

CONTRACT OF AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

This Contract of Agreement made and entered into this _____ day of _____ 2025 at Quezon City, Philippines by and between:

The **PHILIPPINE COUNCIL FOR AGRICULTURE AND FISHERIES (PCAF)**, a government agency attached to the Department of Agriculture (DA), created pursuant to Executive Order No. 366, Series of 2004, with office address at the Apacible Hall, Department of Agriculture Compound, Elliptical Road, Diliman, Quezon City, represented in this Act by its OIC - Executive Director, **JULIETA E. OPULENCIA**, hereinafter referred to as the **PCAF**;

-and-

CONVERGE ICT SOLUTIONS INC., a company duly registered at DTI under Philippine laws and licensed to operate business in the Philippines, with principal office address at 99 E. Rodriguez Avenue, Ugong, Pasig City represented in this Act by its Authorized Representative, **PATRICK PAUL A. GATCHALIAN**, Vice-President & Head, Enterprise Sales - Government and Services hereinafter referred to as the **SUPPLIER**;

WITNESSETH

WHEREAS, the **PCAF** requested the procurement of one (1) lot internet subscription for 12 months subscription to internet access for CY 2025 with approved PR No. 24-10-507 and was posted in PhipGEPS for bidding;

WHEREAS, the **SUPPLIER** has represented and warranted itself as capable, competent, and duly licensed provider of internet subscription services under the terms and conditions hereinafter set forth;

WHEREAS, **PCAF** has agreed to enter into a contract with the **SUPPLIER** for the engagement of its services through Public Bidding Procurement pursuant to 2016 Revised Implementing Rules and Regulations of the Republic Act No. 9184;

WHEREAS, after due evaluation by the Bids and Awards Committee (BAC), the **SUPPLIER** was declared as the Lowest Calculated and Responsive Quotation, thus, the BAC recommended to the HOPE to award the above-mentioned procurement to the **SUPPLIER**;

WHEREAS, **PCAF** issued the Notice of Award to the **SUPPLIER** on January 6, 2025;

NOW THEREFORE, in view of the foregoing premises, the parties have agreed to the following terms and conditions:

Section 1

SCOPE OF SERVICES

The **SUPPLIER** agrees to provide **PCAF** with access to internet services for a period of one (1) year.

The **SUPPLIER** shall provide for the following:

A. Subscription and Bandwidth

- Fiber-Optic Dedicated Internet Access (DIA) for 1 year
- At least 800 MBps bandwidth allocation throughout the day (24/7)
- At least 5 static IP addresses under IP subnet mask /28

B. Service Availability

- At least 99.7% service availability

C. Service Requirement

- Installation of the necessary hardware and connections for the internet subscription at no additional cost to **PCAF**;
- Assist the **PCAF** in the activation and overall deployment of the internet service
- 24/7 Call Center and Field Engineer support

D. Technical Requirements

- Installation, activation, and configuration of brand new hardware and equipment (including cabling) at PCAF premises;
- Utilize @ six (6) cable landing stations in the Philippines going outside of the country for diversity and redundancy;
- Ensure the proper maintenance and operation of the provided internet service.;
- Maintain proper working condition of all the equipment provided;
- Unless offered and accepted as part of the signed proposal, the Service Provider shall provide a security system for its own network, equipment, operating systems, and other similar network and operating software;
- Provide a Multi-Router Traffic Grapher (MRTG) account on applicable services.
- Provide necessary updates to the PCAF on the progress of service delivery; and
- Conduct standard testing of the service and provide an acceptance report;

E. Service Installation and Activation

Installation and activation of the service shall be within 30 to 45 days from the date of receipt of the Notice to Proceed. Service Provider must provide a Gantt Chart for the schedule of the installation and activation of the service.

1. Service Testing

- Internet Services
 - Browsing
 - Ping test
 - Speed test to Service Provider test server (Speedtest.net)
- Transport Services
 - RFC2544 Ethernet Testing:
 - Throughput Test
 - Frame Loss Test
 - Jitter Test
 - Latency Test
 - Ethernet Tester of Service Provider will be used and all the test results will be based on industry standards. Testing will be for 15 to 30 minutes and will be conducted only once.

2. Service Level Commitments

a. Network Availability

- Service Provider hereby guarantees 99% Network Availability

b. Circuit Availability

<i>Service</i>	<i>Availability</i>
Dedicated internet	99.7%

Circuit availability refers to the available period of the subscribed in a given month and is calculated as follows:

$$\frac{(\text{Hours in a Day} \times \text{Days in a Month}) - \text{Service Outage Time in hours}}{\text{Hours in a Day} \times \text{Days in a Month}}$$

c. Latency

<i>Origin/Destination</i>	<i>Latency</i>
PH POP to US POP	200 milliseconds (ms)
PH POP TO ASIA POP	70 ms
DOMESTIC LUZON	10 ms

- This latency is applicable to Service Provider on-net facility. Latency may vary for use of third-party service.
- Committed latency on Dedicated Internet Access
- Values indicated refers to Service Provider ICT POP to POP latency.

d. Mean Time to Respond/Restore

Ticket creation from time of report	Within thirty (30) minutes
For Field Dispatch (after initial troubleshooting)	Dedicated internet
Quezon City	90 minutes
After Business Hours	On-call (Field Operation Engineers)

- On-site dispatch will take place when reported problem cannot be resolved by remote troubleshooting
- Service restoration target is 4 hours after the allotted response time, 80% of the time.

• Ticket Status Update on Network and Circuit Availability

Service Provider shall provide necessary status update after issuance of ticket. The following update times and frequency shall be followed depending on the level of severity:

<i>Severity Level</i>	<i>Status Update (Dedicated Internet Access)</i>
Severity 1: Hard Down/No connection	1 hour
Severity 2: Intermittent/slow connection	2 hours
Severity 3: Non-service affecting (customer requests)	3 hours

F. Monthly Report

The Service Provider will provide a report for all applicable circuits upon the request of PCAF. Report contents will be based on Technical Support records, in connection with the trouble tickets issued to the PCAF during the subscription.

G. Maintenance Activities

It may occasionally be necessary for the **Service Provider** to carry out essential network maintenance and/or enhancement program as well as emergency activities that may be critical to operations. In these cases, the Service Provider shall provide notice to the **PCAF** as specified below:

Activity	Notice Period
Scheduled	Seven (7) days
Emergency	One (1) day

Section 2

CONTRACT PRICE

For and in consideration of the **SERVICES** to be undertaken by the **SUPPLIER**, **PCAF** shall pay the **SUPPLIER** in Philippine Currency in accordance with the Contract the total amount of **ONE MILLION EIGHT FIFTY FOUR THOUSAND FIVE HUNDRED EIGHTY FIVE PESOS (Php 1,854,585.00) inclusive of all applicable government taxes and fees** for the duration of the internet subscription.

Section 3

FEES AND PAYMENTS

PCAF agrees to pay a monthly subscription fee of **ONE HUNDRED FIFTY-FOUR THOUSAND FIVE HUNDRED FORTY-EIGHT PESOS AND SEVENTY-FIVE CENTAVOS (PhP 154,548.75)** inclusive of all applicable taxes and fees, starting from the commencement date of this Agreement.

Section 4

RESPONSIBILITIES OF THE SUPPLIER

The **SUPPLIER** shall:

1. Provide one (1) year of uninterrupted internet service for the **PCAF** office, subject to scheduled maintenance, system upgrades, and force majeure events.
2. Promptly resolve any technical issues or service interruptions promptly upon receiving notice from **PCAF**.
3. Be held accountable for all liabilities resulting from damage or loss of property, death or injury caused by the fault or negligence of the **SUPPLIER's** employees and personnel during the duration of this contract;
4. Hold **PCAF** free from any third-party liability arising from damages to public and private properties, death, or injury to people as a result of any incident attributed to the **SUPPLIER's** fault that may have occurred during the performance of the contract.
5. Ensure that all the services to be performed under or pursuant to this contract shall meet the same high standards as those offered by similar businesses of superior knowledge and skill, engaged in similar services under analogous circumstances; and

- superior knowledge and skill, engaged in similar services under analogous circumstances; and
6. Issue a Service Invoice in the name of **PCAF** upon receipt of payment for each billing statement.

Section 5

RESPONSIBILITIES OF PCAF

The **PCAF** shall:

1. Ensure that the **SUPPLIER** meets the required specifications/requirements for the internet subscription;
2. Pay the **SUPPLIER** the corresponding monthly subscription fees upon receipt of the billing statements;
3. Use the services in compliance with applicable laws and regulations, refraining from unlawful activities such as hacking, spamming, or distributing malware; and
4. Provide access to the **SUPPLIER's** personnel for installation, maintenance, or repairs of the Service as necessary.

Section 6

TERM AND TERMINATION

This Agreement shall be valid for a period of one (1) year upon signing, **subject to extension through a written notice from the PCAF seven (7) days prior to contract expiration.**

PCAF reserves the right to terminate this Contract for any substantial breach committed by the **SUPPLIER** and such breach is not corrected within a reasonable time upon demand, as warranted by the circumstances.

Section 7

CAPACITY AND AUTHORIZATION

Each party in this contract assures and warrants that it has the authority to sign and fulfill the agreement without violating any laws or existing agreements. Additionally, it confirms that the contract is legally binding and enforceable.

Section 8

LIQUIDATED DAMAGES

As provided in Section 68 of the revised IRR of RA 9184, the **SUPPLIER** shall pay liquidated damages in case of breach of contract. The amount of liquidated damages shall be at least equal to one-tenth of one percent (0.001) of the cost of the unperformed portion for every day of delay. Once the cumulative amount of liquidated damages reaches ten percent (10%) of the amount of contract, **PCAF** may rescind or terminate the contract, without prejudice to other courses of action and remedies available under the circumstances.

Section 9

VENUE OF ACTION

The Parties agree to resolve any disputes or differences arising from this Contract amicably and through mutual consultation. Should litigation become necessary, the venue of action shall be exclusively in the proper courts of Quezon City, Philippines.

Section 10

DISPUTE RESOLUTION

Any dispute arising under or in connection with this Agreement shall be settled through amicable negotiations. If the dispute cannot be resolved amicably, it shall be submitted to arbitration in accordance with the rules of the Philippine Dispute Resolution Center, Inc. (PDRCI).

Section 11

MISCELLANEOUS PROVISIONS

1. This Agreement shall be governed by and construed in accordance with the laws of the Philippines.
2. This Agreement constitutes the entire understanding between the parties and supersedes any prior discussions or agreements regarding the Service.
3. Should any provision of this Agreement be found invalid or unenforceable, the remaining provisions shall continue in full force and effect.
4. The **SUPPLIER** shall exercise extraordinary diligence in the performance of its duties.

Section 12

AMENDMENT


All stipulations set forth in this Contract shall apply unconditionally, subject to amendments that may be mutually agreed by both parties in writing.

IN WITNESS WHEREOF, the parties have hereunto affixed their signatures this ____ day of JAN 08 2025 2025 at Quezon City, Philippines.

**PHILIPPINE COUNCIL FOR
AGRICULTURE AND FISHERIES**
PCAF

CONVERGE ICT SOLUTIONS INC.
SUPPLIER


JULIETA E. OPULENCIA
OIC- Executive Director


PATRICK PAUL A. GATCHALIAN
Vice-President & Head, Enterprise Sales

SIGNED IN THE PRESENCE OF:



MARISA R. LO
OIC-Chief, Administrative, Financial and
Management Division


RONALD G. CACAO
Key Account Manager-Public Sector

PHILIPPINE COUNCIL FOR AGRICULTURE AND FISHERIES

ALLOTMENT AVAILABLE: ₱1,894,585.-
BS No. 021011012025-01-0029

FUNDS AVAILABLE: ₱1,894,585.-
Control No. 2025-01-0078


JOSE REDENTOR H. BESENIO
OIC-Asst. Division Chief, AFMD &
Chief, Budget Section


MARIA DIVINA P. GONZALES
Chief, Accounting Section

ACKNOWLEDGEMENT

Republic of the Philippines)
Quezon City) s.s.

Before me, Notary Public, for and in QUEZON CITY this JAN 08 day of 2025
2025 appeared the following persons presenting to me their respective
identifications, to wit:

Affiant	Passport No./CTC No.	Issued at	Issued on
JULIETA E. OPULENCIA	SC # 20-30902	Cainta, Rizal	October 2, 2020
PATRICK PAUL A. GATCHALIAN	P9580528B	MANILA	APRIL 11, 2022

WITNESS MY HAND AND SEAL, on the date and place above written.



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Willan
ATTY. CONCEPCION P. VILLARERA
Notary Public Quezon City
Until December 31, 2025
PTR No. 6989624 / January 2, 2025 Q C
IBP No. 461667 / October 29, 2024 Q C
Roll No. 30457 / 05-09-1980
MCLE VII-0006994 / 09-21-2021
ADM. MATTER No NP-021 (2024-2025)
TIN No. 131-942-754

