

**CONTRACT
FOR THE SUPPLY AND DELIVERY OF
1 LOT COMPUTERS AND IT PERIPHERALS**

FEB 25 2013

THIS AGREEMENT made and entered into this _____, 2013 between:

PHILIPPINE HEALTH INSURANCE CORPORATION, a government owned and controlled corporation created and existing by virtue of Republic Act No. 7875, otherwise known as the "National Health Insurance Act of 1995", with principal office address at 19th Floor, City State Center Building, 709 Shaw Blvd. corner Oranbo Drive, Pasig City, represented herein by its **Vice President for Regional Office III, RODOLFO M. BALOG**, with office address at PhilHealth Bldg., Lazatin Blvd., San Agustin, City of San Fernando, Pampanga, (hereinafter called "**PHILHEALTH**")

-and-

HLYC TRADING, a sole proprietorship organized and existing under the laws of the Republic of the Philippines and registered with the Department of Trade and Industry under Certificate No. 01571790, issued on January 2, 2012 in the name of **HOMER A. CONCHADA**, with business address at No. 1133 E Aguilar St., Sta. Cruz, Manila, represented herein by its **Account Executive, MARICEL H. ALAURIN** (hereinafter called "**HLYC**").

-Witnesseth-

WHEREAS, PHILHEALTH, through BAC Resolution No. 11-029-B-01 s. 2012 entitled "A Resolution Declaring the Failure of Public Bidding for the Procurement of One (1) Lot Computers and I.T. Peripherals for PRO III, and Recommending Approval", declared a failure of 2nd Public Bidding for the Procurement of the said One (1) Lot Computers and I.T. Peripherals'.


WHEREAS, by virtue of the said duly approved BAC Resolution No. 11-029-B-01 s. 2012 PHILHEALTH decided to procure "one (1) Lot Computers and I.T. Peripherals" for PRO III, through Negotiated procurement as provided for in Section 53 of the RIRR, RA 9184;

WHEREAS, it was determined that offered item by the bidder is no longer available in the market. Thus, **HLYC** submitted modifications of the technical specifications of the outdated IT Equipment which is higher and newer than that required and offered bid, but did not affect the cost of goods, and is deemed more necessary and advantageous to **PHILHEALTH**;

WHEREAS, PHILHEALTH found the bid of **HLYC** to be responsive, and **PHILHEALTH** consequently accepted the bid of **HLYC** for the supply of IT Equipment (Computers and IT Peripherals) in the sum of **THREE MILLION FIVE HUNDRED FORTY NINE THOUSAND SEVEN HUNDRED FIFTY SIX PESOS ONLY (P 3,549,756.00)** (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:


Recd: Dennis Rhina

- (a) the Accomplished Request for Quotation / Bid Form submitted by HLYC (*Annex "A-A113"*);
 - (b) the Modified Technical Specifications of some of the items being procured submitted by HLYC (*Annex "B-B4"*);
 - (c) the Request for Quotation (*Annex "C"*);
 - (d) the Technical Specifications (*Annex "D-D16"*); and
 - (e) the Notice of Award (*Annex "E"*).
3. In consideration of the payments to be made by **PHILHEALTH** to **HLYC** as hereinafter mentioned, **HLYC** hereby covenants with **PHILHEALTH** to provide the said goods, one
- (1) Lot Computers and It Peripherals consisting of the following:
- (a) Desktop Computer (33 pieces) specifications of which stated in *Annex D-1*;
 - (b) PC Server (1 piece) specifications of which stated in *Annex D-13*;
 - (c) Thin Client with wide screen LCD (6 pieces) specifications of which stated in *Annex D-3*;
 - (d) Laptop (3 pieces) specifications of which stated in *Annex D-2*;
 - (e) Network Attached Storage (2 pieces) specifications of which stated in *Annex D4-D5*;
 - (f) Network switch 24-ports (5 pieces) specifications of which stated in *Annex D-8*;
 - (g) Server Rack for Hub/Switch Router (7 pieces) specifications of which stated in *Annex D-10*;
 - (h) Projector-Small Room Multimedia (4 pieces) specifications of which stated in *Annex D-9*;
 - (i) UPS 650VA (8 pieces) specifications of which stated in *Annex D-14*;
 - (j) UPS 500VA (52 pieces) specifications of which stated in *Annex D-14*;
 - (k) Barcode Scanner (2 pieces) specifications of which stated in *Annex D*;
 - (l) Desktop Scanner (12 pieces) specifications of which stated in *Annex D-12*;
 - (m) Heavy Duty Scanner (1 piece) specifications of which stated in *Annex D-15-16*;
 - (n) Wireless Router (3 pieces) specifications of which stated in *Annex D-11*;
 - (o) Crimping Tools (complete set, heavy duty) (1 piece) specifications of which stated in *Annex D-6*;
 - (p) Gun Tacker for UTP Cable (3 pieces) specifications of which stated in *Annex D-7*;

HLYC covenants with **PHILHEALTH** to provide the following services:

- (a) **HLYC** shall provide the description of the offered computers and IT peripherals that undergone bidding and the breakdown of detailed parts (with serial numbers), software CD, and power adapter if applicable.
- (b) All user manuals, technical materials, system manuals, troubleshooting and installation guide should also be provided.
- (c) **HLYC** is required to bring a demo model of the computers and IT peripherals to the Project Site (PhilHealth Regional Office III) for testing. Once the computers and IT peripherals are found compatible with the existing IT systems of **PHILHEALTH** and conform to standard specifications, the said items offered by **HLYC** will be accepted for delivery to **PHILHEALTH**.
- (d) The delivery period to **PHILHEALTH** shall be thirty (30) days from the issuance of notice to proceed. All expenses for the Delivery and installation of all IT equipment consisting of above-described items shall be borne by **HLYC**. A penalty of one tenth (1/10) of one percent (1%) of the cost of the delayed goods scheduled for delivery is imposed for every day of delay until such goods are finally delivered and accepted by **PHILHEALTH**.

HLYC further covenants with **PHILHEALTH** to remedy the defects on the goods and services enumerated above, in conformity in all respects with the following provisions of this Contract:

- (a) For After Sales Support, **HLYC** should be able to present a certification from the manufacturer, the list of certified service engineers. **HLYC** shall designate a certified service engineer (company name, contact person and phone number) out of the list provided by manufacturer. All service units should be of equal /superior specification to that of the delivered computers. **HLYC** must also have authorized Service Centers in the provinces of region 3.

- I.1 An eight (8) hours a day and five (5) times a week (8x5 weekdays) on-call and on-site support must be made available to **PHILHEALTH**. If any of the delivered computers malfunctions, the **PHILHEALTH** Information Technology Officer shall forward the encountered problem to the designated certified service engineer via e-mail, facsimile or helpdesk (phone).

Service Response Time			Issuance of Service Unit (SU)	
On-Call	On-Site	Remarks	Replacing the unit thru SU	Remarks
8am to 5 pm	5 pm, next business day (on-site cut-off period)	The on-site service engineer should be able able to provide recommendation within the cut off period. Penalty shall be imposed if lapses occurred after the cut-off period.	Within 48 hours after the onsite cut-off period of the service response time.	A penalty shall be imposed if lapses occurred after 48 hours cut-off period.

- I.2 A strict implementation of one tenth (1/10) of one percent (1%) penalty of the unit price of defective item shall be imposed for every day of delay on service response time / issuance of service unit. To properly monitor or validate the performance of the service engineer, he/she is required to provide a service/job order form indicating the current date, time and the transaction transpired in the **PHILHEALTH** office where support service from **HLYC** is needed. As soon as the said engineer had checked and declared that the defective unit cannot be repaired within the service response time, on-site cut-off period, the service unit should be made available within the next 48 hours . Any movement of service unit and malfunctioned /repaired unit shall be charged against the account of **HLYC**. The assigned service engineer should be able to distinguish on the spot if a warranty applies or null (void). But once the defective unit/s has / have been pulled out by service engineer or the **HLYC**'s representative, the said units will be declared as repairable and all costs shall be charged to **HLYC**. If malfunctioned unit cannot be repaired after 15 working days from the time the said unit had been pulled out for repair, the said unit shall be replaced with a new unit, which should be of equal or higher specifications.

- I.3 The total sum of delays of after sales support shall in no case exceed fifteen percent (15%) of the total contract price, in which case **PHILHEALTH** shall automatically terminate the contract.

- (b) Warranty period for all COMPUTERS AND IT PERIPHERALS shall be from One (1) to Three (3) years depending on the item (please see Technical Specification – Annex “D-D-16”).
4. **PHILHEALTH** hereby covenants to pay **HLYC** in consideration of the provision of the aforementioned goods and the remedying of defects therein, the Contract Price or such other sum as may become payable under the provisions of the Contract at the time and in the manner prescribed by the Contract.
 5. The Contract Price covers all taxes, including the twelve percent (12%) Value Added Tax, custom duties, license fees, freight, insurance and other charges which may be imposed on the Product by foreign and local authorities.
 6. As a guarantee to the faithful performance of **HLYC** of its obligation under this contract in accordance with the bidding documents, **HLYC** pursuant to Sec. 54.5 of the RIRR, RA 9184, posted a performance security prior to the signing of the contract in an amount equal to a percentage of the total Contract Price in accordance with the schedule provided under Sec. 39.2 of the RIRR, RA 9184 hereto attached as Annex “F”
 7. Upon submission of **HLYC** of the **STATEMENT OF BILLING ACCOUNT** and other documentary requirements, **PHILHEALTH** shall pay the sum of **THREE MILLION ONE HUNDRED NINETY FOUR THOUSAND SEVEN HUNDRED EIGHTY PESOS AND FORTY CENTAVOS ONLY (P 3,194,780.40)**, which is ninety percent (90 %) of the total contract price within fifteen (15) working days, after complete delivery to and acceptance by **PHILHEALTH**.

PHILHEALTH shall hold the ten percent (10%) of the total Contract Price as retention money or as obligation for “Warranty” in an amount equivalent to **THREE HUNDRED FIFTY FOUR THOUSAND NINE HUNDRED SEVENTY FIVE PESOS AND SIXTY CENTAVOS ONLY (P 354,975.60)**. Said amount shall only be released after the lapse of the one (1) year warranty period for expendable supplies as required under Section 62 (Warranty) of the Revised Implementing Rules and Regulations of R.A. No. 9184. Provided, however, that the goods supplied are free from patent and latent defects and all the conditions imposed under the contract have been fully met. Provided further, that **HLYC** may opt to post a special bank guarantee equivalent to at least ten percent (10%) of the total Contract Price. The said special bank guarantee must have a validity period of one (1) year covering the whole duration of the warranty period.

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

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

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

PHILIPPINE HEALTH INSURANCE CORPORATION

By:

RODOLFO M. BALOG
Vice-President, PRO 3

HLYC TRADING

By:

MARICEL H. ALAURIN
Account Executive

APPROVED BY:

ATTY. ALEXANDER A. PADILLA
Executive Vice-President & Chief Operating Officer

SIGNED IN THE PRESENCE OF:

Witness for PhilHealth:

GRACE M. MAMAWAL
Division Chief, Management Services Division

ARTHUR G. BINUYA
Information Technology Officer II

Witness for HLYC Trading:

MARYJANE MERANA
Account Executive

LANI A. ESPIRITU
Finance Manager

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
_____) S.S.

BEFORE ME, this FEB 25 2013, 2013, personally appeared the following persons exhibiting to me their respective government issued identification cards, to wit:

RODOLFO M. BALOG
Philippine Health Insurance Corporation
Regional Office III

MARICEL H. ALAURIN
HLYC Trading

CTC # 36048901 Issued on July 25,
2012 at Manila

known to me to be the same persons who executed the foregoing Contract Agreement, consisting of one hundred forty one (141) pages including the annexes and this page on which the acknowledgment is written, signed by the parties and their witnesses on each and every page 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.

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Series of 2013

CONRAD T. LUNA
NOTARY PUBLIC
Notary Public
Until December 31, 2013
PTR No. 24-2015 1/2/13
IBP No. 803994 - 1/2/13
Pampanga
Roll No. 27347
MGLE NO. JV-0010128