

CONTRACT AGREEMENT

On the Airing of the DOE Television Infomercial/Public Service Advisory on Energy Efficiency and Conservation Tips and El Nino Mitigation Campaign

KNOW ALL MEN BY THESE PRESENTS:

THIS AGREEMENT made this _____ day of _____ 2024 by and between:

The **DEPARTMENT OF ENERGY**, a government agency vested by virtue of Republic Act No. 7638, as amended, with principal office address at Energy Center, Rizal Drive, Bonifacio Global City, Taguig City, Metro Manila represented herein by its **Undersecretary, Felix William B. Fuentebella** hereinafter referred to as **"DOE"**

and

GMA Network, Inc., a corporation under Philippine law, with office address at 15th Floor **GMA Network Center**, EDSA corner Timog Avenue, Diliman, Quezon City, represented by its Account Manager, **Ms. Jan Christine L. Supan-Ynares**, hereinafter referred to as **"GMA"**.

DOE and **GMA** are collectively referred to as **"PARTIES"** and individually referred to as **"PARTY"**.

WITNESSETH:

WHEREAS, Rule III – Section 4 (m) of the Energy Efficiency and Conservation Act (EEC Act) – Implementing Rules and Regulations (IRR) mandates DOE to develop and undertake a national awareness and advocacy campaign on energy efficiency and conservation in partnership with business, academe, non-government organizations, and other sectors;

WHEREAS, Section 48.1, 53, and 53.6 Rule XVI of the 2016 Revised IRR of RA 9184 authorized the conduct of Negotiated Procurement under AMP, the pertinent provisions of which are quoted as follows:

"Sec. 48.1 Alternative Methods – Subject to the prior approval of the Head of Procuring Entity (HoPE) and whenever justified by the conditions provided by this Act, the Procuring Entity may, in order to promote economy and efficiency, resort to any of the alternative methods of procurement provided in this Rule. In all instances, the Procuring Entity shall ensure that the most advantageous price for the Government is obtained:

x x x x x x x x x x x

"Sec. 53. Negotiated Procurement is a method of procurement of goods, infrastructure projects and consulting services whereby the procuring entity directly negotiated a contract with a technically, legally, and financially, capable supplier, contractor, or consultant only in the following cases:

x x x x x x x x x x x

Section 53.6 Scientific, Scholarly, or Artistic Work, Exclusive Technology, and Media Services Where Goods, Infrastructure projects and Consulting Services can be contracted to a particular supplier, contractor, or consultant and as determined by the HoPE, for any of the following:

- 1. The requirement is for



X X X X X X X X X X X

a. *Media documentation, advertisement, or announcement through television, radio, newspaper, internet, and other communication media. Due to the nature of the information to be disseminated, alongside principles of transparency, efficiency, and economy, award more than one (1) supplier maybe made by the Procuring Entity.*

X X X X X X X X X X X

WHEREAS, GMA has the highest affinity of the target markets (A, B, C, D, E) as well as decision-makers in the country compared to other networks with limited target markets. **GMA** also has the capacity to conceptualize, develop, produce, and air materials both on broadcast media and social media platforms;

WHEREAS, the DOE solicited Bids for certain goods and ancillary services, particularly for the Contract-Out Service for the Media Placement of Energy Efficiency and Conservation (EEC) Tips, and has accepted a Bid from the **GMA** for the supply of those services in the sum of **ONE MILLION ONE HUNDRED SEVENTY-TWO THOUSAND PESOS (P1,172,000.00)** hereinafter called "the Contract Price", payable subject to existing government accounting and auditing rules and regulations. The amount covers the airtime costs and payment shall be based upon submission of required deliverables for each of the tranche of payment as stated in Section F of this Contract.

NOW, THEREFORE, for and in consideration of the foregoing premise, the parties hereby agree as follows:

TERMS AND CONDITIONS:

A. GMA shall ensure the delivery of the following particulars/specifications:

1. Submit the schedule of commercial airing to the End User.
2. Air the following DOE TVC Infomercials during the agreed timeline:

	Minimum Frequency
30s TVC (c/o PCO)	8
30s TVC (c/o PCO)	7
30s TVC (c/o PCO)	7
Total:	22

3. Submit a report on the commercial airing of the materials.

B. MEDIA REQUIREMENTS

The media requirements includes the following:

- Scope and Broadcast Areas : Nationwide
- Target Market : Programs catering to Class A-B-C-D-E market
- Programs : News and Public Affairs and Entertainment (Primetime shows / programs)
- Placement of the Ad : Before or after the gap
- Number of spots : Minimum of 22 spots

C. INABILITY or FAILURE TO BROADCAST

1. Should the network – the GMA, due to public emergency or necessity, legal restriction, acts of God, force majeure or at the discretion of the government authorities or for any

reason beyond the control of the same, be unable to broadcast the above DOE Television Infomercial/Public Service Advisory from President Ferdinand R. Marcos, Jr. on Energy Efficiency and Conservation (EEC) Tips and El Nino mitigation campaign, at the time specified, this should be properly communicated to DOE in advance, as promptly as possible. Otherwise, the **GMA** should be held liable for damages. The DOE will then either agree with **GMA** on a satisfactory substitute time for the broadcast, or if no such agreement can be reached, the broadcast shall be considered cancelled without affecting the rate shown in the contract. In the event of cancellation or postponement, the **GMA** will make a suitable courtesy announcement as to the reason for cancellation or postponement, with the approval of the DOE as to and substitute the time agreed upon.

2. If the interruption occurs in the broadcast or part of any of the ~~EEC Tips~~, DOE Television Infomercial/Public Service Advisory from President Ferdinand R. Marcos, Jr. on Energy Efficiency and Conservation (EEC) Tips and El Nino mitigation campaign, which is not due to a Force Majeure Event, a pro-rata reduction in the charges hereunder will be made or, if such Interruption occurs during the portion of the broadcast, a credit in the same proportion to the total network charges which the omitted portion bears to the total portion of the broadcast shall be made, upon mutual agreement. In the event of such omission, the **GMA** will make a suitable courtesy announcement as to such omission or interruption.
3. If **GMA** does not telecast spots equal to the agreed total spots, which is not due to a Force Majeure Event, or in the case of a Force Majeure Event but the **GMA** is already in delay as provided for under paragraph 3, Article 1165 of the New Civil Code of the Philippines, the **GMA** shall pay liquidated damages of one-tenth of one percent (0.1%) of the cost of every unperformed spot for every day of delay in the performance of the obligation. The maximum amount of liquidated damages that may be collected shall be ten percent (10%). Once the cumulative amount of the liquidated damages reaches the said limit, DOE shall have the right to rescind the contract without prejudice to other courses and remedies open to it.

D. TERMINATION AND RENEWAL

1. This contract may be terminated by either party by giving the other party fifteen (15) days prior written notice. If **DOE** terminates this contract, it will pay **GMA** at an earned rate according to its rate card on which the contract is based. If **GMA** terminates this contract, **DOE** will then either agree on a satisfactory substitute date or time of continuance of the broadcast covered by this contract at the rates on which this contract is based for such substituted date or time.

E. RATES

1. The total amount for the airing of **DOE's** Television Infomercial/Public Service Advisory from President Ferdinand R. Marcos, Jr. on Energy Efficiency and Conservation (EEC) Tips and El Nino mitigation Campaign, is **ONE MILLION ONE HUNDRED SEVENTY-TWO THOUSAND PESOS (P1,172,000.00)** inclusive of tax and subject to usual government accounting and auditing rules and regulations.
2. **DOE** directly purchases airtime and does not appoint any third-party advertising agency to carry out the Airing of the EE&C Infomercials. Hence, the parties agree that no agency fees or other expenses may be deducted in any way from the payment of the total amount due to **GMA**.

F. PAYMENT SCHEME

GMA shall be paid according to the following schedule:



Contract No.: 2024-0101-0024-0016-0012
PMD-QF-16, 27 Oct. 2023, Rev. 2

Activity	Deliverable	Percentage of the Total Contract Amount
1. Submit schedule of commercial airing to the End-User.	Submission of approved schedule of airing	30%
2. Air the DOE TVC informercials during the agreed timeline	All 30s materials are aired 100%	40%
3. Submit report on the commercial airing of the materials	Report on the Analysis of Viewership	30%
Total		100%

- i. For every progress payment, 5% retention will be deducted. As such, the DOE will release the retention amount equivalent to 5% of the contracted amount within the project upon the issuance of the Certificate of Acceptance in compliance with Section 62 of the 2016 revised IRR of RA 9184 and GPPB Resolution 30-2017.
- ii. The **GMA** shall issue an official billing statement each progress billing. For Billing purposes, the **GMA** shall provide a report of placement and the corresponding verifiable proof of placements, such as third-party certification, photograph, screenshots, etc.

G. EXPECTED OUTPUTS

All deliverables as described in the media requirements should be delivered and completed within two (2) months from the receipt of the Notice to Proceed. The schedule below shall be as followed:

Activity	Timeline (2024)											
	March	April										
1. Submit schedule of commercial airing to the End-User.												
2. Air the following DOE TVC Infomercials during the agreed timeline:												
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;">Media Values</th> <th style="width: 40%;">Minimum Frequency</th> </tr> </thead> <tbody> <tr> <td>30s TVC (c/o PCO)</td> <td style="text-align: center;">8</td> </tr> <tr> <td>30s TVC (c/o PCO)</td> <td style="text-align: center;">8</td> </tr> <tr> <td>30s TVC (c/o PCO)</td> <td style="text-align: center;">7</td> </tr> <tr> <td style="text-align: right;">Total:</td> <td style="text-align: center;">22</td> </tr> </tbody> </table>			Media Values	Minimum Frequency	30s TVC (c/o PCO)	8	30s TVC (c/o PCO)	8	30s TVC (c/o PCO)	7	Total:	22
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3. Submit a report on the commercial airing of the materials.												

H. GENERAL CONDITIONS

1. Rights and privileges under this contract shall not be assigned or transferred by **DOE** or **GMA**.
2. This contract is subject to the terms and conditions of licenses held by **GMA** and is also subject to all government laws and regulations now in force or which may be enforced in the future.
3. The failure of either party to enforce any of the provisions herein listed with respect to a breach thereof in any one instance shall not be construed as a general relinquishment or waiver under this agreement and the same shall nevertheless be and remain in full force and effect.
4. **GMA** hereby agrees to keep confidential all matters concerning this agreement and the product subject of the commercial and agrees not to discuss the same with third parties without the consent of **DOE**.

5. This agreement contains the entire agreement between the Parties with respect to its subject matter and supersedes all prior agreements or undertakings between the Parties with respect to that subject matter. No amendment to this Agreement will be valid unless confirmed in writing and signed by both Parties.
6. A waiver is not valid or binding on the other Party granting that waiver unless made and confirmed in writing by an authorized signatory. A Party's failure or delay in exercising any right under this Agreement will not operate as a waiver by that Party nor will any single or partial exercise of any right or the exercise of any other right preclude any further exercise.
7. This Agreement does not constitute either Party as partner, agent or employee or representative of the other.
8. The Parties may execute this Agreement in counterparts, each of which shall constitute an original for all purposes, including any copies of the same, and all duplicate counterparts will be construed together and constitute one Agreement.
9. The individuals signing this Agreement warrant that they are authorized to and by their signatures intend to bind the entity for which they purport to act.

I. DISPUTE RESOLUTION

All disputes, controversies, or claims arising from or relating to this Agreement shall be settled through negotiation and/or mediation and shall be decided by arbitration in accordance with R.A. No. 9285 or the "Alternative Dispute Resolution Law of 2004".

J. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the Republic of the Philippines. In case of any suit or action arising from this Agreement, the action shall be filed in the proper courts of Taguig City, Metro Manila, Philippines exclusively, to the exclusion of all other courts and venues.

In consideration of the payments to be made by **DOE** to the **GMA** as hereinafter mentioned, **GMA** hereby covenants with **DOE** to provide the goods and services and to remedy defects therein in conformity in all respects with the provisions of the Contract

DOE further hereby covenants to pay **GMA** in consideration of the provision of the aforementioned services and the remedying of defects therein, the Contract Price or such other sum as may become payable under the provisions of the contract at the time and in the manner prescribed by the contract.

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


DEPARTMENT OF ENERGY (DOE):

GMA NETWORK, INC.:


FELIX WILLIAM B. FUENTEBELLA
 Undersecretary


JAN CHRISTINE L. SUPAN-YNARES
 Account Manager

SIGNED IN THE PRESENCE OF:


DIR. PATRICK T. AQUINO, CESO III
 EUMB, DOE


HELEN C. ROLDAN
 AD, DOE

CAF No. 01-24-03-032
 CAF Date: March 13, 2024
 Regular agency Fund
 # 1,172,000.00

ACKNOWLEDGMENT

Republic of the Philippines)
CM of MARI) S.S.

15 MAR 2024

BEFORE ME, a Notary Public for and in MARI, personally appeared the following:


NAME	IDENTIFICATION NO.	DATE/PLACE OF ISSUE

Known to me to be the same persons who executed the foregoing instrument, and they acknowledge to me that the signatures they affixed confirm their own free acts and the entity they represent.

This instrument consisting of six (6) pages, including this page on which this acknowledgement is written refers to a **Contract Agreement on the Airing of the DOE Television Infomercial/Public Service Advisory on Energy Efficiency and Conservation Tips and El Nino Mitigation Campaign** and has been signed by the parties and their witnesses and sealed with my notarial seal.

WITNESS MY HAND AND NOTARIAL SEAL.

Doc. No. 460
Page No. 93
Book No. 80
Series of 2024.


~~ATTY. ISIDRO V. ALMENTEROS~~
NOTARY PUBLIC
Until December 31, 2024
1626 Estrada Street, San Andres, Manila
IBP OR No. 248072(2023) 9-23-2022/MLA
PTR No. 0862227/1-03-2023/MLA
MCLE Compliance No. VII-0007108/4-14-2025
Attorney's Roll No. 34272