

## CONTRACT AGREEMENT

Know All Men by These Present:

This CONTRACT made and executed this 7th day of August 2017, 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 -

**OCM STEEL CORPORATION** duly organized and existing under the laws of the Philippines, with postal address at No. 34 Marlboro cor. Winston St., East Fairview Park Subd., Quezon City represented herein by its President/ General Manager **MR. OSCAR C. MERCADO** and by virtue of the powers conferred upon him, hereinafter referred to as the CONTRACTOR.

**WHEREAS**, the **UNIVERSITY** is desirous that the Contractor execute the **Various Repair and Improvement for Sarmiento Campus INFRA 2016-25** (hereinafter called "the Works") and the **UNIVERSITY** has accepted the Bid for **Two Million Eight Hundred Thousand Two Hundred Forty-Two Pesos and 04/100 (Php 2,800,242.04)**, 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 Surety Bond amounting to **Eight Hundred Forty Thousand Seventy-Two Pesos and 61/100 (Php 840,072.61)** which is thirty percent (30%) of the contract price as specified in the Bidding Documents.

### 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.

DR. CECILIA N. GASCON

MR. OSCAR C. MERCADO

(BulSU Witness)

(Contractor's Witness)

FELICITAS G. MIRABUENOS



DR. CECILIA N. GASCON

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 **Fifty (50) 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. 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;

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

8.1 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. Manpower Schedule
- j. Construction Methods
- k. PERT/CPM
- l. Site Inspection Certificate
- m. Omnibus Sworn Statement

8.2 Invitation to Apply for Eligibility and to Bid;

8.3 Bid Data Sheet;

8.4 General and Special Conditions of the Contract;

8.5 Supplemental Bid Bulletin

8.6 Eligibility requirements, documents and/or statements;

8.7 Performance Security and Warranty;

8.8 Approved Resolution to Award;

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

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

9. **RESOLUTION OF CONFLICTS**

10.1 In the event of any conflict arising from the **Various Repair and Improvement for Sarmiento Campus INFRA 2016-25** Contract between the UNIVERSITY and the CONTRACTOR, the parties shall endeavor to settle their conflicts amicably, failing which, the same shall be submitted to arbitration or to the jurisdiction of the courts of Malolos City, to the exclusion of all others.

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.

DR. CECILIA N. GASCON

MR. OSCAR C. MERCADO

(BulSU Witness)

(Contractor's Witness)

ELICITAS G. MIRABUENOS

**BULACAN STATE UNIVERSITY**

*C. Gascon*

**CECILIA N. GASCON, Ph.D.**  
President

**OCM STEEL CORPORATION**

*Oscar C. Mercado*

**MR. OSCAR C. MERCADO**  
President/General Manager

**SIGNED IN THE PRESENCE OF:**

*[Signature]*

BulSU witness

*[Signature]*

Contractor's Witness

**Funds Available:**

*[Signature]*

**FELICITAS G. MIRABUENOS**  
Accountant IV, BulSU Accounting Office

**ACKNOWLEDGMENT**

REPUBLIC OF THE PHILIPPINES

CITY OF MALOLO )S.S.

)

BEFORE ME, a Notary Public for and in the Province/City of  
AUG 07 2017 this CITY OF MALOLO, 2016, 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
Mr. OSCAR C. MERCADO	UMID #CRN-DHI-4387987-0	

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 four (4) 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. 320  
Page No. 64  
Book No. 64  
Series of 2017

**MA. THERESA S. CRUZ-DAGUNA**  
NOTARY PUBLIC  
UNTIL DECEMBER 31, 2017

PNC-28-MB-2016/CITY OF MALOLOS/BULACAN  
PTR NO 92275/MALOLOS CITY BULACAN 01-03-17  
IBP OR NO. 10/14/19/01-15-16/BULACAN