

CONTRACT FOR THE PROCUREMENT OF ONE (1) LOT ROUTER FOR IP-VPN CONNECTIVITY OF LHIOs
(ITB No. ROUTER 2017-016-IT)

THIS AGREEMENT made and entered into this JUL 03 2018 day of 2018, 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 **Acting President and Chief Operating Officer, DR. ROY B. FERRER** (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 *Procurement of One (1) Router for IP-VPN Connectivity of LHIOs* 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, **SIX MILLION THREE HUNDRED EIGHTY THREE THOUSAND SEVEN HUNDRED SEVENTY SEVEN PESOS AND THIRTY ONE CENTAVOS (PhP6,383,777.31)** (hereinafter called "**the Contract Price**").

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

- In this Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract referred to.
- The following documents shall be deemed to form and be read and construed as part of this Agreement, viz.:
 - Nera-Secur Links JV's Schedule of Requirements (**Annex "A"**);
 - Nera-Secur Links JV' Bid Form (**Annex "B"**);
 - Nera-Secur Links JV's Technical Proposal and its Appendices (**Annex "C"**);
 - Notice of Award (**Annex "D"**);
 - BAC-ITR Resolution No. 11, s. 2018 (**Annex "E"**);
 - General Conditions of the Contract (GCC) (**Annex "F"**);
 - Special Conditions of the Contract (SCC) (**Annex "G"**); .
 - Bid Bulletins (**Annex "H"**);
 - Performance Security (**Annex "I"**); and
 - Joint Venture Agreement (**Annex "J"**).
- 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;

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 Router for IP-VPN Connectivity of LHIOs** 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 **Six Million Three Hundred Nineteen Thousand Nine Hundred Thirty Nine Pesos and Fifty Four Centavos (PhP6,319,939.54) only**, which is ninety nine percent (99%) of the

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 **Sixty Three Thousand Eight Hundred Thirty Seven Pesos and Seventy Seven Centavos (PhP63,837.77) 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.

DR. ROY B. TERRER
Acting President and CEO
Phil Health

FRANCISCO S. BAYBAY
Infocomm Manager or CIO Business
Nera Secur Links JV

RUBEN JOHN A. BASA
EVP and COO

ATTY. GERMAIN G. LIM
AVP, Legal Sector

JOVITA V. ARAGONA
Chief Information Officer
Information Management Sector

CALIXTO I. GABUYA, JR.
OIC-Senior Manager
Information Technology Mgt. Dept.

JUVY D. BALOLOLONG
Division Chief IV, AICD
Computership Department

Witness for NERA-SECUR LINKS JV

Witness for NERA-SECUR LINKS JV

DR. ROY B. FERRER
Acting President and CEO

FRANCISCO S. BAYBAY
Infocomm Manager for GTU
Business

Signed in the presence of:

RUBEN JOHN A. BASA
EVP and COO

ATTY. GERMAIN G. LIM
SVP, Legal Sector

JOVITA V. ARAGONA
Chief Information Officer
Information Management Sector

CALIXTO I. GABUYA, JR.
OIC-Senior Manager
ITMD

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

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 03 day of JUL 03 2018 2018, personally appeared the following persons exhibiting to me their respective Government issued ID's, to wit:

DR. ROY B. FERRER
Philippine Health Insurance Corp.

FRANCISCO S. BAYBAY
NERA-SECUR LINKS JV

PASSPORT - P6142691A

Known to me to be the same persons who executed the foregoing Contract Agreement consisting of **Two Hundred Twenty Eight (228) 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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ROBERT FRANCIS C. FERNANDEZ
Notary Public of Makati
Appointment No. M-200
Commission until December 31, 2019
Roll of Attorneys No. 70381
PTR No. 6619551; 01-05-2018; Makati City