

SERVICE AGREEMENT

THE PUBLIC IS INFORMED:

This **Agreement** is executed between:

The **BASES CONVERSION AND DEVELOPMENT AUTHORITY (BCDA)**, a government instrumentality vested with corporate powers, created by virtue of Republic Act No. 7227, as amended, with principal office address at the BCDA Corporate Center, 2nd Floor Bonifacio Technology Center, 31st Street corner 2nd Avenue, Bonifacio Global City, Taguig City, represented here by its Executive Vice President, Aileen Anunciacion R. Zosa, who is duly authorized for this purpose under Item No. 178, Page 27 of the BCDA Manual of Approval, a copy of which is hereto attached as **Annex "A"**;

-and-

INNOVE COMMUNICATIONS, INC., hereinafter referred to as CONTRACTOR, a Philippine Corporation, enfranchised by the National Telecommunications Commission (NTC) as a telecommunications carrier holding office at The Globe Tower, 32nd Street corner 7th Avenue Bonifacio Global City, Taguig City, represented here by its Senior Vice President, Enterprise Group, Peter D. Maquera, who is duly authorized for this purpose as evidenced by its Secretary's Certificate dated 20 July 2018, a copy of which is hereto attached as **Annex "B"**.

Individually referred to as "Party" and collectively as "Parties".

ANTECEDENTS

BCDA is mandated under Republic Act No. 7227 to accelerate the sound and balanced conversion into alternative productive uses of the military reservations and their extensions, to raise funds by the sale of portions of Metro Manila military camps, and to apply said funds for the development and conversion to productive civilian use of these properties.

At present, there is a need for BCDA to procure services of an internet service provider for Connection 1 of its Internet Connectivity Service to be provided in its principal office at the BCDA Corporate Center in Taguig City.

Internet service connection is vital and necessary in the pursuit of BCDA's business transactions and operations.

On 26 February 2018, CONTRACTOR, participated in the public bidding conducted by BCDA for the "Internet Connectivity Service" ("**Service**").

The Bids and Awards Committee for Goods (BAC-Goods), in its Resolution No. BG 2018-020 dated 08 March 2018, declared CONTRACTOR as the bidder with the Lowest Calculated and Responsive Bid (LCRB) for the Internet Connectivity Service for Connection 1 and resolved to recommend to the BCDA President and Chief Executive Officer the award of the contract to CONTRACTOR in the amount of Four Hundred Forty Nine Thousand Two Hundred Eight Pesos (Php 449,208.00).

ACCORDINGLY, for and in consideration of the foregoing premises, and for the stipulations and conditions hereinafter stated, the Parties hereby agree and bind themselves to the following:

Article 1 - Contract Period

- 1.1 This Agreement shall be effective upon execution by the Parties and shall remain operative for a period of one year from BCDA's issuance of the Certificate of Acceptance, as provided under Section 3.2 of this Agreement, provided, however, that this Agreement may be sooner terminated for causes as provided in this Agreement.
- 1.2 Pursuant to Government Procurement Policy Board (GPPB) Resolution No. 019-2006 dated 6 December 2006, the BCDA Information and Communications Technology Department shall, prior to the expiration of the Service Agreement, assess the quality of service provided by the CONTRACTOR during the contract period and compare the range of services provided by the CONTRACTOR as against the other providers in the area. It shall likewise make a comparison of the cost charged by the CONTRACTOR *vis-à-vis* the other providers.

The result of the assessment or cost-benefit analysis shall be the basis for the renewal of the Agreement. The Agreement may be renewed in accordance with existing laws and government rules and regulations if CONTRACTOR receives a satisfactory or better rating and upon mutual agreement of the Parties. However, if the CONTRACTOR receives an unsatisfactory rating, it shall not be allowed to participate in the bidding for the service subsequent to this Agreement.
- 1.3 Sixty calendar days before the expiration of this Agreement, CONTRACTOR shall notify BCDA in writing of the expiry date of this Agreement.

Article 2 - Service Description

- 2.1 The Service shall be provided at BCDA Corporate Center at the 2nd Floor Bonifacio Technology Center, 31st Street corner 2nd Avenue, Bonifacio Global City, Taguig City, Metro Manila and shall be linked to CONTRACTOR, via cable facility and equipment to establish internet connectivity.
- 2.2 BCDA's office at the abovementioned address shall be provided by CONTRACTOR with Internet Access of **40 Mbps** (Committed Information Rate). The package shall include the following:
 - 1 GB of Web Hosting Space
 - One(1) Domain Name System (DNS) Hosting Service
 - One(1) Domain Name Registration
 - 15 Usable Public IP Addresses
 - Multi-Router Traffic Grapher (MRTG) Access
 - A twenty-four (24) hours a day, seven (7) days a week Customer Service and Technical Support, free of charge
 - IPv6 ready and/or compliant connection
- 2.3 Integration of the proposed internet connections to the existing BCDA Corporate Office's network infrastructure;
- 2.4 Configuration of router to the equivalent direct internet connection speed;
- 2.5 Configuration of back-up router, if any;
- 2.6 BCDA External DNS records and MX records of the BCDA shall be hosted;
- 2.7 Provide DNS reverse lookup for entries with the assigned classless network;
- 2.8 Provide reliable Forwarding and Secondary DNS;

2.9 In the event that BCDA transfers to another office location, CONTRACTOR shall transfer accordingly all of its equipment to the new office at no additional cost to BCDA. It is expressly understood that BCDA shall make the necessary provisions for the transfer of CONTRACTOR's equipment.

Article 3 - Service Acceptance

3.1 The installation of the Service connection shall be completed within 30 working days from the date of receipt by CONTRACTOR of the Notice of Award from BCDA.

Once the Service is installed and functional, CONTRACTOR shall notify the BCDA in writing and turn-over the facility and equipment for inspection/testing.

3.2 Within ten working days from the date of receipt of the written notice and turn-over, BCDA shall conduct the inspection/testing and inform CONTRACTOR in writing if it accepts or rejects the Service, stating the reasons for rejection.

A Certificate of Acceptance shall be issued after the testing period, provided that the following conditions are met:

- a. Minimum speed of **40 Mbps** is attained during working hours (7:00 a.m.- 7:00 p.m.);
- b. Average latency should be 180-250ms to US.
- c. 15 USABLE GLOBAL IP addresses are provided;
- d. MRTG should be in place;
- e. Stable internet service connection;

Activation Criteria are as follows:

Line Quality Test

- Test: BER
- Standard: Error-free seconds for 24 hours = 10^{-8}

Test for Packet/Frame Loss

- Test: Ping
- Standard: 100% packet return

Latency Test

- Test: Ping
- Standard: 180-250ms to US

If any of the foregoing conditions are not met, the count of the testing period shall be restarted until all of these conditions have been duly satisfied continuously for ten (10) working days.

Start of CONTRACTOR's billing shall be based on the date of issuance of "Certificate of Acceptance".

During the testing period, CONTRACTOR shall not be held liable for performance degradation/interruptions that are beyond its control such as power outages, fluctuations or failure or malfunction of BCDA's own equipment, and international/regional internet backbone problems.

Article 4 - Terms of Payment

Monthly payments shall be processed by BCDA upon complete submission by CONTRACTOR of a valid invoice and other supporting documents, as may be required.

Article 5 – Contract Amount

5.1 The Total Contract amount shall be Pesos: Four Hundred Forty Nine Thousand Two Hundred Eight (Php 449,208.00), broken down as follows:

- 5.1.1 Monthly Recurring Charges
 - Monthly Fee : PhP 37,434.00
 - Total Recurring Charge for 12 Months : PhP 449,208.00

5.1.2 Installation Charges - Installation charges are WAIVED in favor of BCDA.

5.2 It is mutually and exclusively agreed upon by both Parties that no upward change or adjustment shall be made in the service fee or rate as a result of any fluctuation or increase in the service cost during the effectivity of this Agreement.

Article 6 - Ownership of Equipment

BCDA acknowledges CONTRACTOR's ownership of the ancillary customer premises equipment. Accordingly, BCDA shall be responsible for the safe custody and use of the equipment after installation in its premises and shall exercise due necessary care in handling the same. Any loss or damage to the equipment during the Contract Period, other than the ordinary wear and tear, and for those caused by *force majeure*, shall be reasonably compensated by BCDA.

Article 7 - Service Level/Fault Monitoring and Escalation Procedure

7.1 The Service Level to be provided by CONTRACTOR to BCDA shall be governed by the terms of the Service Level Agreement hereto attached as **Annex "C"**.

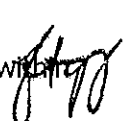






For purposes of Fault Monitoring and Escalation Procedure, reference should be made to **Annexes "C" and "D"** hereof, respectively.

7.2 BCDA shall monitor the performance of CONTRACTOR by using the following sites:

- 7.2.1 www.yahoo.com
- 7.2.2 www.google.com
- 7.2.3 www.microsoft.com
- 7.2.4 www.ibm.com
- 7.2.5 www.facebook.com
- 7.2.6 www.pnb.com.ph (Philippine National Bank)
- 7.2.7 www.philgeps.net (Philippine Government Electronic Procurement System)
- 7.2.8 www.bir.gov.ph (Bureau of Internal Revenue)
- 7.2.9 www.inquirer.net (Philippine Daily Inquirer)
- 7.2.10 www.philstar.com (Philippine Star)
- 7.2.11 www.mb.com.ph (Manila Bulletin)
- 7.2.12 www.manilastandardtoday.com (Manila Standard)
- 7.2.13 www.tribune.net.ph (The Daily Tribune)
- 7.2.14 www.gmanews.tv
- 7.2.15 www.abs-cbn.com

Average latencies on a per-day basis to the above sites shall be monitored and recorded by BCDA.

BCDA shall inform CONTRACTOR in writing of the performance level degradation within the next day after the degradation occurred.

- 7.3 In the event that performance level provided in **Annex "C"** degrades by more than 250ms average latency per day on a continuous period of five (5) working days, BCDA shall be entitled to a rebate under the following scheme:

Rebate Formula for Latency:	Cost per day x Credit x n	
where:		
Cost per day	Contract Price/365	
Credit	Average Latency Range (ms)	Credit (Day)
	250 - 350	1/10
	351 - 600	2/5
	600 - up	4/5
n:	number of days with latency exceeding 250ms (every 24 hours or a fraction thereof will be counted as a day.)	
Sample Computation		
Contract Price:	PhP 600,000.00	
Cost per day:	PhP 600,000.00/365= Php 1643.84	
n:	5 days	
Credit	Rebate Scheme (Min)	Total (Min)
1/10	(1,643.84) x (1/10) x 5 days	821.92
2/5	(1,643.84) x (2/5) x 5 days	3,287.68
4/5	(1,643.84) x (4/5) x 5 days	6,575.36

- 7.4 The Internet Service shall be provided on a 24-hour per day, 365-day per year basis (the Scheduled Service Time). The duration of service interruption is measured by the number of hours during the Scheduled Service Time that elapsed from the time of the actual interruption, as noted by BCDA and monitored by the CONTRACTOR, to the time that the CONTRACTOR notifies BCDA that the Service has been restored.

In the event that service disruption or total internet connection outage occur due to the ISP's fault, BCDA shall be entitled to rebate under the following scheme:

Rebate Formula for Service Disruption:	Cost per day x n
where:	
Cost per day	Contract Price/365
n:	number of outage days (every 24 hours or a fraction thereof will be counted as a day.)
Sample Computation	
Contract Price:	PhP 600,000.00
Cost per day:	PhP 600,000.00/365= PhP 1643.84
n:	52 hours= 52/24=2.16 will be considered as 3 days
Rebate Scheme:	
(1,643.84) x (3) = PhP 4,931.52	

Rebate shall not be applied to international gateway and connection problems beyond the ISP's control or if the interruption is caused by power outages, fluctuations or failure or malfunction of BCDA's own equipment.

- 7.5 A rating of "Unsatisfactory" shall be given the CONTRACTOR under any of the following events:

- 7.5.1 The CONTRACTOR fails to remedy the performance level degradation within ten (10) working days from notice.
- 7.5.2 The CONTRACTOR fails to resolve the performance level degradation within five (5) days from notice at least thrice a month and/or at least five (5) times in a quarter.
- 7.5.3 The service disruption or outage occurs three (3) times during the contract period.
- 7.5.4 The CONTRACTOR fails to remedy the service disruption within five (5) calendar days from receipt of notice of its occurrence.

Article 8 - Contract Extension

CONTRACTOR shall accept any request for extension of its provided Service to BCDA in case the need arises, provided that the extension shall be allowed only on a periodic month-to-month basis but not to exceed an aggregate period of six (6) months pursuant to GPPB RESOLUTION NO. 03-2006 which states, thus:

Unless otherwise approved by the GPPB and upon written request by the Procuring Entity, contract extension shall be allowed only on a periodic month-to-month basis not to exceed an aggregate period of six (6) months. The first monthly extension shall reckon from the day immediately following the last day of the period of the original contract; provided, that the Procuring Entity, prior to that date, has substantially undertaken procurement activities required prior to award. Succeeding monthly extensions shall reckon from the day immediately following the last day of the period of the preceding monthly extension.

Article 9 - Pre-Termination/ Termination

- 9.1 Either Party may pre-terminate this Agreement upon a sixty (60)-day prior written notice to the other Party.
- 9.2 If this agreement is terminated by either Party, BCDA shall be given ample time by CONTRACTOR to acquire a new provider and CONTRACTOR shall not terminate the connection until such time that a new provider has been awarded the contract.
- 9.3 CONTRACTOR may terminate this Agreement after submitting a written notice to BCDA, if it becomes impossible for it to render or provide the Service mentioned in Article 2 hereof due to *force majeure* such as war, hostilities (whether declared or not), invasions, strikes, epidemics, quarantine, and acts of God such as but not limited to floods, volcanic eruptions, and earthquakes.
- 9.4 Termination of this Agreement shall not relieve either Party from liability to pay fees or charges, which have accrued, to the other Party prior to the date of termination. Neither Party will be liable to the other because of such termination for damages arising from loss of prospective profits, anticipated sales, or goodwill.

Article 10 - Non-liability

- 10.1 The BCDA shall neither for any loss or damage suffered by CONTRACTOR in the usual use of its ancillary customer premises equipment nor for any death, injury or damage caused to CONTRACTOR's employees who shall install its equipment in the BCDA premises.

- 10.2 CONTRACTOR shall not be liable for any loss or damage suffered by the BCDA as a result of interruption or termination of the Service, such as, distortions, garbles in the messages caused by brownouts, power fluctuations, or other mechanical or electrical faults.
- 10.3 Either Party agrees to hold harmless the other Party from any suit, action, claim or demand by any third party for any damage to property or bodily injury including death due to any willful act, gross negligence or omission, solely attributable to either Party, its employees or personnel, arising from the provision and/or use by either Party of the Service herein.

Article 11 - Notices

All notices (other than routing communication concerning the Service to be provided hereunder) must be in writing and shall be addressed as follows:

If to **CONTRACTOR:**

PETER D. MAQUERA
Senior Vice President, Enterprise Group
Globe Telecom
The Globe Tower, 32nd Street corner 7th Avenue
Bonifacio Global City, Taguig City
Metro Manila 1634

If to **BCDA:**

VIRGIL M. ALVAREZ
DEPARTMENT MANAGER, ICTD
BCDA Corporate Center
2nd Floor, Bonifacio Technology Center
31st Street corner 2nd Avenue
Bonifacio Global City, Taguig City
Metro Manila 1634

Article 12 - Liquidated Damages

Except for delay in the performance of services due to *force majeure* or due to fault attributable to BCDA, any delay in the performance of services shall entitle the BCDA to claim liquidated damages in the amount equal to one-tenth of one percent (1/10 of 1%) of the total contract price for every day of delay. Once the cumulative amount of liquidated damages reaches ten percent (10%) of the contract amount as specified in Section 5.1 hereof, BCDA may rescind or terminate this Agreement, without prejudice to other causes of action and remedies available under the circumstances.

Article 13 - Performance Security

- 13.1 Prior to the signing of this Agreement, CONTRACTOR shall post in favor of BCDA a Performance Security to guarantee CONTRACTOR's faithful performance of all obligations and undertakings under this Agreement. The Performance Security shall be in an amount not less than the required percentage of the Contract Price in accordance with the following schedule:

Form of Performance Security	Amount
a) Cash or cashier's/manager's check issued by a Universal or Commercial Bank.	Five percent (5%)
b) Bank draft/guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank. Provided, however, that it shall be confirmed or authenticated by a Universal or Commercial Bank, if issued by a foreign bank.	Five percent (5%)
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.	Thirty percent (30%)

13.2 The Performance Security shall be released only after the issuance of the BCDA of the Certificate of Final Acceptance and only if the BCDA has no claims filed against the CONTRACTOR or surety company.

13.3 In the event that the final completion of the Agreement exceeds the contract period specified under Article 1 hereof, the CONTRACTOR shall cause the extension of the validity of the Performance Security to cover the approved contract time extension.

Article 14 - Conflict of Interest

The CONTRACTOR and its key staff, who may be directly associated with entities that may have an interest in or bias against any BCDA project, shall divulge the extent of its conflict with BCDA. The CONTRACTOR agrees that the conflict of interest may be a ground for BCDA to terminate the Contract.

Article 15 - Governing Law

This Agreement shall be construed under and governed by the laws of the Republic of the Philippines.

Article 16 - Venue

In the event of litigation arising out of, or in connection with the implementation of the terms of this Agreement, the parties agree to submit the same to the jurisdiction in the proper court of Taguig City, Philippines, to the exclusion of other courts of equal jurisdiction.

Article 17 - Representations and Warranties

Both Parties represent and warrant that the execution and delivery of this Agreement and the consummation of the transactions contemplated herein will not contravene any law nor violate any copyright, trademark or patent, local or international, and has complied with any and every necessary consent and/or approval and the officers signing hereunder are duly authorized to represent the Parties hereto.

Article 18 - Non-Waiver of Rights

The failure of one Party to insist upon a strict performance of any of the term, condition and covenant hereof shall not be deemed a relinquishment or waiver of any right/remedy that said Party may have, nor shall it construed as a waiver of any subsequent breach of the same or other terms, conditions or covenants. No waiver by any one Party or any of its rights under this Agreement shall be deemed to have been made unless expressed in writing and signed by that Party.

Article 19 - Separability Clause

The Parties hereby agree to amend or modify any provision of this Agreement, which has been declared invalid or contrary to law, to conform to the subject and objective thereof.

Article 20 - Exclusionary Clause and Amendments to Agreement

20.1 This Agreement, together with all the annexes attached here, constitutes the entire Agreement and understanding between the Parties as to the subject matter of the Agreement. Neither BCDA nor the CONTRACTOR shall be bound by any prior obligation, condition, warranty or representation not herein expressly stipulated.

20.2 Amendments or modifications to this Agreement shall be reduced into writing and executed by both Parties who may, from time to time, resort to supplementary or amendatory contracts to better effect and adequately address the intent and spirit of this Agreement and the same shall bear the signatures of both Parties' representatives.

No oral explanation or statement by any Party hereto shall alter the meaning or interpretation of this Agreement. No amendment or change or addition shall be effective or binding on any Party hereto unless reduced in writing and executed by both Parties through their duly authorized representatives.

Article 21 - OGCC Review

This Agreement has been passed upon by the Office of the Government Corporate Counsel (OGCC) in its OGCC Contract Review No. 348 dated 18 September 2017, and all its comments and suggestions have been incorporated in this Agreement.










AUG 10 2018

SIGNED BY the Parties on _____ in Taguig City, Philippines.

BASES CONVERSION AND DEVELOPMENT AUTHORITY

CONTRACTOR

By:

By:

Aileen An. R. Zosa
AILEEN ANUNCIACION R. ZOSA
Executive Vice President
BCDA

Peter D. Maquera
PETER D. MAQUERA
Senior Vice President, Enterprise Group
INNOVE COMMUNICATIONS, INC.



Information and Communications Technology Department



AC2018-0176

Signed in the presence of:

Virgil M. Alvarez
VIRGIL M. ALVAREZ
BCDA

Katrina B. Salarda
KATRINA B. SALARDA
INNOVE COMMUNICATIONS, INC.

ACKNOWLEDGMENT

Republic of the Philippines)
Taguig City) ss.

BEFORE ME, personally appeared:

Name	Identification Document	Date/Place of Issue
AILEEN ANUNCIACION R. ZOSA		8/
PETER D. MAQUERA		X01-0.

They are known to me to be the same persons who executed the foregoing Agreement, and they acknowledged to me that the signatures they affixed confirm their voluntary act and the entities they represent.

SIGNED AND SEALED on AUG 16 2018 in Taguig City, Philippines.

Doc. no. *466*
Page no. *95*
Book no. *17*
Series of 2018

Gualberto J. Oyzon, Jr.
GUALBERTO J. OYZON, JR.
Notary Public for Taguig City, Philippines
Appointment No. 22, Until 31 December 2019
2/F BTC 21st St., BGC, Taguig City, 1634
Pr No. A-3774071/Taguig City/16 January 2018
Roll of Attorneys No. 48062/IBP Lifetime Member No. 04862
MCLE Compliance No. V-0005517/14 January 2013

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-and-

PLDT INC., hereinafter referred to as CONTRACTOR, a Philippine Corporation, enfranchised by the National Telecommunications Commission (NTC) as a telecommunications carrier holding office at Ramon Cojuangco Building, Makati Avenue, Makati City, represented here by its Head, Corporate Relationship Management Luzon, Benedicto T. Perez, who is duly authorized for this purpose as evidenced by its Secretary's Certificate dated 22 February 2018, a copy of which is hereto attached as **Annex "B"**.

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ACCORDINGLY, for and in consideration of the foregoing premises, and for the stipulations and conditions hereinafter stated, the Parties hereby agree and bind themselves to the following:

CERTIFIED TRUE COPY
TINA ROSA R. VILLA
RECORDS MANAGEMENT OFFICER IV
BCDA RECORDS OFFICE
OCT 02 2018

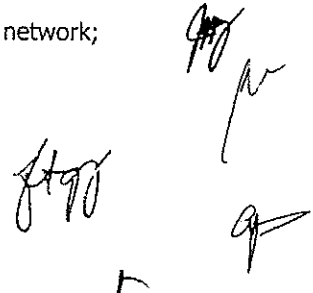
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CERTIFIED TRUE COPY
TINA ROSE VILLA
RECORDS MANAGEMENT OFFICER IV
BCDA RECORDS OFFICE
OCT 02 2018


SIGNED BY the Parties on JUL 16 2018 in Taguig City, Philippines.


BASES CONVERSION AND DEVELOPMENT AUTHORITY

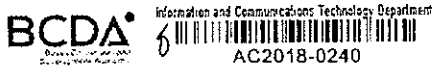
CONTRACTOR

By:

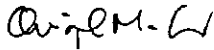
By:

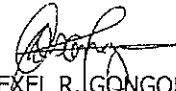

AILEEN ANUNCIACION R. ZOSA
Executive Vice President
BCDA


BENEDICTO T. PEREZ
Head, Corporate Relationship Management
PLDT INC.



Signed in the presence of:


VIRGIL M. ALVAREZ
BCDA


REXEL R. GONGORA
PLDT INC

ACKNOWLEDGMENT

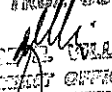
Republic of the Philippines)
Taguig City) ss.

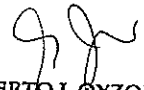
BEFORE ME, personally appeared:

Name	Identification Document	Date/Place of Issue
AILEEN ANUNCIACION R. ZOSA		11 JUN 14 / DFA NCR
BENEDICTO T. PEREZ		28 DEC 14 / DFA NCR

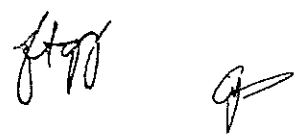
They are known to me to be the same persons who executed the foregoing Agreement, and they acknowledged to me that the signatures they affixed confirm their voluntary act and the entities they represent.

SIGNED AND SEALED on JUL 17 2018 in Taguig City, Philippines.

CERTIFIED TRUE COPY

TINA ROCCEL VILLA
RECORDS MANAGEMENT OFFICER IV
BCDA RECORDS OFFICE
OCT 2 2018


GUALBERTO J. OYZON, JR.
Notary Public for Taguig City, Philippines
Appointment No. 22, Until 31 December 2019
2/F BTC 21st St., BGC, Taguig City, 1634
PTR No. A-3774071/Taguig City/16 January 2018
Roll of Attorneys No. 48062/IBP Lifetime Member No. 04862
MCLE Compliance No. V-0005517/14 January 2015

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Annex C

SERVICE LEVEL AGREEMENT

A.) Effective Date

This Service Level Agreement shall take effect on the date of the execution of the Agreement and shall remain valid until the termination of the Agreement, unless otherwise expressly revised or terminated by the Parties.

B.) Availability

The circuit is engineered to exceed an availability objective of 99.6% on a monthly basis excluding force majeure.

B.) Error Free Performance

CONTRACTOR guarantees that the system's error performance will be greater than 99% error free seconds based on a monthly average.

C.) Customer Service

CONTRACTOR agrees to provide BCDA access to a 24-hour emergency Customer Care Center.

D.) Technical Support

CONTRACTOR will provide BCDA timely and responsive field support 24 hours a day, 7 days a week including Sundays and holidays.

CONTRACTOR's main operation center is equipped with Uninterruptible Power Supply (UPS) and a fully redundant system.

BCDA is requested to report and/or confirm service problems to the Customer Service Center so that CONTRACTOR can officially acknowledge any circuit problem and proper trouble ticketing can be initiated.

E.) Turn-Around Time

CONTRACTOR shall attend to link trouble immediately upon detection and/or receipt of a fault report from BCDA. If the fault is not resolved within an hour, after the initial troubleshooting, CONTRACTOR shall follow its standard escalation procedure.

F.) Planned Outages

Planned outages are scheduled outages required for preventive maintenance, corrective expansion and network upgrading.

Notice shall be given to BCDA, which may be affected through CONTRACTOR's Customer Care Center. A five (5) working day prior notice will be given to BCDA.

G.) Monthly Outage Report

CERTIFIED TRUE COPY
[Signature]
TINA ROCHA R. VILLA
RECORDS MANAGEMENT OFFICER IV
BCDA (MINDORO OFFICE)
OCT 02 2018

[Handwritten signatures]

Upon the request of BCDA, CONTRACTOR will provide an outage report for all its circuits on a monthly basis. Only those reported to the Customer Service Center of CONTRACTOR shall be included in the report.

H.) Equipment Maintenance Schedule

CONTRACTOR shall implement an annual equipment maintenance check.

I.) Rebate Policy

CONTRACTOR shall not be liable for any damages or service interruption caused by events of force majeure.

The rebate mechanism shall be imposed once the performance level degrades noticeably by exceeding 250ms average latency per day on a continuous five (5) working day period. The rebate scheme detailed below shall be applied:

Rebate Formula for Latency:		Cost per day x Credit x n
where:		
Cost per day	Contract Price/365	
Credit	Average Latency Range (ms)	Credit (Day)
	250 - 350	1/10
	351 - 600	2/5
	600 - up	4/5
n:	number of days with latency exceeding 250ms (every 24 hours or a fraction thereof will be counted as a day.)	
Sample Computation		
Contract Price:	PhP 600,000.00	
Cost per day:	PhP 600,000.00/365= PhP 1643.84	
n:	5 days	
Credit	Rebate Scheme (Min)	Total (Min)
1/10	(1,643.84) x (1/10) x 5 days	821.92
2/5	(1,643.84) x (2/5) x 5 days	3,287.68
4/5	(1,643.84) x (4/5) x 5 days	6,575.36

In the event that service disruption or total internet connection outage shall occur due to the ISP's fault, the rebate scheme detailed below shall be applied:

Rebate Formula for Service Disruption:		Cost per day x n
where:		
Cost per day	Contract Price/365	
n:	number of outage days (every 24 hours or a fraction thereof will be counted as a day.)	
Sample Computation		
Contract Price:	PhP 600,000.00	
Cost per day:	PhP 600,000.00/365= PhP 1643.84	
n:	52 hours= 52/24=2.16 will be considered as 3 days	
Rebate Scheme:		
(1,643.84) x (3) = PhP 4,931.52		

CERTIFIED TRUE COPY
 TINA ROSA B. VILLA
 RECORDS MANAGEMENT OFFICER IV
 BCDA REGIONAL OFFICE
 OCT 02 2018

[Handwritten signatures and initials]

This allowance is subject to the following conditions:

1. All credit memos shall be based on the records of CONTRACTOR's Customer Care Center.
2. BCDA subscriber shall be responsible to report and request for the credit memo on any outages. If the interruptions or circuit outages have been known, however, by CONTRACTOR's Customer Care Center, the CONTRACTOR shall voluntarily make the appropriate credit to the monthly recurring charge for the Service without need for BCDA to report or claim credit on the circuit outages.
3. The credit memo being claimed shall be applied to the next billing month.
4. The credit memo shall be computed by dividing the monthly recurring charge over a thirty (30) day period then multiplied by the length of service interruption.
5. The following are not subject to credit memo:
 - Outages due to power failure at the subscriber's site
 - BCDA's equipment failure
 - Natural calamities, e.g. typhoon, earthquakes and other events of force majeure
 - Civil disturbance, military insurrection and/or government takeover of CONTRACTOR's facilities and services
 - Planned outages

CERTIFIED TRUE COPY
TINA ROSEN, VILLA
RECORDS MANAGEMENT OFFICER IV
BCDA RECORDS OFFICE
OCT 02 2018

Handwritten signatures and initials:
A large signature, possibly "Hugo", is written above a horizontal line. Below the line, there are several smaller handwritten marks, including a large "H" and a signature that appears to be "M. J.".

Annex D

FAULT MONITORING AND ESCALATION PROCEDURE

A.) FOCAL POINT FOR TROUBLE REPORTS

CONTRACTOR's Customer Care Center, providing a 24 by 7 support service shall be the focal point and repository of all trouble reports from customers.

B.) SINGLE POINT OF CUSTOMER CONTACT

BCDA through the following numbers can reach the Customer Care Center:

C.) VALIDATION OF REBATES

Credit memos or rebates for service interruptions shall be validated only by the Customer Care Center.

D.) ESCALATION PROCEDURES

CONTRACTOR's Customer Care Center shall attend to a link problem immediately upon receipt of a trouble report from BCDA. If the problem is not resolved within an hour after the initial troubleshooting, the Customer Care Center shall follow Standard Escalation Procedure as follows:

1. Escalation to Sales

- a. Immediately Upon Receipt
- b. After Two Hours

2. Escalation to Network Operations

- a. Immediately Upon Receipt
- b. After Two Hours

3. Escalation to Engineering Operations

- a. Immediately Upon Receipt
- b. After Two Hours

4. Turn-Around Time

CONTRACTOR's Customer Care Center shall provide feedback and restoration updates to BCDA every two (2) hours.

CERTIFIED TRUE COPY
[Signature]
TIMA ROBERTO C. VILLA
RECORDS MANAGEMENT OFFICER IV
BCDA RECORDS OFFICE
OCT 02 2018

[Handwritten initials]