

CONTRACT FOR THE RENEWAL OF ONE (1) LOT ISP SUBSCRIPTION FOR PROs AND LHIOs (FOR NON-OPERATIONS USE) FOR TWO (2) YEARS

OCT 08 2019

THIS AGREEMENT made and entered into this _____ day of _____ 2019, 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 **President and Chief Executive Officer (CEO), BGEN. RICARDO C. MORALES, AFP (RET) FICD**, (hereinafter called "PHILHEALTH").

-and-

INNOVE COMMUNICATIONS, INC., a stock corporation, organized and registered with the Securities and Exchange Commission under Company Reg. No. 178235, issued on October 26, 2015 and existing under the laws of the Republic of the Philippines, with principal address at The Globe Tower 32nd Street corner 7th Avenue Bonifacio Global City, Taguig represented herein by its **Senior Vice President- Enterprise Group, PEDRO CANISIO D. MAQUERA**, (hereinafter called "INNOVE").

WHEREAS, **PHILHEALTH renewed the contract for the Procurement of One (1) Lot ISP Subscription for PROs and LHIOs (For Non-Operations use) for Two (2) Years with INNOVE COMMUNICATIONS, INC.** for the supply of those goods in the sum of, **NINE MILLION EIGHT HUNDRED NINETY THOUSAND ONE HUNDRED EIGHTY FOUR PESOS (PhP9,890,184.00)** (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) INNOVE's Schedule of Requirements (**Annex "A"**);
 - (b) INNOVE's Bid Form (**Annex "B"**);
 - (c) INNOVE's Technical Proposal and its Appendices (**Annex "C"**);
 - (d) Notice of Award (**Annex "D"**);
 - (e) BAC-ITR Resolutions No. 70, s. 2016 and No. 21, s 2019 (**Annex "E"**);
 - (f) General Conditions of the Contract (GCC) (**Annex "F"**);
 - (g) Special Conditions of the Contract (SCC) (**Annex "G"**);
 - (h) Bid Bulletins No. 1 and 2 (**Annex "H"**); and
 - (i) Performance Security (**Annex "I"**).
 - (j) Technical Specifications (**Annex "J"**)
3. In consideration of the payments to be made by **PHILHEALTH** to **INNOVE** as hereinafter mentioned, **INNOVE** 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 **INNOVE** 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;

BGEN. RICARDO C. MORALES, AFP (RET)
FICD
President and Chief Executive Officer (CEO)
PhilHealth

PEDRO CANISIO D. MAQUERA
Senior Vice President- Enterprise Group
Innovate Communications, Inc.

ROBEN JOHN A. BASA
EVP & COO

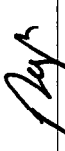
ATTY. RODOLFO B. DEL ROSARIO JR.
Senior Vice President
Legal Sector


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


ARCHIMEDES L. VILLASIN
Asst. Division Chief IV, AICD
Comptrollership Department


WITNESS for INNOVE
COMMUNICATIONS, INC.

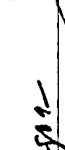
WITNESS for INNOVE
COMMUNICATIONS, INC.



RUBEN JOHN A. BASA
 EVP & COO


PEDRO CANISIO D. MAQUERA
 Senior Vice President- Enterprise
 Innovate Communications, Inc.


BGEN. RICARDO C. MORALES, AFP (RET)
 President and Chief Executive Officer (CEO)
 PhilHealth


ATTY. RODOLFO B. DEL ROSARIO JR.
 Senior Vice President
 Legal Sector


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


ALCHIZARES L. VILLASIN
 Acting Division Chief IV, AICD
 (Comptrollership) Department

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. INNOVE hereby covenants to deliver in favor of **PHILHEALTH** the **One (1) Lot ISP Subscription for PROs and LHIOs (For non-operations use) for Two (2) years** and the services related thereto, in accordance with the technical specifications as stated in attached Annexes of this Contract;

7. The duration of this contract shall be Two (2) years from the issuance of the Notice to Proceed to INNOVE. After complete delivery to and acceptance by **PHILHEALTH**, INNOVE shall submit on a **monthly basis** the **STATEMENT OF BILLING ACCOUNT** and other documentary requirements as may be required by the former as a condition for payment; **PROVIDED, that any costs equivalent to a rebate for any service downtime shall be deducted there from;**

In addition, thereto, as obligation for the warranty, **PHILHEALTH** shall withhold a **Retention Money** equivalent to **five percent (5%) of the total contract price to be deducted every progress payment** in an amount equivalent to **Four Hundred Ninety Four Thousand Five Hundred Nine Pesos and Twenty Centavos (PhP494,509.20) only**. Said amount shall only be released after the lapse of the **Two (2) 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 **INNOVE** may opt to **post a special bank guarantee** equivalent to the above-mentioned amount which is five percent (5%) of the total contract price. The said special bank guarantee must have a **validity period of one (1) year** covering the first year of the warranty period to be renewed on the second year. Succeeding monthly payments will not be processed until such time that the special bank guarantee is renewed;

8. It is agreed by both parties that the Effective Billing Date (EBD) shall commence a day after the date of issuance of the final project acceptance;


9. **PHILHEALTH** may change some of the provisions of this contract due to outdated technical specifications, due to its relevance to the current situation, or due to other circumstances provided that the proposed changes have no additional cost;


10. This contract maybe renewed provided that, upon evaluation of PhilHealth, all of the following provisions are satisfied:

- a) The current contract price is lower than the current contract price and the current market price.
- b) All specifications in the proposed contract is more advantageous than the current contract price.
- c) The current provider has satisfactorily provided the services as agreed in the Service Level Agreement

11. **PHILHEALTH** may request bandwidth on demand when needed and the conditions shall be evaluated and agreed upon by both parties. The incurred cost due to additional bandwidth shall be determined based on fair market price and on the agreed cost;

12. INNOVE must submit to **PHILHEALTH** downtime and utilization reports of the ISP every month. For scheduled downtime, PhilHealth must be informed ahead of time;


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13. **PHILHEALTH** will deduct a corresponding amount for every link downtime per site incurred monthly based on the Service Level Agreement provided for under the Technical Specifications Annex "A" (Annex "J" of this contract). Any deduction for such downtime must be reflected on the billing of each succeeding month;
14. 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;
15. The parties and any or all of their staff or representatives who will be involved in this project shall be required to sign a mutual Non-Disclosure Agreement and maintain strict confidentiality on any information accessed from the PhilHealth database or provided by PhilHealth. This condition shall apply even after the contract ends. **INNOVE** shall not disclose any proprietary or confidential information relating to PhilHealth or to this agreement without prior written consent from the latter.
16. 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

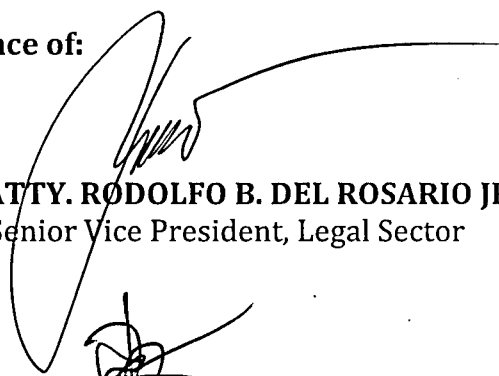
INNOVE COMMUNICATIONS, INC.

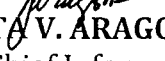

BGEN. RICARDO C. MORALES, AFP (RET) FICD^{PA}
 President and Chief Executive Officer (CEO)

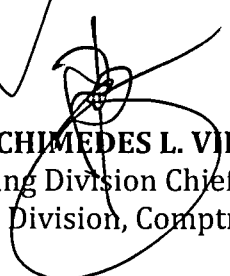

PEDRO CANISIO D. MAQUERA
 SVP-Enterprise Group 

Signed in the presence of:

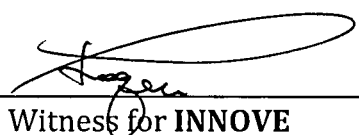

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 Executive Vice President and COO


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 Senior Vice President, Legal Sector


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


ARCHIMEDES L. VILLASIN
 Acting Division Chief IV
 AIC Division, Comptrollership Dept.


Witness for INNOVE


Witness for INNOVE

ACKNOWLEDGEMENT

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

BEFORE ME, this OCT 08 2019 day of _____ 2019, personally appeared the following persons exhibiting to me their respective Government issued ID's, to wit:

BGEN. RICARDO C. MORALES, AFP (RET) FICD DRIVER'S LICENSE NO. NO3-82-077032
Philippine Health Insurance Corp.

PEDRO CANISIO D. MAQUERA Passport No. P2434845A
Innove Communications, Inc.

Known to me to be the same persons who executed the foregoing Contract Agreement consisting of **sixty-six (66) 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.

Doc No. 379
Page No. 77
Book No. 995
Series of 2019

RUBEN T. M. RAMOS
NOTARY PUBLIC
UNTIL DEC. 31, 2019
IEP NO. 058833/01-03-2019
ROLL NO. 20947/MCLE 5.8.17
PTR NO. MKT. 7333572/1-3-19 AB. NO. 3 127
2066 E. PASCUA ST. MAKATI CITY