

PHILIPPINE BIDDING DOCUMENTS

(As Harmonized with Development Partners)

Procurement of INFRASTRUCTURE PROJECTS

A. SUPPLY OF LABOR AND MATERIALS FOR THE REPAINTING, AND REHABILITATION OF FIVE (5) PUMP STATIONS OF SANTA MARIA WATER DISTRICT:

1. Garden Village Pump Station
2. Green Valley Pump Station
3. Sta. Cruz Pump Station
4. Sto. Tomas Pump Station
5. Caybanban Pump Station

AND

B. SUPPLY OF LABOR AND MATERIALS FOR THE PAINTING OF LOGO FOR SIX (6) PUMP STATIONS OF SANTA MARIA WATER DISTRICT:

1. Gulod Pump Station
2. Celeste Pump Station
3. Villarica Pump Station

4. Sta. Clara Pump Station
5. Kamatis Pump Station
6. Mahabang Parang Pump Station

Government of the Republic of the Philippines

Fifth Edition
August 2016

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Section I. Invitation to Bid

Invitation to Bid

1. The Santa Maria Water District, through the Corporate Operating Budget for the Year 2018¹ intends to apply the sum of Eight Hundred Thousand Pesos (Php 800,000.00) being the Approved Budget for the Contract (ABC), to payments under the contract for “Supply of Labor and Materials for: ***A. Supply of Labor and Materials for Repainting and Rehabilitation of Five (5) Pump Stations of Santa Maria Water District: Garden Village, Green Valley, Sta. Cruz, Sto. Tomas and Caybanban Pump Stations. B. Supply of Labor and Materials for the Painting of Logo for Six (6) Pump Stations of Santa Maria Water District: Gulod, Celeste, Villarica, Sta. Clara, Kamatis, and Mahabang Parang Pump Stations.*** Bids received in excess of the ABC shall be automatically rejected at bid opening.
2. The Santa Maria Water District now invites bids for the supply of labor and materials for the above stated projects.² Completion of the Works is required within three (3) months from the date of acceptance of Notice to Proceed. Bidders should have completed within two (2) years from the date of submission and receipt of bids, a contract similar to the Project with a value of at least fifty percent (50%) of the ABC. The description of an eligible bidder is contained in the Bidding Documents, particularly, in Section II. Instructions to Bidders.
3. Bidding will be conducted through open competitive bidding procedures using non-discretionary “pass/fail” criterion as specified in the 2016 Revised Implementing Rules and Regulations (IRR) of Republic Act 9184 (RA 9184), otherwise known as the “Government Procurement Reform Act.”

Bidding is restricted to Filipino citizens/sole proprietorships, cooperatives, and partnerships or organizations with at least seventy five percent (75%) interest or outstanding capital stock belonging to citizens of the Philippines.
4. Interested bidders may obtain further information from Santa Maria Water District and inspect the Bidding Documents at the address given below from Monday thru Friday at 8:00AM to 5:00PM.
5. A complete set of Bidding Documents may be acquired by interested bidders on June 8 to 18, 2018 from the address below *and upon payment of the applicable fee for the Bidding Documents, pursuant to the latest Guidelines issued by the GPPB, in the amount of One Thousand Pesos (Php 1,000.00).*

It may also be downloaded free of charge from the website of the Philippine Government Electronic Procurement System (PhilGEPS) and the website of the

¹ In the case of National Government Agencies, the General Appropriations Act and/or continuing appropriations; in the case of GOCCs, GFIs, and SUCs, the Corporate Budget for the contract approved by the governing Boards; in the case of LGUs, the Budget for the contract approved by the respective *Sanggunian*. (Section 5(a), R.A. 9184)

² A brief description of the scope of Works should be provided, including quantities, location of project, and other information necessary to enable potential bidders to decide whether or not to respond to the invitation.

Procuring Entity, provided that bidders shall pay the applicable fee for the Bidding Documents not later than the submission of their bids. The prospective bidders are also required to present the official receipt to prove that the bidding documents has been paid.

6. The Santa Maria Water District will not hold a Pre-Bid Conference³ for this project.
7. Bids must be duly received by the BAC Secretariat at the address below on or before June 18, 2018 at 12:00PM. All bids must be accompanied by a bid security in any of the acceptable forms and in the amount stated in **ITB Clause Error! Reference source not found..**

Bid opening shall be on June 18, 2018 1:30PM at SMWD Operations Office, Farmacia Emilia, J.P Rizal St., Poblacion, Santa Maria, Bulacan. Bids will be opened in the presence of the bidders' representatives who choose to attend at the address below. Late bids shall not be accepted. The official time is the one registered in SMWD's Time Keeping System.

8. The Santa Maria Water District reserves the right to reject any and all bids, declare a failure of bidding, or not award the contract at any time prior to contract award in accordance with Section 41 of RA 9184 and its IRR, without thereby incurring any liability to the affected bidder or bidders.
9. For further information, please refer to:

CHARITO S. FERNANDO
SMWD-BAC Secretariat
SMWD Procurement Office
Farmacia Emilia, J.P Rizal St.,
Poblacion, Santa Maria, Bulacan
Telefax No. 044-913-1698
Email Address: procurement@smwdbulacan.gov.ph
Website: smwdbulacan.gov.ph

ENGR. EMMANUEL ENRICO A. DE VERA
SMWD-BAC Chairman

³ May be deleted in case the ABC is less than One Million Pesos (PhP1,000,000) where the Procuring Entity may not hold a pre-bid conference.

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Section III. Bid Data Sheet

Bid Data Sheet

ITB Clause	
Error! Reference source not found.	<p>The Procuring Entity is SANTA MARIA WATER DISTRICT.</p> <p>The name of the Contract is Supply of Labor and Materials for:</p> <p style="padding-left: 40px;">A. <i>Supply of Labor and Materials for the Repainting and Rehabilitation of Five (5) Pump Stations of Santa Maria Water District:</i></p> <ol style="list-style-type: none"> 1. <i>Garden Village Pump Station</i> 2. <i>Green Valley Pump Station</i> 3. <i>Sta. Cruz Pump Station</i> 4. <i>Sto.Tomas Pump Station</i> 5. <i>Caybanban Pump Station</i> <p style="padding-left: 40px;">B. <i>Supply of Labor and Materials for the Painting of Logo for Six (6) Pump Station of Santa Maria Water District:</i></p> <ol style="list-style-type: none"> 1. <i>Gulod Pump Station</i> 2. <i>Celeste Pump Station</i> 3. <i>Villarica Pump Station</i> 4. <i>Sta. Clara Pump Station</i> 5. <i>Kamatis Pump Station</i> 6. <i>Mahabang Parang Pump Station</i> <p>The identification number of the Contract is :</p> <p style="text-align: center;">BD2018-06-008-INFRA</p>
Error! Reference source not found.	<p>The Funding Source is:</p> <p>The Government of the Philippines (GoP) through Corporate Operating Budget for the Year 2018 in the amount of Eight Hundred Thousand Pesos (Php 800,000.00).</p> <p><i>NOTE: In the case of National Government Agencies, the General Appropriations Act and/or continuing appropriations; in the case of Government-Owned and/or –Controlled Corporations, Government Financial Institutions, and State Universities and Colleges, the Corporate Budget for the contract approved by the governing Boards; in the case of Local Government Units, the Budget for the contract approved by the respective Sanggunian.</i></p>

	<p>The name of the Project is</p> <p><i>A. Supply of Labor and Materials for the Repainting and Rehabilitation of Five (5) Pump Stations of Santa Maria Water District:</i></p> <ol style="list-style-type: none"> <i>1. Garden Village Pump Station</i> <i>2. Green Valley Pump Station</i> <i>3. Sta. Cruz Pump Station</i> <i>4. Sto. Tomas Pump Station</i> <i>5. Caybanban Pump Station</i> <p><i>B. Supply of Labor and Materials for the Painting of Logo for Six (6) Pump Station of Santa Maria Water District:</i></p> <ol style="list-style-type: none"> <i>1. Gulod Pump Station</i> <i>2. Celeste Pump Station</i> <i>3. Villarica Pump Station</i> <i>4. Sta. Clara Pump Station</i> <i>5. Kamatis Pump Station</i> <i>6. Mahabang Parang Pump Station</i>
3.1	No further instructions.
5.1	Must be a licensee of the Philippine Contractors Accreditation Board
Error! Reference source not found.	Bidding is restricted to eligible bidders as defined in ITB Clause 5.1.
Error! Reference source not found.(a)	For this purpose, a bidder must have at least completed for the last two (2) years contract that is similar to the project which includes the supply of labor and materials for the Repainting and Rehabilitation of Pump Stations & Painting of logo of pump stations.
5.4(b)	Not Applicable
Error! Reference source not found.	<i>Sub-contracting is not allowed</i>

Error! Reference source not found.	<i>Not applicable</i>
Error! Reference source not found.	The Procuring Entity will not hold a pre-bid conference on this project since the ABC is below one million pesos (P1,000,000.00).
10.1	The Procuring Entity's address is: <i>SMWD BAC Secretariat</i> <i>#Procurement Office, J.P Rizal Street</i> <i>Poblacion, Santa Maria, Bulacan</i> <i>Telefax No.; 044-913-1698</i> <i>Email Address: <u>procurement@smwdbulacan.gov.ph</u></i> <i>Website: smwdbulacan.gov.ph</i>
Error! Reference source not found.	No further instructions.
Error! Reference source not found.	No further instructions.
Error! Reference source not found.	No further instructions.
12.1(b)(ii.2)	No further instructions.
12.1(b)(iii.3)	No further instructions.
Error! Reference source not found.	<i>No additional Requirements</i>
13.1(b)	This shall include all of the following documents: 1) Bid prices in the Bill of Quantities; 2) Detailed estimates, including a summary sheet indicating the unit prices of supplies and materials, labor rates, mobilization/demobilization cost and cost of miscellaneous works used in coming up with the Bid.

13.2	The ABC is Eight Hundred Thousand Pesos (Php 800,000.00). Any bid with a financial component exceeding this amount shall not be accepted.
Error! Reference source not found.	No further instructions
15.4	No further instruction.
Error! Reference source not found.	The bid prices shall be quoted in Philippine Pesos.
16.3	No further instructions.
Error! Reference source not found.	Bids will be valid 120 calendar days from Bid opening, June 18, 2018.
Error! Reference source not found.	<p>The bid security shall be in the form of a Bid Securing Declaration or any of the following forms and amounts:</p> <ol style="list-style-type: none"> 1. The amount of not less than <u>Php16,000.00</u> [2% of ABC], if bid security is in cash, cashier's/manager's check, bank draft/guarantee or irrevocable letter of credit; 2. The amount of not less than <u>Php40,000.00</u> [5% of ABC] if bid security is in Surety Bond.
Error! Reference source not found.	The bid security shall be valid 120 calendar days from Bid opening, June 18, 2018.
Error! Reference source not found.	<p>Each Bidder shall submit <i>ONE (1)</i> Mother Envelope Containing Two (2) Envelopes, which are as follows:</p> <p>Envelope No.1– Eligibility & Technical Component with sub-envelopes for Original, Copy 1 and Copy 2;</p> <p>Envelope No.2- Financial Component with sub-envelopes for Original, Copy 1 and Copy 2.</p> <p>“All envelopes must be sealed and properly labeled”</p> <p>Provide table of contents and each bid documents must be properly labelled with page tabs.</p>
Error! Reference source not found.	<p>The address for submission of bids is:</p> <p>CHARITO S. FERNANDO SMWD BAC Secretariat</p>

found.	<p>Procurement Office Farmacia Emilia, J.P. Rizal St. Dulong Bayan, Poblacion Santa, Maria, Bulacan</p> <p>The deadline for submission of bids is: <i>June 18, 2018 at 12:00PM</i></p>
Error! Reference source not found.	<p>The place of bid opening is: <i>SMWD Operation's Office Farmacia Emilia, J.P. Rizal St., Poblacion Santa Maria, Bulacan</i></p> <p>The date and time of bid opening is: <i>June 18, 2018 at 1:30PM</i></p>
24.2	No further instructions.
24.3	No further instructions.
27.3	<p>Partial bid is not allowed. The infrastructure project is packaged in a single lot and the lot shall not be divided into sub-lots for the purpose of bidding, evaluation, and contract award.</p> <p>A. The Project, <i>Supply of Labor and Materials for the Repainting and Rehabilitation of Five (5) Pump Stations of Santa Maria Water District:</i></p> <ol style="list-style-type: none"> 1. <i>Garden Village Pump Station</i> 2. <i>Green Valley Pump Station</i> 3. <i>Sta. Cruz Pump Station</i> 4. <i>Sto.Tomas Pump Station</i> 5. <i>Caybanban Pump Station</i> <p style="text-align: center;"><i>And</i></p> <p>B. <i>Supply of Labor and Materials for the Painting of Logo for Six (6) Pump Station of Santa Maria Water District:</i></p> <ol style="list-style-type: none"> 1. <i>Gulod Pump Station</i> 2. <i>Celeste Pump Station</i> 3. <i>Villarica Pump Station</i> 4. <i>Sta. Clara Pump Station</i> 5. <i>Kamatis Pump Station</i> 6. <i>Mahabang Parang Pump Station</i> <p>The project is considered a single lot project.</p>
Error! Reference source not found.	No further instructions.
28.2	"None."

Error! Reference source not found.	<p>Additional contract documents required to be submitted are as follows:</p> <p>Construction Schedule for Project A and B including Schedule of Works per Pump Station on a continuous duration pattern.</p>
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Section IV. General Conditions of Contract

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1. Definitions

For purposes of this Clause, boldface type is used to identify defined terms.

- 1.1. The **Arbiter** is the person appointed jointly by the Procuring Entity and the Contractor to resolve disputes in the first instance, as provided for in **GCC** Clause 21.
- 1.2. **Bill of Quantities** refers to a list of the specific items of the Work and their corresponding unit prices, lump sums, and/or provisional sums.
- 1.3. The **Completion Date** is the date of completion of the Works as certified by the Procuring Entity's Representative, in accordance with **GCC** Clause 49.
- 1.4. The **Contract** is the contract between the Procuring Entity and the Contractor to execute, complete, and maintain the Works.
- 1.5. The **Contract Effectivity Date** is the date of signing of the Contract. However, the contractor shall commence execution of the Works on the Start Date as defined in **GCC** Clause 1.28.
- 1.6. The **Contract Price** is the price stated in the Notice of Award and thereafter to be paid by the Procuring Entity to the Contractor for the execution of the Works in accordance with this Contract
- 1.7. **Contract Time Extension** is the allowable period for the Contractor to complete the Works in addition to the original Completion Date stated in this Contract.
- 1.8. The **Contractor** is the juridical entity whose proposal has been accepted by the Procuring Entity and to whom the Contract to execute the Work was awarded.
- 1.9. The **Contractor's Bid** is the signed offer or proposal submitted by the Contractor to the Procuring Entity in response to the Bidding Documents.
- 1.10. **Days** are calendar days; months are calendar months.
- 1.11. **Dayworks** are varied work inputs subject to payment on a time basis for the Contractor's employees and Equipment, in addition to payments for associated Materials and Plant.
- 1.12. A **Defect** is any part of the Works not completed in accordance with the Contract.
- 1.13. The **Defects Liability Certificate** is the certificate issued by Procuring Entity's Representative upon correction of defects by the Contractor.
- 1.14. The **Defects Liability Period** is the one year period between contract completion and final acceptance within which the Contractor assumes the responsibility to undertake the repair of any damage to the Works at his own expense.

- 1.15 **Drawings** are graphical presentations of the Works. They include all supplementary details, shop drawings, calculations, and other information provided or approved for the execution of this Contract.
- 1.16 **Equipment** refers to all facilities, supplies, appliances, materials or things required for the execution and completion of the Work provided by the Contractor and which shall not form or are not intended to form part of the Permanent Works.
- 1.17 The **Intended Completion Date** refers to the date specified in the SCC when the Contractor is expected to have completed the Works. The Intended Completion Date may be revised only by the Procuring Entity's Representative by issuing an extension of time or an acceleration order.
- 1.18 **Materials** are all supplies, including consumables, used by the Contractor for incorporation in the Works.
- 1.19 The **Notice to Proceed** is a written notice issued by the Procuring Entity or the Procuring Entity's Representative to the Contractor requiring the latter to begin the commencement of the work not later than a specified or determinable date.
- 1.20 **Permanent Works** are all permanent structures and all other project features and facilities required to be constructed and completed in accordance with this Contract which shall be delivered to the Procuring Entity and which shall remain at the Site after the removal of all Temporary Works.
- 1.21 **Plant** refers to the machinery, apparatus, and the like intended to form an integral part of the Permanent Works.
- 1.22 The **Procuring Entity** is the party who employs the Contractor to carry out the Works stated in the SCC.
- 1.23 The **Procuring Entity's Representative** refers to the Head of the Procuring Entity or his duly authorized representative, identified in the SCC, who shall be responsible for supervising the execution of the Works and administering this Contract.
- 1.24 The **Site** is the place provided by the Procuring Entity where the Works shall be executed and any other place or places which may be designated in the SCC, or notified to the Contractor by the Procuring Entity's Representative as forming part of the Site.
- 1.25 **Site Investigation Reports** are those that were included in the Bidding Documents and are factual and interpretative reports about the surface and subsurface conditions at the Site.
- 1.26 **Slippage** is a delay in work execution occurring when actual accomplishment falls below the target as measured by the difference between the scheduled and actual accomplishment of the Work by the Contractor as established from the work schedule. This is actually described as a percentage of the whole Works.

- 1.27 **Specifications** means the description of Works to be done and the qualities of materials to be used, the equipment to be installed and the mode of construction.
- 1.28 The **Start Date**, as specified in the **SCC**, is the date when the Contractor is obliged to commence execution of the Works. It does not necessarily coincide with any of the Site Possession Dates.
- 1.29 A **Subcontractor** is any person or organization to whom a part of the Works has been subcontracted by the Contractor, as allowed by the Procuring Entity, but not any assignee of such person.
- 1.30 **Temporary Works** are works designed, constructed, installed, and removed by the Contractor that are needed for construction or installation of the Permanent Works.
- 1.31 **Work(s)** refer to the Permanent Works and Temporary Works to be executed by the Contractor in accordance with this Contract, including (i) the furnishing of all labor, materials, equipment and others incidental, necessary or convenient to the complete execution of the Works; (ii) the passing of any tests before acceptance by the Procuring Entity's Representative; (iii) and the carrying out of all duties and obligations of the Contractor imposed by this Contract as described in the **SCC**.

2. Interpretation

- 2.1. In interpreting the Conditions of Contract, singular also means plural, male also means female or neuter, and the other way around. Headings have no significance. Words have their normal meaning under the language of this Contract unless specifically defined. The Procuring Entity's Representative will provide instructions clarifying queries about the Conditions of Contract.
- 2.2. If sectional completion is specified in the **SCC**, references in the Conditions of Contract to the Works, the Completion Date, and the Intended Completion Date apply to any Section of the Works (other than references to the Completion Date and Intended Completion Date for the whole of the Works).
- 2.3. The documents forming this Contract shall be interpreted in the following order of priority:
- a) Contract Agreement;
 - b) Bid Data Sheet;
 - c) Instructions to Bidders;
 - d) Addenda to the Bidding Documents;
 - e) Special Conditions of Contract;
 - f) General Conditions of Contract;

- g) Specifications;
- h) Bill of Quantities; and
- i) Drawings.

3. Governing Language and Law

- 3.1. This Contract has been executed in the English language, which shall be the binding and controlling language for all matters relating to the meaning or interpretation of this Contract. All correspondence and other documents pertaining to this Contract which are exchanged by the parties shall be written in English.
- 3.2. This Contract shall be interpreted in accordance with the laws of the Republic of the Philippines.

4. Communications

Communications between parties that are referred to in the Conditions shall be effective only when in writing. A notice shall be effective only when it is received by the concerned party.

5. Possession of Site

- 5.1. On the date specified in the **SCC**, the Procuring Entity shall grant the Contractor possession of so much of the Site as may be required to enable it to proceed with the execution of the Works. If the Contractor suffers delay or incurs cost from failure on the part of the Procuring Entity to give possession in accordance with the terms of this clause, the Procuring Entity's Representative shall give the Contractor a Contract Time Extension and certify such sum as fair to cover the cost incurred, which sum shall be paid by Procuring Entity.
- 5.2. If possession of a portion is not given by the date stated in the SCC Clause 5.1, the Procuring Entity will be deemed to have delayed the start of the relevant activities. The resulting adjustments in contract time to address such delay shall be in accordance with **GCC** Clause 47.
- 5.3. The Contractor shall bear all costs and charges for special or temporary right-of-way required by it in connection with access to the Site. The Contractor shall also provide at his own cost any additional facilities outside the Site required by it for purposes of the Works.
- 5.4. The Contractor shall allow the Procuring Entity's Representative and any person authorized by the Procuring Entity's Representative access to the Site and to any place where work in connection with this Contract is being carried out or is intended to be carried out.

6. The Contractor's Obligations

- 6.1. The Contractor shall carry out the Works properly and in accordance with this Contract. The Contractor shall provide all supervision, labor, Materials, Plant and Contractor's Equipment, which may be required. All Materials and Plant on Site shall be deemed to be the property of the Procuring Entity.
- 6.2. The Contractor shall commence execution of the Works on the Start Date and shall carry out the Works in accordance with the Program of Work submitted by the Contractor, as updated with the approval of the Procuring Entity's Representative, and complete them by the Intended Completion Date.
- 6.3. The Contractor shall be responsible for the safety of all activities on the Site.
- 6.4. The Contractor shall carry out all instructions of the Procuring Entity's Representative that comply with the applicable laws where the Site is located.
- 6.5. The Contractor shall employ the key personnel named in the Schedule of Key Personnel, as referred to in the SCC, to carry out the supervision of the Works. The Procuring Entity will approve any proposed replacement of key personnel only if their relevant qualifications and abilities are equal to or better than those of the personnel listed in the Schedule.
- 6.6. If the Procuring Entity's Representative asks the Contractor to remove a member of the Contractor's staff or work force, for justifiable cause, the Contractor shall ensure that the person leaves the Site within seven (7) days and has no further connection with the Work in this Contract.
- 6.7. During Contract implementation, the Contractor and his subcontractors shall abide at all times by all labor laws, including child labor related enactments, and other relevant rules.
- 6.8. The Contractor shall submit to the Procuring Entity for consent the name and particulars of the person authorized to receive instructions on behalf of the Contractor.
- 6.9. The Contractor shall cooperate and share the Site with other contractors, public authorities, utilities, and the Procuring Entity between the dates given in the schedule of other contractors particularly when they shall require access to the Site. The Contractor shall also provide facilities and services for them during this period. The Procuring Entity may modify the schedule of other contractors, and shall notify the Contractor of any such modification thereto.
- 6.10. Should anything of historical or other interest or of significant value be unexpectedly discovered on the Site, it shall be the property of the Procuring Entity. The Contractor shall notify the Procuring Entity's Representative of such discoveries and carry out the Procuring Entity's Representative's instructions in dealing with them.

7. Performance Security

- 7.1. Within ten (10) calendar days from receipt of the Notice of Award from the Procuring Entity but in no case later than the signing of the contract by both

parties, the Contractor shall furnish the performance security in any of the forms prescribed in **ITB Clause Error! Reference source not found.**

- 7.2. The performance security posted in favor of the Procuring Entity shall be forfeited in the event it is established that the Contractor is in default in any of its obligations under the Contract.
- 7.3. The performance security shall remain valid until issuance by the Procuring Entity of the Certificate of Final Acceptance.
- 7.4. The performance security may be released by the Procuring Entity and returned to the Contractor after the issuance of the Certificate of Final Acceptance subject to the following conditions:
 - (a) There are no pending claims against the Contractor or the surety company filed by the Procuring Entity;
 - (b) The Contractor has no pending claims for labor and materials filed against it; and
 - (c) Other terms specified in the SCC.
- 7.5. The Contractor shall post an additional performance security following the amount and form specified in **ITB Clause Error! Reference source not found.** 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.
- 7.6. In case of a reduction in the contract value or for partially completed Works under the contract which are usable and accepted by the Procuring Entity the use of which, in the judgment of the implementing agency or the Procuring Entity, will not affect the structural integrity of the entire project, the Procuring Entity shall 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.
- 7.7. Unless otherwise indicated in the SCC, the Contractor, by entering into the Contract with the Procuring Entity, acknowledges the right of the Procuring Entity to institute action pursuant to Act 3688 against any subcontractor be they an individual, firm, partnership, corporation, or association supplying the Contractor with labor, materials and/or equipment for the performance of this Contract.

8. Subcontracting

- 8.1. Unless otherwise indicated in the SCC, the Contractor cannot subcontract Works more than the percentage specified in **BDS Clause Error! Reference source not found.**

- 8.2. Subcontracting of any portion of the Works does not relieve the Contractor of any liability or obligation under this Contract. The Contractor will be responsible for the acts, defaults, and negligence of any subcontractor, its agents, servants or workmen as fully as if these were the Contractor's own acts, defaults, or negligence, or those of its agents, servants or workmen.
- 8.3. If subcontracting is allowed. The contractor may identify its subcontractor during contract implementation stage. Subcontractors disclosed and identified during the bidding may be changed during the implementation of this Contract. In either case, subcontractors must submit the documentary requirements under ITB Clause 12 and comply with the eligibility criteria specified in the **BDS**. In the event that any subcontractor is found by any Procuring Entity to be eligible, the subcontracting of such portion of the Works shall be disallowed.

9. Liquidated Damages

- 9.1. The Contractor shall pay liquidated damages to the Procuring Entity 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. The Procuring Entity may deduct liquidated damages from payments due to the Contractor. Payment of liquidated damages shall not affect the Contractor's liabilities. Once the cumulative amount of liquidated damages reaches ten percent (10%) of the amount of this Contract, the Procuring Entity may rescind or terminate this Contract, without prejudice to other courses of action and remedies available under the circumstances.
- 9.2. If the Intended Completion Date is extended after liquidated damages have been paid, the Engineer of the Procuring Entity shall correct any overpayment of liquidated damages by the Contractor by adjusting the next payment certificate.

10. Site Investigation Reports

The Contractor, in preparing the Bid, shall rely on any Site Investigation Reports referred to in the **SCC** supplemented by any information obtained by the Contractor.

11. The Procuring Entity, Licenses and Permits

The Procuring Entity shall, if requested by the Contractor, assist him in applying for permits, licenses or approvals, which are required for the Works.

12. Contractor's Risk and Warranty Security

- 12.1. The Contractor shall assume full responsibility for the Works from the time project construction commenced up to final acceptance by the Procuring Entity and shall be held responsible for any damage or destruction of the Works except those occasioned by *force majeure*. The Contractor shall be fully responsible for the safety, protection, security, and convenience of his

personnel, third parties, and the public at large, as well as the Works, Equipment, installation, and the like to be affected by his construction work.

- 12.2. The defects liability period for infrastructure projects shall be one year from contract completion up to final acceptance by the Procuring Entity. During this period, the Contractor shall undertake the repair works, at his own expense, of any damage to the Works on account of the use of materials of inferior quality within ninety (90) days from the time the HoPE has issued an order to undertake repair. In case of failure or refusal to comply with this mandate, the Procuring Entity shall undertake such repair works and shall be entitled to full reimbursement of expenses incurred therein upon demand.
- 12.3. Unless otherwise indicated in the **SCC**, in case the Contractor fails to comply with the preceding paragraph, the Procuring Entity shall forfeit its performance security, subject its property(ies) to attachment or garnishment proceedings, and perpetually disqualify it from participating in any public bidding. All payables of the GoP in his favor shall be offset to recover the costs.
- 12.4. After final acceptance of the Works by the Procuring Entity, the Contractor shall be held responsible for “Structural Defects,” *i.e.*, major faults/flaws/deficiencies in one or more key structural elements of the project which may lead to structural failure of the completed elements or structure, or “Structural Failures,” *i.e.*, where one or more key structural elements in an infrastructure facility fails or collapses, thereby rendering the facility or part thereof incapable of withstanding the design loads, and/or endangering the safety of the users or the general public:
 - (a) Contractor – Where Structural Defects/Failures arise due to faults attributable to improper construction, use of inferior quality/substandard materials, and any violation of the contract plans and specifications, the contractor shall be held liable;
 - (b) Consultants – Where Structural Defects/Failures arise due to faulty and/or inadequate design and specifications as well as construction supervision, then the consultant who prepared the design or undertook construction supervision for the project shall be held liable;
 - (c) Procuring Entity’s Representatives/Project Manager/Construction Managers and Supervisors – The project owner’s representative(s), project manager, construction manager, and supervisor(s) shall be held liable in cases where the Structural Defects/Failures are due to his/their willful intervention in altering the designs and other specifications; negligence or omission in not approving or acting on proposed changes to noted defects or deficiencies in the design and/or specifications; and the use of substandard construction materials in the project;
 - (d) Third Parties - Third Parties shall be held liable in cases where Structural Defects/Failures are caused by work undertaken by them such as leaking pipes, diggings or excavations, underground cables and electrical wires, underground tunnel, mining shaft and the like, in

which case the applicable warranty to such structure should be levied to third parties for their construction or restoration works.

- (e) Users - In cases where Structural Defects/Failures are due to abuse/misuse by the end user of the constructed facility and/or non-compliance by a user with the technical design limits and/or intended purpose of the same, then the user concerned shall be held liable.

12.5. The warranty against Structural Defects/Failures, except those occasioned on force majeure, shall cover the period specified in the **SCC** reckoned from the date of issuance of the Certificate of Final Acceptance by the Procuring Entity.

12.6. The Contractor shall be required to put up a warranty security in the form of cash, bank guarantee, letter of credit, GSIS or surety bond callable on demand, in accordance with the following schedule:

Form of Warranty	Amount of Warranty Security Not less than the Percentage (%) of Total Contract Price
(a) Cash or letter of credit issued by Universal or Commercial bank: provided, however, that the letter of credit shall be confirmed or authenticated by a Universal or Commercial bank, if issued by a foreign bank	Five Percent (5%)
(b) Bank guarantee confirmed by Universal or Commercial bank: provided, however, that the letter of credit shall be confirmed or authenticated by a Universal or Commercial bank, if issued by a foreign bank	Ten Percent (10%)
(c) Surety bond callable upon demand issued by GSIS or any surety or insurance company duly certified by the Insurance Commission	Thirty Percent (30%)

12.7. The warranty security shall be stated in Philippine Pesos and shall remain effective for one year from the date of issuance of the Certificate of Final Acceptance by the Procuring Entity, and returned only after the lapse of said one year period.

12.8. In case of structural defects/failure occurring during the applicable warranty period provided in **GCC** Clause 12.5, the Procuring Entity shall undertake the necessary restoration or reconstruction works and shall be entitled to full reimbursement by the parties found to be liable for expenses incurred therein upon demand, without prejudice to the filing of appropriate administrative, civil, and/or criminal charges against the responsible persons as well as the forfeiture of the warranty security posted in favor of the Procuring Entity.

13. Liability of the Contractor

Subject to additional provisions, if any, set forth in the SCC, the Contractor's liability under this Contract shall be as provided by the laws of the Republic of the Philippines.

14. Procuring Entity's Risk

14.1. From the Start Date until the Certificate of Final Acceptance has been issued, the following are risks of the Procuring Entity:

- (a) The risk of personal injury, death, or loss of or damage to property (excluding the Works, Plant, Materials, and Equipment), which are due to:
 - (i) any type of use or occupation of the Site authorized by the Procuring Entity after the official acceptance of the works; or
 - (ii) negligence, breach of statutory duty, or interference with any legal right by the Procuring Entity or by any person employed by or contracted to him except the Contractor.
- (b) The risk of damage to the Works, Plant, Materials, and Equipment to the extent that it is due to a fault of the Procuring Entity or in the Procuring Entity's design, or due to war or radioactive contamination directly affecting the country where the Works are to be executed.

15. Insurance

15.1. The Contractor shall, under his name and at his own expense, obtain and maintain, for the duration of this Contract, the following insurance coverage:

- (a) Contractor's All Risk Insurance;
- (b) Transportation to the project Site of Equipment, Machinery, and Supplies owned by the Contractor;
- (c) Personal injury or death of Contractor's employees; and
- (d) Comprehensive insurance for third party liability to Contractor's direct or indirect act or omission causing damage to third persons.

15.2. The Contractor shall provide evidence to the Procuring Entity's Representative that the insurances required under this Contract have been effected and shall, within a reasonable time, provide copies of the insurance policies to the Procuring Entity's Representative. Such evidence and such policies shall be provided to the Procuring Entity's through the Procuring Entity's Representative.

15.3. The Contractor shall notify the insurers of changes in the nature, extent, or program for the execution of the Works and ensure the adequacy of the insurances at all times in accordance with the terms of this Contract and shall

produce to the Procuring Entity's Representative the insurance policies in force including the receipts for payment of the current premiums.

The above insurance policies shall be obtained from any reputable insurance company approved by the Procuring Entity's Representative.

- 15.4. If the Contractor fails to obtain and keep in force the insurances referred to herein or any other insurance which he may be required to obtain under the terms of this Contract, the Procuring Entity may obtain and keep in force any such insurances and pay such premiums as may be necessary for the purpose. From time to time, the Procuring Entity may deduct the amount it shall pay for said premiums including twenty five percent (25%) therein from any monies due, or which may become due, to the Contractor, without prejudice to the Procuring Entity exercising its right to impose other sanctions against the Contractor pursuant to the provisions of this Contract.
- 15.5. In the event the Contractor fails to observe the above safeguards, the Procuring Entity may, at the Contractor's expense, take whatever measure is deemed necessary for its protection and that of the Contractor's personnel and third parties, and/or order the interruption of dangerous Works. In addition, the Procuring Entity may refuse to make the payments under GCC Clause 40 until the Contractor complies with this Clause.
- 15.6. The Contractor shall immediately replace the insurance policy obtained as required in this Contract, without need of the Procuring Entity's demand, with a new policy issued by a new insurance company acceptable to the Procuring Entity for any of the following grounds:
 - (a) The issuer of the insurance policy to be replaced has:
 - (i) become bankrupt;
 - (ii) been placed under receivership or under a management committee;
 - (iii) been sued for suspension of payment; or
 - (iv) been suspended by the Insurance Commission and its license to engage in business or its authority to issue insurance policies cancelled; or
 - (v) Where reasonable grounds exist that the insurer may not be able, fully and promptly, to fulfill its obligation under the insurance policy.

16. Termination for Default of Contractor

- 16.1. The Procuring Entity shall terminate this Contract for default when any of the following conditions attend its implementation:
 - (i) Due to the Contractor's fault and while the project is on-going, it has incurred negative slippage of fifteen percent (15%) or more in

accordance with Presidential Decree 1870, regardless of whether or not previous warnings and notices have been issued for the Contractor to improve his performance;

- (ii) Due to its own fault and after this Contract time has expired, the Contractor incurs delay in the completion of the Work after this Contract has expired; or
- (iii) The Contractor:
 - (i) abandons the contract Works, refuses or fails to comply with a valid instruction of the Procuring Entity or fails to proceed expeditiously and without delay despite a written notice by the Procuring Entity;
 - (ii) does not actually have on the project Site the minimum essential equipment listed on the bid necessary to prosecute the Works in accordance with the approved Program of Work and equipment deployment schedule as required for the project;
 - (iii) does not execute the Works in accordance with this Contract or persistently or flagrantly neglects to carry out its obligations under this Contract;
 - (iv) neglects or refuses to remove materials or to perform a new Work that has been rejected as defective or unsuitable; or
 - (v) sub-lets any part of this Contract without approval by the Procuring Entity.

16.2. All materials on the Site, Plant, Works, including Equipment purchased and funded under the Contract shall be deemed to be the property of the Procuring Entity if this Contract is rescinded because of the Contractor's default.

17. Termination for Default of Procuring Entity

The Contractor may terminate this Contract with the Procuring Entity if the works are completely stopped for a continuous period of at least sixty (60) calendar days through no fault of its own, due to any of the following reasons:

- (a) Failure of the Procuring Entity to deliver, within a reasonable time, supplies, materials, right-of-way, or other items it is obligated to furnish under the terms of this Contract; or
- (b) The prosecution of the Work is disrupted by the adverse peace and order situation, as certified by the Armed Forces of the Philippines Provincial Commander and approved by the Secretary of National Defense.

18. Termination for Other Causes

18.1. The Procuring Entity may terminate this Contract, in whole or in part, at any time for its convenience. The HoPE may terminate this Contract for the

convenience of the Procuring Entity if he has determined the existence of conditions that make Project Implementation economically, financially or technically impractical and/or unnecessary, such as, but not limited to, fortuitous event(s) or changes in law and National Government policies.

18.2. The Procuring Entity or the Contractor may terminate this Contract if the other party causes a fundamental breach of this Contract.

18.3. Fundamental breaches of Contract shall include, but shall not be limited to, the following:

- (a) The Contractor stops work for twenty eight (28) days when no stoppage of work is shown on the current Program of Work and the stoppage has not been authorized by the Procuring Entity's Representative;
- (b) The Procuring Entity's Representative instructs the Contractor to delay the progress of the Works, and the instruction is not withdrawn within twenty eight (28) days;
- (c) The Procuring Entity shall terminate this Contract if the Contractor is declared bankrupt or insolvent as determined with finality by a court of competent jurisdiction. In this event, termination will be without compensation to the Contractor, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the Procuring Entity and/or the Contractor. In the case of the Contractor's insolvency, any Contractor's Equipment which the Procuring Entity instructs in the notice is to be used until the completion of the Works;
- (d) A payment certified by the Procuring Entity's Representative is not paid by the Procuring Entity to the Contractor within eighty four (84) days from the date of the Procuring Entity's Representative's certificate;
- (e) The Procuring Entity's Representative gives Notice that failure to correct a particular Defect is a fundamental breach of Contract and the Contractor fails to correct it within a reasonable period of time determined by the Procuring Entity's Representative;
- (f) The Contractor does not maintain a Security, which is required;
- (g) The Contractor has delayed the completion of the Works by the number of days for which the maximum amount of liquidated damages can be paid, as defined in the **GCC** Clause 9; and
- (h) In case it is determined prima facie by the Procuring Entity that the Contractor has engaged, before or during the implementation of the contract, in unlawful deeds and behaviors relative to contract acquisition and implementation, such as, but not limited to, the following:

- (i) corrupt, fraudulent, collusive, coercive, and obstructive practices as defined in **ITB Clause 3.1****Error! Reference source not found.**, unless otherwise specified in the SCC;
 - (ii) drawing up or using forged documents;
 - (iii) using adulterated materials, means or methods, or engaging in production contrary to rules of science or the trade; and
 - (iv) any other act analogous to the foregoing.
- 18.4. The Funding Source or the Procuring Entity, as appropriate, will seek to impose the maximum civil, administrative and/or criminal penalties available under the applicable law on individuals and organizations deemed to be involved with corrupt, fraudulent, or coercive practices.
- 18.5. When persons from either party to this Contract gives notice of a fundamental breach to the Procuring Entity's Representative in order to terminate the existing contract for a cause other than those listed under **GCC Clause 18.3**, the Procuring Entity's Representative shall decide whether the breach is fundamental or not.
- 18.6. If this Contract is terminated, the Contractor shall stop work immediately, make the Site safe and secure, and leave the Site as soon as reasonably possible.

19. Procedures for Termination of Contracts

- 19.1. The following provisions shall govern the procedures for the termination of this Contract:
- (a) Upon receipt of a written report of acts or causes which may constitute ground(s) for termination as aforementioned, or upon its own initiative, the Procuring Entity shall, within a period of seven (7) calendar days, verify the existence of such ground(s) and cause the execution of a Verified Report, with all relevant evidence attached;
 - (b) Upon recommendation by the Procuring Entity, the HoPE shall terminate this Contract only by a written notice to the Contractor conveying the termination of this Contract. The notice shall state:
 - (i) that this Contract is being terminated for any of the ground(s) afore-mentioned, and a statement of the acts that constitute the ground(s) constituting the same;
 - (ii) the extent of termination, whether in whole or in part;
 - (iii) an instruction to the Contractor to show cause as to why this Contract should not be terminated; and
 - (iv) special instructions of the Procuring Entity, if any.

The Notice to Terminate shall be accompanied by a copy of the Verified Report;

- (c) Within a period of seven (7) calendar days from receipt of the Notice of Termination, the Contractor shall submit to the HoPE a verified position paper stating why the contract should not be terminated. If the Contractor fails to show cause after the lapse of the seven (7) day period, either by inaction or by default, the HoPE shall issue an order terminating the contract;
- (d) The Procuring Entity may, at anytime before receipt of the Contractor's verified position paper described in item (c) above withdraw the Notice to Terminate if it is determined that certain items or works subject of the notice had been completed, delivered, or performed before the Contractor's receipt of the notice;
- (e) Within a non-extendible period of ten (10) calendar days from receipt of the verified position paper, the HoPE shall decide whether or not to terminate this Contract. It shall serve a written notice to the Contractor of its decision and, unless otherwise provided in the said notice, this Contract is deemed terminated from receipt of the Contractor of the notice of decision. The termination shall only be based on the ground(s) stated in the Notice to Terminate; and
- (f) The HoPE may create a Contract Termination Review Committee (CTRC) to assist him in the discharge of this function. All decisions recommended by the CTRC shall be subject to the approval of the HoPE.

19.2. Pursuant to Section 69(f) of RA 9184 and without prejudice to the imposition of additional administrative sanctions as the internal rules of the agency may provide and/or further criminal prosecution as provided by applicable laws, the procuring entity shall impose on contractors after the termination of the contract the penalty of suspension for one (1) year for the first offense, suspension for two (2) years for the second offense from participating in the public bidding process, for violations committed during the contract implementation stage, which include but not limited to the following:

- (a) Failure of the contractor, due solely to his fault or negligence, to mobilize and start work or performance within the specified period in the Notice to Proceed ("NTP");
- (b) Failure by the contractor to fully and faithfully comply with its contractual obligations without valid cause, or failure by the contractor to comply with any written lawful instruction of the procuring entity or its representative(s) pursuant to the implementation of the contract. For the procurement of infrastructure projects or consultancy contracts, lawful instructions include but are not limited to the following:
 - (i) Employment of competent technical personnel, competent engineers and/or work supervisors;

- (ii) Provision of warning signs and barricades in accordance with approved plans and specifications and contract provisions;
 - (iii) Stockpiling in proper places of all materials and removal from the project site of waste and excess materials, including broken pavement and excavated debris in accordance with approved plans and specifications and contract provisions;
 - (iv) Deployment of committed equipment, facilities, support staff and manpower; and
 - (v) Renewal of the effectivity dates of the performance security after its expiration during the course of contract implementation.
- (c) Assignment and subcontracting of the contract or any part thereof or substitution of key personnel named in the proposal without prior written approval by the procuring entity.
- (d) Poor performance by the contractor or unsatisfactory quality and/or progress of work arising from his fault or negligence as reflected in the Constructor's Performance Evaluation System ("CPES") rating sheet. In the absence of the CPES rating sheet, the existing performance monitoring system of the procuring entity shall be applied. Any of the following acts by the Contractor shall be construed as poor performance:
- (i) Negative slippage of 15% and above within the critical path of the project due entirely to the fault or negligence of the contractor; and
 - (ii) Quality of materials and workmanship not complying with the approved specifications arising from the contractor's fault or negligence.
- (e) Willful or deliberate abandonment or non-performance of the project or contract by the contractor resulting to substantial breach thereof without lawful and/or just cause.

In addition to the penalty of suspension, the performance security posted by the contractor shall also be forfeited.

20. Force Majeure, Release From Performance

- 20.1. For purposes of this Contract the terms "*force majeure*" and "fortuitous event" may be used interchangeably. In this regard, a fortuitous event or *force majeure* shall be interpreted to mean an event which the Contractor could not have foreseen, or which though foreseen, was inevitable. It shall not include ordinary unfavorable weather conditions; and any other cause the effects of which could have been avoided with the exercise of reasonable diligence by the Contractor.

- 20.2. If this Contract is discontinued by an outbreak of war or by any other event entirely outside the control of either the Procuring Entity or the Contractor, the Procuring Entity's Representative shall certify that this Contract has been discontinued. The Contractor shall make the Site safe and stop work as quickly as possible after receiving this certificate and shall be paid for all works carried out before receiving it and for any Work carried out afterwards to which a commitment was made.
- 20.3. If the event continues for a period of eighty four (84) days, either party may then give notice of termination, which shall take effect twenty eight (28) days after the giving of the notice.
- 20.4. After termination, the Contractor shall be entitled to payment of the unpaid balance of the value of the Works executed and of the materials and Plant reasonably delivered to the Site, adjusted by the following:
- (a) any sum to which the Contractor is entitled under **GCC** Clause 28;
 - (b) the cost of his suspension and demobilization;
 - (c) any sum to which the Procuring Entity is entitled.
- 20.5. The net balance due shall be paid or repaid within a reasonable time period from the time of the notice of termination.

21. Resolution of Disputes

- 21.1. If any dispute or difference of any kind whatsoever shall arise between the parties in connection with the implementation of the contract covered by the Act and this IRR, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.
- 21.2. If the Contractor believes that a decision taken by the Procuring Entity's Representative was either outside the authority given to the Procuring Entity's Representative by this Contract or that the decision was wrongly taken, the decision shall be referred to the Arbiter indicated in the **SCC** within fourteen (14) days of the notification of the Procuring Entity's Representative's decision.
- 21.3. Any and all disputes arising from the implementation of this Contract covered by the R.A. 9184 and its IRR shall be submitted to arbitration in the Philippines according to the provisions of Republic Act No. 876, otherwise known as the "Arbitration Law" and Republic Act 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 referred thereto. The process of arbitration shall be incorporated as a provision in this Contract that will be executed pursuant to the provisions of the Act and its IRR: *Provided, further, That*, by mutual agreement, the parties may agree in writing to resort to other alternative modes of dispute resolution.

22. Suspension of Loan, Credit, Grant, or Appropriation

In the event that the Funding Source suspends the Loan, Credit, Grant, or Appropriation to the Procuring Entity, from which part of the payments to the Contractor are being made:

- (a) The Procuring Entity is obligated to notify the Contractor of such suspension within seven (7) days of having received the suspension notice.
- (b) If the Contractor has not received sums due it for work already done within forty five (45) days from the time the Contractor's claim for payment has been certified by the Procuring Entity's Representative, the Contractor may immediately issue a suspension of work notice in accordance with GCC Clause 45.2.

23. Procuring Entity's Representative's Decisions

- 23.1. Except where otherwise specifically stated, the Procuring Entity's Representative will decide contractual matters between the Procuring Entity and the Contractor in the role representing the Procuring Entity.
- 23.2. The Procuring Entity's Representative may delegate any of his duties and responsibilities to other people, except to the Arbiter, after notifying the Contractor, and may cancel any delegation after notifying the Contractor.

24. Approval of Drawings and Temporary Works by the Procuring Entity's Representative

- 24.1. All Drawings prepared by the Contractor for the execution of the Temporary Works, are subject to prior approval by the Procuring Entity's Representative before its use.
- 24.2. The Contractor shall be responsible for design of Temporary Works.
- 24.3. The Procuring Entity's Representative's approval shall not alter the Contractor's responsibility for design of the Temporary Works.
- 24.4. The Contractor shall obtain approval of third parties to the design of the Temporary Works, when required by the Procuring Entity.

25. Acceleration and Delays Ordered by the Procuring Entity's Representative

- 25.1. When the Procuring Entity wants the Contractor to finish before the Intended Completion Date, the Procuring Entity's Representative will obtain priced proposals for achieving the necessary acceleration from the Contractor. If the Procuring Entity accepts these proposals, the Intended Completion Date will be adjusted accordingly and confirmed by both the Procuring Entity and the Contractor.

- 25.2. If the Contractor's Financial Proposals for an acceleration are accepted by the Procuring Entity, they are incorporated in the Contract Price and treated as a Variation.

26. Extension of the Intended Completion Date

- 26.1. The Procuring Entity's Representative shall extend the Intended Completion Date if a Variation is issued which makes it impossible for the Intended Completion Date to be achieved by the Contractor without taking steps to accelerate the remaining work, which would cause the Contractor to incur additional costs. No payment shall be made for any event which may warrant the extension of the Intended Completion Date.
- 26.2. The Procuring Entity's Representative shall decide whether and by how much to extend the Intended Completion Date within twenty one (21) days of the Contractor asking the Procuring Entity's Representative for a decision thereto after fully submitting all supporting information. If the Contractor has failed to give early warning of a delay or has failed to cooperate in dealing with a delay, the delay by this failure shall not be considered in assessing the new Intended Completion Date.

27. Right to Vary

- 27.1. The Procuring Entity's Representative with the prior approval of the Procuring Entity may instruct Variations, up to a maximum cumulative amount of ten percent (10%) of the original contract cost.
- 27.2. Variations shall be valued as follows:
- (a) At a lump sum price agreed between the parties;
 - (b) where appropriate, at rates in this Contract;
 - (c) in the absence of appropriate rates, the rates in this Contract shall be used as the basis for valuation; or failing which
 - (d) at appropriate new rates, equal to or lower than current industry rates and to be agreed upon by both parties and approved by the HoPE.

28. Contractor's Right to Claim

If the Contractor incurs cost as a result of any of the events under **GCC** Clause 13, the Contractor shall be entitled to the amount of such cost. If as a result of any of the said events, it is necessary to change the Works, this shall be dealt with as a Variation.

29. Dayworks

- 29.1. Subject to **GCC** Clause 43 on Variation Order, and if applicable as indicated in the **SCC**, the Dayworks rates in the Contractor's bid shall be used for small additional amounts of work only when the Procuring Entity's Representative

has given written instructions in advance for additional work to be paid for in that way.

- 29.2. All work to be paid for as Dayworks shall be recorded by the Contractor on forms approved by the Procuring Entity's Representative. Each completed form shall be verified and signed by the Procuring Entity's Representative within two days of the work being done.
- 29.3. The Contractor shall be paid for Dayworks subject to obtaining signed Dayworks forms.

30. Early Warning

- 30.1. The Contractor shall warn the Procuring Entity's Representative at the earliest opportunity of specific likely future events or circumstances that may adversely affect the quality of the work, increase the Contract Price, or delay the execution of the Works. The Procuring Entity's Representative may require the Contractor to provide an estimate of the expected effect of the future event or circumstance on the Contract Price and Completion Date. The estimate shall be provided by the Contractor as soon as reasonably possible.
- 30.2. The Contractor shall cooperate with the Procuring Entity's Representative in making and considering proposals for how the effect of such an event or circumstance can be avoided or reduced by anyone involved in the work and in carrying out any resulting instruction of the Procuring Entity's Representative.

31. Program of Work

- 31.1. Within the time stated in the **SCC**, the Contractor shall submit to the Procuring Entity's Representative for approval a Program of Work showing the general methods, arrangements, order, and timing for all the activities in the Works.
- 31.2. An update of the Program of Work shall show the actual progress achieved on each activity and the effect of the progress achieved on the timing of the remaining work, including any changes to the sequence of the activities.
- 31.3. The Contractor shall submit to the Procuring Entity's Representative for approval an updated Program of Work at intervals no longer than the period stated in the **SCC**. If the Contractor does not submit an updated Program of Work within this period, the Procuring Entity's Representative may withhold the amount stated in the **SCC** from the next payment certificate and continue to withhold this amount until the next payment after the date on which the overdue Program of Work has been submitted.
- 31.4. The Procuring Entity's Representative's approval of the Program of Work shall not alter the Contractor's obligations. The Contractor may revise the Program of Work and submit it to the Procuring Entity's Representative again at any time. A revised Program of Work shall show the effect of any approved Variations.

- 31.5. When the Program of Work is updated, the Contractor shall provide the Procuring Entity's Representative with an updated cash flow forecast. The cash flow forecast shall include different currencies, as defined in the Contract, converted as necessary using the Contract exchange rates.
- 31.6. All Variations shall be included in updated Program of Work produced by the Contractor.

32. Management Conferences

- 32.1. Either the Procuring Entity's Representative or the Contractor may require the other to attend a Management Conference. The Management Conference shall review the plans for remaining work and deal with matters raised in accordance with the early warning procedure.
- 32.2. The Procuring Entity's Representative shall record the business of Management Conferences and provide copies of the record to those attending the Conference and to the Procuring Entity. The responsibility of the parties for actions to be taken shall be decided by the Procuring Entity's Representative either at the Management Conference or after the Management Conference and stated in writing to all who attended the Conference.

33. Bill of Quantities

- 33.1. The Bill of Quantities shall contain items of work for the construction, installation, testing, and commissioning of work to be done by the Contractor.
- 33.2. The Bill of Quantities is used to calculate the Contract Price. The Contractor is paid for the quantity of the work done at the rate in the Bill of Quantities for each item.
- 33.3. If the final quantity of any work done differs from the quantity in the Bill of Quantities for the particular item and is not more than twenty five percent (25%) of the original quantity, provided the aggregate changes for all items do not exceed ten percent (10%) of the Contract price, the Procuring Entity's Representative shall make the necessary adjustments to allow for the changes subject to applicable laws, rules, and regulations.
- 33.4. If requested by the Procuring Entity's Representative, the Contractor shall provide the Procuring Entity's Representative with a detailed cost breakdown of any rate in the Bill of Quantities.

34. Instructions, Inspections and Audits

- 34.1. The Procuring Entity's personnel shall at all reasonable times during construction of the Work be entitled to examine, inspect, measure and test the materials and workmanship, and to check the progress of the construction.
- 34.2. If the Procuring Entity's Representative instructs the Contractor to carry out a test not specified in the Specification to check whether any work has a defect

and the test shows that it does, the Contractor shall pay for the test and any samples. If there is no defect, the test shall be a Compensation Event.

- 34.3. The Contractor shall permit the Funding Source named in the **SCC** to inspect the Contractor's accounts and records relating to the performance of the Contractor and to have them audited by auditors appointed by the Funding Source, if so required by the Funding Source.

35. Identifying Defects

The Procuring Entity's Representative shall check the Contractor's work and notify the Contractor of any defects that are found. Such checking shall not affect the Contractor's responsibilities. The Procuring Entity's Representative may instruct the Contractor to search uncover defects and test any work that the Procuring Entity's Representative considers below standards and defective.

36. Cost of Repairs

Loss or damage to the Works or Materials to be incorporated in the Works between the Start Date and the end of the Defects Liability Periods shall be remedied by the Contractor at the Contractor's cost if the loss or damage arises from the Contractor's acts or omissions.

37. Correction of Defects

- 37.1. The Procuring Entity's Representative shall give notice to the Contractor of any defects before the end of the Defects Liability Period, which is One (1) year from project completion up to final acceptance by the Procuring Entity's Representative.
- 37.2. Every time notice of a defect is given, the Contractor shall correct the notified defect within the length of time specified in the Procuring Entity's Representative's notice.
- 37.3. The Contractor shall correct the defects which he notices himself before the end of the Defects Liability Period.
- 37.4. The Procuring Entity shall certify that all defects have been corrected. If the Procuring Entity considers that correction of a defect is not essential, he can request the Contractor to submit a quotation for the corresponding reduction in the Contract Price. If the Procuring Entity accepts the quotation, the corresponding change in the SCC is a Variation.

38. Uncorrected Defects

- 38.1. The Procuring Entity shall give the Contractor at least fourteen (14) days notice of his intention to use a third party to correct a Defect. If the Contractor does not correct the Defect himself within the period, the Procuring Entity may have the Defect corrected by the third party. The cost of the correction will be deducted from the Contract Price.

- 38.2. The use of a third party to correct defects that are uncorrected by the Contractor will in no way relieve the Contractor of its liabilities and warranties under the Contract.

39. Advance Payment

- 39.1. The Procuring Entity 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 exceeding fifteen percent (15%) of the total contract price, to be made in lump sum or, at the most two, installments according to a schedule specified in the SCC.
- 39.2. The advance payment shall be made only upon the submission to and acceptance by the Procuring Entity 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 the Procuring Entity.
- 39.3. The advance payment shall be repaid by the Contractor by an amount equal to the percentage of the total contract price used for the advance payment.
- 39.4. The contractor may reduce his standby letter of credit or guarantee instrument by the amounts refunded by the Monthly Certificates in the advance payment.
- 39.5. The Procuring Entity will provide an Advance Payment on the Contract Price as stipulated in the Conditions of Contract, subject to the maximum amount stated in **SCC** Clause 39.1.

40. Progress Payments

- 40.1. The Contractor may submit a request for payment for Work accomplished. Such request for payment shall be verified and certified by the Procuring Entity's Representative/Project Engineer. Except as otherwise stipulated in the SCC, materials and equipment delivered on the site but not completely put in place shall not be included for payment.
- 40.2. The Procuring Entity shall deduct the following from the certified gross amounts to be paid to the contractor as progress payment:
- (a) Cumulative value of the work previously certified and paid for.
 - (b) Portion of the advance payment to be recouped for the month.
 - (c) Retention money in accordance with the condition of contract.
 - (d) Amount to cover third party liabilities.
 - (e) Amount to cover uncorrected discovered defects in the works.
- 40.3. Payments shall be adjusted by deducting therefrom the amounts for advance payments and retention. The Procuring Entity shall pay the Contractor the amounts certified by the Procuring Entity's Representative within twenty eight

(28) days from the date each certificate was issued. No payment of interest for delayed payments and adjustments shall be made by the Procuring Entity.

- 40.4. The first progress payment may be paid by the Procuring Entity to the Contractor provided that at least twenty percent (20%) of the work has been accomplished as certified by the Procuring Entity's Representative.
- 40.5. Items of the Works for which a price of "0" (zero) has been entered will not be paid for by the Procuring Entity and shall be deemed covered by other rates and prices in the Contract.

41. Payment Certificates

- 41.1. The Contractor shall submit to the Procuring Entity's Representative monthly statements of the estimated value of the work executed less the cumulative amount certified previously.
- 41.2. The Procuring Entity's Representative shall check the Contractor's monthly statement and certify the amount to be paid to the Contractor.
- 41.3. The value of Work executed shall:
 - (a) be determined by the Procuring Entity's Representative;
 - (b) comprise the value of the quantities of the items in the Bill of Quantities completed; and
 - (c) include the valuations of approved variations.
- 41.4. The Procuring Entity's Representative may exclude any item certified in a previous certificate or reduce the proportion of any item previously certified in any certificate in the light of later information.

42. Retention

- 42.1. The Procuring Entity shall retain from each payment due to the Contractor an amount equal to a percentage thereof using the rate as specified in GCC Sub-Clause 42.2.
- 42.2. 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 Procuring Entity, 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 again be imposed using the rate specified therefor.
- 42.3. The total "retention money" shall be due for release upon final acceptance of the Works. The Contractor may, however, request the substitution of the retention money for each progress billing with irrevocable standby letters of credit from a commercial bank, bank guarantees or surety bonds callable on

demand, of amounts equivalent to the retention money substituted for and acceptable to the Procuring Entity, provided that the project is on schedule and is satisfactorily undertaken. Otherwise, the ten (10%) percent retention shall be made. Said irrevocable standby letters of credit, bank guarantees and/or surety bonds, to be posted in favor of the Government shall be valid for a duration to be determined by the concerned implementing office/agency or Procuring Entity and will answer for the purpose for which the ten (10%) percent retention is intended, *i.e.*, to cover uncorrected discovered defects and third party liabilities.

- 42.4. On completion of the whole Works, the Contractor may substitute retention money with an “on demand” Bank guarantee in a form acceptable to the Procuring Entity.

43. Variation Orders

- 43.1. Variation Orders may be issued by the Procuring Entity to cover any increase/decrease in quantities, including the introduction of new work items that are not included in the original contract or reclassification of work items that are either due to change of plans, design or alignment to suit actual field conditions resulting in disparity between the preconstruction plans used for purposes of bidding and the “as staked plans” or construction drawings prepared after a joint survey by the Contractor and the Procuring Entity after award of the contract, provided that the cumulative amount of the Variation Order does not exceed ten percent (10%) of the original project cost. The addition/deletion of Works should be within the general scope of the project as bid and awarded. The scope of works shall not be reduced so as to accommodate a positive Variation Order. A Variation Order may either be in the form of a Change Order or Extra Work Order.
- 43.2. A Change Order may be issued by the Procuring Entity to cover any increase/decrease in quantities of original Work items in the contract.
- 43.3. An Extra Work Order may be issued by the Procuring Entity to cover the introduction of new work necessary for the completion, improvement or protection of the project which were not included as items of Work in the original contract, such as, where there are subsurface or latent physical conditions at the site differing materially from those indicated in the contract, or where there are duly unknown physical conditions at the site of an unusual nature differing materially from those ordinarily encountered and generally recognized as inherent in the Work or character provided for in the contract.
- 43.4. Any cumulative Variation Order beyond ten percent (10%) shall be subject of another contract to be bid out if the works are separable from the original contract. In exceptional cases where it is urgently necessary to complete the original scope of work, the HoPE may authorize a positive Variation Order go beyond ten percent (10%) but not more than twenty percent (20%) of the original contract price, subject to the guidelines to be determined by the GPPB: *Provided, however*, That appropriate sanctions shall be imposed on the designer, consultant or official responsible for the original detailed

engineering design which failed to consider the Variation Order beyond ten percent (10%).

43.5. In claiming for any Variation Order, the Contractor shall, within seven (7) calendar days after such work has been commenced or after the circumstances leading to such condition(s) leading to the extra cost, and within twenty-eight (28) calendar days deliver a written communication giving full and detailed particulars of any extra cost in order that it may be investigated at that time. Failure to provide either of such notices in the time stipulated shall constitute a waiver by the contractor for any claim. The preparation and submission of Variation Orders are as follows:

- (a) If the Procuring Entity's representative/Project Engineer believes that a Change Order or Extra Work Order should be issued, he shall prepare the proposed Order accompanied with the notices submitted by the Contractor, the plans therefore, his computations as to the quantities of the additional works involved per item indicating the specific stations where such works are needed, the date of his inspections and investigations thereon, and the log book thereof, and a detailed estimate of the unit cost of such items of work, together with his justifications for the need of such Change Order or Extra Work Order, and shall submit the same to the HoPE for approval.
- (b) The HoPE or his duly authorized representative, upon receipt of the proposed Change Order or Extra Work Order shall immediately instruct the appropriate technical staff or office of the Procuring Entity to conduct an on-the-spot investigation to verify the need for the Work to be prosecuted and to review the proposed plan, and prices of the work involved.
- (c) The technical staff or appropriate office of the Procuring Entity shall submit a report of their findings and recommendations, together with the supporting documents, to the Head of Procuring Entity or his duly authorized representative for consideration.
- (d) The HoPE or his duly authorized representative, acting upon the recommendation of the technical staff or appropriate office, shall approve the Change Order or Extra Work Order after being satisfied that the same is justified, necessary, and in order.
- (e) The timeframe for the processing of Variation Orders from the preparation up to the approval by the Procuring Entity concerned shall not exceed thirty (30) calendar days.

44. Contract Completion

Once the project reaches an accomplishment of ninety five (95%) of the total contract amount, the Procuring Entity may create an inspectorate team to make preliminary inspection and submit a punch-list to the Contractor in preparation for the final turnover of the project. Said punch-list will contain, among others, the remaining Works, Work deficiencies for necessary corrections, and the specific duration/time to

fully complete the project considering the approved remaining contract time. This, however, shall not preclude the claim of the Procuring Entity for liquidated damages.

45. Suspension of Work

- 45.1. The Procuring Entity shall have the authority to suspend the work wholly or partly by written order for such period as may be deemed necessary, due to *force majeure* or any fortuitous events or for failure on the part of the Contractor to correct bad conditions which are unsafe for workers or for the general public, to carry out valid orders given by the Procuring Entity 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.
- 45.2. The Contractor or its duly authorized representative shall have the right to suspend work operation on any or all projects/activities along the critical path of activities after fifteen (15) calendar days from date of receipt of written notice from the Contractor to the district engineer/regional director/consultant or equivalent official, as the case may be, due to the following:
- (a) There exist right-of-way problems which prohibit the Contractor from performing work in accordance with the approved construction schedule.
 - (b) Requisite construction plans which must be owner-furnished are not issued to the contractor precluding any work called for by such plans.
 - (c) Peace and order conditions make it extremely dangerous, if not possible, to work. However, this condition must be certified in writing by the Philippine National Police (PNP) station which has responsibility over the affected area and confirmed by the Department of Interior and Local Government (DILG) Regional Director.
 - (d) There is failure on the part of the Procuring Entity to deliver government-furnished materials and equipment as stipulated in the contract.
 - (e) Delay in the payment of Contractor's claim for progress billing beyond forty-five (45) calendar days from the time the Contractor's claim has been certified to by the procuring entity's authorized representative that the documents are complete unless there are justifiable reasons thereof which shall be communicated in writing to the Contractor.
- 45.3. 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 effectivity of the order suspending operation and the order to resume work shall be allowed the Contractor by adjusting the contract time accordingly.

46. Payment on Termination

- 46.1. If the Contract is terminated because of a fundamental breach of Contract by the Contractor, the Procuring Entity's Representative shall issue a certificate for the value of the work done and Materials ordered less advance payments received up to the date of the issue of the certificate and less the percentage to apply to the value of the work not completed, as indicated in the SCC. Additional Liquidated Damages shall not apply. If the total amount due to the Procuring Entity exceeds any payment due to the Contractor, the difference shall be a debt payable to the Procuring Entity.
- 46.2. If the Contract is terminated for the Procuring Entity's convenience or because of a fundamental breach of Contract by the Procuring Entity, the Procuring Entity's Representative shall issue a certificate for the value of the work done, Materials ordered, the reasonable cost of removal of Equipment, repatriation of the Contractor's personnel employed solely on the Works, and the Contractor's costs of protecting and securing the Works, and less advance payments received up to the date of the certificate.
- 46.3. The net balance due shall be paid or repaid within twenty eight (28) days from the notice of termination.
- 46.4. If the Contractor has terminated the Contract under **GCC** Clauses 17 or 18, the Procuring Entity shall promptly return the Performance Security to the Contractor.

47. Extension of Contract Time

- 47.1. Should the amount of additional work of any kind or other special circumstances of any kind whatsoever occur such as to fairly entitle the contractor to an extension of contract time, the Procuring Entity shall determine the amount of such extension; provided that the Procuring Entity is not bound to take into account any claim for an extension of time unless the Contractor has, prior to the expiration of the contract time and within thirty (30) calendar days after such work has been commenced or after the circumstances leading to such claim have arisen, delivered to the Procuring Entity notices in order that it could have investigated them at that time. Failure to provide such notice shall constitute a waiver by the Contractor of any claim. Upon receipt of full and detailed particulars, the Procuring Entity shall examine the facts and extent of the delay and shall extend the contract time completing the contract work when, in the Procuring Entity's opinion, the findings of facts justify an extension.
- 47.2. No extension of contract time shall be granted the Contractor due to (a) ordinary unfavorable weather conditions and (b) inexcusable failure or negligence of Contractor to provide the required equipment, supplies or materials.
- 47.3. Extension of contract time may be granted only when the affected activities fall within the critical path of the PERT/CPM network.
- 47.4. No extension of contract time shall be granted when the reason given to support the request for extension was already considered in the determination

of the original contract time during the conduct of detailed engineering and in the preparation of the contract documents as agreed upon by the parties before contract perfection.

- 47.5. Extension of contract time shall be granted for rainy/unworkable days considered unfavorable for the prosecution of the works at the site, based on the actual conditions obtained at the site, in excess of the number of rainy/unworkable days pre-determined by the Procuring Entity in relation to the original contract time during the conduct of detailed engineering and in the preparation of the contract documents as agreed upon by the parties before contract perfection, and/or for equivalent period of delay due to major calamities such as exceptionally destructive typhoons, floods and earthquakes, and epidemics, and for causes such as non-delivery on time of materials, working drawings, or written information to be furnished by the Procuring Entity, non-acquisition of permit to enter private properties or non-execution of deed of sale or donation within the right-of-way resulting in complete paralyzation of construction activities, and other meritorious causes as determined by the Procuring Entity's Representative and approved by the HoPE. Shortage of construction materials, general labor strikes, and peace and order problems that disrupt construction operations through no fault of the Contractor may be considered as additional grounds for extension of contract time provided they are publicly felt and certified by appropriate government agencies such as DTI, DOLE, DILG, and DND, among others. The written consent of bondsmen must be attached to any request of the Contractor for extension of contract time and submitted to the Procuring Entity for consideration and the validity of the Performance Security shall be correspondingly extended.

48. Price Adjustment

Except for extraordinary circumstances as determined by NEDA and approved by the GPPB, no price escalation shall be allowed. Nevertheless, in cases where the cost of the awarded contract is affected by any applicable new laws, ordinances, regulations, or other acts of the GoP, promulgated after the date of bid opening, a contract price adjustment shall be made or appropriate relief shall be applied on a no loss-no gain basis.

49. Completion

The Contractor shall request the Procuring Entity's Representative to issue a certificate of Completion of the Works, and the Procuring Entity's Representative will do so upon deciding that the work is completed.

50. Taking Over

The Procuring Entity shall take over the Site and the Works within seven (7) days from the date the Procuring Entity's Representative issues a certificate of Completion.

51. Operating and Maintenance Manuals

- 51.1. If “as built” Drawings and/or operating and maintenance manuals are required, the Contractor shall supply them by the dates stated in the **SCC**.
- 51.2. If the Contractor does not supply the Drawings and/or manuals by the dates stated in the **SCC**, or they do not receive the Procuring Entity’s Representative’s approval, the Procuring Entity’s Representative shall withhold the amount stated in the **SCC** from payments due to the Contractor.

Section V. Special Conditions of Contract

GCC Clause	
1.17	<p>The Intended Completion Date is Three (3) Months from the date of receipt of the Notice to Proceed.</p> <p><i>NOTE: The contract duration shall be reckoned from the start date, which is the date of receipt of Notice to Proceed and not from contract effectivity date.</i></p>
1.22	<p>The Procuring Entity is:</p> <p>Santa Maria Water District No.3 M. de Leon Street Poblacion, Santa Maria, Bulacan</p>
1.23	<p>The Procuring Entity's Representative for the Project is:</p> <p>Engr. Mark Anthony I. Tongol Senior Engineer A Santa Maria Water District Operation's Division Office J.P Rizal Street, Dulong Bayan Poblacion, Santa Maria, Bulacan</p>
1.24	<p>The Site of the project: For Project (A.) Repainting and Rehabilitation of five (5) Pump Stations of SMWD, the sites are the pump stations located in Garden Village-Pulong Buhangin, Green Valley-Pulong Buhangin, Sta. Cruz, Sto. Tomas and Caybanban.</p> <p>For Project (B) Painting of Logo, the sites are the six (6) pump stations located in Gulod, Poblacion, Celeste P.S-Guyong, Villarica, Sta. Clara, Kamatis P.S-Parada, and Mahabang Parang.</p> <p>All pump stations are located in Santa Maria, Bulacan</p>
1.28	The Start Date shall be the date of receipt of the Notice to Proceed
1.31	The Works consist of <i>supply of labor and materials for Project A and B</i>
2.2	No further instructions
5.1	The Procuring Entity shall give authority to the contractor to enter the eleven (11) pump stations as indicated in Project A and B during the duration of the project and while performing the project <i>upon receipt of the Notice to Proceed.</i>
6.5	<p>The Contractor shall employ the following Key Personnel:</p> <p><i>[List key personnel by name and designation]</i></p> <p><i>NOTE: The names of the Key Personnel and their designation shall be filled out by winning contractor prior to contract signing.</i></p>

7.4(c)	No further instructions
7.7	No further instructions.
8.1	No further instructions.
10	The site investigation reports are: <i>Ocular Inspection Report</i>
12.3	No further instructions.
12.5	<i>No further instructions</i>
13	No additional provision
18.3(h)(i)	No further instructions.
21.2	The Arbiter is: ATTY. MEDARDO DEVERA Government Corporate Counsel 3 rd Floor MWSS Bldg., Balara, Quezon City RA9184 IRR Section 59.2. Any and all disputes arising from the implementation of a contract covered by the Act and its IRR shall be submitted to arbitration in the Philippines according to the provisions of RA 876, otherwise known as the “Arbitration Law” and RA 9285, otherwise known as “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 referred thereto. The process of arbitration shall be incorporated as a provision in this Contract that will be executed pursuant to the provisions of the Act and its IRR: Provided, further, that by mutual agreement the parties may agree in writing to resort to other alternative modes of dispute resolution.
29.1	No further instructions.
31.1	No further instructions
31.3	No further instructions
34.3	The Funding Source is the Santa Maria Water District 2018 Corporate Budget as approved by the Board of Directors.
39.1	No Advance Payment shall be paid
40.1	The payment for the project shall be based on progress billing report submitted by the winning bidder which is certified correct by the authorized representative of the Procuring Entity for project A & B and shall be within fifteen (15) working days.
42.0	Retention money of 5% shall be deducted every progress payment but not to exceed five (5%) percent of the total contract price
51.1	No further instructions

Section VI. Specifications

1. PAINTING AND COATINGS

1.1 *GENERAL* - The work included in this Clause consists of the furnishing of all labor, materials, apparatus, scaffolding, and all appurtenant work in connection with painting and coating in accordance with these Specifications. The Engineer shall approve any subcontractor for painting and coating.

1.2 *SCOPE* - The following surfaces are to be painted, except where otherwise specified or shown:

- a. above ground piping and other metal surfaces
- b. all submerged metal surfaces
- c. all exposed concrete excluding concrete reservoirs
- d. all structural and miscellaneous steel
- e. all equipment furnished without factory finished surfaces
- f. all exposed steel mullions, tubular frames, door frames, steel sash, and metal windows
- g. all sheet metal and ferrous metal trim
- h. all buildings, interior and exterior
- i. all exposed concrete block masonry
- j. all plain and corrugated G.I. sheets
- k. steel tank shell exterior and interior surfaces

The following surfaces are not to be painted:

- a. ferrous metals having approved plating or factory applied final paint finishes;
- b. non-ferrous metals, unless otherwise noted or indicated; galvanized metal shall not be considered a non-ferrous metal; and
- c. equipment with factory finished surface unless otherwise noted.

In no case shall any concrete, wood, metal, or any other surface requiring protection be left unpainted even though not specifically defined herein.

3.3 *RIGHT TO REJECTION* -No exterior painting or interior finishing shall be done under conditions, which may jeopardize the appearance or quality of the painting or finishing in any way. The Engineer shall have the right to reject all material or work that is unsatisfactory, and require the replacement of either or both at the expense of the Contractor.

3.4 *PROTECTION OF THE WORK* - The Contractor shall take the necessary steps to protect the work of others during the time his work is in progress. The Contractor shall be responsible for any and all damage to the work. Paint shall be applied only during period of favorable weather.

- 3.5 **WORKMANSHIP** - All work shall be first class and in accordance with best standard practices of the trade.

The Contractor shall examine carefully all surfaces to be painted and, before beginning any of his work, shall see that the work of other trades has been left or installed in workmanlike condition to receive paint.

Metal surfaces shall be clean, dry, and free from mill scale, rust, grease, oil, or any other substances, which could affect the quality of the painting.

Each coat of paint shall be applied at proper consistency and brushed evenly, free of brush marks, sags, runs, and with no evidence of poor workmanship. Care shall be exercised to avoid lapping of paint on glass or hardware. Paint shall be sharply cut to lines and finished paint surfaces shall be free from defects or blemishes.

Protective covering shall be used to protect floors, fixtures, and equipment. Care shall be exercised to prevent paint from being splattered onto surfaces, which are not to be painted. Surfaces from which such paint cannot be removed satisfactorily shall be painted or repainted, as required, to produce a finish satisfactory to the Engineer.

No painting shall be done under conditions of weather, moisture, or temperature unsuited to good work, nor until previous coat is hard and dry.

All painting materials shall be used in strict accordance with manufacturers directions spread or flowed on smoothly with proper film thickness and without runs, sags, or other defects.

- 3.6 **STORAGE OF MATERIALS** - The Contractor shall store all painting materials and equipment not in immediate use in a room approved by the Engineer for that purpose. The receiving and opening of all paint materials and mixing shall be done in this room.

Necessary precautions shall be taken to prevent fire. Rags, waste, etc., soiled with paint shall be removed from the premises at the end of each day's work, or stored in metal containers with metal covers.

- 3.7 **PREPARATION OF PAINT** - Paint containers shall be delivered to the job site in the manufacturer's unopened containers and shall be opened only when required for use. Paint shall be mixed only in the designated room or space in the presence of Owner's representative. Paint shall be thoroughly stirred or agitated to a uniformly smooth consistency suitable for proper application. Unless otherwise specified or approved, no materials shall be reduced, changed, or used except in accordance with manufacturer's label or tag on the container. In all cases, paint shall be prepared and handled in a manner to prevent deterioration and inclusion of foreign matter.

- 3.8 **PAINT TO BE PROVIDED TO OWNER** - The Contractor shall leave on the job site a minimum of four (4) litres (1 gal.) of each type and color of finish paint used in the project. Each gallon shall be properly labelled for identification.

- 3.9 **CLEAN UP** - Upon completion of his work, the Contractor shall remove all surplus materials. All paint spills shall be removed and the entire premises shall be free from rubbish, debris, etc., caused by his work. He shall present the work clean and free from blemish so that it is acceptable in every way. All glass shall be cleaned of paint spots and polished, and the job made ready for occupancy by the Owner.

3.10 MATERIALS

a. Materials

The Contractor may substitute other paint materials for those specified in Clause 3.13, provided he first receives written approval from the Engineer stating that said proposed substituted materials are equal to that specified and are approved for use. The painting material shall be delivered to the job in original containers properly labelled without evidence of tampering, substitution of contents, or of deterioration. A complete list of materials proposed for use shall be submitted for Engineer's approval.

b. Colors and Samples

All finish colors shall be as selected by the Owner. In multicoat work using color pigmented paints, each coat shall have sufficient variation of color to easily distinguish it from preceding coat. Using specified or approved materials; three (3) sample panels of each finish, including all coats thereof shall be prepared and submitted for the Owner's approval. Completed work shall match approved colors and samples.

3.11 PREPARATION OF SURFACES

a. General

Except as otherwise specified, surfaces to be painted shall be clean, smooth, and dry. The Contractor shall report to the Engineer in writing any surface, which cannot be properly prepared for painting. If work is commenced before defects have been reported and corrected, the Contractor at no cost to the Owner shall rectify any unsatisfactory finish.

b. Concrete and Masonry

All concrete and masonry surface shall cure thirty (30) days prior to painting. Dirt, dust, oil, grease, efflorescence, and other deleterious matter shall be removed and surface roughened when necessary to insure good paint adhesion. The method of surface preparation shall be left to the discretion of the Contractor, provided results obtained are satisfactory to the Engineer. Before application of resin emulsion paint, surfaces shall be prepared in accordance with manufacturer's directions. Before application of oil base or latex paints, surfaces shall be tested for presence of alkali. If alkali is present, surface shall be neutralized as recommended by the manufacturer of the paint materials to be applied.

c. Plaster

Dirt, dust, loose plaster, and other deleterious matter, which would prevent good paint adhesion, shall be removed. All holes, cracks, and depressions shall be neatly filled with patching plaster mixed and applied to match the existing plaster. Patches shall be sanded flush and smooth and properly sealed before applying prime coat. After priming surfaces, suction spots shall be touched up with additional prime coat material until surfaces evidence a uniform coating.

Enamel undercoats on smooth plaster shall be sandpapered by hand (with No. 00 sandpaper) and dusted clean before applying the succeeding coat.

d. Metal

Dirt, scale, and rust shall be removed by scrapping, wire brushing, and sanding or sandblasting as required. Mill scales shall be completely removed from fabricated parts of the new elevated steel tank either in the shops or in the field. Mill scales can be removed in the shop either by cleaning or pickling. In such case, the steel must be painted before rusting or surface soiling occurs with zinc dust, phenolic primers to effect proper adhesion of the first field coat. If mill scales are removed in the field prior to welding, all welded joints should be cleared of slag and weld spatter by blasting either by nozzle or with spot blasting equipment. Where blasting is not practical, grinding, sanding, or brushing may be used provided satisfactory degree of cleaning is obtained.

Oil and grease shall be removed with mineral spirits or appropriate solvent. Before painting, ferrous metal surfaces, including galvanized ferrous metal surfaces, shall be pretreated with approved phosphoric acid etching cleaner in accordance with manufacturer's direction to produce a chemically clean surface. Unless already performed in accordance with specifications of other Clauses, abrasions and bare spots in shop prime coatings shall be touched up with metal primer matching shop coatings. Enamel undercoats shall be sandpapered by hand (with No. 00 sandpaper) and dusted clean before applying succeeding coats.

e. Woodwork

Unless already properly sanded, woodwork shall be sandpapered smooth by hand. Before priming surfaces, knots, pitch pockets and sap streaks shall be thoroughly cleaned of residue and touched up with shellac varnish coating. After priming surface, nail holes, cracks, and depressions shall be neatly filled with putty or other approved filler, colored to match required finish. Enamel undercoats shall be sanded by hand (with No. 00 sandpaper) and dusted clean before applying succeeding coat.

3.12 *APPLICATION OF PAINT*

a. General

All painting and finishing shall be performed by skilled craftsmen. Each coat of paint shall be applied at proper consistency, evenly, and free of laps, sags, and runs and cut sharply to required lines. Except as otherwise specified or required, paint shall be applied only under dry and dust-free conditions that will insure properly finished surfaces, free of defects and blemishes. Paint shall not be applied when temperature is likely to be above 32°C (90°F). Sufficient time shall be allowed between coats to insure proper drying. All primer and intermediate coats shall be unscarred and completely integral at time of application of each succeeding coat. The Engineer shall be notified when each coat has been applied and is ready for inspection. Until each coat is inspected and approved by Engineer, no succeeding coats shall be applied. Whenever two coats of a dark colored paint are specified, the first coat shall contain sufficient powdered aluminum to act as an indicator for proper coverage when applying the second coat.

b. Methods of Application

Except as otherwise specified or when, in the opinion of the Engineer, a particular method would produce unsatisfactory results, paint may be applied by brush, spray, or other application method at the option of the Contractor.

c. Priming and Back Painting

1. *Priming*

Before installation, all surfaces of millwork, which are to be painted shall be primed, giving particular attention to sealing of cross-grained surfaces. In all cases, all work shall be primed as soon as possible after delivery to buildings, before or after installation, as required, or, in case of prefabricated items, at fabricator's shop or mill before shipment, if practicable. Except as otherwise specified, primings shall consist of first coat hereinafter specified under Clause 27.13 - Painting Systems.

2. *Back Painting*

Woodwork millwork, and casework to be installed against concrete, masonry, or plaster shall be back painted with one coat of exterior oil paint.

3.13 PAINTING SYSTEMS

MANUFACTURER
or its approved equivalent
Dutch Boy Sherwin
Number: Williams:

Architectural Items

a. Exterior Finishes

(1) On Concrete Walls

Two coats, Concrete Masonry	55B00	A25WXI
-----------------------------	-------	--------

(2) Unprimed Ferrous Metal

First Coat:	Rust Inhibitive Ferrous Metal Primer	20724	B16RX1
Second Coat:	Exterior Enamel	20-125	A37WX15
Third Coat:	Exterior Enamel	20-125	A37WX15

(3) On Concrete Block Walls

First Coat:	Concrete Block Primer Sealer	103	--
Second Coat:	Concrete Masonry Paint	55B00	--
Third Coat:	Concrete Masonry	55B00	--
Or			
Three Coats		-	A25WXI

(4) On Wood

First Coat:	Exterior wood primer	55	--
-------------	----------------------	----	----

Second Coat:	Exterior enamel	10X	--
Third Coat:	Exterior enamel	10X	--
Or			
Three Coats		-	A2WX1

A. b. Interior Finishes

Locations of the various finishes are listed in the Finish Schedule on the Drawings or else will be indicated by the Owner.

(1.) On Primer & Coated Metal

Two coats of interior Semigloss enamel	22101	A36WX7
----------------------------------------	-------	--------

(2) On Plaster

First Coat:	Pigmented sealer	103	A25WX1
Second Coat:	Enamel undercoater	103	A20WX1
Third Coat:	Interior semi-gloss enamel	22-101	A36WX7

(3) On Wood

First Coat:	Enamel undercoater	.001	--
Second Coat:	Split coat enamel undercoater	.001	--
Third Coat:	Interior semi-gloss enamel	23-101	--
Or			
Three coats:	Interior semi-gloss enamel	--	A36WX7

(4) Wood Stain Finish

First Coat:	Oil stain with Filler	23-11	A48N2
Second Coat:	Boiled oil top coat	36-001	A48N2

(5) Wood Lacquer Finish

First Coat:	Wood paste filler		
	Natural oil	23-11	D70TX1
Second Coat:	Top coat of Lacquer	68-064	T73CX10

1/a. Adjoining coal tar enamel coated steel pipe – Coatings shall consists of coal tar epoxy application in two coatings (15 mil. Each) and shall be Koppers Bitumastic No. 50, cold applied or approved substitute, following which such surface shall be enclosed in 10-mil thick plastic sheet with all joints and edges lapped and sealed with tape.

b. Adjoining all other type of pipe – Rich cement mortar coating to a minimum thickness of 6 mm, following which such surfaces shall be enclosed in 10-mil thick plastic sheet with all joints and edges lapped and sealed with tape.

Section VII. Bill of Quantities

A. Repainting and Rehabilitation of Five (5) Pump Stations of Santa Maria Water District

Item	Description of Work	Unit	Qty.	Unit Cost (P)	Total Cost (P)
	Repainting and Rehabilitation of Garden Village Pump Station				
	Painting Works				
	Concrete Painting (Elastomeric)	Gal	17.5		
	Rubberized Flooring (Bronco)	Gal	2		
	Metal Painting (QDE)	Gal	3		
	Primer Paint	Gal	3		
	Painting Miscellaneous	Lot	1		
	Roofing and Carpentry Works for CR				
	Ga. 26 G.I. Roofing and Accessories	Pcs	3		
	Vulca Seal	Liter	1		
	Gypsum Board	Pcs	2		
	Metal Paring (L and C)	Pcs	4		
	Toilet Accessories	Lot	1		
	Electrical Works				
	THHN Wire #12	Box	0.5		
	Flexible PVC Pipe 2"	Meters	3		
	PVC Pipe 1/2"	Pcs	3		
	PVC Pipe 3"	Pcs	3		
	Miscellaneous Fittings	Lot	1		
	2x4" Utility Box	Pcs	5		
	Duplex Convinient Outlet	Pcs	2		
	5 watts LED Bulb	Pcs	3		
	#16 G.I. Wire	Kg	3		
	Electrical Tape	Roll	5		
	Akari Photo Sensor Light	Pcs	4		
	Miscellaneous Works				
	Fabrication and Mounting of Stainless Box	Lot	1		
	Fabrication of Cable Raceway	Lot	1		
	Labor Cost				
	Chipping Works	Lot	1		
	Repair of Corroded Gates inside the Pump Station	Lot	1		

	Barbed Wire Retightening	Lot	1		
	Labor	Lot	1		
	Mobilization/ Demobilization	Days	2		
	TOTAL				P .

Item	Description of Work	Unit	Qty.	Unit Cost (P)	Total Cost (P)
	Repainting and Rehabilitation of Green Valley Pump Station				
	Painting Works				
	Concrete Painting (Elastomeric)	Gal	6.3		
	Rubberized Flooring (Bronco)	Gal	2.6		
	Metal Painting (QDE)	Gal	3		
	Primer Paint	Gal	3		
	Painting Miscellaneous	Lot	1		
	Roofing and Carpentry Works for CR				
	Ga. 26 G.I. Roofing and Accessories	Pcs	5		
	Vulca Seal	Liter	1		
	Gypsum Board	Pcs	5		
	Metal Paring (L and C)	Pcs	10		
	Electrical Works				
	THHN Wire #12	Box	0.5		
	Flexible PVC Pipe 2"	Meters	3		
	PVC Pipe 1/2"	Pcs	3		
	PVC Pipe 3"	Pcs	3		
	Miscellaneous Fittings	Lot	1		
	2x4" Utility Box	Pcs	5		
	Duplex Convinient Outlet	Pcs	2		
	5 watts LED Bulb	Pcs	2		
	#16 G.I. Wire	Kg	3		
	Electrical Tape	Roll	6		
	Akari Photo Sensor Light	Pcs	3		
	Miscellaneous Works				

	Fabrication and Mounting of Stainless Box	Lot	1		
	Fabrication of Cable Raceway	Lot	1		
	Concreting near Chlorine Area	Lot	1		
	Labor Cost				
	Chipping Works	Lot	1		
	Repair of Corroded Gates inside the Pump Station	Lot	1		
	Barbed Wire Retightening	Lot	1		
	Labor	Lot	1		
	Mobilization/ Demobilization	Days	2		
	TOTAL				P -

Item	Description of Work	Unit	Qty.	Unit Cost (P)	Total Cost (P)
	Repainting and Rehabilitation of Sta. Cruz Pump				
	Painting Works				
	Concrete Painting (Elastomeric)	Gal	17.5		
	Rubberized Flooring (Bronco)	Gal	2		
	Metal Painting (QDE)	Gal	3		
	Primer Paint	Gal	3		
	Painting Miscellaneous	Lot	1		
	Roofing and Carpentry Works for CR				
	Roof Gutter and Accessories	Pcs	3		
	Vulca Seal	Liter	1		
	Electrical Works				
	THHN Wire #12	Box	0.5		
	Flexible PVC Pipe 2"	Meters	3		
	PVC Pipe 1/2"	Pcs	3		
	PVC Pipe 3"	Pcs	3		
	Miscellaneous Fittings	Lot	1		
	2x4" Utility Box	Pcs	5		
	Duplex Convinient Outlet	Pcs	2		
	5 watts LED Bulb	Pcs	5		

	#16 G.I. Wire	Kg	3		
	Electrical Tape	Roll	5		
	Akari Photo Sensor Light	Pcs	2		
	Miscellaneous Works				
	Fabrication and Mounting of Stainless Box	Lot	1		
	Fabrication of Cable Raceway	Lot	1		
	Labor Cost				
	Chipping Works	Lot	1		
	Repair of Corroded Gates inside the Pump Station	Lot	1		
	Barbed Wire Retightening	Lot	1		
	Labor	Lot	1		
	Mobilization/ Demobilization	Days	2		
	TOTAL				P -

Item	Description of Work	Unit	Qty.	Unit Cost (P)	Total Cost (P)
	Repainting and Rehabilitation of Sto. Tomas Pump Station				
	Painting Works				
	Concrete Painting (Elastomeric)	Gal	2.25		
	Rubberized Flooring (Bronco)	Gal	1.25		
	Metal Painting (QDE)	Gal	2		
	Primer Paint	Gal	2		
	Painting Miscellaneous	Lot	1		
	Roofing and Carpentry Works for CR				
	Ga. 26 G.I. Roofing and Accessories	Pcs	3		
	C Purlins	Pcs	3		

	Vulca Seal	Liter	1		
	Gypsum Board	Pcs	2		
	Metal Paring (L and C)	Pcs	4		
	Concrete Window	Lot	1		
	Electrical Works				
	THHN Wire #12	Box	0.5		
	Flexible PVC Pipe 2"	Meters	2		
	PVC Pipe 1/2"	Pcs	2		
	PVC Pipe 3"	Pcs	2		
	Miscellaneous Fittings	Lot	1		
	2x4" Utility Box	Pcs	2		
	Duplex Convinient Outlet	Pcs	2		
	5 watts LED Bulb	Pcs	2		
	#16 G.I. Wire	Kg	3		
	Electrical Tape	Roll	5		
	Akari Photo Sensor Light	Pcs	1		
	Miscellaneous Works				
	Fabrication and Mounting of Stainless Box	Lot	1		
	Fabrication of Cable Raceway	Lot	1		
	Chlorine Gate and Concrete Enclosurement	Lot	1		
	Labor Cost				
	Chipping Works	Lot	1		
	Repair of Corroded Gates inside the Pump Station	Lot	1		
	Labor	Lot	1		
	Mobilization/ Demobilization	Days	2		
	TOTAL				P -

Item	Description of Work	Unit	Qty.	Unit Cost (P)	Total Cost (P)
	Repainting and Rehabilitation of Caybanban Pump Station				
	Painting Works				
	Concrete Painting (Elastomeric)	Gal	17.5		

	Rubberized Flooring (Bronco)	Gal	2		
	Metal Painting (QDE)	Gal	3		
	Primer Paint	Gal	3		
	Painting Miscellaneous	Lot	1		
	Roofing and Carpentry Works for CR				
	Vulca Seal	Liter	1		
	Electrical Works				
	THHN Wire #12	Box	0.5		
	Flexible PVC Pipe 2"	Meters	3		
	PVC Pipe 1/2"	Pcs	3		
	PVC Pipe 3"	Pcs	3		
	Miscellaneous Fittings	Lot	1		
	2x4" Utility Box	Pcs	5		
	Duplex Convinient Outlet	Pcs	2		
	5 watts LED Bulb	Pcs	5		
	#16 G.I. Wire	Kg	3		
	Electrical Tape	Roll	5		
	Akari Photo Sensor Light	Pcs	2		
	Miscellaneous Works				
	Fabrication and Mounting of Stainless Box	Lot	1		
	Fabrication of Cable Raceway	Lot	1		
	Labor Cost				
	Chipping Works	Lot	1		
	Pipe line going to drainage (cutting, excavation and concreting)	Lot	1		
	Barbed Wire Retightening	Lot	1		
	Labor	Lot	1		
	Mobilization/ Demobilization	Days	2		
	TOTAL				P

B. Painting of Logo at Six (6) Pump Stations of Santa Maria Water District

\	Description of Work	Unit	Qty.	Unit Cost (P)	Total Cost (P)
	Painting of Logo at Gulod Pump Station				
	Patern	lot	1.00		
	Elastomeric Paint / QDE				
	White	gal.	17.50		
	Blue	gal.	11.50		
	Light Blue	gal.	10.75		
	Green	gal.	12.50		
	Black	gal.	12.75		
	Painting Miscellaneous	lot	1.00		
	Labor	lot	1.00		
	Mobilization	lot	1.00		
	TOTAL				P .

Item	Description of Work	Unit	Qty.	Unit Cost (P)	Total Cost (P)
	Painting of Logo at Celeste Pump Station				
	Patern	lot	1.00		
	Elastomeric Paint / QDE				
	White	gal.	17.50		
	Blue	gal.	15.00		
	Light Blue	gal.	15.00		
	Green	gal.	13.75		
	Black	gal.	8.75		
	Painting Miscellaneous	lot	1.00		
	Labor	lot	1.00		
	Mobilization	lot	1.00		
	TOTAL				P

Item	Description of Work	Unit	Qty.	Unit Cost (P)	Total Cost (P)
	Painting of Logo at Villarica Pump Station				
	Patern	lot	1.00		
	Elastomeric Paint / QDE				
	White	gal.	17.50		
	Blue	gal.	11.50		
	Light Blue	gal.	11.50		
	Green	gal.	11.75		
	Black	gal.	12.75		
	Painting Miscellaneous	lot	1.00		
	Labor	lot	1.00		
	Mobilization	lot	1.00		
	TOTAL				P -

Item	Description of Work	Unit	Qty.	Unit Cost (P)	Total Cost (P)
	Painting of Logo at Sta. Clara Pump Station				
	Patern	lot	1.00		
	Elastomeric Paint / QDE				
	White	gal.	17.50		
	Blue	gal.	14.00		
	Light Blue	gal.	14.00		
	Green	gal.	10.50		
	Black	gal.	8.75		
	Painting Miscellaneous	lot	1.00		
	Labor	lot	1.00		
	Mobilization	lot	1.00		
	Scaffolding	lot	1.00		
	TOTAL				P -

Item	Description of Work	Unit	Qty.	Unit Cost (P)	Total Cost (P)
	Painting of Logo at Kamatis Pump Stations				
	Patern	lot	1.00		
	Elastomeric Paint / QDE				
	White	gal.	17.50		
	Blue	gal.	14.00		
	Light Blue	gal.	14.00		
	Green	gal.	10.50		
	Black	gal.	8.75		
	Painting Miscellaneous	lot	1.00		
	Labor	lot	1.00		
	Mobilization	lot	1.00		
	Scaffolding	lot	1.00		
	TOTAL				P -

Item	Description of Work	Unit	Qty.	Unit Cost (P)	Total Cost (P)
	Painting of Logo at M. Parang Pump Station				
	Patern	lot	1.00		
	Elastomeric Paint / QDE				
	White	gal.	17.50		
	Blue	gal.	14.00		
	Light Blue	gal.	14.00		
	Green	gal.	10.50		
	Black	gal.	8.75		
	Painting Miscellaneous	lot	1.00		
	Labor	lot	1.00		
	Mobilization	lot	1.00		
	Scaffolding	lot	1.00		
	TOTAL				P -

Section IX. Bidding Forms

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Bid Form

Date: _____

IB⁴ N°: _____

To: *[name and address of PROCURING ENTITY]*

Address: *[insert address]*

We, the undersigned, declare that:

- (a) We have examined and have no reservation to the Bidding Documents, including Addenda, for the Contract *[insert name of contract]*;
- (b) We offer to execute the Works for this Contract in accordance with the Bid and Bid Data Sheet, General and Special Conditions of Contract accompanying this Bid;

The total price of our Bid, excluding any discounts offered below is: *[insert information]*;

The discounts offered and the methodology for their application are: *[insert information]*;

- (c) Our Bid shall be valid for a period of *[insert number]* days from the date fixed for the Bid submission deadline in accordance with the Bidding Documents, and it shall remain binding upon us and may be accepted at any time before the expiration of that period;
- (d) If our Bid is accepted, we commit to obtain a Performance Security in the amount of *[insert percentage amount]* percent of the Contract Price for the due performance of the Contract;
- (e) Our firm, including any subcontractors or suppliers for any part of the Contract, have nationalities from the following eligible countries: *[insert information]*;
- (f) We are not participating, as Bidders, in more than one Bid in this bidding process, other than alternative offers in accordance with the Bidding Documents;
- (g) Our firm, its affiliates or subsidiaries, including any subcontractors or suppliers for any part of the Contract, has not been declared ineligible by the Funding Source;
- (h) We understand that this Bid, together with your written acceptance thereof included in your notification of award, shall constitute a binding contract between us, until a formal Contract is prepared and executed; and

⁴ If ADB, JICA and WB funded projects, use IFB.

- (i) We understand that you are not bound to accept the Lowest Calculated Bid or any other Bid that you may receive.
- (j) **We likewise certify/confirm that the undersigned, is the duly authorized representative of the bidder, and granted full power and authority to do, execute and perform any and all acts necessary to participate, submit the bid, and to sign and execute the ensuing contract for the [Name of Project] of the [Name of the Procuring Entity].**
- (k) **We acknowledge that failure to sign each and every page of this Bid Form, including the Bill of Quantities, shall be a ground for the rejection of our bid.**

Name: _____

In the capacity of: _____

Signed: _____

Duly authorized to sign the Bid for and on behalf of: _____

Date: _____

Form of Contract Agreement

THIS AGREEMENT, made this *[insert date]* day of *[insert month]*, *[insert year]* between *[name and address of PROCURING ENTITY]* (hereinafter called the “Entity”) and *[name and address of Contractor]* (hereinafter called the “Contractor”).

WHEREAS, the Entity is desirous that the Contractor execute *[name and identification number of contract]* (hereinafter called “the Works”) and the Entity has accepted the Bid for *[insert the amount in specified currency in numbers and words]* 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 are 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) General and Special Conditions of Contract;
 - (b) Drawings/Plans;
 - (c) Specifications;
 - (d) Invitation to Bid;
 - (e) Instructions to Bidders;
 - (f) Bid Data Sheet;
 - (g) Addenda and/or Supplemental/Bid Bulletins, if any;
 - (h) Bid form, including all the documents/statements contained in the Bidder’s bidding envelopes, as annexes, and all other documents submitted (e.g., Bidder’s response to request for clarifications on the bid), including corrections to the bid, if any, resulting from the Procuring Entity’s bid evaluation;
 - (i) Eligibility requirements, documents and/or statements;
 - (j) Performance Security;
 - (k) Notice of Award of Contract and the Bidder’s conforme thereto;
 - (l) Other contract documents that may be required by existing laws and/or the Entity.
3. In consideration of the payments to be made by the Entity to the Contractor as hereinafter mentioned, the Contractor hereby covenants with the Entity to execute and complete the Works and remedy any defects therein in conformity with the provisions of this Contract in all respects.

4. The Entity 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.

IN WITNESS whereof the parties thereto have caused this Agreement to be executed the day and year first before written.

Signed, sealed, delivered by _____ the _____ (for the Entity)

Signed, sealed, delivered by _____ the _____ (for the Contractor).

Binding Signature of Procuring Entity

Binding Signature of Contractor

[Addendum showing the corrections, if any, made during the Bid evaluation should be attached with this agreement]

Omnibus Sworn Statement

REPUBLIC OF THE PHILIPPINES)
CITY/MUNICIPALITY OF _____) S.S.

AFFIDAVIT

I, *[Name of Affiant]*, of legal age, *[Civil Status]*, *[Nationality]*, and residing at *[Address of Affiant]*, after having been duly sworn in accordance with law, do hereby depose and state that:

1. *Select one, delete the other:*

If a sole proprietorship: I am the sole proprietor or authorized representative of *[Name of Bidder]* with office address at *[address of Bidder]*;

If a partnership, corporation, cooperative, or joint venture: I am the duly authorized and designated representative of *[Name of Bidder]* with office address at *[address of Bidder]*;

2. *Select one, delete the other:*

If a sole proprietorship: As the owner and sole proprietor or authorized representative of *[Name of Bidder]*, I have full power and authority to do, execute and perform any and all acts necessary to participate, submit the bid, and to sign and execute the ensuing contract for *[Name of the Project]* of the *[Name of the Procuring Entity]* *[insert "as shown in the attached duly notarized Special Power of Attorney" for the authorized representative]*;

If a partnership, corporation, cooperative, or joint venture: I am granted full power and authority to do, execute and perform any and all acts necessary to participate, submit the bid, and to sign and execute the ensuing contract for *[Name of the Project]* of the *[Name of the Procuring Entity]*, accompanied by the duly notarized Special Power of Attorney, Board/Partnership Resolution, or Secretary's Certificate, whichever is applicable;

3. *[Name of Bidder]* is not "blacklisted" or barred from bidding by the Government of the Philippines or any of its agencies, offices, corporations, or Local Government Units, foreign government/foreign or international financing institution whose blacklisting rules have been recognized by the Government Procurement Policy Board;
4. Each of the documents submitted in satisfaction of the bidding requirements is an authentic copy of the original, complete, and all statements and information provided therein are true and correct;

5. *[Name of Bidder]* is authorizing the Head of the Procuring Entity or its duly authorized representative(s) to verify all the documents submitted;

6. ***Select one, delete the rest:***

If a sole proprietorship: The owner or sole proprietor is not related to the Head of the Procuring Entity, members of the Bids and Awards Committee (BAC), the Technical Working Group, and the BAC Secretariat, the head of the Project Management Office or the end-user unit, and the project consultants by consanguinity or affinity up to the third civil degree;

If a partnership or cooperative: None of the officers and members of *[Name of Bidder]* is related to the Head of the Procuring Entity, members of the Bids and Awards Committee (BAC), the Technical Working Group, and the BAC Secretariat, the head of the Project Management Office or the end-user unit, and the project consultants by consanguinity or affinity up to the third civil degree;

If a corporation or joint venture: None of the officers, directors, and controlling stockholders of *[Name of Bidder]* is related to the Head of the Procuring Entity, members of the Bids and Awards Committee (BAC), the Technical Working Group, and the BAC Secretariat, the head of the Project Management Office or the end-user unit, and the project consultants by consanguinity or affinity up to the third civil degree;

7. *[Name of Bidder]* complies with existing labor laws and standards; and
8. *[Name of Bidder]* is aware of and has undertaken the following responsibilities as a Bidder:
- a) Carefully examine all of the Bidding Documents;
 - b) Acknowledge all conditions, local or otherwise, affecting the implementation of the Contract;
 - c) Made an estimate of the facilities available and needed for the contract to be bid, if any; and
 - d) Inquire or secure Supplemental/Bid Bulletin(s) issued for the *[Name of the Project]*.
9. *[Name of Bidder]* did not give or pay directly or indirectly, any commission, amount, fee, or any form of consideration, pecuniary or otherwise, to any person or official, personnel or representative of the government in relation to any procurement project or activity.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of ____, 20__ at _____, Philippines.

Bidder's Representative/Authorized Signatory

SUBSCRIBED AND SWORN to before me this ____ day of *[month]* *[year]* at *[place of execution]*, Philippines. Affiant/s is/are personally known to me and was/were identified by me through competent evidence of identity as defined in the 2004 Rules on Notarial Practice (A.M. No. 02-8-13-SC). Affiant/s exhibited to me his/her *[insert type of government identification card used]*, with his/her photograph and signature appearing thereon, with no. _____ and his/her Community Tax Certificate No. _____ issued on ____ at _____.

Witness my hand and seal this ____ day of *[month]* *[year]*.

NAME OF NOTARY PUBLIC

Serial No. of Commission _____

Notary Public for _____ until _____

Roll of Attorneys No. _____

PTR No. _____ *[date issued]*, *[place issued]*

IBP No. _____ *[date issued]*, *[place issued]*

Doc. No. _____

Page No. _____

Book No. _____

Series of _____

* This form will not apply for WB funded projects.

Bid-Securing Declaration

(REPUBLIC OF THE PHILIPPINES)

CITY OF _____) S.S.

X-----X

Invitation to Bid *[Insert reference number]*

To: *[Insert name and address of the Procuring Entity]*

I/We, the undersigned, declare that:

1. I/We understand that, according to your conditions, bids must be supported by a Bid Security, which may be in the form of a Bid-Securing Declaration.
2. I/We accept that: (a) I/we will be automatically disqualified from bidding for any contract with any procuring entity for a period of two (2) years upon receipt of your Blacklisting Order; and, (b) I/we will pay the applicable fine provided under Section 6 of the Guidelines on the Use of Bid Securing Declaration, within fifteen (15) days from receipt of written demand by the procuring entity for the commission of acts resulting to the enforcement of the bid securing declaration under Sections 23.1(b), 34.2, 40.1 and 69.1, except 69.1 (f), of the IRR of RA 9184; without prejudice to other legal action the government may undertake.
3. I/We understand that this Bid-Securing Declaration shall cease to be valid on the following circumstances:
 - a. Upon expiration of the bid validity period, or any extension thereof pursuant to your request;
 - b. I am/we are declared ineligible or post-disqualified upon receipt of your notice to such effect, and (i) I/we failed to timely file a request for reconsideration or (ii) I/we filed a waiver to avail of said right;
 - c. I am/we are declared as the bidder with the Lowest Calculated Responsive Bid, and I/we have furnished the performance security and signed the Contract.

IN WITNESS WHEREOF, I/We have hereunto set my/our hand/s this ____ day of *[month]* *[year]* at *[place of execution]*.

[Insert NAME OF BIDDER'S AUTHORIZED REPRESENTATIVE]
[Insert signatory's legal capacity]

Affiant

SUBSCRIBED AND SWORN to before me this ____ day of *[month]* *[year]* at *[place of execution]*, Philippines. Affiant/s is/are personally known to me and was/were identified by me through competent evidence of identity as defined in the 2004 Rules on Notarial Practice (A.M. No. 02-8-13-SC). Affiant/s exhibited to me his/her *[insert type of government identification card used]*, with his/her photograph and signature appearing thereon, with no. _____.

Witness my hand and seal this ____ day of *[month]* *[year]*.

NAME OF NOTARY PUBLIC

Serial No. of Commission _____
Notary Public for _____ **until** _____
Roll of Attorneys No. _____
PTR No. __, *[date issued]*, *[place issued]*
IBP No. __, *[date issued]*, *[place issued]*
Doc. No. ____
Page No. ____
Book No. ____
Series of _____.

