

CONTRACT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

This Contract Agreement made on this 8th day of **November, 2022**, by and between:

REPUBLIC OF THE PHILIPPINES, through the Municipal Government of Gabaldon, Province of Nueva Ecija with Office and postal address at **Gabaldon, Nueva Ecija** represented by the **Municipal Mayor Atty. Jobby Petines Emata** hereinafter referred to be the **OWNER**.

----- and -----

JERRY R. SANTIAGO CONSTRUCTION CORP., a contractor duly organized and existing under by virtue of the laws of the Philippines with office and postal address at **888 Brgy. Curva, Bongabon, Nueva Ecija**, represented by **Lualhati Valerio**, an authorized representative, hereinafter referred to as the "**CONTRACTOR**":

WITNESSETH

WHEREAS, the OWNER is desirous that Civil Works should be delivered namely **Concreting of Farm to Market Road-Brgy. Calabasa (G melina St., and Balite St.)** hereinafter referred to as the PROJECT and has accepted and bid by the CONTRACTOR for the delivery and completion of such Civil Works:

WHEREAS, in this contract agreement for goods and expression shall have the same meanings as are respectively assigned to them in the Contracts (General Condition and Special Provisions) hereinafter referred to:

WHEREAS, the following documents are hereby incorporated into and made an integral part of this Contract of Agreement.

- a) Contract Agreement
- b) Invitation to Bid
 - 1. Bid forms including the following annexes
 - 2. Bid Processing the Bill of Quantities
 - 3. Project Organizational Chart
 - 4. Cash Flow and Payment Schedule
- c) Performance Bond

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

ARTICLE I- SCOPE OF WORK

The **CONTRACTOR**, in consideration of the payment to be made by the OWNER to the CONTRACTOR of the sum of money hereinafter named, agrees to furnish all labor, materials, equipment, plants, tools and other facilities and the satisfactory and faithful performance of all the delivery work necessary to commence and complete the Project, ready for use (except the works to be done by the other parties as are specifically excluded here from by agreement of the parties hereto) as shown on the drawings and described in the specifications, instructions and other related documents.

ARTICLE 2 – TIME OF COMPLETION

The work stipulated in this contract shall be delivered and ready for use not later than 120 calendar days in accordance with provisions of the Bid Documents:

ARTICLE 3 – CONTRACT AMOUNT

The OWNER agrees that for and in consideration of the faithful performance by the CONTRACTOR of this Contract, he shall pay to the CONTRACTOR, in a manner provided hereinafter the amount **TWO MILLION NINE HUNDRED NINETY-TWO THOUSAND SIX HUNDRED EIGHTY-SEVEN PESOS & 16/100 (₱ 2,992,687.16)**.

Should the OWNER require the CONTRACTOR to perform work and above that required by this agreement, the Additional cost shall be added to the Contract amount and likewise, should he be ordered to omit work as required by this Agreement amount. In either case the cost of additions or reductions shall previously be mutually agreed upon in writing by both OWNER and CONTRACTOR before execution.

Any payment due and payable to the CONTRACTOR may be offset against any liquidated damages to the OWNER, under this Contract.

ARTICLE 4 – TERMS OF PAYMENT

The Government shall, upon the request of the contractor, make an advance payment to the contractor in the amount equal to the average operating expenses for two of fifteen percent (15%) of the total contract price, whichever is less, to be made in lump sum or by installment 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 and acceptance by the Government of an irrevocable standby letter of credit of equivalent value from a bank acceptable to the Government. The advance payment shall be repaid by the contractor by deducting from his monthly progress payment such as will be determined by the government until fully liquidated. The first refund of the advance payment shall be done when the contract value of the work executed and materials delivered shall equal or have exceeded twenty percent (20%) of the contract price of three (3) months after the date of notice to commence work, whichever comes first and further refunds shall be done thereafter at monthly intervals. The Contractor may reduce his standby letter of credit by the amount refunded by the Monthly Certificates in the advance payment.

ARTICLE 5 – RETENTION MONEY

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 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 OWNER, are completed, If after fifty percent (50%) completion, the work will satisfactory done in 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. The contractor may, however request the substitution of the retention money o 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 Government, provided that the project is on schedule and is satisfactorily undertaken. Otherwise, the ten percent (10%) 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 percent (10%) retention is intended, i.e., to cover uncorrected discovered defects and third-party liabilities.

ARTICLE 6 – LIQUIDATED DAMAGES

Where the contractor refuses or fails to satisfactorily complete the work within the specified contract time, plus any time extension duly granted and is hereby in default under the contract, the contractor shall pay the Government for liquidated damages, and not by way of penalty, an amount equal to one tenth of the percent (0.10%) of the total contract cost minus the value of the completed portions of the contract certified by the Government Officer concerned as usable as of the expiration of the contract time, for each calendar day of delay, until the work

is completed and accepted or taken over by the Government. To be entitled to such liquidated damages, the government does not have to prove that has incurred actual damages. Such amount shall be deducted from any money due or which may be contract and/or collect such liquidated damages from the performance bond of the contractor's surety, whichever is convenient to the government.

ARTICLE 7 – PERFORMANCE BOND

The CONTRACTOR within ten (10) days from signing the contract shall post a Performance Bonds to the OWNER equivalent to ten percent (10%) of the contract amount, conditioned for the faithful performance of the contract and shall be co-terminus with the final acceptance of project.

Such bonds shall in the forms of cash or manager's check or bank guarantee or letter of credit or GSIS bond or private surety institution bonds, acceptable to the Center Tender Board or a combination thereof.

ARTICLE 8 – TAXES, LICENSES, PERMIT 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 for materials and samples be paid for, and obtained by the CONTRACTOR.

ARTICLE 9 – INSURANCE AND OTHER CONDITIONS

The CONTRACTOR shall take cognizance of the provisions of the other contract documents especially for contractor's responsibilities and liabilities in materials, workmanship, labor, and property as stipulated in the General conditions within fifteen (15) days after signing of the contract, the CONTRACTOR SHALL submit the certificate of insurance to protect his against claims for damages for personal injury including deaths and claims damages of owner's property and adjoining property which may arise from operations under this contract, subject to the approval of the OWNER as to the adequacy of protection and reliability of insurance company.

ARTICLE 10 – ASSIGNMENT AND SUBCONTRACT

The CONTRACTOR agrees that the contract shall not be assigned, transferred, pledge, subcontracted or make any other disposition of the contract or any part of interest therein accept with the approval of the OWNER. Approval of the subcontract shall not be relieving the main contractor from any liability or obligation under the CONTRACTOR'S contract with the OWNER nor shall it create any contractual relation between the subcontract and the OWNER.

MUNICIPALITY OF GABALDON:

BY


ATTY. JOBBY P. EMATA
Municipal Mayor

JERRY R. SANTIAGO
CONSTRUCTION CORP.

BY:


LUALHATI VALERIO
Authorized Representative

WITNESS


JENNELYN D. DALACAT


ORLANDO P. DEL ROSARIO

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF CABANATUAN CITY) S.S.
X-----X

At the place and date above-mentioned, personally appeared before me **LUALHATI VALERIO** with Valid Identification UNMID ID No. No. 1RN-D111-186464-8

Dated _____ issued at _____, Philippines and **Hon. Jobby Petines Emata** with Residence Certificate No. 15695054 dated January 4, 2022 issued at Gabaldon, Nueva Ecija known to me and to me known to be the same persons who executed the foregoing instrument and acknowledged to me that the same is their free act and deed.

The foregoing instrument is a CONTRACT AGREEMENT consisting of four pages each signed by the parties hereto and sealed with my notarial seal.

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

J.P.
ATTY. FELICIANO C. VILLAFLORES
NOTARY PUBLIC
Valid until 12-31-2022
Attorney's Roll No. 27589
PTR NO. 6656888/01-04-21
IBP No. 136265/12-21-2020
No. 0286335-SCER/12-15-2020
MCLE Compliance No. VI-0006551
NOTARY COMM. NO. 13-2021
CABANATUAN CITY/NEUEVA ECIIJA

Notary Public

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