



BAGUIO WATER DISTRICT

"Serving Mankind is Serving God"



CONTRACT FOR THE SURFACE RESTORATION AND PAVING WORKS FOR THE PROPOSED INSTALLATION OF 8" Ø x 2,730M HDPE MAINLINE FROM MARCOS HIGHWAY TO ASIN ROAD VIA SUELLO ROAD PROJECT

KNOW ALL MEN BY THESE PRESENT:

This CONTRACT, made and executed into by and between:

BAGUIO WATER DISTRICT, a Government Instrumentality exercising Corporate Powers duly organized and existing under and by virtue of Presidential Decree No. 198, as amended, with principal office address at No. 003 Utility Road, Marcoville, Baguio City, represented by its General Manager, **ENGR. SALVADOR M. ROYECA**, hereinafter referred to as "**BWD**";

- AND -

LAB GENERAL ENGINEERING., a business duly registered and existing under the laws of the Republic of the Philippines, with principal business address at Barangay Sinto, Bauko, Mountain Province, represented herein by its General Manager, **ENGR. LITO A. BANITO**, hereinafter referred to as the "**CONTRACTOR**".

WITNESSETH: That,

WHEREAS, part of the **BWD**'s strategic direction to continuously improve its current water supply geared towards addressing Baguio's current and future water requirements;

WHEREAS, in line with its objectives, **BWD** has embarked on the augmentation of water supply in areas with limited water through installation of transmission lines;

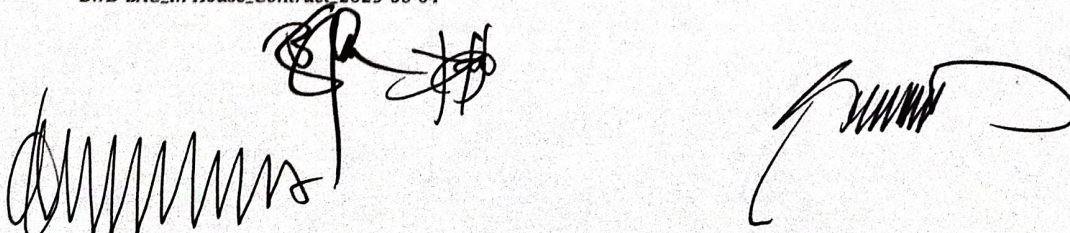
WHEREAS, Baguio Water District - Bids and Awards Committee (**BWD-BAC**) conducted a public bidding for the project: "Surface Restoration and Paving Works for the Proposed Installation of 8" Ø x 2,730M HDPE mainline from Marcos Highway to Asin Road via Suello Road" under Request for Quotation (RQ) No. 03-JO-051 in accordance to the provisions of Republic Act (RA) No. 9184 and its 2016 revised Implementing Rules and Regulations (IRR);

WHEREAS, by virtue of BAC In house resolution numbered 035-2023, the **CONTRACTOR** is declared as the lone complying responsive bidder with a bid price of **TWO MILLION SEVEN HUNDRED FIFTY THOUSAND ONE HUNDRED FORTY-FOUR PESOS AND 12/100 (Php2,750,144.12)**, inclusive of all applicable government taxes and other charges imposed under applicable laws and a recommendation for the award is made;

NOW THEREFORE, for and in consideration of the foregoing premises and of the mutual covenants and stipulations hereinafter set forth, the parties hereto have agreed and do hereby agree, as follows:

ARTICLE I. CONTRACTOR'S Obligations

1. The **CONTRACTOR** agrees and binds itself to fully and faithfully provide all supervision, labor, local materials, plant and equipment which may be required to finish and complete the work in accordance with the standards set forth in the Terms of Reference and Drawing Plans.
2. The work called for this Contract shall be completed within **FIFTY-FOUR (54) working days** including procurement of materials and permits, commencing within five (5) days from receipt of the **CONTRACTOR** of the formal "Notice to Proceed" to be issued by **BWD**. **BWD** shall grant extension/s for justifiable reason/s only upon written notice by the **CONTRACTOR** of the reasons for the delay in the implementation of the Contract.
3. The **CONTRACTOR** shall provide and do everything necessary to conform to its obligations under the Contract to the true intent and meaning of the other Contract Documents taken together, whether the same may or may not be shown or described particularly in the Drawings, Plans, Technical Specifications and Special Provisions; provided, that the same shall be inferred therefrom. Should the **CONTRACTOR** find any discrepancy in the Drawings, Plans, Technical Specifications and Special Provisions, he shall immediately refer the same to **BWD** whose decision shall be executory.
4. The **CONTRACTOR** guarantees all the materials and/or equipment it will supply, deliver and use in the construction and workmanship of all its work under this Contract and shall make good any defect/s which may be discovered on its own account.
5. The **CONTRACTOR** shall submit the Construction Methodology and Project Implementing Bar Chart & S-Curve before the signing of the Contract.
6. Barricades and warning lights satisfactory to the Engineer shall be provided and maintained for all trenches. All units of barricades, signages and early warning devices shall be turned over to **BWD** after completion of the Contract.
7. The type of materials and/or equipment proposed to be supplied and used by the **CONTRACTOR** and duly approved by **BWD** prior to the execution of Contract cannot be substituted whatsoever anytime during the entire duration of the Contract except only in meritorious cases as may be permitted and duly approved by **BWD**.
8. Unless otherwise provided for in the Contract, the **CONTRACTOR** must turn over to **BWD** all excess, used, unused and/or reusable materials paid for in the Contract such as formworks, laboratory apparatus, tools, vehicles, equipment, safety gadgets, and devices, etc., which should be in operating condition when turned over.



ARTICLE II. Both Parties acknowledge that this Contract and the relevant Annexes constitute the entire agreement between them and shall completely supersede all other prior understandings, previous communications or contracts, oral or written, between the Parties relating to the subject matter hereof.

ARTICLE III. The parties agree that the following documents shall form and be interpreted and constructed as part of this Contract of Agreement, to wit:

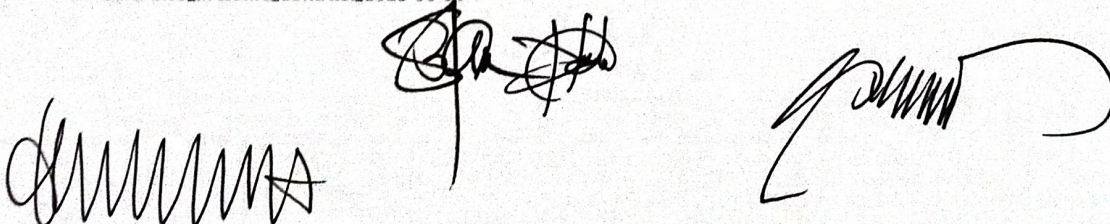
- a. Request for Quotation
- b. Terms of Reference
- c. Drawings
- d. All documentary requirements submitted by the **CONTRACTOR**
- e. Financial bid submitted by **CONTRACTOR**
- f. Notice of Award
- g. Performance Security
- h. Notice to Proceed
- i. Other pertinent documents that may be required by **BWD**

ARTICLE IV. Liquidated Damages

The **CONTRACTOR** shall pay liquidated damages to BWD for each day that the Completion Date is later than the Intended Completion Date. The applicable liquidated damages is at least one-tenth (1/10) of a percent of the cost of the unperformed portion for every day of delay. The total amount of liquidated damages shall not exceed ten percent (10%) of the amount of the contract. BWD may deduct liquidated damages from payments due to the **CONTRACTOR**. Once the cumulative amount of liquidated damages reaches ten percent (10%) of the amount of this Contract, BWD shall rescind or terminate this Contract, without prejudice to other courses of action and remedies available under the circumstances. Likewise, the Contract shall automatically be taken over by BWD or award the same to a qualified contractor through negotiation and the erring **CONTRACTOR's** performance security shall be forfeited.

ARTICLE V. Performance Security

1. To guarantee the faithful performance of the **CONTRACTOR** of its obligations under this Contract, **CONTRACTOR** shall post, in favor of **BWD**, the required amount of the performance security in any of the acceptable forms prior to the signing of Contract.
2. The performance security shall remain valid until the issuance by BWD of the Certificate of Final Acceptance. In the event the **CONTRACTOR** fails, refuses or is unable to submit the documents required under Section 37.1 of the IRR of RA 9184, enter into a contract with BWD and/or post the required performance security, the effects as provided by Section 40 of the IRR of RA 9184 shall apply.
3. It is expressly agreed and understood that any change to be made in Drawings, Plans, Technical Specifications and Special Provisions of this Contract (whether such changes increase or decrease the amount thereof) or any change in the manner or time of payment made by BWD shall in no way annul, release or effect the liability and surety of the security given by the **CONTRACTOR**.



ARTICLE VI. Payments

The **CONTRACTOR** may submit a request for payment for work accomplished. Such request for payment shall be verified and certified by the **BWD's** representative. The **BWD** shall have the right to deduct from the **CONTRACTOR's** billing such amount as may be necessary to cover third party liabilities, as well as uncorrected discovered defects in the project. Payments shall be adjusted by deducting therefore the amounts for advance payment, if any, and retention.

ARTICLE VII. Advance Payment

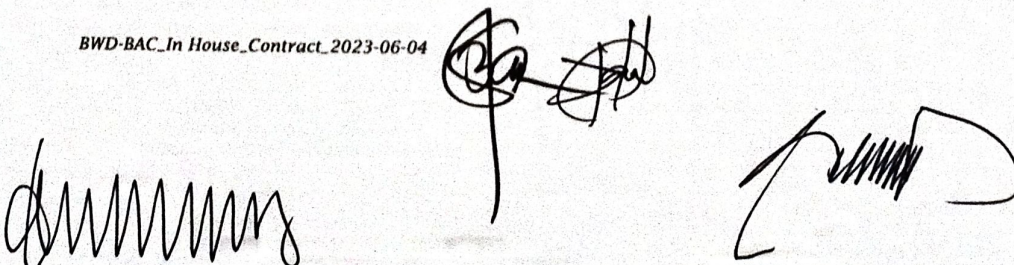
1. **BWD** shall, upon a written request of the **CONTRACTOR** which shall be submitted as a contract document, make an advance payment to the contractor in an amount not to exceed fifteen percent (15%) of the total contract price, to be made in lump sum or, at the most, two installments, the schedule of which shall be indicated in the contract.
2. The advance payment shall be made only upon the submission to and acceptance by **BWD** 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 **BWD**.
3. The advance payment shall be repaid by the **CONTRACTOR** by deducting a percentage from its periodic progress payments a percentage equal to the percentage of the total contract price used for the advance payment.
4. The **CONTRACTOR** may reduce his standby letter of credit or guarantee instrument by the amounts refunded by the Monthly Certificates in the advance payment.

ARTICLE VIII. Indemnity

1. The **CONTRACTOR** agrees and binds himself to indemnify **BWD** for whatever injuries and/or damages the latter suffered by reason of the failure, negligence and/or delay on the part of the **CONTRACTOR** and/or its employee/s in the performance of their obligations.
2. **BWD** shall be free from any liability for whatever injuries and/or damages suffered by any party due to the fault or negligence of the **CONTRACTOR**.

ARTICLE IX. Dispute Resolution

1. Any dispute arising from the execution of or in connection with this Contract shall be resolved through ad hoc arbitration, which shall be administered by one (1) arbitrator. The sole arbitrator shall be identified by raffle from a list of three (3) arbitrators that shall be submitted by each party.
2. This Contract shall be governed and construed in accordance with the laws of the Republic of the Philippines. Venue of all actions arising from this Contract shall be brought exclusively to the jurisdiction of the appropriate courts of Baguio City, Philippines only.

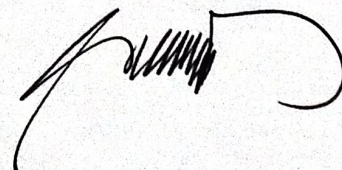
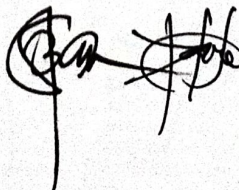
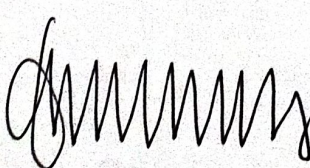


ARTICLE X. Compliance with Existing Laws

1. This Contract shall be governed by and construed in accordance with the provisions of Republic Act (RA) No. 9184 and its 2016 revised Implementing Rules and Regulations (IRR), PD 198, as amended, and all other general and other special laws of the Republic of the Philippines so long as applicable to this Agreement.
2. **CONTRACTOR** obligates itself to comply with all existing laws, executive orders, administrative orders, letters of instruction, letters of implementation, rules and regulations issued or to be issued by competent agencies, or authorities of the Philippine Government which may have particular application to this Contract, which are deemed part and parcel of this Contract and govern the relations of the parties herein.
3. It is also understood that any failure of **BWD** to demand compliance with any of the terms and conditions of this Contract shall not be considered as waiver on the part of **BWD** for enforcement of this Contract, nor shall it relieve the **CONTRACTOR** of any of the obligations provided thereunder.
4. The **CONTRACTOR** obligated itself to comply with all existing laws, executive and administrative orders, rules and regulations issued or to be issued by competent authorities.
5. Any breach or violation of either party of the obligations and covenants under this Contract shall entitle the aggrieved party to rescind or cancel this Contract, after fifteen (15) days written notice to the affected party. In addition, the party that breached or violated this Contract agrees and obligates to pay actual damages incurred by the other party.

ARTICLE XI. Termination of Contract

1. **Termination due to CONTRACTOR's default.** In the event of termination due to **CONTRACTOR's** non-performance of its obligations, **BWD** shall set a termination date in writing and **CONTRACTOR** shall refund to **BWD**, within fifteen (15) days from receipt of notice thereof, the applicable Contract Price from termination date on a pro-rated basis. Refund to **CONTRACTOR** is without prejudice to **BWD'S** right to claim damages and claim against the performance security of **CONTRACTOR**.
2. **Termination due to BWD's default.** **CONTRACTOR** may terminate this Contract upon service of a thirty (30) day written notice to **BWD** of the former's intention to terminate this Contract, and stating the grounds for termination of this Contract. This is without prejudice to the **BWD's** availment of legal remedies and claims and other reliefs by reasons of damages it has sustained on account of such termination if caused by the **CONTRACTOR's** non-performance of its obligation under this Contract.
3. **Termination for other causes.** **BWD** may terminate this Contract, in whole or in part, at any time for its convenience if it has determined the existence of conditions that make the project implementation economically, financially or technically impractical and/or



unnecessary, such as, but not limited to, force majeure or changes in law and National Government policies.

ARTICLE XII. Separability

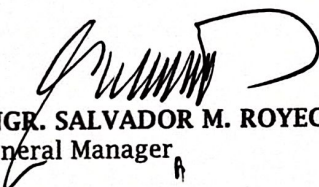
1. If any part or parts of this Contract shall be declared invalid by competent courts, the other parts hereof shall not thereby be affected or impaired.
2. Any failure of BWD to enforce its rights and privileges under this Contract shall not be construed as a waiver or renunciation of such rights and privileges.

ARTICLE XIII. Effectivity

That this Contract takes effect on 11 July 2023 and shall be deemed revoked upon the completion of the services.

IN WITNESS WHEREOF, we have hereunto set our hands this 11 day of July 2023 at the City of Baguio, Philippines.

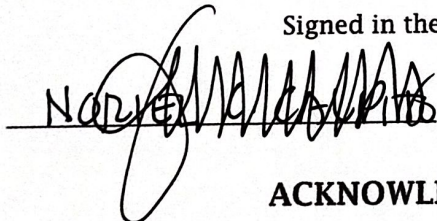
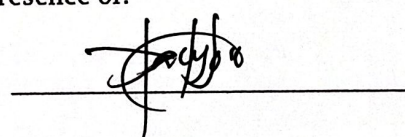
BAGUIO WATER DISTRICT
Represented by:


ENGR. SALVADOR M. ROYECA
General Manager

LAB GENERAL ENGINEERING
Represented by:


ENGR. LITO A. BANITO
General Manager

Signed in the presence of:

 
ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)

Done in the City of Baguio

) S.S.

BEFORE ME, a Notary Public for and in the City of Baguio, Philippines, this day of June 2023, personally appeared the following:

Name

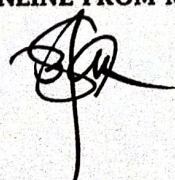
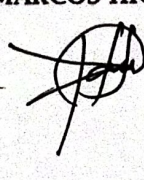
ID No.

1. **ENGR. SALVADOR M. ROYECA**
2. **ENGR. LITO A. BANITO**

BWD ID 155

926-068-630

known to me to be the same persons who executed this **CONTRACT FOR THE SURFACE RESTORATION AND PAVING WORKS FOR THE PROPOSED INSTALLATION OF 8" Ø x 2,730M HDPE MAINLINE FROM MARCOS HIGHWAY TO ASIN ROAD VIA**

SUELLO ROAD PROJECT and that they acknowledged to me that the same is their own free act and voluntary deed and of the entity they each represent.

This document consists of seven (7) pages (exclusive of documents indicated in Article III this Contract), including this page wherein this acknowledgement is written, signed on each and every page hereof by the concerned parties and their instrumental witnesses.

WITNESS MY HAND AND NOTARIAL SEAL this 11 day of JUL 2023 at Baguio City, Philippines.

Doc No. 179;
Page No. 36;
Book No. XVII;
Series of 2023.

ATTY. ROBLES G. CALABIAS
No. 24 Martinez Street, Upper Engineer's Hill, Baguio City
Notary Public
Until December 31, 2023
IBP Lifetime OR No. 580499 May 14, 2003
Roll No. 43275 May 7, 1998, Manila
N.A. 115-NC-21-R/MCIE VII-0013082 until Apr 15, 2025
PTR No. 1378002 Jan. 3, 2023, Baguio City