



Republic of the Philippines
APO PRODUCTION UNIT, INC.
2/F PIA Building, Visayas Avenue, Brgy. VASRA, Quezon City,
Metro Manila, Philippines 1128



SUPPLEMENTAL/BID BULLETIN

Procurement of Security Features, Enhancement and Application Support/Maintenance of Internal Revenue Stamps Integrated System (IRSIS) for Tobacco (PB-18-19)

2 September 2019

This addendum No. 1 is issued to clarify, modify and amend items in the Bidding Documents specifically in the Special Condition of Contract, Schedule of Requirements and Technical Specifications. Accordingly, this shall form an integral part of the Bid Documents:

		FROM	TO												
PAGE	PARTICULARS	ORIGINAL PROVISION	AMENDED PROVISION												
67-68	GCC Clause 19	<p>The applicable rates for every unperformed portion of the contract are specified <u>below</u>:</p> <p>Liquidated damages for their non-compliance stated in <u>Section VII - Terms of Reference</u>.</p> <p>APO shall maintain a Service Level Agreement (SLA) with the CONTRACTOR, with provision for liquidated damages for their non-compliance for the duration of the Contract.</p> <p>Penalties incurred for components "a to f", if any, shall be deducted from the first monthly billing (after six months). For penalties incurred for components "g and h", if any, shall be deducted in the monthly billings.</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, APO shall rescind the contract, without prejudice to other courses of action and remedies open to it.</p>	<p>The applicable rates for every unperformed portion of the contract are specified <u>below</u>:</p> <p>Liquidated damages for their non-compliance stated <u>herewith</u>.</p> <p>APO shall maintain a Service Level Agreement (SLA) with the CONTRACTOR, with provision for liquidated damages for their non-compliance for the duration of the Contract.</p> <p>Penalties incurred for components "a to f", if any, shall be deducted from the first monthly billing (after six months). For penalties incurred for components "g and h", if any, shall be deducted in the monthly billings.</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, APO shall rescind the contract, without prejudice to other courses of action and remedies open to it.</p>												
		<table><tr><th>COMPONENT</th><th>DESCRIPTION</th><th>LIQUIDATED DAMAGES</th></tr><tr><td>a. Inception Report</td><td>Submission of an Inception Report two (2) weeks from receipt of NTP.</td><td>1/10 of one percent (1%) of software cost shall be imposed per day of delay</td></tr></table>	COMPONENT	DESCRIPTION	LIQUIDATED DAMAGES	a. Inception Report	Submission of an Inception Report two (2) weeks from receipt of NTP.	1/10 of one percent (1%) of software cost shall be imposed per day of delay	<table><tr><th>COMPONENT</th><th>DESCRIPTION</th><th>LIQUIDATED DAMAGES</th></tr><tr><td>a. Inception Report</td><td>Submission of an Inception Report two (2) weeks from receipt of NTP as specified in Sec. 3.1.</td><td>Fifty thousand pesos (P50,000.00) imposed per day of delay</td></tr></table>	COMPONENT	DESCRIPTION	LIQUIDATED DAMAGES	a. Inception Report	Submission of an Inception Report two (2) weeks from receipt of NTP as specified in Sec. 3.1.	Fifty thousand pesos (P50,000.00) imposed per day of delay
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			b. System Requirements Specifications	Delivery of the System Requirements Specifications in hard and soft copies within two (2) months from receipt of NTP as evidenced by Certificate of Acceptance.	1/10 of one percent (1%) of software cost shall be imposed per day of delay
			c. System Development	Delivery of developed system as well as the necessary hardware and software for development and UAT as evidenced by a Certificate of UAT Readiness within four (4) months from receipt of NTP.	1/10 of one percent (1%) of software cost shall be imposed per day of delay
			d. Technical Infrastructure	The CONTRACTOR shall deliver the required Equipment, hardware, and software as specified in Sec. 4.7.1 and 4.7.2	1/10 of one percent (1%) of hardware cost shall be imposed per day of delay
			e. IRSIS Operability	Delivery, installation, configuration, migration and operability of all the necessary hardware and software components (i.e., application and database licenses, SSL certificate, etc.) for production environment two weeks after the UAT without additional cost to the BIR. IRSYS is operational and implemented to production within six (6) months from receipt of NTP. A Certificate of System Operability shall be issued by BIR and as proof of system operability.	1/10 of one percent (1%) of software cost and hardware cost shall be imposed per day of delay
			b. System Requirements Specifications	Delivery of the System Requirements Specifications in hard and soft copies within two (2) months from receipt of NTP (Sec. 3.3.1.2).	Fifty thousand pesos (P50,000.00) imposed per day of delay
			c. Delivery of Enhanced IRSIS	Delivery of enhanced system as well as the necessary hardware and software for enhancement within five (5) months from receipt of NTP; APO, with the approval of BIR, shall issue a Certificate of UAT Readiness as evidence of system's readiness for business and technical testing, within two (2) weeks from delivery of the Enhanced IRSIS. (Sec. 3.3.2).	Fifty thousand pesos (P50,000.00) imposed per day of delay
			d. UAT	UAT as evidenced by a Certificate of UAT Readiness within seven (7) months from receipt of NTP (Sec. 3.3.3).	Fifty thousand pesos (P50,000.00) imposed per day of delay
			e. Training	Orientation and training shall be conducted within one (1) month after UAT acceptance. Refresher training (business and technical) shall be conducted as required (Sec. 3.3.5).	Fifty thousand pesos (P50,000.00) imposed per day of delay
			f. Technical Infrastructure	The CONTRACTOR shall deliver the Equipment and software components as specified in Sec. 3.4.1.	Fifty thousand pesos (P50,000.00) imposed per day of delay
			g. IRSIS Documentation	Submission of the documents specified in Sec 3.3.4 within two (2) weeks before the implementation as evidenced by the Certificate of Acceptance issued by APO with the prior approval of BIR.	Fifty thousand pesos (P50,000.00) imposed per day of delay
			h. Business Continuity Plan (BCP)	Submission of the Business Continuity Plan (BCP) to APO and BIR within one (1) month from NTP (Sec. 3.2.1).	Fifty thousand pesos (P50,000.00) imposed per day of delay
			i. DR Provisioning	The Contractor shall be able to provide a fully operational DR site within three (3) months from receipt of NTP (Sec 3.2.2).	One hundred thousand pesos (P100,000.00) imposed per day of delay.
			j. IRSIS Implementation	The CONTRACTOR shall migrate and make operational all the necessary hardware and software components of Enhanced IRSIS as enumerated in Sec	Fifty thousand pesos (P50,000.00) imposed per day of delay

			f.	Acceptance of Prototype Internal Revenue Stamps	The CONTRACTOR shall submit a proposal and prototype of the Internal Revenue Stamps as specified in Sections 4.11.3 and 4.11.4 of the Terms of Reference	1/10 of one percent (1%) of software cost shall be imposed per day of delay				3.4.1.1 (i.e. application and database licenses, SSL certificate, etc.) for the production environment within eight (8) months from receipt of NTP. A Certificate of System Operationability shall be issued by APO subject to prior approval of BIR (Sec.3.4.2).			
			g.	Change in Design of Internal Revenue Stamps	a. Compromised Stamps Security Features The CONTRACTOR shall redesign a new stamp within two (2) weeks from BIR approval. b. Modify and Upgrade the Design of stamps within three (3) years from the time the Stamps have been first distributed to various tobacco manufacturers	1/10 of one percent (1%) of software cost shall be imposed per day of delay				k.	Replacement of Mobile Verification Device/Taggant Readers/Tables	The CONTRACTOR shall, at no additional cost, replace defective Mobile Verification Devices, Taggant Readers, and Tablets with the same or higher capacity whichever is available. Replacement units for defective devices shall be delivered within twenty-four (24) hours from CONTRACTOR's receipt of report. (sec. 3.4.4).	Ten thousand pesos (P10,000.00) imposed per day of delay per device/gadget
			h.	Maintenance of IRSIS and all auxiliary equipment and mobile verification	The CONTRACTOR shall periodically maintain the IRSIS and all auxiliary equipment and mobile verification devices in accordance with the specifications set forth in Annex A-2, and when necessary, upgraded for the use by APO and the BIR after six (6) months from the receipt of the NTP until the end of the duration of this Contract. The CONTRACTOR shall ensure that the system is up and running with an availability level of 99.75% of its equivalent downtime of one (1) hour and forty-eight (48) minutes	1/10 of one percent (1%) of the software cost and hardware cost shall be imposed per day of delay				l.	Change in Design of Internal Revenue Stamps	a. Required upgrade of Stamp Design The CONTRACTOR shall modify and upgrade the design of stamps within three (3) years from the time the last stamp design was distributed to various tobacco manufacturers (Sec.3.6.3.4). b. Compromised Stamp Security Features The CONTRACTOR shall alter the stamp security specifications to replace the compromised security features within two (2) weeks upon report of security incident and as directed by APO and BIR (Sec 3.6.3.5).	One-hundred thousand pesos (P100,000.00) imposed per day of delay
			m.	Submission of Prototype Internal Revenue Stamps	The CONTRACTOR shall submit a proposal and prototype of the internal revenue stamps as specified in Sections 3.6.3.1 and 3.6.3.2	Fifty thousand pesos (P50,000.00) imposed per day of delay							
			n.	Delivery of the Security Features of the Stamp	The CONTRACTOR shall generate codes for the personalization of the stamps as part of the security features as specified in Sec. 3.6.1 and deliver to APO within seven (7) calendar days upon approval of	Fifty thousand pesos (P50,000.00) imposed per day of delay							

					order from Cigarette Manufacturers (Sec 3.6.4).								
				o.	Maintenance of Enhanced IRSIS and all equipment, mobile verification devices and taggant readers	The Enhanced IRSIS and all items enumerated in Section 3.4.1 shall be periodically maintained and/or updated/upgraded by the CONTRACTOR with a maximum downtime of four (4) hours depending on Severity Level as defined in Item 3.4.3.3 at no additional cost to both APO and BIR (Sec 3.4.3.2).	Five thousand pesos (P5,000.00) imposed per hour of delay in excess of the prescribed resolution time						
				p.	System Availability	The CONTRACTOR shall ensure that the system is up and running with an availability level of 99.75% or its equivalent downtime of one (1) hour and forty-eight (48) minutes per month (Sec. 3.4.3.1).	Twenty thousand pesos (P20,000.00) imposed per hour of delay in excess of the allowable downtime						
				q.	Application Support and Maintenance	<p>The CONTRACTOR shall perform application maintenance and provide technical support services for the existing IRSIS via telephone/fax, onsite assistance to resolve technical and other related problems and shall be available twenty-four (24) hours a day and seven (7) days a week. All issues shall be logged in the BIR Service Desk and shall be resolved within the allowable resolution time based on the following issue classification (Sec. 3.5).</p> <table><tr><th>Severity Level</th><th>Description</th><th>Resolution Time</th></tr><tr><td>BLOCKER</td><td>Users cannot proceed in using the system or execution of the module due to this error</td><td>4 hours</td></tr></table>	Severity Level	Description	Resolution Time	BLOCKER	Users cannot proceed in using the system or execution of the module due to this error	4 hours	Five thousand pesos (P5,000.00) imposed per hour of delay in excess of the prescribed resolution time
Severity Level	Description	Resolution Time											
BLOCKER	Users cannot proceed in using the system or execution of the module due to this error	4 hours											

			HIGH	Not an execution blocker but is a blocker for operations (e.g. missing function; impairs data, integrity, etc.)	8 hours	
			MEDIUM	Not an execution blocker and not a blocker for operations (e.g. column header is not descriptive, trash screen displayed, etc.)	16 hours	
			LOW	Standard Infraction s (e.g. displayed fields are not aligned, etc)	32 hours	

Penalties, if any, accruing on components "a to j", shall be deducted from the first billing (to be reckoned from the acceptance of the Enhanced IRSIS). For penalties, if any, accruing on components "k to r", shall be deducted from the regular monthly billings.

Section VII. Technical Specification , Item V. Service Level Agreement pages 83-87 shall be deleted.

PAGE	PARTICULARS	FROM			TO		
		ORIGINAL PROVISION			AMENDED PROVISION		
70-71	Schedule of Requirements, Section VI. Items No. 4, 6 and 9	No.	Description	Delivered, Weeks/Months	No.	Description	Delivered, Weeks/Months
			Procurement of Security Features, Enhancement and Application Support/Maintenance of Internal Revenue Stamps Integrated System (IRSIS)	For a period of four (4) years from the receipt by the CONTRACTOR of a Notice to Proceed (" <i>NTP</i> ")		Procurement of Security Features, Enhancement and Application Support/Maintenance of Internal Revenue Stamps Integrated System (IRSIS)	For a period of four (4) years from the receipt by the CONTRACTOR of a Notice to Proceed (" <i>NTP</i> ")
		1	Inception Report	Within 2 weeks from receipt of the NTP	1	Inception Report	Within 2 weeks from receipt of the NTP
		2	Business Continuity Plan (BCP)	Within one (1) month from receipt of NTP	2	Business Continuity Plan (BCP)	Within one (1) month from receipt of NTP
		3	Submission of System Requirements Specifications (business/functional and technical) of the enhanced IRSIS in hard and soft copies	Within two (2) months from receipt of NTP	3	Submission of System Requirements Specifications (business/functional and technical) of the enhanced IRSIS in hard and soft copies	Within two (2) months from receipt of NTP
		4	<u>Enhanced web based system</u>	Within five (5) months from receipt of NTP	4	<u>Delivery of Enhanced IRSIS</u>	Within five (5) months from receipt of NTP
		5	Disaster Recovery (DR) Provisioning	To provide a fully operational DR site within three (3) months from the issuance of Certificate of Acceptance of the Enhanced IRSIS	5	Disaster Recovery (DR) Provisioning	To provide a fully operational DR site within three (3) months from the issuance of Certificate of Acceptance of the Enhanced IRSIS
		6	<u>Enhanced IRSIS acceptance</u>	Within seven (7) months from receipt of NTP	6	<u>Users Acceptance Testing (UAT)</u>	Within seven (7) months from receipt of NTP
		7	IRSIS documentations	Within two (2) weeks before the implementation of the enhanced IRSIS	7	IRSIS documentations	Within two (2) weeks before the implementation of the enhanced IRSIS
		8	Orientation and Training	Within one (1) month after UAT acceptance	8	Orientation and Training	Within one (1) month after UAT acceptance
		9	<u>Delivery of Equipment and software components</u>	Within one (1) month prior to UAT	9	<u>Technical Infrastructure</u>	Within one (1) month prior to UAT
		10	Submission of Proposed Design of the Internal Revenue Stamp	Within 30 cd from receipt of NTP	10	Submission of Proposed Design of the Internal Revenue Stamp	Within 30 cd from receipt of NTP
		11	Delivery of the Security features of the Stamp	Within 7 cd upon approval of order from cigarette manufacturers	11	Delivery of the Security features of the Stamp	Within 7 cd upon approval of order from cigarette manufacturers

PAGE	PARTICULARS	FROM ORIGINAL PROVISION	TO AMENDED PROVISION
41 and 74	Bid Data Sheet ITB Clause 5.4, Item C and Technical Specifications, Section VII. Items No. II	<u>2.1.3 Bidder must be ISO 14298:2013 certified. A valid and current certificate must be submitted simultaneous to the submission and opening of bids. ISO 14298:2013 specifies a minimum set of security printing management system requirements. Organizations ensure that customer security requirements are met as appropriate.</u>	To be deleted
75	Technical Specifications, Section VII. Items No. III. 3.2.2	3.2.2 Disaster Recovery (DR) Provisioning <u>The Contractor shall be able to provide a fully operational DR site within three (3) months from receipt of NTP.</u>	3.2.2 Disaster Recovery (DR) Provisioning <u>The Contractor shall be able to provide a fully operational DR site within three (3) months from the issuance of the Certificate of Acceptance of the Enhanced IRSIS.</u>
77	Technical Specifications, Section VII. Items No. III. 3.4.1.1.2	3.4.1.1.2 <u>One hundred (100)</u> Mobile Verification Devices (with duly issued NTC Certification)	3.4.1.1.2 <u>One hundred fifty (150)</u> Mobile Verification Devices (with duly issued NTC Certification)
77	Technical Specifications, Section VII. Items No. III. 3.4.1.1.3	3.4.1.1.3 <u>One hundred twenty (120)</u> Taggant Readers;	3.4.1.1.3 <u>One hundred fifty (150)</u> Taggant Readers;
81	Technical Specifications, Section VII. Items No. III. 3.6.1.2.1	3.6.1.2.1 <u>At least three (3) Overt Security Features, excluding micro text and deliberate error, which is part of APO's base printing.</u> • <u>One of which is intricate fine lines of aesthetic design; and</u> • <u>Two of Contractor's choice of Overt Security Feature.</u>	3.6.1.2.1 <u>At least two (2) Overt Security Features, excluding micro text and deliberate error, which is part of APO's base printing, subject to sections 3.6.3.4 and 3.6.3.5</u> • <u>One of which is intricate fine lines of aesthetic design; and</u> • <u>One is the Contractor's choice of Overt Security Feature.</u>

PAGE	PARTICULARS	ADDITIONAL FORMS
98	Bidding Forms, Section VIII.	Please see Annex " A " for Sample Format of Authority of Signatory and Annex " B " for Sample Format of Net Financial Contracting Capacity Computation

Prepared By:

SGD.
MS. MA. MERLA D. ESCOBAR
Head, BAC Secretariat

Recommended By:

SGD.
MR. JOSELITO RABULAN
Head, TWG

Approved By:

SGD.
MR. KARL PAULO C DAMIAN
Chairperson, BAC

AUTHORITY OF SIGNATORY**SECRETARY'S CERTIFICATE**

I, _____, a duly elected and qualified Corporate Secretary of _____, a corporation duly organized and existing under and by virtue of the law of the _____, DO HEREBY CERTIFY, that:

I am familiar with the facts herein certified and duly authorized to certify the same;

At the regular meeting of the Board of Directors of the said Corporation duly convened and held on _____ at which meeting a quorum was present and acting throughout, the following resolutions were approved, and the same have not been annulled, revoked and amended in any way whatever and are in full force and effect on the date hereof:

RESOLVED, that _____ be, as it hereby is, authorized to participate in the bidding of _____ (Project ID-No.) _____ by the (Name of the Procuring Entity); and that if awarded the project shall enter into a contract with the (Name of the Procuring Entity); and in connection therewith hereby appoint _____, acting as duly authorized and designated representatives of _____, are granted full power and authority to do, execute and perform any and all acts necessary and/or to represent _____ in the bidding as fully and effectively as the _____ might do if personally present with full power of substitution and revocation and hereby satisfying and confirming all that my said representative shall lawfully do or cause to be done by virtue hereof;

RESOLVED FURTHER THAT, the _____ hereby authorizes its President to:

- (1) execute a waiver of jurisdiction whereby the _____ hereby submits itself to the jurisdiction of the Philippine government and hereby waives its right to question the jurisdiction of the Philippine courts;
- (2) execute a waiver that the _____ shall not seek and obtain writ of injunctions or prohibition or restraining order against the AFP or any other agency in connection with this project to prevent and restrain the bidding procedures related thereto, the negotiating of and award of a contract to a successful bidder, and the carrying out of the awarded contract.

WITNESS the signature of the undersigned as such officer of the said _____ this _____.

(Corporate Secretary)

ACKNOWLEDGMENT

SUBSCRIBED AND SWORN to before me this _____ day of _____, 20____
affiant exhibited to me his/her Community Tax Certificate No. _____ issued on
_____ at _____, Philippines.

Notary Public
Until 31 December 20____
PTR No. _____
Issued at: _____
Issued on: _____
TIN No. _____

Doc. No. _____
Page No. _____
Book No. _____
Series of _____.

The Authority of the Signatory is a requirement in the Technical Envelope. It refers to the authority of the signing official solely intended for the project: in the case of single proprietorship, there must be an affidavit of the owner or a Special Power of Attorney; for partnerships, a partnership resolution from the General Manager or President; for corporations, a board resolution with secretary's certificate; and for joint-venture, a resolution signed by all the joint-venture partners.

NET FINANCIAL CONTRACTING CAPACITY COMPUTATION

- A. Summary of the Applicant Supplier's/Distributor's/Manufacturer's assets and liabilities on the basis of the attached income tax return and audited financial statement, stamped "RECEIVED" by the Bureau of Internal Revenue or BIR authorized collecting agent, for the immediately preceding year and a certified copy of Schedule of Fixed Assets particularly the list of construction equipment.

		Year 20__
1.	Total Assets	
2.	Current Assets	
3.	Total Liabilities	
4.	Current Liabilities	
5.	Net Worth (1-3)	
6.	Net Working Capital (2-4)	

- B. The Net Financial Contracting Capacity (NFCC) based on the above data is computed as follows:

NFCC = [(Current assets minus current liabilities) (15)] minus the value of all outstanding or uncompleted portions of the projects under ongoing contracts, including awarded contracts yet to be started, coinciding with the contract to be bid.

The values of the domestic bidder's current assets and current liabilities shall be based on the latest Audited Financial Statements submitted to the BIR.

For purposes of computing the foreign bidders' NFCC, the value of the current assets and current liabilities shall be based on their audited financial statements prepared in accordance with international financial reporting standards.

If the prospective bidder opts to submit a committed Line of Credit, it must be at least equal to ten percent (10%) of the ABC to be bid. If issued by a foreign universal or commercial bank, it shall be confirmed or authenticated by a local universal or commercial bank.

Submitted by:

Name of Supplier / Distributor / Manufacturer

Signature of Authorized Representative
Date : _____

NOTE:

1. If Partnership or Joint Venture, each Partner or Member Firm of Joint Venture shall submit the above requirements.

The above information are among the financial documents required for Eligibility Check. Together with the legal and technical documents required, the financial documents shall be placed inside the Eligibility Envelope and submitted to the BAC on or before the deadline for the submission and receipt of Eligibility Envelopes.