

# CONTRACT FOR THE BIDDING OF ONE (1) LOT NETWORK SECURITY DEVICES FOR PHROs AND SOs

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 **Chief Operating Officer & Executive Vice-President, ALEXANDER A. PADILLA**, (hereinafter called "PHILHEALTH").

-and-

**TRENDS AND TECHNOLOGIES, INC.**, a stock corporation, organized and registered with the Securities and Exchange Commission under Sec. Reg. No. AS092-07351, issued on October 30, 1992 and existing under the laws of the Republic of the Philippines, with business address at 6/flr. Trafalgar Plaza, 105 H.V. Dela Costa St., Salcedo Vill., Makati City, represented herein by its **Head, Financial Services Group, VICTOR L. TIU**, (hereinafter called "TRENDS").

WHEREAS, **PHILHEALTH** invited Bids for the *Bidding on the Procurement of One (1) Lot Network Security Devices for PhROs and SOs* and has accepted a Bid by **TRENDS** for the supply of those goods in the sum of **FOUR MILLION NINE HUNDRED THOUSAND AND EIGHT HUNDRED EIGHTY EIGHT PESOS (Php4,900,888.00)**, (hereinafter called "the Contract Price").

## NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

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) BAC- ITR Resolution No. 06, S. 2012 (**Annex "A"**);
  - (b) Terms of Reference (**Annex "B"**);
  - (c) Bid Bulletin (**Annex "C"**);
  - (d) Notice of Award (**Annex "D"**);
  - (e) Performance Security (**Annex "E"**);
  - (f) General Conditions of the Contract (GCC) (**Annex "F"**);
  - (g) Special Conditions of the Contract (SCC) (**Annex "G"**); and
  - (h) Trend's Technical Proposal.
3. In consideration of the payments to be made by **PHILHEALTH** to **TRENDS** as hereinafter mentioned, **TRENDS** 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 **TRENDS** 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 the costs of all Deliverable Items and Services and includes all applicable taxes and duties in the Philippines, costs of importation, insurance, transportation and delivery at the time and to the locations specified but



excludes any special handling or hosting charges which may be incurred at **PHILHEALTH's** site and which are for the account of **PHILHEALTH**;

6. 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;

Within Thirty (30) Calendar Days after complete delivery to and acceptance by **PHILHEALTH, TRENDS** shall submit the Statement or Billing of Account and other documentary requirements as may be required by the former as condition for payment.

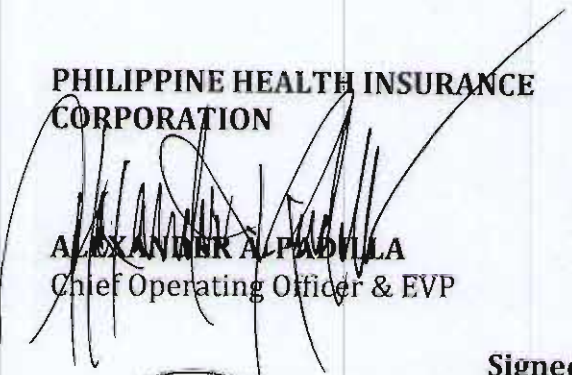
As obligation for the warranty, **PHILHEALTH** shall withhold ten percent (10%) of the total contract price stated in the Whereas Clause hereof, amounting to **Four Hundred Ninety Thousand Eighty Eight Pesos and Eighty Centavos (PhP490,088.80)** as retention money. **The said amount shall only be released after the lapse of the three (3) year warranty period.** Otherwise, **TRENDS** may opt to post a special bank guarantee equivalent to the same amount covering the said warranty period.

7. 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. 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**

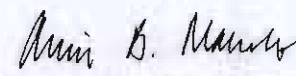
  
**ALEXANDER ALPADILLA**  
Chief Operating Officer & EVP


**TRENDS & TECHNOLOGIES, INC.**


  
**VICTOR L. TIW**  
Head, Financial Services Group

Signed in the presence of:

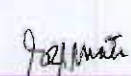
  
**SVP EDGAR JULIO S. ASUNCION**  
Legal Services Sector

  
**DR. ALVIN B. MARCELO**  
Chief Information Officer

  
**RODOLFO B. DELO ROSARIO JR.**  
Information Technology Management Department

  
**BIBIANA CRUZ**  
HANNAH LORRAINE DAUSAY  
Accounting and Internal Control Department

Witness for **TRENDS**

  
Witness for **TRENDS**

## ACKNOWLEDGEMENT

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

BEFORE ME, this JUL 04 2012 day of 2012, personally appeared the following persons exhibiting to me their respective Government issued ID's, to wit:

ALEXANDER A. PADILLA  
Philippine Health Insurance Corp.

PHILHEALTH I.D. #

VICTOR L. TIU  
Trends & Technologies, Inc.

Known to me to be the same persons who executed the foregoing Contract Agreement consisting of **fifty (50) 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. 945  
Page No. 94  
Book No. 20  
Series of 2012

ATTY. VIRGILIO R. BATALLA  
NOTARY PUBLIC FOR MAKATI CITY  
APPOINTMENT NO. M-618  
UNTIL DECEMBER 31, 2012  
ROLL OF ATTORNEYS 483418  
MCLE COMPLIANCE NO. II-0018179  
IBP NO. 706762 - LIFETIME MEMBER  
PTR NO. 0009231 JAN. 2, 2012





**BIDS AND AWARDS COMMITTEE FOR INFORMATION  
TECHNOLOGY RESOURCES (BAC-ITR)  
RESOLUTION NO. 06, S. 2012**

**RESOLUTION RECOMMENDING THE DECLARATION OF TRENDS AND TECHNOLOGIES, INC.  
AS THE BIDDER WITH THE SINGLE CALCULATED AND RESPONSIVE BID (SCRB) AND THE  
AWARD THERETO OF THE CONTRACT FOR THE BIDDING ON THE PROCUREMENT OF  
ONE (1) LOT NETWORK SECURITY DEVICES FOR PHROs AND SOs**

WHEREAS, the Invitation to Bid (ITB) No. NSD 2011-012-IT on the bidding for the Procurement of One (1) Lot Network Security Devices for PhROs and SOs with an Approved Budget for the Contract (ABC) of Four Million Nine Hundred Six Thousand Eighty Five Pesos and Forty Four Centavos (PhP4,906,085.44) was advertised on December 23, 2011 at the Philippine Daily Inquirer (PDI) and was posted at the Phil-GEPS and PhilHealth Corporate website and at conspicuous places located at the PhilHealth Head Office on December 23-30, 2011;

WHEREAS, in response to the said invitation, two (2) bidders secured the bidding documents, namely Micro-D International, Inc. and Trends and Technologies, Inc.;

WHEREAS, a pre bid conference was held on January 18, 2012 to address the issues and clarifications raised by the prospective bidder and thereafter a bid bulletin was issued on January 24, 2012;

WHEREAS, the Opening of Bids was held on January 31, 2012, wherein Trends and Technologies, Inc. was adjudged as the proponent with the Single Calculated Bid amounting to Four Million Nine Hundred Thousand and Eight Hundred Eighty Eight Pesos (PhP4,900,888.00). Consequently, the BAC-ITR instructed the Technical Working Group (TWG) concerned to proceed with the post-qualification of the aforementioned bidder;

WHEREAS, the TWG conducted an evaluation on February 20 and 23, 2012 and presented its report in the BAC-ITR meeting held on March 6, 2012 and informed the committee that the bid proposal of Trends and Technologies, Inc. was found to be compliant with the eligibility, technical and financial requirement of PhilHealth;

WHEREAS, the BAC-ITR concurred with the recommendation of the TWG to declare Trends and Technologies, Inc. as the bidder with the Single Calculated and Responsive Bid;

NOW, THEREFORE, premises considered, the BAC-ITR resolves, as it is hereby resolved, to recommend to the President and CEO the award of the contract for the procurement of "One (1) Lot Network Security Devices for PhROs and SOs" to TRENDS AND TECHNOLOGIES, INC.

IT IS SO RESOLVED.

Signed this 6<sup>th</sup> day of March 2012 at Pasig City

SVP ERNESTO V. BELTRAN  
Chairperson

VP NERISSA R. SANTIAGO  
Vice-Chairperson

SM WALTER R. BACAREZA  
Member

ATTY. MICHAEL TROY A. POLINTAN  
Member

on leave  
SM EVANGELINE F. RACELIS  
Member

on official business  
DR. ROBERT LOUIE P. SO  
Member

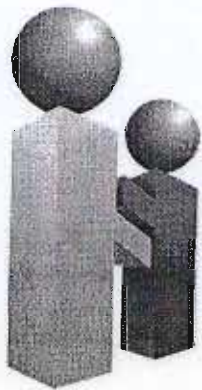
RODOLFO B. DEL ROSARIO JR.  
End-user/Member

☒ APPROVED  
☐ DISAPPROVED  
☐ Others \_\_\_\_\_

Dr. EDUARDO P. BANZON  
President and CEO

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

ATTY. SIEGFRID E.G. LAPASARAN  
Head Executive Assistant



**Philippine Health  
Insurance Corporation**

**TERMS OF REFERENCE  
Network Security Devices  
for PhROs and SOs**



## I. Introduction

The Philippine Health Insurance Corporation (PHIC), a government owned and controlled corporation, formed by virtue of Republic Act No. 7875, also known as the National Health Insurance Act of 1995, an act instituting a National Health Insurance Program, was mandated to:

1. Provide all citizens of the Philippines with the mechanism to gain access to health services;
2. Established the National Health Insurance Program to serve as the means to help the people pay for health care services; and
3. Prioritize and accelerate the provision of health services to all Filipinos, especially that segment of the population who cannot afford such services.

## II. Project Description

The Philippine Health Insurance Corporation (PHIC) seeks an Information Technology (IT) equipment supplier/vendor that can provide network security devices for PhilHealth Regional Offices (PhROs) and Service Offices (SOs). PhROs has existing security devices but has only VPN and firewall capability. Moreover, these devices are already in production for more than 7 years and are already at the end of product life, which means that they already have no support.

As the Corporation is opening its database to the public to enhance public relationships, and improve customer satisfaction, effective management of network security becomes our priority. All types of users, including employees, clients, banks, hospitals, different agencies etc. requires access to the resources they need. However, this connectivity also increases the network's points of vulnerability. It offers a "way in" for attackers, who are looking to steal, alter or bring down the Corporation's most critical assets. While firewalls are essential in blocking basic attacks, they could not

block sophisticated hacking attacks. Computer viruses and hacking programs can be attached to an email or maybe hiding from websites we often visit that can pass through a firewall because these are legitimate data traffic path. If these programs penetrate the unprotected network, they may trigger actions that will compromise the Corporation's valuable data. It may also alter the computer network and/or system configurations so that it will cripple the operations.

While the Head Office has already upgraded its security devices, the devices in the PhROs and SOs are not yet upgraded. These are potential entry points of viruses and hacking attacks as well as sophisticated robots/malicious software that may cripple the enterprise infrastructure. These are backdoor attacks points that may propagate to the Head Office network because these Offices are directly connected to the Head Office via a direct link. Moreover, the deployment of IP-PBX in all of the offices requires direct connection from/to any of the offices (HO, PhROs and SOs) to maximize its features and effectiveness. The current security devices in the SOs have only limited capabilities and do not support multiple VPN connections. This is in addition to its poor performance when Voice over IP is used.

In this regard, PhROs and SOs need to upgrade the network security devices to fully secure its infrastructure and valuable data. Moreover, due to the inevitable growth of its operation, PHILHEALTH needs to enhance the level of network security by deploying security devices such as Unified Threat Management (UTM) and Virtual Private Networks (VPN).

The UTM is a device with comprehensive security suite to mitigate all kinds of attack from the internet while blocking unwanted sites from the local users. It has enough VPN capability to connect to the Head Office and SOs and can perform optimally in VoIP traffic.

The Integrated Virtual Private Network (VPN) functionality will be used to establish a private data network that makes use of the public telecommunication infrastructure, maintaining privacy through the use of a tunneling protocol and security procedures. VPN makes it possible to have the same secure sharing of public resources for data transactions. It involves encrypting data before sending it through the public network and decrypting it at the



receiving end. An additional level of security involves encrypting not only the data but also the originating and receiving network addresses.

Implementing these multiple layers of defense provides total security throughout the corporate network and guarantees that critical assets are totally protected/secured from external and internal attacks. Hence, the network security devices must provide high performance, continuous availability, scalability, reliability, flexibility, and with industry standard interfaces to protect our investment and lower the total cost of ownership.

With the operations relying on this device, the risk in terms of network availability is apparent because a failure of the said device means no operations in the remote offices. That is why there is a need to upgrade the existing and add similar device to mitigate the said vulnerability.

### III. Proponent's Scope of the Project

This project will cover the delivery, installation, testing, maintenance, documentation, and support of the Corporate Security Devices and peripherals. Specifically, the vendor shall provide the following deliverables:

#### 1. TECHNICAL SPECIFICATIONS 1 for PhROs

Number of Devices	At least eighteen <b>(18) Network Security Devices.</b>
General Specifications	Must be hardware-based or appliance type
	The device must support an upgrade to higher version of firmware OS or can be converted to next generation firmware or OS.
	Must support IPv4 and IPv6
	Must have High Availability or Clustering capability
Unified Threat Management (UTM)	Must have integrated anti-virus, URL and application filter, and Intrusion prevention system <b>licenses for three (3) years.</b>
Network Interfaces	Must have at least <b>two (2) x 10/100/1000</b> and at least <b>four (4) x 10/100 Ethernet</b> fixed, must be configurable internal, DMZ and WAN ports
Performance and capacity	Must have at least 500 Mbps firewall throughput
	Must have at least 40 Mbps antivirus throughput

	Must have at least 50 Mbps IPS throughput
	Must support at least 50,000 concurrent sessions
	Must support at least 5,000 new sessions per second
	Must support at least 1,000 security policies
	Must support Voice Over IP traffic
	Must be able to support unrestricted number of users
Firewall Operation	Must support multiple zones security (i.e at different security levels).
	Must support VoIP protection such as: H.323, SIP, MGCP, SCCP ALG.
	Must support policy based source and Destination NAT.
	Must support 802.1q VLAN
	Must support MAC and IP MAC filtering and Spoof prevention.
	Must support Dos and DDOS attack prevention.
Anti-Virus/Anti Spyware	Must be able to block, remove and detect Virus, Worm and Trojan.
	Must protect against spyware, malware and Phishing.
	Must have database update for virus signature.
	Must support file quarantine
	Must be able to block by file size or type.
	Must be able to scans HTTP, FTP, SMTP, POP3, IMAP and VPN tunnels.
Intrusion Prevention System (IPS)	Must support blocks attacks such as DoS, port scanning, IP/ICMP/ TCP related
	Must support blocks attacks such as DNS, FTP bounce and improper commands.
	Must support protection from at least 3000 threats
	Must support protocol anomaly detection
	Must support Custom signature
Gateway Antispam	Must support Real Time Blocking (RBL) and MIME header check.
	Must support IP address Black lists/white list
	Must support automatic updates.
URL Filtering	Must support URL, keyword and phrase blocking.
	Must have HTTP proxy capability
	Must support Java applet, cookies and active x blocking



	Must have at least 75 URL categories
	Must be able to support custom based categories
	Must have URL database.
SSL VPN	Must have support TCP and UDP Tunneling.
	Must have support Active Directory, LDAP and RADIUS authentication.
Site to Site VPN (IPSec VPN)	Must be able to support at least 60 site to site VPN tunnels
	Must have support at least DES, 3DES, and AES (256-bit) encryption and at least MD5 and SHA-1 authentication.
	Must have support IKE Certificate Authentication: Digital Certificates and Preshared key.
	Must support at least Remote access VPN, L2TP within IPSec, and IPSec NAT traversal.
	Must have Hub and Spoke VPN support.
	Must have the capability to auto-connect VPN and support Redundant VPN gateways.
Traffic Management	Must have BGP, OSPF, RIP v1,v2 routing protocols capability
	Must have policy based routing (Source, Destination, Port/Service)
	Must have support for guaranteed bandwidth settings per policy.
	Must have support for maximum bandwidth settings per policy.
	With diffserv marking support per policy.
Networking	Must have support Gateway Failover Selector (Multiple WAN Supports).
	Must have support Policy Based routing.
High Availability	Must have support DDNS and PPPoE client.
	Must have support Parent Proxy with FQDN.
	Must have high availability features. High availability can be configured as active/active and active/passive mode.
	Must support VRRP, session synchronization for firewall and VPN, session failover for routing change.
User	Must be able to detect device failures and link failures.
	Must have Local database.

9/1/2015




Authentications	Must support Active Directory Integration.
	Must support Windows Single Sign-On.
	Must support external Radius/LDAP database integration.
System Management	Must have Command Line Interface (console, telnet, and SSH)
	Management via VPN tunnel
	Must be able to manage via enterprise network management
	Must be manageable locally by multiple administrators
Administration	Must be capable with different user access level (administrator/user)
	Must support software upgrades and configuration changes thru web and TFTP.
	Must have configuration rollback capability
	Must be able to integrate with Syslog servers
Logging/Monitoring	Must support email alerts
	Must support SNMP
	Must support VPN tunnel monitoring
Power Supplies	Input voltage must be 100/240 Volts alternating current autosense
Accessories	Must have management cables
	Must have power cables, manuals, utility drivers and other accessories.
	Must have complete rack mounting accessories (brackets, screws & etc.)
Firewall certification	The firewall must at least be certified and complied with the specifications of ICISA Laboratory in terms of Antivirus, IPS, and IPsec VPN.

## 2. TECHNICAL SPECIFICATIONS 2 for SOs

<b>Number of Devices</b>	<b>Fifty Two (52) Firewall/VPN devices</b>
General Specifications	Must be hardware-based or appliance type
	Operating System (OS) and/or the security software must be integrated with the firewall device to remove overhead of extra platform layers found on general-purpose commercial operating systems.
	The device must support an upgrade to higher



	version of firmware OS or can be converted to next generation firmware or OS.
	Must be UTM capable for future upgrade
	Must support IPv4 and IPv6
	Must have High Availability or Clustering capability
Concurrent Connections	Must have at least 10,000 concurrent connections.
Firewall Throughput	Must have at least 100 Mbps.
Network Interfaces	Must have at least five (5) x 10/100 Ethernet ports.
VLAN	Must support at least 10 VLANs.
Policies	Must support at least 50 policies.
Mode of Operation	Must support transparent mode to all interfaces
	Must support route mode to all interfaces.
	Must support NAT and PAT modes to all interfaces.
	Must support IP mapping.
Routing mode	Must support static routes and dynamic routes (OSPF, RIPv1/v2)
Users	Must support unlimited users.
Firewall operation	Must perform network attack detection
	Must support DoS and DDoS, fragmented and malformed packet, SYN cookie, and brute force attack mitigations
	Must execute port scanning, IP spoofing, detections and prevention
	Must have support for brute force attack mitigation
	Must have support for voice over IP (VoIP) security such as: H.323, SIP ALG, MGCP ALG, SCCP ALG
Firewall inspection	Must perform deep inspection.
	Must execute protocol anomaly detection.
	Must perform stateful inspection.
Content Filtering	Must supports URL filtering.
Traffic Management	Must have support for guaranteed bandwidth settings per policy
	Must have support for maximum bandwidth settings per policy
	Must have traffic prioritization.
Firewall/VPN Authentication	Must have a built-in (internal) database.
	Must have a web-based authentication.
	Must have an XAUTH VPN Authentication.
	Must support 3 <sup>rd</sup> party (external) user authentication: RADIUS; RSA SecurID; LDAP.

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VPN features	Must have capability to support at least 50 concurrent site to site VPN tunnels.
	Must have support at least DES, 3DES, and AES (256-bit) encryption and at least MD5 and SHA-1 authentication
	Must have support Manual key, IKE, IKE v2 with EAP, PKI, DH groups
	Must support at least Remote access VPN, L2TP within IPSec, and IPSec NAT traversal
	Must have the capability to auto-connect VPN and support Redundant VPN gateways
System Management	Must have web-based management (HTTP and HTTPS)
	Must have Command Line Interface (console, telnet, and SSH)
	Management via VPN tunnel
	Must be able to manage via enterprise network management
Administration	Must be manageable locally by multiple administrators
	Must be capable with different user access level (administrator/user)
	Must support software upgrades and configuration changes thru web and TFTP.
	Must have configuration rollback capability
Logging/Monitoring	Must be able to integrate with Syslog servers
	Must support email alerts
	Must support SNMP
	Must support VPN tunnel monitoring
Accessories	Must have complete rack mounting accessories (brackets, screws & etc.)
	Must have management cables
	Must have power cables, manuals, utility drivers and other accessories.

### 3. Management Display Monitor

General Specifications	Must include <b>two (2)</b> units Display for Network Infrastructure Monitoring
	Must be branded

2



	Must be at least 55 inches LED backlit Display capable up to 1920 x1080 Resolution
	With Anynet+(HDMI-CEC) available
	Must have web browsing capability
	Must be able to connect to the network and the Internet via UTP cable or Wireless LAN
	Must have on-screen display keyboard or remote control keyboard or external keyboard feature
	At least 3 years warranty
Input and Output	Must have at least 4 x HDMI.
	Must have Digital Audio Out (Optical)
	Must have VGA and/or PC In port and must be able to display computer screen
	At least 1 PC Audio in (Mini Jack)
	Must be Wi-Fi ready
	Must have built-in Wireless LAN or external Wireless Adapter
	Must have at least 2 x 2.0 USB ports
	At least 1 x Ethernet (LAN)
Accessories	At least Ultra Slim wall Mount support
	At least Vesa wall Mount support
	Power Cable
	Manuals
	Must have Wall Mount Kit

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#### 4. INSTALLATION AND TESTING

- The vendor must ensure that the proposed solution is compatible with the existing equipment of PHILHEALTH.
- Intensive testing should be done by the vendor to achieve the functionality and benefits of the new devices. The vendor must provide an actual result of the testing of the installed devices.
- The winning vendor will work in parallel with PHILHEALTH Network Engineers during the installation and testing of all the security devices to secure the corporate network infrastructure.

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## 5. PROJECT MANAGEMENT

- The winning vendor should provide a Project Management team that will handle the planning, design, installation, and maintenance of the Network Security Devices of PHILHEALTH and will work in parallel with PHILHEALTH Network Engineer for the duration of the project.
- The Project Management team will be composed of a Project/Team Leader, Assistant Team Leader, and team member representatives from the vendor and PHILHEALTH Network team.
- The Project Management team and PHILHEALTH Network Engineers will be responsible for the formulation and configuration of the security policies of the Corporation based on the existing IT Policies and Standards being implemented by PHILHEALTH.
- Both parties (vendor and PHILHEALTH Network Team) should agree to the formulated policies before the implementation/rollout proper.

## 6. WARRANTY

- The equipment should be covered by warranty on parts and service for at least three (3) years and for software patches and firmware updates. The warranty period for the hardware supplied shall commence upon acceptance. A comprehensive maintenance program for the first three-year period shall be included in the proposal.
- The comprehensive maintenance shall include replacements for all parts, which should be locally available. The vendor shall ensure continuous inventory of all critical parts of the equipment. Critical parts of the equipment shall include: main board, memory, modules, power supplies etc.
- The vendor must ensure that PHILHEALTH would be given the following:



- ✓ Firmware updates, software patches, driver updates and agents for the management software – FREE (via www or CD)
  - ✓ Parts replacement – FREE for the duration of the warranty period.
  - ✓ Preventive Maintenance – FREE at least twice a year for the duration of the warranty period.
  - ✓ Configuration – FREE assistance on product reconfiguration (on-site) for the duration of the warranty period.
- 2017/10/25

## 7. AFTER-SALES SUPPORT

- During the warranty period, the vendor shall provide highly technical personnel to service the security devices and all of its components/peripherals whenever hardware and/or any related problem should occur.
  - On call support shall be available 24 hours a day, 7 days a week. A one (1) hour response from time of the call (through telephone call) shall be provided. Onsite support must have a response time of not more than 4 hours from the time of the call in cases where in the phone support could not solve the problem.
  - On hardware repair, testing shall be done on-site to know the extent of the problem. All components beyond repair shall be replaced at no cost during the effectivity and conditions of the warranty. Service units should be available for the system and peripherals within a day after testing and diagnosis for temporary replacement of the defective unit(s).
  - The vendor must shoulder all expenses of the technical person(s) who will be providing the technical services on-site.
  - The winning bidder shall coordinate with PHILHEALTH Network Engineers regarding the technical support and other matters after the awarding of the project. This is to facilitate faster response in case problem/s is/are needed to be resolved immediately.
- 2017/10/25

## 8. TECHNOLOGY TRANSFER & WORKSHOP

- FREE in-depth technical workshop should be provided for PHILHEALTH Network Administrators. The training should be conducted by the competent engineer(s) with at least 2 years of experience in the implementation of the said devices on the Training Centers in relation to the security devices and other tools that will be used to manage the said NETWORK SECURITY DEVICES. The technical workshop is listed below:

Course Title	No. of Participants
At least 2 days workshop in the management, installation, and configuration of Firewall devices. The workshop should be hands-on and reflects the actual environment of Philhealth.	25

- All accommodation and transportation expenses of the participants of the workshop should be shouldered by the winning bidder.

## 9. OTHER REQUIREMENTS

- A certification must be provided by the bidder that his/her company is an authorized reseller/partner of the manufacturer of all proposed products.
- A certification must be provided by the bidder that his/her company is an authorized support services provider of the manufacturer of all proposed products.

## 10. DOCUMENTATION

- The bidder must provide user and system manuals and technical materials of each device. Complete documentation of software and licenses, utility and recovery CDs must also be provided including the inventory of the server systems' components and serial numbers.



## 11. ACCEPTANCE

- PhilHealth technical personnel must review and conduct a physical testing of the delivered equipment based on its functions. All deliverables mentioned above should be checked by PhilHealth and complied by the vendors before the final acceptance and turnover of the project.

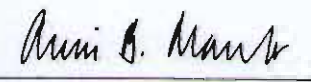
## 12. DELIVERY ADDRESS AND DATE

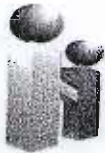
- The NETWORK SECURITY DEVICES must be delivered at Citystate Centre Building, #709 Shaw Blvd., Oranbo, Pasig City.
  - Delivery of all equipment should not be more than thirty (30) calendar days after the issuance of Notice to Proceed. The proponent shall indicate the details of installation for the entire project. Both parties will determine the installation and implementation based upon the agreed schedule. The winning proponent shall guarantee installation and testing of the equipment within the specified period of agreed schedule.
13. All items in the specifications are generic and not tailor fitted to any brand.

Recommending Approval:

  
**Rodolfo B. Del Rosario, Jr.**  
OIC, IT Management Department

Approved by:

  
**Dr. Alvin B. Marcelo**  
Chief Information Officer



Republic of the Philippines  
**PHILIPPINE HEALTH INSURANCE CORPORATION**  
Citystate Centre, 709 Shaw Blvd., Bgy. Oranbo, Pasig City, Philippines  
Trunkline: +63.2.4417444  
[www.philhealth.gov.ph](http://www.philhealth.gov.ph)

# Annex "C"



## BID BULLETIN

### BIDDING FOR THE PROCUREMENT OF ONE (1) LOT NETWORK SECURITY DEVICES FOR PHROs AND SOs

In accordance with Republic Act 9184, this bid bulletin is hereby issued amending and/or to clarify the following provisions of the Philippine Bidding Documents on the **Bidding for the Procurement One (1) Lot Network Security Devices for PhROs and SOs (ITB No. NSD 2011-012-IT)**, viz:

PROVISIONS/QUERIES		AMENDMENT / CLARIFICATION
On page 41 : SECTION VII: TECHNICAL SPECIFICATIONS FOR PHROs		The BAC-ITR and the Technical Working Group (TWG) would like to inform the bidders of the following:
ANTI-VIRUS/ANTI SPYWARE	Must be able to scan scan HTTP, FTP, SMTP, POP3, IMAP and VPN Tunnels.	⇒ REMOVE "VPN Tunnels"
URL FILTERING	Must support URL, Keyboard and Phrase Blocking	⇒ DELETE THIS ITEM
	Must have HTTP Proxy capability	⇒ CHANGE TO: "Must have HTTP Proxy capability <u>or</u> Web Filtering redirection"
On page 23 : SECTION III : BID DATA SHEET ITB Clause 5.4		The BAC-ITR and the Technical Working Group (TWG) would like to inform the bidders of the following:
<b>Single Largest Contract:</b> The Bidder must have completed, within the period specified in the Invitation to Bid and ITB Clause 12.1 (a)(iii), a single contract that is similar to this Project, equivalent to at least fifty percent (50%) of the ABC.		The Delivery will be at the PhilHealth Head Office-Pasig City but the Implementation of the project will be Nationwide.
For this purpose, similar contracts shall refer to "Network Security Device."		Similar contracts shall refer to "Network Security Device."



*[Handwritten signatures and initials]*



The bidder sought clarification on the requirement of submitting their Tax Clearance and Mayor's Permit.

The BAC-ITR and the Technical Working Group (TWG) would like to inform the bidders of the following:

- The bidder can submit their Official Receipt for the application of Mayor's Permit for CY 2012 with the Certified True Copy of the Mayor's Permit for CY 2011 but during the post-qualification, the bidders must submit a Certified True Copy of the CY 2012 Mayor's Permit.
- The bidder must submit their Updated Tax Clearance NOT EARLIER than December 31, 2011.

Reminders:

The BAC-ITR would like to remind the Bidder/s to double check the eligibility requirements prior to submission of bid proposals.

This BID BULLETIN shall form part of the eligibility and technical bid proposal to be submitted on January 31, 2012.

The deadline for submission of bid proposals will be on January 31, 2012 11:30 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 January 31, 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 January 31, 2012. Bidders are also hereby reminded to bring the original copy of the Official Receipt issued for the Bid Document.

Issued this 24<sup>th</sup> day of January 2012.

SVP ERNESTOW BELTRAN  
Chairperson

*on official business*  
VP NERISSA R. SANTIAGO  
Vice-Chairperson

*an official business*  
SM WALTER R. BACAREZA  
Member

*an official business*  
SM EVANGELINE F. RACELIS  
Member

*an official business*  
DR. ROBERT LOUIE P. SO  
Member

*[Signature]*  
ATTY. MICHAEL TROY A. POLINTAN  
Member

*[Signature]*  
RODOLFO B. DEL ROSARIO JR.  
Member/End-User

*Approved*

*[Signature]*



*[Handwritten notes and signatures]*





Republic of the Philippines  
**PHILIPPINE HEALTH INSURANCE CORPORATION**  
Citystate Centre, 709 Shaw Blvd., Bgy. Oranbo, Pasig City, Philippines  
Trunkline: +63.2.4417444  
[www.philhealth.gov.ph](http://www.philhealth.gov.ph)

**Annex "D"**



**NOTICE OF AWARD**

Date Issued: MARCH 14, 2012

**Ms. SHIRLEY Z. AMATA**

Account Manager

**Trends and Technologies, Inc.**

6/Fir. Trafalgar Plaza, 105 H.V. Dela Costa,  
Makati City

Telephone: (02)811-8181 loc. 3007

Telefax: (02) 814-0130

Dear Ms. Amata:

We are pleased to notify you that your bid proposal for the procurement of **One (1) Lot Network Security Devices for PhROs and SOs** for the execution of *Trends and Technologies, Inc.* at the Contract Price equivalent to **Four Million Nine Hundred Thousand Eight Hundred Eighty Eight Pesos (PhP4,900,888.00)** is hereby accepted.

You are hereby required to provide within ten (10) calendar 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 Chief Executive Officer

Conforme:

  
**Ms. SHIRLEY Z. AMATA**

Account Manager

Date: 03-14-12



Republic of the Philippines  
**PHILIPPINE HEALTH INSURANCE CORPORATION**  
Citystate Centre Building, 709 Shaw Boulevard, Pasig City  
Healthline 441-7444 [www.philhealth.gov.ph](http://www.philhealth.gov.ph)



**Annex "E"**

March 23, 2012

**TO :** Ms. MARIA ELENA Y. HERRERA  
Division Chief, Cash Division

**THRU :** Ms. EVANGELINE F. RACELIS  
Senior Manager, Treasury Department

**FROM :** Atty. MA. EMILY P. ROQUE  
Head, SBAC

**SUBJECT :** Performance Security of Trends and Technologies, Inc.

Respectfully forwarded for your appropriate action hereto attached original copy of the **PERFORMANCE SECURITY** of Trends and Technologies, Inc. as the bidder for the **Procurement of One (1) Lot Network Security Devices for PhROs and SOs** described as follows:

**FORM :** Performance Bond  
**REF NO. :** BD-G13-HOM-0037743  
**ISSUED BY :** Prudential Guarantee  
**DATE :** March 16, 2012  
**AMOUNT :** PhP1,470,266.40  
(30% of the Contract Price-PhP4,900,888.00)





**OIC BOND NO. G(13)78598**

**PGA BOND NO. BD-G13-HOM-0037743**

**PERFORMANCE BOND**

Premium	P	8,086.47
Documentary Stamps		1,010.81
EVAT		970.38
Local Taxes		200.00
Other Charges		
<b>TOTAL</b>	<b>P</b>	<b>10,267.66</b>

**KNOW ALL MEN BY THESE PRESENTS:**

That **TRENDS AND TECHNOLOGIES, INC.** of **U6C TRAFALGAR PLAZA 105 H.V. DELA COSTA STREET SALCEDO VILLAGE, MAKATI CITY**, as **PRINCIPAL** and **PRUDENTIAL GUARANTEE AND ASSURANCE INC.**, a corporation duly organized and existing under and by virtue of the laws of the Philippines, as **SURETY**, are held and firmly bound unto **PHILIPPINE HEALTH INSURANCE CORPORATION** as **OBLIGEE** in the sum of **PESOS: ONE MILLION FOUR HUNDRED SEVENTY THOUSAND TWO HUNDRED SIXTY SIX AND 40/100 ONLY (P1,470,266.40)** Philippine Currency, for the payment of which sum, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors, and assigns jointly and severally, firmly by these presents:

*WHEREAS, The above-named Principal was awarded the Bid/Contract to*

To guarantee the faithful performance and completion by the Principal to complete the Procurement of One (1) Lot Network Security Devices for PhROs and SOs for the Obligee's project, as per Notice of Award dated March 14, 2012, a copy of which is hereto attached to form an integral part of this bond;

**WHEREAS**, this bond is "Callable on Demand".

**PROVIDED, HOWEVER**, that the liability of the **SURETY** under this bond shall in no case exceed the total sum of **PESOS: ONE MILLION FOUR HUNDRED SEVENTY THOUSAND TWO HUNDRED SIXTY SIX AND 40/100 ONLY (Php 1,470,266.40)**, Philippine Currency;

**WHEREAS**, said **OBLIGEE** requires said **PRINCIPAL** to give a good and sufficient bond in the above stated sum to secure the full and faithful performance on his part of said contract;

**NOW THEREFORE**, if the **PRINCIPAL** shall well and truly perform and fulfill all the undertakings, covenants, terms, conditions and agreements stipulated in said contract then, this obligation shall be null and void; otherwise it shall remain in full force and effect.

The liability of **PRUDENTIAL GUARANTEE AND ASSURANCE INC.**, under this bond will expire on **July 14, 2012**; Furthermore, it is hereby agreed and understood that **PRUDENTIAL GUARANTEE AND ASSURANCE INC.**, shall not be liable for any claim not discovered and presented to the company within fifteen (15) days from the expiration of this bond or occurrence of the default or failure of the principal, whichever is the earliest, and that the obligee hereby waives his right to file any claim against the Surety after the termination of the period of fifteen days above mentioned after which time this bond shall definitely terminate and be deemed absolutely cancelled.

IN WITNESS WHEREOF, we have set our hands this **16th day of March, 2012**.

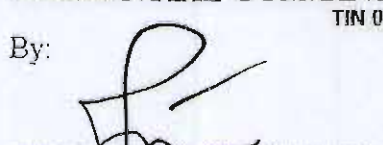
**TRENDS AND TECHNOLOGIES, INC.**  
Principal


By:

  
**HASAN FARID**  
**CHAIRMAN & CEO**

**PRUDENTIAL GUARANTEE AND ASSURANCE INC.**  
TIN 000-491-813

By:

  
**GUIALAGUIS FLAMINIANO**  
**VICE PRESIDENT**

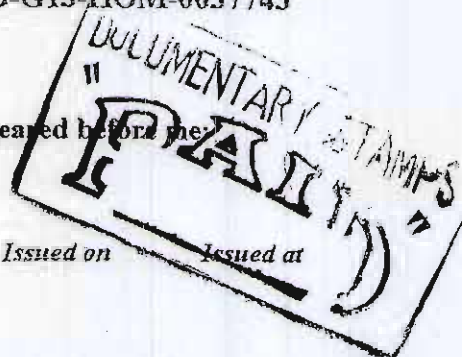
  
**JUSTIN T. GO**  
**SENIOR VICE PRESIDENT**

Signed in the Presence of :



REPUBLIC OF THE PHILIPPINES } S.S. BD-G13-HOM-0037743  
CITY OF MAKATI

On this 16th day of March, 2012, personally appeared before me



Name	Valid ID No.	Issued on	Issued at
HASAN FARD			
JUSTINO T. GO	03-0249972-0		
GUIA LAGUIO-FLAMINIANO	33-3013743-3		
PRUDENTIAL GUARANTEE AND ASSURANCE INC.	CI-00076421	Jan. 05, 2012	Makati City

known to me to be the same persons who executed the foregoing instrument and they acknowledged to me that the same is their free and voluntary act and deed and the free and voluntary act and deed of the corporation they represent.

Doc. No. 187  
Page No. 38  
Book No. XXX  
Series of 2012

**ELMAR JAY MARTIN I. DEJARESCO**  
NOTARY PUBLIC UNTIL DECEMBER 31, 2012  
IBP NO. 877255 JAN. 2, 2012 NEG. OR.  
PTR NO. 1303067 JAN. 2, 2012 MANDALUYONG

REPUBLIC OF THE PHILIPPINES } S.S.  
CITY OF MAKATI

Ms. & Mr. GUIA LAGUIO-FLAMINIANO AND JUSTINO T. GO  
of PRUDENTIAL GUARANTEE AND ASSURANCE INC. with TIN 047-000-491-813 having been duly sworn, state and depose that PRUDENTIAL GUARANTEE AND ASSURANCE INC. is actually worth the amount specified in the foregoing undertaking to wit: ONE MILLION FOUR HUNDRED SEVENTY THOUSAND TWO HUNDRED SIXTY SIX PESOS AND 40/100 CENTAVOS ONLY (Php 1,470,266.40) Philippine Currency, over and above all just debts and obligations and property exempt from execution.

GUIA LAGUIO-FLAMINIANO  
(Affiant/s)

JUSTINO T. GO

SUBSCRIBED AND SWORN TO before me this 16th day of March, 2012 at Makati, Philippines, Affiant/s having exhibited to me their valid Identification No. as above indicated.

WITNESS MY HAND AND SEAL.

Doc. No. 188  
Page No. 38  
Book No. XXX  
Series of 2012

**ELMAR JAY MARTIN I. DEJARESCO**  
NOTARY PUBLIC UNTIL DECEMBER 31, 2012  
IBP NO. 877255 JAN. 2, 2012 NEG. OR.  
PTR NO. 1303067 JAN. 2, 2012 MANDALUYONG



## Section IV. General Conditions of Contract

### 1. 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.

*[Handwritten signatures and initials]*

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.

- 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:

*[Handwritten signatures and initials]*



- (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



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.

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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: <b>Philippine Health Insurance Corporation Corporate Operating Budget for CY 2011 in the amount of Four Million Nine Hundred Six Thousand Eighty Five Pesos and Forty Four Centavos (PhP 4,906,085.44)</b>
1.1(k)	The Project Site is <i>at PhilHealth Head Office, Room 1503, 15<sup>th</sup> Floor Citystate Centre Bldg., 709 Shaw Blvd., Bgy. Oranbo, Pasig City</i>
5.1	The Procuring Entity's address for Notices is: <b>ERNESTO V. BELTRAN, Senior Vice-President, Actuarial Services and Risk Management Sector, and BAC-ITR Chairperson, Room 1002, 10<sup>th</sup> Floor CityState Centre, 709 Shaw Boulevard, Pasig City</b>
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><b>Delivery and Documents –</b></p> <p>The Delivery terms of this Contract shall be as follows:</p> <p><b>One (1) Lot Network Security Devices for PhROs and SOs shall be delivered to Room 1503, 15<sup>th</sup> 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."</b></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"> <li>(i) Original and four copies of the Supplier's invoice showing Goods' description, quantity, unit price, and total amount;</li> <li>(ii) Original and four copies delivery receipt/note, railway receipt, or truck receipt;</li> <li>(iii) Original Supplier's factory inspection report;</li> <li>(iv) Original and four copies of the Manufacturer's and/or Supplier's warranty certificate;</li> <li>(v) Original and four copies of the certificate of origin (for imported Goods);</li> <li>(vi) Delivery receipt detailing number and description of items received signed by the authorized receiving personnel;</li> <li>(vii) Certificate of Acceptance/Inspection Report signed by the Procuring Entity's representative at the Project Site; and</li> <li>(viii) Four copies of the Invoice Receipt for Property signed by the Procuring Entity's representative at the Project Site.</li> </ul> <p><b>Incidental Services –</b></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"> <li>(a) performance or supervision of on-site assembly and/or start-up of the supplied Goods;</li> <li>(b) furnishing of tools required for assembly and/or maintenance of the supplied Goods;</li> <li>(c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied Goods;</li> <li>(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</li> </ul>



- relieve the Supplier of any warranty obligations under this Contract; and  
(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.

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.

#### **Spare Parts –**

The Supplier is required to provide all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the Supplier:

The Supplier shall carry sufficient inventories to assure ex-stock supply of consumable spares for the Goods for a period of *three (3) years*.

#### **Packaging –**

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.

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.

The outer packaging must be clearly marked on at least four (4) sides as follows:

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

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.

#### **Insurance –**

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.

#### **Transportation –**

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.

#### **Patent Rights –**

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.

10.2	NO FURTHER INSTRUCTIONS
10.3	NO FURTHER INSTRUCTIONS
10.4	NO FURTHER INSTRUCTIONS
13.4(c)	NO FURTHER INSTRUCTIONS
16.1	<p>The bidders should be able to comply with the following:</p> <ul style="list-style-type: none"> <li>• The winning bidder should work in parallel with PHILHEALTH Information technology Management Department (ITMD) during the installation, testing, and commissioning of the Project.</li> <li>• The bidders must ensure that the proposed One (1) Lot Network Security Devices for PhROs and SOs for is compatible with the existing equipment of PHILHEALTH.</li> <li>• Intensive testing should be done by the winning bidder to achieve the functionality and benefits of the One (1) Lot Network Security Devices for PhROs and SOs.</li> </ul>
17.3	<ul style="list-style-type: none"> <li>• The maintenance period will be for a period of three (3) years.</li> <li>• All software/hardware should be covered by warranty on services, upgrades and updates on the <b>One (1) Lot Network Security Devices for PhROs and SOs</b> within the maintenance period which shall commence upon acceptance of the delivered goods.</li> </ul>
17.4 and 17.5	<p>The period for correction of defects within the warranty period are:</p> <ul style="list-style-type: none"> <li>• The bidders should be able to provide expert personnel to service the <b>One (1) Lot Network Security Devices for PhROs and SOs</b> whenever problems should occur.</li> <li>• The winning bidder should provide an 24x7 phone and technical support to PhilHealth within the three (3) years contract.</li> <li>• Expenses for the technical personnel who will provide the technical service on-site to PHILHEALTH shall be at the expense of the winning bidder.</li> </ul>
21.1	NO ADDITIONAL PROVISION.

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## Section VII. Technical Specifications

SPECIFICATION		Statement of Compliance
<p>* <b>Statement of Compliance-</b> 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>		
PROPONENT'S SCOPE OF THE PROJECT		Statement of Compliance *
<p>This project will cover the delivery, installation, testing, maintenance, documentation, and support of the Corporate Security Devices and peripherals.</p>		comply
1. TECHNICAL SPECIFICATIONS 1 for PhROs		
<p>The vendor shall provide the following deliverables:</p>		
Number of Devices	At least eighteen (18) Network Security Devices.	Comply
General Specifications	Must be hardware-based or appliance type	Comply
	The device must support an upgrade to higher version of firmware OS or can be converted to next generation firmware or OS.	Comply
	Must support IPv4 and IPv6	Comply
	Must have High Availability or Clustering capability	Comply
Unified Threat Management (UTM)	Must have integrated anti-virus, URL and application filter, and Intrusion prevention system licenses for three (3) years.	Comply
Network Interfaces	Must have at least two (2) x 10/100/1000 and at least four (4) x 10/100 Ethernet fixed, must be configurable internal, DMZ and WAN ports	Comply
Performance and capacity	Must have at least 500 Mbps firewall throughput	Comply
	Must have at least 40 Mbps antivirus throughput	Comply
	Must have at least 50 Mbps IPS throughput	Comply
	Must support at least 50,000 concurrent sessions	Comply
	Must support at least 5,000 new sessions per second	Comply
	Must support at least 1,000 security policies	Comply
	Must support Voice Over IP traffic	Comply
	Must be able to support unrestricted number of users	Comply



Firewall Operation	Must support multiple zones security (i.e at different security levels).	Comply
	Must support VoIP protection such as: H.323, SIP, MGCP, SCCP ALG.	Comply
	Must support policy based source and Destination NAT.	Comply
	Must support 802.1q VLAN	Comply
	Must support MAC and IP MAC filtering and Spoof prevention.	Comply
	Must support Dos and DDOS attack prevention.	Comply
Anti-Virus/Anti Spyware	Must be able to block, remove and detect Virus, Worm and Trojan.	Comply
	Must protect against spyware, malware and Phishing.	Comply
	Must have database update for virus signature.	Comply
	Must support file quarantine	Comply
	Must be able to block by file size or type.	Comply
	Must be able to scans HTTP, FTP, SMTP, POP3, IMAP	Comply
Intrusion Prevention System (IPS)	Must support blocks attacks such as DoS, port scanning, IP/ICMP/ TCP related	Comply
	Must support blocks attacks such as DNS, FTP bounce and improper commands.	Comply
	Must support protection from at least 3000 threats	Comply
	Must support protocol anomaly detection	Comply
	Must support Custom signature	Comply
Gateway Antispam	Must support Real Time Blocking (RBL) and MIME header check.	Comply
	Must support IP address Black lists/white list	Comply
	Must support automatic updates.	Comply
URL Filtering Bid Bulletin - 1/24/2012 DELETE THIS ITEM - Must support URL, keyboard and Phrase blocking	Must have HTTP proxy capability or Web Filtering redirection	Comply
	Must support Java applet, cookies and active x blocking	Comply
	Must have at least 75 URL categories	Comply
	Must be able to support custom based categories	Comply
	Must have URL database.	Comply
SSL VPN	Must have support TCP and UDP Tunneling.	Comply
	Must have support Active	Comply

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	Directory, LDAP and RADIUS authentication.	Comply
Site to Site VPN (IPSec VPN)	Must be able to support at least 60 site to site VPN tunnels	Comply
	Must have support at least DES, 3DES, and AES (256-bit) encryption and at least MD5 and SHA-1 authentication.	Comply
	Must have support IKE Certificate Authentication: Digital Certificates and Preshared key.	Comply
	Must support at least Remote access VPN, L2TP within IPSec, and IPSec NAT traversal.	Comply
	Must have Hub and Spoke VPN support.	Comply
	Must have the capability to auto-connect VPN and support Redundant VPN gateways.	Comply
Traffic Management	Must have BGP, OSPF, RIP v1,v2 routing protocols capability	Comply
	Must have policy based routing (Source, Destination, Port/Service)	Comply
	Must have support for guaranteed bandwidth settings per policy.	Comply
	Must have support for maximum bandwidth settings per policy.	Comply
	With diffserv marking support per policy.	Comply
Networking	Must have support Gateway Failover Selector (Multiple WAN Supports).	Comply
	Must have support Policy Based routing.	Comply
	Must have support DDNS and PPPoE client.	Comply
	Must have support Parent Proxy with FQDN.	Comply
High Availability	Must have high availability features. High availability can be configured as active/active and active/passive mode.	Comply
	Must support VRRP, session synchronization for firewall and VPN, session failover for routing change.	Comply
	Must be able to detect device failures and link failures.	Comply
User Authentications	Must have Local database.	Comply
	Must support Active Directory Integration.	Comply
	Must support Windows Single Sign-On.	Comply
	Must support external	Comply

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	Radius/LDAP database integration.	Comply
System Management	Must have Command Line Interface (console, telnet, and SSH)	Comply
	Management via VPN tunnel	Comply
	Must be able to manage via enterprise network management	Comply
	Must be manageable locally by multiple administrators	Comply
Administration	Must be capable with different user access level (administrator/user)	Comply
	Must support software upgrades and configuration changes thru web and TFTP.	Comply
	Must have configuration rollback capability	Comply
	Must be able to integrate with Syslog servers	Comply
Logging/Monitoring	Must support email alerts	Comply
	Must support SNMP	Comply
	Must support VPN tunnel monitoring	Comply
Power Supplies	Input voltage must be 100/240 Volts alternating current autosense	Comply
Accessories	Must have management cables	Comply
	Must have power cables, manuals, utility drivers and other accessories.	Comply
	Must have complete rack mounting accessories (brackets, screws & etc.)	Comply
Firewall certification	The firewall must at least be certified and complied with the specifications of ICSA Laboratory in terms of Antivirus, IPS, and IPsec VPN.	Comply

## 2. TECHNICAL SPECIFICATIONS 2 for SOs

Number of Devices	Fifty Two (52) Firewall/VPN devices	Comply
General Specifications	Must be hardware-based or appliance type	Comply
	Operating System (OS) and/or the security software must be integrated with the firewall device to remove overhead of extra platform layers found on general-purpose commercial operating systems.	Comply
	The device must support an upgrade to higher version of firmware OS or can be converted to next generation	Comply

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	firmware or OS.	Comply
	Must be UTM capable for future upgrade	Comply
	Must support IPv4 and IPv6	Comply
	Must have High Availability or Clustering capability	Comply
Concurrent Connections	Must have at least 10,000 concurrent connections.	Comply
Firewall Throughput	Must have at least 100 Mbps.	Comply
Network Interfaces	Must have at least five (5) x 10/100 Ethernet ports.	Comply
VLAN	Must support at least 10 VLANs.	Comply
Policies	Must support at least 50 policies.	Comply
Mode of Operation	Must support transparent mode to all interfaces	Comply
	Must support route mode to all interfaces.	Comply
	Must support NAT and PAT modes to all interfaces.	Comply
	Must support IP mapping.	Comply
Routing mode	Must support static routes and dynamic routes (OSPF, RIPv1/v2)	Comply
Users	Must support unlimited users.	Comply
Firewall operation	Must perform network attack detection	Comply
	Must support DoS and DDoS, fragmented and malformed packet, SYN cookie, and brute force attack mitigations	Comply
	Must execute port scanning, IP spoofing, detections and prevention	Comply
	Must have support for brute force attack mitigation	Comply
	Must have support for voice over IP (VoIP) security such as: H.323, SIP ALG, MGCP ALG, SCCP ALG	Comply
Firewall inspection	Must perform deep inspection.	Comply
	Must execute protocol anomaly detection.	Comply
	Must perform stateful inspection.	Comply
Content Filtering	Must support URL filtering.	Comply
Traffic Management	Must have support for guaranteed bandwidth settings per policy	Comply
	Must have support for maximum bandwidth settings per policy	Comply
	Must have traffic prioritization.	Comply
Firewall/VPN Authentication	Must have a built-in (internal) database.	Comply
	Must have a web-based authentication.	Comply
	Must have an XAUTH VPN Authentication.	Comply

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	Must support 3 <sup>rd</sup> party (external) user authentication: RADIUS, RSA SecurID; LDAP.	Comply
VPN features	Must have capability to support at least 50 concurrent site to site VPN tunnels.	Comply
	Must have support at least DES, 3DES, and AES (256-bit) encryption and at least MD5 and SHA-1 authentication	Comply
	Must have support Manual key, IKE, IKE v2 with EAP, PKI, DH groups	Comply
	Must support at least Remote access VPN, L2TP within IPSec, and IPSec NAT traversal	Comply
	Must have the capability to auto-connect VPN and support Redundant VPN gateways	Comply
System Management	Must have web-based management (HTTP and HTTPS)	Comply
	Must have Command Line Interface (console, telnet, and SSH)	Comply
	Management via VPN tunnel	Comply
	Must be able to manage via enterprise network management	Comply
Administration	Must be manageable locally by multiple administrators	Comply
	Must be capable with different user access level (administrator/user)	Comply
	Must support software upgrades and configuration changes thru web and TFTP.	Comply
	Must have configuration rollback capability	Comply
Logging/Monitoring	Must be able to integrate with Syslog servers	Comply
	Must support email alerts	Comply
	Must support SNMP	Comply
	Must support VPN tunnel monitoring	Comply
Accessories	Must have complete rack mounting accessories (brackets, screws & etc.)	Comply
	Must have management cables	Comply
	Must have power cables, manuals, utility drivers and other accessories.	Comply



### 3. MANAGEMENT DISPLAY MONITOR

General Specifications	Must include two (2) units Display for Network Infrastructure Monitoring	Comply
	Must be branded	Comply
	Must be at least 55 inches LED backlit Display capable up to 1920 x 1080 Resolution	Comply
	With Anynet+ (HDMI-CEC) available	Comply
	Must have web browsing capability	Comply
	Must be able to connect to the network and the Internet via UTP cable or Wireless LAN	Comply
	Must have on-screen display keyboard or remote control keyboard or external keyboard feature	Comply
	At least 3 years warranty	Comply
Input and Output	Must have at least 4xHDMI.	Comply
	Must have Digital Audio Out (Optical)	Comply
	Must have VGA and/or PC In port and must be able to display computer screen	Comply
	At least 1 PC Audio in (Mini Jack)	Comply
	Must be Wi-Fi ready	Comply
	Must have built-in Wireless LAN or external Wireless Adapter	Comply
	Must have at least 2 x 2.0 USB ports	Comply
	At least 1 x Ethernet (LAN)	Comply
Accessories	At least Ultra Slim wall Mount support	Comply
	At least Vesa wall Mount support	Comply
	Power Cable	Comply
	Manuals	Comply
	Must have Wall Mount Kit	Comply

### 4. INSTALLATION AND TESTING

- |  |        |
|--|--------|
| <ul style="list-style-type: none"> <li>The vendor must ensure that the proposed solution is compatible with the existing equipment of PHILHEALTH.</li> </ul>   | Comply |
| <ul style="list-style-type: none"> <li>Intensive testing should be done by the vendor to achieve the functionality and benefits of the new devices. The vendor must provide an actual result of the testing of the installed devices.</li> </ul> | Comply |
| <ul style="list-style-type: none"> <li>The winning vendor will work in parallel with PHILHEALTH Network Engineers during the installation and testing of all the security devices to secure the corporate network infrastructure.</li> </ul>     | Comply |



**5. PROJECT MANAGEMENT**

- The winning vendor should provide a Project Management team that will handle the planning, design, installation, and maintenance of the Network Security Devices of PHILHEALTH and will work in parallel with PHILHEALTH Network Engineer for the duration of the project.
- The Project Management team will be composed of a Project/Team Leader, Assistant Team Leader, and team member representatives from the vendor and PHILHEALTH Network team.
- The Project Management team and PHILHEALTH Network Engineers will be responsible for the formulation and configuration of the security policies of the Corporation based on the existing IT Policies and Standards being implemented by PHILHEALTH.
- Both parties (vendor and PHILHEALTH Network Team) should agree to the formulated policies before the implementation/rollout proper.

Comply

Comply

Comply

Comply

**6. WARRANTY**

- The equipment should be covered by warranty on parts and service for at least three (3) years and for software patches and firmware updates. The warranty period for the hardware supplied shall commence upon acceptance. A comprehensive maintenance program for the first three-year period shall be included in the proposal.
- The comprehensive maintenance shall include replacements for all parts, which should be locally available. The vendor shall ensure continuous inventory of all critical parts of the equipment. Critical parts of the equipment shall include: main board, memory, modules, power supplies etc.
- The vendor must ensure that PHILHEALTH would be given the following:
  - ✓ Firmware updates, software patches, driver updates and agents for the management software – FREE (via www or CD)
  - ✓ Parts replacement – FREE for the duration of the warranty period.
  - ✓ Preventive Maintenance – FREE at least twice a year for the duration of the warranty period.
  - ✓ Configuration – FREE assistance on product reconfiguration (on-site) for the duration of the warranty period.

Comply

Comply

Comply

Comply

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Comply

Comply

**7. AFTER- SALES SUPPORT**

- During the warranty period, the vendor shall provide highly technical personnel to service the security devices and all of its components/peripherals whenever hardware and/or any related problem should occur.

Comply

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<ul style="list-style-type: none"> <li>On call support shall be available 24 hours a day, 7 days a week. A one (1) hour response from time of the call (through telephone call) shall be provided. Onsite support must have a response time of not more than 4 hours from the time of the call in cases where in the phone support could not solve the problem.</li> <li>On hardware repair, testing shall be done on-site to know the extent of the problem. All components beyond repair shall be replaced at no cost during the effectivity and conditions of the warranty. Service units should be available for the system and peripherals within a day after testing and diagnosis for temporary replacement of the defective unit(s).</li> <li>The vendor must shoulder all expenses of the technical person(s) who will be providing the technical services on-site.</li> <li>The winning bidder shall coordinate with PHILHEALTH Network Engineers regarding the technical support and other matters after the awarding of the project. This is to facilitate faster response in case problem/s is/are needed to be resolved immediately.</li> </ul>	<p>Comply</p> <p>Comply</p> <p>Comply</p> <p>Comply</p>				
<b>8. TECHNOLOGY TRANSFER &amp; WORKSHOP</b>					
<ul style="list-style-type: none"> <li>FREE in-depth technical workshop should be provided for PHILHEALTH Network Administrators. The training should be conducted by the competent engineer(s) with at least 2 years of experience in the implementation of the said devices onthe Training Centers in relation to the security devices and other tools that will be used to manage the said NETWORK SECURITY DEVICES. The technical workshop is listed below:</li> </ul> <table border="1" data-bbox="305 1275 1015 1589"> <thead> <tr> <th>Course Title</th><th>No. of Participants</th></tr> </thead> <tbody> <tr> <td>At least 2 days workshop in the management, installation, and configuration of Firewall devices. The workshop should be hands-on and reflects the actual environment of Philhealth.</td><td>25</td></tr> </tbody> </table> <ul style="list-style-type: none"> <li>All accommodation and transportation expenses of the participants of the workshop should be shouldered by the winning bidder.</li> </ul>	Course Title	No. of Participants	At least 2 days workshop in the management, installation, and configuration of Firewall devices. The workshop should be hands-on and reflects the actual environment of Philhealth.	25	<p>Comply</p> <p>Comply</p> <p>Comply</p>
Course Title	No. of Participants				
At least 2 days workshop in the management, installation, and configuration of Firewall devices. The workshop should be hands-on and reflects the actual environment of Philhealth.	25				
<b>9. OTHER REQUIREMENTS</b>					
<ul style="list-style-type: none"> <li>A certification must be provided by the bidder that his/her company is an authorized reseller/partner of the manufacturer of all proposed products.</li> <li>A certification must be provided by the bidder that his/her company is an authorized support services provider of the manufacturer of all proposed products.</li> </ul>	<p>Comply</p> <p>Comply</p>				

<b>10. DOCUMENTATION</b>	
<ul style="list-style-type: none"> <li>The bidder must provide user and system manuals and technical materials of each device. Complete documentation of software and licenses, utility and recovery CDs must also be provided including the inventory of the server systems' components and serial numbers.</li> </ul>	Comply
<b>11. ACCEPTANCE</b>	
<ul style="list-style-type: none"> <li>PhilHealth technical personnel must review and conduct a physical testing of the delivered equipment based on its functions. All deliverables mentioned above should be checked by PhilHealth and complied by the vendors before the final acceptance and turnover of the project.</li> </ul>	Comply
<b>12. DELIVERY ADDRESS AND DATE</b>	
<ul style="list-style-type: none"> <li>The NETWORK SECURITY DEVICES must be delivered at Citystate Centre Building, #709 Shaw Blvd., Oranbo, Pasig City.</li> <li>Delivery of all equipment should not be more than thirty (30) calendar days after the issuance of Notice to Proceed. The proponent shall indicate the details of installation for the entire project. Both parties will determine the installation and implementation based upon the agreed schedule. The winning proponent shall guarantee installation and testing of the equipment within the specified period of agreed schedule.</li> </ul>	Comply  Comply
<b>13. All items in the specifications are generic and not tailor fitted to any brand.</b>	

I hereby certify to comply with all the above Technical Specifications

Trends and Technologies, Inc. Shirley Z. Amata January 27, 2012  
 Name of Company/Bidder Signature Over Printed Name of Representative Date

NO 012.001

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BAC Central Office

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