OFFICE OF THE EXECUTIVE DIRECTOR

December 5, 2018

NOTICE TO PROCEED

ENGR. ALFREDO R. MOLINA, SR.
General Manager
MOLINA'S GENERAL BUILDERS
5230 Patimbao Ilaya
Sta. Cruz, Laguna

Dear **Engr. Molina**:

The attached Contract Agreement having been signed, notice is hereby given to **MOLINA'S GENERAL BUILDERS** that work may proceed effective **three (3) days** upon receipt of this notice for the project **"REPAIR AND IMPROVEMENT WORKS AT IARRD AND SERD OFFICES"** in PCAARRD, Los Baños, Laguna.

Upon receipt of this notice, you are responsible for performing the services under the terms and conditions of the Agreement and in accordance with the Implementing Schedule.

Please acknowledge receipt and acceptance of this notice by signing both copies in the space provided below. Keep one copy and return the other to the Institution Development Division (IDD), PCAARRD.

Very truly yours,

R V Ebora

REYNALDO V. EBORA
Acting Executive Director

I acknowledge receipt of this Notice on : DEC. 21 2018
(Date of Receipt)

Name of the Representative of the Bidder: ALFREDO T. MOLINA JR.

Authorized Signature: _____

1812-795

CONTRACT AGREEMENT

19 DEC 2018

This ***AGREEMENT***, made and entered into on this ____day of _____, 2018 by and between:

The **PHILIPPINE COUNCIL FOR AGRICULTURE, AQUATIC AND NATURAL RESOURCES RESEARCH AND DEVELOPMENT (PCAARRD),** a government agency with principal office at Los Baños, Laguna, herein referred to as the "**OWNER**" and represented herein by its Acting Executive Director, **DR. REYNALDO V. EBORA;**

And

MOLINA'S GENERAL BUILDER, a construction firm with office address at 5230 Patimbao Ilaya, Sta. Cruz, Laguna, herein referred to as the "**CONTRACTOR**" and represented herein by its General Manager, **MR. ALFREDO R. MOLINA, SR.**

WITNESSETH THAT

WHEREAS, the Philippine Council for Agriculture, Aquatic and Natural Resources Research and Development (PCAARRD) conducted a public bidding on **NOVEMBER 19, 2018** for the proposed **"REPAIR AND IMPROVEMENT WORKS AT IARRD AND SERD OFFICES"** in PCAARRD, Los Baños, Laguna;

WHEREAS, PCAARRD based on the approved **Resolution No. Infra-18-10** dated November 29, 2018 (BAC Resolution Declaring SCRB and Recommending Approval of Award of Contract) decided to award the contract to **MOLINA'S GENERAL BUILDERS** as per Implementing Rules and regulations of Republic Act 9184 (effectivity date October 28, 2016);

WHEREAS, time is of the essence of this contract;

NOW, THEREFORE, for and in consideration of the foregoing premises and of the terms and covenants hereinafter specified, the parties hereto have signed and hereby agree as follows:

ARTICLE I - SCOPE OF WORK

That the **CONTRACTOR** shall, in accordance with the provisions of, and subject to the conditions in the contract documents, and in consideration for the sum of money hereinafter stated shall fully and faithfully perform all labor, furnish the needed materials, tools and equipment for the proposed **"REPAIR AND IMPROVEMENT WORKS AT IARRD AND SERD OFFICES"** in PCAARRD, Los Baños, Laguna.

ARTICLE II - TIME COMPLETION

The work to be performed by the Contractor under this contract shall commence on the third (3rd) day upon receipt and acceptance of the *Notice to Proceed (NTP)* from the Owner. The project shall be completed within **TWENTY ONE (21) CALENDAR DAYS.**

CAROLINA T. BOSQUE
Chief Accountant-PCAARRD

(Contractor's Witness)

RUEL CARLO L. TANQUECO
OIC, IDD-PCAARRD

ALFREDO R. MOLINA, SR.
General Manager

REYNALDO V. EBORA
Acting Exe. Director-PCAARRD

ARTICLE III - THE CONTRACT SUM

Upon inspection and acceptance by PCAARRD, the Contractor shall be paid the amount of **PESOS ONE HUNDRED THIRTY ONE THOUSAND NINE HUNDRED EIGHTY FIVE & 04/100 (₱ 131,985.04)** only, subject, however, to the usual government accounting and auditing rules and regulations.

ARTICLE IV - PERFORMANCE SECURITY

To guarantee the faithful performance of the Contractor of its obligations under the contract in accordance with the Bidding Documents, the Contractor shall post with PCAARRD a ***PERFORMANCE SECURITY*** prior to the signing of the contract.

The Performance Security shall be in an amount equal to a percentage of the total contract 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 issued by a Universal or Commercial Bank.	Ten Percent (10 %)
b.) Bank Draft/Guarantee or 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.	
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%)
d.) Any combination of the foregoing.	Proportionate to share of form with respect to the total amount of security

The performance security shall be denominated in Philippine Pesos and posted in favor of PCAARRD, which shall be forfeited in the event it is established that the Contractor is in default in any of its obligations under the contract.

It shall remain valid until issuance by PCAARRD of the final Certificate of Acceptance.

It is agreed that the Contractor 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 agreements, as the case may be. The Contractor shall cause the extension of the validity of the Performance Security to cover approved contract time extensions.

ARTICLE V - LIQUIDATED DAMAGES

Where the Contractor refuses or fails to satisfactorily complete the work within the specified contract time plus any time extension duly granted and has defaulted under the contract, the Contractor shall pay PCAARRD for liquidated damages, and not by way of penalty, an amount equal to ONE-TENTH (1/10) OF ONE PERCENT (1%) of the cost of the unperformed portion for every day of delay. Once the cumulative amount of liquidated damages reaches ten percent (10%) of the amount of the contract, PCAARRD shall rescind the contract, without prejudice to other courses of action and remedies open to it.

CAROLINA T. BOSQUE
Chief Accountant-PCAARRD

(Contractor's Witness)

RUEL CARLO L. TANQUECO
OIC, IDD-PCAARRD

ALFREDO R. MOLINA, SR.
General Manager

REYNALDO V. EBORA
Acting Exe. Director-PCAARRD

ARTICLE VI - WARRANTY

The Contractor hereby guarantees the work stipulated in this contract and all the materials it supplies, and uses in the construction as well as workmanship of all its work under this contract and shall make good, in its own account and/or its own expense, any defects of materials or workmanship which appear within ***one (1) year*** after the final and full completion of the work, without prejudice to the provisions of Article 1723 of the New Civil Code by posting a ***warranty security*** in accordance with the following schedule:

a.) Cash or Letter of Credit issued by a Universal or Commercial Bank: Provided, however, that the LC shall be confirmed or authenticated by a Universal or Commercial Bank, if issued by a foreign 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 or insurance company duly certified by the Insurance Commission as authorized to issue such security. - Thirty Percent (30%)

The warranty security shall be dominated in Philippine Pesos, remain effective for one (1) year from the date of issuance of the Certificate of Final Acceptance by the PCAARRD, and returned only after the lapse of the said one (1) year period.

ARTICLE VII - SAFEGUARDS AND WARRANTIES

The Contractor shall provide and do everything necessary to perform its obligation under this contract according to the true intent and meaning of all other contract documents taken together particularly the drawings, plans and specifications, provided that the same shall infer there from. Any discrepancy found in the drawings, plans and specifications should immediately be referred to the Resident Engineer and/or the PCAARRD Engineer whose decision shall be followed.

PCAARRD reserves the right to request for an increase in the number of laborers or workers assigned to the project when in the opinion of PCAARRD, the exigencies of the same require.

The Contractor shall be considered as an independent Contractor and as such, assumes all obligations and liabilities arising out of the Employee Liability Act and any other laws existing and those enacted thereafter that may affect the rights of the employees or laborers in the performance of this Contract. Should PCAARRD be made liable for any of the Contractor's violation of any labor laws, the Contractor shall reimburse PCAARRD forthwith without need of demand, for whatever amount the latter is required to pay to said laborers and the performance bond submitted by the Contractor will also answer for this contingency.

Notwithstanding any provision of this Contract, PCAARRD reserves the right to terminate this Contract without resorting to judicial action by giving written notice to this effect to the Contractor upon failure of the Contractor to comply with any of the terms of this Contract.

CAROLINA T. BOSQUE
Chief Accountant-PCAARRD

(Contractor's Witness)

RUEL CARLO L. TANQUECO
OIC, IDD-PCAARRD

ALFREDO R. MOLINA, SR.
General Manager

REYNALDO V. EBORA
Acting Exe. Director-PCAARRD

1812-795

ARTICLE VIII - VENUE OF COURT ACTION

Should any court action be instituted by PCAARRD or by the Contractor arising from this Contract, the parties hereby agree that the venue thereof shall be the proper court in the Province of Laguna.

In WITNESS WHEREOF, the parties to the Contract have to this date set their hands and seal at the bottom of this page and on the entire left margin of all pages of this AGREEMENT.

PHILIPPINE COUNCIL FOR AGRICULTURE, AQUATIC AND NATURAL RESOURCES RESEARCH AND DEVELOPMENT (PCAARRD)
(Owner)

By:

REYNALDO V. EBORA
Acting Executive Director

MOLINA'S GENERAL BUILDERS
(Contractor)

By:

ALFREDO R. MOLINA, SR.
General Manager

SIGNED IN THE PRESENCE OF:

RUEL CARLO L. TANQUECO
Officer-In-Charge, IDD - PCAARRD

(Contractor's Witness)

CERTIFIED FUNDS AVAILABLE:

CAROLINA T. BOSQUE
Chief Accountant
Accounting Section – FAD
PCAARRD

1812-795

Republic of the Philippines)
Province of) S. S.
Municipality of STA. CRUZ, LAGUNA)

ACKNOWLEDGEMENT

19 DEC 2018

BEFORE ME, this _____day of _____, 2018 appeared:

DR. REYNALDO V. EBORA *with Philippine Passport No. S0005685A issued at DFA Manila on August 17, 2017* and **ENGR.. ALFREDO R. MOLINA, SR.** *with Community Tax Certificate No. 1281971 issued at Sta. Cruz, Laguna on January 5, 2018* known to me to be the same persons who executed the foregoing instrument and who acknowledged the same to be their free and voluntary act and deed of the entities which they represent.

I further certify that the foregoing Owner-Contractor Agreement consists of five (5) pages including the page on which this Acknowledgement is written, and the parties hereto and their witnesses have affixed their signature on the space provided for on this page and on the margin of each and every page.

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

TORADIO R. ESPLANA
(Notary Public)
NOTARY PUBLIC
UNTIL DECEMBER 31, 2019
PTR NO. 5949317
DOC. NO. 013554
ROLL OF ATTY. NO. 52577
MCLE COMPLIANCE NO. V-0021982

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PTR No.
Issued on
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