

CONTRACT AGREEMENT

Know All Men by These Present:

This CONTRACT made and executed this **5th** day of **December 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 -

T.G. OCAMPO CONSTRUCTION AND SURVEYING SERVICES duly organized and existing under the laws of the Philippines, with postal address at No. 30 Cattleya Street Pillar Village, San Isidro, City of San Fernando, Pampanga represented herein by its Project Manager **Engr. BENNY M. GARCIA** and by virtue of the powers conferred upon him (hereinafter called "the CONTRACTOR").

WHEREAS, the **UNIVERSITY** intends to undertake **Proposed Modular Partition for the Faculty Office at the College of Engineering INFRA 2018-18** (hereinafter called "the WORKS");

WHEREAS, the **CONTRACTOR** warrants and has represented to the UNIVERSITY that it has the capability, competence, and sufficient resources to construct ad complete the aforesaid work, thus offered the bid for **Six Million Nine Hundred Fifty Two Thousand Five Hundred Pesos (P 6,952,500.00)**, hereinafter called ("the Contract Price");

WHEREAS, in view of the foregoing warranties, the UNIVERSITY has accepted the CONTRACTOR'S offer in complete reliance on the foregoing representations made by the CONTRACTOR, subject to and in accordance with the terms and conditions hereinafter set forth.

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

Item No.	Description	Amount	Percent (%) Weight
I.	GENERAL REQUIREMENTS	P 46,022.55	0.66%
II.	SITE PREPARATORY WORKS	P 19,700.10	0.28%
III.	MASONRY WORKS (including Plastering)	P 74,159.19	1.07%
IV.	CONCRETE WORKS	P 6,755.91	0.10%
V.	CARPENTRY WORKS	P 435,856.37	6.27%
VI.	TILE WORKS	P 537,718.13	7.73%
VII.	PAINTING WORKS (including Paint Stripping and Re- Application)	P 177,985.40	2.56%
VIII.	FENESTRATIONS	P 351,040.20	5.05%
IX.	ELECTRICAL WORKS (COE Faculty)	P 746,572.58	10.74%
X.	PLUMBING WORKS	P 78,032.43	1.12%
	FURNITURE AND EQUIPMENT TO BE DELIVERED w/ Installation and Profit	P 4,478,657.16	64.42%
	GRAND TOTAL	P 6,952,500.00	100.00%

NOW, THEREFORE, the **UNIVERSITY** and the **CONTRACTOR,** for and in consideration of the terms and conditions set forth in this **Agreement** and in the documents, appended thereto, do hereby agree as follows:

ARTICLE 1. CONTRACT DOCUMENTS

1.1 The following Contract Documents shall form part of this Agreement

- a. The Bid which is in the form of Bid Accomplished and submitted by the CONTRACTOR, including:
 - 1) Bid Security
 - 2) Bid Prices in the Bill of Quantities
 - 3) Detailed Estimates
 - 4) Valid Philippine Contractor's Accreditation Board (PCAB) License and Registration for the type and cost of the contract for this Work;
 - 5) Organizational Chart;
 - 6) List of CONTRACTOR's Personnel;
 - 7) List of CONTRACTOR's Equipment;
 - 8) Construction Schedule and S-Curve;
 - 9) Manpower Schedule;
 - 10) Construction Methods;
 - 11) PERT/CPM;
 - 12) Site Inspection Certificate;
 - 13) Omnibus Sworn Statement
- b. Invitation to Apply for Eligibility and to Bid;
- c. Bid Data Sheet;
- d. General and Special Conditions of the Contract;
- e. Supplemental Bid Bulletin;
- f. Eligibility requirements, documents and/or statements;
- g. Performance Security and Warranty;
- h. Approved Resolution to Award;
- i. Notice of Award of Contract and winning bidder's "Conforme" thereto; and
- j. Other contract documents that may be required by existing laws and/or Entity.

1.2 The Provision of this Agreement and the above-mentioned Documents should be read and construed in harmony with one another, in view of giving each and every provision hereof and thereof full force, effect and applicability.

1.3 In case of irreconcilable conflict between the provision of this Agreement and those of the plans, specifications and general conditions and Bid Documents, the intention of the UNIVERSITY shall prevail.

1.4 The Construction Plans and Specifications, the detailed price proposal and other relevant documents mentioned above are considered part of this Agreement as if hereto attached.

1.5 Any items mentioned in the Plans or the Technical Specifications, not included in the other shall be deemed included in both and covered by this Agreement. In case of doubt or conflict between any or some of the items or provisions in the Plans or Detailed Specifications, a fair interpretation shall be adopted, upholding the intention of the parties.

1.6 The CONTRACTOR shall make no change or alteration in the Plans and Technical Specifications, without prior written approval of the UNIVERSITY through its Architect/Engineers. A mere act of tolerance shall not constitute approval.

ARTICLE 2. ENGAGEMENT

DR. CECILIA N. GASCON

ENGR. BENNY M. GARCIA

(BulSU Witness)

(Contractor's Witness)

FELICITAS G. MIRABUENOS

DR. CECILIA N. GASCON

ENGR. BENNY M. GARCIA

(BuSU Witness)

(Contractor's Witness)

FELICITAS G. MIRABUENOS

2.1 The UNIVERSITY engages the services of the CONTRACTOR as an independent contractor to perform the services described in Article 3 of this Agreement.

2.2 This Agreement does not, and the Parties do not intend to, create any agency, partnership, or relationship of employer and employee between them or between the UNIVERSITY and CONTRACTOR's employees, agents or representatives.

2.3 The CONTRACTOR warrants that it shall not take action of any kind that is contrary to this express intention. Otherwise, if any such action is taken by any other person, the CONTRACTOR shall protect the integrity of this intention as expressed in this Agreement. As intended by the parties, this Agreement sets forth the conditions under which the Parties shall perform their obligations.

2.4 This Agreement does not give the CONTRACTOR or any of its employees, agents or representatives any authority whatsoever to hire any persons or incur any financial obligation for and in behalf of the UNIVERSITY or bind the UNIVERSITY to any contract or arrangement with any third party.

ARTICLE 3. SCOPE OF WORK

During the term of this Agreement, the CONTRACTOR shall:

3.1 Render the Work enumerated and described in the Construction Specifications and in accordance with the general terms and conditions and made an integral part of this Agreement with utmost efficiency and reliability.

3.2 Provide plans, designs/drawings as approved by the UNIVERSITY which are necessary in the execution of work mutually agreed upon by the UNIVERSITY and the CONTRACTOR.

3.3 Undertake the construction and completion of the work in full compliance with the contract documents.

3.4 Any and all requests by either party to modify the scope of the Work must be made in writing and must be approved or agreed to in writing by the other party.

3.5 The CONTRACTOR shall comply and provide on its own account, all Government provisions and requirements on Fire safety equipment like Fire sprinklers and fire alarm, emergency light and fire exit on all facilities of the building.

3.6 The CONTRACTOR shall be responsible on Sewage Treatment Plant (STP) while doing the construction works.

3.7 The CONTRACTOR shall be free to use any means and methods not contrary to law, regulations and the provisions and spirit of this Agreement, which it believes will best enable it to perform the committed Work.

3.8 The CONTRACTOR shall assign such number of its qualified, skilled, well trained and well-screened personnel ("Personnel") as may be necessary for the efficient and successful performance and completion of the Work in accordance with the requirements of and to the satisfaction of the UNIVERSITY.

3.9 The CONTRACTOR shall be liable for hauling of scrap taken from the construction of the project.

3.10 The CONTRACTOR shall provide, on its own account, all the tools, equipment, implements, materials, supplies, uniforms, identification cards and paraphernalia necessary for its Personnel to perform the Services.

3.11 The CONTRACTOR shall likewise be responsible for all the acts, faults, negligence, or omissions of its Personnel and for the upkeep, maintenance and condition of the tools, equipment, implements, materials, supplies and paraphernalia used in the performance of the Work.

ARTICLE 4. PROJECT COST AND TERMS OF PAYMENT

4.1 The UNIVERSITY shall pay the CONTRACTOR for the entire performance and completion of Works herein, the Contract Price of **Six Million Nine Hundred Fifty Two Thousand Five Hundred Pesos (P 6,952,500.00)**, inclusive of Value Added Tax (VAT) through Government disbursement procedure, subject to the payment, retention money, and warranty provisions in the General Conditions of Contract, the Special Conditions of Contract, the IRR of R.A. 9184, and applicable Government Procurement Policy Board Resolutions.

4.2 The CONTRACTOR hereto guarantees that for the implementation of the Work, the UNIVERSITY shall not incur any expenses beyond the said amount except for any addition of extra work not provided in this Agreement that may be required and authorized in writing by the UNIVERSITY.

ARTICLE 5. COMPLETION AND ITS EXTENSION

5.1 The time of completion of all the works in the Work shall only be extended for such period as maybe necessary should the work be delayed due the fault of the UNIVERSITY, or by force majeure, war, rebellion, strikes, epidemics, fires, riots, or acts of the civil or military authorities.

5.2 An extension of the time shall be effective only upon request therefore made in writing by the CONTRACTOR and only upon approval by the UNIVERSITY. In case of additions or alterations in the work as contemplated in Article 3, written request shall be presented by the CONTRACTOR for approval within one week's time following an order of change.

5.3 The UNIVERSITY's approval for extension of time or period brought by delay of the CONTRACTOR of the completion of work other than those stated above is subject to payment of interest and penalty of 1% a day to the UNIVERSITY until the completion of work of the CONTRACTOR.

5.4 The CONTRACTOR agrees to complete, deliver, and turn over the project within **Ninety (90) calendar days** counted from the agreed date of construction, which should not be later than seven (7) calendar days from receipt of the Notice to Proceed. Otherwise, the CONTRACTOR shall indemnify the UNIVERSITY, without demand ONE PERCENT (1%) of TEN PERCENT (10%) of the total contract price for each day of delay, as liquidated damages.

5.5 The UNIVERSITY shall deduct the liquidated damages from payments or any money due, or which may be due to the CONTRACTOR under this Agreement and/or collect such unliquidated damages from the retention money or other securities posted by the CONTRACTOR, whichever is convenient and at the option of the UNIVERSITY.

5.6 Once the cumulative amount of liquidated damages reaches ten percent (10%) of the Contract Price, the UNIVERSITY shall rescind this contract, without further Court action and without prejudice to other courses of action and remedies available to the UNIVERSITY.

ARTICLE 6. UNIVERSITY'S REPRESENTATIVE

6.1 The UNIVERSITY shall be represented at the Work site by its duly authorized and other designated representatives, with whom the CONTRACTOR, in undertaking the construction of the Work, shall solely coordinate.

DR. CECILIA N. GASCON

ENGR. BENNY M. GARCIA

(BulSU Witness)

(Contractor's Witness)

FELICITAS G. MIRABUENOS

DR. CECILIA N. GASCON

ARTICLE 7. SUBMISSION OF PROGRESS REPORT, SURETY BOND AND INSURANCE POLICIES

7.1 The CONTRACTOR shall be required to submit to the UNIVERSITY a Surety Bond and the insurance policies required under this Contract within one (1) week after the signing of this Contract.

7.2 The CONTRACTOR shall submit to the UNIVERSITY a monthly progress report, which shall not be considered as final acceptance of the work under this Contract.

ARTICLE 8. ESCALATION OF COST

Under no circumstances will there be any escalation in price for the increased cost of labor and materials in this Work

ARTICLE 9. ACCEPTANCE AND FINAL PAYMENT

9.1 Final payment of the TEN PERCENT (10%) RETENTION shall be made within (30) days after full and final completion of the work herein as duly certified by the UNIVERSITY's ARCHITECT/ENGINEER's and subject to final acceptance of the same by the UNIVERSITY and the submission of a Guarantee Bond.

9.2 Upon receipt of written notice from the CONTRACTOR that the work is ready for the final inspection and acceptance, the UNIVERSITY's Architect/Engineer shall promptly make such inspection. If found acceptable under the Contract and that the Contract is fully performed, a Final Certificate of Acceptance shall be issued stating the work provided for in this Contract has been completed and is accepted by the UNIVERSITY and its ARCHITECT/ENGINEER'S under the terms and conditions thereof, and that the entire balance found to be due to the CONTRACTOR and noted in said certificate is due and payable as above provided.

ARTICLE 10. DEFECTIVE WORK AND MATERIALS

10.1 Defective work shall be made good and unsuitable materials shall be rejected notwithstanding that such work and materials have been overlooked by the UNIVERSITY Architect/Engineer and accepted or estimated for payment.

10.2 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 UNIVERSITY. If any material brought on the ground for use in the work and selected for and not in conformity with the Specifications, the CONTRACTOR shall forthwith remove such materials from the vicinity of the work and any materials furnished which are damaged or rendered defective by the handling or improper installation by the CONTRACTOR, his agents or employees, shall be made good and replaced at the CONTRACTOR'S expense. This provision is without prejudice to Article 1723 of the Civil Code of the Philippines, which is hereby incorporated as part of this Contract.

ARTICLE 11. THIRD PARTY LIABILITY

11.1 The UNIVERSITY, including its officers or employees shall be held free and harmless from any liability, damages, claims, suits of all kinds, costs and expenses arising from the performance of the CONTRACTOR's duties and function while undertaking the project, including damages and injuries that may be sustained by reason thereof, which shall be voluntarily assumed by the CONTRACTOR.

11.2 The CONTRACTOR shall also indemnify and hold harmless the UNIVERSITY, its officers or employees from claims of third parties arising from the construction such

ENGR. BENNY M. GARCIA

(BulSU Witness)

(Contractor's Witness)

FELICITAS G. MIRABUENOS

DR. CECILIA N. GASCON

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, and living allowances, 13th month bonuses, and other social and labor obligations, all of which shall be for the account of the CONTRACTOR.

11.3 Neither shall the UNIVERSITY be held liable for any lien, which might incur from any third party arising from supplier of materials, labor or services rendered for the Work, which shall be for the CONTRACTOR's account.

11.4 The CONTRACTOR shall comply with all the laws, local or national, with city or municipal ordinances, binding upon or affecting the parties thereto, the work, or those engaged thereon. It shall also comply with the rules and regulations as to the construction work as provided by law. The CONTRACTOR shall keep the UNIVERSITY indemnified against all penalties and liability of every kind of breach of any laws, ordinances, or regulations.

11.5 In the event of any such claims, the UNIVERSITY may withhold the equivalent amount from the final payment to the CONTRACTOR.

ARTICLE 12. WORK CHANGES AND ADDITIONS

12.1 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 price.

12.2 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.

ARTICLE 13. SAFEGUARDS

13.1 The CONTRACTOR shall provide safeguards and other facilities for the protection of the UNIVERSITY and the general public. The CONTRACTOR shall be responsible for and indemnify and save harmless the UNIVERSITY from and against all losses, expenses, judgments, court costs, attorney's fee, demands, payment, suits, actions, recoveries, decrees, executions, and claims of every nature and description and/or recovered against the CONTRACTOR or the UNIVERSITY, by reasons of act attributable to the CONTRACTOR or of any builders, agents, servants, laborers or employees hired by him.

13.2 The CONTRACTOR shall provide safety facilities for access and inspection by the UNIVERSITY, or its ARCHITECT/ENGINEER'S, and/or their representatives. The CONTRACTOR shall erect and properly maintain at times such barrier, lights, danger signs and necessary safeguards that will protect students, the school community, workmen and the public, including neighboring buildings, passing pedestrians and vehicles.

13.3 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 there from accidentally sustained by any person or persons and for injury or damages to

property arising out of, or in connection with the execution of the work covered by this Contract.

13.4 The CONTRACTOR undertakes to obtain and maintain such All-Risks Insurance Policy and shall produce to the UNIVERSITY all policies and receipts of premium.

ARTICLE 14. THE SURETY BOND

14.1 The CONTRACTOR is required to post with the UNIVERSITY, a **Surety Bond** from Travellers Insurance & Surety Corporation in the Amount of **Two Million Eighty Five Thousand Seven Hundred Fifty Pesos Only (P 2,085,750.00)**, Philippine currency, equivalent to **Thirty Percent (30%)**, of the Contract Price to make good on the Down Payment and for the faithful performance by the CONTRACTOR of its obligations herein and for payment of all losses or damages which the UNIVERSITY may sustain as a result of the CONTRACTOR'S failure to faithfully comply with the provisions of the Contract.

14.2 In the event that the CONTRACTOR cannot complete the Work on the agreed completion time, Time of Completion, or in case of an approved time extension, the CONTRACTOR is required to renew the Surety Bond corresponding to the new agreed date of completion, assuming extension is allowed by the CONTRACTOR, without prejudice to payment of interest/penalty to the OWNER as provided in this Agreement.

14.3 Prior to the release of the Surety Bond, the CONTRACTOR shall execute a sworn affidavit that all wages and salaries of its staff and employees and all indebtedness connected with the work, including but not limited to claims of or credits to suppliers, and other creditors of the CONTRACTOR have been fully settled. Said bond shall be valid for the construction duration plus one month and shall be replaced with a Guarantee Bond.

14.4 The CONTRACTOR shall give the UNIVERSITY ten percent (10%) of the total contract price as retention bond, which shall be due for release after the defect's liability period and upon final acceptance of the works.

ARTICLE 15. UNIVERSITY'S RIGHT TO TERMINATE CONTRACT

15.1 If the CONTRACTOR shall neglect or fail to perform any of his contractual obligations, the UNIVERSITY may give written notice to the CONTRACTOR to proceed with such work and to perform such agreement and should he fail to do so within FIVE (5) DAYS from receipt thereof, and if the UNIVERSITY'S ARCHITECT/ENGINEER shall certify such failure, this shall be sufficient ground for the UNIVERSITY to enter upon the premises and to complete the work covered under this Contract, and to use or authorize such other contractor or person to use thereof any tools, materials and the property of the CONTRACTOR that shall be on the premises.

15.2 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 UNIVERSITY up to such excess, but should the balance be less than the aforementioned expenses for the completion of the construction, the CONTRACTOR shall pay the amount of such additional expenses to the UNIVERSITY, from the amount of the CONTRACT PRICE, including penalty an interest, of _____ in addition to payment for liquidated damages.

ARTICLE 16. TERM OF CONTRACT

16.1 The agreement shall be effective for a period of ninety (90) calendar days, commencing on **December 5, 2018** and ending on **March 5, 2019**, unless sooner rescinded, cancelled or terminated in accordance with the law or the provisions of this Agreement.

DR. CECILIA N. GASCON

ENGR. BENNY M. GARCIA

(BulSU Witness)

(Contractor's Witness)

FELICITAS G. MIRABUENOS

16.2 Either Party may pre-terminate this Agreement, or any extension thereof upon written notice and with immediate effect if the other party violates or fails to comply with any provision of this Agreement, including the CONTRACTOR's failure to render the Services within the agreed term on account of strike or protest by its employees, agents or representatives, without prejudice to any outstanding liability brought by damages incurred.

ARTICLE 17. VENUE OF ACTION

In the event that any of the parties herein is compelled to resort to court action to enforce the provisions of this Agreement, the parties herein waive any other venue and submit to the exclusive jurisdiction of the courts in the province of Bulacan, to the exclusion of all courts after exhausting their best efforts in settling their dispute amicably. The guilty party shall then be held liable to pay damages to the innocent party in such amount as shall be proven in court including attorney's fees equivalent to twenty five percent (25%) of the amount being claimed.

ARTICLE 18. 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.

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.

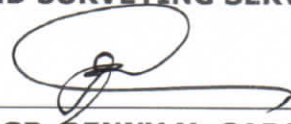
SIGNED, SEALED, AND DELIVERED BY:

BULACAN STATE UNIVERSITY



CECILIA N. GASCON, Ph.D.
President

T.G. OCAMPO CONSTRUCTION AND SURVEYING SERVICES



ENGR. BENNY M. GARCIA
Project Manager

SIGNED IN THE PRESENCE OF:



BulSU witness



Contractor's Witness

Funds Available:



ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES

_____)S.S.
City of San Fernando, Pampanga

BEFORE ME, a Notary Public for and in the Province/City of
City of San Fernando, Pampanga this DEC 05 2018, 2018, personally came
and appeared:

Name	Gov't issued identification	Issued At/Date
Dr. CECILIA N. GASCON	B.S.U. I.D.# 2015-0286	City of Malolos, Bulacan / August 30, 2015
Engr. BENNY M. GARCIA		

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 nine (9) 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.

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Book No. XXI
Series of 2018

ATTY. MICHAEL C. YABUT
Notary Public
Until December 31, 2018
Comm. No. 28.17/CSFP
PTR No. 8967649/1/3/18 Pamp,
Roll No. 57352/ABP Lifetime No. 01062
ACLE Comp. No. V.0020592/4-28-11
City of San Fernando, Pampanga