CONTRACT AGREEMENT FOR INTERNET SERVICES IN MACTAN ECONOMIC ZONE

CONTRACT AGREEMENT

THIS AGREEMENT made the _____ day of 19 DEC 2024 20_____ between the **PHILIPPINE ECONOMIC ZONE AUTHORITY**, government instrumentality created under Republic Act No. 7160, also known as the Special Economic Zone of 1995, as amended, represented herein by its Economic Zone Administrator, **EMMANUEL D. CORTERO,** with office address at PEZA-MEZ Admin Building, Mactan Economic Zone, Ibo, Lapu-Lapu City, Cebu 6015, hereinafter, called as **"the Entity"; And,** the **EASTERN TELECOMMUNICATIONS PHILIPPINES, INC. (ETPI)** represented by its authorized representative, Senior Sales Manager, DEOGRACIAS E. NAZARENO, with office address at Telecom Plaza, 316 Sen, Gil J. Puyat Avenue, Salcedo Village, Makati City, referred to as **"the Internet Service Provider";**

(Each a "Party" and collectively the "Parties")

WITNESSETH:

WHEREAS, the Philippine Economic Zone Authority has an existing contract for the project, Internet Services for Mactan Economic Zone with Eastern Telecommunications Philippines, Inc. that will expire on 01 November 2024;

WHEREAS, the Total Contract Price was at FOUR HUNDRED THREE THOUSAND TWO HUNDRED, in Philippine Currency (Php 403,200.00);

WHEREAS, the contract with the Internet Service Provider was extended for a period of two (2) months from 02 November 2024 to 31 December 2024 under the same terms and conditions while the renewal of the existing contract is being undertaken;

WHEREAS, access to internet services is deemed essential, indispensable and necessary to the day-to-day operations of PEZA used primarily for research, electronic mail (email), software updates, connectivity to other ecozones and for the various online systems of PEZA such as online processing of permits and LOAs, electronic payment and collection system, electronic application for registration system and other online monitoring and surveys and all other internet applications;

WHEREAS, Appendix 37 under the Revised Implementing Rules and Regulations of Republic Act No. 9184 (Guidelines on Renewal of Regular and Recurring Services) recognizes that internet connectivity subscription is a regular and recurring service and changing of internet service provider may prove to be more costly and will entail interruption of internet access and delivery of public service that is wholly dependent to internet connectivity;

WHEREAS, Appendix 37 allows its renewal provided that the Procuring Entity must first assess the quality of services provided by the current supplier, compare the

cost charged and the range of services it offers as against other service providers in the area;

WHEREAS, the Internet Service Provider was deemed to be the lowest among the other three (3) qualified service providers during the conduct of Cost Benefit Analysis (CBA) on 27 September 2024 by the Entity;

WHEREAS, the Internet Service Provider received a Satisfactory Rating on the services rendered to the Entity during the duration of the existing contract;

WHEREAS, the Internet Service Provider has submitted documentary requirements required for renewal of contract and not a Blacklisted Entity as prescribed under Appendix 37;

WHEREAS, on 30 October 2024, MEZ-BAC issued BAC Resolution No. 2024-029 recommended to the Head of the Procuring Entity (the Entity) to award and renew the internet services contract of the Internet Service Provider for a period of one (1) year commencing from 01 January 2025 to 31 December 2025 under the same terms and conditions for a Total Contract Price is at FOUR HUNDRED THREE THOUSAND TWO HUNDRED, in Philippine Currency (Php 403,200.00);

WHEREAS, the Entity approved the recommendation on 15 November 2024;

WHEREAS, the Entity invited Bids for certain goods and ancillary services, particularly INTERNET SERVICES IN MACTAN ECONOMIC ZONE and has accepted a Bid by the Internet Service Provider for the supply of those goods and services in the sum of FOUR HUNDRED THREE THOUSAND TWO HUNDRED, in Philippine Currency (Php 403,200.00) (hereinafter called "the Contract Price").

NOW THEREFORE, for and in consideration of the foregoing premises, the Parties hereto agree and stipulate the following:

1. **SCOPE OF WORK.** The terms and conditions of the Original Contract and all agreement related thereto, such as renewal and extension contracts and its notices shall be read and construed as part of this Contract. Any and all parts of the Original Contract which are not inconsistent with this Contract shall remain unchanged and in full force and effect.

   The Internet Service Provider shall provide internet services of at least one hundred Megabits per second (100mbps) to the Entity located at PEZA-MEZ Admin. Building, Mactan Economic Zone, Ibo, Lapu-Lapu City, Cebu 6015.

2. **DURATION.** This Contract shall commence on **01 January 2025 until 31 December 2025**, unless sooner terminated. This Contract may be renewed or extended for such period and terms mutually agreed upon by the Parties in conformity with existing and applicable procurement rules and regulations.

3. **CONTRACT PRICE.** In consideration of the services to be provided by the Internet Service Provider, the total contract price shall be at FOUR

HUNDRED THREE THOUSAND TWO HUNDRED IN PHILIPPINE CURRENCY (Php403,200.00), inclusive of all applicable taxes, duties, fees, levies and other charges imposed under applicable laws.

4. **PRE-TERMINATION OF AGREEMENT.** In the event the Internet Service Provider violates any of the terms and conditions of this Agreement or fails to satisfactorily deliver the goods or services within the specified delivery schedule or project implementation schedule, inclusive of duly granted time extensions, if any, the Internet Service Provider shall be liable for liquidated damages for every day of delay until such goods or services are finally delivered or performed and accepted by the Entity. The Entity need not prove that it has incurred actual damages to be entitled to liquidated damages.

   The amount of liquidated damages shall be equal to at least one-tenth (1/10) of one percent (1%) of the cost of the delayed goods or services scheduled for delivery or performance for every day of delay. If the sum of liquidated damages reaches at least ten percent (10%) of the contract amount, the Entity may pre-terminate or rescind this Agreement by serving a written notice to the Internet Service Provider before the intended date of termination, without prejudice to other courses of action and remedies available including blacklisting of the Internet Service Provider.

   In the event that the Agreement expires without the successful procurement of new internet service provider, the Entity shall notify the Internet Service Provider the extension in writing fifteen (15) days prior to the expiration of the Agreement. The Agreement may be extended for a monthly basis up to a maximum duration of three (3) months, or for such period necessary until the new internet service provider takes over, subject to performance evaluation and compliance with guidelines prescribed with the Revised Implementing Rules and Regulations of Republic Act No. 9164.

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

PHILIPPINE ECONOMIC ZONE AUTHORITY	***EASTERN TELECOMMUNICATIONS PHILIPPINES, INC.***
By:	*By:*
EMMANUEL D. CORTERO *Economic Zone Administrator*	*DEOGRACIAS E. NAZARENO* *Senior Sales Manager*
ENGR. RICKY Z. OLASIMAN *Witness*	*Witness*

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
LAPU-LAPU CITY) SS.

Before me, a Notary Public duly authorized in the city named above to take acknowledgments, certify that on 19 DEC 2024, personally appeared the following who are identified by me through competent evidence of identity:

Name	Competent Evidence of Identity	
	Type and Number	Valid Until or Date and Place of Issue
PHILIPPINE ECONOMIC ZONE AUTHORITY *Emmanuel D. Cortero*	PEZA ID No. 0100034B	
EASTERN TELECOMMUNICATIONS PHILIPPINES, INC. *Deogracias E. Nazareno*	UMID No. CRN0111-0295425-7	

known to me to be the same persons described in the foregoing instrument, who acknowledged before me that their respective signatures on the instrument were voluntarily affixed by them for the purposes stated therein, and who declared to me that they executed the instrument as their free and voluntary act and deed as well as the free and voluntary act and deed of the corporation or entity herein represented.

This instrument, consisting of four (4) pages, including the page on which this acknowledgment is written, is signed on each and every page thereof by the Party and their instrumental witnesses and sealed with my notarial seal.

WITNESS MY HAND AND NOTARIAL SEAL, on the date at the place first written above.

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Series of 2024.

ATTY. NICHOL JOHN B. BAGUIO
Notary Public of Lapu-Lapu City
Commission No. 688-L, Until 12-31-2025
PTR No. 0677805-A, January 2, 2024, LLC
IBP Membership No. 360082, Cebu Province
MCLE Compliance No. VII-0009165
Declaro Bldg. 2, Across Hall of Justice,
Pusok, Lapu-Lapu City, Philippines