WITNESS:
JIMELYN R. SALAC

JV Constech
By:
ENGR. FLORANTE M. MAGBANUA
Proprietor/Project Manager

2.03 The CONTRACTOR guarantees, among others, that all tools, equipment, machinery, instruments, accessories and materials it will supply or deliver or install and/or use in the construction and workmanship of all his work under the contract, shall be in accordance with the Contract Documents.

The CONTRACTOR further guarantees that all the office facilities and equipment it will provide, if any, in connection with this Contract shall be brand new and in addition thereto, the computer system shall be International Standard Organization compliant and in accordance with the specifications prescribed thereof in the Bid Documents.

2.04 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 set 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 PPA.

## ARTICLE III

## CONSIDERATION

WITNESS:
BELTASAR L. GELLA
Acting ESD Manager

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

3.01 For and in consideration of the full, satisfactory and faithful performance by the CONTRACTOR of all its undertakings defined in and provided for under this Contract and Contract Documents, the PPA agrees to pay the CONTRACTOR the total amount not exceeding **One Million Two Hundred Thirty Eight Thousand Ninety Four Pesos and Sseventeen Centavos (₱1,238,094.17), Philippine Currency;** inclusive of the 12% Value Added Tax, payment to be made and computed on the basis of final quantities at the unit bid price for each item of work actually performed and finished for each pay item as determined and accepted by PPA and in the manner set forth in the Contract Documents, as full compensation for everything furnished and done by the CONTRACTOR under this Contract, including all works required but not specifically mentioned, and also for all losses and damages to the CONTRACTOR arising out of the work aforesaid, from the action of the elements, or from any obstruction or difficulty encountered in the prosecution of this Contract, for all expenses incurred by or in consequence of the suspension or discontinuance of the contract herein specified and for faithfully completing the contract and the whole thereof, at the time and in the manner provided in the Contract Documents.

It is agreed and understood that all bid prices specified in this contract shall be considered as fixed prices and therefore not subject to price adjustment and escalation

WITNESS:
JIMELYN R. SALAC

during the contract implementation, except under extraordinary circumstances and upon prior approval of the Government Procurement Policy Board (GPPB) or when a Treaty or International or Executive Agreement Expressly allows it. Any request for price escalation under extraordinary circumstances shall be submitted by PPA to the National Economic and Development Authority (NEDA). Extraordinary circumstances shall refer to events that may be determined by the NEDA in accordance with the Civil Code of the Philippines and upon recommendation of the PPA.

JV Constech
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ENGR. FLORANTE M. MAGBANUA
Proprietor/Project Manager

3.02 Final and full payment of the consideration herein above-mentioned shall be upon full completion of the project and fulfillment by the CONTRACTOR of all the terms and conditions set forth in this contract.

However, it is agreed that no payment or payments made under this Contract, except the final payment upon issuance of Certificate of Completion and Acceptance, shall be understood as performance of this Contract, either wholly or in part, and no payment shall be construed to be an acceptance of defective work or improper implementation thereof.

3.03 Any payment due and payable to the CONTRACTOR maybe set off against liquidated damages and payable to the PPA by the CONTRACTOR under this Contract.

WITNESS:
BALTAZAR L. GELLA
Acting ESD Manager

3.04 It is likewise understood that the CONTRACTOR shall show proof evidencing payments by the CONTRACTOR of labor, materials, supplies, insurance premiums, etc., used in the work, before any payment is made to it.

For this purpose, the CONTRACTOR shall, before payment is made on the works accomplished, submit an affidavit certifying to the fact of payments of said labor, materials, supplies, equipment, insurance premiums, etc.,

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

3.05 All payments shall be subject to existing government accounting and auditing rules and regulations.

3.06 Progress payments are subject to retention of ten percent (10%) referred to as the "retention money". Such retention shall be based on the total amount due to the contractor prior to any deduction and shall be retained from every progress payment until fifty percent (50%) of the value of works as determined by the PPA are completed. If after Fifty Percent (50%) completion, the work is satisfactorily done

and on schedule, no additional retention shall be made; otherwise, the ten percent (10%) retention shall be imposed.

3.07 The total "retention money" shall be due for release upon final acceptance of the work. The CONTRACTOR may, however, request for the substitution of the retention money for each progress billing with irrevocable standby letter of credit from a commercial bank, bank guarantees or surety bond callable on demand issued by any reputable surety or insurance company duly accredited by the Office of the insurance Commission of amounts equivalent to the retention money substituted for and acceptable to PPA, provided that the project is on schedule and is satisfactorily undertaken. Otherwise, the ten percent (10%) retention shall be made. Said irrevocable standby letters of credit, bank guarantees and/or surety bonds, to be posted in favor of PPA shall be valid for a duration to be determined by the PPA and will answer for the purpose for which the ten percent (10%) retention is intended, i.e., to cover uncorrected discovered defects and third party liabilities.

WITNESS:
JIMELYN R. SALAC

JV Constech
By:
ENGR. FLORANTE M. MAGBANUA
Proprietor/Project Manager

## ARTICLE IV

## PERFORMANCE SECURITY

4.01 To guarantee the faithful performance of the CONTRACTOR of its obligations under this Contract, it shall post prior to the signing of the Contract a performance security in the form of cash or cashier's / manager's check, bank draft/guarantee or irrevocable letter of credit issued by a Universal / or Commercial bank, surety bond callable on demand, issued by a surety or insurance company duly certified by the Office of the Insurance Commission as authorized to issue such security and acceptable to PPA or a combination thereof as may be required by PPA, in accordance with the following schedule:

WITNESS:
BELTASAR L. GELLA
Acting ESD Manager

a. Cash or cashier's / manager's check, bank draft / guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank – ten percent (10%) of the total contract price

b. surety bond callable upon demand issued by a surety or insurance company duly certified by the insurance Commission as authorized to issue such security – thirty percent (30%) of the total contract price

Philippine Ports Authority:
By:
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Acting Port Manager

c. any combination of the foregoing – proportionate to share of form with respect to total amount of security

WITNESS:
JIMELYN B. SALAC

4.02 This performance security shall be denominated in the Philippine Pesos and posted in favor of PPA, and shall be forfeited in favor of PPA in the event it is established that the CONTRACTOR is in default in any of its obligations under this Contract.

4.03 Subject to the conditions of the Contract, the performance security may be released by PPA after the issuance of the Certificate of Acceptance of the project, provided that PPA has no claims filed against the CONTRACTOR or the surety company and there are no claims for labor and materials filed against the contractor.

JV Constech
By:
ENGR. FLORANTE M. MAGBANUA
Proprietor/Project Manager

4.04 Should any surety upon the bond for the performance of this Contract become unacceptable to the PPA, the CONTRACTOR shall promptly furnish such replacement security as may be required from time to time up to the sum equal to the amount of the original surety.

4.05 The CONTRACTOR shall post an additional performance security following the schedule above to cover any cumulative increase of more than ten percent (10%) over the original value of the contract as a result of amendments to order or change orders, extra work orders and supplemental agreements as the case may be. The CONTRACTOR shall cause the extension of the validity of the performance security to cover approved contract time extensions.

WITNESS:
BELTASAR L. GELLA
Acting ESD Manager

4.07 In case of a reduction in the contract value or for partially completed work under this contract which are usable and accepted by PPA, and the use of which in the judgment of PPA shall not affect the structural integrity of the entire project, PPA may allow a proportional reduction in the original performance security, provided that any such reduction is more than ten percent (10%) and that the aggregate of such reductions is not more than fifty percent (50%) of the original performance security.

## ARTICLE V

## COMPLETION TIME: LIQUIDATED DAMAGES

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

5.01 The CONTRACTOR agrees and obligates itself to perform and complete all works provided for in this Contract within **Forty Nine ( 49 ) Calendar Days** (including Sundays and Holidays), reckoned not later than seven (7) calendar days from the date of issuance of the Notice to Proceed. Notice to Proceed shall be issued after this Contract has been signed by the Parties hereof.