

CONTRACT FOR SUPPLY AND DELIVERY OF IT EQUIPMENT

KNOW ALL MEN BY THESE PRESENTS:

This contract is made and entered into by and between:

PHILIPPINE HEALTH INSURANCE CORPORATION, a government owned and controlled corporation organized and existing under and by virtue of the laws of the Republic of the Philippines, with postal address at 11th-19th Floor Citystate Center Bldg., 709 Shaw Boulevard, Brgy. Oranbo, Pasig City, represented in this act by its Regional Vice President for PhilHealth Regional Office IX, **MR. ROMEO D. ALBERTO**, hereinafter referred to as the "**PHILHEALTH**".

-and-

NG KHAI DEVELOPMENT CORPORATION, an entity existing under the laws of the Republic of the Philippines, with office address at Hernan Cortes Street, Banilad, Mandanue City, Cebu, Philippines, represented herein by its Account Manager, **MS. ETHEL D. JABEL**, hereinafter referred to as the "**SUPPLIER**".

WITNESSETH:

WHEREAS, a public bidding was held from July 30, 2013 to August 6, 2013 for the One (1) Lot Bidding for the Supply and Delivery of IT Equipment (For Administrative Support Services) with ITB No. PRØ IX 2013 – 001 (IT);

WHEREAS, **NG KHAI DEVELOPMENT CORPORATION's** bid proposal on the above project **was adjudged as the most advantageous and favorable to PHILHEALTH** based on the consolidated technical and financial evaluation of the suppliers who submitted their bid.

WHEREAS, **PHILHEALTH** issued a Notice of Award dated August 30, 2013 to Ng Khai Development Corporation as the winning proponent in the recently concluded bidding process;

NOW, THEREFORE, for and in consideration of the foregoing premises, the parties hereto agree, on the following terms and conditions, to wit:

ARTICLE I

OBLIGATIONS OF NG KHAI DEVELOPMENT CORPORATION

Ng Khai Development Corporation shall:

1. Deliver the following IT equipment at a cost of **ONE MILLION ONE THOUSAND SEVEN HUNDRED EIGHTY TWO PESOS and 50/100 PESOS (Php1,001,782.50)**, inclusive of all taxes, broken down as follows:

| QTY | UNIT PRICE | ITEM | TOTAL |
|-----------------------------|--------------|---|------------------------|
| 6 Units | Php40,000.00 | Dot Matrix Printer, Heavy Duty | Php240,000.00 |
| 1 Unit | 28,000.00 | Laser Printer, Colored | 28,000.00 |
| 9 Units | 60,000.00 | Laser Printer, Network | 540,000.00 |
| 1 Unit | 44,782.50 | Projector Large Area/Outdoor Multimedia | 44,782.50 |
| 3 Units | 4,500.00 | Scanner Standard, Flatbed | 13,500.00 |
| 4 Units | 32,000.00 | Surveillance IP Camera, wireless capable, High Resolution, Manageable | 128,000.00 |
| 8 Units | 550.00 | 16GB Flash/Thumb Drive | 4,400.00 |
| 10 Units | 310.00 | 8GB Flash/Thumb Drive | 3,100.00 |
| Total Contract Price | | | Php1,001,782.50 |

Such items shall be delivered to PHILHEALTH within **forty five (45) calendar days** from the issuance and acceptance of the Notice to Proceed by Ng Khai Development Corporation in accordance with Section VI. Schedule of Requirements and Section VII. Technical Specifications of the project's Bidding Documents, copies of such documents are hereto attached as Annex "A" and "B," respectively, and made an integral part of this contract.

2. Warrant the following:

2.1 That the IT equipment supplied are free from defects due to design or workmanship for at least a period of three (3) years from the date of the acceptance or as provided for under Section VII. Technical Specifications. The items shall be free from any apparent defects or bugs prior to acceptance;

2.2 A three (3) year warranty, or as provided for under Section VII. Technical Specifications, for all IT equipment supplied shall take effect upon the issuance of a certificate of acceptance from the ITM technical representatives. The warranty feature also includes service/labor applied thereon. That all units delivered were sealed with warranty sticker and such sticker will be replaced after the said unit has gone repair by a technical representative represented by both parties;

2.3 The **on-call support must be available within eight (8) hours a day, five (5) days a week.** A one – hour response time (through telephone call) must be provided. When the problem cannot be solved by an on – call support, troubleshooting must be done on – site. Service response time must be within one (1) hour for all IT equipment supplied. During the hardware repair, testing may be done on – site to know the extent of the problem. All components beyond repair shall be replaced at no cost during the effectivity and conditions of the warranty;

2.4 Provide service units of the same specifications or higher if the IT equipment supplied cannot be repaired within eight (8) hours. The SUPPLIER shall shoulder all expenses of the technical person /s who will be providing the technical services on – site;

2.5 Provide User Manuals, Technical/Reference Materials and System Manuals, Troubleshooting and installation guide, in hard and/or soft copy; and

2.6 Ensure that PHILHEALTH's existing software application that runs smoothly on existing PHILHEALTH's computers family will be able to operate on the same way with the winning supplier's computer.

ARTICLE II
ASSURANCE OF FAITHFUL OBLIGATION

In order to assure that defects arising from normal wear and tear during the warranty period shall be corrected, the faithful obligation shall be covered by either retention money or special bank guarantee in an amount equivalent to at least **ten percent (10%) of the total contract price**. The said amount shall only be released after the lapse of the warranty period.

ARTICLE III
OBLIGATIONS OF PHILHEALTH


PHILHEALTH shall pay the SUPPLIER the sum of **ONE MILLION ONE THOUSAND SEVEN HUNDRED EIGHTY TWO PESOS AND 50/100 (Php1,001,782.50)**, inclusive of all taxes, after complete delivery to and acceptance as to quantity and technical specifications by PHILHEALTH of all items enumerated in paragraph 1, Article I, provided that withholding and other applicable taxes shall be deducted there from and remitted directly to the Bureau of Internal Revenue (BIR).

ARTICLE IV
BREACH OF CONTRACT

Breach of any of the terms and conditions shall cause the cancellation of this contract and the guilty party shall be liable for damages, attorney's fees and cost of suit. In addition, if the guilty party is the SUPPLIER, it shall also cause the forfeiture of its Performance Security in favor of the government, without prejudice to the availment of other legal remedies available under the premises.

ARTICLE V
LIQUIDATED DAMAGES

In case/s when the supplier fails to satisfactorily deliver the goods under the contract within the specified delivery schedule, inclusive of duly granted time extensions, if any, the supplier shall be liable for damages for the delay and shall pay PHILHEALTH liquidated damages, not by way of penalty, an amount equal to one-tenth (1/10) of one percent (1%) of the cost of the delayed goods scheduled for delivery for every day of delay until such goods are finally delivered and accepted by PHILHEALTH.


Witness

PHILHEALTH need not prove that it has incurred actual damages to be entitled to liquidated damages. Such amount shall be deducted from any money due or which may become due to the supplier, or collected from any securities or warranties posted by the supplier, whichever is convenient to PHILHEALTH. In no case shall the total sum of liquidated damages exceed ten percent (10%) of the total contract price, in which event the PHILHEALTH shall automatically terminate the contract and impose appropriate sanctions over and above the liquidated damages to be paid.

ARTICLE VI
PERFORMANCE BOND


Witness

Ng Khai Development Corporation hereby undertakes to furnish PHILHEALTH a Performance Security in the form of cash, cashier's check, manager's check, bank draft/guarantee or irrevocable letter of credit, as confirmed by a Universal or Commercial Bank, amounting to five percent (5%) of the total contract price or in the form of Surety Bond (callable upon demand) guaranteed by the Government Service Insurance System (GSIS) or any reputable bonding company in an amount equivalent to thirty percent (30%) of the total contract price **within ten (10) calendar days** from receipt of the Notice of Award.

The Performance Security shall be forfeited in favor of PHILHEALTH in the event it is established that the winning bidder is in default of its obligations under the Contract. Further, the same shall be released to the SUPPLIER after the issuance of the Certificate of Acceptance of goods by PHILHEALTH.

ARTICLE VII
SEPARABILITY CLAUSE


PHILHEALTH

If any paragraph, sub-paragraph or part of this contract is declared contrary to law, public policy or otherwise declared invalid, such shall not affect the other paragraphs, sub-paragraphs or parts of said contract.

ARTICLE VIII
MISCELLANEOUS PROVISIONS

The Bidding Documents, Bid Bulletins and other related issuances and the Bid Proposals shall form an integral part of this contract.

Amendment or Revision of any provision herein found shall be upon mutual agreement and approval of both parties.


SUPPLIER

**ARTICLE IX
EFFECTIVITY**


This contract shall take effect immediately upon signing hereof.

IN WITNESS WHEREOF, the parties have hereunto affixed their respective signature on this ____ day of _____, ____ at Zamboanga City, Philippines.

**NG KHAI DEVELOPMENT
CORPORATION
(NG KHAI)**


**PHILIPPINE HEALTH
INSURANCE CORPORATION
(PHILHEALTH)**

By:




ETHEL D. JABEL
Account Manager

By:



ROMEO D. ALBERTO
Regional Vice-President

Signed in the presence of:



Maria Carmen B. Hingquin
Sales Team Lead



ROSEMIN E. DAMSID
Fiscal Controller IV

Witness

Witness

PHILHEALTH

SUPPLIER

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF ZAMBOANGA

)s.s.

x ----- x

SEP 06 2013

BEFORE ME, this _____ day of _____, _____, at Zamboanga City, Philippines, personally appeared the following parties, to wit:
Government ID No.

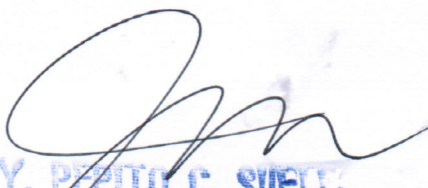
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|---------------------|----------------------------|
| 1. ROMEO D. ALBERTO | PhilHealth ID No. 10027398 |
| 2. _____ | _____ |

All known to me to be the same persons who executed the foregoing Contract for the Supply and Delivery of IT Equipment (For IT Services) and acknowledge to me that the same are their own free act and deed and that of the agency/corporation being represented.

This instrument consists of six (6) pages, including this page on which this acknowledgement is written, signed by the parties and their instrumental witnesses and sealed with my notarial seal.

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

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Book No. 170
Series of 2013


ATTY. PEPITO C. SUELLO
NOTARY PUBLIC
UNTIL DEC. 31 2014
PTR NO. 3319095-ON-1/2/13/AT C
SRD NOLE # 0013886-APRIL 10, 2010
BP # 885349-ON-11/26/12 AT C.
COMMISSION -No.-0107
CIRI CITY