

MEMORANDUM OF AGREEMENT

THE PUBLIC IS INFORMED:

This Agreement is executed on 13 OCT 2014 between:

PHILIPPINE HEALTH INSURANCE CORPORATION (PHIC), a government owned and controlled corporation created and existing under and by virtue of Republic Act No. 7875, with principal office address at 709 Citystate Center Building, Barangay Oranbo, Pasig City, represented herein by its Senior Vice President, Management Service Sector, **Ms. MELINDA C. MERCADO**, duly authorized for this purpose;

-And-

NATIONAL KIDNEY AND TRANSPLANT INSTITUTE (NKTi), a Philippine tertiary hospital, holding office East Avenue, Quezon City, represented by its Executive Director, **JOSE DANTE P. DATOR, M.D.**, duly authorized for this purpose.

~ANTECEDENTS~

1. Administrative Order No. 402 dated 02 June 1998, issued by then President Fidel V. Ramos, established the medical check up program for government personnel;
2. Pursuant to said Order, the Department of Budget and Management, Department of Health, and **PHIC**, issued joint Circular No. 01 to provide the rules and regulations to govern the implementation of an Annual Medical Check Up program for government personnel;
3. In compliance with the said issuance, **PHIC** issued Office Order Nos. 61, s. 2008 and 116, s. 2009, which provide the guidelines for the conduct of 2014 Periodic Health Examination (PHEX) of **PHIC** regular employees;
4. Following the conduct of cost- benefit analysis by **PHIC**, it is determined that entering into an Agency-to-Agency Arrangement with the **NKTi** is the most efficient and economical manner for conducting the periodic Health Examination of the former's employees in the Central Office for calendar year **2014**;
5. Pursuant to BAC Resolution No. **093 s. 2014**, it was recommended and approved that the procurement for PHEX for the CY 2014 of the **PHIC** regular employees in the Central Office be coursed through agency to agency agreement pursuant to Section 53.5 of the Revised IRR of Republic Act No. 9184;
6. **PHIC** entered into this Agreement with **NKTi** for the conduct of Periodic Health Examination of Regular Employees for CY 2014 and has accepted the contract price offered by **NKTi** for the supply of health examination of the six hundred thirty five (635) regular employees of **PHIC** Central Office in the sum of **PESOS: TWO MILLION FOUR HUNDRED EIGHTY EIGHT THOUSAND FIVE HUNDRED THIRTY FOUR & 40/100 (PhP2,488,534.40) ONLY**, (hereinafter called "**the Contract Price**");
7. ACCORDINGLY, for and in consideration of the foregoing premises and of the covenants and stipulations hereinafter set forth, the parties hereto have agreed, and by these presents,

do hereby agree into this Memorandum of Agreement under the following terms and conditions:

Article I UNDERTAKINGS OF PHIC

PHIC shall perform, with due diligence and efficiency, the following undertakings:

1. It shall provide the **NKTI** in advance, the list of names of its officials and employees and total number of employees who will undergo the said PERIODIC HEALTH EXAMINATION and their designated schedules of examination.

2. It undertakes to avail from **NKTI** the following prescribed comprehensive range of diagnostic tests and services, not to mean all the listed examinations below, but just the recommended tests done according to evidence-based medicine evaluation:

- | | |
|---|--|
| A. Basic Annual Medical Examination: <ul style="list-style-type: none">a. Complete P.E.
(W/ Neuro Exam.)b. Chest X-rayc. Complete Blood Countd. Urinalysise. Pap smear (females only)f. Dental Examination
(Only for those employees
Without previous dental exam.) | B. Additional Examinations
(As individualized/as needed) <ul style="list-style-type: none">a. ECG (w/ reading by cardiologist)b. Fasting Blood Sugarc. Lipid Profiled. Creatininee. Serum Uric Acidf. Calciumg. Mammographyh. Breast Ultrasoundi. Fecal Occult Bloodj. HBAICk. Potassiuml. SGPTm. SGOTn. Prostate Specific Antigen (P.S.A.) |
|---|--|

3. It shall be responsible, through its HRD-Clinic, for the issuance of referral slip to its officials and employees who will undergo the PHEX indicating among others the specific type of health screening package available to employees under the program.

4. It undertakes that its officials and employees, who shall undergo additional examinations or shall avail for themselves services of other consultants not covered in the list under Paragraph 2, and as stated in the referral slip, shall personally assume the laboratory and attendant expenses.

5. For services actually rendered, as certified by the representative of **PHIC** based on the rates stated in Annex "B" hereof, **PHIC** shall provide the funds to cover service costs/expenses based on the contract amount stated in this Agreement, inclusive of taxes and other government fees, if any is required.

6. **PHIC** shall pay **NKTI** within thirty (30) working days upon presentation by the **NKTI** of the respective billing statements/statement of account, the submission of examination results (with summary of medical findings and laboratory results), and other required documents, if any, subject to the availability of funds and to the usual existing accounting and auditing rules and regulations.

Article II
UNDERTAKINGS OF NKTi

NKTi shall perform, with due diligence and efficiency, the following undertakings:

1. NKTi shall conduct the required Periodic Health Examination (PHEX) to all PHIC employees whose names appear in the list provided by PHIC, marked as Annex "C".
2. NKTi shall provide PHIC officials and employees, supplies, materials or equipment necessary for the conduct of Periodic Health Examination.
3. NKTi shall provide the venue best suitable for the subject examination.
4. NKTi shall also furnish PHIC through its HRD Clinic copy of the laboratory results within five (5) working (calendar) days after the examination (with a summary of significant medical findings and laboratory examinations done).
5. NKTi shall provide examining physicians who shall finish the physical examination of batch of PHIC employees scheduled on that particular day.
6. NKTi shall provide substitute examining physician/s to take over, in cases of unavailability of the designated examining doctor/s.
7. Pursuant to EO No. 398, s. 2005, it represents and warrants that, to its knowledge, it is free of all tax liabilities to the government and that it undertakes to present regularly and submit to PHIC, upon request and within the duration of this Agreement, copies of its latest Income Tax Return and Business Tax Return duly stamped and received by the Bureau of Internal Revenue and duly validated with the tax payments made thereon together with the copy of the tax clearance from the Bureau of Internal Revenue.
8. It shall pay its taxes in full and on time. Failure to do so shall be a ground for PHIC to suspend its payment for the services rendered by NKTi.

Article III
WARRANTY

Pursuant to Article I, Nos. 5 and 6 of this Agreement, PHILHEALTH shall pay NKTi the sum of **TWO MILLION TWO HUNDRED THIRTY NINE THOUSAND SIX HUNDRED EIGHTY PESOS AND NINETY CENTAVOS (Php2,239,680.90)**, which is ninety percent (90%) of the total contract price, within sixty (60) working days after complete delivery to and acceptance by PHILHEALTH.

As obligation for the Warranty, PHILHEALTH shall withhold the **ten percent (10%) of the total contract price as retention money** in an amount equivalent to **TWO MILLION FOUR HUNDRED EIGHTY EIGHT THOUSAND FIVE HUNDRED THIRTY FOUR PESOS AND FORTY CENTAVOS (Php 2,488,534.40)**. The retention money shall only be released after the lapse of one (1) year warranty period pursuant to **Section 62 (Warranty) of the Revised IRR of RA 9184**. Provided, however, that the deliverables are free from patent and latent defects and all the conditions imposed under the contract have been fully met. Provided further, that NKTi may opt to post a **special bank guarantee** equivalent to at least **ten percent (10%) of the total contract price**. The said special bank guarantee must have a validity period of one (1) year covering the whole duration of the **warranty period**.

Article IV
MISCELLANEOUS PROVISIONS

1. In case the official or employee of the **PHIC** fails to undergo the Periodic Health Examination on the designated/scheduled date of examination, **NKTI** shall conduct the same from the re-scheduled examination as determined by HRD Clinic;

2. **NKTI** records and statements of account of patients shall be made available to the **PHIC** upon request; in case an employee personally requests for a copy of laboratory results, he/she must present a request form issued by HRD-Clinic, or **NKTI** could verify first at the HRD-Clinic;

3. The parties shall conform to the general rules and regulations set forth in this Agreement and in all existing policies provided under the Act and existing regulations that govern such engagement;

4. In case any provision is declared by the competent court to be illegal, void or invalid, the other provisions not affected shall remain valid and enforceable;

5. **PHIC** and **NKTI** shall use their best efforts to settle amicably all disputes arising out or in connection with this Contract or the interpretation thereof.

Any dispute between the above parties as to matters arising pursuant to this Contract which cannot be settled amicably within thirty (30) days after receipt by one party of the other party's request for such amicable settlement may be submitted by either party for resolution.

Any and all disputes arising from the implementation of a contract covered by the RA 9184 and its IRR shall be submitted to arbitration in the Philippines according to the provisions of Republic Act 9285, otherwise known as the "Alternative Dispute Resolution Act of 2004".

6. In case of breach or delay in the delivery of service, which includes the submission of examination of results, **NKTI** shall pay liquidated damages of one-tenth of one percent (0.1%) of the cost of unperformed service for everyday of delay. The maximum amount of liquidated damages that may be collected shall be ten percent (10%).

Once the cumulative amount of the liquidated damages reaches the said limit, **PHIC** shall have the right to rescind the contract without prejudice to other courses of action and remedies open to it".

7. **NKTI** shall not give to, or receive from any Representative of **PHIC** any commission, fee, rebate, or any gift or entertainment of value in connection with services to be supplied under this Agreement, or enter into any other business arrangement with any representative of **PHIC** without the prior written consent of contractor. **NKTI** shall (a) promptly notify **PHIC** of any violation of this provision; (b) repay or credit to **PHIC** any consideration received as a result of such violation.

In addition, if any violation thereof occurring prior to the effectivity of this Agreement, resulted directly or indirectly in **PHIC's** consent to enter into this Agreement, **PHIC** shall have the option to terminate this Agreement at any time, and shall not be liable to pay the **NKTI** for any compensation or reimbursement whatsoever for any claim after the date of such termination, notwithstanding any contrary provision in this Agreement.

The above provision shall be strictly observed and complied with by both parties. Any violation hereof shall be a cause for the immediate termination of this Agreement and violation of R.A. 3019 (Anti-graft and Corrupt Practices Act.)

Article V
WARRANTIES AND REPRESENTATIONS

Each party warrants and represents to the other that:

1. Its representative is authorized to sign this Agreement and to bind the entity he represents.
2. All approvals necessary to negotiate, conclude, and perform this Agreement has been obtained and that this Agreement is a binding covenant upon him/it.
3. He/it is legally capacitated to contract this Agreement and to perform his/its obligations under this Agreement, and that he/it is under no legal disability to contract or perform this Agreement.
4. He/it recognizes that the other party consented to this Agreement in reliance on the authority of its signatory and its financial and legal capacity and willingness to contract and perform this Agreement.

Article VI
EFFECTIVITY

The duration of this Memorandum of Agreement shall be from the date of signing until December 31, 2014.

Article VII
REVISION OR AMENDMENT

1. Any revision, amendment or modification of this Agreement shall require the written consent of all parties hereto.
2. Either party may pre-terminate or rescind this Memorandum of Agreement for the failure of the other party to perform any obligations set forth herein by serving the latter a thirty (30) day prior written notice, without prejudice to the availment of any other remedies as provided by the law.
3. This Agreement and any transaction contemplated herein shall be governed/ construed in accordance with the laws of the Philippines. Any action arising out of this Agreement shall be filed exclusively before the proper courts of Pasig City.

SIGNED by the parties on 13 OCT 2014 at Quezon City.

**PHILIPPINE HEALTH
INSURANCE CORPORATION**

**NATIONAL KIDNEY AND
TRANSPLANT INSTITUTE**

By:

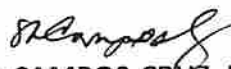

MELINDA C. MERCADO



SVP – Management Services Sector

By:

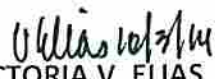

JOSE DANTE P. DATOR, M.D.
Executive Director

Signed in the Presence of:


MELITZA CAMPOS-CRUZ, M.D.
Med. Spec. III/ Clinic Physician


ATTY. BERNARDO V. CABAL
Legal Counsel 


JONATHAN P. MANGAOANG
OIC, Senior Manager - HRD


VICTORIA V. ELIAS
OIC, Accounting Division

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF Quezon City) S. S.

BEFORE ME, a Notary Public for and in the City of Quezon City, Philippines, personally appeared:

Name	Government ID	Valid Until	Issued at
MELINDA C. MERCADO	PHIC ID 10002097		
JOSE P. DATOR, M.D.	PRC# 57398	Nov. 13, 2015	Manila

They are both known to me to be the same persons who signed the foregoing document and acknowledged to me that their signatures prove their free acts and the entity/ies they represent.

SUBSCRIBED and SWORN on 13 OCT 2014 in Quezon City

Notary Public

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Book No. 2011
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ATTY. ALVIN JOSEPH G. CONSTANTINO
Notary Public for Quezon City
Until December 31, 2015
Adm Matter No. NP. 269 (2013-2014)
PTR No. 2667581 / 1-20-2014, Manila
IBP No. 928543 / 1-05-2014, Manila
Roll No. 56957

