



Republic of the Philippines  
**MOUNTAIN PROVINCE STATE POLYTECHNIC COLLEGE**  
Bontoc, Mountain Province

**OFFICE OF THE PRESIDENT**

**NOTICE TO PROCEED**

December 8, 2017

**ENGR. BERNARD G. BANTA**

*General Manager*

**KHATIB CONSTRUCTION**

117 SLU-SVP Housing Project, Bakakeng Old Site, Baguio City

**Dear Sir:**

Season's Greetings!

The attached Contract Award having been approved, notice is hereby given so that the project may commence to undertake the work for the project; **"CONSTRUCTION OF FIVE STOREY MULTI-PURPOSE TECHNOLOGY CUM CENTER FOR MATHEMATICS AND COMPUTING SCIENCES PHASE II"** located at Bontoc Campus, effective upon receipt of this notice.

You are responsible for performing the works under the terms and conditions of the Agreement and in accordance with the Implementation Schedule.

Please acknowledge receipt and acceptance of this notice by signing both copies in the spaces provided below.

Very truly yours,

**REXTON F. CHAKAS, Ph.D.**

College President

I acknowledge receipt of this Notice on  
Name of the Representative of the Bidder:  
Authorized Signature:

13 DEC 2017



**MPSPC DEVELOPMENT  
PROJECT:**

**CONSTRUCTION OF FIVE STOREY MULTI-PURPOSE  
TECHNOLOGY CUM CENTER FOR MATHEMATICS AND  
COMPUTING SCIENCES PHASE II**

**SUBJECT:**

**OWNER – CONTRACTOR AGREEMENT**

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**KNOW ALL MEN BY THESE PRESENTS:**

This contract made and entered into this 7 day of December, 2017 at Bontoc, Mountain Province by and between:

**MOUNTAIN PROVINCE STATE POLYTECHNIC COLLEGE**, a government educational institution with office address at Bontoc, Mountain Province, and herein represented by its College President, **DR. REXTON F. CHAKAS**, referred to as the **OWNER**;

**-AND-**

**KHATIB CONSTRUCTION**, a duly established construction firm in accordance with Philippine laws, with office address 117 SLU-SVP Hausing Project, Bakakeng Old Site, Baguio City represented by its General Manager, **ENGR. BERNARD G. BANTA** hereinafter referred to as the **CONTRACTOR**.

**WITNESSETH:**

**WHEREAS**, the OWNER intends to undertake the Construction of Construction of Five Storey Multi-purpose Technology cum Center for Mathematics and Computing Sciences Phase II, located at Bontoc, Mountain Province, and hereinafter referred to as the **PROJECT**;

**WHEREAS**, the project was advertised and posted in a PhilGEPS, College website and also in the newspaper at the same time posted in conspicuous places at the premises of both Campuses on October 24-31, 2017;

**WHEREAS**, in response to the said advertisement, three (3) bidders namely; BIG BERTHA CONSTRUCTION AND DEVELOPMENT, URBAN CONSOLIDATED CONSTRUCTORS PHILS., INC. and KHATIB CONSTRUCTION purchased and submitted its sealed bid proposal during the deadline for submission on November 15, 2017;

**WHEREAS**, during the bid evaluation, **KHATIB CONSTRUCTION** was found only to have been responsive with the calculated bid in the amount of **Thirty Nine Million Forty Three Thousand Seven Hundred Seventy Four Pesos and Fifty Six Centavos (P39, 043,774.56)** as against the Approved Budget for the Contract (ABC) in the amount of **Forty One Million One Hundred Forty Thousand Five Hundred Nine One Pesos and Ninety One Centavos (Php41, 140,591.91)**



**WHEREAS**, upon post-qualification involving the careful examination, validation and verification of the eligibility, technical and financial requirements submitted by the bidder, **KHATIB CONSTRUCTION** successfully passed the post qualification and, therefore the Bids and Awards Committee (BAC) declared the bid of **Thirty Nine Million Forty Three Thousand Seven Hundred Seventy Four Pesos and Fifty Six Centavos (P39, 043,774.56)** as the Lowest Calculated Responsive Bid (LCRB);

**NOW, THEREFORE**, for and in consideration of the foregoing premises and the mutual covenants and undertakings herein provided, the parties have agreed as follows:

## **ARTICLE I. THE CONTRACT PROJECT AND CONTRACT DOCUMENTS**

The Contractor shall perform and accomplish the project in accordance with the described specifications of works and other described work mentioned in the detailed estimates, furnished by the College to the contractor and in his bid documents submitted and others mentioned in his bid documents.

The contract documents are hereto incorporated and made integral parts marked as Annexes shall, expect as modified by mutual agreement of the parties, included but not limited to the following:

- ANNEX A – Evidence of Publication of Invitation to Bid/Request for Expression of Interest
- ANNEX B – Proposal of the Contractor and Unit Bid Cost
- ANNEX C – Bid and Abstract of Bids for Bid Project
- ANNEX D – Approved Budget for the Contract (ABC)
- ANNEX E – Duly Approved Program of Work and Cost Estimates
- ANNEX F – Detailed Cost Breakdown of the Project by the Contractor
- ANNEX G – Recommendation of the Committee on Bids and Awards
- ANNEX H – Letter of Award by the Contractor
- ANNEX I – Letter of Acceptance by the Contractor
- ANNEXJ – Performance Bond of the Contractor
- ANNEX K – Notice to the Contractor to Proceed

Documents which are hereinafter mutually agreed upon and signed by the parties herein, whether said documents were prepared before or after the date hereof, shall also form part of the contract documents and of the contract.

## **ARTICLE II. SCOPE OF WORK**

The contractor shall faithfully do and deliver to the satisfaction of the owner all the necessary labor, supervision, tools, supplies, equipment, materials and perform all the works stipulated in his bid for the project for the owner.

### **ITEMS OF WORK FOR THE CONTRACT**

ITEM NO.	DESCRIPTION	UNIT	QTY	UNIT COST	TOTAL AMOUNT
SPL. I	PROVISION OF SAFETY AND HEALTH PROGRAM	lot	1.00	370,996.29	370,996.29



SPL. II	PROJECT BILLBOARD	lot	1.00	3,236.75	3,236.75
SPL. III	PERIMETER FENCE	lot	1.00	32,626.44	32,626.44
I	STRUCTURAL CONCRETE	cu.m.	590.92	11,369.76	6,718,617.24
II	REINFORCING STEEL BARS	kgs.	93,081.71	67.88	6,218,805.35
III	MASONRY WORKS	sq.m.	8,465.22	484.27	4,099,426.84
IV	DOORS AND WINDOWS	lot	1.00	2,717,970.50	2,719,970.50
V	STEEL WORKS	lot	1.00	3,137,450.79	3,137,450.79
VI	PLUMBING WORKS	lot	1.00	621,429.52	621,429.52
VII	TILE WORKS	sq.m.	2,158.46	1,600.30	3,454,175.44
VIII	CARPENTRY WORKS	sq.m.	1,800.00	783.33	1,409,993.04
IX	FORMWORKS AND SCAFFOLDINGS	sq.m.	2,141.00	2,994.58	6,411.386.77
X	ELECTRICAL WORKS	outlets	409.00	3,617.01	1,479,356.59
XI	PAINTING WORKS	sq.m.	4,678.41	208.99	977,737.27
XII	ENGINEERING FACILITIES AND SUPERVISION	lot	1.00	1,388,565.75	1,388,565.75
<b>GRAND TOTAL</b>					<b>Php39,043,774.56</b>

### ARTICLE III. CONTRACT PRICE

The owner shall pay the contractor as consideration of the full and faithful performance and accomplishment of all the obligations specified in Article I and II above which the contractor agreed to undertake, perform, and accomplish under this contract, the total contract price of **Thirty Nine Million Forty Three Thousand Seven Hundred Seventy Four Pesos and Fifty Six Centavos (P39, 043,774.56)** Philippine Currency, subject to the work actually performed, and the usual accounting and auditing requirements by the owner, and the general conditions of this contract and in accordance with the pertinent provisions of the revised R.A. No. 9184, and its implementing rules and regulations.

### ARTICLE IV. WORK COMPLETION TIME

The Contractor shall complete the project within **TWO HUNDRED TEN (210) CALENDAR DAYS** effective upon receipt of the Notice to Proceed and after all permits and licenses in connection with the works shall have been obtained; however, said time for completion may be subject to extensions as maybe authorized under the provisions of the revised R.A No. 9184, and its implementing rules and regulations.



That the contractor shall secure and pay all permits and licenses required in connection with the work covered by its contract by Municipal and Provincial Ordinances, laws and regulations and other pertinent national and local laws.

#### **ARTICLE V. PROGRESS PAYMENT**

The owner shall pay the contractor the contract price based on the percentage of actual work accomplishments as specified in buildings to be periodically submitted by the contractor to the owner and in accordance with the general conditions of the contract. Such request for payment shall be verified and certified by the monitoring group.

#### **ARTICLE VI. RETENSION MONEY**

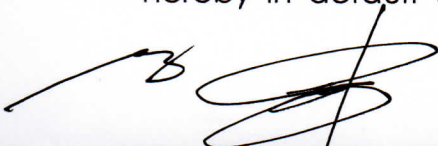
Progress payments are subject to retention of ten percent (10%) referred to as "**RETENTION MONEY**". Such retention shall be based on the total amount due to the contractor prior to any deductions and shall be retained from every progress payment until fifty percent (50%) of the value of works, as determined by the owner, are completed. If, after fifty percent (50%) completion, the work is satisfactorily done and on schedule, no additional retention shall be made, otherwise, ten percent (10%) retention shall be imposed.

The total "**RETENTION MONEY**" shall be due for release upon final acceptance of the project. However, the owner may upon the request of the contractor, release the retention money after fifty percent (50%) of the value of works has been completed, provided that the contractor shall post a surety bond callable on demand equivalent in the amount to the retention money released and subject to the conditions that the owner shall continue to subject succeeding progress payments on the remaining balance of work to a five percent (5%) retention, provided that the works are satisfactorily done and on schedule.

#### **ARTICLE VII. LIQUIDATED DAMAGES**

It is understood and agreed that time is of the essence of this contract, and in the event that the contractor refuses to or fails to complete the work within the time herein above specified within the validity of extension that maybe granted by the owner, if any, the contractor shall pay to the owner the liquidated damages herein set forth, in which case, the contractor and his sureties shall jointly and severally be liable to the owner for said liquidated damages for each calendar day of delay in the completion of the work. The owner is hereby authorized to deduct the amount of liquidated damages from any amount due or which may hereinafter become due to the contractor as hi fee under this contract, or to collect or charge thereafter such liquidated dames from the performance bond filed by the contractor under this contract and their performance bond filed by the contractor whichever is more convenient and expeditious to the owner, provided, however that no liquidated or any excess cost shall be charged when the delay in completion of the work is due to enforceable causes beyond control and without the fault or negligence of the owner, or force majeure.

In case the contractor refuses or fails to satisfactorily complete the work within the specified contract time, plus any time extension duly granted and is hereby in default under the contract, the contractor shall pay the owner for





liquidated damages, and not by way of penalty, an amount shall be equal to one-tenth of one percent (0.1%) of the cost of the unperformed portion for every day of delay until the work is completed and accepted or taken over by the owner.

#### **ARTICLE VIII. OPTION TO COMPLETE OR TERMINATE CONTRACT**

In case the contractor, at any time during the progress of the work should fail, refuse or neglect to supply the needed materials, equipment or workmen or should abandon the contract, the owner may provide materials, equipment and workers after giving the contractor ten (10) days written notice, and may proceed with the work in accordance with the progress of work, the amount spent which will be determined and validated by the monitoring group. However, this stipulation shall not relatively or in any case diminish the responsibility of the contractor under this agreement.

Either party may terminate this contract after ten (10) days written notice to the other, if it is found that causes beyond the control of either the owner or the contractor make it impossible for either to continue.

It is the agreement of the parties that there will be no escalation of payment clause in the life of the contract, but if the circumstances warrant it, the rights of either party under the law may be invoked in this regard.

The exercise by the owner of its rights under this Article shall not prejudice, impair, or diminish whatsoever rights or remedies the owner may have against the contractor under this contract or existing laws.

#### **ARTICLE IX. PERFORMANCE BOND OF THE CONTRACTOR**

The contractor upon receipt of the Notice of Award shall furnish the owner a performance bond in the form of cash, manager's check, cashier's irrevocable letter of credit, surety bond, or a combination thereof to be issued by the bank acceptable to the owner, based on the Implementing Rules and regulations for government infrastructure projects pursuant to the revised R.A No. 9184, for the faithful performance of its work.

The performance bond shall only be released by the owner upon final completion of the work, provided, that the contractor has submitted to the owner the guarantee bond. The performance bond shall be increased by supplementary bonds for the cost of additional / extra work should any be authorized by the owner.

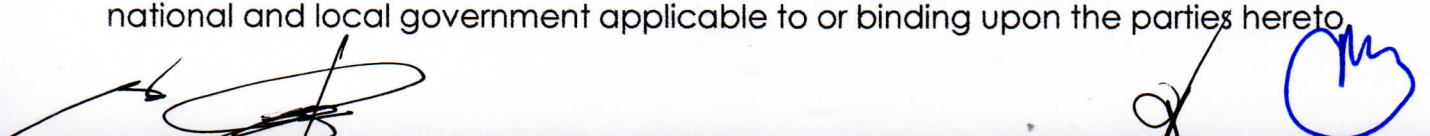
#### **ARTICLE X. CONTRACTOR'S LIABILITY**

The contractor shall bear all losses and damages arising out or in connection with any accident which may happen to any person or persons by or on account of the prosecution of the works covered by this contract, which responsibility shall continue until the final acceptance of the project by the owner.

In this connection, the contractor shall provide all the necessary safeguards, warning signs, and all safety precautions for all workers and third parties during the progress of the work.

#### **ARTICLE XI. COMPLIANCE WITH LAWS, ORDINANCES, ETC.**

The contractor shall comply with laws, ordinances and regulations of both national and local government applicable to or binding upon the parties hereto.





the work covered by the contract, shall be liable for all damages either to the owner or to the government, national or local, for non-observance of such laws, ordinances and regulations.

## **ARTICLE XII. SUPPLETORY USE OF CONTRACT DOCUMENTS**

The contract documents shall be suppletory to 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, but not expressly covered by the provisions of this contract shall be supplied by the contract documents.

## **ARTICLE XIII. VALIDITY CLAUSE**

If any term or condition of this contract is held invalid or contrary to law, the validity of the other terms and conditions hereof shall not be affected thereby.

## **ARTICLE XIV. CONTRACT TERMINATION AND JURISDICTION**

This contract may be terminated by any of the parties herein by reason of non-obeyance 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 Mountain Province or any other court at the option of the owner.

## **ARTICLE XV. APPROVAL**

This CONTRACT is subject to the confirmation of the Board of Trustees of Mountain Province State Polytechnic College.

**IN WITNESS WHEREOF**, the parties hereto have signed this instrument this \_\_\_\_\_ day of December 2017, at MPSPC, Bontoc, Mountain Province, Philippines.

This Agreement becomes binding and valid upon the approval by the proper authorities.

**MOUNTAIN PROVINCE STATE  
POLYTECHNIC COLLEGE  
(Owner)**

BY :

**REXTON F. CHAKAS, Ph.D.**  
College President

**KHATIB CONSTRUCTION  
(Contractor)**

BY:

**ENGR. BERNARD G. BANTA**  
Manager/Contractor

**SIGNED IN THE PRESENCE OF:**



**ROGELIO K. BALCITA, JR.**



## ACKNOWLEDGEMENT

**BEFORE ME**, a Notary Public for and in Bontoc, Mountain Province, this  
December 12, 2017  
personally appeared the parties:

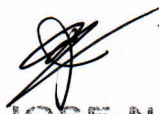
<i>Name</i>	<i>Government Issued ID</i>
REXTON F. CHAKAS	
BERNARD G. BANTA	

All known to me and identified by me through competent evidence of identity to be the same persons who executed the foregoing instrument and they acknowledge to me that the same is their free and voluntary act and deed.

This instrument refers to a CONTRACT AND AGREEMENT and consisting of Seven (7) pages, including this page where this is written, and signed by the parties and their instrumental witnesses on each other and every page hereof.

**WITNESS MY HAND AND SEAL.**

Doc. No. 80;  
Page No. 15;  
Book No. 40;  
Series of 2017.

  
**JOSE N. CO**  
Notary Public for Mtn. Province  
Until December 31, 2016  
PTR No. 370501A-1-6-18  
IBP Upland No. 338731/12-23-99  
Roll No. 42450 / 5-10-97  
No. RA: 2819-3 / TIN 183-349-362