



**PAMBANSANG PUNONGHIMPILAN TANOD BAYBAYIN NG PILIPINAS**  
(National Headquarters Philippine Coast Guard)  
139 25<sup>th</sup> Street, Port Area  
1081 Manila

NHQ-PCG/CGPS

16 September 2024

**STANDARD OPERATING PROCEDURE  
NUMBER 21-24**

**CONTRACT TERMINATION PROCEDURES FOR GOODS,  
INFRASTRUCTURES AND CONSULTING SERVICES**

**1. REFERENCE**

NHQ-PCG/CG-4 Memorandum Circular No. 09-22, entitled "Guidelines on the Termination of Contracts of all PCG Projects" dated 10 November 2022

**2. RATIONALE**

This Standard Operating Procedure (SOP) provides the specific guidelines and procedures to be undertaken by concerned Staff Offices, Implementing Units and End-Users for the Termination of Contract(s) in whole or in part for convenience, default, insolvency, unlawful acts and termination by Contractor or Consultant.

**3. PURPOSE**

This SOP aims to provide delineation of duties and responsibilities of the concerned Staff Offices, Implementing Units and End-Users in the termination of procurement contracts of goods, infrastructure projects and consulting services.

**4. SCOPE**

This SOP shall apply to all PCG Procuring Entities that may require the contract termination of goods, infrastructure projects and consulting services.

**5. DEFINITION OF TERMS**

- A. **Blacklisting Order** – refers to the written notice issued by the Head of the Procuring Entity containing its decision to blacklist and to disqualify the concerned Supplier/Contractor/Consultant from participating in any government procurement project for a given period as an administrative penalty for violations committed during the procurement and/or contract implementation stage.



- B. **Contract Termination Review Committee (CTRC)** – refers to Committee created to assist the HoPE or its authorized representative for the review and evaluation of the circumstances and grounds for termination of contract.
- C. **End-User** – refers to any PCG Unit/Office that needs and uses the goods, infrastructure projects or consulting services duly identified by concerned Central Staff who shall be responsible for the submission of the written report of acts or causes which constitute the ground(s) for termination.
- D. **Implementing Unit** – refers to any PCG Unit/Office identified by concerned Central Staff who shall be responsible for the verification of the submitted written report from the End-User within seven (7) calendar days and verify the existence of such ground(s) and cause the execution of a verified report with all relevant evidences attached.
- E. **Head of Decentralized Procuring Entity** – refers to the duly authorized Official of the Head of Procuring Entity (HoPE) or of the Head of the Agency to perform delegated duties subject to the limitation and authority given to him.
- F. **Head of Procuring Entity (HoPE)** – refers to the Commandant, Philippine Coast Guard as Head of the Agency.
- G. **Legal Officer** – refers to the Legal Officer assigned in every PCG Unit/Office that may require the Termination of Contracts of Goods, Infrastructure Projects and Consulting Services who shall be responsible in providing legal comment(s) and assist the concerned PCG Unit/Office of the project in reviewing the submitted verified report from the Implementing Unit.
- H. **Notice to Terminate** – refers to the document issued by HoPE or his duly authorized Official as the Head of Decentralized Procuring Entity informing the Supplier/Contractor/Consultant of the ground(s) for termination of contract as stated in the verified report.
- I. **Project Implementation Officer (PrIO)** – refers to the Commanding Officer of the Implementing Unit and/or duly designated Officer of the Commandant, Philippine Coast Guard.
- J. **Show Cause** – refers to the notice which the HoPE or his duly authorized Official as the Head of Decentralized Procuring Entity is required to issue prior to terminating a contract. The purpose of a show cause notice is to enable the contractor to present its position why the contract should not be terminated.
- K. **Slippage** – refers to the delays incurred by the Contractor identified by the End-User/IU during the implementation of the contract.
- L. **Take-Over of Contracts** – refers to the process by which a Procuring Entity (PE) terminates the contract due to default, insolvency, or for cause, it may enter into a Negotiated Procurement.

- M. **Termination Order** – refers to the written notice of decision issued by the Head of the Procuring Entity or his duly authorized Official as the Head of Decentralized Procuring Entity ordering the termination of the contract whereby said contract shall be deemed terminated upon receipt of the Termination Order by the Supplier/Contractor/Consultant.
- N. **Termination in Part** – refers to the termination of a part but not all of the work that has not been completed and accepted under a contract.
- O. **Termination in Whole** – refers to the termination of all works that have not been completed and accepted under a contract.
- P. **Verified Report** – refers to the report submitted by the Implementing Unit based on the Written Report of the End-User to the HoPE setting forth its findings as to the existence of grounds or causes for termination, and explicitly stating its recommendation for the issuance of Notice to Terminate and for possible Blacklisting and Take-Over of Contract.
- Q. **Verified Position Paper** – refers to the document submitted by the Supplier/ Contractor/Consultant in response to the Notice to Terminate issued by the PCG Command/Unit/District stating as to why the contract should not be terminated.
- R. **Written Report** – refers to the submitted report from the End-User stating the acts or causes which constitute the ground(s) for termination of contract.

**6. SPECIFIC GUIDELINES AND PROCEDURES FOR TERMINATION OF CONTRACT**

- A. The End-User (EU) shall submit written report immediately upon the discovery of the acts or causes which may constitute the ground(s) for the termination of the project to the Project Implementation Officer (PrIO) of the Implementing Unit (IU), as follows:
  - A.1. Goods
    - A.1.1. Expiration of contract
    - A.1.2. Due to force majeure
    - A.1.3. Breach of contract
  - A.2. Infrastructure Projects
    - A.2.1 Negative slippage of 15%
    - A.2.2 Expiration of contract
    - A.2.3 Upon termination by the contractor
  - A.3. Consulting Services
    - A.3.1 Outside of force majeure
    - A.3.2 Result of force majeure
    - A.3.3 Breach of contract

- B. The IU, through the PrIO, shall execute the verification of the existence of the ground(s) and identify the extent of termination whether in whole or in part within seven (7) calendar days and thereafter submit a verified report on its findings based on the ground(s) or cause(s) and explicitly stating its recommendation for the issuance of Notice to Terminate. The verified report shall also be accompanied by all relevant evidence(s) and document(s). Lastly, a notarized affidavit of verification must be signed by the PrIO and attached to the verified report. The said documents shall be submitted by the Implementing Unit to the concerned Central Staff.
- C. The concerned Central Staff with the assistance of their respective Legal Officer shall receive, process and review the verified report submitted by the IU including all pertinent documents. After the review/evaluation of the verified report and the findings from the IU, the concerned Central Staff shall prepare the Disposition Form (DF) with their recommendation based on the findings of the IU on the verified report. The said DF is subject to the concurrence of the Office of the DCCGS for Comptrollership, CG-6 and/or any other concerned staff prior to the approval or disapproval of the HoPE, and attach the draft Notice to Terminate (**Annex 1**).
- D. Upon receipt of the recommendation of the concerned Staff, the HoPE shall approve or disapprove the same based on the ground(s) stated in the verified report and in accordance with the provisions set forth under Annex "I" of the Revised Implementing Rules and Regulations (IRR) of the Republic Act No. 9184.

**D.1. IN CASE OF APPROVAL:**

- D.1.1. The HoPE shall sign the draft Notice to Terminate attached on the DF indicating the ground(s) for termination, the extent of termination and instructions to the Supplier/Contractor/ Consultant to show cause within seven (7) calendar days upon receipt of the notice.
- D.1.2. The approved DF shall be coursed through to concerned Central Staff and the Notice to Terminate accompanied by the verified report will be forwarded to the Procurement Service or Unit for subsequent issuance to the Supplier/Contractor/Consultant, and furnish the concerned Central Staff, CG-6 and IU of the receiving copy.
- D.1.2.1. The Procurement Service or Unit shall issue the Notice to Terminate through personal delivery and shall only be received by the Authorized Representative of the Supplier/Contractor/Consultant at its registered address. Both copies of the Notice to Terminate (*Supplier/ Contractor/Consultant's copy and PCG's receiving copy*) shall be duly stamped with the complete date of its receipt.

- D.1.2.1.1. The Procurement Service or Unit may request the assistance of any PCG District/ Station/Sub-Station or any PCG Unit on the serving of the Notice to Terminate in their respective AOR.
- D.1.3. Within a period of seven (7) calendar days from receipt of the Notice to Terminate, the Supplier/Contractor/Consultant shall submit to the HoPE a verified position paper which will be coursed through to concerned Central Staff to be reviewed by their respective Legal Officer.
- D.1.3.1. If the Supplier/Contractor/Consultant failed to show cause after the lapse of the seven (7) calendar days, the concerned Central Staff shall prepare the DF with attached draft Decision Ordering the Termination (**Annex 2**) and the Blacklisting (**Annex 4**) (If Termination by Default or Unlawful Acts) of the Supplier/Contractor/Consultant subject to the approval or disapproval of the HoPE.
- D.1.3.2. If the concerned Central Staff and IU through its Legal Officer find merit on the verified position paper of the Supplier/Contractor/Consultant, the concerned Central Staff shall prepare the DF recommending Decision not to Terminate (**Annex 3**) the project and ways forward to continue the project.
- D.1.3.3. If the concerned Central Staff and IU through its Legal Officer did not find any merits on the verified position paper, the concerned Central Staff shall prepare the DF with attached draft Decision Ordering the Termination (**Annex 2**) and the Blacklisting Order (**Annex 4**) (If Termination by Default or Unlawful Acts) of the Supplier/Contractor/Consultant subject to the approval or disapproval of the HoPE.
- D.1.4. The approved DF shall be coursed through to concerned Central Staff and the Decision Ordering Termination and Blacklisting Order (If Termination by Default or Unlawful Acts) or Decision Not to Terminate and ways forward to continue the project will be forwarded to the Procurement Service or Unit for subsequent issuance, the same manner of serving the Notice to Terminate to the Supplier/Contractor/Consultant, and shall furnish copy to the concerned Central Staff, CG-6, IU, End-User, Accounting Service, Internal Audit, Commission on Audit (COA) and HoPE.

## D.2. IN CASE OF DISAPPROVAL:

- D.2.1. The DF from the concerned Central Staff and verified report from IU shall be endorsed by the HoPE to the Contract Termination Review Committee (CTRC) for latter's review and deliberation.
- D.2.2. Upon endorsement of HoPE, the CTRC shall then convene and deliberate the completeness of the verified report and merits of the recommendations of the IU with the assistance of the CTRC Legal Officer. If the CTRC deemed the documents incomplete and unreasonable, it shall return the verified report back to the IU, copy furnished the concerned Central Staff for revision and re-submission to the CTRC for another round of deliberation.
- D.2.3. If the verified report and findings of the IU are all in order, thus justified the conditions of terminating a contract, then the CTRC shall execute a Resolution, through its Secretariat, reflecting its recommendations to terminate the contract with attached draft Notice to Terminate stating the ground(s) for termination, extent of termination, and other instructions to the Supplier/Contractor/Consultant for the approval/disapproval of the HoPE.
- D.2.4. Upon approval and signature of the resolution and the attached Notice to Terminate by the HoPE, the CTRC Secretariat shall forward the approved CTRC Resolution and signed Notice to Terminate to the concerned Central Staff, and should be forwarded immediately to the Procurement Service or Unit.
- D.2.5. The Procurement Service or Unit shall issue the Notice to Terminate together with the verified report from IU through personal delivery and shall only be received by the Authorized Representative of the Supplier/Contractor/Consultant at its registered address. Both copies of the Notice to Terminate (*Supplier/Contractor/Consultant's copy and PCG's receiving copy*) shall be duly stamped with the complete date of its receipt and furnish the concerned Central Staff, CG-6 and IU of the receiving copy.
- D.2.5.1. The Procurement Service or Unit may request the assistance of any PCG District/Station/Sub-Station on the serving of the Notice to Terminate in their respective AOR.
- D.2.6. Within a period of seven (7) calendar days from receipt of the Notice to Terminate, the Supplier/Contractor/Consultant shall submit to the HoPE a verified position paper which will be coursed through to concerned Central Staff to be reviewed by their respective Legal Officer.

- D.2.6.1. If the Supplier/Contractor/Consultant failed to show cause after the lapse of the seven (7) calendar days, the concerned Central Staff shall prepare the DF with attached draft Decision Ordering the Termination (**Annex 2**) and the Blacklisting Order (**Annex 4**) (If Termination by Default or Unlawful Acts) of the Supplier/Contractor/Consultant subject to the approval or disapproval of the HoPE.
- D.2.6.2. If the concerned Central Staff and IU through its Legal Officer find merit on the verified position paper of the Supplier/Contractor/Consultant, the concerned Central Staff shall prepare the DF recommending Decision not to Terminate (**Annex 3**) the project and ways forward to continue the project.
- D.2.6.2.1. If approved, the concerned Central Staff shall direct the PrIO for facilitation of the contract implementation and ensure the completion of the project.
- D.2.6.2.2. If disapproved, the recommendation of the concerned Central Staff not to terminate can be reversed by the HoPE and direct the concerned Central Staff to prepare the draft Notice to Terminate stating the ground(s) for termination, extent of termination, and other instructions to the Supplier/Contractor/Consultant for the approval/disapproval of the HoPE and follow the procedure for item D.1.
- D.2.6.3. If the concerned Central Staff and IU through its Legal Officer did not find any merits on the verified position paper, the concerned Central Staff shall prepare the DF with attached draft Decision Ordering the Termination (**Annex 2**) and the Blacklisting Order (**Annex 4**) (If Termination by Default or Unlawful Acts) of the Supplier/Contractor/Consultant subject to the approval or disapproval of the HoPE.
- D.2.7. The approved DF (**D.2.5.1., D.2.5.2. or D.2.5.3**) shall be coursed through to concerned Central Staff, and the Decision Ordering Termination and Blacklisting Order (If Termination by Default or Unlawful Acts) or Decision Not to Terminate and ways forward to continue the project shall be forwarded to the Procurement Service or Unit for subsequent issuance, the same manner of

serving the Notice to Terminate to the Supplier/Contractor/ Consultant and shall furnish copy to the concerned Central Staff, CG-6, IU, End-User, Accounting Service, Internal Audit, Commission on Audit (COA) and HoPE.

D.2.8. If CTRC after the second submission and revision of the verified report under item D.2.2. still finds no reason to terminate the project, the CTRC shall execute a resolution subject for the approval or disapproval of HoPE. If approved, follow item D.2.5.2.1.

D.3.If the HoPE finds no reason at all to terminate the project from the recommendation of the concerned Staff under **item D.**, he/she shall disapprove the recommendation on the DF and shall notify the concerned Central Staff to direct the PrIO for facilitation of the contract implementation and ensure the completion of the project.

E. If blacklisting is included in one of the recommendations of IU, upon termination of the contract due to default and/or unlawful acts of the contractor, the HoPE shall issue within seven (7) calendar days a Blacklisting Order immediately disqualifying the erring contractor from participating in the bidding of all government projects. Once approved by the HoPE, the CGPS shall be the one to facilitate the posting of the Blacklisting Order to the **GPPB Online Blacklisting Portal**, the Blacklisting Order shall be posted in the Online Blacklisting Portal within three (3) calendar days from the date of its effectivity.

F. In case personal delivery of documents including but not limited to Notice to Terminate, Termination Order, Backlisting Order has failed and/or not possible, the Procurement Service or Unit/CTRC Secretariat shall resort to other means of serving the documents to the Supplier/Contractor/Consultant either by Registered Mail, Courier Service (LBC/J&T or any similar couriers thereto), or Electronic Mail without prejudice to the manner and authority of the receiving party.

## 7. DUTIES AND RESPONSIBILITIES

### A. Head of Procuring Entity (HoPE):

- i. Creates and designates members of the Contract Termination Review Committee to assist in the discharge of his/her functions for contract termination.
- ii. Approves/Disapproves the DF prepared and submitted by the concerned Central Staff containing the recommendation for contract termination based on the verified report of the IU;
- iii. Approves/Disapproves the Issuance of Notice to Terminate, Decision Ordering Termination and Blacklisting Order to Suppliers/Contractors/ Consultants and requests the same to show cause by submitting a verified position paper; and

- iv. Approves/Disapproves the resolution prepared by the CTRC upon reviewing the recommendations based on the verified report of the IU whether to terminate the contract or not.

**B. End-User**

- i. Submit written report to the IU immediately after the end of the contract and/or possible grounds for termination; and
- ii. Monitor and update the status of the project.

**C. Implementing Unit**

- i. Monitors the compliance of the contractors with their respective contractual obligations to ensure the timely and satisfactory accomplishment of the assigned projects;
- ii. Initiates the termination of contracts whenever deemed necessary through a preparation of verified reports indicating the facts, details and grounds for contract termination and blacklisting;
- iii. Determines the feasibility of the Take-Over of Contracts and recommend the forfeiture of performance bond;
- iv. Notifies the CGFS on the forfeiture of bond upon the approval of the Decision Ordering Termination; and
- v. Coordinate to the End-User on the status of the possible termination of contract.

**D. Contract Termination Review Committee**

- i. Provides assistance to the HoPE in the Termination of Contracts;
- ii. Reviews the Disposition Form with the IU's verified report once disapproved by the HoPE and evaluates the merits of the submitted verified reports from the IU; and
- iii. Renders recommendation to HoPE on whether or not to subject a contract termination.

**E. Concerned Central Staff:**

- i. Review the submitted verified reports from the IU;
- ii. Prepares all Draft Notice to Termination, Decision Ordering Termination, Decision Ordering not to Terminate, and Blacklisting Order (Termination by Default/Unlawful Acts);

- iii. Prepares the Disposition Form with recommendations based on the submitted verified reports from the IU and/or recommendations based on the approved CTRC Resolution for approval/disapproval of the HoPE.

**F. Procurement Service/Unit:**

- i. When a Security Bond is forfeited in favor of the PCG, CGPS or its designated Procuring Unit and/or PrIO shall inform CGFS/FSU in writing and provide the necessary supporting documents that may be required by the bank or the surety company;
- ii. The Procurement Service or Unit/CTRC Secretariat must establish due diligence in serving documents including but not limited to Notice to Terminate, Termination Order, Backlisting Order, etc., and exercise maximum effort thus ensuring success in serving said documents;
- iii. Notifies the concerned Central Staff, Implementing Unit, Internal Audit, Accounting Service and HoPE upon the receipt of the Decision Ordering Termination and Blacklisting Order; and
- iv. Facilitation of posting of Blacklisting Order of the Supplier/Contractor/ Consultant to the GPPB Online Blacklisting Portal.

**G. Coast Guard Finance Service (CGFS):**

- i. CGFS or its designated Finance Service Unit (FSU) shall maintain the custody of bid, warranty and performance securities and other guarantees in the form of bank draft/guarantee or irrevocable letter of credit and surety bond;
- ii. Securities shall be maintained untornd and unaltered until its validity period; and
- iii. Upon receipt of written notice of forfeited security from the CGPS or its designated PrIO, the CGFS/FSU through its bonded collecting officer shall collect the securities as soon as possible.

**8. DISSEMINATION**

CGPS shall be responsible for the proper dissemination of these Guidelines by conducting series of seminars/workshops and by disseminating it through proper Radio Message to all PCG Districts/ Major Commands/ Operational Commands/ Functional Commands/ Special Units which are procuring units that may require termination of contract relative to the procurement of goods, infrastructure projects and consulting services.

## 9. LIABILITY CLAUSE

The concerned Unit/Office who failed to observe this SOP, resulting to the issuance of COA – AOM, will be primarily responsible in addressing such audit observation. In extreme cases (e.g. Notice of Disallowance, Notice of Suspension) the concerned personnel shall be dealt with administratively, civilly and criminally.

## 10. REPEALING CLAUSE

All policies and regulations which are inconsistent with this SOP are hereby repealed and modified accordingly including the reference.

## 11. EFFECTIVITY

This SOP shall take effect fifteen (15) days after publication.

**BY COMMAND OF VICE ADMIRAL PUNZALAN JR PCG:**

OFFICIAL:

**HOSTILLO ARTURO E CORNELIO**  
**RADM** **PCG**  
Chief of Coast Guard Staff

  
**JAYSIEBELL B FERRER**  
**CDR** **PCG**  
Coast Guard Adjutant

*Annexes:*

- 1-A – Sample Notice to Terminate (TERMINATED BY DEFAULT/UNLAWFUL ACTS)
- 1-B – Sample Notice to Terminate (TERMINATED BY CONVENIENCE)
- 2-A – Sample Decision Ordering Termination (TERMINATED BY DEFAULT/UNLAWFUL ACTS)
- 2-B – Sample Decision Ordering Termination (TERMINATION BY CONVENIENCE)
- 3 – Sample Decision Ordering Not to Terminate (NOT TERMINATED)
- 4 – Sample Blacklisting Order (TERMINATION BY DEFAULT/UNLAWFUL ACTS)



TANGGAPAN NG KOMANDANTE  
(OFFICE OF THE COMMANDANT)  
**PAMBANSANG PUNONGHIMPILAN TANOD BAYBAYIN NG PILIPINAS**  
(National Headquarters Philippine Coast Guard)  
(Address)

**BLACKLISTING ORDER No. 00 \_\_, series of 20 \_\_**

Pursuant to Sec. 69.4 of Republic Act No. 9184 and upon the findings and recommendation/s of the \_\_\_\_\_, hereby issues this Blacklisting Order to the entity/ies hereafter stated:

1.       (Company Name)       and PhilGEPS Registration No.         
having principal address at       (Complete Address)      , is  
hereby **SUSPENDED/DISQUALIFIED** from participating in all government  
procurement:  
 for 1 year starting from \_\_\_\_\_ until \_\_\_\_\_  
 permanently/in perpetuity
2. Specific ground/offense committed:  
(Please choose the applicable offense committed by the bidder/contractor)

<i>During the Procurement Stage:</i>	
<input type="checkbox"/>	Submission of eligibility requirements containing false information or falsified documents.
<input type="checkbox"/>	Submission of Bids that contain false information or falsified documents, or the concealment of such information in the Bids in order to influence the outcome of eligibility screening or any other stage of the public bidding.
<input type="checkbox"/>	Allowing the use of one's name, or using the name of another for purpose of public bidding.
<input type="checkbox"/>	Withdrawal of a bid, or refusal to accept an award or enter into contract with the government without justifiable cause, after he had been adjudged as having submitted the Lowest Calculated Responsive Bid or Highest Rated Responsive Bid.
<input type="checkbox"/>	Refusal or failure to post the required performance security within the prescribed time.
<input type="checkbox"/>	Refusal to clarify or validate in writing its Bid during post qualification within a period of seven (7) calendar days from receipt of the request for clarification.
<input type="checkbox"/>	Any documented unsolicited attempt by a bidder to unduly influence the outcome of the bidding in his favor.
<input type="checkbox"/>	Refusal to enter into, or withdrawal from, a joint venture in the event of a contract award without justifiable reason.
<input type="checkbox"/>	Refusal to submit post-qualification requirements on time without justifiable reason or a finding against the veracity of such post-qualification requirements.
<input type="checkbox"/>	All other acts that tend to defeat the purpose of the competitive bidding, such as habitually withdrawing from bidding or submitting late bids or patently insufficient bids, for at least three (3) times within a year, except for valid reasons.
<input type="checkbox"/>	Withdrawal, without justifiable reason, of bid during the period of bid validity required in the bidding documents.
<input type="checkbox"/>	Failure or refusal, without justifiable reason, to accept the award and enter into contract or perform any and all acts necessary to the execution of the contract, in accordance with the bidding documents, after having been duly notified of the acceptance.
<i>During Contract Implementation</i>	
<input type="checkbox"/>	Failure of the contractor, due solely to his fault or negligence, to mobilize and start work or performance within the specified period in the Notice to Proceed ("NTP").
<input checked="" type="checkbox"/>	Failure by the contractor to fully and faithfully comply with its contractual

	obligations without valid cause, or failure by the contractor to comply with any written lawful instruction of the procuring entity or its representative(s) pursuant to the implementation of the contract.
<input type="checkbox"/>	Assignment and subcontracting of the contract or any part thereof or substitution of key personnel named in the proposal without prior written approval by the procuring entity.
<input type="checkbox"/>	Unsatisfactory progress in the delivery of the goods by the manufacturer, supplier or distributor arising from his fault or negligence and/or unsatisfactory or inferior quality of goods, as may be provided in the contract.
<input type="checkbox"/>	Poor performance by the consultant of his services arising from his fault or negligence - Defective design resulting in substantial corrective works in design and/or construction.
<input type="checkbox"/>	Poor performance by the consultant of his services arising from his fault or negligence - Failure to deliver critical outputs due to consultant's fault or negligence.
<input type="checkbox"/>	Poor performance by the consultant of his services arising from his fault or negligence - Specifying materials which are inappropriate, substandard, or way above acceptable standards.
<input type="checkbox"/>	Poor performance by the consultant of his services arising from his fault or negligence - Allowing defective workmanship or works by the contractor being supervised by the consultant.
<input type="checkbox"/>	Poor performance by the contractor or unsatisfactory quality and/or progress of work arising from his fault or negligence as reflected in the CPES rating sheet - Negative slippage of 15%.
<input type="checkbox"/>	Poor performance by the contractor or unsatisfactory quality and/or progress of work arising from his fault or negligence as reflected in the CPES rating sheet - Quality of materials and workmanship not complying with the approved specifications.
<input checked="" type="checkbox"/>	Willful or deliberate abandonment or non-performance of the project or contract by the contractor resulting to substantial breach thereof without lawful and/or just cause.
<input type="checkbox"/>	The contractor has engaged, before or during implementation of the contract, in unlawful deeds and behaviors relative to contract acquisition and implementation as enumerated in Section III.D. of the Guidelines on Termination of Contracts.
<i>During Warranty Period</i>	
<input type="checkbox"/>	Failure of contractor to repair works, at his own expense, of any defect or damage to the infrastructure projects on account of the use of materials of inferior quality within ninety (90) days from the time the HoPE has issued an order to undertake repair.
<i>Other Violations</i>	
<input type="checkbox"/>	Violation of Sec. 65(a) of R.A. No. 9184 - Opening of sealed bid prior to scheduled time of bid opening.
<input type="checkbox"/>	Violation of Sec. 65(a) of R.A. No. 9184 - Delaying, without justifiable cause, the screening for eligibility, opening of bids, evaluation and post evaluation of bids, and awarding of contracts beyond the prescribed periods of action.
<input type="checkbox"/>	Violation of Sec. 65(a) of R.A. No. 9184 - Unduly influencing or exerting undue pressure on any member of the BAC or any officer or employee of the procuring entity to take a particular action which favors, or tends to favor a particular bidder.
<input type="checkbox"/>	Violation of Sec. 65(a) of R.A. No. 9184 - Splitting of Contracts.
<input type="checkbox"/>	Violation of Sec. 65(a) in relation to Sec. 47 of R.A. No. 9184 - Abuse of Reservation Clause with manifest preference to relatives.
<input type="checkbox"/>	Violation of Sec. 65(b) of R.A. No. 9184 - Collusion among bidder.
<input type="checkbox"/>	Violation of Sec. 65(b) of R.A. No. 9184 - Maliciously submitting different bids through two or more persons, corporations, partnerships or any other business entity in which he has interest to create the appearance of competition.
<input type="checkbox"/>	Violation of Sec. 65(b) of R.A. No. 9184 - Agreeing to refrain from submitting, or withdrawal of bids.
<input type="checkbox"/>	Violation of Sec. 65(b) of R.A. No. 9184 - Employment of schemes to suppress competition.
<input type="checkbox"/>	Other violation: (Specify)  State the violation and the legal basis

3. The penalty is being imposed in connection with the following procurement details:
4. In addition to the foregoing, the following sanctions are also imposed:  
*[Please check other applicable sanctions]*
- Forfeiture of Bid Security in the amount of PhP \_\_\_\_\_ (Specify Ammount)
  - Forfeiture of Performance Security in the amount of \_\_\_\_\_ (Specify Ammount) :
  - Suspension of account in the PhilGEPS website.
  - Cancellation of account in the PhilGEPS website.
  - Denial of registration with PhilGEPS.
5. Additional information, if any:

The name/s of the foregoing persons and/or entities shall be posted within three (3) calendar days from the date of effectivity of this Blacklisting Order in the Consolidated Blacklisting Report (CBR) through the Online Blacklisting Portal pursuant to Section 10 of the "Uniform Guidelines for Blacklisting of Manufacturers, Suppliers, Distributors, Contractors and Consultants", as amended by GPPB Resolution No. 14-2020 dated 25 June 2020. The names of the Blacklisted Persons/Entity/ies shall be removed upon the lapse of the period of penalty.

Issued this \_\_\_\_\_, in \_\_\_\_\_.

SO ORDERED.

\_\_\_\_\_  
Name of HoPE/Appellate Authority

Received by: \_\_\_\_\_

Designation: \_\_\_\_\_

Date Received: \_\_\_\_\_

***In case of concerns/clarifications, you may contact the agency through:***

Address: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Cellphone/Telephone No.: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

***Posted on:***

Date & time: \_\_\_\_\_

Name: \_\_\_\_\_

Position.: \_\_\_\_\_



TANGGAPAN NG KOMANDANTE  
(OFFICE OF THE COMMANDANT)  
**PAMBANSANG PUNONGHIMPILAN TANOD BAYBAYIN NG PILIPINAS**  
(National Headquarters Philippine Coast Guard)  
(Address)

(Date of Issuance)

**Mr./Ms. Full Name**

Position

Company/Firm

Address

**Dear MS/MR. (LAST NAME):**

This refers to the contract for **(Name of Project)** with a contract price amounting to **(Contract amount)** which was awarded to your company last **(Date Awarded)**. Your office has **(Delivery Period/Work Period)** reckoned from the date of the Company's acknowledgment of the receipt of the Notice to Proceed or until **(Date)** including those granted Contract Time Extensions (CTE) to perform all your obligations and complete the entire project in accordance with the provisions of the Work Order and Contract Agreement. Based on the duly attached verified report submitted, the Implementing Unit (IU) stated that there is an existence of a ground for termination by default thru the fault of the Contractor after it has incurred a negative slippage of **(15% or more, etc)** Hence, the IU recommends the following:  
**(Specify the recommendations)**

You are requested to show cause through the submission of a verified position paper as to why the contract should not be terminated. You are hereby given seven (7) days from receipt of this notice to submit the aforesaid paper. Failure to submit the verified position paper within the prescribed period shall mean waiver on your part to contest the same grounds for termination of the contract.

For further coordination, the Office of **(Contact Details of Procurement Service/Office)**

Kindly acknowledge receipt of this letter and e-mail it to  
(E-mail Address).

For your appropriate attention and immediate action.

Very truly yours,

\_\_\_\_\_  
Commandant, Philippine Coast Guard

Acknowledged by:

Signature Over Printed Name: \_\_\_\_\_

Position \_\_\_\_\_

Date: \_\_\_\_\_



TANGGAPAN NG KOMANDANTE  
(OFFICE OF THE COMMANDANT)  
**PAMBANSANG PUNONGHIMPILAN TANOD BAYBAYIN NG PILIPINAS**  
(National Headquarters Philippine Coast Guard)  
(Address)

(Date of Issuance)

**Mr./Ms. Full Name**

Position

Company/Firm

Address

**TERMINATION OF CONTRACT UNDER WORK/PURCHASE ORDER NR**  
**(Number)**

**Dear MS/MR. (LAST NAME):**

This refers to our letter duly received by **(Name and Position of the Recipient of the Notice)** requesting for a show cause through a verified position paper as to the reason why the project **(Project Name)** should not be terminated.

Consequently, after the lapse of seven (7) calendar day period upon receipt of the Notice to Terminate last **(Date Receipt)**, **(Company Name)** has failed to show cause through a verified position paper to the PCG which will result to the issuance of a Notice of Decision Ordering Termination of the Contract.

Under section IV.3 of Annex I (Guidelines on Termination of Contracts) of the 2016 Revised Implementing Rules and Regulations (RIRR) of Republic Act (R.A.) 9184 provides:

Within a period of seven (7) calendar days from receipt of the Notice of Termination, the Supplier/Contractor/Consultant shall submit to the Head of Procuring Entity a verified position paper stating why the contract should not be terminated.

If the Supplier/Contractor/Consultant fails to show cause after the lapse of seven (7) days period, either by inaction or by default, the Head of Procuring Entity (HoPE) shall issue an order terminating the contract.

As a result of non-compliance to the above-cited provision, this serves as formal notice by the Philippine Coast Guard of its **Decision Terminating the Contract by Default (wholly/in Part)** of the **(Project Name)** with **Work/Purchase Order Nr. (Number)** and contract price amounting to **(Specify Amount)** which was awarded to your company last **(Date Awarded)**. The PCG is constrained to issue a final decision terminating the contract due to default (partly) based on the grounds previously relayed to your office in the Notice to Terminate and attached verified report.

Appendix 17 section 6.1 (Uniform Guidelines of Blacklisting of Manufacturers, Suppliers, Distributors, Contractors, and Consultant) of the revised IRR of R.A 9184

provides that:

*“Upon termination of contract due to default and/or unlawful acts of the contractor, the Head of the Procuring Entity shall issue within seven (7) calendar days a Blacklisting Order immediately disqualifying the erring contractor from participating in the bidding of all government projects. The performance security of said contractor shall also be forfeited.”*

According to the above provision, the contract of the **(Project Name)** has been terminated effective upon receipt of this letter. Anent this the Philippine Coast Guard is constrained to issue a Blacklisting Order disqualifying your company from participating in the bidding of all government projects. Therefore, this also serves as your Blacklisting Order of one (1) year from receipt thereof)

For your information and reference.

Very truly yours,

\_\_\_\_\_  
Commandant, Philippine Coast Guard

Acknowledged by:

Signature Over Printed Name: \_\_\_\_\_

Position \_\_\_\_\_

Date: \_\_\_\_\_



TANGGAPAN NG KOMANDANTE  
(OFFICE OF THE COMMANDANT)  
**PAMBANSANG PUNONGHIMPILAN TANOD BAYBAYIN NG PILIPINAS**  
(National Headquarters Philippine Coast Guard)  
(Address)

(Date of Issuance)

**Mr./Ms. Full Name**

Position

Company/Firm

Address

**Dear MS/MR. (LAST NAME):**

**NOTICE OF DECISION ORDERING NOT TO TERMINATE THE CONTRACT**

**Dear MS/MR. (LAST NAME):**

This refers to your contract (**Name of Project**) in the amount of (**Total Contract Price**). Pursuant to Section IV.5 Annex I of the 2016 revised IRR of R.A. 9184; this Notice is hereby issued to inform your firm/company that this Office decided **Not to Terminate the Contract (chose one- wholly or partly), (state reason for not Terminating the contract), per Executive Summary dated \_\_\_\_\_.**

In view thereof, you are hereby ordered to continue with implementation of the project in accordance with the contract.

Please be informed that based on the approved schedule, your firm/company has \_\_\_\_\_ ( ) calendar days remaining to complete the project. Or (Please be informed that based on the approved schedule, the contract duration has already expired, as such, this Office will apply the Liquidated damages.)

Kindly acknowledge receipt of this letter and e-mail it to [procurement@coastguard.gov.ph](mailto:procurement@coastguard.gov.ph).

For your information and reference.

Very truly yours,

\_\_\_\_\_  
Commandant, Philippine Coast Guard

Acknowledged by:

Signature Over Printed Name: \_\_\_\_\_

Position \_\_\_\_\_

Date: \_\_\_\_\_



TANGGAPAN NG KOMANDANTE  
(OFFICE OF THE COMMANDANT)  
**PAMBANSANG PUNONGHIMPILAN TANOD BAYBAYIN NG PILIPINAS**  
**(National Headquarters Philippine Coast Guard)**  
(Address)

(Date of Issuance)

**Mr./Ms. Full Name**

Position

Company/Firm

Address

**Dear MS/MR. (LAST NAME):**

This refers to the contract (Name of Project) in the amount of (Contract Amount). Pursuant to Section IV.2 Annex I of the 2016 Revised IRR of RA 9184, this notice is hereby issued to terminate the contract (**choose one wholly or in part**) for (state the grounds for Termination Convenience as stipulated under Section III.A.2 Annex I of the 2016 Revised IRR of RA 9184 which was caused by (state the circumstances which leads to the ground/s for termination e.g. Negative Slippage of 15% or more, etc.). The existence of the aforementioned ground/s for termination was/were duly verified by the Implementing Unit as indicated in the notarized Verified Report.

In view hereof, you are hereby ordered to submit within seven (7) Calendar days upon receipt of this notice, a duly notarized position paper stating why the contract should not be terminated. Likewise substantiate your claim/reasons with acceptable supporting documents.

Failure to submit a verified position paper within the prescribed period shall cause this Office to issue the Decision Ordering Termination the Contract pursuant to Section IV.3 Annex "I" of the 2016 Revised IRR of RA 9184.

Attached herewith is the notarized Verified Report as required under Section IV.2 Appendix I of the 2016 Revised IRR of RA 9184.

For your information, guidance and compliance.

For further coordination, the Office of (**Contact Details of Procurement Service/Office**)

Kindly acknowledge receipt of this letter and e-mail it to  
(E-mail Address).

For your appropriate attention and immediate action.

Very Truly Yours

\_\_\_\_\_  
Commandant, Philippine Coast Guard

Acknowledged by:

Signature Over Printed Name: \_\_\_\_\_

Position \_\_\_\_\_

Date: \_\_\_\_\_





TANGGAPAN NG KOMANDANTE  
(OFFICE OF THE COMMANDANT)  
**PAMBANSANG PUNONGHIMPILAN TANOD BAYBAYIN NG PILIPINAS**  
(National Headquarters Philippine Coast Guard)  
(Address)

(Date of Issuance)

**Mr./Ms. Full Name**

Position

Company/Firm

Address

**TERMINATION OF CONTRACT UNDER WORK/PURCHASE ORDER NR**  
**(Number)**

**Dear MS/MR. (LAST NAME):**

This refers to our letter duly received by **(Name and Position of the Recipient of the Notice)** requesting for a show cause through a verified position paper as to the reason why the project **(Project Name)** should not be terminated.

Consequently, after the lapse of seven (7) calendar day period upon receipt of the Notice to Terminate last **(Date Receipt)**, **(Company Name)** has failed to show cause through a verified position paper to the PCG which will result to the issuance of a Notice of Decision Ordering Termination of the Contract.

Under section IV.3 of Annex I (Guidelines on Termination of Contracts) of the 2016 Revised Implementing Rules and Regulations (RIRR) of Republic Act (R.A.) 9184 provides:

Within a period of seven (7) calendar days from receipt of the Notice of Termination, the Supplier/Contractor/Consultant shall submit to the Head of Procuring Entity a verified position paper stating why the contract should not be terminated.

If the Supplier/Contractor/Consultant fails to show cause after the lapse of seven (7) days period, either by inaction or by default, the Head of Procuring Entity (HoPE) shall issue an order terminating the contract.

As a result of non-compliance to the above-cited provision, this serves as formal notice by the Philippine Coast Guard of its **Decision Terminating the Contract by Convenience (wholly/in Part)** of the **(Project Name)** with **Work/Purchase Order Nr. (Number)** and contract price amounting to **(Specify Amount)** which was awarded to your company last **(Date Awarded)**. The PCG is constrained to issue a final decision terminating the contract due to convenience (wholly or in part) based on the grounds previously relayed to your office in the Notice to Terminate and attached verified report.

For your information, guidance and compliance.

For further coordination, the Office of **(Contact Details of Procurement Service/Office)**

Kindly acknowledge receipt of this letter and e-mail it to  
(E-mail Address).

For your appropriate attention and immediate action.

Very Truly Yours

Very Truly Yours

---

Commandant, Philippine Coast Guard

Acknowledged by:

Signature Over Printed Name: \_\_\_\_\_

Position \_\_\_\_\_

Date: \_\_\_\_\_