


comply with this order, **PPA** shall undertake such repair works and the **CONTRACTOR** shall fully reimburse the former for all the expenses incurred therein upon demand.


13.03 After final acceptance of the project by the **PPA**, the **CONTRACTOR** shall be held responsible for structural defects and/or failure of the said project within the period of fifteen (15) years from the date of final acceptance thereof by the **PPA**. For this purpose, the **CONTRACTOR** shall put up a warranty security in the form of cash, bank guarantee, letter of credit or surety bond, callable on demand issued by the Government Service Insurance System (GSIS) or a surety or insurance company duly certified by the Office of the Insurance Commission as authorized to issue such security and acceptable to **PPA** in accordance with the following schedule:

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- | | | |
|--|---|--|
| a. Cash or letter of credit issued by a Universal or Commercial Bank | - | Five percent (5%) of the total contract price |
| b. Bank guarantee confirmed by a Universal or Commercial Bank | - | Ten percent (10%) of the total contract price |
| c. Surety bond callable upon demand | - | Thirty percent (30%) of the total contract price |

The warranty security shall be denominated in Philippine Pesos, remain effective for one (1) year from the date of issuance of the Certificate of Final Acceptance by **PPA** and to be returned only after the lapse of the said one (1) year period.

ARTICLE XIV

TAXES, LICENSES, PERMITS AND FEES




14.01 The **CONTRACTOR's** tax, licenses, permits, fees and all other taxes, fees or charges of whatever form, kind or nature due or which may be due to the national and/or local government units and/or its instrumentalities/agencies on account of the performance and completion of the work stipulated herein, fees for the testing of materials and samples and fees for the testing and inspection of the installation by all agencies having jurisdiction and all necessary and incidental expenses relative thereto including preparation of documents and notarial fees shall be paid for and obtained by the **CONTRACTOR** on its own account. Should the **PPA** be compelled to advance the same, **PPA** is hereby authorized to deduct the amount advanced from whatever amount due the **CONTRACTOR** from **PPA**.

14.02. The **CONTRACTOR** shall pay taxes in full and on time and that failure to do so shall entitle **PPA** to suspend payment to the **CONTRACTOR**. Further, the **CONTRACTOR** shall during the term of this Contract regularly present to **PPA** a tax clearance from the Bureau of Internal Revenue (BIR) as well as a copy of its income and business tax returns duly stamped and received by the BIR and duly validated with tax payments made thereon.

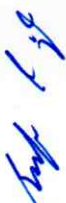
ARTICLE XV

AGREEMENT MODIFICATION



15.01 No modification, alteration or waiver of any provision herein contained shall be binding on the Parties hereto unless evidenced by a written amendment signed by the parties hereof.

15.02 A variation order (change order/extra work order) may be issued by **PPA** under the conditions set forth in the applicable provisions of Republic Act No. 9184 and its Implementing Rules and Regulations.



15.03 The **PPA** may, at any time by written order and without notice to the Sureties, direct the **CONTRACTOR** to perform additional/extra work necessary to and within the General Scope of the project as bid and awarded. The **CONTRACTOR** shall be paid for additional/extra work items whose unit prices shall be derived based on the following:

- a. For additional/extra works duly covered by change orders involving work items which are exactly the same or similar to those in the original contract, the applicable