

**CONTRACT RENEWAL FOR ONE (1) LOT IT EQUIPMENT CO-LOCATION AND ISP FOR ONLINE SERVICES FOR TWO (2) YEARS**

**30 JUL 2020**

**THIS AGREEMENT** made and entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2020, in the City of **PASIG 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. **PHILHEALTH** is represented in this Agreement by its President and Chief Executive Officer (CEO), **BGEN. RICARDO C. MORALES, AFP (RET) FICD** who is authorized to sign this agreement under Corporate Order No. 2018-0026 on the New Delegation and Signing Authority (DSA) in the Head Office and Regional Offices;

**-and-**

**COMCLARK NETWORK AND TECHNOLOGY CORPORATION**, a stock corporation, organized and registered with the Securities and Exchange Commission under Sec. Reg. No. A1997-9080, issued on July 14, 1997 and existing under the laws of the Republic of the Philippines, with business address at Manuel Roxas Ave. Clark Special Economic Zone, Clarkfield, Angeles City Pampanga. **COMCLARK** is represented in this Agreement by its Unit Head, **EVANGELINE E. AQUINO** who is authorized to sign this agreement under its Secretary's Certificate.

**WHEREAS, PHILHEALTH renewed the contract for One (1) Lot IT Equipment Co-location and ISP for Online Services for Two (2) Years and has accepted by COMCLARK NETWORK AND TECHNOLOGY CORPORATION for the supply of those services in the sum of, THIRTY EIGHT MILLION FOUR HUNDRED THOUSAND PESOS (Php38,400,000.00) (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) COMCLARK's Technical and Financial Proposal (**Annex "A"**);
  - (b) Schedule of Requirements (**Annex "B"**);
  - (c) Technical Specifications (**Annex "C"**);
  - (d) General Conditions of Contract (**Annex "D"**);
  - (e) Special Conditions of Contract (**Annex "E"**);
  - (f) Notice of Award (**Annex "F"**);
  - (g) BAC-ITR Resolution No. , s. 2020 (**Annex "G"**);
  - (h) Performance Security (**Annex "H"**);
  - (i) Corporate Order No. 2018-0026 (**Annex "I"**);
  - (j) Comclark Secretary's Certificate (**Annex "J"**)
3. The duration of this contract shall be Two (2) years from the signing of this agreement by both parties. After complete delivery to and acceptance by **PHILHEALTH, COMCLARK** shall submit on a monthly basis 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 **Thirty Six Million Four Hundred Eighty Thousand Pesos (Php36,480,000.00) only**, which is ninety five percent (95%) of the total contract price;

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

**EVANGELINE E. AQUINO**  
Unit Head  
Comclark Network and Technology Corp.


**ARNEZ F. DE JESUS**  
Executive Vice-President and COO

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

**ALFREDO C. REYES JR.**  
Acting Division Chief IV, AICD  
Comptrollership Department


**Pinces / Grace March**  
WITNESS for COMCLARK


**FITO JOSE D. ISIBNO**  
WITNESS for COMCLARK

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

  
EVANGELINA H. AQUINO  
Unit Head  
Comclark Network and Technology Corp.

  
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ALFREDO C. REYES JR.  
Acting Division Chief IV, AICD  
Comptrollership Department

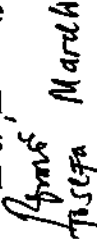
As obligation for the warranty, **PHILHEALTH** shall withhold **five percent (5%) of the total contract price as retention money** or as obligation for "Warranty" in an amount equivalent to **One Million Nine Hundred Twenty Thousand Pesos (PhP1,920,000.00) only**. Said amount shall only be released after 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 **COMCLARK** 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;

4. **PHILHEALTH** may change some of the provisions of this contract due to outdated, technical specifications, relevance to the current situation, or other circumstances provided that the proposed changes shall be agreed upon by both parties and **PHILHEALTH** shall not incur any additional cost;
5. This contract maybe renewed provided that, upon evaluation of PhilHealth, all of the following provisions are satisfied:
  - a) The provider shall offer the same services at the same price or lower than the present consideration for the existing contract.
  - 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.
6. **PHILHEALTH** may request bandwidth on demand when such is deemed necessary and the conditions have been duly 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. However, the additional cost should not exceed more than 10% of the original contract cost;
7. **COMCLARK** must submit to **PHILHEALTH** downtime and utilization reports of each provided link every month;

Upon the request of **PHILHEALTH**, **COMCLARK** must allow the internal and external auditors and must conform to their recommendations, such as but not limited to:

- a) Regular inspections of fire suppression systems and updating of tags;
- b) Posting a security guard in the exit door or fix the exit door which can only be opened from inside;
- c) Conformance with international standards related to temperature management in the datacenter;
- d) Conformance with international standards related to power management in the datacenter;
- e) Provision of signage in conspicuous areas such as floor plan, evacuation procedures, fire exit door, etc.;
- f) Requiring all concerned to wear identifications cards while inside the datacenter; and
- g) Posting of hotlines numbers in strategic areas for emergency cases.

  
Francis Josefa  
Witness for COMCLARK


  
JITO D. SIDNO  
Witness for COMCLARK


8. Failure of co-located IT equipment caused by datacenter facility such as malfunctioning cooling system, power system and the likes must be compensated and the cost will be agreed upon by both parties and will depend on the evaluation of problem. This will include reimbursement of cost incurred by personnel who will troubleshoot the problem such as board and lodging, transportation, and all other incidental expenses incurred from the time of dispatch until such time that the issue is resolved;
9. **COMCLARK** shall provide working area outside the datacenter and staging area dedicated for PhilHealth;
10. **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, Page 11 (Annex "E" of this contract). Any deduction for such downtime must be reflected on the billing of each succeeding month;
11. 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.

**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  
CORP.**


**COMCLARK NETWORK AND  
TECHNOLOGY CORPORATION**


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

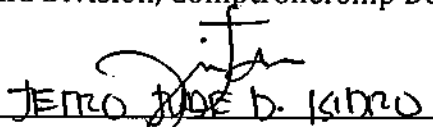
  
**EVANGELINE E. AQUINO**  
Unit Head

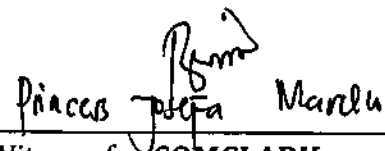
**Signed in the presence of:**

  
**ARNEL F. DE JESUS**  
Executive Vice-President and COO

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

  
**ALFREDO C. REYES JR. CAF-2020-04-02**  
Acting Division Chief IV  
AIC Division, Comptrollership Dept.

  
**JERRO JODE B. KIBRO**  
Witness for **COMCLARK**

  
**Pinares Jofa March**  
Witness for **COMCLARK**

**ACKNOWLEDGEMENT**

REPUBLIC OF THE PHILIPPINES)

CITY OF ~~PASIG CITY~~ ) S.S.

**30 JUL 2020**

BEFORE ME, this \_\_\_ day of \_\_\_\_\_ 2020, personally appeared the following persons exhibiting to me their respective Government issued ID's, to wit:

**BGEN. RICARDO C. MORALES, AFP (RET) FICD**  
Philippine Health Insurance Corp.

DRIVER'S LICENSE NO. N03 - 82 - 077032

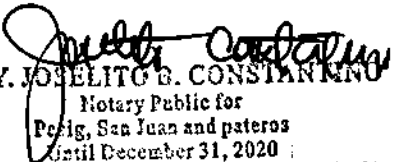
**EVANGELINE E. AQUINO**  
Comclark Network and Technology Corp.

1925 - 1135 - 4416

Known to me to be the same persons who executed the foregoing Contract Agreement consisting of **fifty-five 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. 42  
Page No. 10  
Book No. X  
Series of 2020

  
**ATTY. JOSELITO B. CONSTANINO**  
Notary Public for  
Pasig, San Juan and Pateros  
until December 31, 2020  
G/F Pasig City Hall, Brgy. San Nicolas, Pasig City  
ROLL NO. 31102 / S-04-1981  
IEP NO. 160300 / 01-02-20  
PTR NO. 8247702 / 01-02-20  
MCLE NO. VI-0000017 valid until April 14, 2022  
TIN NO. 232-590-923  
APPOINTMENT NO. 53 (2019-2020)  
CONTACT NO. 0949-924-0131 / 0927-311-2426



March 30, 2020

Mr. Ronald E. Hantid  
 IT Officer II, Network Section, ITRMD - ITMD  
 PHILIPPINE HEALTH INSURANCE CORPORATION (PHILHEALTH)  
 14th flr. CityState Bldg. Shaw Blvd.,  
 Pasig City

Subject: Proposal for Dedicated Internet Access (DIA) Service

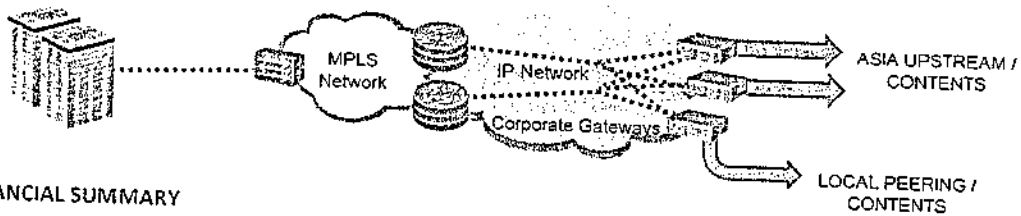
Dear Mr. Hantid;

Thank you for giving COMCLARK NETWORK AND TECHNOLOGY CORPORATION the opportunity to serve you.

COMCLARK, being a CUSTOMER-focused telecommunications company, offers suite of Information and Communications Technology (ICT) solutions for Large Corporate and Small and Medium Enterprise users. Our fully-owned and managed network is built through a backbone infrastructure utilizing DWDM, MPLS IP Core and Packet Transport Network complemented by a pure optical fiber access network.

We are currently engaged in providing Internet, Private Data, Data Center and other Value-Added Services suitable for our CUSTOMER needs. With these network and spectrum of services, COMCLARK is fully committed to deliver its service with high reliability, rapid deployment, fast restoration time, competitive pricing and devoted account management.

Based on the information we have gathered, we are pleased to present our Dedicated Internet Access (DIA) Economy Service – An economical version of our DIA service that balances performance and cost while delivering enterprise grade service, allowing you to do business transaction and activities over the internet. DIA Economy is designed for enterprise customers that requires dedicated, but basic internet access for applications that are non-critical and non-real time in nature.



FINANCIAL SUMMARY

Installation Address	Service	Bandwidth (Mbps) / Space / Power	MRC VAT INC (Two Years Contract Term)
PHILIPPINE HEALTH INSURANCE CORPORATION (PHILHEALTH) 14th flr. CityState Bldg. Shaw Blvd., Pasig City	Co-location	22 SQM / 10 Racks	Php 1,600,000.00
	Power	150 Amps (33Kw/h)	
	Dedicated Internet - Pasig	1 x 800 Mbps	
	Dedicated Internet - Clark	1 x 800 Mbps	
	Transport	2 x 2 Gbps	
	CCTV	2 units	
	Biometrics	2 units	

Notes:

- Rates are VAT Inclusive.
- Contract period is 24 Months.
- Bundled with Managed Monitoring Devices (10.5 Inch Ipad Pro Wifi Plus Cellular 512GB with Data Plans - 3 units and Macbook Pro 2018/13 Inch /2.3Ghz Dual Core Processor /128GB Storage with Data Plans - 3 units).



Attached are the Terms and Conditions related to your subscription to CONVERGE ICT Service.

### Terms and Conditions

#### 1. Responsibilities

COMCLARK and CUSTOMER shall jointly manage and maintain the CUSTOMER circuit installed which carries the subscribed service.

##### a) SERVICE INSTALLATION AND PROVISIONING

###### CONVERGE ICT RESPONSIBILITIES:

CONVERGE ICT shall provide to CUSTOMER the Service in accordance with the terms and conditions of the signed proposal. The provision of Service shall include the following:

- Design and planning of the Service to be provided
- Installation and configuration of COMCLARK-provided equipment at CUSTOMER premise
- Provide necessary updates to the CUSTOMER on the progress of service delivery
- Conduct standard testing of the service and provide service acceptance report
- Provide Multi-Router Traffic Grapher (MRTG) account on applicable services

###### CUSTOMER RESPONSIBILITIES:

The CUSTOMER shall have the following responsibilities for the proper installation and provisioning of the service requested:

- Provide COMCLARK authorized personnel all necessary access permits in building and/or customer premise to conduct all activities in connection with the installation and activation of the service
- Provide CUSTOMER owned equipment and required interface/s and/or cables for the successful provisioning and testing of the service
- Provide representative on the actual activation, testing and acceptance of the service

##### b) OPERATION AND MAINTENANCE OF THE SERVICE

###### CONVERGE ICT RESPONSIBILITIES:

- Maintain and ensure operation of the service provided to the CUSTOMER
- Maintain proper working condition of all the equipment provided to the CUSTOMER
- Respond to support requests within periods as written in this SLA document
- Provide 24 x 7 Call center and Field Engineer support

###### CUSTOMER RESPONSIBILITIES:

- Grant COMCLARK authorized personnel required access and clearance to CUSTOMER and/or building to conduct all activities in connection operations and maintenance of the Service at all reasonable hours
- Ensure availability of on-site representative in times of service restoration and maintenance
- Regularly update COMCLARK on the CUSTOMER contact information including internal escalation matrix
- Provide required Uninterruptible Power Supply (UPS) or Automatic Voltage Regulator (AVR), equipment grounding and air-conditioning/ventilation to ensure smooth and continuous operation of the Service.



- Ensure that no activities such as, but not limited to, change-out of equipment, disconnection, movement, reconfiguration, repair, preventive maintenance of any equipment and facilities provided by COMCLARK are conducted other than by authorized CONVERGE ICT personnel
- Send prior notice to COMCLARK before conducting any unavoidable activities that may cause service interruption and possible damage to equipment and accessories provided by COMCLARK
- Protect the equipment provided by COMCLARK from negligence such as, but not limited to, theft, accident, vandalism and fire
- Practice cleanliness of the installation area and introduction of necessary pest control method to protect COMCLARK provided equipment and facilities from pests and rodents that may affect quality of the service
- Report service failures, outages and degradation to COMCLARK in a promptly manner.
- Notify COMCLARK on any site improvement, renovation, transfer, and any related activity, scheduled or not, that may affect the Service
- Unless offered and accepted as part of the signed proposal, CUSTOMER shall provide a security system for its own network, equipment, operating systems and other similar network and operating software

## 2. Applicable Prices and Taxes

- Unless agreed as final by both parties, prices quoted are based on the initial design and installation plan and is subject to change upon conclusion of the final design based on actual survey. COMCLARK shall notify CUSTOMER about any changes in initial quote provided.
- Unless otherwise indicated, prices quoted are exclusive of Value Added Tax (VAT).
- For CUSTOMER claiming tax exemptions, the necessary exemption certificates or related documents shall be submitted prior to installation of the service.
- Prices offered shall be valid for thirty (30) days from the date of proposal and subject to change after the validity period.

## 3. Service Installation and Activation

- Installation and activation of the Service shall be within 30 to 45 days from the date of receipt of the signed proposal by the assigned Key Account Manager. Installation and activation may go beyond 45 days if the subject site is outside COMCLARK service areas and requires new build of network and facilities.

## 4. Service Testing

- Internet Services
  - Browsing
  - Ping Test
  - Speedtest to COMCLARKtest Server (Speedtest.net)
- Transport Services
  - RFC2544 Ethernet Testing:
    - a) Throughput Test
    - b) Frame Loss Test
    - c) Jitter Test
    - d) Latency Test
  - Ethernet Tester of COMCLARK will be used and all the test results will be based from, according to industry standards. Testing will be for 15 to 30 minutes and will be conducted only once. CUSTOMER may request for an additional test subject to payment of charges imposed by CONVERGE ICT.
  - Not Applicable for FAST (FTTX As A Transport) Service

## 5. Service Acceptance & Billing



- Upon completion of the installation and testing, COMCLARK will turn over the service and will issue a Service Acceptance Report (SAR) for CUSTOMER signature.
- CUSTOMER shall have 24 hours from date thereof to notify COMCLARK issues, technical difficulties, complaints and/or problems related to the Service. Failure of notifying COMCLARK within the provided time frame, the service shall be deemed accepted.
- Start of billing will commence on the following day after the date of installation and acceptance.

#### 6. Payment Terms

- The CUSTOMER shall pay the required one (1) month advance and/or One Time Charge (OTC) prior to installation or based on the agreed terms.
- Any U.S. dollar charge can be paid in Philippine currency at the exchange rate prevailing on the date of payment as set by the Bangko Sentral ng Pilipinas (BSP).
- CUSTOMER shall pay the amount stated in the invoice on or before the set due date. Otherwise, the CUSTOMER shall be charged a late payment interest of 1.5% per month or a fraction thereof.
- In case of delay in payment, COMCLARK reserves the right, without incurring any liability, to suspend or temporarily disconnect the Service upon issuance of a written Notice of Disconnection and such shall remain until invoice is paid in full. However, no Notice of Disconnection is required for disconnection or suspension of Service if payment delay shall have reached 30 days from due date. In addition, COMCLARK may likewise opt to immediately terminate this Letter Agreement, at its own discretion by service of a written Notice of Termination to the CUSTOMER if such delay shall be more than 30 days. Further, the suspension, disconnection or termination of Service due to delayed payment or arrears shall not toll, prevent nor exempt the billing & payment of the unexpired portion of the remaining agreed period of the Service. The CUSTOMER hereby accepts that the expenses invested by COMCLARK in this connectivity is in contemplation of a minimum period as indicated in the terms of this Letter Agreement.

#### 7. Contract Period

- The Service to be provided under this agreement shall be for a minimum period of Twenty-four (24) Months term. This agreement is automatically renewed unless a written notice of termination is received from the CUSTOMER, thirty (30) days prior to expiration of this agreement.

#### 8. Cancellation of Order

In case of cancellation of order:

- When installation works have been started and in progress but before the turnover of the Service, CUSTOMER shall be charged on the actual charges incurred during the installation. The cost will be charged against the (1) month advance and (1) month security deposit. CUSTOMER shall pay the balance if the actual cost is higher than the amount of advance and deposit.
- If Service is rejected by CUSTOMER without due cause and defect, CUSTOMER shall pay the cancellation charges as follows:
  - Installation fee quoted or actual cost incurred (whichever is higher);
  - Two (2) months bill of the Service; and
  - Dismantling charges equivalent to the installation fee.
- If installation fee is waived, actual cost shall apply.

#### 9. Termination of the Contract

- Any pre-termination of this Agreement made by the CUSTOMER for reasons other than breach of contract shall cause CUSTOMER to be liable to COMCLARK for one hundred per cent (100%) of the total charges of the remaining contract. In addition, the cost of dismantling the equipment or disconnecting the service shall be for the account of CUSTOMER.





- COMCLARK may terminate this Agreement at any time that it may not be possible to provide the service, due to causes beyond the control of COMCLARK, or due to fortuitous events. For causes falling under this paragraph, COMCLARK shall serve written notice thereof to CUSTOMER at least thirty (30) days prior to the intended date of termination. COMCLARK may terminate this Agreement at any time with immediate effect if any of the monthly fees or installation fees shall not be paid within the period specified therefore. In case of breach of any of the terms and conditions of this Agreement, either party to this Agreement may terminate the same with immediate effect, if the breaching party fails to remedy or correct such violation within thirty (30) days from receipt of the written notice of such breach given by the non-breaching party. Termination of this Agreement shall not relieve the other party from liability to pay fees or charges, which have accrued, to the other party prior to the date of termination. Neither party will be liable to the other because of such termination for damages arising from loss of prospective profits, anticipated sales, or goodwill.

#### 10. Ownership of Equipment

- All equipment installed and/or provided by CONVERGE ICT shall remain the property of COMCLARK. CUSTOMER shall have no property right or interest over the same but only the right to use them as stated in this Agreement. In the event that the equipment of COMCLARK are damaged due to acts or omissions of the employees, guests or any persons allowed access by CUSTOMER to the premises where the equipment are located, CUSTOMER shall pay for the value of the damage suffered by COMCLARK including replacement cost if necessary.
- All equipment and related telecommunications devices shall be dismantled and retrieved by COMCLARK, in the event that the services are terminated, with prior notice to the CUSTOMER, in a manner least inconvenient to both CUSTOMER and COMCLARK. For this purpose, CUSTOMER authorizes CONVERGE ICT to gain access to the former's premises and retrieve the equipment of COMCLARK. Failure on the part of CUSTOMER to allow COMCLARK to exercise its right under this paragraph, CUSTOMER shall pay the value of the equipment plus such other incidental damages suffered by COMCLARK no later than fifteen (15) days from receipt of such written notice from COMCLARK that it had been denied entry to the premises of CUSTOMER or CUSTOMER has not allowed COMCLARK to retrieve its materials within the mandate of this paragraph.

#### 11. Use of Service

- The use of Service for any activity that is contrary to laws, morals, customs or public policy or which violates any ordinance, decree, order or regulation, or affects, interferes with or disrupts the use of the Service by other parties or the manner by which COMCLARK provides the Service or any other services shall be deemed inappropriate use and shall be considered as a violation of the acceptable use of the Service under these Terms and Conditions.

#### 12. Assignment

- COMCLARK, at its option, may assign its rights under this Letter Agreement, partly or in full, to any third party or entity within the same industry provided that the same shall have the legal, technical & financial capability to fulfill in full and under the same standards all of the terms and conditions set forth under this Letter Agreement.

#### 13. Non-Liability

- COMCLARK shall not be liable for any loss or damage suffered by CUSTOMER as a result of interruption or termination of the services, any act or omission of the employees of CUSTOMER representatives or agents, such as, but not limited to distortions, garbles in the messages caused by brownouts, power fluctuations, or other mechanical or electrical faults. Furthermore, CUSTOMER agrees to hold COMCLARK free and harmless from any suit, action, claim or demand by third parties, arising out of, or in connection



with the use by CUSTOMER of the services provided by COMCLARK, as well as to indemnify COMCLARK for any damages, it may be held liable for, in connection with any of the aforesaid claims of third parties.

**14. Service Level Commitments**

**a) Network Availability**

- COMCLARK hereby guarantees 99.96% Network Availability.

**b) Circuit Availability**

Service	Availability
Dedicated Internet, Metro-E, Metro Lambda, EIPL, IP MPLS / China Connect / IP VPN	99.7%
IBIZ / MicroBiz / FAST	98.3%

- Circuit availability refers to the available period of the subscribed service in a given month and is calculated as follows:

$$\frac{(\text{Hours in a Day} \times \text{Days in a Month}) - \text{Service Outage Time in hours}}{\text{Hours in a Day} \times \text{Days in a Month}}$$

**c) Latency**

Origin / Destination	Latency (in milliseconds)
PH POP to US POP	200 ms
PH POP TO ASIA POP	70 ms
DOMESTIC LUZON	10 ms

- This latency is applicable to COMCLARK on-net facility. Latency may vary for use of third-party service.
- Committed latency is applicable only to Dedicated Internet, Metro-E, Metro Lambda, EIPL and IP MPLS Services.
- Values indicated refers to COMCLARK POP to POP latency

**d) Packet / Frame Loss and Jitter**

Criteria	Measurement
Packet / Frame Loss	≤ 1%
Jitter	≤ 20ms

- Applicable to COMCLARK on-net facility. Latency may vary for use of third-party service.
- Applicable only to Transport Services such as Metro-E, IP MPLS, EIPL and Metro Lambda
- At 80% link utilization

**e) Mean Time To Respond / Restore**



Ticket creation from time of report	Within thirty (30) mins	Within sixty (60) mins
For Field Dispatch (After initial troubleshooting)	Dedicated Internet, Metro-E, Metro Lambda, EPL, IP MPLS	IBIZ / MicroBiz / FAST
MANILA	90 minutes	90 minutes
CAMANAVA	90 minutes	90 minutes
QUEZON CITY	90 minutes	90 minutes
PASIG	90 minutes	90 minutes
CAINTA	90 minutes	90 minutes
MARIKINA	90 minutes	90 minutes
PASAY	120 minutes	90 minutes
TAGUIG	90 minutes	120 minutes
LAS PINAS	120 minutes	90 minutes
PARANAQUE	120 minutes	120 minutes
MUNTINLUPA	120 minutes	120 minutes
SAN JUAN	120 minutes	120 minutes
MAKATI	90 minutes	90 minutes
MANDALUYONG	90 minutes	90 minutes
SOUTH LUZON	>120 minutes	>120 minutes
MABALACAT	60 minutes	>120 minutes
SAN LUIS / ARAYAT	90 minutes	60 minutes
TARIAC	90 minutes	90 minutes
CAMILING	90 minutes	90 minutes
GAPAN	120 minutes	120 minutes
NUEVA ECIJA	120 minutes	120 minutes
SAN FERNANDO	60 minutes	60 minutes
APALIT	60 minutes	60 minutes
MALOLOS BULACAN	60 minutes	60 minutes
BALIUAG BULACAN	60 minutes	60 minutes
SAN RAFAEL BULACAN	60 minutes	60 minutes
SAN MIGUEL BULACAN	120 minutes	120 minutes
STA MARIA BULACAN	120 minutes	120 minutes
SAN JOSE DEL MONTE BULACAN	90 minutes	90 minutes
GUIGUINTO BULACAN	120 minutes	120 minutes
GUAGUA	60 minutes	60 minutes
DINALUPIHAN	60 minutes	60 minutes
DRANI	60 minutes	60 minutes
BRANI	90 minutes	90 minutes
BALANGA	90 minutes	90 minutes
MORONG	90 minutes	90 minutes
MARIVELES	120 minutes	120 minutes
SUBIC	120 minutes	120 minutes
OLONGAPO	90 minutes	90 minutes
After Business Hours	On-call (Field Operation Engineers)	On-call (Field Operation Engineers)

- On-site dispatch will take place when reported problem can't be resolved by remote troubleshooting
  - Service restoration target is 4 hours after the allotted response time, 80% of the time.
- f) Trouble Ticket Status Update

COMCLARK shall provide necessary status update after issuance of trouble ticket. The following update times and frequency shall be followed depending on the level of severity:

Severity Level	Status Update (DIA, Transport and EIPL)	Status Update (IBIZ / MicroBiz / FAST)
Severity 1 Hard Down / No connection	1 hour	1 hour
Severity 2 Intermittent / slow connection	2 hours	2 hours
Severity 3 Non-service affecting (customer requests)	3 hours	3 hours

- g) Monthly SLA Report



COMCLARK will provide an SLA report for all applicable circuits upon the request of CUSTOMER. Report contents will be based on Technical Support records, in connection with the trouble tickets issued to the CUSTOMER during the subscription.

h) Maintenance Activities

It may occasionally be necessary for COMCLARK to carry out essential network maintenance and/or enhancement programs as well as emergency activities that may be critical to operations. In these cases, COMCLARK shall provide notice to the customer as specified below:

Activity	Notice Period
Scheduled	Seven (7) days
Emergency	One (1) day

15. Rebate

- The Service shall be provided on a 24-hour per day, 365-day per year basis (The Service Schedule). The duration of service interruption is measured by the number of elapsed hours within the service schedule, starting from the time of the interruption as reported by the CUSTOMER and acknowledged by COMCLARK to the time that COMCLARK notifies the CLIENT that the Service has been restored.
- The CUSTOMER shall be eligible to receive a rebate in accordance with the following schedule:

Length of interruption	Credit
Less than 130 minutes	None
130 – 239 minutes	1/6 day
240 – 479 minutes	2/6 day
480 – 719 minutes	3/6 day
720 – 959 minutes	4/6 day
960 – 1199 minutes	5/6 day
1200 – 1440 minutes	One day

- COMCLARK shall promptly provide rebates for interruptions in the service in the amounts set forth in the below schedule. However, the CUSTOMER shall not be entitled to a rebate if the interruptions or outages are caused by any of the following:
  - The act, omission, fault or negligence of the CUSTOMER
  - The CUSTOMER's applications, equipment, or facilities including any third-party equipment other than equipment furnished by Company as part of their access services (i.e., CUSTOMER's equipment and application failure etc.)
  - Interruptions during any period where COMCLARK or its agents are not allowed access to the CUSTOMER premises where the access lines are terminated
  - Scheduled maintenance
  - Power interruption, power surges or fluctuation at the CUSTOMER site
  - Force Majeure (e.g., typhoons, lightning, flood, earthquakes, etc.)
  - Civil disturbance, military insurrection and/or government takeover of Services The act, omission, fault or negligence of the CUSTOMER
- All downtime shall be reported to Technical Support for verification of claims. All rebates must be supported by a trouble ticket to be valid.
- COMCLARK, in no event shall be liable for indirect, remote, or consequential damage, loss of profits, loss of business or loss of opportunity and other like damages howsoever they may have been caused even if it has been notified of the possibility of such damages. COMCLARK's maximum liability for any damage arising out of or in any way related to this Agreement shall be limited to the rebate as set forth above, and in no event shall the rebate granted in any one month to exceed the Monthly Recurring Charge.



- Rebates shall be credited to CUSTOMER on the next month's billing.

16. Escalation Matrix

COMCLARK ESCALATION MATRIX		
LEVEL 1 – Service Desk		
Contact Person	Contact Number	Email Address
Service Desk Analyst on Duty	(02) 8667-0800	<a href="mailto:enterprise.support@convergeict.com">enterprise.support@convergeict.com</a>
Customer to provide the following:		
1. Company Name:		
2. Circuit ID:		
3. Contact Person / Contact No. / Email Address:		
4. Provide site address:		
5. Brief description of the problem:		
LEVEL 2 – Two (2) Hours after reporting to Service Desk		
Contact Person	Contact Number	Email Address
Mark Ivan Bruan -Service Desk Team Lead	+639461175893	<a href="mailto:mivbruan@convergeict.com">mivbruan@convergeict.com</a>
Vener Villanueva- Service Desk Team Lead	639499016816	<a href="mailto:vdvillanueva@convergeict.com">vdvillanueva@convergeict.com</a>
Jose Jewel Morales - Service Desk Supervisor	+639558925362	<a href="mailto:jamorales@convergeict.com">jamorales@convergeict.com</a>
Jetro Jude D. Isidro – Key Account Manager	+639174619876	<a href="mailto:jidisdroid@convergeict.com">jidisdroid@convergeict.com</a>
Ivan Paul Sy- CNOC SMÉ	+639065253218	<a href="mailto:ipfsy@convergeict.com">ipfsy@convergeict.com</a>
Donna Villanueva - CNOC Supervisor	+639178611974	<a href="mailto:dnavillanueva@convergeict.com">dnavillanueva@convergeict.com</a>
LEVEL 3 – Four (4) Hours after reporting to Service Desk		
Grace Perez-Pastorfide - CTS Assistant Manager	+639257423323	<a href="mailto:mgcperez@convergeict.com">mgcperez@convergeict.com</a>
Frederick Sanchez -CRM Head	+639957667848	<a href="mailto:fpsanchez@convergeict.com">fpsanchez@convergeict.com</a>
Evangelina Aquino – Unit Head	+639773048497	<a href="mailto:eeaquino@convergeict.com">eeaquino@convergeict.com</a>
Ernesto Rufino - CNOC Head	+639178198909	<a href="mailto:erufinoir@convergeict.com">erufinoir@convergeict.com</a>
LEVEL 4 – Eight (8) Hours after reporting to Service Desk		
Emil Baniqued -Network Operations Division Head	+639178822510	<a href="mailto:labaniqued@convergeict.com">labaniqued@convergeict.com</a>
Alan Smyth -Corporate Sales Head	+639175099131	<a href="mailto:afsmyth@convergeict.com">afsmyth@convergeict.com</a>
Arlene Mercado - CXPG Head	+639196801943	<a href="mailto:mamercado@convergeict.com">mamercado@convergeict.com</a>
Ronald Brusola - CTO	+639175386023	<a href="mailto:rgrusola@convergeict.com">rgrusola@convergeict.com</a>
LEVEL 5 – Twelve (12) Hours after reporting to Service Desk		
Jesus Romero -COO	+639178180168	<a href="mailto:jcromero@convergeict.com">jcromero@convergeict.com</a>



If you find our service price proposal acceptable including the attached Terms and Conditions, kindly affix your signature on the space provided below.

Thank you and we are pleased to be of service to your company.

Sincerely,

COMCLARK NETWORK AND TECHNOLOGY CORPORATION

By:

A handwritten signature in black ink, appearing to read "Jetro", written over a horizontal line.

Jetro Jude D. Isidro  
Key Account Manager

\_\_\_\_\_  
Evangeline Aquino  
Unit Head – Public Sector Group

Approved by:

\_\_\_\_\_  
Alan Ronald F. Smyth  
Group Head – Corporate Sales

CONFORME:  
PHILIPPINE HEALTH INSURANCE CORPORATION (PHILHEALTH)  
By:

\_\_\_\_\_  
Authorized Representative's  
Signature over Printed Name

Date: \_\_\_\_\_

### Section VI. Schedule of Requirements

The delivery schedule expressed as days/weeks/months stipulates hereafter a delivery date which is the date of the delivery to the project site.

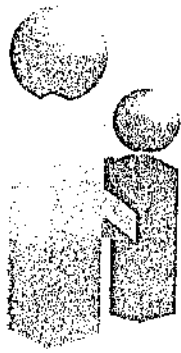
Item Number	Description	Quantity	Delivered, Days/Weeks/Months
1	IT Equipment Co-Location Services and ISP for Online Services	One (1) Lot	The Delivery and Installation shall be within Sixty (60) Calendar Days after the issuance and receipt of the winning bidder of the Notice to Proceed

I hereby certify to comply and deliver all the above requirements.

COMCLARK NETWORK &  
TECHNOLOGY CORP.  
Name of Company/Bidder

  
CECILY GARCIA  
Signature over Printed Name of  
Representative

April 7, 2016  
Date



**Philippine Health  
Insurance Corporation**

**IT Equipment Co-location  
and ISP for Online Services**



I. **Rationale**

The **Philippine Health Insurance Corporation (PhilHealth)** seeks a company that can provide data center facility to co-locate its IT equipment with a dedicated connectivity going to Pasig office and provide Internet connectivity for its online applications.

Because PhilHealth relies heavily on information systems to run its operations, business continuity is one of the main concern. Related to this, there is a need to secure its IT systems, specifically the IT equipment. If a system becomes unavailable due problem with the equipment or links, operations will be impaired or stopped completely. Due to this, it is necessary to provide a reliable infrastructure for IT operations in order to minimize any chance of disruption. Information security is another concern. This means that critical IT equipment must be located in a data center with secure environment which minimizes the chances of a physical security breach. A data center must be based on the **International Standards** in terms of security and facility management to ensure the integrity and functionality of its hosted computer environment. This is accomplished through redundancy of both communication media such as fiber optic and network equipment and power sources such as emergency backup power generation and UPS system.

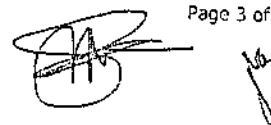
PhilHealth has Server Room in Pasig and existing datacenter in Clark. Both sites are on active-active configuration. As the Corporation continuously improves its services, there is a need to add more resources to serve the growing demands of our stakeholders. Aside from internal users who are servicing our members, the deployment of online applications wherein the members, employers and stakeholders themselves are the users, will definitely need more powerful equipment. There is a need to make our systems highly available and efficient.

With this, there is a need to upgrade its existing datacenter to host the Corporation's back-end infrastructure. Back-end infrastructures such as servers, storage and network equipment should be powerful enough to cater the computing power needed by the users. This powerful equipment in turn requires higher electrical power capacity coupled with cooling requirements. Additional space is also needed to house additional IT infrastructure equipment. Since these are mission critical equipment, the electrical power and cooling requirements should be redundant to prevent service unavailability. Having two data centers working hand in hand and configured in active-active modes will definitely ensure our users high availability and efficiency.



The data center facility must conform to the International Standards of Data Centers including Security Standards. Starting from the architectural facilities such as parking, building component and construction, entry and exit facilities, offices, rest rooms, electrical rooms, shipping and receiving areas, generator and many more. As for the environmental control, the physical environment of the data center must be rigorously controlled. Air conditioning units must be of the highest standards to control the temperature and humidity in the data center to protect the equipment being co-located. In terms of electrical delivery to the IT equipment, backup power must consist of one or more uninterruptible power supplies or UPSs, battery banks, and heavy duty generators. To prevent single points of failure, all elements of the electrical systems, including backup systems must be fully redundant. Structural features must also be considered such as the seismic zones, floor loading and hanging capacities. Fire protection system as well as implementation of fire prevention program must be present in the data center site. One of the main characteristics of the data center that should be considered in this project is the telecommunications facility. Cabling system facility must meet the data center standards specifications. Telecommunication carriers must have entrance facility and right-of-way diversities. Redundant cabling must be a standard with complete cabling system documentation. And the facility must be physically secured. Physical access to the site must be restricted to selected authorized personnel. Surveillance and permanent security guards must always be present.

The Internet service on the other hand, must be fast, reliable, efficient, and highly secure to meet our mission critical business needs. The Corporation's operation depends on real time data processing and data transfer thus we need a service that guarantees both speed and instant connectivity. The connectivity should be able to provide a highly available Internet access with adequate bandwidth to web browsing, e-mails, file transfer, web services and all web-based applications of the Corporation. Furthermore, to provide PhilHealth with high-speed and reliable connectivity to the Internet, the proponent must have a direct Internet backbone to international Internet providers. Wide-ranging peering (paid or settlement-based) or "IP Transits" between the proponent, Tier 1 and Tier 2 networks must be established and presented. Likewise, the proponent must be a member of the Local Internet Exchanges in the Philippines that provide interconnection and allow local ISPs to exchange local traffic to lower the international bandwidth costs. Lastly, the communication links should be able to accept industry standards communication protocols. This will guarantee us that our application systems and hardware infrastructure will not encounter problems during the rollout proper.

Handwritten signature and initials in black ink, consisting of a stylized name and a set of initials.

## II. Objective

To upgrade the existing IT equipment co-location space to accommodate new IT equipment;

To upgrade the existing Internet bandwidth to cater new external users due to expansion of online service; and

To upgrade the existing communication links between Pasig Server Room and remote Datacenter;

## III. Proponent's Scope of the Project (Technical Specifications)

1. Provision of communication links between Philhealth Pasig server room and proposed datacenter;
2. Provision of co-location space and necessary security and support to the co-located IT equipment;
  - o Must have a surveillance camera dedicated to PhilHealth's IT Equipment;
3. Provision of Internet Services;

Specifically, the vendor shall provide the following deliverables:

### • Space Requirements

- Must be have at least **twenty-two (22) square meters** of co-location space.
- Must provide a **cage** with at least **twenty-two (22) square meters** size dedicated to PhilHealth to physically secure the co-located IT equipment of the corporation. The cage must have a biometric locking mechanism to restrict un-authorized personnel to access any of the co-located IT equipment.
- Must have at least **150A** of power capacity.
- Must provide power meter dedicated for Philhealth IT equipment.
- Must have three phase and single phase power source that can support at least 200 to 480 volts
- Must have at least minimum of two (2) UPS feeds per rack; each feed must have a corresponding breaker terminating in a separate UPS or power grid.
- The location of power outlets must be below or above the rack.

- With cable management and cable channel per rack
  - With redundant power distribution units and with **power sockets compatible with PhilHealth's IT equipment per rack**
  - Must provide power receptacles that is needed to power the equipment of PhilHealth.
  - The rack space must be able to accommodate future expansion. The expansion must also be a caged environment. It must not be relocated in another area.
- **Site Requirements**
    - Must be situated outside the 50Km radius from Philhealth Pasig Server Room.
    - The Data Center site must conform with the International Standards for Data Center including but not limited to the following:
      - Must have a **valid ISO 9001:2015 Certification**
      - Must have a **valid ISO/IEC 27001:2013 Certification**
    - Must have dedicated power generators that can sustain continuous operation for at least five (5) days without commercial power.
    - There must be at least two (2) Power Generators for redundancy.
    - Must have redundant, centralized uninterruptible power supply (UPS) to handle power transition to and from generator set to main power source.
    - Must have redundant precision air-conditioning units (PACUs).
    - Must have layered security access. Biometrics and/or latest electronic security measures must be in-place.
    - Must have International Standards (FM200 or equivalent) data center fire suppression and detection system.
    - Must have full physical security with 24 hours a day, 7 days a week armed guards.
    - Must have security system with live monitored internal and external cameras. Recorded security videos must be archived for at least 1 month.
    - Must have a dedicated surveillance camera covering the area wherein the co-located IT equipment is situated. The camera must be operational 24 X 7 and able to save video files for at least three months. Moreover, PhilHealth must have access to view the camera feed.
    - The site must be maintained by competent personnel for managing the data center 24 hours a day, 7 days a week.
    - Must offer a 99.95% guaranteed Service Level Agreement
  - **Communication Link Requirements**

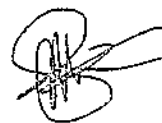


- o The proponent must provide **two (2) communication links with separate physical cable routes between Pasig server room and proposed co-location site.**
  - Communication Technology – Must be Layer 1 and/or Layer 2 Dedicated Leased Lines
  - Cable routes – must be separate physical cable routes
  - Type of communication medium - the last mile facilities must be **fiber-based connectivity**
  - Cable Facility – the proponent must certify that the cable facility being used in the connectivity between the proponent's circuit and PHILHEALTH's data centers is exclusively owned and operated by the proponent.
  - Rate/Speed of access must have guaranteed bandwidth - CIR (Committed Information Rate) for each links.
    - **Two (2) x two (2) Gbps** layer 1 and layer 1 or Layer 2 leased lines
  - Must be able to allow users to prioritize network applications such as voice, data and video to ensure reliable and high-quality transmissions.
  - The handover of the service must be Gigabit Ethernet going to PhilHealth Network Infrastructure.
  - Must include all necessary cables to interconnect and operate all equipment.
  
- o The proponent must provide **two (2) x eight hundred 800Mbps dedicated Internet connectivity at the proposed Co-location site and Pasig Server Room.**
  - Must be a **Fixed Bandwidth/Dedicated** type of access
  - Must be a **Leased Line** technology
  - The facility going to the PhilHealth Network must be fiber optic or Gigabit Copper connectivity.
  - Must have at least **one (1) x eight hundred 800Mbps installed in Pasig Server Room** and at least **one (1) x eight hundred 800Mbps installed in the proposed datacenter.**
  - Must be terminated as **copper or fiber based** Gigabit Ethernet.
  - International Peering – the proponent must provide a certification that they are connected or subscribed to Tier 1 or Tier 2 networks or Internet Service Providers.
  - Local Peering - the proponent must provide a certification that they are connected or is a member of the Local Internet Exchanges in the Philippines.
  - The handover of the service must be Ethernet (RJ-45) or fiber (LC) going to PhilHealth Network Infrastructure.

- Must provide at least **sixty-two (62) useable public IP** addresses for Pasig Server Room and at least **sixty-two (62) useable public IP** addresses for proposed datacenter. Point to point IP address must be excluded from these IPs.
  - Must include all necessary cables to interconnect and operate all equipment.
  - The proponent must certify that they own the Data Center/Colocation site and cable facility(s) and/or have direct control to the Data Center site and cable facility(s) 24/7 for faster problem resolution.
- **Other Pertinent Requirements**
    - The proponent must transfer all the IT equipment from the existing provider to the proposed co-location site. The services must include power off, transfer, and power on of all IT equipment in the proposed co-location site. The proponent must also include in their proposal all related fees and guarantees including hauling of all the equipment. The configuration before power-off must be preserve when powered on in the new location.
    - The proponent must ensure that the access of authorized PhilHealth personnel to the co-located IT equipment must be allowed anytime.
    - The proponent must ensure that only authorized PhilHealth personnel are allowed to access the co-located IT equipment.
    - The proponent must ensure that adequate power supply and proper cooling is available to the co-located IT equipment 24 hours a day, 7 days a week.
    - The proponent must ensure that the physical security of the co-located IT equipment and that the recorded video(s) from the security camera should be kept/archived for at least 1 month.
    - The proponent must ensure that PhilHealth authorized personnel are allowed to review the recorded video(s) from the security camera if necessary.
    - The proponent must allow PhilHealth authorized personnel to access remotely the security camera covering the area of the co-located IT equipment for security and administrative purposes. If remote access is not possible for the data center's site security camera(s), PhilHealth

must be allowed to install its own camera facility to monitor the co-located IT equipment.

- o The proponent must ensure that competent personnel are available in the proposed data center site to assist authorized PhilHealth personnel to do physical activity(s) for the co-located IT equipment whenever necessary.
- o The proponent must ensure that fire suppression equipment conforms to the data center standards and are always available and operational.
- o The proponent must ensure that standby personnel are available to assist PhilHealth authorized personnel in the logistics during the operations proper.
- o During the subscription period, the winning proponent must provide the following:
  - Three (3) units **Servicing Devices (laptops)** bundled with **Unlimited Mobile Broadband Internet Connectivity** for the duration of the subscription period (2 years) for technical management and support. The connection speed must use at least 4G/LTE Technology. Must be able to connect up to five (5) users (terminals) via WiFi (wireless access). The servicing devices must have at least the following specifications:
    - The processor must be at least Intel core i7 Processor
    - Must be at least 2.8 GHz quad-core processor speed
    - Must have at least 16GB Memory
    - Must have at least 512GB Flash Storage
    - Must have at least 12" diagonal LED Display but not bigger than 14"
    - Must have at least 10 hours battery life using wireless
    - With built-in speaker and webcam
    - Must have at least 3 x USB-C Ports or equivalent ports,
    - Must have at least one (1) RJ-45 Gigabit LAN Port (if not included in the device a separate dongle must be provided)
    - Must at least one VGA port for HDMI (if not included in the device a separate dongle must be provided)
    - Must at least one USB type A port (if not included provide converter)
    - Must include Serial Port (USB to Serial Port converter)
    - Built-in Wi-Fi capability (802.11 a/b/g/n)
    - Built-in Bluetooth at least 5.0



- Must include Software Installers, Etc. (with License) Genuine Windows 10 64 bit Professional or latest MAC Operating System
  - With AC adapter and power Cable
  - With carrying bag or case
  - Must have at least 2 Years Warranty
  - The market release of the unit model must be at least first semester of year 2019.
- Three (3) units **Monitoring Devices (tablet)** bundled with **Unlimited Mobile Broadband Internet Connectivity** for the duration of the subscription period (2 years) for monitoring purposes. The connection speed must be at least 4G or LTE Technology. The monitoring devices must have at least the following specifications:
- At least 11 inches diagonal LED-backlit widescreen multi-touch display
  - At least 2388x1668 resolution at 264 pixels per inch (ppi)
  - At least 512 GB internal storage space
  - Must have Wi-Fi, Bluetooth 5.0 and cellular (4G-LTE) access with Nano SIM card port
  - Must support various Operating System such as at least iOS 11 or later, Windows 10 or later
  - The market release of the unit model must be at least first semester of year 2019.
- **After-Sales Support**
    - During the subscription period, the proponent shall provide competent technical personnel in the proposed data center site to assist PhilHealth authorized personnel whenever problem occurs. Assistance maybe physical intervention from which cannot be done from the remote location.
    - Physical intervention can only be done upon the advice of the authorized PhilHealth personnel.
    - Co-location site support must be available 24 hours a day, 7 days a week.
    - During the subscription period, the proponent shall provide highly technical personnel to support the communication links, internet service and equipment whenever hardware and/or any related problem should occur.



- For the communication links and internet service, on-call and on-site support should be available 24 hours a day, 7 days a week (24 hours x 7 days). Likewise, Customer Service should be available 24 hours x 7 days.
- For on-call support, a one (1) hour response time from the time of the call is required. For on-site support, a response time of not more than 4 hours is required from the time of the call in cases wherein the phone support could not solve the problem. Maximum of 24 hours after receipt of report is required for on-site support.
- The proponent must shoulder all expenses of their technical personnel who will be providing the technical services on-site.
- The proponent must provide an online or web-based bandwidth usage monitoring tool to monitor the actual bandwidth usage/utilization of the communication links and internet service. The tool should display the daily, weekly, monthly and yearly traffic utilization.
- Monthly reports should be submitted to PHILHEALTH via **monitoring tool**, email, fax, or courier. Reports should include but not limited to bandwidth utilization, downtime (planned and unplanned), and minor and major link problems. **These reports will be part of the billing documents to be submitted monthly.**
- **Project Management**
  - The proponent should provide a Project Management and/or team that will handle the planning, design, installation, transfer, maintenance and/or necessary endeavors before the actual implementation of the project in coordination with PhilHealth IT Management Department.
  - The proponent must conduct integration workshop to plan-out the schedules and activities before the actual implementation of the project.
  - Both parties (PhilHealth and the proponent) should agree with the formulated strategy(s) before the implementation proper.
  - The acceptable downtime during the transfer of equipment must not exceed sixty (60) hours and must be executed during weekend or holiday.



• **Contract Period**

- o The contract period for this project is two (2) years.
- o During the contract period, the proponent must not increase the original contract price.
- o In case Philhealth requires additional rack space for new equipment and additional bandwidths for the communication links and internet services, amendment to the original contract price may be negotiated according to the prevailing market price.
- o Yearly assessment of the contract price may be done by Philhealth. In case the prevailing market price for the project decreases, Philhealth may negotiate for the new contract price or may negotiate to add features without increasing the original contract price.

• **Service Level Agreement (SLA)**

- o PhilHealth must be recompensed the equivalent downtime of the co-located IT equipment due to technical problem brought about by the following:

Description	Time (minutes)	Equivalent refund
Service downtime and/or access unavailability due to site and link facilities failure. This includes but not limited to power supply, cooling, and the primary communication links.	10 to 30	Three (3) Hours data center time or monetary equivalent
	31 to 120	Twelve (12) Hours data center time or monetary equivalent
	121 to 360	One (1) day data center time or monetary equivalent
	361 to 720	Two (2) days data center time or monetary equivalent
	More than 720	Seven (7) days data center time or monetary equivalent for each 24 hours of continuous downtime.

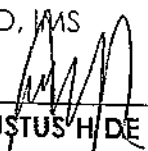
- o Monetary equivalent maybe computed based on the contract amount or based on the actual damage caused by the downtime, whichever is agreed upon.
- o Shall be agreed upon and finalized during the project management between PhilHealth and the proponent and will form part on the contract agreement between both parties.

- **Delivery and Date of Installation/Implementation**
  - The **IT Equipment Co-Location Services and ISP for Online Applications project** must be delivered/implemented on the proposed site of the proponent not more than sixty (60) calendar days. The communication links and Internet shall be available prior to the colocation of the IT equipment.

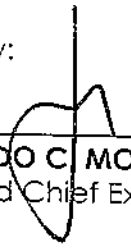
Recommending Approval:

  
\_\_\_\_\_  
**CALIXTO V. GABUYA, JR.**  
Acting Senior Manager, ITMD

  
\_\_\_\_\_  
**JOVITA V. ARAGONA**  
SVP and CIO, IMS

  
\_\_\_\_\_  
**BGEN AUGUSTUS H. DE VILLA MD AFP (RET)**  
Acting Executive Vice-President and COO

Approved by:

  
\_\_\_\_\_  
**BGEN RICARDO C. MORALES AFP (RET) FICDA**  
President and Chief Executive Officer (CEO)

**Section IV. General Conditions of Contract**

**1. Definitions**

1.1. In this Contract, the following terms shall be interpreted as indicated:

- (a) "The Contract" means the agreement entered into between the Procuring Entity and the Supplier, as recorded in the Contract Form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
- (b) "The Contract Price" means the price payable to the Supplier under the Contract for the full and proper performance of its contractual obligations.
- (c) "The Goods" means all of the supplies, equipment, machinery, spare parts, other materials and/or general support services which the Supplier is required to provide to the Procuring Entity under the Contract.
- (d) "The Services" means those services ancillary to the supply of the Goods, such as transportation and insurance, and any other incidental services, such as installation, commissioning, provision of technical assistance, training, and other such obligations of the Supplier covered under the Contract.
- (e) "GCC" means the General Conditions of Contract contained in this Section.
- (f) "SCC" means the Special Conditions of Contract.
- (g) "The Procuring Entity" means the organization purchasing the Goods, as named in the SCC.
- (h) "The Procuring Entity's country" is the Philippines.
- (i) "The Supplier" means the individual contractor, manufacturer distributor, or firm supplying/manufacturing the Goods and Services under this Contract and named in the SCC.
- (j) The "Funding Source" means the organization named in the SCC.
- (k) "The Project Site," where applicable, means the place or places named in the SCC.
- (l) "Day" means calendar day.
- (m) The "Effective Date" of the contract will be the date of receipt by the Supplier of the Notice to Proceed or the date provided in the Notice to Proceed. Performance of all obligations shall be reckoned from the Effective Date of the Contract.
- (n) "Verified Report" refers to the report submitted by the Implementing Unit to the Head of the Procuring Entity setting forth its findings as to the existence of grounds or causes for termination and explicitly stating its recommendation for the issuance of a Notice to Terminate.

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2. Corrupt, Fraudulent, Collusive, and Coercive Practices

2.1. Unless otherwise provided in the SCC, the Procuring Entity as well as the bidders, contractors, or suppliers shall observe the highest standard of ethics during the procurement and execution of this Contract. In pursuance of this policy, the Procuring Entity:

(a) defines, for the purposes of this provision, the terms set forth below as follows:

(i) "corrupt practice" means behavior on the part of officials in the public or private sectors by which they improperly and unlawfully enrich themselves, others, or induce others to do so, by misusing the position in which they are placed, and it includes the offering, giving, receiving, or soliciting of anything of value to influence the action of any such official in the procurement process or in contract execution; entering, on behalf of the Government, into any contract or transaction manifestly and grossly disadvantageous to the same, whether or not the public officer profited or will profit thereby, and similar acts as provided in Republic Act 3019.

(ii) "fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of the Procuring Entity, and includes collusive practices among Bidders (prior to or after bid submission) designed to establish bid prices at artificial, non-competitive levels and to deprive the Procuring Entity of the benefits of free and open competition.

(iii) "collusive practices" means a scheme or arrangement between two or more Bidders, with or without the knowledge of the Procuring Entity, designed to establish bid prices at artificial, non-competitive levels.

(iv) "coercive practices" means harming or threatening to harm, directly or indirectly, persons, or their property to influence their participation in a procurement process, or affect the execution of a contract;

(v) "obstructive practice" is

(aa) deliberately destroying, falsifying, altering or concealing of evidence material to an administrative proceedings or investigation or making false statements to investigators in order to materially impede an administrative proceedings or investigation of the Procuring Entity or any foreign government/foreign or international financing institution into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the administrative proceedings or investigation or from pursuing such proceedings or investigation; or

(bb) acts intended to materially impede the exercise of the inspection and audit rights of the Procuring Entity or any foreign government/foreign or international financing institution herein.

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(b) will reject a proposal for award if it determines that the Bidder recommended for award has engaged in any of the practices mentioned in this Clause for purposes of competing for the contract.

2.2. Further the Funding Source, Borrower or Procuring Entity, as appropriate, will seek to impose the maximum civil, administrative and/or criminal penalties available under the applicable law on individuals and organizations deemed to be involved with any of the practices mentioned in GCC Clause 2.1(a).

3. **Inspection and Audit by the Funding Source**

The Supplier shall permit the Funding Source to inspect the Supplier's accounts and records relating to the performance of the Supplier and to have them audited by auditors appointed by the Funding Source, if so required by the Funding Source.

4. **Governing Law and Language**

4.1. This Contract shall be interpreted in accordance with the laws of the Republic of the Philippines.

4.2. This Contract has been executed in the English language, which shall be the binding and controlling language for all matters relating to the meaning or interpretation of this Contract. All correspondence and other documents pertaining to this Contract exchanged by the parties shall be written in English.

5. **Notices**

5.1. Any notice, request, or consent required or permitted to be given or made pursuant to this Contract shall be in writing. Any such notice, request, or consent shall be deemed to have been given or made when received by the concerned party, either in person or through an authorized representative of the Party to whom the communication is addressed, or when sent by registered mail, telex, telegram, or facsimile to such Party at the address specified in the SCC, which shall be effective when delivered and duly received or on the notice's effective date, whichever is later.

5.2. A Party may change its address for notice hereunder by giving the other Party notice of such change pursuant to the provisions listed in the SCC for GCC Clause 5.1.

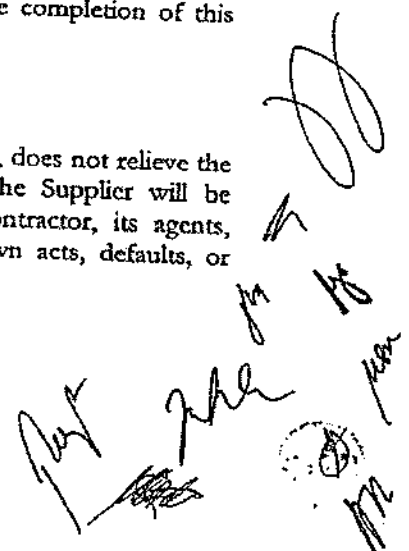
6. **Scope of Contract**

6.1. The GOODS and Related Services to be provided shall be as specified in Section VI. Schedule of Requirements.

6.2. This Contract shall include all such items, although not specifically mentioned, that can be reasonably inferred as being required for its completion as if such items were expressly mentioned herein. Any additional requirements for the completion of this Contract shall be provided in the SCC.

7. **Subcontracting**

7.1. Subcontracting of any portion of the Goods, if allowed in the BDS, does not relieve the Supplier of any liability or obligation under this Contract. The Supplier will be responsible for the acts, defaults, and negligence of any subcontractor, its agents, servants or workmen as fully as if these were the Supplier's own acts, defaults, or negligence, or those of its agents, servants or workmen.



7.2. Subcontractors disclosed and identified during the bidding may be changed during the implementation of this Contract, subject to compliance with the required qualifications and the approval of the Procuring Entity.

**8. Procuring Entity's Responsibilities**

8.1. Whenever the performance of the obligations in this Contract requires that the Supplier obtain permits, approvals, import, and other licenses from local public authorities, the Procuring Entity shall, if so needed by the Supplier, make its best effort to assist the Supplier in complying with such requirements in a timely and expeditious manner.

8.2. The Procuring Entity shall pay all costs involved in the performance of its responsibilities in accordance with GCC Clause 6.

**9. Prices**

9.1. For the given scope of work in this Contract as awarded, all bid prices are considered fixed prices, and therefore not subject to price escalation during contract implementation, except under extraordinary circumstances and upon prior approval of the GPPB in accordance with Section 61 of R.A. 9184 and its IRR or except as provided in this Clause.

9.2. Prices charged by the Supplier for Goods delivered and/or services performed under this Contract shall not vary from the prices quoted by the Supplier in its bid, with the exception of any change in price resulting from a Change Order issued in accordance with GCC Clause 29.

**10. Payment**

10.1. Payments shall be made only upon a certification by the Head of the Procuring Entity to the effect that the Goods have been rendered or delivered in accordance with the terms of this Contract and have been duly inspected and accepted. Except with the prior approval of the President no payment shall be made for services not yet rendered or for supplies and materials not yet delivered under this Contract. Ten percent (10%) of the amount of each payment shall be retained by the Procuring Entity to cover the Supplier's warranty obligations under this Contract as described in GCC Clause 17.

10.2. The Supplier's request(s) for payment shall be made to the Procuring Entity in writing, accompanied by an invoice describing, as appropriate, the Goods delivered and/or Services performed, and by documents submitted pursuant to the SCC provision for GCC Clause 6.2, and upon fulfillment of other obligations stipulated in this Contract.

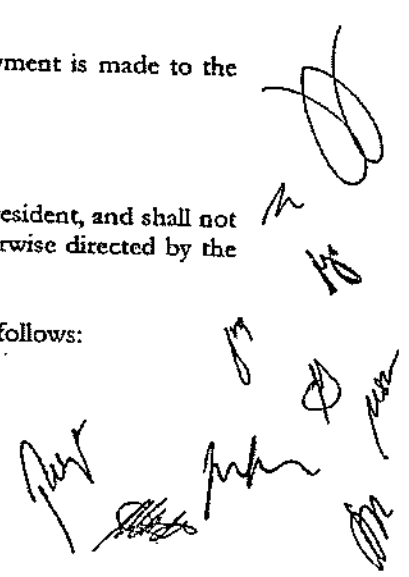
10.3. Pursuant to GCC Clause 10.2, payments shall be made promptly by the Procuring Entity, but in no case later than sixty (60) days after submission of an invoice or claim by the Supplier.

10.4. Unless otherwise provided in the SCC, the currency in which payment is made to the Supplier under this Contract shall be in Philippine Pesos.

**11. Advance Payment and Terms of Payment**

11.1. Advance payment shall be made only after prior approval of the President, and shall not exceed fifteen percent (15%) of the Contract amount, unless otherwise directed by the President or in cases allowed under Annex "D" of RA 9184.

11.2. For Goods supplied from abroad, the terms of payment shall be as follows:



- (a) On Contract Signature: Fifteen percent (15%) of the Contract Price shall be paid within sixty (60) days from signing of the Contract and upon submission of a claim and a bank guarantee for the equivalent amount valid until the Goods are delivered and in the form provided in Section VIII. Bidding Forms.
- (b) On Delivery: Sixty Five percent (65%) of the Contract Price shall be paid to the Supplier within sixty (60) days after the date of receipt of the Goods and upon submission of the documents (i) through (vi) specified in the SCC provision on Delivery and Documents.
- (c) On Acceptance: The remaining twenty percent (20%) of the Contract Price shall be paid to the Supplier within sixty (60) days after the date of submission of the acceptance and inspection certificate for the respective delivery issued by the Procuring Entity's authorized representative. In the event that no inspection or acceptance certificate is issued by the Procuring Entity's authorized representative within forty five (45) days of the date shown on the delivery receipt the Supplier shall have the right to claim payment of the remaining twenty percent (20%) subject to the Procuring Entity's own verification of the reason(s) for the failure to issue documents (vii) and (viii) as described in the SCC provision on Delivery and Documents.

11.3. All progress payments shall first be charged against the advance payment until the latter has been fully exhausted.

12. Taxes and Duties

The Supplier, whether local or foreign, shall be entirely responsible for all the necessary taxes, stamp duties, license fees, and other such levies imposed for the completion of this Contract.

13. Performance Security

13.1. Within ten (10) calendar days from receipt of the Notice of Award from the Procuring Entity but in no case later than the signing of the contract by both parties, the successful Bidder shall furnish the performance security in any the forms prescribed in the ITB Clause 33.2.

13.2. The performance security posted in favor of the Procuring Entity shall be forfeited in the event it is established that the winning bidder is in default in any of its obligations under the contract.

13.3. The performance security shall remain valid until issuance by the Procuring Entity of the Certificate of Final Acceptance.

13.4. The performance security may be released by the Procuring Entity and returned to the Supplier after the issuance of the Certificate of Final Acceptance subject to the following conditions:

- (a) There are no pending claims against the Supplier or the surety company filed by the Procuring Entity;
- (b) The Supplier has no pending claims for labor and materials filed against it; and
- (c) Other terms specified in the SCC.

13.5. In case of a reduction of the contract value, the Procuring Entity shall allow a proportional reduction in the original performance security, provided that any such



reduction is more than ten percent (10%) and that the aggregate of such reductions is not more than fifty percent (50%) of the original performance security.

**14. Use of Contract Documents and Information**

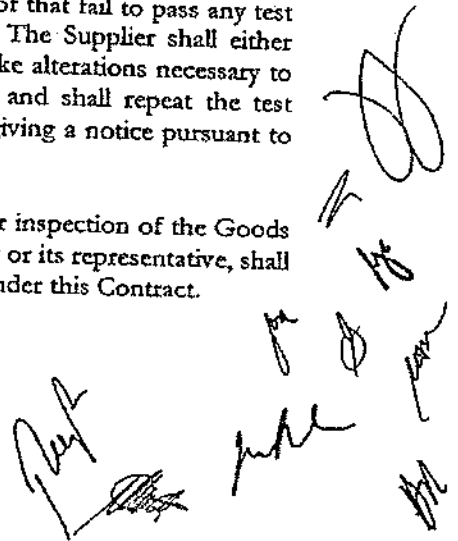
- 14.1. The Supplier shall not, except for purposes of performing the obligations in this Contract, without the Procuring Entity's prior written consent, disclose this Contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the Procuring Entity. Any such disclosure shall be made in confidence and shall extend only as far as may be necessary for purposes of such performance.
- 14.2. Any document, other than this Contract itself, enumerated in GCC Clause 14.1 shall remain the property of the Procuring Entity and shall be returned (all copies) to the Procuring Entity on completion of the Supplier's performance under this Contract if so required by the Procuring Entity.

**15. Standards**

The Goods provided under this Contract shall conform to the standards mentioned in the Section VII. Technical Specifications; and, when no applicable standard is mentioned, to the authoritative standards appropriate to the Goods' country of origin. Such standards shall be the latest issued by the institution concerned.

**16. Inspection and Tests**

- 16.1. The Procuring Entity or its representative shall have the right to inspect and/or to test the Goods to confirm their conformity to the Contract specifications at no extra cost to the Procuring Entity. The SCC and Section VII. Technical Specifications shall specify what inspections and/or tests the Procuring Entity requires and where they are to be conducted. The Procuring Entity shall notify the Supplier in writing, in a timely manner, of the identity of any representatives retained for these purposes.
- 16.2. If applicable, the inspections and tests may be conducted on the premises of the Supplier or its subcontractor(s), at point of delivery, and/or at the goods' final destination. If conducted on the premises of the Supplier or its subcontractor(s), all reasonable facilities and assistance, including access to drawings and production data, shall be furnished to the inspectors at no charge to the Procuring Entity. The Supplier shall provide the Procuring Entity with results of such inspections and tests.
- 16.3. The Procuring Entity or its designated representative shall be entitled to attend the tests and/or inspections referred to in this Clause provided that the Procuring Entity shall bear all of its own costs and expenses incurred in connection with such attendance including, but not limited to, all traveling and board and lodging expenses.
- 16.4. The Procuring Entity may reject any Goods or any part thereof that fail to pass any test and/or inspection or do not conform to the specifications. The Supplier shall either rectify or replace such rejected Goods or parts thereof or make alterations necessary to meet the specifications at no cost to the Procuring Entity, and shall repeat the test and/or inspection, at no cost to the Procuring Entity, upon giving a notice pursuant to GCC Clause 5.
- 16.5. The Supplier agrees that neither the execution of a test and/or inspection of the Goods or any part thereof, nor the attendance by the Procuring Entity or its representative, shall release the Supplier from any warranties or other obligations under this Contract.



17. Warranty

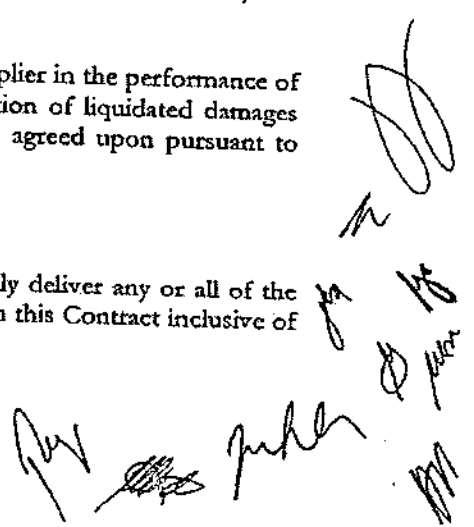
- 17.1. The Supplier warrants that the Goods supplied under the Contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials, except when the technical specifications required by the Procuring Entity provides otherwise.
- 17.2. The Supplier further warrants that all Goods supplied under this Contract shall have no defect, arising from design, materials, or workmanship or from any act or omission of the Supplier that may develop under normal use of the supplied Goods in the conditions prevailing in the country of final destination.
- 17.3. In order to assure that manufacturing defects shall be corrected by the Supplier, a warranty shall be required from the Supplier for a minimum period specified in the SCC. The obligation for the warranty shall be covered by, at the Supplier's option, either retention money in an amount equivalent to at least ten percent (10%) of the final payment, or a special bank guarantee equivalent to at least ten percent (10%) of the Contract Price or other such amount if so specified in the SCC. The said amounts shall only be released after the lapse of the warranty period specified in the SCC; provided, however, that the Supplies delivered are free from patent and latent defects and all the conditions imposed under this Contract have been fully met.
- 17.4. The Procuring Entity shall promptly notify the Supplier in writing of any claims arising under this warranty. Upon receipt of such notice, the Supplier shall, within the period specified in the SCC and with all reasonable speed, repair or replace the defective Goods or parts thereof, without cost to the Procuring Entity.
- 17.5. If the Supplier, having been notified, fails to remedy the defect(s) within the period specified in GCC Clause 17.4, the Procuring Entity may proceed to take such remedial action as may be necessary, at the Supplier's risk and expense and without prejudice to any other rights which the Procuring Entity may have against the Supplier under the Contract and under the applicable law.

18. Delays in the Supplier's Performance

- 18.1. Delivery of the Goods and/or performance of Services shall be made by the Supplier in accordance with the time schedule prescribed by the Procuring Entity in Section VI. Schedule of Requirements.
- 18.2. If at any time during the performance of this Contract, the Supplier or its Subcontractor(s) should encounter conditions impeding timely delivery of the Goods and/or performance of Services, the Supplier shall promptly notify the Procuring Entity in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the Supplier's notice, and upon causes provided for under GCC Clause 22, the Procuring Entity shall evaluate the situation and may extend the Supplier's time for performance, in which case the extension shall be ratified by the parties by amendment of Contract.
- 18.3. Except as provided under GCC Clause 22, a delay by the Supplier in the performance of its obligations shall render the Supplier liable to the imposition of liquidated damages pursuant to GCC Clause 19, unless an extension of time is agreed upon pursuant to GCC Clause 29 without the application of liquidated damages.

19. Liquidated Damages

Subject to GCC Clauses 18 and 22, if the Supplier fails to satisfactorily deliver any or all of the Goods and/or to perform the Services within the period(s) specified in this Contract inclusive of



duly granted time extensions if any, the Procuring Entity shall, without prejudice to its other remedies under this Contract and under the applicable law, deduct from the Contract Price, as liquidated damages, the applicable rate of one tenth (1/10) of one (1) percent of the cost of the unperformed portion for every day of delay until actual delivery or performance. The maximum deduction shall be ten percent (10%) of the amount of contract. Once the maximum is reached, the Procuring Entity shall rescind the Contract pursuant to GCC Clause 23, without prejudice to other courses of action and remedies open to it.

20. Settlement of Disputes

- 20.1. If any dispute or difference of any kind whatsoever shall arise between the Procuring Entity and the Supplier in connection with or arising out of this Contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.
- 20.2. If after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the Procuring Entity or the Supplier may give notice to the other party of its intention to commence arbitration, as hereinafter provided, as to the matter in dispute, and no arbitration in respect of this matter may be commenced unless such notice is given.
- 20.3. Any dispute or difference in respect of which a notice of intention to commence arbitration has been given in accordance with this Clause shall be settled by arbitration. Arbitration may be commenced prior to or after delivery of the Goods under this Contract.
- 20.4. In the case of a dispute between the Procuring Entity and the Supplier, the dispute shall be resolved in accordance with Republic Act 9285 ("R.A. 9285"), otherwise known as the "Alternative Dispute Resolution Act of 2004."
- 20.5. Notwithstanding any reference to arbitration herein, the parties shall continue to perform their respective obligations under the Contract unless they otherwise agree; and the Procuring Entity shall pay the Supplier any monies due the Supplier.

21. Liability of the Supplier

- 21.1. The Supplier's liability under this Contract shall be as provided by the laws of the Republic of the Philippines, subject to additional provisions, if any, set forth in the SCC.
- 21.2. Except in cases of criminal negligence or willful misconduct, and in the case of infringement of patent rights, if applicable, the aggregate liability of the Supplier to the Procuring Entity shall not exceed the total Contract Price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.

22. Force Majeure

- 22.1. The Supplier shall not be liable for forfeiture of its performance security, liquidated damages, or termination for default if and to the extent that the Supplier's delay in performance or other failure to perform its obligations under the Contract is the result of a *force majeure*.
- 22.2. For purposes of this Contract the terms "*force majeure*" and "fortuitous event" may be used interchangeably. In this regard, a fortuitous event or *force majeure* shall be interpreted to mean an event which the Contractor could not have foreseen, or which though foreseen, was inevitable. It shall not include ordinary unfavorable weather conditions; and any other cause the effects of which could have been avoided with the exercise of reasonable diligence by the Contractor. Such events may include, but not

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limited to, acts of the Procuring Entity in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions, and freight embargoes.

22.3. If a *force majeure* situation arises, the Supplier shall promptly notify the Procuring Entity in writing of such condition and the cause thereof. Unless otherwise directed by the Procuring Entity in writing, the Supplier shall continue to perform its obligations under the Contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the *force majeure*.

### 23. Termination for Default

23.1. The Procuring Entity shall terminate this Contract for default when any of the following conditions attends its implementation:

(a) Outside of *force majeure*, the Supplier fails to deliver or perform any or all of the Goods within the period(s) specified in the contract, or within any extension thereof granted by the Procuring Entity pursuant to a request made by the Supplier prior to the delay, and such failure amounts to at least ten percent (10%) of the contract price;

(b) As a result of *force majeure*, the Supplier is unable to deliver or perform any or all of the Goods, amounting to at least ten percent (10%) of the contract price, for a period of not less than sixty (60) calendar days after receipt of the notice from the Procuring Entity stating that the circumstance of *force majeure* is deemed to have ceased; or

(c) The Supplier fails to perform any other obligation under the Contract.

23.2. In the event the Procuring Entity terminates this Contract in whole or in part, for any of the reasons provided under GCC Clauses 23 to 26, the Procuring Entity may procure, upon such terms and in such manner as it deems appropriate, Goods or Services similar to those undelivered, and the Supplier shall be liable to the Procuring Entity for any excess costs for such similar Goods or Services. However, the Supplier shall continue performance of this Contract to the extent not terminated.

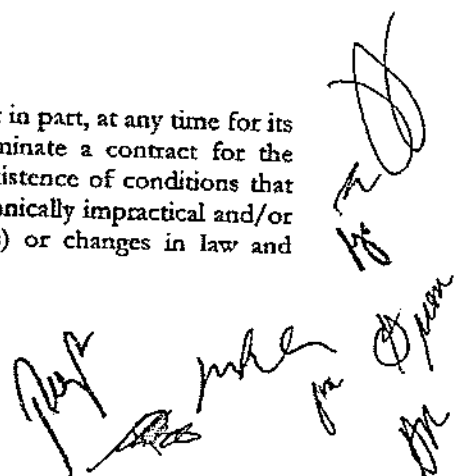
23.3. In case the delay in the delivery of the Goods and/or performance of the Services exceeds a time duration equivalent to ten percent (10%) of the specified contract time plus any time extension duly granted to the Supplier, the Procuring Entity may terminate this Contract, forfeit the Supplier's performance security and award the same to a qualified Supplier.

### 24. Termination for Insolvency

The Procuring Entity shall terminate this Contract if the Supplier is declared bankrupt or insolvent as determined with finality by a court of competent jurisdiction. In this event, termination will be without compensation to the Supplier, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the Procuring Entity and/or the Supplier.

### 25. Termination for Convenience

25.1. The Procuring Entity may terminate this Contract, in whole or in part, at any time for its convenience. The Head of the Procuring Entity may terminate a contract for the convenience of the Government if he has determined the existence of conditions that make Project Implementation economically, financially or technically impractical and/or unnecessary, such as, but not limited to, fortuitous event(s) or changes in law and national government policies.



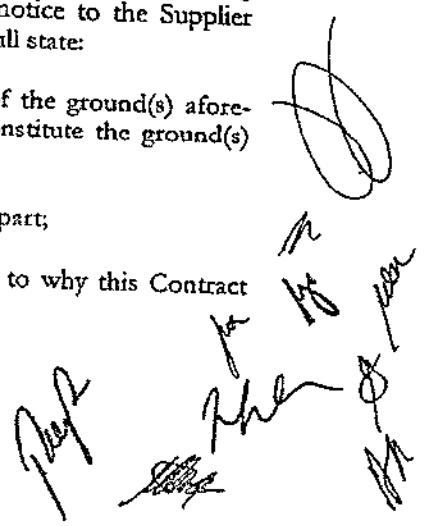
- 25.2. The Goods that have been delivered and/or performed or are ready for delivery or performance within thirty (30) calendar days after the Supplier's receipt of Notice to Terminate shall be accepted by the Procuring Entity at the contract terms and prices. For Goods not yet performed and/or ready for delivery, the Procuring Entity may elect:
- (a) to have any portion delivered and/or performed and paid at the contract terms and prices; and/or
  - (b) to cancel the remainder and pay to the Supplier an agreed amount for partially completed and/or performed goods and for materials and parts previously procured by the Supplier.
- 25.3. If the Supplier suffers loss in its initial performance of the terminated contract, such as purchase of raw materials for goods specially manufactured for the Procuring Entity which cannot be sold in open market, it shall be allowed to recover partially from this Contract, on a *quantum meruit* basis. Before recovery may be made, the fact of loss must be established under oath by the Supplier to the satisfaction of the Procuring Entity before recovery may be made.

26. **Termination for Unlawful Acts**

- 26.1. The Procuring Entity may terminate this Contract in case it is determined *prima facie* that the Supplier has engaged, before or during the implementation of this Contract, in unlawful deeds and behaviors relative to contract acquisition and implementation. Unlawful acts include, but are not limited to, the following:
- (a) Corrupt, fraudulent, and coercive practices as defined in ITB Clause 3.1(a);
  - (b) Drawing up or using forged documents;
  - (c) Using adulterated materials, means or methods, or engaging in production contrary to rules of science or the trade; and
  - (d) Any other act analogous to the foregoing.

27. **Procedures for Termination of Contracts**

- 27.1. The following provisions shall govern the procedures for termination of this Contract:
- (a) Upon receipt of a written report of acts or causes which may constitute ground(s) for termination as aforementioned, or upon its own initiative, the Implementing Unit shall, within a period of seven (7) calendar days, verify the existence of such ground(s) and cause the execution of a Verified Report, with all relevant evidence attached;
  - (b) Upon recommendation by the Implementing Unit, the Head of the Procuring Entity shall terminate this Contract only by a written notice to the Supplier conveying the termination of this Contract. The notice shall state:
    - (i) that this Contract is being terminated for any of the ground(s) aforementioned, and a statement of the acts that constitute the ground(s) constituting the same;
    - (ii) the extent of termination, whether in whole or in part;
    - (iii) an instruction to the Supplier to show cause as to why this Contract should not be terminated; and



- (iv) special instructions of the Procuring Entity, if any.
- (c) The Notice to Terminate shall be accompanied by a copy of the Verified Report;
- (d) Within a period of seven (7) calendar days from receipt of the Notice of Termination, the Supplier shall submit to the Head of the Procuring Entity a verified position paper stating why this Contract should not be terminated. If the Supplier fails to show cause after the lapse of the seven (7) day period, either by inaction or by default, the Head of the Procuring Entity shall issue an order terminating this Contract;
- (e) The Procuring Entity may, at any time before receipt of the Supplier's verified position paper described in item (d) above withdraw the Notice to Terminate if it is determined that certain items or works subject of the notice had been completed, delivered, or performed before the Supplier's receipt of the notice;
- (f) Within a non-extendible period of ten (10) calendar days from receipt of the verified position paper, the Head of the Procuring Entity shall decide whether or not to terminate this Contract. It shall serve a written notice to the Supplier of its decision and, unless otherwise provided, this Contract is deemed terminated from receipt of the Supplier of the notice of decision. The termination shall only be based on the ground(s) stated in the Notice to Terminate;
- (g) The Head of the Procuring Entity may create a Contract Termination Review Committee (CTRC) to assist him in the discharge of this function. All decisions recommended by the CTRC shall be subject to the approval of the Head of the Procuring Entity; and
- (h) The Supplier must serve a written notice to the Procuring Entity of its intention to terminate the contract at least thirty (30) calendar days before its intended termination. The Contract is deemed terminated if it is not resumed in thirty (30) calendar days after the receipt of such notice by the Procuring Entity.

**28. Assignment of Rights**

The Supplier shall not assign his rights or obligations under this Contract, in whole or in part, except with the Procuring Entity's prior written consent.

**29. Contract Amendment**

Subject to applicable laws, no variation in or modification of the terms of this Contract shall be made except by written amendment signed by the parties.

**30. Application**

These General Conditions shall apply to the extent that they are not superseded by provisions of other parts of this Contract.

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## Section V. Special Conditions of Contract

GCC Clause	
1.1(g)	The Procuring Entity is <i>Philippine Health Insurance Corporation (PhilHealth)</i> .
1.1(i)	The Supplier is <i>[to be inserted at the time of contract award]</i> .
1.1(j)	The Funding Source is: <b>PHILHEALTH CORPORATE OPERATING BUDGET (COB) FOR 2016: FORTY MILLION EIGHT HUNDRED THOUSAND PESOS (PHP40,800,000.00) for the BIDDING FOR THE PROCUREMENT OF ONE (1) LOT IT EQUIPMENT CO-LOCATION AND ISP FOR ONLINE SERVICES FOR TWO (2) YEARS.</b>
1.1(k)	The Project Site is at <i>PhilHealth Head Office Citystate Centre 709 Shaw Blvd., Brgy. Oranbo, Pasig City</i>
5.1	The Procuring Entity's address for Notices is: <b>SVP RUBEN JOHN A. BASA, Chairperson for BAC – Information Technology Resources, Room 1003, 10<sup>th</sup> Floor Citystate Centre, 709 Shaw Boulevard, Pasig City</b>
6.2	<p>Delivery of the Goods and Services shall be made by the Supplier in accordance with the terms specified in Section VI.</p> <p><b>Delivery and Documents –</b></p> <p>The Delivery terms of this Contract shall be as follows:</p> <p><b>One (1) Lot IT Equipment Co-Location and ISP for Online Services</b> shall be delivered to the PhilHealth 14th Floor Room 1406, Citystate Centre 709 Shaw Blvd., Brgy. Oranbo, Pasig City. Risk and title will pass from the Supplier to PhilHealth upon receipt and final acceptance of the Goods at their final destination.”</p> <p>Delivery of the Goods and Services shall be made by the Supplier in accordance with the terms specified in Section VI. Schedule of Requirements. The details of shipping and/or other documents to be furnished by the Supplier are as follows:</p> <p>Upon delivery of the Goods and Services to the Project Site, the Supplier shall notify PhilHealth and present the following documents to PhilHealth:</p> <ul style="list-style-type: none"> <li>(i) Original and four copies of the Supplier's invoice showing Goods' description, quantity, unit price, and total amount;</li> <li>(ii) Original and four copies delivery receipt/note, railway receipt, or truck receipt;</li> <li>(iii) Original Supplier's factory inspection report;</li> <li>(iv) Original and four copies of the Manufacturer's and/or Supplier's warranty certificate;</li> <li>(v) Original and four copies of the certificate of origin (for imported Goods);</li> <li>(vi) Delivery receipt detailing number and description of items received signed by the authorized receiving personnel;</li> <li>(vii) Certificate of Acceptance/Inspection Report signed by the Procuring Entity's representative at the Project Site; and</li> <li>(viii) Four copies of the Invoice Receipt for Property signed by the Procuring Entity's representative at the Project Site.</li> </ul> <p><b>Incidental Services –</b></p> <p>The Supplier is required to provide all of the following services, including additional services, if any, specified in Section VI. Schedule of Requirements:</p> <ul style="list-style-type: none"> <li>(a) performance or supervision of on-site assembly and/or start-up of the supplied Goods;</li> <li>(b) furnishing of tools required for assembly and/or maintenance of the supplied Goods;</li> <li>(c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied Goods;</li> <li>(d) performance or supervision or maintenance and/or repair of the supplied Goods,</li> </ul>

*[Handwritten signatures and initials]*

for a period of time agreed by the parties, provided that this service shall not relieve the Supplier of any warranty obligations under this Contract; and

The Contract price for the Goods shall include the prices charged by the Supplier for incidental services and shall not exceed the prevailing rates charged to other parties by the Supplier for similar services.

**Spare Parts -**

The Supplier is required to provide all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the Supplier:

The Supplier shall carry sufficient inventories to assure ex-stock supply of consumable spares for the Goods for a period of *three (3) years*.

**Packaging -**

The Winning Bidder shall provide such packaging of the Goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in this Contract. The packaging shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packaging case size and weights shall take into consideration, where appropriate, the remoteness of the GOODS' final destination and the absence of heavy handling facilities at all points in transit.

The packaging, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the Contract, including additional requirements, if any, specified below, and in any subsequent instructions ordered by the PhilHealth.

The outer packaging must be clearly marked on at least four (4) sides as follows:

- Name of the Procuring Entity
- Name of the Supplier
- Contract Description
- Final Destination
- Gross weight
- Any special lifting instructions
- Any special handling instructions
- Any relevant HAZCHEM classifications

A packaging list identifying the contents and quantities of the package is to be placed on an accessible point of the outer packaging if practical. If not practical the packaging list is to be placed inside the outer packaging but outside the secondary packaging.

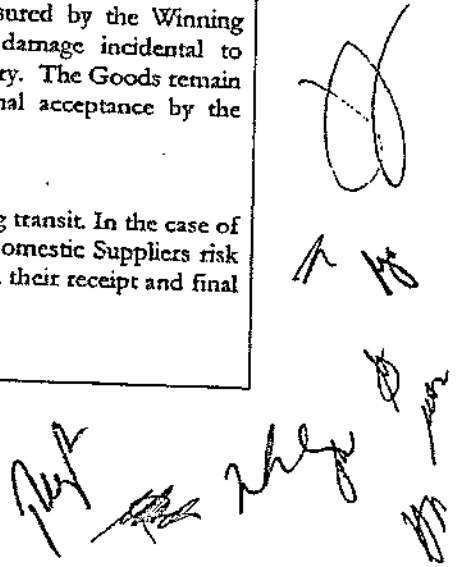
**Insurance -**

The Goods supplied under this Contract shall be fully insured by the Winning Bidder in a freely convertible currency against loss or damage incidental to manufacture or acquisition, transportation, storage, and delivery. The Goods remain at the risk and title of the Winning Bidder until their final acceptance by the PhilHealth.

**Transportation -**

PhilHealth accepts no liability for the damage of Goods during transit. In the case of Goods supplied from within the Philippines or supplied by domestic Suppliers risk and title will not be deemed to have passed to PhilHealth until their receipt and final acceptance at the final destination.

**Patent Rights -**





	The Winning Bidder shall indemnify the PhilHealth against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the Goods or any part thereof.
10.2	NO FURTHER INSTRUCTIONS
10.4	NO FURTHER INSTRUCTIONS
13.4(c)	NO FURTHER INSTRUCTIONS
16.1	<p>The bidders should be able to comply with the following:</p> <ul style="list-style-type: none"> <li>• The winning bidder should work in parallel with PHILHEALTH Information Technology Management Department (ITMD) during the installation, testing, and commissioning of the Project.</li> <li>• The bidders must ensure that the proposed <b>One (1) Lot IT Equipment Co-Location and ISP for Online Services</b> are compatible with the existing equipment of PHILHEALTH.</li> <li>• Intensive testing should be done by the winning bidder to achieve the functionality and benefits of the <b>One (1) Lot IT Equipment Co-Location and ISP for Online Services</b>.</li> </ul>
17.3	<ul style="list-style-type: none"> <li>• The maintenance period will be for a period of three (3) years.</li> <li>• All software/hardware should be covered by warranty on services, upgrades and updates on <b>One (1) Lot IT Equipment Co-Location and ISP for Online Services</b> within the maintenance period which shall commence upon acceptance of the delivered goods.</li> </ul>
17.4	<p>The period for correction of defects within the warranty period are:</p> <ul style="list-style-type: none"> <li>• The bidders should be able to provide expert personnel to service the <b>One (1) Lot IT Equipment Co-Location and ISP for Online Services</b> whenever problems should occur.</li> <li>• The winning bidder should provide a 24x7 phone and technical support to PhilHealth within the warranty period.</li> <li>• Expenses for the technical personnel who will provide the technical service on-site to PHILHEALTH shall be at the expense of the winning bidder.</li> </ul>
21.1	NO ADDITIONAL PROVISION


  
 A collection of handwritten signatures and initials in black ink, including a large signature at the top right, several smaller initials, and a signature at the bottom left.



**NOTICE OF AWARD**

**Contract Renewal for One (1) Lot IT Equipment Co-location  
 and ISP for Online Services for Two (2) Years**

Date Issued: APR 23 2020

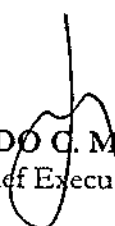
**MS. EVANGELINE E. AQUINO**  
 Unit Head  
**COMCLARK NETWORK AND  
 TECHNOLOGY CORPORATION**  
 Clark Freeport Zone Manuel A. Roxas St.  
 Angeles City, Pampanga

Dear Ms. Aquino:


We are pleased to notify you that the contract renewal for **One (1) Lot IT Equipment Co-location and ISP for Online Services for Two (2) Years** for the execution of the **Comclark Network and Technology Corporation** at the Contract Price equivalent to **Thirty Eight Million Four Hundred Thousand Pesos (PhP38,400,000.00)** is hereby accepted.

You are hereby required to provide within ten (10) calendar days the **performance security** in the form and amount stipulated in the Bid Documents of the said procurement. Failure to provide the performance security shall constitute sufficient ground for cancellation of the award and forfeiture of the bid security.

Very truly yours,

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

Conforme:

  
**MS. EVANGELINE E. AQUINO**  
 Unit Head  
**COMCLARK NETWORK AND  
 TECHNOLOGY CORPORATION**

Date: 4/23/2020





**BIDS AND AWARDS COMMITTEE FOR INFORMATION  
TECHNOLOGY RESOURCES (BAC-ITR) RESOLUTION NO. 12, S.  
2020**

***RESOLUTION RECOMMENDING THE RENEWAL OF CONTRACT FOR THE  
ONE (1) LOT IT EQUIPMENT CO-LOCATION AND ISP FOR ONLINE SERVICES  
FOR TWO (2) YEARS WITH COMCLARK NETWORK AND TECHNOLOGY  
CORPORATION***

BAC-ITR Resolution No. 56 s. 2019 approved a month-to-month extension of the existing contract for the Project “One (1) Lot IT Equipment Co-Location and ISP for Online Services for Two (2) Years” with Comclark Network and Technology Corporation which will expire on 30 March 2020 until the procurement for said Project is implemented but, shall not exceed six months;

The Information Technology Management Department (ITMD) requested for facilitation of the procurement of One (1) Lot IT Equipment Co-location and ISP for Online Services for Two (2) Years via Competitive Bidding with an Approved Budget for the Contract (ABC) of Forty Three Million Six Hundred Thirty Two Thousand Pesos (PhP43,632,000.00) which has increased due to the necessary expansion given the growing demand of the IT resources in accordance with the new policy requirements and with the implementation of the Universal Health Care (UHC). The expanded IT Equipment Co-Location Project comprises the following requirements:

- a. Twenty-two square meter caged space with 150-A power allocation;
- b. Two x 2 Gbps leased lines; and
- c. Two x 800 Mbps dedicated internet service.

The procurement activities were conducted accordingly based on the procurement timelines. However, due to the adoption of the Cash Budgeting System (CBS) pursuant to Pursuant to Executive Order No. 91 issued 9 September 2019 “Adopting the Cash Budgeting System Beginning Fiscal Year 2019 and for other purposes”, proceeding with the on-going procurement became no longer feasible since its appropriation was not obligated;

In the BAC-ITR Meeting held on 26 March 2020, Chief Information Officer, SVP Jovita A. Aragona informed that Committee that due to the new directive on the CBS and while the proposed ICT Projects for CY 2020 are yet to be approved, the PhilHealth Board approved a Supplemental Budget for the important and urgent ICT Projects. She likewise appraised the BAC-ITR that due to urgency of the Co-location Project, they requested for the renewal of the existing contract with Comclark Network and Technologies, Inc. utilizing the supplemental budget;

The ITMD further explained that based on the cost-benefit analysis they have conducted, the renewal of the Co-Location project is more advantageous to the Corporation based on the following considerations:

1. Comclark Network and Technology Corporation’s services is excellent;
2. Comclark Network and Technology Corporation ’s proposal has increased the collocated space from 16sqm to 22sqm;
3. The current bandwidth of 2 x 1Gbps has increased to 2 x2Gbps leased line services;
4. Internet bandwidth increased from 200Mbps to 800Mbps; and



5. Based on the canvass, Comclark Network and Technology Corporation is offering the service amounting to Thirty-Eight Million Four Hundred Thousand Pesos (PhP38,400,000.00) for two (2) years while other providers Globe and ePLDT are offering it as a much higher price.
6. As previously experienced where the proposal of the bidder is higher compared to the proposal when the project is renewed, conduct of public bidding as procurement mode for this project may be disadvantageous to the Corporation. Page | 2

Moreover, the ITMD stated that aside from the cost advantages being offered by the current provider, moving from primary to another datacenter site shall exposed the Corporation to high risk of downtime and possible data loss due to the following:

1. Moving all critical equipment will incur minimum of 2 days and another 3 days for configuration and testing. During this time, nationwide operation is halted;
2. Lead time of at least 1 month to relocate the existing leased lines and internet connections;
3. Possible disk failure may occur during transportation due to sensitivity of these peripherals to vibrations. If the database is in the affected disks, data error will be experienced and need to be restored from the latest backup. Longer downtime may occur because of the restoration process; and
4. Transportation, insurance and other liability costs shall also be charged to the Corporation when moving the IT Equipment to another datacenter site.

Considering the foregoing and taking into account that the IT Equipment and Co-Location and ISP for Online Services comprises the primary databases of the Corporation and entering into a new contract will be more expensive taking into consideration the costs of transfer, the BAC-ITR recommended the renewal of the contract provided that a cost-benefit analysis is conducted by the End-user.

The BAC-ITR further took into consideration Subsection 3.2.1.3 of Annex "A" of the Government Procurement Policy board (GPPB) Resolution No. 41-2017 (Approving the Amendments of the Guidelines on Procurement of Water, Electricity Telecommunications and Internet Service Providers) states that:

#### Section 3.2.1.3.

*"If results of said assessment or cost-benefit analysis, conducted by the end user, continue to favor the existing service provider, then the Head of the Procuring Entity may simply renew its services. If it does not, then the procuring entity should bid said services in accordance with Subsection 3.2.2 of these guidelines. For efficiency and economy, during the effectivity of the contract, or upon its renewal, the PE may consider the expansion or reduction of the services provided by the existing service provider subject to the need of the PE and the best way by which such need may be addressed and satisfied, subject to existing budgeting, accounting and auditing rules."*

Upon due evaluation and deliberation of the request submitted by the ITMD and upon further validation of the incidents and conditions specified in the above-mentioned subsection pertinent to the renewal of contract, the Committee agreed that said conditions have been complied with.

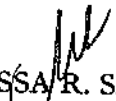
Thus, the BAC-ITR concurred to recommend the renewal of the contract for IT Equipment and Co-Location and ISP for Online Services for Two (2) Years in the amount of Thirty-Eight Million Four Hundred Thousand Pesos (PhP38,400,000.00) for Two (2) Years;

**PREMISES CONSIDERED**, the BAC-ITR **RESOLVED**, to **RECOMMEND** to the President and CEO the renewal of the contract for IT Equipment and Co-Location and ISP for Online Services for Two (2) Years with Comclark Network and Technology Corporation.



SO RESOLVED.

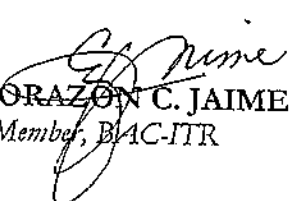
Signed this 26<sup>th</sup> day March 2020 at Pasig City.

  
SVP NERISSA R. SANTIAGO  
*Chairperson, BAC-ITR*

Page | 3

AVP ALFREDO B. PINEDA II  
*Vice-Chairperson, BAC-ITR*

SM EVANGELINE F. RACELIS  
*Member, BAC-ITR*

  
SM CORAZON C. JAIME  
*Member, BAC-ITR*

SM MARIO S. MATANGUIHAN  
*Member, BAC-ITR*

*Did not attend*  
SM ATTY. ERNESTO P. BARBADO, JR.  
*Member, BAC-ITR*

SM CALIXTO I. GABUYA, JR.  
*Member- End-user, BAC-ITR*

APPROVED  
 DISAPPROVED  
 Others \_\_\_\_\_

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

Date Signed: 4/16/2020

**RESOLUTION RECOMMENDING THE RENEWAL OF CONTRACT FOR THE ONE (1) LOT IT EQUIPMENT CO-LOCATION AND ISP FOR ONLINE SERVICES FOR TWO (2) YEARS WITH COMCLARK NETWORK AND TECHNOLOGY CORPORATION**





Republic of the Philippines  
**PHILIPPINE HEALTH INSURANCE CORPORATION**  
Citystate Centre, 709 Shaw Boulevard, Pasig City  
Call Center: (02) 8441-7442 | Trunkline: (02) 8441-7444  
www.philhealth.gov.ph



UNIVERSAL HEALTH CARE  
A COMMITMENT TO THE PEOPLE OF THE PHILIPPINES

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**CERTIFICATION**  
***(BIDS & AWARDS COMMITTEE FOR IT RESOURCES)***

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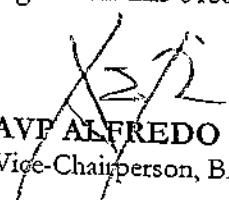
This is to certify that during the BAC-ITR Meeting held on 26<sup>th</sup> March 2010, the renewal of contract with ComClark Network & Technology Corporation for the One (1) Lot IT Equipment Co-Location and ISP for On-Line Services for Two (2) years was discussed and deliberated.

After thorough deliberation, the following BAC-ITR Resolution and recommendation was resolved and approved and is being recommended for consideration to the Office of the President & CEO as the Head of the Procuring Entity (HOPE):

***“PREMISES CONSIDERED, the BAC-ITR RESOLVED, to RECOMMEND to the President and CEO the renewal of the contract for IT Equipment and Co-Location and ISP for Online Services for Two (2) Years with Comclark Network and Technology Corporation”***

The undersigned certifies his/her participation in the above-mentioned BAC-ITR Meeting and confirms the attached BAC Resolution along with the recommendations contained therein.

Signed on this 01st day of April 2020, Quezon City, Philippines.

  
AVF ALFREDO B. PINEDA II  
Vice-Chairperson, BAC-ITR





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**CERTIFICATION**  
**(BIDS & AWARDS COMMITTEE FOR IT RESOURCES)**

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Signed on this 26th day of March 2020, Quezon City, Philippines.

  
SM EVANGELINE F. RACELIS  
Member, BAC-ITR





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**CERTIFICATION**  
*(BIDS & AWARDS COMMITTEE FOR IT RESOURCES)*

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Signed on this 26th day of March 2020, Quezon City, Philippines.

  
**SM MARIO S. MATANGUIHAN**  
 Member, BAC-ITR







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**(BIDS & AWARDS COMMITTEE FOR IT RESOURCES)**

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The undersigned certifies his/her participation in the above-mentioned BAC-ITR Meeting and confirms the attached BAC Resolution along with the recommendations contained therein.

Signed on this 26th day of March 2020, Quezon City, Philippines.

**ASM. CALISTO I. GABUYA JR.**  
 Member/Chairman, BAC-ITR





**IRREVOCABLE DOMESTIC STANDBY LETTER OF CREDIT  
NO. 02026520231406**

APRIL 27, 2020

**PHILIPPINE HEALTH INSURANCE CORPORATION**  
Citystate Center, 709,  
Shaw Boulevard, Pasig City,  
Metro Manila

Gentlemen:

We hereby issue our Irrevocable Domestic Standby Letter of Credit No. 02026520231406 in your favor ("Beneficiary"), at the request of and for the account of **COMCLARK NETWORK AND TECHNOLOGY CORPORATION** ("Accountee") with address at Pres. Manuel A. Roxas Ave., Clark Freeport Zone, Angeles City, Pampanga in the amount not exceeding **PHILIPPINE PESOS: ONE MILLION NINE HUNDRED TWENTY THOUSAND only (PHP 1,920,000.00)** as Performance Security for the Procurement of One (1) Lot IT Equipment Co-location and ISP for Online Services for Two (2) Years per Notice of Award dated April 23, 2020.

Drawings under this credit shall be made against presentation of the following:

1. Original copy of Domestic Standby Letter of Credit No. 02026520231406 and amendments, if any.
2. Your sight draft(s) drawn on ourselves and marked "Drawn without recourse under Bank of the Philippine Islands LC No. 02026520231406."
3. Beneficiary's statement signed by your authorized signatories certifying that the Accountee has defaulted in its obligation.

For identification purposes, above documents must be sent to us via the beneficiary's banker requesting them to confirm to us the authenticity of signatures on beneficiary's written certificate of default.

We hereby agree with the drawers, endorsers and bonafide holder of draft(s) drawn under and in compliance with the terms and conditions of this credit that the same shall be duly honored on due presentation, if drawn and negotiated at our counters at **TRADE & SUPPLY CHAIN OPS, DEPT. 3F BPI BUENDIA CENTER, 372 SEN. GIL PUYAT AVE., MAKATI CITY 1209 PHILIPPINES** on or before **3:00 PM Manila time of APRIL 30, 2021.**

This credit is subject to the Uniform Customs and Practice for Documentary Credits (2007 Rev) International Chamber of Commerce Publication No. 600.

  
**LEA C. INGATAN**  
Assistant Manager

  
**ANGELA ANNE L. ZAMAYLA**  
Assistant Manager

**BANK OF THE PHILIPPINE ISLANDS**  
3rd Floor Buendia Center Building, Senator Gil Puyat Avenue Brgy. Bel-Air, Makati City 1209



Republic of the Philippines  
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**CORPORATE ORDER**  
No. 2018-0026

**TO :** ALL PHILHEALTH OFFICES FROM CENTRAL AND REGIONAL OFFICES

**SUBJECT :** New Delegation and Signing Authority (DSA) in the Head Office and Regional Offices

**I. LEGAL BASIS AND RATIONALE**

The Delegation and Signing Authority (DSA) is provided herein taking into consideration the mandate of Republic Act (RA) No. 6713 or the Code of Conduct and Ethical Standards for Public Officials and Employees and other related laws and orders to minimize red tape and to facilitate action on official documents.

For greater efficiency, effectiveness and economy of transactions at different levels, this delegation and signing authority is granted to the respective heads of offices to act on administrative and financial matters not only in relation to their official functions but also as official signatory in behalf of the President and Chief Executive Officer (PCEO) being the Head of the Agency, as the case maybe.

In addition, with many amendments undertaken on said subject, this Corporate Order is issued in accordance with Office Order No. 0051-2014 entitled Quality Procedures on the Implementation of the PhilHealth Quality Management System (QMS).

**II. OBJECTIVES**

- A. To empower the officers to act on administrative and financial matters considered crucial to the efficient discharge of their duties;
- B. To instill accountability in the performance of official duty/transactions; and,
- C. To delegate or shift the balance of the work of the Head of the Agency on administrative tasks.

**III. SCOPE AND COVERAGE**

The scope of this corporate order shall cover delegation and signing authority related to budget, accounting, cash management, funding and investments, procurement, human resource management, physical resources and infrastructure management, legal documents, among others. This shall be applicable to offices under Head Office and all regional offices.

**IV. DEFINITION OF TERMS**

- A. **Head of Agency** – refers to the President and Chief Executive Officer (PCEO) of the Corporation or any officer assigned to the said position approved by the PhilHealth Board on temporary or as an Officer-in-Charge (OIC) capacity.

MASTER COPY  
DC: MJS Date: 4/25/18

PHILHEALTH BOARD

- B. **Head of Office** – refers to any third level (3<sup>rd</sup>) officer who is assigned to a particular Office either permanent, temporary or officer-in-charge capacity.
- C. **Permanent Official Station** – the office or regular place of work of the officer or employee concerned within a distance of 50 kilometer (km) radius where the employee / personnel regularly renders or performs assigned tasks.
- D. **Non-regulars** – refer to personnel with the nature of appointment either casual or contractual or contractor.

V. **GENERAL GUIDELINES**

PhilHealth officers and employees are bound to be directed by the following that shall serve as the general guidelines:

- A. Observe policies and procedure with diligent care, uphold the standards of protecting the integrity of PhilHealth, promote and preserve transparency of transactions at all times;
- B. Process all documents within a reasonable time in accordance with Republic Act (RA) No. 6713 otherwise known as the 'Code of Conduct and Ethical Standards for Public Officials and Employees' as well as the RA No. 9485 otherwise known as the Anti-Red Tape Act (ARTA) of 2007;
- C. Observe the compliance with other relevant laws, rules and statutory requirements having implications to delegation and signing authority such as but not limited to: 1) Republic Act (RA) No. 9184 or the Government Procurement Reform Act and its Amended Implementing Rules and Regulations (IRR); 2) Pertinent rules and regulations issued by Commission on Audit (COA); 3) Pertinent rules and regulations issued by Civil Service Commission (CSC); 4) among others.
- D. Implement this order in harmony with the pertinent provision enunciated under Office Order No. 0051-2014 entitled Quality Procedures on the Implementation of the PhilHealth Quality Management System (QMS);
- E. Observe protocol wherein all documents for approval of the Executive Vice President and Chief Operating Officer (EVP-COO) and / or the President and Chief Executive Officer (PCEO) must pass through proper channels;
- F. In the absence of the duly authorized signatory, the official next-in-rank or officer-in-charge or the person duly authorized shall sign for and in his / her behalf. The absence referred hereto would mean that the officer is on official leave and / or official business as manifested by an approved leave application or corporate personnel order, respectively;
- G. Clear all documents with financial implication from Comptrollership Department of Fund Management Sector (FMS) or its counterpart in the Region / Branch. The officer vested with authority shall ensure that the fund is within the approved Corporate Operating Budget (COB) and therefore accountable to it;
- H. For operational efficiency, the Head of the Fund Management Sector (FMS) is authorized to issue a separate Order on the signing delegation for financial transactions inherent to the functions of his/her office; and,

MASTER COPY  
 Date: 4/25/18  
 DC: *mps*

PhilHealth | Office of the PCEO

- I. On the other hand, for similar reason of operational efficiency, the Head of the Management Services Sector (MSS) is also authorized to issue a separate Order on the signing delegation for administrative transactions inherent to the functions of his/her office.

The Delegation and Signing Authority is prescribed in the attached Annex A of this corporate order.

#### VI. REPEALING CLAUSE

This Corporate Order shall hereby supersede Corporate Order No. 2017-0080 entitled Delegation of Signing Authority (DSA) in the Head Office and Regional Offices (Revision 3).

This corporate order shall also amend the pertinent provision on recommending and approving officer of the following office orders, as follows:

- A. Office Order No. 198, s.2001 entitled Revised Policies and Guidelines Governing the Rendition and Payment of Overtime Services;
- B. Office Order No. 0115-2012 entitled Cash Payment of Compensatory Time Off (CTO);
- C. Office Order No. 63, s.2008 entitled Guidelines on Monetization of Leave Credits; and,
- D. Office Order No. 80, s.2009 entitled Processing and Issuance of Employee Clearances.

#### VII. MISCELLANEOUS PROVISION

Further, previous issuances shall be harmonized with the pertinent provisions of this corporate order such as but not limited to:

- A. Office Order No. 0079-2014 entitled Procedures on Disposal Management of Unserviceable Properties, Supplies and Materials;
- B. Office Order No. 0067-2015 entitled Guidelines on the Designation of New Set of Authorized Signatories on Investments and other Related Treasury Matters; and,
- C. Special Order No. 1887 s.2007 entitled Reconstituting the PhilHealth Project Management Committee (PPMC) and its Technical and Administrative Support Staff (TASS) as well as Redefining its functions; and,
- D. Corporate Personnel Order No. 2017-0076 entitled Disposal Committee Composition - Head Office (Revision 1).

All other previous issuances shall be modified or revoked accordingly.

#### VIII. EFFECTIVITY

This Corporate Order shall take effect on MAY 2, 2018.

  
DR. CELESTINA MA. JUDE P. DE LA SERNA  
Interim President and CEO

Date Signed: 4/10/18

MASTER COPY  
DC: MJS Date: 4/25/18

RIX OF NEW DELEGATION AND SIGNING AUTHORITY IN THE HEAD OFFICE AND REGIONAL OFFICES ANNEX A

Particulars	Head Office		Regional Offices	
	Recommended by	Approved by	Recommended by	Approved by
7. Procurement Contracts				
2.7.1. General Contracts				
2.7.1.1. P3,000,000 and below	Head of Office / Committee Chairperson	PCEO	MSD Head	Regional Office Head
2.7.1.2. Above P3,000,000	Group / Sector Head, EVP-COO		Area Head and EVP-COO	PCEO
2.7.2. Purchase Orders (PO) / Job Orders (JO) / Agency Procurement Request (APR)	Head of Procurement Unit, Fiscal Controller	EMO of SBAC and Procurement Office	MSD Head	Regional Office Head
2.7.2.1. Abstract of Canvass (as supporting documents of PO and JO)	Head of Procurement Unit, SBAC	EMO of SBAC and Procurement Office	GSU Head	Administrative Officer IV (AO IV)
2.7.2.2. Amendment to Order / Variation Order in Infrastructure Projects subject to the following conditions: a. For PROs - amount should not exceed five percent (5%) of the contract price. Any excess thereof shall be approved by the PCEO b. Cumulative amount of Amendment to Order / Variation Order shall not exceed ten percent (10%) of the total contract price.				

WINSTON COPY  
 DC: M/S Date: 4/25/18

SECRETARY'S CERTIFICATE

I, **ELVIRA C. OQUENDO**, of legal age, Filipino, with address at the Reliance IT Center, 99 E. Rodriguez Jr. Avenue, Bo. Ugong, Pasig City, in my capacity as the Assistant Corporate Secretary of **COMCLARK NETWORK AND TECHNOLOGY CORP.** (the "Corporation"), a corporation incorporated under the laws of the Republic of the Philippines with principal office at Pres. Manuel Roxas Ave., Clark Special Economic Zone, Angeles City, Pampanga, after being duly sworn to and in accordance with law depose and state that:

1. At the meeting of the Board of Directors of the Corporation held on 30 April 2020, at which meeting a quorum was present and acting throughout, the following resolutions were unanimously approved and adopted:

**"RESOLVED**, that the Corporation hereby confirms and ratifies the authority of Ms. Evangeline E. Aquino as its duly authorized and designated representative, for purposes of negotiating the renewal by the Philippine Health Insurance Corporation of its contract with the Corporation for the provision of 'One (1) Lot IT Equipment Co-Location and ISP for Online Services for Two (2) Years' (the "Project"), with authority to sign, deliver, receive and receipt any and all documents that are required to be submitted for purposes of the negotiations and the renewal;

**"RESOLVED, FURTHER**, that the Corporation hereby confirms and ratifies the appointment and designation of *any one* of the following authorized representatives of the Corporation as its duly authorized and designated representatives, with full power and authority to execute, deliver, receive, and receipt for and on behalf of the Corporation, the renewal of the contract with the Philippine Health Insurance Corporation for the continuous provision by the Corporation of the aforementioned services:

Mr. Dennis Anthony H. Uy  
Mr. Jesus C. Romero  
Ms. Evangeline E. Aquino

**"RESOLVED, FURTHER**, that the Corporate Secretary and/or the Assistant Corporate Secretary of the Corporation be hereby authorized and empowered to sign, execute, deliver, receive and receipt, for and on behalf of the Corporation, any and all documents and instruments required to carry out the foregoing resolutions.

**"RESOLVED, FINALLY**, that any and all prior resolutions adopted by the Board of Directors shall be deemed superseded, revoked, amended or modified insofar as said resolutions are contrary to or in conflict with the foregoing resolutions."

2. The foregoing resolutions have not been revoked, amended, nor in any manner modified, and accordingly, the same may be relied upon until written notice to the contrary is issued by the Corporation.

PASIG CITY IN WITNESS WHEREOF, I have hereunto set my hands this JUN 05 2020 day of \_\_\_\_\_ 2020 at \_\_\_\_\_

JUN 05 2020  
*Elvira C. Oquendo*  
**ELVIRA C. OQUENDO**  
Assistant Corporate Secretary

SUBSCRIBED AND SWORN TO before me on \_\_\_\_\_ in PASIG CITY, Philippines, affiant who is personally known to me, exhibiting to me her Driver's License No. N02-89-104675 with expiry date on 24 May 2023.

Doc. No. 404 ;  
Page No. 83 ;  
Book No. PK ;  
Series of 2020.

*Joelito B. Consuecino*  
**ATTY. JOELITO B. CONSUECINO**  
Notary Public for  
Pasig, San Juan and Pateros  
Until December 31, 2020  
G/F Pasig City Hall, Brgy. San Nicolas, Pasig City  
ROLL NO. 31107 / 5-04-1981  
IDP NO. 118200 / 01-02-20  
PTR NO. 6247094 / 01-02-20  
MCLE NO. VI-0003015 valid until April 14, 2022  
TIN NO. 292-590-523  
APPOINTMENT NO. 53 (2019-2020)  
CONTACT NO. 0949-224-6131 / 0927-311-2426

SECRETARY'S CERTIFICATE

I, **ELVIRA C. OQUENDO**, of legal age, Filipino, with address at the Reliance IT Center, 99 E. Rodriguez Jr. Avenue, Bo. Ugong, Pasig City, in my capacity as the Assistant Corporate Secretary of **COMCLARK NETWORK AND TECHNOLOGY CORP.** (the "Corporation"), a corporation incorporated under the laws of the Republic of the Philippines with principal office at Pres. Manuel Roxas Ave., Clark Special Economic Zone, Clarkfield, Angeles City, Pampanga, after being duly sworn to and in accordance with law depose and state that:

1. At the meeting of the Board of Directors of the Corporation held on 30 April 2020, at which meeting a quorum was present and acting throughout, the following resolutions were unanimously approved and adopted:

**"RESOLVED**, that the Corporation hereby confirms and ratifies the authority of Ms. Evangeline E. Aquino as its duly authorized and designated representative, for purposes of negotiating the renewal by the Philippine Health Insurance Corporation of its contract with the Corporation for the provision of 'One (1) Lot IT Equipment Co-Location and ISP for Online Services for Two (2) Years' (the "Project"), with authority to sign, deliver, receive and receipt any and all documents that are required to be submitted for purposes of the negotiations and the renewal;

**"RESOLVED, FURTHER**, that the Corporation hereby confirms and ratifies the appointment and designation of *any one* of the following authorized representatives of the Corporation as its duly authorized and designated representatives, with full power and authority to execute, deliver, receive, and receipt for and on behalf of the Corporation, the renewal of the contract with the Philippine Health Insurance Corporation for the continuous provision by the Corporation of the aforementioned services:

- Mr. Dennis Anthony H. Uy
- Mr. Jesus C. Romero
- Ms. Evangeline E. Aquino

**"RESOLVED, FURTHER**, that the Corporate Secretary and/or the Assistant Corporate Secretary of the Corporation be hereby authorized and empowered to sign, execute, deliver, receive and receipt, for and on behalf of the Corporation, any and all documents and instruments required to carry out the foregoing resolutions.

**"RESOLVED, FINALLY**, that any and all prior resolutions adopted by the Board of Directors shall be deemed superseded, revoked, amended or modified insofar as said resolutions are contrary to or in conflict with the foregoing resolutions."

2. The foregoing resolutions have not been revoked, amended, nor in any manner modified, and accordingly, the same may be relied upon until written notice to the contrary is issued by the Corporation.

PASIG CITY IN WITNESS WHEREOF, I have hereunto set my hands this APRIL 05 2020 day of \_\_\_\_\_ 2020 at \_\_\_\_\_

APR 05 2020  
*[Signature]*  
**ELVIRA C. OQUENDO**  
Assistant Corporate Secretary

**SUBSCRIBED AND SWORN TO** before me on \_\_\_\_\_ in PASIG CITY, Philippines, affiant who is personally known to me, exhibiting to me her Driver's License No. N02-89-104675 with expiry date on 24 May 2023.

Doc. No. 407 :  
Page No. 83 :  
Book No. X :  
Series of 2020.

*[Signature]*  
**ATTY. JOYELLE C. OQUENDO**  
Notary Public for  
Pasig, San Juan and Paternos  
Until December 31, 2023  
G/F Pasig City Hall Bldg. San Nicolas, Pasig City  
ROLL NO. 34182 / 5-84-1981  
ID NO. N02-001-01-10  
PTR NO. 001-01-01-02-00  
MCLE NO. V00-001-01-001-0114, 2022  
EXPIRES 2026-02-28  
JSP IDENTIFICATION NO. 001-01-01-001-001  
CONTROL NO. 001-01-01-001-001-001-001