



**CONTRACT FOR THE PROJECT**  
**CONSTRUCTION OF ACADEMIC BUILDING III**  
**UTILIZING DESIGN AND BUILD SCHEME / INFRA-2020-05**

**KNOW ALL MEN BY THESE PRESENTS:**

This Contract Agreement made on this 26th day of May, 2020 by and between REPUBLIC OF THE PHILIPPINES, through the PHILIPPINE SCIENCE HIGH SCHOOL CALABARZON REGION CAMPUS with office and postal address at Barangay Sampaga, Batangas City, represented herein by **DR. JOSE M. ANDAYA**, Director III, herein referred to as the "**OWNER**",

And

**BERTO LUCCI BUILDERS AND SUPPLY**, a corporation duly organized and existing under and by virtue of the Philippines with office and postal address at #67 EVANGELISTA ST., BATANGAS CITY, represented by **MS. MYRNA D. LOYOLA**, herein referred to as the "**CONTRACTOR**",

**WITNESSETH:**

**WHEREAS**, the **OWNER** is desirous that certain works should be constructed namely, **CONSTRUCTION OF ACADEMIC BUILDING III UTILIZING DESIGN AND BUILD SCHEME / INFRA-2020-05**, herein referred to as the PROJECT and has accepted and bid by the CONTRACTOR for the design, construction and completion of such works,

**WHEREAS**, in this CONTRACT AGREEMENT words and expression shall have the same meanings as are respectively assigned to them in the Contracts (General Conditions and Special Provisions) hereinafter referred to as the "CONTRACTOR".

**WHEREAS**, the following documents are hereby incorporated into and made an integral part of this Contract Agreement:

1. Contract of Agreement
2. Conditions of Contract
  - a. General Provisions
  - b. Special Provisions
3. Terms of Reference
4. Invitation to Bid
5. Instruction to Bidders
6. Certificate of Availability of Funds



7. Addenda, if any
8. Bid Forms including the following annexes

*Marybeth*

*Marybeth*

**A. FIRST ENVELOPE**

1. Bid Security as to form, amount and validity period
2. Authority of the signing official
3. Duly signed construction schedule and S-curve
4. Duly signed construction methods in narrative form
5. Value Engineering Analysis
6. Duly signed manpower schedule
7. Duly signed contract organization chart
8. Duly signed list of contractor's personnel
9. Duly signed list of contractor's equipment
10. Duly signed equipment utilization schedule
11. Affidavit of Site Inspection
12. Commitment form the contractor's bank to extend to him a credit line, if awarded the contract to be bid; or a cash deposit equivalent to 10% of the ABC, or a Surety Bond callable upon demand equivalent to Thirty Percent (30%) of the contract cost
13. Duly signed Construction Safety and Health Program
14. Duly signed certificate on compliance with existing labor laws and standards
15. Duly signed detailed cost estimates
16. Duly signed cash flow by quarter and payment schedule

*M*

**B. SECOND ENVELOPE**

1. Bid Prices in the Bill of Quantities in prescribed Bid Form
2. Detailed Estimates
3. Cash flow by Quarter and Payments Schedule

*Jana*

**C. OTHERS**

1. Performance Security
2. Notice of Award of Contract and Contractor's "Conforme" thereto
3. BOT Resolution to award
4. BAC Resolution recommending award
5. Technical Evaluation and Post Qualifications documents
6. Other contract documents that may be required by the office/agency/corporation concerned



**NOW, WHEREAS**, in consideration of the premises and other terms and conditions hereinafter set forth, the parties hereto hereby agree as follows:

*Mary Grace*  
*Mary Grace*

**ARTICLE I- SCOPE OF WORK**

The CONTRACTOR, in consideration of the payment to be made by the OWNER, to the CONTRACTOR, of the sum of money hereinafter named, agrees to finish the construction, all labour, materials, equipment, plants, tools and other facilities and the satisfactory and faithful performance of all the works to be done by other parties as are specifically excluded here from by Drawings and described in the Terms of Reference, Instructions and other related documents.

**ARTICLE II-TIME OF COMPLETION**

The work stipulated in this Contract shall be completed and ready for use not later than THREE HUNDRED (300) CALENDAR DAYS in accordance with the provisions of the Bid documents.

**ARTICLE III-CONTRACT AMOUNT**

The OWNER agrees that for and in consideration of the faithful performance by the CONTRACTOR of this Contract, he shall pay to the CONTRACTOR, in a manner provided hereinafter the amount of **FORTY ONE MILLION FOUR HUNDRED NINETY THOUSAND TWO HUNDRED THIRTEEN PESOS AND 70/100 (PhP41, 490,213.70)**.

*Mary Grace*

Should the owner require the CONTRACTOR to perform work over and above that required by this Agreement, the additional cost shall be added to the Contract Amount and, likewise, should be ordered to omit work as required by this Agreement the corresponding cost shall be deducted from the contract amount. In either case, the cost additions or deductions shall previously be mutually agreed upon in writing by OWNER and CONTRACTOR under this Contract.

*Jana*

**ARTICLE IV-PAYMENTS**

**1. ADVANCE PAYMENTS**

The OWNER shall upon a written request of the CONTRACTOR which shall be submitted as a contract document, make an advance payment to the



CONTRACTOR in an amount not exceeding fifteen percent (15%) of the total contract price, to be made in lump sum or at the most two (2) installments according to a schedule specified in the Instruction to Bidders and other relevant tender documents.

The advance payment shall be made only upon the submission to and acceptance by the OWNER of an irrevocable letter of credit of equivalent value from a commercial bank or a guarantee bond, callable, on demand, issued by a Surety or Insurance Company duly licensed by the Office of the Insurance Commissioner and confirmed by the implementing agency.

**2. PROGRESS PAYMENT**

Twenty percent (20%) progress is required for the first payment. Succeeding progress shall be billed on a monthly basis upon the submission of a progress report for work accomplished and all other attachments needed as per COA guidelines and requirements under the Revised 2016 IRR of RA 9184. Such reports together with a request for payment shall be verified and certified by the Project Engineer of the owner. Except as otherwise stipulated, materials and equipment delivered on site but not completely put in place, shall not be included for payment.

**ARTICLE V- RETENTION MONEY**

Progress payments submitted by the CONTRACTOR are subject to retention of ten percent (10%) referred to as the "retention money".

The total "retention money" shall be due for release upon final acceptance of works.

**ARTICLE VI-LIQUIDATED DAMAGES**

Where the CONTRACTOR refuses or fails to satisfactorily complete the work within the specified contract time, plus any time extension duly granted and is hereby in default under the contract, the CONTRACTOR, shall pay the OWNER for liquidated damages, and not by way of penalty, an amount to be determined in accordance with the formula as provided under RA 9184, for each calendar day of delay, until the work is completed and accepted or taken over by the government/OWNER.

*Mary Joy*  
*Mary Joy*

*MJ*

*Juan*



The head of agency may also impose additional liquidated damages on the contractor provided that such is prescribed in the Instruction to Bidders.

To be entitled to such liquidated damages, the OWNER does not have to prove that it has incurred actual damages. Such amount shall be deducted from any money due or which may become due the CONTRACTOR under the contract and/or collect such liquidated damages from the retention money or other securities posted by the CONTRACTOR whichever is convenient to the OWNER.

In no case however, shall the total sum of liquidated damages exceed ten percent (10%) of the total contract price, in which event the contract shall automatically be taken over by the OWNER or award the same to a qualified CONTRACTOR through negotiation and the erring CONTRACTOR's performance security shall be forfeited. The amount of the forfeited performance security shall be set aside from the amount of liquidated damages that the CONTRACTOR shall pay the OWNER under the provisions of this cause and impose other appropriate sanctions.

**ARTICLE VII- PERFORMANCE SECURITY**

To guarantee the faithful performance of the CONTRACTOR under the contract, he shall post upon receiving and signing the notice of award a performance security in the form of manager's check, cashier's check, bank draft/guarantee issued by a reputable private local bank, letter of credit issued by a reputable private local bank, or a combination thereof, in accordance with the following schedule:

1. Cash, manager's check, cashier's check, irrevocable letter of credit equivalent to five percent (5%) of the total contract price
2. Bank draft/guarantee equivalent to ten percent (10%) of the total contract price
3. Surety Bond equivalent to thirty percent (30%) of the total contract price

The performance security shall be posted in favour of the OWNER and shall guarantee the payment of the amount if the security as penalty in the event it is established that the CONTRACTOR is in default in delay, in violation of his obligation.

**ARTICLE VIII- SUSPENSION OF WORK**

The OWNER or its duly authorized representative shall have the authority to suspend the work wholly or partly by written order for such period as may be

*Mary*  
*Mydkeye*

*W*

*Jana*



deemed necessary due to force majeure or any fortuitous event or for failure on the part of the CONTRACTOR to correct bad conditions which are unsafe for workers or for the general public to carry out valid orders given by the OWNER or to perform any provisions of the contract, or due to adjustment of plans to suit field conditions as found necessary during construction. The CONTRACTOR shall immediately comply with such order to suspend the work wholly or partly.

In case of total suspension, or suspension of activities along the critical path, which is not due to any fault of the CONTRACTOR, the elapsed time between the effective order to suspending operation and the order to resume work shall be allowed the CONTRACTOR by adjusting the contract time accordingly.

### **ARTICLE IX- EXTENSION OF CONTRACT TIME**

Should the amount of additional work of any kind or other special circumstances of any kind whatsoever occur such as to fairly entitle the CONTRACTOR to an extension of contract time, the OWNER shall determine the amount of such extension, provided that the OWNER is not bound to take into account any claim for an extension of time unless the CONTRACTOR has prior to the expiration of the contract time and within thirty (30) calendar days after such work has been commenced or after the circumstances leading to such claim have arisen, delivered to the OWNER notices in order that it could have investigated them at that time. Failure to provide such notice shall constitute the waiver by the CONTRACTOR of any claim upon receipt of full and detailed particulars, the OWNER shall examine the facts and extent of the delay and shall extend the contract time for completing the contract work when, in the OWNER's opinion, the findings of facts justify an extension.

### **ARTICLE X- VARIATION ORDERS- Change Order/Extra Order**

Variation Order/Orders may be issued by the OWNER to cover any increase/decrease in quantities, including the introduction of new work items that are not included in the original contract or reclassification of work items that are either due to change of plans, design or alignment to suit actual field conditions resulting in disparity between the preconstruction plans used for purposes of bidding and the "as staked plans" or construction drawings prepared after a joint survey by the contractor and the Government after award of the contract provided that the cumulative amount of the variation order does not exceed ten percent (10%) of the original project cost.



**ARTICLE XI- TAXES, LICENSES, PERMITS AND FEES**

All taxes, licenses, permits and fees which may be due to the local and/or national government account of performance and completion of the work stipulated herein and fees for testing for materials and samples shall be paid for, and obtained by the CONTRACTOR.

*M. P. P.*

**ARTICLE XII- INSURANCE AND OTHER CONDITIONS**

The CONTRACTOR shall take cognizance of the provisions of the other contract documents especially for the CONTRACTOR's responsibilities and liabilities on materials, workmanship, labour and property as stipulated in the General Conditions. Within ten (10) days after receiving the Notice of Award, the CONTRACTOR shall submit the Certificate of Insurance to protect him against claims for damages for personal injury, including deaths and claims for damage of OWNER's property and adjoining property which may arise from operations under this contract, subject to approval of the OWNER as to the adequacy of protection and reliability of insurance company.

*M. P. P.*

**ARTICLE XIII- ASSIGNMENT AND SUBCONTRACT**

The CONTRACTOR agrees that the contract shall not be assigned, transferred, pledged, subcontracted or make any other disposition of the contract or any part of interest therein except with the approval of the OWNER. Approval of the subcontract shall not relieve the main CONTRACTOR from any liability or obligations under the CONTRACTOR's contract with the OWNER nor shall it create any contractual relation between the SUBCONTRACTOR and the OWNER.

*M. P. P.*

**ARTICLE XIV- TERMINATION OF CONTRACT**

To ensure timely and effective remedial steps in responses to delays in project implementation, the OWNER or his duly authorized representative shall undertake the following calibrated actions, whenever contracts for infrastructure projects reach the levels of negative slippage (attributable to the CONTRACTOR) indicated below:

*J. J.*

1. Negative Slippage of 5% (Early warning stages)



The CONTRACTOR shall be given a warning and required to submit a "Catch-Up program to eliminate the slippage. The OWNER or his authorized representative shall provide enough supervision and monitoring of the work.

2. Negative Slippage of 10%

The CONTRACTOR shall be given a second warning and required to submit a detailed action on a program on a fortnightly (two weeks) bases which commits him to accelerate the work and accomplish specific physical targets which will reduce the slippage over a defined time period. Furthermore, the CONTRACTOR shall be instructed to specify the additional input resources—money, manpower, materials, machines and management—which he should mobilize for this action program. The OWNER or his duly authorized representative shall exercise closer supervision and meet the CONTRACTOR every other week to evaluate the progress of work and resolve any problems and bottleneck.

3. Negative Slippage of 15%

The CONTRACTOR shall be issued a final warning and required to come up with a more detailed program of activities with weekly physical targets, together with the required additional input resources. On-site supervision shall be intensified and evaluation of project performance will be done at least once a week. At the same time, OWNER or his duly authorized representative shall prepare contingency plans for the termination/recession of the contract and/or take-over of the work by administration or contract.

4. Negative Slippage Beyond 15%

The OWNER or his duly authorized representative shall initiate termination/rescission of the contract and/or take-over of the remaining work by administration or assignment to another contractor/appropriate agency. Proper transitory measures shall be taken to minimize work descriptions e.g. take-over by administration while re-bidding is going on.

In case that the delay in the completion of the work exceeds a time duration equivalent to ten percent (10%) of the specified contract time plus any time extension duly granted the contractor, the OWNER may rescind the contract; forfeit the contractor's performance security and takeover the prosecution of the project or award the same to a qualified contractor through negotiated contract.





*[Handwritten signature]*

**ARTICLE XV- GUARANTY BOND**

The Contractor shall post a guaranty bond in the form of letter credit or bank guarantee issued by a reputable private local bank or Surety Bond callable on demand in the amount equivalent to the retention money.

*[Handwritten signature]*

The total "Guaranty Bond" shall be due for release after one (1) year from the date of actual completion of the project as warranty to the materials, workmanship, labour and property as stipulated in the General Conditions.

Said Guaranty to be posted in favour of the owner will answer for purpose for which the guaranty money is intended, i.e. to cover uncorrected discovered defects, defective materials and workmanship within the one (1) year guaranty period.

**ARTICLE XVI-APPLICABILITY OF OTHER LAWS**

The provisions of RA 9184, its implementing Rules and Regulations and all other laws pertaining to infrastructure projects shall apply.

**ARTICLE XVII- EFFECTIVITY**

*[Handwritten signature]*

This Contract shall be effective upon signing thereof and approved by the proper authorities, subject to whatever addition, alteration, deletion and amendment that may be suggested by the proper authority concern in the contract preview which shall be binding and effective and shall form part of the Contract.

*[Handwritten signature]*



REPUBLIC OF THE PHILIPPINES

BY:

*Jana*  
**JOSE M. ANDAYA, D.T.**  
Director III  
Gov't issued ID No. N02-00-433955  
Driver's License-LTO  
Date: \_\_\_\_\_

CONTRACTOR

BY:

*Myrna D. Loyola*  
**MS. MYRNA D. LOYOLA**  
Contractor  
Gov't issued ID No. \_\_\_\_\_  
CIC No. 08429373  
Date: Jan. 2, 2020

WITNESSETH:

*[Signature]*

*[Signature]*

**ACKNOWLEDGEMENT**

Republic of the Philippines }  
\_\_\_\_\_ } s.s

BEFORE ME, a Notary Public for and in \_\_\_\_\_, this 20<sup>th</sup> day of May, 2020 at Batangas City, personally came and appeared the above-named persons, known to me and to me known to be the same persons who executed the foregoing instrument and they acknowledged to me that the same is their free and voluntary act and deed.

This instrument refers to CONTRACT AGREEMENT consisting of TEN (10) pages including the page wherein this Acknowledgement is written and signed by the parties and their instrumental witnesses on every page thereof.

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

Doc. No. 752  
Page No. 151  
Book No. XLIX  
Series of 2020.

*[Signature]*  
**ELISEO G. LONTOK**  
NOTARY PUBLIC  
UNTIL DEC. 31, 2021  
PTR NO 3593768  
ISSUED ON JAN. 3, 2020  
ISSUED AT BATANGAS CITY  
IBP LIFETIME ROLL NO. 00823  
ROLL OF ATTORNEY'S NO. 29327  
MCLE COMPLIANCE NO. VI-0003978  
OCTOBER 11, 2017