

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

JAN 08 2018

THIS AGREEMENT made and entered into this _____ day of _____ 2017, 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 17th Floor, City State Center Building, 709 Shaw Blvd corner Oranbo Drive, Pasig City, represented herein by its Interim/OIC President and CEO, **DR. CELESTINA MA. JUDE P. DE LA SERNA** (hereinafter called "**PHILHEALTH**").

-and-

JOINT VENTURE OF NERA (PHILIPPINES), INC. a stock corporation, organized and registered with the Securities and Exchange Commission under Company Reg. No. A1997-7661, issued on November 21, 2014, **AND SECUR LINKS NETWORK & TECHNOLOGIES, INC.** a stock corporation, organized and registered with the Securities and Exchange Commission under Company Reg. CS200311389, issued on July 21, 2016 and existing under the laws of the Republic of the Philippines, with principal business address at 8th Floor, Multinational Bancorporation Center, 6805 Ayala Avenue, Makati City, represented herein by its Infocomm Manager for Government, Transport and Utilities (GTU) Business, **FRANCISCO S. BAYBAY** (hereinafter called "**NERA-SECUR LINKS JV**").

WHEREAS, PHILHEALTH invited Bids for the *Bidding on the Procurement of One (1) Lot Core Switch Enhancements* and has accepted a Bid by **JOINT VENTURE OF NERA (PHILIPPINES), INC. AND SECUR LINKS NETWORK & TECHNOLOGIES, INC.** for the supply of those goods in the sum of, **SEVENTEEN MILLION SEVEN HUNDRED FORTY NINE THOUSAND TWO HUNDRED TWENTY SEVEN PESOS AND TWENTY FIVE CENTAVOS (PhP17,749,227.25)** (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) Nera-Secur Links JV's Schedule of Requirements (**Annex "A"**);
 - (b) Nera-Secur Links JV' Bid Form (**Annex "B"**);
 - (c) Nera-Secur Links JV's Technical Proposal and its Appendices (**Annex "C"**);
 - (d) Notice of Award (**Annex "D"**);
 - (e) BAC-ITR Resolution No. 18, s. 2017 (**Annex "E"**);
 - (f) General Conditions of the Contract (GCC) (**Annex "F"**);
 - (g) Special Conditions of the Contract (SCC) (**Annex "G"**); .
 - (h) Bid Bulletins (**Annex "H"**);
 - (i) Performance Security (**Annex "I"**); and
 - (j) Joint Venture Agreement (**Annex "J"**).
3. In consideration of the payments to be made by **PHILHEALTH** to **NERA-SECUR LINKS JV** as hereinafter mentioned, **NERA-SECUR LINKS JV** 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;

DR. Celestina Ma. Jude P. de la Serna
Interim/OIC President and CEO
Chairperson of the Board, PhilHealth

FRANCISCO S. BAYBAY
Infocomm Manager for GTU Business
Nera-Secur Links JV

RUBEN JOHN A. BASA
OIC- EVP and COO

ATTY. GERMAIN G. LIM
OIC-SVP, Legal Sector

JOVITA V. ARAGONA
Chief Information Officer
Information Management Sector

JUVYD. BALOLONG
Division Chief IV, AICD
Comptrollership Department

WITNESS for NERA-SECUR LINKS JV

WITNESS for NERA-SECUR LINKS JV

S
DR. Celestina Ma. Jude P. de la Serna
Interim/OIC President and CEO
Chairperson of the Board, PhilHealth

Y
FRANCISCO S. BAYBAY
Infocomm Manager for GTU Business
Nera-Secur Links JV

J
RUBEN JOHN A. BASA
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ATTY. GERMAIN G. LIM
OIC-SVP, Legal Sector

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JOYITA V. ARAGONA
Chief Information Officer
Information Management Sector

ml
JUVA D. BALOLONG
Division Chief IV, AICD
Comptrollership Department

4. **PHILHEALTH** hereby covenants to pay **NERA-SECUR LINKS JV** 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 and locations specified and other charges which may be imposed on the Product by foreign and local authorities;

6. **NERA-SECUR LINKS JV** 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**, **NERA-SECUR LINKS JV** 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 **Seventeen Million Five Hundred Seventy One Thousand Seven Hundred Thirty Four Pesos and Ninety Eight Centavos (Php17,571,734.98) only**, which is ninety nine percent (99%) of the total contract price;

As obligation for the warranty, **PHILHEALTH** shall withhold **one percent (1%) of the total contract price** as **retention money** or as obligation for **"Warranty"** in an amount equivalent to **One Hundred Seventy Seven Thousand Four Hundred Ninety Two Pesos and Twenty Seven Centavos (Php177,492.27) only**. Said amount shall **only be released after the lapse of the Five (5) 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.

NERA-SECUR LINKS JV, however, may opt to post the required retention money equivalent to one percent (1%) 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 one percent (1%) of the total contract price** for the second year, to be renewed on the succeeding years or a **special bank guarantee equivalent to at least one percent (1%) of the total contract price with validity period of five (5) years**. 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.

[Signature]
WITNESS for NERA-SECUR

[Signature]
WITNESS for NERA-SECUR

PHILIPPINE HEALTH INSURANCE CORP.

NERA-SECUR LINKS JV

Dr. Celestina Ma. Jude P. de la Serna

Dr. Celestina Ma. Jude P. de la Serna PH. CESO II
Interim/OIC President and CEO

Francisco S. Baybay

FRANCISCO S. BAYBAY
Infocomm Manager for GTU
Business

A

Signed in the presence of:

Ruben John A. Basa

RUBEN JOHN A. BASA
OIC-EVP and COO

Atty. Germain G. Lim

ATTY. GERMAIN G. LIM
OIC-OSVP, Legal Sector

Jovitay Aragona

JOVITAY ARAGONA
Chief Information Officer
Information Management Sector

Juvy D. Balolong

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

[Signature]
Witness for NERA-SECUR LINKS JV

[Signature]
Witness for NERA-SECUR LINKS JV

Witness for NERA-SECUR LINKS JV

ACKNOWLEDGEMENT

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

BEFORE ME, this ___ day of JAN 08 2018, personally appeared the following persons exhibiting to me their respective Government issued ID's, to wit:

DR. CELESTINA MA. JUDE P. DE LA SERNA *A* Phil. Health No. 102-462-17
Philippine Health Insurance Corp.

FRANCISCO S. BAYBAY PH Passport No. EP935B2293
NERA-SECUR LINKS JV

Known to me to be the same persons who executed the foregoing Contract Agreement consisting of **one hundred twenty five (125) 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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Book No. II
Series of 2018

[Signature]
INGJOHN ERICSON M. ECHIVERRI

Notary Public of Makati
Appointment No. M-451
Commission until December 31, 2018
Roll of Attorneys No. 64336
PTR No. 5913986, 01-05-2017 Makati City
IBP No. 013635; Lifetime: CALMANA Chapter
CLE Compliance Certificate No. V-0011245; 10-20-2015
23F Multinational Bancorporation Centre
2309 Ayala Avenue Makati City