



CONTRACT AGREEMENT

ZAM-PGEPSCS-04-2018 (EP3) / NRP-ZBO-02-18 Repair of Container Freight Station (CFS) Building, Port of Zamboanga, Zamboanga City

KNOW ALL MEN BY THESE PRESENTS:

This Contract made and entered into this OCT 08 2018, in the City of Zamboanga, Philippines, by and between:

PHILIPPINE PORTS AUTHORITY, a government corporation created under Presidential Decree No. 857, as amended, with principal offices at Bonifacio Drive, South Harbor, Port Area, Manila, and Port Management Office of Zamboanga at R.T. Lim Boulevard, Cawa-Cawa Road, Port Area, Zamboanga City represented herein by its duly authorized Port Manager, **LIBERTO C. DELA ROSA**, and hereinafter referred to as PPA;

- and -

ENGR. JULPI J. TAUNG, of legal age, married, Filipino and with business and postal address at **MCLL Highway, Corner C. Ferrer Drive, Divisoria, Z.C.**, doing business under the firm/style of **ZET CONSTRUCTION**, represented herein also by **ENGR. JULPI J. TAUNG**, Proprietor/Manager and hereinafter referred to as CONTRACTOR.

WITNESSETH:

WHEREAS, in accordance with Republic Act No. 9184 and its Revised Implementing Rules and Regulations, the PPA advertised/published the Invitation to Bid for the Project: **ZAM-PGEPSCS-04-2018 (EP3) / NRP-ZBO-02-18 Repair of Container Freight Station (CFS) Building, Port of Zamboanga, Zamboanga City** in the PPA website, PhilG-EPS, PMO-Zamboanga's Bulletin Board, and in the Philippine Star Newspaper;

WHEREAS, the CONTRACTOR and other prospective bidders submitted their respective bids for the foregoing project;

WHEREAS, after the opening of bids on **August 28, 2018**, and the conduct of bid evaluation and post qualification, the bid submitted by the CONTRACTOR at its unit and lump sum prices set forth in its proposal was found to be lower than the **Approved Budget for the Contract** in the amount of **Php 23,019,123.00** and declared **Lowest Calculated and Responsive Bid** in the amount of **Twenty Two Million Eight Hundred Sixty Four Thousand Eight Hundred Thirty Nine Pesos & 29/100 (Php 22,864,839.29)**, Philippine Currency;

WHEREAS, pursuant to the PMO-Zamboanga BAC Resolution No. **ZAM-PGEPSCS-04-2018 (EP3)** duly approved by the Port Manager, award of the contract was made to the CONTRACTOR in a **Notice of Award** dated **September 10, 2018** in the amount of **Twenty Two Million Eight Hundred Sixty Four Thousand Eight Hundred Thirty Nine Pesos & 29/100 Only (Php 22,864,839.29)**, Philippine Currency, after submission of the required

Port Management Office-ZAMBOANGA

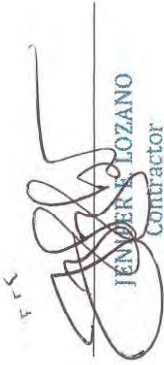
R.T. Lim Boulevard, Port Area, Zamboanga City 7000 PO Box No. 360
Tel. Nos. (062) 991-2037 to 2039; 991-0650; Fax No. (062) 991-2360
email: ppa.pmozamboana@gmail.com, website: ppa.com.ph

JENIFER A. LOZANO
Contractor
Witness

ENGR. JULPI J. TAUNG
Proprietor/Manager
ZET CONSTRUCTION

ENGR. JOHNSON B. KHO
ESD Manager
Witness

ENGR. LIBERTO C. DELA ROSA
Port Manager


JENNER K. LOZANO
Contractor
Witness

documents within the prescribed period and compliance with the conditions stipulated in the IRR;

WHEREAS, the CONTRACTOR duly accepted the award by signing its Conformed on the said Notice of Award;

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 a sum of money in the manner hereinafter specified, the PPA and the CONTRACTOR have agreed, as they do hereby agree, and contract as follows:

ARTICLE I

CONTRACT DOCUMENTS

1.01 The following documents shall constitute integral parts of the 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, except as otherwise modified by the terms and conditions of this Contract, or by mutual agreement in writing of both parties, to wit:

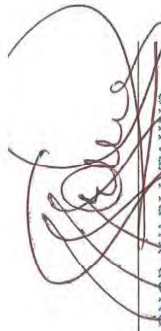
- (1) Contract Agreement;
- (2) Bidding Documents;
- (3) Winning bidder's bid, including the Technical and Financial Proposals and all other documents/statements submitted;
- (4) Performance Security;
- (5) Notice of Award of Contract;
- (6) Construction Schedule and S-Curve;
- (7) Manpower Schedule;
- (8) Construction Methods;
- (9) Equipment Utilization Schedule;
- (10) PERT CPM;
- (11) PhilGEPS Registration and Membership

1.02 The following documents shall also be made integral parts of the Contract as if their contents are incorporated, reproduced and set forth herein, and shall have the same force, effect and applicability as the documents enumerated in the immediately preceding paragraph hereof, to wit:

- (12) Construction Safety and Health Program approved by DOLE;
- (13) CONTRACTOR's All Risk (CAR) Insurance from the Government Service Insurance System (GSIS)
- (14) Duly Approved Program of Work and Cost Estimates
- (15) Certificate of Availability of Funds
- (16) Approved Budget for the Contract
- (17) Abstract of Bids
- (18) Resolution of the BAC Recommending Award
- (19) Notice to Proceed
- (20) Other pertinent documents as may be reasonably required by existing laws.

1.03 All Contract documents are and shall remain as the property of the PPA.

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


ENGR. JUPI TAUNG
President/Manager
ZET CONSTRUCTION


ENGR. JOHNSON D. KHO
ESD Manager
Witness


ENGR. LIBERTO C. DE LA ROSA
Port Manager


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 Contract Documents and this Contract, the latter hereby covenants to execute and complete the **Repair of Container Freight Station (CFS) Building, Port of Zamboanga, Zamboanga City.**

2.02 in conformity in all respects with the provisions of this contract, as follows:

Item No.	Description	Unit	Quantity	SET	
				Unit Cost	Amount
I	Other General Requirements				
I.a	Project Billboard / Signboard at Pesos: <u>Twenty Eight Thousand Four Hundred Sixty Three and 89/100 per lot</u>	lot	1.00	28,463.89	28,463.89
I.b	Construction Safety and Health Program at Pesos: <u>Two Thousand One Hundred Sixty Three and 79/100 per C.D</u>	C.D	135.00	2,163.79	292,111.65
I.c	Mobilization / Demobilization at Pesos: <u>Seven Hundred Seventy Three Thousand Four Hundred Forty Four and 53/100 per lot</u>	lot	1.00	773,444.53	773,444.53
II	Roofing Works				
II.a	Removal of Existing Roofing and Accessories At Pesos: <u>One Hundred Ten and 81/100 per sq.m</u>	Sq.m	8,771.58	110.81	971,978.78
II.b	Prepainted Metal (Corrugated Type) Sheet At Pesos: <u>One Thousand Two Hundred Nine and 92/100 per sq.m</u>	Sq.m	8,771.58	1,229.92	10,788,341.67
II.c	Prepainted Metal Roofing Accessory (Gutter & Fascia) At Pesos: <u>Three Thousand One Hundred Ninety Nine and 40/100 per m</u>	m	257.60	3,199.40	824,165.44
II.d	Fabricated Metal Roofing Accessory (Flashing-Eave & Apron) At Pesos: <u>One Thousand One Hundred Forty Nine and 90/100 per m</u>	m	832.86	1,149.90	957,705.71
II.e	Roof Ventilator Louver At Pesos: <u>Two Thousand Five Hundred Seventy and 17/100 per sq.m</u>	Sq.m	572.88	2,570.17	1,472,398.99
III	Painting Works				

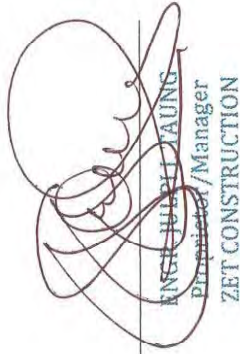

JENIFFER E. LOZANO
Contractor
Witness


ENGR. JUDD J. TAUNG
Proprietor/Manager
ZET CONSTRUCTION


ENGR. JOHNSON D. KHO
ESD Manager
Witness


ENGR. LIBERTO C. DELA ROSA
Port Manager


JENIFER E. LOZANO
 Contractor
 Witness


ENGR. HURBERT JAUNG
 Proprietor / Manager
 ZET CONSTRUCTION


ENGR. JOHNSON D. KHO
 ESD Manager
 Witness


ENGR. LIBERTO C. DE LA ROSA
 Port Manager

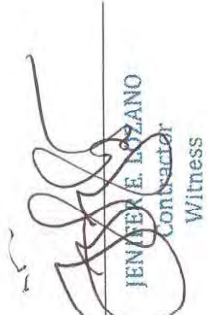
III.a	Masonry Painting Works At Pesos: <u>Three Hundred Forty Nine and 82/100 per sq.m</u>	sq.m	256.52	349.82	89,735.83
III.b	Removal of Existing Paint At Pesos: <u>Seventy and 28/100 per sq.m</u>	Sq.m	4,045.16	70.28	284,293.84
III.c	Metal Painting Works At Pesos: <u>Two Hundred Ninety Seven and 23/100 per sq.m</u>	Sq.m	4045.16	297.23	1,202,342.91
IV	Concrete Works				
IV(a)	Removal of existing Structures At Pesos: <u>Three Thousand Three Hundred Fifty Four and 88/100 per cu.m</u>	cu.m	41.87	3,354.88	140,468.83
IV(b)	Structural Concrete At Pesos: <u>Eight Thousand Four Hundred Sixteen and 28/100 per cu.m</u>	Cu.m	41.87	8,416.28	352,389.64
IV(c)	Reinforcing Steel (Deformed Grade 40) At Pesos: <u>One Hundred Seven and 59/100 per kg.</u>	Kgs.	620	107.59	66,744.53
IV(d)	Formworks and Falseworks At Pesos: <u>Seven Hundred Twenty Nine and 67/100 per sq.m</u>	Sq.m	243.78	729.67	177,878.95
V	Wall Fenders				
V.a	Installation of Wooden Wall Fenders At Pesos: <u>Twenty Thousand Four Hundred Sixty and 46/100 per ln.m</u>	Ln.m	195.85	20,460.46	4,007,181.09
VI	Paving Blocks				
VI.a	Removal and Hauling of Existing Concrete Paving Blocks At Pesos: <u>One Thousand Two Hundred Twenty Nine and 57/100 per sq.m</u>	Sq.m	58.76	1,229.57	72,249.53
VI.b	Installation of Concrete Paving Blocks At Pesos: <u>Six Thousand One Hundred Seventy Six and 71/100 per sq.m</u>	sq.m	58.76	6,176.71	362,943.48
TOTAL AMOUNT (Php)					22,864,839.29

TOTAL AMOUNT OF BID (INCLUSIVE OF VAT) :

TWENTY TWO MILLION EIGHT HUNDRED SIXTY FOUR THOUSAND EIGHT HUNDRED THIRTY NINE PESOS & 29/100 ONLY.

(in words)

2.02 The CONTRATOR 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


 JENIFER E. LOZANO
 Contractor
 Witness

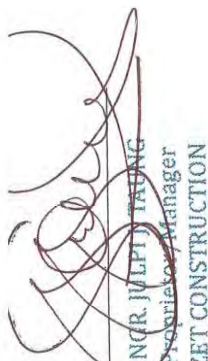
conduct on the part of the CONTRACTOR and/or its employees in the performance of their obligation.

18.11 No final payment of the contract shall be made to the CONTRACTOR without the Certificate of Completion and/or Acceptance from the Office of the City Engineer of the City concerned of the local works to be restored mentioned in paragraph 18.09 hereof, otherwise the cost of restoration shall be made available out of any collectable/receivable by the CONTRACTOR from the PPA.

18.12 Notwithstanding any extra work, change of work or orders made, if any, by the PPA, it is agreed that the same shall be completed within the period herein fixed and provided.

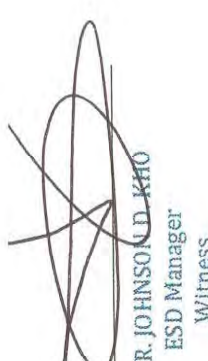
18.13 The CONTRACTOR shall hold the PPA free and harmless from whatever suit and hereby binds and obligates itself to indemnify the PPA for any and all liabilities, losses, damages, judgment, awards, fines, penalties and all expenses, legal or otherwise, of whatever kind and nature, arising from and by reason of this Contract, due to the fault, negligence, act, omission, delay, conduct, breach of trust or non-observance or violation of this Contract or any stipulation and warranty by the CONTRACTOR and/or any of its employees, agents, representatives or sub-contractors.

18.15 The CONTRACTOR shall be held responsible for "Structural Defects" 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.


 ENGR. JULPIT TRUONG
 Proprietor/Manager
 ZET CONSTRUCTION

The CONTRACTOR shall post a warranty security in accordance with the following schedule:

Form of Warranty	Minimum Amount in Total Contract Price
1. 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%)
2. 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%)
3. Surety bond callable upon demand issued by GSIS or insurance company duly certified by the Insurance Commission.	Thirty percent (30%)


 ENGR. JOHNSON D. KHO
 ESD Manager
 Witness

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 PPA and returned only after the lapse of said one-year period.

The warranty against Structural Defects and Failures shall cover the following periods from final acceptance, except those occasioned by force majeure: a) Permanent Structures: Fifteen (15) years Buildings of types 4 and 5 as classified under the National Building Code of the Philippines and other structures made of steel, iron, or concrete which comply with relevant structural codes (e.g., DPWH Standard Specifications), such as, but not limited to, steel/concrete bridges, flyovers, aircraft movement areas, ports, dams, tunnels, filtration and treatment plants, sewerage systems, power plants,


 ENGR. LIBERTO C. DE LA ROSA
 Port Manager

transmission and communication towers, railway system, and other similar permanent structures; b) Semi-Permanent Structures: Five (5) years Buildings of types 1, 2, and 3 as classified under the National Building Code of the Philippines, concrete/asphalt roads, concrete river control, drainage, irrigation lined canals, river landing, deep wells, rock causeway, pedestrian overpass, and other similar semi-permanent structures; and c) Other Structures: Two (2) years Bailey and wooden bridges, shallow wells, spring developments, and other similar structures.

ARTICLE XIX

SPECIAL REPRESENTATION

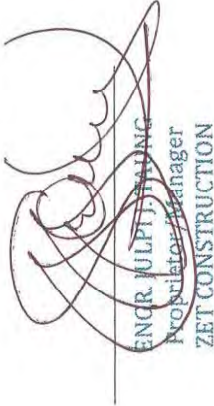
- 19.01 The CONTRACTOR hereby represents that all documents it submitted which form integral parts hereof are authentic and duly executed with all the required formalities for the same, and that the facts and/or date contained therein are true and correct. A breach of this representation including all misrepresentation in the documents or suppression of materials facts herein, which if known, could have disqualified the CONTRACTOR such that this contract would not have been made and entered into, gives the PPA the immediate right or recourse to **motu proprio** rescind, abrogate or otherwise terminate the contract without need of judicial action, in accordance with paragraph 18.04 hereof.
- 19.02 The CONTRACTOR hereby warrants that it has not given nor promised to give any money, gift or any material favor/consideration to any official or employee of the PPA to secure this Contract; that any violation of this warranty shall be sufficient ground for the PPA to revoke or cancel this Contract extra judicially or without need of judicial intervention.

ARTICLE XX

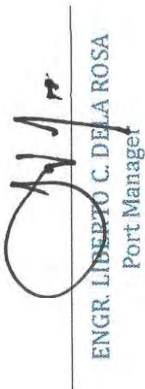
BUDGETARY REQUIREMENT

- 20.01 The parties hereto hereby adopt and incorporate herein by reference, Letter of Instruction No. 767 dated 16 November 1978 issued by the Office of the President, as implemented by the Letter Circular dated 7 December 1978 of the Minister of Budget.
- 20.02 The Contractor shall bear the cost of notarization of this Contract.


 JENIFER P. LOZANO
 Contractor
 Witness


 ENGR. JULIETTE TALING
 Project Manager
 ZET CONSTRUCTION


 ENGR. JOHNSON D. KHO
 ESD Manager
 Witness


 ENGR. LIBERTO C. DE LA ROSA
 Port Manager

ARTICLE XXI

EFFECTIVITY

21.01 This Contract shall become effective after the same shall have been signed by the Parties hereof.

IN WITNESS WHEREOF, the Parties have hereunto signed this Contract on the date and place first herein above written.

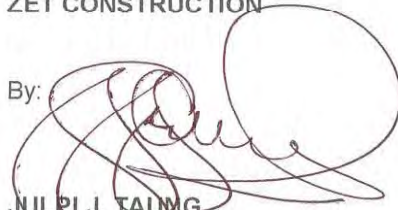
PHILIPPINE PORTS AUTHORITY

By:

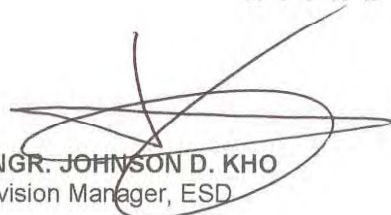

LIBERTO C. DELA ROSA
Port Manager

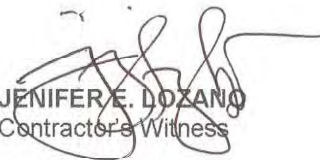
ZET CONSTRUCTION

By:


JULPI J. TAUNG
Owner/Manager

WITNESSES:


ENGR. JOHNSON D. KHO
Division Manager, ESD


JENIFER E. DOZANO
Contractor's Witness

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF ZAMBOANGA) S.S.

BEFORE ME. A Notary Public for and in the City of Zamboanga, Philippines, personally appeared the following persons with their respective Tax Identification Numbers, to wit:

NAME	TIN NO.
<u>LIBERTO C. DELA ROSA</u>	<u>108-602-670</u>
<u>JULPI J. TAUNG</u>	<u>106-164-831-000</u>

who are known to me to be the same persons who executed and signed the foregoing instrument and who acknowledged to me that the same is their true and voluntary acts and deeds, and that of the entity which they respectively represent.

This instrument is a Contract/Agreement for the **ZAM-PGEPCS-04-2018 (EP3) / NRP-ZBO-02-18 Repair of Container Freight Station (CFS) Building, Port of Zamboanga, Zamboanga City** consisting of **Eighteen (18)** pages, including this page where the Acknowledgment is written. Page 1 to 17 is signed on the left margin thereof and page 16 is signed at the corresponding spaces provided therefor by the Parties and their instrumental witnesses and sealed with my notarial seal on page 18.

WITNESS MY HAND AND SEAL this OCT 08 2018 day of _____, 2018 at Zamboanga, Philippines.

NOTARY PUBLIC
ATTY. ANECITO S. DARUNDAY
Notary Public
Until December 31, 2019
PTR No. 1633206, Jan. 03, 2018
IBP Lifetime Member No. 03572
Roll of Attorneys No. 45664

Doc. No. 247
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Book No. 100
Series of 2018

JENIFER E. LOZANO
Contractor
Witness

ENGR. JULPI J. TAUNG
Proprietor / Manager
ZET CONSTRUCTION

ENGR. JOHNSON D. KHO
ESD Manager
Witness

ENGR. LIBERTO C. DELA ROSA
Port Manager