



**Bids and Awards Committee (BAC) Resolution Declaring as Lowest Calculated  
Responsive Bid, Recommending Acceptance of the Lowest Price Quotation;  
And Recommending Approval**

**Resolution No. 2018-075**

**WHEREAS**, the Philippine Atmospheric, Geophysical and Astronomical Services Administration (PAGASA) through the Bids and Awards Committee (PAGASA-BAC), by virtue of **BAC Resolution No. 2018-041** series of 2018, has posted the **Notice to Bidders (NTB)** on **12 November 2018** at the PAGASA website, the G-EPS and PAGASA Bulletin Board, notifying all interested bidders of the Agency's **resort to Alternative Method of Procurement through Negotiated Procurement** under **Rule XVI, Section 53.1** of the Revised IRR of R.A. 9184, following two failures of Public Bidding the procurement of the following goods/items with their corresponding Approved Budget for the Contract (ABC), to wit:

<b>PARTICULARS</b>	<b>ABC</b>	<b>Reference (PR No.)</b>
<b>Design and Build Scheme for the Establishment of Planetarium in Mindanao including Provision of Water Supply System, Commercial Electric Power Supply, Electrical Service Entrance Post, Airconditioning System (Floor Mount and Window Type) and landscaping of the area - NP</b>	<b>Php36,300,000.00</b>	<b>PR No. 2018-05-0330</b>

**WHEREAS**, the following bidders/suppliers who are duly accredited and listed under PAGASA's list of legitimate suppliers have been invited to submit their respective lowest price quotations. These bidders are as follows: 1) CPR Construction & Supply Inc.; 2) Villaram Construction; 3) KB Konstrak Bilding Solusyons and 4) Rock 101 Construction & Supply. However, interested Contractors not listed as invitees may also be allowed to participate;

**WHEREAS**, in response to the said invitation, two (2) prospective bidders namely; 1) GCMG Construction and 2) Villaram Builders, attended the **negotiation conference** scheduled by the Bids and Awards Committee on **20 November 2018**;

**WHEREAS**, all noted deviations and/or amendments attendant to the Project as discussed and agreed upon in the above mentioned meeting was issued through a **Supplemental Bid/Bulletin (SBB) with reference Addendum No. 2018-003NP-01 dated 23 November 2018** herein made part of this Resolution as Annex "A";

**WHEREAS**, on **10 December 2018**, the schedule for **Submission and Opening** of Envelope I (Eligibility and Technical Components) and Envelope II (Financial Component), three (3) bidders namely; **1) Mortar Masters & Concrete Builders; 2) GCMG Construction** and **3) Villaram Builders**, timely submitted their bid tenders for the project;

**WHEREAS**, in the subsequent opening and evaluation of the financial requirement of the Project, the PAGASA-BAC accepted the bidder financial proposal. Its financial proposal, "**as READ**" is summarized as follows:

<b>NAME OF BIDDER</b>	<b>BID OFFER (As Read)</b>	<b>RANK</b>
<b>Mortar Masters and Concrete Builders</b>	<b>Financial Component was not opened</b>	<b>-</b>
<b>GCMG Construction</b>	<b>Php35,300,000.00 with 1M Discount</b>	<b>1</b>
<b>Villaram Builders</b>	<b>Php36,199,306.76</b>	<b>2</b>

**WHEREAS**, the report on the detailed evaluation of bids conducted by the TWG resulted in the following:

NAME OF BIDDER	BID OFFER (As Calculated)	RANK
<b>GCMG Construction</b>	<b>Php36,053,920.29 with 1M discount</b>	<b>1</b>
<b>Villaram Builders</b>	<b>Php35,784,420.76</b>	<b>2</b>

**WHEREAS**, upon careful examination, validation and verification of tender documents, the Committee has determined that, the GCMG Construction and Villaram Builders passed separately in the items they bid and have complied in all the criteria for post-qualification and have been responsive in all the requirements and conditions specified in the Bidding Documents. On the other hand, Mortar Master and Concrete Builders did not pass due to the following: 1) absence of Certificate of Completion & Acceptance in Tab C; 2) Bid Security (Tab H) and Certificate of Employment are not in the prescribed bidding form and 3) absence of S curve. Thus, Envelope 2 (Financial Component) was not opened. *Hence*, it was moved and duly seconded that **GCMG Construction** be declared as the bidder with the **Lowest Calculated Responsive Bid (LCRB)** for the implementation of the instant Project;


**NOW, THEREFORE**, for and consideration of the foregoing, we the Members of the Bids and Awards Committee, hereby RESOLVE as it is hereby RESOLVED:

- a) To **DECLARE, GCMG Construction**, as the bidder with the **Lowest Calculated Responsive Bid (LCRB)** for the Project entitled, Design and Build Scheme for the Establishment of Planetarium in Mindanao including Provision of Water Supply System, Commercial Electric Power Supply, Electrical Service Entrance Post, Airconditioning System (Floor Mount and Window Type) and Landscaping of the Area in its **total calculated offer of THIRTY FIVE MILLION FIFTY THREE THOUSAND NINE HUNDRED TWENTY PESOS AND 29/100 (35,053,920.29)**;
- a) to **RECOMMEND**, the award of the contract for the implementation of the foregoing Project to **GCMG Construction** and;
- b) to **RECOMMEND**, finally the **APPROVAL** of the foregoing findings and recommendations.

**RESOLVED**, this **22 January 2019** at the Amihan Conference Room, 2<sup>nd</sup> Floor, PAGASA Main Building, Science Garden Complex, BIR Road, Diliman, Quezon City.

  
**MA. ROSARIO C. RAMOS**  
 Interim Member/End-user


(on leave)  
**CESAR A. RAMOS**  
 Member

  
**Engr. JESSIE B. ARCE**  
 2<sup>nd</sup> Vice-Chairperson

  
**JOEL C. RIVERA**  
 Member

  
**EDNA L. JUANILLO**  
 1<sup>st</sup> Vice Chairperson

  
**Engr. CATALINO L. DAVIS**  
 Chairperson

APPROVED/DISAPPROVED:  
  
**VICENTE B. MALANO, Ph.D.**  
 Administrator

Approved on \_\_\_\_\_

**NOTICE OF AWARD**

**GCMG CONSTRUCTION**

0265 Pulmones Avenue, Kawit District  
Pagadian City, Zamboanga Del Sur  
Contact No. 09197333780  
E-mail Add: [rgum10@yahoo.com](mailto:rgum10@yahoo.com)

Thru: **MR. RUFO P. GUMILAO**  
Proprietor

Sir/Madame:

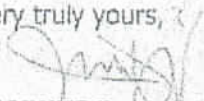
We are pleased to notify you that the PAGASA Management has approved the award to your firm the contract for the "Design and Build Scheme for the Establishment of Planetarium in Mindanao including Provision of Water Supply System, Commercial Electric Power Supply, Electrical Service Entrance Post, Air Conditioning System (Floor Mount and Window Type) and Landscaping of the area - NP (PR No. 2018-05-0330 / IB No. 2018-003NP) in the total calculated amount of **THIRTY FIVE MILLION FIFTY THREE THOUSAND NINE HUNDRED TWENTY and 29/100 PESOS (Php35,053,920.29) ONLY.**

You are therefore requested to accept and conform to this award by affixing your signature hereunder and provide within **ten (10) calendar days**, from receipt hereof, the requisite performance security in any of the following forms:

Form of Performance Security	AMOUNT (Equal to Percentage of the Total Contract Price)	
• Cash or Cashier's/Manager's check, Bank Draft/Guarantee confirmed by a Universal or Commercial Bank.	10%	Php2,505,392.02
• Irrevocable letter of credit issued by a Universal or Commercial Bank.		
• Surety bond callable upon demand issued by a surety or insurance company duly certified by the Insurance Commission as authorized to issue such security.	30%	Php10,516,176.08

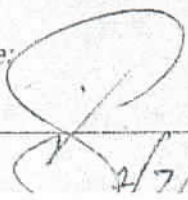
Failure to provide the performance security shall constitute sufficient ground for cancellation of the award and forfeiture of the bid security.

Very truly yours,

  
**VICENTE B. MALANO, Ph.D.**  
Administrator

Conforme:

Date:

  
2/7/19



Republic of the Philippines

**DEPARTMENT OF SCIENCE AND TECHNOLOGY**

**Philippine Atmospheric, Geophysical and Astronomical Services  
Administration (PAGASA)**

### NOTICE TO PROCEED

#### GCMG CONSTRUCTION

0265 Pulmones Avenue, Kawit District  
Pagadian City, Zamboanga Del Sur  
Contact No. 09197333780  
Email Add: [rgum10@yahoo.com](mailto:rgum10@yahoo.com)

**Thru: MR. RUFO P. GUMILAO**  
Proprietor

**Sir:**

The attached **Contract** (Contract ID No. CI 2019-008) having been approved, notice is hereby given to your firm that, delivery of the goods and other ancillary services may proceed for the Project entitled: "**Design and Build Scheme for the Establishment of Planetarium in Mindanao including Provision of Water Supply System, Commercial Electric Power Supply, Electrical Service Entrance Post, Air Conditioning System ( Floor Mount and Window Type) and Landscaping of the Area - NP**" (Reference: **PR No. 2018-05-0330 / IB No. 2018-003NP**), effective upon receipt of this Notice.

You are therefore responsible for performing the services under the terms and conditions of the Contract and in accordance with the Implementation 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 PAGASA.

Very truly yours,

  
**VICENTE B. MALANO, Ph.D.**  
Administrator

 I hereby acknowledge receipt of this Notice on

3/28/19  
(date of receipt)

Name of Representative of the Bidder: RUFO P. GUMILAO

Authorized Signature: 

"tracking the sky...helping the country"

Science Garden Compound, BIR Road, Brgy. Central, Quezon City,  
Metro Manila, Philippines 1100  
Postal Address: P.O. Box 3278 Manila

Tel. Nos. (632) 929 48 65; (632) 434 90 40  
Fax: (632) 929 48 65  
Website: <http://bagong.pagasa.dost.gov.ph>



Contract ID No. : **CI 2019-008**  
Contract Name : **Design and Build Scheme for the Establishment of Planetarium in Mindanao including Provision of Water Supply System, Commercial Electric Power Supply, Electrical Service Entrance Post, Air Conditioning System (Floor Mount and Window Type) and Landscaping of the area**  
Location of the Project : **Molugan, El Salvador City, Misamis Oriental**

## INFRASTRUCTURE CONTRACT

### KNOW ALL MEN BY THESE PRESENTS:

This Agreement is made and entered into at Quezon City, Philippines, this 28 <sup>MAR 2019</sup> day of \_\_\_\_\_ 2019, by and between:

The **PHILIPPINE ATMOSPHERIC, GEOPHYSICAL AND ASTRONOMICAL SERVICES ADMINISTRATION (PAGASA)**, a government agency under the Department of Science and Technology (DOST), with principal office located at the PAGASA Central Office, Science Garden Complex, BIR Road, Diliman, Quezon City, represented herein by **DR. VICENTE B. MALANO**, in his capacity as the Administrator and Head of the Procuring Entity (HOPE), hereinafter referred to as the "**PAGASA**";

- and -

The **GCMG CONSTRUCTION**, a sole proprietorship business entity duly organized and existing under and by virtue of the laws of the Philippines, with office and postal address located at 0265 Pulmones Avenue, Kawit District Pagadian City, Zamboanga Del Sur represented herein by its Proprietor, **MR. RUFO P. GUMILAO**, and hereinafter referred to as the "**CONTRACTOR**".

### WITNESSETH:

**WHEREAS, PAGASA** is desirous that certain works be undertaken, viz.: Design and Build Scheme for the Establishment of Planetarium in Mindanao including Provision of Water Supply System, Commercial Electric Power Supply, Electrical Service Entrance Post, Air Conditioning System (Floor Mount and Window Type) and Landscaping of the area (*Reference: PR#2018-05-0330 / ITB No. 2018-003NP*), hereinafter referred to as the "**PROJECT**";

**WHEREAS**, by virtue of **PAGASA-BAC Resolution No. 2018-075**, series of 2018 which was duly approved by the Head of the Procuring Entity (HOPE), **PAGASA** has accepted the bid proposal of the **CONTRACTOR** for the execution and completion of such work, declaring the **CONTRACTOR** as the bidder with the **Lowest Calculated and Responsive Bid (LCRB)** in its total calculated bid offer of **THIRTY FIVE MILLION**

**FIFTY THREE THOUSAND NINE HUNDRED TWENTY AND 29/100 PESOS (Php35,053,920.29) ONLY;**

**WHEREAS**, in this Infrastructure Contract, words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract hereinafter referred to;

**WHEREAS**, the following documents shall be attached, deemed to form, and be read and construed as part of this Contract, to wit:

- |                   |    |  |
|-------------------|----|--|
| <i>Attachment</i> | a) | Notice to Proceed;   |
| <i>Attachment</i> | b) | Performance Security;  |
| <i>Attachment</i> | c) | Notice of Award and the Bidder's conforme thereto;   |
| <i>Attachment</i> | d) | PAGASA-BAC Resolution No. 2018-075;  |
| <i>Attachment</i> | e) | Abstract of Bids, "as Read" and "as Calculated";   |
| <i>Attachment</i> | f) | Addendum and/or Supplemental/Bid Bulletins (SBB);  |
| <i>Attachment</i> | g) | Detailed Evaluation Report submitted by the TWG;   |
| <i>Attachment</i> | h) | Minutes of the Meeting;  |
| <i>Attachment</i> | i) | Eligibility, Technical and Financial documents as submitted by the Contractor, including the appropriate Bid Security, the duly approved architectural and building designs and drawings; detailed plans and program/scope of works; and, structural analysis; |
| <i>Attachment</i> | j) | Invitation to Bid (ITB) / Notice to Bidders;   |
| <i>Attachment</i> | k) | IPP, Purchase Request including the Terms of Reference (TOR) and necessary permits issued by various government authorities;   |
| <i>Attachment</i> | l) | Bid Data Sheet (BDS);  |
| <i>Attachment</i> | m) | Instructions to Bidders;   |
| <i>Attachment</i> | n) | General and Special Conditions of Contract   |
| <i>Attachment</i> | m) | Scope of works and specifications, instructions and their related documents for the satisfactory and faithful performance of all the works which are necessary to commence and complete the <b>Project</b> .   |

The above documents shall collectively be referred to as "**Contract Documents**."

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

#### **ARTICLE I - SCOPE OF WORKS**

The **CONTRACTOR**, in consideration of a sum of money to be paid by **PAGASA**, agrees to furnish all labor, materials, equipment, tools and other facilities described in the scope of works and specifications, instructions and their related documents for the satisfactory and faithful performance of all the works which are necessary to commence and complete the **Project**. The work shall generally consist of the following:

##### **I. CONCEPTUAL DESIGN:**

The Mindanao Planetarium will mainly involve the construction of Planetarium buildings with approximately 755 sq.m. and the landscaping of the area. The major parts of the structure shall be the planetarium chamber with dome ceiling which includes the installation of the chairs (same as the chairs in movie theater), a roof deck that will serve as astronomical observation deck, gallery hall for astronomy theme display, the

main office space, conference room, comfort rooms, visitor's lounge and staff quarters. The structure should be GAD compliant.

The planetarium dome shall be the main feature of the planetarium chamber that will serve as the projection screen. The diameter of the dome shall be 10.0 meters as shown in the attached floor plan to allow full digital projection. The Planetarium chamber will be designed to 100 seating capacity and the provision for the installation of the digital planetarium projector and its accessories. In addition, the planetarium chamber shall be sound proof and the flooring is carpeted.

## II. PERFORMANCE SPECIFICATIONS AND PARAMETERS:

### a) Design Preparation

The designer/ contractor shall prepare all the plans and designs and estimates necessary for the construction of the Planetarium in Cebu and El Salvador based on the conceptual plans and designs provided by PAGASA. The plans and design shall compose of complete engineering, architectural and structural plans and design of footing, foundation, columns and beams, and other parts of the structures such as stairs, doors and windows. **The plans and designs shall conform to the latest Building Code NSCP 2010 Edition.** The plans and designs shall be required in Electronic format, preferably using AutoCAD Software with its corresponding hard prints. The stability of the structure shall be mainly considered in the preparation of designs. **Before the implementation of the project, these engineering plans, design, drawings, and others shall first be subjected to review and approval of PAGASA.**

### b) Detailed Engineering Requirements

Upon award of the design and build contract, the **CONTRACTOR** shall be responsible for the preparation and submission of all necessary detailed engineering investigations, surveys and designs in accordance with provision of Annex "A" of the IRR-A of R.A. 9184, (with the exception of the bid documents and the ABC) as follows:

- a) Survey
- b) Site Investigation
- c) Soils and Foundation Investigation (Soil Boring Test results to be provided by PAGASA)
- d) Construction Materials Investigation
- e) Preparation of Design Plans
- f) Preparation of Technical Specifications
- g) Preparation of Quantity and Cost Estimates
- h) Preparation of Program Work
- i) Preparation of Proposed Construction Schedule (and estimated Cash Flow for projects with Schedule over 6 (six) months)
- j) Preparation of Utility Relocation Plan
- k) Preparation and submission of Design Report

- l) Environmental Impact Statement for critical project as defined by the Department of Environment and natural Resources (DENR)
- m) Preparation of minimum requirements for a Construction Safety and Health Program for the Project being considered

For reference and as applicable to the project, the PAGASA will secure the following:

1. Certificate of Non-Coverage (CNC) from the DENR, in lieu of the Environmental Compliance Certificate (ECC);
2. Geotechnical Investigation Report

### **c) Construction and Contract Implementation**

The designer/contractor shall be responsible for securing all the necessary permits (Building Permit, Electrical, Sanitary, Commercial Electric Power connection). Securing the Building Permit shall be necessary before commencement of any works and shall form part of the contract implementation, at the expense of the winning contractor.

The designer/contractor shall have charge and care of the work. He shall take every precaution against damage or injury caused by the action of the elements or from any other cause whether arising from the execution or from the non-execution of work.

The design and build contractor shall be solely responsible for the integrity of the detailed engineering design and the performance of the structure irrespective of the approval/confirmation by the procuring entity.

The contractor/designer shall rebuild, repair, restore and make good all damages or injuries to any portion of the works occasioned by any of the above causes and bear related expenses, except due to Force Majeure and without fault or negligence of the contractor.

Rain, windstorm, or other natural phenomena of normal intensity, based on the official weather reports for the particular season of the year in which the works are being implemented shall not be construed as Force Majeure or unforeseeable causes beyond the control of the contractor.

### **Preliminary Survey and Mapping**

The project site is located at Zone-10 Molugan, El Salvador City, Misamis Oriental is situated inside the Mindanao PAGASA Regional Services Division Office premises. The total land area where the Proposed Planetarium will be situated is 1,984 sq.m.

### **Geotechnical Investigations**

The soil-boring test result already conducted at Molugan, El Salvador by JICA will be provided by PAGASA to the **CONTRACTOR**

### **Utility Locations**

The proposed site has an existing commercial electric power connections, however, the winning bidder/contractor shall apply for a separate commercial power supply connection with a separate 37.5 KVA power transformer to existing electric cooperative in the locality. All expenses related to the supply, installation, commissioning and testing including accessories of the commercial electric power supply shall be at the expense of



the winning contractor. A basic load schedule/riser electrical diagram shall also be provided to whoever is the winning bidder/contractor.

### **Proposed Design and Construction Schedule**

The implementation and completion of the project shall not be more than 240 calendar days from the receipt by the winning contractor of the Notice to Proceed.

However, no works shall commence unless the contractor has submitted all the required documentary requirements and the PAGASA has given written approval. Work execution shall be in accordance with reviewed and approved documents.

## **ARTICLE 2 – CONTRACTOR’S OBLIGATIONS**

The **CONTRACTOR** shall carry out the Works diligently and in accordance with this Contract. The **CONTRACTOR** shall supply all materials, labor, equipment and technical supervision necessary for its implementation in accordance with the contract documents and project schedule and manpower/equipment schedule. **Job site shall be provided with safety early warning signs and enclosures/barricades** as necessary during the implementation.

The electricity and water consumption incurred during the execution of the project shall be borne by the **CONTRACTOR**. The **CONTRACTOR** shall commence execution of the Works on the Start Date and shall carry out the Works in accordance with the Program of Work submitted by the **CONTRACTOR**, as updated with the approval of the **PAGASA**'s representative, and complete them by the Intended Completion Date.

The **CONTRACTOR** shall be responsible for the safety of all activities on the Site and shall carry out all instructions of the **PAGASA**'s representative that comply with the applicable laws where the Site is located.

The **CONTRACTOR** shall employ the key personnel named in the Schedule of Key Personnel, as referred to in the **SCC**, to carry out the implementation and supervision of the entire Work. **PAGASA** shall at all times be consulted of any proposed replacement of key personnel shall approve the same only if their relevant qualifications and abilities are equal to or better than those of the personnel listed in the Schedule.

If the **PAGASA** asks the **CONTRACTOR** to remove a member of its staff or work force, for justifiable cause, the **CONTRACTOR** shall ensure that the person leaves the Site within seven (7) days and has no further connection with the Work in this Contract.

During Contract implementation, the **CONTRACTOR** shall abide at all times by all labor laws, including child labor related enactments, and other relevant rules.

The **CONTRACTOR** shall submit to the **PAGASA** for consent the name and particulars of the person authorized to receive instructions on behalf of the **CONTRACTOR**.

The **CONTRACTOR** shall cooperate and share the Site with other contractors, public authorities, utilities, and the **PAGASA** between the dates given in the schedule of other contractors particularly when they shall require access to the Site. The **CONTRACTOR** shall also provide facilities and services for them during this period. The **PAGASA** may modify the schedule of other contractors, and shall notify the **CONTRACTOR** of any such modification thereto.

Should anything of historical or other interest or of significant value be unexpectedly discovered on the Site, it shall be the property of the Procuring Entity.

The **CONTRACTOR** shall notify the **PAGASA's** representative of such discoveries and carry out the **PAGASA's** representative's instructions in dealing with them.

### ARTICLE 3 – TIME OF COMPLETION

The Work stipulated in this Contract shall be completed "**Broom**" clean and ready for use not later than **Two Hundred Forty (240) calendar days** from receipt of the **Notice to Proceed (NTP)** by the **CONTRACTOR**.

### ARTICLE 4- CONTRACT AMOUNT/ PAYMENT SCHEDULE

The **PAGASA** agrees that for and in consideration of the faithful performance by the **CONTRACTOR** of this Contract, it shall pay to **CONTRACTOR**, in a manner provided hereinafter the amount of **THIRTY FIVE MILLION FIFTY THREE THOUSAND NINE HUNDRED TWENTY & 29/100 PESOS(Php35,053,920.29) ONLY.**  
**PROVISION OF ADVANCE PAYMENT**

The **PAGASA** shall, upon a written request of the **CONTRACTOR**, which shall be submitted within **thirty (30) calendar days** upon receipt of the **NTP**, allow an advance payment to the **CONTRACTOR** in an amount not to exceed **fifteen percent (15%)** of the total contract price, to be made in lump sum.

Provided, however that, the said advance payment shall be made only upon the submission to and acceptance by the **PAGASA** of an irrevocable standby letter of credit (LC) of equivalent value from a commercial bank, a bank guarantee (BG) or a surety bond callable upon demand, issued by a surety or insurance company duly licensed by the Philippine Insurance Commission and confirmed by **PAGASA**.

The advance payment shall be repaid by the **CONTRACTOR** by deducting fifteen percent (15%) from his periodic progress payments.

The **CONTRACTOR** may reduce his standby Letter of Credit or Guarantee Instrument by the amounts refunded by the Monthly Certificates in the advance payment.

### **PROGRESS PAYMENT**

Pursuant to the Cash Flow (by quarter) and payment schedule as accepted by **PAGASA** and made part of the Contract Documents hereof, the **CONTRACTOR** may submit a request for payment for work accomplished. Such request for payment shall be verified and certified by **PAGASA's** Project Engineer. Except as otherwise stipulated in the Instruction to Bidders, materials and equipment delivered on the site but not completely put in place shall not be included for payment.

**PAGASA** shall have the right to deduct from the contractor's progress billing such amount as may be necessary to cover third party liabilities, as well as uncorrected discovered defects in the project.

Should the **PAGASA** require the **CONTRACTOR** to perform the work over and above that is required by this Contract, the additional cost shall be added to the Contract amount, and in the same way, should the **CONTRACTOR** be ordered to omit work as required by this Contract, 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 **PAGASA** and the **CONTRACTOR** before execution.

## **METHOD OF PAYMENT**

Pursuant to and in compliance with the **DBM Circular No. 3-2013-16A**, dated February 6, 2014, the **CONTRACTOR** shall be required to apply and/or submit to **PAGASA**, through the **Cashier Unit**, its **bank account and branch thereof**, and, preferably from an authorized government servicing bank such as, Land Bank of the Philippines (LBP), Development Bank of the Philippines (DBP) or Philippine Veterans Bank (PVB), to which any payment due to the **CONTRACTOR** shall be made or credited.

In the event; however, that the **CONTRACTOR'S** bank account is not among the listed authorized government servicing banks, any corresponding bank charges shall be borne/paid by the **CONTRACTOR**.

## **ARTICLE 5 – RETENTION MONEY**

The total billing submitted by the **CONTRACTOR** will be subject to retention of ten percent (10%) referred to as the “**retention money**”.

The “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 standby letter of credit from a commercial bank, bank guarantees or surety bonds callable on demand, of amounts equivalent to the retention money substituted for and acceptable to the **PAGASA**; provided that, the project is on schedule and is satisfactorily undertaken. Otherwise, the ten percent (10%) retention shall be made. Said irrevocable standby letter of credit, bank guarantee and/or surety bond, to be posted in favor of the **PAGASA**, shall be valid for a duration to be determined by the **PAGASA** and will answer for the purpose for which the ten percent (10%) retention is intended i.e. to cover uncorrected discovered defects and third party liabilities.

## **ARTICLE 6 – CONTRACT COMPLETION**

Once the project reaches an accomplishment of ninety five (95%) of the total contract amount, the **PAGASA** may create an inspectorate team to make preliminary inspection and submit a **punch-list** to the **CONTRACTOR** in preparation for the final turnover of the project. Said **punch-list** will contain, among others, the remaining works, work deficiencies for necessary corrections, and the specific duration/time to fully complete the project considering the approved remaining contract time. This, however, shall not preclude the **PAGASA's** claim for liquidated damages.

## **ARTICLE 7 – LIQUIDATED DAMAGES**

In the event that the **CONTRACTOR** refuses or fails to satisfactorily complete the work within the specified contract time, plus any time extension duly granted and is hereby in default under the contract, the **CONTRACTOR** shall pay **PAGASA** for liquidated damages, and not by way of penalty, an amount to be determined in accordance with the following formula provided in the conditions of contract, for each calendar day of delay, until the work is completed and accepted or taken over by the **PAGASA**.

The amount of the liquidated damages shall be at least equal to **one-tenth (1/10) of one percent (1%)** of the cost of the unperformed portion for every day of delay.

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 the event 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 procuring entity concerned may rescind the contract, forfeit the contractor's performance security and takeover the prosecution of the project or award the same to a qualified contractor through negotiated contract.

Such other provisions on liquidated damages under Annex "E" of R.A. 9184 and its IRR shall likewise be implemented.

#### ARTICLE 8 – SUSPENSION OF WORK

**PAGASA** shall have the authority to suspend the work, wholly or partly by written order for such period as may 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 **PAGASA** 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. Such other provisions on Suspension of Work under Annex "E" of R.A. 9184 and its IRR shall be implemented.

#### ARTICLE 9 – EXTENSION OF CONTRACT PERIOD

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 **PAGASA** shall determine the amount of such extension; *provided that*, the **PAGASA** 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 **fifteen (15) calendar days** after such work has been commenced or after the circumstances leading to such claim have arisen, delivered to the **PAGASA** notices in order that it could have investigated them at the time. Failure to provide such notice shall constitute a waiver by the **CONTRACTOR** or any claim. Upon receipt of full detailed particulars, the **PAGASA** shall examine the facts and extent of the delay and shall extend the contract time for completing the contract work when, in the **PAGASA's** opinion, the findings of facts justify an extension. Such other provisions on Extension of Contract Time under Annex "E" of R.A. 9184 and its IRR shall be implemented.

#### ARTICLE 10 – VARIATION ORDERS

The provisions on Variation Orders under Annex "E" of R.A. 9184 and its IRR shall be implemented.

#### ARTICLE 11 – WARRANTY

1. The **CONTRACTOR** shall assume full responsibility for the contract work from the time project construction commenced up to final acceptance by the **PAGASA** and shall be held responsible for any damage or destruction of the works except those occasioned by *force majeure* and the safety, protection, security, and convenience of its personnel, third parties, and the public at large, as well as the works, equipment, installation and the like.
2. Within **one (1) year period** from project completion up to final acceptance by the **PAGASA**, the **CONTRACTOR** shall undertake the repair works, at its own expense, of any damage to the infrastructure on account of the use of materials

of inferior quality, within ninety (90) days from the time the **PAGASA** has issued an order to undertake repair. In case of failure or refusal to comply with this mandate, the **PAGASA** shall undertake such repair works and shall be entitled to full reimbursement of expenses incurred therein upon demand. The defects liability period shall be covered by the **Performance Security** of the **CONTRACTOR** required in **Section 39.1 of the IRR**, which shall guarantee that the **CONTRACTOR** performs his responsibilities stated in the immediately preceding paragraph. If the **CONTRACTOR** fails to comply with its obligations under the foregoing paragraph, the **PAGASA** shall forfeit its **Performance Security**, subject its property (ies) to attachment or garnishment proceedings, and perpetually disqualify it from participating in any public bidding. All payables of the **PAGASA** in its favor shall be offset to cover the costs.

3. To guarantee that the **CONTRACTOR** shall perform his responsibilities as prescribed in foregoing number, the **CONTRACTOR** shall post a warranty security in accordance with the following schedule:

Form of Warranty Security	Amount of Warranty Security (Equal to Percentage of % of the Total Contract Price)
1. Cash or letter of credit issued by a Universal or Commercial Bank	Five percent (5%)
2. Bank guarantee confirmed by a Universal or Commercial Bank	Ten percent (10%)
3. Surety bond callable upon demand issued by the GSIS or a surety or insurance company duly certified by the Insurance Commission as authorized to issue such security.	Thirty percent (30%)

4. The warranty security shall be denominated in Philippine Pesos and shall remain effective during the applicable warranty period provided under Section 62.2.3.2, **RULE XIX of the Revised IRR of RA No. 9184**, and shall be returned only after the lapse of the said warranty period.

#### ARTICLE 12- PRE-TERMINATION OF CONTRACT

The **PAGASA** reserves the right to pre-terminate the contract for cause, without liability and without prejudice to any other right of **PAGASA**, upon the **CONTRACTOR's** material default such as violation of the terms and conditions of the Contract, significant delay in the work schedule that is not attributable to force majeure or fortuitous events or any valid reason beneficial to **PAGASA**. In case of pre-termination, the **CONTRACTOR** shall be informed by the **PAGASA** thirty (30) days prior to such pre-termination.

In case of pre-termination, the **CONTRACTOR** shall be liable for liquidated damages equivalent to one percent (1%) of the Contract price as provided by the Government Accounting and Auditing Manual (GAAM) and to forfeit the Performance Security.

The **PAGASA** shall have the right to blacklist the **CONTRACTOR** in case of pre-termination.

### ARTICLE 13 -MUTUAL CONSULTATION AND ARBITRATION AND VENUE OF ACTION

The **Parties** shall as often as practicable, mutually consult with each other with respect to the faithful performance of their respective obligations under this Contract.

The **Parties** shall use their best efforts to promptly resolve any differences or disagreements in connection with the implementation of the terms and conditions of this Contract. However, in the event that any dispute could not be resolved after mutual consultation by the Parties, then such dispute(s) shall be submitted to arbitration in accordance with the provisions of Republic Act No. 876 otherwise known as the "Arbitration Law". At the option of **PAGASA**, the arbitration shall be held in Quezon City, Metro Manila. A decision in any such arbitration shall be final and binding upon the **Parties**, unless the aggrieved party shall make an appeal by way of Petition for Review to the proper Court with competent jurisdiction.

The **CONTRACTOR** shall continue to deliver the Works described in this Contract notwithstanding any dispute which may have arisen between the **Parties** is being arbitrated.

### ARTICLE 14 - GOVERNING LAWS

The governing laws of Republic Act No. 9184 otherwise known as "The Government Procurement Reform Act" and its Revised Implementing Rules and Regulations, the laws on Obligations and Contracts and other pertinent laws shall govern this Contract.

### ARTICLE 15-OTHER PROVISIONS

Any other commitment made by the **CONTRACTOR** and accepted by the **PAGASA** such as but not limited to the provision of additional materials necessary for the completion and/or to improve the specifications set under the scope of works for the project but without additional cost to the **PAGASA** shall be adopted and made part of this Contract.

The **CONTRACTOR** hereby agrees to comply with laws bearing on employment of its workers performing the work including minimum wages, COLA, SSS, Philhealth, PAGIBIG, ECC, income tax payments, VAT payments, and permit fees necessary in the execution of work.

**The PAGASA** shall not be liable for any injury, damage, or death suffered by its workers in the performance of their duties.

Any amendment, change or alteration of any of the terms of this **Contract**, which are mutually agreed upon by the Parties shall be made in writing and attached as an Addendum to the Contract.



**ARTICLE 16 - VALIDITY CLAUSE**

If any term or condition of this Contract is held invalid or contrary to law, the validity of the other terms and conditions hereof shall not be affected thereby.

**IN WITNESS WHEREOF**, the **Parties** hereto have caused this Contract to be executed in accordance with the laws of the Republic of the Philippines on the day and year first above written.

**PHILIPPINE ATMOSPHERIC,  
GEOPHYSICAL AND ASTRONOMICAL  
SERVICES ADMINISTRATION  
(PAGASA)**

**GCMG CONSTRUCTION**

By:

**VICENTE B. MALANO, Ph.D.**  
Administrator

By:

**RUFO P. GUMILAO**  
Proprietor/Project Engineer

**Signed in the Presence of:**

**ENGR. EDWIN F. MANRESA**  
Chief, ESTD

\_\_\_\_\_  
Witness for the **Contractor**

**Funds Available:**

**BERNARD LOUISE C. DATUIN**  
OIC, Accounting Section

DRS# 2018-12-7347

1060401000

₱ 35,053,920.27

ACKNOWLEDGEMENT

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

X-----X

BEFORE ME, personally appeared:


Name	Valid Identification Document	Issued by	Place Issued
VICENTE B. MALANO	Office ID #571	PAGASA	Quezon City
RUFO P. GUMILAO	PRC ID 0032202 valid until 11/21/2019		

Both known to me to be the same persons who executed the foregoing INFRASTRUCTURE **CONTRACT** and they acknowledged to me that the same is their own, free and voluntary act and deed as well as that of the entity represented.

This instrument consists of **TWELVE (12)** pages including this page on which this Acknowledgment is written and has been duly signed by the parties and their witnesses.

SIGNED AND SEALED on 28 MAR 2019 2019 at Quezon City.

Doc. No. 421 ;  
Page No. 86 ;  
Book No. 4 ;  
Series of 2019.

  
**ATTY. MARKNEIL S. COLLADO**  
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 ADM. MATTER NO. NP-036  
 Roll of Attorney No. 60141  
 IBP No. 012320 (Lifetime Member); Leyte  
 PTR No. 5353023; 11-9-17; Quezon City  
 My Commission Expires on December 31, 2019

