

CENTRALIZED REVIEW AND EVALUATION COMMITTEE (C-REC)

RESOLUTION NO. CREC2018-12-06-0013
APPROVAL OF MODEL PETROLEUM SERVICE CONTRACT (PSC)

Pursuant to Department Order No. 2018-03-003, the C-REC hereby adopts:

WHEREAS, the draft of the Proposed Model Petroleum Service Contract (PSC) was finalized on 04 June 2018 with the following Section 11.01 on income tax: *"The CONTRACTOR shall be liable each taxable year for Philippine Income Tax under the provisions of the National Internal Revenue Code and the Act, both as amended. The Philippine Income Tax shall be part of the Government Share"*.

WHEREAS, the said draft also contains the following details for Development Assistance and Signature Bonus: (a) *"The CONTRACTOR, as directed by the DEPARTMENT, shall provide a one (1) time developmental assistance for the DEPARTMENT in the minimum amount of ONE HUNDRED THOUSAND United States Dollars (US\$100,000.00) payable within sixty (60) days upon written request by the Department"* and (b) *The Contractor shall pay the Department a signature bonus equivalent to One Hundred Thousand United States Dollars (US\$ 100,000.00) within sixty (60) days from the Effective Date."*

WHEREAS, the C-REC, during its meeting held on 11 December 2018 deliberated and approved the PSC to add the following provisions in Section 11.01 "subject to applicable laws, rules and regulations" and to reflect the Signature Bonus in the amount of FIFTY THOUSAND United States Dollars (US\$ 50,000.00) and Developmental Assistance in the amount of SIXTY THOUSAND United States Dollars (US\$ 60,000.00);

WHEREAS, the C-REC resolved to endorse the approval of the PSC to reflect the additional provisions in Section 11.01, Signature Bonus in the amount of FIFTY THOUSAND United States Dollars (US\$ 50,000.00) and Developmental Assistance in the amount of SIXTY THOUSAND United States Dollars (US\$ 60,000.00), to the Office of the Secretary (OSEC) for the Secretary's consideration;

ACCORDINGLY, THE FOLLOWING RESOLUTIONS WERE APPROVED:

NOW THEREFORE, after review and deliberation, the C-REC resolves to endorse the approval of the following changes in the PSC for PCECP, as follows:


"11.01 "The CONTRACTOR shall be liable each taxable year for Philippine Income Tax under the provisions of the National Internal Revenue Code and the Act, both as amended. The Philippine Income Tax shall be part of the Government Share, subject to applicable laws, rules and regulations;"

"17.04 The CONTRACTOR, as directed by the DEPARTMENT, shall provide a one (1) time developmental assistance for the DEPARTMENT in the minimum amount of FIFTY THOUSAND United States Dollars (US\$ 50,000.00) payable within sixty (60) days upon written request by the Department.",

"20.01 The Contractor shall pay the Department a signature bonus equivalent to SIXTY THOUSAND United States Dollars (US\$ 60,000.00) within sixty (60) days from the Effective Date.",

for the Secretary's consideration.

Approved and adopted this ___ day of _____ 2019 at BGC, Fort Bonifacio, Taguig City.


DONATO D. MARCOS
Undersecretary
Chairperson, C-REC


CARON AICITEL E. LASCANO
Assistant Secretary
Vice-Chairperson


REDENTOR E. DEOLA
Assistant Secretary
Member


LEONIDO J. PULIDO, III
Assistant Secretary
Member


GERARDO D. ERGUIZA, JR.
Assistant Secretary
Member

APPROVED/ DISAPPROVED
RESOLUTION NO. CREC2018-12-06-0013
Model Petroleum Service Contract


ALFONSO G. CUSI
Secretary

