

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 |
|---|---|
| <p>1. <u>Contractor's General Liability Insurance</u></p> <p>2. <u>Contractor's Automobile Liability Insurance</u></p> <p>3. <u>Contractor's Commercial General Liability Insurance</u></p> <p>4. <u>Contractor's Professional Liability Insurance</u></p> <p>5. <u>Contractor's Workers' Compensation Insurance</u></p> <p>6. <u>Contractor's Unemployment Insurance</u></p> <p>7. <u>Contractor's Health Insurance</u></p> <p>8. <u>Contractor's Life Insurance</u></p> <p>9. <u>Contractor's Disability Insurance</u></p> <p>10. <u>Contractor's Pension Insurance</u></p> <p>11. <u>Contractor's Bond Insurance</u></p> <p>12. <u>Contractor's Performance Bond Insurance</u></p> <p>13. <u>Contractor's Completion Bond Insurance</u></p> <p>14. <u>Contractor's Maintenance Bond Insurance</u></p> <p>15. <u>Contractor's Other Insurance</u></p> | |

| | |
|--|----------------------|
| (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

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.

- 15.4) The above insurance policies shall be obtained from any reputable insurance company approved by the Procuring Entity's Representative.
- 15.5) 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.
- 15.6) 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.
- 15.7) 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:
- (e) 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:

 - 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.

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, 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 18.2), 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.

19.2) 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.

19.3) 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,

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.

- 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

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 42.1).
- 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 VI
TECHNICAL SPECIFICATIONS

SECTION V
SPECIAL CONDITIONS OF
CONTRACT

Special Conditions of Contract

| SCC Clause | |
|------------|--|
| 1.17 | The Intended Completion Date is 90 calendar days from commencement of work, inclusive of the estimated twenty (20) calendar days considered unfavorable to the prosecution of the works at site. |
| 1.22 | The PROCURING ENTITY is PHILIPPINE PORTS AUTHORITY , PPA Building, A. Bonifacio Drive, South Harbor, Port Area, Manila. |
| 1.23 | <p>The Procuring Entity's Representative is:</p> <p style="text-align: center;">ATTY. ELMER NONNATUS A. CADANO Assistant General Manager for Finance and Administration and Chairperson, HO-BAC-EP</p> <p style="text-align: center;">6th Floor PPA Building Bonifacio Drive, South Harbor, Port Area, Manila</p> |
| 1.24 | The Site is located at LIMAY, BATAAN and is defined in drawing/s |
| 1.28 | The Start Date is the date of receipt of the notice to proceed by the Contractor. |
| 13.1 | <p>The Works consist of:</p> <ol style="list-style-type: none"> 1. Dredging/Excavation of soft to medium dense seabed comprising of compacted clayish sand/soil, pebbles/stones up to designed depth of 6.00 meters below MLLW. 2. Loading of excavated dredging materials into the dumping scow and disposal to designated area as directed by the Project Engineer. 3. Transporting and disposing of dredged materials;; <ol style="list-style-type: none"> a) Minimum sea level of 20.0 meters b) Minimum distance of 15.0 kms. away from the project site |
| 2.2 | <i>None</i> |

| SCC Clause | |
|------------|--|
| 5.1 | The Procuring Entity shall give possession of all parts of the Site to the Contractor upon mobilization of equipment. |
| 6.5 | <p>The Contractor shall employ the following Key Personnel:</p> <ul style="list-style-type: none"> a. Project Manager b. Project Engineer c. Construction Safety and Health Officer d. Foreman e. Others |
| 7.4(c) | No further instructions. |
| 7.7 | No further instructions. |
| 8.1 | No further instructions. |
| 10.0 | None |
| 12.3 | No further instructions. |
| 12.5 | |
| 13.0 | <p>No additional provision. If the Contractor is a joint venture, "All partners to the joint venture shall be jointly and severally liable to the Procuring Entity."</p> |
| 18.3(h)(i) | No further instructions. |
| 21.2 | The Arbiter is: (To be appointed) |
| 29.1 | No day works are applicable to the contract. |
| 31.1 | The Contractor shall submit the Program of Work to the Procuring Entity's Representative within _____ days of delivery of the Notice of Award. |

**PROJECT : PROPOSED DREDGING OF CALAPAN AND ROXAS PORTS,
ORIENTAL MINDORO**

6.01 SCOPE OF WORK

- General Provisions
 - To undertake the *PROPOSED DREDGING OF CALAPAN AND ROXAS PORTS, ORIENTAL MINDORO*, with an estimated volume to be dredged of **60,000.00 cu.m.** Includes :
 1. Dredging/Excavation of soft to highly dense seabed comprising of clayish sand/soil, pebbles/stones up to the designed depth.
 2. Loading of excavated dredging materials into the loading scow and disposal to designated area as directed by the Project Engineer.
 3. Shall be undertaken on the deep portion of the channel way up to the shallow area.
 4. Must not obstruct the flow of vessel's traffic within the vicinity
 5. Transporting and disposing of dredged materials;;
 - a) Minimum sea level of 20.0 meters
 - b) Minimum distance of 15.0 kms. away from the project site
 - The dredging area shall be dredged at the *required depth* as indicated on the Drawing/s.
 - The work includes furnishing of all labor, materials, plants and equipment required to complete/finish the dredging works in accordance with the Dredging Specifications.
- Work Schedules
 - After examinations of all relevant data, coordination needs, work constrains, equipment to be used and other matters, a PERT/CPM diagram showing the detailed schedule/duration and sequences for the execution of dredging work shall be submitted to the Engineer for approval within 15 days before the proposed commencement of the Works.
 - Before the commencement of rock breaking/dredging works, the Contractor together with the Authority's Representatives and Surveyors shall conduct a pre-joint hydrographic survey which will form basis of actual quantity of dredging materials to be removed/excavated.
 - Prior to dredging works, the Contractor shall establish visible markers/buoys to clearly define the limits of the dredging area.

6.02 DREDGING EQUIPMENT/LAYOUT OF WORK

- Plant
 - The Contractor shall keep on the job sufficient dredging equipment and/or plant to meet the requirement of the project.
 - The equipment/plant shall be in satisfactorily operating conditions and capable of efficiently performing the dredging works with safety as set forth herein and shall be subject to inspection by the Authority's Representative at all times.

- Physical Data/Layout of Work

- THE CONTRACTOR, PRIOR TO THE START OF DREDGING WORKS, SHALL SECURE DISPOSAL/DUMPING PERMIT AND OTHER RELATED CLEARANCE FROM THE PHILIPPINE COAST GUARD (PCG) OR ANY OTHER GOVERNMENT AGENCY. IT SHALL BE RESPONSIBLE FOR THE PREPARATION OF DOCUMENT/S NEEDED IN ITS APPLICATION OF SAID PERMITS INCLUDING PAYMENT OF CORRESPONDING FEES/CHARGES.**
 - The Authority does not guarantee to keep the project dredging area free from obstructions.***
 - The Contractor shall adjust and conduct the work in such manner not to disrupt the flow of seacraft plying the navigational channel at all times.
 - The Contractor shall layout his work from the government established ranges and gauges which shall be pointed out to him prior to commencement of the dredging work but shall be responsible for all measurements in connection therewith.
 - The Contractor shall furnish, at his own expense, all platforms, survey equipment, range markers, poles, buoys, etc., and labor as may be required in laying out any part of the dredging work.
 - The Contractor shall be responsible for the installation, maintenance and preservation of all gauges, ranges, platforms, dredging limit markers and buoys. Upon completion of the work, the Contractor shall promptly remove all ranges, markers, buoys and other marker place by him that may be detrimental to smooth passage of seacraft passing the channel.

6.03 **DREDGING WORKS**

- Description

- This item shall consist for the dredging/removal of soft to highly dense seabed comprising of clayish sand/soil, pebbles/stones at ***PROPOSED DREDGING OF CALAPAN AND ROXAS PORTS, ORIENTAL MINDORO*** in conformity with the dimensions shown in hydro survey plan or as established by the PPA Engineer with coordination with the PMO-North Harbor.
 - The dredged materials shall be transferred / dispose to designated disposal site.

- Progress of Work

- Upon mobilizing sufficient labors, materials, plants and dredging equipment and as ***time is of essence***, the Contractor shall work at a minimum of **Twelve Hours (12) per day** or more as may be necessary, subject to existing laws, to ensure the prosecution of work in accordance with the approved dredging schedule (PERT/CPM). If the Contractor falls behind the approved dredging schedule, the Authority's Representative may require the Contractor to increase the number of shifts, working hours and/or dredging equipment without extra cost to the Authority.
 - Failure of the Contractor to comply with the requirements shall be reasonable grounds to assume that the Contractor is not performing the dredging work with such diligence as will insure completion within the specified time, in which case, the Authority may be compelled to take steps to protect the interest of the PPA.
 - When the Contractor elects to work overtime and on Sundays and legal holidays, appropriate authority from those concern must be secured and notice of his intention to do so shall be submitted to the Authority's Representative within the reasonable time in advance thereof.

- The Contractor shall submit daily dredging reports within two (2) days after the end of the day covered by the report duly signed by the Contractor or his duly authorized representative and the authorized PPA representative. The report shall be made in forms and to be provided by the Authority.
- The Contractor shall take necessary measures to protect the life and health of his men in accordance with the existing laws and regulations of the Government. The Contractor shall provide safety devices to Authority's personnel while on board the dredging equipment/plant in performance of their official duties.
- The Contractor shall put up and maintain such markers and buoys as will prevent any accident in consequence of his dredging work. No liability whatsoever attaches to the Authority, if as a result of the dredging operations or installation, an accident happens in the project area. The Contractor shall hold the Authority free and harmless against any or all claims of persons involve in such accidents.

6.04 WORK DURATION & ESTIMATED QUANTITIES

- The dredging works shall be completed within **NINETY (90) CALENDAR DAYS (inclusive of Sundays, Holidays and Unworkable days)**.
- The estimated quantity of dredging materials necessary to be removed is **60,000.00 cu.m.**

6.05 DREDGING MATERIALS

- Disposal of Dredging Materials shall be hauled/transported using hopper/loading barge and deposited to designated area as directed by the Project Engineer.
- Displace Materials
 - Should the Contractor, during the progress of the dredging works, lose, dump, throw overboard, sink, misplace any materials, plant, machinery or appliance which may be dangerous to or obstruct navigation and/or port operations activities, the Contractor shall immediately give notice with description and location of such obstruction to the Authority and when required, shall mark or buoy the obstruction until such time the same is removed.
 - Should the Contractor refuse, neglect or delay compliance with the above requirements, such obstructions shall be removed by the Authority and the cost of its removal shall be deducted from any money due or to become due to the Contractor or proceed against his performance bond.
 - Any dredged materials that is deposited other than the designated area will not be paid and the Contractor shall be required to remove such misplace materials and deposit it to where directed at his expense.

6.06 INSPECTION

- No PPA Project Engineer or Authority's Representative is authorized to change any provisions of the dredging specifications without written authorization of the Authority.
- Nor shall the presence or absence of a PPA project Engineer or Authority's Representative relieve the Contractor from any of his responsibility under the Contract.

6.07 FACILITIES/ACCOMODATION TO BE PROVIDED

- The Contractor shall provide the use of vehicle with driver, boats, boatmen, laborers, equipment, appliances and materials forming part of the ordinary and usual equipment/plant and crew of the dredging plant as may be necessary in inspecting and supervising the dredging work.
- The Contractor shall provide a temporary site office for office and sleeping purposes of Authority's Representatives. The room shall be fully equipped and maintained to the satisfaction of the Authority. It shall be properly lighted and ventilated.

6.08 OVER DREDGED, SIDE SLOPE AND PAY LIMITS

- Over dredged (Over-depth)
 - An over-dredged of 0.30 meters beyond the required project depth below MLLW **MAY BE PAID FOR, BUT SUBJECT TO THE AVAILABILITY OF FUND AND IN ACCORDANCE OF IRR-E OF R.A. 9184.**
 - **NO OVER-DREDGED PAYMENT SHALL BE MADE ON PROGRESS-DREDGING ACCOMPLISHMENT.**
- Slide Slope
 - The volume of excavated materials to be paid for is that of a rectangular prism with sides vertical plus the triangular prism formed by the prescribed allowable side slope of 1:3.
 - The vertical sides of the rectangular prism shall not go beyond the designed dredging limits.
- It is to be clearly understood that no payments will be made for dredging beyond the dredging limits except as provided above. The Contractor shall bear all the cost of over-dredging beyond the project depth and in addition, of any remedial measures ordered by the Authority or its representative to be taken in areas over-dredging is not permitted.

6.09 MEASUREMENT AND PAYMENT

- The basis of measurement for dredging quantities is the net cubic content of the voids formed by the removal of the materials within the limits of payment as follows:
 - The seabed as determined by soundings prior to dredging.
 - The level or levels specified to which dredging is to be carried out, as will be proved by sweeps and surveys undertaken after dredging.
 - Vertical faces at the limits of dredging (with allowable slide slope) as defined on the plan.
- Computation of volume shall be **MANUALLY CALCULATED** and in the metric system using the **"END AREA METHOD"**.
- **COMPUTATION OF PROGRESS-DREDGING VOLUME ACCOMPLISHMENT SHALL NOT INCLUDE THE ALLOWABLE OVER-DREDGED OF 0.30 METERS.**
- The total volume of materials to be paid for under this contract will be measured by computing the volume between the bottom surface shown by soundings made before dredging and the bottom surface by the soundings made as soon as practicable after the work specified is completed or immediately after the cut-off date to be set if the Contractor opted for interim payments.

- Payments for dredging will be made not often than once a month. Payments shall be made upon the estimates of work satisfactorily completed by the Contractor and accepted by the Authority during the preceding period.
- Upon such estimate, the Authority shall pay the Contractor a sum equal to ninety percent (90%) thereof up to and until such time as the total dredging work shall have been completed.
- The Contractor will be held responsible for clearing, slumping of side slope and/or all other materials dropped into the dredging areas until finally accepted by the Authority.
- The unit rate for dredging work applies to excavating of any materials within the dredging area and to include the removal and disposal of all debris and other objects encountered, and for the disposal of dredged materials at the designated dumping site.

6.010 SOUNDINGS

- The Contractor, in the presence or joint with the Authority's Representative and during the progress of the dredging works, shall perform continuous checking of the depth thru soundings.
- For the purpose of work progress payments; the Contractor, jointly with the Authority's Representative and/or Surveyors, shall conduct soundings on areas subjected to dredging activities during the month or the preceding period for which payment is being claimed.
- Pre, Progress and Post-Dredging soundings shall be made at intervals not less than 10.00 meters and to be undertaken jointly by the Contractor and the Authority's Representative and Surveyors.
- Records shall be made during the sounding activities giving the time, the water/tide level, and the position of the sounding paraphernalia and plant/equipment. Each party shall have and keep its own records.
- Computation of the volume dredged for the period shall be made in accordance with Section 6.09 herein above (Measurement and Payment) and shall be prepared and plotted by the Authority, checked and concurred by the Contractor.
- The Contractor shall be responsible for all costs involved in the above mentioned soundings such as costs for the survey boat, sounding and survey equipment, measurement, markings, materials, transportation and other cost related thereto. **PPA MAY OPT TO USE ITS OWN SURVEY EQUIPMENT AT NO COST TO THE CONTRACTOR. HOWEVER, THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE COST OF REPAIR IN THE EVENT THE PPA-OWNED INSTRUMENTS BROKE DOWN/DAMAGE DURING THE COURSE OF THE SURVEY WORK AND TRANSPORTATION TO/FROM THE DREDGING SITE.**

6.011 TECHNICAL SPECIFICATION

| | | |
|----------------------------------|---|--|
| DESIGN DREDGING DEPTH : | - | See attached Survey Plan |
| (see attached hydro plan) | | |
| TOTAL ESTIMATED VOLUME | - | 60,000.00 cu. m. |
| APPROXIMATE DREDGING AREA | - | See attached Survey Plan |
| ▪ WIDTH | - | See attached Survey Plan |
| ▪ LENGTH | - | See attached Survey Plan |
| DREDGING SOIL COMPOSITION | - | Soft to Highly dense seabed Comprising of Compacted Clayish Sand/Soil, Pebbles/Stones |

SECTION VII

PROJECT DRAWINGS
(DEVELOPMENT PLANS)

304,300.00 E 304,400.00 E 304,500.00 E 304,600.00 E 304,700.00 E

1,485,500.00 N

1,485,400.00 N

1,485,300.00 N

1,485,200.00 N

1,485,100.00 N

1,485,000.00 N

1,485,500.00 N

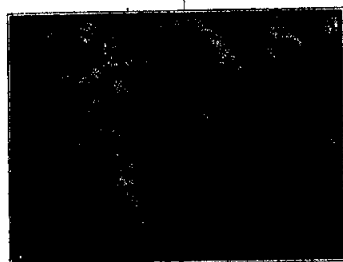
1,485,400.00 N

1,485,300.00 N

1,485,200.00 N

1,485,100.00 N

1,485,000.00 N



LOCATION MAP

NOT TO SCALE



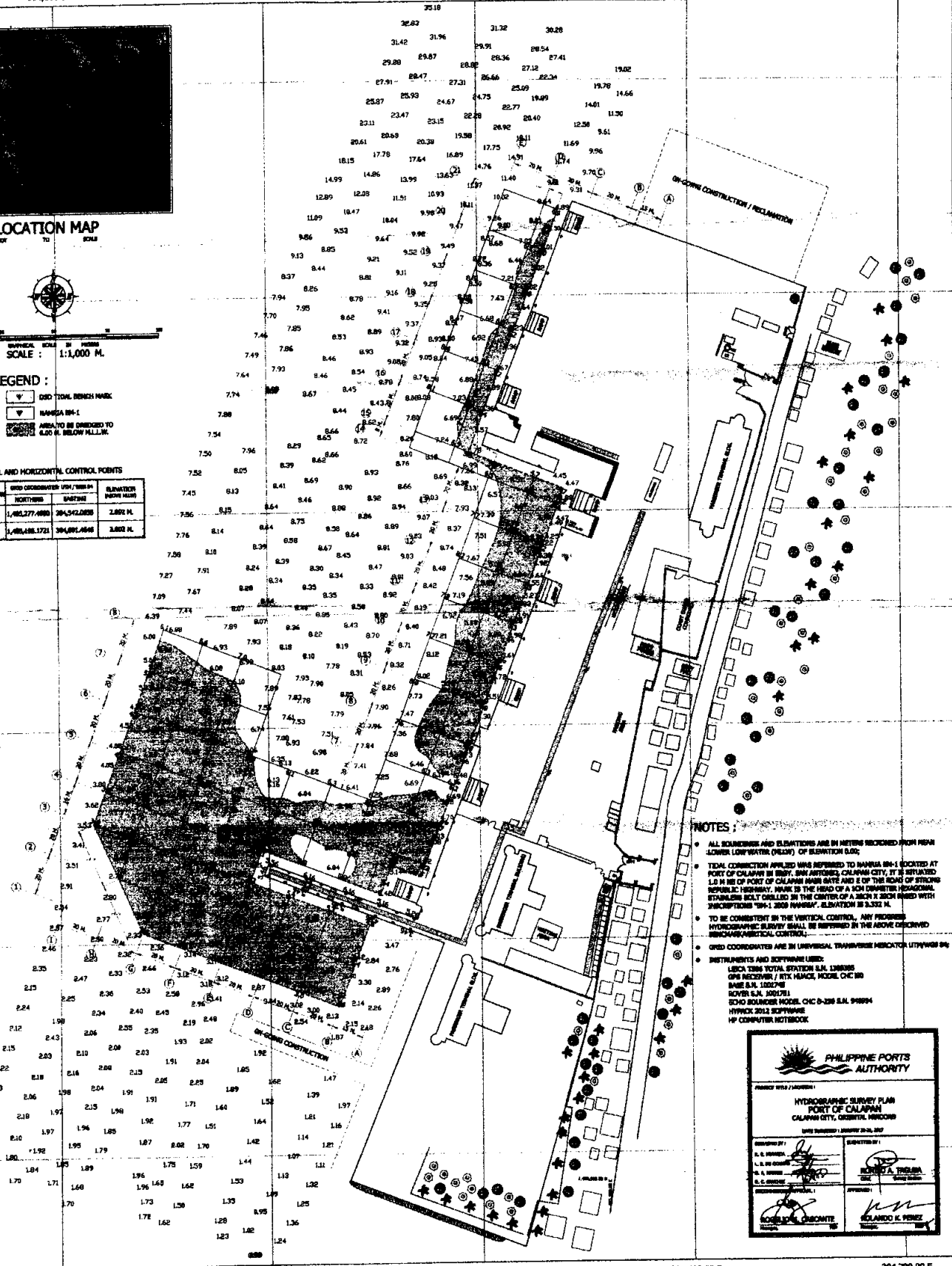
GRAPHICAL SCALE IN METERS
SCALE: 1:1,000 M.

LEGEND:

- ▽ DSD TOTAL BENCH MARK
- ▽ BANGSA BH-1
- ABSENT TO BE SHOWN TO 0.00 & BELOW MLLW.

VERTICAL AND HORIZONTAL CONTROL POINTS

| TOTAL BENCH MARK | GRID COORDINATE (X, Y) IN METER | | ELEVATION (METER) |
|------------------|---------------------------------|-------------|-------------------|
| | NORTHING | EASTING | |
| DSD-1 | 1,485,277.480 | 304,542.000 | 2.802 M. |
| DSD-2 | 1,485,281.721 | 304,581.400 | 2.803 M. |

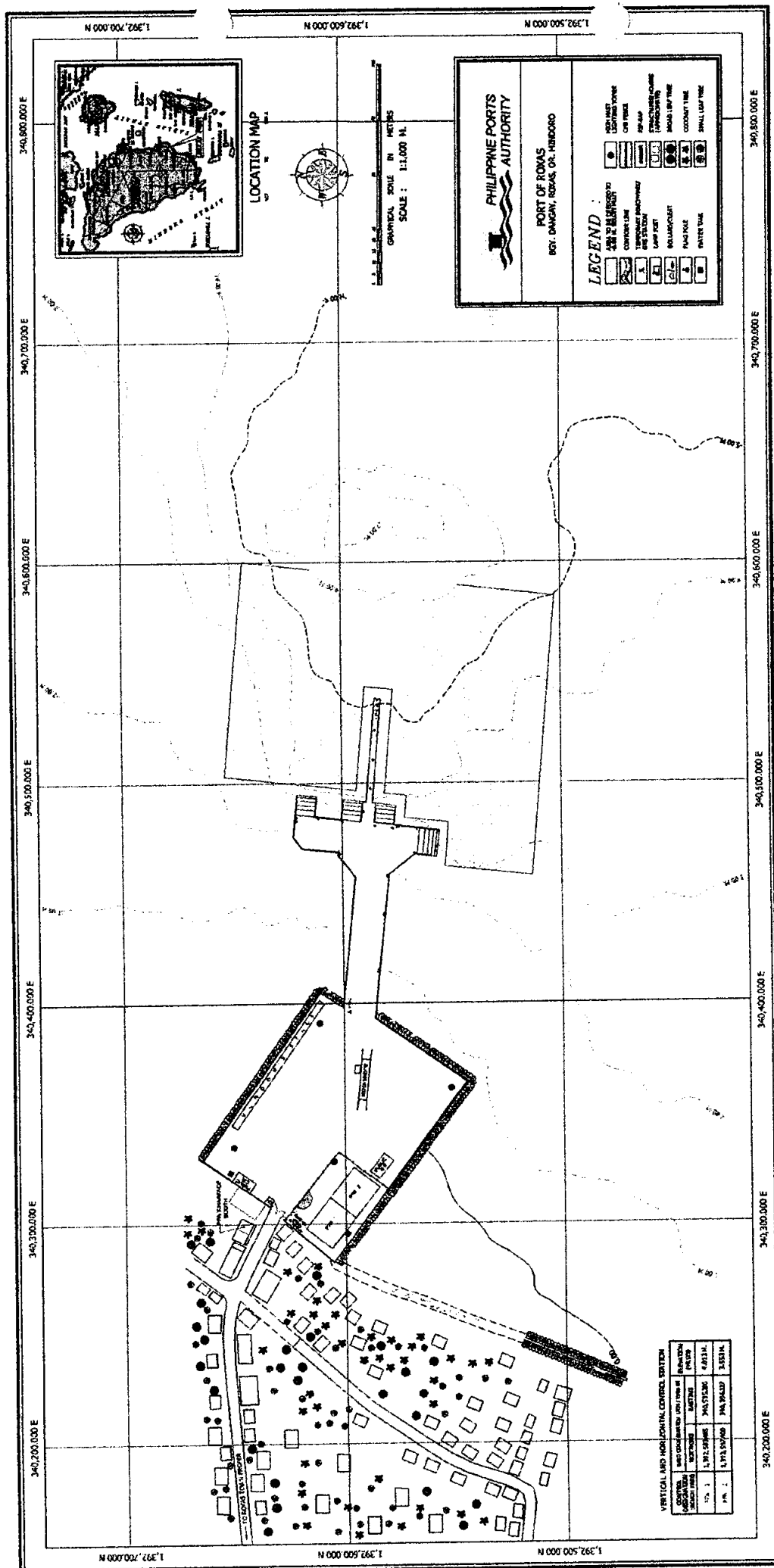


NOTES:

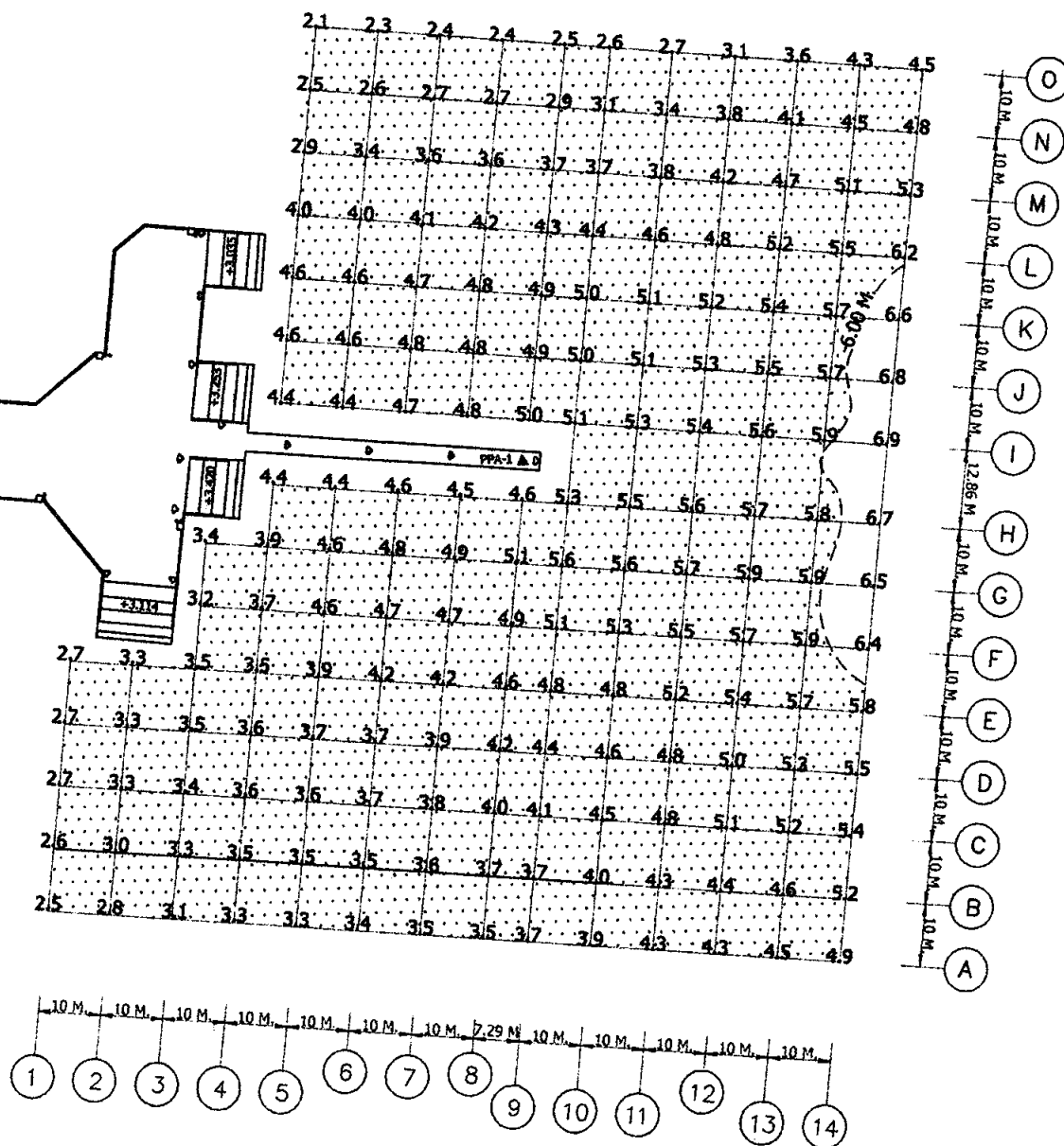
- ALL SOUNDINGS AND ELEVATIONS ARE IN METERS REDUCED FROM MEAN LOWER LOW WATER (MLLW) OF ELEVATION 0.00.
- TOTAL CONNECTION APPLIED WAS REFERRED TO BANGSA BH-1 LOCATED AT PORT OF CALAPAN BY BENT, SAN ANTONIO, CALAPAN CITY. IT IS LOCATED 1.0 M NE OF PORT OF CALAPAN BENT AND E OF THE ROAD OF STRONG REPUBLIC HIGHWAY. BANGSA IS THE HEAD OF A 100 DIAMETER IRREGULAR ESTUARY BUILT ON THE CENTER OF A 100 X 100 M AREA WITH INTERSECTIONS 100 X 100 M AREA. ELEVATION IS 2.352 M.
- TO BE CONSISTENT IN THE VERTICAL CONTROL, ANY FUTURE HYDROGRAPHIC SURVEY SHALL BE REFERRED IN THE ABOVE DESCRIBED BENCH MARK HORIZONTAL CONTROL.
- GRID COORDINATES ARE IN UNIVERSAL TRANSVERSE MERCATOR UTM 50N.
- INSTRUMENTS AND SOFTWARE USED:
LEICA TDS TOTAL STATION S/L 120000
GPS RECEIVER / RTK HANDS MODEL CHC 80
BASE S/L 100270
ROVER S/L 100271
SOUNDING MODEL CHC 8-200 S/L 940004
HYPER 2011 SOFTWARE
HP COMPUTER NOTEBOOK

| | |
|---|--|
| <p>PHILIPPINE PORTS AUTHORITY</p> | |
| <p>PROJECT TITLE / LOCATION:</p> <p>HYDROGRAPHIC SURVEY PLAN</p> <p>PORT OF CALAPAN</p> <p>CALAPAN CITY, ORIENTAL MINDORO</p> <p>DATE SUBMITTED: JANUARY 2012, 2012</p> | |
| <p>DESIGNED BY:</p> <p><i>[Signature]</i></p> <p>CHECKED BY:</p> <p><i>[Signature]</i></p> | <p>APPROVED BY:</p> <p><i>[Signature]</i></p> <p>DATE:</p> <p><i>[Signature]</i></p> |

304,300.00 E 304,400.00 E 304,500.00 E 304,600.00 E 304,700.00 E



PORT OF ROXAS
Brgy. Dangay, Roxas, Oriental Mindoro



SECTION VIII
BILL OF QUANTITIES
AND
ATTACHMENTS

BILL OF QUANTITIES
PROPOSED DREDGING OF CALAPAN AND ROXAS PORTS, ORIENTAL MINDORO

| NO. (1) | DESCRIPTION OF WORK (2) | UNIT (3) | QTY. (4) | UNIT PRICE (Pesos) (5) | AMOUNT (Pesos) (4) x (5) |
|--|--|----------------------|----------------------|---------------------------------------|---|
| BILL NO. 1 | GENERAL EXPENSES | | | | |
| 1.01 | Mobilization and Demobilization | l.s. | 1.00 | | |
| 1.02 | Provide Environmental Safety and Health Program. | l.s. | 1.00 | | |
| 1.03 | Provide and Maintain Site Office | l.s. | 1.00 | | |
| TOTAL FOR BILL NO. 1 - GENERAL EXPENSES | | | | | |

BILL OF QUANTITIES
PROPOSED DREDGING OF CALAPAN AND ROXAS PORTS, ORIENTAL MINDORO

| NO. (1) | DESCRIPTION OF WORK (2) | UNIT (3) | QTY. (4) | UNIT PRICE (Pesos) (5) | AMOUNT (Pesos) (4) x (5) |
|--|---|--------------------|--------------------|-------------------------------------|---------------------------------------|
| BILL NO. 2 | DREDGING WORKS | | | | |
| 2.01 | Dredging and Disposal of Dredged Materials. | cu. m. | 60,000.00 | | |
| TOTAL FOR BILL NO. 2 - DREDGING WORKS | | | | | |

BILL OF QUANTITIES
PROPOSED DREDGING OF CALAPAN AND ROXAS PORTS, ORIENTAL MINDORO

| NO. (1) | DESCRIPTION OF WORK (2) | UNIT (3) | QTY. (4) | UNIT PRICE (Pesos) (5) | AMOUNT (Pesos) (4) x (5) |
|--|-------------------------------------|--------------------|--------------------|-------------------------------------|---------------------------------------|
| BILL NO. 3 | REIMBURSABLE ITEMS | | | | |
| 3.01 | Provide Office and Survey Equipment | l.s. | 1.00 | | |
| TOTAL FOR BILL NO. 3 - REIMBURSABLE ITEMS | | | | | |