



COMPLETION OF MULTI-PURPOSE GYMNASIUM PHASE 3

KNOW ALL MEN BY THESE PRESENTS:

By Virtue of PSHS System Board of Trustees (BOT) Resolution No. 2016-07-88 this **CONTRACT**, (hereinafter called the Contract) is made and entered into this 15th day of August 2016 by and between:

PHILIPPINE SCIENCE HIGH SCHOOL – CENTRAL MINDANAO CAMPUS (PSHS-CMC), with postal address at Nangka, Balo-i, Lanao del Norte *represented in this act by its Campus Director, LORVI B. PAGOROGON, RPAE, MHWQ* and hereinafter referred to as the **OWNER**;

-and-

LANAO BUILDER AND ENTERPRISES with principal address at Macapagal Avenue, Iligan City and represented in this act by its Proprietor, **ROSEMIA B. NOOR** hereinafter referred to as the **CONTRACTOR**;

WITNESSETH:

WHEREAS, on May 18-25, PSHS-CMC published at the Manila Bulletin and posted continuously in the website of the Philippine Government Electronic Procurement System (PhilGEPS), Department of Science and Technology (DOST) and the conspicuous places in the premises of PSHS-CMC, the Invitation to Bid for **COMPLETION OF MULTI-PURPOSE GYMNASIUM PHASE 3**.

WHEREAS, at 10:01 AM on June 7, 2016; the Bids and Awards Committee (BAC) conducted the bid opening. There were five (5) *contracting* firm submitted bidding documents. After the technical and financial documents checking, three (3) contractors were declared complying;

WHEREAS, **LANAO BUILDER AND ENTERPRISES** was determined as the bidder with the Lowest Calculated Bid as read;

WHEREAS, after bid evaluation, the CONTRACTOR was notified on the results of evaluation, as the bidder with the Lowest Calculated Bid as Calculated, post-qualified based on set criteria and was found responsive to all requirements for the bidding of the Contract for the **COMPLETION OF MULTI-PURPOSE GYMNASIUM**

PHASE 3, at Nangka, Balo-i, Lanao del Norte, thus declared the bidder as the **Lowest Calculated and Responsive Bid**;

WHEREAS, the Contract for the **COMPLETION OF MULTI-PURPOSE GYMNASIUM PHASE 3**, at PSHS-CMC, Nangka, Balo-i, Lanao del Norte, was awarded to the CONTRACTOR and the CONTRACTOR has agreed and accepted the award to undertake the said PROJECT under the terms and conditions set forth;

NOW, THEREFORE, for and in consideration of the above premises and the covenants and undertakings hereinafter set forth, the parties hereto agree as follows:

ARTICLE 1

SCOPE OF WORK AND MINIMUM REQUIREMENTS

The CONTRACTOR shall undertake the construction of the said Project in accordance with the plans and specifications prepared by LAT Engineering and Construction (referred to as Architect) herewith attached as Annex- A (Construction Plans) & Annex - B (Technical Specifications) and are made integral part hereof.

The works to be undertaken under this Contract shall include the following;

1.1 Pre-Construction Phase

- 1.1.1 Secure all necessary building permits prior to construction. All incidental fees shall be included in the cost estimate of the building.
- 1.1.2 Preparation of the PERT-CPM/ Gantt chart of the construction phase.
- 1.1.3 Submit a Construction Safety and Health Program designed specifically for this project.
- 1.1.4 Provide all other necessary documents that shall be required by PSHS-CMC

1.2 Construction Phase

- 1.2.1 Implement all works as shown in the approved construction drawings and specifications.
- 1.2.2 Construct the building components complete with utilities and finishes resulting in operable and usable structure.
- 1.2.3 Layout piping, conduits, manholes, boxes and other lines for utilities including tapping to existing utility lines.
- 1.2.4 Conduct all necessary tests (as required by PSHS-CMC) and issue reports of results.
- 1.2.5 Rectification of punch-listing works to be inspected and issued by PSHS-CMC and/or by the Consultant.
- 1.2.6 Provide all other necessary documents that shall be required by PSHS-CMC.

1.3 Post-Construction Phase

- 1.3.1 Preparation of as-built plans where necessary.

Details, which may be needed to implement the plans and specifications, shall be furnished by the OWNER and shall be implemented by the CONTRACTOR at no extra

cost to the OWNER, provided that the said details are consistent with the intent of the Contract documents.

Details, which deviate from the bid plans and specifications and are inconsistent with the intent of the Contract documents, shall be implemented by the CONTRACTOR subject to negotiation pursuant to ARTICLE 7 hereof.

The CONTRACTOR shall administer the works in accordance with the stipulated terms and conditions herein specified and in accordance with R.A. 9184.

The CONTRACTOR shall provide the following as minimum requirements in the implementation for the project;

1.1 Personnel

- 1.1.1 Civil Engineer- Licensed with at least three (3) years experience in building construction works.
- 1.1.2 Electrical Engineer - Licensed Electrical Engineer with at least three (3) years experience in building electrical works.
- 1.1.3 Safety Officer – Should be a Construction Occupational Safety and Health (COSH) or BOSH Certified.

1.2 Minimum Equipment

- 1.2.1 Concrete Mixer (1-bagger), 1-unit
- 1.2.2 Concrete Vibrator, 1-unit
- 1.2.3 Welding Machine, 1-unit
- 1.2.4 Dump Truck, 1-unit

The CONTRACTOR shall attend the regular coordination meeting between the Owner and Architect.

ARTICLE 2

THE CONTRACT DOCUMENTS

Unless replaced or modified by mutual agreement of both parties, and pursuant to the provision of R.A. 9184, the following documents are made an integral part of this Contract:

CONTRACT AGREEMENT:

- a) Conditions of Contract
- b) Plans and Drawings
- c) Technical Specifications
- d) Terms of Reference
- e) Invitation to Bid
- f) Instruction to Bidders
- g) Addenda, if any
- h) Bid Form including the following annexes in the two (2) envelope system:

Technical Requirements

1st Envelope

Eligibility Documents

- a.) Legal Documents

- Registration Certificate from the Securities and Exchange Commission (SEC), Department of Trade and Industry, or Cooperative Development Authority (CDA) for cooperatives
- Mayor's permit issued by the city or municipality where the principal place of business
- b.) Technical Documents
 - Statement of all its on-going and completed government and private contracts.
 - Valid PCAB license
- c.) Financial Documents
 - Audited financial statements
 - Computation of Net Financial Contracting Capacity
 - Commitment from a Universal or Commercial Bank to extend a credit line.

Technical Components

- Bid Security
- Duly Signed Contract Organizational Chart
- Duly Signed List of Contractor's Key Personnel
- Duly Signed List of Contractor's Equipment
- Sworn Statement by the prospective bidder
 - Certification of Non-inclusion in the Blacklist
 - Certificate of Authenticity
 - Letter of Authority to Validate Submitted Documents
 - Authority of the Signatory
 - Affidavit of Disclosure of No Relationship
 - Certification on Bidder's Responsibilities
 - Certificate as to Compliance of Existing Labor Laws and Standards.

Financial Documents 2nd Envelope

- Duly Signed Financial Bid Form
- Duly Signed Bill of Quantities
- Duly Signed Detailed Estimates
- i) Performance Security
- j) Notice of Award of Contract and Contractor's Conformance thereto
- k) A time scaled progress bar chart based on the CPM network on which shall be superimposed in the form of S-curve, a plot of target accomplishment vs. time. The bar chart shall include production activities or pay items and shall be based on an early start or a late start schedule. The time interval of the chart shall be a weekly basis, approved by the Head of the Procuring Entity.
- l) A construction plan and equipment deployment schedule as required and the manpower utilization schedule based on the PERT/CPM diagram and progress bar chart. The time interval of the schedules shall be on a weekly basis.
- m) A cash flow and payment schedule based on the projected bar chart and the construction plant/equipment and the manpower utilization schedules.

- n) Safety and Health Program duly approved by DOLE
- o) A brief narrative description of the proposed construction method and/or procedures following the outline indicated, and an organizational chart.

The above-mentioned related schedules shall be duly updated and/or revised by the CONTRACTOR as deemed necessary during the entire construction period.

ARTICLE 3

CONTRACT PRICE

For and in consideration of the faithful and complete performance and accomplishment of all the obligations specified under Article 1, the OWNER shall pay the CONTRACTOR the Contract price amount of **EIGHT MILLION FOUR HUNDRED FIFTY EIGHT THOUSAND TWO HUNDRED SEVENTY TWO & 64/100 (PhP 8,458,272.64)**. The CONTRACTOR hereto guarantees that for the construction and work covered herein, the OWNER shall not incur any additional expenses or be required to pay any sum beyond the said amount except for any addition or extra work that may be required and authorized in writing by the OWNER.

The above Contract Price is all inclusive of the Twelve Percent (12%) Expanded Value Added Tax (E-VAT) as required by the Bureau of Internal Revenue Code. The Contract Price is not subject to any escalation regardless of the increase in materials, labor, taxes, licenses, fees, and of inflation, devaluation or depreciation of the Philippine Currency.

ARTICLE 4

TERMS OF PAYMENT

Mobilization Fee. The OWNER shall upon written request of the CONTRACTOR which shall be submitted as a Contract document, pay the mobilization fee to the CONTRACTOR in an amount equal to Fifteen Percent (15%) of the total Contract price to be made in lump sum or at the most two installments according to a schedule specified in other relevant bid documents. The mobilization fee shall be made only upon submission the contractor and acceptance by the OWNER of an irrevocable standby letter of credit of an equivalent value from a commercial bank, a bank guarantee or a surety bond, callable on demand, issued by a surety or insurance company duly accredited by the Insurance Commission and confirmed by the OWNER. The mobilization fee shall be repaid by the CONTRACTOR by deducting fifteen percent (15%) from his periodic progress payments.

Monthly Progress Payment. The OWNER shall pay the CONTRACTOR of the values of the job accomplished for the period covered by the billing of the CONTRACTOR. For this purpose, a statement showing the actual job accomplished during the said period shall be submitted by the CONTRACTOR for the evaluation of the Resident Engineer, and upon endorsement by the Architect thereof, and the written approval of the OWNER, the OWNER shall make the corresponding payment within forty five (45) calendar days from the endorsement of the Resident Engineer and the approval of the Owner, less the advance mentioned above representing a portion of the revolving fund. The first Progress Billing shall have an accomplishment of at least 20%. The

OWNER is not bound by any endorsement made to the Materials and equipment delivered on the site but not completely utilized/installed, except as otherwise stipulated in the Contract documents and this agreement shall not be included for payment. Building permit, Electrical and sanitary permits will be required for submission for their first progress payment

Final Payment shall be made after full and final completion of the work as duly certified by the Resident Engineer for the approval and acceptance of the Owner's representative. Upon receipt of written notice from the CONTRACTOR that the work is ready for final inspection and acceptance, the Resident Engineer and the duly authorized representative of the OWNER shall promptly make such inspection, and if found that the work is worthy of acceptance under the Contract and the Contract is fully performed, they shall promptly issue a final Certificate of Acceptance over their signatures stating that the work provided for in this Contract has been completed and is accepted by them under the terms and conditions thereof, and that the entire balance found to be due to the CONTRACTOR and noted in said certificate and payable as above provided, within forty five (45) calendar days therefrom, subject to the submission of the Certificate of Completion. Before issuance of final certificate of completion, the CONTRACTOR shall submit satisfactory evidence to the Resident Engineer and the OWNER that all payroll, materials, bills and other indebtedness incurred in connection with or for the prosecution of work have been fully paid, and upon submission of the following documents, all at the expense of the Contractor:

1. All original and revised plans duly approved
2. As-built plans. (Three sets)

Retention Money. The Ten Percent (10%) Retention shall be made in each succeeding payment to serve as a reserve fund for defects which may occur within one year. The amount shall be deposited in the name of the Contractor and the owner, in the bank chosen by the owner and shall only be released upon correction of all the identified defects. The total Retention money shall be due for release upon Final Acceptance of the Works. The CONTRACTOR may, however, request the substitution of the Retention Money for each progress billing with irrevocable standby letters of credit from a commercial bank, bank guarantees or surety bonds callable on demand, of amounts equivalent to the Retention Money substituted for and acceptable to government, provided that the Project is on schedule and is satisfactorily undertaken. Otherwise, the ten percent (10%) Retention shall be made.

In addition to the retention stated above, an amount representing the withholding tax shall be deducted from the progress billing filed by the CONTRACTOR.

The acceptance of work from time to time for the purpose of making progress payment shall not be considered as final acceptance of the Work under this Contract.

ARTICLE 5

COMMENCEMENT AND TIME COMPLETION

The Contract shall take effect on the date of receipt of the Notice to Proceed from the OWNER. The CONTRACTOR shall commence execution of the Project within seven (7) calendar days from receipt of Notice to Proceed from the OWNER and shall finish and complete the project within One Hundred Fifty (150) calendar days reckoned from the agreed official start date, unless otherwise provided in this agreement.

It is agreed that the time is an essential element of this Contract and therefore, the construction must be completed in One Hundred Fifty (150) calendar days from the

date of acceptance of the Notice to Proceed. Otherwise, the CONTRACTOR must pay the OWNER the amount stated in the Revised Implementing Rules and Regulations of R.A. 9184, as liquidated damages until the day the unfinished work is completed.

For this purpose, it is hereby agreed and understood that the CONTRACTOR expressly authorizes the OWNER to deduct the amount of such damages from any monies due to or which may become due to the CONTRACTOR, without prejudiced to the other methods of recovery. The payment of deduction of such damages shall not relieve the CONTRACTOR from his obligation to complete the work or any other obligations and liabilities under this Contract.

ARTICLE 6

LIQUIDATED DAMAGES

In the event that the CONTRACTOR refuses or fails to satisfactorily complete the work within the time herein specified, plus any time extension duly granted, and is hereby in default under the Contract, the OWNER is hereby authorized to impose the liquidated damages under the Revised Implementing Rules and Regulations of R.A. 9184, without having to prove that it has incurred actual damages. The CONTRACTOR agrees to pay the OWNER for liquidated damages and not by way of penalty an amount to be determined in accordance with the formula prescribed under R.A. 9184, until the work is completed and accepted or taken over by the OWNER.

Said liquidated damages maybe deducted from any money due or which may become due to 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 and expeditious to the OWNER.*

ARTICLE 7

CHANGES AND ADDITIONS

If the OWNER shall, upon written order signed by the Architect and the OWNER, require any deviation from the Plans and Specification or require that any work described in the Plans and Specifications be omitted, then the CONTRACTOR will carry out such requirements of the OWNER and shall perform the additional/deductive work in a thorough manner to the satisfaction of the Architect and the OWNER within the time prescribed.

The Architect shall compute and certify the cost of the added to or deducted from the Contract Price, whichever the case may be, for the written approval of the OWNER and shall be executed under the conditions hereof and the Contract Documents as prescribed by RA 9184.

ARTICLE 8

CONTRACTOR'S LIABILITIES

It is hereby agreed and understood that no employer-employee relationship exists between the OWNER and the CONTRACTOR, and all laborers, workers, employees and staff of the CONTRACTOR are not in any way connected with the

OWNER and there exists no employer-employee relationship between the OWNER and the said laborers/employee and staff of the CONTRACTOR.

The CONTRACTOR hereby agrees to shoulder and answer all claims of any nature, whether for death, injuries or damages that may be suffered by CONTRACTOR's workers and / or by third parties, arising from or in connection with the performance of the work. The CONTRACTOR shall at all times stand solely liable and / or responsible for compliance with all existing rules and regulations and the CONTRACTOR agrees and binds itself to save and hold the OWNER harmless from any and all liabilities in respect thereto or arising therefrom. Despite of all the foregoing, should the OWNER be held liable whatsoever for any claim, the CONTRACTOR hereby undertakes to indemnify the OWNER for whatsoever amount it was ordered to pay the CONTRACTOR's workers or employees upon demand.

For this purpose the CONTRACTOR binds itself to protect and immune the OWNER from any suit or liability arising from the above claims. The CONTRACTOR shall strictly follow the provision on safety, security and protection of the environment stipulated in the Contract documents and those provided under the National Building Code and the Labor Code.

ARTICLE 9

PERFORMANCE SECURITY

The CONTRACTOR upon signing of the CONTRACT shall post a Performance Security as contained in the Instruction to Bidders, as a guarantee for the CONTRACTOR's faithful performance of the Contract work and to cover payments and obligations arising from this agreement. Such performance security shall remain and continue to be in full force and effect and shall cover the period from the Time of the signing of the CONTRACT until the Final Acceptance of the Project by the OWNER in accordance with the Government Procurement Policy Board (GPPB) Resolution No. 12, provided that the CONTRACTOR has submitted to the OWNER the Warranty Security stipulated under ARTICLE 14 of this Agreement. Coverage of the performance security shall include the defects liability of one (1) year and shall be due for release only after the Certificate of Acceptance is issued by the OWNER.

ARTICLE 10

NON-WAIVER

No inspection made by the OWNER or any of his representative, nor payment after acceptance of the whole/part of the works, nor any possession taken by the OWNER or its employees or representative shall be construed to operate as a waiver by the OWNER of any of the provisions of this Agreement or any right of action reserve to OWNER for any breach of disagreement.

ARTICLE 11

DEFECTIVE WORK AND MATERIALS

Defective work shall be made good, and unsuitable materials shall be rejected notwithstanding that such work and materials have been overlooked by the Resident Engineer and the Owner and accepted or estimated for payment. If the work or any part thereof shall be found defective at any time before the final acceptance of the whole work, the CONTRACTOR shall forthwith make good such defect in the manner

satisfactory to the Resident Engineer and the OWNER. If there is any material that is brought to the site for use in the work or selected for, that is not in conformity with specifications, the CONTRACTOR shall forthwith remove such material from the project site; and any materials furnished which are damaged or rendered defective by the handling of or improper installation by the CONTRACTOR, his agents or his employees, shall be made good and replaced at the CONTRACTOR's expense. The provision is without prejudice to Article 1723 of the Civil Code of the Philippines which is hereby incorporated as part of this Contract.

Any part of the work done which is not of the quality required by or acceptable to the Resident Engineer and the OWNER shall be torn down or removed immediately and rebuilt in accordance with the requirements of the Plans and Specifications without any liability on the part of the OWNER to pay any additional cost incurred by the CONTRACTOR in accordance therewith. Should the CONTRACTOR neglect or delay the correction of faulty works, the OWNER may employ and pay other persons to make good such deficiencies. It is agreed that all expenses consequent thereof or incidental thereto shall be incurred without need of prior consent approval of the CONTRACTOR. Such expenses shall be for the CONTRACTOR's sole account and deducted from any monies due to which may become due to the CONTRACTOR, or any other manner provided in this Contract or under applicable laws.

The CONTRACTOR shall be deemed negligent or in delay, if he fails to commence correction of deficiencies within three (3) days from his receipt of written notice from the Resident Engineer and/or OWNER.

ARTICLE 12

THIRD PARTY LIABILITY

The Resident Engineer and the OWNER shall be held free and harmless from any liability arising from claims of third parties arising from the construction, such as but not limited to wages, overtime pay, compensation for injury or death of laborers and employees of CONTRACTOR or third parties. SSS premiums, Medicare, living allowance, 13th month bonuses and other social and labor obligations, all of which shall be for the sole and exclusive account of the CONTRACTOR.

The Contractor warrants that based on its study and professional assessment, the construction and other works contemplated hereunder may be prosecuted without endangering in any way whatsoever the properties adjacent to and surrounding the construction site. For this reason, the OWNER shall not be held liable and the CONTRACTOR assumes full responsibility for damages to adjoining/adjacent structures caused by the construction works within the premises, as well as for all damages, of any kind of nature whatsoever, in connection with such construction works. Should adjoining/adjacent property owners require a bond or any form of security to protect their interest, the same shall be obtained by the CONTRACTOR at his sole expense.

Neither shall the OWNER /Resident Engineer be held liable for any lien which might arise from any third party supplying materials, labor services for the Project.

The CONTRACTOR shall comply with all the laws, local or national, with city or municipal ordinances, and with all government regulations in so far as they are binding upon or affect the parties thereto, the work or those engaged thereon. The CONTRACTOR shall be liable for every kind for breach of any law, ordinance or obligation and shall indemnify the OWNER against all penalties and liabilities therefore.

In the event a claim is made against the OWNER under this Article, the Owner may terminate this CONTRACT and withhold further payment to the CONTRACTOR.

ARTICLE 13

SAFEGUARDS

The CONTRACTOR shall provide safeguards and other facilities for the protection of the OWNER, Resident Engineer, and the general public. The CONTRACTOR shall be responsible for, and shall indemnify and render harmless, the OWNER and the Resident Engineer from and against all losses, expenses, judgments, court costs, attorney's fee, demands, suits, actions, recoveries, decrees, executions and claims of every nature and description brought against and/or sought to be recovered from the CONTRACTOR or the OWNER, by any builder, agent, servant or employee hired by him.

The CONTRACTOR shall be responsible for, and shall bear all costs and expenses caused by losses, damages due to fire and fire injuries including death resulting therefrom, accidentally sustained by any person/s and for injury or damages to property, arising out of, or in connection with the execution of the work covered by this Contract.

The CONTRACTOR undertakes to obtain and maintain such insurance against aforementioned risk with a bonding and Surety Company acceptable to the OWNER, and in such amount and form as shall be acceptable to the OWNER, and to furnish proof thereof to the OWNER not later than Seven (7) days after signing of this Contract.

ARTICLE 14

WARRANTY SECURITY

The CONTRACTOR shall assume full responsibility for the Contract work from the time project construction commenced up to the final acceptance by the OWNER and shall be held responsible for any damage or destruction of the works except those occasioned by *force majeure*. The CONTRACTOR shall be fully responsible for the safety, protection, security, and convenience of his personnel, third parties, and the public at large, as well as the works, equipment, installation and the like to be affected by his construction.

The CONTRACTOR agrees to guarantee the completed works against qualitative defects on materials, poor workmanship and the like during the defects liability period which shall be one (1) year from the date of completion to final acceptance of the work by the OWNER. During this time in case of any failure and poor workmanship of any part/parts of the project being discovered or found the CONTRACTOR shall make good any and all defects and/or failure at his expense and not to the OWNER. The CONTRACTOR shall undertake repair works of any damage to the project on account of the use of materials of inferior quality within ninety (90) days from the time the OWNER has issued an order to undertake repair.

The CONTRACTOR shall be held responsible for structural defects and or failure of the completed project for fifteen (15) years for permanent structures from final acceptance. After final acceptance of the project by the OWNER the CONTRACTOR shall post a warranty security in the form prescribed in RA 9184 and shall remain effective during the applicable warranty period provided in Section 62.2.2 of RA 9184 and shall be returned only after the lapse of the said warranty period. The warranty

should be the full amount for the first year, and renewable every year thereafter, but subject to a reduction every year by the amount of depreciation on a straight line basis.

ARTICLE 15

INSURANCE ON THE WORK

As the work progresses, the finished portions of the building shall be insured by the CONTRACTOR for an amount equivalent to the work accomplished or finished by the CONTRACTOR against damage/loss by fire, earthquake, storm, typhoon, flood, lightning and other risks. The CONTRACTOR shall obtain and maintain the **Contractor's All Risk (CAR) Insurance** from a surety company acceptable to the OWNER of which insurance policies shall be secured, and submitted to the OWNER within a period as provided for by law.

ARTICLE 16

SUSPENSION AND TERMINATION



Disputes. Any dispute concerning any question arising from this Contract which is not disposed of by agreement between the parties, shall be decided by the OWNER's representative who shall furnish the CONTRACTOR a written copy of its decision.



Arbitration. The decision of the OWNER's representative shall be final and conclusive unless within thirty (30) days from the date of receipt thereof, CONTRACTOR shall deliver to the OWNER a written notice addressed to the OWNER's representative stating its desire to submit the controversy to arbitration. In such event, the dispute shall be decided in accordance with Philippine laws (Executive Order No. 1008).



Enforcement. Decisions reached by arbitration maybe enforced by either of the parties to this Contract in any court of competent jurisdiction in the Philippines. In case of suit arising in connection with the terms of this Contract, the parties hereto, expressly submit to the jurisdiction of the said court.



Termination. If the CONTRACTOR shall breach any warranty made, violate any of the terms and conditions in this Contract, and/or related Contract documents or neglect to perform any of his Contractual obligations, the OWNER may give written notice to perform such obligation or make good his warranty and should he fail to do so within Seven (7) days from receipt thereof, and if the Architect shall certify to such failure, this shall be sufficient ground for the OWNER to take-over and complete the work comprehended under this Contract, and to use or authorize such other Contractor or person to use any tools, materials, equipment and any other property of the CONTRACTOR. However, the CONTRACTOR shall be entitled to payment under this Contract only in the event that the amount of the estimated cost remaining unpaid shall exceed the expenses incurred by the OWNER up to such excess plus Five Percent (5%) thereof as penalty. But should the balance be less than the aforementioned expenses for the completion of the construction plus Five Percent (5%) thereof as penalty, the CONTRACTOR shall pay the amount of such additional expenses to the OWNER, or of any monies due to the CONTRACTOR or the Performance Bond.

ARTICLE 17

ANTI-GRAFT LAW PROVISIONS

CONTRACTOR warrants that none of its official or representatives has given/ promised to give any money or gift to any employee/official of the OWNER to influence or solicit/secure this Contract through an agreement to pay a commission, percentage, brokerage or contingent fee from the Contract Price without prejudice to the CONTRACTOR or any person(s) civil or criminal liability under the Anti-Graft Law and other applicable laws.

ARTICLE 18

RESPONSIBILITIES OF THE CONTRACTOR

The CONTRACTOR does hereby warrant and guarantee that all the materials to be supplied by him under this Contract are new, first class, free from defects and shall be fully complying in every respect with the specifications, approved samples and other requirements of the Contract plans and other related Contract documents. The CONTRACTOR shall make no substitution for materials required by him under this Contract unless written approval is first obtained from the OWNER.

The CONTRACTOR shall diligently supervise the construction until completion and he shall have, on a full-time basis, a competent construction engineer who shall act as Project Supervisor.

The OWNER reserves the right to reject for reasonable cause any person or persons employed by the CONTRACTOR in the construction work and the omission of the OWNER to exercise such right shall not in any way relieve the CONTRACTOR from his responsibility to fulfill his undertakings.

All sub-Contractors to be used if any, shall require the OWNER prior approval.

The CONTRACTOR shall fully coordinate with all Contractors of other building trade of their jurisdiction.

The CONTRACTOR shall provide storage and delivery facilities for testing of concrete, CHB, steel bar and other material samples required for the Project. Cost of testing for concrete and steel shall be paid by the CONTRACTOR. Testing shall be done by a testing laboratory acceptable to the OWNER.

Temporary facilities such as bunkhouses, toilet facilities, power, water, telephone and security shall be for the sole account of the CONTRACTOR. In case more than one (1) Contractor is involved in the Project, the expenses shall be prorated based on their respective Contract Price.

The CONTRACTOR further guarantees to restore the orderly condition of the immediate premises after the completion of the construction, removing all land fills, temporary make-shifts, and such other obstruction that were built due to the construction work. If the CONTRACTOR fails to clear obstruction and clean the premises after the completion of the construction work, the OWNER may opt to fulfill the CONTRACTOR's obligation and deduct whatever expenses he (the OWNER) has incurred from any monies due to the CONTRACTOR.

The CONTRACTOR shall prepare a tarpaulin signboard and must be suitably framed for outdoor display at the project location, and shall be posted as soon as the award has been made, please see Attachment 1.

ARTICLE 19

GENERAL PROVISIONS

Suppletory Use of Contract Documents. The bid documents shall be suppletory to this Contract. In case of conflict between the Bid Documents and the Contract, the later shall prevail, unless it is very evident that the former is correct. Any and all deficiencies in the provisions of this Contract intended to be covered hereby or otherwise connected with or related to the Project covered hereby, but not expressly covered by the provisions of this Contract shall be supplied by the Pertinent Provisions of the Bid/tendered documents and shall be binding for purposes of this Agreement.

Compliance with Law Ordinances etc. The CONTRACTOR shall comply with all the laws ordinances and regulations of both the national and local government applicable to or binding upon the parties hereto, the works covered by this Agreement, or the persons engaged on the performance and accomplishment of the works covered by this Agreement and shall be totally responsible for all damages either to the OWNER or to the government, national or local, for the non-observance of such laws, ordinances and regulations.

Modification. No modification including transfer or assignment or sub contracting of any right or obligation under the terms of this agreement shall be valid unless mutually agreed upon in writing by the parties herein.

Punch List. There shall be only one (1) Jointly Agreed Punch List. It shall be jointly conducted fifteen (15) calendar days before the last day of completion period.

IN WITNESS WHEREOF, the parties hereto, through their respective duly authorized representatives, have hereunto set their hands on date and place first above mentioned.

PSHS – CMC (OWNER)
By:

CONTRACTOR
By:


LORVI B. PAGOROGON, RPAE, MHWQ
Campus Director


ROSEMIA B. NOOR
Proprietor

SIGNED IN THE PRESENCE OF:


CARLITO C. LARIOSA
FAD Chief


Contractor's Consultant

ACKNOWLEDGEMENT

Republic of the Philippines

_____ {s.s.

BEFORE ME, this ____ day of August, 2016 appeared:

LORVI B. PAGOROGON, RPAE, MHWQ with Passport No. EB9537531, issued on November 17, 2013 and **ROSEMIA B. NOOR** with Community Tax Certificate No. 14129343 issued at Iligan City on 1-5-16, 2016, known to me to the same person executed the foregoing instrument and who acknowledged to me that the same is their free and voluntary act and deed and of the offices that they represent.

I further certify that the foregoing **OWNER-CONTRACTOR AGREEMENT** consists of fourteen (14) pages including the page on which this acknowledgement is written, and the parties hereto and their witnesses have affixed their signatures on the space provided and on the margin of each and every page hereof.

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

[Handwritten signatures in blue ink on the left margin]

[Handwritten signature of Atty. Macacuna B. Macadato]
ATTY. MACACUNA B. MACADATO
NOTARY PUBLIC, <No. 16-097>
COMMISSION EXPIRES DEC 31, 2017
PTR No. 6667721 JAN. 9, 2016
ATTORNEY ROLL Nos. 40428 AND 78
IBP LIFETIME No. 02938
MCLE COMPLIANCE No. V-0010913
ADDRESS: CLOSTRIO HEIGHT, TUBOD, ILIGAN CITY
Issued at : _____

Doc : _____
Page : _____
Book No. : _____
Series of : 179
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