calculated bid during evaluation of bids.

12. Language of all technical, legal and financial eligibility documents, and other required documents~

12.1 If any of the legal, technical, financial eligibilities of bidders, to include contracts and related documents for purposes of computing the Single Largest Completed Contract (SLCC) and Net Financial Contracting Capacity; and other documentary requirements under Section V. Special Conditions of Contract; Section VI. Schedule of Requirements; Section VII. Technical Specifications; and Section VIII (Bidding Forms) are in a language other than English language, it must be:

- a. Accompanied by a translation of the documents in English issued by the relevant foreign government agency; or
- b. The foreign government agency authorized to translate documents; or
- c. A Government registered translator in the foreign bidder's country; and
- d. Duly authenticated by the appropriate Philippine foreign service establishment/post or the equivalent office having jurisdiction over the foreign bidder's affairs in the Philippines.

IV. Warranties. – The winning bidder, as lessor of the PCSO Lottery System, guarantees and warrants that:

- 1. It has the right and/or authority to lease all components required in each and every goods,

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accessories, paraphernalia of the lottery system to be delivered, installed and used by the procuring entity under the lease contract of this Project;

2. That the lottery system, its components, accessories and paraphernalia shall be free from any hidden defects, brand new and latest state of the art; and that, there are no changes, liens and encumbrance on the goods to be delivered and installed under Section VI. Schedule of Requirements;
3. The warranties of bidders shall be valid for the entire duration of the lease contract, and shall likewise apply in the Service Lease Agreement (SLA) for repairs, maintenance, upgrades, and the like, the cost of which, shall be deemed integrated in the fixed rentals per annum such that, the SLA shall not result in additional expense to PCSO or shall be integrated in rental rates.

V. Advance payment. — Advance payment in the amount equivalent to five percent (5%) of the Contract Price shall be paid within sixty (60) days from signing of the lease contract and upon submission of an irrevocable letter of credit or a bank guarantee issued by a universal or commercial bank. The irrevocable letter of credit or bank guarantee must be for an equivalent amount which shall remain valid until the goods are delivered and in the form provided in the bidding documents and accompanied by a claim for advance payments.

VI. Separability clause. — In case any special conditions in this bidding documents for the procurement of goods [Re: Five years lease of the PCSO LOTTERY SYTEM (PLS)] shall be declared invalid, illegal or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

VII. Applicable law. — This contract of lease shall be governed by the laws of the Philippines.

VIII. Arbitration and seat of arbitration. —

1. Any dispute arising from, relating to or connected with the Reserved Rights of PCSO in the exercise of its mandate under Republic Act No. 1169, as amended, as enumerated under Section V. Special Conditions of the Contract, as well as matters relating to or connected with extension of lease contract shall not be subject to arbitration;
2. Resort to arbitration shall be mutually agreed upon in writing by the parties; provided, that the reserved rights of PCSO in the exercise of its mandate under Republic Act No. 1169, as amended (PCSO Charter) shall be excluded or not be the subject to arbitration;
3. Should PCSO and the winning bidder mutually agree, in writing to subject themselves to arbitration under in accordance with Republic Act No. 9285 (Alternative Dispute Resolution of 2004) and the Special

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	<p>Alternative Dispute Resolution (SADR) Rules, the following shall be observed:</p> <p>3.1 The seat of the arbitration shall be in the Philippines and the venue shall be in Metro Manila;</p> <p>3.2 The Arbitration Tribunal shall consist of three (3) arbitrators. Each party shall nominate one arbitrator while the third arbitrator shall be nominated by the two arbitrators;</p> <p>3.3 The language of the arbitration shall be English.</p> <p>4. In the event that the parties fails to reach an agreement, in writing, to submit themselves to arbitration, any party may resort to legal action under the Rules of Court (Batas Pambansa 129, as amended). In such case, the venue of the legal action shall be the court where the principal office of PCSO is located at the time of filing.</p> <p>IX. Reservation clause. —</p> <p>1. The Philippine Charity Sweepstakes Office (PCSO), expressly reserves and waives none of its rights and privileges under applicable laws, rules and regulation in its capacity and function as an instrumentality of the National Government engaged in the holding and conduct of State-run lotteries and similar activities consistent with its enabling law and mandate, Republic Act No. 1169, as amended;</p> <p>2. PCSO, thru the Special Bids and Awards Committee (SBAC), reserves the right to reject any and all bids, declare a failure of bidding, or not award the contract at any time prior to contract award in accordance with Section 41 of RA 9184 and its IRR, without thereby incurring any liability to the affected bidder or bidders.</p>																			
10.4	Not applicable																			
10.5	Payment using LC is not allowed																			
11.3	<p>The terms of payment shall be as follows:</p> <table><tr><th colspan="3">Schedule of Payments (In PhP)</th></tr><tr><th>5 years lease</th><th>PCSO Approved Budget for Contract (ABC)</th><th>Winning bidder's lowest, calculated and responsive bid</th></tr><tr><td>Year 1</td><td>1,664, 798,129.82</td><td rowspan="6">Note: All bids must not to exceed the ABC and to be divided equally per year and payable on a monthly basis</td></tr><tr><td>Year 2</td><td>1,664, 798,129.82</td></tr><tr><td>Year 3</td><td>1,664, 798,129.82</td></tr><tr><td>Year 4</td><td>1,664, 798,129.82</td></tr><tr><td>Year 5</td><td>1,664, 798,129.80</td></tr><tr><td>TOTAL (ABC)</td><td>PhP 8,323,990,649.08</td></tr></table>	Schedule of Payments (In PhP)			5 years lease	PCSO Approved Budget for Contract (ABC)	Winning bidder's lowest, calculated and responsive bid	Year 1	1,664, 798,129.82	Note: All bids must not to exceed the ABC and to be divided equally per year and payable on a monthly basis	Year 2	1,664, 798,129.82	Year 3	1,664, 798,129.82	Year 4	1,664, 798,129.82	Year 5	1,664, 798,129.80	TOTAL (ABC)	PhP 8,323,990,649.08
Schedule of Payments (In PhP)																				
5 years lease	PCSO Approved Budget for Contract (ABC)	Winning bidder's lowest, calculated and responsive bid																		
Year 1	1,664, 798,129.82	Note: All bids must not to exceed the ABC and to be divided equally per year and payable on a monthly basis																		
Year 2	1,664, 798,129.82																			
Year 3	1,664, 798,129.82																			
Year 4	1,664, 798,129.82																			
Year 5	1,664, 798,129.80																			
TOTAL (ABC)	PhP 8,323,990,649.08																			

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	The release of the above schedule of payments shall commence on Year One (1) of the commercial operation of the PCSO Lottery System which shall be guaranteed and paid equally on a monthly basis at the end of each month.
13.4(c)	The winning bidder's performance security shall be returned after satisfactory accomplishment of Milestone 9 and acceptance thereof by PCSO, as described under Section VI. Schedule of Requirements.
16.1	<p>The over-all system (PCSO LOTTERY SYSTEM), consisting of the servers, storage, DBMS, communications network, etc., including the outlet Lottery Terminal, must be capable of handling simultaneously a minimum of 10,000 transactions per second with a maximum of 6 seconds response time per transaction:</p> <ol style="list-style-type: none"> 1. This response time is measured from the time the fixed terminal user presses the last key to enter a transaction, to the time the system finishes to print or display the results of the transaction; 2. This response time requirement will only cover Online Lottery Game customer transactions and Teller inquiry requests, but will not cover lengthy report printing requests; and 3. The Winning Bidder shall provide for purposes of mock testing and simulation before actual commercial operation of the PCSO Lottery System, consumables consisting of <u>at least</u> 100,000 pieces of play slips for each game; and <u>at least</u> 1,000 pieces of ticket rolls, unless otherwise specified by PCSO.
17.3	Not applicable.
17.4	Not applicable.
21.1	<p>If the supplier is a joint venture and/or consortium:</p> <ol style="list-style-type: none"> 1. For Joint Venture (JV), Filipino ownership or interest shall be at least 60%. For this purpose, Filipino ownership or interest shall be based on the contribution of each of the partners of the joint venture as specified in their JVA. (Section 23.4.1.1 (e), 2016 RIRR of RA 9184). The JV partners shall reflect in the SBAC prescribed disclosure form and their JV Agreement their respective contributions, which may be in the form of monetary, property or industrial contribution; the determination of the required 60% Filipino participation may be made by examining the terms and conditions of the Joint Venture Agreement and other supporting financial documents submitted by the joint venture; 2. Bidders are required to submit their own technical eligibility documents for purposes of complying with the eligibility requirements. They cannot merely rely on the technical credentials of their subcontractors or any other bidder. The bidders, on their own credentials, shall be technically eligible to participate in any government procurement, unless the bidder is a joint venture where the technical and financial capacity of one joint venture partner shall be considered as the technical and financial capacity of all joint venturers. (GPPB NPM No. 165-2015 dated December 22, 2015); 3. If the bidder is a Joint Venture (JV) or Consortium, its Joint Venture Agreement (JVA) or Consortium Agreement must be:

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	<ol style="list-style-type: none"> 1. In English language; 2. Executed and Notarized in the Philippines, except when all members of the Joint Venture or Consortium are foreigners invoking reciprocal rights; 3. Must and shall disclose and identify each and every partner's specific contribution/s, and/or nature and extent contribution to the Joint Venture or Consortium; and 4. A copy of the JV Agreement or Consortium Agreement shall be attached to the prescribed DISCLOSURE FORM under Section VIII. Bidding Forms; and the same, must be included in Envelope 1 (Legal and Technical Documents), subject to post-qualification, if the bidder is determined as the lowest, calculated bid during evaluation of bids. <p>4. If and when, the <u>winning bidder</u> is a Joint Venture or Consortium, the following conditions shall be observed:</p> <ol style="list-style-type: none"> 1. The Consortium or Joint Venture (JV) partners shall not be allowed to transfer their interests for a period of one (1) year, reckoned from the issuance of Notice to Proceed (NTP) or until the completion and satisfactory acceptance by PCSO of Milestones 1 up to Milestone 6.6. <p>After the above period, any change in the Joint Venture partnership shall be conveyed to PCSO, in writing, within thirty (30) days prior to such change; provided, that any change by and among the Consortium or Joint Venture agreement, partners and/or interests, nature and extent of contributions, and arrangements shall not affect the eligibilities and qualifications of the Consortium or Joint Venture existing at the time of the execution of the lease contract (<i>i.e., legal, technical and financial eligibilities</i>) to include, the partners' capability to perform its obligations, warranties and/or undertakings under the lease contract; and</p> <ol style="list-style-type: none"> 2. Each and every member/s or partner/s of the Joint Venture or Consortium shall be jointly and severally liable under and within the duration of the lease contract for the PCSO Lottery System.
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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.

Item No.	Description	Quantity	Total	Delivery Period from Notice to Proceed or NTP (In Months)	Project Sites
MILESTONE 1 (PART OF INCIDENTAL SERVICES)					
	PLS COMPONENTS				
1.1.	Installation Plan			Within month 1 after receipt NTP	
1.2.	Availability of PLS major/ support facilities:				
a.	Data Center Facility (DCF)	1 LOT	1 LOT	Within month 1 to 6 after the receipt of NTP	To be identified by the bidder subject to approval of PCSO
b.	Call Center Facility (CCF-DCF)	1 LOT	1 LOT		To be identified by the bidder subject to approval of PCSO
1.3	PLS System Delivery and Installation (Note: The system shall be capable of accepting a minimum of 10,000 transactions per second with a maximum of 6 seconds response/processing time per transaction.)				
a.	Main Computer System (MCS)	1 LOT	1 LOT		Should be installed in the DCF
	Each lot includes, but not limited to the following :				
	• Servers and Storages				
	• Network System Components				
	• Telecommunications Links				
	• Operating System				
	• Third Party Software				
	• Online Lottery Application				
	• Random Number Generator				
	• System/Gaming Application and Data				
b.	Back-Up Computer System (BCS)	1 LOT	1 LOT		

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Item No.	Description	Quantity	Total	Delivery Period from Notice to Proceed or NTP (In Months)	Project Sites
1.4	Availability of the following support facilities:				
a.	Library / Storage Facility including Physical Security System, 2 units 24/7 air conditioning 5 tonner and media storage cabinets	1 LOT	1 LOT	Within month 2 to 6 after the receipt of NTP	PCSO Specified location in the H.O.
b.	Warehouse Facility including Physical Security System;	1 LOT	1 LOT	Within month 2 to 6 after the receipt of NTP	To be identified by the bidder subject to approval of PCSO
c.	Deliveries of Lottery Management Workstations and accessories;	109 sets	109 sets	Within month 2 to 6 after the receipt of NTP	PCSO Specified place of business (for agents and PCSO Provincial Branch Offices)
d.	Deliveries of Heavy Duty Printers for the Lottery Management Terminals	9 units	9 units	Within month 2 to 6 after the receipt of NTP	PCSO Specified place of business
1.5	PLS System End-user Training for Milestone 1			Start of Month 1 after NTP and onwards	
1.6	Milestone 1 Report;			Month 6 after NTP	

MILESTONE 2 (PART OF INCIDENTAL SERVICES)

2.1	Availability of the following support facilities:				
a.	Draw Court Venue (Physical Security System and 1 Heavy Duty Electric Generator- Diesel 50/60 Hz 3 phase)	1 LOT	1 LOT	Within month 3 to 6 after the receipt of NTP	Within PCSO Main Office and identified back-up Draw Court location
b.	RAMT (Physical Security System, all hardware equipment including 2 heavy duty printers and connectivity)	1 LOT	1 LOT	Within month 3 to 6 after the receipt of NTP	Beside the Draw Court Venue
2.2	PLS System Delivery and Installation:				
a.	Stand Alone System (SAS)	1 LOT	1 LOT	Within month 3 to 6 after the receipt of NTP	Partition inside the Library / Storage Facility

Item No.	Description	Quantity	Total	Delivery Period from Notice to Proceed or NTP (In Months)	Project Sites
b.	Site deployment, installation and connectivity of Lottery Management Workstations	At least 54 out of 109 sets	At least 54 out of 109 sets	Within month 3 to 6 after the receipt of NTP	PCSO Specified place of business
c.	Partial PLS System Testing and Connectivity test;			Within month 3 to 6 after the receipt of NTP	
d.	Draw Court Hardware/Equipment:				
	• Lotto Draw Machines	20 units			
	• Digit Games Draw Machine	48 units			
	• Lotto Draw Balls (in pieces)	2,988 pcs			
	• Digit Games Draw Balls (in pieces)	1,800 pcs			
	• Lotto Test Balls (in pieces)	996 pcs			
	• Digit Test Balls (in pieces)	768 pcs			
	• Analytical Balance Weighing Scale	4 units			
	• Digital Micrometer	4 units			
	• Universal Power Supply (UPS)	2 unit			
	• Control Console for digit games	12 units			
	• Storage Cases				
2.3	PLS Delivery and Installation:				
a.	Delivery, Site Deployment of the following within Luzon, Visayas and Mindanao as specified by PCSO:			Within month 3 to 6 after the receipt of NTP	
	• Fixed Lottery Terminals	At least 3,000 sets	At least 3,000 sets		PCSO Specified place of business (for agents and PCSO provincial Branch Offices)
	• Ticket Checker	At least 1,500 units	At least 1,500 units		
b.	Installation and testing of connectivity of Fixed Lottery Terminals / Ticket Checkers;			Within month 3 to 6 after the receipt of NTP	
c.	Insurance Coverage for delivered Fixed Lottery Terminal/Ticket Checker units;			Within month 3 to 6 after the receipt of NTP	

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Item No.	Description	Quantity	Total	Delivery Period from Notice to Proceed or NTP (In Months)	Project Sites
2.4	PLS System End-user Training for Milestone 2 including the use of SAS			Within month 6 after the receipt of NTP	
2.5	Milestone 2 UAT Report;			Within month 6 after the receipt of NTP	

MILESTONE 3 (PART OF INCIDENTAL SERVICES)

3.1	Availability of the following support facilities:				
a.	Physical Security Monitoring Center (Main security monitoring and control equipment including NVR, CCTV work station, Access control server, racks and peripherals			Within month 7 to 8 after the receipt of NTP	Within PCSO Main Office
b.	Storage Area for Alternate Draw Venue including physical security system			Within month 7 to 8 after the receipt of NTP	To be identified by the bidder subject to approval of PCSO
3.2	PLS Delivery and Installation:				
a.	Delivery, Site Deployment of the following within Luzon, Visayas and Mindanao as specified by PCSO:			Within month 7 to 8 after the receipt of NTP	PCSO Specified place of business (for agents and PCSO provincial Branch Offices)
	<ul style="list-style-type: none"> Fixed Lottery Terminals 	At least 2,500 sets	At least 2,500 sets		
	<ul style="list-style-type: none"> Ticket Checker 	At least 1,500 sets	At least 1,500 sets		
b.	Installation and testing of connectivity of Fixed Lottery Terminals / Ticket Checkers;			Within month 7 to 8 after the receipt of NTP	
c.	Insurance Coverage for delivered Fixed Lottery Terminal/Ticket Checker units;			Within month 7 to 8 after the receipt of NTP	
d.	Branch Site deployment, installation and connectivity of Lottery Management Workstations	At least 55 sets	At least 55 sets	Within month 7 to 8 after the receipt of NTP	PCSO Specified place of business
e.	Partial PLS System Testing and Connectivity test;			Within month 7 to 8 after the receipt of NTP	

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Item No.	Description	Quantity	Total	Delivery Period from Notice to Proceed or NTP (In Months)	Project Sites
f.	PLS System End-user Training for Milestone 3			Within month 8 after the receipt of NTP	Project Sites 
3.3	Milestone 3 Report;			Within month 8 after the receipt of NTP	
MILESTONE 4 (PART OF INCIDENTAL SERVICES)					
4.1	Availability of the following support facilities:				
a.	Mirror Facility (MF)	1 LOT	1 LOT	Within month 9 after the receipt of NTP	To be identified by the bidder subject to approval of PCSO
b.	Call Center Facility (CCF-MF)	1 LOT	1 LOT	Within month 9 after the receipt of NTP	To be identified by the bidder subject to approval of PCSO
4.2	PLS System Delivery and Installation (Note: The system shall be capable of accepting a minimum of 10,000 transactions per second with a maximum of 6 seconds response/processing time per transaction.)				
a.	Main Computer System (MCS)	1 LOT	1 LOT	Within month 9 after the receipt of NTP	Should be installed in the Mirror Facility
	Each lot includes, but not limited to the following :				
	• Servers and Storages				
	• Network System Components				
	• Telecommunications Links				
	• Operating System				
	• Third Party Software				
	• Online Lottery Application				
	• Random Number Generator				
	• System/Gaming Application and Data				
b.	Back-Up Computer System (BCS)	1 LOT	1 LOT		
4.3	PLS Delivery and Installation:				
a.	Delivery, Site Deployment of the following within Luzon, Visayas and Mindanao as specified by PCSO:			Within month 9 after the receipt of NTP	PCSO Specified place of business (for agents and PCSO provincial Branch Offices)

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Item No.	Description	Quantity	Total	Delivery Period from Notice to Proceed or NTP (in Months)	Project Sites
	<ul style="list-style-type: none"> Fixed Lottery Terminals 	At least 2,500 sets	At least 2,500 sets		
	<ul style="list-style-type: none"> Ticket Checker 	At least 1,500 units	At least 1,500 units		
b.	Installation and testing of connectivity of Fixed Lottery Terminals / Ticket Checkers;			Within month 9 after the receipt of NTP	
c.	Insurance Coverage for delivered Fixed Lottery Terminal/Ticket Checker units;			Within month 9 after the receipt of NTP	
d.	Partial PLS System Testing and Connectivity test;			Within month 9 after the receipt of NTP	
e.	PLS System End-user Training for Milestone 4			Within month 9 after the receipt of NTP	
4.2	Milestone 4 Report;			Within month 9 after the receipt of NTP	

MILESTONE 5 (PART OF INCIDENTAL SERVICES)

5.1	PLS Delivery and Installation:				
a.	Delivery, Site Deployment of the following within Luzon, Visayas and Mindanao as specified by PCSO:			Within month 10 after the receipt of NTP	
	<ul style="list-style-type: none"> Fixed Lottery Terminals 	1,511 or remaining sets to complete the total number of active agents at the time of commercial operation	1,511 or remaining sets to complete the total number of active agents at the time of commercial operation		PCSO Specified place of business (for agents and PCSO provincial Branch Offices)
	<ul style="list-style-type: none"> Ticket Checker 	At least 500 units	At least 500 units		

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Item No.	Description	Quantity	Total	Delivery Period from Notice to Proceed or NTP (in Months)	Project Sites
b.	Installation and testing of connectivity of Fixed Lottery Terminals / Ticket Checkers;			Within month 10 after the receipt of NTP	
c.	Insurance Coverage for delivered Fixed Lottery Terminal/Ticket Checker units;			Within month 10 after the receipt of NTP	
d.	Partial PLS System Testing and Connectivity test;			Within month 10 after the receipt of NTP	
e.	PLS System End-user Training for Milestone 5			Within month 10 after the receipt of NTP	
5.2	Milestone 5 Report;			Within month 10 after the receipt of NTP	
MILESTONE 6 (PART OF INCIDENTAL SERVICES)					
6.1	Completion of the initial Penetration and Vulnerability Assessment Test and other test performed by any WLA gaming laboratory.			Within Month 8 to 12 after receipt of NTP	
6.2	Completion of User Acceptance Test (UAT);			Within month 11 to 12 after the receipt of NTP	
6.3	Completion of all End-User training for PLS system and Lottery Terminal/ Ticket Checker operations;			Within month 11 to 12 after the receipt of NTP	
6.4	Full Nationwide System Testing and Mock Testing with at least 100,000 pieces of play slips for each game and at least 1,000 pieces of ticket rolls;			Within month 11 to 12 after the receipt of NTP	
6.5	Milestone 6 Report;			Within month 11 to 12 after the receipt of NTP	
6.6	PLS Total System Commissioning and start of commercial operations			Within month 11 to 12 after the receipt of NTP	
6.7	START OF MONTHLY RENTAL PAYMENTS Re: Year One (1) of the Five (5) Years lease contract; or Completion/Accomplishment of the Whole Milestone 1 until Milestone 6.6.			12 th Month (1 year) from NTP	

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Item No.	Description	Quantity	Total	Delivery Period from Notice to Proceed or NTP (In Months)	Project Sites
MILESTONE 7					
7.1	<i>Deliverables:</i> PCSO shall be certified as WLA-Security Control Standard (SCS) lottery organization			Within one (1) year from the start of commercial operation	
MILESTONE 8					
8.1	Submission of Transition Plan from the Winning Bidder's system to the succeeding lottery system			3rd year of the lease contract of the lottery system	
MILESTONE 9 (PART OF INCIDENTAL SERVICES)					
9.1	Provision by the winning bidder of technical support in cases of system problem for the SAS for the next year from the end of the five(5) years lease contract.			For the duration of one (1) year for inquiry and validation of tickets	
9.2	Pull out and release of all components back to the winning bidder, excluding the SAS.				
Milestone 9 is an incidental service that forms part of the total contract of this project and as such shall be at no additional cost to PCSO.					
*****NOTHING FOLLOWS*****					

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Section VII. Technical Specifications

I. PROJECT NAME: SBAC CONTRACT NO. 2019-01

RE: Five (5) Years Lease of the Philippine Charity Sweepstakes Office (PCSO) Lottery System

II. PROJECT OVERVIEW:

The project involves the provision of all goods and services and the execution of the project, which comprises the planning, customization, financing, development, design, procurement, supply, installation, testing and use through lease of the new online lottery system including the provision of supplies, spare parts, support services, repair, maintenance, enhancement, and training of PCSO personnel in accordance with and as fully described in this Technical Specification, the contract, the Lease Agreement (LA) and all legal requirements.

A contract will be awarded to the Winning Bidder whose proposal is determined to be the lowest, calculated and most responsive bid for Philippine Charity Sweepstakes Office (PCSO), taking into account all the conditions set forth in this bid document, and which PCSO believes provides the greatest long-term benefits, the greatest integrity for the PCSO operations, and the best services and products for the public.

III. APPROVED BUDGET AND SCHEDULE OF PAYMENTS

The Philippine Charity Sweepstakes Office (PCSO), through its Approved Corporate Operating Budget (COB), intends to apply the sum of **EIGHT BILLION THREE HUNDRED TWENTY-THREE MILLION, NINE HUNDRED NINETY THOUSAND, SIX HUNDRED FORTY-NINE PESOS AND EIGHT CENTAVOS Philippine Pesos (PhP 8,323,990,649.08)**, inclusive of all applicable taxes, charges and fees, being the Approved Budget for the Contract (ABC) under the Lottery System or **FIVE (5) YEARS LEASE OF THE PHILIPPINE CHARITY SWEEPSTAKE OFFICE (PCSO) LOTTERY SYSTEM (PLS)**, with the following schedule of payments:

Schedule of Payments (In PhP)	
Year 1	1,664,798,129.82
Year 2	1,664,798,129.82
Year 3	1,664,798,129.82
Year 4	1,664,798,129.82
Year 5	1,664,798,129.80
TOTAL	PhP 8,323,990,649.08

The release of the above schedule of payments shall commence on Year One (1) of the commercial operation of the PCSO Lottery System which shall be guaranteed and paid equally on a monthly basis at the end of each month.

IV. PROJECT BACKGROUND:

By virtue of Republic Act No. 1169, as amended, the Philippine Charity Sweepstakes Office was created as a government-owned and controlled corporation mandated "to raise and provide funds for health, medical and welfare-related charitable programs and projects of national character through the conduct of sweepstakes races, lotteries, and other similar number games".

The PCSO envisions uplifting the quality of lives of the Filipino people by carrying out its responsibility, to provide medical and health services to the disadvantaged sectors of the society, through a professional workforce with integrity, competence, a deep sense of accountability and transparency in all its official transactions.

The PCSO currently has five gaming products in the market, the Traditional Sweepstakes, Instant Sweepstakes Tickets, Small Town Lottery, Lotto Express (Keno), and the Online Lottery Games.

The conduct of the online lottery draws is broadcasted nationwide over a National Channel with the following game draw schedule:

GAME*	DRAW FREQUENCY	NATURE
2-Numbers Game	Daily: 11am, 4pm, 9pm	Online Lottery Game
3-Digit Game	Daily: 11am, 4pm, 9pm	Online Lottery Game
4-Digit Game	9pm (Mon, Wed, Fri)	Online Lottery Game
6-Digit Game	9pm (Tue, Thu, Sat)	Online Lottery Game
Pick 6 of 42	9pm (Tue, Thu, Sat)	Online Lottery Game
Pick 6 of 45	9pm (Mon, Wed, Fri)	Online Lottery Game
Pick 6 of 49	9pm (Tue, Thu, Sun)	Online Lottery Game
Pick 6 of 55	9pm (Mon, Wed, Sat)	Online Lottery Game
Pick 6 of 58	9pm (Tue, Fri, Sun)	Online Lottery Game
Important note: Draw schedule and frequency, subject to change based on PCSO's marketing plan.		

There are nine thousand five-hundred eleven (9,511) fixed lottery terminals installed and operating all over the Philippines, broken down as follows:

Location	No. of operating LOTTO* fixed lottery terminals nationwide (As of March 30, 2019)
LUZON	5,395
VISAYAS	2,423
MINDANAO	1,696
TOTAL	9,511
(*) Excludes KENO terminals	

These fixed lottery terminals are connected online through various modes of connectivity, serviced by different telecommunication companies, as follows:

Connectivity Type	TELCO DISTRIBUTION (As of March 30, 2019)
DSL	103
DSL/GPRS	173
WIRELESS	4,755
3G	375
3G/GPRS	233
GPRS	3,860
VSAT	6
VSAT/GPRS	6
TOTAL	9,511
NOTE: The variance in the number of terminals and connectivity accounts for the redundant connectivity configuration for some lottery terminals.	

At present, the transparent and credible conduct of the draws, which follows very stringent draw procedures and uses internationally accepted draw equipment, contribute to the increased sales and trust of the people in the lottery games of PCSO.

It is imperative, therefore, that the draw equipment and peripherals that will be provided (Air mix) must be reliable and pass the World Lottery Association (WLA) standards to ensure the continued effective and efficient drawing of winning numbers.

V. PROJECT OBJECTIVES:

Consistent with RA 1169, as amended and for purposes of maintaining the integrity in holding and conduct of online games for players, the PCSO aims to:

- Lease a new, working and all-in Luzon, Visayas and Mindanao Lottery System (V-MOLS) for five (5) years that will be responsive to market demands/preferences and contribute to the efficient and effective conduct of current and future online lottery games of PCSO;
- Enable PCSO to manage, operate and control the leased V-MOLS that will provide a well maintained, secured, transparent and credible conduct of online lottery draws consistent with standards set by the World Lottery Association (WLA);
- Improve the quality and sales distribution efficiency for PCSO's online games to expand its market and engage more loyal players in existing and future areas of operation;
- Minimize costs for maintaining a leased lottery system.

IV. PROJECT SCOPE

The lease of an **ALL-IN** and **WORKING** Nationwide Online Lottery System (NOLS) with a fixed annual rental rate covering a period of five (5) years, shall have the following project components:

- 1.1. *Hardware and Network Infrastructure (Main, Backup and Stand-alone Computer System)*
- 1.2. *Computer Systems (Main, Backup, Stand-alone Computer System)*
- 1.3. *Application System*
- 1.4. *Application Security*
- 1.5. *Administrative Functions and Reports*
- 1.6. *Fixed Lottery Terminals*
- 1.7. *Data Center Facility (DCF)*
- 1.8. *Lottery Draw Equipment and Accessories*
- 1.9. *Data Recovery Facility (DRF)*
- 1.10. *Call Center Facility for DCF (CCF-DCF)*
- 1.11. *Call Center Facility for DRF (CCF-DRF)*
- 1.12. *Warehouse (Lottery Terminals and Draw Related Paraphernalia)*
- 1.13. *Physical Security*
- 1.14. *Connectivity/Telecommunications Services*
- 1.15. *Warranty and Other Services*
- 1.16. *Documentation/Manuals of Operation*
- 1.17. *Training Requirements*
- 1.18. *Licenses & System/Software/Firmware Enhancement(s)*
- 1.19. *Operations and Manpower Requirements*
- 1.20. *Installation and Transition Plan and other services as described in Section V. Special Conditions of the Contract, Section VI. Schedule of Requirements and Section VII. Technical Specifications, to include the bidder's Statement of Compliance/Undertaking.*

V. TECHNICAL SPECIFICATIONS

The Technical Specifications (TS) for the five (5) years lease of the PCSO Visayas and Mindanao Online Lottery Systems (V-MOLS) define, describe and enumerate required goods and services to be supplied and delivered per project components.

The Technical Specifications shall be divided into two (2) parts, which shall define, describe and enumerate the project scope or deliverables under this lease contract:

- **PART I. Technical Specification (for post-qualification evaluation)**
- **PART II. Undertaking for required goods and services**

1. The two (2) parts of the Technical Specifications shall be integrated and shall form part of the bidder's CONTRACT AGREEMENT FORM;
2. The Technical Specification shall be signed by the bidder and/or his authorized representative and date accomplished shall be indicated;
3. Bidders shall be responsible to conduct due diligence and strictly abide with the technical specification enumerated, as follows (see next page).

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Technical Specifications

<p>GOODS</p> <p>PART I</p> <p>Technical Specifications</p> <p>(For post-qualification evaluation)</p>	<p>IMPORTANT REMINDERS TO BIDDER/S:</p> <ol style="list-style-type: none">1. Bidders must state here either “Comply” or “Not Comply” against each of the individual parameters of each specification stating the corresponding performance parameter of the equipment offered. Statements of “Comply” or “Not Comply” must be supported by evidence in a Bidder’s Bid and cross-referenced to that evidence;1.1. <u>Evidence shall be in the form of manufacturer, samples, independent test data, and the like, as appropriate and in accordance with Special Conditions of the Contract;</u>1.2. Each and every page of the evidence must bear the signature of the bidder and/or his/her authorized representative;2. A statement that is not supported by evidence or is subsequently found to be contradicted by the evidence presented will render the Bid under evaluation liable for rejection;3. A statement either in the Bidder’s Technical Specification Compliance (for post qualification evaluation) or the supporting evidence that is found to be false either during Bid evaluation, post qualification or the execution of the Contract may be regarded as fraudulent and render the Bidder or supplier liable for prosecution subject to applicable provisions in the Instructions to Bidders (ITB) and/or GCC (General Conditions of the Contract) including the aforementioned SCC (Special Conditions of the Contract) including additional lease conditions as indicated in the bidding documents for SBAC Contract No. 2019-01 (Five (5) years lease of the PCSO LOTTERY SYTEM (PLS).
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Part I. Technical Specifications (For Post-Qualification Evaluation))

A. PLS SOLUTION ARCHITECTURE AND DESIGN

1. HARDWARE ARCHITECTURE		<u>COMPLY</u>	<u>NOT COMPLY</u>
	<p>Capable of supporting multi sales channels, such as, but not limited to the following:</p> <ul style="list-style-type: none"> a. fixed retailer terminals, stand-alone (kiosks) equipment and devices, b. interactive sales services <p>using the latest technology available.</p>		
	<p>Capable of handling simultaneously a minimum of ten thousand (10,000) Online Lottery Game customer transactions (ticket selling/validation/cancellation) with a maximum of six (6) seconds turn-around time per transaction.</p> <p>Note:</p> <p><i>The turn-around time is measured from the time the lotto terminal user presses the last key to enter a transaction, to the time the system finishes to print the actual ticket.</i></p> <p><i>The turn-around time requirement will only cover Online Lottery Game customer transactions such as ticket selling/validation/cancellation and Teller inquiry requests, excluding lengthy report printing requests.</i></p>		
	Capable of remotely enabling and disabling specific Lottery Terminal features such as but not limited to selling specific type of games, cancelling and validating tickets.		
	Capable of reading optical marks, or other latest input technologies, in the bet/play slip and automatically computing the amount of bet/s played.		
	Capable of generating combinations such as but not limited to numbers, symbols and letters.		
	Capable of generating replacement tickets for winning tickets with future draws.		
	<p>Capable of generating and recording the following in the system:</p> <ul style="list-style-type: none"> (a) Unique Serial Number (SN); (b) Bar Code (BC) or Quick Response Code (QRC); (c) Terminal ID; (d) Agency Number; (e) Transaction date and time; (f) Draw date(s) and time; (g) Draw Number; and (h) other data or information that may be specified by PCSO to be printed by the Lottery Terminal. 		
	Capable of archiving all lottery transactions in any latest technology in media storage, and capable of retrieving the same for at least 1 year.		

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	Capable of executing partial and full data backup of the PLS system to online and offline media.		
	<p>Capable of providing Audit Log to serve as a utility tool in managing, diagnosing and monitoring the system which includes, but not limited to, the following:</p> <ul style="list-style-type: none"> • real-time system snapshots (i.e., current state of the system); • current management information with regard to the communications network; • Lottery Game Agents', sales, terminal and terminal activity; • Management Terminal for online Lottery Terminal problem reporting; • A facility/ report/ interface that will give information on the number of Lottery Terminals that have signed on, number of Lottery Terminals that are selling and not selling, number of Lottery Terminals that are blocked, pulled out, deleted; and • A report generation program that will allow the PLS Administrator to print reports of the activities done by the users as well as the administrator. Ensure that PCSO has administrator access. 		
1.1. NETWORK ARCHITECTURE AND TOPOLOGY		<u>COMPLY</u>	<u>NOT COMPLY</u>
	Capable of automatic synchronous replication of data (Data Redundancy) between all active datacenter facilities.		
	<p>Implements sets of Virtual Local Area Networks (VLANs) that are segregated into public facing (External Zone) networks, private (Internal Zone) networks, and networks only accessible by networks in the external and internal Demilitarized Zone (DMZ).</p> <p>The definition and implementation of VLANs should be guided by industry best practices for defense-in-depth security.</p>		
	Implements Access Control Lists (ACLs) between each network as necessary such that the principle of least privilege is followed.		
	Ensure redundant configuration for all major components - "no single point of failure".		

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	<p>All the network components required to fulfill the criteria of the following:</p> <ul style="list-style-type: none"> • A (PLS SOLUTION ARCHITECTURE AND DESIGN) • B (IT SECURITY AND NETWORK MONITORING COMPONENT) • C (PLS DATA CENTER FACILITIES AND SUPPORTING INFRASTRUCTURE) • D (WAN CONNECTIVITY) <p>are procured, deployed and installed physically in a PCSO approved premise.</p>		
1.2. SERVER TOPOLOGY and COMPONENT		<u>COMPLY</u>	<u>NOT COMPLY</u>
	Ensure redundant configuration for all major system components (hardware and software) - "no single point of failure".		
	<p>All the server components required to fulfill the criteria of the following:</p> <ul style="list-style-type: none"> • A (PLS SOLUTION ARCHITECTURE AND DESIGN) • B (IT SECURITY AND NETWORK MONITORING COMPONENT) • C (PLS DATA CENTER FACILITIES AND SUPPORTING INFRASTRUCTURE) <p>are procured, deployed and installed physically in a PCSO approved premise.</p>		
	The Main Computer System and Back-up Computer System must have 99.95% system availability.		
1.3. STORAGE COMPONENT		<u>COMPLY</u>	<u>NOT COMPLY</u>
	<p>All the storage components required to fulfill the criteria of the following:</p> <ul style="list-style-type: none"> • A (PLS SOLUTION ARCHITECTURE AND DESIGN) • B (IT SECURITY AND NETWORK MONITORING COMPONENT) • C (PLS DATA CENTER FACILITIES AND SUPPORTING INFRASTRUCTURE) <p>are procured, deployed and installed physically in a PCSO approved premise.</p>		
2. SOFTWARE ARCHITECTURE			
2.1. SOFTWARE COMPONENTS			
2.1.1. Lottery Software Application		<u>COMPLY</u>	<u>NOT COMPLY</u>
	Ensure that the application has error trapping and recovery features.		
	Capable of supporting double entry verification, performs validity and range checking on all critical data such as winning numbers, jackpot amount, consolation prize, etc.		

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	Capable of defining draws for any period i.e. daily, 30 days, 365 days, etc.		
	Capable of defining special draw(s) that require extending the selling period.		
	Capable of generating randomized combinations such as quick pick/lucky pick.		
	Capable of defining user roles, permissions and access for each software component and ensure that PCSO has administrative right in the creation of such roles.		
	Capable of recording all Lottery Terminal operator logins, logouts, terminal activities and all other keyboard operations available for review and archiving.		
	Capable of retaining winning and non-winning ticket information for online validation.		
	Capable of generating combination plays such as but not limited to 5 combination play, 7 combination play and other combination plays that may be added in the future and recording the same in the system.		
	Capable of exporting data/information of lotto transactions into CSV or other similar human readable formats based on user defined time interval.		
	Supports a Pseudo Random Number Generator (RNG) system that supports sufficient randomization according to WLA Standards.		
	Capable of supporting advance/future draws in a single play or bet.		
	Capable of processing requests from Lottery Terminal for validating winning tickets using Serial Number (SN), Bar Code (BC) or Quick Response Code (QRC), and marking the same in the system as "VALIDATED" or "PAID".		
	<p>Capable of processing requests from Lottery Terminal for cancelling ticket using SN, BC or QRC, and marking the same in the system as "CANCELLED".</p> <p>Note:</p> <p>Cancellation should be done within the specified time before the draw of the particular game as may be determined by the PCSO.</p>		
	Provide a ticket enquiry feature to view activity history of any lottery terminal from the management console.		
	<p>Capable of providing a suite of customizable dashboards to authorized PCSO personnel for all PLS operational data.</p> <p>Note:</p> <p>Dashboard creation engine is robust enough for PCSO to create its own dashboard.</p>		

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2.1.2. Lottery Terminal Software		<u>COMPLY</u>	<u>NOT COMPLY</u>
	Capable of validating winning tickets using Serial Number (SN), Bar Code (BC) or Quick Response Code (QRC), and marking the same ticket as "PAID" or "VALIDATED" without overwriting any of the ticket details.		
	Capable of cancelling ticket using SN, BC or QRC, and marking the same ticket as "CANCELLED".		
	Capable of accepting and producing number combination play such as but not limited to 5 number combination play, 7 number combination play and others.		
2.2. HIGH-LEVEL CALL FLOW DIAGRAM PER TRANSACTION		<u>COMPLY</u>	<u>NOT COMPLY</u>
	Ensure submission of all call-flow diagram for each use case of the PLS as part of PCSO's documentary requirement.		
2.3. SOFTWARE DESIGN DOCUMENTS		<u>COMPLY</u>	<u>NOT COMPLY</u>
	Ensure submission of all software technical design specification documents containing UML models such as but not limited to Database Schema /Structure (Tables, Data Types, etc.), System Flowchart, Data Flow Diagram, Data Dictionary, Class Diagram, Use Case Diagram, Sequence Diagram, State Diagram, Deployment Diagram and Activity Diagram.		
B. IT SECURITY AND NETWORK MONITORING COMPONENTS			
1. NETWORK MONITORING CAPABILITIES		<u>COMPLY</u>	<u>NOT COMPLY</u>
	Provide and deploy a Transport Layer Security (TLS) Offloading solution to ensure that TLS traffic to external services are decrypted prior to being subjected to analysis by Intrusion Detection, Web Application Firewall or similar devices.		
	Provide and deploy an Intrusion Detection and Prevention Platform with application layer visibility such that network threats targeting or being sourced from anywhere within the infrastructure are forwarded to a Security Information and Event Management (SIEM)		
	Provide and deploy a File Integrity Monitoring Platform such that critical files across from anywhere within the infrastructure are forwarded to an SIEM.		
	Provide and deploy a Web Application Firewall such any Hypertext Transfer Protocol (HTTP) based threats to services in the infrastructure are prevented and log forwarded to an SIEM.		

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	Sufficient hypervisor security controls shall be implemented in the event that the vendor utilizes virtualization in the infrastructure. These controls must at least enforce principles of least privilege and support centralized management of security related tasks for virtual machines.		
	The winning bidder shall deploy centralized Public Key Infrastructure (PKI) management platform capable of executing the creation, revocation, signing and deployment of all internal Transport Layer Security (TLS) certificates of the PLS infrastructure.		
C. PLS DATA CENTER FACILITIES AND SUPPORTING INFRASTRUCTURE			
1. PHYSICAL SECURITY MONITORING		<u>COMPLY</u>	<u>NOT COMPLY</u>
	<p>Provision of a Centralized Access Control System with 2-Factor authentication to cover the critical areas and requirements specified in ANNEX "B": Security Camera System and Access Control System</p> <p>Unit description.</p> <ul style="list-style-type: none"> • Automatic blocking of employees whose contract have expired or those employees tagged as unauthorized • Provides high security past and perfect authentication • LCD Display for date, time, and employee name <p>The Access Control system requirements per facility are specified in ANNEX B.</p> <p>Ensure submission of brochures, manuals or sales literature of proposed 2-Factor Authentication Centralized Access Control System. At least one of the authentication factors should be biometric in nature.</p>		
	<p>Provision of one (1) set Wired Surveillance camera system to the critical areas and requirements specified in ANNEX "B".</p> <p>Ensure submission of brochures, manuals or sales literature of proposed Wired Surveillance Camera system.</p>		
	<p>Provision for One (1) set of Fire Suppression System with FM200 or any dry-type extinguishants-environment friendly, for the DCF and MF to cover the following areas:</p> <ul style="list-style-type: none"> ● Main Computer/Server area ● Printer/UPS ● Management Terminals/Draw Representative Area <p>with control panels located near the Data Center physical security post.</p>		
	<p>Provisions for fire detection and alarm systems requirement:</p> <ul style="list-style-type: none"> - Compliant with the required and advisory provisions of the National Fire Protection 		

	<p>Association (NFPA) 72, 80 (Fire Doors and other opening protectives), 75 (Fire), 2001 (extinguishing agents)</p> <ul style="list-style-type: none"> - Bureau of Fire Protection (BFP) approval of complete fire detection and alarm system to include equipment, materials, installation, workmanship, inspection and testing. - Equipment supplier shall have 24 hours parts and labor service available 		
2. FACILITY AND EQUIPMENT			
2.1. PLS DATA CENTER FACILITY (DCF)		<u>COMPLY</u>	<u>NOT COMPLY</u>
	All active datacenter facilities shall have full internet access while being functional replicas of each other.		
	<p>Provision for the 24/7 precision air-conditioning unit (PACU) for all active datacenter facilities.</p> <p>General description</p> <ul style="list-style-type: none"> - with controls, indoor and outdoor control units, - monitoring units such as display panels and complete installation and commissioning for server room including all necessary piping and other peripheral components. - automatic monitoring and control of cooling, heating, humidification, dehumidification, air filtration, other setting and configuration should be installed - shall maintain temperature of 17-23 degrees Celsius - shall maintain relative humidity (RH) of 40-60% with 50% RH set point - The panel should make and Audio-Visual alarm in case of: <ul style="list-style-type: none"> • Power failure • Fan overload • Humidifier power fault • Heat fault • Airflow Failure • Change Air filter • Return air filter/RH out of range • Supply air temperature out of range • Return air humidity sensor alarm • Return air temperature sensor alarm • Service alarm • Electric heater alarm • Microprocessor alarm • Water leakage alarm • Smoke alarm 		
	<p>Provision of Environment Monitoring Solutions in relation to humidity, temperature, airflow, and smoke:</p> <ul style="list-style-type: none"> • Multiple temperature sensors • Climate sensors • Dry-contact sensors • Airflow sensors 		

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	Provision of two (2) units of Uninterruptible Power Supply (UPS) as Primary and Backup to sufficiently support PCSO infrastructure in all data center facilities for the whole lottery computer system.		
	Provision for two (2) heavy duty electric generator set to sufficiently support PCSO infrastructure in all data center facilities for the whole lottery computer system for the following: 1.1. Data Center Facility (DCF) 1.2. Draw Court/Venue 1.3. Broadcast equipment and control booth General description: - Silent type - Diesel - 50/60 Hz 3 phase		
	Provision of Automatic Transfer Switch (ATS) with automatic and non-automatic operation mode.		
2.2. MIRROR FACILITY (MF)		<u>COMPLY</u>	<u>NOT COMPLY</u>
	The MF shall have the same design and exact functions including the components, redundant telecommunication facilities, IT security and monitoring components, internet and network connectivity with that of the DCF.		
2.3. PLS WAREHOUSE (For Lottery Terminals and Draw Related Paraphernalia)		<u>COMPLY</u>	<u>NOT COMPLY</u>
	Provision for PLS Warehouse. Note: It shall house the Lottery Terminals, lottery draw equipment and related accessories, and other hardware devices and peripherals for the use of the PLS.		
	Provision for a minimum of two (2) units of 5-tonner air-conditioning units for the PLS Warehouse of Lottery Terminals and Draw Related Paraphernalia		
3. PLS CALL CENTER FACILITY			
3.1. CALL CENTER FACILITY FOR DCF (CCF-DCF)		<u>COMPLY</u>	<u>NOT COMPLY</u>
	Provision for a call logger management system for the call center operations including data recording media, telephone systems, headsets and accessories. - Call logger o Records the length of call to waiting time and calls made per agent - Call recording o Record, monitor and evaluate calls Instantly listen to a call recording and produce reports		
	Provision for an interactive call center facility which includes but not limited to answering queries through electronic mail, chat, mobile phones, etc.,		







	Provision of management terminals/workstations for daily sales services for remote online lottery operations, sales performance monitoring and technical assistance to Lottery Game outlet agents/operators.		
3.2. CALL CENTER FACILITY FOR MF (CCF-MF)		<u>COMPLY</u>	<u>NOT COMPLY</u>
	The CCF-MF shall have the same design and exact functions including its components with that of the CCF-DCF.		
4. PLS LIBRARY STORAGE FACILITY		<u>COMPLY</u>	<u>NOT COMPLY</u>
	Provision for IT Library with at least 100 sq m. media storage cabinets and provision for 24/7 air-conditioning unit.		
5. STORAGE AREA FOR ALTERNATE DRAW VENUE		<u>COMPLY</u>	<u>NOT COMPLY</u>
	Provision for a storage area for back-up draw machines and paraphernalia.		
6. PHYSICAL SECURITY MONITORING CENTER		<u>COMPLY</u>	<u>NOT COMPLY</u>
	Provision for a Central Monitoring Center to monitor the Surveillance Cameras and Access Control of all PLS facilities.		
7. PLS FIXED LOTTERY TERMINALS		<u>COMPLY</u>	<u>NOT COMPLY</u>
	The display unit for transaction information and promotional materials should be viewable by the customer.		
	Capable of recognizing void bets/plays in the play boards/panels of each Play slips.		
	Lottery Terminals must support touch-screen interface control for all operational functions.		
	The lottery terminals must have a modular design with 'plug and play' function.		
	Support optional smart and chip card readers, Barcode reader / Optical Mark Reader (OMR), Optical Character Reader (OCR), and optional Quick Response (QR) Code reader		
	Lottery terminals and paraphernalia must be interchangeable/interoperable from one retailer outlet to another, anywhere in the Philippines within the lifetime of the contract.		

8. PLS LOTTERY DRAW EQUIPMENT AND ACCESSORIES		COMPLY	NOT COMPLY
	Capable of supporting an Automatic Recognition System for the draw balls such as Radio Frequency Identification (RFID) which includes application software, and/or similar technologies.		
	<p>Air Mix lottery draw equipment for primary and backup units of automatic/interactive lottery draw equipment and peripherals for all numbers and national lottery games.</p> <p>Note: Draw Machines may also be used for other offline games of PCSO.</p> <p>For detailed information, refer to ANNEX "C"- Lottery Draw Machines and Peripherals</p>		
	Provision for storage cases for all media storage, draw machines, official draw balls, accessories and peripherals with security locks and/or crimp seals.		
	<p>Draw Court electrical system requirement to support all lottery draw equipment used during the live Lottery Game draws.</p> <p>General Description:</p> <ul style="list-style-type: none"> ● Minimum of two (2) units of Uninterruptible Power Supply (UPS) ● at least 20 KVA 		
9. TICKET CHECKERS		COMPLY	NOT COMPLY
	<p>Provide ticket checkers which shall be distributed to lotto outlets identified by PCSO.</p> <p>Note: The ticket checkers enable players to check the winning or non-winning information of their ticket with the following features:</p> <ul style="list-style-type: none"> ● barcode reader/scanner ● touch-screen display 		
D. WAN CONNECTIVITY			
1. WAN REQUIREMENTS AND LAYOUT		COMPLY	NOT COMPLY
	<p>Provide a variety of communication technologies as necessary, such that all lottery terminals have sustained secure network connectivity to the PLS. These technologies may include the following:</p> <p>Wired Communications</p> <ul style="list-style-type: none"> ● Leased Line ● Digital Subscriber Line (DSL) ● Fiber Optic Communication (FOC) <p>Wireless Communications</p> <ul style="list-style-type: none"> ● Radio Frequency Links ● Global System for Mobile Communication (GSM) / High-speed Circuit-Switched Data (HSCSD) 		

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	<ul style="list-style-type: none"> • Code Division Multiple Access (CDMA), • Very Small Aperture Terminal (VSAT) • General Packet Radio System (GPRS) • Long Term Evolution (LTE) / LTE Advance • 4G/5G 		
E. OPERATIONS, SUPPORT AND MAINTENANCE, AND CERTIFICATION			
1. OPERATIONS		<u>COMPLY</u>	<u>NOT COMPLY</u>
2. SUPPORT		<u>COMPLY</u>	<u>NOT COMPLY</u>
	The Winning Bidder shall secure, at its own cost and expense, all software and the appropriate licenses, such as but not limited to the operating system, database management system, reporting tools, security software, networking software.		
	Provision for support services to ensure overall lottery system operational performance during the 5-year lease contract. NOTE: For detailed information, please see attached Annex "A" - Support Services		
3. MAINTENANCE		<u>COMPLY</u>	<u>NOT COMPLY</u>
	With Preventive Maintenance Plan until the end of the contract at no cost to PCSO.		
4. CERTIFICATIONS		<u>COMPLY</u>	<u>NOT COMPLY</u>
	The Bidder shall submit the following certifications: 1. WLA Security Control Standard: 2016 certificate OR 1. ISO/IEC 27001:2013 Information Security Management System certificate; 2. ISO 9001:2015 Quality Management System certificate; 3. Certification from any WLA's accredited gaming laboratories that the winning bidder's lottery system is compliant with WLA Security Control Standard: 2016 (WLA-SCS:2016) requirements. Note: For the list of accredited auditor/gaming laboratories which have been approved by WLA -Security and Risk Management Committee (SRMC), please refer to the WLA website (http://www.world-lotteries.org).		

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5. VULNERABILITY ASSESSMENT AND PENETRATION TESTING BY A WLA ACCREDITED GAMING LABORATORY		<u>COMPLY</u>	<u>NOT COMPLY</u>
6. PLS TRAINING REQUIREMENTS		<u>COMPLY</u>	<u>NOT COMPLY</u>
REQUIRED DUE DILIGENCE OF BIDDER BEFORE PARTICIPATION IN THE PUBLIC BIDDING FOR SBAC CONTRACT NO. 2019-01		<u>COMPLY</u>	<u>NOT COMPLY</u>
The bidder has read and understood, each and every page of the bidding documents; its terms and conditions; notes and instructions; and special bid bulletins (SBAC) for SBAC Contract No. 2019-01.			
EXPRESS AGREEMENT TO ABIDE WITH SECTION VI. SPECIAL CONDITIONS OF THE CONTRACT (SCC) IN RELATION TO SECTION VI. SCHEDULE OF REQUIREMENTS AND SECTION VII. TECHNICAL SPECIFICATIONS		<u>COMPLY</u>	<u>NOT COMPLY</u>
The bidder understands and accepts all special conditions as contained in the bidding documents for SBAC Contract No. 2019-01 and issued Special Bid Bulletins of PCSO thru SBAC., with full knowledge of the consequences thereof.			
The bidder understands and accepts, that it is bound and shall abide with all rules and regulations of PCSO, to include future issuances of the PCSO Board of Directors, consistent with the agency's mandate as the primary government agency to hold and conduct lotteries and similar activities under Republic Act No. 1169, as amended; and with full knowledge of the consequences, in case it fails to comply with the Undertaking for required goods and services.			
The bidder understands and accepts that PCSO has the reserved right, discretion and prerogative to terminate the lease contract for the convenience of the Government.			
The bidder understands that it is required to observe and promptly comply with all tax laws, rules and regulations, to include future tax legislations which may take effect during the lifetime of the lease contract.			
The bidder understands and accepts that PCSO expressly reserved all its rights and waives none under the bidding documents for SBAC Contract No. 2019-01 in that, PCSO reserves the right to reject any and all bids, declare a failure of bidding, or not award the contract at any time prior to contract award in accordance with section 41, republic act no. 9184 and its revised IRR without thereby incurring any liability to the affected bidder or bidders.			








PART II

Technical Specifications

(Undertaking for required goods and services)

IMPORTANT REMINDERS TO BIDDER/S:

1. Bidders must state here either "Comply" or "Not Comply" against each of the individual parameters of each specification stating the corresponding performance parameter of the equipment offered. Statements of "Comply" or "Not Comply" must be supported by evidence in a Bidder's Bid and cross-referenced to that evidence;
 - 1.1. Evidence shall be in the form of an accomplished statement of compliance / undertaking in accordance with Special Conditions of the Contract;
 - 1.2. Each and every page of the evidence must bear the signature of the bidder and/or his/her authorized representative;
2. A statement that is not supported by evidence or is subsequently found to be contradicted by the evidence presented will render the Bid under evaluation liable for rejection;
3. A statement either in the Bidder's undertaking for required goods and services or the supporting evidence that is found to be false either during Bid evaluation, post qualification or the execution of the Contract may be regarded as fraudulent and render the Bidder or supplier liable for prosecution subject to applicable provisions in the Instructions to Bidders (ITB) and/or GCC (General Conditions of the Contract) including the aforementioned SCC (Special Conditions of the Contract) including additional lease conditions as indicated in the bidding documents for SBAC Contract No. 2019-01 Five (5) years lease of the PCSO LOTTERY SYTEM (PLS).

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PART II. TECHNICAL SPECIFICATIONS (UNDERTAKING FOR REQUIRED GOODS AND SERVICES)

A. PLS SOLUTION ARCHITECTURE AND DESIGN

1. HARDWARE ARCHITECTURE		<u>COMPLY</u>	<u>NOT COMPLY</u>
	<p>Ensure deployment of multi sales channels, such as, but not limited to the following:</p> <ul style="list-style-type: none"> a. fixed retailer terminals, stand-alone (kiosks) equipment and devices, b. interactive sales services <p>using the latest technology available.</p>		
1.1. NETWORK ARCHITECTURE AND TOPOLOGY		<u>COMPLY</u>	<u>NOT COMPLY</u>
	<p>Provide all network components required to fulfill the criteria of the following:</p> <ul style="list-style-type: none"> • A (PLS SOLUTION ARCHITECTURE AND DESIGN) • B (IT SECURITY AND NETWORK MONITORING COMPONENT) • C (PLS DATA CENTER FACILITIES AND SUPPORTING INFRASTRUCTURE) • D (WAN CONNECTIVITY) <p>to maintain 99.95% system availability, deployed and installed physically in a PCSO approved premise.</p>		
	The Online Lottery Application System should be capable of "data dump" with PCSO's computerized accounting system.		
	Implements a segregated set of network to support testing of change releases prior to pushing to production servers (Staging Networks).		
1.2. SERVER TOPOLOGY and COMPONENT		<u>COMPLY</u>	<u>NOT COMPLY</u>
	<p>Provide all server components required to fulfill the criteria of the following:</p> <ul style="list-style-type: none"> • A (PLS SOLUTION ARCHITECTURE AND DESIGN) • B (IT SECURITY AND NETWORK MONITORING COMPONENT) • C (PLS DATA CENTER FACILITIES AND SUPPORTING INFRASTRUCTURE) <p>to maintain 99.95% system availability, deployed and installed physically in a PCSO approved premise.</p>		
	Redundant configuration (active-active) which will serve as the Main Computer System and Backup Computer System (BCS).		
	<p>The PLS shall have a STAND-ALONE SYSTEM (SAS). The winning bidder shall turn over ownership of SAS to PCSO, with full functionality, upon the expiration of the lease contract.</p> <p>The SAS shall be housed in the main office of PCSO or at any location designated by PCSO with a minimum of 50 sq m. floor area.</p>		

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	<p><i>Note:</i></p> <ul style="list-style-type: none"> ● <i>The Stand-Alone System is an independent system from the MCS and BCS capable of storing the information/data for the entire contract and be able to validate winning tickets for at least one year after the contract expires.</i> ● <i>It is a separate mini operational replica of the entire system without the wide area network communication component.</i> ● <i>The system will be used to restore backup data and reprocess draw data saved in a removable storage media for auditing, testing and other purposes.</i> <p><i>PCSO shall have full control of the operations of the SAS from first day of selling.</i></p>		
1.3. STORAGE COMPONENT		<u>COMPLY</u>	<u>NOT COMPLY</u>
	<p>Provide all storage components required to fulfill the criteria of the following:</p> <ul style="list-style-type: none"> • A (PLS SOLUTION ARCHITECTURE AND DESIGN) • B (IT SECURITY AND NETWORK MONITORING COMPONENT) • C (PLS DATA CENTER FACILITIES AND SUPPORTING INFRASTRUCTURE) <p>to maintain 99.95% system availability, deployed and installed physically in a PCSO approved premise,</p>		
2. SYSTEM ARCHITECTURE		<u>COMPLY</u>	<u>NOT COMPLY</u>
	Capable of generating alerts and warning reports through SMS and/or email once a problem in the system or network is detected, excessive cancellation of tickets per lottery terminal, high bet amount in a single customer transaction.		
	Capable of providing Browser-based presentation layer of the lottery application system including dashboard for monitoring and business analytics related reports.		
	Capable of transmitting and posting the winning number combinations and jackpot prizes to PCSO Portal/Website.		
	Capable of restarting and resuming operations without loss of data in the event of an abnormal interruption/stoppage of the system.		
	Capable of printing past draw results within a year and their corresponding jackpot prizes, broadcast messages, and jackpot updates.		
	Capable of generating the number of jackpot winner/s for each game as well as the name and location of the winning lotto outlet/agency where the jackpot ticket was purchased within five (5) minutes after system confirmation of the winning numbers.		
	The application shall have a feature that allows digital signing of transactions throughout the approval chain.		

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	<p>Capable of producing unique tickets containing the following:</p> <ol style="list-style-type: none"> 1. player's number combination(s) 2. ticket cost, 3. with security features such as: 4. PCSO logo 5. Game logo 6. Serial Number (SN) 7. Bar Code (BC) 8. Quick Response Code (QRC) 9. Terminal ID 10. Agency Number 11. Transaction date and time 12. Draw Date/s 13. Draw Time <p>and other data or information that may be specified by PCSO.</p>		
	Capable of reading and validating transaction information printed on the ticket for at least one (1) year from draw date.		
	Capable of interfacing with third party devices such as but not limited to payment systems, game enhancements, using Application Program Interface (API).		
	Online and/or mobile payment systems READY such as credit cards, debit cards, smart or pre-paid cards, ATM, POS cards for future integration.		
	Capable of transmitting messages to individual terminals or group of terminals.		
3. SOFTWARE ARCHITECTURE		<u>COMPLY</u>	<u>NOT COMPLY</u>
	Ensures proper encryption of all sensitive data stored in disks and drives throughout the PLS infrastructure.		
	Ensures protection of data in transit such as the application of encryption algorithm, unless through network specifically requiring clear text for threat detection and visibility (e.g. under a network segment under an SSL Off-loader and passing through a Web Application Firewall)		
	Provide Random Number Generator (RNG) for games such as but not limited to Keno, Online Bingo, other Interactive games, etc.		
	Capable of supporting a minimum of one hundred (100) Management Workstations with accessories for distribution to concerned departments and Branch A Offices.		
	Capable of supporting minimum of Ten Thousand (10,000) lottery transactions (fixed terminal bets) per second with a maximum turn-around time of six (6) seconds for every Lottery Terminal.		

3.1. SOFTWARE COMPONENTS			
3.1.1. Lottery Software Application		<u>COMPLY</u>	<u>NOT COMPLY</u>
	<p>Capable of developing / delivering games of PCSO and other games that will be added in the future.</p> <p>The Winning Bidder shall, under the supervision of PCSO, develop and install at least one (1) new lottery/digit game and at least one (1) mobile application per year for the whole duration of the contract, free of charge.</p>		
	<p>Dashboard for the following:</p> <ol style="list-style-type: none"> Product performance, in terms of product sales in pesos and in units, grouped by week, by month, by quarter and annual sales, by area, by region, province, municipality and agency/ lotto outlet; Product's daily hourly sales, in terms of product sales in pesos and in units, by game, by lotto outlet, by area, by region, by province and by municipality, archived on an hourly basis for the whole year; Status monitoring of Lottery Terminals (active/inactive/no connection) and must provide real time reports in such a manner and frequency as may be required by PCSO. Provided, that information on lottery terminal status must be retained for at least 1-year period for historical purposes; Available on demand via the PCSO internal network, for the day's data center operations displaying server status, application status, network status, Lottery Terminal status, and archived on an hourly basis for the whole year; 		
	Capable of providing Prepaid Account System for Online Lottery Game Agent's.		
	Capable of adjusting jackpot prizes in cases that PCSO grants additional jackpots during special occasions such as the Christmas season or the agency's anniversary as promotional strategy.		
	Ensure that the lottery system shall retain the winning ticket information for one (1) year for online validation and non-winning ticket information for one (1) month.		
	Capable of exporting data/information of lotto transactions into CSV or other similar human readable formats based on user defined time interval prescribed by PCSO.		

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	<p>The system must be parameter based capable of handling the following:</p> <ul style="list-style-type: none"> a. Draw schedule refers to the selling period for each of the defined draws. This will allow PCSO to add or postpone draws. It must be able to postpone any draw immediately in cases of force majeure when the drawing of winning numbers is not viable. b. Prize payout structure for each game and per draw; c. Maximum prize amount that can be paid by a lotto outlet/branch office/main office based on the level of authority as may be determined by PCSO; d. Agent's commission percentage from sales generated from their own outlet; e. Fund allocation (Operating, Charity and Prize) percentages. This will allow the PCSO to change the distribution percentages of the sales amount. f. All applicable tax percentages; g. Local Government Units (LGU) Lotto Share; h. Reserve Fund percentage for the Prize Pool for each game; i. Cancellation time-out. This is the time a terminal is allowed to cancel a transaction; j. Capable of adding or modifying parametric features that may be specified by PCSO; k. and all other necessary parameters. 		
3.1.2. Lottery Terminal Software		<u>COMPLY</u>	<u>NOT COMPLY</u>
	Capable of providing the latest PLS-Application version to the Online Lottery Terminal remotely through push or pull process		
3.2. HIGH-LEVEL CALL FLOW DIAGRAM PER TRANSACTION		<u>COMPLY</u>	<u>NOT COMPLY</u>
	Provide all call-flow diagram for each use case of the PLS as part of PCSO's documentary requirement.		
3.3. SOFTWARE DESIGN DOCUMENTS		<u>COMPLY</u>	<u>NOT COMPLY</u>
	Provide submission of all software technical design specification documents containing UML models such as but not limited to Database Schema /Structure (Tables, Data Types, etc.), System Flowchart, Data Flow Diagram, Data Dictionary, Class Diagram, Use Case Diagram,		

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	Sequence Diagram, State Diagram, Deployment Diagram and Activity Diagram.		
B. IT SECURITY AND NETWORK MONITORING COMPONENTS			
1. NETWORK MONITORING CAPABILITIES		<u>COMPLY</u>	<u>NOT COMPLY</u>
	<p>The winning bidder shall allow the system access of a Security Operations Center (SOC) to monitor, detect and respond to cyber security hacking and such other threats and infiltrations, and remediate to any incident on the PLS it oversees.</p> <p>Bidder should be prohibited from participating in the bidding of the SOC as it should be independent from the winning bidder and should report directly to PCSO.</p>		
	Provide and deploy a Transport Layer Security (TLS) Offloading solution to ensure that TLS traffic to external services are decrypted prior to being subjected to analysis by Intrusion Detection, Web Application Firewall or similar devices.		
	Provide and deploy an Intrusion Detection and Prevention Platform with application layer visibility such that network threats targeting or being sourced from anywhere within the infrastructure are forwarded to a Security Information and Event Management (SIEM)		
	Provide and deploy a File Integrity Monitoring Platform such that critical files across from anywhere within the infrastructure are forwarded to an SIEM.		
	Provide and deploy a Web Application Firewall such any Hypertext Transfer Protocol (HTTP) based threats to services in the infrastructure are prevented and log forwarded to an SIEM.		
2. HOST LOGGING CAPABILITIES		<u>COMPLY</u>	<u>NOT COMPLY</u>
	Ensure that all system, application and security events in each host are being forwarded to an SIEM.		
3. ANTIVIRUS AND ANTI-MALWARE CAPABILITIES		<u>COMPLY</u>	<u>NOT COMPLY</u>
	Ensure that all systems have installed and running Advanced End-Point Protection platform with Anti-Malware software and end-point detection and response platform that are regularly updated.		

B. IT SECURITY AND NETWORK MONITORING COMPONENTS

1. NETWORK MONITORING CAPABILITIES

COMPLY

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The winning bidder shall allow the system access of a Security Operations Center (SOC) to monitor, detect and respond to cyber security hacking and such other threats and infiltrations, and remediate to any incident on the PLS it oversees.

Bidder should be prohibited from participating in the bidding of the SOC as it should be independent from the winning bidder and should report directly to PCSO.

Provide and deploy a Transport Layer Security (TLS) Offloading solution to ensure that TLS traffic to external services are decrypted prior to being subjected to analysis by Intrusion Detection, Web Application Firewall or similar devices.

Provide and deploy an Intrusion Detection and Prevention Platform with application layer visibility such that network threats targeting or being sourced from anywhere within the infrastructure are forwarded to a Security Information and Event Management (SIEM)

Provide and deploy a File Integrity Monitoring Platform such that critical files across from anywhere within the infrastructure are forwarded to an SIEM.

Provide and deploy a Web Application Firewall such any Hypertext Transfer Protocol (HTTP) based threats to services in the infrastructure are prevented and log forwarded to an SIEM.

2. HOST LOGGING CAPABILITIES

COMPLY

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COMPLY

Ensure that all system, application and security events in each host are being forwarded to an SIEM.





3. ANTIVIRUS AND ANTI-MALWARE CAPABILITIES

COMPLY

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COMPLY

Ensure that all systems have installed and running Advanced End-Point Protection platform with Anti-Malware software and end-point detection and response platform that are regularly updated.

4. SECURITY INFORMATION AND EVENT MANAGEMENT (SIEM) AND CENTRALIZED LOGGING		COMPLY	NOT COMPLY
	Ensure the procurement and deployment of an SIEM that ingests all the host and network security events generated by each item in this section.		
	Ensure that all security events stored in the SIEM are stored for ready access for at least 60 days.		
	Ensure that threat alerts detected by the SIEM may be configured to be forwarded to designated mailing lists.		
	Ensure that SIEM dashboards are created in order to represent detected threats, security events and alerts to PCSO staff.		
5. CENTRALIZED AUTHENTICATION		COMPLY	NOT COMPLY
	Ensure that there exists a platform that serves as a central source of user management, credential management and role management.		
	Ensure that all authentication processes are augmented by 2-factor authentication. At least one of the authentication factors should be biometric in nature.		
6. NETWORK SECURITY CONTROLS		COMPLY	NOT COMPLY
	The winning bidder shall deploy centralized Public Key Infrastructure (PKI) management platform capable of executing the creation, revocation, signing and deployment of all internal Transport Layer Security (TLS) certificates of the PLS Infrastructure		
C. PLS DATA CENTER FACILITIES AND SUPPORTING INFRASTRUCTURE			
1. PHYSICAL SECURITY MONITORING		COMPLY	NOT COMPLY
	<p>Provision of a Centralized Access Control System with 2-Factor authentication to cover the critical areas and requirements specified in ANNEX "B" - Security Camera System and Access Control System.</p> <p>Unit description.</p> <ul style="list-style-type: none"> Automatic blocking of employees whose contract have expired or those employees tagged as unauthorized Provides high security past and perfect authentication LCD Display for date, time, and employee name <p>The Access Control system requirements per facility are specified in ANNEX "B".</p> <p>Ensure submission of brochures, manuals or sales literature of proposed 2-Factor Authentication Centralized Access Control System. At least one of the authentication factors should be biometric in nature.</p>		

	<p>Provision of one (1) set Wired Surveillance camera system to the critical areas and requirements specified in ANNEX "B".</p> <p>Ensure submission of brochures, manuals or sales literature of proposed Wired Surveillance Camera system.</p>		
	<p>Provision of Main Control System and monitor for the surveillance security cameras, access control management system, recording media/equipment and its peripherals which will be housed in the main office at a location designated by PCSO.</p>		
	<p>Provision for One (1) set of Fire Suppression System with FM200 or any dry-type extinguishants-environment friendly, for the DCF and MF to cover the following areas:</p> <ul style="list-style-type: none"> • Main Computer/Server area • Printer/UPS • Management Terminals/Draw Representative Area <p>with control panels located near the Data Center physical security post.</p>		
	<p>Provisions for fire detection and alarm systems requirement:</p> <ul style="list-style-type: none"> - Compliant with the required and advisory provisions of the National Fire Protection Association (NFPA) 72, 80 (Fire Doors and other opening protectives), 75 (Fire), 2001 (extinguishing agents) - Bureau of Fire Protection (BFP) approval of complete fire detection and alarm system to include equipment, materials, installation, workmanship, inspection and testing. - Equipment supplier shall have 24 hours parts and labor service available 		
2. FACILITY AND EQUIPMENT			
2.1. PLS DATA CENTER FACILITY (DCF)		<u>COMPLY</u>	<u>NOT COMPLY</u>
	<p>All active datacenter facilities shall have full internet access while being functional replicas of each other.</p>		
	<p>The DCF must have good/reliable telecommunication facilities and infrastructure such as</p> <ul style="list-style-type: none"> - less or no interference at all; - maintained transmission speed - symmetrical connection in both uploading and downloading - shall have full internet access with at least 200 Mbps bandwidth capacity; <p>shall have network connection such as Multi Protocol Label Switching (MPLS)/Virtual Private Network (VPN), etc. with a capacity of at least 400Mbps</p>		

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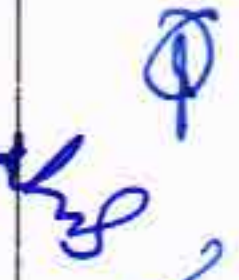



	<p>Provision for the 24/7 precision air-conditioning unit (PACU) for all active datacenter facilities.</p> <p>General description</p> <ul style="list-style-type: none"> - with controls, indoor and outdoor control units, - monitoring units such as display panels and complete installation and commissioning for server room including all necessary piping and other peripheral components. - automatic monitoring and control of cooling, heating, humidification, dehumidification, air filtration, other setting and configuration should be installed - shall maintain temperature of 17-23 degrees Celsius - shall maintain relative humidity (RH) of 40-60% with 50% RH set point - The panel should make and Audio-Visual alarm in case of: <ul style="list-style-type: none"> • Power failure • Fan overload • Humidifier power fault • Heat fault • Airflow Failure • Change Air filter • Return air filter/RH out of range • Supply air temperature out of range • Return air humidity sensor alarm • Return air temperature sensor alarm • Service alarm • Electric heater alarm • Microprocessor alarm • Water leakage alarm • Smoke alarm 		
	<p>Provision of Environment Monitoring Solutions in relation to humidity, temperature, airflow, and smoke:</p> <ul style="list-style-type: none"> - Multiple temperature sensors - Climate sensors - Dry-contact sensors - Airflow sensors 		
	<p>Provision of two (2) units of Uninterruptible Power Supply (UPS) as Primary and Backup to sufficiently support PCSO infrastructure in all data center facilities for the whole lottery computer system.</p>		
	<p>Provision for two (2) heavy duty electric generator set to sufficiently support PCSO infrastructure in all data center facilities for the whole lottery computer system for the following:</p> <ol style="list-style-type: none"> 1.4. Data Center Facility (DCF) 1.5. Draw Court/Venue 1.6. Broadcast equipment and control booth <p>General description:</p> <ul style="list-style-type: none"> - Silent type - Diesel - 50/60 Hz 3 phase 		

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	Provision of Automatic Transfer Switch (ATS) with automatic and non-automatic operation mode.		
	The Data Center Facility must be located at the PCSO main office premises or at a separate secure location as may be agreed upon by the winning bidder and PCSO. Note: The Data Center Facility is where the MCS and the BCS are being maintained.		
	Data Center (DCF and MF) should have the following areas such as but not limited to: <ul style="list-style-type: none"> ● Main computer/server Area ● Printer/UPS Area ● Management Terminals/Draw Representative Area Main electrical panel/Fire suppression storage room		
	Provision of the electrical system requirements such that there are two independent power sources, commercial power and generator set.		
	Provision of dual or redundant power supply components, i.e. circuit-breakers, UPS, voltage regulators, etc. to ensure no single point of failure for uninterrupted operations.		
	All equipment inside the DCF shall be brand new, state of the art and actively supported by their dealer/manufacture (i.e., spare parts, accessories, etc.) for the duration of the five (5) years lease contract.		
	The DCF shall have a minimum of 100 sq.m floor area.		
	The location of the DCF shall have a five-meter buffer zone on both sides of an active fault per Phivolcs Regulations, Circulars, and Pronouncements.		
	Active-Passive configuration between the DCF and MF.		
2.2. MIRROR FACILITY (MF)		<u>COMPLY</u>	<u>NOT COMPLY</u>
	The MF shall have the same design and exact functions including the components, redundant telecommunication facilities, IT security and monitoring components, internet and network connectivity with that of the DCF.		
	The MF shall be located within the National Capital Region as agreed upon by the winning bidder and PCSO and shall not share the same telecommunication lines, hubs and electric power supply with the DCF.		
	The MF shall have the same design and exact functions including the components, redundant telecommunication facilities, IT security and monitoring components, internet and network connectivity with that of the DCF.		
	The location of the MF shall have a five-meter buffer zone on both sides of an active fault per Phivolcs Regulations, Circulars, and Pronouncements.		

	Provide support optional smart and chip card readers, Barcode reader / Optical Mark Reader (OMR), Optical Character Reader (OCR), and optional Quick Response (QR) Code reader		
	Ensure that lottery terminals and paraphernalia must be interchangeable/interoperable from one retailer outlet to another, anywhere in the Philippines within the lifetime of the contract.		
8. PLS LOTTERY DRAW EQUIPMENT AND ACCESSORIES		<u>COMPLY</u>	<u>NOT COMPLY</u>
	Provision for an Automatic Recognition System for the draw balls such as Radio Frequency Identification (RFID) which includes application software, and/or similar technologies.		
	<p>Provision of latest brand new and Air Mix lottery draw equipment for primary and backup units of automatic/interactive lottery draw equipment and peripherals for all numbers and national lottery games of PCSO.</p> <p>Note:</p> <p>Draw Machines can also be used for other offline games of PCSO.</p> <p>NOTE: For detailed information, please see attached ANNEX "C"- Lottery Draw Equipment and peripherals.</p>		
	Provision for storage cases for all media storage, draw machines, official draw balls, accessories and peripherals with security locks and/or crimp seals.		
	Provision for media storage transport case and crimp seals to transport backup storage media.		
	Provision for Storage Facility to house all draw machines, official draw balls, and other lottery paraphernalia.		
	<p>Draw Court electrical system requirement to support all lottery draw equipment used during the live Lottery Game draws.</p> <p>General Description:</p> <ul style="list-style-type: none"> • Minimum of two (2) units of Uninterruptible Power Supply (UPS) • at least 20 KVA • such other electrical requirements that the Winning Bidder deems necessary for the smooth operation of the lottery draw equipment 		
9. TICKET CHECKERS		<u>COMPLY</u>	<u>NOT COMPLY</u>
	Provide 5,000 ticket checkers which shall be distributed in lotto outlets identified by PCSO.		

D. WAN CONNECTIVITY		
1. WAN REQUIREMENTS AND LAYOUT	COMPLY	NOT COMPLY
Capable of supporting online betting.		
Capable of supporting Network Management software that can interface with that of the telecommunication service providers for Lottery Terminals.		
Provision of a redundant network connection from at least two (2) different telecommunications companies for each Lottery Terminal.		
Capable of an automatic failover from a primary source of connectivity to a secondary source of connectivity, without disrupting operations.		
<p>Provide a variety of communication technologies as necessary, such that all lottery terminals have sustained secure network connectivity to the PLS. These technologies may include the following:</p> <p>Wired Communications</p> <ul style="list-style-type: none"> • Leased Line • Digital Subscriber Line (DSL) • Fiber Optic Communication (FOC) <p>Wireless Communications</p> <ul style="list-style-type: none"> • Radio Frequency Links • Global System for Mobile Communication (GSM) / High-speed Circuit-Switched Data (HSCSD) • Code Division Multiple Access (CDMA), • Very Small Aperture Terminal (VSAT) • General Packet Radio System (GPRS) • Long Term Evolution (LTE) / LTE Advance • 4G/5G 		
<p>Can handle the required turn-around time on volume and traffic of transaction with adequate redundancy.</p> <p>Note: <i>The turn-around time is measured from the time the lotto terminal user presses the last key to enter a transaction, to the time the system finishes to print or display the results of the transaction.</i></p> <p><i>The turn-around time requirement will only cover Online Lottery Game customer transactions such as ticket selling/validation/cancellation and Teller inquiry requests, excluding lengthy report printing requests.</i></p>		
<p>The DCF must have good/reliable telecommunication facilities and infrastructure such as</p> <ul style="list-style-type: none"> - less or no interference at all; - maintained transmission speed - symmetrical connection in both uploading and downloading - shall have full internet access with at least 200Mbps bandwidth capacity; <p>shall have network connection such as Multi-Protocol Label Switching (MPLS)/Virtual Private Network (VPN), etc. with a capacity of at least 400Mbps</p>		

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	Ensure that the DCF and MF have dual or redundant telecommunication connection which will serve as a primary and a secondary connection.		
E. OPERATIONS, SUPPORT AND MAINTENANCE, AND CERTIFICATION			
1. OPERATIONS		<u>COMPLY</u>	<u>NOT COMPLY</u>
	The Winning Bidder shall bear the cost of installation fees and monthly charges for the services provided by the Telecommunication Companies in the operation of the lottery system as described in the communications aspect of all Computer Systems of this Technical Specifications.		
	<p>The Winning Bidder shall be responsible for the regular preventive maintenance, pull-out, repairs, and/or replacement of part(s)/unit(s) of lottery equipment such as the following:</p> <ul style="list-style-type: none"> • Lottery Terminal, • server equipment and • other peripherals in all active data center facilities, • Lottery Draw Equipment Storage Facility6 (LDESf) and • Online Lottery Game outlets <p>for the duration of the contract.</p>		
	The Winning Bidder shall be responsible in achieving the service-level agreement, response and restoration time objectives under the following conditions:		
	1. The Agent's Service Order Request (Terminal Problem Report) shall be responded and restored within twenty-four (24) operational hours from the time it was reported to the technician on a first-in first-out buffer flow.		
	2. The Agents' Service Order Request (Agents' downtime caused by a communication problem) shall be responded and restored within twenty-four (24) operational hours from the time it was reported to the corresponding telecommunications carrier.		
	As part of the capability to manage these resources, the Winning Bidder shall provide and install a monitoring dashboard for identified PCSO officers.		
	The Winning Bidder shall provide regular system enhancements as provided by the original system manufacturers as part of the annual maintenance, license agreement and/or as may be required by PCSO from time to time.		
	The Winning Bidder shall ensure the continuous and unhampered PLS operations with 99.95% service availability, despite any declaration by the manufacturer's end of life and support of any components for the entire five (5) year contract period.		
	PCSO shall have title to and ownership of the games as enumerated in the Lottery Games and Draw Schedule of the Technical Specifications for PLS, as well as additional games that PCSO may introduce in the future.		
	PCSO shall be the owner of all identifying marks, signs, symbols and product name of all online games described under the Technical Specifications, as well as the design (signs/marks/symbols/lay-out) in tickets and bet slips.		

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	PCSO shall have ownership and copyrights for the PLS, its game mechanics (game rules and regulation), its signs, symbols and marks including product name and the same shall be used exclusively by PCSO consistent with its mandate and function under Republic Act No. 1169, as amended.		
	All rights arising from the exclusive enjoyment and commercial operation of PLS, as a customized lottery system for the holding and conduct of State-run lottery in the Philippines are hereby reserved in favor of the National Government thru its instrumentality, PCSO, as procuring entity.		
	The Winning Bidder shall provide a combination of additional system hardware, software and/or network enhancements whenever the system performance starts to degrade as provided for in the GOODS-COMPUTER SYSTEMS on the Main Computer System availability, performance and response time.		
	The Winning Bidder shall replace any equipment subsequently covered by end of life provisions by its dealer/manufacturer with a latest model under active vendor support at no cost to PCSO.		
	<p>The Winning Bidder shall provide PCSO complete sets of documentation for all the components of the lottery system which contain sufficient information for the proper operation, management, maintenance and reconfiguration. The following manuals of operation should be submitted in electronic and hard copies:</p> <ol style="list-style-type: none"> 1.1. Systems Operations Manual 1.2. Applications Manual 1.3. Gaming Operations Manual 1.4. Technical Reference Manual 1.5. System Administration and Maintenance Manuals 1.6. Troubleshooting Manuals 1.7. User Manuals 1.8. Installation Records 1.9. Installation Configuration 1.10. System Flowchart 1.11. Data Flow Diagram 1.12. Database Schema/ Structure (Tables, Data Types, etc.) 1.13. License and Licensing Agreements 1.14. Systems Security Manual 1.15. Disaster Recovery Manual 1.16. Manufacturer's Documentation 1.17. As Built Plans/Drawings 1.18. Any other manuals as may be required by PCSO 		
	<p>The lottery system is expected to be operational 24 hours a day, seven days a week. To achieve this objective, the Winning Bidder shall provide PCSO the following support group and manpower:</p> <ol style="list-style-type: none"> 1. Highly-qualified support engineers who are capable of troubleshooting and resolving hardware and software problems. 2. Software personnel who shall undertake the following: <ol style="list-style-type: none"> a. Modify and resolve game software glitches in PCSO games; b. Develop software for new games. 		








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	<ul style="list-style-type: none"> c. Troubleshoot all software related problems; d. Conduct regular quality assurance (QA) checks. <p>3. Lottery Draw Equipment Technicians who shall maintain and service the equipment in the Lottery Draw Equipment Service Facility. They shall also be present during the draw proceedings.</p> <p>4. Field Technicians who shall install/uninstall, maintain, repair, and service the terminals and the battery back-up units within the shortest time possible.</p>		
	<p>The Winning Bidder shall provide:</p> <ul style="list-style-type: none"> (i) a comprehensive Work Plan of the entire PLS project within one month from the issuance of NTP; and (ii) a Transition Plan from the Winning Bidder's system to the succeeding lottery system on the third year of the lease contract of the lottery system. 		
	The Winning Bidder shall ensure business continuity and smooth transition from its system to the successor system to avoid disruption of the PCSO's online lottery operation.		
	The Winning Bidder shall inform PCSO of any additional features that will be installed which are not included in this TOR for any purpose and only be executed upon approval by PCSO.		
	<p>Provision of the following services:</p> <ul style="list-style-type: none"> 1. Performance and supervision of installation and commissioning of the leased lottery system (all-in); 2. Submission of detailed operations and maintenance manual for each appropriate unit of the leased lottery system (all-in); 3. Performance, supervision, maintenance and/or repair of the leased lottery system (all-in), within the duration of the contract, provided that this service shall not relieve the BIDDER of any warranty and extended warranty obligations under this Contract; 4. Provision of an insurance coverage for all PLS equipment/ components such as but not limited to servers, lottery terminals, draw machines, etc. 		
	The Winning Bidder shall provide for mock test run's actual consumables consisting of at least 100,000 pieces of Play slips for each game and at least 1,000 pieces of ticket rolls.		
	The Winning Bidder has read, understood and with full knowledge of the consequences of his/her act, freely and voluntarily undertakes to diligently and strictly comply with the additional conditions for the lease of PLS, as described under Item 6.2, Section V (Special Conditions of the Contract).		

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2. SUPPORT		<u>COMPLY</u>	<u>NOT COMPLY</u>
	The Winning Bidder shall secure, at its own cost and expense, all software and the appropriate licenses, such as but not limited to the operating system, database management system, reporting tools, security software, networking software.		
	Provision of sufficient operational services in compliance to ANNEX A. For detailed information, please see attached ANNEX "A" - Support Services		
	Ensure the availability of 24/7 Help Desk for the escalation of any support for PLS operational issues. The contact methods should include e-mail, online chat and voice calls.		
3. MAINTENANCE		<u>COMPLY</u>	<u>NOT COMPLY</u>
	Ensure Quarterly Preventive Maintenance for all PLS components until the end of the contract.		
4. CERTIFICATIONS		<u>COMPLY</u>	<u>NOT COMPLY</u>
	Ensure that PLS will be certified under WLA-SCS:2016 and ISO/IEC 27001, within one (1) year from the start of selling operation.		
	All system administrators, database administrators, security administrators and network administrators by the time of operation assigned to PLS by the Winning Bidder should be ITIL V3 certified.		
	The winning bidder shall ensure submission of certificate from Project Management Institute (PMI) of all its project managers to be assigned to PLS project and should be physically present in the Philippines until the final acceptance by PCSO prior to commercial operations.		
	Prior to final acceptance by the end-user and commercial operations, the winning bidder shall ensure submission of certificate from International Information System Security Certification Consortium (ISC ²) or Global Information Assurance Certification (GIAC) of at least one (1) of its IT Security Personnel to be assigned to PCSO.		
5. VULNERABILITY ASSESSMENT AND PENETRATION TESTING BY A WLA ACCREDITED GAMING LABORATORY		<u>COMPLY</u>	<u>NOT COMPLY</u>
	The winning bidder shall ensure submission of certificate from any WLA accredited gaming laboratory that the newly installed lottery system has undergone and passed the Penetration and Vulnerability Assessment Test as well as compliance with WLA-SCS:2016 by the accredited WLA Gaming Laboratory prior to final acceptance by the end-user. Note: The gaming laboratory shall conduct the following test:		

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	<ol style="list-style-type: none"> 1. Initial Penetration and Vulnerability Assessment Test as part of the Final Acceptance Test by the end-user. 2. Annual Penetration and Vulnerability Assessment test to determine whether unauthorized access or other possible malicious activity and identify the flaws that pose a threat to the system. 3. The gaming laboratory shall verify the system's capability in handling simultaneously a minimum of ten thousand (10,000) Lottery Game customer transactions (ticket selling/validation/cancellation) with a maximum of six (6) seconds response time per transaction through load and performance testing. 4. The gaming laboratory shall conduct security and equipment test on new sales channels such as but not limited to kiosk and interactive sales channels. 5. Shall assist in preparation of test scripts including software testing and quality assurance for new games introduced by PCSO. The test scripts developed shall be the property of PCSO. 6. The gaming laboratory shall assist PCSO in attaining WLA -Security Control Standard (SCS):2016 accreditation within one (1) year of operation. 7. The game laboratory shall conduct RNG testing and certification. 8. The game laboratory should submit/provide the result of the tests conducted for the PLS for PCSO. 		
	6. PLS TRAINING REQUIREMENTS	<u>COMPLY</u>	<u>NOT COMPLY</u>
	<p>The Winning Bidder shall provide training to PCSO personnel for the following areas:</p> <ul style="list-style-type: none"> • hardware; • software; • terminal operations; • disaster and • system recovery procedures; • preventive maintenance & troubleshooting techniques for the computer system; • terminals and lottery draw equipment; • data security system; • multi-channel system; • training on the general system design; • other trainings on online gaming technologies; • orientation on the Online Lottery Games; and • such other matters necessary to enable PCSO to provide full support to any operational problem. <p>The training can be conducted locally or abroad.</p>		
	The Winning Bidder shall conduct continuing education or trainings for PCSO personnel especially after system		






	enhancement, software fix, and software change, etc. thereafter.		
REQUIRED DUE DILIGENCE OF BIDDER BEFORE PARTICIPATION IN THE PUBLIC BIDDING FOR SBAC CONTRACT NO. 2019-01		<u>COMPLY</u>	<u>NOT COMPLY</u>
The bidder has read and understood, each and every page of the bidding documents; its terms and conditions; notes and instructions; and special bid bulletins (SBAC) for SBAC Contract No. 2019-01.			
EXPRESS AGREEMENT TO ABIDE WITH SECTION VI. SPECIAL CONDITIONS OF THE CONTRACT (SCC) IN RELATION TO SECTION VI. SCHEDULE OF REQUIREMENTS AND SECTION VII. TECHNICAL SPECIFICATIONS		<u>COMPLY</u>	<u>NOT COMPLY</u>
The bidder understands and accepts all special conditions as contained in the bidding documents for SBAC Contract No. 2019-01 and issued Special Bid Bulletins of PCSO thru SBAC., with full knowledge of the consequences thereof.			
The bidder understands and accepts, that it is bound and shall abide with all rules and regulations of PCSO, to include future issuances of the PCSO Board of Directors, consistent with the agency's mandate as the primary government agency to hold and conduct lotteries and similar activities under Republic Act No. 1169, as amended; and with full knowledge of the consequences, in case it fails to comply with the Undertaking for required goods and services.			
The bidder understands and accepts that PCSO has the reserved right, discretion and prerogative to terminate the lease contract for the convenience of the Government.			
The bidder understands that it is required to observe and promptly comply with all tax laws, rules and regulations, to include future tax legislations which may take effect during the lifetime of the lease contract.			
The bidder understands and accepts that PCSO expressly reserved all its rights and waives none under the bidding documents for SBAC Contract No. 2019-01 in that, PCSO reserves the right to reject any and all bids, declare a failure of bidding, or not award the contract at any time prior to contract award in accordance with section 41, republic act no. 9184 and its revised IRR without thereby incurring any liability to the affected bidder or bidders.			

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		<p>the system components below 60% for 30 consecutive days during operational hours.</p> <ol style="list-style-type: none"> 1. CPU load 2. Memory Consumption 3. Storage Space <p>The upgrade should take within 30 days from observation. PCSO should be provided all the relevant data from the main dashboard.</p>	every day of delay.	
	<ul style="list-style-type: none"> Replacement of hardware (such as but not limited to servers, storage, storage devices, network equipment) due to hardware failure 	<p>Replacement of hardware must be available within three (3) days upon receipt of diagnostic report.</p>	10% of the monthly rental payment for every day of delay.	None
	<ul style="list-style-type: none"> Replacement of Lottery Terminals 	<p>If Lottery Terminal is irreparable on-site, replacement terminals will be installed within 24-Hours upon receipt of diagnostic report of the Field Technician.</p> <p>For terminals in inter-islands that require transportation (air, land or water transportation), replacement terminals may be installed within three (3) days upon receipt of diagnostic report of Field Technician.</p>	30% of the total average daily sales generated for the last 30 days of the affected lotto terminal per day of delay	None
	<ul style="list-style-type: none"> Replacement of Draw Machines and Paraphernalia 	<p>Malfunctioning draw machines and paraphernalia (i.e. draw console, weighing scale, etc.) must be replaced</p>	10% of the monthly rental payment for every day of delay.	None











		within 24 hours upon receipt of diagnostic report.		
	▪ Replacement of Draw Balls	Draw ball set that are defective/damaged or fall below or beyond the allowable weight variance must be replaced within 24 hours upon receipt of diagnostic report.	10% of the monthly rental payment for every day of delay.	None
	▪ Replacement of spare parts	Spare parts for all essential lottery system components, draw machines and its paraphernalia must be replaced within 24-hours upon receipt of maintenance report. For non-essential components i.e. media storage, replacement parts may be installed within three (3) calendar days.	10% of the monthly rental payment for every day of delay.	
	▪ Preventive Maintenance and Repairs of the Lottery System, Draw Equipment, Draw Balls, and paraphernalia	Quarterly preventive maintenance with reports	For failure to conduct 2 consecutive quarterly PM, 10% of the monthly rental payment for every day of delay.	None
	▪ Preventive Maintenance and Repairs of precision air conditioning units	Quarterly preventive maintenance with reports	For failure to conduct 2 consecutive quarterly PM, 10% of the monthly rental payment for every day of delay.	
	▪ Preventive Maintenance and Repairs of Uninterruptible Power Supply (UPS)	Quarterly preventive maintenance with reports	For failure to conduct 2 consecutive quarterly PM, 10% of the monthly rental payment for every day of delay.	
	▪ Preventive Maintenance and Repairs of Physical	Quarterly preventive maintenance with reports	For failure to conduct 2 consecutive quarterly PM, 10% of the	

	Security Equipment		monthly rental payment for every day of delay.	
Training	<ul style="list-style-type: none"> Facilitation of the required no. of trainings to enable the GTD personnel to manage, operate and maintain the lottery system 	<p>After 6 months from turnover of the lottery system, PCSO personnel should be able to perform tasks such as but not limited to the following:</p> <p>1. Computer Operations</p> <ul style="list-style-type: none"> a. perform system administration and monitoring b. perform network administration and monitoring c. perform system start-up / system close functions d. perform transaction backup to network drives or removable storage media e. Transaction Re-processing f. File Management functions and terminal lottery terminal configuration <p>2. Call Center Operations (Customer Service)</p> <ul style="list-style-type: none"> a. provide technical support and troubleshooting skills for resolving hardware, software and communications problems b. provide accurate report of problems on hardware, software and communications c. provide superior levels of service 	<p>10% of the monthly rental payment, if level of competency of personnel for on-boarding is not achieved one month prior to operation.</p> <p>80% Passing Rate</p>	None

	<ul style="list-style-type: none">Facilitation of the required number of trainings to enable the GTD personnel to operate the draw machines, its paraphernalia, its proper maintenance, and troubleshootingFacilitation of the required number of trainings to enable the PSDD Training Division and Branch Operations Personnel to develop training modules and materials, cascade to the Lottery Agents/ Operators the proper operation of a game terminal, and generation of sales reports from the game terminals.Facilitation of the required number of trainings to enable the	<p>across different channels (email, live chat, mobile phone, instant messaging, telephony, etc.)</p> <p>Two months prior to the live use of the draw machines, PCSO personnel should be able to competently operate the draw machines, perform draw operations functions and troubleshooting.</p> <p>Two months prior to selling of lottery tickets, the training module and materials are ready and the trainers from PSDD and Branch Operations Sector are competent to train Lotto Agents/ Operators.</p> <p>Two months prior to selling of lottery tickets, the BOS, ABD, TD, DSD and COA personnel will be able to access, generate and prepare reports from the game</p>		
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	Branch Operations Sector (BOS), Accounting and Budget Department (ABD), Treasury Department (TD), Data security Division (DSD) and Commission on Audit (COA) Personnel to access, generate and prepare reports from the daily operation of the lottery system	terminals for the daily operation of the lottery system.		
Reports	<ul style="list-style-type: none">▪ Report generation	<p>Submission of daily/weekly/monthly/annual reports such as but not limited to:</p> <ul style="list-style-type: none">• Sales Report per Agency/Lotto Outlet, Area, Region, Province, Municipality, Game/Draw• Sales Analysis Report• Distribution of Winning Liability Report• Draw Liability Reports• Report of Active/Blocked/Terminated Agency Terminals with the reason for blocking/termination• Top 100 Highest Sales Agency/area/region and nationwide• Report of Agencies with High Cancellation	5% of the monthly rental payment for every day of delay.	

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		<ul style="list-style-type: none">• List of Agencies/Lotto Outlets with their corresponding lottery terminals and statuses per area, per region• System Sales Summary• Transaction Summary Report• System Sales type Summary• Advance Sales per game/draw, agency/area/region/nationwide• Paid/Claim Winning Tickets• Cancelled Winning Ticket Report• Unclaimed Winning Tickets Report• Sales Report per lottery terminal user• Lottery Terminal Sales Report• Previous Week Sales Report <p>Capable of transmitting data to the PCSO Information Systems such as but not limited to a computerized accounting system using standard interface protocol such as but not limited to:</p> <ul style="list-style-type: none">• Rich Site Summary (RSS)• Simple Object Application Protocol (SOAP)• Representational State Transfer (REST)		
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		<ul style="list-style-type: none"> Extended Markup Language (XML) convertible to Comma Separated Value (CSV) Spreadsheet or similar format. 		
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ANNEX B: SECURITY CAMERA SYSTEM AND ACCESS CONTROL SYSTEM

Provision of Security Camera System and Access Control System for the following PLS facilities:

SURVEILLANCE CAMERAS:

Facilities	Number of High Definition Camera with IR and a minimum of 2MP	Number of Network Video Recorder	Number of Pan-Tilt zoom (PTZ) Equipment	Equipment	COMPLY	NOT COMPLY
Data Center Facility (DCF)	• Main computer/ server Area	2	1	1		
	• Printer/ UPS Area	1		0		
	• Management Terminals/ Draw Representative Area	3		1		
	• Main Electrical panel/ Fire Suppression Storage Area	1		0		
	• Main Entrance	1		0		
Call Center Facility CCF- DCF	• Call Center Area	6	0	0		
	• Call Center Main Entrance	1		0		
Mirror Facility (MF)	• Main computer/server Area	2	1	1		
	• Printer/UPS Area	1		0		

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	<ul style="list-style-type: none"> ● Management Terminals/ Draw Representative Area ● Main Electrical panel/ Fire Suppression Storage Area ● Main Entrance 	3 1 1		1 0 0	<ul style="list-style-type: none"> - pan-tilt zoom controller - 2 LED monitors - 1 stand alone Network Video Recorder (NVR) RAID Tower-(3 months storage capacity) - Data rack for NVR and monitor - 1 KVA UPS - CCTV work station 		
Call Center Facility CCF- MF	<ul style="list-style-type: none"> ● Call Center Area ● Call Center Main Entrance 	6 1	0	0 0	- 7 IP camera positions		
Draw Court/ Venue	<ul style="list-style-type: none"> ● Draw Court Area ● Control Booth ● Draw Court Main Entrance 	6 1 1	0	1 0 0	<ul style="list-style-type: none"> - 8 IP camera positions - 1 Pan-tilt Equipment 		
Remote Access Management Terminal	<ul style="list-style-type: none"> ● RAMT Area ● Management Terminal Area ● RAMT Main Entrance 	1 1 1	0	1 0 0	<ul style="list-style-type: none"> - 3 IP camera positions - 1 Pan-tilt Equipment 		
Physical Security Monitoring Center	<ul style="list-style-type: none"> ● PSMC Area ● PSMC Main Entrance 	1 1	1	0 0	<ul style="list-style-type: none"> - Video monitoring access to all PLS facilities - 2 IP camera positions - 1 stand alone Network Video Recorder (NVR) RAID Tower – Main 		

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					Office (3 month video storage capacity) - at least 2 LED TV 43" - 25" monitor - pan-tilt zoom controller - work station - Data rack for NVR and monitor - 1 KVA UPS - CCTV work station		
Warehouse Facility	<ul style="list-style-type: none"> Warehouse Area Warehouse Entrance 	3 1	1	0 0	- 4 IP camera positions - 1 stand alone Network Video Recorder (NVR) - 1 LED monitor - Data rack for NVR and monitor - 1 KVA UPS		
Storage Area for Backup Draw Venue Facility	<ul style="list-style-type: none"> Internal Storage Area Entrance 	1 1	1	0 0	- 2 IP camera positions - 1 stand alone Network Video Recorder (NVR) - 1 LED monitor - Data rack for NVR and monitor - 1 KVA UPS		

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Library Storage Facility	<ul style="list-style-type: none"> Media Storage Area SAS Area Entrance 	1 1 1	0	0 0 0	- 3 IP Camera positions		
Access Control System:							
Facilities	2 factor Authentication Door Access	Remarks				COMPLY	NOT COMPLY
Data Center Facility (DCF)	4	<ul style="list-style-type: none"> All facility Access Doors are monitored and recorded at the Physical Security Monitoring Center (PSMC). The PSMC shall have the Door Access Server, work station and Controller covering all PCSO-Head Office facilities (Draw Court, RAMT and Library) and remote facilities. Each Remote facility shall have a Door Access Controller, Work Station, Memory Expansion Board and Software. (DCF/DCF-CCF, MF/MF-CCF, Warehouse and Storage Area for Back-up Draw Venue) Door Access Control System shall have 1Unit - 1 KVA Uninterrupted Power Supply (UPS) for each facility. Each Door Access shall have a 12VDC power supply and rechargeable battery. Each Door Access shall have an electromagnetic lock and emergency break glass. 					
Call Center Facility CCF- DCF	2						
Mirror Facility (MF)	4						
Call Center Facility CCF- MF	2						
Draw Court/Venue	2						
Remote Access Management Terminal	1						
Physical Security Monitoring Center	1						
Warehouse Facility	1						
Storage Area for Backup Draw Venue Facility	1						
Library Storage Facility	2						

ANNEX C: LOTTERY DRAW MACHINES AND PERIPHERALS

Provision for the latest brand new and Air Mix lottery draw equipment for primary and backup units of automatic/interactive lottery draw equipment and peripherals, to wit:

For Primary Draw Court/Venue

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A. Draw Machines (Air-Mix) (Inclusive of Alternate Draw Machines)

Qty	Unit	Particulars	Game
2	sets	Draw machine (58-draw ball min. display tube capacity)	Pick 6 of 58
2	sets	Draw machine (55-draw ball min. display tube capacity)	Pick 6 of 55
2	sets	Draw machine (49-draw ball min. display tube capacity)	Pick 6 of 49
2	sets	Draw machine (45-draw ball min. display tube capacity)	Pick 6 of 45
2	sets	Draw machine (42-draw ball min. display tube capacity)	Pick 6 of 42
9	sets	Single Digit Draw machine (10-Ball capacity)	6-Digit Game
6	sets	Single Digit Draw machine (10-Ball capacity)	4-Digit Game
5	sets	Single Digit Draw machine (10-Ball capacity)	3-Digit Game
4	sets	Customized Single-Digit (40-Ball capacity)	2-Numbers Game
6	Sets	Control Console	6-Digit Game 4-Digit Game 3-Digit Game 2-Numbers Game

B. Draw Balls (6-sided markings, Anti-Static, max +/- 0.2 grams weight variance/set, 38mm) (Inclusive of Alternate Sets of Draw Balls)

Qty	Unit	Particulars	Game
6	sets	Table Tennis Type 1-58 draw balls	Pick 6 of 58
6	sets	Table Tennis Type 1-55 draw balls	Pick 6 of 55
6	sets	Table Tennis Type 1-49 draw balls	Pick 6 of 49
6	sets	Table Tennis Type 1-45 draw balls	Pick 6 of 45
6	sets	Table Tennis Type 1-42 draw balls	Pick 6 of 42
36	sets	Table Tennis Type 0-9 draw balls	6-Digit Game
24	sets	Table Tennis Type 0-9 draw balls	4-Digit Game
18	sets	Table Tennis Type 0-9 draw balls	3-Digit Game
12	sets	Table Tennis Type 1-31 draw balls	2-Numbers Game

C. Other Draw Equipment (Inclusive of Alternate units)

Qty	Unit	Particulars	Game
2	sets	Uninterruptible Power Supply (UOS) 15 KVA capacity (Parallel configuration)	All Games
2	sets	Analytical Balance (Metler-Toledo)	All Games
16	sets	Leather Attache Cases (Selection Cases)	All Games
48	sets	Foam-lined Leather Attache Cases (Draw Ball Cases)	All Games
116	pcs	Unmarked Table Tennis Test Balls with cases	Pick 6 of 58
110	pcs	Unmarked Table Tennis Test Balls with cases	Pick 6 of 55
98	pcs	Unmarked Table Tennis Test Balls with cases	Pick 6 of 49
90	pcs	Unmarked Table Tennis Test Balls with cases	Pick 6 of 45
84	pcs	Unmarked Table Tennis Test Balls with cases	Pick 6 of 42
120	pcs	Unmarked Table Tennis Test Balls with cases	6-Digit Game
80	pcs	Unmarked Table Tennis Test Balls with cases	4-Digit Game
60	pcs	Unmarked Table Tennis Test Balls with cases	3-Digit Game
124	pcs	Unmarked Table Tennis Test Balls with cases	2-Numbers Game
2	sets	Movable Viewing Rack to accommodate all Cases	All Games

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2	sets	Electronic Draw Results Board	All Games
2	sets	Digital Micrometer	All Games

For Alternate Draw Court/Venue

A. Draw Machines (Air-Mix) (Inclusive of Alternate Draw Machines)

Qty	Unit	Particulars	Game
2	sets	Draw machine (58-draw ball min. display tube capacity)	Pick 6 of 58
2	sets	Draw machine (55-draw ball min. display tube capacity)	Pick 6 of 55
2	sets	Draw machine (49-draw ball min. display tube capacity)	Pick 6 of 49
2	sets	Draw machine (45-draw ball min. display tube capacity)	Pick 6 of 45
2	sets	Draw machine (42-draw ball min. display tube capacity)	Pick 6 of 42
9	sets	Single Digit Draw machine (10-Ball capacity)	6-Digit Game
6	sets	Single Digit Draw machine (10-Ball capacity)	4-Digit Game
5	sets	Single Digit Draw machine (10-Ball capacity)	3-Digit Game
4	sets	Customized Single-Digit (40-Ball capacity)	2-Numbers Game
6	Sets	Control Console	6-Digit Game 4-Digit Game 3-Digit Game 2-Numbers Game

B. Draw Balls (6-sided markings, Anti-Static, max +/- 0.2 grams weight variance/set, 38mm) (Inclusive of Alternate Sets of Draw Balls)

Qty	Unit	Particulars	Game
6	sets	Table Tennis Type 1-58 draw balls	Pick 6 of 58
6	sets	Table Tennis Type 1-55 draw balls	Pick 6 of 55
6	sets	Table Tennis Type 1-49 draw balls	Pick 6 of 49
6	sets	Table Tennis Type 1-45 draw balls	Pick 6 of 45
6	sets	Table Tennis Type 1-42 draw balls	Pick 6 of 42
36	sets	Table Tennis Type 0-9 draw balls	6-Digit Game
24	sets	Table Tennis Type 0-9 draw balls	4-Digit Game
18	sets	Table Tennis Type 0-9 draw balls	3-Digit Game
12	sets	Table Tennis Type 1-31 draw balls	2-Numbers Game

C. Other Draw Equipment (Inclusive of Alternate units)

Qty	Unit	Particulars	Game
2	sets	Uninterruptible Power Supply (UOS) 15 KVA capacity (Parallel configuration)	All Games
2	sets	Analytical Balance (Metler-Toledo)	All Games
16	sets	Leather Attache Cases (Selection Cases)	All Games
48	sets	Foam-lined Leather Attache Cases (Draw Ball Cases)	All Games
116	pcs	Unmarked Table Tennis Test Balls with cases	Pick 6 of 58
110	pcs	Unmarked Table Tennis Test Balls with cases	Pick 6 of 55
98	pcs	Unmarked Table Tennis Test Balls with cases	Pick 6 of 49
90	pcs	Unmarked Table Tennis Test Balls with cases	Pick 6 of 45

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84	pcs	Unmarked Table Tennis Test Balls with cases	Pick 6 of 42	
120	pcs	Unmarked Table Tennis Test Balls with cases	6-Digit Game	
80	pcs	Unmarked Table Tennis Test Balls with cases	4-Digit Game	
60	pcs	Unmarked Table Tennis Test Balls with cases	3-Digit Game	
124	pcs	Unmarked Table Tennis Test Balls with cases	2-Numbers Game	
2	sets	Movable Viewing Rack to accommodate all Cases	All Games	
2	sets	Electronic Draw Results Board	All Games	
2	sets	Digital Micrometer	All Games	

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Section VIII. Bidding Forms

Notes on the Bidding Forms

The Bidder shall complete and submit with its Bid the **Bid Form** and **Price Schedules** in accordance with **ITB** Clause 15 with the requirements of the Bidding Documents and the format set out in this Section.

When requested in the BDS, the Bidder should provide the **Bid Security**, either in the form included hereafter or in another form acceptable to the Entity, pursuant to **ITB** Clause 18.1.

The **Contract Agreement Form**, when it is finalized at the time of contract award, should incorporate any corrections or modifications to the accepted Bid resulting from price corrections. The Price Schedule and Schedule of Requirements deemed to form part of the contract should be modified accordingly.

The **Performance Security Form** and **Bank Guarantee Form for Advance Payment** should not be completed by the Bidders at the time of their Bid preparation. Only the successful Bidder will be required to provide performance security and bank guarantee for advance payment in accordance with one of the forms indicated herein or in another form acceptable to the Procuring Entity and pursuant to **GCC** Clause 13 and its corresponding SCC provision.

The sworn affidavit must be completed by all Bidders in accordance with **ITB** Clause 4.2. Failure to do so and submit it with the bid shall result in the rejection of the bid and the Bidder's disqualification.

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Letter of Intent

The Special Bids and Awards Committee

Philippine Charity Sweepstakes Office
ISO Room, 3rd Floor Conservatory Building
605 Shaw Boulevard, Mandaluyong City
Metro Manila, Philippines

Attention: AGM JULIETA F. ASEO
Chairperson, SBAC

Ladies/Gentlemen:

The (name of bidder) manifests our intention to participate in the bidding process for the procurement of SBAC Contract No. 2019-01 (Re: Five (5) Years Lease of the PCSO LOTTERY SYTEM (PLS)).

For this purpose, we have appointed our authorized representative below, he/she shall act as our true and lawful attorney-in-fact, with full power and authority to represent, bind and/or sign any bidding documents, for and on behalf of (name of bidder). Attached to this Letter of Intent are the following:

1. Notarized copy of the special power of attorney;
2. Board resolution or secretary's certificate to attest to the appointment of our attorney-in-fact/authorized representative; and
3. Back-to-back photocopy of our attorney-in-fact or authorized representative's two (2) valid government issued identification card or passport bearing his/her signature; and his/her registered contact details, as follows:

Name of bidder's Focal Person/Representative: _____

Mobile no. : _____

Landline/Fax no.: _____

Registered E-mail address (for PCSO SBAC communications) _____

Business address: _____

Please receive P75,000.00 our bid documents fees, subject to issuance of official receipt to evidence payment.

By submitting this Letter of Intent and payment of bid fees, we understand and accept to abide with the terms and conditions of the bid documents for SBAC Contract No. 2019-01; SBAC's supplemental Bid Bulletins; and that, SBAC shall only deal and communicate with our named and registered authorized representative in this "Letter of Intent" for reasons of efficiency and convenience, for all bidding activities requiring bidder's participation.

Very truly yours,

(Signature over printed name of Bidder)

(Title/Position)

(Business address)

(Mobile number)

(Email Address)

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Omnibus Sworn Statement

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

AFFIDAVIT

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

1. Select one, delete the other:

If a sole proprietorship: I am the sole proprietor 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];

2. 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)];

3. [Name of Bidder] is not "blacklisted" or barred from bidding by the Government of the Philippines or any of its agencies, offices, corporations, or Local Government Units, foreign government/foreign or international financing institution whose blacklisting rules have been recognized by the Government Procurement Policy Board;

4. Each of the documents submitted in satisfaction of the bidding requirements is an authentic copy of the original, complete, and all statements and information provided therein are true and correct;

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

6. Select one, delete the rest:

If a sole proprietorship: 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;

7. [Name of Bidder] complies with existing labor laws and standards; and
8. [Name of Bidder] is aware of and has undertaken the following responsibilities as a Bidder:
 - a) Carefully examine all of the Bidding Documents;
 - b) Acknowledge all conditions, local or otherwise, affecting the implementation of the Contract;
 - c) Made an estimate of the facilities available and needed for the contract to be bid, if any; and
 - d) Inquire or secure Supplemental/Bid Bulletin(s) issued for the [Name of the Project].
9. [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 _____

*This form will not apply for WB funded projects.

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BID SECURING DECLARATION FORM

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

X-----X

BID SECURING DECLARATION
Invitation to Bid: SBAC CONTRACT NO. 2019-01
Re: Five (5) Years lease of the PCSO LOTTERY SYTEM (PLS)

To: The Philippine Charity Sweepstakes Office (PCSO)
Attention: Special Bids and Awards Committee

I/We², 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.

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

[Handwritten signature]

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

[Handwritten signatures and initials]

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 _____

FINAL 2019 PLS BID DOCS-SBAC 4TH DRAFT-PCSO CONTROLLED COPY

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STATEMENT IDENTIFYING BIDDER'S SINGLE LARGEST COMPLETED
CONTRACT (SLCC) SIMILAR TO THE CONTRACT TO BE BID

PCSO SBAC Contract No. 2019-01 [RE: Five (5) Years Lease of the PCSO Lottery System (PLS)]

Registered business name of Bidder:

Business Address:

Name of contract; Location of Project; Project Cost; and Date of Contract	Owner of (Individual/Corporation Address/Contact Nos./Email	Nature of goods supplied/delivered	Role of bidder	Contract Amount (Indicate amount in Phil. Pesos)	Date Awarded/ Contract effectivity date/Date Completed	Supporting documents shall be attached as annexes to this form with tabs.
			Description			
GOVERNMENT						
						Example: Annex A (NTP)
PRIVATE						
						Example: Annex B (certificate of completion.)

Note:

- Bidder/s shall be required to submit duly signed Notice of Award (NOA)/ Notice to Proceed (NTP)/ Certificate of Completion/ Certificate of Final Acceptance/ Supply and delivery contracts, Agreements, Purchase Order or Job Order similar to the goods and services sought to be bid by PCSO under SBAC Contract No. 2019-01 (PLS);
- Bidder/s shall use this form in the required SLCC disclosure in ENVELOPE 1;
- The statement will show the value of the prospective Bidder's largest single completed contract, adjusted to current prices using the Philippines National Statistics Office (NSO) consumer price index; and the SLCC must be at least 50% of the ABC of the contract to be bid.

SUBMITTED BY: (Name of Bidder)

(Date accomplished)

STATEMENT OF ALL ON-GOING GOVERNMENT AND PRIVATE ON-GOING CONTRACTS
INCLUDING THOSE AWARDED BUT NOT YET STARTED

PCSO SBAC Contract No. 2019-01 [RE: Five (5) Years Lease of the PCSO Lottery System (PLS)]

Registered business name of Bidder:

Business Address:

Name of contract; Location of Project; Project Cost; and Date of Contract	Owner of Project (Individual/Corporat ion Address/Contact Nos./Email	Nature of goods supplied/delivered	Role of bidder		Details of on-going contracts: a. Date Awarded b. Date Started c. Date of Completion	% of Accomplishment		Value of outstanding to be supplied and/or delivered	Supporting documents shall be attached as annexes to this form with tabs.
			Description	%		Planned	Actual		
GOVERNMENT									Example: Annex A (NTP)
PRIVATE									Example: Annex B (Supply contract)

Note:

- Bidder/s shall be required to submit duly signed Notice of Award (NOA)/ Notice to Proceed (NTP)/Supply and delivery contracts, Agreements, Purchase Order or Job Order similar to the goods and services sought to be bid by PCSO under SBAC Contract No. 2019-01 (PLS);
- Bidder/s shall use this form in the required as part of required disclosures (i.e., on-going contracts; contracts awarded but not yet started) for inclusion in ENVELOPE 1;
- In case the bidder, does not have on-going contracts; contracts awarded but not yet started (similar to the contract to be bid out), please indicate "NOT APPLICABLE" or "NONE".

SUBMITTED BY: (Name of Bidder)

(Date accomplished)

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

Bid Form

Date: _____

Invitation to Bid³: **PCSO SBAC Contract No. 2019-01**
Re: Five (5) years lease, PCSO LOTTERY SYTEM (PLS)

To: PHILIPPINE CHARITY SWEEPSTAKES OFFICE (PCSO)
Attention: Special Bids and Awards Committee I

Gentlemen:

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 18.2 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:⁴

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

³ If ADB, JICA and WB funded projects, use IFB.

⁴ Applicable only if the Funding Source is the ADB, JICA or WB.

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].

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____.

[signature]

[in the capacity of]

Duly authorized to sign Bid for and on behalf of _____

FINAL 2019 PLS BID DOCS-SBAC 4TH DRAFT-PCSO CONTROLLED COPY

Handwritten signatures and initials at the bottom of the page.

FINANCIAL DOCUMENTS FOR ELIGIBILITY CHECK

PCSO SBAC Contract No. 2019-01

[Re: Five (5) Years Lease of PCSO Lottery System (PLS)]

- A. Summary of Applicants Supplier's/Distributor's/Manufacturer's assets and liabilities on the basis of the attached income tax return and audited financial statement, stamped "RECEIVED" by the Bureau of Internal Revenue or BIR authorized collecting agent for the immediately preceding year.

		YEAR 20__
1.	Total Assets	
2.	Current Assets	
3.	Total Liabilities	
4.	Current Liabilities	
5.	Net Worth (1-3)	
6.	Net Working Capital (2-4)	

- B. The Net Financial Contracting Capacity (NFCC) based on the above data is computed 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

Please show computation below:

NFCC = P _____

In lieu of the NFCC, the bidder may submit a committed Line of Credit from a licensed bank at least equal to ten percent (10%) of the ABC to be bid: Provided, that if the same is issued by a foreign Universal or Commercial Bank, it shall be confirmed or authenticated by a local Universal or Commercial Bank.

Name of Bank: _____

Amount: _____

Herewith attached are the income tax return and audited financial statement, stamped "RECEIVED" by the BIR or BIR authorized collecting agent for the preceding calendar year which should not be earlier than two (2) years from the date of bid submission.

SUBMITTED BY: (Name of Bidder)
(Date accomplished)

[Handwritten signatures and initials]

Bank Guarantee Form for Advance Payment
***UP TO 5% OF ABC ONLY; AND SUBJECT TO CLAIM & SUBMISSION OF
 IRREVOCABLE LETTER OF CREDIT IN THE NAME AND FAVOR OF PCSO**

To: *[name and address of PROCURING ENTITY]*
[name of Contract]

Gentlemen:

In accordance with the payment provision included in the Special Conditions of Contract, which amends Clause 10 of the General Conditions of Contract to provide for advance payment, *[name and address of Supplier]* (hereinafter called the "Supplier") shall deposit with the PROCURING ENTITY a bank guarantee to guarantee its proper and faithful performance under the said Clause of the Contract in an amount of *[amount of guarantee in figures and words]*.

We, the *[bank or financial institution]*, as instructed by the Supplier, agree unconditionally and irrevocably to guarantee as primary obligator and not as surety merely, the payment to the PROCURING ENTITY on its first demand without whatsoever right of objection on our part and without its first claim to the Supplier, in the amount not exceeding *[amount of guarantee in figures and words]*.

We further agree that no change or addition to or other modification of the terms of the Contract to be performed thereunder or of any of the Contract documents which may be made between the PROCURING ENTITY and the Supplier, shall in any way release us from any liability under this guarantee, and we hereby waive notice of any such change, addition, or modification.

This guarantee shall remain valid and in full effect from the date of the advance payment received by the Supplier under the Contract until *[date]*.

Yours truly,

Signature and seal of the Guarantors

[name of bank or financial institution]

[address]

[date]

FINAL 2019 PLS BID DOCS SBAC 4TH DRAFT-PCSO CONTROL COPY



For Goods Offered From Abroad*

*Note to bidders: NOT APPLICABLE; see Instruction to Bidders Paragraph 8 (f)

Name of Bidder _____ Invitation to Bid⁵ Number _____. Page _____ of _____.

1	2	3	4	5	6	7	8	9
Item	Description	Country of origin	Quantity	Unit price CIF port of entry (specify port) or CIF named place (specify border point or place of destination)	Total CIF or CIF price per item (col. 4 x 5)	Unit Price Delivered Duty Unpaid (DDU)	Unit price Delivered Duty Paid (DDP)	Total Price delivered DDP (col 4 x 8)

[signature] [in the capacity of]

Duly authorized to sign Bid for and on behalf of _____

⁵ If ADB, JICA and WB funded projects, use IFB.

[Handwritten signatures and initials]

For Goods Offered From Within the Philippines*

*Note to bidders: NOT APPLICABLE; see Instruction to Bidders Paragraph 8 (f)

Name of Bidder _____ Invitation to Bid⁶ Number _____. Page . of _____.

1	2	3	4	5	6	7	8	9	10
Item	Description	Country of origin	Quantity	Unit price EXW per item	Transportation and Insurance and all other costs incidental to delivery, per item	Sales and other taxes payable if Contract is awarded, per item	Cost of Incidental Services, if applicable, per item	Total Price, per unit (col 5+6+7+8)	Total Price delivered Final Destination (col 9) x (col 4)

[signature]

[in the capacity of]

Duly authorized to sign Bid for and on behalf of _____

⁶ If ADB, JICA and WB funded projects, use IFB.

[Handwritten signatures and initials]

Contract Agreement Form

THIS AGREEMENT made the ____ day of _____ 20____ between [name of *PROCURING ENTITY*] of the Philippines(hereinafter called "the Entity") of the one part and [name of *Supplier*] of [city and country of *Supplier*] (hereinafter called "the Supplier") of the other part:

WHEREAS the Entity invited Bids for certain goods and ancillary services, viz., [brief description of goods and services] and has accepted a Bid by the Supplier for the supply of those goods and services in the sum of [contract price in words and figures] (hereinafter called "the Contract Price").

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

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.:

- (a) the Supplier's Bid, including the Technical and Financial Proposals, and all other documents/statements submitted (e.g. bidder's response to clarifications on the bid), including corrections to the bid resulting from the Procuring Entity's bid evaluation;
- (b) the Schedule of Requirements;
- (c) the Technical Specifications;
- (d) the General Conditions of Contract;
- (e) the Special Conditions of Contract;
- (f) the Performance Security; and
- (g) the Entity's Notice of Award.

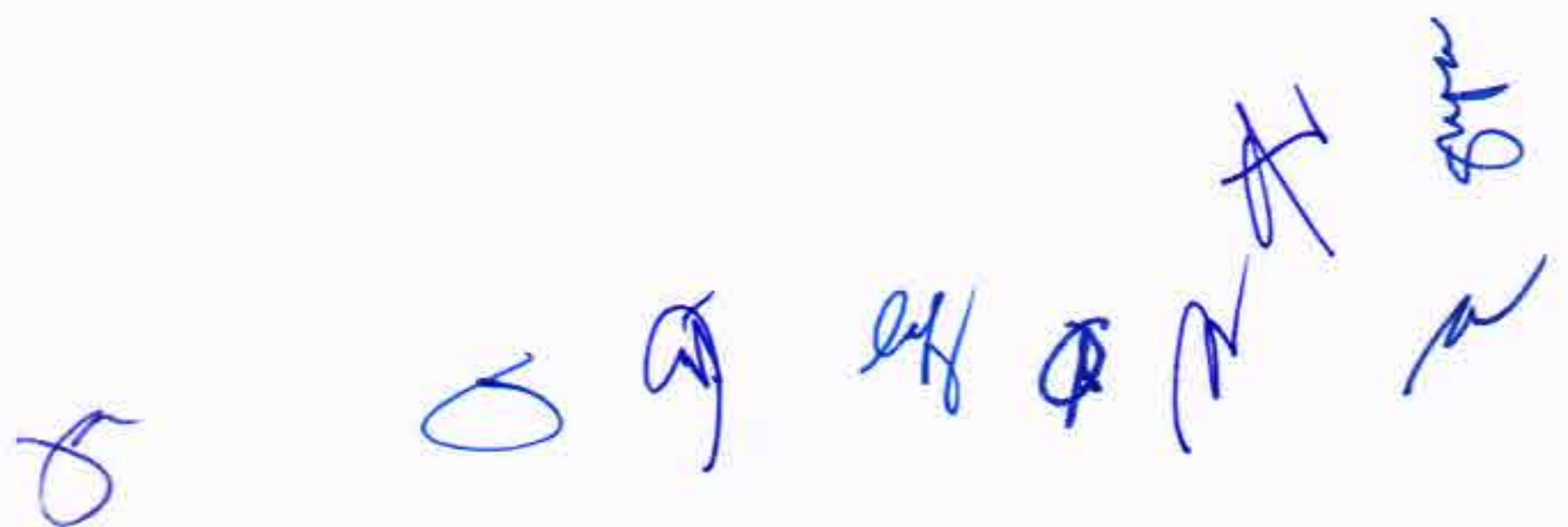
3. In consideration of the payments to be made by the Entity to the Supplier as hereinafter mentioned, the Supplier hereby covenants with the Entity to provide the goods and services and to remedy defects therein in conformity in all respects with the provisions of the Contract

4. The Entity hereby covenants to pay the Supplier in consideration of the provision of the goods and services and the remedying of defects therein, the Contract Price or such other sum as may become payable under the provisions of the contract at the time and in the manner prescribed by the contract.

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.

Signed, sealed, delivered by _____ the _____ (for the Entity)

Signed, sealed, delivered by _____ the _____ (for the Supplier).



JOINT VENTURE/CONSORTIUM AGREEMENT DISCLOSURE

We, the undersigned Corporations through our respective Authorized Representatives, as a JOINT VENTURE/Consortium and collectively referred to hereunder as Joint Venture/Consortium Bidder, hereby attest:

1. That we are corporations duly organized and existing under the following laws:

Corporation	Organizing Law	Designation	% Filipino Ownership
		Lead Partner	
		Partner Corporation	
		Partner Corporation	
		Partner Corporation	
		Partner Corporation	

2. That we hold principal office at the following addresses:

Corporation	Business Address	Designation
		Lead Partner
		Partner Corporation
		Partner Corporation
		Partner Corporation
		Partner Corporation









3. That we have the following Authorized Representatives per partner:

Corporation	Designation	Authorized Representative
	Lead Partner	
	Partner Corporation	
	Partner Corporation	
	Partner Corporation	
	Partner Corporation	

4. That we have designated and authorized *[Name of Lead Joint Venture/Consortium Partner]* as the Lead Joint Venture/Consortium Partner.

5. That we have the following contributions to the Joint Venture/Consortium:

Corporation	Designation	Percentage (%) of Contribution	State nature and extent of contribution
	Lead Partner		
	Partner Corporation		
	Partner Corporation		
	Partner Corporation		

6. That the undersigned JOINT VENTURE/CONSORTIUM commits to advise SBAC in writing of any material change to the information contained in the Letter of Interest, Technical and Eligibility documents, Financial Bid and other accompanying documents, **prior** to the deadline prescribed for submission and receipt of bids at 12:00 NOON (Philippine Standard Time) on July 1, 2019, consistent with applicable provisions under the 2016 Revised IRR of RA 9184.
7. That each and every member/s of the JOINT VENTURE/CONSORTIUM, are all legally and technically eligible to participate in the bidding process for SBAC Contract No. 2019-01;
8. Attached and made an integral part of this disclosure is an original copy of our Joint Venture/Consortium Agreement in the Philippines that is:
 - a. Written in English language;
 - b. It was executed and notarized in the Philippines, except when all members of the Joint Venture /Consortium are foreigners invoking reciprocal rights;
 - c. It discloses and identifies each and every partner's specific contribution/s, and/or nature and extent contribution to the Joint Venture/Consortium; and
 - d. The Joint Venture/Consortium Agreement is included in Envelope 1 (Legal and Technical Documents), subject to post-qualification, if we are determined as the lowest, calculated bid during evaluation of bids.
9. If and when, our Joint Venture/Consortium is declared as winning bidder and granted the Notice to Proceed (NTP),, we understand and accept the following special conditions must be with cognizant of the consequences, as follows.
 - a. The Consortium/Joint Venture (JV) partners shall not be allowed to transfer their interests for a period of one (1) year, reckoned from the issuance of Notice to Proceed (NTP) or until the completion and satisfactory acceptance by PCSO of Milestones 1 up to Milestone 6.6.

After the above period, any change in the Joint Venture/Consortium partnership shall be conveyed to PCSO in writing, within thirty (30) days prior to such change; provided, that any change by and among the Consortium or Joint Venture agreement, partners and/or interests, nature and extent of contributions, and arrangements shall not affect the eligibilities and qualifications of the Consortium/Joint Venture existing at the time of the execution of the lease contract (*i.e., legal, technical and financial eligibilities*) to include, the partners' capability to perform its obligations, warranties and/or undertakings under the lease contract; and

 - b. Each and every member/s or partner/s of the Joint Venture/Consortium shall be jointly and severally liable under and within the duration of the lease contract for the PCSO Lottery System.
10. That the JOINT VENTURE/CONSORTIUM understands and expressly undertakes to be jointly and severally liable, in case it is determined as the winning bidder of SBAC Contract No. 2019-01 Re: Five (5) years Lease of the PCSO LOTTERY SYTEM (PLS);
11. That the JOINT VENTURE/CONSORTIUM shall at all times comply with the relevant Philippine laws including the terms and conditions of the bid documents for SBAC Contract No.2019-01; supplemental bid bulletins of the Philippine Charity Sweepstakes

8 5 9 14 10 11

Office (PCSO) for the Project; and applicable provisions of RA 9184 and its Revised IRR;

12. That the Joint Venture/Consortium has read, understood and accepts all items and/or terms and conditions in the bid documents and supplemental bid bulletins for SBAC Contract No. 2019-01, all applicable provisions of Republic Act No. 9184 and its Revised IRR, Republic Act No. 1169, as amended (PCSO Charter) and conducted the required due diligence as described under Section V. Special Conditions of the Contract; Section VI. Schedule of Requirements before accomplishing Section VI. Technical Specifications and submission of its bid or financial proposal to PCSO.

Very truly yours,

NAME OF LEAD PARTNER: _____

SIGNATURE OF AUTHORIZED REPRESENTATIVE: _____

PRINTED NAME OF AUTHORIZED REPRESENTATIVE: _____

DESIGNATION: _____

NAME OF JOINT VENTURE PARTNER: _____

SIGNATURE OF AUTHORIZED REPRESENTATIVE: _____

PRINTED NAME OF AUTHORIZED REPRESENTATIVE: _____

DESIGNATION: _____

(Add below as many Joint Venture Partner, as necessary)

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Sign

8 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100

STATEMENT OF COMPLIANCE AND UNDERTAKING

To: The Philippine Charity Sweepstakes Office
Mandaluyong City, Metro Manila Philippines

Attention: Special Bids and Awards Committee I (SBAC)

Subject: SBAC Contract No. 2019-01
(Re: Five (5) Years Lease of the PCSO Lottery System)

Ladies/Gentlemen:

The undersigned bidder agrees and manifests its willingness, ability and undertaking to comply, abide and provide the required goods with services for SBAC Contract No. 2019-01 (Re: Five (5) Years Lease of the PCSO LOTTERY SYSTEM).

For this reason, the undersigned bidder shall comply with the terms and conditions indicated in the Philippine Bidding Documents (PBD) for SBAC Contract No. 2019-01 including subsequent supplemental bid bulletins thereon.

This statement of compliance/undertaking is attached to the undersigned bidder's technical documents (Envelope 1) and shall be deemed as sufficient compliance for all items requiring bidder's to append its "Statement of Compliance"; and shall be subject to confirmation, during the post-qualification evaluation, with related or supporting documents as may be determined/required by the procuring entity (PCSO) thru SBAC.

Further, this statement of compliance/undertaking shall remain valid and in full effect from the date of bid submission (July 1, 2019) until the final acceptance of the lease contract is released by PCSO to the winning bidder (i.e., consummation of the five (5) years lease contract), except under the following instances:

- (a) The undersigned bidder is declared ineligible/disqualified during the bid opening; or
- (b) The undersigned bidder is post-disqualified upon receipt of notice to such effect, and that the bidder failed to timely file a request for reconsideration or if a written waiver to avail itself of the right to reconsideration was filed.

Yours truly,

Name of Bidder

Signature over printed name of Bidder's authorized representative

Date accomplished: _____

SBAC Contract No. 2019-01

Government of the Republic of the Philippines
Philippine Charity Sweepstakes Office

Gender-responsive gaming for empowered and healthy Filipinos
www.pcsso.gov.ph

[Handwritten signatures and initials]