

CONTRACT AGREEMENT
No. 2023-026

CIVIL WORKS – CONSTRUCTION OF RRCY FRONT FENCE COMPLETION
Located at Patin-ay, Prosperidad, Agusan del Sur

KNOW ALL MEN BY THESE PRESENTS:

This Contract / Agreement made and entered into this ___ day of January 2024 at Butuan City, Agusan del Norte, Philippines between and among:

The **DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT**, a National Agency of the Republic of the Philippines, with office address at Batasan Pambansa Complex, Diliman, Quezon City herein represented by **MARI-FLOR A. DOLLAGA-LIBANG** in her capacity as Regional Director of **FIELD OFFICE CARAGA**, hereinafter referred to as the “**ENTITY**”;

AND

LM CONSTRUCTION & GENERAL MARKETING, a duly licensed contractor, organized and existing by virtue of the laws of the Republic of the Philippines with office address at Brgy. 5, San Francisco, Agusan del Sur represented by **MYRNA S. BEGYAN**, Proprietor/Manager, hereinafter referred to as the “**CONTRACTOR**”;

WITNESSETH

WHEREAS, in accordance with the advertisement of the **PROCURING ENTITY (DSWD F.O. CARAGA)** published/posted in accordance with R. A. 9184, the **CONTRACTOR** submitted bids to construct and complete the **CIVIL WORKS – CONSTRUCTION OF RRCY ROAD FRONT FENCE COMPLETION** in accordance with the plans and specifications and requirements thereof;

WHEREAS, after the opening of bids dated December 27, 2023, and conducted post-qualification assessment dated December 28, 2023, the bid price of the **CONTRACTOR** was found to be Complying and Responsive Bid;

WHEREAS, the Bids and Awards Committee of the **PROCURING ENTITY**, under Resolution No. 45 - 2023, awarded the above-mentioned project to the contractor in the amount of **ONE MILLION EIGHT HUNDRED THIRTY-SIX THOUSAND TWENTY-EIGHT PESOS AND 52/100 (PhP1,836,028.52)** Philippine Currency, only;

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. That in this Contract Agreement, words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of the Contract hereinafter referred to.
2. That the following documents shall be deemed to form and be read and construed as part of this Agreement, viz:
 - a.) Contract Agreement;
 - b.) Conditions of Contract;
 - c.) Drawings / Plans;
 - d.) Specifications;
 - e.) Invitation to Bid;
 - f.) Bid Form including all the documents/statements contained in the winning bidder's ANNEXES;
 - i) Bid Security as to form, amount, and validity period;
 - ii) Authority of the Signing Official;
 - iii) Construction Schedule and S-curve;
 - iv) Manpower Schedule;

MARI-FLOR A. DOLLAGA – LIBANG
Regional Director

MYRNA S. BEGYAN
Proprietor/Manager

MARI-FLOR A. DOLLAGA – LIBANG
Regional Director

- v) Construction Method;
- vi) Organizational Chart for the Contract to be Bid;
- vii) Lists of Contractors personnel (viz, Project Manager, Project Engineer, Materials Engineer, and Foreman), to be assigned to the contracts, with their qualifications and experience data;
- viii) List of Contractor's equipment units, are owned, leased, and/or under purchase agreement, supported by duly executed contract, therefore, and intended for use exclusively for this Contract;
- ix) Equipment Utilization Schedule;
- x) Construction Safety and Health Program of the Contractor;
- xi) Omnibus Sworn Statement
- xii) Documents/Materials to comply with other non-discretionary criteria and requirements as stated in the Instruction to Bidders.
- xiii) Duly Accomplished Bid Forms;
- xiv) Bid Price in the Bill of Quantities in the prescribed bid Form;
- xv) Detailed Estimates including a summary sheet indicating the unit prices of construction materials, labor rates and equipments rental used in coming up with the bid, and
- xvi) Cash Flow by the Quarter Payment Schedule.

- g.) Eligibility requirements, documents and/ or statements;
- h.) Performance Security;
- i.) NFCC;
- j.) Notice of Award of Contract and Contractor's "Conforme" thereto and
- k.) Other contract documents that may be required by existing laws and/or the agency concerned.

3. That in consideration of the Payments to be made by the PROCURING ENTITY to the CONTRACTOR, as hereinafter mentioned, the CONTRACTOR hereby covenants with the PROCURING ENTITY to execute and complete the WORKS and remedy and defects therein in conformity in all respects, with the provisions of this CONTRACT;

4. That the Contractor will fully and faithfully furnish all required materials and labor and will complete the said **CONSTRUCTION OF RRCY FRONT FENCE COMPLETION** located at Patin-ay, Prosperidad, Agusan del Sur and hereby agrees to complete the contract as stated below and will commence within **seven (7) calendar days** after the date the contractor receives the formal "Notice to Proceed";

NAME OF THE PROJECT	CALENDAR DAYS TO COMPLETE
1. CONSTRUCTION OF RRCY FRONT FENCE COMPLETION	120 Calendar days

5. That the PROCURING ENTITY hereby covenants to pay the CONTRACTOR in consideration of the execution and completion of the WORKS at the unit prices agreed in the TENDER, at the time and in the manner prescribed by the CONTRACT and specified in the BID. It is understood that the CONTRACTOR will be made only for actual quantities of contract items performed in accordance with the plans and specifications and accepted by the PROCURING ENTITY.


MYRNA S. BEGYAN
Proprietor/Manager

The following items and quantities are included in the scope of works:

CIVIL WORKS – CONSTRUCTION OF RRCY FRONT FENCE COMPLETION

Stock/ Property No.	Item Description	UNIT	QUANTITY	LM CONSTRUCTION & GENERAL MARKETING	
				Unit Price	Total Amount
803	Excavation of Footing	cu. m.	30.57	252.00	7,703.64
804(a)	Backfilling of Excavated Materials	cu. m.	89.03	252.00	22,435.56
804(4)	Gravel Bedding + Boulder for soil improvement (Include 2-unit 1 HP Sump Pump for dewatering – must be turned-over to procuring entity upon project completion)	cu. m.	19.37	4,536.00	87,862.32
900	Structural Concrete (Class" A") 21 Mpa	cu. m.	26.48	8,568.00	226,880.64
902	Reinforcing Steel (Grade 40)	kgs.	1,308.00	88.20	115,365.60
903	Forms and Falsework	L.S	148.05	252.00	37,308.60
1027	Cement Plaster Finish + Mouldings	sq.m.	291.29	296.10	86,250.97
1032 (1)a	Masonry Painting (Includes Neutralizer, Primer, Putty, First Coat & 2 Coats Top Coat)	sq.m.	399.18	315.00	125,741.70
1032(1)c	Metal Painting (Includes Primer, First Coat & Top Coat)	sq.m.	206.90	189.00	39,104.10
1046(2)a2	Masonry Works (6" CHB)	sq.m.	91.77	882.00	80,941.14
1047(10)	Steel Fence	kgs	6,123.31	88.20	540,075.94
1100	Conduits (PVC Pipes)	length	54.00	132.30	7,144.20
1100	Junction Box	pc	56.00	63.00	3,528.00
1101(2)	Electrical Wire	lin.mts.	414.54	56.70	23,504.42
1101	Switches	set	2.00	315.00	630.00
1102	Panel Board - 6 Branches (Including - 1 60/A MCB & 2 15/A CB)	set	1.00	6,898.68	6,898.68
1103	Lighting Fixtures (Post Lamp)	pcs.	28.00	1,890.00	52,920.00
1053(1)	Barb Wire & Combat Wire for Left & Right Fence (Including G.I Pole)	l.m	2,771.40	104.58	289,833.01
SPL	Repair of Leaning Fence Column & Wall at Left Portion (Including Provision of Intermediate Beams for 10 spans/Replacement of 2 spans CHB wall and Plaster)	L.S	1.00	50,400.00	50,400.00
F.E. B.7	Occupational Safety and Health Program	L.S	1.00	31,500.00	31,500.00
TOTAL					1,836,028.52

MARI-FLORES A. DOLLAGA – LIBANG
Regional Director

MYRNA S. BEGYAN
Proprietor/Manager

6. The implementing Rules and Regulations of Republic Act No. 9184 and its IRR and other existing laws decrees executive and administrative orders department orders/circulars issued by proper authorities affecting government construction project as well as the guidelines for the completion and payment of Price Escalation on infrastructure contracts adopted and approved by the Government shall be made and formed as Integral part of the Contract.
7. That this CONTRACT shall not take effect until the CONTRACTOR furnished and delivered to the PROCURING ENTITY a "Performance Security" that is fully acceptable to the PROCURING ENTITY in the form and amount as required in the Instruction to Bidders.
8. In case 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 (DSWD) for LIQUIDATED DAMAGES, and not by way of penalty, an amount to be determined for each calendar day of delay, until the work is completed and accepted or taken over by the Government (DSWD). Computed as follows,

$$\begin{aligned}
 \text{TLD} &= \text{VUUP} \times [(1+\text{OCC})^n - 1] \times K \\
 \text{VUUP} &= \text{TCP} - \text{VCUP} \\
 \text{Where;} & \\
 \text{TLC} &= \text{Total Liquidated Damages in Pesos}
 \end{aligned}$$

MARI-FLOR A. DOLLAGA – LIBANG
Regional Director

VUUP	= Value of the uncompleted and unusable portion of the contract works, as of the expiry date of the contract in pesos.
TCP	= Total Contract Price, in Pesos
VCUP	= Value of the completed and usable portion of the contract work, as of the expiry date of the contract in pesos.
OCC	= Prevailing opportunity cost of capital for government projects set by NEDA, which is currently pegged at 15%
n	= total number of years that the contract work is delayed after the expiry of the contract.
K	= adjustment factor to cover additional losses
K	= $1 + C + (I \times n)$
Where:	
C	= cost of construction supervision as a percentage not exceeding 10% of construction cost
i	= annual inflation rate

9. In case the CONTRACTOR lags behind schedule in his work and incurs 10% or more negative slippages, based on his approved PERT / CPM, the Regional Director, may, at his discretion, terminate or rescind the contract pursuant to existing laws, rules and regulations.
10. In case the total sum of liquidated damages exceeds ten percent (10%) of the total contract price, the contract shall automatically be taken over by the PROCURING ENTITY pursuant to existing laws, rules and regulations.
11. The CONTRACTOR shall comply with, and strictly observe all laws regarding workmen's health and safety, workmen welfare, compensation for injuries, minimum wages, hours of labor and other labors laws, as per Ministry Order No.9, series of 1981, DOLE Department Order No. 13 and other relevant and applicable provisions of PD 42, as amended, otherwise known as the Labor Code of the Philippines,
12. The CONTRACTOR warrants that he has not given nor promised to give any money or gift to any employee/official of the PROCURING ENTITY (or any Philippines Government Instrumentality/ies) to secure this CONTRACT.
13. The guideline on Variation Orders as provided under the pertinent provisions of the R.A 9184 is hereby incorporated as part of this CONTRACT.
14. The CONTRACTOR is liable for lost/damaged of any property owned by the PROCURING ENTITY and to replace them immediately, otherwise the cost of the lost/damaged will be charged / deducted from his subsequent Progress Billing, and no Certificate of Completion is issued unless settled.
15. Within the period of twelve (12) months after completion and final acceptance of the project, the CONTRACTOR shall remain liable for any damages or defects discovered on the works due to faulty construction or the use of materials of inferior quality or violation of the terms of this CONTRACT.
16. The CONTRACTOR shall be held responsible for any structural defects and / or failure of the completed projects w/in the warranty period of fifteen (15) years from final acceptance except those occasioned by force majeure and those caused by the other parties, the PROCURING ENTITY shall issue a perpetual disqualification to the CONTRACTOR from participating in any public bidding if it fails to comply with the Warranty Provisions under Section 62.2 of R.A. 9184.
17. If any dispute or difference of any kind whatsoever arises between the PROCURING ENTITY and the CONTRACTOR in connection with or arising out of the CONTRACT, or the carrying out of the WORKS, it shall first be referred to and settled by, the DSWD Supervising Engineer. However, if the decision of the Supervising Engineer is not satisfactory either to the PROCURING ENTITY or the CONTRACTOR, such dispute may be submitted to and settled by, DSWD Regional Director. In case the decision is not acceptable to the Contractor, the same shall be elevated to the Construction Industry Arbitration Commission (CIAC) created by Executive Order No. 1088 for settlement.

MYRNA S. BEGYAN
Procurement Manager

BAC

18. The CONTRACTOR who is not from Butuan City shall also pay the obligations/tax imposed by the Local Government of Butuan City per SP Ordinance No. 2235-2000 which is equivalent to 75% of 1% of Contract Cost.
19. All duties, excise, and other taxes and revenue charges, if any, shall be for the service provider's account.
20. All transactions are subject to withholding of creditable Value Added Tax (VAT) per Revenue Regulation No. 10-93.
21. Payment shall be through **CHECK or Advice to Debit Account (ADA)** and shall be made 30 working days every progress billing and after submission of all required pertinent documents.
22. The CONTRACTOR may request a Cash Advance equivalent to 15% of the contract upon commencement of the work. The succeeding progress bill shall be made at 30%, 50%, 85% work accomplishment, and the final payment upon 100% completion of work.
23. The retention money that is equal to 10% of the progress payments, intended to cover all defects that may be detected for one year after project completion, shall be released upon the submission of the CONTRACTOR a Retention Money Bond in the form of a Surety Bond per Section 6 Annex "E" of the revised IRR of R.A 9184.
24. This contract/agreement becomes binding and valid upon the parties and shall remain effective upon approval hereof until completion and acceptance of the project.

IN WITNESS whereof the parties hereto have caused this Agreement to be executed in accordance with the laws of the Republic of the Philippines on the day and year first above written.

*Department of Social Welfare and
Development Field Office Caraga*

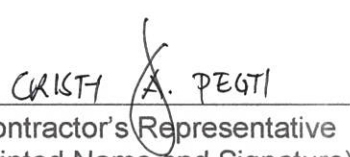
*LM Construction & General
Marketing*


MARI-FLOR A. DOLLAGA-LIBANG
Regional Director


MYRNA S. BEGYAN
Proprietor/Manager

SIGNED IN THE PRESENCE OF:


ENGR. VINNES V. LASTIMADO
Administrative Officer V


CRISTY A. PEGTI
Contractor's Representative
(Printed Name and Signature)

Certified as to Availability of Funds:


GRETCHEN F. ESCALA
Accountant III/ Chief Accountant

Republic of the Philippines)
BAYUGAN CITY, ADS) S.S.
x-----)

ACKNOWLEDGEMENT

BEFORE ME, a Notary Public for and in the BAYUGAN CITY, ADS Philippines, this 08 JAN 2024 day of January, 2024 personally appeared:


Name	I.D. No.	Date / Place Issued
MARI-FLOR A. DOLLAGA-LIBANG	DSWD ID No.: 10-1903049	March 29, 2019 / Cagayan de Oro City
MYRNA S. BEGYAN	<u>PREC ID NO.: 0015404</u>	<u>JUNE 23, 1975</u> <u>P. Paredes St. corner N. Reyes St. Sampaloc Manila.</u>

Both know to me to be the same person who executed the foregoing instrument and acknowledged to me that the same is voluntary act and deed.

This agreement consisting six (6) pages signed by the parties and instrumental witness in all pages refer to an AGREEMENT for the project **CONSTRUCTION OF RRCY FRONT FENCE COMPLETION.**

WITNESS MY HAND AND SEAL in the place and on the date stated above.

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Series of 2024


ATTY. FERDINAND H. EBARLE
Notary Public Until Dec. 2024
PTR No. 0865930 on 12-28-23
At: PTO-P ADS
IBP Or. No. 377899 on 12-28-23
At: IBP National Office
TIN No. 105-545-115
MCLE No. VII-0030114 on 5/30/2023
ROLL No. 32479