

CONTRACT FOR THE BIDDING OF ONE (1) LOT CORE SWITCH ENHANCEMENTS FOR CY2015

THIS AGREEMENT made and entered into this MAY 25 2016 day of _____ 2016, in the City of MAKATI CITY 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 17th Floor, City State Center Building, 709 Shaw Blvd corner Oranbo Drive, Pasig City, represented herein by its **President and Chief Executive Officer, ALEXANDER A. PADILLA** (hereinafter called "**PHILHEALTH**").

-and-

TRENDS AND TECHNOLOGIES, INC., a stock corporation, organized and registered with the Securities and Exchange Commission under Sec. Reg. No. AS092-07351, issued on October 30, 1992 and existing under the laws of the Republic of the Philippines, with business address at 6/flr. Trafalgar Plaza, 105 H.V. Dela Costa St., Salcedo Village, Makati City, represented herein by its **Business Unit Head, VICTOR L. TIU**, (hereinafter called "**TRENDS**").

WHEREAS, **PHILHEALTH** invited Bids on the *Bidding for the Procurement of One (1) Lot Core Switch Enhancements for CY2015* and has accepted a Bid by **TRENDS AND TECHNOLOGIES, INC.** for the supply of those goods in the sum of, **TEN MILLION SIX HUNDRED THOUSAND PESOS (PhP10,600,000.00)** (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) Trends' Schedule of Requirements (**Annex "A"**);
 - (b) Trends' Bid Form (**Annex "B"**);
 - (c) Trends' Technical Proposal and its Appendices (**Annex "C"**);
 - (d) Notice of Award (**Annex "D"**);
 - (e) BAC-ITR Resolution No. 39, s. 2016 (**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 **TRENDS** as hereinafter mentioned, **TRENDS** 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 **TRENDS** 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;
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

SHIRLEY Z. AMATA
WITNESS for TRENDS

ROSE S. HERANDEZ
WITNESS for TRENDS

ALEXANDER A. PADILLA
President and CEO
PhilHealth

VICTOR L. TIU
Business Unit Head
Trends and Technologies, Inc.

RAMON F. ARISTOZA, JR.
EVP and Chief Operating Officer

JUVITA V. ARAGONA
SVP- Chief Information Officer
Information Management Sector

JUVY D. BALOLONG
Division Chief IV, AICD
Comptrollership Department

and locations specified and other charges which may be imposed on the Product by foreign and local authorities;

6. **TRENDS** hereby covenants to deliver in favor of **PHILHEALTH** the **One (1) Lot Core Switch Enhancements for CY2015** 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**, **TRENDS** 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 **Nine Million Five Hundred Forty Thousand Pesos (PhP9,540,000.00) 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 **One Million Sixty Thousand Pesos (PhP1,060,000.00) 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;

TRENDS, however, may opt to post the required retention money equivalent to ten percent (10%) of the total contract price for the first year, which may be released after the lapse of the warranty for the first year and upon posting of a **special bank guarantee equivalent to at least ten percent (10%) of the total contract price** for the second year, to be renewed on the third year. Failure to submit the required special bank guarantee for the third year shall be a ground for blacklisting;

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.

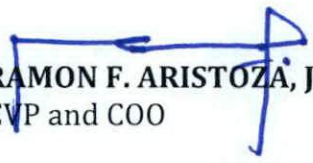
PHILIPPINE HEALTH INSURANCE CORPORATION

ALEXANDER A. PADILLA
President and CEO


TRENDS AND TECHNOLOGIES, INC.


VICTOR L. TIU
Business Unit Head

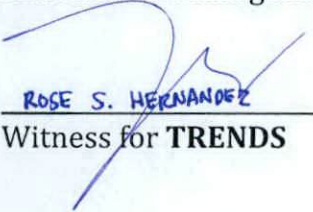
Signed in the presence of:



RAMON F. ARISTOZA, JR.
EVP and COO


SVP EDGAR JULIO S. ASUNCION
Chief Legal Executive


JOVITA V. ARAGONA
SVP-Chief Information Officer
Information Management Sector


JUVY D. BALOLONG
Division Chief IV
AIC Division, Comptrollership Dept.


ROSE S. HERNANDEZ
Witness for TRENDS


SHIRLEY Z. AMATA
Witness for TRENDS

ACKNOWLEDGEMENT

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

MAY 25 2016

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

ALEXANDER A. PADILLA
Philippine Health Insurance Corp.

PHILHEALTH I.D. # 10307110

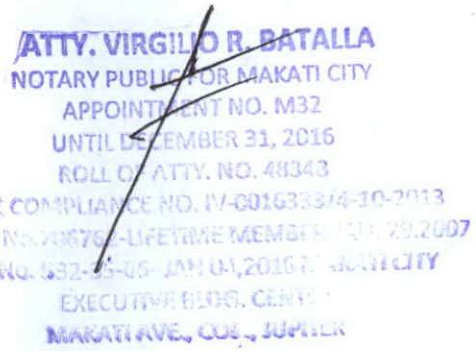
VICTOR L. TIU
Trends and Technologies, Inc.

CTC 05066410, JAN. 5, 2016, MAKATI CITY

Known to me to be the same persons who executed the foregoing Contract Agreement consisting of **Two Hundred Fifty One (251) 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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Page No. 71
Book No. 245
Series of 2016


ATTY. VIRGILIO R. BATALLA
NOTARY PUBLIC FOR MAKATI CITY
APPOINTMENT NO. M32
UNTIL DECEMBER 31, 2016
ROLL OF ATTY. NO. 48343
MCLE COMPLIANCE NO. IV-GD16333/4-10-2013
IBP O.R. NO. 20076 - LIFETIME MEMBER / 01.29.2007
PTR NO. 682-15-05 - JAN 04, 2016
EXECUTIVE BLDG. CENTER
MAKATI AVE., COR., JUMPER

