



Republic of the Philippines

Cebu Normal University
Osmeña Boulevard, Cebu City

MYLO A. CANO
JO BUILDERS, PE

Contract Name : **One Lot Supply of Labor, Materials and Equipment for the Completion of the CNU – Balamban Perimeter Fence**

Location : **Nangka, Balamban, Cebu**

CONTRACT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

This Contract Agreement made on this 22nd day of January 2018, by and between:

The **GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES** through the **CEBU NORMAL UNIVERSITY (CNU)** represented by herein by **DR. FILOMENA T. DAYAGBIL - SUC President III** duly authorized for this purpose, with main office address at Cebu Normal University, Osmeña Boulevard, Cebu City, hereinafter referred to as the **"PROCURING ENTITY"**;

-and-

JO BUILDERS organized and existing under the virtue of laws of the Republic of the Philippines, with main office address at **Greenbelt Subdivision, E. Sabellano St., Quiot, Cebu City**, represented herein by **CHARLESTON Y. JO, Proprietor**, duly authorized for this purpose, hereinafter referred to as the **"CONTRACTOR"**;

WITNESSETH

WHEREAS, the PROCURING ENTITY is desirous that the CONTRACTOR execute the Works under No. **17-10-724** hereinafter referred to as the PROJECT, and the PROCURING ENTITY has accepted the Calculated Bid of the CONTRACTOR for the execution and completion of the works at the calculated unit bid prices shown in the attached Bill of Quantities, or a total Contract price of **Two Million Three Hundred Sixty Eight Thousand Five Hundred Seventy Five Pesos & 63/100 Only (P2,368,575.63).**

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. In this CONTRACT AGREEMENT, words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract hereinafter referred to.
2. The following documents shall be attached, deemed to form, and be read and construed as part of this CONTRACT AGREEMENT, and shall be interpreted in the following order of priority:
 - a. This Contract Agreement
 - b. Documents forming part of the Contract Agreement
 - (1) Notice of Award (NOA) with the Contractor's signed "conforme"
 - (2) Contractor's Bid in the Form of Bid, including its Technical and Financial Proposals, as calculated by the Procuring Entity and conformed to by the Contractor through the NOA.
 - (3) Bidding Documents with Bulletins

JO BUILDERS

CHARLESTON Y. JO
Proprietor/Manager

ROCHE O. TORREJOS
Accountant III

CEBU NORMAL UNIVERSITY

DR. FILOMENA T. DAYAGBIL
SUC President III

- (4) Specifications
- (5) Drawings
- (6) Special Conditions of Contract(SCC)
- (7) General Conditions of Contracts(GCC)
- (8) Performance Security
- (9) Other Documents
 - (a) Construction Methods
 - (b) Construction Schedule and S Curve
 - (c) Manpower Schedule
 - (d) Equipment Utilization Schedule

3. In consideration of the payments to be made by the PROCURING ENTITY to the CONTRACTOR as herein after mentioned, the CONTRACTOR hereby covenants with the PROCURING ENTITY to execute and complete the Works and remedy any defects therein in conformity with the provisions of this CONTRACT AGREEMENT in all aspects.

4. In consideration of the execution and completion of the Works by the CONTRACTOR, the PROCURING ENTITY hereby covenants to pay the CONTRACTOR the unit prices in the CONTRACTOR'S Calculated Bid, as applied to the actual quantities accomplished as certified by the PROCURING ENTITY under the provisions of this CONTRACT AGREEMENT, at the times and in the manner prescribed by this CONTRACT AGREEMENT.

NOW THEREFORE, in consideration of the premises and of the terms and conditions hereinafter set forth, the parties hereto hereby agree as follows:

ARTICLE 1 – SCOPE OF WORK

The CONTRACTOR, in consideration of the payment to be made by the PROCURING ENTITY to the CONTRACTOR of the sum of money hereinafter named, agrees to furnish all labor, materials, equipment, tools, and other facilities and the satisfactory and faithful performance of all work necessary to commence and complete the Project, ready for use except the works to be done by other parties as are specifically exclude here from by Drawings and described in the Specifications, instructions and other related documents.

ARTICLE 2 – TIME OF COMPLETION

The CONTRACTOR will commence work on site within ten (10) calendar days after the date of the receipt of the Notice to Proceed and shall be completed not later than one hundred twenty (120) calendar days.

ARTICLE 3 – CONTRACT AMOUNT

The PROCURING ENTITY agrees that for and in consideration of the faithful performance by the CONTRACTOR for this Contract, he shall pay to CONTRACTOR, in a manner provided hereinafter the amount of **TWO MILLION THREE HUNDRED SIXTY EIGHT THOUSAND FIVE HUNDRED SEVENTY FIVE PESOS ONLY (Php2,368,575.63).**

ARTICLE 4 – PROGRESS PAYMENT

The CONTRACTOR may submit a request for payment for work accomplished. Such request for payment shall be verified and certified by the Project Engineer or Representative of the PROCURING ENTITY. Except as otherwise stipulated in the Special Condition of Contract, materials and equipment delivered on the site but not completely put in place shall not be included for payment.

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Progress payments submitted by the CONTRACTOR 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, the work is satisfactorily 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 for release upon final acceptance of the works. However, the PROCURING ENTITY may, upon the request of the CONTRACTOR release the retention money after fifty percent (50%) of the value of works has been completed, provided that the CONTRACTOR shall post a surety bond callable on demand equivalent in amount to the retention money released and subject condition that the PROCURING ENTITY shall continue to subject to the condition that the PROCURING ENTITY shall continue to subject succeeding progress payments on the remaining balance of work to a five percent (5%) retention, provided further that the works are satisfactorily done and on schedule.

Article 6 - LIQUIDATED DAMAGES

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.

Article 7 – PERFORMANCE AND GUARANTEE BONDS

To guarantee the faithful performance of the CONTRACTOR under the contract, he shall post upon the signing of the contract a warranty security in the form of cash, letter of credit issued by a reputable bank, bank guarantee conformed by local bank (if issued by a foreign bank), surety bond callable on demand, issued by Government Service Insurance System or insurance company duly certified by the Insurance Commission, or a combination thereof, in accordance with the following schedule:

- a.) Cash or Letter of Credit – five percent (5%) of the total contract price
- b.) Bank Guarantee – ten percent (10%) of the total contract price
- c.) Surety Bond – thirty percent (30%) of the total contract price

This warranty security shall be posted in favour of the PROCURING ENTITY and shall be guarantee the payment of the amount of the security as penalty in the event it is established that the CONTRACTOR is in default of his obligations.

Article 8 – PRICE ADJUSTMENT

Escalation of prices as determined by National Economic and Development Authority and approved by the Government Procurement Policy Board shall be made periodically, using parametric formula as described under the Implementing Rules and Regulations of PD 1594, as amended.

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Article 9 – SUSPENSION OF WORK

The PROCURING ENTITY shall have the authority to suspend the work wholly or partly by written order for such period as may be deemed necessary, due to *force majeure* or any fortuitous events or for failure on the part of the CONTRACTOR to correct bad conditions which are unsafe for workers or for the general public, to carry out valid orders given by the PROCURING ENTITY or to perform any provisions of the contract, or due to adjustment of plans to suit field conditions as found necessary during construction. The CONTRACTOR shall immediately comply with such order to suspend the work wholly or partly.

In case of total suspension, or suspension of activities along the critical path, which is not due to any fault of the CONTRACTOR, the elapsed time between the effectivity of the order suspending operation and the order to resume work shall be allowed the CONTRACTOR by adjusting the contract time accordingly.

Article 10 – EXTENSION OF CONTRACT TIME

Should the amount of additional work of any kind or other special circumstances of any kind whatsoever occur such as to fairly entitle the CONTRACTOR to an extension of contract time, the PROCURING ENTITY shall determine the amount of such extension; provided that the PROCURING ENTITY is not bound to take into account any claim for an extension of time unless the CONTRACTOR has, prior to the expiration of the contract time and within thirty (30) calendar days after such work has been commenced or after the circumstances leading to such claim have arisen, delivered to the PROCURING ENTITY notices in order that it could have investigated them at that time. Failure to provide such notice shall constitute a waiver by the CONTRACTOR of any claim. Upon receipt of full and detailed particulars, the PROCURING ENTITY shall examine the facts and extent of the delay and shall extend the contract time completing the contract work when, in the PROCURING ENTITY's opinion, the findings of facts justify an extension.

No extension of contract time shall be granted the CONTRACTOR due to (a) ordinary unfavorable weather conditions and (b) inexcusable failure or negligence of CONTRACTOR to provide the required equipment, supplies or materials.

Extension of contract time may be granted only when the affected activities fall within the critical path of the PERT/CPM network.

No extension of contract time shall be granted when the reason given to support the request for extension was already considered in the determination of the original contract time during the conduct of detailed engineering and in the preparation of the contract documents as agreed upon by the parties before contract perfection.

Extension of contract time shall be granted for rainy/unworkable days considered unfavorable for the prosecution of the works at the site, based on the actual conditions obtained at the site, in excess of the number of rainy/unworkable days pre-determined by the PROCURING ENTITY in relation to the original contract time during the conduct of detailed engineering and in the preparation of the contract documents as agreed upon by the parties before contract perfection, and/or for equivalent period of delay due to major calamities.

Article 11 – VARIATION ORDERS

Change Order/Extra Work Order/Supplemental Agreement

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A change order may be issued by the PROCURING 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, provided that the cumulative amount of the Variation Order does not exceed ten percent (10%) of the original project cost.

Article 12 – TAXES, LICENSES, PERMITS AND FEES

All taxes, licenses, permits, and fees which may be due to the local and/or national government on account of performance and completion of the work stipulated herein and fees for testing of materials and samples shall be paid for, and obtained by the CONTRACTOR.

Article 13 – INSURANCE AND OTHER CONDITIONS

The CONTRACTOR, shall take cognizance of the provisions of the other contract documents especially for the Contractor's responsibility and liabilities on materials, workmanship and property as stipulated in the General Conditions within (15) days after signing the Contract. The CONTRACTOR shall submit the Certificate of Insurance to protect him against claims damages for personal injury including deaths and claims for damages of procuring entity's property and adjoining properties which may arise from operations under this contract, subject to the approval of the PROCURING ENTITY as to the adequacy of protection and reliability of insurance company. The Government shall not be liable for any claims for damages of property and adjoining property which may arise from operations under this contract.

Article 14 – ASSIGNMENT AND SUBCONTRACT

The CONTRACTOR agrees that the contract shall not be assigned, transferred, pledged, subcontracted or make any other disposition of the contract or any part of interest therein except with the approval of the PROCURING ENTITY. Approval of the subcontract shall not relieve the main contractor from any liability or obligations under the CONTRACTOR'S contract with the PROCURING ENTITY nor shall it create any contractual relation between the subcontractor and the PROCURING ENTITY.

Article 15 – TERMINATION OF CONTRACT FOR DEFAULT OF CONTRACTOR

The PROCURING ENTITY shall terminate this Contract for default when any of the following conditions attend its implementation:

1. Due to the CONTRACTOR's fault and while the project is on-going, it has incurred negative slippage of fifteen percent (15%) or more in accordance with Presidential Decree 1870, regardless of whether or not previous warnings and notices have been issued for the CONTRACTOR to improve his performance;
2. Due to its own fault and after this Contract time has expired, the CONTRACTOR incurs delay in the completion of the Work after this Contract has expired; or
3. The CONTRACTOR:
 - a. abandons the contract Works, refuses or fails to comply with a valid instruction of the PROCURING ENTITY or fails to proceed expeditiously and without delay despite a written notice by the PROCURING ENTITY;

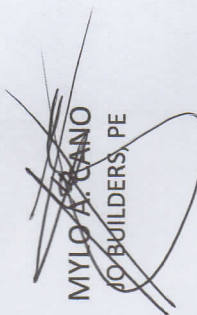
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- b. does not actually have on the project Site the minimum essential equipment listed on the bid necessary to prosecute the Works in accordance with the approved Program of Work and equipment deployment schedule as required for the project;
- c. does not execute the Works in accordance with this Contract or persistently or flagrantly neglects to carry out its obligations under this Contract;
- d. neglects or refuses to remove materials or to perform a new Work that has been rejected as defective or unsuitable; or
- e. sublets any part of this Contract without approval by the PROCURING ENTITY.

All materials on the Site, Plant, Works, including Equipment purchased and funded under the Contract shall be deemed to be the property of the PROCURING ENTITY if this Contract is rescinded because of the CONTRACTOR's default.

Article 16 – TERMINATION OF CONTRACT FOR DEFAULT OF PROCURING ENTITY

The CONTRACTOR may terminate this Contract with the PROCURING ENTITY if the works are completely stopped for a continuous period of at least sixty (60) calendar days through no fault of its own, due to any of the following reasons:

1. Failure of the PROCURING ENTITY to deliver, within a reasonable time, supplies, materials, right-of-way, or other items it is obligated to furnish under the terms of this Contract; or
2. The prosecution of the Work is disrupted by the adverse peace and order situation, as certified by the Armed Forces of the Philippines Provincial Commander and approved by the Secretary of National Defense.

Article 17 – TERMINATION OF CONTRACT FOR OTHER CAUSES

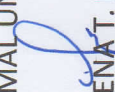
The PROCURING ENTITY may terminate this Contract, in whole or in part, at any time for its convenience. The Head of PROCURING ENTITY may terminate this Contract for the convenience of the PROCURING ENTITY if he has determined the existence of conditions that make Project Implementation economically, financially or technically impractical and/or unnecessary, such as, but not limited to, fortuitous event(s) or changes in law and National Government policies.

The PROCURING ENTITY or the CONTRACTOR may terminate this Contract if the other party causes a fundamental breach of this Contract.

If this Contract is terminated, the CONTRACTOR shall stop work immediately, make the Site safe and secure, and leave the Site as soon as reasonably possible.

Article 18 – APPLICABILITY OF OTHER LAWS

The provision of PD 1594 as amended, it's implementing Rules and Regulations, as amended and all other laws pertaining to infrastructure projects shall apply.



DR. FILOMENA T. DAYAGBIL
SUC President III



ROCHE O. TORREJOS
Accountant III

This Contract shall effective upon signing thereof and approved by the proper authorities, subject to whatever addition, alternation, deletion and amendment that may be suggested by the proper authority concern in the contract review which shall be binding and effective and shall form part of the Contract.

For and on behalf of the PROCURING ENTITY and CONTRACTOR

REPUBLIC OF THE PHILIPPINES
CEBU NORMAL UNIVERSITY
(THE PROCURING ENTITY)

JO BUILDERS
(THE CONTRACTOR)

Represented by :

DR. FILOMENA T. DAYAGBIL
SUC President III

Represented by :

CHARLESTON Y. JO
Proprietor/Manager

Witnessed by :

ROCHE O. TORREJOS
Accountant III

Witnessed by :

MYLO A. CANO
Project Engineer

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF CEBU) S.S.

BEFORE ME, as the Notary Public for and within the City of Cebu, personally appeared DR. FILOMENA T. DAYAGBIL, representing the REPUBLIC OF THE PHILIPPINES (CEBU NORMAL UNIVERSITY) with Residence Certificate No. 24934886 issued on January 15, 2018 at Cebu City and CHARLESTON Y. JO Proprietor/Manager representing JO BUILDERS with Residence Certificate No. 1175348 issued on 01/18/2018 at CEBU CITY who executed the foregoing CONTRACT AND AGREEMENT and they acknowledge to me that the same is their true act and deed for and in behalf of the parties they represented.

This instrument consist of five (7) pages including this page, on which this acknowledgement is written duly signed by the contracting parties and their witnesses on the left margin of the page.

WITNESS my hand and official seal at the above place on the date above written.

NOTARY PUBLIC

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Series of 298 :

ATTY. VILLAPUESTO C. GABUMPA
NOTARY PUBLIC FOR CITIES & PROVINCE
9 D. JAYOSAL ST. CEBU CITY
NBT, Comm. No. 17-001 UNTIL DEC. 31, 2018
IBP No. 5480/12-01-18/ CEBU CITY
PTR No. 176122/01-05-18/ CEBU CITY
ROLL No. 04775 & MCLE # 4-0000710/11/10/10