

**CONTRACT ON THE BIDDING FOR THE
PROCUREMENT OF ONE (1) LOT PAPER SHREDDER, HEAVY DUTY
(IB No. EPA PSHD 2022-11-CD)**

THIS AGREEMENT made and entered into this AUG 23 2022 day of _____ 2022, in the City of _____, Metro Manila, 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, Citystate Centre Building, 709 Shaw Blvd corner Oranbo Drive, Pasig City. PHILHEALTH is represented in this Agreement by its Officer-in-Charge, Office of the President and Chief Executive Officer (CEO), **ATTY. ELI DINO D. SANTOS** who is authorized to sign this agreement under PhilHealth Secretary's Certificate, copy attached hereto as Annex "A";


-and-

BUSINESS MACHINES CORPORATION (BISMAC), a stock corporation, organized and registered with the Securities and Exchange Commission and existing under the laws of the Republic of the Philippines, with business address at Carson Bldg., 1888 Orense St., Guadalupe Nuevo, Makati City, represented herein by its Government Sales Supervisor, **MYLENE L. PALALAY** duly authorized for this purpose as evidenced by **BUSINESS MACHINES CORPORATION** Secretary's Certificate, copy attached hereto as Annex "B".


WHEREAS, **PHILHEALTH** invited Bids for certain goods and ancillary services particularly on the **Procurement of One (1) Lot Paper Shredder, Heavy Duty** and has accepted a Bid by **BUSINESS MACHINES CORPORATION** for the supply of those goods in the sum of, **FIVE HUNDRED TWENTY-SEVEN THOUSAND FOUR HUNDRED EIGHTY-FOUR PESOS (PhP527,484.00)** (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 as required by the 2016 revised Implementing Rules and Regulations of Republic Act No. 9184 shall be deemed to form and be read and construed as part of this Agreement, viz:
 - (a) **PhilHealth's Secretary's Certificate (Annex "A");**
 - (b) **BUSINESS MACHINES CORPORATION's Secretary's Certificate (Annex "B");**
 - (c) Philippine Bidding Documents (PBDs);
 - (i) **BUSINESS MACHINES CORPORATION's Schedule of Requirements (Annex "C");**
 - (ii) **BUSINESS MACHINES CORPORATION's Technical Proposal and its Appendices (Annex "D");**
 - (iii) **General Conditions of the Contract (GCC) (Annex "E");**
 - (iv) **Special Conditions of the Contract (SCC) (Annex "F");**
 - (v) **Bid Bulletin No. 01 (Annex "G");**
 - (d) **BUSINESS MACHINES CORPORATION's Bid;**
 - (i) **PhilGEPS Registration Certificate (Annex "H");**
 - (ii) **SEC Registration (Annex "I");**


MR. ELDINO D. SANTOS
Officer-in-Charge, Office of the President and CEO
PhilHealth

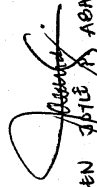

MYLENE L. PALALAY
Government Sales Supervisor
Business Machines Corporation (BISMAC)


LOLITA V. TULLAO, CESO V
Senior Manager
Physical Resources and Infrastructure Department

- (iii) Business Permit (**Annex "J"**);
- (iv) Tax Clearance (**Annex "K"**);
- (v) Statement of all Ongoing Government and Private Contracts, including contracts awarded but not yet started (**Annex "L"**);
- (vi) Statement of Single Largest Completed Contract (SLCC) (**Annex "M"**);
- (vii) Bid Security/Bid Securing Declaration (**Annex "N"**);
- (viii) Omnibus Sworn Statement (**Annex "O"**);
- (ix) Audited Financial Statements (**Annex "P"**);
- (x) Joint Venture Agreement (JVA) (**Annex "Q"**);
- (xi) Net Financial Contracting Capacity (NFCC) (**Annex "R"**);
- (xii) Financial Bid Form (**Annex "S"**);
- (e) Performance Security (**Annex "T"**);
- (f) Notice of Award (**Annex "U"**);
- (g) BAC-C Resolution No. 22, s. 2022 (**Annex "V"**);
- (h) **BUSINESS MACHINES CORPORATION's** Additional Post-Qualification Documents;
 - (i) Bureau of Internal Revenue (BIR) Value Added Tax Registration Form and Payment Form (BIR Form no. 2303 and 0605) (**Annex "W"**);
 - (ii) Annual Income tax Return (ITR) for CY2020 (**Annex "X"**);
 - (iii) Quarterly Income Tax Return (BIR Form No. 1702Q) and Monthly Value Added Tax Declaration (BIR Form No. 2550-M) (**Annex "Y"**); and
 - (iv) Proof of Payment of PhilHealth Premium Contribution (**Annex "Z"**).
- (i) Other contract document that may be required by existing laws and/or **PhilHealth** in the PBDs. **BUSINESS MACHINES CORPORATION** agrees that the additional contract documents or information prescribed by the GPPB that are subsequently required or submission after the execution, such as the Notice to Proceed, Variation Orders, and Warranty Security, shall likewise form part of the Contract.

- 3. In consideration for the sum of **FIVE HUNDRED TWENTY-SEVEN THOUSAND FOUR HUNDRED EIGHTY-FOUR PESOS (Php527,484.00)** or such other sums as may be ascertained, **BUSINESS MACHINES CORPORATION** agrees to provide the goods and services and to remedy defects therein within the warranty period in accordance with its Bid.
- 4. **PHILHEALTH** agrees to pay the above-mentioned sum in accordance with the terms of the Bidding.
- 5. **BUSINESS MACHINES CORPORATION** holds **PHILHEALTH** free and harmless from any claim, obligation or liability that may be caused to any third party that may be injured or harmed due to the willful, unlawful or negligent act or omission of **BUSINESS MACHINES CORPORATION** or any of its personnel or representative, without prejudice to any other legal action that **PHILHEALTH** may have against **BUSINESS MACHINES CORPORATION** for, in relation to the implementation of the Contract.
- 6. If any dispute or difference of any kind whatsoever shall arise between the parties in connection with the implementation of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.

Any dispute that is not settled amicably shall be submitted to arbitration in the Philippines according to the provisions of R.A. 876, otherwise known as the


WITNESS
BUSINESS MACHINES CORPORATION (BISMAC)


WITNESS
PHILHEALTH


"Arbitration Law" and R.A. 9285, otherwise known as the "Alternative Dispute Resolution Act of 2004".

Whenever necessary to promote Arbitration or to seek judicial relief, **PHILHEALTH** and **BUSINESS MACHINES CORPORATION** agree that any legal action, suit or proceeding arising out of or relating to the Contract may be instituted in any competent court where the principal office of **PHILHEALTH** is situated, to the exclusion of other courts of equal jurisdiction.


7. Attorney's Fee - In the event that **PHILHEALTH** is compelled to commence arbitration or to seek judicial relief to enforce the provisions of the Contract, it shall be entitled to attorney's fees and liquidated damages equivalent to ten percent (10%) and fifteen percent (15%), respectively, of the contract price or the amount claimed in the arbitration or judicial action, whichever is higher, aside from the cost of arbitration or litigation, whichever is applicable, and other expenses incidental thereto.
8. EFFECTIVITY CLAUSE. This Agreement shall take effect upon signing thereof by the Parties and **BUSINESS MACHINES CORPORATION** shall commence performance of its obligations upon the issuance by **PHILHEALTH** of a Notice to Proceed.

IN WITNESS whereof the parties hereto have caused this Agreement to be executed in accordance with the laws of the Republic of the Philippines on the day and year first above written.

**PHILIPPINE HEALTH INSURANCE
CORPORATION**


ATTY. ELI DINO D. SANTOS
Officer-in-Charge,
Office of the President and Chief Executive Officer

**BUSINESS MACHINES
CORPORATION (BISMAC)**

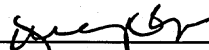

MYLENE L. PALALAY
Government Sales Supervisor


Recommending Approval:



LOLITA V. TULIAO, CESO V
Senior Manager,
Physical Resources and Infrastructure Department (PRID)

Signed in the presence of:



Witness
PhilHealth
ALLEN JOKE E. ABARRA

Witness
BUSINESS MACHINES CORPORATION
(BISMAC)

ACKNOWLEDGEMENT

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

AUG 23 2022

BEFORE ME, this ___ day of _____ 2022, personally appeared the following persons exhibiting to me their respective Government issued ID's, to wit:

ATTY. ELI DINO D. SANTOS
Philippine Health Insurance Corporation

PhilHealth Company ID No. 10183407

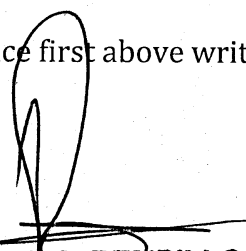
MYLENE L. PALALAY
Business Machines Corporation (BISMAC)

TIN No. 296-549-310-000

Known to me to be the same persons who executed the foregoing Contract on the Bidding for the Procurement of One (1) Lot Paper Shredder, Heavy Duty consisting of one hundred sixty-five (162) pages including the annexes and this page on which the acknowledgement is written and they acknowledged that the same is their free act and deed and that of the corporations being represented.

WITNESS MY HAND AND SEAL on the date and place first above written.

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Book No. 30
Series of 2022


MARCELO S. REMPILLO, JR.
Notary Public
Until December 31, 2022
PTR No. 8853602 – 01/03/2022
IBP No. 171479 – 01/03/2022
Roll No. 38677

MCLE Compliance No. VI – 0020149 – 03/06/2019