

CONTRACT FOR THE BIDDING OF ONE (1) LOT ROUTER FOR IP-VPN CONNECTIVITY OF LHIOs FOR CY2016

THIS AGREEMENT made and entered into this JUN 19 2017 day of 2017, in the City of NAKATI 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 Secretary of Health and Chairperson of the Board, **PAULYN JEAN ROSELL-UBIAL, M.D. MPH. CESO II** (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 *Bidding on the Procurement of One (1) Lot Router for IP-VPN Connectivity of LHIOs* and has accepted a Bid by **MICRO-D INTERNATIONAL, INC.** for the supply of those goods in the sum of, **EIGHTEEN MILLION FOUR HUNDRED FIFTY THOUSAND ONE HUNDRED FORTY PESOS (PhP18,450,140.00)** (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. 05, 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"**); 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;
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;

Mauell-Ubial
DR. PAULYN JEAN ROSELL-UBIAL
 Secretary of Health
 Chairperson of the Board, PhilHealth

Paul V. Laud
PETER PAUL V. LAUD
 Managing Director
 Micro-D Int'l, Inc

Ruben John A. Basa
RUBEN JOHN A. BASA
 OIC- COO

Ma. Teresa E. Alibanto
ATTY. MA. TERESA E. ALIBANTO
 OIC-OSVP, Legal Sector

Jovita V. Aragona
JOVITA V. ARAGONA
 Chief Information Officer
 Information Management Sector

Judy D. Balolong
JUDY D. BALOLONG
 Division Chief IV, AICD
 Comptrollership Department

[Signature]
 WITNESS for MDi

[Signature]
 WITNESS for MDi

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6. **MDi hereby covenants to deliver in favor of PHILHEALTH the One (1) Lot Router for IP-VPN Connectivity of LHIOs for CY2016 and the services related thereto, in accordance with the technical specifications as stated in attached Annexes of this Contract;**
7. **Within Ninety (90) 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 Eighteen Million Two Hundred Sixty Five Thousand Six Hundred Thirty Eight Pesos and Sixty Centavos (PhP18,265,638.60) 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 Eighty Four Thousand Five Hundred One Pesos and Forty Centavos (PhP184,501.40) 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.

MDi, 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.

PHILIPPINE HEALTH INSURANCE CORPORATION


Paulell-Ubial
PAULYN JEAN ROSELL-UBIAL, M.D. MPH. CESO II
 Secretary of Health
 Chairperson of the Board


MICRO-D INTERNATIONAL, INC.


Laud
PETER PAUL V. LAUD
 Managing Director


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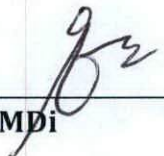
Signed in the presence of:


RUBEN JOHN A. BASA
OIC-Chief Operating Officer

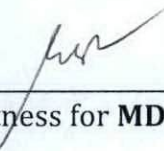

ATTY. MA. TERESA E. ALIBANTO
OIC-OSVP, Legal Sector


JOVITA V. ARAGONA
Chief Information Officer
Information Management Sector


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



Witness for **MDi**



Witness for **MDi**

ACKNOWLEDGEMENT

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

JUN 19 2017

BEFORE ME, this ___ day of _____ 2017, personally appeared the following persons exhibiting to me their respective Government issued ID's, to wit:


PAULYN JEAN ROSELL-UBIAL, M.D. MPH. CESO II DOH ID 1991-0156 July 1991, MANILA
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 **Three Hundred Ninety Two (392) 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 2017


ATTY. GERVACIO B. ORTIZ, JR.
NOTARY PUBLIC FOR MAKATI CITY
UNTIL DECEMBER 31/ 2018
PTR NO. 5809514 / 01-03-2017/MAKATI
IBB NO 655155 LIFETIME MEMBER
APPT. NO. M-104/2017/ROLL NO. 40091
MCLE COMPLIANCE NO. V-0006934
UNIT 102 PENINSULA COURT BLDG,
9735 MAKATI AVE., MAKATI CITY

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