

2. The advance payment shall be made only upon the submission to and acceptance by the FIRST PARTY of an irrevocable standby Letter of Credit or equivalent value from 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 FIRST PARTY.
3. The SECOND PARTY shall repay the advance equivalent to the corresponding percentage billing.
4. The SECOND PARTY may submit a request for payment for work accomplished, but not more than once each month. Such request for payment shall be verified and certified by the project Engineer of the owner. Except otherwise stipulated in the Instructions to Bidders

ARTICLE 5 – RETENTION MONEY

Progress payments submitted by the SECOND PARTY are subject to retention of the percent (10%) referred to as the retention money. Such retention shall be based on the total amount due the SECOND PARTY 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 FIRST PARTY, are completed, the work is satisfactory done and on schedule, no additional retention shall be made; otherwise the ten percent (10%) retention shall be imposed. The total retention money shall be due to release upon final acceptance of the works.

ARTICLE 6 – LIQUIDATED DAMAGES

Where the SECOND PARTY refuses or fails to satisfactorily complete the work within the specified contract time, plus any time extension duly granted and is hereby default under the contract, the SECOND PARTY plus any time extension duly granted and is hereby in default under the contract, the SECOND PARTY shall pay the FIRST PARTY for liquidated damages, and not by the way of penalty, an amount to be determined in accordance with the following formula, for each calendar day of delay until the works is completed and accepted or taken over by the owner:

$$LD = 0.75 \times CP/CT$$

Where:

LD = amount of liquidated damages for each calendar day of delay

CP = total contract price minus the value of the completed portions of the contract certified by the owner as usable as of the expiration of the contract time.

CT = contract time plus any time extension delay granted to the contractor

To be entitled so such liquidated damages, the FIRST PARTY does not have to prove that it has incurred actual damages. Such amount shall be deducted from any