



Philippine Amusement and Gaming Corporation
A Sure Bet for Progress in Gaming, Entertainment and Nation Building

31 July 2012

Mr. Jose M. Ramos, Jr.
President
COLUMBIA TECHNOLOGIES, INCORPORATED
1136 – 1146 J. Nakpil St., Malate, Manila
Tel. No.: 524-0393 / 400-6053
Fax No.: 400-4730

SUBJECT: NOTICE TO PROCEED

Dear Mr. Ramos:

This refers to the procurement for the Re-bidding of the Supply and Delivery of Five (5) Lots Various I.T. Equipment and Software License under ITB No. 04-15-2012 through Public Bidding.

This Notice to Proceed is being issued in your favor for you to start with the delivery of the following items. You shall complete the supply and delivery based on the following schedule:

Lot Number	Description	Quantity	Total	Delivered, Weeks/Months
1	Branded Servers	7	8	Within Thirty (30) calendar days from 2 August 2012
	Server Rack	1		

Please coordinate with Ms. Marites M. Jimenez at tel no. (+632) 521-1542 loc. 161 at PAGCOR House, 1330 Roxas Boulevard, Ermita, Manila for the supply and delivery of aforesaid items.

Kindly acknowledge receipt of this letter and fax it back to us at telefax no. 524-3911 or 404-1338.

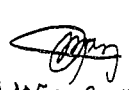
Thank you.

Very truly yours,


ROBERTO L. CASTRO, JR.
Chairperson
Bids and Awards Committee (BAC) 4

cc.: AVP, ITD (End User)
OIC, PD
BAC 4 Members

Received by:


JAMES P. DY
Name and Signature of Representative
COLUMBIA TECHNOLOGIES, INCORPORATED

Date

Aug. 3, 2012



**Annex A – Terms and Conditions
of Purchase Order No. 132**

1. The total price stated in the PO already includes all applicable taxes, fees and charges required by the government. **COLUMBIA TECHNOLOGIES, INCORPORATED** holds PAGCOR free from liability for any or all taxes arising out of this transaction.


The prices herein agreed shall not be subject to any increase or upward adjustment for any reason or cause whatsoever.

2. **COLUMBIA TECHNOLOGIES, INCORPORATED** shall complete the (*supply and delivery*) of the goods within the time prescribed in the PO. Should **COLUMBIA TECHNOLOGIES, INCORPORATED** incur delay in its performance, it shall pay liquidated damages in the amount of at least one-tenth of one percent (1/10 of 1%) of the total cost of the unperformed portion for each day of delay. The maximum deduction shall be ten percent (10%) of the amount of the contract. Once the cumulative amount of liquidated damages reaches ten percent (10%) of the amount of the contract, PAGCOR shall have the option to rescind the contract, without prejudice to other courses of action and remedies open to it.

In case **COLUMBIA TECHNOLOGIES, INCORPORATED** still fails to deliver the item after the lapse of thirty (30) calendar days from the supposed date of delivery, in addition to the forfeiture of the bond and the penalties agreed upon, PAGCOR shall have the option to terminate the purchase.

3. In the event that **COLUMBIA TECHNOLOGIES, INCORPORATED** fails to comply with its undertakings under this PO, PAGCOR shall be released from its obligations without prejudice to its rights of restitution, recovery and damages.
4. In the event that the facts and circumstances arise or are discovered which renders this PO disadvantageous to the Government, the parties hereto agree immediately to re-negotiate its terms and conditions, or at the option of PAGCOR terminate the same.
5. No terms or conditions of this PO shall be deemed waived and no breach or default excused unless such waiver or excuse shall be in writing and signed by the party affected.
6. The rights or obligations under this PO are of a personal nature and compliance thereof may not be assigned or subcontracted to another without the written consent of the other party. This PO or any interest in it may not be assigned without the prior written consent of the other party.

JAMES P. DY
8-2-12
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 8-2-12
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7. This PO contains all the covenants and stipulations agreed upon by the parties and shall be modified, revised or amended only upon written agreement of both parties.
8. This PO constitutes the entire contract between the parties pertaining to the subject matter contained in it, and supersedes all prior and contemporaneous agreements, representations, warranties and understandings of the parties. No supplement, variation or amendment of this PO shall be binding UNLESS executed in writing by the parties. No waiver of any of the provisions of this PO shall be deemed, or shall constitute, a waiver of any other provision, whether similar or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding UNLESS in writing and signed by the party making the waiver.
9. The relationship between the parties shall be limited to the performance of the terms and conditions of this PO. Nothing herein shall be construed to create a general partnership/agency/employer-employee or any other relationship between the parties, or to authorize any party to bind the other except as set forth in herein, or to borrow money on behalf of another party, or to use the credit of any party for any purpose other than what has been set forth herein.
10. The parties, waiving for this purpose any other venue, hereby agree that the courts of the City of Manila shall be the exclusive venue of any and all actions or suits between the parties relative to this PO, to the exclusion of all other courts and venues. This exclusive venue provision shall apply even in cases for declaration of nullity of this PO in its entirety or in part and in cases arising after or by reason of the declaration of nullity of this PO in its entirety or in part.
11. **COLUMBIA TECHNOLOGIES, INCORPORATED** hereby further warrants and represents that:
 - a. The goods and specifications shall be described as follows:

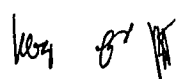
Item Number	Description	Quantity	Total
1	Branded Servers	7	8
	Server Rack	1	


LOT 1	FIVE (5) UNITS – BRANDED SERVER
	2 x 4 core processors with at least 2.4Ghz/1066Mhz/12MB
	Two (2) way SMP 12MB std & max
	Two (2) Socket B (LGA1366), 18 DIMM slots, 4 PCI-E slots, integrated SAS, Ethernet & graphics controller




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	EIA 19" Rack (2U4) rack mount only
	Two (2) x 4GB PC3-10600 1333MHz LP 240-pin Registered ECC / 72GB max per processor (using 8GB DIMMs)
	Four (4) x 300GB 2.5 in SFF Slim-HS 10K 6 Gbps SAS HDD
	SATA Multi-Burner
	RAID Controller card capable of RAID 0,1,5,10
	Eight (8) 2.5" small form factor (SFF_ hot swap disk bays std)
	With integrated system and environmental monitoring, event recording and alert capability. Also includes a RJ-45 port for out of band management
	LED failure indicators & on-board diagnostics
	Two (2) Gigabit Ethernet ports
	Slot 1: PCI-Express x8, full length, full height; Slot 2: PCI-Express x8, half length, full height
	Optical keyboard
	Optical Mouse, USB
	Front Ports: 2 USB (vers.2.0), graphics (DB-15); Rear Ports: Two (2) USB (vers2.0), serial (9-pin) (RJ-45), 1 RJ-45 (sys mgmt)/ no parallel port
	Hot swap / redundant with two (2) power supplies
	LCD Monitor 19"
	One (1) UNIT – BRANDED SERVER
	2 x 4 core processors with at least 2.4Ghz/1066Mhz/12MB
	Two (2)-way SMP up to two (2) branded processor
	Rack Mount (2U) Form Factor
	Four (4) x 4GB PC3-10600 133MHz LP 240-pin ECC DDR3 SDRAM DIMMs




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	Four (4) x 300GB 10K 6Gbps SAS SFF Slim Hot Swap (2.5")
	Sata Multi-burner
	RAID Controller card capable of RAID 0,1,5,10
	Front Ports: two (2) USB (vers.2.0), graphics (DB-15); Rear Ports; 2 USB (vers.2.0), serial (9-pin) (RJ-45), 1 RJ-45 (sys mgmt) / no parallel port
	2-Gigabit Ethernet Ports
	Hot swap / redundant with two (2) power supply
	USB Keyboard
	Optical Mouse, USB
	LCD Monitor 19"
	One (1) UNIT – BRANDED SERVER
	Two (2) x 4 core processors with at least 2.4Ghz/1066MHz/12MB
	Two (2)-way SMP up to two (2) Branded Processor
	Rack Mount (2U) Form Factor
	Open Bay / 8 2.5" Hot Swap SAS/NL SATA HDD bays std / Maximum of 16 HD drives via option 59Y3825 + 8 HDD Drive Enabled kit
	Two (2) x 4 GB PC3-10600 1333Mhz LP 240 pin
	Three (3) x 300GB 10K 6Gbps SAS SFF Slim Hot Swap (2.5")
	Sata Multi-burner
	RAID controller capable of RAID 0, 1, 5, 10
	Two (2)-Gigabit Ethernet Ports
	Two (2) x at least 675W with hot swap power supply
	USB Keyboard




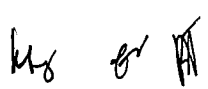
	Optical Mouse, USB
	LCD Monitor 19"
	One (1) UNIT – RACK
	Steel, 42U, Black with power distribution unit and cooling system

- b. It has good title to the goods described in the PO, full authority to sell and transfer the same and that the items are sold free and clear of all liens, encumbrances, liabilities and adverse claims, of every nature and description.
- c. It will fully defend, protect, indemnify, and hold PAGCOR harmless from any and all adverse claims that may be made by any party for the possession and/or the use of the goods.
- d. The defective items shall be replaced within seven (7) calendar days upon receipt of notice. Failure to replace the same within the same period shall make **COLUMBIA TECHNOLOGIES, INCORPORATED** liable for the payment of liquidated damages in the amount of one-tenth of one percent (1/10 of 1%) of the total cost of the unperformed portion for every day of delay.
- e. PAGCOR accepts no liability for the damage of the goods during transit, risk and title will be deemed to have passed to PAGCOR only upon receipt and final acceptance of the Goods.
- f. It shall pay taxes in full and on time, failure to do so will entitle PAGCOR to suspend payment.
- g. Without prejudice to manufacturer's warranty, in order to assure that manufacturing defects shall be corrected by **COLUMBIA TECHNOLOGIES, INCORPORATED**, a warranty shall be required from it for a minimum period of one (1) year after performance of the contract.

The obligation for the warranty shall be covered by either Retention Money equivalent to at least ten percent (10%) of every progress payment or a special bank guarantee equivalent to at least ten percent (10%) of the total contract price.

The said amounts shall only be released after the lapse of the warranty period provided, however that the goods supplied are free from patent and latent defects and all conditions imposed under the contract have been fully met.


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h. In addition, the goods shall have a warranty in accordance with the schedule below from the date of acceptance of the specified items in the Purchase Order, without prejudice to manufacturer's warranty.

Warranty includes the following:

- a) 24x7 available technical support;
- b) One (1) hour response time upon receipt of call;
- c) Two (2) hours onsite support; and
- d) 24x7 availability of spare parts in case of system malfunction

i. The winning bidder shall carry sufficient inventories to assure supply of spares for the goods for a period of five (5) years. Spares shall be supplied within twenty-four (24) hour from notice by PAGCOR.

12. Schedule of payment: PAGCOR shall pay the total amount of **ONE MILLION FOUR HUNDRED NINETY-NINE THOUSAND FOUR HUNDRED FORTY PESOS (Php 1,499,440.00)**, VAT exclusive, zero rated transaction, based on any of the following:


- A. 90% of the total contract price upon completion of (supply, delivery, installation, testing and commissioning) subject to PAGCOR's acceptance in writing of the items described in the PO.
- B. 10% Retention per completed delivery to be paid after one (1) year from the formal acceptance, if and when no patent and latent defects are noted

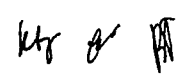
OR;

100% per completed delivery to be paid per completed staggered delivery, provided that the goods supplied are free from patent and latent defects and all conditions imposed under the contract have been fully met; subject to PAGCOR's acceptance in writing of the items described in the PO and upon submission of a Special Bank Guarantee at least ten percent (10%) of the total amount valid for one (1) year from the issuance of the Certificate of Final Acceptance

13. Performance Security: To guarantee the faithful performance of **COLUMBIA TECHNOLOGIES, INCORPORATED** obligations under this, it shall post a Performance Security prior to the execution of this PO, in accordance with any of the following schedule:

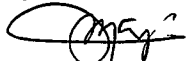
Form of Security	Amount in Percentage of Total Contract Price
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Cash or cashier's/manager's check issued by a Universal or Commercial Bank.	Five Percent (5%)
Bank draft/guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank: Provided, however, that it shall be confirmed or authenticated by a Universal or Commercial Bank, if issued by a foreign bank.	Seventy-Four Thousand Nine Hundred Seventy-Two Pesos (PhP 74,972.00)
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%) Four Hundred Forty-Nine Thousand Eight Hundred Thirty-Two Pesos (PhP 449,832.00)
Any combination of the foregoing.	Proportionate to share of form with respect to total amount of security

14. This Annex A, consisting of seven (7) pages, shall form part of PO # 132.


JAMES P. OY

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