

## CONTRACT AND AGREEMENT

for the

### EXPANSION OF CME BUILDING (INFRA-16-02)

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#### KNOW ALL MEN BY THESE PRESENTS:

This contract made and entered into this 6th day of DECEMBER, 2016 by and between:

The **VISAYAS STATE UNIVERSITY (VSU)**, an institution of higher learning established under Pres. Decree No. 470 as amended by Pres. Decree No. 700 and converted into a state university by virtue of R.A. 9158 and 9437, with principal office at Baybay City, Leyte, duly represented by its President, **DR. EDGARDO E. TULIN**, hereinafter referred to as the **OWNER**;

-and-

**GRAM CONSTRUCTION AND SUPPLY**, with business address at Unit II-2A Country Homes, Ramon Duterte St., Banawa, Cebu City, duly represented by its Proprietor, **MR. ANGELO MARCOS R. GONZALODO**, hereinafter referred to as the **CONTRACTOR**;

#### WITNESSETH:

WHEREAS, a public bidding was conducted on September 14, 2016 at the OVPAF Conference Room, Administration Building, VSU, Visca, Baybay City, Leyte for the Expansion of CME Building;

WHEREAS, the Bids and Awards Committee recommended to the University President that the project shall be awarded to Gram Construction and Supply, its offer being the most advantageous to the Philippine Government;

WHEREAS, time is the essence of this contract;

NOW, THEREFORE, for and in consideration of the foregoing premises and other covenants hereinafter named, the parties agree as follows:

#### ARTICLE I – CONTRACT DOCUMENTS

The following documents shall be deemed to form and be interpreted and construed as part of this Agreement:

- a. General and Special Conditions of Contract

*E. Sguerra*  
**ERLINDA S. ESGUERRA**  
Head, Accounting Office

*M. Valenzona*  
**MARIO LILIO P. VALENZONA**  
OIC-Director General Services

- b. Invitation to Bid
- c. Bidding Documents
- d. Addenda and/or Supplemental/Bid Bulletins, if any
- e. Bid Form including all the documents/statements contained in the winning bidder's two bidding envelopes
- f. Eligibility requirements, documents and/or statements
- g. Performance Security
- h. Credit Line issued by a licensed bank or NFCC duly notarized
- i. Notice of Award of Contract and winning bidder's "Conforme" thereto;
- j. Duly approved Program of Works or Delivery Schedule and Cost Estimates.
- k. Certificate of Availability of Funds (C.A.F.)
- l. Abstract of Bids
- m. Resolution of the BAC recommending award of project of winning bidder
- n. Approval of Award by appropriate government approving authority.

## ARTICLE II- SCOPE OF WORK

THAT the CONTRACTOR shall in accordance with the provisions of and subject to the conditions contained in the documents referred to in Article I hereof, with a provision that this construction activity belongs to Gram Construction and Supply, and in consideration of the sum of money hereinafter stated shall fully and faithfully perform all labor, furnish the needed materials and equipment and perform labor and services necessary to complete the Expansion of CME Building located at Visayas State University – Main Campus, Visca, Baybay City, Leyte as per plan and specifications of the OWNER. The work consists of the following specific work items:

ITEM	DESCRIPTION	AMOUNT
I	MOBILIZATION	46,284.53
II	EARTHWORKS	46,284.53
III	REMOVAL OF EXISTING STRUCTURES	347,134.01
IV	CIVIL/STRUCTURAL & MASONRY WORKS	5,609,685.40
V	ROOF FRAMING	641,503.65
VI	ROOFING	196,246.43
VII	CEILING FRAMES AND BOARDS AT SECOND FLOOR	1,078,429.65
VIII	WINDOWS	309,180.69
IX	DOORS AND JAMBS	80,535.09
X	ELECTRICAL	429,520.48
XI	WATER AND SEWER LINES	9,256.91
XII	FORMWORKS	462,845.53
	<b>TOTAL</b>	<b>9,256,906.90</b>

## ARTICLE III- TIME OF COMPLETION

The work to be performed by the CONTRACTOR under this contract shall commence after ten (10) calendar days upon receipt and acceptance of the Notice to Proceed from VSU by the CONTRACTOR. The Expansion of CME Building shall be completed within **Two Hundred (200) calendar days** including Saturdays, Sundays and Holidays. Should the CONTRACTOR refuse or otherwise fail to complete the work stipulated herein, the

*E. Tulin*  
**EDGARDO E. TULIN**  
President

*A. Gonzalodo*  
**ANGELO MARCOS R. GONZALODO**  
Contractor



  
ERLINDA S. ESGUERRA  
Head, Accounting Office

CONTRACTOR agrees to pay the VISAYAS STATE UNIVERSITY a liquidated damages an amount equal to One-Tenth of One Percent (0.1%) of the total contract sum for each calendar day of delay until the work is completed and accepted by the VSU or when the VSU takes over the project by administration or relets it to other Contractor until such time as the VSU may reasonably secure the completion of the works. Such amount shall be deducted from any money due or which may become due the Contractor under the contract and/or collect such liquidated damages from performance Bond of the Contractor or Contractor's Surety whichever is convenient to the OWNER, VSU.

#### ARTICLE IV- THE CONTRACT SUM

The OWNER for and in consideration of the faithful and satisfactory fulfillment of the contract by the CONTRACTOR in accordance with the terms and conditions of all contract documents and subject to the deduction herein provided, shall pay to the CONTRACTOR in Philippine Currency the sum of **NINE MILLION TWO HUNDRED FIFTY SIX THOUSAND NINE HUNDRED SIX AND 90/100 PESOS (Php 9,256,906.90) ONLY.**

Payment shall be in accordance with the following conditions:

- a. Monthly payment shall be based upon the work satisfactorily completed as certified by the CONTRACTOR, concurred in by the Design Consultant and supported by a certification of VSU Resident Construction Supervisor/Inspector. The application for payments, certification of payments, etc. shall be in accordance with the terms and conditions contained in the General Conditions appended thereto and made integral part hereof. Final payment shall be made upon completion of the work and upon submission by the Contractor of his sworn statement that all taxes due him and all obligations for materials used and labor employed in accordance with this contract have been duly paid.
- b. 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 the work as determined by the OWNER are completed. If after fifty percent (50%) completed of the work as determined by the OWNER is satisfactorily done and on schedule no additional retention shall be made on the succeeding progress payment, 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, after cumulative progress payment to the Contractor amounting to at least fifty percent (50%) of the total contract price, the OWNER may at the written request of the CONTRACTOR release a portion of the retention money commensurate to the percentage of the work completed as determined by the OWNER. Provided, that the CONTRACTOR post an irrevocable standby letter of credit in favor of the OWNER to answer and substitute for the purpose of which the Ten percent (10%) retention is intended. Any release of any amount of the retention money by the OWNER is not to be construed as waiver of the OWNER's right to be indemnified for damage caused by the CONTRACTOR in accordance with the provision of Art.20 of the New Civil Code.

- c. The CONTRACTOR shall, under his name and at his own expense, obtain and maintain, for the duration of this Contract, the following insurance coverage: (1) Contractor's All Risk Insurance; (2) Transportation to the project Site of Equipment, Machinery, and Supplies owned by the Contractor; (3) Personal injury or death of Contractor's employees; and (4) Comprehensive insurance for third party liability to Contractor's direct or indirect act or omission causing damage to third persons.
- d. That the insurance premium shall be the account of the CONTRACTOR.

  
MARIO LILIO B. VALENZONA  
QC-Director, General Services

  
EDGARDO E. TULIN  
President

  
ANGELO MARCOS R. GONZALODO  
Contractor



## ARTICLE V- GUARANTEE

The CONTRACTOR hereby guarantee the works stipulated in this contract and all the materials it will apply and use in the construction as well as workmanship of all its work under this contract and shall make good of its own account and/or its own expenses.

After final acceptance of the project by the OWNER, the CONTRACTOR shall assume full responsibility for any damage or destruction of the works except those occasioned by force majeure. They shall be required to put up a warranty security denominated in Philippine Pesos provided in Section 62.2.3.3 of IRRA of R. A. 9184 and shall remain effective for one (1) year from date of issuance of the certificate of final acceptance and shall be returned only after the lapse of the said one (1) year period.

In addition, the provisions of Art. 1723 of the New Civil Code shall also apply to guarantee the work performance of the CONTRACTOR.

## ARTICLE VI- PERFORMANCE BOND

In accordance with the Instruction to Bidders and General Conditions of the contract, the CONTRACTOR shall furnish and file per acceptance to the OWNER a Performance Bond in accordance with Section 39 of the Revised Implementing Rules and Regulations of RA 9184 to guaranty the full and faithful performance of this Agreement to answer for any liability that maybe suffered by the OWNER resulting from the violation of the CONTRACTOR of labor laws and other laws. PROVIDED, that in the event of the recession or termination of this contract for breach thereof, the bond, at the option of the OWNER shall be automatically forfeited in favor of the OWNER and becomes immediately payable and collectible by the OWNER, otherwise, the bond shall remain and continue in full force until the aforementioned obligations as to the completion and faithful compliance of the contract, liquidated damages and cost of labor and materials shall have been duly satisfied, discharged, settled and paid by the CONTRACTOR.


## ARTICLE VII- SAFEGUARDS AND WARRANTS

The CONTRACTOR shall provide and do everything necessary to perform its obligations under this contract according to the true intent and meaning of the other contract documents taken together particularly the drawings, plans and specifications provided that the same shall be inferred there from and should the CONTRACTOR find any discrepancy in the drawings, plans and specifications, he shall immediately refer the same to the OWNER Resident Supervisor/Inspector and/or the OWNER whose decision shall be followed.


The OWNER reserves the right for an additional or increase in the number of laborers or workers assigned to the construction site in the opinion of the OWNER the exigencies of the same require.

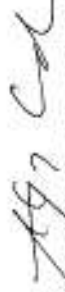
The CONTRACTOR shall be considered as an independent CONTRACTOR and as such, he assumes all obligations and liabilities arising out of the Employee's Liability Act and any other laws existing and those enacted thereafter that may affect the rights of the employees or laborers employed in the performance of this contract. Should the OWNER be made liable for any of the Contractor's violation of any labor laws, the CONTRACTOR shall reimburse OWNER for whatever amount the latter is required to pay to said laborers and the Performance Bond is also answerable for this contingency.

Notwithstanding any provisions of this contract, the OWNER has the right and/or power to terminate the contract without necessity of judicial action by giving written notice to the CONTRACTOR upon his failure to comply strictly with any of the terms of this contract.

  
ERLINDA S. ESGUERRA  
Head, Accounting Office

  
MARIO LILIO P. VALENZONA  
OIC-Director, General Services

  
EDGARDO E. TUFEN  
President

  
ANGELO MARCOS R. GONZALODO  
Contractor

The contract hereby warrants that it has not given or promised to give money or gifts to any official or employee of the OWNER and/or any other office, agency or instrumentality of the government to secure this contract and any violation of this warranty shall be sufficient ground for the OWNER to revoke or cancel the same.

The CONTRACTOR is likewise mandated to implement the construction safety and health program as indicated in the technical proposal which includes, among others, requiring its employees to have Identification Cards which should be available anytime when inspected by security personnel of the university or any authorized representative of the OWNER.

The CONTRACTOR is **not allowed to sub-contract** any portion of the Works. Violation of this said provision will give the OWNER the right to rescind this contract.

#### **ARTICLE VIII- VENUE OF COURT ACTION**

Should any court action be instituted by the VSU or CONTRACTOR arising from this contract, the parties hereby agree that the venue thereof shall be the proper court in Baybay City.

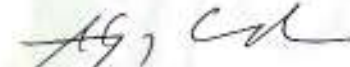
IN WITNESS WHEREOF, the parties have hereunto set their hands this 04<sup>th</sup> day of DECEMBER 2016 at Baybay City, Leyte, Philippines.

**VISAYAS STATE UNIVERSITY**  
Baybay City

**GRAM CONSTRUCTION AND  
SUPPLY**  
Banawa, Cebu City

By:


  
**EDGARDO E. TULIN**  
President

  
**ANGELO MARCOS R. GONZALODO**  
Proprietor  
Gram Construction and Supply

(OWNER)

(CONTRACTOR)

Signed in the presence of:

1.  **MARIO LILIO P. VALENZONA**

2.  **ERLINDA S. ESGUERRA**



REPUBLIC OF THE PHILIPPINES )  
PROVINCE OF LEYTE ) S.S.  
CITY OF BAYBAY )

*Esguerra*  
**ERLINDA S. ESGUERRA**  
Head, Accounting Office

BEFORE ME, this 06 DEC 2016 day of 2016 at Baybay City, personally appeared:

Name	Comm. Tax Cert	Date/Place Issued
Dr. Edgardo E. Tulin	<u>01073391</u>	<u>1-13-16/Baybay City</u>
Mr. Angelo Marcos R. Gonzalodo	<u>02182224</u>	<u>1-8-16 / Cebu City</u>

known to me to be the same persons who executed the foregoing instrument and they acknowledged to me that the same is their voluntary act and deed.

This instrument consisting of six (6) pages including this acknowledgement has been signed on each page by the parties and their witnesses and sealed with my notarial seal.

WITNESS MY HAND AND SEAL on the date and place first above given.

*Mario Lilio P. Valenzona*  
**MARIO LILIO P. VALENZONA**  
OIC-Director, General Services

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Series of 2016



*Milven Christian A. Virtualao*  
**MILVEN CHRISTIAN A. VIRTUALAO**  
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NOTARIAL COMMISSION NO. 97-13  
UNTIL DECEMBER 2017  
PTR NO. 10346531 01/07/16 CEBU CITY  
RD NO. 1020065 01/07/16 CEBU CITY  
TORNEY ROLL NO. 6308

*Edgardo E. Tulin*  
**EDGARDO E. TULIN**  
President

*Angelo Marcos R. Gonzalodo*  
**ANGELO MARCOS R. GONZALODO**  
Contractor