

CONTRACT AGREEMENT

Know All Men by These Present:

This CONTRACT made and executed this 11th day of January 2018, by and between:

BULACAN STATE UNIVERSITY, a state educational institution duly organized and existing under and by virtue of the laws of the Philippines, with principal office and postal address at **Guinhawa, City of Malolos, Bulacan 3000 of the Philippines** represented by its President **Dr. CECILIA N. GASCON** (hereinafter called "the UNIVERSITY")

- and -

REED STEEL FABRICATORS, INC. duly organized and existing under the laws of the Philippines, with postal address at RSFI Building, Glowdell Avenue, First Bulacan Industrial City, Tikay, City of Malolos, Bulacan represented herein by its *Authorized Managing Officer* **Mr. ROGELIO C. ROQUE, JR.** and **PLERM CONSTRUCTION AND DEVELOPMENT CORPORATION** with postal address at 2ND Floor, Tindalo Street, Sta. Clara, Sta. Maria Bulacan represented herein by its *Vice President for Engineering* **Engr. MA. KLARISSA MARTINEZ (Joint Venture)** by virtue of the powers conferred upon them, hereinafter referred to as the CONTRACTOR.

WHEREAS, the **UNIVERSITY** is desirous that the Contractor execute **RE-BIDDING- PROPOSED SEVEN-STOREY BULSU E-LIBRARY BUILDING (INFRA-2017-09)** (hereinafter called "the Works") and the **UNIVERSITY** has accepted the Bid for **Seventy Eight Million Nine Thousand Two Hundred Forty Six Pesos and 74/100 (P 78,009,246.74) net amount of project after deducting the 15% discount**, hereinafter called ("the Contract Price") by the Contractor for the execution and completion of such Works and the remedying of any defects therein;

WHEREAS, as a measure of guarantee for the faithful performance of and compliance with his obligations under this contract, the **CONTRACTOR** posted performance security in the form of Performance Bond issued by Commonwealth Insurance Company amounting to **Twenty Three Million Four Hundred Two Thousand Seven Hundred Seventy Four Pesos and 02/100 (P 23,402,774.02)** which is thirty percent (30%) of the contract price as specified in the Bidding Documents.

The calculated unit bid prices shown in the attached Bill of Quantities are tabulated hereunder:

Item no.	Description	Qty.	Unit	Unit Cost	Amount
A	General Requirements				
	Mobilization/ Demobilization	1.00	Lot	P 688,000.00	P 688,000.00
	Temporary Facilities and Related Works Inputs	1.00	Lot	P 690,000.00	P 690,000.00
	Safety & PPE	1.00	Lot	P 491,000.00	P 491,000.00
	Bonds & Premiums	1.00	Lot	P 350,000.00	P 350,000.00
	Management and Supervision	1.00	Lot	P 570,000.00	P 570,000.00
	Permits and Licenses	1.00	Lot	P 180,000.00	P 180,000.00
	Provision of Embankment and Craneway Access	1.00	Lot	P 307,058.00	P 307,058.00
	As-Built Drawings	1.00	Lot	P 65,000.00	P 65,000.00
	Complete Testing & Others	1.00	Lot	P1,209,115.70	P1,209,115.70
B	Site Preparatory Works				
	Survey Works	1,700.00	sm	P 39.71	P 67,507.00
	Site Clearing/ Demolition Works	1.00	Lot	P 393,300.00	P 393,300.00
	Hauling & Disposal	1.00	Lot	P 168,920.00	P 168,920.00
	Staking & Layout	1,700.00	sm	P 217.06	P 369,002.00
	Excavation of Pile Caps	2,478.37	cm	P 188.28	P 466,627.50
	Spreading of Excavated Soil				

	Materials	2,476.37	sm	P 75.14	P 186,224.72
	Dewatering Works	1.00	Lot	P 435,400.00	P 435,400.00
C	Bored Piling Foundation				
	Supply of Temporary Steel Casing	8.00	ea	P 263,953.75	P 2,111,630.00
	Driving/ Extraction of Temporary Steel Casing	90.00	ea	P 24,096.00	P 2,168,640.00
	Drilling of Board Holes	1,912.50	lm	P 11,219.11	P 21,456,547.88
	Supply of RMC (5000 psi, 28 days)	2,436.21	cm	P 4,700.00	P 11,450,187.00
	Placing of RMC	2,436.21	cm	P 709.82	P 1,729,270.58
	Supply of Rebars including Tie Wires				
	Grade 60	575,281.30	kgs.	P 39.00	P 22,435,970.70
	Tie Wire GA #16	8,630.00	kgs.	P 74.40	P 642,072.00
	Fabrication of Rebar Cages & Miscellaneous Works	575,281.30	kgs.	P 3.56	P 2,045,444.62
	Installation of Rebar Cages	575,281.30	kgs.	P 5.50	P 3,166,564.50
	Spreading of Excavated Soil Materials	3,045.27	cm	P 75.14	P 228,821.59
	TOTAL COST:				P 74,072,303.79
	TOTAL DIRECT COST (MATERIAL & LABOR)				P 74,072,303.79
	Add 18% Indirect Cost				P 13,333,014.68
	TOTAL COST (DIRECT + INDIRECT)				P 87,405,318.47
	Add 5% VAT				P 4,370,265.92
	TOTAL PROJECT COST				* P 91,775,584.40

***Excluding Fifteen (15%) discount offered**

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 the Contract referred to.
2. Republic Act no. 9184 and its Implementing Rules and Regulations, as amended, as well as the applicable Government Procurement Policy Board Resolutions shall apply to this Contract.

3. SCOPE OF WORK

- 3.1 CONTRACTOR agrees to render the Services enumerated and described in the Construction Specifications and in accordance with the general terms and conditions and made an integral part hereof.
- 3.2 Plans/Drawings as approved by the UNIVERSITY necessary in the execution of work mutually agreed upon by the UNIVERSITY and CONTRACTOR.
- 3.3 The CONTRACTOR shall undertake the construction and completion of the PROJECT in full compliance with Contract Documents.

4. WARRANTY

Section 62 (b) of R.A. 9184: The CONTRACTOR shall assume full responsibility for the contract work from the time project construction commenced up to a reasonable period as defined in the IRR taking into consideration the scale and coverage of the project from its final acceptance by the government and shall be held responsible for any damage or construction of 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 work and

shall be required to put up a warranty security in the form of cash, bank guarantee, letter of credit, Government Service Insurance System bond, or callable surety bond. The CONTRACTOR shall undertake the repair works, at his own expense, of any defect or damage to the infrastructure projects on account of the use of materials of inferior quality within ninety (90) days from the time the Head of the Procuring Entity has issued an order to undertake repair. In case of failure or refusal to comply with this mandate, the government shall undertake such repair works and shall be entitled to full reimbursement of expenses incurred therein upon demand.

5. WORK CHANGES

Variation Orders may be issued by the UNIVERSITY 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 positive or additive Variation Order does not exceed ten percent (10%) of the original contract price.

In claiming for any Variation Order, the CONTRACTOR shall, within seven (7) calendar days after such work has been commenced pursuant to Section 3.2 of the Revised IRR Annex "E" of R.A. 9184; or, within twenty eight (28) calendar days after the circumstances or reasons justifying a claim for extra cost shall have occurred, deliver a notice giving full and detailed particulars of any extra cost in order that it may be investigated at that time.

6. COMPLETION OF WORK

The CONTRACTOR binds itself to complete the undertaking herein contracted within **One Hundred Eighty (180) calendar days** commencing on the day the undertaking started, which should not be later than ten (10) calendar days from receipt of the Notice to Proceed;

The CONTRACTOR shall pay the UNIVERSITY for liquidated damages (LD), and not by way of penalty, an amount equal to one-tenth (1/10) of one percent (1%) of the cost of the unperformed portion of the works for every day of delay. The UNIVERSITY shall deduct the liquidated damages from payments or any money due or which may due the CONTRACTOR under this Contract and/or collect such liquidated damages from the retention money or other securities posted by the CONTRACTOR whichever is convenient to the UNIVERSITY. Once the cumulative amount of liquidated damages reaches ten percent (10%) of the amount of this contract, the UNIVERSITY shall rescind this contract, without prejudice to other courses of action and remedies open to the UNIVERSITY.

7. PENAL CLAUSE

In addition to the Performance Security posted by the winning bidder to guarantee the faithful performance of its obligations under the contract in accordance with the Bidding Documents, the CONTRACTOR shall pay a penalty of 0.5% of the contract price for each day of delay of the project and 1% of the same for every breach.

8. PROJECT COST AND TERMS OF PAYMENT

In consideration of the Contract Price mentioned herein to be paid by the UNIVERSITY to the CONTRACTOR, the CONTRACTOR hereby covenants, with the UNIVERSITY, to execute and complete such works and to remedy defect therein in conformity in all respect with the provisions of the Contract;

The Contract Price shall be paid to the CONTRACTOR through the Government disbursement procedure subject to the payment, retention money, and warranty provisions in the General Conditions of Contract, the Special Conditions of Contract, and the IRR of R.A. 9184;

9. **The following Contract Documents are incorporated hereto and made integral part of this Agreement:**

9.1 The said Bid which is the Form of Bid Accomplished and submitted by the Contractor, including:

- a. Bid Security
- b. Bid Prices in the Bill of Quantities
- c. Detailed Estimates
- d. Valid Philippine Contractor's Accreditation Board (PCAB) License and Registration for the type and cost of the contract for this Project
- e. Organizational Chart
- f. List of Contractor's Personnel
- g. List of Contractor's Equipment
- h. Construction Schedule and S-Curve
- i. Construction Safety and Health Program for this Project
- j. Contractor's All Risk Insurance Policy
- k. Manpower Schedule
- l. Construction Methods
- m. PERT/CPM
- n. Site Inspection Certificate
- o. Omnibus Sworn Statement

9.2 Invitation to Apply for Eligibility and to Bid;

9.3 Bid Data Sheet;

9.4 General and Special Conditions of the Contract;

9.5 Supplemental/ Bid Bulletin no. 1

9.6 Eligibility requirements, documents and/or statements;

9.7 Joint Venture Agreement between Reed Steel Fabricators, Inc. and Plerm Construction and Development Corp.

9.8 Performance Security and Warranty;

9.9 Approved Resolution to Award;

9.10 Notice of Award of Contract and winning bidder's "Conforme" thereto; and

9.11 Other contract documents that may be required by the existing laws and/or the Entity.

10. **RESOLUTION OF CONFLICTS**

10.1 Any and all disputes arising from the implementation of **RE-BIDDING- PROPOSED SEVEN-STOREY BULSU E-LIBRARY BUILDING (INFRA-2017-09)** between the UNIVERSITY and the CONTRACTOR, shall be submitted to arbitration in the Philippines according to the provisions of Republic Act No. 876, otherwise known as the "Arbitration Law": Provided, however, That, disputes that are within the competence of the Construction Industry Arbitration Commission to resolve shall be referred thereto. The process of arbitration shall be incorporated as a provision in the contract that will be executed pursuant to the provisions of this Act: Provided, That by mutual agreement, the parties may agree in writing to resort to alternative modes of dispute resolution.

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

BULACAN STATE UNIVERSITY

REED STEEL FABRICATORS, INC.

Cecilia
CECILIA N. GASCON, Ph.D.
 President

[Signature]
Mr. ROGELIO C. ROQUE, JR.
 Authorized/Managing Officer

PLERM CONSTRUCTION & DEVELOPMENT CORPORATION

[Signature]
Engr. MA. KLARISSA MARTINEZ
 Vice President for Engineering

SIGNED IN THE PRESENCE OF:

[Signature]
JAIME P. PUMBARIT, Ph.D.
 BulSU Witness

[Signature]
ORLANDO C. ROQUE
REED STEEL FABRICATORS, INC.
 Contractor's Witness

Funds Available:

[Signature]
FELICITAS G. MIRABUENOS
 Accountant IV, BulSU Accounting Office

[Signature]
 DOMENICO V. MENON
 PLERM Constr.

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES

CITY OF MALOLOS

)S.S.

BEFORE ME, a Notary Public for and in the Province/City of **CITY OF MALOLOS** this **11 9 JAN 2018**, 2018, personally came and appeared:

Name	Gov't issued identification	Issued At/Date
Dr. CECILIA N. GASCON	BulSU ID # 2015-0286	August 30, 2015 / City of Malolos, Bulacan
Mr. ROGELIO C. ROQUE, JR.	UMID CRN: 0003-6523489-6	
Engr. MA. KLARISSA MARTINEZ	IRC Reg. # 0119970	PRC Sampaloc, Manila

Known to me and known to be the same persons who executed the foregoing instrument and acknowledged to me that same is the free and voluntary act and deed of the entities which they respectively represent.

The foregoing instrument is an AGREEMENT consisting of five (5) pages (exclusive of attachments), including this page on which this acknowledgment is written and signed by the parties hereto and their Instrument witnesses on the left hand margin of each and every page hereof.

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

Doc. No. 486
 Page No. 69
 Book No. 81
 Series of 2018

[Signature]
MARK ANTHONY V. ANIAG
 Notary Public until Dec. 31, 2018
 PTR No. 0005549 / 01-03-18/Malolos
 Roll No. 5673 / Lifetime IBP LRN 011330/Bulacan
 MCLE No. VI-0000368/08-01-16
 Commission No. PNC-04-MB-2017
 2nd level Midtown Bldg. Pasco St. Congress,
 Catmon, City of Malolos, Bulacan