

**CONTRACT**

**KNOW ALL MEN BY THESE PRESENTS:**

This contract made and entered this \_\_\_\_\_ day of **22 JAN 2025** the Municipality of Cuyapo, Nueva Ecija, between:

The **MUNICIPALITY OF CUYAPO**, a local government unit existing under the laws of the Republic of the Philippines with postal address at Cuyapo Municipal Hall, Quezon Avenue, Cuyapo, Nueva Ecija, represented herein by **HON. FLORIDA PAGUIO-ESTEBAN, MD**, *Municipal Mayor of Cuyapo, Nueva Ecija*, hereinafter referred to as the "**FIRST PARTY**";

-and-

**VERDAX BUILDERS**, a *Construction-General Contractor*, with principal address at # 103 Mission Garden Condo Scout Ybardaloza, Barangay South Triangle, Quezon City, represented herein by its Proprietor, **MR. VIRGILIO C. DACQUEL**, herein after called the "**SECOND PARTY**"

The **MUNICIPALITY OF CUYAPO** and **VERDAX BUILDERS**, shall hereafter be collectively referred to as the "**PARTIES**"

**WITNESSETH**

WHEREAS, the **FIRST PARTY** has awarded the **SECOND PARTY** the infrastructure **PROJECT** known as "**CONSTRUCTION OF MUNICIPAL AUDITORIUM (PHASE II)**" (herein referred to as the "**PROJECT**"); in accordance with as indicated in the Working Drawings, Plans and Specifications prepared for the **FIRST PARTY** by the Municipal Engineer with the conformity of the **SECOND PARTY**

WHEREAS, the **SECOND PARTY** has represented and warranted itself as a competent, capable and duly licensed Contractor and has offered to do **PROJECT** works in accordance with the working drawings, plans and specifications as provided under the terms and conditions set forth hereunder;

WHEREAS, the **FIRST PARTY** has accepted said offer of the **SECOND PARTY**, to undertake the above-stated infrastructure **PROJECT** subject to the terms and conditions provided herein;

WHEREAS, Public Bidding has been conducted on December 19, 2024 wherein bid was evaluated and that after a complete and final evaluation by the BAC-INFRA Technical Working Group, it was determined that the **SECOND PARTY** is the Single Calculated and Responsive Bidder in the amount of **Eleven Million Nine Hundred Ninety-Nine Thousand Eight Hundred One Pesos and 60/100 (P11,999,801.60)**, Philippine Currency;

WHEREAS, The Bids and Awards Committee (BAC), through its Resolution No. \_\_\_\_\_, S-2024 has recommended to the Municipal Mayor to award the **PROJECT** to the **SECOND PARTY**;

NOW THEREFORE, for and consideration of the foregoing premises and of the mutual covenants and stipulation hereinafter contained and set forth, the **PARTIES** hereto agreed as follows;

**ARTICLE 1**  
**PROJECT NAME**

Section 1. The **PROJECT** is known as "**CONSTRUCTION OF MUNICIPAL AUDITORIUM (PHASE II)**";

**ARTICLE II  
LOCATION OF THE *PROJECT***

Section 1. The *PROJECT* is located at District VII, Cuyapo, Nueva Ecija

**ARTICLE III  
*PROJECT* COST**

Section 1. The *PARTIES* hereby agree to the total consideration for the *PROJECT* in the amount of **Eleven Million Nine Hundred Ninety-Nine Thousand Eight Hundred One Pesos and 60/100 (P11,999,801.60)**, Philippine Currency and to the terms of payment embodied in this agreement.

Section 2. The Contract Prize shall include any and all cost and expenses for labor, materials, equipment, tools, mark-ups and profit, all forms of taxes and all other expenses required in the construction, building and completion of the *PROJECT*.

**ARTICLE IV  
SCOPE OF WORK**

Section 1. The work to be undertaken by the *SECOND PARTY* under this Agreement shall include:

a. **Construction of Municipal Auditorium (Phase II)** until completion hereof;

b. Furnishing and supplying of all the necessary personnel / labor, materials, equipment and provision of temporary facilities such as field office, storage, barracks, bunk houses, temporary fences / barricades, sanitary facilities and temporary electrical facilities, equipment, tools plants and all other incidental facilities needed, as well as supervision and control of every aspect of the *PROJECT* to ensure timely completion of all works in accordance with the Approved Program of Works and estimates, Conditions of the Contract, plans, Technical Specifications and other Contract documents including addenda, if any.

Section 2. The *SECOND PARTY* agrees to undertake the *PROJECT* simultaneously for **TWO HUNDRED FORTY (240) Calendar Days**. This period remains fixed unless additional time is requested by the *SECOND PARTY* to the *FIRST PARTY* and allowed by the *FIRST PARTY* to the *SECOND PARTY* in writing.

**ARTICLE V  
COMMENCEMENT OF WORK**

Section 1. The *SECOND PARTY* agrees to begin work within seven (7) calendar days following the date of receipt of the Notice to Proceed. Within the seven (7) day period, the *SECOND PARTY* shall advise the Municipal Engineer and the BAC Secretariat of the actual date of the commencement and the projected date of completion of the *PROJECT* in writing.

Section 2. The *SECOND PARTY* shall complete the mobilization of all necessary equipment and personnel prior to the Commencement Date in order to ensure completion of the *PROJECT* within the period for in Article IV.

**ARTICLE VI**  
**OBLIGATION OF THE *FIRST PARTY***

Section 1. The ***FIRST PARTY*** shall ensure that all necessary permits, authorities and / or licenses are secured beforehand to avoid any delay in the commencement of the ***PROJECT***.

Section 2. For the purpose and satisfaction and full completion of the ***PROJECT*** the ***FIRST PARTY*** hereby warrants that the Municipal Budget Officer and Municipal Treasurer have certified the sufficiency and availability of the Approved Budget for the Contract.

Section 3. The ***FIRST PARTY*** warrants that competitive procurement was conducted on December 19, 2024 and the BAC-INFRA Technical Working Group had evaluated the different bidders as well as their respective bids.

Section 4. The ***FIRST PARTY*** shall pay the **SECOND PARTY** the amount of Eleven Million Nine Hundred Ninety-Nine Thousand Eight Hundred One Pesos and 60/100 (P11,999,801.60), Philippine Currency.

**ARTICLE VII**  
**OBLIGATION OF THE *SECOND PARTY***

Section 1. The ***SECOND PARTY*** hereby agrees to undertake the aforementioned ***PROJECT*** in accordance with the Approved Program of Works and Estimates, Condition of the Contract, Plans, Technical Specifications and other contract documents including addenda, if any.

Section 2. Prior to the execution of this Contract, the ***SECOND PARTY*** shall post a performance Security in the amount specified in the Bid Data Sheet of the Bidding Documents to guarantee the faithful performance of the ***SECOND PARTY*** of its obligations under the contract.

Section 3. The ***SECOND PARTY*** agrees to begin work within seven (7) calendar days following the date of receipt of the Notice to Proceed as mentioned in Section 1 of Article V of the agreement.

Section 4. The ***SECOND PARTY*** shall continuously maintain adequate protection of all properties and materials to be used or used in the ***PROJECT*** against theft, robbery, pilferage or fire or any cause of damage or loss, and shall be responsible and fully considered part of the Contract Prize.

Section 5. All machineries, tools, equipment necessary for the commencement, performance and completion of the ***PROJECT*** shall be provided by the ***SECOND PARTY*** at their own cost of expenses. Any other expenses incurred shall be responsible and fully accountable for such damage or loss.

Section 6. Any defect arising from or in connection with the development works shall be the sole responsibility of the ***SECOND PARTY***. In such event, the ***SECOND PARTY*** hereby undertakes to rectify such defect(s) at its own cost to the satisfaction of the ***FIRST PARTY***.

Section 7. The ***SECOND PARTY*** shall take all the necessary precautions to ensure the safety of its employees. It shall likewise comply with all applicable laws on safety of its workers including, but not limited to, the Labor Code and the Building Code of the Philippines. In the performance of its obligations under this Agreement, the ***SECOND PARTY*** shall take measures to prevent accidents, death and / or injuries to all persons.

Section 8. The ***SECOND PARTY*** shall ensure that all its personnel shall wear proper uniform and use personnel protective gear at all times for safety purposes. Noisy works shall only be performed from 10:00 in the morning until 6:00 in the evening.

Section 9. Any injury to or death of persons or damage to property arising from, in connection with, or as a result in the construction works shall be for the sole account of the ***SECOND PARTY***.

Section 10. The ***SECOND PARTY*** shall perform everything necessary for the completion and successful Construction of the aforesaid ***PROJECT***.

Section 11. The **SECOND PARTY** shall submit two (2) copies of as built-plans with blueprints upon completion of the **PROJECT**.

## **ARTICLE VIII TIME COMPLETION / TERMINATION**

Section 1. The **SECOND PARTY** shall complete the **PROJECT** within **TWO HUNDRED FORTY (240) Calendar Days**. Thereafter, the **SECOND PARTY** shall immediately deliver the same to the peaceful and lawful possession of the **FIRST PARTY** and to the complete satisfaction of the latter. Any disruption of work due to fortuitous events shall not be taken against the **SECOND PARTY**.

Section 2. Time is of the essence in the performance of this Contract. If the **SECOND PARTY** fails to complete all the works to the **FIRST PARTY'S** full satisfaction within the period specified herein, the **PARTIES** hereby agree and acknowledge that any such delay would cause damage to the end user/s. In such event, for each calendar day of delay, the **SECOND PARTY** should be liable for liquidated damages in the amount equivalent to 1/10th of one (1) percent of the cost of the unperformed portion for that day. Any sum accruing in favor of the **FIRST PARTY** under this Agreement shall be deductible from the Contract Price or any balance thereof.

Section 3. Notwithstanding the foregoing, the **FIRST PARTY** may terminate this Agreement if the **SECOND PARTY** incurs delay for more than seven (7) days in any phase of the **PROJECT** and based on the Work Schedule annexed hereto, or in the event of any substantial deviation made by the **SECOND PARTY** from the approved plans. Should the **FIRST PARTY** elect to terminate this Agreement, it may engage the services of another qualified contractor to complete and / or correct the works, the cost for which shall be for the account of the **SECOND PARTY**.

Section 4. The **FIRST PARTY** at any time can terminate the Contract if the **SECOND PARTY** does not show satisfactory progress in the Works, and has already incurred a negative slippage of fifteen (15%) percent or more based on contract duration, regardless of whether or not previous warning and notices for it to improve its performance has been issued.

## **ARTICLE IX COMPLIANCE WITH LAWS AND REGULATIONS**

Section 1. The **PARTIES** herein shall comply with all laws, acts and regulations of the Philippine Government, national or local, relating to the performance, completion and delivery of the **PROJECT**.

Section 2. In case of any violation thereof, the **SECOND PARTY** shall be fully responsible and accountable to the **FIRST PARTY** and agrees to remedy the violation at his own expenses.

Section 3. The **SECOND PARTY** agrees to answer for all penalties for violations committed by it or by its employees, representatives and personnel, whether they are in the performance of their work or not.

## **ARTICLE X WARRANTY AND ACCEPTANCE**

Section 1. Upon Completion of the **PROJECT**, the **SECOND PARTY** agrees that the **FIRST PARTY** can immediately use or enjoy its use. However, the **FIRST PARTY** reserves the right to inspect and determine for itself whether the works done were all in accordance with the terms of this Agreement, as well as the approved plans and specifications. Should there be any defect in the installation or non-compliance with the approved plans and specification, the **SECOND PARTY** shall immediately correct the defect at its own expense.

Section 2. The **SECOND PARTY** represents and warrants that the performance and construction on the **PROJECT** is in conformity with the approved Programs of Works, drawings, plans and specification prepared by the **FIRST PARTY**.

Section 3. The **SECOND PARTY** warrants that all materials shall be properly used, installed and / or incorporated and shall ensure the completeness, workmanship and quality of the work done. All warranties specified herein shall be governed by Section 62 of RA 9184, the Government Procurement Reform Act and its Implementing Rules and Regulations.

Section 4. Within the warranty period, the **SECOND PARTY** shall promptly respond to and send the appropriate technical personnel to rectify or address defects or issues raised by the **FIRST PARTY**.

Section 5. Notwithstanding the foregoing, the standard responsibilities and warranties of a contractor provided for under the Civil Code of the Philippines or other pertinent laws, rules and regulations shall be deemed as part of this Agreement and binding upon the **PARTIES**.

Section 6. The **SECOND PARTY** shall ensure the completeness, workmanship and quality of the work done. Should any complaint or issue be brought to their attention by the **FIRST PARTY** at any time during construction and before the expiration of the warranty period, the **SECOND PARTY** shall promptly respond to and send the appropriate technical personnel to rectify or address defects or issues raised by the **FIRST PARTY**.

## **ARTICLE XI CONTRACT DOCUMENTS**

Section 1. The Contract Documents are those specifically mentioned in Section 37.2.3 of Implementing Rules and Regulations of Republic Act No. 9184, otherwise known as the Government Procurement Reform Act.

Section 2. In addition to those documents mentioned above, the other supporting documents are as follows:

- a. Duly Approved Program of Works and Cost Estimates
- b. Approved Budget for the Contract (ABC) / Certificate of Availability of Funds
- c. Abstract of Bids
- d. Resolution of the BAC recommending Award
- e. Approval of the Award by the Head of the Procuring Entity

## **ARTICLE XII INCORPORATION BY REFERENCE**

Section 1. The General Conditions and Special Conditions of Contracts as outlined in the Standard Bidding Documents prepared jointly by the Department of Budget and Management, the Government Procurement Policy Board and the Philippine Government Electronic Procurement System are hereby deemed incorporated and made an integral part of these Contract Agreement by the way of reference, where applicable.

## **ARTICLE XIII MISCELLANEOUS PROVISION**

Section 1. The **SECOND PARTY** shall allow the presence at the **PROJECT** Site of the representatives of the **FIRST PARTY** in all occasions for the whole duration of the **PROJECT** or as the Engineer may deem proper and appropriate.

Section 2. If the **SECOND PARTY**, either before commencing the works or during the execution thereof, discovers discrepancies, errors or omissions between or in any Contract Documents or in case of any question concerning the meaning of the Contract, it shall promptly notify the **FIRST PARTY** thereof in writing and the **FIRST PARTY** shall investigate the matter within ten (10) days from the receipt of such Notice and give appropriate orders or instructions to the **SECOND PARTY**.

Section 3. The **SECOND PARTY** shall not perform any affected portion of the works after the discovery of the discrepancy, error or omission until receipt of the order or instruction from the **FIRST PARTY**, otherwise the **SECOND PARTYS** performance thereof shall be at his own risk and bear additional cost resulting wherefrom.

**ARTICLE XIV  
SETTLEMENT OF DISPUTES**

Any and all disputes arising from the implementation of the aforementioned **PROJECTS** covered by this Contract shall be governed in accordance with the laws on settlement of disputes provided under Section 59 and 60 of R.A. 9184, otherwise known as the Government Procurement Act and its Implementing Rules and Regulations.

**ARTICLE XV  
EFFECTIVITY AND TERM**

The Contract shall take effect after the requisite approvals from the authorized persons shall have been secured. It shall be valid for a period of \_\_\_\_\_ Calendar Days from the effectively date specified in the Notice to Proceed (NTP), unless extended in writing.

IN WITNESS WHEREOF, the **PARTIES** hereto affixed their signatures this 22 **JAN 2025** day of \_\_\_\_\_, 2025 at Cuyapo, Nueva Ecija.

**MUNICIPALITY OF CUYAPO  
FIRST PARTY**

**VERDAX BUILDERS  
SECOND PARTY**

  
**FLORIDA PAGUIO-ESTEBAN M.D.**  
Municipal Mayor

  
**MR. VIRGILIO C. DACQUEL**  
Authorized Managing Officer

SIGNED IN THE PRESENCE OF:

\_\_\_\_\_

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES )  
PROVINCE OF \_\_\_\_\_ )  
MUNICIPALITY OF QUEZON CITY )

BEFORE ME, a Notary Public for and in the Municipalities and Province of QUEZON CITY, this \_\_\_\_\_ day of 22 JAN 2025, 2025, personally appeared the following persons with their competent evidence of identity, to wit:

Name	Issued ID No. / Date Issued / Issued on
FLORIDA PAGUIO-ESTEBAN, M.D	CTC No. 26870235 / January 8, 2025, Cuyapo, N.E.
VIRGILIO C. DACQUEL	CTC No. 26870103 / January 16, 2025, Cuyapo, N.E

Known to me and to me known to be the same persons who have executed this instrument and acknowledged to me that the same is their free and voluntary act and deed and that of the instructions to whom the **PARTIES** represents.

The foregoing documents refers to a contract consist of \_\_\_\_ ( ) pages, including this page on which this Acknowledgement is written, duly signed by the **PARTIES** and instrumental witnesses on the left margin of each and every page hereof and all pages have been sealed.

WITNESS MY HAND AND SEAL, on the date and at the place first herein above written.

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Book No. xx11  
Series of 2018

**ATTY. FELIZARDO M. IBARRA**  
 Notary Public for Quezon City Until Dec. 31, 2025  
 Roll No. 80835  
 PTR No. 6986788, 01/07/2025, O.C.  
 IBP No. 331161, December 19, 2023  
 MCLE Comp. No. VIII-0000973 / until April 14, 2025  
 ADM Matter No. NP. 088 / (2025-2026)  
 Lot 27 Block VI, No. 1160 Quirino Highway  
 Brgy. Kaligayahan, Quezon City