

CONTRACT FOR THE BIDDING OF ONE (1) LOT BLADE SERVER CAPACITY ENHANCEMENT

THIS AGREEMENT made on the ____ day of ____ 2014 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 18th Floor, City State Center Building, 709 Shaw Blvd corner Oranbo Drive, Pasig City, represented herein by its **OIC-Executive Vice-President and Chief Operating Officer, RAMON F. ARISTOZA JR.**, (hereinafter called "**PHILHEALTH**").

-and-

SANDZ SOLUTIONS PHILIPPINES, INC., a stock corporation, organized and registered with the Securities and Exchange Commission under Sec. Reg. No. A200016079, issued on April 16, 2002, and existing under the laws of the Republic of the Philippines, with business address at 6/flr. CYA Bldg. 110 Rada St. Legaspi Vill., Makati City, represented herein by its **Managing Director, ENRIQUE G. VELASCO**, (hereinafter called "**SANDZ**").

WHEREAS, **PHILHEALTH** invited Bids for the *Bidding on the Procurement of One (1) Lot Blade Server Capacity Enhancement* and has accepted a Bid by **SANDZ INTERNATIONAL, INC.** for the supply of those goods in the sum of **SIXTEEN MILLION NINE HUNDRED EIGHTY EIGHT THOUSAND NINE HUNDRED EIGHTY PESOS (PhP16,988,980.00)**, (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) SANDZ's Schedule of Requirements (**Annex "A"**);
 - (b) SANDZ's Bid Form (**Annex "B"**);
 - (c) SANDZ's Technical Proposal (**Annex "C"**);
 - (d) Notice of Award (**Annex "D"**);
 - (e) BAC-ITR Resolution No. 05, s. 2014 (**Annex "E"**);
 - (f) General Conditions of the Contract (GCC) (**Annex "F"**);
 - (g) Special Conditions of the Contract (SCC) (**Annex "G"**); and
 - (h) Bid Bulletin (**Annex "H"**).
3. In consideration of the payments to be made by **PHILHEALTH** to **SANDZ** as hereinafter mentioned, **SANDZ** 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 **SANDZ** 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**, **SANDZ** 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 **One Million Six Hundred Ninety Eight Thousand Eight Hundred Ninety Eight Pesos (PhP1,698,898.00)** as retention money. **The said amount shall only be released after the lapse of the Three (3) year warranty period.** Otherwise, **SANDZ** 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.

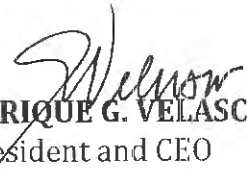
The PARTIES hereby certify that they have read or caused to be read to them each and every provision of the foregoing Contract and that they had fully understood the same.

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



RAMON F. ARISTOZA JR.
OIC-Office of the Vice-President
and COO

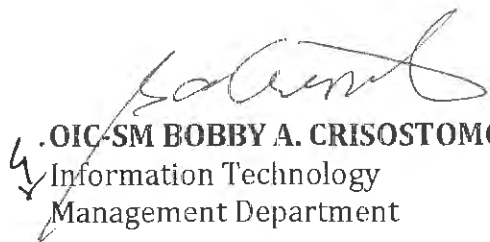
SANDZ SOLUTIONS PHILS., INC.


ENRIQUE G. VELASCO
President and CEO

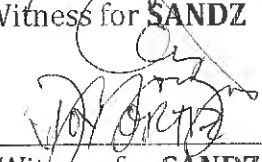
Signed in the presence of:


SVP EDGAR JULIO S. ASUNCION
Chief Legal Executive


HANNAH LORRAINE DALISAY
Division Chief
Accounting and Internal
Control Department


OIC-SM BOBBY A. CRISOSTOMO
Information Technology
Management Department


MARIA ANGELA BOLAYAD
Witness for **SANDZ**


Witness for **SANDZ**

ACKNOWLEDGEMENT

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

BEFORE ME, this APR 01 2014 2014, personally appeared the following persons exhibiting to me their respective Government issued ID's, to wit:

RAMON F. ARISTOZA JR.
Philippine Health Insurance Corp.

PHILHEALTH I.D. # 10027198

ENRIQUE G. VELASCO
Sandz Solutions Phils., Inc.

Known to me to be the same persons who executed the foregoing Contract Agreement consisting of **forty one (41) 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. 446
Page No. 97
Book No. XVII
Series of 2014

ATTY. GERVASIO B. ORTEGA JR.
(NOTARY Public City of Makati)
Until December 31, 2014
IBP No. 656155-Lifetime Member
MCLE Compliance No. III-0014282
Appointment No. M-195-(2013-2014)
PTR No. 4225505 Jan. 2, 2014/Makati
Makati City Roll No. 40091
101 Urban Ave., Brgy. Pio del Pilar,
Makati City


Section VI. Schedule of Requirements

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

Item Number	Description	Quantity	Total	Delivered, Weeks/Months
	Blade Server Capacity Enhancement	One (1) Lot	One (1) Lot	Within Thirty (30) Calendar Days after the issuance and receipt of the winning bidder of the Notice to Proceed.

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

Sandz Solutions Philippines Inc.
Name of Company/Bidder


Maria Angela C. Solayao
Signature over Printed Name of
Representative

January 8, 2013
Date

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Bid Form

Date: January 8, 2014Invitation to Bid No.: BSCE 2013-014-IT**The Chairperson**Bids and Awards Committee
PHILHEALTH

Gentlemen and/or Ladies:

Having examined the Bidding Documents including Bid Bulletin Number 1, the receipt of which is hereby duly acknowledged, we, the undersigned, offer to supply/delivery/performance *One (1) Lot Blade Server Capacity Enhancement* in conformity with the said Bidding Documents for the sum stated hereunder:

PARTICULARS	COST per Lot (Inclusive of VAT)	Total Cost (Inclusive of VAT)
<u>1 x Blade Enclosure:</u> HP BladeSystem c7000 Enclosure 2x HP Virtual Connect Flex 10/10D 2x HP Virtual Connect FC 8GB 24 ports 2x HP Onboard Administrators 20x HP 10GB SR SFP+ Opt 16x HP 8GB Short Wave B-Series SFP pack 10x HP Active Cool Fans 6x HP 2400W Power Supply HP Insight Control License HP Installation and Startup HP Enhanced Network Setup HP 3Y 4H 24x7 HW Support <u>10 x Blade Server:</u> HP BL460c Gen8 2x Intel Xeon E5-2690V2 10cores 3.0GHz 512GB RAM 2x HP 300GB 6G SAS 15k RPM HDD HP Flex10 10GB 2Port 530 FLB (Embedded) HP QMH2572 8GB FC Mezzanine card HP 3Y 4H 24x7 HW Support <u>1 x Additional Server</u> HP DL360p, Gen8 2x Intel Xeon E5-2690 8cores 2.9GHz 16GB RAM 8x HP 1.2TB 6G SAS 10k RPM HDD HP SATA DVD-RW optical drive HP Ethernet 1GbE 4Port 331T Adapter (Embedded) HP 82Q 8GB Dual Port FC HBA 2x HP 750W power supply HP Insight Control License HP Installation and Startup	PHP 16,988,980.00	PHP 16,988,980.00

HP 3Y 4H 24x7 HW Support			
<u>5 x HP CarePack BladeSystem Training</u>			
TOTAL (In Words)			PHP 16,988,980.00
SIXTEEN MILLION NINE HUNDRED EIGHTY- EIGHT THOUSAND NINE HUNDRED EIGHTY PESOS ONLY			

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

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

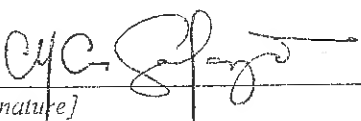
We agree to abide by this Bid for the Bid Validity Period specified in BDS provision for ITB Clause 0 and it shall remain binding upon us and may be accepted at any time before the expiration of that period.

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

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

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

Dated this 8th day of January 2014.


[signature]

Maria Angela O. Solayao
[in the capacity of]

Duly authorized to sign Bid for and on behalf of Sandz Solutions Philippines, Inc.

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Section VII. Technical Specifications

<p>*Statement of Compliance – Bidders must state here either “Comply” or “Not Comply” against each of the individual parameters of each Specification stating the corresponding performance parameter of the equipment offered. Statements of “Comply” or “Not Comply” must be supported by evidence in a Bidders Bid and cross-referenced to that evidence. Evidence shall be in the form of manufacturer’s un-amended sales literature, unconditional statements of specifications 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 2.1 (a)(ii).</p>	
1. Deliverables	Statement of Compliance*
<p>DETAILS AND SPECIFICATIONS OF BLADE SERVER CAPACITY ENHANCEMENT:</p> <p>One (1) Lot Blade Server Capacity Enhancement</p> <p>This project will cover the delivery, installation, testing, maintenance, documentation, and support of the Equipment for Data Center Facility (blade servers with power supply and components). Specifically, the vendor shall provide the following deliverables:</p> <p>1. Blade Server Enclosure</p> <ul style="list-style-type: none"> ○ Form Factor: Must be rack mountable in a 19inch standard rack system ○ Number of Enclosures: Must be able to accommodate the proposed blade servers 	<p>COMPLY. The proposed HP BladeSystem c7000 is a 10U rack mountable enclosure which fits into a 19inch standard rack system using adjustable railing kit.</p> <p>Please refer to HP BladeSystem c7000 Product Quickspecs.</p> <p>COMPLY. The proposed HP BladeSystem c7000 enclosure can accommodate the proposed HP BL460c Blade Servers.</p> <p>Please refer to HP BladeSystem c7000 Product Quickspecs.</p>

<p>○ Interconnect Modules:</p> <ul style="list-style-type: none"> ▪ Must have at least two (2) x Flexible Multifunction virtual interconnection modules that support flexible 1/10G Ethernet and accelerated iSCSI and at least 8 uplink ports ▪ Must have at least two (2) x Fiber Channel virtual interconnection modules that support up to 24 x 8Gb fiber channel ports and at least 8 uplink ports ▪ It must support and compatible with the proposed Multifunction Interface Adapters installed in the proposed blade servers. ▪ Must have at least ten (10) x 10Gb Uplink modules with SFP/SFP+ and must be compatible with the existing proposed Fiber Channel switches, interconnect modules, and Network Switches with different speeds ▪ Must have Link aggregation on all uplink ports, vlan tagging, loop prevention 	<p>COMPLY. The proposed two (2) units of HP Virtual Connect Flex 10/10D interconnect modules. Each supports flexible 1/10G Ethernet and accelerated iSCSI with 10 uplink ports. Please refer to HP Virtual Connect Product Quickspecs.</p> <p>COMPLY. The proposed two (2) units of HP Virtual Connect FC interconnect modules that supports up to 24x 8GB fiber channel ports and has 8 uplink ports. Please refer to HP Virtual Connect Product Quickspecs.</p> <p>COMPLY. The proposed HP Virtual Connect Flex 10 and Virtual Connect FC modules are supported and compatible with multifunction Interface Adapters on the proposed HP BL460c Gen8. Please refer to HP Virtual Connect Product Quickspecs.</p> <p>COMPLY. The proposed HP Virtual Connect Flex 10/10D interconnect modules has ten (10) x 10Gb Uplink modules with SFP/SFP+ and is compatible with the existing proposed Fiber Channel switches, interconnect modules, and Network switches with different speeds. Please refer to HP Virtual Connect Product Quickspecs.</p> <p>COMPLY. The proposed HP Virtual Connect Flex 10/10D is capable of link aggregation on all uplink ports, vlan tagging and</p>
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	loop prevention. Please refer HP Virtual Connect Product Quickspecs.
<ul style="list-style-type: none"> ▪ Must have the capability to manage and configure the module using https protocol, CLI 	<p>COMPLY. The proposed HP Virtual Connect interconnect modules are capable to be managed and configured using https protocol and CLI. Please refer to HP Virtual Connect Product Quickspecs.</p>
<ul style="list-style-type: none"> ▪ Must have SNMP features, role base security with LDAP compatibility 	<p>COMPLY. The proposed HP Virtual Connect interconnect modules have SNMP feature, role base security with LDAP compatibility Please refer to HP Virtual Connect Product Quickspecs.</p>
<ul style="list-style-type: none"> ▪ Must have all the necessary accessories, cables, manuals and management software, etc. for the modules to be fully functional. 	<p>COMPLY. The proposed HP Virtual Connect interconnect modules have all the necessary accessories, cables, manuals and management software, etc. for the modules to be fully functional</p>
<ul style="list-style-type: none"> ○ Management Modules: <ul style="list-style-type: none"> ▪ Must have at least two (2) management modules for redundancy 	<p>COMPLY. The proposed solution has two (2) HP Onboard Administrator management modules used for redundancy. Please refer to HP BladeSystem c7000 Product Quickspecs.</p>
<ul style="list-style-type: none"> ▪ Must have the capability to manage each blade server remotely regardless of its status (turned on/off) simultaneously. Must be able to redirect the screen of each blade server (from boot-up process to the graphical user interface of the OS) 	<p>COMPLY. The proposed HP Onboard Administrator has the capability to manage each blade server remotely regardless of its status (turned on/off)</p>

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to the remote management console through standard network protocol. Management ports should be able to obtain IP address from a DHCP server for easy administration. A standard encryption and user access rights must secure each server when accessing remotely. Must also be able to utilize the management station's connected media. Must have backup management port other than the primary management port for each enclosure.

simultaneously. It can redirect the screen of each blade server (from boot-up process to the graphical user interface of the OS) to the remote management console through standard network protocol. Management ports will obtain IP address from a DHCP server for easy administration. A standard encryption and user access rights secure each server when accessing remotely. It can utilize the management station's connected media. It has a backup management port for each enclosure.

Please refer to HP BladeSystem c7000 Product Quickspecs.

- o **Fans:** The blade enclosure must be fully populated with fans. The number of fans depends on the proposed blade enclosure. All power supplies must be hot-swappable.

COMPLY. The proposed HP BladeSystem c7000 enclosure is populated with ten (10) active cool fans. The number of fans depends on the proposed blade enclosure. All power supplies are hot-swappable.

Please refer to HP BladeSystem c7000 Product Quickspecs.

- o **Number of Power Supply:** The blade enclosure must be fully populated with at least 2400W power supplies. The number of power supply depends on the proposed blade enclosure. All power supplies must be hot-swappable.

COMPLY. The proposed HP BladeSystem c7000 enclosure is populated with six (6) 2400W power supplies. The number of power supply depends on the proposed blade enclosure. All power supplies are hot-swappable.

Please refer to HP BladeSystem c7000 Product Quickspecs.

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<ul style="list-style-type: none"> ○ Power Supply Redundancy: Power supply on each enclosure must be N + N or must be able to failover to any power supply in the power enclosure without disrupting the optimal performance of each blade server. 	<p>COMPLY. The power supply on each proposed enclosure will be configured N+N or can be able to failover to any power supply in the power enclosure without disrupting the optimal performance of each blade server.</p> <p>Please refer to HP BladeSystem c7000 Product Quickspecs.</p>
<ul style="list-style-type: none"> ○ Output Power: The power supplies' output power must be enough to power the fully populated blade enclosure with all blade servers running at 100 percent processor utilization. The output power must also be enough to power all blade server at 100 percent utilization even if two or more of the power supplies are not functional. 	<p>COMPLY. The power supplies output power will be enough to power the fully populated blade enclosure with all the blade servers running at 100 percent processor utilization. The output power is also enough to power all blade servers at 100 percent utilization even if two or more of the power supplies are not functional.</p> <p>Please refer to HP BladeSystem c7000 Product Quickspecs</p>
<ul style="list-style-type: none"> ○ Input Power: Input voltage 220 volts with tolerance, single phase, 50 to 60Hz frequency. 	<p>COMPLY. The power supplies input voltage is 220 volts with tolerance, single phase, and 50 to 60 Hz frequency.</p> <p>Please refer to HP BladeSystem c7000 Product Quickspecs.</p>
<ul style="list-style-type: none"> ○ Power Distribution: Must have at least two (2) power distribution unit of at least 32A each. 	<p>COMPLY. The proposed HP BladeSystem c7000 enclosure has two (2) power distribution unit of at least 32A each.</p>
<ul style="list-style-type: none"> ○ Compatibility: All peripherals and modules must be compatible with the proposed and existing blade servers and blade enclosures. Must also be compatible and can be interconnected with the existing SAN, LAN, and virtualization 	<p>COMPLY. All peripherals and modules are compatible with the proposed and existing blade servers and blade enclosures. It is also</p>

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environment.	compatible and interconnected with the existing SAN, LAN, and virtualization environment.
<ul style="list-style-type: none"> ○ Accessories: Must have all the necessary accessories, rack mount kits, cables, fiber cables, SFP's, user manuals, management software, etc. necessary to operate the blade system. 	COMPLY. The proposed solution have all the necessary accessories, rack mount kits, cables, fiber cables, SFP's, user manuals, management software, etc. necessary to operate the blade system.
2. Blade Servers	
<ul style="list-style-type: none"> ○ Number of Servers: Must have at least ten (10) units of blade servers. 	COMPLY. SANDZ will be proposing ten (10) units of HP BL460c Gen8 servers.
Each server must have the following specifications:	
<ul style="list-style-type: none"> ○ Processor: <ul style="list-style-type: none"> ▪ Must be at least two (2) processors on each server 	COMPLY. The proposed solution has two (2) processors on each server. Please see HP BL460c Gen8 Quickspecs.
<ul style="list-style-type: none"> ▪ Each processor must have 8-cores, 16-threads, 2.90GHz, and 20MB cache 	COMPLY. Each proposed HP BL460c Gen8 server has 10-cores, 20-threads, 3.0GHz, and 25MB cache. Please see HP BL460c Gen8 Quickspecs.
<ul style="list-style-type: none"> ○ Memory: <ul style="list-style-type: none"> ▪ Must have at least Five Hundred Twelve Gigabytes (512GB) DDR3-1333 RAM 	COMPLY. Each proposed server has Five Hundred Twelve Gigabytes (512GB) DDR3-1333 RAM.

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<ul style="list-style-type: none"> ○ Drive Cage/Bays: <ul style="list-style-type: none"> ▪ Must have a drive cage/bays that can support SAS, SATA and SSD hot plug hard drives. ○ Hard Disk Drive: <ul style="list-style-type: none"> ▪ Must have at least two (2) x 300GB at 15,000 rpm hot pluggable 2.5 in SAS small form factor (SFF) hard drives. ○ Storage Controller: <ul style="list-style-type: none"> ▪ Must have RAID controller that can support RAID 1 and 0. ○ Network Interface: <ul style="list-style-type: none"> ▪ Must have at least 10GB Ethernet flexible dual port network interface adapter. ○ SAN Connectivity: <ul style="list-style-type: none"> ▪ Must have at least dual-port 8Gbit fiber channel Host Bus Adapter(s) and must be compatible with the existing SAN environment. 	<p>Please see HP BL460c Gen8 Quickspecs.</p> <p>COMPLY. Each proposed server has a drive cage/bay that supports SAS, SATA, and SSD hot plug hard drives.</p> <p>Please refer to HP BL460c Gen8 Product Quickspecs.</p> <p>COMPLY. Each proposed server has two (2) x 300GB at 15,000 rpm hot pluggable 2.5 in SAS small form factor (SFF) hard drives.</p> <p>Please see HP BL460c Gen8 Quickspecs.</p> <p>COMPLY. Each proposed server has RAID controller that supports RAID 1 and 0.</p> <p>Please refer to HP BL460c Gen8 Product Quickspecs.</p> <p>COMPLY. Each proposed server has 10GB Ethernet flexible dual port network interface adapter</p> <p>Please see HP BL460c Gen8 Quickspecs.</p> <p>COMPLY. Each proposed server have dual-port 8Gbit fiber channel Host Bus Adapter(s) and must be compatible with the existing SAN environment.</p>
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<ul style="list-style-type: none"> ○ Compatibility: <ul style="list-style-type: none"> ▪ Must be 100% compatible with the existing blade system. ○ Management: <ul style="list-style-type: none"> ▪ Each server must have an integrated management utility. ▪ Must be accessible remotely via a web browser. ▪ Must be able to power-up, power-down and reset the server. ▪ Must be able to redirect the screen of the server from boot-up process to the graphical user interface of the operating system. ▪ Must be able to mount remote media drives and ISO images. 	<p>Please see HP BL460c Gen8 Quickspecs.</p> <p>COMPLY. The proposed solution is 100% compatible with the existing blade system of PHIC.</p> <p>COMPLY. The proposed servers have an integrated management utility. Please refer to HP BL460c Gen8 Product Quickspecs.</p> <p>COMPLY. The proposed servers can be accessed remotely via a web browser. Please refer to HP BL460c Gen8 Product Quickspecs.</p> <p>COMPLY. The proposed servers can be powered up, powered down and reset the server. Please refer to HP BL460c Gen8 Product Quickspecs.</p> <p>COMPLY. The proposed solution can be redirected the screen of the server from boot-up process to the graphical user interface of the operating system. Please refer to HP BL460c Gen8 Product Quickspecs.</p> <p>COMPLY. The proposed server is capable to mount remote media drives and ISO images. Please refer to HP BL460c Gen8 Product Quickspecs.</p>
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<p>3. Additional Server</p> <ul style="list-style-type: none"> ○ Processor: <ul style="list-style-type: none"> ○ Must have at least two (2) processors ○ Each processor must have 8-cores, 16-threads, 2.90GHz, and 20MB cache ○ Memory: <ul style="list-style-type: none"> ▪ Must have at least 16GB RAM ○ Drive Cage/Bays: Must have a drive cage/bays that can support SAS, SATA and SSD hot plug drives. ○ Hard Disk Drive: Must have at least eight (8) x 1.2TB at 10,000 rpm hot pluggable 2.5 in SAS small form factor (SFF) hard drives. ○ Storage Controller: Must have RAID controller that can support RAID 0,1,1/0,5 types 	<p>COMPLY. The proposed HP DL360p Gen8 server has two (2) processors. Please see HP DL360p Gen8 Quickspecs.</p> <p>COMPLY. The proposed HP DL360p Gen8 has 8-cores, 16-threads, 2.90GHz, and 20MB cache. Please see HP DL360p Gen8 Quickspecs.</p> <p>COMPLY. The proposed HP DL360p Gen8 have 16GB RAM. Please see HP DL360p Gen8 Quickspecs.</p> <p>COMPLY. The proposed server has drive cage/bays that supports SAS, SATA, and SSD hot plug drives. Please refer to HPDL360p Gen8 Product Quickspecs.</p> <p>COMPLY. The proposed servers have eight (8) x 1.2TB at 10,000 rpm hot pluggable 2.5 in SAS small form factor (SFF) hard drives. Please refer to HP DL360p Gen8 Product Quickspecs.</p> <p>COMPLY. The proposed server has RAID controller that supports RAID 0,1,1/0,5 types. Please refer to HP DL360p Gen8 Product Quickspecs.</p>
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<ul style="list-style-type: none"> ○ External storage connectivity: Must have interface/ports external connectivity for SAS tape drives 	<p>COMPLY The proposed servers has interface/ports external connectivity for SAS tape drives.</p> <p>Please refer to HP DL360p Gen8 Product Quickspecs.</p>
<ul style="list-style-type: none"> ○ Network Interface: Must have at least 1Gb Ethernet 4-port network interface adapter. 	<p>COMPLY. The proposed server has 1Gb Ethernet 4-port network interface adapter.</p> <p>Please refer to HP DL360p Gen8 Product Quickspecs.</p>
<ul style="list-style-type: none"> ○ SAN Connectivity: Must have at least dual port 8Gbit fiber channel Host Bus Adapter(s) for each blade server and must be compatible with the existing SAN environment. 	<p>COMPLY. The proposed server have dual port 8Gbit fiber channel Host Bus Adapter(s) for each blade server and is compatible with the existing SAN environment.</p> <p>Please refer to HP DL360p Gen8 Product Quickspecs.</p>
<ul style="list-style-type: none"> ○ Compatibility: Must be 100% compatible with the existing blade system of the corporation. 	<p>COMPLY. The proposed server is 100% compatible with the existing blade system of the corporation.</p>
<ul style="list-style-type: none"> ○ Power Supply: Must have redundant power supplies 	<p>COMPLY. The proposed HP DL360p has a redundant power supply.</p> <p>Please refer to HP DL360p Gen8 Product Quickspecs.</p>
<ul style="list-style-type: none"> ○ Management: Each server must have an integrated management utility. 	<p>COMPLY. The proposed server has an integrated management utility.</p> <p>Please refer to HP DL360p Gen8 Product Quickspecs.</p>
<ul style="list-style-type: none"> ▪ Must be accessible remotely via a web 	<p>COMPLY. The proposed</p>

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<p>browser.</p> <ul style="list-style-type: none"> ▪ Must be able to power-up, power-down and reset the server. ▪ Must be able to redirect the screen of the server from boot-up process to the graphical user interface of the operating system. ▪ Must be able to mount remote media drives and ISO images. 		<p>servers can be accessed remotely via a web browser. Please refer to HP DL360p Gen8 Product Quickspecs.</p> <p>COMPLY. The proposed servers can be powered-up, powered-down, and reset. Please refer to HP DL360p Gen8 Product Quickspecs.</p> <p>COMPLY. The proposed solution can be redirected the screen of the server from boot-up process to the graphical user interface of the operating system. Please refer to HP DL360p Gen8 Product Quickspecs.</p> <p>COMPLY. The proposed server is capable to mount remote media drives and ISO images. Please refer to HP DL360p Gen8 Product Quickspecs</p>
<p>2. INSTALLATION AND TESTING</p> <ul style="list-style-type: none"> • The winning bidder will work in parallel with PhilHealth IT technical representative during the installation and testing of the additional blade server system • The winning bidder must ensure that the proposed solution is compatible with the existing equipment and IT infrastructure of PhilHealth. • Intensive testing should be done by the winning 		<p>COMPLY. SANDZ will work in parallel with PhilHealth IT technical representative during the installation and resting of the additional blade server system.</p> <p>COMPLY. SANDZ ensures that the proposed solution is compatible with the existing equipment and IT infrastructure of PhilHealth.</p> <p>COMPLY. SANDZ will</p>

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<p>bidder to achieve the functionality and benefits of the blade servers.</p> <ul style="list-style-type: none"> • Installation period should not be more than thirty (30) calendar days. The winning bidder shall indicate the details of installation for the entire project. Both parties will determine the installation and implementation base upon the agreed schedule. Implementation will immediately commence upon the issuance of the Notice to Proceed. The winning bidder shall guarantee installation and testing within the specified period of agreed schedule. • The winning bidder shall indicate the details of installation and configuration of the Additional Blade Servers. The installation, testing and implementation must be agreed upon by PhilHealth and proponent. 		<p>provide intensive testing to achieve the functionality and benefits of the proposed blade servers.</p> <p>COMPLY. Installation period will not be more than thirty (30) calendar days. SANDZ will indicate the details of installation for the entire project. Both parties will determine the installation and implementation base upon the agreed schedule. Implementation base upon the agreed schedule. Implementation will immediately commence upon the issuance of the Notice to Proceed. SANDZ shall guarantee installation and testing within the specified period of agreed schedule.</p> <p>COMPLY. SANDZ shall indicate the details of installation and configuration of the Additional Blade Servers. The installation, testing and implementation are agreed upon by PhilHealth and proponent.</p>
<p>3. WARRANTY</p>		
<ul style="list-style-type: none"> • The equipment should be covered by warranty on parts and services for at least three (3) years. The warranty period for the hardware supplied shall commence upon acceptance. 		<p>COMPLY. The proposed equipment is covered with warranty on parts and services for three (3) years. The warranty period for the hardware supplied shall commence upon acceptance.</p>

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<ul style="list-style-type: none"> • The vendor must ensure that PHILHEALTH would be given the following: <ul style="list-style-type: none"> ✓ Firmware updates, software patches, driver updates and agents for the management software – FREE (via www or CD/DVD) ✓ 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. • During the warranty period, the winning bidder must ensure that PhilHealth would be given the Software updates and patches. Software updates must include major version updates if ever a major release will be covered within the warranty period. • The winning bidder must provide FREE Configuration assistance (on-site) for the duration of the warranty period. 	<p>COMPLY. SANDZ shall ensure that PHILHEALTH would be given the following:</p> <p>COMPLY. Firmware updates, software patches, driver updates and agents for the management software – FREE (via www or CD/DVD)</p> <p>COMPLY. Parts replacement – FREE for the duration of the warranty.</p> <p>COMPLY. Preventive Maintenance – Free at least twice a year for the duration of the warranty period.</p> <p>COMPLY. Configuration – Free assistance on product reconfiguration (on-site) for the duration of the warranty period.</p> <p>COMPLY. SANDZ ensures that PhilHealth would be given the Software updates and patches. Software updates must include major version updates if ever a major release will be covered within the warranty period.</p> <p>COMPLY. SANDZ will provide FREE Configuration assistance (on-site) for the duration of the warranty period.</p>
<p>4. TECHNOLOGY TRANSFER</p>	
<ul style="list-style-type: none"> • The winning bidder must provide technical 	<p>COMPLY. SANDZ will</p>

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<p>training for at least five (5) Philhealth engineers who will be managing the servers. The training course must be conducted by an expert Engineer of the proposed solution and must be conducted in a training center conducive for learning. The course must include theory and actual configuration and management.</p>		<p>provide technical training for at least five (5) Philhealth engineers who will be managing the servers. The training course will be conducted by an expert Engineer of the proposed solution and must be conducted in a training center conducive for learning. The course will include theory and actual configuration and management.</p>
5. AFTER-SALES SUPPORT AND MAINTENANCE		
<ul style="list-style-type: none"> During the warranty period, the winning bidder shall provide well experienced and trained technical personnel or engineers to maintain the equipment. Service engineers must be under the winning bidder's supervision in tendering the required support and maintenance. On call support must be available 24 x 7. Onsite support must be within 24 hours following the time of the on-call in cases wherein the phone support could not solve the problem. 		<p>COMPLY. SANDZ will provide well experienced and trained technical personnel or engineers to maintain the equipment. Service engineers will be under SANDZ supervision in tendering the required support and maintenance.</p> <p>COMPLY. On call support will be available 24 x 7. Onsite support will be within 24 hours following the time of the on-call in cases wherein the phone support could not solve the problem.</p>
9. DOCUMENTATION		
<ul style="list-style-type: none"> The winning bidder must provide user and system manuals and technical materials of the equipment. Complete documentation during the implementation must also be provided. 		<p>COMPLY. SANDZ will provide user and system manuals and technical materials of the equipment. Complete documentation during the implementation will be provided.</p>
10. ACCEPTANCE		
<ul style="list-style-type: none"> PhilHealth technical personnel must review and 		<p>COMPLY. PhilHealth must</p>

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<p>approve the installation and testing conducted by the winning bidder.</p> <ul style="list-style-type: none"> All deliverables mentioned above should be checked by PhilHealth representative and complied by the winning bidder before the final acceptance and turnover of the system. Project acceptance must be within the thirty (30) day period. If the winning bidder failed to meet the cut-off date, a corresponding penalty for the late delivery of goods or services will be charged against the winning bidder. 	<p>review and approve the installation and testing conducted by the winning bidder.</p> <p>COMPLY. A PhilHealth representative should check all deliverables mentioned above and complied by SANDZ before the the final acceptance and turnover of the system.</p> <p>COMPLY. Project acceptance will be within thirty (30) day period. If SANDZ failed to meet the cut off date, a corresponding penalty for the late delivery of goods or services will be charged against SANDZ.</p>
11. DELIVERY ADDRESS AND DATE	
<ul style="list-style-type: none"> The bidder must deliver the equipment not more than thirty (30) days after the effective date of the contract or the issuance of the Notice to Proceed (NTP). It must be delivered at 15th Floor Room 1503 Citystate Centre Building, 709 Shaw Blvd., Pasig City. 	<p>COMPLY. SANDZ will deliver the equipment not more than thirty (30) days after the effective date of the contract or the issuance of the Notice to Proceed (NTP). It will be delivered at 15th Floor Room 1503 Citystate Centre Building, 709 Shaw Blvd., Pasig City.</p>

I hereby certify to comply with all the above Technical Specifications

Sandz Solutions Philippines, Inc.
Name of Company/Bidder


 Maria Angela C. Solayao
Signature over Printed Name of
 Representative

January 8, 2014
Date

[Handwritten initials and signature]



Republic of the Philippines
PHILIPPINE HEALTH INSURANCE CORPORATION

Citystate Centre Building, 709 Shaw Boulevard, Pasig City
Healthline 441-7444 www.philhealth.gov.ph



NOTICE OF AWARD

Date Issued: 24 FEB 2014

Ms. MARIA ANGELA O. SOLAYAO
Sales Manager
SANDZ SOLUTIONS PHILIPPINES, INC.
6/flr. CYA Bldg. 110 Rada St.
Legaspi Village, Makati City
Telephone: (02) 887-5757
Telefax: (02) 887-1383

Dear Ms. Solayao:


We are pleased to notify you that your bid proposal for the bidding on the procurement of **One (1) Lot Blade Server Capacity Enhancement** for the execution of *Sandz Solutions Phils., Inc.* at the Contract Price equivalent to **Sixteen Million Nine Hundred Eighty Eight Thousand Nine Hundred Eighty Pesos (PhP16,988,980.00)** 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,


ALEXANDER A. PADILLA
President and CEO

Conforme:


Ms. MARIA ANGELA O. SOLAYAO
Sandz Solutions Phils., Inc.
Date: 2/24/14



Republic of the Philippines
PHILIPPINE HEALTH INSURANCE CORPORATION

Citystate Centre Building, 709 Shaw Boulevard, Pasig City
Healthline 441-7444 www.philhealth.gov.ph



**BIDS AND AWARDS COMMITTEE FOR INFORMATION TECHNOLOGY
RESOURCES (BAC-ITR)
RESOLUTION NO. 05, S. 2014**

**RESOLUTION RECOMMENDING THE DECLARATION OF SANDZ SOLUTIONS
PHILS., INC. AS THE BIDDER WITH THE LOWEST CALCULATED AND
RESPONSIVE BID (LCRB) AND THE AWARD THERETO OF THE CONTRACT ON
THE BIDDING FOR THE PROCUREMENT OF ONE (1) LOT BLADE SERVER
CAPACITY ENHANCEMENT**

WHEREAS, based on the approved Request and Issue Voucher (RIV) No. 13-0619 dated September 18, 2013 the Information Technology Management Department (ITMD) requested One (1) Lot Blade Server Capacity Enhancement with an Approved Budget for the Contract (ABC) of Nineteen Million Nine Hundred Eighty Thousand Pesos (PhP19,980,000.00) and which procurement was advertised on December 9, 2013 at the Philippine Star (PS) and posted at the Phil-GEPS and PhilHealth Corporate website and at conspicuous places located at the PhilHealth Head Office on December 9, 2013-January 6, 2014;

WHEREAS, in response to the said invitation, two (2) bidders secured the bidding documents, namely Advance Solutions, Inc. and Sandz Solutions Phils., Inc.;

WHEREAS, a Pre-Bid Conference was held on December 16, 2013 at the SBAC Conference Room in order for the BAC-ITR to address requests for clarifications and other queries of the proponents with regard to the provisions of the Bidding Documents of One (1) Lot Blade Server Capacity Enhancement and thereafter issued a Bid Bulletin dated December 19, 2013;

WHEREAS, the Opening of Bids was held on January 8, 2014 at the SBAC Conference Room, wherein Advance Solutions Phils., Inc. and Sandz Solutions Phils., Inc. submitted their respective bids on time;;

WHEREAS, during the said Opening of Bids, Sandz Solutions Phils., Inc. which offered a financial bid proposal of Sixteen Million Nine Hundred Eighty Eight Thousand Nine Hundred Eighty Pesos (PhP16,988,980.00) was adjudged as the proponent with the Lowest Calculated Bid (LCB). As such, 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 January 9 and 14, 2014 and presented its report in the BAC-ITR meeting on January 22, 2014 and informed the Committee that the bid proposal of Sandz Solutions Phils., Inc. was found to be compliant with the eligibility, technical and financial requirements of PhilHealth;

WHEREAS, the BAC-ITR concurred with the recommendation of the TWG to declare Sandz Solutions Phils., Inc. as the bidder with the Lowest Calculated and Responsive Bid;

BAC-ITR Resolution- Award of Contract to Sandz Solutions Phils., Inc.

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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 on the bidding for the procurement of One (1) Lot Blade Server Capacity Enhancement to SANDZ SOLUTIONS PHILS., INC.

Signed this 22nd day of January 2014 at Pasig City


SVP EDGAR JULIO S. ASUNCION

Chairperson


OIC-VP LEIZEL P. LAGRADA

Vice-Chairperson


SM MARIO S. MATANGUIHAN

Member


SM ALFREDO B. PINEDA II

Member


SM MA SOPHIA B. WARLEZ

Member


OIC-SM RONALD ALLAN C. PABLO

Member


OIC-SM BOBBY A. CRISOSTOMO

Member/End-user

- ☒ APPROVED
☐ DISAPPROVED
☐ Others _____


ALEXANDER A. PADILLA

President and CEO

Date Signed: _____

RESOLUTION RECOMMENDING THE DECLARATION OF SANDZ SOLUTIONS PHILS., INC. AS THE BIDDER WITH THE LOWEST CALCULATED AND RESPONSIVE BID (LCRB) AND THE AWARD THERETO OF THE CONTRACT ON THE BIDDING FOR THE PROCUREMENT OF ONE (1) LOT BLADE SERVER CAPACITY ENHANCEMENT

BAC-ITR Resolution- Award of Contract to Sandz Solutions Phils., Inc.

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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.

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:

- (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.

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 Philippine Health Insurance Corporation .
1.1(i)	The Supplier is <i>[to be inserted at the time of contract award]</i> .
1.1(j)	The Funding Source is: Philippine Health Insurance Corporation Corporate Operating Budget for CY 2013 in the amount of Nineteen Million Nine Hundred Eighty Thousand Pesos (PhP19,980,000.00)
1.1(k)	The Project Site is <i>at PhilHealth Head Office</i>
5.1	The Procuring Entity's address for Notices is: EDGAR JULIO S. ASUNCION, Senior Vice-President, Chief Legal Executive, and BAC-ITR Chairperson, Room 1002, 10th Floor CityState Centre, 709 Shaw Boulevard, Pasig City
6.2	<p>Delivery of the Goods and Services shall be made by the Supplier in accordance with the terms specified in Section VI.</p> <p>Delivery and Documents –</p> <p>The Delivery terms of this Contract shall be as follows:</p> <p>One (1) Lot Blade Server Capacity Enhancement shall be delivered to Room 1503, 15th Floor Citystate Centre Bldg., 709 Shaw Blvd., Bgy. Oranbo, Pasig City. Risk and title will pass from the Supplier to PhilHealth upon receipt and final acceptance of the Goods at their final destination."</p> <p>Delivery of the Goods and Services shall be made by the Supplier in accordance with the terms specified in Section VI. Schedule of Requirements. The details of shipping and/or other documents to be furnished by the Supplier are as follows:</p> <p>Upon delivery of the Goods and Services to the Project Site, the Supplier shall notify PhilHealth and present the following documents to PhilHealth:</p> <ul style="list-style-type: none"> (i) Original and four copies of the Supplier's invoice showing Goods' description, quantity, unit price, and total amount; (ii) Original and four copies delivery receipt/note, railway receipt, or truck receipt; (iii) Original Supplier's factory inspection report; (iv) Original and four copies of the Manufacturer's and/or Supplier's warranty certificate; (v) Original and four copies of the certificate of origin (for imported Goods); (vi) Delivery receipt detailing number and description of items received signed by the authorized receiving personnel; (vii) Certificate of Acceptance/Inspection Report signed by the Procuring Entity's representative at the Project Site; and (viii) Four copies of the Invoice Receipt for Property signed by the Procuring Entity's representative at the Project Site. <p>Incidental Services –</p> <p>The Supplier is required to provide all of the following services, including additional services, if any, specified in Section VI. Schedule of Requirements:</p> <ul style="list-style-type: none"> (a) performance or supervision of on-site assembly and/or start-up of the supplied Goods; (b) furnishing of tools required for assembly and/or maintenance of the supplied Goods; (c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied Goods; (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

	<p>relieve the Supplier of any warranty obligations under this Contract; and</p> <p>The Contract price for the Goods shall include the prices charged by the Supplier for incidental services and shall not exceed the prevailing rates charged to other parties by the Supplier for similar services.</p> <p>Spare Parts –</p> <p>The Supplier is required to provide all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the Supplier:</p> <p>The Supplier shall carry sufficient inventories to assure ex-stock supply of consumable spares for the Goods for a period of <i>three (3) years</i>.</p> <p>Packaging –</p> <p>The Supplier shall provide such packaging of the Goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in this Contract. The packaging shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packaging case size and weights shall take into consideration, where appropriate, the remoteness of the GOODS' final destination and the absence of heavy handling facilities at all points in transit.</p> <p>The packaging, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the Contract, including additional requirements, if any, specified below, and in any subsequent instructions ordered by the Procuring Entity.</p> <p>The outer packaging must be clearly marked on at least four (4) sides as follows:</p> <p>PHILIPPINE HEALTH INSURANCE CORPORATION Name of the Supplier Contract Description Final Destination Gross weight Any special lifting instructions Any special handling instructions Any relevant HAZCHEM classifications</p> <p>A packaging list identifying the contents and quantities of the package is to be placed on an accessible point of the outer packaging if practical. If not practical the packaging list is to be placed inside the outer packaging but outside the secondary packaging.</p> <p>Insurance –</p> <p>The Goods supplied under this Contract shall be fully insured by the Supplier in a freely convertible currency against loss or damage incidental to manufacture or acquisition, transportation, storage, and delivery. The Goods remain at the risk and title of the Supplier until their final acceptance by the Procuring Entity.</p> <p>Transportation –</p> <p>PhilHealth accepts no liability for the damage of Goods during transit. In the case of Goods supplied from within the Philippines or supplied by domestic Suppliers risk and title will not be deemed to have passed to PhilHealth until their receipt and final acceptance at the final destination.</p> <p>Patent Rights –</p> <p>The Supplier shall indemnify the Procuring Entity against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the Goods or any part thereof.</p>
10.2	NO FURTHER INSTRUCTIONS

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



Republic of the Philippines
PHILIPPINE HEALTH INSURANCE CORPORATION

Citystate Centre Building, 709 Shaw Boulevard, Pasig City
Healthline 441-7444 www.philhealth.gov.ph



BID BULLETIN NO. 1

**BIDDING FOR THE PROCUREMENT ONE (1) LOT BLADE SERVER CAPACITY
ENHANCEMENT**

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 of One (1) Lot Blade Server Capacity Enhancement (ITB No. BSCE 2013-014-IT)*, viz:

PROVISIONS/QUERIES	AMENDMENT / CLARIFICATION
<p>On page 6:</p> <p>5. ELIGIBLE BIDDERS</p> <p>The Bidder must submit a computation of its Net Financial Contracting Capacity (NFCC) or a commitment from a Universal or Commercial Bank to extend a credit line in its favor if awarded the contract for this Project (CLC).</p> <p>The NFCC, computed using the following formula, must be at least equal to the ABC to be bid:</p> <p style="padding-left: 40px;">NFCC = [(Current assets minus current liabilities) (K)] minus the value of all outstanding or uncompleted portions of the projects under ongoing contracts, including awarded contracts yet to be started coinciding with the contract for this Project.</p> <p>Where:</p> <p style="padding-left: 40px;">K = 10 for a contract duration of one year or less, 15 for a contract duration of more than one year up to two years, and 20 for a contract duration of more than two years.</p>	<p style="text-align: center;">EQUIVALENT OF K= 10</p>
<p>On page 9: PREPARATION OF BIDS</p> <p>Eligibility Documents –</p> <p><u>Class “A” Documents:</u></p> <p style="padding-left: 40px;">(ii) Mayor’s permit issued by the city or municipality where the principal place of business of the prospective bidder is located;</p>	<p><i>The prospective bidder MUST submit :</i></p> <ul style="list-style-type: none">• <u>CY 2014 Mayor’s permit issued by the city or municipality where the principal place of business of the prospective bidder is located</u><li style="text-align: center;"><u>OR</u>• <u>CY 2013 Mayor’s permit AND Official Receipt for Application of the CY 2014 Mayor’s Permit if not yet issued.</u>



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On page 46: TECHNOLOGY TRANSFER

The winning bidder must provide technical training for at least five (5) Philhealth engineers who will be managing the servers. The training course must be conducted by an expert Engineer of the proposed solution and must be conducted in a training center conducive for learning. The course must include theory and actual configuration and management.

TRAINING CENTER MUST BE AUTHORIZED/
CERTIFIED...??

The training should be conducted by a certified trainer in a training center with complete training materials. There must be hands-on laboratories as part of the training course.

REMINDERS:

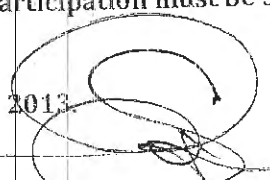
The BAC-ITR would like to remind the Bidder/s to double check the eligibility requirements prior to submission of bid proposals.


THIS BID BULLETIN NO. 1 (ITB NO. BSCE 2013-014-IT) SHALL FORM PART OF THE ELIGIBILITY AND TECHNICAL BID PROPOSAL TO BE SUBMITTED ON 8 JANUARY 2014. THUS, THIS SHOULD BE SUBMITTED AS PART OF THE BID PROPOSAL ON THE SAID DATE.

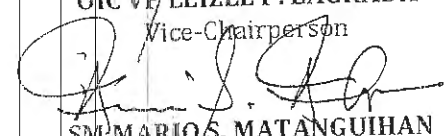
The deadline for submission of bid proposals will be on 8 January 2014, 9:00 a.m. Likewise, Opening of Bids will commence on the said date and time.


Those bidders who obtained the bidding documents for this project and would not submit their respective bid proposals on 8 January 2014 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 8 January 2014.

Issued this 19th day of December 2013


SVP EDGAR JULIO S. ASUNCION
Chairperson


OIC VP LEIZEL P. LAGRADA
Vice-Chairperson


SM MARIOS S. MATANGUIHAN
Member


SM MA. SOPHIA B. VARLEZ
Member


SM ALFREDO B. PINEDA II
Member

for
an

OIC SM RONALD ALLAN PABLO
Member

OIC SM BOBBY A. CRISOSTOMO
Member

Handwritten signatures and initials in the bottom right corner.