

**CONTRACT FOR CONSULTANCY SERVICES**

**KNOW ALL MEN BY THESE PRESENTS**

This **Consultancy Contract** is made and entered into by and between:

The **PHILIPPINE HEALTH INSURANCE CORPORATION** a government owned and controlled corporation duly organized and existing by virtue of Republic Act No. 7875 (as amended by Republic Act No. 9241), with principal office at 709 Citystate Center, Shaw Blvd., Brgy. Oranbo, Pasig City, and duly represented herein by the Secretary of Health / Chairman of the Board and OIC-President and Chief Executive Officer, **ENRIQUE T. ONA, M.D.** hereinafter referred to as **PHILHEALTH**;

- and -

**RANDALL R. LOZANO** of legal age, and residing at No. 346 P. Burgos Avenue, Caridad, Cavite City and hereinafter referred to as the **CONSULTANT**;

**WITNESSETH**

**WHEREAS**, PhilHealth is mandated by law to provide financial risk protection to its members by providing affordable, accessible and adequate healthcare services and supplementary benefit packages under the National Health Insurance Program (NHIP);

**WHEREAS**, PhilHealth needs the services of a highly technical and/or primarily confidential Consultant for Information Security Management System (ISMS) to conduct formal forensic investigation and establishing mechanisms to safeguard the integrity of PhilHealth information systems;

**WHEREAS**, the engagement shall also guide Internal Audit in the conduct of computer forensic investigation and fraud detection as Internal Audit gears toward the institutionalization of IT audit services in support of the accelerated implementation of Universal Health Care (UHC) from the perspectives of local health markets, population segments and health insurance products.

**NOW, THEREFORE**, for and in consideration of the premises, the parties have mutually agreed to the following terms and conditions:

**1. Scope of Consultancy Services**

The Consultant shall perform the following functions:

- a) Submit an inception report which shall indicate the proposed activities and timeline; offices involved and the extent of involvement; the list of information needed and the consultative meetings to conduct;
- b) Using the ISO ISMS framework, review and identify the inadequacies within the existing security program; assess the risks and weaknesses of the existing information technology of the Corporation; and evaluate management responses to finding and risk assessment.
- c) Audit the adequacy of controls on information systems and related operations to ensure system effectiveness of IS controls to avert such possibilities of:
  - Data loss due to file damage, data corruption (manipulation), etc.
  - Error in software;
  - Computer abuse like fraud, negligent use, and
  - Absence of audit trails that make it difficult for an auditor to ensure efficient and
  - effective functioning of a computerized system

Enrique T. Ona  
Secretary of Health/ Chairman of the Board  
and OIC - President and CEO

Mano B. Marcelo  
Dr. Alvin B. Marcelo  
SVP-IMS

Randall R. Lozano  
Consultant

Edgar J. Asuncion  
SVP- Legal Sector

Atty. Encito O. Yañez  
End-User/ Senior Manager, CISD

Willie M. Bumacod  
Fiscal Controller IV, DRAS

- d) Perform the following with other members of internal audit or independently review enterprise internal controls following the COSO internal controls framework.
  - Penetration testing, test the invisible processes in membership, contributions,
  - benefit administration and stakeholder relations.
  - Review the backup and archives to specifically track anomalous transactions and
  - Identify the vulnerabilities of the existing computer information system, if there is any; and
  - Conduct and oversee investigation of inappropriate computer use.
- e) Furnish a comprehensive report on the information system security status of the corporation including a detailed analysis of anomalous transactions, if there is any, in the information system;
- f) Perform other IT related tests and controls, as appropriate;
- g) Present the results of his/her study, assessment and recommendations to the PhilHealth management and to relevant committees as may be decided by the CIO.

## 2. Expected Output/Deliverables

- a) Inception Report or Plan of Action;
- b) Fortnightly reports;
- c) Project final report; and
- d) Other specific outputs as may be agreed upon.

## 3. Term

The Consultant shall be engaged for a period of **Six (6) months** starting on APR 01 2013 until OCT 01 2013 unless sooner terminated by any of the parties for valid grounds and upon prior written notice at least thirty (30) days from the intended termination.

## 4. Compensation

The Consultant shall be compensated in the total amount of **Two Hundred Sixty Two Thousand Five Hundred (P262,500.00) Pesos payable on a monthly basis of Forty Three Thousand Seven Hundred Fifty (P43,750.00) Pesos** inclusive of imposable taxes upon submission of a monthly report to the Senior Vice-President & Chief Information Officer (SVP-CIO).

## 5. Program Administration

The Consultant shall directly report to the SVP-CIO and Senior Manager of Corporate Information Security Department (CISD) who shall approve notices and acceptance of deliverables, activities and other related tasks.

## 6. Confidentiality

The Consultant shall not disclose any proprietary or confidential information relating to PhilHealth or to this agreement without prior written consent from the latter. For this purpose, the Consultant shall accordingly execute and faithfully abide by the Non-Disclosure Agreement (NDA) to be issued by PhilHealth which shall form an integral part of this Agreement.

## 7. Data Ownership

All deliverables of the Consultant shall be the sole and exclusive property of PhilHealth and shall not be used for any other purposes other than what is stipulated under this Agreement. Immediately upon completion or termination of this engagement, the Consultant shall return all copies, files, documents, papers, materials, and any other property in his possession that belong or relate to the interest of PhilHealth.

Witness for Randall R. Lozano

Witness for Randall R. Lozano

## 8. Amendments and Entirety of the Agreement

This document along with the identified annexes and attachments as specified in this Agreement shall constitute the entire agreement between PhilHealth and the Consultant. The specific provisions of this Consultancy Agreement shall supersede any and all prior negotiations, understanding, contracts and/or undertakings relating to the same subject matter.

Any revision or amendment of this Agreement shall require prior written consent of all parties.

## 9. Acceptance and Effectivity

The Parties hereby accept the terms of this Agreement and have hereunto set their hands this 1st day of April, 2013, at Pasig City, Philippines.

The date of signing constitutes the effective date of the Agreement which shall remain in full force and effect, unless sooner revoked or terminated by mutual agreement of the Parties.

### PHILIPPINE HEALTH INSURANCE CORPORATION

By



**Enrique T. Ona, M.D.**  
Secretary of Health / Chairman of the Board  
OIC - President & Chief Executive Officer

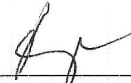
### CONSULTANT

By




**Randall R. Lozano**  
Consultant

Signed in the presence of



ROP # 01-2013-030

CSP # 2013-01-23 @ 262,500. -



ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)  
PASIG CITY) s.s


BEFORE ME this 4<sup>th</sup> day of April 2013 in Pasig City, Philippines personally appeared **ENRIQUE T. ONA, M.D.** in his capacity as Secretary of Health / Chairman of the Board, OIC - President and CEO of the Philippine Health Insurance Corporation and **RANDALL R. LOZANO**, Consultant, exhibiting to me their respective Government I.D. Nos. 20100254, issued on July 2010 at Taguig, Sta. Cruz, Manila and N03-90-090392, issued on September 09, 2010 at Cavite City respectively, known unto me to be the same persons who executed the foregoing Consultancy Contract and acknowledged that the same is their voluntary act and deed.

This instrument consisting of four (4) pages including the page on which this acknowledgement is written has been signed thereof.

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

NOTARY PUBLIC

Doc. No. 314  
Page No. 64  
Book No. 20  
Series of 2013

  
ATTY. CLARITO E. DE ALDAY  
Notary Public for Pasig  
Taguig, San Juan and Pateros  
Until 31 Dec 2014  
Appointment No. 18 (2013-2014)  
4th Flr. Citystate Centre  
709 Shaw Blvd., Pasig City  
Roll No. 52308  
IBP No. 906584; 20 Nov. 2012; Rizal  
PTR No. 8410622; 2 Jan. 2013; Pasig  
MCLE Compliance IV - 0005253; 13 April 2012