

# CONTRACT FOR THE BIDDING OF 319 UNITS STANDARD DESKTOP PC WITH UPS FOR PRO-NCR AND RIZAL

JAN 10 2014

THIS AGREEMENT made on the \_\_\_\_ day of \_\_\_\_ 2013 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-

**THE VALUE SYSTEMS PHILS., INC.**, a stock corporation, organized and registered with the Securities and Exchange Commission under Sec. Reg. No. A1996-10918, issued on December 4, 1996 and existing under the laws of the Republic of the Philippines, with business address at 2972 Centelion Ctr. Annex Bldg., Sta. Mesa, Manila represented herein by its **Senior Account Executive, NIÑO ANGELO N. BARDON**, (hereinafter called "THE VALUE SYSTEMS").

WHEREAS, **PHILHEALTH** invited Bids for the *Bidding on the Procurement of 319 units Standard Desktop PC with UPS for PRO-NCR and Rizal* and has accepted a Bid by **THE VALUE SYSTEMS** for the supply of those goods in the sum of **THIRTEEN MILLION THIRTY FOUR THOUSAND SIX HUNDRED FIFTY NINE PESOS (PhP13,034,659.00)**, (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) THE VALUE SYSTEMS' Schedule of Requirements (**Annex "A"**);
  - (b) THE VALUE SYSTEMS' Bid Form (**Annex "B"**);
  - (c) THE VALUE SYSTEMS' Technical Proposal (**Annex "C"**);
  - (d) Notice of Award (**Annex "D"**);
  - (e) BAC-ITR Resolution No. 27, s. 2013 (**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 **THE VALUE SYSTEMS** as hereinafter mentioned, **THE VALUE SYSTEMS** 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 **THE VALUE SYSTEMS** 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 Forty (40) Calendar Days** after complete delivery to and acceptance by **PHILHEALTH, THE VALUE SYSTEMS** 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 Three Hundred Three Thousand Four Hundred Sixty Five Pesos and Ninety Centavos (PhP1,303,465.90)** as retention money. **The said amount shall only be released after the lapse of the Three (3) year warranty period.** Otherwise, **THE VALUE SYSTEMS** 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.


8. **THE VALUE SYSTEMS** shall be amenable to deliver additional **Standard Desktop PC with UPS** subject to the conditions of **Repeat Order** under Section 51 of the Revised IRR of R.A. 9184.

**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.

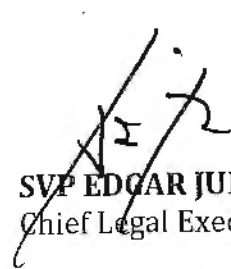
**PHILIPPINE HEALTH INSURANCE CORPORATION**


  
**RAMON F. ARISTOZA, JR.**  
OIC- Office of the EVP and COO


**THE VALUE SYSTEMS PHILS., INC.**


  
**NIÑO ANGELO N. BARDON**  
Senior Account Executive

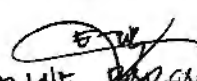
Signed in the presence of:

  
**SVP EDGAR JULIO S. ASUNCION**  
Chief Legal Executive

  
**DR. SHIRLEY B. DOMINGO**  
Vice-President, PRO-NCR

  
**HANNAH LORRAINE DALISAY**  
Division Chief  
Accounting and Internal  
Control Department

  
**MARK S. MAGALLANES**  
Witness for **THE VALUE SYSTEMS**

  
**EVANGELINE**  
Witness for **THE VALUE SYSTEMS**

PHILIPPINES  
REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF TRANSPORTATION & COMMUNICATIONS  
LAND TRANSPORTATION OFFICE  
EAST AVE QUEZON CITY  
MILLENNIUM  
NON-PROFESSIONAL

LAST NAME, FIRST NAME, MIDDLE NAME  
**BARDON, NINO ANGELO NICOSA**

ADDRESS (NO. STREET, CITY, MUN., PROVINCE)  
259 DAHLIA ST. WEST FAIRVIEW, QUEZON CITY


BIRTH DATE - SEX HT. (cm) WT. (kg) NATIONALITY  
1987-06-05 M 168 66 FIL

RESTRICTIONS: 12 CONDITIONS: AGY: NOZ EXPIRES: 2016-06-05

LICENSE NO. **N02-08-H17430**

SIGNATURE OF LICENSEE  
JUNE 10, 2012

VIRGINIA TORRES  
ASST. SECRETARY



*Jms Jms Jms*



*Jms*

*Jms*

*Jms*

**MDGA PAGTATAKDA - LIMITATIONS**

غير صالح للسفر الى العراق

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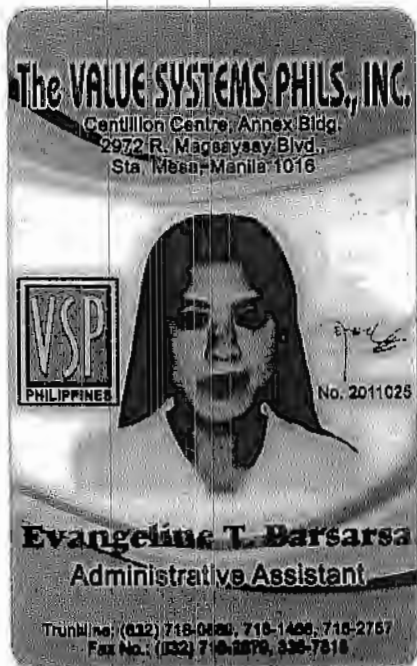
Apelyido/Surname	MAGALLANES
Pangalan/Given names	MARK
Pangalan ng apelyido/Middle name	SOMOSA
Arang ng kumpagmanan/Date of birth	04 May 1966
Pook ng kumpagmanan/Place of birth	DAVAO CITY
Arang ng pagkakalathala/Date of issue	15 Dec 2008
Arang ng pagkakatanggal/basis/Vol/Vol. Unl	14 Dec 2013

Katarián/Sex  
M  
Nasyonalidad/Nationality  
FILIPINO

Maykapangyarihang magkaloobbissung Authority  
DEPARTMENT OF FOREIGN AFFAIRS  
MANILA

P<PHLMAGALLANES<<MARK<<<<<<<<<<<<<<<<<<<<<<<<<<<<<<<  
XX27033245PHL6605049M1312148<<<<<<<<<<<<<<<<08



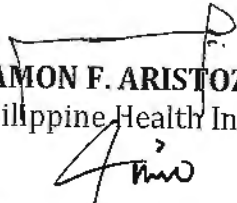


*Evangelina T. Barsarsa*

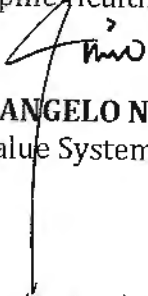
## ACKNOWLEDGEMENT

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

JAN 10 2014  
BEFORE ME, this     day of     2013, 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. #

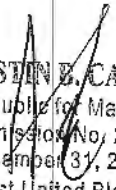
  
**NIÑO ANGELO N. BARDON**  
The Value Systems Phils., Inc.

Driver's License No. NO2-08-017430

Known to me to be the same persons who executed the foregoing Contract Agreement consisting of **thirty two (32) 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. 13/  
Page No. 28  
Book No. #  
Series of 2013 4

  
**ATTY. AGUSTINE E. CABREDO**  
Notary Public for Manila  
Notarial Commission No. 2013-109  
Until December 31, 2014  
Rm. 409, First United Bldg. Co.,  
Escolta, Manila  
Roll No. 26047  
P.O. No. 2450249 / 1-2-14 / Manila  
Life Member 05097  
LE No IV 0000822



# The VALUE SYSTEMS PHILS., INC.

Centillion Centre, Annex Building, 2972 Ramon Magsaysay Boulevard, Sta. Mesa, Manila  
 Trunkline #: (632) 716-1468 / 0869 / 2757 Fax #: (632) 716-2879 / 336-7818

## 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/Month
	Standard Desktop PC with UPS	319 units	319 units	Within <u>Forty (40) Calendar Days</u> after the issuance and receipt of the winning bidder of the Notice to Proceed.

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

The Value Systems Phils., Inc.  
 Name of Company/Bidder

JIMMY A. ANG  
 Signature over Printed Name of Representative

October 14, 2013  
 Date







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Annex "B"

## Bid Form

Date: October 14, 2013  
Invitation to Bid No.: PC 2013-003-IT

The Chairperson  
Bids and Awards Committee  
PHILHEALTH

Gentlemen and/or Ladies:

Having examined the Bidding Documents and Bid Bulletin No. 1, the receipt of which is hereby duly acknowledged, we, the undersigned, offer to supply/delivery/perform the Bidding for the Procurement of 319 Units Standard Desktop PC with UPS for PRO-NCR and Rizal in conformity with the said Bidding Documents for the sum stated hereunder.

PARTICULARS	COST per item (Inclusive of VAT)	Total COST (Inclusive of VAT)
319 units Standard Desktop PC with UPS	P40,861.00	<u>P13,034,659.00</u>
TOTAL (In Words) <u>P13,034,659.00</u> Thirteen Million Thirty Four Thousand Six Hundred Fifty Nine Pesos Only		

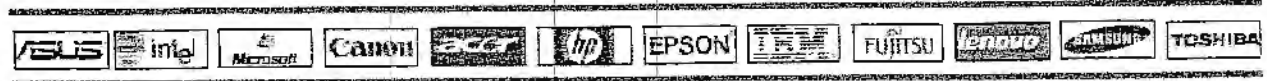
We undertake, if our bid is accepted, to deliver the goods in accordance with the delivery schedule specified in the Schedule of Requirements.

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 Validity Period specified in BDS provision for ITB Clause 18.2 and it shall remain binding upon us and may be accepted at any time before the expiration of the period.

Commissions or gratuities, if any, paid or to be paid by us to agents relating to this Bid, and to contract execution if we are awarded the contract, are listed below:

Name and address Of Agent	Amount and Currency	Purpose of Commission or gratuity
NONE	NONE	NONE





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Until 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 1<sup>st</sup> day of October, 2013.

JIMMY A. ANG

President

Duly authorized to sign Bid for and on behalf of The Value Systems Phils., Inc.



# For Goods Offered from Within the Philippines

Name of Bidder: THE VALUE SYSTEMS PHILS., INC.

Invitation to Bid No.: PC 2013-003-IT

Page 1 of 1

1 Item	2 Description	3 Country of origin	4 Quantity	5 Unit price EXW per item	6 Cost of local labor, raw material, and component	7 Total price EXW per item (cols. 4 x 5)	8 Unit prices per item at final destination and unit price of other incidental services	9 Sales and other taxes payable per item if Contract is awarded	10 Total Price delivered Final Destination (col 8 + 9) x 4
1	Standard Desktop PC with UPS	Philippines	319	40,861.00	0	0	38,672.02	2,188.98	13,034,659.00
								TOTAL	13,034,659.00

The Value Systems Phils., Inc.

HEMMY A. ANG  
President

October 14, 2013



# The VALUE SYSTEMS PHILS., INC.

Centillion Centre, Annex Building, 2972 Ramon Magsaysay Boulevard, Sta. Mesa, Manila  
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ANNEX C

## Technical Specifications

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-reference to that evidence. Evidence shall be in the form of manufacturer's un-amended sales literature, unconditional statements of specification compliance issued by the manufacturer, samples, independent test data, as appropriate. A statement that is not supported by evidence or is subsequently found to be contradicted by the evidence presented will render the Bid under evaluation liable for rejection. A statement either in the Bidders statement of compliance or the supporting evidence that is found to be false either during Bid evaluation, post-qualification or the execution of the Contract may be regarded as fraudulent and render the Bidder or supplier liable for prosecution subject to the provisions of ITB Clause 3.1(a)(ii) and/or GCC Clause 2.1(a)(ii).

1. DELIVERABLES		Statement of Compliance*
DETAILS AND SPECIFICATIONS OF DESKTOP PC:		
Three Hundred Nineteen (319) units Standard Desktop PC with UPS / <i>ASUS B16820 w/ Phoenix MA1200</i>		"COMPLY"
Form Factor	Tower or Mini Tower	"COMPLY"
Processor	Intel Based	"COMPLY"
• Technology	Core i5	"COMPLY"
• Clock Speed	3.1Ghz or higher	"COMPLY"
• Cache	6MB or higher	"COMPLY"
Memory	DDR3	"COMPLY"
• Type	8Gb or higher	"COMPLY"
Operating System	Windows 7 Professional 64bit	"COMPLY"
• Installer	Y	"COMPLY"
• Recovery Disk	Y	"COMPLY"
HDD Storage	Internal SATA	"COMPLY"
• Capacity	500 GB or higher	"COMPLY"
• Speed	7200rpm or higher	"COMPLY"
DVD-RW Drive	Internal SATA	"COMPLY"
• Capability	Super-Multi	"COMPLY"
Display/Video Adapter		"COMPLY"
• Memory	1GB or higher	"COMPLY"
• Ports	VGA, DVI, HDMI	"COMPLY"
I/O Ports		"COMPLY"
• USB 2.0; optional 3.0	At least 6 combined	"COMPLY"
• USB keyboard & mouse	Same brand as the system unit	"COMPLY"
Network		"COMPLY"
• Wired	10/100/1000Mbps	"COMPLY"
• Wi-Fi	Internal; 802.11 b/g/n; at least 54Mbps	"COMPLY"
Monitor	LCD or, preferably, LED; same brand as the system unit	"COMPLY"
• Size	Must be at least 20-inch viewable, widescreen	"COMPLY"
• Resolution	1280 x 800 or higher	"COMPLY"
• Interface	VGA and DVI; optional HDMI	"COMPLY"
UPS with AVR	At least 4 min. backup time, full load	"COMPLY"
• Output Capacity	390 watts/ 650 VA or higher	"COMPLY"
• Input Interface	IEC 320-C14, or preferably, NEMA 5-15P	"COMPLY"
• Output Interface	At least 4 IEC 320 C13, or preferably, NEMA 5-15R	"COMPLY"





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Warranty	3 years warranty in parts and service (including UPS and Battery), based on bid bulletin (UPS with AVR, the PCI Adapter and all the peripherals must be 3 yrs. Warranty).			"COMPLY"
2. SUPPLY, DELIVERIES, AND TESTING SCHEDULE				
2.1 The delivery and installation period to PRO-NCR Office shall be <b>Forty (40) calendar days</b> upon the issuance of Notice to Proceed. All expenses for the delivery of Desktop PC shall be at the expense of the winning bidder. A penalty of one-tenth (1/10) of one percent (1%) of the cost of the delayed goods scheduled for delivery shall be imposed for every day of delay shall be charged until such goods are finally delivered and accepted by the PRO-NCR office authorized representatives.				"COMPLY"
2.2 The proponent should provide the description of Standard Desktop PC, the breakdown of parts (with serial numbers), software CD, licenses, and all necessary cables.				"COMPLY"
2.3 All user manuals, technical materials, system manuals, troubleshooting and installation guide should be provided.				"COMPLY"
2.4 The Technical support will immediately commence upon the issuance of the Notice to Proceed.				"COMPLY"
3. TECHNICAL ASSISTANCE				
3.1 The supplier should be able to provide a technical team and dedicated personnel who will be tasked with the supply, delivery, configuration, installation, testing and maintenance of the Standard Desktop PC. This team shall be composed of a Service Engineer and support staff (all reference should be listed to validate information).				"COMPLY"
3.2 During the warranty period of the project, the supplier's team should successfully provide technical assistance for hardware supply, maintenance and support.				"COMPLY"
3.3 The winning bidder should coordinate with the IT Officer of PRO-NCR regarding the technical support and other matters after awarding of project in order to facilitate a faster response with the needed support.				"COMPLY"
4. WARRANTY AND AFTER-SALES SUPPORT				
4.1 For After Sales Support, the supplier should be able to present a certification from the manufacturer, the list of certified service engineers. The supplier shall designate a certified service engineer (company name, contact person and phone number) out of the list provided by manufacturer. All service units should be of equal/superior specification to that of the delivered units.				"COMPLY"
4.2 Eight (8) hours a day and six (6) times a week (8x6) on-call and on-site support must be made available to PRO-NCR and Rizal Offices within three (3) years. If any of the delivered Standard Desktop PC malfunctions, the PRO-NCR and Rizal Offices IT officer shall forward the encountered problem to the designated certified service engineer via e-mail/facsimile and helpdesk phone.				"COMPLY"
THE SERVICE RESPONSE TIME			ISSUANCE OF SERVICE UNIT (SU)	
On-Call	On-Site	Remarks	Replacing the Unit thru SU	Remarks
8am to 5pm	5pm next business day (on-site cut-off period)	The on-site service engineer should be able to provide recommendation within the cut-off period. Penalty shall be imposed if lapses occurred after the cut-off period	Within 48 hours after the on-site cut-off period of the Service Response Time	A penalty shall be imposed if lapses occurred after 48 hours cut-off period.
4.3 A strict implementation of <b>0.1% penalty</b> of the unit price of the defective item shall be imposed for everyday of delay on service response time/issuance of service unit. To properly monitor or validate the performance of the service engineer, he/she is required to provide a service/job order form indicating the current date, time and the transaction that transpired in the PRO-NCR and Rizal offices (where the support service from the supplier is conducted). As soon as the engineer had checked and declared that the defective unit/s cannot be repaired within the service response time or on-site cut-off period, the service units should be made available within the next 48 hours. Any movement of service unit/s and malfunctioned/repaired unit/s shall be charged against the account of the winning supplier. The assigned service engineer should be able to determine on-site if defective unit/parts/peripherals is/are under warranty or not. But once the defective unit/parts/peripherals has/have been pulled-out by the service engineer or the supplier's representative, the said unit/parts/peripherals will be declared as repairable and all cost shall be charged to the winning supplier. If the malfunctioned unit/parts/peripherals cannot be repaired after 15 working days from the time the said unit/parts/peripherals				"COMPLY"





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had been pulled-out for repair, the said unit/parts/peripherals shall be replaced with a new unit/parts/peripherals (should be equal or higher specification).				
4.4 The winning supplier should be able to provide a service report (indicating all events during the period of after sales support) twice a month, in a form of mail and e-mail addressed to IT Officer/IT Support Section during the warranty period of three (3) years.				"COMPLY"
5. TRAININGS				
The supplier must provide technical trainings free of charge. The training must be provided thirty (30) calendar days after delivery period. The supplier must provide in-depth technical trainings at manufacturer's authorized training centers/laboratory and to be conducted by manufacturer's certified trainers/ instructors for PHILHEALTH technical support personnel. The trainings shall focus on the technology used by the equipment and its applications and must include hands-on exercise(s). The following courses are listed below:				"COMPLY"
<b>COURSE TITLE</b>	<b>VENUE</b>	<b>DURATION</b>	<b>PARTICIPANTS</b>	"COMPLY"
Intensive Hardware and Software Training for Desktop Computer, Standard	Philhealth	At least one (1) day	15	"COMPLY"
Windows 7 Advance Technical Training (Course: Installing and configuring Windows 7 Operating System)	"COMPLY"	At least one (1) day	15	"COMPLY"
6. DOCUMENTATION				
The winning supplier must provide user and system manuals and technical materials of each device. Complete documentation of software and licenses, utility and recovery disks must also be provided including the inventory of each Standard Desktop Computers components and serial numbers.				"COMPLY"
7. ACCEPTANCE				
PRO-NCR and Rizal technical personnel must review and approve the delivery and testing conducted by the supplier based on the test and actual results submitted. All deliverables mentioned above should be checked by PRO-NCR and Rizal's Inspection Committee and complied by the vendors before the final acceptance of the project.				"COMPLY"
8. DELIVERABLES				
Delivery of the Standard Desktop PC having the technical specification provided by Information Technology Management Department of Head Office.				"COMPLY"
Delivery Address: Philippine Health Insurance Corporation PRO-NCR and Rizal 1614 Sunnynede IT Center, Quezon Avenue, Quezon City				

I hereby certify to comply with all the above Technical Specifications

The Value Systems Phils., Inc.  
Name of Company/Bidder

JIMMY A. ANG  
Signature over Printed Name of Representative

October 14, 2013  
Date





# The VALUE SYSTEMS PHILS., INC.

Centillion Centre, Annex Building, 2972 Ramon Magsaysay Boulevard, Sta. Mesa, Manila  
Trunkline #: (632) 716-1468 / 0869 / 2757 Fax #: (632) 716-2879 / 336-7818

## WARRANTY AND AFTER SALES CERTIFICATION

October 14, 2013

SVP. EDGAR JULIO S. ASUNCION

Chairperson, BAC-ITR

Chief Legal Executive

Philippine Health Insurance Corporation

Shaw Boulevard, Pasig City

Dear Mr. Asuncion:

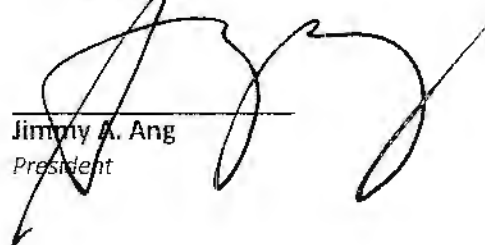
This is to certify that we shall provide **After Sales Support on Parts / Service** to the following item(s) listed below:

Item No. 1 > {319} units **Asus BM6820 Desktop Computer** – Three (3) Years warranty on parts, service and on-site (including PCI Adapter and all the peripherals).

Item No. 2 > {319} units **Phoenix MA1200 UPS** – Three (3) Years warranty on parts, service and on-site (including battery).

This certification is being issued for whatever purpose it may serve.

Very truly yours,



Jimmy A. Ang  
President







**BIDS AND AWARDS COMMITTEE FOR INFORMATION TECHNOLOGY  
RESOURCES (BAC-ITR)  
RESOLUTION NO. 27, S. 2013**

**RESOLUTION RECOMMENDING THE DECLARATION OF THE VALUE SYSTEMS  
PHILS., INC. AS THE BIDDER WITH THE LOWEST CALCULATED AND  
RESPONSIVE BID (LCRB) AND THE AWARD THERETO OF THE CONTRACT  
FOR THE BIDDING ON THE PROCUREMENT OF 319 UNITS STANDARD  
DESKTOP PC WITH UPS FOR PRO-NCR AND RIZAL**

**WHEREAS**, on August 8, 2013, the documents for the bidding on the procurement of 319 units Standard Desktop PC with UPS for Pro-NCR and Rizal was received including its revised Request and Issue Voucher (RIV), Approved Budget for the Contract (ABC) and Terms of Reference (TOR) based on the Technical Specifications issued by the Information Technology Management Department (ITMD);

**WHEREAS**, the Invitation to Bid (ITB) No. PCNCR 2013-003-IT for the bidding on the procurement of 319 units Standard Desktop PC with UPS for Pro-NCR and Rizal with an ABC of Fifteen Million Six Hundred Twenty Seven Thousand Twelve Pesos and Fifty Centavos (PhP15,627,012.50) was advertised on September 24, 2013 at the Philippine Star (PS) and was posted at the Phil-GEPS and PhilHealth Corporate website and at conspicuous places located at the PhilHealth Head Office on September 24- October 1, 2013;

**WHEREAS**, in response to the said invitation, four (4) bidders secured the bidding documents, namely Columbia Technologies, Inc.; Advance Solutions, Inc.; Unison Computer Systems, Inc.; and The Value Systems Phils., Inc..

**WHEREAS**, a pre bid conference was held on October 1, 2013 to address the issues and clarifications raised by the prospective bidders and thereafter a bid bulletin was issued on October 7, 2013;

**WHEREAS**, the Opening of Bids was held on October 14, 2013, wherein The Value Systems Phils., Inc. was adjudged as the proponent with the Lowest Calculated Bid (LCB) amounting to Thirteen Million Thirty Four Thousand Six Hundred Fifty Nine Pesos (PhP13,034,659.00). Consequently, the BAC-ITR instructed the Technical Working Group (TWG) concerned to proceed with the post-qualification of the aforementioned bidder;

**WHEREAS**, the TWG conducted an evaluation on October 18, 2013 and presented its report in the BAC-ITR meeting held on October 25, 2013 and informed the committee that the bid proposal of The Value Systems 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 The Value Systems Phils., Inc. as the bidder with the Lowest Calculated and Responsive Bid;

BAC-ITR Resolution- Award of Contract to The Value Systems Phils., Inc.



NOW, THEREFORE, premises considered, the BAC-ITR resolves, as it is hereby resolved, to recommend to the President and CEO the award of the contract for the bidding on the procurement of 319 units Standard Desktop PC with UPS for Pro-NCR and Rizal to THE VALUE SYSTEMS PHILS., INC.

Signed this 25<sup>th</sup> day of October 2013 at Pasig City

*on official business*

SVP EDGAR JULIO S. ASUNCION  
*Chairperson*

  
OIC-VP LIEZEL P. LAGRADA

*Vice-Chairperson*

  
SM MARIO S. MATANGUIHAN

*Member*

*on official business*

SM ALFREDO B. PINEDA II

*Member*

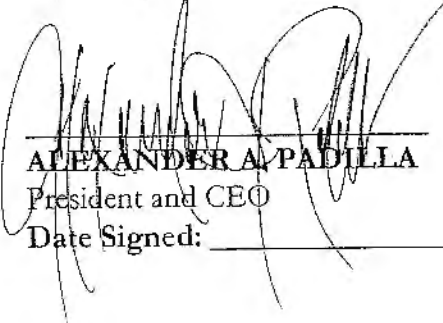
  
SM MA. SOPHIA B. VARLEZ

*Member*

  
OIC-SM RONALD ALLAN C. PABLO

*Member*

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

  
ALEXANDER A. PADILLA

President and CEO

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

BAC-ITR Resolution - Award of Contract to The Value Systems Phils., Inc.

Annex 1

## 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

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

**14. Use of Contract Documents and Information**

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

**15. Standards**

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

**16. Inspection and Tests**

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

17. **Warranty**

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

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

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

19. **Liquidated Damages**

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



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

## 20. Settlement of Disputes

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

## 21. Liability of the Supplier

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

## 22. Force Majeure

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

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

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

## 23. Termination for Default

- 23.1. The Procuring Entity shall terminate this Contract for default when any of the following conditions attends its implementation:

- (a) Outside of *force majeure*, the Supplier fails to deliver or perform any or all of the Goods within the period(s) specified in the contract, or within any extension thereof granted by the Procuring Entity pursuant to a request made by the Supplier prior to the delay, and such failure amounts to at least ten percent (10%) of the contract price;
- (b) As a result of *force majeure*, the Supplier is unable to deliver or perform any or all of the Goods, amounting to at least ten percent (10%) of the contract price, for a period of not less than sixty (60) calendar days after receipt of the notice from the Procuring Entity stating that the circumstance of force majeure is deemed to have ceased; or
- (c) The Supplier fails to perform any other obligation under the Contract.

- 23.2. In the event the Procuring Entity terminates this Contract in whole or in part, for any of the reasons provided under GCC Clauses 23 to 26, the Procuring Entity may procure, upon such terms and in such manner as it deems appropriate, Goods or Services similar to those undelivered, and the Supplier shall be liable to the Procuring Entity for any excess costs for such similar Goods or Services. However, the Supplier shall continue performance of this Contract to the extent not terminated.

- 23.3. In case the delay in the delivery of the Goods and/or performance of the Services exceeds a time duration equivalent to ten percent (10%) of the specified contract time plus any time extension duly granted to the Supplier, the Procuring Entity may terminate this Contract, forfeit the Supplier's performance security and award the same to a qualified Supplier.

## 24. Termination for Insolvency

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

## 25. Termination for Convenience

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

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

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

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

## 26. Termination for Unlawful Acts

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

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

## 27. Procedures for Termination of Contracts

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

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

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

28. **Assignment of Rights**

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

29. **Contract Amendment**

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

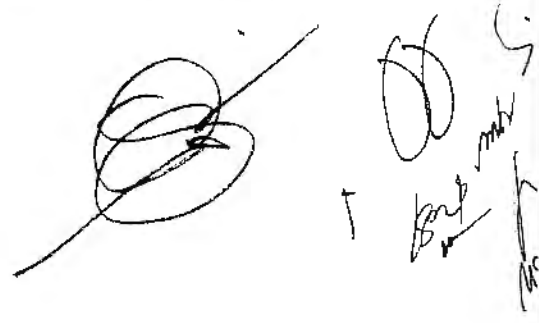
30. **Application**

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

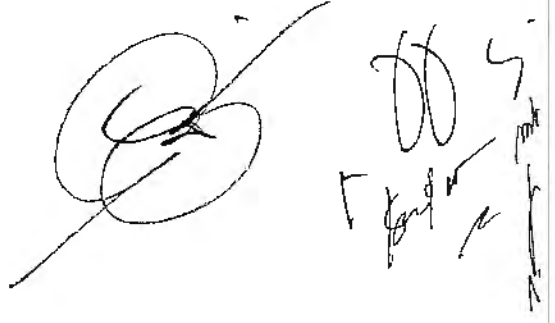
## Section V. Special Conditions of Contract

GCC Clause	
1.1(g)	The Procuring Entity is <i>Philippine Health Insurance Corporation</i> .
1.1(i)	The Supplier is <i>[to be inserted at the time of contract award]</i> .
1.1(j)	The Funding Source is: <b>Philippine Health Insurance Corporation Corporate Operating Budget for CY 2013 in the amount of <i>Fifteen Million Six Hundred Twenty Seven Thousand Twelve Pesos and Fifty Centavos (PhP15, 627,012.50)</i></b>
1.1(k)	The Project Site is <i>at PhilHealth Head Office</i>
5.1	The Procuring Entity's address for Notices is: <b>ATTY. EDGAR JULIO S. ASUNCION, Senior Vice-President, Chief Legal Executive, and BAC-ITR Chairperson, Room 1002, 10<sup>th</sup> Floor CityState Centre, 709 Shaw Boulevard, Pasig City</b>
6.2	<p>Delivery of the Goods and Services shall be made by the Supplier in accordance with the terms specified in Section VI.</p> <p><b>Delivery and Documents –</b></p> <p>The Delivery terms of this Contract shall be as follows:</p> <p><b>319 units Standard Desktop PC with UPS for PRO-NCR and Rizal shall be delivered to Room 1503, 15<sup>th</sup> Floor Citystate Centre Bldg., 709 Shaw Blvd., Bgy. Oranbo, Pasig City. Risk and title will pass from the Supplier to PhilHealth upon receipt and final acceptance of the Goods at their final destination."</b></p> <p>Delivery of the Goods and Services shall be made by the Supplier in accordance with the terms specified in Section VI. Schedule of Requirements. The details of shipping and/or other documents to be furnished by the Supplier are as follows:</p> <p>Upon delivery of the Goods and Services to the Project Site, the Supplier shall notify PhilHealth and present the following documents to PhilHealth:</p> <ul style="list-style-type: none"> <li>(i) Original and four copies of the Supplier's invoice showing Goods' description, quantity, unit price, and total amount;</li> <li>(ii) Original and four copies delivery receipt/note, railway receipt, or truck receipt;</li> <li>(iii) Original Supplier's factory inspection report;</li> <li>(iv) Original and four copies of the Manufacturer's and/or Supplier's warranty certificate;</li> <li>(v) Original and four copies of the certificate of origin (for imported Goods);</li> <li>(vi) Delivery receipt detailing number and description of items received signed by the authorized receiving personnel;</li> <li>(vii) Certificate of Acceptance/Inspection Report signed by the Procuring Entity's representative at the Project Site; and</li> <li>(viii) Four copies of the Invoice Receipt for Property signed by the Procuring Entity's representative at the Project Site.</li> </ul> <p><b>Incidental Services –</b></p> <p>The Supplier is required to provide all of the following services, including additional services, if any, specified in Section VI. Schedule of Requirements:</p> <ul style="list-style-type: none"> <li>(a) performance or supervision of on-site assembly and/or start-up of the supplied Goods;</li> <li>(b) furnishing of tools required for assembly and/or maintenance of the supplied Goods;</li> <li>(c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied Goods;</li> <li>(d) performance or supervision or maintenance and/or repair of the supplied Goods, during the warranty period provided that this service shall not relieve the Supplier</li> </ul>

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	<p>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><b>Spare Parts –</b></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><b>Packaging –</b></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><b>Insurance –</b></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><b>Transportation –</b></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><b>Patent Rights –</b></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



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10.4	NO FURTHER INSTRUCTIONS
13.4(c)	NO FURTHER INSTRUCTIONS
16.1	<p>The bidders should be able to comply with the following:</p> <ul style="list-style-type: none"> <li>• The winning bidder should work in parallel with PHILHEALTH Physical Resources and Infrastructure Department (PRID) during the installation, testing, and commissioning of the Project.</li> <li>• The bidders must ensure that the proposed 319 units Standard Desktop PC with UPS for PRO-NCR and Rizal is compatible with the existing equipment of PHILHEALTH.</li> <li>• Intensive testing should be done by the winning bidder to achieve the functionality and benefits of the 319 units Standard Desktop PC with UPS for PRO-NCR and Rizal.</li> </ul>
17.3	<ul style="list-style-type: none"> <li>• The maintenance period will be for a period of three (3) years.</li> <li>• All software/hardware should be covered by warranty on services, parts, upgrades and updates on the 319 units Standard Desktop PC with UPS for PRO-NCR and Rizal within the maintenance period which shall commence upon acceptance of the delivered goods.</li> </ul>
17.4	<p>The period for correction of defects within the warranty period are:</p> <ul style="list-style-type: none"> <li>• The bidders should be able to provide expert personnel to service the 319 units Standard Desktop PC with UPS for PRO-NCR and Rizal whenever problems should occur.</li> <li>• The winning bidder should provide an 24x7 phone and technical support to PhilHealth within the three (3) years contract.</li> <li>• Expenses for the technical personnel who will provide the technical service on-site to PHILHEALTH shall be at the expense of the winning bidder.</li> </ul>
21.1	NO ADDITIONAL PROVISION.

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## **BID BULLETIN**

### **BIDDING FOR THE PROCUREMENT OF 319 UNITS STANDARD DESKTOP PC WITH UPS FOR PRO-NCR AND RIZAL**

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 319 Standard Desktop PC with UPS for PRO-NCR and Rizal (ITB No. PCNCR 2013-003-IT)***, viz:

PROVISIONS/QUERIES	AMENDMENT / CLARIFICATION																																						
<p><b>On page 24: SECTION III BID DATA SHEET</b></p> <p><b>Item No. 10.1</b></p> <p>The Procuring Entity's address is: <b>Room 1003, 10<sup>th</sup> Floor, Citystate Center, 709 Shaw Boulevard, Oranbo, Pasig City; Telefax No. 637-4735</b></p>	<p><b>Philippine Health Insurance Corporation</b> <b>PRO-NCR and Rizal</b> 1614 Sunnymede IT Center, Quezon Avenue, Quezon City. Telefax No. 709-4874</p>																																						
<p><b>On page 40: VI SCHEDULE OF REQUIREMENTS</b></p> <p>Within <b>Thirty (30) Calendar Days</b> after the issuance and receipt of the winning bidder of the Notice to Proceed.</p>	<p>Within <b>Forty (40) Calendar Days</b> after the issuance and receipt of the winning bidder of the Notice to Proceed.</p>																																						
<p><b>On page 41: VII TECHNICAL SPECIFICATIONS</b></p> <p><b>1. DELIVERABLES</b></p> <table><tr><td>Form Factor</td><td>tower or mini tower</td></tr><tr><td>Processor:</td><td>Intel based</td></tr><tr><td>Technology</td><td>Core i5</td></tr><tr><td>Clock Speed</td><td>3.1 GHz or higher</td></tr><tr><td>Cache</td><td>6MB or higher</td></tr><tr><td>Memory</td><td>DDR3</td></tr><tr><td>Type</td><td>8Gb or Higher</td></tr><tr><td>Operating System</td><td>Windows 7 Professional 64 bit</td></tr><tr><td>Installer</td><td>Y</td></tr><tr><td>Recovery Disk</td><td>Y</td></tr><tr><td>HDD Storage</td><td>Internal SATA</td></tr><tr><td>Capacity</td><td>500 GB or higher</td></tr><tr><td>Speed</td><td>7200 rpm or higher</td></tr><tr><td>DVD-RW Drive</td><td>Internal SATA</td></tr><tr><td>Capability</td><td>Super-Multi</td></tr><tr><td>Display/Video Adapter:</td><td></td></tr><tr><td>Memory</td><td>1GB or higher</td></tr><tr><td>Ports</td><td>VGA, DVI, HDMI</td></tr><tr><td>I/O Ports</td><td></td></tr></table>	Form Factor	tower or mini tower	Processor:	Intel based	Technology	Core i5	Clock Speed	3.1 GHz or higher	Cache	6MB or higher	Memory	DDR3	Type	8Gb or Higher	Operating System	Windows 7 Professional 64 bit	Installer	Y	Recovery Disk	Y	HDD Storage	Internal SATA	Capacity	500 GB or higher	Speed	7200 rpm or higher	DVD-RW Drive	Internal SATA	Capability	Super-Multi	Display/Video Adapter:		Memory	1GB or higher	Ports	VGA, DVI, HDMI	I/O Ports		<ul style="list-style-type: none"><li>Windows 7 Professional 64 bit</li><li>Installer disk is for the reinstallation of the Operating System. Recovery Disk contains the Operating System, tools and drivers for all the peripherals used whenever the entire system crashes. OS license must be OEM. Based on the TOR, one PC unit must have one recovery disk and one installer disk.</li><li>VGA, DVI, and HDMI must be present on external ports of the adapter. No converter is allowed.</li></ul>
Form Factor	tower or mini tower																																						
Processor:	Intel based																																						
Technology	Core i5																																						
Clock Speed	3.1 GHz or higher																																						
Cache	6MB or higher																																						
Memory	DDR3																																						
Type	8Gb or Higher																																						
Operating System	Windows 7 Professional 64 bit																																						
Installer	Y																																						
Recovery Disk	Y																																						
HDD Storage	Internal SATA																																						
Capacity	500 GB or higher																																						
Speed	7200 rpm or higher																																						
DVD-RW Drive	Internal SATA																																						
Capability	Super-Multi																																						
Display/Video Adapter:																																							
Memory	1GB or higher																																						
Ports	VGA, DVI, HDMI																																						
I/O Ports																																							

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USB 2.0; optional USB 3.0	At least 6 combined
USB keyboard & Mouse	Same brand as the system unit
Network	
Wired	10/100/1000 Mbps
Wifi	Internal; 802.11 b/g/n; at least 54 Mbps
Monitor	LCD or, preferably, LED; same brand as the system unit
Size	At least 20-inch viewable
Resolution	1280 x 800 or higher
Interface	VGA and DVI; optional HDMI
UPS with AVR	At least 300 VA, 3000W, 10kVA full load
Output Capacity	390 Watts/ 650 VA or higher
Input interface	IEC 320-C14, or preferably, NEMA 5-15P
Output interface	At least 4 IEC 320 C13, or preferably, NEMA 5-15R
Warranty	3 years warranty in parts and service (including UPS and Battery)

- LCD or, preferably, LED; same brand as the system unit
- Must be at least 20-inch viewable, widescreen
- UPS with AVR, the PCI Adapter and all the peripherals must be 3 yrs. warranty

#### On page 42: VII TECHNICAL SPECIFICATIONS

##### SUPPLIES, DELIVERIES AND TESTING SCHEDULE (1<sup>st</sup> Bullet)

- 2.1 The delivery and installation period to PRO-NCR Office shall be **thirty (30) calendar days** upon the issuance of Notice to Proceed. All expenses for the delivery of Desktop PC shall be at the expense of the winning bidder. A penalty of one-tenth (1/10) of one percent (1%) of the cost of the delayed goods scheduled for delivery shall be imposed for every day of delay shall be charged until such goods are finally delivered and accepted by the PRO-NCR office authorized representatives.

- 2.1 The delivery and installation period to PRO-NCR Office shall be **forty (40) calendar days** upon the issuance of Notice to Proceed. All expenses for the delivery of Desktop PC shall be at the expense of the winning bidder. A penalty of one-tenth (1/10) of one percent (1%) of the cost of the delayed goods scheduled for delivery shall be imposed for every day of delay shall be charged until such goods are finally delivered and accepted by the PRO-NCR office authorized representatives.

#### On page 44: VII TECHNICAL SPECIFICATIONS

##### TRAININGS

The supplier must provide technical trainings free of charge. The training must be provided **thirty (30) calendar days** after the delivery period. The supplier must provide in-depth technical trainings at manufacturer's authorized training centers/laboratory and to be conducted by manufacturer's certified

Must abide in all the conditions specified in the Terms of Reference.

*[Handwritten signature and initials]*

manufacturer's certified trainers/ instructors for PHILHEALTH technical support personnel. The trainings shall focus on the technology used by the equipment and its applications and must include hands-on exercise(s). The following courses are listed below:

Course Title	Venue	Duration	Participants
Intensive Hardware and Software Training for Desktop Computer, Standard	PhilHealth	At least one (1) day	30
Windows 7 Advance Technical Training (Course: Installing and configuring Windows 7 Operating System)	Authorized Training Center	At least one (1) day	30

NUMBER OF PARTICIPANTS:

15 PARTICIPANTS

15 PARTICIPANTS

On page 44: VI TECHNICAL SPECIFICATIONS Annex "A"

Statement of all Ongoing and Completed Government & Private Contracts  
Including Contracts awarded but not yet started

Date of End-user's Acceptance, or Date and Official Receipt No./s of O.R.'s Issued for the Contract/s, if completed

ALL SUPPORTING DOCUMENTS SHOULD BE ATTACHED IN THE BID PROPOSAL

**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. P/NCR 2013-003-IT) SHALL FORM PART OF THE ELIGIBILITY AND TECHNICAL BID PROPOSAL TO BE SUBMITTED ON 14 OCTOBER, 2013. 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 14 October 2013, 1:30 p.m. Likewise, Opening of Bids will commence on the said date and time.

*[Handwritten signature and initials]*

Those bidders who obtained the bidding documents for this project and would not submit their respective bid proposals on 14 October 2013 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 14 October 2013.

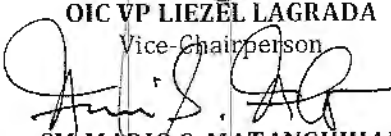
Issued this 7<sup>th</sup> day of October 2013.

  
SVP EDGAR JULIO S. ASUNCION

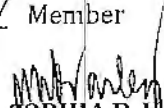
Chairperson

  
OIC VP LIEZEL LAGRADA

Vice-Chairperson

  
SM MARIO S. MATANGUIHAN

Member

  
SM MA. SOPHIA B. WARLEZ

Member

*on sick leave*  
ATTY. ALFREDO B. PINEDA II

Member

  
OIC SM RONALD ALLAN PABLO

Member

