

OFFICE OF THE EXECUTIVE DIRECTOR

**NOTICE TO PROCEED**

June 20, 2017

**ENGR. RENATO L. COLICO**  
General Manager  
R.L. COLICO CONSTRUCTION  
Brgy. Silangang Malicboy  
Pagbilao, Quezon

Dear **Engr. Colico**:

The attached Contract Agreement having been signed, notice is hereby given to **R.L. COLICO CONSTRUCTION** that work may proceed effective **three (3) days** upon receipt of this notice for the proposed project "**IMPROVEMENT OF THE PCAARRD CANTEEN**" in PCAARRD, Los Baños, Laguna.

Upon receipt of this notice, you will perform the services under the terms and conditions of the Agreement 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 the Philippine Council for Agriculture, Aquatic and Natural Resources Research and Development (PCAARRD).

Very truly yours,

*R V Ebora*  
**REYNALDO V. EBORA**  
Acting Executive Director *RV*

I acknowledge receipt of this Notice on : July 3 2017  
(Date of Receipt)

Name of the Representative of the Bidder: MAYLERT L. CLON

Authorized Signature: *rhine*

# CONTRACT AGREEMENT

This **AGREEMENT**, made and entered into on this \_\_\_\_ day of \_\_\_\_\_, 2017 by and between:

*Chiang*  
CAROLINA T. BOSQUE  
Chief Accountant-PCAARRD

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

*Almeida*  
MAY LENIE L. CIBEN  
(Contractor's Witness)

**R.L. COLICO CONSTRUCTION**, a construction firm with office address at Brgy. Silangang Malicboy, Pagbilao, Quezon, herein referred to as the "**CONTRACTOR**" and represented herein by its General Manager, **ENGR. RENATO L. COLICO**.

## WITNESSETH THAT

*Ward*  
JUANITO T. BATALON  
Director-IDD-PCAARRD

WHEREAS, the Philippine Council for Agriculture, Aquatic and Natural Resources Research and Development (PCAARRD) conducted a public bidding on **MAY 3, 2017** for the proposed "**IMPROVEMENT OF THE PCAARRD CANTEEN**" in PCAARRD, Los Baños, Laguna;

WHEREAS, the Invitation to Bid of the project "**IMPROVEMENT OF THE PCAARRD CANTEEN**" was posted on the PCAARRD website, the G-EPS, the UPLB Administration Building and conspicuous places in the Municipality of Los Baños;

WHEREAS, PCAARRD based on the approved **Resolution No. Infra17-03** dated **May 15, 2017** (BAC Resolution Declaring LCRB and Recommending Approval of Award of Contract) decided to award the contract to **R.L. COLICO CONSTRUCTION** as per Implementing Rules and Regulations of Republic Act 9184 (effectivity date January 26, 2003);

*Colico*  
RENATO L. COLICO  
General Manager

WHEREAS, only R.L. COLICO CONSTRUCTION submitted its bid proposal during the opening of bids;

WHEREAS, per post qualification proceedings, R.L. COLICO CONSTRUCTION is determined to have complied with and responsive to all the requirements and conditions as specified in the bidding documents;

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:

*Reynaldo*  
REYNALDO V. EBORA  
Acting Exec. Director-PCAARRD

### 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 "**IMPROVEMENT OF THE PCAARRD CANTEEN**" in PCAARRD, Los Baños, Laguna.

10117 3-1-2018

**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 **FORTY-FIVE (45) CALENDAR DAYS**.

**ARTICLE III - THE CONTRACT SUM**

Upon inspection and acceptance by PCAARRD, the Contractor shall be paid the amount of **PESOS ONE MILLION EIGHT HUNDRED SIXTY-THREE THOUSAND SEVEN HUNDRED FORTY & 84/100 (P1,863,740.48)** 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.

*Carolina T. Bosque*  
CAROLINA T. BOSQUE  
Chief Accountant-PCAARRD

*Marylene L. Chen*  
MARYLENE L. CHEN  
(Contractor's Witness)

*Juanito T. Batalon*  
JUANITO T. BATALON  
Director-IDD-PCAARRD

*Renato L. Colico*  
RENATO L. COLICO  
General Manager

*Reynaldo V. Ebor*  
REYNALDO V. EBORA  
Acting Exec. Director-PCAARRD

*Chavez*  
CAROLINA J. BOSQUE  
Chief Accountant-PCAARRD

**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.

*M. Utrero*  
MAYLENTE L. UTRERO  
(Contractor's Witness)

**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%)

*M. Batalon*  
JUANITO T. BATALON  
Director-IDD-PCAARRD

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.

*R. Colico*  
RENATO L. COLICO  
General Manager

**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.

*R. Ebor*  
REYNALDO V. EBORA  
Acting Exec. Director-PCAARRD

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.

**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.

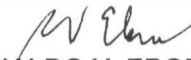

In WITNESS WHEREOF, the parties to the Contract have to this date set their hands and seal at the bottom of this page and on the entire left margin of all pages of this AGREEMENT.

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

**R.L. COLICO CONSTRUCTION**  
(Contractor)


By:

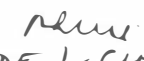
By:

  
**REYNALDO V. EBORA**  
Acting Executive Director 


  
**RENATO L. COLICO**  
General Manager

SIGNED IN THE PRESENCE OF:

  
\_\_\_\_\_  
**JUANITO T. BATALON**  
Director, IDD - PCAARRD

  
\_\_\_\_\_  
**MAYLENE L. CUEVA**  
(Contractor's Witness)

CERTIFIED FUNDS AVAILABLE:

  
**CAROLINA T. BOSQUE**  
Chief Accountant  
Accounting Section – FAD  
PCAARRD



*Carolina T. Bosque*  
CAROLINA T. BOSQUE  
Chief Accountant-PCAAARRD

Republic of the Philippines)  
Province of ) S. S.  
Municipality of )

**ACKNOWLEDGEMENT**

BEFORE ME, this \_\_\_\_\_ day of \_\_\_\_\_, 2017 appeared:

*Maxlene L. Uson*  
MAXLENE L. USON  
(Contractor's Witness)

**DR. REYNALDO V. EBORA** with Community Tax Certificate No. 1592423 issued at Los Baños, Laguna on FEBRUARY 3, 2017 and **ENGR. RENATO L. COLICO** with Community Tax Certificate No. DD61D201 issued at PAGBIHANG, QUEZON on JAN. 3, 2017 2017 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.

*Juanito T. Batalon*  
JUANITO T. BATALON  
Director-IDD-PCAAARRD

*Ronald A. Salamat*  
Atty. RONALDO A. SALAMAT  
Notary Public)  
Until Dec. 31, 2017  
PTR No. 0795466 1-03-17/ Lucena  
IBP No. 1002399 1-03-17/ Lucena  
TIN No. 145-210-485; Attorney's Roll No. 145-210-485  
MCISSUED ON  
Issued at August 28, 2012

*Renato L. Colico*  
RENATO L. COLICO  
General Manager

Doc. No. 499  
Page No. 170  
Book No. 454  
Series of 2017

*Reynaldo V. Ebora*  
REYNALDO V. EBORA  
Acting Exec. Director-PCAAARRD