

*Section V. Special Conditions of the Contract*

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## Special Conditions of Contract

<b>GCC Clause</b>							
<b>1.1(g)</b>	The PROCURING ENTITY is the Department of National Defense.						
<b>1.1(i)</b>	The Supplier is <i>[to be inserted at the time of contract award]</i> .						
<b>1.1(j)</b>	<table border="1"> <thead> <tr> <th align="center">LOT</th> <th align="center">PARTICULARS FOR CY 2018</th> <th align="center">ABC</th> </tr> </thead> <tbody> <tr> <td align="center">2</td> <td>DND-Wide Oil and Lubricant Requirements for CY 2018</td> <td align="right">₱ 212,465,963.68</td> </tr> </tbody> </table> <p>The Funding Source is the Government of the Philippines (GOP) with reference to the General Appropriations Act (GAA) in the total amount of <b><i>Two Hundred Twelve Million Four Hundred Sixty Five Thousand Nine Hundred Sixty Three and 68/100 Pesos (₱212,465,963.68)</i></b> for CY 2018 POL requirements.</p>	LOT	PARTICULARS FOR CY 2018	ABC	2	DND-Wide Oil and Lubricant Requirements for CY 2018	₱ 212,465,963.68
LOT	PARTICULARS FOR CY 2018	ABC					
2	DND-Wide Oil and Lubricant Requirements for CY 2018	₱ 212,465,963.68					
<b>1.1(k)</b>	The Project sites are defined in Section VI. Schedule of Requirements.						
<b>2.1</b>	No further instructions.						
<b>5.1</b>	<p><b>The PROCURING ENTITY's Address for Notices is:</b></p> <p>Chairperson, DND Bids and Awards Committee  c/o DND BAC Secretariat  Right Wing Basement, DND Bldg  Camp General Emilio Aguinaldo, Quezon City  Telephone/Fax Number: 421-3531</p> <p>Attention: Chairperson, TWG for DND-Wide POL</p> <p><b><i>Supply and Delivery of DND-Wide POL Requirements for CY 2018</i></b></p>						
<b>6.2</b>	<p><b>Delivery and Documents</b></p> <p><i>For either Foreign or Domestic Suppliers, the delivery of goods shall be made by the Supplier in accordance with the terms specified in Section VI: Schedule of Requirements. The details of delivery and other provisions/conditions and/or other documents to be furnished by the Supplier are as follows:</i></p>						

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	<p>1. Supplier shall guarantee the continuous availability and supply/distribution of POL products for use of PROCURING ENTITY at all times in the desired quality and quantity, and shall deliver the purchased POL products at the designated delivery points.</p> <p>2. Supplier shall accept all Delivery Orders of the PROCURING ENTITY on POL products and supply the PROCURING ENTITY with the same in accordance with the guaranteed POL specifications, placing the PROCURING ENTITY requirements in the highest priority over all other requirements or commitments to any other government or civilian entity, and filling up all PROCURING ENTITY orders first from any stock available at the nearest terminal or depot of the Supplier or any other oil company with whom the Supplier has established arrangements or supply agreements.</p> <p>3. If, during the Contract period, the PROCURING ENTITY shall require types of POL products not included in Section VI: Schedule of Requirements hereof, the Supplier shall supply and deliver the additional POL requirements, provided that the supply and delivery of such shall not exceed the Contract Price.</p> <p>a. Supplier shall supply and deliver the additional requirements after receipt of the letter request within the specified period below according to the source of the product:</p> <ul style="list-style-type: none"><li>1) Philippines: within 1 week; and,</li><li>2) Foreign countries: 2 months</li></ul> <p>4. The PROCURING ENTITY shall issue final monthly/quarterly schedule of POL deliveries to Supplier in the form of DO that will be issued for the purpose. Supplier shall within twenty-four (24) hours upon receipt of delivery order from PROCURING ENTITY, confirm acceptance of the delivery schedule requested by PROCURING ENTITY.</p> <p>5. Supplier must deliver POL requirements of the PROCURING ENTITY within 24 hours in Metro Manila &amp; other key cities, and within 48 hours in other areas and for barge deliveries, a maximum of seven (7) days period upon receipt of DO from the PROCURING ENTITY unless the DO provides a different delivery schedule.</p> <p>6. The Supplier must have bulk plants/depots, or other storage facilities and service stations situated strategically all over the country (as</p>
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<p>specified in Section VI. Schedule of Requirements) that could service the requirements of the PROCURING ENTITY anytime on specified delivery areas.</p> <p>7. Supplier shall make deliveries using Supplier's-owned and/or contracted transportation units at their expense for the duration of the Contract and upon any renewals or extensions thereof.</p> <p>8. During the implementation of the contract, the PROCURING ENTITY may increase or decrease the quantity of POL requirements in certain areas of operations or delivery points, in times of emergency or if national security so requires.</p> <p>9. In case of war, disaster, national security or national emergency, the PROCURING ENTITY may transfer its POL requirements to other location as required for the operation support, without additional cost to the PROCURING ENTITY.</p> <p>10. If the POL requirements of the PROCURING ENTITY are to be transferred to a location of disaster or national emergency, the Supplier may request for additional security from the PROCURING ENTITY to ensure the protection of its supplies, subject for approval.</p> <p>11. No imposition of additional expenses (i.e. processing fee, service fee, handling fee, etc.) shall be charged against the PROCURING ENTITY during the duration of the Contract. Any modification or adjustment that may impose additional charge against the PROCURING ENTITY shall be duly substantiated with an amendatory contract to be approved by the authorized representatives.</p> <p>12. The Supplier shall, at its own expense, repair, maintain, rehabilitate and construct POL facilities, and procure additional POL equipment for the PROCURING ENTITY in accordance with the Program of Expenditures (POEs) duly approved by the Head of the PROCURING ENTITY, equivalent to 5.5% of the Contract Price. This will form part of the PROCURING ENTITY's Repair, Maintenance and Construction (RMC) Fund.</p> <p>13. Supplier, at their expense, shall provide training and seminar package on the handling, safety and any other related training to the operation of POL stations at least twice a year or as requested by the PROCURING ENTITY. This shall include incidental activities in the</p>
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	<p>pursuance of the training/seminar.</p> <p>14. The Supplier, upon delivery of POL, shall present to the PROCURING ENTITY the Original Invoice (or delivery document) covering the particular delivery for PROCURING ENTITY's signature acknowledging receipt of the delivery, and provide PROCURING ENTITY duplicate copy of the same. The original copy of the invoice/delivery document shall be retained by the delivering party for submission to Supplier's office for billing purposes and transmitted to PROCURING ENTITY's office together with all the required supporting documents.</p> <p>15. Upon delivery and receipt of the GOODS to the identified bulk plants, the Supplier shall notify the PROCURING ENTITY and present the following documents to the PROCURING ENTITY:</p> <ul style="list-style-type: none"><li>(i) Original and four duplicate copies of the Supplier's invoice showing GOODS' description, quantity, unit price, and total amount, with the unit price clearly indicating the WPP, Discount, Delivery Cost and EVAT used for such delivery;</li><li>(ii) Original and four duplicate copies delivery receipt/note, railway receipt, or truck receipt;</li><li>(iii) Original Supplier's factory inspection report;</li><li>(iv) Original and four duplicate copies of the Manufacturer's and/or Supplier's warranty certificate;</li><li>(v) Original and four duplicate copies of the certificate of origin (for imported GOODS);</li><li>(vi) Delivery receipt detailing number and description of items received and signed by the authorized receiving personnel;</li></ul> <p><b>Incidental Services-</b></p> <p>a. Effect transfer of delivery of POL products from one station to another in case the PROCURING ENTITY unit/office is transferred/redeployed to another area of operation or as requested at no additional cost to the PROCURING ENTITY.</p> <p>b. For PROCURING ENTITY's aircraft and sea craft on mission abroad, the Supplier shall coordinate, at his expense, with appropriate Supplier in the foreign country to provide needed POL of said PROCURING ENTITY aircraft/vessel. The PROCURING ENTITY will reimburse in Philippine Currency only the acquisition cost of the said POL requirements based on the Invoice Receipt.</p> <p>c. In case of any deviations in the mode of delivery in order to meet</p>
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	<p>confirmed delivery schedule at the PROCURING ENTITY’s delivery points as set forth in the DO, any additional cost and logistical requirements to be undertaken for such deviation shall be the responsibility of the Supplier.</p> <p><b>Transportation-</b></p> <p>The PROCURING ENTITY accepts no liability for the damage of GOODS during transit other than those prescribed by INCOTERMS for Delivered Duty Paid (DDP) Deliveries. In the case of GOODS supplied from within the Philippines or supplied by domestic Suppliers risk and title will not be deemed to have passed to the PROCURING ENTITY until their receipt and final acceptance at the final destination.</p> <p><b>Insurance –</b></p> <p>The GOODS supplied under this Contract shall be fully insured by the Supplier in any freely convertible currency against loss or damage incidental to manufacture or acquisition, transportation, storage, and delivery. The GOODS shall remain at the risk and title of the Supplier until their final acceptance by the PROCURING ENTITY.</p> <p><b>Patent Rights –</b></p> <p>The Supplier shall indemnify the PROCURING ENTITY against all third-party claims of infringement of patent, trademark, or industrial design rights arising from the use of the GOODS or any part thereof.</p> <p>For purposes of this Clause the PROCURING ENTITY’s Representative is the:</p> <p><b>THE QUARTERMASTER GENERAL ARMED FORCES OF THE PHILIPPINES Camp General Emilio Aguinaldo, Quezon City, Philippines</b></p>
<p align="center"><b>10.1</b></p>	<p>Payment shall be made upon submission of a certification by the Head of the PROCURING ENTITY or its representatives to the effect that GOODS had been delivered in accordance with the terms and conditions of this Contract and have been duly inspected and accepted.</p> <p align="center">Payment terms will be implemented through Delivery Order (DO).</p>
	<p>a. Supplier shall submit delivery/invoice receipt on billing statement for the PROCURING ENTITY to process payment of all records of</p>

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<b>10.2</b>	<p>transactions and contract balances to the PROCURING ENTITY.</p> <p>b. The winning bid price shall be fixed for the entire duration of the contract and will be the basis for ordering and billing.</p> <p>c. For staggered deliveries, the PROCURING ENTITY shall make, after every order, an accounting of the amount actually payable based on the date of the Delivery Order. This will also determine the allowable unit/volume that may still be ordered from the remaining amount allotted for each POL product. The PROCURING ENTITY shall be allowed to make adjustments in the units/volumes to be delivered per type of product to conform to the remaining amount in the total contract price.</p>
<b>10.3</b>	<p>Supplier shall grant the PROCURING ENTITY an allowable thirty (30) days extension from the date of expiration of the period provided in the GCC.</p>
<b>10.4</b>	<p>Not applicable.</p>
<b>10.5</b>	<p>Payment using LC is not allowed.</p>
<b>11.3</b>	<p>Maintain the GCC Clause.</p>
<b>13.4(c)</b>	<p>No further instructions.</p>
<b>16.1</b>	<p><b>Inspection of POL Deliveries</b></p> <p>All POL products delivered by the Supplier shall be subjected to inspection and random testing by the PROCURING ENTITY as required through DOE Testing Facilities in accordance with PNS, ASTM, API or other acceptable practices to the extent practicable at the Supplier's expense. In case the products fail to meet specifications, or otherwise not in conformity with this agreement, the PROCURING ENTITY shall have the right to reject the product or require its replacement at no cost to the PROCURING ENTITY.</p> <p>In case of POL suspected contamination, the Supplier shall shoulder the cost of testing of the said POL Products.</p>
<b>17.1</b>	<p>Retention money shall be one percent (1%) of every delivery</p>
<b>17.3</b>	<p>The Supplier warrants that the GOODS assured of quality for three (3) months after acceptance by the PROCURING ENTITY of the delivered Goods.</p>
<b>17.4 and 17.5</b>	<p>The period for correction of defects in the warranty period is within 24 hours in Metro Manila &amp; other key cities, and within 48 hours in other areas.</p>

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<b>19.0</b>	<p>For the payment of Liquidated Damages, the applicable rate is one tenth (1/10) of one (1) percent of the cost of the unperformed portion for every day of delay reckoned from the last date of delivery period as stated in the DA; unless the succeeding Sales Order (SO)/SOs for the DA provides a latter date in which case the SO shall prevail.</p> <p>The maximum deduction shall be ten percent (10%) of the amount of contract. Once the cumulative amount of liquidated damages reaches ten percent (10%) of the amount of the contract, the PROCURING ENTITY may rescind the contract, without prejudice to other courses of action and remedies open to it.</p>
<b>20.4</b>	<p>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.”</p>
<b>21.1</b>	<p>Sanctions such as but not limited to waiver of Delivery Cost (DC) may be imposed on the Supplier by the PROCURING ENTITY if:</p> <ul style="list-style-type: none"><li>a. Non-conformance to the Fixed Price during contract implementation:</li><li>b. Failure of POL delivered to pass random testing.</li><li>c. Failure of Supplier/contractor to complete the Repair, Maintenance and Construction (RMC) Project within the specified timeline indicated in the Memorandum of Agreement</li></ul>