

REPUBLIC OF THE PHILIPPINES  
PHILIPPINE PORTS AUTHORITY  
PORT MANAGEMENT OFFICE OF MARINDUQUE/QUEZON  
2<sup>nd</sup> Floor, Padillo Building, Quezon Avenue corner Trinidad St.,  
Lucena City, Philippines

**CONTRACT/AGREEMENT  
FOR THE**

**BURDEOS PORT IMPROVEMENT PROJECT  
SABANG, BRGY. POBLACION, BURDEOS, QUEZON**

KNOW ALL MEN BY THESE PRESENTS:

OCT 25 2017

This Contract made and entered into this 25th day of October, 2017  
in Lucena City, Philippines, by and between;

**PORT MANAGEMENT OFFICE OF MARINDUQUE/QUEZON,  
PHILIPPINE PORTS AUTHORITY**, with principal office at 2<sup>nd</sup> Floor Padillo  
Building, Quezon Avenue corner Trinidad Street, Lucena City, represented  
herein by its Port Manager, **MARCELINO D. MANATAD JR.**, and hereinafter  
referred to as the "**PPA-PMO MARQUEZ**".

- and -

**I.A. BOSQUE CONSTRUCTION CORPORATION**, a corporation duly  
organized and existing under and by virtue of the laws of the Republic of the  
Philippines, with principal office at Camia St., Capistrano Subdivision, Gulang-  
Gulang, Lucena City, represented herein by its **President, ISARME A.  
BOSQUE**, hereinafter referred to as the "**CONTRACTOR**".

**WITNESSETH**

WHEREAS, in accordance with the Invitation to Bid of the PPA, advertised in a  
newspaper of general nationwide circulation and posted on the PPA and G-EPS websites and  
at the PMO-MarQuez bulletin board, the CONTRACTOR submitted its bid for the supply of  
all labor, materials, equipment, tools and services to undertake the **BURDEOS PORT  
IMPROVEMENT PROJECT, SABANG, BRGY. POBLACION, BURDEOS, QUEZON**;

WHEREAS, in the opening of bids conducted on September 27, 2017, the calculated  
bid submitted by the CONTRACTOR at its unit and lump sum prices as set forth in its  
proposal in the total amount of **THIRTY TWO MILLION THREE HUNDRED SIXTY SEVEN  
THOUSAND NINE HUNDRED FIFTEEN PESOS & 58/100 (PHP 32,367,915.58)** is lower than  
the Approved Budget for the Contract which is **THIRTY TWO MILLION THREE HUNDRED  
EIGHTY NINE THOUSAND NINE HUNDRED FIFTEEN PESOS & 53/100 (PHP 32,389,915.53)**  
and such bid was found to be the single calculated and responsive bid;

WHEREAS, on October 5, 2017 the Bids and Award Committee issued Resolution  
No. 21, Series of 2017, which was approved, awarding the contract to the CONTRACTOR in  
the total amount of **THIRTY TWO MILLION THREE HUNDRED SIXTY SEVEN THOUSAND  
NINE HUNDRED FIFTEEN PESOS & 58/100 (PHP 32,367,915.58)**, Philippine Currency;

WHEREAS, on October 6, 2017 the Port Manager issued the Notice of Award which  
was received by the CONTRACTOR on the same date;

NOW, THEREFORE, for and in consideration of the foregoing premises and the  
mutual covenants, stipulations and agreements herein contained, and the payment by the  
PPA of the sum of money in the manner hereinafter specified, the PPA and the  
CONTRACTOR have agreed, as they do hereby agree, and contract as follows:

I.A. BOSQUE CONSTRUCTION CORP.

PHILIPPINE PORTS AUTHORITY - PMO MARINDUQUE/QUEZON

*[Signature]*  
ROSEBETH B. CAMPOS  
Witness

*[Signature]*  
ISARME A. BOSQUE  
President

*[Signature]*  
SALLY M. SAMBLERO  
Witness

*[Signature]*  
RAUL A. LIBAQUE  
Witness

*[Signature]*  
MARCELINO D. MANATAD, JR.  
Port Manager

## ARTICLE I CONTRACT DOCUMENTS

1.01 The following documents shall constitute integral parts of this Contract, as fully as if the contents of the said documents are reproduced, incorporated and set forth herein, and shall govern and control in full force and effect the rights and obligations of the Parties, unless otherwise modified by the terms and conditions of this Contract, or by mutual agreement in writing of both parties, to wit:

- Annex "A" Notice of Award
- "B" Performance Security
- "C" Certificate of Approved Budget/Certificate of Availability of Funds
- "D" Abstract of Bids
- "E" BAC Resolution Declaring Single Calculated Responsive Bid and Recommending Approval Thereof, and Recommending Award of Contract
- "F" Invitation to Bid
- "G" Project Procurement Management Plan
- "H" Notice of BAC Meetings, Minutes of Meetings and Attendance Sheets
- "I" Bid Evaluation Report
- "J" Post-Qualification Report
- "K" Post-Qualification Documents
- "L" Other documents not listed above or in the annexes
- "M" Approved Program of Work, Cost Estimates and Plans/Drawings
- "N" Technical Bid Proposal
- "O" Financial Bid Proposal
- "P" Bid Documents

1.02 All contract documents are and shall remain as the properties of the PPA.

1.03 The words and expressions in the Contract shall have the same meanings respectively assigned to them in the Contract Documents referred to above.

1.04 It is expressly agreed and understood that in case of any irreconcilable conflict between this Contract and the provisions of any of the Contract documents, the former shall be controlling.

## ARTICLE II CONTRACTOR'S UNDERTAKING SCOPE OF WORK

2.01 The CONTRACTOR, in consideration of the payment to be made by the PPA to the CONTRACTOR, as stated in the Bid Documents and this Contract, hereby covenants to execute and complete the **BURDEOS PORT IMPROVEMENT PROJECT, SABANG, BRGY. POBLACION, BURDEOS, QUEZON** in conformity in all respects with the provisions of this Contract, as follows:

ITEMS	AMOUNT
1. General Expenses	₱ 280,000.00
2. Back-up Area and Rock Causeway	22,410,902.30
3. Passenger Shed	3,208,582.16
4. Port Lighting System	5,637,046.72
5. Perimeter Fence	831,384.40
<b>TOTAL AMOUNT</b>	<b>₱ 32,367,915.58</b>

I.A. BOSQUE CONSTRUCTION CORP.

PHILIPPINE PORTS AUTHORITY - PMO MARINDUQUE/QUEZON

Witness


ISARME A. BOSQUE  
President

SALLY M. SAMBLERO  
Witness

RAUL A. LIBAQUE  
Witness

MARCELINO D. MANATAD, JR.  
Port Manager

I.A. BOSQUE CONSTRUCTION CORP.

  
Witness

2.02 The CONTRACTOR agrees to commence, perform and complete the work called for and defined in this Contract at its sole cost and expense, and to fully and faithfully furnish all materials, tools, labor supplies, equipment, services and superintendence for the implementation of this Contract in accordance with the schedule in the Contract Documents forming integral parts of this Contract.

2.03 The CONTRACTOR guarantees, among others, that all tools, equipment, machineries, instruments, accessories and materials it will supply, deliver, install and/or use in the construction and workmanship of all its work under the contract shall be in accordance with the Contract Documents.

2.04 The CONTRACTOR recognizes the position of trust and confidence reposed in it under this Contract and agrees to perform its obligations herein enumerated in the most efficient and competent manner, use its skill and good judgment always, observe good faith and carry on the execution of this Contract in the most sound, expeditious and economical manner consistent with the interest of the PPA.

2.05 The CONTRACTOR agrees to pay taxes in full and on time and that failure to do so will entitle the PPA to suspend payment for any services delivered/rendered by the CONTRACTOR. Further, CONTRACTOR agrees to regularly present to the PPA, within the duration of the contract, a tax clearance from Bureau of Internal Revenue as well as a copy of its income and business tax returns stamped and received by the Bureau of Internal Revenue and duly validated with the tax payments made thereon.

ARTICLE III  
CONSIDERATION

PHILIPPINE PORTS AUTHORITY - PMO MARINDUQUE/QUEZON

  
SALLY M. SAMBLERO  
Witness

3.01 For and in consideration of the full, satisfactory and faithful performance of the CONTRACTOR of all its undertakings defined in and provided for under this Contract, including contract documents incorporated therein, the PPA agrees to pay the CONTRACTOR the total amount not exceeding **THIRTY TWO MILLION THREE HUNDRED SIXTY SEVEN THOUSAND NINE HUNDRED FIFTEEN PESOS & 58/100 (PHP 32,367,915.58)**, Philippine Currency, inclusive of the twelve (12%) percent value added tax including any increase thereof, payment to be made and computed on the basis of final quantities at the unit bid price for each item of work actually performed and finished for each pay item as determined and accepted by PPA and in the manner set forth in the bid documents, as full compensation for everything furnished and done by the CONTRACTOR under this Contract, including all works required but not specifically mentioned, and also for all losses and damages incurred by the CONTRACTOR arising out of the aforesaid work, from the action of the elements, or from any obstruction or difficulty encountered in the prosecution of this Contract, for all expenses incurred by or in consequence of the suspension or discontinuance of the contract herein specified and for faithfully completing the contract and the whole thereof, at the time and in the manner provided in the Contract Documents.

  
RAUL A. LIBAQUE  
Witness

It is agreed and understood that all unit prices specified in this contract shall be considered as fixed prices, and therefore not subject to price escalation during the contract implementation, except under extraordinary circumstances and upon prior approval of the Government Procurement Policy Board (GPPB). Any request for price escalation under extraordinary circumstances shall be submitted by PPA to the National Economic and Development Authority (NEDA). Extraordinary circumstances shall refer to events that may be determined by the NEDA in accordance with the Civil Code of the Philippines and upon recommendation of the PPA.

  
MARCELINEO D. MANATAD, JR.  
Port Manager

3.02 Final and full payment of the consideration hereinabove mentioned shall be upon full completion of the project and fulfillment by the CONTRACTOR of all the terms and conditions set forth in this Contract.

However, it is agreed that no payment or payments made under this contract, except the final payment upon issuance of Certificate of Completion, shall be understood as performance of this contract, either wholly or in part, and no payment shall be construed to be an acceptance of defective or improper work or supplies/materials.

3.03 Any payment due and payable to the CONTRACTOR may be set off against liquidated damages which the CONTRACTOR, under this Contract is liable to pay the PPA.

3.04 It is likewise understood that the CONTRACTOR shall show proof evidencing payments by the CONTRACTOR of labor, materials, supplies, insurance premiums, etc., used in the work, before any payment is made to it.

For this purpose, the CONTRACTOR shall, before payment is made for the works accomplished, submit an affidavit certifying to the fact of payments of said labor, materials, supplies, equipment, insurance premiums, etc.

3.05 All payments shall be subject to existing government accounting and auditing rules and regulations.

3.06 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 PPA 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 be imposed.

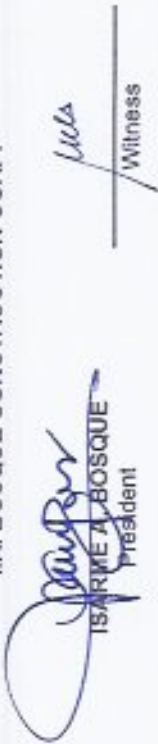
3.07 The total "retention money" shall be due for release upon final acceptance of the works. The CONTRACTOR may, however, request for the substitution of the retention money for each progress billing with irrevocable standby letters of credit from a commercial bank, bank guarantees or surety bonds callable on demand issued by any reputable surety or insurance company duly accredited by the Office of the insurance Commission of amounts equivalent to the retention money substituted for and acceptable to PPA, provided that the project is on schedule and is satisfactorily undertaken. Otherwise, the ten percent (10%) retention shall be made. Said irrevocable standby letters of credit, bank guarantees and/or surety bonds, to be posted in favor of PPA shall be valid for a duration to be determined by PPA and will answer for the purpose for which the ten percent (10%) retention is intended, i.e., to cover uncorrected discovered defects and third party liabilities.'

**ARTICLE IV  
 PERFORMANCE SECURITY**

4.01 To guarantee the faithful performance of the CONTRACTOR under the Contract, it shall post upon the signing thereof a performance security in the form of cash, manager's check, cashier's check, irrevocable letter of credit issued by a reputable bank or surety bond callable on demand and issued by the Government Service Insurance System (GSIS) or any surety company duly accredited by the Office of the Insurance Commissioner in accordance with the following schedule:

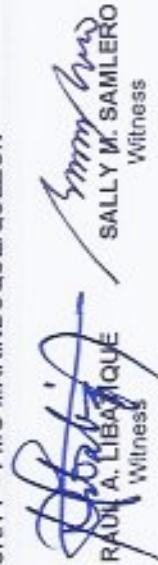
Form of Performance Security	Amount of Performance Security (Equal to Percentage of the Total Contract Price)
a. Cash or cashier's / manager's check, bank draft / guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank.	Ten Percent (10%)
b. Irrevocable letter of credit issued by a Universal or Commercial Bank: Provided, however, that it 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 a surety or insurance company duly certified by the Insurance Commission as authorized to issue such security.	Thirty Percent (30%)

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 ISMAEL A. BOSQUE  
 President

Witness

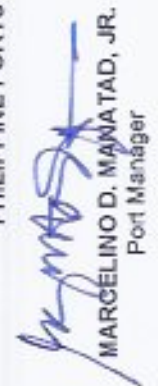
PHILIPPINE PORTS AUTHORITY - PMO MARINDUQUE/QUEZON

  
 SALLY M. SAMLERO  
 Witness

Witness

  
 RAUL A. LIBATIQUE  
 Witness

Witness

  
 MARCELINO D. MANATAD, JR.  
 Port Manager

Port Manager

4.02 This performance security shall be denominated in Philippine Pesos and posted in favor of PPA and shall be forfeited in favor of PPA in the event it is established that the CONTRACTOR is in default in any of its obligations under this Contract.

4.03 The performance security shall remain valid until issuance by the procuring entity of the final Certificate of Acceptance.

4.04 The performance security may be released by the procuring entity after the issuance of the Certificate of Acceptance, subject to the following conditions:

- a) Procuring entity has no claims filed against the contract awardee or the surety company;
- b) It has no claims for labor and materials against the contractor; and
- c) Other terms of the contract.

4.05 For the procurement of infrastructure projects, the winning bidder shall post an additional performance security following the schedule above to cover any cumulative increase of more than ten percent (10%) over the original value of the contract as a result of amendments to order or change orders, extra work orders and supplemental work agreements, as the case may be. The winning bidder shall cause the extension of the validity of the Performance Security to cover approved contract time extensions.

4.06 In case of reduction in the contract value or for partially completed works under this contract which are usable and accepted by PPA and the use of which in the judgment of PPA shall not affect the structural integrity of the entire project, PPA may allow a proportional reduction in the original performance security, provided that any such reduction is more than ten percent (10%) and that the aggregate of such reductions is not more than fifty percent (50%) of the original performance security.

#### ARTICLE V COMPLETION TIME: LIQUIDATED DAMAGES

5.01 The CONTRACTOR agrees and obligates itself to perform and complete all works provided for in this Contract within **Two Hundred Seventy (270)** calendar days (including Sundays and Holidays), beginning on the date specified in the Notice to Proceed issued by the PPA. Notice to Proceed shall be issued after the signing of this Contract by the Port Manager.

5.02 Time is of the essence of this Contract. Where 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 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 (1) percent of the cost of the unperformed portion of the works for every day of delay.

5.03 A project or a portion thereof may be deemed usable when it starts to provide the desired benefits as certified by the targeted end-users and the concerned procuring entity.

5.04 To be entitled to such liquidated damages, the 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 to 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 the procuring entity.

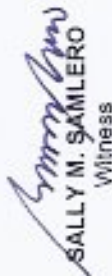
5.05 In case that the delay in the completion of the work exceeds a time duration equivalent to ten percent (10%) of the specified contract time plus any time extension duly granted to the contractor, the PPA concerned may rescind the contract, forfeit the contractor's performance security and takeover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

I.A. BOSQUE CONSTRUCTION CORP.

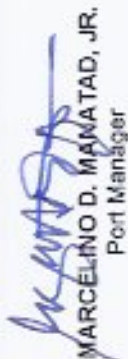
PHILIPPINE PORTS AUTHORITY - PMO MARINDUQUE/QUEZON

  
Witness

  
ISARMECA BOSQUE  
President

  
SALLY M. SAMLERO  
Witness

  
RAUL A. LIBATOUÉ  
Witness

  
MARCELINO D. MANATAD, JR.  
Port Manager

5.06 In no case however, shall the total sum of liquidated exceed ten percent (10%) of the total contract price, in which event the contract shall automatically be taken over by the 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 the PPA under the provisions of this clause 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 period of such extension; provided that the PPA is not bound to take into account any claim for 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 finding of facts justify an extension.

6.02 No extension of contract time shall be granted the CONTRACTOR due to (a) ordinary unfavorable weather conditions, (b) inexcusable failure or negligence of CONTRACTOR to provide the required equipment, supplies or materials, or (c) other causes of which PPA is not directly responsible.

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, for such period in excess of the number of rainy/unworkable days predetermined by the PPA and/or for the 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 PPA, non-acquisition of permit to enter private properties within the right-of-way resulting in complete paralyzation of construction activities, and other meritorious causes as determined by the PPA's authorized Engineer and approved by the PPA. Shortage of construction materials, general labor strikes, 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. Provided, further, that the written consent of bondsmen must be attached to any request of the CONTRACTOR for extension of contract time and submitted to the PPA for consideration and that the validity of the performance security shall be correspondingly extended.


#### ARTICLE VII ENTIRE CONTRACT

7.01 Provisions to the contrary notwithstanding, it is agreed that this is an entire contract for one whole complete work and that partial payments on account by the PPA or the use of parts of the work or equivalent shall not constitute an acceptance of any part of the work before its entire completion and final acceptance in writing by the PPA.

I.A. BOSQUE CONSTRUCTION CORP.

PHILIPPINE PORTS AUTHORITY - PMO MARINDUQUE/QUEZON

  
Witness

  
ISARINE A. BOSQUE  
President

  
SALLY M. SAMLERO  
Witness

  
RAUL A. LIBATIQUE  
Witness

  
MARCELINO D. MANATAD, JR.  
Port Manager

### ARTICLE VIII CONTRACTOR'S LIABILITY

8.01 The Parties, likewise, hereby agree that the employees of the CONTRACTOR are not employees of the PPA; hence, the PPA shall not in any way be liable or responsible for any personal injury or damages, including death sustained or caused by any of the employees of the CONTRACTOR and/or his SUB-CONTRACTOR or agent or supplier whether or not occurring during the performance of their duties. The CONTRACTOR agrees and binds itself to indemnify the PPA for whatever injuries or damages caused or occasioned or contributed to by the failure, negligence or conduct of the CONTRACTOR and/or its employees, sub-contractors, agent and supplier or consultants arising out of or in connection with or on the occasion of the performance of this Agreement. The CONTRACTOR shall, at all times, stand solely liable and/or responsible for the enforcement of, and compliance with all existing laws, rules and regulations and binds itself to save and hold the PPA free and harmless from any and all liability in respect thereof and/or arising therefrom and/or by reason of this Contract and its implementation.

### ARTICLE IX RESPONSIBILITY OF THE CONTRACTOR

9.01 The CONTRACTOR shall assume full responsibility for the entire contract work from the time project construction commenced up to final acceptance by the PPA and shall be held solely responsible for any damage or destruction of works except those occasioned by force majeure.

9.02 The CONTRACTOR shall be fully responsible for the safety, protection, security and convenience of its personnel, third parties and the public at large, as well as the works, equipment, installation and the like to be affected by the construction work.

9.03 Any actionable act or acts of **ISARME A. BOSQUE** arising out of or in the course of this contract shall be understood and binding as an act of **I.A. BOSQUE CONSTRUCTION CORP.** and vice-versa.

### ARTICLE X INSPECTION AND CONSTRUCTION OF CONTRACT WORK

10.01 Inspection of the contract work shall be conducted by the PPA while such contract work is in progress to ascertain that the completed works comply in all respect with the standard and requirements set forth in the Contract Documents. Notwithstanding such inspection, the CONTRACTOR shall be held responsible for the acceptability of the finished works. The CONTRACTOR shall promptly replace all materials and correct all works determined by the PPA as failing to meet the standard and requirements agreed upon at CONTRACTOR'S own expense.

### ARTICLE XI NON-ASSIGNMENT AND NO SUBCONTRACT

11.01 The CONTRACTOR shall not, without the prior written approval of the PPA, assign, transfer, pledge, sub-contract, or make any other disposition of interest in this Contract. Any unapproved assignment, transfer, pledge, sub-contract or any other disposition, shall be sufficient ground for the PPA to terminate or cancel this Contract *motu proprio* without need of judicial action pursuant to paragraph 19.04 hereof. Should the PPA give its written approval, such consent shall not relieve the CONTRACTOR of its responsibilities under the Contract. The CONTRACTOR shall ensure that the terms and conditions of any such sub-contract shall comply and conform with the terms and conditions of the Contract. The CONTRACTOR shall be responsible for the observance by any sub-contractor of the terms and conditions of the Contract.

11.02 If any portion of the project sub-contracted is not prosecuted faithfully in accordance with the Contract, the sub-contractor shall be removed or replaced immediately upon the written request of PPA, provided, however, that any failure of PPA to make such a request shall not relieve the CONTRACTOR of its obligations under the contract. PPA shall not be responsible for the delays or costs incurred by the CONTRACTOR because of the

I.A. BOSQUE CONSTRUCTION CORP.

PHILIPPINE PORTS AUTHORITY - PMO MARINDUQUE/QUEZON

  
Witness

  
ISARME A. BOSQUE  
President

  
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Witness

  
RAUL A. LIBATIQUE  
Witness

  
MARCELINO D. MANATAD, JR.  
Port Manager

disapproval or removal of the sub-contractor or because of the late submittal of its or his approval.

**ARTICLE XII  
INSURANCE**

12.01 The contractor shall, prior to the commencement of work, secure the standard Contractor's All Risk (CAR) Insurance from the GSIS or any insurance company duly accredited/authorized by the Insurance Commission to insure the works against all losses or damages arising from whatever cause for which the CONTRACTOR is responsible under the contract.

**ARTICLE XIII  
WARRANTY**

13.01 The CONTRACTOR shall assume full responsibility for the contract work from the time project construction commenced up to final acceptance thereof by the PPA and shall be held responsible for any damage or destruction of the works, except those occasioned by force majeure. The CONTRACTOR shall be responsible for the safety, protection, security, and convenience of its personnel, third parties, and the public at large, as well as the works, equipment, installation and the like to be affected by the construction work.

13.02 The defects liability period for the project covered by this Contract shall be one (1) year from project completion up to final acceptance thereof by the PPA. During this period, the CONTRACTOR shall undertake and complete the repair works, at its own expense, of any damage to the said project within NINETY (90) DAYS from the time the PPA General Manager or his duly authorized representative has issued an order to undertake repair. In case of failure or refusal to 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 responsible for structural defects and/or failure of the said project within the period of FIVE (5) 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 or letter of credit issued by a Universal or Commercial Bank, Bank guarantee confirmed by a Universal or Commercial Bank or surety bond, callable on demand issued by the Government Service Insurance System (GSIS) or a surety or insurance company duly certified by the insurance Commission as authorized to issue such security and acceptable to PPA in accordance with the following schedule:

Form of Warranty Security	Amount of Warranty Security (Equal to Percentage of the Total Contract Price)
a. Cash or letter of credit issued by a Universal or Commercial Bank	Five Percent (5%)
b. Bank guarantee confirmed by a Universal or Commercial Bank	Ten Percent (10%)
c. Surety bond callable upon demand issued by GSIS or a surety/insurance company duly certified by the Insurance Commission as authorized to issue such security	Thirty Percent (30%)

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 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 and fees which may be due the local and/or national government 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

I.A. BOSQUE CONSTRUCTION CORP.

*[Signature]*  
Witness

*[Signature]*  
ISARME A. BOSQUE  
President

*[Signature]*  
SALLY M. SAMILERO  
Witness

*[Signature]*  
RAUL X. LIBATIQUE  
Witness

*[Signature]*  
MARCELINO D. MAMATAD, JR.  
Port Manager

PHILIPPINE PORTS AUTHORITY - PMO MARINDUQUE/QUEZON



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.