WITNESS:
RICHMON KILAT

INSURANCE

12 01 The CONTRACTOR shall, prior to the commencement of work, secure the standard **CONTRACTOR's All Risk (CAR) Insurance from the Government Service Insurance System (GSIS) or any private insurance company duly accredited by Insurance Commission** to insure the works against all losses or damages arising from whatever cause for which the CONTRACTOR is responsible under the Contract.

ARTICLE XIII

WARRANTY

ZET CONSTRUCTION
By:
JULIO J. TAJAN
Owner/Manager

13.01 The CONTRACTOR shall assume full responsibility for the contract work from the time project construction commended up to final acceptance thereof by the PPA and shall be held responsible for any damage or destruction of the works, except those occasioned by **force majeure**. The CONTRACTOR shall be responsible for the safety, protection, security, and convenience of its personnel, third parties, and the public at large, as well as the works, equipment, installation and the like to be affected by the construction work.

WITNESS:
BELTZASAR L. GELLA
Acting ESD Manager

13.02 The defect liability period for the project covered by this Contract shall be one (1) year from project completion up to final acceptance thereof by the PPA. During this period, the CONTRACTOR shall undertake and complete the repair works, at its own expense, of any damage to the said project within NINETY (90) DAYS from the time the PPA General Manager or his duly authorized representative has issued an order to undertake repair. In case of failure or refusal to comply with this order, PPA shall undertake such repair works and the CONTRACTOR shall fully reimburse the former for all the expenses incurred therein upon demand.

13.03 After final acceptance of the project by the PPA, the CONTRACTOR shall be responsible for structural defects and/or failure of the said project within the warranty period per R.A. 9184 from the date of final acceptance thereof by the PPA. For this purpose, the CONTRACTOR shall put up a warranty security in the form of cash or letter of credit issued by a Universal or Commercial Bank, Bank guarantee confirmed by a Universal or Commercial Bank or surety bond, callable on demand 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 and acceptable to PPA in accordance with the following schedule:

Philippine Ports Authority:
By:
ENGR. ASTERIO O. GALLARDO, JR
Acting PortManager

a. Cash or letter of credit issued by a Universal or Commercial Bank – Five percent (5%) of the total contract price

WITNESS:
RICHMON JILAT

b. Bank guarantee confirmed by a Universal or Commercial Bank – Ten percent (10%) of the total contract price

c. Surety bond callable upon demand – Thirty percent (30%) of the total contract price

The warranty security shall be denominated in Philippine Pesos, remain effective for one (1) year from the date of issuance of the Certificate of Final Acceptance by PPA and be returned only after the lapse of the said one (1) year period.

ZET CONSTRUCTION
By:
JULPI J. TAUNG
Owner/Manager

ARTICLE XIV

TAXES, LICENSES, PERMITS AND FEES

14.01 The CONTRACTOR's tax, licenses, permits, fees and all other taxes, fees or charges of whatever form, kind or nature due or which may be due to the national and/or local government units and/or its instrumentalities/agencies on account of the performance and completion of the work stipulated herein, fees for the testing of materials and samples and fees for the testing and inspection of the installation by all agencies having jurisdiction and all necessary and incidental expenses relative thereto including preparation of documents and notarial fees shall be paid for and obtained by the CONTRACTOR on its own account. Should the PPA be compelled to advance the same, PPA is hereby authorized to deduct the amount advanced from whatever amount due the CONTRACTOR from PPA.

WITNESS:
BELTASAR L. GELLA
Acting ESD Manager

14.02 The CONTRACTOR shall pay taxes in full and on time and that failure to do so shall entitle PPA to suspend payment to the CONTRACTOR. Further, the CONTRACTOR shall during the term of this Contract regularly present to PPA a tax clearance from the Bureau of Internal Revenue (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 XV

AGREEMENT MODIFICATION

Philippine Ports Authority:
By:
ENGR. ASTERIO C. BALLARDO, JR
Acting PortManager

15.01 No modification, alteration or waiver of any provision herein contained shall be binding on the Parties hereto unless evidenced by a written amendment signed by the parties hereof.