

Republic of the Philippines  
Department of Science and Technology Information  
**SCIENCE AND TECHNOLOGY INFORMATION INSTITUTE**  
DOST Complex, Gen. Santos Ave., Bicutan, Taguig City, Metro Manila


**CONTRACT AGREEMENT**

**KNOW ALL MEN BY THESE PRESENTS:**

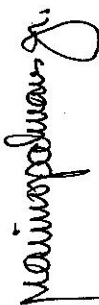
This Contract made and executed by and between:

**SCIENCE AND TECHNOLOGY INFORMATION INSTITUTE (STII)**, a government institution under the Department of Science and Technology (DOST) with principal office and place of business at STII Building, DOST Complex, Gen. Santos Ave., Bicutan, Taguig City, represented herein by its Director, **RAYMUND E. LIBORO**, who is duly authorized for this purpose, hereinafter referred to as "**STII**";

-and-

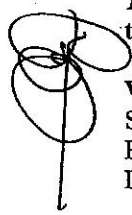
 **WESTECH BUILDERS & ELECTRICAL CORPORATION**, a sole proprietorship/partnership/corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office and place of business at No. 12 Mayo Street, La Loma, Quezon City, represented herein by its President and General Manager, **ENGR. MARINO P. PALMARES, JR.**, respectively, who are duly authorized for this purpose, hereinafter referred to as the "**CONTRACTOR**".

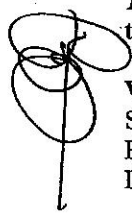
**WITNESSETH: That**

 **WHEREAS**, the **ELECTRICAL REHABILITATION/REWIRING AND CABLE LAYING SYSTEM OF DOST-STII**, located at STII, DOST Complex, Gen. Santos Avenue, Bicutan, Taguig City, Metro Manila, hereinafter referred to as the "**Project**";


**WHEREAS**, in order to proceed with the Project, STII invited eligible general building contractors to submit proposals through competitive public bidding for the purpose;

**WHEREAS**, on September 10, 2012, the STII opened the bids of participating contractors for the Project. After further evaluation and review of the technical and financial proposals, the **STII - Bids and Award Committee** found that the **CONTRACTOR** offered the lowest calculated responsive bid for the Project;

 **WHEREAS**, in its Resolution of Award dated September 18, 2012, the **STII BAC** resolved to recommend to Management the award of the Contract to the **CONTRACTOR** in the amount of **FIVE MILLION SEVEN HUNDRED THIRTY-THREE THOUSAND EIGHT HUNDRED FOURTEEN PESOS & 64/100 (PHP 5,733,814.64)** being the lowest and most advantageous bid to STII;

 **WHEREAS**, pursuant to Resolution No. 2012-002(GAA), the STII, during its meeting on September 10, 2012, approved the award of Contract to the **CONTRACTOR** for the Electrical Rehabilitation/Rewiring and Cable Laying System of DOST-STII Building located at STII, DOST Complex, Gen. Santos Avenue, Bicutan, Taguig City, Metro Manila;

**NOW, THEREFORE**, the parties hereby agree as follows:




4. The Entity hereby covenants to pay the Consultant in consideration of the execution and completion of the Consulting Services, the Contract Price or such other sum as may become payable under the provisions of this Contract at the times and in the manner prescribed below:

<del>15%</del>	-	mobilization fund
<del>30%</del>	-	upon submission of seven (7) sets of As-built plans (architectural, mechanical, sanitary, fire protection and plumbing)
35%	-	upon submission of electrical plan, structural assessment, cost estimates and specifications
10%	-	upon 50% completion of construction
10%	-	upon 100% completion of construction

IN WITNESS WHEREOF, the parties thereto have caused this Agreement to be executed the day and year first before written.

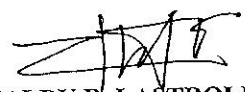
**SCIENCE AND TECHNOLOGY  
INFORMATION INSTITUTE**

By:

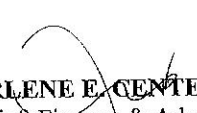
  
**RAYMUND E. LIBORO**  
Director, STII


**INFRA CONSULTANTS IN THE  
PHILIPPINES (ICP), INC.**

By:


  
**ZALDY R. LASTROLLO**  
President, ICP, Inc.

SIGNED IN THE PRESENCE OF:

  
**ARLENE E. CENTENO**  
Chief, Finance & Administrative Division

  
**GERARDO DE JESUS**  
Chairman, Infrastructure  
Technical & Inspection Committee

Funds Available:

  
**MARILOU C. LEELIAN**  
Accountant III

Republic of the Philippines  
**SCIENCE AND TECHNOLOGY INFORMATION INSTITUTE**  
DOST Compound, General Santos Avenue, Bicutan, Taguig City

**CONTRACT AGREEMENT**

THIS AGREEMENT, made this 22<sup>nd</sup> day of May, 2012 between **SCIENCE AND TECHNOLOGY INFORMATION INSTITUTE** with office address at DOST Complex, General Santos Avenue, Bicutan, Taguig City hereinafter called the "**Entity**" and **INFRA CONSULTANTS IN THE PHILIPPINES (ICP), INC.** with office address at 4F Avant Building, # 48 Jupiter St., Brgy. Bel-air, Makati City hereinafter called the "**Consultant**".


WHEREAS, the Entity is desirous that the Consultant execute **CONSULTANCY SERVICES FOR THE PREPARATION OF AS-BUILT PLAN, STRUCTURAL ASSESSMENT AND ELECTRICAL DESIGN FOR STH BUILDING / 2012-04-001** hereinafter called "the Works" and the Entity has accepted the bid for **Four Hundred Thirty-Seven Thousand Seventy-Eight Pesos and 02/100 (Php 437,078.02)** by the Consultant for the execution and completion of such Consulting Services and the remedying of any defects therein.

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

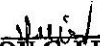
1. In this Agreement, words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract hereinafter referred to.
2. The following documents shall be attached, deemed to form, and be read and construed as part of this Agreement, to wit:
  - (a) General and Special Conditions of Contract;
  - (b) Terms of Reference
  - (c) Request for Expression of Interest;
  - (d) Instructions to Bidders;
  - (e) Bid Data Sheet;
  - (f) Addenda and/or Supplemental/Bid Bulletins, if any;
  - (g) Bid forms, including all the documents/statements contained in the Bidder's bidding envelopes, as annexes;
  - (h) Eligibility requirements, documents and/or statements;
  - (i) Performance Security;
  - (j) Credit line issued by a licensed bank, if any;
  - (k) Notice of Award of Contract and the Bidder's conform thereto;
  - (l) Other contract documents that may be required by existing laws and/or the Entity.
3. In consideration of the payments to be made by the Entity to the Consultant as hereinafter mentioned, the Consultant hereby covenants with the Entity to execute and complete the Consulting Services and remedy any defects therein in conformity with the provisions of this Consultant in all respects.

SIGNED IN THE PRESENCE OF:

  
ARLENE E. CENTENO  
Chief, Finance & Administration Division

  
GERARDO DE JESUS  
Chairman, Infrastructure  
Technical Working Group (TWG)

Funds Available

  
MARILOU C. LEEILIAN  
Accountant III

ACKNOWLEDGMENT

Republic of the Philippines)  
QUEZON CITY S.S.

BEFORE ME, Notary Public for and in QUEZON CITY, Philippines personally  
appeared:

RAYMUND E. LIBORO CTC # 01895440 JAN. 6, 2012, Q.C.

Name MARINO P. PALMARES, JR. Valid ID No. \_\_\_\_\_ Date/Place of Issue \_\_\_\_\_

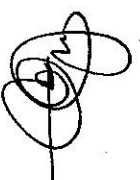
CTC # 28905859 JAN. 2, 2012, Q.C. / PRC 5762


known to me and to me known to be the same persons who executed the foregoing Contract and  
they acknowledged to me that the same is their free and voluntary act and deed in the capacity in  
which they appeared.

The foregoing Contract consists of \_\_\_\_\_ ( ) pages including this page on which the  
acknowledgment is written and duly signed by the parties and its witnesses of the instrument and  
on the left margin of the other pages.

IN WITNESS WHEREOF, I have hereunto affixed my signature and notarial seal at  
QUEZON CITY this 27 day of SEP 2012.

NOTARY PUBLIC

  
Doc. No. 420 ;  
Page No. 85 ;  
Book No. 161 ;  
Series of 2012.

  
ATTY. FARLEY B. DAGUE  
NOTARY PUBLIC  
UNTIL DEC. 31, 2012  
ADM. MATTER NO. 003  
BP NO. 873541 DEC. 29, 2011 SJGJWJOP  
PTR NO. 4637036 JAN. 2, 2012 S.S.  
ROLL NO. 50800



21.2 Nothing in this Contract shall be construed as establishing the relationship of an employer and an employee between the **CONTRACTOR** and **STII** or any of their respective staff. The **CONTRACTOR** shall at all times be personally and directly liable and shall hold **STII** free and harmless from any and all claims or liabilities arising from the acts or conduct of its employees.

21.3 All notices called for by the terms of this Contract shall be effective only at the time of receipt thereof and only when received by the parties to whom they are addressed at the following addresses:

Notice to **STII**

Science and Technology Information Institute  
STII, DOST Complex,  
Gen. Santos Ave., Bicutan,  
Taguig City, M.M.

Attention:

**RAYMUND E. LIBORO**  
Director, STII

Notice to **CONTRACTOR**

Westech Builders & Electrical Corp.  
No. 12 Mayo Street, La Loma  
Quezon City

Attention:

**Engr. MARINO P. PALMARES, Jr.**  
President and General Manager

21.4 No amendment, modification and alteration to this Contract shall be valid or binding on either party unless stipulated in writing and executed with the same formality as this Contract.

**IN WITNESS WHEREOF**, the parties have hereunto set their hands and affixed their signatures this 21<sup>st</sup> day of September 2012, Taguig City, Metro Manila.


**SCIENCE AND TECHNOLOGY  
INFORMATION INSTITUTE (STII)**

**WESTECH BUILDERS &  
ELECTRICAL CORPORATION**

By:

By:

  
**RAYMUND E. LIBORO**  
Director, STII

  
**Engr. MARINO P. PALMARES, Jr.**  
President and General Manager



**ARTICLE XIX**  
**RESCISSION, CANCELLATION, TERMINATION OF CONTRACT**

- 19.1 **STII** shall be entitled to rescind, cancel and terminate this Contract upon the occurrence of any, some or all of the following events:
- (a) The **CONTRACTOR** shall have incurred a negative slippage of more than fifteen percent (15%) based on the work schedule;
  - (b) The **CONTRACTOR** shall have refused to comply with the order of **STII** concerning the proper execution of the Services, or shall have committed a breach of any of the stipulations, clauses, terms and conditions specified in this Contract Documents as determined by **STII**;
  - (c) The **CONTRACTOR** abandons the Project, or fails to deliver to the Project site equipment, materials or personnel required for the performance of the Services;
  - (d) The **CONTRACTOR** fails to pay for its labor and materials;
  - (e) The **CONTRACTOR** becomes bankrupt, insolvent or has made an assignment for the benefit of creditors, or is placed under receivership or liquidation; or
  - (f) **STII** considers the continued performance of the Services by the **CONTRACTOR** prejudicial to the interest of **STII**.
- 19.2 Upon the termination of this Contract upon the happening of any, some or all of the conditions specified in Section 19.1, **STII** shall immediately take over the performance of the Services and take possession of all materials, tools, equipment and supplies remaining on the Project site for the purpose of completing the Project. The **CONTRACTOR** shall pay to **STII** any additional cost and expenses incurred by **STII** as a result of said takeover.

- 19.3 Should **STII** terminate this Contract for reasons not attributable to the **CONTRACTOR**, **STII** shall pay to the **CONTRACTOR** a sum which bears the same ratio as the cost of the works at the time of the termination bears to a reasonable estimated cost of the work satisfactorily completed as determined by **STII**. In addition, **STII** shall pay the **CONTRACTOR** fair compensation for any equipment of the **CONTRACTOR** retained by **STII** either by purchase or lease, at the option of **STII**. It is understood that the **CONTRACTOR** shall exercise due diligence to protect the property and interest of **STII**.

**ARTICLE XX**  
**GENERAL PROVISION**

- 20.1 **Separability** - If any stipulation, clause, term or condition of this Contract is held invalid or contrary to law, the validity of the other stipulations, clauses, terms and conditions hereof shall not be affected thereby.
- 20.2 **Modification** - The parties hereby agree to amend or modify any provision of this Contract, which might be declared invalid or contrary to law, to conform to the subject and objective thereof.

**ARTICLE XXI**  
**MISCELLANEOUS PROVISIONS**

- 21.1 The parties represent that they have the requisite power, authority, and capacity to enter into this Contract and to perform their obligations and undertakings according to the terms and conditions hereof.

**ARTICLE XV**  
**SAFETY AND HEALTH, SANITATION AND SECURITY**

**15.1 CONTRACTOR'S Responsibilities**

It shall be the responsibility of the **CONTRACTOR** to take all necessary and adequate precautions in order to prevent and avoid risk of bodily harm to persons or damage to any property including properties of third parties who may be affected by the construction activities of the **CONTRACTOR**. The **CONTRACTOR** shall render **STII** free and harmless from any and all damages or claims for compensation payable under the law in respect or in consequence of any accident or injury to any employee of the **CONTRACTOR** or third persons, or of any damage to properties of **STII** and third persons, and shall fully satisfy all claims, demands, proceedings, costs, charges, and expenses whatsoever in respect thereof, or in relation thereto, whether or not covered by the appropriate insurance policies.

**15.2 Safety and Health, Sanitation and Security Program**

The **CONTRACTOR** shall submit within ten (10) days from receipt of the Notice of Award a Safety and Health, Sanitation and Security Program which shall include Rules and Measures to be Taken; Facilities and Tools to be Installed; and Organization and Procedure.

**ARTICLE XVI**  
**NON-WAIVER**

- 16.1** No failure or delay on the part of either party to exercise any right, power or privilege hereunder shall operate as a waiver thereof, neither shall any single or partial exercise of any right, power or privilege hereunder preclude any other, or further exercise thereof, or the exercise of any other right, power or privilege.

**ARTICLE XVII**  
**EFFECTIVITY**

- 17.1** This Contract shall run and be effective as indicated in the Notice to Proceed to be issued by **STII** upon the execution of this Contract, up to and until the issuance by **STII** of a Certificate of Final Acceptance, unless sooner terminated by **STII** upon the occurrence of any of the grounds for termination specified under Article XIX hereof. The representations and warranties of the **CONTRACTOR** shall survive the termination or expiration of this Contract.

**ARTICLE XVIII**  
**SUSPENSION, REDUCTION, STOPPAGE OF WORKS**

- 18.1** If at any time during the term of this Contract **STII** considers it impractical to commence or continue the performance by the **CONTRACTOR** of the Services or any portion thereof, **STII** may order the **CONTRACTOR** in writing to temporarily reduce, or suspend or stop the work in its entirety or any part thereof. The **CONTRACTOR** shall have no claim for damages against **STII** by reason of such suspension or stoppage of work; provided that, the **CONTRACTOR** shall be entitled to receive from **STII** payment corresponding to the work accomplished in accordance with the contract as certified by **STII** as of the date the order of suspension or stoppage takes effect. Such payment shall be considered as full satisfaction of all claims of the **CONTRACTOR** against **STII** subject to the provision of Section 19.3 of Article XIX in case of permanent stoppage of work and/or termination of contract. **STII** shall serve the aforesaid order at least three (3) calendar days prior to the intended date of suspension or stoppage.

- 13.3 Any and all disputes arising from the implementation of this Contract shall be submitted to arbitration in the Philippines according to the provisions of Republic Act No. 876, otherwise known as the "Arbitration Law" and Republic Act No. 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.

#### ARTICLE XIV QUALITY CONTROL

##### 14.1 CONTRACTOR'S Quality Control System

14.1.1 The **CONTRACTOR** shall at its own cost set up a quality control system at the Project site for the purpose of ensuring the following:

- (a) Materials and/or equipment to be purchased shall be in accordance with the Contract Documents;
- (b) Materials and/or equipment are properly tested at accredited laboratories; and
- (c) Workmanship conforms to specifications.

14.1.2 The **CONTRACTOR** shall set up a separate crew independent of operations with sufficient manpower and with the following responsibilities:

- (a) **Submittals** - List down in advance all the submittals required; secure the submittals and forward them to the Project Manager who will review and submit them for **STII** approval; and monitor the status of these submittals. Cost of samples and other submittals shall be for the **CONTRACTOR'S** account. Samples shall be returned to the **CONTRACTOR**.
- (b) **Inspection** - Coordinate with Project Manager; conduct actual inspection works; require the construction group to submit construction methodology prior to implementation; see to it that approved methodology is properly implemented; and check that no materials and/or equipment are installed in the **PROJECT** unless previously approved by **STII**.
- (c) **Testing** - List down in advance all the tests required for materials and equipment; conduct actual testing to be witnessed by the Project Manager; and report all test results to the Project Manager for appropriate action. The costs to be incurred for the conduct of the tests shall be borne by the **CONTRACTOR**.

##### 14.2 CONTRACTOR'S Quality Control Plan

The **CONTRACTOR** shall submit to **STII** within the first fifteen (15) calendar days of the effectivity of this Contract a Quality Control Plan, which shall include the personnel, procedures and forms to be used.

**ARTICLE X**  
**COMPLIANCE WITH LABOR LAWS**

- 10.1** There is no employer-employee relationship between STII and the **CONTRACTOR**, its employees, agents and assigns. The **CONTRACTOR** alone is responsible for any death or injury caused to its own employees, agents or assigns in the performance of the work herein stipulated, or any liability arising from employer-employee relationship with its own employees. The **CONTRACTOR** shall strictly comply and observe all laws regarding workmen's health, welfare, compensation, minimum wages, incentive leaves, overtime pay 13<sup>th</sup> month pay, night differentials, if applicable, hours of labor and other pertinent labor laws. Any violation thereof shall be the sole responsibility of the **CONTRACTOR**. Relative thereto, the **CONTRACTOR** shall submit a Certification accompanying every progress billing that it has strictly complied and observed all laws regarding workmen's health, welfare, compensation, minimum wages, incentive leaves, overtime pay, 13<sup>th</sup> month pay, night differentials, hours of labor, and other pertinent labor laws.

**ARTICLE XI**  
**ASSIGNMENT OR SUBCONTRACTING**

- 11.1** The **CONTRACTOR** shall not assign, transfer, pledge, subcontract or make other disposition of this Contract or any part thereof or interest therein except with the prior written consent of STII provided it shall not exceed fifty percent (50%) of the **Contract Price**. Such consent, if given, shall not relieve the **CONTRACTOR** from any liability or obligation under this Contract nor shall it create any contractual relation between the sub-contractor and STII.

**ARTICLE XII WARRANTY**  
**PERIOD**

- 12.1** The **CONTRACTOR** guarantees its work against all structural defects and defects in workmanship and quality of materials supplied by the **CONTRACTOR** for the duration of the Project and maintains the same during the applicable warranty period provided in Section 62.2.3.2 of the IRR of RA 9184 after the issuance of the Certificate of Final Acceptance by STII. All defects made known to the **CONTRACTOR** shall be immediately repaired or replaced by the **CONTRACTOR** within fifteen (15) calendar days from notice of such defects. In the event that the **CONTRACTOR** shall fail to commence repair or replacement work within fifteen (15) calendar days after being informed of such defects, STII shall, at its option, undertake the remedial or corrective work, or have the same undertaken by other contractors at the cost and expense of the **CONTRACTOR**, without prejudice to the filing of appropriate civil and/or criminal charges against it as well as the forfeiture of the Warranty Bond posted in favor of STII.

**ARTICLE XIII**  
**DISPUTE RESOLUTION**

- 13.1** If any dispute or difference of any kind whatsoever shall arise between the parties in connection with the implementation of this Contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.
- 13.2** During the pendency of any such dispute, the **CONSTRUCTION MANAGER** shall proceed diligently with the performance of its obligations and undertakings under this Contract as directed by STII.

● **Bodily Injury Per Person- Per Occurrence-** Twenty-five Thousand Pesos (P25,000.00)  
One Hundred Thousand Pesos  
(P100,000.00)

(b) **Property Damage Per Occurrence** One Hundred Thousand Pesos  
(P100,000.00)

(c) **Aggregate limit for (a) and (b)-** One Million Pesos  
(P1,000,000.00)

9.3 **Personal Accident Insurance** - Within ten (10) calendar days from the **CONTRACTOR'S** receipt of the Notice of Award from **STII**, the **CONTRACTOR** shall, at its own cost and expense, secure a Personal Accident Insurance from a company acceptable to **STII** with a single limit of Ten Thousand Pesos (P10,000.00) per worker, to answer for accidental injuries to or death of any worker or employee of the **CONTRACTOR** assigned to the Project, or the worker or employee of the **CONTRACTOR'S** sub-contractor. The Personal Accident Insurance shall be in force and effect during the Construction Period or any valid extension thereof as provided in Section 9.6 hereunder. In this connection, the **CONTRACTOR** shall render **STII** free and harmless from any and all claims for damages, costs or compensation to be due by reason of any accidental injury to, or death of any worker or employee of the **CONTRACTOR** and its sub-contractor.

9.4 **Warranty Bond** - The **CONTRACTOR** shall, prior to issuance of the Certificate of Final Acceptance, obtain at its own cost a Warranty Bond, callable on demand, with any of the following schedule:

9.4.1 Thirty percent (30%) of the Total Contract Price, if in the form of a surety bond issued by the Government Service Insurance System (GSIS) or a surety or insurance company duly certified by the Insurance Commission as authorized to issue such security.

9.4.2 Ten percent (10%) of the Total Contract Price, if in the form of a bank guarantee confirmed by a universal or commercial bank.

9.4.3 Five percent (5%) of the Total Contract Price, if in the form of cash or letter of credit issued by a universal or commercial bank.

The Warranty Bond shall remain effective for one (1) year from the date of issuance of the Certificate of Final Acceptance by **STII**, and returned only after the lapse of the said one (1) year period.

9.5 **Advance Payment Security** - The **CONTRACTOR** shall, prior to the release of the advance payment specified in Section 7.1, submit at its own cost and expense and acceptable to **STII** an Advance Payment Security in the form of an irrevocable standby letter of credit of equivalent value from a commercial bank, a bank guarantee or a surety bond callable upon demand, issued by a surety or insurance company duly licensed by the Insurance Commission and confirmed by **STII** to guarantee the repayment to **STII** of the unliquidated portion of the advance payment. This bond shall be in force and effect until the advance payment shall be fully liquidated by the **CONTRACTOR**.

9.6 **Renewal of Bonds and Securities** - The **CONTRACTOR** shall also cause renewal of any of the bonds and securities herein required whenever such renewal shall be necessary and applicable as determined by **STII**.



- 8.2.5 Submit within ten (10) days from receipt of the Notice of Award a Safety, Sanitation and Security Program consistent with Article XV hereof. The CONTRACTOR shall prepare and submit for approval of STII within the first fifteen (15) days of the effectivity of this Contract the PERT/CPM, Bar Chart and S-Curve that will be used and implemented during the actual Construction activities;
- 8.2.6 Nothing herein shall in any way be construed to limit the over-all responsibility of the CONTRACTOR for the performance of the obligations herein and CONTRACTOR's liability for any violation of this Contract.

## ARTICLE IX BONDS AND INSURANCES

### 9.1 Performance Security

Within ten (10) days from the CONTRACTOR'S receipt of the Notice of Award from STII, the CONTRACTOR shall provide performance security in favor of STII in the manner, amount and form specified below, which shall be valid until issuance of the Certificate of Final Acceptance of the Project and which shall guarantee the faithful and complete performance by the CONTRACTOR of the Services as well as the other obligations of the CONTRACTOR under this Contract:

- 9.1.1 Thirty percent (30%) of the Contract Amount, if in the form of a surety bond issued by a reputable surety or insurance company duly certified by the Insurance Commission as authorized to issue such security.
- 9.1.2 Ten percent (10%) of the Contract Amount, if in the form of an irrevocable letter of credit issued by a universal or commercial bank.
- 9.1.3 Ten percent (10%) of the Contract Amount, if in the form of cash, cashier's/manager's check, bank draft/guarantee confirmed by a universal or commercial bank.

The Performance Security may be released only after issuance of the Certificate of Final Acceptance of the Project and only if there are no claims for labor and materials filed against the CONTRACTOR.

- 9.2 Contractor's All-Risk Insurance - Within ten (10) calendar days from the CONTRACTOR'S receipt of the Notice of Award from STII, the CONTRACTOR shall, at its own cost and expense, secure a Contractor's All-Risk Insurance from any reputable insurance company duly licensed by the insurance commission to insure the Project (including permanent and temporary works, and equipment and materials delivered at site) against all risks and third-party liabilities from whatever causes other than an event constituting Force Majeure, in an amount equal to the Contract Price. The CONTRACTOR shall submit to STII the insurance policy and the receipts for current premium payments. The insurance policy shall include minimum third-party liability as follows:

With the assistance of its Construction Manager, evaluate and approve or cause necessary changes in the plans, detailed engineering, technical specifications and adjustments to the construction schedule;

8.1.4 Assign a Project Manager who shall supervise and monitor the execution of the work by the **CONTRACTOR**. **STII** may stop the execution of the work or any portion thereof, if in its judgment, the work is not being pursued in accordance with the requirements of this Contract and the Contract Documents, without liability whatsoever for downtime costs;

8.1.5 Hire the services of and assign a Construction Manager who shall supervise and check execution of works, including day-to-day monitoring to ensure compliance with the approved plans, specifications and schedule of construction activities being undertaken by the **CONTRACTOR**. **STII** may stop the execution of the work or any portion thereof, if in its judgment, the work is not being pursued in accordance with the requirements of the Contract Documents;

8.1.6 Assist the **CONTRACTOR**, on a best-effort basis, in securing the permits, clearances, approvals and licenses from the concerned government agencies;

8.1.7 Free the **CONTRACTOR** from any and all liabilities pertaining to claims for ownership;

8.1.8 Make available all existing titles/documents pertaining to the property to the **CONTRACTOR** for reference; and

8.1.9 Coordinate with the government agency concerned for the smooth entry of workers, equipment and materials needed to implement the Project.

8.2 **CONTRACTOR covenants to do and perform the following:**

8.2.1 Answer for the quality and workmanship of the Project consistent with sound engineering, administrative and financial practices and strictly in accordance with the plans, specifications and other contract documents. In the event **STII** and/or the Construction Manager find that the materials, equipment and/or workmanship are not in conformity with the contract documents, these shall be removed or corrected by the **CONTRACTOR** at its own expense;

8.2.2 Acts at all times to protect the interest of **STII** and take all reasonable steps to complete the Project within the schedule and within the contract cost, consistent with best accepted sound engineering practices;

8.2.3 Set-up a Quality Control (QC) System & Plan at the Project site consistent with Article XIV hereof;

8.2.4 Furnish **STII** Monthly Periodic Reports on the progress of the work including information relating to the work and the Project as **STII** may, from time to time, reasonably request. For this purpose, the **CONTRACTOR** shall keep all records, calculation sheets, estimates, back-up data, computer data files and other relevant data properly indexed, filed and readily available to **STII**. It shall also use the Systems International (SI) standards and the English language in the preparation thereof;



### 7.3 Final Payment

Final payment to the **CONTRACTOR** shall be made only after the issuance of a Certificate of Completion and Preliminary Acceptance of the Project by **STII**. **STII** shall effect the final payment to the **CONTRACTOR** upon proper endorsement to **STII** of the final payment billing; provided, however, that the **CONTRACTOR** has submitted the following documents:

- a. Sworn statement that all liabilities incurred by the **CONTRACTOR** have been paid and that there are no outstanding liens, garnishments, attachments or claims relative to the Project;
- b. Quitclaim and release by the **CONTRACTOR**, in a form satisfactory to **STII**, releasing **STII** from any further claim relating to the Contract; and
- c. Such other documents as **STII** may reasonably require.

Provided further that the gross amount for final billing shall not be below five percent (5%) of the final cost of the Project.

Nothing herein contained shall be construed as a waiver of the right of **STII**, which is hereby reserved; to reject the whole or any portion of the work should the same be found to have been constructed in violation of the plans and specifications or any of the conditions or covenants of this Contract.

### 7.4 Retention Money

An amount equal to ten percent (10%) of each progress payment shall be retained by **STII** until fifty percent (50%) of the value of works have been completed, after which no additional retention money shall be made; provided that the work is satisfactorily done and on schedule; otherwise the ten percent (10%) retention money shall be imposed. The total retention money retained shall not bear interest and shall be due for release upon issuance of final acceptance of the works by **STII**.

### 7.5 Compliance to Executive Order No. 398

The **CONTRACTOR** shall pay taxes in full and on time and that failure to do so shall entitle **STII** to suspend payment for Works accomplished. In this regard, the **CONTRACTOR** shall regularly submit to **STII** a valid tax clearance from the BIR as well as a copy of its income and business tax returns duly stamped and received by the BIR and duly validated with the tax payments made thereon.

## ARTICLE VIII COVENANTS OF STII AND CONTRACTOR

### 8.1 STII covenants to do and perform the following:

- 8.1.1 Make available the amount representing total construction cost for all items of work stipulated in Article III - Scope of Works for payment in accordance with Article VI - Contract Price hereof;
- 8.1.2 Review, evaluate and approve or disapprove (as applicable) proposals and recommendations submitted by the **CONTRACTOR**;

## ARTICLE VI CONSIDERATION

### 6.1 Consideration

For and in consideration of the full, satisfactory and faithful performance by the **CONTRACTOR** of all its obligations under this Contract, **STII** shall pay the **CONTRACTOR** the total amount of **FIVE MILLION SEVEN HUNDRED THIRTY-THREE THOUSAND EIGHT HUNDRED FOURTEEN PESOS & 64/100 (PHP 5,733,814.64)**, inclusive of Value-Added Tax (VAT), as well as all expenses, fees and taxes, for obtaining the necessary licenses, permits and clearances from concerned government agencies.

## ARTICLE VII MANNER OF PAYMENT

### 7.1 Advance Payment

**STII** shall, upon written request of the **CONTRACTOR** and submission of the guarantee bond specified in Section 9.5, make an advance payment for mobilization to the **CONTRACTOR** in an amount equal to fifteen percent (15%) of the Contract Price. The advance payment shall be recouped through a deduction by **STII** of fifteen percent (15%) of the amount of progress payments due the **CONTRACTOR**. Further recoupment shall be done until the full amount of the advance payment shall have been recouped.

### 7.2 Monthly Progress Billing

7.2.1 Payments for monthly progress billings submitted by the **CONTRACTOR** to **STII** shall be based on actual work satisfactorily completed by the **CONTRACTOR** for the period covered as certified by the Project Manager and Construction Manager and on the agreed lump sum or unit price for each item of work. The following shall be deducted from the monthly progress billings:

- a) Fifteen percent (15%) of the amount of the progress billing to effect recoupment of the advance payment;
- b) Ten percent (10%) retention money as provided for in Section 7.4;
- c) Money(ies) paid by **STII** to settle unpaid valid third-party claims against the **CONTRACTOR**, or other obligations of the **CONTRACTOR** arising from this Contract, if any; and
- d) Other deductions prescribed by existing laws, government rules and regulations in the manner set forth under such laws, rules and regulations.

7.2.2 No progress payment shall be construed as an acceptance by the **STII** of the works or any portion thereof.

7.2.3 Subject to compliance with all documentary requirements, the provisions of RA 9184 and its IRR on suspension of work by the **CONTRACTOR** in case of non-payment by **STII** of certified progress payments within forty-five (45) calendar days shall apply.

5.3.2.1 To terminate or rescind this Contract without need of judicial action by giving the **CONTRACTOR** a ten (10)-day prior written notice;

5.3.2.2 To forfeit the **CONTRACTOR**'s Performance Security; and

5.3.2.3 To take over the work by administration, or award the Project to another qualified contractor through negotiation.

5.3.3 The rights mentioned in the immediately preceding paragraphs are separate and distinct from the rights which are available to **STII** under pertinent laws, including, but not limited to compensation for damages.

#### 5.4 Liquidated Damages

5.4.1 The pertinent provisions of RA 9184 and its IRR on liquidated damages shall be applicable in case of inexcusable delay in the completion of the Project.

#### 5.5 Certificate of Completion and Preliminary Acceptance

##### 5.5.1 Substantial Completion

Once the Project reaches an accomplishment of **Ninety-Five Percent (95%)** of the total contract amount, **STII** may create an inspectorate team to make preliminary inspection and submit a punch-list to the **CONTRACTOR** in preparation for the final turnover of the Project. Said punch-list will contain, among others, the remaining works, work deficiencies for necessary corrections, and the specific duration/time to fully complete the project considering the approved remaining contract time. This, however, shall not preclude the government's claim for liquidated damages or be deemed a waiver of its right under the Contract as well as applicable laws, rules and regulations.

##### 5.5.2 Final Completion

When the Project is completed in compliance with this Contract, the **CONTRACTOR** shall give a written notice thereof to **STII** through the latter's Project Manager who may promptly deploy its inspectorate team to inspect the Project. Within ten (10) days from completion of the Project to the satisfaction of **STII**, **STII** shall issue, through its Project Manager, a Certificate of Completion and Preliminary Acceptance of the Project stating the date of actual completion thereof; provided that the **CONTRACTOR** has submitted the following:

- 1) Five (5) sets of blue print copy of As-Built Drawings plus one (1) original set thereof, including the electronic files;
- 2) Operating and maintenance manuals;
- 3) Summary of materials testing reports;
- 4) All other permits required relative to the Project; and
- 5) Such other documents as **STII** may reasonably require.

5.5.3 **STII**'s issuance of the Certificate of Completion and Preliminary Acceptance of the Project shall entitle the **CONTRACTOR** to the payment of final billing.

In case of any irreconcilable conflict between this Contract Agreement and the provisions of any of the Contract Documents, the former shall prevail.

## ARTICLE V CONSTRUCTION PERIOD

### 5.1 Completion Period

The **CONTRACTOR** shall complete the Project to **STII**'s satisfaction within **one hundred twenty (120) calendar days** from the date stipulated in the Notice to Proceed in accordance with the Contract Schedules submitted by the **CONTRACTOR** as approved by **STII**.

### 5.2 Extension of Completion Period

5.2.1 No extension of contract time shall be granted to the **CONTRACTOR** due to ordinary unfavorable weather conditions, non-availability of equipment or materials to be furnished thereby, labor problems and such causes for which **STII** is not directly responsible, or when time-affected activities do not fall within the critical path of the network. However, extension of time may be granted in case of delay occasioned by force majeure or such other reasons as **STII** may find acceptable and justified; provided, that, the extension may only be granted on favorable recommendation of **STII**'s Project Manager after due notice has been given to **STII** as provided below; and provided further that, said extension shall in no case exceed the actual period of delay. Provided the request be granted before the expiration of the delivery period.

5.2.2 The pertinent provisions of Republic Act No. 9184 (RA 9184) and its Revised Implementing Rules and Regulations (IRR) shall be applicable to any request made by the **CONTRACTOR** for extension of the period of completion of the Project.

5.2.3 **STII** shall not take into account any request for contract extension unless the **CONTRACTOR** has given notice thereof in writing to **STII** within thirty (30) calendar days after the circumstances leading to such request have arisen or such additional work affecting the critical path of the Project schedule has been commenced, in order that **STII** could have them investigated. Failure to provide such notice shall constitute a waiver by the **CONTRACTOR** of any claim.

### 5.3 Slippage

5.3.1 Order for Acceleration - Should the **CONTRACTOR** incur a negative slippage of at least five percent (5%) but not greater than fifteen percent (15%) on the critical path, **STII** through its Project Manager shall notify the **CONTRACTOR** in writing to submit a catch-up schedule and a crash program. The **CONTRACTOR** shall, thereupon, take immediate steps as are necessary, with the approval of **STII** as recommended by its Project Manager, in order to expedite the work.

The **CONTRACTOR** shall not be entitled to any additional payment for taking such remedial steps. Any difference or increase in cost under subsequent work by administration or award to another contractor shall be paid for by the **CONTRACTOR**.

5.3.2 Slippage beyond Fifteen Percent (15%) - Should the **CONTRACTOR** incur a negative slippage exceeding fifteen percent (15%) on the critical path based on the approved PERT/CPM or Bar Chart/S-Curve schedule, **STII** shall have the following rights:

**ARTICLE IV  
CONTRACT DOCUMENTS**

- 4.1 The following documents shall be made integral parts of this Contract, as fully as if the contents of the said documents were reproduced, incorporated and set forth herein, and shall govern and control in full force and effect the rights and obligations of the Parties, except as otherwise modified by the terms and conditions of this Contract, or by mutual agreement of both Parties in writing:

- A. Invitation to Bid
- B. Bid Form
- C. Instruction to Bidders
- D. General and Special Conditions of Contract
- E. Technical Specifications
- F. Plans and Drawings
- G. Bid Data Sheet
- H. Bid Bulletins/Supplemental Notices
- I. Proof of Publication of Invitation to Bid
- J. **CONTRACTOR's** Bid Proposal containing the following:
  - 1) Project Organizational Chart
  - 2) List of **CONTRACTOR's** Personnel (*viz.* Project Manager, Project Engineers, and Foreman, etc. and their CVs)
  - 3) List of **CONTRACTOR's** Equipment Units, which are owned, leased, and/or under purchase agreements, supported by certification of availability of equipment from the equipment lessor/vendor for the duration of the Project
  - 4) Bid Prices in the Bid Schedule
  - 5) Unit Price Analyses
  - 6) Cash Flow and Payment Schedule
  - 7) Omnibus Sworn Statement
- K. Notice of Award of contract and **CONTRACTOR's** conformity thereto
- L. Performance Security
- M. Other documents such as Construction Schedule and S-Curve, Manpower Schedule, Construction Methods, Equipment Utilization Schedule, Construction Safety and Health, Sanitation and Security Program and PERT/CPM.
- N. **STII's** Certificate of Availability of Funds
- O. Applicable and pertinent laws, rules and regulations affecting Government Infrastructure Projects
- P. All other documents as may be agreed upon by the parties.

- 4.2 All contract documents are and shall remain the properties of **STII**.

- 4.3 The Contract Documents shall be complementary to each other and what is called for or prescribed by one shall be considered as if called for or prescribed by all. In case of any discrepancy between any of the Contract Documents or any defective description, error, omission or ambiguity in any of the Contract Documents, the **CONTRACTOR** shall, within thirty (30) days, submit the matter in writing to **STII** through **STII's** Project Manager. **STII** shall, within a reasonable time, make a decision thereon in writing. Such decision by **STII** shall be final and binding upon the **CONTRACTOR** which shall proceed with the work strictly in accordance with such decision.

- 4.4 **STII** shall have the right to furnish the **CONTRACTOR** during the progress of the work such additional drawings, instructions and documents as **STII** may deem necessary for the proper accomplishment of the work. All such additional drawings, instructions and documents, as well as any decision made by **STII** shall form integral parts of this Contract.

**ARTICLE I  
DEFINITION OF TERMS**

- 1.1 **Construction Manager** refers to the Consultant commissioned by STII to provide Construction Management Services for the Project.
- 1.2 **Project Manager** refers to the representative of STII to the Project.
- 1.3 **Contract** refers to this agreement including the contract documents.
- 1.4 **Contract Documents** refers to the documents specified in Article IV of this Contract.
- 1.5 **Contract Price** refers to the consideration which the **CONTRACTOR** shall be entitled to receive from STII under Article VI of this Contract.
- 1.6 **Contractor** refers to **WESTECH BUILDERS & ELECTRICAL CORP.**
- 1.7 **Construction Period** refers to the period specified in Section 5.1 within which the **CONTRACTOR** shall complete the services.
- 1.8 **Force Majeure** refers to strikes, lockouts or other industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, landslides, earthquakes, storms, floods, civil disturbances, explosions or the issuance of any Government policy, rule or regulation, and other similar events, which are beyond the control of either party or which, with the exercise of due diligence, neither party is able to overcome.
- 1.9 **Service** refers to the services to be performed by the **CONTRACTOR** in accordance with the terms and conditions of this Contract and the Contract Documents.

**ARTICLE II  
PROJECT**

- 2.1 The Project refers to the Electrical Rehabilitation/Rewiring and Cable Laying System of DOST-STII Building located at STII, DOST Complex, Gen. Santos Avenue, Bicutan, Taguig City, Metro Manila.

**ARTICLE III  
SCOPE OF WORKS**

- 3.1 The **CONTRACTOR** shall, at its own expense and with the use of its own resources and equipment, undertake the Project in accordance with the approved plans, specifications and other contract documents, as well as relevant government laws, codes, and other applicable rules and regulations, as well as ordinances.
- 3.2 The **CONTRACTOR** shall assist the agency in securing the necessary permits, licenses and documentary approvals required by concerned government agencies such as those prescribed by national agencies, local government units, and utility companies.
- 3.3 The **CONTRACTOR** shall comply with the requirements of the National Building Code and government regulatory agencies and shall hold STII free and harmless from any and all fines, penalties, or losses incurred by reason of any breach of this stipulation, or non-compliance with any law or rule and regulation or pertinent issuance.

Republic of the Philippines )  
MAKATI CITY ) S.S.

### ACKNOWLEDGEMENT

Before me, a Notary Public for and in ~~MAKATI CITY~~ this MAY 24 day of 2012, 2012  
personally appeared:

Name	Res. Cert. No.	Issued on	Issue at
RAYMUND E. LIBORO	01895440	January 6, 2012	Quezon City
ZALDY R. LASTROLLO	07015360	January 19, 2012	Makati City

Known to me as the persons who executed the foregoing Contract **Consultancy Services for the Preparation of As-Built Plans, Structural Assessment and Electrical Design for STII Building** and acknowledged to me that the same is their free and voluntary act and deed and that of the principals represented by them.

I further acknowledge that this instrument, including this page on which the acknowledgement written consists of three (3) pages, all signed by the parties and their witnesses and sealed with my notarial seal.

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

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Page No. 63  
Book No. 67  
Series of 2012

ATTY. VIRGILIO X. BATALLA  
NOTARY PUBLIC FOR MAKATI CITY  
APPOINTMENT NO. M-618  
UNTIL DECEMBER 31, 2012  
ROLL OF ATTORNEY 48348  
PACIFIC COMPLIANCE NO. H-0018179  
IBP NO. 70782 - LIFETIME MEMBER  
PTR NO. 0009231 JAN. 2, 2019