

CONTRACT FOR THE RE-BIDDING OF ONE (1) LOT CORE SWITCH ENHANCEMENTS

APR 05 2016

THIS AGREEMENT made and entered into this ____ day of ____ 2016, in the City of _____, Metro Manila, by and between:

PHILIPPINE HEALTH INSURANCE CORPORATION, a government owned and controlled corporation duly created by virtue of R.A. 7875, as amended by R.A 9241 and R.A. No. 10606 or the "National Health Insurance Act of 2013", with principal office address at 18th Floor, City State Center Building, 709 Shaw Blvd corner Oranbo Drive, Pasig City, represented herein by its **Senior Vice-President - Chief Information Officer, JOVITA V. ARAGONA** (hereinafter called "PHILHEALTH").

-and-

MICRO-D INTERNATIONAL, INC., a stock corporation, organized and registered with the Securities and Exchange Commission under Sec. Reg. No. 150757, issued on April 29, 1988 and existing under the laws of the Republic of the Philippines, with business address at 11/Flr. MDi Corporate Center, 10th Avenue corner 39th Street, Bonifacio Global City, Taguig City represented herein by its **Managing Director, PETER PAUL V. LAUD**, (hereinafter called "MDi").

WHEREAS, PHILHEALTH invited Bids for the *Re-Bidding for the Procurement of One (1) Lot Core Switch Enhancements* and has accepted a Bid by MICRO-D INTERNATIONAL, INC. for the supply of those goods in the sum of, **EIGHT MILLION FIVE HUNDRED THIRTY NINE THOUSAND EIGHT HUNDRED FIFTY PESOS (PhP8,539,850.00)** (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) MDi's Schedule of Requirements (**Annex "A"**);
 - (b) MDi's Bid Form (**Annex "B"**);
 - (c) MDi's Technical Proposal and its Appendices (**Annex "C"**);
 - (d) Notice of Award (**Annex "D"**);
 - (e) BAC-ITR Resolution No. 39, s. 2015 (**Annex "E"**);
 - (f) General Conditions of the Contract (GCC) (**Annex "F"**);
 - (g) Special Conditions of the Contract (SCC) (**Annex "G"**);
 - (h) Bid Bulletin (**Annex "H"**); and
 - (i) Performance Security (**Annex "I"**).
3. In consideration of the payments to be made by **PHILHEALTH** to **MDi** as hereinafter mentioned, **MDi** 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 **MDi** 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;

Jovita V. Aragona
SVP-Chief Information Officer

Peter Paul V. Laud
Managing Director
Micro-D International, Inc.

Edgar J. S. Asuncion
Chief Legal Executive

Cynthia D. Corvite
OIC-Senior Manager
Information Technology Management Dept.

Juvy D. Balolong
Fiscal Controller IV, AICD
Comptrollership Department

Witness for MDi
Witness for MDi

5. The contract price covers the costs of all Deliverable Items and Services and includes all applicable taxes, including the 12% Value Added Tax (VAT), customs duties, license fees, freight, insurance, cost of importation and delivery at the time and locations specified and other charges which may be imposed on the Product by foreign and local authorities;
6. **MDi** hereby covenants to deliver in favor of **PHILHEALTH** the **One (1) Lot Core Switch Enhancements** and the services related thereto, in accordance with the technical specifications as stated in attached Annexes of this Contract;
7. **Within Sixty (60) Calendar Days** after complete delivery to and acceptance by **PHILHEALTH**, **MDi** shall submit the **STATEMENT OF BILLING ACCOUNT** and other documentary requirements as may be required by the former as condition for payment. **PHILHEALTH** shall thereafter pay the sum of **Seven Million Six Hundred Eighty Five Thousand Eight Hundred Sixty Five Pesos (PhP7,685,865.00) only**, which is ninety percent (90%) of the total contract price;

As obligation for the warranty, **PHILHEALTH** shall withhold **ten percent (10%) of the total contract price** as **retention money** or as obligation for "**Warranty**" in an amount equivalent to **Eight Hundred Fifty Three Thousand Nine Hundred Eighty Five Pesos (PhP853,985.00) only**. Said amount shall only be released after the **lapse of the Three (3) year warranty period** for non-expendable supplies as required under Section 62 (Warranty) of the Revised IRR of R.A. 9184 . Provided, however, that the goods supplied are free from patent and latent defects and all the conditions imposed under this Contract have been fully met. Provided further, that **MDi** 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 three (3) years** covering the whole duration of the warranty period;

8. 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;
9. 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.

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

MICRO-D INTERNATIONAL, INC.


Jovita V. Aragona
JOVITA V. ARAGONA
 SVP-Chief Information Officer

Peter Paul V. Laud
PETER PAUL V. LAUD
 Managing Director

Signed in the presence of:


SVP EDGAR JULIO S. ASUNCION
Chief Legal Executive


CYNTHIA D. CORVITE
OIC-Senior Manager
Information Technology
Management Department


JUVY D. BALOLONG
Fiscal Controller IV
OIC- Accounting and Internal Control Division
Comptrollership Department




Witness for **MDi**

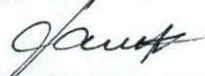

Witness for **MDi**

ACKNOWLEDGEMENT

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

BEFORE ME, this APR 05 2016 day of 2016, personally appeared the following persons exhibiting to me their respective Government issued ID's, to wit:


JOVITA V. ARAGONA _____ PHILHEALTH I.D. #
Philippine Health Insurance Corp.



PETER PAUL V. LAUD _____ PASSPORT No. EB2986263
Micro-D International, Inc.



Known to me to be the same persons who executed the foregoing Contract Agreement consisting of **Seventy One (71) 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.

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Series of 2016


ATTY. GERVACIO B. ORTIZ, JR.
NOTARY PUBLIC FOR MAKATI CITY
UNTIL DECEMBER 31, 2016
PTR NO. 4748512 / 01-05-2015/MAKATI
IBP NO. 656155 LIFETIME MEMBER
APPT. NO. M-199/2016/ROLL NO. 40091
MCLE COMPLIANCE NO. V-0006934
UNIT 102 PENINSULA COURT BLDG.
8735 MAKATI AVE., MAKATI CITY