

5.02 Time is of the essence of this Contract. Should the **CONTRACTOR** refuse or fail 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 **PPA** for liquidated damages, and not by way of penalty, an amount as provided in the conditions of contract, equal to at least one-tenth (1/10) of one percent (1%) of the cost of the unperformed portion of the works for every day of delay.

5.03 The project or a portion thereof may be deemed usable when it starts to provide the desired benefits as certified by the OPM- Engineering Unit, **PPA-PMO-NCR NORTH**.

5.04 It is understood that the damages herein provided are fixed and agreed liquidated damages and to be entitled to such damages, PPA does not have to prove that it has incurred actual damages. Such amount shall be deducted from any money due or which may become due the **CONTRACTOR** under the contract and/or collect such liquidated damages from the retention money or other securities posted by the **CONTRACTOR**, whichever is convenient to **PPA**.

5.05 In case that the delay in the completion of the work exceed a time duration equivalent to ten percent (10%) of the specified contract time plus any time extension duly granted to the **CONTRACTOR**, **PPA** may rescind the contract, forfeit the **CONTRACTOR's** performance security and take over the prosecution of the project or award the same to a qualified contractor through negotiated contract.

5.06 In no case, however, shall the total sum of liquidated damages exceed ten percent (10%) of the total contract price, in which event the contract shall automatically be taken over by **PPA** or award the same to a qualified contractor through negotiation and the erring **CONTRACTOR's** performance security shall be forfeited. The amount of the forfeited performance security shall be aside from the amount of the liquidated damages that the **CONTRACTOR** shall pay **PPA** under Section 5.02 hereof and impose other appropriate sanctions.

ARTICLE VI

EXTENSION OF CONTRACT TIME

6.01 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, **PPA** shall determine the amount of such extension; provided that **PPA** 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 **PPA** 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, **PPA** shall examine the facts and extent of the delay and shall extend the contract time for completing the contract work when, in **PPA's** opinion, the findings of facts justify an extension.

6.02 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.

6.03 Extension of contract time may be granted only when the affected activities fall within the critical path of the PERT/CPM network.

6.04 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.

6.05 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 predetermined by the **PPA** 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 the