

Republika ng Pilipinas
Kagawaran ng Tanggulang Pambansa
Tanggapan ng Kalihim



Republic of the Philippines
Department of National Defense
Office of the Secretary

NOTICE TO PROCEED

MR. DORON PELED
Head of Budgetary & Control Division
SIBAT-International Defense Cooperation
Ministry of Defense
State of Israel

SEP 23 2019

MR. DANIEL MORE
Business and Contracts Manager
Rafael, Air Superiority Division
Rafael Advanced Defense Systems Ltd.

Dear Mr: Peled/Mr. More:

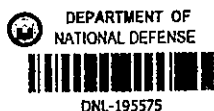
In view of the approved Contract Agreement hereto attached, hereby issued is the Notice to Proceed for the supply and delivery of three (3) units Ground Based Air Defense System Project for the Philippine Air Force with a Total Contract Price of **ONE HUNDRED TWENTY-NINE MILLION SIX HUNDRED FORTY-EIGHT THOUSAND SEVEN HUNDRED FORTY US DOLLARS (USD129,648,740.00)** effective upon receipt.

You are hereby notified to implement the Contract within the terms and conditions set forth in the Contract Agreement and strictly conform to the Implementation Schedule.

Kindly acknowledge receipt and acceptance of this Notice by signing both copies in the space provided. May we further request that one (1) of the copies of the received Notice be returned to the Department of National Defense.

Truly yours,

DELVIN N. LORENZANA
Secretary



I acknowledge receipt of this Notice on 26/9/19
Name of the Representative of the Bidder DORON PELED
Authorized Signature [Signature]

Contract Agreement

MR. GIL SHALEV
Senior Director Marketing and Business Development
Rafael, Air Superiority Division
Rafael Advanced Defense Systems Ltd.

MR. DORON PELED
Head of Budgetary & Control Division
SIBAT-International Defense Cooperation
Ministry of Defense, State of Israel

MR. DANIEL MORE
Business and Contracts Manager
Rafael, Air Superiority Division
Rafael Advanced Defense Systems Ltd.

KNOW ALL MEN BY THESE PRESENTS:

This Contract Agreement is made and entered into on SEP 23 2019 in Quezon City, Philippines by and between:

The **DEPARTMENT OF NATIONAL DEFENSE OF THE REPUBLIC OF THE PHILIPPINES**, (DND-PHL for brevity), represented by the Secretary of National Defense, **DELFIN N. LORENZANA** with office address at Department of National Defense, Camp General Emilio Aguinaldo, Quezon City (hereinafter referred to as **"the Procuring Entity"**);

-and-

THE ISRAEL MINISTRY OF DEFENSE (ISRAEL-MOD, for brevity) represented by its authorized representative **MR. DORON PELED** Head of Budgetary & Control Division **SIBAT-IMOD**, for the purpose of complying with the Implementing Arrangement dated September 06, 2018;

-and-

RAFAEL ADVANCED DEFENSE SYSTEMS, LTD., of Israel represented by its Senior Director Marketing and Business Development, **MR. GIL SHALEV**, with office address, Rafael Advanced Defense System Ltd. P.O. Box 2250 Haifa 3102102 Acco Road, Haifa Israel Advance Technology Center, P.O.B 539, Haifa 31053, Israel as evidenced by the attached Special Power of Attorney, integrated as **Annex A**, and hereinafter referred to as **"the Supplier"**;

Collectively known as **"Parties"**;

WITNESSETH:

WHEREAS, a Memorandum of Understanding (MOU) on Logistic and Defense Industry Cooperation was entered into by and between the Department of National Defense, Republic of the Philippines and the Ministry of Defense, State of Israel (MOD-ISRAEL, dated June 8, 2010, a

LTC MAYNARD P. MARIANO PAF
Head Technical Working Group

DELFIN N. LORENZANA
Secretary of National Defense

LTC VICTORIA R ODULIO (JAGS)
Legal Officer Technical Working Group

copy of which is hereto attached and made an integral part hereof as **Annex B;**

WHEREAS, an Implementing Arrangement (IA) concerning procurement of defense materials and equipment between DND and IMOD-SIBAT was entered on 05 December 2012 hereto attached as **Annex B.1;**

WHEREAS, an Implementing Arrangement for the supply and delivery of the **"Ground Based Air Defense System Project"** ("the **Project**") was entered into by and between PHL-DND and ISRAEL-MOD on September 06, 2018, a copy of which is hereto attached and made an integral part hereof as **Annex B.2;**

WHEREAS, on May 30, 2018, the Secretary of National Defense (SND) issued the Acquisition Decision Memorandum No. 2018-06 for the implementation of the Supply and Delivery of three (3) units/batteries Ground Based Air Defense Systems (GBADS) Project to include ILS and training for the Philippine Air Force through Negotiated Procurement under Section 4.2 of the Revised IRR (s.2016);

WHEREAS, pursuant to the Implementing Arrangement for the Project, ISRAEL-MOD undertake to strictly and fully monitor and inspect all the obligations, specifications and undertakings as per industry practice stipulated in this Contract Agreement between herein Parties and ensure that this Contract Agreement is well administered and managed in its technical, financial, legal and operational aspects by the Supplier, which is committed to the stipulation of this Contract Agreement;

WHEREAS, pursuant to the Implementing Arrangement, ISRAEL-MOD has issued a Certification that the Supplier is a major supplier to the Israel Ministry of Defense, copy of which are hereto attached and made as an integral part of hereof as **Annex C;**

WHEREAS, ISRAEL-MOD further undertake to facilitate that the Project, as per this Contract Agreement, shall be performed by the Supplier without hindrance or impediment as agreed upon in this Contract Agreement and shall monitor the terms and conditions of the Project and all associated supplies, spare parts and licenses that they are fair and reasonable;


WHEREAS, DND Bids and Awards Committee 2 (DND BAC2), issued DND BAC Resolution No. AFPMP-PAF-GBADS-18-11-001 dated November

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Rafael, Air Superiority Division
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MR. DORON PELED

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MR. DANIEL MORE


LTC MAUVARI P. MARIANO PAF
Head Technical Working Group


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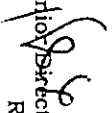
23, 2018 (a copy of which is hereto attached and made an integral part hereof as **Annex D and E**) recommending among others, the approval of the Terms of Reference (TOR), and the designation of the DND BAC2 to sit en banc as the Negotiating Committee to undertake the Government-to-Government Procurement of the PAF Ground Based Air Defense Systems (GBADS) Project pursuant to Section 4 of RA 9184 and its IRR;


WHEREAS, on December 07, 2018 negotiations were conducted by the Negotiating Committee, Technical Working Group of the Project and the representatives from IMOD and the Supplier, where the Supplier passed all legal, technical and financial requirements of the project and offered to supply the requirements of the Contract Agreement (as detailed in the TOR) for the Total Contract Price of **One Hundred Twenty-Nine Million Six Hundred Forty-Eight Thousand Seven Hundred Forty US Dollars (\$129,648,740.00)** which is within the Approved Budget for the contract (copy of the Financial proposal is hereto attached as **Annex F and G**) for the PAF Ground Based Air Defense Systems (GBADS) Project for the Philippine Air Force; which amount is considered a fixed price, and therefore not subject to price escalation during contract implementation, except under extraordinary circumstances and upon prior approval of the GPPB in accordance with Section 61 of Republic Act 9184 and its Revised Implementing Rules and Regulations;


WHEREAS, on the same date, the DND BAC2 declared Rafael Advanced Systems, Ltd. as the Single Calculated Offeror (SCO) for the Project and directed the conduct of Post Qualification (PQ) to determine the Supplier's compliance and responsiveness to the requirements as specified in the TOR, a copy of the resolution is hereto attached and made an integral part hereof as **Annex H**;


WHEREAS, after the conduct of PQ on December 17-21 2018, the PQ Team found the proponent compliant with all legal, technical and financial requirements of the Project, copy of the PQ Report is hereto attached and made an integral part hereof as **Annex I**;

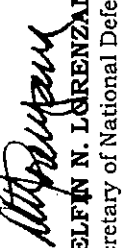
WHEREAS, on January 16, 2019, the Supplier was declared as Post Qualified and the Single Calculated Responsive Offeror (SCRO) by the DND BAC2, a copy of the Resolution is hereto attached and made an integral part hereof as **Annex J**;


MR. GIL SHALEV
Senior Director Marketing and Business Development
Rafael, Air Superiority Division
Rafael Advanced Defense Systems Ltd.


MR. DORON PELED
Head of Budgetary & Control Division
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Ministry of Defense, State of Israel


MR. DANTAY MORE
Business and Contracts Manager
Rafael, Air Superiority Division
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LTC MAYNARD P. MARIANO PAF
Head Technical Working Group


DELFIN N. LORENZANA
Secretary of National Defense


LTC VICTORIA R. ODULIO (JAGS)
Legal Officer, Technical Working Group

WHEREAS, upon recommendation of the DND BAC2, the SND approved and issued the Notice of Award (NOA) on June 21 2019; which notice was duly conformed by the Supplier on June 30, 2019, a copy of which is hereto attached and made an integral part hereto as **Annex K**;

WHEREAS, on June 26, 2019, the Supplier submitted a Letter of Credit to guarantee the delivery of the PAF Ground Based Air Defense Systems in accordance with the stipulations in the Terms of Reference, a copy of said security is hereto attached and made an integral part hereof as **Annex L**;

NOW THEREFORE, in view of the foregoing premises and for and in consideration of the mutual covenants and stipulations hereinafter provided, the Procuring Entity and the Supplier have agreed, as follows:

1. The following documents, as attached and as applicable to the respective Parties shall be deemed to form and be read and construed as part of this Contract Agreement:

Annex	Document
A	Omnibus Sworn Statement or Duly Authorized Representative of Supplier (applicable to the Supplier)
B	DND-IMOD MOU on Logistics and Defense Industry Cooperation
B.1	Implementing Arrangement concerning the Procurement of Certain Defense Materials and Equipment
B.2	Implementing Arrangement for the PAF Ground Based Air Defense Systems Project, dated September 06, 2018
C	Certification that the Supplier is a major supplier to the Israel Ministry of Defense
D	DND Resolution recommending among others, the designation of the DND BAC to sit en banc as the Negotiating Committee to undertake the Government-to-Government Procurement of the PAF Ground Based Air Defense Systems Project pursuant to Section 4 of RA 9184 and its IRR (applicable to the Supplier)
E	Terms of Reference (TOR) (applicable to the Supplier)
F	Eligibility and Technical Requirements (applicable to the Supplier)

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MR. DORON PELED

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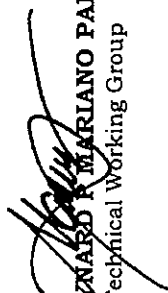
LTC VICTORIA R ODULIO (JAGS)
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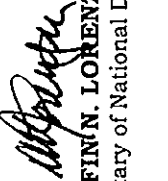
G	Financial Proposal (applicable to the Supplier)
H	DND Resolution declaring SCO and directing the conduct of Post Qualification (PQ) to determine Supplier's compliance and responsiveness to the requirements as specified in the TOR (applicable to the Supplier)
I	Post Qualification Report (applicable to the Supplier)
J	DND BAC2 Resolution declaring SCRO (applicable to the Supplier)
K	Notice of Award
L	Letter of Credit (applicable to the Supplier)
M	Abstract of Quotation (applicable to the Supplier)

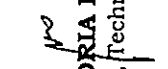
MR. GIL SHALEV
 Senior Director Marketing and Business Development
 Rafiel, Air Superiority Division
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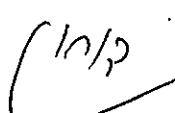
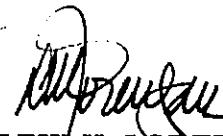
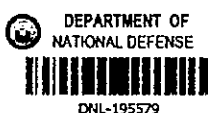

2. In consideration of the payments to be made by the Procuring Entity to the Supplier as hereinafter mentioned, the Supplier hereby covenants with the Procuring Entity to provide the goods and services and to remedy defects therein in conformity in all respects with the provisions of this Contract Agreement.

3. The Procuring Entity hereby covenants to pay the Supplier in consideration of the provision of the goods and services, this Contract Agreement Price or such other sum as may become the manner prescribed by this Contract Agreement.

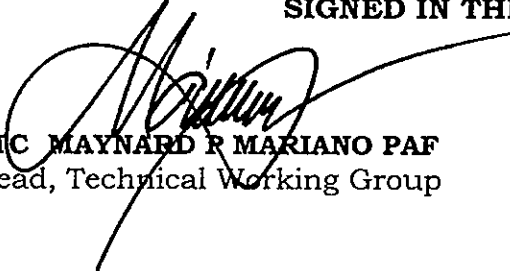
4. All charges for the opening of Letter of Credit, that shall be opened for the Supplier, as sole beneficiary, and / or incidental expenses thereto (i.e., bank commission, documentary stamp tax, cable, etc.) shall be for the account of the Supplier only.

5. The Parties hereby covenants and affirms that the signatories in this Contract Agreement are duly authorized to enter thereto.


IN WITNESS WHEREOF, the PHL DND and the **Supplier** in accordance with the laws of the Republic of the Philippines, and IMOD as a Nominal Party pursuant to the IA between PHL-DND and IMOD have caused this Contract Agreement to be executed on the date and at the place stated above.

ISRAEL MINISTRY OF DEFENSE (as a Nominal Party)	DEPARTEMENT OF NATIONAL DEFENSE OF THE REPUBLIC OF THE PHILIPPINES	THE SUPPLIER
<p>By: </p> <p>MR. DORON PELED Head of Budgetary & Control Division</p>	<p>By: </p> <p>DELFIN N. LORENZANA Secretary of National Defense</p> <p> DEPARTMENT OF NATIONAL DEFENSE DNL-195579</p>	<p>By: </p> <p>MR. GIL SHALEV Senior Director Marketing and Business Development Air Superiority Division, Rafael Advanced Defense Systems, Ltd.</p>

SIGNED IN THE PRESENCE OF:


LTC MAYNARD R MARIANO PAF
Head, Technical Working Group


MR. DANIEL MORE
Business and Contracts Manager


LTC VICTORIA R ODULIO (JAGS)
Legal Officer, Technical Working Group

ACKNOWLEDGMENT

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

10 OCT 2019

Before me, a Notary Public for and in Quezon City, this ____ day of _____, personally appeared the following persons presenting to me their respective identifications, to wit:

	Competent Evidence of Identity No.	Issued at	Expiry Date
DELFIN N. LORENZANA	2016-015	DND	31 Dec '19
MR. DORON PELED	Passport No. 39015172	Jerusalem	16 Apr '28
MR. GIL SHALEV	Passport No. 32628041	Jerusalem	18 Jul '28

known to me and to me known to be the same persons who executed and voluntarily signed the foregoing Contract Agreement which they acknowledged before me as their own free and voluntary act and deed with full authority to sign in that capacity.

This instrument refers to the Contract Agreement and consists of seven (7) pages including this page where the acknowledgment is written duly signed by the parties and their instrumental witnesses.

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

NOTARY PUBLIC

Florimond C. Rous
ATTY. FLORIMOND C. ROUS
 Notary Public for Quezon City
 Until December 31, 2019
 PTR No. 7323525 / 01-03-19 / Quezon City
 IBP Lifetime No. 00316
 Roll No. 25789 / TIN: 142-154-935
 MCLE 5 Comp. 00001549; 1-22-2014
 Adm. Matter No. 162 RTC-QC/2018-2019

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Mariano PAF
LTC MAXNARD P. MARIANO PAF
 Head Technical Working Group

Delfin N. Lorenzana
DELFIN N. LORENZANA
 Secretary of National Defense

Victoria R. Odulio (JAGS)
LTC VICTORIA R. ODULIO (JAGS)
 Legal Officer, Technical Working Group