

In no case however, shall the total sum liquidated damages exceeded fifteen percent (15%) of the total contract price, in which event the contract shall automatically be taken over the FIRST PARTY or ward the same to a qualified SECOND PARTY's performance security shall be forfeited. The amount of forfeited performance security shall be set aside from the provisions of liquidated damages that the SECOND PARTY shall pay the FIRST PARTY under provisions of this clause.

ARTICLE 16 – ARBITRATION CLAUSE

Pursuant to the 2016 Revised Implementing Rules and Regulations of Republic Act No. 9184, otherwise known as the Government Procurement Perform Act under Rule XVIII – Settlement of Disputes Section 59,

If any dispute or difference of any kind whatsoever shall arise between the parties in connection with the implementation of the contract covered by the Act and this IRR, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.

Any and all disputes arising from the implementation of a contract covered by the Act and this IRR shall be submitted to arbitration in the Philippines according to the provisions of R.A. 876, otherwise known as the "Arbitration Law" and R.A. 9285, otherwise known as the "Alternative Dispute Resolution Act of 2004". *Provided, however,* That disputes that are within the competence of the Construction Industry Arbitration Commission to resolve shall be referred thereto. The process of arbitration shall be incorporated as a provision in the contract that will be executed pursuant to the provisions of the Act and this IRR: *Provided, further,* That by mutual agreement, the parties may agree in writing to resort to other alternative modes of dispute resolution.

IN WITNESS WHEREOF, the PARTIES affixed their signatures this day of

JAN 09 2019, 2018

CEBU NORMAL UNIVERSITY

NOGNOG ENTERPRISES

By: **DR. FILOMENA T. DAYAGBIL**

**ENGR. HERBERT B. CONDE**

SUC President III

General Manager

SIGNED IN THE PRESENCE OF:

**ENGR. ISAAC B. BONGE**  
NOGNOG Enterprises

Cebu Normal University