

PROJECT: RE-BIDDING - UPGRADING OF ELECTRICAL MAINLINE - HAGONoy  
CAMPUS  
CONTRACT NO: I-2023-13

CONTRACT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

This AGREEMENT, made and executed this 15 DEC 2023 day of November 2023 in City of Malolos, Bulacan, by and between:

BULACAN STATE UNIVERSITY, a state educational institution, duly organized and exists under and by virtue of the laws of the Philippines, with its principal office address at Brgy. Guinhawa, City of Malolos, Bulacan, represented by its University President, DR. TEODY C. SAN ANDRES, and hereinafter referred to as the ENTITY;

- and -

REED STEEL FABRICATORS, INC., a corporation duly organized and existing under and by virtue of the laws of the Philippines, with office address at Glowdell Avenue, First Bulacan Industrial City, Brgy. Tikay, Malolos, Bulacan represented by its President, Engr. ORLANDO S. ROQUE, and hereinafter referred to as the CONTRACTOR.

WITNESSETH:

WHEREAS, the ENTITY has to build the electrical mainline of the Hagonoy campus with Contract Identification No. I-2023-13 in accordance with its specifications;

WHEREAS, the CONTRACTOR won the bidding for the said contract;

WHEREAS, the CONTRACTOR warrants and has represented to the ENTITY that it has the capability, competence, and sufficient resources to construct and complete the aforesaid work, thus offering the bid for Two Million Nine Hundred Seventy-Eight Thousand Nine Hundred Eighty-Two Pesos and 60/100 (P 2,978,982.60), herein referred to as the "Contract Price";

WHEREAS, the ENTITY has accepted the Calculated Bid of the CONTRACTOR for the execution and completion of the Works with a total Contract Price of Two Million Nine Hundred Seventy-Eight Thousand Nine Hundred Eighty-Two Pesos and 60/100 (P 2,978,982.60) with a Contract Duration of One Hundred (100) 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.

WHEREAS, in view of the foregoing warranties, the ENTITY 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.


NOW, THEREFORE, the ENTITY 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 as required by 2016 Revised Implementing Rules and Regulations of Republic Act No. 9184 shall be deemed to form and to be read and construed as part of this Agreement, viz:

a. Bid form, including all the documents/statements contained in the Bidder's bidding envelopes, as annexes, and all other documents submitted including but not limited to the following:


- 1) Bid Security
- 2) Bid Prices in the Bill of Quantities

  
DR. TEODY C. SAN ANDRES

  
ENGR. ORLANDO S. ROQUE

  
DR. JAIME P. PULUMBAIT

  
MR. EDUARDO M. DIAZ

  
MS. RHODORA G. ANAS-SANTOS

- 3) Bidder's response to request for clarifications on the bid, if any
  - 4) Corrections to the bid, if any, resulting from the Procuring Entity's bid evaluation
  - 5) Detailed Estimates
  - 6) Valid Philippine Contractor's Accreditation Board (PCAB) License and Registration for the type and cost of the contract for this Work;
  - 7) Drawings/Plans;
  - 8) Organizational Chart;
  - 9) List of CONTRACTOR's Personnel;
  - 10) List of CONTRACTOR's Equipment;
  - 11) Construction Schedule and S-Curve;
  - 12) Manpower Schedule;
  - 13) Construction Methods;
  - 14) PERT/CPM;
  - 15) Site Inspection Certificate;
  - 16) Omnibus Sworn Statement
- b. Instruction to Bidders
  - c. Invitation to Apply for Eligibility and to Bid;
  - d. Bid Data Sheet;
  - e. General and Special Conditions of the Contract;
  - f. Supplemental Bid Bulletin;
  - g. Eligibility requirements, documents and/or statements;
  - h. Technical and Financial Proposals, and all other documents or statements submitted;
  - i. Performance Security and Warranty;
  - j. Approved Resolution to Award;
  - k. Notice of Award of Contract and winning bidder's "Conforme" thereto; and
  - l. Other contract documents that may be required by existing laws and/or ENTITY.
  - m. Additional contract documents or information prescribed by the GPPB that are subsequently required for submission after the contract execution, such as but not limited to the following: the Notice to Proceed, Variation Orders, and Warranty Security.

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 Contract Agreement and those of the plans, specifications, general conditions, and bid documents, the latter shall prevail subject to paragraph 1.6.

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 the prior written approval of the **ENTITY** through the Project Management Office (PMO) represented by Ar. MA. SATURNINA C. PARUNGAO. A mere act of tolerance shall not constitute approval.

## ARTICLE 2. ENGAGEMENT

2.1 The **ENTITY** 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 **ENTITY** 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 on behalf of the **ENTITY** or bind the **ENTITY** 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 **ENTITY** which are necessary in the execution of work mutually agreed upon by the **ENTITY** 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 alarms, emergency lights, and fire exits on all facilities of the building.

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

3.7 The **CONTRACTOR** shall be free to use any means and methods provided by law and/or commonly established and accepted industry practice 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 with prior notification and approval of the **ENTITY**.

3.8 The **CONTRACTOR** shall assign a 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 **ENTITY**.

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.

3.12 The **CONTRACTOR** shall ensure at all times the health and safety of its Personnel and to relocate them to a safe area whenever necessary.

### ARTICLE 4. PROJECT COST AND TERMS OF PAYMENT



DR. TEODY C. SAN ANDRES

ENGR. ORLANDO S. ROQUE

DR. JAYME P. PULUMBARIT

MR. EDUARDO M. DIAZ

MS. RHODORA G. ANAS-SANTOS

4.1 The ENTITY shall pay the CONTRACTOR for the entire performance and completion of Works herein, the Contract Price of **Two Million Nine Hundred Seventy-Eight Thousand Nine Hundred Eighty-Two Pesos and 60/100 (₱ 2,978,982.60)**, herein referred to as the "Contract Price" Philippine Currency, 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, Annex "E" of the Revised 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 ENTITY 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 ENTITY.

4.3 **ADVANCE PAYMENT.** The ENTITY 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 a lump sum or, at the most, two installments according to a schedule specified in the Instructions to Bidders and other relevant Tender Documents.

The advance payment shall be made only upon the submission to and acceptance by the ENTITY of an irrevocable standby letter of credit of equivalent value from a commercial bank, a bank guarantee, or a surety bond callable upon demand, issued by a surety or insurance company duly licensed by the Insurance Commission and confirmed by the ENTITY.

4.4 **PROGRESS PAYMENT.** Once a month, the CONTRACTOR may submit a statement of work accomplished (SWA) or progress billing and a corresponding request for progress payment for work accomplished. The SWA should show the amounts which the CONTRACTOR considers itself to be entitled to up to the end of the month, to cover (a) the cumulative value of the works it executed to date, based on the items in the Bill of Quantities, and (b) adjustments made for approved variation orders executed. Alternatively, the ENTITY may require the submission of a statement of work accomplished or progress billing and the corresponding request for progress payment upon actual completion of the infrastructure project or a specific portion, segment, milestone, or phase thereof.

The ENTITY's representative/project engineer shall check the CONTRACTOR's SWA and certify the amount to be paid to the CONTRACTOR as a progress payment. Except as otherwise stipulated in the Instruction to Bidders, materials and equipment delivered on the site but not completely put in place shall not be included in payment.

The ENTITY shall deduct the following from the certified gross amounts to be paid to the CONTRACTOR as progress payment:

- a) Cumulative value of the work previously certified and paid for.
- b) Portion of the advance payment to be recouped.
- c) Retention money in accordance with the condition of the contract.
- d) Amount to cover third-party liabilities.
- e) Amount to cover uncorrected discovered defects in the works.

## 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 may be necessary should the work be delayed due to the fault of the ENTITY, or by force majeure, war, rebellion, strikes, fires, riots, acts of the civil or military authorities, or plague, epidemic, pandemic, outbreaks of infectious disease or any other public health crisis, including community quarantine which has limited the movement and operations of business establishments in some parts of the country, when the declaration of the government authorities includes the areas of the ENTITY and CONTRACTOR, and upon written approval of any duly authorized representative or signatory of the ENTITY.



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 **ENTITY**. In case of additions or alterations in the work as contemplated in Article 3, a written request shall be presented by the **CONTRACTOR** for approval within one week's time following the order of change. By request for extension that remains unacted upon by the **ENTITY** within Seven (7) days from receipt thereof by the **ENTITY** shall be considered disapproval of the same. Any delivery made beyond the original period of delivery shall be considered delayed.

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

5.4 The **CONTRACTOR** agrees to complete, deliver, and turn over the project within **One Hundred (100) 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 **ENTITY**, without demanding TWO-TENTH of ONE PERCENT (0.002) of the cost of the unperformed portion for every day of delay, as liquidated damages. *Delay shall be effective upon the agreed mobilization date on DECEMBER 22, 2023.*

5.5 The **ENTITY** 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 liquidated damages from the retention money or other securities posted by the **CONTRACTOR**, whichever is convenient and at the option of the **ENTITY** and without further notice to the **CONTRACTOR**.

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

5.7 The **CONTRACTOR** shall not sub-contract directly or indirectly any of its obligations under this Contract nor allow other contractor use its name and/or license to comply with the terms of this contract without the prior written consent of the **ENTITY**.

5.8 In case the **CONTRACTOR** failed to comply to its obligation to finish or complete the Project within the contract duration, the **ENTITY** may sub-contract to a third party the remaining Works needed to satisfactorily complete the project for its intended use at the expense of the **CONTRACTOR**. Whatever amount or cost incurred by the **ENTITY** to complete the project shall be borne by the **CONTRACTOR**. The said amount, cost or expenses incurred will be charged to the remaining amount due to the **CONTRACTOR** based on the progress of the project, in case the amount, cost, or expenses incurred by the **ENTITY** in completing the project is more than the remaining amount due to the **CONTRACTOR**, the latter will reimburse or pay the **ENTITY** for the said deficiency. Sub-contracting to a third party the remaining unfinished work of the **CONTRACTOR** due to its delay and/or fault will not result to subrogation of rights in this Agreement. The **ENTITY** and the **CONTRACTOR** shall remain as parties in this Agreement.

#### ARTICLE 6. ENTITY'S REPRESENTATIVE

6.1 The **ENTITY** shall be represented at the Worksite by its duly authorized and other designated representatives from the Project Management Office (PMO), with whom the **CONTRACTOR**, in undertaking the construction of the Work, shall solely coordinate.

6.2. The **CONTRACTOR** shall be represented in this Agreement by its duly authorized representative.

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

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

**ARTICLE 8. ESCALATION OF COST**

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

**ARTICLE 9. ACCEPTANCE AND FINAL PAYMENT**

9.1 Upon receipt of written notice from the **CONTRACTOR** that the work is ready for the final inspection and acceptance, the **ENTITY'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 **ENTITY** and its Architect/Engineer under the terms and conditions thereof, and that the entire balance found to be due to the **CONTRACTOR** and noted in the said certificate is due and payable as above provided.

9.2 **WARRANTY.** For the procurement of Infrastructure Projects, One (1) year from project completion up to final acceptance or the defects liability period. The contractor shall undertake the repair works, at his own expense, of any damage to the infrastructure on account of the use of materials of inferior quality, within ninety (90) days from the time the **ENTITY** has issued an order to undertake the repair. In case of failure or refusal to comply with this mandate, the **ENTITY** shall undertake such repair works and shall be entitled to full reimbursement of expenses incurred therein upon demand. Service of demand/order or request for repair shall be made on the principal address of the **CONTRACTOR** or officer of the **CONTRACTOR**. Officer of the Contractor shall mean any officer listed on the Revised Rules of Court who has authority to receive a summons. Any change of the principal address shall not be binding to the **ENTITY** until the same has been properly communicated to the **ENTITY**.


In case the **CONTRACTOR** fails to comply with any provision of the contract, it shall suffer perpetual disqualification from participating in any public bidding in the government, negotiation, procurement or any project of the entity and its property or properties shall be subjected to attachment or garnishment proceedings to recover the costs. Further, the **ENTITY** has the right to withhold the equipment and materials of the **CONTRACTOR** which are within the premises of the entity until the contractor performs its obligation under this Agreement. All payables of the **ENTITY** in the **CONTRACTOR's** favor shall be offset to recover the costs.

9.3 **WARRANTY SECURITY.** To guarantee that the **CONTRACTOR** shall perform his responsibilities as prescribed in Section 62.2.3.1 (a) of the Revised IRR of RA 9184, it shall be required to post-warranty security in accordance with the following schedule:

FORM OF WARRANTY SECURITY	AMOUNT OF WARRANTY SECURITY (Not less than the required percentage of the Total Contract Price)
a. Cash or Letter of Credit issued by a Universal or Commercial Bank: Provided, however, That the Letter of Credit shall be confirmed or authenticated by a Universal or Commercial Bank, if issued by a foreign bank.	Five percent (5%)
b. Bank guarantee confirmed by a Universal or Commercial Bank.	Ten percent (10%)
c. Surety bond callable upon demand issued by GSIS or a surety or insurance company duly certified by the Insurance Commission as authorized to issue such security.	Thirty percent (30%)

The warranty against Structural Defects/Failures, except those occasioned-on force majeure, shall cover the period specified in the **SCC** reckoned from the date of issuance of the Certificate of Final Acceptance by the **ENTITY** such as:



  
DR. TEODY C. SAN ANDRES

In case of permanent structures, such as buildings of types 4 and 5 as classified under the National Building Code of the Philippines and other structures made of steel, iron, or concrete which comply with relevant structural codes (e.g., DPWH Standard Specifications), such as but not limited to, steel/concrete bridges, flyovers, aircraft movement areas, ports, dams, tunnels, filtration and treatment plants, sewerage systems, power plants, transmission and communication towers, railway system, and other similar permanent structures: Fifteen (15) years.


In case of semi-permanent structures, such as buildings of types 1, 2, and 3 as classified under the National Building Code of the Philippines, concrete/asphalt roads, concrete river control, drainage, irrigation lined canals, river landing, deep wells, rock causeway, pedestrian overpass, and other similar semi-permanent structures: Five (5) years.

In case of other structures, such as Bailey and wooden bridges, shallow wells, spring developments, and other similar structures: Two (2) years.

  
ENGR. ORLANDO S. ROQUE

#### 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 ENTITY's Architect/Engineer and accepted or estimated for payment. Service of demand/order or request to make good the defective work shall be made on the principal address of the CONTRACTOR or officer of the CONTRACTOR. Officer of the Contractor shall mean any officer listed on the Revised Rules of Court who has authority to receive a summons. Any change of the principal address shall not be binding to the ENTITY until the same has been properly communicated to the ENTITY.

  
DR. JAIME P. PULUMBAIT

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 ENTITY. If any material is 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.

  
MR. EDUARDO M. DIAZ

In case the CONTRACTOR fails to comply with any provision of the contract, it shall suffer perpetual disqualification from participating in any public bidding in the government, negotiation, procurement or any project of the entity and its property or properties shall be subjected to attachment or garnishment proceedings to recover the costs. Further, the ENTITY has the right to withhold the equipment and materials of the CONTRACTOR which are within the premises of the entity until the contractor performs its obligation under this Agreement. All payables of the ENTITY in the CONTRACTOR's favor shall be offset to recover the costs.

#### ARTICLE 11. THIRD PARTY LIABILITY

11.1 The ENTITY, 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.

  
MS. RHODORA G. ANAS-SANTOS

11.2 The CONTRACTOR shall also indemnify and hold harmless the ENTITY, its officers, or employees 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, PhilHealth, Pag-IBIG, living allowances, 13<sup>th</sup> month bonuses, and other social and labor obligations, all of which shall be for the account of the CONTRACTOR.

11.3 Neither shall the ENTITY be held liable for any lien, which might incur from any third party arising from the 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 **ENTITY** 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 **ENTITY** 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 **ENTITY** 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 a 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 awarding 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 **ENTITY** and the general public. The **CONTRACTOR** shall be responsible for, and indemnify and save harmless the **ENTITY** 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 **ENTITY**, 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 **ENTITY**, or its Architect/Engineer, and/or their representatives. The **CONTRACTOR** shall erect and properly maintain at times such barriers, 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 therefrom 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 in the amount equivalent to the Contract Amount and shall produce to the **ENTITY** all policies and receipts of premium.

## ARTICLE 14. PERFORMANCE SECURITY (SURETY BOND)

14.1 The **CONTRACTOR** is required to post with the **ENTITY**, a Performance Security in the form of a **Performance bond** from **Milestone Guaranty and Assurance Corp.** in the Amount of **Eight Hundred Ninety-Three Thousand Six Hundred Ninety-Four Pesos and 78/100 (Php 893,694.78)** 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 **ENTITY** 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 the extension is allowed by the **CONTRACTOR**, without prejudice the o payment of interest/penalty to the **ENTITY** 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 Warranty Security.

14.4 The **CONTRACTOR** may 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 the amount equivalent to ten percent (10%) of the contract price and acceptable to Government, provided that the project is on schedule and is satisfactorily undertaken.

#### ARTICLE 15. OWNER'S RIGHT TO TERMINATE CONTRACT

15.1 If the **CONTRACTOR** shall neglect or fail to perform any of his contractual obligations, the **ENTITY** 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 **ENTITY's** Architect/Engineer shall certify such failure, this shall be sufficient ground for the **ENTITY** 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 **ENTITY**, 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 **ENTITY**, including penalty and interest, of one percent (1%) in addition to payment for liquidated damages.

#### ARTICLE 16. TERM OF CONTRACT

16.1 The Agreement shall be effective for a period of **One Hundred (100) calendar days**, commencing on DEC. 22, 2023 and ending on MARCH 31, 2024, unless sooner rescinded, canceled, or terminated in accordance with the law or the provisions of this Agreement.

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

17.1 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.



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

BULACAN STATE UNIVERSITY  
"ENTITY"

  
TEODY C. SAN ANDRES, Ph.D.  
President

REED STEEL FABRICATORS, INC.  
"CONTRACTOR"

  
ENGR. ORLANDO S. ROQUE  
President

SIGNED IN THE PRESENCE OF:

  
JAIME P. PULUMBARIT, Ph.D., DIT  
Vice-President for Administration and Finance

  
MR. EDUARDO M. DIAZ  
Legal Officer

Funds Available:

  
RHODORA G. ANAS-SANTOS  
Accountant II

REPUBLIC OF THE PHILIPPINES

CITY OF MALOLOS, BULACAN ) SS.  
)

ACKNOWLEDGMENT

BEFORE ME, the undersigned Notary Public in and for the Philippines personally appeared.

NAME	VALID ID NO.	DATE/PLACE ISSUED
Dr. Teody C. San Andres		
Engr. Orlando S. Roque		

Both 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 own free act and voluntary deed.

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

NOTARY PUBLIC

Doc. No. 178;  
Page No. 105;  
Book No. XCIII;  
Series of 2023.

  
ATTY. SERVILLANO T. AGUSTIN  
Notary Public  
Until December 31, 2023  
PTR No. 1101004/ 1-3-2023/ Sta. Maria, Bulacan  
IBP No. 255435/ 12-29-2022/ Pasig City  
MCLE Compliance No. VII-0018832/ 4-14-2025