

# CONTRACT AGREEMENT

THIS AGREEMENT made the 04 FEB 2022 day of 2022 between **ELISA B. ALIBAY**, General Manager, representing **BUENAVISTA WATER DISTRICT (BWD)**, Rizal Avenue, Barangay 3, Buenavista, Agusan del Norte hereinafter called the "Procuring Entity" and **JULITO F. CACAYAN**, General Manager of **MAXTER RESOURCES, INCORPORATED**, Purok 4 Suwa Manapa Buenavista, Agusan del Norte hereinafter called "the Contractor" of the other part:

WHEREAS, the Entity is desirous that the Contractor execute **The Construction of Pump Station No. 6- Project No. 3- Supply, Delivery, Installation & Testing of Single Phase Primary Power Source** and 2022-01 hereinafter called "the Works" and the Entity has accepted the Bid for **Five Hundred Seventy Five Thousand One Hundred Fifty Three and 20/100 Only (Php 575,153.20)** 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;
3. In consideration of the payments to be made by the Procuring Entity to the Contractor as herein after mentioned, the Contractor hereby covenants with the Procuring Entity to execute and complete the Works and to remedy any defects therein in conformity in all respects with the provisions of the Contract
4. The **Start Date** is **Seven calendar days** after Notice to proceed when the Site to the Contractor.
5. The Contractor shall undertake **The Construction of Pump Station No. 6- Project No. 3- Supply, Delivery, Installation & Testing of Single Phase Primary Power Source** at the

ELISA B. ALIBAY  
BWD General Manager

JULITO F. CACAYAN  
Maxter Resources Inc.

ENGR. EDMAR R. HARANAY  
For the Entity

Witness

LATHANIE D. OLIVAN  
For the Supplier

Project site which is at Barangay Rizal, Buenavista, Agusan del Norte with the following Bill of Quantities:

### BILL OF QUANTITIES

Item Number	Description	Quantity	Unit Price (including tax) Pesos	Price (including tax) Pesos
<b>Supply, Delivery, Installation &amp; Testing of Single Phase Primary Power Source and Its Accessories with Signed and Sealed Plan plus Design Analysis for Pump Station 6 with an Estimated distance of 500 meters.</b>				
1	Primary Steel Pole 40 ft.	1 pc.	26,000.00	26,000.00
2	Primary Steel Pole 35 ft.	8 pc.	19,000.00	152,000.00
3	ACSR No. 2 Bare	1100 mtr.	35	38,500.00
4	Transformer 10 KVA, 13.2kv / 7.62kv / 240v, Brand new, PCB Free	1 unit	85,000.00	85,000.00
5	Suspension Clamp 1/0	1 pc.	180.00	180.00
6	Pin-Type Insulator 5 1/2- 55-5	10 pcs.	210.00	2,100.00
7	Single Upset Bolt 5/8 x 12	4 pcs.	85.00	340.00
8	Spool Insulator 1 3/4	8 pcs.	45.00	360.00
9	Pole Tap Pin	10 pcs.	380.00	3,800.00
10	Machine Bolt 5/8 x 10	8 pcs.	55.00	440.00
11	Machine Bolt 5/8 x 10	10 pcs.	68.00	680.00
12	Malleable Guy	6 pcs.	175.00	1,050.00
13	Guy Grip 1/0	12 pcs.	210.00	2,520.00
14	Double -Upset bolt 5/8 x 12	1 pc.	95.00	95.00
15	Guy-Wire 7-Strands	84 mtrs.	21.00	1,764.00
16	Square Washer 2x2	34 pcs.	28.00	952.00
17	Cut-Out Assembly Chance 30 Amps, 9-10 kv	1 unit	5,500.00	5,500.00
18	Cut-Out Assembly w/ Lightning Arrester 9 kv	1 unit	7,500.00	7,500.00
19	Anchor Rod 5/8 x 7	6 pcs.	450.00	2,700.00
20	Square Washer 4x 4	6 pcs.	120.00	720.00
21	Oval-Eye Bolt 5/8 x 12	9 pcs.	95.00	855.00
22	Swing Clevis 1 3/4	4 pcs.	195.00	780.00
23	Eye-Nut 5/8	2 pcs.	95.00	190.00
24	Anchor Shackle 1/2	3 pcs.	250.00	750.00
25	Suspension Insulator #6 ( for 7.62 KV)	6 pcs.	300.00	1,800.00
26	Strain Clamp 1/0	2 pcs.	310.00	620.00
27	Hotline Clamp 1/0	2 pcs.	450.00	900.00
28	Stirrup	2 pcs.	1,600.00	3,200.00
29	THW Copper Wire Stranded No. 6	60 mtrs.	130.00	7,800.00
30	Secondary Rack 2 pole	2 pcs.	750.00	1,500.00
31	Solderless Clamp No.6 with Electrical Tape	2 unit	1,200.00	2,400.00
32	Entrance Cap 25 mm.	1 pc.	450.00	450.00
33	Liquid tight Hose 25 mm.	3 mtrs.	280.00	840.00
34	Metal conduit Clip 25 mm.	5 pcs.	75.00	375.00
<b>TOTAL MATERIAL COST</b>				<b>354,661.00</b>
35	Installation Cost	1 ls	150,000.00	150,000.00
36	Signed and Sealed Plan & Design Analysis	1 ls	45,913.00	45,913.00
<b>TOTAL LABOR &amp; MATERIAL COST</b>				<b>550,574.00</b>
37	Add: VAT			24,579.20
<b>TOTAL BID AMOUNT</b>				<b>575,153.20</b>

6. The **Procuring Entity's Representative** is **ELISA B. ALIBAY** who shall be responsible for supervising the execution of the works and administering this contract.

ELISA B. ALIBAY  
BWD General Manager

JULITO F. CACAYAN  
Master Resources Inc.

ENGR. EDWARD R. HARANAY  
For the Entity

Witness

LATIMIENTE D. B. OLIVAR  
For the Supplier



7. **RETENTION.** Final payment is subject to retention of **Ten Percent (10%)**, referred to as "RETENTION MONEY" and shall be released after a year from the date of project completion. Such retention shall be based on the total amount due to the Contractor prior to any deduction and shall be retained as determined by the Procuring Entity is completed.
11. **PERFORMANCE SECURITY.** To guarantee the contractor's faithful performance of the contract obligations, he shall post in favor of the Procuring Entity and within Ten (10) calendar days from the receipt of the Notice of Award from the Procuring Entity but in no case later that the signing of the contract by the parties, the Contractor shall furnish a performance security denominated in Philippine Pesos and posted in favor of the Procuring Entity in the amount not less than the percentage of the total contract price in accordance with the following schedule:

Form of Performance Security	Amount of Performance Security (Not less than the Percentage of the Total Contract Price)
(a) Cash or cashier's/manager's check issued by a Universal or Commercial Bank. <i>For biddings conducted by the LGUs, the Cashier's/Manager's Check may be issued by other banks certified by the BSP as authorized to issue such financial instrument.</i>	Five percent (5%)
(b) Bank draft/guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank: Provided, however, that it shall be confirmed or authenticated by a Universal or Commercial Bank, if issued by a foreign bank. <i>For biddings conducted by the LGUs, Bank Draft/Guarantee, or Irrevocable Letter of Credit may be issued by other banks certified by the BSP as authorized to issue such financial instrument.</i>	Ten percent (10%)
(c) Surety bond callable upon demand issued by a surety or insurance company duly certified by the Insurance Commission as authorized to issue such security.	Thirty percent (30%)

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.

The performance security shall remain valid until issuance by the Procuring entity of the Certificate of Final Acceptance.

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:

- There are no pending claims against the Supplier or the surety company filed by the Procuring Entity; and
- The supplier has no pending claims for labor and materials field against it;
- Other terms specified in the SCC.

In case of a reduction of 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

ELISA BALITAY  
BWD General Manager

JULITO F. CACAYAN  
Master Resources Inc

ENGR. EDUAR R. HARANAY  
For the Entity

Witness

LATHEMIE D. QUIRIN  
For the Supplier



more than Ten Percent (10%) and that the aggregate of such reductions is not more than Fifty Percent (50%) of the original performance security.

11. **INSURANCE.** 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.
12. **CONTRACTOR'S RISK AND WARRANTY SECURITY.** 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 public at large, as well as the Works, Equipment, Installation and the like to be affected by his construction work.

The defects liability period for the project 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.

13. **INTENDED COMPLETION DATE.** The work stipulated in the Agreement shall be completed within *NINETY (90) calendar days*. The work shall officially commence the day after signing of the Agreement.
14. **EXTENSION OF THE INTENDED COMPLETION DATE.** 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 works, which would cause the Contractor to incur additional cost. No payment shall be made for any event which may warrant the extension of the Intended completion Date.

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.

15. **CONTRACT COMPLETION.** Once the project reaches an accomplishment of ninety five (95%) percent 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.

ELISA B. BACAYAN  
BWD General Manager

JULITO F. CACAYAN  
Master Resources Inc.

ENGR. EDMAR R. HARANAY  
For the Entity

Witness

WITNESSES  
For the Supplier



16. **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.

17. **CORRECTIONS OF DEFECTS.** The Procuring Entity's Representative shall give notice to the Contractor of any defects the end of the Defects Liability Periods which is One (1) year from the project completion up to final acceptance by the Procuring Entity's Representative.

The Contractor shall correct the defects which he notices himself before the end of the Defects Liability Period. The Procuring Entity shall 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 responding reduction in the Contract Price.

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.

18. **AMENDMENT TO ORDER.** Subject to the conditions set forth below, amendments to order may be issued at any time by the procuring entity concerned, under Annex "D" Section 1,1 and 1.3 of the Contract Implementation Guidelines for the Procurement of Goods Supplies and Materials of the 2016 Revised Implementing Rules and Regulations of RA9184.

19. **LIQUIDATED DAMAGES.** 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 one (1) 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.

20. **TERMINATION FOR DEFAULT OF CONTRACTOR.** The Procuring Entity shall terminate this Contractor for the 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 the 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 other this Contract time has expired, the Contractor incurs delay in the completion of the work after this Contract has expired; or
- (iii.) The Contractor:

ELISA B. ALIBAY  
BWD General Manager

JULITO F. CACAYAN  
Maxter Resources Inc.

ENGR. EDMAR R. HARANAY  
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LATAMAR R. SOLIVAR  
For the Supplier

- (a.) 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;
- (b.) 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;
- (c.) does not execute the works in accordance with this Contract or persistently or flagrantly neglects to carry out its obligations under this contract;
- (d.) neglects or refuses to remove materials or to perform a new Work that has been rejected as defective or unsuitable; or
- (e.) sub-lets any part of this Contract without approval by the Procuring Entity.

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.

21. **RESOLUTION OF DISPUTES.** 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 effort to resolve amicably such dispute or difference by mutual consultation.

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 Municipal Trial Court, Buenavista, Agusan del Norte.

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".

22. This contract shall be subject to applicable rules and regulations not inconsistent herewith.

**IN WITNESS WHEREOF**, the parties have hereunto signed this CONTRACT on the date and place first above written.


**BUENAVISTA WATER DISTRICT**

  
ELISA B. ALIBAY  
General Manager C

**MAXTER RESOURCES, INCORPORATED**

  
JULITO F. CACAYAN  
General Manager

Signed in the presence of:

  
For the Entity

  
For the Contractor

ELISA B. ALIBAY  
BWD General Manager

JULITO F. CACAYAN  
Maxter Resources Inc.

ENGR. EDMAR R. HARANAY  
For the Entity

Witness

LATIMARIE B. BUNUAN  
For the Supplier



## ACKNOWLEDGEMENT

Republic of the Philippines)  
\_\_\_\_\_) S.S.

BEFORE ME, a Notary Public for and in BUTUAN CITY, Philippines, on this FEB 04 2022 day of \_\_\_\_\_, 20\_\_\_\_ in the place abovementioned, personally appeared **ELISA B. ALIBAY** representing the **BUENAVISTA WATER DISTRICT** and **JULITO F. CACAYAN** is representing **MAXTER RESOURCES, INCORPORATED** who exhibited to me their Community Tax Certificate Nos. 24145079 and 24145240 issued at Buenavista, Agusan del Norte on January 5, 2022 and January 6, 2022, respectively, both known to me and known to be the same persons who executed the foregoing instrument and they acknowledged before me that the same is their free and voluntary act and deed as well as that of the entities they respectively represent.

This instrument consists of seven (7) pages including the page on which this acknowledgment is written, all of which have been signed by the parties and their instrumental witnesses.

WITNESS MY HAND AND SEAL on the date and at the place first hereinabove written.

### NOTARY PUBLIC

ATTY. JOSE B. GUIBONE  
NOTARY PUBLIC  
UNTIL JUNE 30, 2022  
PTR NO. 2175707 01-03-22  
IEF NO. 156306 02-05-2022  
MCLE NO. VII 0002245 4-14-22  
TIN NO. 168-402-904  
ROLL NO. 51471/BUTUAN CITY

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ELISA B. ALIBAY  
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JULITO F. CACAYAN  
Maxter Resources Inc.

ENGR. EDMAR R. HARANAY  
For the Entity

Witness

LATIMAR B. BLIVIA  
For the Supplier