



Contract Agreement Form

CN: 18-0504-04-1230-03

THIS AGREEMENT, made between **ROMBLON STATE UNIVERSITY-RSU MAIN CAMPUS** of Brgy. Liwanag Odiongan, Romblon, 5505, Philippines herein represented by its SUC President **ARNULFO F. DE LUNA, Ph. D.** herein after referred to as "PROCURING ENTITY".

and

SOUTH BUILDERS AND CONSTRUCTION SUPPLIES duly organized and existing under and by virtue of the laws of the Philippines, with business address at 27 Trinidad St. Corner Quezon Avenue, Brgy. 2 Lucena City Quezon, Philippines duly represented by its Project Manager/Proprietor **Mr. REYNALDO R. ETORMA** herein after referred to as "CONTRACTOR".

WITNESSETH

WHEREAS, the PROCURING ENTITY conducted a public bidding for the **CONSTRUCTION OF EXTENSION & TRAINING CENTER (RSU-05-18)**, located at RSU-Main Campus, Brgy. Liwanag, Odiongan, Romblon on March 12, 2018.

WHEREAS, the award of contract was issued in favor of the above-named Contractor.

NOW, THEREFORE, for and in consideration of the foregoing premises and of the mutual covenants and provisions hereafter set forth, the parties hereto have agreed and do hereby mutually agreed as follows:

1. Advance Payment (15%)

1.a The Procuring 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 lump sum or, at the most two, installments according to a schedule specified in the Special Condition of the Contract (SCC).

2. Progress Payment (20%)

2.a The Contractor may submit a request for payment for Work accomplished. Such request for payment shall be verified and certified by the Procuring Entity's Representative/Project Engineer. Except as otherwise stipulated in the Special Condition of the Contract (SCC), materials and equipment delivered on the site but not completely put in place shall not be included for payment.

2.b The Procuring Entity shall deduct the following from the certified gross amounts to be paid to the contractor as progress payment:

- 2.b.1 Cumulative value of the work previously certified and paid for.
- 2.b.2 Portion of the advance payment to be recouped for the month.
- 2.b.3 Retention money in accordance with the condition of contract.
- 2.b.4 Amount to cover third party liabilities.
- 2.b.5 Amount to cover uncorrected discovered defects in the works.

2.c Payments shall be adjusted by deducting there from the amounts for advance payments and retention. The Procuring Entity shall pay the Contractor the amounts certified by the Procuring Entity's Representative within twenty eight

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(28) days from the date each certificate was issued. No payment of interest for delayed payments and adjustments shall be made by the Procuring Entity.

- 2.d The first progress payment may be paid by the Procuring Entity to the Contractor provided that at least twenty percent (20%) of the work has been accomplished as certified by the Procuring Entity's Representative.
- 2.e Items of the Works for which a price of "0" (zero) has been entered will not be paid for by the Procuring Entity and shall be deemed covered by other rates and prices in the Contract.
- 2.f The Procuring Entity shall retain from each payment due to the Contractor an amount equal to a percentage thereof using the rate as specified in General Condition of the Contract (GCC) Sub-Clause 0.

3. Retention Money (10%)

- 3.a Progress payments are subject to retention of ten percent (10%), referred to as the "retention money." *Such retention shall be based on the total amount due to the Contractor prior to any deduction and shall be retained from every progress payment until fifty percent (50%) of the value of Works, as determined by the Procuring Entity, are completed. If, after fifty percent (50%) completion, the Work is satisfactorily done and on schedule, no additional retention shall be made; otherwise, the ten percent (10%) retention shall again be imposed using the rate specified therefor.*
- 3.b 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 the Procuring Entity, provided that the project is on schedule and is satisfactorily undertaken. Otherwise, the ten (10%) percent retention shall be made. Said irrevocable standby letters of credit, bank guarantees and/or surety bonds, to be posted in favor of the Government shall be valid for a duration to be determined by the concerned implementing office/agency or Procuring Entity and will answer for the purpose for which the ten (10%) percent retention is intended, *i.e.*, to cover uncorrected discovered defects and third party liabilities.

4. Liquidated Damages

- 4.a The Contractor shall pay liquidated damages to the Procuring Entity for each day that the Completion Date is later than the Intended Completion Date. The applicable liquidated damages is at least one-tenth (1/10) of a percent of the cost of the unperformed portion for every day of delay. The total amount of liquidated damages shall not exceed ten percent (10%) of the amount of the contract. The Procuring Entity may deduct liquidated damages from payments due to the Contractor. Payment of liquidated damages shall not affect the Contractor's liabilities. Once the cumulative amount of liquidated damages reaches ten percent (10%) of the amount of this Contract, the Procuring Entity may rescind or terminate this Contract, without prejudice to other courses of action and remedies available under the circumstances.


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5. Warranty against Structural Defects

- 5.a 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 Procuring Entity.
- 5.b The Contractor shall be required to put up a warranty security in the form of any of the Warranty as to cash, bank guarantee, letter of credit, GSIS or surety bond callable on demand, in accordance with the following schedule:

Form of Warranty	Amount of Warranty Security Not less than the Percentage (%) of Total Contract Price
5.b.1 Cash or letter of credit issued by 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%)
5.b.2 Bank guarantee confirmed by 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	Ten Percent (10%)
5.b.3 Surety bond callable upon demand issued by GSIS or any surety or insurance company duly certified by the Insurance Commission	Thirty Percent (30%)

- 5.c The warranty security shall be stated in Philippine Pesos and shall remain effective for one year from the date of issuance of the Certificate of Final Acceptance by the Procuring Entity, and returned only after the lapse of said one year period.
- 5.d In case of structural defects/failure occurring during the applicable warranty period provided in General Condition of the Contract (GCC) Clause 0, the Procuring Entity shall undertake the necessary restoration or reconstruction works and shall be entitled to full reimbursement by the parties found to be liable for expenses incurred therein upon demand, without prejudice to the filing of appropriate administrative, civil, and/or criminal charges against the responsible persons as well as the forfeiture of the warranty security posted in favor of the Procuring Entity.

6. The following documents shall be attached, deemed to form, and be read and construed as integral part of this Agreement, to wit:

- 6.a General and Special Conditions of Contract;
- 6.b Drawings/Plans;
- 6.c Specifications;
- 6.d Invitation to Bid;
- 6.e Instructions to Bidders;
- 6.f Bid Data Sheet;
- 6.g Addenda and/or Supplemental/Bid Bulletins, if any;
- 6.h Bid form, including all the documents/statements contained in the Bidder's bidding 6.a envelopes, as annexes, and all other documents submitted (e.g., Bidder's response to request for clarifications on the bid), including corrections to the bid, if any, resulting from the Procuring Entity's bid evaluation;
- 6.i Eligibility requirements, documents and/or statements;


[Handwritten signature]

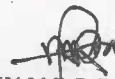
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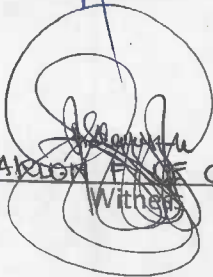
- 6.j Performance Security;
 - 6.k Notice of Award of Contract and the Bidder's conforme thereto;
 - 6.l Other contract documents that may be required by existing laws and/or the Entity.
7. In consideration of the payments to be made by the Entity to the Contractor as hereinafter mentioned, the Contractor hereby covenants with the Entity to execute and complete the Works and remedy any defects therein in conformity with the provisions of this Contract in all respects.
8. The Entity hereby covenants to pay the Contractor in consideration of the execution and completion of the Works and the remedying of defects wherein, the Contract Price or such other sum as may become payable under the provisions of this Contract at the times and in the manner prescribed by this Contract.

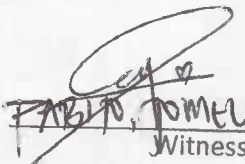
IN WITNESS whereof the parties thereto have caused this Agreement to be executed the day and year first before written.


ARNULFO F. DE LUNA, Ph. D.
 SUC, President II
 Romblon State University


REYNALDO R. ETORMA
 Proprietor/Project Manager
 South Builders and Construction Supplies

Signed in the Presence of:


MARLON F. DE CASTRO
 Witness


FABRO TOMCU
 Witness

ACKNOWLEDGEMENT

Republic of the Philippines
(ODIONGAN, ROMBLON) S. S.

BEFORE ME, this 22 day of MAY, 2018 in ODIONGAN, ROMBLON, Philippines personally came and appeared before me in the following:

	I.D. No.	Place of Issue	Date of Issue
ARNULFO F. DE LUNA, Ph. D.	<u>01-01</u>	<u>Odiongan, Romblon</u>	<u>4/12/2012</u>
REYNALDO R. ETORMA	<u>SS# 03-8612039-0</u>	<u>Lucena City</u>	

Known to me to be the same persons who executed the foregoing instrument consisting of four (4) pages including the page on which this Acknowledgement is written and they confirmed and acknowledged to me that the same is their own free and voluntary deed and that of the agency which they respectively represent.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal on the day, year and place written.

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 Series of 2018

LUIS JAY FORMILLEZA III
 UNTIL DEC. 31, 2019
 IBP NO. 9163 / 12/0118
 PTR NO. 1769823 W/0112
 BOTH ISSUED AT ODIONGAN, ROMBLON
 MCLE CONL NO. 0026752
 FEBRUARY 1, 2018
 ROLL NO. 43123
 NC NO. 02062019-04
 FEBRUARY 5, 2018
 RTC BRANCH 82