

CONTRACT AGREEMENT
(PBM 2022-24 Construction of Power Supply Station, UP Mindanao, Davao City)

THIS AGREEMENT is made and entered into by and between:

The **UNIVERSITY OF THE PHILIPPINES**, the national university of the Philippines, created by virtue of Act No. 1870, as amended and re-organized and operating by virtue of Republic Act No. 9500, otherwise known as "The University of the Philippines Charter of 2008" with principal office address at Quezon Hall, UP Diliman, Quezon City represented herein by its President, **ATTY. ANGELO AZURA JIMENEZ**, hereinafter referred to as the "**UNIVERSITY**";

UP MINDANAO
RECEIVED

DATE: MAY 10 2023

TIME: 10:46

and

The **AVECS CORPORATION**, an entity duly organized and existing under the laws of the Republic of the Philippines, with address at 21 Don Gregorio St., Don Antonio Heights Diliman, Quezon City, represented herein by its President, **MR. CELESTINO D. BALDONADO**, hereinafter referred to as the "**CONTRACTOR**".

WHEREAS, UNIVERSITY is desirous that the CONTRACTOR execute **PBM 2022-24 Construction of Power Supply Station, UP Mindanao, Davao City**, hereinafter called "the Work" and the UNIVERSITY has accepted the Bid for **Thirty-One Million One Hundred Fifty Thousand Pesos (P31,150,000.00)** by the CONTRACTOR for the execution and completion of such Works and the remedying of any defects therein.

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. In this Agreement, words and expressions shall have the same meanings as the respectively assigned to them in the Conditions of contract hereinafter referred to.
2. The following documents shall be attached, deemed to form, and be read and construed as integral part of this Agreement, to wit:
 - (a) The Contractor's Bid, including the Technical and Financial Proposals, and all other documents/statement submitted (e.g. bidder's response to clarifications on the bid), including corrections to the bid resulting from the University Bid Evaluation;
 - (b) The Schedule of Requirements;
 - (c) The General Conditions of Contract;
 - (d) The Special Conditions of Contract;
 - (e) The Performance Security; and
 - (f) The University Notice of Award
3. **PAYMENTS** - In consideration of the payments to be made by the UNIVERSITY to the CONTRACTOR as hereinafter mentioned, the CONTRACTOR hereby covenants with the UNIVERSITY to provide the goods and services and to remedy defects therein in conformity in all respects with the provisions of the Contract.

The UNIVERSITY hereby covenants to pay the CONTRACTOR in consideration of the execution and completion of the Works and the remedying of defects wherein, the Contract Price or such other sum as may become payable under the provisions of this Contract at the times and in the manner prescribed by this Contract.

The Contract Price is inclusive of all duties, taxes, license premiums, fees and charges which may accrue by virtue of the WORK, such as but not limited to permit and registration fees, municipal and personal property taxes, fees for storage or consumption, employment taxes, payments and contribution imposed by law and insurance. All such fees shall be for the account of the CONTRACTOR.

Any exemption in the payment of the foregoing shall be credited to the UNIVERSITY. The CONTRACTOR is obligated to inform the UNIVERSITY in writing of any exemption obtained or granted to it with respect to taxes, licenses, and other fees. The CONTRACTOR shall pay all cost incurred in the preparation of this Agreement, including notarial fees.

No changes shall be made on the contract price by reason of escalation in currency, the price of materials, tolls, equipment, or labor supervising during the course of the work, except under conditions specified by Law. Any adjustment in the Contract Price shall be done in accordance with guidance provided by law.

Jimenez

- a) The UNIVERSITY 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 equal to fifteen percent (15%) of the total contract price pursuant to Annex "E" (The 2016 Revised Implementing Rules and Regulations of Republic Act 9184).
- b) The advance payment of 15% shall be made upon the submission to and acceptance by UNIVERSITY of an irrevocable letter of credit or bank guarantee issued by a Universal or Commercial Bank. The irrevocable letter of credit or bank guarantee must be for an equivalent amount, shall remain valid until the WORK is accomplished, and accompanied by a claim for advance payment.
- c) The remaining amount shall be paid upon completion of the WORK.

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4. **PERIOD OF WORK** - The CONTRACTOR shall complete the aforementioned WORK within (Three Hundred (300)) calendar days from receipt of the Notice to Proceed ready for use of UNIVERSITY unless prevented by causes like strikes, accidents, typhoons, floods and other natural calamities or other unforeseen events, which render the work incapable of completion, in which case UNIVERSITY shall have the power to extend the time and shall certify accordingly.

No extension of contract time whatsoever shall be granted to the CONTRACTOR due to ordinary/unfavorable conditions, non-availability of equipment or materials to be furnished by it, labor problems and such causes for which the UNIVERSITY is not directly responsible, or when time-affected activities do not fall within the critical part of the network. The Provisions of RA 9184 and its IRR shall apply in case of suspension of work.

- [Signature]*
5. **SUBCONTRACT** - The CONTRACTOR shall not assign, transfer, pledge, convey, subcontract or make any other disposition of the Contract or any part or interest therein under this Contract without the consent of the UNIVERSITY.
 6. **LIQUIDATED DAMAGES**- In the event the CONTRACTOR refuses or fails to deliver within the time herein specified, or within the period or extension that may be granted by UNIVERSITY, if any, UNIVERSITY is hereby authorized to deduct liquidated damages from any amount due under this contract.

To be entitled to such liquidated damages, UNIVERSITY does not have to prove that it has incurred actual damages. Such amount shall be deducted from any money due or which may become due to the CONTRACTOR under the Contract and/or collect such liquidated damages from the securities posted by the CONTRACTOR whichever is convenient to UNIVERSITY.

The amount of liquidated damages to be paid by the CONTRACTOR shall be ONE TENTH OF ONE PERCENT (1/10 of 1 %) of the cost of the unperformed portion of the works for every day of delay.

The provisions of RA 9184 and its IRR on liquidated damages shall apply in case of liquidated damages.

7. **VIOLATION OF TERMS AND CONDITIONS** - If the CONTRACTOR in any manner neglects or fails to perform any agreement herein stipulated, UNIVERSITY shall give written notice to the CONTRACTOR to proceed with such work and to perform such agreement, and if it shall fail to do so accordingly within five (5) days from receipt thereof, and the Project Engineer shall certify that such failure is sufficient ground for action, it shall be lawful for UNIVERSITY to enter upon the premises and to complete the work contemplated under this Contract, and to use or authorize such other contractor or person to use thereof any tools, materials and property of the CONTRACTOR in such event shall be liable to UNIVERSITY for the amount incurred in excess of the contract price plus other damages UNIVERSITY may suffer by reason thereof.
 8. **LIABILITY CLAUSE** - The UNIVERSITY shall not be liable for any damage or prejudice caused to third persons arising out of or related to the contract, provided that there was no negligence on the part of the UNIVERSITY.
- [Signature]*

9. AMENDMENTS AND REVISIONS – All amendments or revision of any provision of this contract shall be upon the prior written consent of both parties subject to the execution of an appropriate instrument for the purpose.

MAY 08 2023

IN WITNESS whereof the parties thereto have caused this Agreement to be executed this _____ (date).

UNIVERSITY OF THE PHILIPPINES

AVECS CORPORATION

By:

By:

[Signature]
ATTY. ANGELO AZURA JIMENEZ
President

[Signature]
MR. CELESTINO D. BALDONADO
President

Signed in the presence of:

[Signature]
LYRE ANNI E. MURAO, Ph.D.
Chancellor
UP Mindanao

[Signature]
FERDINAND A. PECSON
Vice President for Development
OVPD

Republic of the Philippines)
City of QUEZON CITY
X-----X

ACKNOWLEDGMENT

BEFORE ME, a Notary Public for and in the City of QUEZON CITY, personally appeared the following persons, to wit:

Name	Gov't Issued ID	Date Issued
1. Atty. Angelo Azura Jimenez	<u>PASSPORT</u>	<u>23 SEP 2019</u>
2. Celestino D. Baldonado	<u>PASAPOR</u>	<u>05 APR 2002</u>

known to me and to me known to be the same persons who executed the foregoing instrument and acknowledged to me that the same is their free and voluntary act and deed and that it is within the authority of the entities they respectively represent in this instance.

This instrument consisting of three (3) pages including this page where the Acknowledgment is written, refers to a Contract Agreement between the UNIVERSITY OF THE PHILIPPINES and AVECS CORPORATION. It has been signed by the parties and their instrumental witnesses at every page.

WITNESS MY HAND AND NOTARIAL SEAL this MAY 08 2023 day of QUEZON CITY, Philippines.

Doc. No.: 109
Page No.: 22
Book No.: XII
Series of 2022.

[Signature]
ATTY. CONCEPCION P. VILLAREÑA
Notary Public for Quezon City
Until December 31, 2023
PTR No. 3716371 / January 3, 2023 Q.C.
IBP No. 167803 / November 25, 2021 Q.C.
Roll No. 30457 / 05-09-1980
MCLE VII-0006994 / 09-21-2021
ADM. MATTER No. NP-005 (2022-2023)
TIN NO. 131-942-754