

**Contract of Agreement No. 2021-05-13**

**PROPOSED CONSTRUCTION OF DSWD FO III BUILDING AND FACILITIES**

This contract made on the \_\_\_\_ day of \_\_\_\_\_ 2021 between

**DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT FIELD OFFICE III**, a national government agency operating under the laws of the Republic of the Philippines, with office address at Diosdado Macapagal Regional Government Center, Barangay Maimpis, City of San Fernando, Pampanga represented by its Regional Director, **MARITES M. MARISTELA**, hereinafter referred to as the **"PROCURING ENTITY"**;

- AND -

**E.B. MATIAS CONSTRUCTION & TRADING**, with office located at Gatiawin, Arayat, Pampanga represented by **EFREN B. MATIAS** in his capacity as sole Proprietor/Owner, hereinafter referred to as the **"CONTRACTOR"**;

WHEREAS the Procuring Entity invited Bids for certain services, viz., **PROPOSED CONSTRUCTION OF DSWD FO III BUILDING AND FACILITIES** and has accepted a Bid by the Supplier for the services in the sum of EIGHTEEN MILLION SIX HUNDRED EIGHTY-FIVE THOUSAND EIGHT HUNDRED SIXTEEN PESOS and 9/100 (**PHP18,685,816.09**) (hereinafter called "the Contract Price").

**WHEREAS**, a public bidding was conducted on May 19, 2021 at the DSWD Field Office III, Government Center, Maimpis, City of San Fernando Pampanga;

**WHEREAS**, the Bids and Awards Committee recommended to the Head of the Procuring Entity that the project shall be awarded to **E.B. MATIAS CONSTRUCTION & TRADING**, its offer being the most advantageous to the Philippine Government;

**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 constitute the integral parts of this Contract as fully as if their contents are incorporated, reproduced 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 in writing of both parties, to wit:

- a. General and Special Conditions of Contract;
- b. Invitation to Bid;
- c. Bidding Documents;



- d. Addenda and/or Supplemental/Bid Bulletin, 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.); Abstract of Bids;
- l. Resolution of the BAC recommending award of project of winning bidder and;
- m. Notice to Proceed.

## 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, with a provision that this construction activity belongs to "**CONTRACTOR**" 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 construction of the DSWD FO III Building and Facilities as per plan and specifications. The work consists of the following specific work items:

Ite m	Description	AMOUNT
I.	<b>OTHER GENERAL REQUIREMENTS</b>	
	A) Mobilization and Demobilization	135,000.00
	B) Provision of Temporary Facilities/Utilities	55,700.00
	C) Provision of Warning Signages, Caution Signages and DSWD project Signboard	12,066.00
	D) Construction of Safety and Health	28,500.00
	E) Processing of Building and Occupational Permit	25,000.00
	<b>SUB TOTAL</b>	<b>256,266.00</b>
II.	<b>EARTH WORKS</b>	
	A) Structural Excavation	123,550.00
	B) Embankment from Borrow	203,895.00
	C) Gravel Fill/bedding	80,424.00
	<b>SUB TOTAL</b>	<b>407,869.00</b>
III.	<b>TERMITE CONTROL WORKS</b>	
	Soil Poisoning of entire Building	7,925.00
IV.	<b>REINFORCING STEEL BAR WORKS</b>	
	Fabrication/erection and setting-up of Reinforcing bars for foundation footings, column footings, columns, beam, slab on fill, slabs, stair, septic tank	2,007,611.52
V.	<b>FORMS AND FALSE WORKS</b>	
	Form, False works, braces, ribs and setting-up for foundation footings, columns footings, columns, beams, slabs, stairs	427,840.00
VI.	<b>STRUCTURAL CONCRETE WORKS</b>	

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	Concrete pouring for foundation footings, columns footings, columns, beam, slab on fill, slabs, stair, septic tank.	3,179,396.00
VII.	<b>MASONRY WORKS</b> CHB laying, CHB portions, wall plastering, flooring and wall tiles installation including floor topping, water proofing and damp proofing of entire building	2,706,347.50
VIII	<b>CARPENTRY WORKS</b> A) Installation of Fiber Cement Ceiling Board, Pre-painted spandrel ceiling. B) Installation of Pressurized laminated Wood Particles	394,530.25 69,800.00
	<b>SUB TOTAL</b>	<b>464,330.25</b>
IX.	<b>FABRICATED MATERIALS AND HARDWARES</b> Installation of fabricated solid doors, glass doors, aluminum doors, wooden panel doors, hallow doors, steel door framed, steel fire rated doors, pressurized laminated wood doors, operable door, prefabricated doors and door jambs, building makers, room stainless signages including the necessary part and accessories	986,155.60
X.	<b>PAINTING WORKS</b> A) Masonry/concrete painting walls, ceilings, wood painting for the cabinets, solid doors, wooden doors, steel and metal frames B) Including doors and all fabricated hardware.	539,610.64
XI.	<b>SANITARY AND PLUMBING WORKS</b> Installation of Sewer lines system, water line system, sanitary and plumbing fixtures, storm drainages including septic tank	246,000.00
XII.	<b>STRUCTURAL STEEL WORKS</b> A) Fabrication, welding and erection of trusses, purlins, sagrods, turnbuckles, tension rods and base/gusset and stiffener plates, stainless steel railing and horizontal slats B) Erection of fabricated trusses, installation of pre-painted rib-type roof sheets, flashing, gutted, fascia flashing, ridge rolls and rockwool blanket insulation w/ foil	1,187,122.72 500,736.00
XIII	<b>ELECTRICAL WORKS</b> A) Installation of electrical rough-ins, devices connectors and electrical accessories for the entire building B) Installation of electrical safety circuit breakers, panel board with completed branches specified in the approved plans including transformer C) Installation of electrical LED lighting fixtures and solar powered spot lights and emergency lights including complete necessary accessories	204,000.00 292,720.00 186,000.00
XIV	<b>ELECTRONICS AND COMMUNICATIONS</b> A) Installation of Fire Detector and Alarm system B) Installation of Data Network Cabling System of Entire Building	248,000.00 144,000.00
XV.	<b>MECHANICAL WORKS</b> Centralize air conditioning and ventilating System	798,400.00
	<b>SUB-TOTAL</b>	<b>14,790,330.23</b>

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### INDIRECT COST

I	Overhead Contingency, Miscellaneous (12%)	1,774,839.63
II	Contractor's Profit (8%)	1,183,226.42
III	VALUE ADDED TAX (5% OF D + I + II)	887,419.81
	TOTAL OTHER INDIRECT COST (E)	3,845,485.86

### OTHER INDIRECT COST

IV	Engineering Supervision with Project Engineer and General Foreman @16 Calendar Days	50,000.00
	TOTAL PROJECT COST (D + E)	18,685,816.09

### ARTICLE III TIME OF COMPLETION

The **"CONTRACTOR"** agrees to commence, perform and complete the work called for as defined in this Contract within ten (10) days upon receipt and acceptance of the Notice to Proceed, at its sole cost and expense, and to fully and faithfully furnish all materials, tools labor, supplies, equipment, services and supervision for the implementation of this Contract in accordance with the schedule under Section I hereof;

The construction shall be completed within **One Hundred Sixty (160)** calendar days including Saturdays, Sundays and holidays. Should the **"CONTRACTOR"** refuse or otherwise fail to complete the work stipulated herein, in default of the Contract, the **"CONTRACTOR"** agrees to pay a liquidated damage 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 **"PROCURING ENTITY"**. 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 **"PROCURING ENTITY"**.

Once the cumulative amount of liquidated damages reaches ten percent (10%) of the total amount of the contract, the Procuring Entity may rescind or terminate the contract, without prejudice to other courses of action and remedies available under the circumstances.

### ARTICLE IV NON-EXTENSION OF CONTRACT TIME

No time extension of contract shall be granted to the **"CONTRACTOR"** due to ordinary unfavorable weather conditions and inexcusable failure or negligence of the **"CONTRACTOR"** to provide the required equipment, supplies or materials;

However, the contract time may be extended due to major calamities such as earthquakes, rainy/unworkable days (exceptionally destructive typhoons; floods) peace and order situation considered unfavorable for the prosecution of the works at the site, based on the actual conditions obtained at the site.



## ARTICLE V TERMS OF PAYMENT

The **"PROCURING ENTITY"** 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 the amount of EIGHTEEN MILLION SIX HUNDRED EIGHTY-FIVE THOUSAND EIGHT HUNDRED SIXTEEN PESOS and 9/100 (**PHP18,685,816.09**) only.

Payment shall be in accordance with the following;

Payment Tranches	Outputs/Deliverables
1 <sup>st</sup> Tranche : 15% payment of the total contract cost	Must be Fifteen Percent <b>(15%)</b> of project completion/ physical accomplishment with submission of Billing Statement, Progress/ Accomplishment Report, Statement of work Accomplished, progress Photos and Narrative report
2 <sup>nd</sup> Tranche : 35% payment of the total contract cost	Must be Fifty Percent <b>(50%)</b> of project completion/physical accomplishment with submission of Billing Statement, Progress/Accomplishment Report, Statement of work Accomplished, progress Photos and Narrative report
3 <sup>rd</sup> Tranche : 25% payment of the total contract cost	Must be Fifteen Percent <b>(75%)</b> of project completion/ physical accomplishment with submission of Billing Statement, Progress/ Accomplishment Report, Statement of work Accomplished, progress Photos and Narrative report
4 <sup>th</sup> Tranche : 15% payment of the total contract cost	Must be Fifteen Percent <b>(90%)</b> of project completion/ physical accomplishment with submission of Billing Statement, Progress/ Accomplishment Report, Statement of work Accomplished, progress Photos and Narrative report
5 <sup>th</sup> Tranche : 10% payment of the total contract cost	Must be Hundred Percent <b>(100%)</b> physical completed upon with submission of Billing Statement, Contractors accomplishment reports, statement of work accomplished, progress photos, narrative report, contractor's certificate of completion, contractors warranty security, contractors request for acceptance and turn over certificate, notarized certificate of warranty and issuance of the Certificate of Completion by the HOPE.



**"BOTH PARTIES"** agree that all unit prices specified in this Contract shall be considered as fixed prices, and therefore such shall not be subject to price escalation during the implementation of this Contract, except under extraordinary circumstances and upon prior approval of the Government Procurement Policy Board (GPPB). Any request relative to price escalation under extraordinary circumstances shall be submitted by **"PROCURING ENTITY"** to the National Economic Development Authority (NEDA). It is understood that *"extraordinary circumstances"* shall refer to events as determined by NEDA in accordance with the Civil Code of the Philippines and upon recommendation of the **"PROCURING ENTITY"**.

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 own by the contractor;
3. Personal injury or death of **"CONTRACTOR'S"** employees;
4. Comprehensive Insurance for third party liability to **"CONTRACTOR'S"** direct or indirect act of omission causing damage to third persons.

#### ARTICLE VI GUARANTY AND WARRANTY SECURITY

The **"CONTRACTOR"** hereby guarantees 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 and/or its own expenses.

After final acceptance of the project by the **"PROCURING ENTITY"**, the **"CONTRACTOR"** shall assume full responsibility for any damage or destruction of the works, structural defects and failure as well as the safety, protection, security and convenience of his personnel, third parties, and the public at large, as well as the works, equipment, installation and the like to be affected by his construction work in accordance with the pertinent provisions under Section 62.2 of the IRR of RA 9184.

They shall require to put up a warranty security denominated in Philippine Pesos provided in Section 62.2.3.3 of IRR of RA 9184 and shall remain effective for one (1) year from the date of issuance of the certificate of final acceptance and shall be returned only after the lapse of the said one (1) year period.

#### ARTICLE VII RETENTION MONEY

The **"CONTRACTOR"** understands that the progress payments shall be subject to retention of ten percent (10%) in accordance with the pertinent provision on ANNEX "E" of the 2016 Revised Implementing Rules and Regulations of RA 9184.



## ARTICLE VIII PERFORMANCE SECURITY

In accordance with the Instruction to Bidders and General Conditions of the contract, the **"CONTRACTOR"** shall furnish and file per acceptance to the **"PROCURING ENTITY"** a Performance Bond/Security pursuant to Section 39 of the IRR of RA 9184 to guarantee the full and faithful performance of this contract, subject to an additional performance Bond as required under Section 39.6 of the aforementioned IRR.

Aside from defects liability, the Performance Bond shall likewise answer for any liability that maybe suffered by the **"PROCURING ENTITY"** resulting from the violation of the **"CONTRACTOR"** of labor laws and other laws. **PROVIDED**, that in the event of the rescission or termination of this contract for breach thereof, the bond, at all option of the **"PROCURING ENTITY"** shall be automatically forfeited in favor of the **"PROCURING ENTITY"** and become immediately payable and collectible by the **"PROCURING ENTITY"**. 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 IX DEFECTS

The **"PROCURING ENTITY'S"** Representative shall give written notice to the **"CONTRACTOR"** of any defects before the end of the Defects Liability Period, which is One (1) year from project completion up to final acceptance by the **"PROCURING ENTITY"**.

Every time notice of a defect is given, the **"CONTRACTOR"** shall correct the notified defect within the length of time specified in the **"PROCURING ENTITY'S"** Representative's notice.

The **"CONTRACTOR"** shall correct the defects which he notices himself before the end of the Defects Liability Period.

Should the **"CONTRACTOR"** fail to correct the Defect himself within the period, the **"PROCURING ENTITY"** may have the Defect corrected by the third party. The **"PROCURING ENTITY"** shall give the **"CONTRACTOR"** at least fourteen (14) days notice of his intention to use a third party to correct a Defect. The cost of the correction will be deducted from the Contract Price.

The use of a third party to correct defects that are uncorrected by the **"CONTRACTOR"** will in no way relieve the **"CONTRACTOR"** of its liabilities and warranties under the Contract.

The defects liability period for infrastructure projects shall be one (1) year from contract completion up to final acceptance by the **"PROCURING ENTITY"**. During this period, the **"CONTRACTOR"** shall undertake the repair works, at his own expense, of any damage to the Works on account of the use of materials of inferior quality within ninety (90) days from the time the Head of the **"PROCURING**



**ENTITY**" has issued an order to undertake repair. In case of failure or refusal to comply with this mandate, the **"PROCURING ENTITY"** shall undertake such repair works and shall be entitled to full reimbursement of expenses incurred therein upon demand.

In case the **"CONTRACTOR"** fails to comply with the preceding paragraph, the **"PROCURING ENTITY"** shall forfeit its performance security, subject its property(ies) to attachment or garnishment proceedings, and perpetually disqualify it from participating in any public bidding. All payables of the **"PROCURING ENTITY"** in his favor shall be offset to recover the costs.

After final acceptance of the Works by the **"PROCURING ENTITY"**, the **"CONTRACTOR"** shall be held responsible for "Structural Defects", i.e., major faults/flaws/deficiencies in one or more key structural elements of the project which may lead to structural failure of the completed elements or structure, or "Structural Failures", i.e., where one or more key structural elements in an infrastructure facility fails or collapses, thereby rendering the facility or part thereof incapable of withstanding the design loads, and/or endangering the safety of the users or the general public. The liability of the erring personnel of the **"CONTRACTOR"** shall be in accordance with pertinent laws and jurisprudence.

## ARTICLE X TERMINATION OF CONTRACT

### I. Termination for Default of Contractor

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

- 1.1. Due to the **"CONTRACTOR's"** fault and while the Works are on-going, it has incurred a negative slippage of fifteen percent (15%) or more in accordance with Presidential Decree 1870; or
- 1.2. Due to the **"CONTRACTOR's"** fault and after the Contract time has expired, it has incurred a negative slippage of ten percent (10%) or more in the completion of the Works; or
- 1.3. When the **"CONTRACTOR"**:
  - 1.3.1. 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"**;
  - 1.3.2. after receiving a Notice from the **"PROCURING ENTITY's"** Representative that failure to correct a particular Defect is a fundamental breach of Contract, fails to correct the Defect within a reasonable period of time determined by the **"PROCURING ENTITY's"** Representative;
  - 1.3.3. does not actually have on the Site the minimum essential equipment listed in the Bid necessary to prosecute the Works in accordance with the approved PERT/CPM network diagram and equipment utilization schedule as required under the Contract;





- 1.3.4. does not execute the Works in accordance with this Contract or persistently or flagrantly neglects to carry out its obligations under this Contract;
  - 1.3.5. neglects or refuses to remove materials or to perform a new work that has been rejected as defective or unsuitable; or
  - 1.3.6. sub-contracts any part of this Contract without approval by the **"PROCURING ENTITY"**.
- 1.4. The **"CONTRACTOR"** causes a fundamental breach of this Contract. Fundamental breaches of Contract shall include, but shall not be limited to, the following:
- 1.4.1. The **"CONTRACTOR"** stops work for twenty eight (28) days when no stoppage of work is shown on the current Program of Work and the stoppage has not been authorized by the **"PROCURING ENTITY's"** Representative.
  - 1.4.2. The **"CONTRACTOR"** is declared bankrupt or insolvent as determined with finality by a court of competent jurisdiction. In this event, termination will be without compensation to the **"CONTRACTOR"**, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the **"PROCURING ENTITY"** and / or the **"CONTRACTOR"**. In the case of the Contractor's insolvency, any Contractor's Equipment which the **"PROCURING ENTITY"** instructs in the notice is to be used until the completion of the Work.
  - 1.4.3. The **"PROCURING ENTITY's"** Representative gives Notice that failure to correct a particular Defect is a fundamental breach of Contract and the **"CONTRACTOR"** fails to correct it within a reasonable period of time determined by the **"PROCURING ENTITY's"** Representative.
  - 1.4.4. The **"CONTRACTOR"** does not maintain a Security, which is required.
  - 1.4.5. The **"CONTRACTOR"** has delayed the completion of the Works by the number of days for which the maximum amount of liquidated damages can be paid.
  - 1.4.6. In case it is determined prima facie by the **"PROCURING ENTITY"** that the **"CONTRACTOR"** has engaged, before or during the implementation of the contract, in unlawful deeds and behaviors relative to contract acquisition and implementation, such as, but not limited to, the following:
    - 1.4.6.1. corrupt, fraudulent, collusive, coercive, and obstructive practices;
    - 1.4.6.2. drawing up or using forged documents;
    - 1.4.6.3. using adulterated materials, means or

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methods, or engaging in production contrary to rules of science or the trade; and

1.4.6.4. any other act analogous to the foregoing

The **"PROCURING ENTITY"** will seek to impose the maximum civil, administrative and/or criminal penalties available under the applicable law on individuals and organizations deemed to be involved with corrupt, fraudulent, or coercive practices.

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.

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

## II. Termination for Convenience

The **"PROCURING ENTITY"** may terminate this Contract, in whole or in part, at any time for its convenience. The HOPE may terminate this Contract for the convenience of the **"PROCURING ENTITY"** if the HOPE 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.

## ARTICLE XI MISCELLANEOUS

The **"CONTRACTOR"** recognizes the position of trust and confidence reposed in it under this contract, and agrees to perform its obligations hereunder in the most efficient and competent manner, use its skill and good judgment, always observe in good faith, and carry on the execution of this Contract in the most sound, expeditious and economical manner consistent with the interest of the **"PROCURING ENTITY"** agrees to undertake the performance of all acts 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 therefrom and should the **"CONTRACTOR"** find any discrepancy in the drawings, plans and specifications, he shall immediately refer the same to the **"PROCURING ENTITY"** or its authorized representative whose decision shall be followed.

Notwithstanding any provisions of this contract, the **"PROCURING ENTITY"** has the right 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.




The "**CONTRACTOR**" is likewise mandated to implement the construction safety and health program 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 or authorized representative of the "**PROCURING ENTITY**".

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


For:

**DEPARTMENT OF SOCIAL WELFARE  
AND DEVELOPMENT FIELD OFFICE III**


  
**MARITES M. MARISTELA, CESO III**  
Regional Director

For:


**E.B. MATIAS CONSTRUCTION AND TRADING**

  
**EREN B. MATIAS** -  
Authorized Representative

CERTIFIED AS TO AVAILABILITY OF FUNDS:

  
**ANGELICA T. LAFUENTE**  
Regional Accountant

SIGNED IN THE PRESENCE OF:

  
**ANGELA M. BONDOC**  
Head, General Services

ACKNOWLEDGMENT

Republic of the Philippines)  
Province of \_\_\_\_\_) s.s.  
City of City of San Fernando, Pampanga


BEFORE ME this \_\_\_\_\_ day of \_\_\_\_\_ at the City of City of San Fernando, Pampanga  
\_\_\_\_\_ in the Philippines personally appeared:

NAME	COM. TAX CERTIFICATE NO./ISSUED ID	ISSUED ON/ISSUED AT
MARITES M. MARISTELA, CESO III	90-0102	JULY 25, 2019/Q.C.

Known to me and to me known to be the same persons who executed the foregoing contract consisting of twelve (12) pages including this page, for the purpose set forth therein and they acknowledged to me that the same is their free act and deed.

WITNESS MY HAND AND NOTARIAL SEAL.

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Page No. 64  
Book No. xxx  
Series of mm

  
ATTY MARILINE M. LEE  
Roll No. of Attorney No. 73510  
ISP No. 14405877 - 1-7-2021  
PTR No. 8111851 - 1-7-2021  
Commission Expires on Dec. 31, 2021