

CONTRACT AGREEMENT

HIRING OF A CONSULTANCY FIRM FOR THE IMPLEMENTATION OF THE COMPENSATION AND POSITION CLASSIFICATION SYSTEM (CPCS) FOR GOCCs IN PHILHEALTH

THIS CONTRACT, made on the 08 APR 2016 day of \_\_\_\_\_, 2016 between PHILIPPINE HEALTH INSURANCE CORPORATION, a government-owned and controlled corporation created and existing by virtue of R.A. 7875, as amended by R.A. 10606, otherwise known as the "National Health Insurance Act of 2013", with office address at 19th Floor, Citystate Center Building, 709 Shaw Blvd corner Oranbo Drive, Pasig City, represented herein by its PRESIDENT AND CEO, ALEXANDER A. PADILLA, (hereinafter called "PhilHealth");

-and-

TOWERS WATSON PHILIPPINES, INC., a corporation registered with the Securities and Exchange Commission (SEC) under Certificate No. 99659 issued on 26 July 2010, and existing under the laws of the Republic of the Philippines, with business address at 15th Floor The Marajo Tower, 312 26th St. corner 4th Avenue, Bonifacio Global City Fort Bonifacio, Taguig City represented herein by its DIRECTOR FOR TALENT & REWARDS, PATRICK V. MARQUINA, (hereinafter called "TOWERS WATSON").

WHEREAS, PhilHealth is desirous that TOWERS WATSON execute Implementation of the Compensation and Position Classification System (CPCS) for GOCCs in PhilHealth (REI No. RICPCS 2016-001-CS) (hereinafter called "the Works") and PhilHealth has accepted the bid for Three Million Six Hundred Thousand Pesos (PhP3,600,000.00) by TOWERS WATSON for the execution and completion of such Consulting Services and the remedying of any defects therein.

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 hereinafter referred to.
2. The following documents shall be attached, deemed to form, and be read and construed as part of this Agreement, to wit:
(a) General and Special Conditions of Contract (Annexes "A" and "B");
(b) Terms of Reference (Annex "C");
(c) Request for Expression of Interest (Annex "D");
(d) Instructions to Bidders (Annex "E");
(e) Bid Data Sheet (Annex "F");
(f) Bid forms, including all the documents/statements contained in the Bidder's bidding envelopes (Annexes "G");
(g) Eligibility requirements, documents and/or statements (Annexes "H");
(h) Notice of Award (Annex "I");
(i) Performance Security (Annex "J");
(j) Negotiation Letter (Annex "K"); and
(k) Service Level Agreement (Annex "L").

In the event that there is any conflict, contradiction or ambiguity between the Negotiation Letter "Annex K" and other documents forming part of this agreement, then the Negotiation Letter "Annex K" shall govern over the other documents.

- 3. In consideration of the payments to be made by PhilHealth to TOWERS WATSON as hereinafter mentioned, TOWERS WATSON hereby covenants with PhilHealth to execute and complete the Consulting Services in conformity with the provisions of TOWERS WATSON in all respects.

Alexander A. Padilla, President and Chief Executive Officer

Patrick V. Marquina, Director for Talent & Rewards

Ramon F. Aristoza, Jr., Executive Vice President and COO

Edgar Julio S. Asuncion, Senior Vice President, Legal S

Clementine A. Bautista, M.D., Vice President, OSDO and CorPlan

Juvy D. Balolong, Division Chief IV, AIC Division, Comptrollership Department

Patrick V. Marquina, Witness for Towers Watson Philippines, Inc.

Alexander A. Bautista, Witness for Towers Watson Philippines, Inc.

4. **PhilHealth** hereby covenants to pay **TOWERS WATSON** in consideration of the execution and completion of the Consulting Services, the Contract Price. As all consultancy contracts are fixed price contracts, any extension of the contract time shall not involve the payment of any additional cost by **PhilHealth**.
5. The contracting parties undertake to comply with Office Order No. 0018-2015 entitled "Reiteration of PhilHealth No Gift Policy (Revision 1)" which is deemed incorporated into this Contract. No PhilHealth personnel shall solicit, demand, or accept, directly or indirectly, any gift from any person, group, association, or juridical entity, whether from the public or private sector, at anytime, on or off the work premises where such gift is given in the course of official duties or in connection with any transaction which may affect the functions of their office or influence the actions of directors or employees, or create the appearance of a conflict of interest.
6. If any dispute or difference of any kind whatsoever shall arise between the parties in connection with the implementation of the contract covered by Republic Act No. 9184 and its IRR, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation, otherwise the same shall be submitted to arbitration in the Philippines according to the provisions of Republic Act No. 876, otherwise known as the "Arbitration Law" and Republic Act No. 9285, otherwise known as the "Alternative Dispute Resolution Act of 2004".
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. No. 9184, shall form an integral part of the contract between the PARTIES hereto.

**IN WITNESS WHEREOF**, the parties hereto have caused this Contract 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**

By:

**ALEXANDER A. PADILLA**  
President and Chief Executive Officer

**RAMON F. ARISTOZA, JR.**  
Executive Vice President and Chief Operating Officer

**EDGAR JULIO S. ASUNCION**  
Senior Vice President,  
Legal Sector

**CLEMENTINE A. BAUTISTA, M.D.**  
OIC - Vice President  
Corporate Affairs Group

**JUVY D. BALOLONG**  
Division Chief IV, AICD  
Comptrollership Department

**TOWERS WATSON PHILLIPPINES, INC.**

By:

**PATRICK V. MARQUINA**  
Director for Talent & Rewards

Signed in the presence of:

Witness **Nicole San Luis**  
Consulting Analyst  
for Towers Watson Philippines, Inc.

Witness **Paulo Colanquet**  
Consulting Specialist  
for Towers Watson Philippines, Inc.

# ACKNOWLEDGEMENT

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

BEFORE ME, this 08 day of APR 08 2016 2016, personally appeared the following persons exhibiting to me their respective Government-issued ID's, to wit:

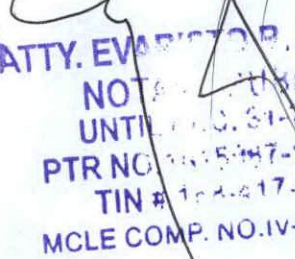
	Identification Card and No.	Date/Place of Issue
<b>ALEXANDER A. PADILLA</b> Philippine Health Insurance Corporation	<u>PHILHEALTH COMPANY</u> <u>ID# 10309110</u>	<u>PASIG CITY</u>

<b>PATRICK V. MARQUINA</b> Towers Watson Philippines, Inc.	<u>Passport No. EC1797341</u>	<u>August 4, 2014/DFA Manila</u>
---	-------------------------------	----------------------------------

Known to me to be the same persons who executed the foregoing Agreement consisting of three hundred fifty three (353) 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. 381;  
Page No. 78;  
Book No. 18;  
Series of 2016

  
ATTY. EVARISTO URBINA  
NOTARY PUBLIC  
UNTIL 10.31.2018  
PTR NO. 5087-101-18  
TIN # 104-217-41  
MCLE COMP. NO. IV-0000830