Section V. Special Conditions of Contract

Notes on the Special Conditions of Contract

Similar to the BDS, the clauses in this Section are intended to assist the Procuring Entity in providing contract-specific information in relation to corresponding clauses in the GCC.

The provisions of this Section complement the GCC, specifying contractual requirements linked to the special circumstances of the Procuring Entity, the Procuring Entity's country, the sector, and the Goods purchased. In preparing this Section, the following aspects should be checked:

a) Information that complements provisions of Section IV must be incorporated.

b) Amendments and/or supplements to provisions of Section IV, as necessitated by the circumstances of the specific purchase, must also be incorporated.

However, no special condition which defeats or negates the general intent and purpose of the provisions of Section IV should be incorporated herein.

Special Conditions of Contract

GCC Clause	
1(a)	The Procuring Entity is ***University of Science and Technology of Southern Philippines – System (USTP-System)***.
1(b)	The Supplier is *[to be inserted at the time of contract award]*.
1(c)	The Funding Source is: 2.1 The GoP through the source of funding as indicated below for ***FY 2026*** in the amount of ***THREE MILLION EIGHT HUNDRED THOUSAND PESOS AND 00/100 (₱3,800,000.00) ONLY: LOT 1 – ₱1,900,000.00 (ENTERPRISE RACKMOUNT UPS) AND LOT 2 – ₱1,900,000.00 (AI COMPUTER SERVER).*** 2.2 The source of funding is: **a) *INTERNALLY GENERATED FUND FY 2026***.
1(d)	The Project Site is in ***Digital Transformation Office, 2nd Floor ICT Building, USTP-CDO Campus.***
2	No further instructions.
5.1	The Procuring Entity's address for Notices is: ***DR. AMBROSIO B. CULTURA II*** ***President, USTP-System*** ***C.M. Recto Avenue, Lapasan, Cagayan de Oro City, 9000*** ***Telephone No.: + 63 (88) 856-1738 loc. 1210*** ***Email: bac_2@ustp.edu.ph*** The Supplier's address for Notices is: *[Insert address including, name of contact, fax and telephone number]*.
5.2	No further instructions.
6.2	**Delivery and Documents** For purposes of this Contract, "EXW," "FOB," "FCA," "CIF," "CIP," "DDP" and other trade terms used to describe the obligations of the parties shall have the meanings assigned to them by the current edition of INCOTERMS published by the International Chamber of Commerce, Paris. The Delivery terms of this Contract shall be as follows: Goods Supplied from Abroad: The delivery terms applicable to the Contract are DDP delivered ***Digital Transformation Office, 2nd Floor ICT Building, USTP-CDO Campus.*** In accordance with INCOTERMS.

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	Goods Supplied from Within the Philippines: The delivery terms applicable to this Contract are delivered at ***Digital Transformation Office, 2nd Floor ICT Building, USTP-CDO Campus.*** Risk and title will pass from the Supplier to the Procuring Entity upon receipt and final acceptance of the Goods at their final destination. Delivery of the Goods shall be made by the Supplier in accordance with the terms specified in Section VI. Schedule of Requirements. The details of shipping and/or other documents to be furnished by the Supplier are as follows: *For Goods supplied from within the Philippines:* Upon delivery of the Goods to the Project Site, the Supplier shall notify the Procuring Entity and present the following original documents to the Procuring Entity: i) Supplier's invoice showing the goods' description, quantity, unit price, and total amount; ii) Delivery receipt/note, railway receipt, or truck receipt; iii) Manufacturer's and/or Supplier's warranty certificate; iv) Certificate of origin (for imported Goods); v) Delivery receipt detailing number and description of items received signed by the authorized receiving personnel; vi) Certificate of Acceptance/Inspection Report signed by the Procuring Entity's representative at the Project Site; and vii) Four copies of the Invoice Receipt for Property signed by the Procuring Entity's representative at the Project Site. *For goods supplied from abroad:* Upon shipment, the Supplier shall immediately communicate and notify the Procuring Entity and the insurance company the full details of the shipment, including Contract Number, description of the goods, quantity, vessel, bill of lading number and date, port of loading, date of shipment, port of discharge etc. Upon delivery to the Project Site, the Supplier shall notify the Procuring Entity and present the following original documents as applicable with the documentary requirements of any letter of credit issued taking precedence: i) Supplier's invoice showing the goods' description, quantity, unit price, and total amount; ii) Negotiable, clean shipped on board bill of lading marked "freight prepaid", as well as a copy of the non-negotiable bill of lading; iii) Supplier's factory inspection report; iv) Manufacturer's and/or Supplier's warranty certificate; v) Certificate of origin (for imported goods);

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vi) Delivery receipt detailing number and description of items received signed by the Procuring Entity's representative at the Project Site;

vii) Certificate of Acceptance/Inspection Report signed by the Procuring Entity's representative at the Project Site; and

viii) Invoice Receipt for Property signed by the Procuring Entity's representative at the Project Site.

For purposes of this Clause the Procuring Entity's Representative at the Project Site is ***Inspection Officer – MR. TEDDY WENDEL Q. CLAVERO***

Incidental Services

The Supplier is required to provide all of the following services, including additional services, if any, specified in Section VI. Schedule of Requirements:

a) performance or supervision of onsite assembly and/or startup of the supplied goods;

b) furnishing of tools required for assembly and/or maintenance of the supplied goods;

c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;

d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the Supplier of any warranty obligations under this Contract; and

e) training of the Procuring Entity's personnel, at the Supplier's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.

The Contract price for the goods shall include the prices charged by the Supplier for incidental services and shall not exceed the prevailing rates charged to other parties by the Supplier for similar services.

Spare Parts

The Supplier is required to provide all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the Supplier: *Not Applicable*

The spare parts required are listed in Section VI. Schedule of Requirements and the cost thereof are included in the Contract Price

The Supplier shall carry sufficient inventories to assure ex-stock supply of consumable spares for the goods for a period of *Not Applicable*

Other spare parts and components shall be supplied as promptly as possible, but in any case, within *[insert appropriate time period]* months of placing the order.

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Packaging

The Supplier shall meet packaging standards for goods in accordance with existing laws and regulations, and as indicated in this Contract to prevent damage or deterioration during transit to their final destination.

The packaging shall be durable enough to withstand rough handling, exposure to extreme temperatures, salt, precipitation, open storage, and other extreme conditions during transit. Packaging case sizes and weights shall consider the remoteness of the goods' final destination and the potential absence of heavy handling facilities at all transit points.

The packaging, labeling, and documentation within and outside the packages shall comply strictly with special requirements as shall be expressly provided for in this Contract, including additional requirements, specified below, and in any subsequent instructions ordered by the Procuring Entity.

The outer packaging must be clearly marked on at least four (4) sides as follows:

Name of the Procuring Entity
Name of the Supplier
Contract Description
Final Destination
Gross weight
Any special lifting instructions
Any special handling instructions
Any relevant Hazardous Chemical classifications

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. Otherwise, the packaging list is to be placed outside the secondary packaging.

Insurance

The Supplier shall fully insure the goods supplied under this Contract in a currency, local or tradeable and accepted by the Bangko Sentral ng Pilipinas against loss or damage incidental to manufacture, acquisition, transportation, storage, and delivery. The risk and ownership of the goods remain with the Supplier until their final acceptance by the Procuring Entity, unless otherwise specified in this Contract.

Transportation

The Supplier shall arrange and pay for the delivery of the goods, with the cost included in the Contract Price. When required under this Contract to deliver the goods CIF, CIP, or DDP, the Supplier shall ensure the transport of the goods to the port of

	destination or any other specified place of destination in the Philippines, as indicated in this Contract. The Supplier shall arrange for transport, insurance, and storage to the specified destination with the related costs included in the Contract Price. When required under this Contract to transport the goods to a specified place of destination within the Philippines, defined as the Project Site. The goods must be transported using carriers registered in the Philippines when the Supplier is required under this Contract to deliver the goods CIF (Cost, Insurance, and Freight), CIP (Carriage and Insurance Paid To), or DDP (Delivered Duty Paid). If no Philippine-registered carrier is available, the goods may be shipped using a non-Philippine carrier, provided the Supplier obtains and presents certification from the nearest Philippine consulate at the port of dispatch. If Philippine-registered carriers are available but their schedules would impede timely delivery or cause delays in the Supplier's performance of this Contract, the period of delay from when the goods were first ready for shipment to the actual date of shipment will be considered force majeure in accordance with GCC Clause 23. The Procuring Entity accepts no liability for the damage of goods during transit other than those prescribed by INCOTERMS for DDP Deliveries. In the case of goods supplied from within the Philippines or supplied by domestic Suppliers, risk and ownership will not be deemed transferred to the Procuring Entity until their receipt and final acceptance at the final destination. **Patent Rights** The Supplier shall indemnify the Procuring Entity against all third- party claims of infringement of patent, trademark, or industrial design rights arising from use of the goods or any part thereof.
10.3	The terms of payment shall be as follows: ***Full Payment after acceptance of goods and completion of trainings.***
11.4	*Payment shall be made in* ***Philippine Peso***. *Notes:* *Subject upon full delivery, inspection, and acceptance of the items per lot, subject to standard government accounting and auditing rules, and contingent upon full compliance with the following:* • ***Tax Clearance Requirement:*** *Compliance with* ***BIR Revenue Regulation No. 17-2024*** *and* ***Revenue Memorandum Circular No. 020-2025****, requiring the presentation of a valid Tax Clearance Certificate for Final Settlement of Government Contracts (TCFG) issued by the BIR prior to the final settlement/payment of the contract.* • ***Invoicing & Receipting Standards:*** *Compliance with* ***BIR Revenue Regulations No. 18-2012*** *(Section 3) regarding valid Authority to Print (ATP) on all official invoices, billing statements, and delivery receipts.* • ***Tax Verification for Equipment Procurement:*** *Official tax receipts from the Bureau of Customs (BOC) or BIR explicitly indicating the exact specifications*

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	and/or serial numbers of the supplied equipment as proof of full payment of all duties and taxes due on the specific units sold to the government pursuance to Administrative Order No. 200 dated November 21, 1990 (COA Circular No. 2012-001 dated June 14, 2012).
11.5	*Payment using LoC is not allowed.*
13.4(c)	*No further instructions.*
16.1	The inspections and tests that will be conducted are: ***Performance Tests, Visual Inspections and Functionality Tests.***
17.3	***One (1) year after acceptance by the Procuring Entity of the delivered goods for Lot 1 & Lot 2.*** The period for correction of defects in the warranty period is ***Thirty (30) calendar days.***
17.3(c)	*Not applicable.*
17.4	No further instructions.
17.5	No further instructions.
20.2	*Any dispute, controversy, or claim arising out or relating to this Contract, including the breach, termination, or validity thereof, shall first be resolved through amicable negotiation between the parties.* *If unresolved within fifteen (15) calendar days, the parties agree to submit the dispute to mediation under the rules of the Philippine Dispute Resolution Center, Inc. (PDRCI) or any accredited mediation body recognized by the Office for Alternative Dispute Resolution (OADR).* *Should mediation fail, the dispute shall be resolved through arbitration in accordance with Republic Act No. 9285 (Alternative Dispute Resolution Act of 2004), and the arbitration award shall be final and binding upon the parties.*
21.1	No further instructions.

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