INVITATION TO BID

Long Range Patrol Aircraft Acquisition Project

1. The Department of National Defense/Armed Forces of the Philippines (DND/AFP), through the AFP Modernization Act Trust Fund (RA 10349 "Revised AFP Modernization Program" dated 11 December 2012), intends to apply the sum of FIVE BILLION NINE HUNDRED SEVENTY SIX MILLION PESOS (PHP5,976,000,000.00) being the Approved Budget for the Contract (ABC) to payments under the corresponding contract for the two (2) Long Range Patrol Aircrafts including its Sensors, Sensors Integration, Mission Support Facilities and ILS Package for the Philippine Air Force. Bids received in excess of the ABC shall be automatically rejected at the Bid opening.

2. The DND/AFP now invites bids for the acquisition of two (2) brand new units of Long Range Patrol Aircraft including its Sensors, Sensors Integration, Mission Support Facilities and ILS Package for the Philippine Air Force. Delivery of the GOODS is required within 1,035 calendar days period from the receipt of Notice to Proceed. Bidders should have completed, within the last ten (10) years from the date of submission and receipt of bids, a contract similar to the Project. The description of an eligible bidder is contained in the Bidding Documents, particularly, in Section II. Instructions to Bidders.

3. Bidding will be conducted through a two (2) stage competitive bidding procedures using a non-discretionary "pass/fail" criterion as specified in the Implementing Rules and Regulations (IRR) of Republic Act (RA) 9184, otherwise known as the "Government Procurement Reform Act". Bidding is open to all interested bidders, whether local or foreign, subject to the conditions for eligibility provided in the IRR of RA 9184.

4. Interested bidders may obtain further information from DND Bids and Awards Committee (DND SBAC-1) Secretariat and inspect the Bidding Documents at the address given below from Monday to Friday excluding holidays at 8:00 AM to 5:00 PM.

5. A complete set of Bidding Documents may be purchased by interested Bidders on May 21, 2014 from the address below and upon payment of a non-refundable fee for the Bidding Documents in the amount of SEVENTY FIVE THOUSAND PESOS (PHP75,000.00).

It may also be downloaded free of charge from the website of the Philippine Government Electronic Procurement System (PhilGEPS) and the website
of the Procuring Entity, provided that Bidders shall pay the non-refundable fee for the
Bidding Documents not later than the submission of their bids.

6. The DND SBAC-1 will hold its First Stage Pre-Bid Conference on May
30, 2014 at 10:00 A.M. at DND BAC Conference Room, Right Wing Basement,
DND Bldg., Camp General Emilio Aguinaldo, Quezon City, which shall be open to
all interested parties.

7. First Stage Bids must be delivered to the address below on or before
June 13, 2014 at 10:00 A.M. All Bids must be accompanied by a Bid Security in any
of the acceptable forms as provided in the bidding documents.

8. First Stage Bid opening shall be on June 13, 2014 at 10:00 A.M. at
DND BAC Conference Room, Basement, DND Bldg., Camp General Emilio
Aguinaldo, Quezon City. Bids will be opened in the presence of the Bidders’
representatives who choose to attend at the address below. Late bids shall not be
accepted.

9. Eligible Bidders shall be notified for the Second Stage Bidding
Procedure upon completion of the evaluation and validation of the submitted
documents during the First Stage Bidding.

10. To facilitate eligibility checking, interested bidders may apply for
registration with the DND SBAC-1, through the SBAC-1 Secretariat not later than ten
(10) days from the scheduled submission and opening of bids for the project.

11. The GOODS being offered must be used by the Armed Forces of the
country of origin or by the Armed Forces of at least two (2) other countries.

12. The GOODS offered must be from suppliers who are themselves the
manufacturers.

13. This project is exempted from Value-Added Tax and Customs Duties
pursuant to Section 10 of RA 10349.

14. The DND/AFP reserves the right to accept or reject any Bid, to annul
the bidding process, and to reject all Bids at any time prior to contract award, without
thereby incurring any liability to the affected Bidder or Bidders.

15. For further information, please refer to:

DND SBAC Secretariat-1
Right Wing Basement, DND Building,
Camp General Emilio Aguinaldo,
Quezon City, Philippines 1110
Telephone No: (632) 982-5626
Telefax No: (632) 421-3531

(Sgd) USEC FERNANDO I. MANALO
USFMIM/Chairman, DND SBAC-1