WITNESS:
RICHMOND KIAT

ZET CONSTRUCTION
By:
JULPI J. TAUNG
Owner/Manager

WITNESS:
BELTZASAR L. GELLA
Acting ESD Manager

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

15.02 A variation order (change order/extra work order) may be issued by PPA under the conditions set forth in the applicable provision of Republic Act No. 9184 and its Implementing Rules and Regulations.

15 03 The PPA may, at any time by written order and without notice to Sureties, direct the CONTRACTOR to perform extra work necessary to and within the General Scope of the project as bid and awarded. The CONTRACTOR shall be paid for additional/extra work items whose unit prices shall be derived based on the following:

a. For additional/extra works duly covered by change orders involving work items which are exactly the same or similar to those in the original contract, the applicable unit prices of work items in the original contract shall be used.

b. For additional/extra works duly covered by Extra Work Orders involving new work items that are not in the original contract, the unit prices of the new work items shall be based on the direct unit costs used in the original contract (e.g. unit cost of cement, rebars, form lumber, labor rate, equipment rental, etc.). All new components of the new work item shall be fixed prices, provided the same is acceptable to both PPA and the CONTRACTOR, and provided further that the direct unit costs of new components shall be based on the CONTRACTOR's estimates as validated by PPA via documented canvass in accordance with existing rules and regulations. The direct cost of the new work item shall then be combined with the mark-up factor (i.e. taxes and profit) used by the contractor in his bid to determine the unit price of the new work item.

15.04 Request for payment by the CONTRACTOR for any extra work shall be accompanied by a statement, with the approved supporting forms, giving a detailed accounting and record of amount for which he claims payment. Said request for payment shall be included with the CONTRACTOR's statement of progress payment.

ARTICLE XVI

SUSPENSION OF WORK

16.01 The PPA or its duly authorized representative shall have the authority to suspend the work wholly or partly by written order for such period as may be deemed necessary, CONTRACTOR to correct bad conditions which are unsafe for workers or for the general public to carry out valid orders given by the PPA or to perform any

provisions of the contract, or due to adjustment of plans to suit field conditions as found necessary during construction. The CONTRACTOR shall immediately comply with such order to suspend the work wholly or partly.

In case of total suspension, or suspension of activities along the critical path, which is not due to any fault of the CONTRACTOR, the elapsed time between the effective order of suspending operation and the order to resume work shall be allowed the CONTRACTOR by adjusting the contract time accordingly.

WITNESS:
RICHMOND KHAT

ZET CONSTRUCTION
By:
JUDY J. TASING
Owner/Manager

ARTICLE XVII

INDIVISIBILITY OF OBLIGATION

17.01 It is the intent of the Contract that all the documents, annexes and addenda forming part thereof, shall be read together and that each and every provision or stipulation hereof be given full force, effect and applicability. However, in the event that one or more provisions or stipulations herein be declared null and void by the courts, or otherwise rendered ineffective, the remaining provisions and stipulations shall not be affected thereby.

WITNESS:
BELTZASAR L. GELLA
Acting ESD Manager

ARTICLE XVIII

ARBITRATION, REMEDY AND RELIEF

18.01 Should there be any dispute or difference of any kind whatsoever which shall arise between the parties in connection with the implementation of this Contract, the Parties hereto shall make every effort to resolve amicably such dispute or difference by mutual consultation. In the event that such dispute or disagreement be not resolved to their mutual satisfaction, the matter shall be submitted to arbitration in the Philippines according to the provisions of Republic Act No. 876, otherwise known as the "Arbitration Laws" 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 submitted thereto. Provided, further that by mutual agreement the parties hereto may agree in writing to resort to other alternative modes of dispute resolution. Provided, finally that the arbitration proceeding shall be without prejudice to the right of PPA to rescind or terminate this contract in accordance with Article XIX, Section 19.04 hereof.

Philippine Ports Authority:
By:
ENGR. ASTERO C. GALLARDO, JR
Acting PortManager