

**CONTRACT FOR THE SUPPLY AND DELIVERY OF 166,930 SEAFARERS' IDENTITY DOCUMENT (SID) BLANK CARDS AND CONSUMABLES FOR 2023**

This **CONTRACT** is made and executed this                      day of FEB 15 2023 2023 at the City of Manila, Philippines, by and between:

the **MARITIME INDUSTRY AUTHORITY (MARINA)**, a government agency established under Presidential Decree No. 474 with principal office address at the MARINA Building, Bonifacio Drive cor. 20th Street, Port Area, Manila, represented herein by its **Administrator, Atty. HERNANI N. FABIA**, hereinafter referred to as the **"PROCURING ENTITY"**;

-and-

**FMC RESEARCH SOLUTIONS, INC.** a private corporation established under existing laws of the Republic of the Philippines, with office address at No. 2, Ideal Street, Barangay Addition Hills, 1550 Mandaluyong City, Metro Manila, represented herein by its **Corporate Secretary and Treasurer, MS. MELODY CHENG CHUA**, hereinafter referred to as the **DIRECT SUPPLIER**.

**WITNESSETH:**

**WHEREAS,**

1. The PROCURING ENTITY is desirous to **procure SID Cards and Consumables for 2023** in accordance with Section 50(c) of Republic Act (RA) No. 9184 otherwise known as the "Government Procurement Reform Act" and its Revised Implementing Rules and Regulations (IRR);
2. Section 50(c) of RA 9184 provides that **Direct Contracting** may be resorted to for those goods sold by an exclusive dealer or manufacturer, which does not have sub-dealers selling at lower prices and for which *no suitable substitute can be obtained at more advantageous terms to the Government*;
3. Section 50, Rule XVI of the 2016 Revised IRR of RA 9184 provides that "Direct Contracting or single source procurement is a *method of procurement of goods that does not require elaborate Bidding Documents*. The supplier is simply asked to submit a price quotation or a pro-forma invoice together with the conditions of sale. The offer may be accepted immediately or after some negotiations;
4. Item V.A.2 of the 2016 Revised IRR of RA 9184 stipulates the following procedures:
  - 4.1. The Bids and Awards Committee (BAC) shall prepare the Request for Quotation (RFQ) or pro-forma invoice together with the terms and conditions of sale, and shall send the same to the identified direct supplier;
  - 4.2. Simplified negotiations on the terms and conditions of the contract may be conducted by the BAC to ensure that the supplier is technically, legally and financially capable to deliver the goods at the most advantageous price and contract for the Government;



- 4.3. The BAC shall recommend to the Head of Procuring Entity (HOPE) the award of contract in favor of the supplier. Award of contract shall be made in accordance with Section IV(L) of this Guidelines;
5. The aforementioned procedures have been duly observed and complied with as stipulated under BAC Resolution No.2022-140A, series of 2022;
6. Based on the said Resolution, the BAC resolved to approve and award the herein subject procurement to and in favor of the **DIRECT SUPPLIER**

**NOW THEREFORE**, for and in consideration of the foregoing premises, the parties herein have agreed and stipulated, as follows:

### ARTICLE I. DEFINITION

1. The following words and phrases shall have the following meaning for the purpose of this Contract:
- 1.1. **Contract** means this agreement entered into by and between PROCURING ENTITY and the DIRECT SUPPLIER;
- 1.2. **Contract Price** means the price payable to the DIRECT SUPPLIER under this Contract for the full and proper performance of its contractual obligations herein stipulated;
- 1.3. **Goods** means the supply and delivery of SID card laminates and ribbons and consumables for printers of SRB needed for the processing of personalized SID cards in accordance with the SID Convention (Revised), 2003 (No. 185) of the ILO and under Maritime Industry Authority (MARINA) Memorandum Circular (MC) No. MD-2019-01 in accordance with Executive Order (EO) No. 125, as amended by EO 125-A, respectively;
- 1.4. **Notice to Proceed** is a written notice issued by the PROCURING ENTITY to the DIRECT SUPPLIER requiring the latter to commence work related to the supply and delivery of goods being procured not later than the specified date.

### ARTICLE II. CONTRACT DOCUMENTS

1. The following documents shall be deemed to form and be read and construed as part of this Contract, to wit:
- 1.1. Request for Quotation (RFQ) hereto attached as **Annex "A"**;
- 1.2. Price Quotation dated 05 December 2022 from the Direct Supplier hereto attached as **Annex "B"**; and,
- 1.3. BAC Resolution No. 2022-140A series of 2022 hereto attached as **Annex "C"**.

2. This Contract shall include all such incidental items, although not specifically mentioned herein, that can be reasonably inferred as being required and/or necessary for its completion as if such items were expressly mentioned herein.

### ARTICLE III. SCOPE OF THE CONTRACT

This Contract covers the supply and delivery of **SID Card and Consumables for 2023** needed for the processing of personalized SID cards and SRBs in accordance with MARINA Memorandum Circular No. MD-2019-01, with the specifications, as stated in this Contract, and broken down as follows:

Item Description	Unit	Price (Php)	Quantity (per card basis)	Total Item Cost
<b>SID CARD LAMINATES &amp; RIBBONS</b>				
Pre-printed Blank Card with Chip	pc	195.00	166,930 pcs	32,551,350.00
SURYS Secure SID Card Laminates (Holographic & Clear) (1 roll x 500 cards)	roll	29,125.00	334 rolls of SID Clear laminates and 334 rolls of Holographic	9,727,750.00
FARGO DTC5500 LMX Ribbon (1 roll x 425 cards)	roll	16,468.75	393 rolls of ribbons	6,472,218.75
JURA ICI Security Feature License	pc	10.00	for 166,930 SID blank cards	1,669,300.00
PHOTOMETRIX Secure Facial Code License	pc	20.00	for 166,930 SID blank cards	3,338,600.00
<b>Grand Total (VAT Inclusive):</b>				<b>Php 53,759,218.75</b>

### ARTICLE IV. SPECIFICATIONS

#### 1. SID BLANK CARDS

##### A. CARD SIZE AND THICKNESS

- Pre-printed Blank Card with Chip
- ID Size: Based on TDI Dimension in ISO/IEC 7810 for the ID-1 Type card
- 53.98 x 85.60 mm (2.13 x 3.37 in)
- Thickness: 076 mm

##### B. CARD MATERIALS



Must have one (1) contactless chip, serial number, and barcode that will work on the existing Inventory tracking system and personalization system of the MDS, MARINA, which has the following properties:

- 5-layers of PVC overlays, PET Cores, PET Inlay
- Contains one (1) contactless Integrated Circuit with a data storage capacity of at least 32 kilobytes NVM or EEPROM user memory, encoded and digitally signed
- The security certification should be CC EAL 4+ or higher for hardware (chip) against Protection Profile acknowledged by CCRA
- Secured triple-DES coprocessor
- ISO/IEC 14443 A/B contactless interface unit (CIU)
- NVM or EEPROM memory. EEPROM memory with typical endurance of 100,000 cycles: long term memory for minimum retention time of 15 years
- Command set compliant to ISO/IEC 7816-4
- OS applications compatible to ICAO documents 9303 (LDS, BAC)
- Module thickness strictly 250 microns maximum
- PET inlay
- Chip is compliant and compatible for encoding of SID Convention 185 compliant Data
- With guilloche pattern/design in the pre-printed card. Guilloche background, produced using artwork securitization software used in the high security documents (e.g.banknotes and passports). Strictly following the current design.
- Must use color-shifting ink (shifts from one color to another by tilting the ID) of at least 0.25m square inch on the "Chip inside" symbol, strictly following the current design.
- Background microprinting smaller than 0.25 mm/0.7 pica points following the current design
- Invisible image on background using UV (ultra violet) ink following the current design
- Includes a pre-printed card inventory barcode compatible to the SID-SRB inventory system
- Should be compatible with MARINA's Fargo DTC5500 LMX, Dual Side Printer with two Material Lamination Module and current Personalization Software
- The Manufacturer must be an ISO 14298 or Master/Visa Card certified.
- For security reason, the blank card must be printed/produced inside a highly secured card production facility in the Philippines.

## **2. SID CARD LAMINATES**

### **2.1. Secure holographic and clear laminates for SID Cards**

2.1.1. The secure laminates must be produced by a reputable holographic security label manufacturer who is a bearer of valid certifications, to ensure the highest international recognition and security, as follows:

- ISO 14298 (Management for Security Printing Processes);
- International Hologram Manufacturer Association (IHMA) membership for not less than five (5) years.

2.1.2. The laminates must be compatible with the current SID Card Printers (Fargo DTC5500 LMX, Dual Side Printer with Two Material Lamination Module) and SID-SRB Personalization Software of the MDS, MARINA.

2.1.3. Must have dual side laminations with holographic gratings on the front side and clear laminate on the back.

2.1.4. Each laminate roll must include a pre-printed card inventory barcode compatible with the current MDS, MARINA SID-SRB Inventory and Personalization system.

2.1.5. Holographic laminates must also have the following security features:

#### 1st Level Authentication

- ISO 14298 (Management for Security Printing Processes);
- Gradual Iridescent Morphing of the MARINA "rainbow" logo image;
- Colorful Diffractive Image of the PH emblem and text when tilted top/bottom;
- MARINA logo appears in bright achromatic color and shows positive to negative effect upon vertical tilt;
- The boat bar appears from top to middle view in white color, rendering a slight embossing effect;
- When laminate is tilted left to right and observed around top view, white diffractive lines show kinetic animation;
- When laminate is tilted left to right and observed around bottom view, diffractive lines show kinetic animation.

#### 2nd Level Authentication

- At closer examination of the MARINA logo on the laminate, the vertical achromatic switch can be observed upon 180 degrees rotation;
- High diffractive micro-lettering elements, readable with a magnifier(x10).

#### 3rd Level Authentication

- Very high-definition nano-texts pattern for forensic inspection
- ( > x 100 microscope ).

2.1.6. Roll configuration

- Quantity of patches per roll: 500 patches
- Foil width: 84.1 +/- 0.15 mm
- Final size hologram: 84.1 x 52.4 mm
- No Leader/ No Trailer



### 2.1.7. Laminate Packaging

Each set of clear and holographic roll of laminate must be sufficient for laminating not less than 500 SID Printed Cards and identified with labels, as defined below:

- Quantity of patches per roll: 500 patches
- Product name
- Article number
- Production Batch Number
- Date of manufacturing /shipping
- Quantity of laminates in the roll
- Barcode including batch number must be readable by the current inventory system of MDS, MARINA

### 2.1.8. Roll and Box Packaging

Each roll must be placed inside a sealed box with dimension of 11 x 7 x 7.5cm for protection against water or dust. Each box must have its unique inventory barcode, readable by the current inventory system of MDS, MARINA.

### 2.1.9. Shelf / Storage Life –

The laminates must have a guaranteed shelf/storage life of not less than 12 months from the delivery date to MARINA and must be in its original packaging.

## 3. SID CARD PRINTER RIBBON

3.1. The SID card printer ribbon must work and be compatible with the current MDS, MARINA SID card printer and personalization system (Fargo DTC5500 LMX, Dual Side Printer with Two Material Lamination Module).

3.2. Each roll of SID card printer ribbon must be sufficient for printing not less than 425 SID Cards (back-to-back colored printing).

### 3.3. Ribbon Inventory Barcode –

Each roll of SID card printer ribbon must be identified with an inventory barcode which is pre-printed and compatible with the existing SID inventory and personalization system of MDS, MARINA.

### 3.4. Shelf / Storage Life –

The ribbons must have a guaranteed shelf/storage life of not less than 12 months from date of delivery to MARINA and must be in its original packaging.

## ARTICLE V. DELIVERABLES

The DIRECT SUPPLIER hereby commits to supply and deliver the goods stated in Article II and based on the specifications stipulated in this Contract.

## ARTICLE VI. TERMS AND CONDITIONS

1. Direct supplier must meet the prescribed specifications and shall provide correct and accurate information as required.
2. Any interlineation, erasure or overwriting shall be valid only if they are signed or initialed by the head or duly authorized representative/s of the direct supplier.
3. The direct supplier must submit an offer which provides for superior quality and/or better terms and conditions advantageous to MARINA at no extra cost.
4. Any submission in response to the RFQ shall be in printed copy only. Submission in electronic form shall not be entertained.
5. Price quotation, denominated in Philippine peso, shall include all taxes, duties and/or other charges payable relative to the items described in the RFQ.
6. The price quotation submitted by the direct supplier shall be considered as fixed prices and not subject to price escalation during contract implementation.
7. The direct supplier shall provide a warranty period of twelve (12) months for the replacement of any item with directly observable defect, at no cost to MARINA, reckoned from the date of delivery thereof, without prejudice to the guaranteed shelf/storage life of the items described in the RFQ.
8. The deliveries shall be subject to inspection and acceptance by the General Services Division (GSD) of the Management, Finance and Administrative Service (MFAS), MARINA, in coordination with the end-user.
9. Payment shall be made in accordance with the terms as specified herein.
10. Pursuant to Section 62 of the Revised IRR of RA 9184, a warranty security in the form of "retention money", in an amount equivalent to one percent (1%) of every progress payment, shall be required from the direct supplier/contract awardee for a period of three (3) months after acceptance by the MARINA of the delivered supplies/items. The said amount shall only be released after the lapse of the guaranteed shelf/storage life of the items described in the RFQ. Provided, however, that the supplies delivered are free from patent and latent defects and all the conditions imposed under the contract have been fully met.
11. The contract awardee must submit Certification from Manufacturer that the business is an ISO 14298 or Master/Visa Card Certified.



## ARTICLE VII. PERIOD OF DELIVERY

The Direct Supplier commits to adhere to the following schedule of delivery:

Delivery	Period	Quantity of Goods
Full Delivery	Within 16 months after receipt of Notice to Proceed (NTP).  Staggered deliveries are allowed within the prescribed period.	SID blank cards: <ul style="list-style-type: none"><li>• 166,930 pcs of Pre-printed SID Blank Card with chip</li></ul> Consumables: <ul style="list-style-type: none"><li>• 334 rolls of SID Clear laminates and 334 rolls of Holographic</li><li>• 393 rolls of FARGO DTC5500 LMX Ribbon</li><li>• JURA ICI Security Feature License for 166, 930 SID blank cards</li><li>• PHOTOMETRIX Secure Facial Code License for 166,930 SID blank cards</li></ul>

## ARTICLE VI. CONTRACT PRICE

For and in consideration of the supply and satisfactory delivery of the goods mentioned in this Contract and the acceptance thereof, the PROCURING ENTITY shall pay the DIRECT SUPPLIER the agreed Contract Price with a total amount of **Fifty-Three Million Seven Hundred Fifty-Nine Thousand Two Hundred Eighteen & 75/100 Pesos (P53,759,218.75)** in Philippine currency at the times and in the manner as prescribed in this Contract. It is understood that all applicable taxes, including Documentary Stamp Tax (DST), if any, shall be borne by the DIRECT SUPPLIER.

## ARTICLE VI. TERMS OF PAYMENT

Progress payment shall be made thirty (30) days from the date of delivery and acceptance of the goods by MARINA.

## ARTICLE VI. EFFECTIVITY

This Contract shall take effect upon receipt of the **Notice to Proceed** by the DIRECT SUPPLIER or the effectivity date stated therein whichever comes later. Performance of all obligations and undertakings under this Contract shall be reckoned from the effectivity date of this Contract.




**IN WITNESS WHEREOF**, the parties hereto have caused this Contract to be executed in accordance with the laws of the Republic of the Philippines on the day and year first above written.

**MARITIME INDUSTRY  
AUTHORITY**


**FMC RESEARCH  
SOLUTIONS, INC.**

  
Atty. **HERNANI N. FABIA**  
Administrator

  
**MS. MELODY CHENG CHUA**  
Corporate Secretary and Treasurer

**SIGNED IN THE PRESENCE OF:**

  
**MR. JOHN E. GUARDAYA**  
End-user – MDS

  
**HAZEL P. VALENZUELA**

**CERTIFICATION OF FUNDS AVAILABILITY**

I hereby certify that in accordance with Section 86, PD 1445:

1. Funds amounting to **Fifty-Three Million Seven Hundred Fifty-Nine Thousand Two Hundred Eighteen & 75/100 Pesos (P53,759,218.75)** in Philippine currency **have been duly appropriated** for the purpose of the **Contract for the Supply and Delivery of SID Cards and Consumables for 2023**; and
2. The amount necessary to cover the proposed contract for the current fiscal year is available for expenditure on account thereof.

  
\_\_\_\_\_  
**ATTY. MARIVIC S. RAMOS, CPA**  
Chief, Budget Division, MFAS

  
\_\_\_\_\_  
**EDEN Z. EVANGELISTA**  
Chief, Accounting Division, MFAS



## ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES

PASIG CITY ) S.S.

At the above stated locality, on this \_\_\_\_\_ day of FEB 10 2023, 2023,  
before me personally appeared:

Name	Competent Evidence of Identity	Date and Place Issued
Atty. HERNANI N. FABIA	MARINA ID # 100001	
Ms. MELODY CHENG CHUA	P7245503B	07/22/21 DFA MANILA

known to me to be the same persons who executed the foregoing instrument and acknowledged the same to be their free and voluntary act and deed and those of the corporations herein represented.

Said instrument refers to a **Contract for the Supply and Delivery of SID Cards and Consumables for 2023** consisting of eleven ( 11 ) pages, including this page whereon the Acknowledgement is written, signed by the parties and their witnesses on the signature page hereof, initialed on every page and sealed with my notarial sea

WITNESS MY HAND AND SEAL.

ATTY. ROBERTO L. MENDOZA  
**NOTARY PUBLIC**

Appointment No. 90 (2022-2023)  
Cities of Pasig and San Juan  
In the Municipality of Pateros, Metro Manila  
Until December 31, 2023

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