



Reference No. : 2754647
Contract Number : 306

CONTRACT OF CONSTRUCTION

This AGREEMENT is made and entered this 7th day of October, 2014 between DEPARTMENT OF AGRICULTURE-RFO XII, Koronadal City, Philippines, represented by its Regional Executive Director, AMALIA J. DATUKAN, MBA hereinafter called the "First Party" and FREDEN CONSTRUCTION with principal address at Zone 7, Block 8, Brgy. Fatima, General Santos City represented by its Proprietor, FREDDIE M. LAPADA hereinafter called the "Second Party";

WITNESSETH

Whereas, the First Party has a project of **Concreting/Improvement of Pangyan - Kalsaad FMR in Brgy. Pangyan, Glan, Sarangani Province** with the Approved Budget for the Contract (ABC) of Nineteen Million Six Hundred Forty-Seven Thousand Nine Hundred Twenty-Nine Pesos and 69/100 (Php19,647,929.69);

Whereas, a public bidding was conducted last August 14, 2014 with three (03) participating bidders and Freden Construction was declared as winning bidder in the amount of Nineteen Million Three Hundred Forty-Eight Thousand Five Hundred Forty-Four Pesos and 11/100 (Php19,348,544.11);

Whereas, the First Party has accepted the bid of the Second Party which shall be completed within **two hundred thirty-two (232) calendar days** upon receipt of Notice to Proceed (NTP), with the following Project Description and Scope of Works, to wit:

Project Description

: Concreting of 1.22 km road at 5.0 l.m. width and 20 cm thickness with 1.0 l.m. gravel shoulder on both sides, construction of 3m x 3m x 10m Double Barrel Box Culvert, 15 l.m. 910mm dia. Pipe Culvert, 8 l.m. 1220mm dia pipe culvert and 1,660 l.m. CHB Lined Canal

Scope of Works:

- SPCL 1 - Project Billboard : 64 sq. ft
- SPCL 2 - CHB Lined Canal : 1,660l.m.
- Item 101 - Removal of Structures and Obstruction (existing 2 pcs 48" RCP) : 2.0 l.m.
- Item 102 (2) - Surplus Common Excavation : 24,659.25m³
- Item 103 (6) - Pipe Culvert and Drain Excavation : 1,947.80m³
- Item 105 - Subgrade Preparation : 9,760m²
- Item 201 - Aggregate Base Course : 2,969.40m³
- Item 311 (1) - Portland Cement Concrete Pavement (PCCP) : 6,100 m²
- Item 404 - Reinforcing Steel (Box Culvert) : 11,377 kg
- Item 405 (1) - Structural Concrete (Box Culvert) : 142.21m³
- Item 405 (6) - Lean Concrete (Box Culvert) : 8.82m³
- Item 407 - Concrete Structures (Head Wall & Catch Basin): 9.21m³
- Item 501(a) - 910mmØPipe Culvert : 15 l.m.
- Item 501 (b) - 1220mmØPipe Culvert : 8. l.m.

8

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NOW THEREFORE, for and in consideration of the following premises, the parties hereto agreed as follows:

1. The following documents shall be deemed to form and be read and construed as part of this agreement, viz.:
 - a) Approved Purchase Request;
 - b) Approved Program of Works and Estimates;
 - c) Approved Plans and Designs;
 - d) Advertisement;
 - e) Approved Notice of Award;
 - f) Performance Bond;
 - g) Special Conditions of the Contract;
 - h) General Conditions of the Contract;
 - i) PERT/CPM of equivalent schedule of work;
 - j) License copy of the Contractor;
 - k) Abstract of Bids for Bid project;
 - l) Resolution of the Bids and Awards Committee as the case may be; and
 - m) Other pertinent documents as may be reasonable required by the First Party.
2. In consideration of the payments to be made by the **First Party**, the **Second Party** hereby covenants/agrees with the Department of Agriculture to construct and complete the works in conformity with all aspects with the provisions of this contract;
3. The **First Party** hereby covenants to pay the 15% mobilization fee of the total cost of the project to the **Second Party** as advance payment, upon compliance of the following:
 - a) Letter request for 15% advance payment;
 - b) Standby irrevocable letter of credit/security bond/bank guarantee which corresponds to the amount of the 15% mobilization fee;
 - c) Installation of project billboard;
 - d) Construction of bunkhouse; and
 - e) Mobilization of initial equipment and personnel.
4. The warranty of one (01) year for the necessary repairs and maintenance and services must be strictly observed. The obligation of warranty shall be covered by retention money, in an amount equivalent to ten percent (10%) of the total contract price, or a bank guarantee in a form of an irrevocable stand-by letter of credit. Said amount shall be released after the lapse of the warranty period;
5. Should the **Second Party** incur delay, Section 68, Rule XXII of RA 9184, partly states, "xxx. The amount of the liquidated damages shall be at least equal to one tenth (1/10) of one percent (1%) of the cost of the unperformed portion for every day of delay. Xxx";
6. Other provisions of RA 9184 and its IRR not stipulated in this contract are deemed applicable; and
7. This agreement shall be valid and binding upon approval of both parties.
- 8.

IN WITNESS WHEREOF, the parties hereto set their respective signatures on the day written above.

Department of Agriculture RFO XII
by:


AMALIA J. DATUKAN, MBA
Regional Executive Director

Freden Construction
by:


FREDDIE M. LAPADA
Proprietor

[Signature]
GINALYN F. CACHUELA
Project Manager
SOCSKSARGEN ADPO

[Signature]
JIMMY M. OLIVO, PhD.
BAC Chairman

Allocation of Funds:

[Signature]
RAKMA B. BUISAN
Regional Budget Officer

Availability of Funds:

[Signature]
ANNA MAE A. SIDEÑO
OIC - Regional Accountant

Verified and Found in Order:

[Signature]
CARLENE C. COLLADO CPA
OIC Chief, Finance Division

ACKNOWLEDGMENT

Republic of the Philippines)
City of Koronadal)SS

Before me, a Notary Public for Koronadal City personally appeared the following:

| NAME | Res. Cert. | Issued at | Issued on |
|----------------------|------------|----------------|------------------|
| 1. Amalia J. Datukan | 08628843 | Koronadal City | January 17, 2014 |
| 2. Freddie M. Lapada | 02859123 | GSC | 01-03-14 |

Known to me to be the same persons who executed the foregoing documents and acknowledged that the same are their voluntary acts and deeds.

This instrument consists of three (3) pages including this page in which the acknowledgement is written, and signed in the left hand margin of each and every page thereof by parties and their witnesses.

Witness MY HAND AND SEAL, this OCT 17 day 2014, 2014 at

KORONADAL CITY SOUTH COLAB

[Signature]
KUNICA A. DONDIEG, Notary Public
Notary Public
UNTIL DECEMBER 31, 2015
BP NO. 942349-01-03-11-01
R NO. 1051394-01-03-11-01
ROLL NO. 30229
MCLE Exemption No. IV-000000

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