



**CONTRACT FOR THE
PROCUREMENT OF 5,300,000 PIECES ENHANCED PHILHEALTH
IDENTIFICATION CARDS (IDs) FOR THE NATIONAL
HOUSEHOLD TARGETING SYSTEM POVERTY REDUCTION
(NHTS-PR) IDENTIFIED POOR**


 **Dr. Eduardo P. Banzon**
President and CEO

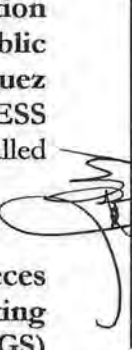
THIS AGREEMENT made on the ____ day of _____, 2012 between **PHILIPPINE HEALTH INSURANCE CORPORATION**, a government owned and controlled corporation created and existing by virtue of R.A. 7875, otherwise known as the "National Health Insurance Act of 1995", with office address at 17th Floor, City State Center Building, 709 Shaw Blvd corner Oranbo Drive, Pasig City, represented herein by its President and Chief Executive Officer, **DR. EDUARDO P. BANZON**, (hereinafter called "**PHILHEALTH**").

-and-

 **Carlo Enrico Y. Jarlego**
Business Development Manager


ALLCARD PLASTICS PHILIPPINES, INCORPORATED, a corporation, organized and registered with the Securities and Exchange Commission under Company Registration No. CS200404924, issued on March 25, 2004, and existing under the laws of the Republic of the Philippines, with business address at 1/F ACC Corporate Center, 187 E. Rodriguez Jr. Avenue, Bagumbayan, Quezon City, represented herein by its BUSINESS DEVELOPMENT MANAGER, **CARLO ENRICO Y. JARLEGO**, (hereinafter called "**ALLCARD**").

 **Edgar Julio Kuncion**
SVP, Legal Sector

 **Haydee D. Dangoy**
Marketing Manager

WHEREAS, **PHILHEALTH** invited Bids for the Procurement of 5,300,000 pieces Enhanced PhilHealth Identification Cards (IDs) for the National Household Targeting System for Poverty Reduction (NHTS-PR) Identified Poor (ITB No. NHTS 2012-001-GS) and has accepted a Bid by **Allcard Plastics Philippines, Incorporated** for the supply of those goods in the sum of **FIFTEEN MILLION AND NINE HUNDRED THOUSAND PESOS (PhP15,900,000.00) ONLY**, (hereinafter called "**the Contract Price**").

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

-  **Hannah Antonio Dalisay**
OIC-Division Chief / DRAS-AIC Division
Comptrollership Department
1. In this Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract referred to.
 2. The following documents shall be deemed to form and be read and construed as part of this Agreement, viz.:
 - (a) the Financial Proposal submitted by Allcard Plastics Philippines, Incorporated (**Annex "A"**);
 - (b) the Schedule of Requirements (**Annex "B"**);
 - (c) the Technical Specifications (**Annex "C"**);
 - (d) the General Conditions of Contract (**Annex "D"**);
 - (e) the Special Conditions of Contract (**Annex "E"**);
 - (f) the Bid Bulletin No. 01 (**Annex "F"**);
 - (g) the BAC-GS Resolution No. 24, s. 2012 (**Annex "G"**); and
 - (h) the Notice of Award (**Annex "H"**).
 3. In consideration of the payments to be made by **PHILHEALTH** to **ALLCARD** as hereinafter mentioned, **ALLCARD** hereby covenants with **PHILHEALTH** to provide the goods and services and to remedy defects therein in conformity in all respects with the provisions of the Contract;
 4. **PHILHEALTH** hereby covenants to pay **ALLCARD** in consideration of the provision of the goods and 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.
 5. The contract price covers all taxes, including the 12% Value-Added-Tax, customs duties, license fees, freight, insurance and other charges which may be imposed on the Product by foreign and local authorities.

6. **ALLCARD** hereby covenants to deliver in favor of **PHILHEALTH** within forty-five (45) Calendar Days the goods/services based on **Annex "C"** of this Contract Agreement upon:
- 1.) receipt from **PHILHEALTH** of the Notice to Proceed; and
 - 2.) receipt from **PHILHEALTH** of the DATA in CD format containing the Data Structure; and
 - 3.) receipt from **PHILHEALTH** of the approved Final Artwork.
7. **ALLCARD** hereby covenants to keep the member data and details of NHTS-PR Sponsored Program Members confidential; to ensure the safety of the data contained in the CD Format; to return the said data to **PHILHEALTH** after the completion of the contract; and to maintain the confidentiality of the copies, files and records retained by **ALLCARD**, as may be allowed by **PHILHEALTH**, confidential even after the effectivity of this contract.
8. Partial delivery shall be undertaken by **ALLCARD** every Friday of the week, at a minimum of 500,000 IDs, and other documentary requirements accompanied by a system generated listing reflecting details of delivered ID and the data reflected on each ID.

For every delivery to and acceptance by **PHILHEALTH** of the finished cards and the submission by **ALLCARD** of the **STATEMENT OF BILLING ACCOUNT** and other documentary requirements for such cards, **PHILHEALTH** shall pay, within fifteen (15) working days, the sum representing ninety percent (90%) of that stated in the invoice/statement of billing account or the corresponding price of the IDs delivered to and accepted by **PHILHEALTH**.

PHILHEALTH shall hold ten percent (10%) of the price of each payment as retention money or as obligation for "**Warranty**". Said amount shall only be released after the lapse of the **three (3) month warranty period** for expendable supplies as required under **Section 62 (Warranty) of the Revised IRR of RA 9184**. Provided, however, that the goods supplied are free from patent and latent defects and all the conditions imposed under the contract have been fully met. Provided further, that **ALLCARD** may opt to post a **special bank guarantee** equivalent to at least **ten percent (10%) of the total contract price**. The said special bank guarantee must have a validity period of **three (3) month** covering the whole duration of the **warranty period**.

9. All other terms, conditions and stipulations accompanying this contract together with all proposals and all mandatory provisions of the Revised Implementing Rules and Regulations of R.A. No. 9184, shall form an integral part of the contract between the PARTIES hereto.

The parties hereby certify that they have read or caused to be read to them each and every provision of the foregoing Contract and that they had fully understood the same.

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.

PHILIPPINE HEALTH INSURANCE CORPORATION

By:


DR. EDUARDO P. BANZON
President and Chief Executive Officer


ALLCARD PLASTICS PHILIPPINES, INCORPORATED


By:

CARLO ENRICO Y. JARLEGO
Business Development Manager

Signed in the presence of:


EDGAR JULIO S. ASUNCION
Senior Vice President for Legal Sector


HAYDEE D. DANGOY
Marketing Manager


HANNAH ANTONIO DALISAY
OIC-Division Chief IV / DRAS-AIC DIVISION
Comptrollership Department

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF MANILA) S.S.

BEFORE ME, this 20 JUN 2012 2012, personally appeared the following persons exhibiting to me their respective Government issued ID's, to wit:

DR. EDUARDO P. BANZON
Philippine Health Insurance Corporation

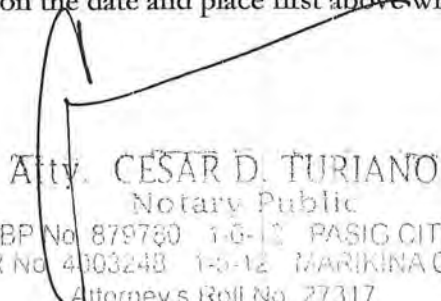
CARLO ENRICO Y. JARLEGO
ALLCARD Plastics Philippines, Incorporated



Known to me to be the same persons who executed the foregoing Contract Agreement consisting of twenty seven (27) pages including the annexes and this page on which the acknowledgement is written and they acknowledged that the same is their free act and deed and that of the corporations being represented.

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

Doc No. 67
Page No. 14
Book No. III
Series of 2012


Atty. CESAR D. TURIANO
Notary Public
IBP No 879760 1-6-12 PASIG CITY
PTR No 4003248 1-6-12 MARIKINA CITY
Attorney's Roll No 27317
MCLE III No 0016275
Commission Valid Until DEC 31, 2012.



Annex "A"

Bid Form

Mr. Octavino Esguerra
Chairperson
Bids and Awards Committee
PHILHEALTH

Date: MARCH 28, 2012
Invitation to Bid No: NHTS 2012-001-GS

Gentlemen and/or Ladies:

Having examined the Bidding Documents including Bid Bulletin Number 1, the receipt of which is hereby duly acknowledged, we, the undersigned, offer to supply/delivery 5,300,000 pieces Enhanced PhilHealth Identification Cards(IDs) for the National Household Targeting System for Poverty Reduction(NHTS-PR) Identified Poor in conformity with the said Bidding Documents for the sum stated hereunder.

PARTICULARS	COST per item (inclusive of VAT)	Total Cost (Inclusive of VAT)
Fifteen Million Nine Hundred Thousand Pesos	Php 3.00	Php 15,900,000.00

We undertake, if our Bid is accepted, to deliver the goods in accordance with the delivery schedule specified in the Schedule of Requirements.

If our Bid is accepted, we undertake to provide a performance security in the form, amounts and within the times specified in the Bidding Documents.


We agree to abide by this Bid for the Bid Validity Period specified in BDS provision for ITB Clause 18.2 and it shall remain binding upon us and may be accepted at any time before the expiration of that period.

Until a formal Contract is prepared and executed, this Bid, together with your written acceptance thereof and your Notice of Award, shall be binding upon us.

We understand that you are not bound to accept the lowest or any Bid you may receive.

We certify/confirm that we comply with the eligibility requirements as per ITB Clause 5 of the Bidding Documents.

Dated this 28th day of March, 2012


Carlo Enrico Y. Jarlego
[Signature]

Business Development Manager
[in the capacity of]

Duly authorized to sign Bid for and on behalf of ALLCARD PLASTICS PHILIPPINES, INC.


Section VI. Schedule of Requirements

The delivery schedule expressed as weeks/months stipulates hereafter a delivery date which is the date of delivery to the project site.

Item Number	Description	Quantity	Total	Delivered, Weeks/Months
	PhilHealth Enhanced Identification Cards (IDs) for the National Household Targeting System for Poverty Reduction (NHTS-PR) Identified Poor	5,300,000 pieces	5,300,000 pieces	Within forty-five (45) Calendar Days after issuance and receipt by the winning bidder of the Notice to Proceed.

I hereby certify to comply and deliver all the above requirements.

ALLCARD PLASTICS PHILS., INC.
Name of Company/Bidder


CARLO ENRICO Y. JARLEGO
Signature over Printed Name of Representative

MARCH 28, 2012
Date

Section VII. Technical Specifications

SPECIFICATION	Statement of Compliance
<p>* Statement of Compliance- Bidders must state here either "Comply" or "Not Comply" against each of the individual parameters of each Specification stating the corresponding performance parameter of the equipment offered. Statements of "Comply" or "Not Comply" must be supported by evidence in a Bidders Bid and cross-referenced to that evidence. Evidence shall be in the form of manufacturer's un-amended sales literature, unconditional statements of specification and compliance issued by the manufacturer, samples, independent test data etc., as appropriate. A statement that is not supported by evidence or is subsequently found to be contradicted by the evidence presented will render the Bid under evaluation liable for rejection. A statement either in the Bidders statement of compliance or the supporting evidence that is found to be false either during Bid evaluation, post-qualification or the execution of the Contract may be regarded as fraudulent and render the Bidder or supplier liable for prosecution subject to the provisions of ITB Clause 3.1(a)(ii) and/or GCC Clause 2.1(a)(ii).</p>	
1. SPECIFICATIONS:	Statement of Compliance *
The winning bidder shall provide the following deliverables:	
Card Label : Health Insurance Card – HI Card Design	COMPLY
Quantity : 5,300,000 pieces	COMPLY
Material : PVC type	COMPLY
Size : 50mm or 20 mil (thickness) – laminated front and back	COMPLY
Design/Color: Personalization, full color front and back with photo space for photo capture provisions	COMPLY
Process : Centralized printing/digital offset printing	COMPLY
Other : Design as approved by PhilHealth (see attached printing)	COMPLY
: Includes the effectivity date below the member name and birth date	COMPLY
: With signature panel	COMPLY
: Invisible ink with micro text	COMPLY
: With personalization of member details such as FULL NAME, PIN, BIRTHDATE, GENDER, ID BARCODE	COMPLY
: The personalization print shall be under the Lamination	COMPLY
: Magnetic stripe for eligibility checking	COMPLY
: Hi-Co (High coercivity)	COMPLY
Packaging : Services should include sorting and bundling of IDs per Region, Province and Cities/Municipalities	COMPLY
2. DELIVERABLES	
➤ 5,300,000 pieces PhilHealth IDs for the Enhanced Nationwide Household Targeting System for Poverty Reduction (NHTS-PR) Identified Poor	COMPLY
All items shall be delivered to the PhilHealth Supply Section, Room 1501, 15 th Floor, CityState Centre, Brgy. Oranbo, Pasig City.	COMPLY
All deliveries shall be accompanied by the following documents:	

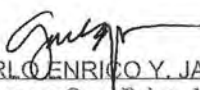
CERTIFIED TRUE COPY

BY: 

(a) Original Contract;	COMPLY
(b) Invoice indicating the winning bidder's name as approved by the Bureau of Internal Revenue; and Delivery Receipt.	COMPLY
3. BIDDERS ELIGIBILITY	
➤ Sixty Percent (60%) Filipino owned;	COMPLY
➤ Must have a local Card Manufacturing Plant;	COMPLY
➤ Must have five (5) years of card production experience in the Philippines;	COMPLY
➤ Must have a single largest similar contract of at least fifty percent (50%) of the Approved Budget for the Contract (ABC) (similar refers to card production but not limited to UMID, Prepaid cards, ATMs, membership cards)	COMPLY
➤ Cards with at least two (2) years warranty.	COMPLY

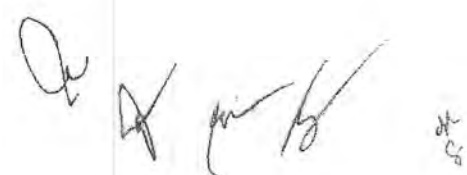
I hereby certify to comply with all the above Technical Specifications

ALLCARD PLASTICS PHILS., INC.
Name of Company/Bidder


CARLO ENRICO Y. JARLEGO
Signature Over Printed Name of Representative

MARCH 28, 2012
Date

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Section IV. General Conditions of Contract**I. Definitions**

1.1. In this Contract, the following terms shall be interpreted as indicated:

- (a) "The Contract" means the agreement entered into between the Procuring Entity and the Supplier, as recorded in the Contract Form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
- (b) "The Contract Price" means the price payable to the Supplier under the Contract for the full and proper performance of its contractual obligations.
- (c) "The Goods" means all of the supplies, equipment, machinery, spare parts, other materials and/or general support services which the Supplier is required to provide to the Procuring Entity under the Contract.
- (d) "The Services" means those services ancillary to the supply of the Goods, such as transportation and insurance, and any other incidental services, such as installation, commissioning, provision of technical assistance, training, and other such obligations of the Supplier covered under the Contract.
- (e) "GCC" means the General Conditions of Contract contained in this Section.
- (f) "SCC" means the Special Conditions of Contract.
- (g) "The Procuring Entity" means the organization purchasing the Goods, as named in the SCC.
- (h) "The Procuring Entity's country" is the Philippines.
- (i) "The Supplier" means the individual contractor, manufacturer distributor, or firm supplying/manufacturing the Goods and Services under this Contract and named in the SCC.
- (j) The "Funding Source" means the organization named in the SCC.
- (k) "The Project Site," where applicable, means the place or places named in the SCC.
- (l) "Day" means calendar day.
- (m) The "Effective Date" of the contract will be the date of receipt by the Supplier of the Notice to Proceed or the date provided in the Notice to Proceed. Performance of all obligations shall be reckoned from the Effective Date of the Contract.
- (n) "Verified Report" refers to the report submitted by the Implementing Unit to the Head of the Procuring Entity setting forth its findings as to the existence of grounds or causes for termination and explicitly stating its recommendation for the issuance of a Notice to Terminate.

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2. Corrupt, Fraudulent, Collusive, and Coercive Practices

2.1. Unless otherwise provided in the SCC, the Procuring Entity as well as the bidders, contractors, or suppliers shall observe the highest standard of ethics during the procurement and execution of this Contract. In pursuance of this policy, the Procuring Entity:

- (a) defines, for the purposes of this provision, the terms set forth below as follows:
 - (i) "corrupt practice" means behavior on the part of officials in the public or private sectors by which they improperly and unlawfully enrich themselves, others, or induce others to do so, by misusing the position in which they are placed, and it includes the offering, giving, receiving, or soliciting of anything of value to influence the action of any such official in the procurement process or in contract execution; entering, on behalf of the Government, into any contract or transaction manifestly and grossly disadvantageous to the same, whether or not the public officer profited or will profit thereby, and similar acts as provided in Republic Act 3019.
 - (ii) "fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of the Procuring Entity, and includes collusive practices among Bidders (prior to or after bid submission) designed to establish bid prices at artificial, non-competitive levels and to deprive the Procuring Entity of the benefits of free and open competition.
 - (iii) "collusive practices" means a scheme or arrangement between two or more Bidders, with or without the knowledge of the Procuring Entity, designed to establish bid prices at artificial, non-competitive levels.
 - (iv) "coercive practices" means harming or threatening to harm, directly or indirectly, persons, or their property to influence their participation in a procurement process, or affect the execution of a contract;
 - (v) "obstructive practice" is
 - (aa) deliberately destroying, falsifying, altering or concealing of evidence material to an administrative proceedings or investigation or making false statements to investigators in order to materially impede an administrative proceedings or investigation of the Procuring Entity or any foreign government/foreign or international financing institution into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the administrative proceedings or investigation or from pursuing such proceedings or investigation; or
 - (bb) acts intended to materially impede the exercise of the inspection and audit rights of the Procuring Entity or any foreign government/foreign or international financing institution herein.

- (b) will reject a proposal for award if it determines that the Bidder recommended for award has engaged in any of the practices mentioned in this Clause for purposes of competing for the contract.

- 2.2. Further the Funding Source, Borrower or Procuring Entity, as appropriate, will seek to impose the maximum civil, administrative and/or criminal penalties available under the applicable law on individuals and organizations deemed to be involved with any of the practices mentioned in GCC Clause 2.1(a).

3. Inspection and Audit by the Funding Source

The Supplier shall permit the Funding Source to inspect the Supplier's accounts and records relating to the performance of the Supplier and to have them audited by auditors appointed by the Funding Source, if so required by the Funding Source.

4. Governing Law and Language

- 4.1. This Contract shall be interpreted in accordance with the laws of the Republic of the Philippines.

- 4.2. This Contract has been executed in the English language, which shall be the binding and controlling language for all matters relating to the meaning or interpretation of this Contract. All correspondence and other documents pertaining to this Contract exchanged by the parties shall be written in English.

5. Notices

- 5.1. Any notice, request, or consent required or permitted to be given or made pursuant to this Contract shall be in writing. Any such notice, request, or consent shall be deemed to have been given or made when received by the concerned party, either in person or through an authorized representative of the Party to whom the communication is addressed, or when sent by registered mail, telex, telegram, or facsimile to such Party at the address specified in the SCC, which shall be effective when delivered and duly received or on the notice's effective date, whichever is later.

- 5.2. A Party may change its address for notice hereunder by giving the other Party notice of such change pursuant to the provisions listed in the SCC for GCC Clause 5.1.

6. Scope of Contract

- 6.1. The GOODS and Related Services to be provided shall be as specified in Section VI. Schedule of Requirements.

- 6.2. This Contract shall include all such items, although not specifically mentioned, that can be reasonably inferred as being required for its completion as if such items were expressly mentioned herein. Any additional requirements for the completion of this Contract shall be provided in the SCC.

7. Subcontracting

- 7.1. Subcontracting of any portion of the Goods, if allowed in the BDS, does not relieve the Supplier of any liability or obligation under this Contract. The Supplier will be responsible for the acts, defaults, and negligence of any subcontractor, its agents, servants or workmen as fully as if these were the Supplier's own acts, defaults, or negligence, or those of its agents, servants or workmen.

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- 7.2. Subcontractors disclosed and identified during the bidding may be changed during the implementation of this Contract, subject to compliance with the required qualifications and the approval of the Procuring Entity.

8. Procuring Entity's Responsibilities

- 8.1. Whenever the performance of the obligations in this Contract requires that the Supplier obtain permits, approvals, import, and other licenses from local public authorities, the Procuring Entity shall, if so needed by the Supplier, make its best effort to assist the Supplier in complying with such requirements in a timely and expeditious manner.
- 8.2. The Procuring Entity shall pay all costs involved in the performance of its responsibilities in accordance with GCC Clause 6.

9. Prices

- 9.1. For the given scope of work in this Contract as awarded, all bid prices are considered fixed prices, 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 R.A. 9184 and its IRR or except as provided in this Clause.
- 9.2. Prices charged by the Supplier for Goods delivered and/or services performed under this Contract shall not vary from the prices quoted by the Supplier in its bid, with the exception of any change in price resulting from a Change Order issued in accordance with GCC Clause 29.

10. Payment

- 10.1. Payments shall be made only upon a certification by the Head of the Procuring Entity to the effect that the Goods have been rendered or delivered in accordance with the terms of this Contract and have been duly inspected and accepted. Except with the prior approval of the President no payment shall be made for services not yet rendered or for supplies and materials not yet delivered under this Contract. Ten percent (10%) of the amount of each payment shall be retained by the Procuring Entity to cover the Supplier's warranty obligations under this Contract as described in GCC Clause 17.
- 10.2. The Supplier's request(s) for payment shall be made to the Procuring Entity in writing, accompanied by an invoice describing, as appropriate, the Goods delivered and/or Services performed, and by documents submitted pursuant to the SCC provision for GCC Clause 6.2, and upon fulfillment of other obligations stipulated in this Contract.
- 10.3. Pursuant to GCC Clause 10.2, payments shall be made promptly by the Procuring Entity, but in no case later than sixty (60) days after submission of an invoice or claim by the Supplier.
- 10.4. Unless otherwise provided in the SCC, the currency in which payment is made to the Supplier under this Contract shall be in Philippine Pesos.

11. Advance Payment and Terms of Payment

- 11.1. Advance payment shall be made only after prior approval of the President, and shall not exceed fifteen percent (15%) of the Contract amount, unless otherwise directed by the President or in cases allowed under Annex "D" of RA 9184.
- 11.2. For Goods supplied from abroad, the terms of payment shall be as follows:

- (a) On Contract Signature: Ten percent (10%) of the Contract Price shall be paid within sixty (60) days from signing of the Contract and upon submission of a claim and a bank guarantee for the equivalent amount valid until the Goods are delivered and in the form provided in Section VIII. Bidding Forms.
- (b) On Delivery: Seventy percent (70%) of the Contract Price shall be paid to the Supplier within sixty (60) days after the date of receipt of the Goods and upon submission of the documents (i) through (vi) specified in the SCC provision on Delivery and Documents.
- (c) On Acceptance: The remaining twenty percent (20%) of the Contract Price shall be paid to the Supplier within sixty (60) days after the date of submission of the acceptance and inspection certificate for the respective delivery issued by the Procuring Entity's authorized representative. In the event that no inspection or acceptance certificate is issued by the Procuring Entity's authorized representative within forty five (45) days of the date shown on the delivery receipt the Supplier shall have the right to claim payment of the remaining twenty percent (20%) subject to the Procuring Entity's own verification of the reason(s) for the failure to issue documents (vii) and (viii) as described in the SCC provision on Delivery and Documents.

11.3. All progress payments shall first be charged against the advance payment until the latter has been fully exhausted.

12. Taxes and Duties

The Supplier, whether local or foreign, shall be entirely responsible for all the necessary taxes, stamp duties, license fees, and other such levies imposed for the completion of this Contract.

13. Performance Security

13.1. Within ten (10) calendar days from receipt of the Notice of Award from the Procuring Entity but in no case later than the signing of the contract by both parties, the successful Bidder shall furnish the performance security in any the forms prescribed in the ITB Clause 33.2.

13.2. The performance security posted in favor of the Procuring Entity shall be forfeited in the event it is established that the winning bidder is in default in any of its obligations under the contract.

13.3. The performance security shall remain valid until issuance by the Procuring Entity of the Certificate of Final Acceptance.

13.4. The performance security may be released by the Procuring Entity and returned to the Supplier after the issuance of the Certificate of Final Acceptance subject to the following conditions:

- (a) There are no pending claims against the Supplier or the surety company filed by the Procuring Entity;
- (b) The Supplier has no pending claims for labor and materials filed against it; and
- (c) Other terms specified in the SCC.

13.5. In case of a reduction of the contract value, the Procuring Entity shall allow a proportional reduction in the original performance security, provided that any such

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reduction is more than ten percent (10%) and that the aggregate of such reductions is not more than fifty percent (50%) of the original performance security.

14. Use of Contract Documents and Information

- 14.1. The Supplier shall not, except for purposes of performing the obligations in this Contract, without the Procuring Entity's prior written consent, disclose this Contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the Procuring Entity. Any such disclosure shall be made in confidence and shall extend only as far as may be necessary for purposes of such performance.
- 14.2. Any document, other than this Contract itself, enumerated in GCC Clause 14.1 shall remain the property of the Procuring Entity and shall be returned (all copies) to the Procuring Entity on completion of the Supplier's performance under this Contract if so required by the Procuring Entity.

15. Standards

The Goods provided under this Contract shall conform to the standards mentioned in the Section VII. Technical Specifications; and, when no applicable standard is mentioned, to the authoritative standards appropriate to the Goods' country of origin. Such standards shall be the latest issued by the institution concerned.

16. Inspection and Tests

- 16.1. The Procuring Entity or its representative shall have the right to inspect and/or to test the Goods to confirm their conformity to the Contract specifications at no extra cost to the Procuring Entity. The SCC and Section VII. Technical Specifications shall specify what inspections and/or tests the Procuring Entity requires and where they are to be conducted. The Procuring Entity shall notify the Supplier in writing, in a timely manner, of the identity of any representatives retained for these purposes.
- 16.2. If applicable, the inspections and tests may be conducted on the premises of the Supplier or its subcontractor(s), at point of delivery, and/or at the goods' final destination. If conducted on the premises of the Supplier or its subcontractor(s), all reasonable facilities and assistance, including access to drawings and production data, shall be furnished to the inspectors at no charge to the Procuring Entity. The Supplier shall provide the Procuring Entity with results of such inspections and tests.
- 16.3. The Procuring Entity or its designated representative shall be entitled to attend the tests and/or inspections referred to in this Clause provided that the Procuring Entity shall bear all of its own costs and expenses incurred in connection with such attendance including, but not limited to, all traveling and board and lodging expenses.
- 16.4. The Procuring Entity may reject any Goods or any part thereof that fail to pass any test and/or inspection or do not conform to the specifications. The Supplier shall either rectify or replace such rejected Goods or parts thereof or make alterations necessary to meet the specifications at no cost to the Procuring Entity, and shall repeat the test and/or inspection, at no cost to the Procuring Entity, upon giving a notice pursuant to GCC Clause 5.
- 16.5. The Supplier agrees that neither the execution of a test and/or inspection of the Goods or any part thereof, nor the attendance by the Procuring Entity or its representative, shall release the Supplier from any warranties or other obligations under this Contract.

17. **Warranty**

- 17.1. The Supplier warrants that the Goods supplied under the Contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials, except when the technical specifications required by the Procuring Entity provides otherwise.
- 17.2. The Supplier further warrants that all Goods supplied under this Contract shall have no defect, arising from design, materials, or workmanship or from any act or omission of the Supplier that may develop under normal use of the supplied Goods in the conditions prevailing in the country of final destination.
- 17.3. In order to assure that manufacturing defects shall be corrected by the Supplier, a warranty shall be required from the Supplier for a minimum period specified in the SCC. The obligation for the warranty shall be covered by, at the Supplier's option, either retention money in an amount equivalent to at least ten percent (10%) of the final payment, or a special bank guarantee equivalent to at least ten percent (10%) of the Contract Price or other such amount if so specified in the SCC. The said amounts shall only be released after the lapse of the warranty period specified in the SCC; provided, however, that the Supplies delivered are free from patent and latent defects and all the conditions imposed under this Contract have been fully met.
- 17.4. The Procuring Entity shall promptly notify the Supplier in writing of any claims arising under this warranty. Upon receipt of such notice, the Supplier shall, within the period specified in the SCC and with all reasonable speed, repair or replace the defective Goods or parts thereof, without cost to the Procuring Entity.
- 17.5. If the Supplier, having been notified, fails to remedy the defect(s) within the period specified in GCC Clause 17.4, the Procuring Entity may proceed to take such remedial action as may be necessary, at the Supplier's risk and expense and without prejudice to any other rights which the Procuring Entity may have against the Supplier under the Contract and under the applicable law.

18. **Delays in the Supplier's Performance**

- 18.1. Delivery of the Goods and/or performance of Services shall be made by the Supplier in accordance with the time schedule prescribed by the Procuring Entity in Section VI. Schedule of Requirements.
- 18.2. If at any time during the performance of this Contract, the Supplier or its Subcontractor(s) should encounter conditions impeding timely delivery of the Goods and/or performance of Services, the Supplier shall promptly notify the Procuring Entity in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the Supplier's notice, and upon causes provided for under GCC Clause 22, the Procuring Entity shall evaluate the situation and may extend the Supplier's time for performance, in which case the extension shall be ratified by the parties by amendment of Contract.
- 18.3. Except as provided under GCC Clause 22, a delay by the Supplier in the performance of its obligations shall render the Supplier liable to the imposition of liquidated damages pursuant to GCC Clause 19, unless an extension of time is agreed upon pursuant to GCC Clause 29 without the application of liquidated damages.

19. **Liquidated Damages**

Subject to GCC Clauses 18 and 22, if the Supplier fails to satisfactorily deliver any or all of the Goods and/or to perform the Services within the period(s) specified in this Contract inclusive of

duly granted time extensions if any, the Procuring Entity shall, without prejudice to its other remedies under this Contract and under the applicable law, deduct from the Contract Price, as liquidated damages, the applicable rate of one tenth (1/10) of one (1) percent of the cost of the unperformed portion for every day of delay until actual delivery or performance. The maximum deduction shall be ten percent (10%) of the amount of contract. Once the maximum is reached, the Procuring Entity shall rescind the Contract pursuant to GCC Clause 23, without prejudice to other courses of action and remedies open to it.

20. Settlement of Disputes

- 20.1. If any dispute or difference of any kind whatsoever shall arise between the Procuring Entity and the Supplier in connection with or arising out of this Contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.
- 20.2. If after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the Procuring Entity or the Supplier may give notice to the other party of its intention to commence arbitration, as hereinafter provided, as to the matter in dispute, and no arbitration in respect of this matter may be commenced unless such notice is given.
- 20.3. Any dispute or difference in respect of which a notice of intention to commence arbitration has been given in accordance with this Clause shall be settled by arbitration. Arbitration may be commenced prior to or after delivery of the Goods under this Contract.
- 20.4. In the case of a dispute between the Procuring Entity and the Supplier, the dispute shall be resolved in accordance with Republic Act 9285 ("R.A. 9285"), otherwise known as the "Alternative Dispute Resolution Act of 2004."
- 20.5. Notwithstanding any reference to arbitration herein, the parties shall continue to perform their respective obligations under the Contract unless they otherwise agree; and the Procuring Entity shall pay the Supplier any monies due the Supplier.

21. Liability of the Supplier

- 21.1. The Supplier's liability under this Contract shall be as provided by the laws of the Republic of the Philippines, subject to additional provisions, if any, set forth in the SCC.
- 21.2. Except in cases of criminal negligence or willful misconduct, and in the case of infringement of patent rights, if applicable, the aggregate liability of the Supplier to the Procuring Entity shall not exceed the total Contract Price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.

22. Force Majeure

- 22.1. The Supplier shall not be liable for forfeiture of its performance security, liquidated damages, or termination for default if and to the extent that the Supplier's delay in performance or other failure to perform its obligations under the Contract is the result of a *force majeure*.
- 22.2. For purposes of this Contract the terms "*force majeure*" and "fortuitous event" may be used interchangeably. In this regard, a fortuitous event or *force majeure* shall be interpreted to mean an event which the Contractor could not have foreseen, or which though foreseen, was inevitable. It shall not include ordinary unfavorable weather conditions; and any other cause the effects of which could have been avoided with the exercise of reasonable diligence by the Contractor. Such events may include, but not

limited to, acts of the Procuring Entity in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions, and freight embargoes.

- 22.3. If a *force majeure* situation arises, the Supplier shall promptly notify the Procuring Entity in writing of such condition and the cause thereof. Unless otherwise directed by the Procuring Entity in writing, the Supplier shall continue to perform its obligations under the Contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the *force majeure*.

23. Termination for Default

- 23.1. The Procuring Entity shall terminate this Contract for default when any of the following conditions attends its implementation:
- (a) Outside of *force majeure*, the Supplier fails to deliver or perform any or all of the Goods within the period(s) specified in the contract, or within any extension thereof granted by the Procuring Entity pursuant to a request made by the Supplier prior to the delay, and such failure amounts to at least ten percent (10%) of the contract price;
 - (b) As a result of *force majeure*, the Supplier is unable to deliver or perform any or all of the Goods, amounting to at least ten percent (10%) of the contract price, for a period of not less than sixty (60) calendar days after receipt of the notice from the Procuring Entity stating that the circumstance of *force majeure* is deemed to have ceased; or
 - (c) The Supplier fails to perform any other obligation under the Contract.
- 23.2. In the event the Procuring Entity terminates this Contract in whole or in part, for any of the reasons provided under GCC Clauses 23 to 26, the Procuring Entity may procure, upon such terms and in such manner as it deems appropriate, Goods or Services similar to those undelivered, and the Supplier shall be liable to the Procuring Entity for any excess costs for such similar Goods or Services. However, the Supplier shall continue performance of this Contract to the extent not terminated.
- 23.3. In case the delay in the delivery of the Goods and/or performance of the Services exceeds a time duration equivalent to ten percent (10%) of the specified contract time plus any time extension duly granted to the Supplier, the Procuring Entity may terminate this Contract, forfeit the Supplier's performance security and award the same to a qualified Supplier.

24. Termination for Insolvency

The Procuring Entity shall terminate this Contract if the Supplier is declared bankrupt or insolvent as determined with finality by a court of competent jurisdiction. In this event, termination will be without compensation to the Supplier, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the Procuring Entity and/or the Supplier.

25. Termination for Convenience

- 25.1. The Procuring Entity may terminate this Contract, in whole or in part, at any time for its convenience. The Head of the Procuring Entity may terminate a contract for the convenience of the Government if he has determined the existence of conditions that make Project Implementation economically, financially or technically impractical and/or unnecessary, such as, but not limited to, fortuitous event(s) or changes in law and national government policies.

25.2. The Goods that have been delivered and/or performed or are ready for delivery or performance within thirty (30) calendar days after the Supplier's receipt of Notice to Terminate shall be accepted by the Procuring Entity at the contract terms and prices. For Goods not yet performed and/or ready for delivery, the Procuring Entity may elect:

- (a) to have any portion delivered and/or performed and paid at the contract terms and prices; and/or
- (b) to cancel the remainder and pay to the Supplier an agreed amount for partially completed and/or performed goods and for materials and parts previously procured by the Supplier.

25.3. If the Supplier suffers loss in its initial performance of the terminated contract, such as purchase of raw materials for goods specially manufactured for the Procuring Entity which cannot be sold in open market, it shall be allowed to recover partially from this Contract, on a *quantum meruit* basis. Before recovery may be made, the fact of loss must be established under oath by the Supplier to the satisfaction of the Procuring Entity before recovery may be made.

26. Termination for Unlawful Acts

26.1. The Procuring Entity may terminate this Contract in case it is determined *prima facie* that the Supplier has engaged, before or during the implementation of this Contract, in unlawful deeds and behaviors relative to contract acquisition and implementation. Unlawful acts include, but are not limited to, the following:

- (a) Corrupt, fraudulent, and coercive practices as defined in ITB Clause 3.1(a);
- (b) Drawing up or using forged documents;
- (c) Using adulterated materials, means or methods, or engaging in production contrary to rules of science or the trade; and
- (d) Any other act analogous to the foregoing.

27. Procedures for Termination of Contracts

27.1. The following provisions shall govern the procedures for termination of this Contract:

- (a) Upon receipt of a written report of acts or causes which may constitute ground(s) for termination as aforementioned, or upon its own initiative, the Implementing Unit shall, within a period of seven (7) calendar days, verify the existence of such ground(s) and cause the execution of a Verified Report, with all relevant evidence attached;
- (b) Upon recommendation by the Implementing Unit, the Head of the Procuring Entity shall terminate this Contract only by a written notice to the Supplier conveying the termination of this Contract. The notice shall state:
 - (i) that this Contract is being terminated for any of the ground(s) aforementioned, and a statement of the acts that constitute the ground(s) constituting the same;
 - (ii) the extent of termination, whether in whole or in part;
 - (iii) an instruction to the Supplier to show cause as to why this Contract should not be terminated; and

- (iv) special instructions of the Procuring Entity, if any.
- (c) The Notice to Terminate shall be accompanied by a copy of the Verified Report;
- (d) Within a period of seven (7) calendar days from receipt of the Notice of Termination, the Supplier shall submit to the Head of the Procuring Entity a verified position paper stating why this Contract should not be terminated. If the Supplier fails to show cause after the lapse of the seven (7) day period, either by inaction or by default, the Head of the Procuring Entity shall issue an order terminating this Contract;
- (e) The Procuring Entity may, at any time before receipt of the Supplier's verified position paper described in item (d) above withdraw the Notice to Terminate if it is determined that certain items or works subject of the notice had been completed, delivered, or performed before the Supplier's receipt of the notice;
- (f) Within a non-extendible period of ten (10) calendar days from receipt of the verified position paper, the Head of the Procuring Entity shall decide whether or not to terminate this Contract. It shall serve a written notice to the Supplier of its decision and, unless otherwise provided, this Contract is deemed terminated from receipt of the Supplier of the notice of decision. The termination shall only be based on the ground(s) stated in the Notice to Terminate;
- (g) The Head of the Procuring Entity may create a Contract Termination Review Committee (CTRC) to assist him in the discharge of this function. All decisions recommended by the CTRC shall be subject to the approval of the Head of the Procuring Entity; and
- (h) The Supplier must serve a written notice to the Procuring Entity of its intention to terminate the contract at least thirty (30) calendar days before its intended termination. The Contract is deemed terminated if it is not resumed in thirty (30) calendar days after the receipt of such notice by the Procuring Entity.

28. **Assignment of Rights**

The Supplier shall not assign his rights or obligations under this Contract, in whole or in part, except with the Procuring Entity's prior written consent.

29. **Contract Amendment**

Subject to applicable laws, no variation in or modification of the terms of this Contract shall be made except by written amendment signed by the parties.

30. **Application**

These General Conditions shall apply to the extent that they are not superseded by provisions of other parts of this Contract.

Section V. Special Conditions of Contract

GCC Clause	
1.1(g)	The Procuring Entity is <i>Philippine Health Insurance Corporation</i> .
1.1(i)	The Supplier is <i>[to be inserted at the time of contract award]</i> .
1.1(j)	The Funding Source is: Philippine Health Insurance Corporation Corporate Operating Budget for CY 2012 in the amount of Sixteen Million Nine Hundred Sixty Thousand Pesos (PhP 16,960,000.00)
1.1(k)	The Project Site is <i>at PhilHealth Head Office, Room 1503, 15th Floor Citystate Centre Bldg., 709 Shaw Blvd., Bgy. Oranbo, Pasig City</i>
5.1	The Procuring Entity's address for Notices is: OCTAVINO Q. ESGUERRA, Senior Vice-President, Management Services Sector, and BAC-GS Chairperson, Room 1002, 10th Floor CityState Centre, 709 Shaw Boulevard, Pasig City
6.2	<p>Delivery of the Goods and Services shall be made by the Supplier in accordance with the terms specified in Section VI.</p> <p>Delivery and Documents –</p> <p>The Delivery terms of this Contract shall be as follows:</p> <p>Procurement of 5,300,000 pieces Enhanced PhilHealth Identification Cards (IDs) for the National Household Targeting System for Poverty Reduction (NHTS-PR) Identified Poor shall be delivered to Room 1503, 15th Floor Citystate Centre Bldg., 709 Shaw Blvd., Bgy. Oranbo, Pasig City. Risk and title will pass from the Supplier to PhilHealth upon receipt and final acceptance of the Goods at their final destination.”</p> <p>Delivery of the Goods and Services shall be made by the Supplier in accordance with the terms specified in Section VI. Schedule of Requirements. The details of shipping and/or other documents to be furnished by the Supplier are as follows:</p> <p>Upon delivery of the Goods and Services to the Project Site, the Supplier shall notify PhilHealth and present the following documents to PhilHealth:</p> <ul style="list-style-type: none"> (i) Original and four copies of the Supplier's invoice showing Goods' description, quantity, unit price, and total amount; (ii) Original and four copies delivery receipt/note, railway receipt, or truck receipt; (iii) Original Supplier's factory inspection report; (iv) Original and four copies of the Manufacturer's and/or Supplier's warranty certificate; (v) Original and four copies of the certificate of origin (for imported Goods); (vi) Delivery receipt detailing number and description of items received signed by the authorized receiving personnel; (vii) Certificate of Acceptance/Inspection Report signed by the Procuring Entity's representative at the Project Site; and (viii) Four copies of the Invoice Receipt for Property signed by the Procuring Entity's representative at the Project Site. <p>Incidental Services –</p> <p>The Supplier is required to provide all of the following services, including additional services, if any, specified in Section VI. Schedule of Requirements:</p> <ul style="list-style-type: none"> (a) performance or supervision of on-site assembly and/or start-up of the supplied Goods; (b) furnishing of tools required for assembly and/or maintenance of the supplied Goods; (c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied Goods;

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	<p>(d) performance or supervision or maintenance and/or repair of the supplied Goods, for a period of time agreed by the parties, provided that this service shall not relieve the Supplier of any warranty obligations under this Contract; and</p> <p>(e) training of PhilHealth's personnel, at the Supplier's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied Goods.</p> <p>The Contract price for the Goods shall include the prices charged by the Supplier for incidental services and shall not exceed the prevailing rates charged to other parties by the Supplier for similar services.</p> <p>Packaging –</p> <p>The Supplier shall provide such packaging of the Goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in this Contract. The packaging shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packaging case size and weights shall take into consideration, where appropriate, the remoteness of the GOODS' final destination and the absence of heavy handling facilities at all points in transit.</p> <p>The packaging, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the Contract, including additional requirements, if any, specified below, and in any subsequent instructions ordered by the Procuring Entity.</p> <p>The outer packaging must be clearly marked on at least four (4) sides as follows:</p> <p>PHILIPPINE HEALTH INSURANCE CORPORATION Name of the Supplier Contract Description Final Destination Gross weight Any special lifting instructions Any special handling instructions Any relevant HAZCHEM classifications</p> <p>A packaging list identifying the contents and quantities of the package is to be placed on an accessible point of the outer packaging if practical. If not practical the packaging list is to be placed inside the outer packaging but outside the secondary packaging.</p> <p>Insurance –</p> <p>The Goods supplied under this Contract shall be fully insured by the Supplier in a freely convertible currency against loss or damage incidental to manufacture or acquisition, transportation, storage, and delivery. The Goods remain at the risk and title of the Supplier until their final acceptance by the Procuring Entity.</p> <p>Transportation –</p> <p>PhilHealth accepts no liability for the damage of Goods during transit. In the case of Goods supplied from within the Philippines or supplied by domestic Suppliers risk and title will not be deemed to have passed to PhilHealth until their receipt and final acceptance at the final destination.</p> <p>Patent Rights –</p> <p>The Supplier shall indemnify the Procuring Entity against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the Goods or any part thereof.</p>
10.2	NO FURTHER INSTRUCTIONS
10.4	NO FURTHER INSTRUCTIONS
13.4(c)	NO FURTHER INSTRUCTIONS
16.1	<ul style="list-style-type: none"> The inspections/tests that will be conducted are: PhilHealth technical

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	personnel must review the testing conducted by the bidder based on the test and actual results submitted. All deliverables mentioned above should be checked by PHILHEALTH and if found to have deficiencies shall be complied by the bidder before the final acceptance and turnover of the project.
17.3	<ul style="list-style-type: none"> Warranty shall be three (3) months for manufacturing defect from the date of full delivery of the items.
17.4	<ul style="list-style-type: none"> In case of defects in the cards delivered by the winning bidder, PhilHealth has the right to return and demand replacement of the defective cards at the expense of the winning bidder. Replacement of the items shall be made within ten (10) working days upon notice.
21.1	NO ADDITIONAL PROVISION.

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BID BULLETIN NO. 01
(ITB NO. NHTS 2012-001-GS)

BIDDING FOR THE PROCUREMENT OF 5,300,000 PIECES
ENHANCED PHILHEALTH IDENTIFICATION CARDS (IDs) FOR THE
NATIONAL HOUSEHOLD TARGETING SYSTEM FOR POVERTY
REDUCTION IDENTIFIED POOR

In accordance with Republic Act 9184 (RA 9184), the result of the Pre-bid Conference held on March 16, 2011 is hereby issued. The following provisions or item/s in the *Bidding for the Procurement of 5,300,000 pieces Enhanced PhilHealth Identification Cards (IDs) for the National Household Targeting System for Poverty Reduction Identified Poor (ITB No. NHTS 2012-001-GS)* are hereby clarified, viz:

	PROVISION	AMENDMENT/ CLARIFICATION
1	Section VII. Technical Specifications Other: Design as approved by PhilHealth : Includes the effectivity date below the member name and birth date : With signature panel : Invisible ink with micro text : With personalization of member details such as FULL NAME, PIN, BIRTHDATE, GENDER, ID BARCODE : The personalization print shall be under the lamination : Magnetic stripe for eligibility checking : Hi-Co (High coercivity)	Section VII. Technical Specifications Other: Design as approved by PhilHealth : Includes the effectivity date below the member name and birth date : With signature panel : Fixed Invisible ink : with micro text : With personalization of member details such as FULL NAME, PIN, BIRTHDATE, GENDER, 1-D BARCODE with barcode PIN encoding : The personalization print shall be under the lamination : With 3 track Hi-coercivity magnetic stripe for eligibility checking : with Hi-Co magnetic stripe PIN encoding
2	Section VI. Schedule of Requirements Within forty-five (45) Calendar Days after issuance and receipt by the winning bidder of the Notice to Proceed.	Section VI. Schedule of Requirements Delivery shall be within forty-five (45) Calendar Days after issuance and receipt by the winning bidder of the Notice to Proceed and the soft copy of the NHTS-PR list in excel format.
3	Section V. Special Conditions of the Contract 10.4 No further instructions.	Section V. Special Conditions of the Contract 10.4 Payment shall be for actual goods delivered.

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BY:

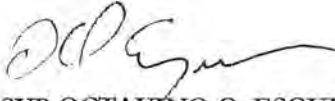
4	The winning bidder shall be subjected to repeat order, if necessary, which shall not exceed twenty-five percent (25%) of the quantity of each item in the original contract and shall be availed of only within six (6) months from the contract effectivity date stated in the Notice to Proceed arising from the original contract.
5	The BAC-GS advised the bidders to request the Secretariat to check their Eligibility and Technical Bids at least one (1) day before the submission and opening of bids to ensure the completeness of the documentary requirements of PhilHealth for the subject bidding. Provided, that the bidders are still responsible for the risk involved if they failed to submit the complete documentary requirements.

This Bid Bulletin No. 01 (ITB No. NHTS 2012-001-GS) shall form part of the eligibility and technical bid proposal to be submitted on March 28, 2012.

The deadline for submission of bid proposals will be on March 28, 2012, 10:30 a.m. Likewise, Opening of Bids will commence on the said date and time.

Those bidders who obtained the bidding documents for this project and would not submit their respective bid proposals on March 28, 2012 must submit a letter of non-participation stating their reasons at the Office of the Secretariat for the Bids and Awards Committees. The letter of non-participation must be submitted to SBAC on or before 5:00 p.m. of March 28, 2012.


Issued this 21st day of March 2012.


SVP OCTAVINO Q. ESGUERRA
Chairperson


ATTY. GERMAIN G. LIM
Vice-Chairperson

VP GREGORIO C. RULLODA
Member


SM ISRAEL FRANCIS A. PARGAS, MD
Member


SM GILDA SALVACION A. DIAZ
Member


ATTY. DARWIN G. DE LEON
Member


OIC-SM LEMUEL T. UNTALAN
Member/End-user

CERTIFIED TRUE COPY

BY: 



Republic of the Philippines
PHILIPPINE HEALTH INSURANCE CORPORATION
 Citystate Centre Building, 709 Shaw Boulevard, Pasig City
 Healthline 441-7444 www.philhealth.gov.ph



BIDS AND AWARDS COMMITTEE FOR GOODS AND SERVICES (BAC-GS) RESOLUTION NO. 24, S. 2012

**RESOLUTION RECOMMENDING THAT THE CONTRACT
 FOR THE PROCUREMENT OF 5,300,000 PIECES ENHANCED PHILHEALTH
 IDENTIFICATION CARD (ID) FOR THE NATIONAL HOUSEHOLD TARGETING
 SYSTEM FOR POVERTY REDUCTION (NHTS-PR) IDENTIFIED POOR UNDER
 ITB NO. NHTS 2012-001-GS BE AWARDED IN FAVOR OF ALLCARD PLASTICS
 PHILIPPINES, INCORPORATED**

WHEREAS, an Invitation to Bid (ITB) for the Procurement of 5,300,000 pieces Enhanced PhilHealth ID for the NHTS-PR Identified Poor (ITB No. NHTS 2012-001-GS) was advertised at Philippine Star, and posted at PhilG-EP's, PhilHealth website and PhilHealth premises from March 09 to 15, 2012.

WHEREAS, the Approved Budget for the Contract (ABC) of the subject procurement is in the amount of Sixteen Million Nine Hundred Sixty Thousand Pesos (PhP16,960,000.00).

WHEREAS, in response to the said invitation, two (2) proponents obtained the bid documents, namely: 1) Allcard Plastics Philippines, Incorporated (ALLCARD) and 2) Banner Plasticaid, Incorporated (BANNER);

WHEREAS, during the Opening of Bids on March 28, 2012 at 10:30 a.m., the BAC-GS utilized a checklist in accordance with the provisions of the Revised Implementing Rules and Regulations (RIRR) of Republic Act No. 9184 and strictly evaluated the submitted bid proposals as to their compliance with the bidding requirements;

WHEREAS, after evaluation of the bid proposals, the BAC-GS declared both ALLCARD and BANNER as the bidders with the Lowest Calculated Bid for offering the same bid prices for the project in the amount of Fifteen Million Nine Hundred Thousand Pesos (PhP15,900,000.00) and shall be subjected to post-qualification by the BAC-GS Technical Working Group (TWG).

WHEREAS, on April 2, 2012, BANNER through its Legal Counsel, Atty. Rodello P. Bando, filed a Letter-Request for Reconsideration for the BAC-GS to reject the bid proposal of ALLCARD for being incomplete and to declare BANNER as the sole compliant bidder for the above project.

WHEREAS, the BAC-GS during its meeting on April 4, 2012, resolved to deny the said Request for Reconsideration of BANNER through BAC-GS Resolution No. 13, S. 2012.

WHEREAS, in the said meeting, the BAC-GS based on the BAC-GS TWG recommendation for the post-qualification of ALLCARD and BANNER declared both bidders as Lowest Calculated Responsive Bidder (LCRB);



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WHEREAS, the BAC-GS through a letter dated April 4, 2012, notified BANNER on April 10, 2012 through facsimile and registered mail of the denial of its Request for Reconsideration;

WHEREAS, on April 19, 2012, the BAC-GS through SBAC was furnished an advance copy of the April 18, 2012 registered mailed Protest of BANNER;

WHEREAS, having notified both bidders, the BAC-GS on its April 20, 2012 meeting conducted draw lots pursuant to the *Government Procurement Policy Board (GPPB) Circular No. 06-2005, dated August 5, 2005, "Guidelines on the Use of Non-Discretionary/ Non-Discriminatory Selection Criteria as Tie-Breaking Method in Case of Two or More Bidders are Determined and Declared as the Lowest Calculated and Responsive Bidder (LCRB) or Highest Rated and Responsive Bidder (HRRB)"*;

WHEREAS, using non-discretionary/non-discriminatory criteria, ALLCARD is drawn as the winner in the said "draw lots", which as a result thereof breaks the tie for LCRB in the said procurement;

WHEREAS, the President and CEO through a letter dated April 26, 2012, denied the Protest of BANNER which was received through personal service by the latter on May 7, 2012;

WHEREAS, the BAC-GS in its May 9, 2012 meeting considered Section 57 of the Revised IRR of R.A. 9184, which states that:

"Section 57. Non-interruption of the Bidding Process

In no case shall any protest taken from any decision treated in this Rule stay or delay the bidding process: Provided, however, that protests must first be resolved before any award is made."

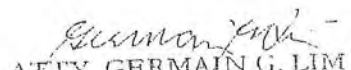
WHEREAS, in accordance with the above provision and considering the denial of the Protest of BANNER, the BAC-GS agreed to award the contract for this procurement to Allcard Plastics Philippines, Incorporated;


NOW, THEREFORE, premises considered, the BAC-GS resolves, as it is hereby resolved, to recommend that the contract for the Procurement of 5,300,000 pieces Enhanced PhilHealth Identification Card (ID) for the National Household Targeting System for Poverty Reduction (NHTS-PR) Identified Poor under ITB No. NHTS 2012-001 GS be awarded to Allcard Plastics Philippines, Incorporated.


IT IS SO RESOLVED.

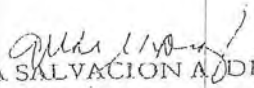
Signed on this 9th day of May, 2012 at Pasig City


On Official Travel
SVP OCTAVINO Q. ESGUERRA
Chairperson



ATTY. GERMAIN G. LIM
Vice-Chairperson


VP GREGORIO C. RULLODA
Member


SM ISRAEL FRANCIS A. PARGASA, MD
Member



SM GILDA SALVACION A. DIAZ
Member


ATTY. DARWIN G. DE LEON
Member


OIC-SM LEMUEL T. UNTALAN
Member/End-User

APPROVED / DISAPPROVED:


DR. EDUARDO P. BANZON
President and CEO


SIEGRID E.G. LAPASARAN
Head, Executive Assistant



NOTICE OF AWARD

Procurement of 5,300,000 pieces Enhanced PhilHealth Identification Cards (IDs) for the National Household Targeting System for Poverty Reduction (NHTS-PR) Identified Poor (ITB No. NHTS 2012-001-GS)

Date of Issuance: May 16, 2012

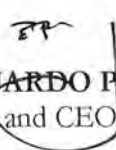
CARLO ENRICO Y. JARLEGO
Business Development Manager
ALLCARD PLASTICS PHILIPPINES, INCORPORATED
ACC Corporate Center Building
E. Rodriguez Jr. Avenue,
Libis, Quezon City
Telephone No.: 912-3925
Fax No.: 911-7009

Dear Mr. Jarlego:

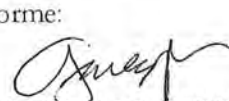
We are pleased to notify you that your Bid Proposal on March 28, 2012 for the **Procurement of 5,300,000 pieces Enhanced PhilHealth Identification Cards (IDs) for the National Household Targeting System for Poverty Reduction (NHTS-PR) Identified Poor (ITB No. NHTS 2012-001-GS)** for execution by **ALLCARD PLASTICS PHILIPPINES, INCORPORATED** at the Contract Price equivalent to **Fifteen Million Nine Hundred Thousand Pesos (PhP15,900,000.00) only** is hereby accepted.

You are hereby required to provide within ten (10) days the *performance security* in the form and amount stipulated in the Bid Documents of the said procurement. Failure to provide the performance security shall constitute sufficient ground for cancellation of the award and forfeiture of the bid security.

Very truly yours,


Dr. EDUARDO P. BANZON
President and CEO

Conforme:

 5/16/12
MR. CARLO ENRICO Y. JARLEGO
Business Development Manager
ALLCARD PLASTICS PHILIPPINES, INCORPORATED
Date: _____