

CONTRACT OF LEASE OF REAL PROPERTY OF ADDITIONAL SPACE IN THE CENTRAL OFFICE

KNOW ALL MEN BY THESE PRESENTS:

This **CONTRACT** is made and entered into this 17 JUN 2021 day of _____, 2021, by and between:

PHILIPPINE HEALTH INSURANCE CORPORATION (PHILHEALTH), 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), **ATTY. DANTE A GIERRAN, CPA** hereinafter referred to as the "**LESSEE**" 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, copy attached hereto as "Annex D";

-and-

COLUMBIA ESTATE PROPERTIES, INCORPORATED, a private corporation duly registered, organized and existing under the laws of the Republic of the Philippines, with office address at Suite 171-172, 17th Floor Columbia Tower, Ortigas Avenue, Mandaluyong City represented herein by its President, **CHENG HAY S. CO**, hereinafter referred to as the "**LESSOR**" duly authorized for this purpose as evidenced by Columbia Secretary's Certificate, copy attached hereto as Annex "E";

WHEREAS, PHILHEALTH invited four (4) prospective Lessors to submit sealed price quotations for the Lease of Real Property for Additional Space in the Central Office in the amount of **Eight Million Eight Hundred Eighty Thousand Six Hundred Sixty Pesos (PhP8,880,660.00)** for one (1) year via Negotiated Procurement – Lease of Real Property and Venue;

WITNESSETH, That:

WHEREAS, on May 27, 2020, only Columbia Estate Properties, Inc. submitted a sealed price quotation and was declared as the Single Calculated Quotation;

WHEREAS, Columbia Estate Properties, Inc. which was rated in accordance with the technical specifications and the reasonableness of its price quotation in the amount of **Eight Million Eight Hundred Eighty Thousand Six Hundred Sixty Pesos (PhP8,880,660.00)** using Table of Rating Factors for Lease of Real of Property;

WHEREAS, upon determination of the responsiveness and reasonableness of the quotation, the BAC-GS recommends to the President and CEO the award of contract to Columbia Estate Properties, Inc. as the Single Calculated and Responsive Quotation pursuant to BAC-GS Resolution No. 09, s. 2020;

WHEREAS, PhilHealth subsequently issued the Notice of Award Columbia Estate Properties, Inc. which the latter accepted on July 14, 2020.

WHEREAS, the **LESSOR** is the true and lawful owner of certain floors of the **CITYSTATE CENTRE** more particularly described as follows, to wit:

Units in one single floor of the **CITYSTATE CENTRE** located at #709 Shaw Blvd., Oranbo, Pasig City with an aggregate net usable floor area of **ONE THOUSAND FOUR HUNDRED THIRTY SEVEN SQUARE METERS (1,437 sq.m)** more or less and exclusive use of parking slots equitable to the number of occupied units, herein after referred to as **"LEASED PREMISES."**

WHEREAS, the **LESSEE** desires to lease the above-mentioned **office space** for its corporate headquarters and the **LESSOR** is willing to offer the same to the **LESSEE** in the amount of **FIVE HUNDRED FIFTEEN PESOS (Php515.00)** per square meter exclusive of association dues;

WHEREAS, the **LESSOR** has agreed to provide the requirements under the terms and conditions set in the technical specifications.

WHEREAS, the following documents shall be deemed to form and be read and construed as part of this Agreement, viz:

- (a) Columbia's Price Quotation Sheet (**Annex "A"**);
- (b) Notice of Award (**Annex "B"**);
- (c) BAC-ITR Resolution No. 9, s. 2020 (**Annex "C"**);
- (d) Corporate Order No. 2018-0026 (**Annex "D"**); and
- (e) Columbia Secretary's Certificate (**Annex "E"**).

NOW, THEREFORE, for and in consideration of the foregoing premises, the parties hereto have agreed as they hereby agree to be bound under the following terms and conditions:

ARTICLE 1

DUTIES AND RESPONSIBILITIES OF THE LESSOR

Specifications:

1.1 LOCATION:

The location of the office spaces to be leased shall be within the present Office Building of PhilHealth located at 709 Shaw Blvd. Barangay Kapitolyo, Pasig City for easy accessibility and transactions of offices.

1.2 SPACE REQUIREMENTS:

The total office space requirement (rentable area) is at least One Thousand Four Hundred Thirty Seven square meters (1,437 sq.m).

Rentable Area refers to the total area of the real estate in square meters being occupied or to be occupied by the Lessee less the common area like lobby, stairway, elevator hall, common comfort room, machine room for air conditioner, and other areas of common use by the public or upper floor occupants. (GPPB, Implementing Guidelines for Lease of Privately-Owned Real Estate and Venue, Appendix B Item 1.1.4, GPPB Resolution No. 08-2009)

The **LESSEE** may alter or change the offices that will occupy the **LEASED PREMISES** without need of prior approval from the **LESSOR**.

1.2 **PARKING REQUIREMENT:**

The Lessor shall provide for free one (1) parking slot in every 100sq.m. of rentable space and fraction thereof or 15 parking slots for the exclusive use of LESSEE's service vehicles, employees, clients and visitors.

1.3 **BUILDING EQUIPMENT AND FACILITIES:**

Office building shall be structurally sound and made of reinforced concrete, structural steel or combination of both.

The Office Spaces must have the following:

1. Main meter and/or sub-meter for electrical and water supply exclusively for the use of PhilHealth.
2. Sufficient supply of water.
3. Fire protection system composed of pipe sprinkler system, fire alarm system, smoke detectors and fire exits.
4. Air-conditioning system providing comfort cooling and well balanced air distribution in the rooms.
5. Adequate electrical fixtures such as convenience outlets, switches and lighting fixtures which must all be in good working conditions.
6. Main Three (3) Phase electrical power supply with main circuit breaker which rating is sufficient to accommodate the minimum required total electrical load of the offices.
7. Electrical Main Distribution Panels (MDP) composed of suitable single-phase and three-phase power supply circuit breakers in every room. All electrical components shall meet the electrical load requirements of PhilHealth.
8. Communication lines or system.
9. Well ventilated separate Comfort Rooms (CRs) for Male & Female with working fixtures such as lavatory, hose bib and water closet in every floor.
10. Ceiling height shall not be less than 2.40 meters (8 feet), measured from the floor to the ceiling. And for building of more than one floor, the minimum ceiling height of the first floor shall not be less than 2.70 meters (9 feet) and 2.40 meters (8 feet) for the succeeding floors.

1.4 **I.T. REQUIREMENTS:**

The building must have the following:

1. Provision on the installation of horizontal and vertical network cabling (Structure Cabling).
2. Ceiling clearance of at least 0.30 meter clear space for the installation of horizontal cabling of data cables. And preferably, ceilings are made of removable/detachable acoustic boards for easy installation of cable trays, conduits and network cables.
3. With facility for cable entry (service entrance) for the possible installation of cables from telecommunications companies going to the RISER and Telecommunications Room/Server Room/IT Room.

1.5 **DOCUMENTARY REQUIREMENTS:**

1. Occupancy Permit
2. Latest Annual Inspection Permits/Certificates from LGU:
 - a. Fire Safety Inspection Certificate
 - b. Electrical Inspection Certificate
 - c. Mechanical Operation Certificate
3. Copy of As-built Plan.

1.6 **CONDITIONS:**

1. The Lessor shall apply pest control and rodent control on all the areas occupied by PhilHealth at least once every three (3) months.

ATTY. DANTE ALBERTAN, CPA
President and Chief Executive Officer
PhilHealth

1.7

Utilities

Each unit has its own water and electric meter. The **LESSEE** shall pay for the water and electric consumption registered on the meters pertaining to the **LEASED PREMISES**. The **LESSOR** shall also provide the following:

- **Telephone Facilities and other Utilities** – the phone facilities like lines and cables are provided for in the building by the **LESSOR**. Telephone applications, the telephone numbers, and the expense for all other particular on the telephone shall be for the sole account of the **LESSEE**. The **LESSEE** shall see to it that payments of all the utilities availed of are paid within a reasonable period.
- **Air-conditioning System** – the **LEASED PREMISES** are provided with a centralized ventilation air-conditioning system at the sole account and expense of the **LESSOR** in favor of the **LESSEE**. It is understood that the **LESSOR** shall endeavor to have the air-conditioning unit maintained at all times and upon notice of failure, shall immediately repair the air-conditioning system. General cleaning and monthly maintenance of the air-conditioning unit shall be for the sole account of the **LESSEE**. Major repairs or repairs for the said unit shall be for the account of the **LESSOR**.

CHEN HAYSON
President
Columbia Estate Properties, Inc.

Witness for
Columbia Estate Properties, Inc.

ATTY. ELI DINGA-B. SANTOS
Acting Executive Vice-President/
Chief Operating Officer (EVP/COO)
Concurrent SVP, Management Services Sector

1.8

Other than those responsibilities which the **LESSOR** shall be charged with, it is understood that the **LESSOR** shall see to it that the **LEASED PREMISES** are maintained in tenable condition and shall undertake the expenses for the general administration of the building, the upkeep and repair of the facilities and utilities if the same are required and occasioned by ordinary wear and tear. Any damage or injury caused these facilities by the **LESSEE** or any other personnel, agent or representative shall be repaired and restored by the **LESSEE** and for its account, without prejudice to other legal remedies available to the latter.

The **CityState Centre Condominium Corporation** shall be responsible in providing security for the building. The **LESSOR** shall not be responsible for any theft or robbery that may occur within the **LEASED PREMISES** or for any forcible entry into the **LEASED PREMISES** by robbers, except if such loss or damage is due to the **LESSOR's** employees, agents or representatives' negligence or fault. Provided, that the **LESSOR** shall assist in the recovery and/or reparation of such loss or losses and damage or injury from those prosecuted for such crimes. Provided, further that the **LESSEE** shall have the right to provide its own security personnel at its own expense to protect and guard its **LEASED PREMISES**, officers, employees, visitors and guests, and their property, valuables and belongings.

It is likewise understood that the **LESSOR** or **LESSEE** shall not be responsible for any damage or destruction to the **LEASED PREMISES** as occasioned by fire, concerted acts of man, natural calamities or act of God unless said party is guilty of delay, fraud or negligence, or in any manner contravening the tenor of this contract. In case the **LEASED PREMISES** are totally destroyed or are declared by proper authorities as unfit for occupancy, the **LESSOR** shall notify the **LESSEE** thereof and to advise the **LESSEE** of the termination of the lease agreement.

JUVY D. BALOLONG
Acting Senior Manager
Physical Resources and Infrastructure Dept.

LESSOR agrees to indemnify, defend and hold PHIC or its officers, directors, employees, agents or representatives harmless against and from any and all claims, losses damages and expenses by or on behalf of any person or entity arising from any breach or default on the part **LESSOR** or arising from any act, omission, or negligence, gross negligence or misconduct on the part of **LESSOR** or its officers, directors, employees agents or representative after the date of this Contract. Such indemnification shall include all reasonable costs, attorney's fees, expenses incurred in or about any such claim, action or proceeding in enforcing this Contract.

- 1.9 **Restoration** – in the event of any damage or destruction caused by occurrence of any of the events enumerated above and the **LEASED PREMISES** can still be the subject for restoration, the **LESSEE** shall notify the **LESSOR** within fifteen (15) days after the damage has occurred of its intentions to either rescind this contract or continue with the lease with the condition that the rentals for the **LEASED PREMISES** shall be suspended for the meantime or reduced proportionately and shall be allowed to run again as soon as the restoration is completed by the **LESSOR**, at its own expense, and the **LEASED PREMISES** are ready to be occupied once again.

ARTICLE 2

DUTIES AND RESPONSIBILITIES OF THE LESSEE

- 2.1. **Rental Payments** – the parties herein agreed that the rental payment of the **LEASED PREMISES** shall be: **SEVEN HUNDRED FORTY THOUSAND FIFTY FIVE PESOS (PhP740,055.00)** per month inclusive of VAT for one (1) year and all government required fees and taxes payable within the first ten (10) days of the following month, at the office of the **LESSOR** without the necessity of demand. The rental payment includes the exclusive use of parking slots. Payments shall be made on an actual occupancy.

The contract price for the first year for the lease of office space for PhilHealth Head Office is **Eight Million Eight Hundred Eighty Thousand Six Hundred Sixty Pesos Only (PhP8,880,660.00)** with an escalation of three percent (3%) on the second year and the succeeding two years.

- 2.2. **Deposit Payments** – upon signing of this Contract of Lease, the **LESSEE** shall pay the **LESSOR** the sum of **TWO MILLION TWO HUNDRED TWENTY THOUSAND ONE HUNDRED SIXTY FIVE PESOS ONLY (2,220,165.00)**, representing three (3) months security deposit for the faithful compliance of the **LESSEE** of the covenants hereof. Said deposit shall answer for any unpaid bills for electricity, telephone and water or for any damages to the **LEASED PREMISES** at the end of the term of the lease, natural wear and tear excepted if any. This security deposit shall be returned by the **LESSOR** to the **LESSEE**, without necessity of demand, within **sixty (60) calendar days** from the date of the termination of this Contract, less unpaid bills and other bills pertaining to damages, if there is any, there being no renewal of the contract of lease entered into by the parties. Said deposit shall not earn nor accrue any interest.

- 2.3. **Use of the Premises** – the **LEASED PREMISES** shall be used exclusively by the **LESSEE** for office purposes and shall not be converted to any other use without the prior written consent of the **LESSOR**.

Any violation of this condition shall give rise to the cancellation of the agreement without prejudice to the remedies available to the **LESSOR** and the corresponding right to claim for damages by the mere fact of the violation.

Cooking inside the premises is strictly prohibited. Provided, however, that an ordinary heating apparatus or contrivance for heating water (e.g., microwave ovens, coffee makers, etc.) are allowed; provided, further that the outlet used shall conform with the requirements of the authorities concerned.

- 2.4. **Alteration, Additions, Installation of Permanent Fixtures and Improvements** – the **LESSEE** shall not introduce any improvement or alteration in the **LEASED PREMISES** without prior notice to and written consent of the **LESSOR**. The restoration of the **LEASED PREMISES** to its original condition due to unauthorized improvement or alteration shall be at the expense of the **LESSEE**.

The installation of the additional electric, telephone and other utilities and/or facilities shall be with prior knowledge of the **LESSOR** and shall be for the account of the **LESSEE**, it being understood that the **LEASED PREMISES** have been provided with normal convenience to meet the minimum requirement for ordinary office space user.

No shade awnings, blinds or window guards shall be installed by the **LESSEE** outside of the area of the **LEASED PREMISES**. If such installations are necessary to enhance the comfort of the **LESSEE**, a written consent from the **LESSOR** shall be secured in order that the installation can be planned in a manner so as not to affect the aesthetic appearance of the building.

However, if the **LESSEE** makes, in good faith, useful improvements which are suitable to the use for which the lease is intended as indicated in the Contract, without altering the form or substance of the Leased Premises, the **LESSOR**, upon pre-termination by the **LESSEE** or the termination of the original or extended term of this Contract, shall pay the **LESSEE** one-half of the value of the improvements at that time. Should the **LESSOR** refuse to reimburse said amount, the **LESSEE** may remove the improvements, even though the Leased Premises may suffer damage thereby.

- 2.5. **Care of the LEASED PREMISES** – the **LESSEE** shall, at its expense maintain the **LEASED PREMISES** in clean and sanitary condition, free from noxious odors, disturbing noises, nuisances or any disturbances as shall affect the peace and quiet of the other occupants of the building nor in any manner, deface or injure any portion of the **LEASED PREMISES**. Ordinary painting or works of art may be hung within the walls of the building and the nail screws, attachments or abutment necessary for the same shall be removed prior to the expiration of this contract.

LESSEE shall provide itself with the necessary receptacles sufficient to contain wastes and paper refuse. A common garbage area shall be provided by the **LESSOR** for the use of all the occupants of the building.

No combustible and/or flammable, explosive materials, dynamites and/or harmful objects excluding normal office supplies shall be allowed entry into the building. Any violation of these prohibitions shall give rise to an action for the termination of this conduct without prejudice to any action for damages which the **LESSOR** may take by mere fact of the violation.

- 2.6. **Rules and Regulations** – the **LESSEE** shall secure on its own account all permits and licenses as may be required by the national, and/or city authorities in connection with its business. The **LESSEE** shall also indemnify and hold the **LESSOR** harmless from all actions, suits, damages and claims by whomsoever that may be brought or made by reason of non-observance or non-performance of **LESSEE** of its duties required by laws, ordinance, rules or regulations of the national and/or city government. The **LESSOR** reserves the right to make such rules and regulations as in the judgment of the **LESSOR** may, from time to time, be necessary for the safety and protection of the premises and its use, care sanitation, and for the purpose of good order among co-tenants.

- 2.7. **Transfer of Rights** – without the express written consent of the **LESSOR**, **LESSEE** is prohibited from directly or indirectly sub-leasing, selling, assigning, transferring, conveying, mortgaging or in any manner disposing of or encumbering its right under this Contract, in whole or in part: and no right, or interest thereto shall be conferred or vested in any one other than the **LESSEE** personally, and the **LESSEE** shall not enter directly, or indirectly

into any contract or agreement with any third party to occupy the **LEASED PREMISES** under any guise whatsoever, except if such is connected with its project or activity and that any such contract or agreement made in violation of this section shall be considered absolutely void *ab initio*.

- 2.8. **Delivery and Repairs** – the **LESSEE** accepts delivery of the entire commercial premises in good and tenantable condition and the **LESSEE** shall keep it in good state of conservation undertaking to conduct ordinary and minor repairs at its own expense. The **LESSEE** will not indulge in any refusal, failure, reduction or suspension of any monthly rental payment by reason of or pursuant to its pending request for necessary repairs in the **LEASED PREMISES** during the term of this lease unless such repair renders the unit or part thereof unusable for a period of five (5) days or more, in which case the corresponding rental payment shall be reduced proportionately with the period of such repair and the area so affected. It is understood that in case there is need for the **LESSEE** to undertake any repair at his sole expense pursuant to this paragraph, the **LESSEE** may not commence or proceed with any such repair work without the prior written consent of the **LESSOR**.
- 2.9. **LESSEE** may request in writing for an increase or decrease in office space under the same terms and conditions set forth in this contract provided that the total amount in the increase of space will not exceed ten percent (10%) of the total contract price.
- 2.10. **LESSEE** will not pay any amount in excess of the agreed contract price except when there is amendment to order which causes an increase in the cost of service. Provided that, the adjustment shall be applied on “no loss, no gain” basis.

ARTICLE 3

PAYMENT OF TAXES AND SUBMISSION OF CLEARANCE

- 3.1. **LESSOR** shall pay its taxes in full and on time. Upon failure to do so, **LESSEE** has the authority to suspend payment of the provided services.
- 3.2. **LESSOR** shall, within the duration of the contract, present to the **LESSEE** an updated tax clearance from the Collection Enforcement Division, Bureau of Internal Revenue (BIR) National Office as well as a copy of its income and business tax returns duly stamped and received by BIR and duly validated with the tax payments made thereon.

ARTICLE 4

GENERAL PROVISIONS

- 4.1. **LEASED PREMISES** excludes other portion of the building – the **LEASED PREMISES** delineation shall be considered strictly as the portion designated in this Contract and shall not include any other portion or portion of the building, except the parking areas designated and leased by the **LESSEE**. Provided, however, that the **LESSEE** shall have the exclusive rights and privileges to the use and utilization of the common areas such as lobbies and comfort rooms located at the **LEASED PREMISES**.
- 4.2. **Other Rights and Privileges of the LESSEE** – the **LESSEE** shall have the right and privileges to issue its own internal rules, procedures and regulations to govern the conduct of its business activities and operations towards its clients and the general public, in accordance with applicable rules and regulations issued by government authorities governing a government owned and controlled corporation and other government entities and in accordance with its charter and its implementing rules and regulations and such policies as may be issued by its Board of Directors.
- 4.3. **Non-Waiver** – The failure of any of the parties herein to insist upon the strict observance and/or performance by the other of the terms and conditions herein expressed shall not be considered as a waiver of the same it being understood that any waiver to be valid and

effective shall be made in writing and signed by the concerned party or its duly authorized representative.

- 4.4. **Inspection of the Premises** – the LESSOR or any of its duly authorized representative or the duly designated Administrator shall be allowed entry to the **LEASED PREMISES** at reasonable hours of the day for the purpose of assessing repairs, alteration or maintenance work to be done in or about the premises or for its general up-keep. The LESSEE shall enable the LESSOR's duly authorized handymen or repairmen to gain entry into the premises and if such repair and maintenance work necessitates immediate completion, the LESSEE shall allow the work to be done even after office hours and this permission shall be treated on a case-to-case basis.
- 4.5. **Other Related Provision** – other related provisions relative to the proper use of the **LEASED PREMISES** as may be provided in the Building Rules and Regulations may be issued by the LESSOR to be made applicable to all the LESSEE's in the building.
- 4.6. **Prospective Lessee or Lessees for the Premises** – the LESSOR shall be allowed by the LESSEE to exhibit the **LEASED PREMISES** to prospective lessors during the last **TWO (2) MONTHS** of the term, there having been no renewal negotiation/bidding undertaken by the LESSEE with the LESSOR.
- 4.7. **Emergency Entry into the LEASED PREMISES** – the LESSOR, its authorized representative or the Building Administrator, may enter the **LEASED PREMISES** during emergency of any kind which would necessitate or require such an entry. Likewise, entry into the **LEASED PREMISES** for the purpose of averting any commission of crime or offense shall be allowed without prior notice made. It is understood that any breakage that may occur during said entry shall be repaired and/or remedied by the LESSOR or its authorized agent, at its sole expense.
- 4.8. **Expropriation** – In the event of any expropriation of the property by duly constituted authorities, either party may ask for the rescission of this agreement without prejudice to the right of either party to file an action for such damages by all expropriation against the expropriating and/or concerned party.
- 4.9. All taxes, licenses and permit fees which may be required by government, dues to or collectible by the local or national government pursuant to this Contract including but not limited to documentary stamp tax, shall be the sole responsibility of the LESSOR.
- 4.10. Payment and settlement in full of all bills, charges and/ or accountabilities for the use, consumption or maintenance of power, water, telephone, association dues and other utilities due on the leased premises shall be borne by the LESSEE.

ARTICLE 5 PERIOD OF CONTRACT

This contract for the Lease of Office Space for the Head Office shall be for one (1) year to commencing from January 2021 to December 2021, renewable upon such terms and conditions which may be agreed upon by the parties, subject to the requirements and procedures laid down in Section 53.10 and Annex "H" of the 2016 RIRR of RA 9184; provided, that the LESSOR shall communicate to the LESSEE at least 60 days in writing before the expiration of the lease to determine LESSEE's intention to renew or extend the Contract.

ARTICLE 6 TERMINATION OF CONTRACT

It is understood that this Contract expires and terminates at the end of its term as stated herein. Without prejudice to Article 8, upon termination of the term or upon receipt of such notice of termination, the LESSEE shall peacefully and voluntarily vacate the entire **LEASED PREMISES**

ATTY. DANIELA C. RAN, CPA
President and Chief Executive Officer
Phil Health

and completely remove therefrom all furniture, articles and effects of any kind. This shall include the restoration of the **LEASED PREMISES** to its condition prior to alteration by the **LESSEE** as referred to in Article 2.6 of this Contract. If it becomes necessary for the **LESSOR** to file court action for the ejectment of the **LESSEE**, the **LESSEE** shall be liable for all unpaid rentals if any as well as for damages which the **LESSOR** may suffer.

A party shall have the right to pre-terminate or rescind this Contract in case of violation or breach of any material provision by the other party and shall be entitled to the relief and damages against the latter as a result from such violation or breach in accordance with law.

The **LESSEE** shall have the option to terminate or rescind this Contract upon a thirty (30) day written prior notice to the **LESSOR** in the event of any violation or breach by the **LESSOR** of this Contract, and the **LESSOR** fails to rectify or remedy such breach or default within thirty (30) days from its receipt of the written demand of **LESSEE**.

ARTICLE 7 SETTLEMENT OF DISPUTES

If any dispute or difference of any kind whatsoever shall arise between the parties in connection with the implementation of this contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.

Any and all disputes arising from the implementation of a contract, which cannot be settled amicably within thirty (30) days after receipt by one party of the other party's request for such amicable settlement, shall be submitted to arbitration in the Philippines according to the provisions of Republic Act No. 876, otherwise known as the "Arbitration Law" and Republic Act No. 9285, otherwise known as the "Alternative Dispute Resolution Act of 2004". Provided, that by mutual agreement, the parties may agree in writing to resort to other alternative modes of dispute resolution.

The arbitral award and any decision rendered in accordance with the foregoing shall be appealable by way of a petition for review to the Court of Appeals.

ARTICLE 8 MISCELLANEOUS PROVISIONS

The contracting parties undertake to comply with Office Order No. 0018-2015 entitled "Reiteration of PhilHealth No Gift Policy (Revision 1)" which is deemed incorporated into this Contract. No PhilHealth personnel shall solicit, demand or accept directly or indirectly, any gift from any person, group, association, or juridical entity, whether from the public or private sector, at any time, on or off the work premises where such gift is given in the course of official duties or in connection with any transaction which may affect the functions of their office or influence the actions of directors or employees, or create the appearance of a conflict of interest.

All other terms, conditions and stipulations accompanying this Contract together with all proposals and all mandatory provisions of the Revised Implementing Rules and Regulations of R.A. No. 9184, shall form an integral part of the contract between the parties hereto.

The parties hereby certify that they have read or caused to be read to them and each and every provision of the foregoing Contract and that they had fully understood the same.

ARTICLE 9 SEPARABILITY CLAUSE

In the event that any provision in this Contract of Lease is declared invalid, illegal or void by a competent court, the provisions not affected shall remain valid and enforceable.

CHENG S. CO
President
Columbia Estate Properties, Inc.

CPD
ATTY. ELI D. SANTOS
Acting Executive Vice-President/
Chief Operating Officer (EVP/COO)
Concurrent SVP, Management Services Sector

planning
JUVY D. BALOLONG
Acting Senior Manager
Physical Resources and Infrastructure Dept.

Witness for
Columbia Estate Properties, Inc.

IN WITNESS WHEREOF, the parties hereto have hereunto signed this Contract on this _____ day of _____ 2021 at Pasig City.


**PHILIPPINE HEALTH INSURANCE
CORP.**


ATTY. DANTE A. GIERRAN, CPA
President and Chief Executive Officer (CEO)


**COLUMBIA ESTATE
PROPERTIES, INC.**


CHENG HAY S. CO
President

Recommending Approval:


ATTY. ELI DINO D. SANTOS
Acting Executive Vice-President/
Chief Operating Officer (EVP/COO)
Concurrent SVP, Mgt. Services Sector

Signed in the presence of:


JUVY D. BALOLONG
Acting Senior Manager
Physical Resources and
Infrastructure Department


JENYLEN C. DELA CRUZ
Witness for the COLUMBIA
ESTATE PROPERTIES, INC.

ACKNOWLEDGEMENT


REPUBLIC OF THE PHILIPPINES)
CITY OF QUEZON CITY)

BEFORE ME, this ____ day of 7 JUN 2021 2021, personally appeared the following persons exhibiting to me their respective Government issued ID's, to wit:

ATTY. DANTE A. GIERRAN, CPA
President and CEO

PHILHEALTH COMPANY ID NO.
20647820

CHENG HAY S. CO
President



PHILHEALTH ID No.
02-050028539-1

Known to me to be the same persons who executed the foregoing Contract Agreement consisting of twenty-one pages (21) pages including 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.

NOTARY PUBLIC

Doc No. 97
Page No. 106
Book No. 1
Series of 2021.


ATTY. ELMER G. TORIBIO
Notary Public for and in Quezon City
Until December 31, 2021
Adm. Matter No. NP 166 (2020-2021)
Unit 420 Corporate 101 Bldg., Mo. Ignacia Ave.
Brgy. South Triangle, Quezon City, 1103
Roll of Attorney No. 55444
PTR No. 0694998; 01/04/2021; Quezon City
IBP No. 017585; Lifetime; 06/05/2017; Pasig City
MCLE Compliance VII-0001534; 11/12/2019

Lease of Real Property for Additional Office Space in the Central Office for 1st Year
[RFQ No. LoRP-AOS 2020-01-GS]

SUMMARY

We certify/confirmed that we comply with the Technical Specifications of the subject Request for Quotation.

Having read, examined and accepted the Technical Specifications and other requirements on the subject Request for Quotation (RFQ), I/We submit our quotation/s for the item/s as follows:

Total Area Offered: 1,437 sq. m.

Cost per square meter per month (Inclusive of VAT):

IN FIGURES: PhP 515.00

IN WORDS: FIVE HUNDRED FIFTEEN & 00/100 PESOS ONLY

COST per sq.m. per month x 1,437 sq. m. (Inclusive of VAT)	Total Cost for 1 st Year Cost per sq.m. per month x 1,437 sq. m. x 12 months (Inclusive of VAT)
Php740,055.00	Php8,880,660.00

Total Cost for the 1st Year (Inclusive of VAT):

IN FIGURES: PhP 8,880,660.00

IN WORDS: EIGHT MILLION EIGHT HUNDRED EIGHTY THOUSAND SIX HUNDRED
SIXTY & 00/100 PESOS ONLY

Must not exceed the Approved Budget for the Contract (ABC) of PhP8,880,660.00 for the first year.

Price quotation must be in figures and in words as appearing in the form. Abbreviations shall not be accepted. The BAC reserves the right to re-compute the detailed cost analysis presented by the bidder in order to reflect the true and actual amount of the bid. In case of conflict between the price expressed in words and the price in figures, the one expressed in words shall prevail. Any erasure or alteration on the SUMMARY PRICE QUOTATION SHEET must be signed by the bidder's authorized representative.

COLUMBIA ESTATE PROPERTIES, INC.		UNIT 172, 17/F, COLUMBIA TOWER, ORIENTAL GAS	
Name of Company		Address	
MAY 27, 2020	8724-4007 loc. 31	MR. CHENG HAY S. CO	
Date	Telephone No.	Name of Representative	Signature



NOTICE OF AWARD

Lease of Real Property for Additional Space in the Central Office for the 1st Year
(1B No. RFQ No. LoRP-2020-001-GS)

Date Issued: JUL 14 2020

MR. CHENG HAY S. CO
President
COLUMBIA ESTATE PROPERTIES, INC.
Unit 172, 17/F, Columbia Tower,
Ortigas Avenue, Mandaluyong City

Dear Mr. Co:

We are pleased to notify you that your financial proposal for the procurement of **Lease of Real Property for Additional Space on the Central Office for the 1st Year** for the execution of the **Columbia Estate Properties, Inc.** at the Contract Price equivalent to **Eight Million Eight Hundred Eighty Thousand Six Hundred Sixty Pesos (PhP8,880,660.00)** is hereby accepted.

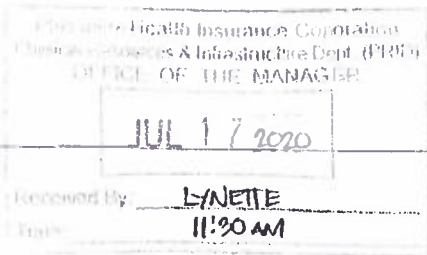
Very truly yours,


BGEN. RICARDO C. MORALES, AFP (RET) FICD⁹⁶
President and Chief Executive Officer (CEO)

Conforme


MR. CHENG HAY S. CO
President
COLUMBIA ESTATE PROPERTIES, INC.

Date: JUL 15 2020





**BIDS & AWARDS COMMITTEE – GOOD AND SERVICES
(BAC-GS) RESOLUTION NO. 09 s. 2020**

Page | 1

RESOLUTION RECOMMENDING THE AWARD OF CONTRACT TO COLUMBIA ESTATE PROPERTIES, INC. AS THE SINGLE CALCULATED AND RESPONSIVE QUOTATION FOR THE PROCUREMENT OF LEASE OF REAL PROPERTY FOR ADDITIONAL SPACE IN THE CENTRAL OFFICE FOR THE 1ST YEAR WITH RFQ NO. LoRP- AOS 2020-01-GS VIA SECTION 53.10 “LEASE OF REAL PROPERTY AND VENUE” OF THE 2016 REVISED IRR OF R.A. 9184

WHEREAS, the Philippine Health Insurance Corporation (PhilHealth), through the approved Multi-Year Obligational Authority (MYOA) has an Approved Budget for the Contract (ABC) of Eight Million Eight Hundred Eighty Thousand Six Hundred Sixty Pesos (PhP8,880,660.00) for the first year for the Additional Space in the Central Office;

WHEREAS, on May 20, 2020, PhilHealth through its Bids and Awards Committee for Goods and Services (BAC-GS) sent a request for Quotation (RFQ) to four (4) prospective Lessors informing them to submit sealed price quotations in compliance with Annex “H”, item No. 9.c.i Lease of Real Property and Venue of the 2016 Revised IRR of R.A. 9184;

The four (4) prospective lessors invited are the following:

1. Columbia Estate Properties, Inc.;
2. Fortune General Insurance Corp;
3. Fortune Life Insurance Company; and
4. Zapanta Realty Development Corporation.

WHEREAS, on May 27, 2020, the scheduled opening of the sealed quotation/ proposal was held at the SBAC Conference Room wherein only Columbia Estate Properties, Inc. submitted its sealed proposal alongside its eligibility requirements. Said lessor was found to be initially compliant to the requirements of PhilHealth;

WHEREAS, on the aforesaid opening, the financial proposal of Columbia Estate Properties, Inc. is in the amount of Eight Million Eight Hundred Eighty Thousand Six Hundred Sixty Pesos (PhP8,880,660.00) or equivalent to Five Hundred Fifteen Pesos (PhP515.00) per square meter for the proposed 1,437 square meters for the first year. Thereafter, the BAC-GS TWG-A was tasked to validate the documents submitted by Columbia Estate Properties, Inc.;

WHEREAS, on its meeting on June 11, 2020, the BAC-GS thoroughly discussed the report submitted by the BAC-GS TWG-A represented by its Chairperson, Atty. Chelo Anne V. Cruz-Deocampo via video conferencing and pronounced the following comments:

- a. Columbia Estate Properties, Inc. presented the expired CY2019 Mayor's Permit alongside the original Official Receipt for the renewal of the CY2020 Mayor's Permit. However, per GPPB Resolution No. 02-2020, the Mayor's/ Business Permit may be accepted provided that an Official Receipt for renewal is submitted.
- b. The PhilGEPS Platinum Registration Certificate has expired in 2018. Since the requirement for the Negotiated Procurement- Lease of Real Property and Venue that a proponent only needs to submit its PhilGEPS registration number based on Annex H of the 2016 Revised IRR of R.A. 9184, the

TWG-A deemed it necessary to validate if the lessor's PhilGEPS registration is still active.

Accordingly, the TWG was able to obtain an advisory on clean-up of merchant registry from the PhilGEPS website stating that "All merchant organizations whose registration fall on before December 31, 2017 but have no login activity from January 1, 2018 to June 30, 2019 will be cancelled in the system effective July 29, 2019". Considering that the registration and issuance of the Certificate of PhilGEPS Registration was dated September 16, 2017, Columbia's registration may have been one of those that have been cancelled. Page | 2

- c. Annual Income Tax Return (ITR) presented was filed in April 15, 2019;
- e. BIR Form Nos. 2306 and 2307 presented were received and processed by the Comptrollership Department of PhilHealth;
- f. Other Documentary Requirements per Technical Specifications were verified and complied with.

WHEREAS, during the said BAC-meeting, Corazon C. Jaime, Senior Manager of the Physical Resources and Infrastructure Department (PRID) and end-user of the subject procurement presented a View Organization Information from PhilGEPS dated June 4, 2020 which appears that Columbia Estate Properties, Inc. is still registered with PhilGEPS with Organization Number 59543;

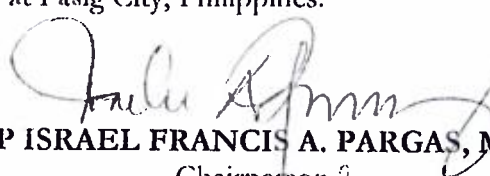
WHEREAS, having perused the abovementioned document, the TWG-A agreed that Columbia Estate Properties, Inc.'s registration is still active and is not cancelled from the roll of registered suppliers of PhilGEPS. Further, SM Jaime informed the body that per agreement with Columbia Estate properties, Inc. their security deposit will only be processed after the submission of the updated Certificate of PhilGEPS Registration;

Given the foregoing, the BAC-GS resolved based on the recommendation of the BAC-GS TWG-A, to declare Columbia Estate Properties, Inc. as the lessor with the Single Calculated and Responsive Quotation;

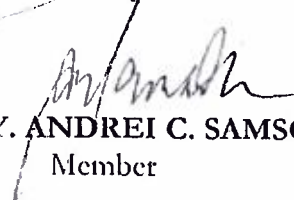
PREMISES CONSIDERED, the BAC-GS resolves as it hereby resolved, to recommend to the President and CEO as the Head of the Procuring Entity the award of contract to **COLUMBIA ESTATE PROPERTIES, INC.** determined as the lessor with the Single Calculated and Responsive Quotation for the procurement of Lease of Real Property for the Additional Space for the Central Office for the First Year.

IT IS SO RESOLVED.

Signed this 11th day June 2020 at Pasig City, Philippines.


SVP ISRAEL FRANCIS A. PARGAS, M.D.
Chairperson


VP OSCAR B. ABADU, JR.
Vice-Chairperson


SM ATTY. ANDREI C. SAMSON
Member



In another meeting
SM. ATTY. MICHAEL TROY A. POLINTAN
Member

Page | 3

[Signature]
ACTING SM YOLANDA M. DE LEON
Member

[Signature]
DC MA. LOURDES V. NAGUIT
Member

[Signature]
SM CORAZON C. JAIME
Member / End-user

☒ APPROVED
☐ DISAPPROVED
☐ Others _____

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

Date Signed: 7/8/20

RESOLUTION RECOMMENDING THE AWARD TO COLUMBIA ESTATE PROPERTIES, INC. AS THE SINGLE CALCULATED AND RESPONSIVE QUOTATION FOR THE PROCUREMENT OF LEASE OF REAL PROPERTY FOR ADDITIONAL SPACE IN THE CENTRAL OFFICE FOR THE 1ST YEAR WITH RFQ NO. LGRP- AOS 2020-01- GS VIA SECTION 53.10 "LEASE OF REAL PROPERTY AND VENUIS" OF THE IRR OF R.A. 918





Republic of the Philippines
PHILIPPINE HEALTH INSURANCE CORPORATION
Citystate Centre, 709 Shaw Boulevard, Pasig City
Call Center (02) 441-7442 Trunkline (02) 441-7444
www.philhealth.gov.ph



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 may be.

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).

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Date: 4/25/18
PC: [Signature]

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.

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- B. Head of Office – refers to any third level (3rd) 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,

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DC: *nyf* Date: *4/25/18*

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).

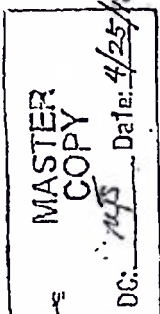
All other previous issuances shall be modified or revoked accordingly.

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



MATRIX 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
2.7. 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.				

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CC: PCE Date: 12/25/18

Reduced in Office of the PCEO

Republic of the Philippines
QUEZON CITY.
City of _____) S.S.

SECRETARY'S CERTIFICATE

I, **MAX B. BUENO**, of legal age, and with business address at Unit 172, 17th floor, Columbia Tower, Ortigas Avenue, Wack-wack, Mandaluyong City after having been duly sworn in accordance with law, depose and state that:

1. I am duly appointed and qualified Secretary of **COLUMBIA ESTATE PROPERTIES INC.** a domestic corporation duly organized and existing by virtue of the laws of the Republic of the Philippines, with office address at Unit 172, 17th floor, Columbia Tower, Ortigas Avenue, Wack-wack, Mandaluyong City, Metro Manila ("The Corporation").
2. At the special meeting of the Board of Directors of the Corporation, held on October 16, 2020 at which meeting a quorum was present and acting throughout, the following resolution was unanimously approved:


RESOLUTION OF THE BOARD OF DIRECTORS

"RESOLVED, that the Board of Directors of **COLUMBIA ESTATE PROPERTIES INC.** ("The Corporation") approve, as they hereby approve, to enter into a lease agreement with the Philippine Health Insurance Corporation for lease of one single floor of the CITYSTATE CENTRE with aggregate the usable floor area of 1,437 sq.m. more or less.

"RESOLVED, that the President of the CORPORATION, **CHENG HAY S. CO**, be the authorized representative to act for and in behalf of the Corporation, and sign all the necessary documents relative to the lease.

3. The above resolution are part of the records of the Corporation in my custody and they have not been amended nor revoked.

IN WITNESS WHEREOF, I have hereunto affixed my signature of Manila this
_____ day of _____ 2020.

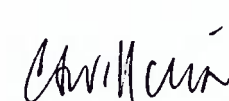

MAX B. BUENO
Corporate Secretary

NOTED BY:


CO CHENG HAY
President

SUBSCRIBED AND SWORN TO
BEFORE ME THIS **DEC 01 2020**
IN QUEZON CITY.

DOCS# _____
PAGE# 10
BOOK# 10
SERIES OF 2020


ATTY. CONCEPCION P. VILLAREÑA
Notary Public for Quezon City
Until December 31, 2021
PTR No. 9296041 - 1-2-2020/ QC
IBP No. 093586 - 10-22-2019/ QC
Roll No. 30457 - 05-09-80
MCLE VI - 0030379
Adm. Matter No. NP-001(2020-2021)
TIN No. 131-942-754