

CONTRACT OF SERVICES

KNOW ALL MEN BY THESE PRESENTS:

The PHILIPPINE HEALTH INSURANCE CORPORATION, a government owned and controlled corporation, existing by virtue of Republic Act 7875 as amended, otherwise known as the "National Health Insurance Act of 1995", with Regional Office Address at the Builders Place, Del Rosario St., Tuguegarao City, represented by its MR. OSCAR B. ABADU, JR., Regional Vice President, hereinafter referred to as "PHILHEALTH",

-AND-

MASANGKAY COMPUTER CENTER, a private enterprise, organized and existing under pertinent laws of the Republic of the Philippines, with business address at 1143 Masangkay St., Sta. Cruz, Manila represented by, MR. PETER W. KO, hereinafter referred to as the "SUPPLIER",

-WITNESSETH THAT-

WHEREAS, PHILHEALTH invited Bids for certain goods and ancillary services, viz., ITB No. 14-009, Procurement of Generator Sets including Services,

WHEREAS, the SUPPLIER has accepted a Bid and binds itself to provide Generator Sets including its services;

WHEREAS, PHILHEALTH desires to avail the aforesaid services at reasonable cause;

NOW THEREFORE, for and in consideration of the foregoing premises, the party hereby agrees to undertake the following conditions;

1. PHILHEALTH obligates itself to pay the SUPPLIER the contract price of ONE MILLION FOUR HUNDRED THIRTY SEVEN THOUSAND SEVEN HUNDRED THIRTY SIX PESOS (Php 1,437,736.00) upon completion/delivery, to remedy defects therein in conformity in all respects with the provision of the contract and subject to government accounting rules and procedures;
2. For and in consideration of the above-stated contract price, the SUPPLIER binds himself to undertake the following Technical Specifications;

ITEM DESCRIPTION

Specifications

- 15 KVA
- Single Phase
- Alternating Current
- 220 Volts
- 1800 rpm
- Comes complete with standard Accessories
- With Enclosed Canopy, Silent/Low Noise
- Diesel Internal Combustion Engine
- Synchronous
- 0.8 Power Factor
- Accessories
  - Operator Handbook
  - Electrical Diagrams
  - Basic Tool Kit

- Testing Commissioning and Installation
- Training/Orientation on Proper Maintenance

GENSET DESCRIPTION

Features:

1. Control panel in NEMA 12 type metal enclosure with electronic monitoring window showing accurate readings of Voltage, Amperage, frequency, Rpm, Engine water temperature, Oil pressure, fuel level and other pertinent readings.
2. Capable of maintaining set frequency even at higher load.
3. Ability to keep engine battery on charge when not in used.
4. Molded case circuit breaker with thermal magnetic trip. Circuit breaker should be mounted in a NEMA 12 type metal enclosure.
5. Instrumentation and electrical controls conform to NEMA ICS 1 standard as capable.
6. With steel mounting(trailer mounted-with 2 new wheels), vibration absorbers, engine & generator supports and other standard safety features.

Installation:

1. Layout and install 22 mm2 THHN cable inside 32mm dia. IMC conduit from MDP & MTS to Generator set.
2. Provide and install a Manual Transfer Switch (MTS) with 70A circuit breakers. Circuit breakers to be used should be commercial/industrial molded case type with thermal magnetic trip.
3. Layout electrical conduits in a proper alignment and provide sufficient steel clamps or steel brackets with equal distances.
4. Provide extended exhaust pipe at a minimum length of 2m.
5. If required, provide necessary housing with roofing if the generator set will be installed outside the office building. Submit shop drawing of housing for approval prior to construction.

Testing & Commissioning:

1. The generator set should be tested by operating it continuously at a minimum of 4 hours but not to exceed 8 hours.
  - a. 1<sup>st</sup> Hour - 25% load
  - b. 2<sup>nd</sup> Hour - 50% load
  - c. 3<sup>rd</sup> Hour onwards - 100% load
2. If ever the generator set failed during the testing period due to some minor fault/s, testing has to be repeated starting from the 1<sup>st</sup> hour.
3. Provide supply of Diesel fuel to the generator set for the entire duration of testing.
4. Testing & commissioning shall be conducted by supplier's technical representatives and must be witnessed by PHIC authorized representatives.
5. During the testing & commissioning, the necessary readings for the required recordings should be within the standard parameters, if not, PHIC authorized representatives may stop the testing and declare it as failed. Also, the PHIC authorized representatives have the right to terminate the testing if they find error/s or malfunctioning/s in the generator set.

Warranty:

- Two (2) years warranty based from date of delivery and commissioning under normal use and operation for standby application of 1500 running hours, whichever comes first.

OTHER TERMS & CONDITIONS

I. SUPPLY, DELIVERY, AND TESTING SCHEDULE

- 1.1 The delivery and installation period to the LHIO Cauayan and LHIO Solano shall be thirty (30) calendar days upon the issuance of the Purchase Order. The winning bidder shall deliver the two(2) Generators Sets directly to LHIO Cauayan and LHIO Solano and must inform the General Services Unit ahead of time in writing for the purpose of inspection and acceptance of the said equipment. Thus, personnel, utility workers and security guards from the LHIOs concerned are not allowed to accept the two(2) generator sets to be delivered by the winning bidder. PhilHealth Regional Office 2 and the concerned LHIOs are not liable for any loss or damages maybe incurred during the winning bidder's delivery of the equipment without the inspection and acceptance of the General Services Unit in the winning bidder's delivery receipt.
- 1.2 All expenses for the delivery of the above-mentioned Equipment shall be at the expense of the winning bidder. A penalty of one-tenth (1/10) of one (1) percent (%) of the cost of the delayed goods scheduled for delivery for every day of delay until such goods are finally delivered and accepted by the PHIC authorized representatives.
- 1.3 The proponent should provide the description of said equipment. The breakdown of parts (with serial numbers)
- 1.4 The proponent should provide all user manuals, technical materials, system manuals, troubleshooting and installation guide.
- 1.5 The proponent must indicate the details of installation for the entire project. Both parties will determine the installation and implementation of the other services based upon the agreed schedule. Implementation will immediately commence upon the issuance of the Notice to Proceed. The winning proponent shall guarantee the installation and testing of the equipment within the specified project plan as agreed by both parties.

II. TECHNICAL ASSISTANCE

- 2.1 The proponent 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 equipment.
- 2.2 During the period of the project, the proponent team should successfully provide technical assistance for hardware supply, maintenance and support.
- 2.3 The winning bidder should coordinate with MR. Emir Iringan and George Lorenzana regarding the technical support and other matters after awarding of project in order to facilitate a faster response with the needed support.
- 2.1 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 equipment.
- 2.2 During the period of the project, the supplier team should successfully provide technical assistance for hardware supply, maintenance and support.
- 2.4 The supplier should coordinate with MR. Emir Iringan and George Lorenzana regarding the technical support and other matters after awarding of project in order to facilitate a faster response with the needed support.

III. WARRANTY AND AFTER SALES SUPPORT FOR THE TWO(2) POWER GENERATOR SETS

- 3.1 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.
- 3.2 A seven (7) hours a day and five (5) times a week (7x5) on-call and on site support must be made available to PRO 2. If any of the delivered generator sets malfunctions, the PRO General Services Unit shall forward the encountered problem after proper evaluation and recommendation of the Information Technology Technology Management Section to the designated certified service engineer/ authorized service center via e-mail / facsimile and helpdesk (phone).

The Service Response Time			Issuance of Service Units (SU)	
On Call	On Site	Remarks	Replacing the Units thru Service Units	Remarks
8am to 5 pm	5 pm, 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 Responses Time	A penalty shall be imposed if lapses occurred after 48 hours cut-off Period

- 3.3 The supplier shall provide a **Local Service Center (LSC)** (from Tuguegarao City or any LSC from the Region) which will be responsible in trouble shooting equipment problems ranging from simple to complex.
- 3.4 A strict implementation of one-tenth (1/10) of one (1) percent (%) penalty of the unit price of the defective item shall be imposed for every day 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 transpired in the PhilHealth Regional Office 2 (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 units should be made available within the next 48 hours. Any movement of the service unit/s and malfunctioned/repaired unit/s shall be charged against the account of winning supplier. The assigned service engineer should be able to determine on-site if defective equipments/s is/are under warranty or not. But, once the defective unit/s has/have been pulled-out by the service engineer or the supplier's representative, the said unit/s will be declared as repaired and all cost shall be charged to the SUPPLIER. If the malfunctioned unit cannot be repaired after 15 working days from the time the said unit had been pulled-out for repair the said unit shall be replaced with a new unit (should be equal or higher specification).

IV. 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 manufacturers' authorized

training centers / laboratory and to be conducted by manufacturers' certified trainers/instructors for PhilHealth Regional Office 2 technical support personnel. The trainings shall focus on the technology used by the equipment and its applications and must include hands-on exercises.

V. DELIVERY ADDRESSES & DATE

The winning bidder must deliver the two (2) generator sets not more than thirty (30) calendar days after the issuance of Purchase Order at LHIOs Cauayan and Solano.

3. RESCISSION

In case any of the party violates any provision of this contract or for any justifiable or lawful cause, the aggrieved party may cause the rescission of this contract in accordance with existing laws.

IN WITNESS WHEREOF, we have hereunto affixed our signatures this 16<sup>th</sup> day of December 2014 in Tuguegarao City, Cagayan.

MASANGKAY COMPUTER CENTER

BY:

MR. PETER W. KO  
Proprietor

PHILIPPINE HEALTH INSURANCE CORPORATION

BY:

MR. OSCAR B. ABADU, JR.  
Regional Vice President

Signed in the presence of:

MS. KELLY MAE D. CALIMAG  
Head – Fund Management Section

MR. JOSUE M. ANOG  
Official Canvasser

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES )  
Municipality/ CITY OF Agoo ) S.S.

BEFORE ME, personally appeared this 16<sup>th</sup> day of Dec, 2014, at Philippines,  
NAME MR. OSCAR B. ABADU, JR. 91428 License Nov-17-1876/14 DATE/PLACE OF ISSUE Tuguegarao City  
MR. PETER W. KO 91428 License Nov-17-1876/14 Tuguegarao City

known to me to be the same persons who executed the foregoing Contract of Services consisting of Four (4) pages including the page on which this acknowledgment is written and acknowledged that the same is their voluntary act and deed.

IN TESTIMONY WHEREOF, I have hereunto signed and affixed my notarial seal on the date and place first above-written.

ATTY. JOSEPH ANDREW L. SACRADO

NOTARY PUBLIC

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