



Republic of the Philippines
KALINGA STATE UNIVERSITY
 National Road, Purok 6, Bulanao, City of Tabuk, Kalinga

OWNER – CONTRACTOR AGREEMENT

CONTRACT FOR THE CONSTRUCTION OF KALINGA LIVELIHOOD MUSEUM AND KSU ALUMNI CENTER PHASE II

KNOW ALL MEN BY THESE PRESENTS:

This Agreement made and entered into this 20th day of March, 2016 by and between:

The **KALINGA STATE UNIVERSITY**, represented herein by its University President, **DR. JOVITA E. SAGUIBO**, with principal office address at National Road, Purok 6, Bulanao, City of Tabuk, Kalinga herein after referred to as the **OWNER**;

-and-

EQUIP CONSTRUCTION with office address at Provincial Road, Appas, City of Tabuk, Kalinga represented by its Proprietor/Manager, **SHIRLEY O. GAMON**, herein referred to as the **CONTRACTOR**;

WITNESSETH:

Whereas, the Owner intends to construct the **KALINGA LIVELIHOOD MUSEUM AND KALINGA STATE UNIVERSITY ALUMNI CENTER PHASE II** hereinafter referred to as the **PROJECT**;

WHEREAS, the Owner, through its Special Project Fund FY 2016, has available fund in the amount of **One Million, One Hundred Sixty-four Thousand, Seven Hundred Seventy-one Philippine Pesos and Ninety-one Centavos (PhP 1,164,771.91)** hereinafter referred to as the **ABC**;

Whereas, the Owner needs the services of a competent and responsible construction firm to undertake the completion of the Project with the frame of **Sixty-one (61) calendar days**;

Whereas, in compliance with the provisions of RA 9184, the Owner through its Bids and Awards Committee (BAC) has conducted the public bidding held on March 15, 2016, and the Contactor's bid in the amount of **Nine Hundred Seventy-one, Two Hundred Ninety-one Philippine Pesos and Four Centavos (Php971,291.04)** was declared as the **Lowest Calculated Responsive Bid**, logically accepted and advantageous to the Owner;

Whereas, the Contractor has agreed and accepted the award to undertake the construction works for the Project under the terms and conditions herein set forth;

Now, therefore, for and in consideration of the above premises and the covenants hereinafter stipulated, the parties hereto hereby agree as follows:

ARTICLE I
SCOPE OF WORK

The Contractor shall undertake the construction of the Project for the Owner in accordance with the Contract Documents as listed in Article II.

The Contractor shall faithfully and completely furnish to the satisfaction of the Owner all necessary labor, supervision management, tools, supplies, equipment and plant; perform all the work necessary to complete the Project ready for service and occupancy and to the terms and conditions of the Agreement in accordance with the items of Work:

Jovita E. Saguibon
 JOVITA E. SAGUIBO, Ph.D.
 University President

Shirley O. Gamon
 MRS. SHIRLEY O. GAMON
 Contractor

Ramond E. Balbin
 RAMOND E. BALBIN, Ph.D.
 VP for Admin, Finance, Planning & Dev't.

Arnold A. Tanding
 ARNOLD A. TANDING, CPA
 Accountant

Engr. Rhonhon R. Garming
 ENGR. RHONHON R. GARMING
 Chairman, Infrastructure Dep't.

May Josefa S. Susung
 MAY JOSEFA S. SUSUNG
 End-User/Project Leader

ARTICLE II
THE CONTRACT DOCUMENTS

The following which are marked as Annexes hereto attached and made integral part hereof shall except as modified by mutual agreement of the parties shall form part of this Agreement:

- Annex A:** BAC Resolution declaring LCRB and recommending for award approved by the Owner, including the following sub-annexes:
 - A-1: Invitation to Bid,
 - A-2: Abstract of Bids,
 - A-3: Approved Agency Estimates (AAE),
 - A-4: Bid Proposals,
 - A-5: Evaluation Forms,
 - A-6: Supplemental Bids;
- Annex B:** Project Plans (Drawing/Plans);
- Annex C:** Specifications (Technical);
- Annex D:** General and Special Conditions of Contract;
- Annex E:** Instructions to Bidders;
- Annex F:** Bid Data Sheet;
- Annex G:** Notice of Award to the Contractor and Conformance of the Contractor;
- Annex H:** Approved Program of Works;
- Annex I:** Performance Security and Contractor's All-Risk Insurance (CARI);
- Annex J:** Notice to Proceed with the Construction;
- Annex K:** Cash Flow;
- Annex L:** Manpower Schedule;
- Annex M:** Equipment Utilization; and
- Annex N:** Eligibility Requirements.

Other documents, which are hereinafter mutually agreed upon and signed by the parties hereto, whether said documents were prepared before or after the date hereof shall form part of this Contract.

ARTICLE III
AUTHORITY OF THE OWNER

Among other things, the Owner, through their Infrastructure Services Office and Project Engineers will have the absolute and final authority in accordance with the provisions of the Agreement and other Contract Documents to evaluate and make recommendations to the Owner regarding the following:

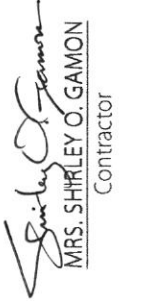
1. Execution and quality of work,
2. Quality of Materials and equipment supplied,
3. Quality of work completed for purpose of determining value of accomplishment,
4. Interpretation of the Contract Documents, and
5. Stoppage of work if the Contractor does not comply with the Contract Documents.

For the purposes, the Owner shall designate in writing the duly authorized representative(s) in each project. Any instructions, directions or approval received from employees or representatives of the Owner other than the designated representative(s) shall be of no force or effect unless duly authorized in by writing by the Owner.

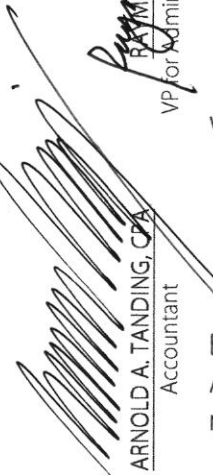
ARTICLE IV
CONTRACT PRICE

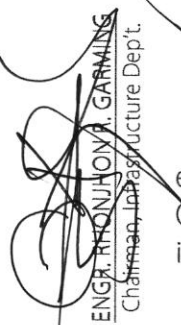
The Owner shall pay the Contractor in consideration of the full and faithful performance and accomplishment of all obligations specified in Articles I and II above, which the Contractor agreed to undertake, perform and accomplish under this Contract Price: **Nine Hundred Seventy-one, Two Hundred Ninety-one Philippine Pesos and Four Centavos (Php971,291.04)** or determined by pertinent provisions of RA 9184 and subject to work finally performed and accomplished under the usual accounting and auditing requirements of the Owner and the general conditions of the Agreement.

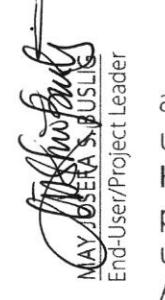

JOY A. SAGUJBO, Ph.D.
University President


MRS. SHIRLEY O. GAMON
Contractor


RAYMOND E. BALBIN, Ph.D.
VP for Admin, Finance, Planning & Dev't.


ARNOLD A. TANDING, CPA
Accountant


ENGR. RHONJHOVA A. GARMINGS
Chairman, Infrastructure Dep't.


MAY JOSEFA S. PUSLIG
End-User/Project Leader

ARTICLE V
WORK COMPLETION TIME

The Contractor shall commence his work within Three (3) Calendar Days from receipt of Notice to Proceed and shall fully complete his work on or before May 22, 2016. Full completion shall mean entire fulfillment of the Contract in all details in strict accordance with the Contract Documents subject to any modifications, which the Owner may duly authorize in writing during the execution of work.

ARTICLE VI
MANNER OF PAYMENT

The Owner shall periodically pay the Contractor based on the estimates of the work satisfactorily completed by the Contractor and accepted by the Owner upon written request of the Contractor. Upon billing, the Owner shall deduct ten percent (10%) contract price retention and other deductions prescribed by RA 9184 and other relevant existing laws.

After the work has been completed, the Infrastructure Service Office and the Technical Committee shall jointly certify as to the completion thereof and recommend to the Owner the final acceptance by the same. After final acceptance, the Owner shall pay the Contractor all amounts still due, excepting there from such sum or sums as may be lawfully retained under any provisions of this Agreement. Final payment of the Contract Price, however, shall not be made until the Contractor has submitted a sworn statement showing that all obligations for materials used and labor employed in connection with this Agreement shall be construed as a waiver of the right of the Owner which is hereby reserved to reject the whole or any portion of the work should the same be found to have been construed in violation of the plans and specifications or any conditions or covenants of the Agreement.

No payment shall be effected without proper approval of the Owner in the value of works accomplished.

ARTICLE VII
PERMITS

The Contractor shall, as necessary/required by law, apply for payment and secure the building and occupancy permits, license and similar documents required for the work.

ARTICLE VIII
RETENTION

The Owner shall deduct and withhold from every progress payment due from the Contractor in the amount equivalent to ten percent (10%) of the work accomplished until fifty percent (50%) of the value of the works as determined by the Owner are completed. If after fifty percent (50%) completion, the work is satisfactory done and on schedule, no additional retention shall be imposed. All amount withheld shall be paid to the Contractor upon final acceptance of the work and only upon presentation to the Owner by the Contractor of the Guarantee Bond issued by a duly accredited Surety Company ten percent (10%) of the total contract amount including the cost of extra works if any, and an affidavit executed by the Contractor stating that all wages and salaries of the staff, cost of materials and/or rentals of equipment used by virtue of this Contract including claims for damages and other obligations connected with the work have all been fully settled whichever is latest.

ARTICLE IX
OPTION TO COMPLETE WORK

In case the Contractor at anytime during the progress of the work should fail, refuse or neglect to supply the needed materials, equipment, workmen after giving the Contractor a three-day written notice, and proceed with the work in accordance with the Contract, and the Owner may complete the said work and may charge the cost thereof to the Contractor and his Performance Security or may deduct the cost of the same from the amount due at the time to the Contractor under this Contract, the amount of which shall be determined and validated by the Infrastructure Service Office. However, this stipulation shall relieve or in any way diminish the responsibility of the Contractor under this Contract.


JONITA SAGUIBON, Ph.D.
University President


MRS. SHIRLEY O. GAMON
Contractor


RAYMOND E. BALBIN, Ph.D.
VP for Admin, Finance, Planning & Dev't.


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Accountant


ENGR. RHONAHON R. GAMINS
Chairman, Infrastructure Dept.


MAY JOSEFA S. BUSLIG
End-User/Project Leader

ARTICLE X
PERFORMANCE SECURITY OF THE CONTRACTOR

The Contractor within seven (7) calendar days after receipt of Contract shall furnish the Owner a Performance Security covering payment and obligations arising from the Contract issued by a duly accredited Surety Company issued to the Owner. The Performance Security shall be in accordance with the provisions of RA 9184 as amended and shall remain and continue in full force and effect for the period of two (2) months after the final acceptance of the works by the Owner only after the expiration of two (2) months from the final acceptance of the work, provided that the Contractor has submitted to the Owner the Guarantee Bond stipulated under Article VIII of the Contract.

In case of delay in the completion of the Project, the Contractor even without notice from the Owner shall automatically renew and/or extend effectivity of the Performance Security.

ARTICLE XI
LIQUIDATED DAMAGES

It is understood and agreed that time is of the essence of the Agreement. In the event that the Contractor refuses or fails to complete the work within the time therein specified or within the validity of extension or extensions that may be granted by the Owner. If any, the Owner is hereby authorized to deduct the amount of liquidated damages from any amount or which may hereafter become due to the Contractor as his/its fee under this Agreement or to collect or charge such liquidated damages from both the amount due to the Contractor under its Agreement and the Performance Security filed by the Contractor whichever is convenient and expeditious to the Owner. However, no liquidated damages or any excess cost shall be charged when the delay in completion of the work is due to unforeseeable causes, beyond the control and without the fault or negligence of the Contractor or to any causes directly attributable to the Owner or to force majeure as herein defined in Article XII below.

The amount of the liquidated damages to be paid by the Contractor shall be in accordance with the provisions of RA 9184 as amended, for each calendar day of delay, Sundays and Holidays included until the work is completed.

ARTICLE XII
FORCE MAJEURE AND OTHER CAUSES


The Contractor shall not be liable for any failure or default in the performance of the Agreement for reasons beyond its control including force majeure. However, the Contractor shall promptly notify Owner in writing of the occurrence or any event constituting force majeure. As used herein, the term "force majeure" shall mean events attributable to natural or human cause or phenomena that make it impossible or impractical for the Contractor to carry out in whole or in parts its obligations under this Agreement.

In the event of force majeure resulting in suspension of work, this Agreement shall be extended by a period equal to that for which the Contractor was prevented from performing.

ARTICLE XIII
CONTRACTOR'S LIABILITIES

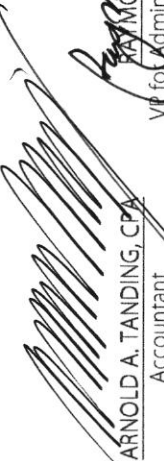
It is hereby agreed and understood that no employer-employee relationship exist between the Owner and all laborers, workers, employees and staff of the Contractor who are not in any way connected with the Owner and there exists no employer-employee relationships between the Owner and said laborers, employees and staff of the Contractor.

The Contractor binds itself to protect and immune the Owner from any suit or liability resulting from claims of any nature whether for death, injuries or damages that may be suffered by Contractor's workers and/or by third parties arising from or in connection with the performance of the work. The Contractor shall at all times stand solely liable and/or responsible for compliance with all existing laws, rules and regulations and the Contractor agrees and binds itself to save and hold the Owner harmless from any and all liabilities in respect thereto or arising there from.


JOYTA E. SAGUIBO, Ph.D.
University President


MRS. SHIRLEY O. GAMON
Contractor


RAYMOND E. BALBIN, Ph.D.
VP for Admin, Finance, Planning & Dev't


ARNOLD A. TANDING, CPA
Accountant


ENGR. RHONIHON B. GARMING
Chairman, Infrastructure Dept.


MAY JOSEFA S. USLIG
End-User/Project Leader

ARTICLE XIV
CONTRACTOR'S ALL RISK INSURANCE

The Contractor shall insure the Project with the Government Service Insurance System (GSIS) or any private Insurance Company duly accredited by the government in the joint names of the Owner and the Contractor against all loses or damages from any cause whatsoever, except risk in an amount not less than the Contract Price and in such manner the Owner and the Contractor are covered from the day of issue of this Contract until such date as the works are handed over to the Owner.

ARTICLE XV
COMPLIANCE OF LAWS, ORDINANCES, ETC.

The Contractor shall comply with all the laws, ordinances and regulations of both the national and local government applicable to or binding upon the parties hereto, the work covered by this Contract or the persons engaged in the performance and accomplishment of the work covered by this Contract and shall be responsible for all damages either to the Owner or the Government, National or Local for the non-observance of such laws, ordinances and regulations.

ARTICLE XVI
CHANGE IN WORK

The Owner at any time prior to the completion of the work specified herein may order in writing changes in the work. No such change, addition, omission or alternation shall be started or made until the Contractor shall have submitted an approved Change Order Form duly signed by the Owner, specifying in detail the change, addition, omission or alterations.

The unit price and amounts in the proposal of the Contractor shall be used to determine the additive or deductive amount to Contract Sum for any change in the work. The unit price and amounts include overhead, profit and taxes.

Change order shall contain the amount including all costs and fees that is to be added or deleted from the contract amount, also the change in schedule if any, applicable of date of substantial completion resulting from the change. Owner at his option may authorize Change Orders without the amount being stated, but in such case, the amount shall be negotiated and may be agreed upon within fifteen (15) days from the date of issuance of the Change Order.

When so advised, the Contract Sum set forth herein shall be adjusted accordingly.

ARTICLE XVII
CONTRACTOR'S GUARANTEE OF WORK

The Contractor warrants that all materials, facilities and equipment used in the Project and covered under the contract are brand new free from defects and strictly in accordance with the Technical Specifications of the Project.

Likewise, the Contractor warrants that all the civil works and installation of materials, facilities and equipment called for in this Contract shall be carried in a work manlike and in conformity with sound engineering practices. Any defects resulting from the Contractor's non-compliance with his/its obligations shall be made good without any expense on the part of the Owner.

The Contractor shall undertake at his expense all repairs and/or replacement of materials, facilities and equipment or parts thereof which are found to be defective inferior and not in accordance with this Agreement and which are brought to the attention of the Contractor within seven (7) days from written notification from the Owner therefore and within one (1) year after final acceptance of work by the Owner thereof.


JONATA E. SAGULIBO, Ph.D.
University President


MRS. SHIRLEY O. GAMON
Contractor


RAYMOND E. BALBIN, Ph.D.
VP for Admin, Finance, Planning & Dev't.


ARNOLD A. TANDING, CPA
Accountant


ENGR. RHODORA B. GARNING
Chairman, Infrastructure Dept.


MAY JOSEFA S. JUSLIG
End-User/Project Leader

The Contractor prior to the release of the Performance Security as provided therein, shall furnish the Owner with a Guarantee Bond acceptable in form and substance to the Owner in the amount equivalent to ten percent (10%) of the total Contract amount including the cost of additional or extra works, if any, which Guarantee Bond shall be effective for a period of one (1) year reckoned from the date of final acceptance of the work by the Owner to answer for any loss, damage, injury or expenses which may be incurred as a result of defects or deficiencies in the Contractor's work.

ARTICLE XVIII
SUPPLETORY USE OF CONTRACT DOCUMENTS

The Contract Documents shall be suppletory of this Contract. Any and all deficiencies in the provisions of this Contract intended to be covered hereby or otherwise connected with or related to the Project covered hereby, shall be supplied by the Contract Document.

ARTICLE XIX
VALIDITY CLAUSE

If any term or conditions of this Contract is held invalid or contrary to law, the validity of the other terms and conditions hereof shall be affected thereby.

ARTICLE XX
CONTRACT TERMINATION AND JURISDICTION

The Contract may be terminated by any of the parties hereby by reasons of non-abeyance of any of its articles. The parties hereto agree that any question relating to the Contract referable to a Court shall be submitted solely to the venue and jurisdiction of the court of CAR.

ARTICLE XXI
CLEANING

The Contractor shall keep the construction area and roadways broom-clean and free from accumulation of waste materials and rubbish at all times, and at the completion of work he shall remove from the premises all rubbish, implements and surplus materials and leave the construction site broom-clean and shall share in cleaning costs of Owner if any. The Contractor shall make special provisions to minimize and confine dusts and debris resulting from such waste materials, which shall be the sole liability of Contractor who holds the Owner absolutely free there from.

ARTICLE XXII
SAFETY SECURITY

The Contractor agrees that the work done will comply with all safety and health laws, rules and regulations of the government and/or of the Owner or of its representatives. The Contractor shall abide by the safety and regulations of the Owner and any decision made by the Owner in relation thereto.

No open fires will be permitted nor will any operations involving the use of flames, arcs or sparking device be allowed without adequate protection and specific permission from the Owner. Claims, losses or damage due to violation of safety procedures, laws and regulations shall be the Contractor's liability to the exclusion of the Owner.

Smoking and cooking shall not be allowed in the construction premises and areas. Smoking areas and cooking places shall be designated by the Project Engineer. The Contractor shall also provide, where necessary, adequate fire extinguishers and protection equipment in his warehouse, temporary offices and where work being done so required.

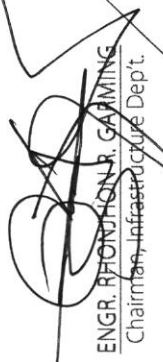
The Contractor shall be responsible for safety of personnel, his construction methods, techniques, sequence and procedures and shall ensure that all his personnel observe the same safety practices.


JONATHAN E. SAGUJBO, Ph.D.
University President


MRS. SHIRLEY O. GAMON
Contractor


RAYMOND E. BALBIN, Ph.D.
VP for Admin, Finance, Planning & Dev't.


ARNOLD A. TANDING, CPA
Accountant


ENGR. ROFONHON R. GARMING
Chairman, Infrastructure Dept.


MAY JOSEFA S. BUSIB
End-User/Project Leader

The Contractor shall provide sufficient security service to prevent illegal entry or damage to his works during nights, holidays or other periods when work is not being executed and as required during working hours.

ARTICLE XXIII
OWNERSHIP OF SCAFFOLDINGS

No materials, supplies and equipment for the work shall be purchased subject to any chattel mortgage or under a conditional part thereof is retained by the seller or supplier.

The Contractor warrants that except for any Owner furnished materials/equipment he holds valid, legitimate, unquestionable and final title to all materials, supplies and equipment installed or incorporated in the work are free from all liens claims, encumbrances or charges and agrees upon completion of all work to deliver the premises together with all improvement and appurtenances constructed or placed therein by him to the Owner. Any damage or lawsuit arising from claims in whole or part by any party on the ownership or title over such any materials, supplies, equipment, works, premises, improvement and appurtenances shall be the Contractor's sole liability to the Owner exclusion without prejudice to actions against the Contractor for damages or injuries there from.

ARTICLE XXIV
LEGAL CONSTRUCTION

All terms and conditions of this Contract including questions of interpretation and enforcement, shall be construed under the laws of the Philippines.

All unresolved claims, disputes, and other matters in question between Contractor and Owner arising out of, or relating to the Contract Documents or the breach thereof shall be submitted to arbitration in accordance with the Executive Order No. 1008 providing for arbitration in the construction industry and as provided by law.

In case of conflict between the provisions, terms and conditions of this Contract proper on one hand and on the other hand, those contained in its annexed Contract documents, other contractors, and suppliers or with such other parties in relation to the project, it is understood that the provisions, terms and conditions of this Contract proper shall prevail and shall be binding upon the parties.

ARTICLE XXV
ROYALTIES AND PATENTS

The Contractor shall pay all royalties and license fees. He shall defend at his own cost all suits or claims for infringement of any trademarks, copyrights, or patents and shall hold the Owner free and harmless from loss or damage or injury on account thereof.

ARTICLE XXVI
WAIVERS, MODIFICATION AND AMENDMENTS

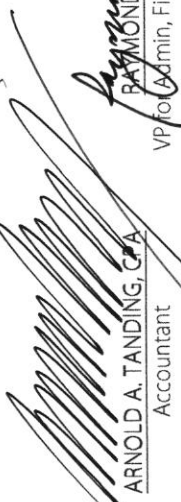
No waiver, modification or amendment of any terms, conditions or provisions of this Contract shall be valid or with any force or effect unless made in writing duly signed by the extent of such waiver, modifications or amendments.

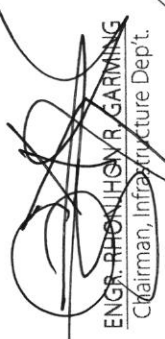
The signing of such writing(s) in any instance(s) shall in no event be construed to be a general waiver, abandonment, modification or amendment of any of the terms, conditions or provisions herein contained but the same shall be strictly limited and restricted to the extent and occasion specified in such writing(s).


JOVITA SAGUJIBO, Ph.D.
University President


MRS. SHIRLEY O. GAMON
Contractor


RAYMOND E. BALBIN, Ph.D.
VP for Admin, Finance, Planning & Dev't.


ARNOLD A. TANDING, CPA
Accountant


ENGR. RHONULISON R. GARVINA
Chairman, Infrastructure Dept't.


MAY JOSEFA T. BABILIG
End-User/Project Leader

IN WITNESS WHEREOF, the parties hereto have signed this 21st day of March, 2016, at the City of Tabuk, Kalinga, Philippines.

OWNER:


JOYITA E. SAGUIBON, Ph.D.
Owner

Kalinga State University

CTC No. : 06945703
Issued at : City of Tabuk City, Kalinga
Issued on : January 6, 2016


CONTRACTOR:


SHIRLEY O. GAMON
Contractor

Equip Construction

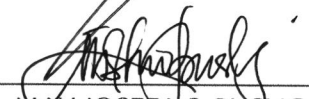
CTC No. : 06946473
Issued at : City of Tabuk, Kalinga
Issued on : January 7, 2016

SIGNED IN THE PRESENCE OF


RAYMOND E. BALBIN, Ph.D.
Vice President for Admin., Finance,
Planning and Development


ENGR. RHONJHON R. GARMING
Chairman, Infrastructure Department


ARNOLD A. TANDING, MBA
Accountant III


MAY JOSEFA S. BUSLIG
Project Leader, UPKEEP

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
PROVINCE OF Kalinga) S.S
CITY OF Tabuk)

Jovita E. Saguibo
JOVITA E. SAGUIBO, Ph.D.
University President

Mrs. Shirley O. Gamon
MRS. SHIRLEY O. GAMON
Contractor

Raymond E. Balain
RAYMOND E. BALAIN, Ph.D.
VP for Admin, Finance, Planning & Dev't.

Before me a Notary Public for and in the Province of Kalinga personally appeared Dr. Jovita E. Saguibo and Mrs. Shirley O. Gamon with Community Tax Certificate Numbers place and date issued indicated below their respective names, known to be the same persons who executed the foregoing Contracts consisting of nine (9) pages including this page and acknowledge to me that the same is their Free Voluntary acts and deed as well as the Kalinga State University which Dr. Jovita E. Saguibo represents.

Witness my hand and seal this 22nd day of March, 2016.

Atty. Dick Gaydoen Bal-o
ATTY. DICK GAYDOEN BAL-O
Notary Public until December 31, 2016
NOTARY PUBLIC
PTR No. 6137199 January 04, 2016
Until
IBP Lifetime Membership No. 09264
PTR No.
Roll No. 44029-May 7, 1999, Manila
Issued at:
Tabuk City, Kalinga
Issued on: _____
Tin No. : _____

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Series of 2016

Arnold A. Tanding
ARNOLD A. TANDING, CPA
Accountant

Engr. Rhonison R. Garing
ENGR. RHONISON R. GARING
Chairman, Infrastructure Dep't.

May Josefa Suslig
MAY JOSEFA SUSLIG
End-User/Project Leader