

OWNER : Department of Agriculture
Fiber Industry Development Authority

ADDRESS : 7th Floor Sunnymede IT Center
1614 Quezon Avenue, Quezon City

PROJECT : Repair / Rehabilitation of the Fiber Processing and Utilization Laboratory at the BAI
Compound, Visayas Ave., Quezon City

SUBJECT : Contract Agreement for the Repair / Rehabilitation of the Fiber Processing and
Utilization Laboratory at the BAI Compound, Visayas Ave., Quezon City

CONTRACT OF AGREEMENT

THIS AGREEMENT, made this MAY 17 2013 between Administrator CECILIA GLORIA J. SORIANO, representing the FIBER INDUSTRY DEVELOPMENT AUTHORITY (FIDA), 7th Floor, Sunnymede IT Center, Quezon City, herein referred to as the "ENTITY", and MR. NESTOR T. VELASQUEZ, PRESIDENT, 626 Construction and Trading, Inc. with business address at 121-E AAJ Bldg., Molave St. Project 3, Quezon City .

WHEREAS, the Entity is desirous that the Contractor execute the Works - under Repair/Rehabilitation of Fiber Processing and Utilization Laboratory, BAI Compound, Visayas Avenue, Diliman, Quezon City, hereinafter called "the Works" and the ENTITY has accepted the Calculated Bid of the CONTRACTOR for the execution and completion of works at the calculated unit bid prices shown in the attached Bill of Quantities, or a total Contract Price of Three Million Six Hundred Ninety One Thousand Nine Hundred Thirty Five Pesos and Ten Centavos (P 3,691,935.10) and the remedying of any defects therein.

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. In this Agreement, words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract hereinafter referred to.
2. The following documents shall be attached, deemed to form, and be read and construed as part of this Agreement, to wit:
 - (a) General and Special Conditions of Contract (Annex A);
 - (b) Drawings/Plans (Annex B);
 - (c) Specifications (Annex C);
 - (d) Invitation to Apply for Eligibility and to Bid (Annex D);
 - (e) Instructions to Bidders (Annex E);
 - (f) Bid Data Sheet (Annex F);
 - (g) Addenda and/or Supplemental/Bid Bulletins, if any (Annex G)
 - (h) Bid form, including all the documents/statements contained in the Bidder's bidding envelopes, as annexes (Annex H);
 - (i) Eligibility requirements, documents and/or statements (Annex I);
 - (j) Performance Security (Annex J);
 - (k) Notice of Award of Contract and the Bidder's conforme thereto (Annex K);
 - (l) Other contract documents that may be required by existing laws and/or the Entity (Annex L);
 - (m) PERT/CPM diagram and Bar Chart with S-Curve (Annex M).



3. In case the CONTRACTOR lags behind schedule in his work and incurs 15% or more negative slippage based on his approved PERT/CPM, the Administrator of the Fiber Industry Development Authority may, at her discretion, terminate or rescind the contract pursuant to existing laws, rules and regulations.
4. The CONTRACTOR shall comply with, and strictly observe, all laws regarding workmen's health and safety, workmen's welfare, compensation for injuries, minimum wages, hours of labor and other labor laws as per Ministry Order No. 9, series of 1981.

SCOPE OF WORK OF CONTRACTOR

The CONTRACTOR shall faithfully and completely furnish to the satisfaction of the owner all necessary labor, supervision and management, tools, supplies, materials and equipment and general safety of the workers, laboratory and facilities as may be required for full completion of the PROJECT. The contract includes mobilization/demobilization; provision of temporary facilities, permits and engineering facilities for the engineer; earthworks; concrete works; roofing; masonry works; floor, wall ceiling, counter-top and counter wall finishes; fabrication of materials and hardwares; waterproofing and concrete topping; painting works; sanitary and plumbing works; electrical works; and protective works.

WORK COMPLETION

The CONTRACTOR shall complete the project within ONE HUNDRED FIFTY (150) CALENDAR DAYS which start after the CONTRACTOR received the Notice to Proceed from the ENTITY.

In consideration of the payments to be made by the ENTITY to the CONTRACTOR as hereinafter mentioned, the CONTRACTOR hereby covenants with the ENTITY to execute and complete the Works and remedy any defects therein in conformity with the provisions of this Contract in all respects.

The ENTITY hereby covenants to pay the CONTRACTOR in consideration of the execution and completion of the Works and the remedying of defects wherein, the Contract Price or such other sum as may become payable under the provisions of this Contract at the times and in the manner prescribed by this Contract.

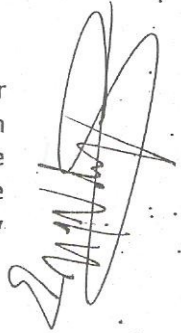
OPTION TO COMPLETE WORK

In case the CONTRACTOR, at anytime during the progress of the work fail, refuse, neglect or abandon the project, the ENTITY shall serve the CONTRACTOR a ten-day notice to Resume Work in accordance with the CONTRACT. If any case, the CONTRACTOR fails to comply the ENTITY may complete the work and charge the cost against the CONTRACT or from the CONTRACTOR's Performance Bond. The amount of which will be determined by the ENTITY. However, this stipulation shall not relieve or in any way diminish the responsibility of the CONTRACTOR under the Contract.

LIQUIDATED DAMAGES

Where the CONTRACTOR fails to satisfactory complete the work within the specified time, plus any extension duly granted and is hereby in default under this Contract, the CONTRACTOR shall pay the ENTITY for liquidated damages, and not by the way of penalty, an amount to be determined in accordance with the following formula for each calendar day of delay, until the work is completed and accepted or taken over by the ENTITY.

The CONTRACTOR shall pay liquidated damages to the Procuring Entity for each day that the Completion Date is later than the Intended Completion Date. The applicable liquidated damages is at least one-tenth (1/10) of a percent of the cost 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 contract. The



Procuring Entity may deduct liquidated damages from payments due to the CONTRACTOR. Payment of liquidated damages shall not affect the CONTRACTOR. Once the cumulative amount of liquidated damages reaches ten percent (10%) of the amount of this Contract, the Procuring Entity shall rescind this Contract, without prejudice to other courses of action and remedies open to it.

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.

PROGRESS PAYMENT

Periodically, but not more than twice a month, the CONTRACTOR may submit a request for payment work accomplished. Such request for payment shall be verified by the Project Engineer assigned by the ENTITY, on the basis of progress and satisfactory completion and/or work estimates that fall under billing by the CONTRACTOR and accepted by the ENTITY.

IN WITNESS WHEREOF, the parties thereto hereto have signed these presents in Quezon City, Philippines, this _____ day of _____ 2013.

MAY 17 2013

FOR THE ENTITY:

FIBER INDUSTRY DEVELOPMENT AUTHORITY


CECILIA GLORIA J. SORIANO, CESO III
ADMINISTRATOR

FOR THE CONTRACTOR:

626 CONSTRUCTION AND TRADING, INC.


ENGR. NESTOR T. VELASQUEZ
PRESIDENT/GENERAL MANAGER

SIGNED IN THE PRESENCE OF:


HONESTO C. TABUZO, JR.
Chief Accountant

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
Quezon City) S. S.

MAY 17 2013

BEFORE ME, a Notary Public for and in Quezon City, Metro Manila, Philippines, this 17 day of MAY 2013, personally appeared **CECILIA GLORIA J. SORIANO, CESO III** with Office ID No. 001 issued by FIDA and ENGR. NESTOR T. VELASQUEZ with SSS I.D. NO. 03-6749032-4

Known to me to be the persons who voluntarily executed the foregoing instrument consisting of four (4) pages including this page, and they acknowledged as their free and voluntary acts and deeds and that in their ENTITIES which they represent as their duly authorized representatives with full authority to signed in their capacities;

WITNESSED MY HAND AND SEAL, this MAY 17 2013 day of MAY 2013 at Quezon City, Metro Manila, Philippines.

~~ATTY. MANNY W. GRAGASIN
NOTARY PUBLIC
COMMISSION NO. Notary Public, 31, 2014
OCHPO, CEN. HLR, QUEZON CITY HALL
IBP NO. 834240 - 16-18-12 QUEZON CITY
PTR NO. 7580728-1-2-13 QUEZON CITY
ROLL OF ATTORNEYS NO. 56070
MCLE NO. 111-0007899
TIN NO. 243-085-918~~
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