

CONTRACT AGREEMENT
2025-08-689

KNOW ALL BY MEN BY THESE PRESENTS:

This Contract Agreement made on this 29th day of August, 2025 by and between:

REPUBLIC OF THE PHILIPPINES, through the **DAVAO DE ORO STATE COLLEGE** with office and postal address at Purok 10, Poblacion, Compostela, Davao De Oro , represented herein by **LILYBETH M. MATUNHAY, Ph.D.** SUC President I hereinafter referred to as "**PROCURING ENTITY**".

AND

MICAH CONSTRUCTION & SUPPLY with postal address at **Blk. 2 Lot 25, Gladiola Rd., Bloomfields Subdivision Lanang, Davao City** represented by **GLICERIO D. CRISOLOGO, JR. Proprietor/AMO**, hereinafter referred to as the "**CONTRACTOR**".


WITNESSETH

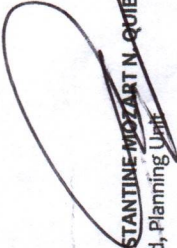
WHEREAS, the PROCURING ENTITY is desirous that certain works should be constructed namely: **Renovation and improvement of SPMU, Procurement/BAC Office & Crim Deftac-Proc Unit** hereinafter referred to as the PROJECT and has accepted and bid by the CONTRACTOR for the construction and completion of such works.

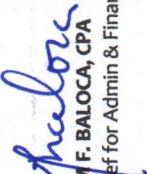
WHEREAS, in this CONTRACT AGREEMENT works and expression shall have the same meanings as are respectively assigned to them Contracts (General Conditions Provisions and Special Provisions) hereinafter referred to:

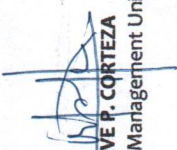
WHEREAS, the following documents are hereby incorporated into and made an integral part of this Contract Agreement.

- a) Contract Agreement
- b) Bid Documents
- c) Drawing/Plans
- d) Winning Bidder's Bid including the following Annexes:
 - A. Eligibility and Technical documents:
 - 1. DTI Certificate
 - 2. Mayor's/Business Permit
 - 3. Tax Clearance Certificate
 - 4. PhilGEPS Registration Certificate
 - 5. List of Ongoing Government and Private Contracts
 - 6. List of Completed Contract or Single Largest Completed Contract (SLCC)
 - 7. PCAB License
 - 8. Audited Financial Statement
 - 9. Latest Income and Business Tax Returns
 - 10. Net Financial Contracting Capacity (NFCC)
 - 11. Bid Security as to form, amount and validity period;/not applicable
 - 12. Authority of the Signing Official;
 - 13. Construction Schedule and S-Curve;
 - 14. Manpower Schedule;
 - 15. Construction Methods;
 - 16. Organizational Chart for the contract to be bid;
 - 17. List of Contractors personnel (viz., Project Manager, Project Engineer, Material Engineer, and Foreman, to be assigned to the contract to be bid, with their complete qualification and experience data;


CONTRACTOR
BY: 
GLICERIO D. CRISOLOGO, JR.
Proprietor/AMO
MICAH CONSTRUCTION AND SUPPLY



CONSTANTINE MOZART N. QUIBLAT, ECE
Head, Planning Unit



KIM F. BALOCA, CPA
Chief for Admin & Finance



ENGR. IAN DAVE P. CORTEZA
Head, Project Management Unit


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18. Commitment from a licensed bank to extend to the bidder a credit line if awarded the contract to be bid, or a cash deposit certificate in the amount not lower than that set by the procuring entity in the bidding documents which shall be at least equal to ten percent (10%) of the approved budget for the contract to be bid: Provided, however, that if the bidder previously submitted this document as an eligibility requirement, the said previously submitted document shall suffice;
19. Construction Safety and Health Program of the contractor;
20. Certificate from the bidder under oath of its compliance with existing labor laws and standards;
21. A sworn affidavit of compliance with the Disclosure Provision under Section 47 of the Act in relation to other provisions of RA 3019;
22. Construction Drawings, Technical Specifications, General Conditions, Bid Documents, Bid Bulletins, Addenda/Revisions/Modifications, if any.

B. SECOND ENVELOPE

1. Bid Prices in the Bill of Quantities in prescribed Bid Form;
2. Detailed Estimates;
3. Cash Flow by Quarter and Payments

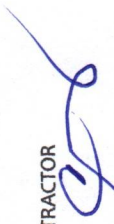
C. OTHERS


1. Performance Security
2. Credit Line issued by an authorized bank in an amount equal to the average operation expenses of the project for two (2) months or ten (10%) of the total project cost, whichever is less;
3. Notice of Award of Contract and Contractors "Conformed" thereto;
4. BAC Resolution to Award;
5. Technical Evaluation and Post Qualification Documents;
6. Other Contract Documents that may be required by the office/agency/corporation concerned.

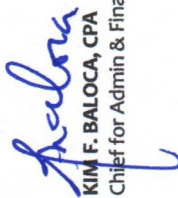
NOW, WHEREAS, in consideration of the premises and of the terms and conditions hereinafter set forth, the parties hereto hereby agree as follows:

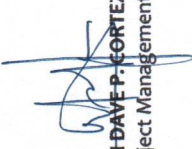
ARTICLE 1 – SCOPE OF WORK


The CONTRACTOR, in consideration of the payment to be made by the PROCURING ENTITY, to the CONTRACTOR of the sum of money hereinafter named, agrees to furnish all labor, materials, equipment, plants, tools, other facilities and supervision at the cost and expense for the account of the contractor and that work and labor whatsoever nature or kind which shall be necessary or proper for the due completion of said deployment and does hereby warrant and guarantee that said work and labor shall be performed in superior quality of work, in full conformity with the said plan and specifications as per signed project proposal. The satisfactory and faithful performance of all the work necessary to commence and complete the Project, ready for use except the works to be done by other parties as are specifically excluded here from by Drawings and described in the Specifications, Instructions and other related documents.

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ARTICLE 2 – TIME OF COMPLETION

The Work stipulated in this Contract shall be completed and ready for use not later than **One Hundred Twenty Calendar Days (120 CD)** in accordance with the provisions of the Bid Documents. The contractor shall remain liable for any damages and defects discovered on the work due to faulty deployment or the use of inferior materials as per the statement stipulated in Sec. 62.2.2 of RA 9184.

ARTICLE 3 – CONTRACT AMOUNT

The PROCURING ENTITY agrees that for and in consideration of the faithful performance by the CONTRACTOR of this Contract, she shall pay to CONTRACTOR, in a manner provided hereinafter the amount **ONE MILLION TWO HUNDRED THIRTY THOUSAND NINE HUNDRED FIFTY-SEVEN PESOS & 09/100 ONLY. (1,230,957.09 Php).**

Should the PROCURING ENTITY require the CONTRACTOR to perform work over and above that required by this Agreement, the additional cost shall be added to the Contract Amount and likewise, should he be ordered to omit work as required by this Agreement the corresponding cost shall be deducted from the contract amount. In either case, the cost of additions or reductions shall previously be mutually agreed upon in writing by PROCURING ENTITY, CONTRACTOR and PAYOR before execution.

Any payment due and payable to the CONTRACTOR may be offset against any liquidated damages payable to the PROCURING ENTITY under this Contract.

ARTICLE 4 – PAYMENTS

1. PROGRESS PAYMENT


The CONTRACTOR may submit a request for the payment of work accomplished, payment schedule according to the contractor's performance and work phases, and financial utilization report on top of the Statement of Work Accomplish as requirements for the release of progress payments. The procuring entity's project engineer will verify and certify such payment requests. Except as otherwise stipulated in the Instructions to Bidders, materials and equipment delivered on-site but not completely put in place shall be included in payment.

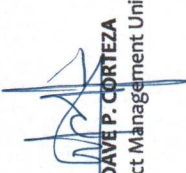
ARTICLE 5 – RETENTION MONEY

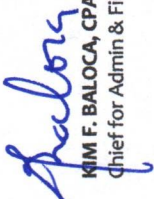
Progress payments submitted by the CONTRACTOR are subject to retention of ten percent (10%) referred to as the "retention money". Such retention shall be based on the total amount due to CONTRACTOR prior to any deduction and shall be retained from any progress payment until fifty percent (50%) of the value of completion, the work is satisfactorily done and on schedule, no additional retention shall be made; otherwise, the ten percent (10%) retention shall be imposed.

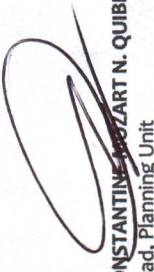
The total "retention money" shall be due for release upon final acceptance of the works. The contractor may however request for the substitution of the retention money for each progress billing with irrevocable Letter of Credit of Bank Guarantee issued by a reputable commercial bank, Bank Guarantees or Surety Bonds callable on demand, of amounts equivalent to the retention money substituted for and acceptable to owner, provided that the project is on schedule and is satisfactory undertaken.


Otherwise, the ten percent (10%) retentions shall be made. Said irrevocable standby letter of credit or bank guarantee/and or surety bonds, to be posted in favor of owner shall be valid for duration to be determined by the concerned implementing agency and will answer for the purpose for which the ten percent

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(10%) retention is intended, i.e. to cover uncorrected discovered defects and third party liabilities.

ARTICLE 6 – LIQUIDATED DAMAGES

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

$$TLD = VUUP \times [(1 + OCC)^n - 1] \times K$$

$$VUUP = TXP - VCUP$$

Where:

- TLD = Total Liquidated Damages, in Peso
- VUUP = Value of the Uncompleted and Unusable Portions of the Contract work, as of the expiry date of the Contract, in Pesos
- TCP = Total Contract Price, in Pesos
- VCUP = Value of the Completed and Usable Portion of the contract work, as of the expiry date of the contract, in Pesos
- OCC = Prevailing Opportunity Cost of Capital for Government Projects set by NEDA, which is currently pegged at 15%
- n = Total number of years that the contract work is delayed after expiry date of the contract
- K = Adjustment factor to cover additional losses
 $= 1 + C + (I \times n)$

Where:

- C = Cost of construction supervision as a percentage not exceeding 10% of construction cost
- L = Annual inflation rate

The head of agency may also impose additional liquidated damages on the contractor provided that such is prescribed in the Instruction to Bidders.

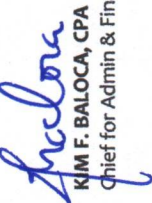
A project of a portion thereof may be deemed usable when it starts to provide the desired benefits as certified by the targeted end-users and the concerned agency.


To be entitled to such liquidated damages, the PROCURING ENTITY 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 the PROCURING ENTITY.


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 the PROCURING ENTITY 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 set aside from the amount of liquidated damages that the CONTRACTOR shall pay the PROCURING ENTITY under the provision of this clause and impose appropriate sanctions.

ARTICLE 7 – PERFORMANCE SECURITY

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To guarantee the faithful performance of the CONTRACTOR under the contract, he shall post upon the signing of the contract a performance security in the form of manager's check, bank draft/guarantee issued by a reputable private local bank, letter of credit issued by a reputable private local bank, or a combination thereof, in accordance with following schedule:

1. Cash, manager's check, cashier's check, irrevocable letter of credit – ten percent (10%) of the total contract price;
2. Bank draft/guarantee – ten percent (10%) of the total contract price;
3. 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%); and
4. Any combination of the foregoing.

This performance security shall be posted in favour of the PROCURING ENTITY and shall guarantee the payment of the amount of the security as penalty in the event it is established that the CONTRACTOR is in default, in delay, in violation of his obligations.

ARTICLE 8 – SUSPENSION OF WORK

The PROCURING ENTITY or its duly authorized representative shall have the authority to suspend the work wholly or partly by written order for such periods as any be deemed necessary, due to force majeure or any fortuitous event or for failure on the part of the CONTRACTOR to correct bad conditions which are unsafe for workers or for the general public to carry out valid orders given by the PROCURING ENTITY or to perform any provisions of the contract, or due to adjustment of plans to suit field conditions as found necessary during construction. The CONTRACTOR shall immediately comply with such order to suspend the work wholly or partly.

In case of total suspension, or suspension of activities along the critical path, which is not due to any fault of the CONTRACTOR the elapsed time between the effective order to suspending operation and the order to resume work shall be allowed the CONTRACTOR by adjusting the contract time accordingly.


ARTICLE 9 – EXTENSION OF CONTRACT TIME


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, the PROCURING ENTITY shall determine the amount of such extensions; provided that the PROCURING ENTITY 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 the PROCURING ENTITY 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, the PROCURING ENTITY examine the facts and extent of the extent of the delay and shall extend the contract time completing the contract work when, in the Procuring Entity's opinion, the findings of facts justify an extension.

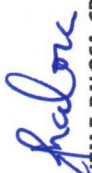
ARTICLE – 10 VARIATION ORDERS


Change Order/Extra Order


Variation Orders may be issued by the Procuring Entity to cover any increase/decrease in quantities, including the introduction of new work items that are not included in the

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SUC President I

original contract or reclassification of work items that are either due to change of plans, design or alignment to suit actual field conditions resulting in disparity between the preconstruction plans used for purposes of bidding and the "as staked plans" or construction drawings prepared after a joint survey by the Contractor and the Procuring Entity after award of the contract, provided that the cumulative amount of the Variation Order does not exceed ten percent (10%) of the original project cost.

ARTICLE 11 – INSURANCE AND OTHER CONDITONS

The CONTRACTOR shall take cognizance of the provisions of the other contract documents especially for the CONTRACTOR'S responsibilities and liabilities on materials, workmanship, labor and property as stipulated in the General Conditions. The contractor shall also guarantee that the material, equipment and other relative accessories provided and installed shall be of standard quality and durability upon the completion of the said work. Within fifteen (15) days after signing of the contract, the CONTRACTOR shall submit the Certificate of Insurance to protect him against claims for damages for personal injury including deaths and claims for damages of PROCURING ENTITY property and adjoining property which may arise from operations under this contract, subject to the approval as to the adequacy of protection and reliability of insurance company. Provided that the contractor shall be responsible to hire his/her workers and laborers for the project and that they shall be responsible for all their wages and benefits provided under the law of the Philippines.

ARTICLE 12 – ASSIGNMENT AND SUBCONTRACT

The CONTRACTOR agrees that the contract shall not be assigned, transferred, pledged, subcontracted or make any other disposition of the contract or any part of interest therein except with the approval of the PROCURING ENTITY. Approval of the subcontract shall not relieve the main CONTRACTOR from any liability of obligations under the CONTRACTOR'S contract with the PROCURING ENTITY nor shall it create any contractual relation between the SUBCONTRACTOR and the PROCURING ENTITY.

ARTICLE 13 – TERMINATION OF CONTRACT

To ensure timely and effective remedial steps in response to delays in project implementation the PROCURING ENTITY or his duly authorized representative shall undertake the following calibrated actions whenever contracts for infrastructure projects reach the levels of negative slippage (attributable to the CONTRACTOR) indicated below:

1. Negative Slippage of 5% ("Early Warning" Stage):
The CONTRACTOR shall be given a warning and required to submit a "Catch-up" program to eliminate the slippage. The PROCURING ENTITY or her duly authorized representative shall provide enough supervision and monitoring of the work.
2. Negative Slippage of 10% ("ICU Stage"): The CONTRACTOR shall be given a second warning and required to submit a detailed action on a program on a fortnightly (two weeks) basis which commits him to accelerate the work and accomplish specific physical targets which reduce the slippage over a defined time period. Furthermore, the CONTRACTOR shall be instructed to specify the additional input resources-money, manpower, materials, machines, and management which he should Mobilize for the action program. The PROCURING ENTITY or her duly authorized representative shall exercise closer supervision and meet the CONTRACTOR every other

3. Negative Slippage beyond 15% ("Terminal" Stage): The PROCURING ENTITY or her duly authorized representative shall initiate termination/recession of the contract and/or take-over of the remaining work by administration assignment to another contractor/appropriate agency. Proper transitory measures shall be taken to minimize work disruptions, e.g., take-over by administration while re-bidding is going

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 OWNER may rescind the contract, forfeit the contractor's performance security and takeover the prosecution of the projects of award the same to a qualified contractor through negotiated contract.

ARTICLE 14 – GUARANTY BOND

The CONTRACTOR shall post a guaranty bond in the form of letter of credit or bank guarantee issued by a reputable local bank in the amount equivalent to the retention money.

The total "Guaranty Bond" shall be due for release after one (1) year from the date of actual completion of the project as warranty to the materials, workmanship, labor, and property as stipulated in the General Conditions.

Said guaranty to be posted in favour of owner will answer for the purpose for which the guaranty money is intended, i.e. to cover uncorrected discovered defects, defective materials and workmanship within the one (1) year guaranty period.


ARTICLE 15 – APPLICABILITY OF OTHER LAWS

The provision of RA 9184, Its Implementing Rules and Regulations, and all other laws pertaining to infrastructure projects shall apply.

ARTICLE 16 – EFFECTIVITY

This CONTRACT shall be effective upon signing thereof and approved by the proper authorities, subject to whatever addition, alteration, deletion and amendment that may be suggested by the proper authority concern in the contract review which shall be binding and effective and shall form part of the Contract.

REPUBLIC OF THE PHILIPPINES
BY (DDOSC):


DR. LILYBETH M. MATUNHAY
SUC President I

CONTRACTOR:


GLICERIO D. CRISOLOGO, JR.
Proprietor/AMO

AVAILABILITY OF FUNDS:


ROTCHIL G. PIASTRO, CPA
College Accountant

WITNESSETH


KIM F. BALOCA, CPA
Chief for Admin & Finance


ENGR. IAN DAVE P. CORTEZA
Head, Project Management Unit


ACKNOWLEDGMENT


REPUBLIC OF THE PHILIPPINES) S.S.
MUNICIPALITY OF COMPOSTELA
DAVAO DE ORO

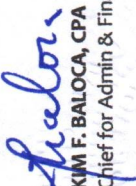
At the place and date above-mentioned, personally appeared before me **LILYBETH M. MATUNHAY, PH.D.** with Residence Certificate No. _____ issued on _____ 2024 issued at Compostela, Davao De Oro, Philippines and with Tax Identification No. _____ and **GLICERIO D. CRISOLOGO, JR** with Certificate No. _____ issued on _____, 2025 issued at Davao City and Tax Identification No. _____ known to me and the same persons who executed the foregoing instrument and acknowledged to me that the same is their free act and deed.

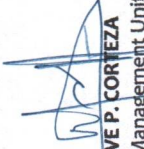
The foregoing instrument is a CONTRACT AGREEMENT consisting of eight (8) pages each signed by the parties hereto and sealed with my notarial seal.


WITNESS my hand and official seal at the above on the date above.

CONTRACTOR
BY: 
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Book No.: 1 ;
Series of 2025


ATTY. RAY KRISTOFFER C. RAMIREZ
Notary Public-Davao City until December 31, 2026
Serial No. 2025-288-2026 • Roll No. 94280
PTR No. 1035682 • 01/31/2025 • Davao City
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