# GENERAL CONTRACTOR SERVICES AGREEMENT

This Agreement made this \_\_\_\_\_ day of \_\_\_\_\_ 22\_\_ at Puerto Princesa, Palawan City and Makati City, by and betweers P 1 2 2022

SOCIAL HOUSING FINANCE CORPORATION, a

government-owned and controlled corporation duly created under E.O. 272, Series of 2004, with office address at Banco de Oro Plaza, 8737 Paseo de Roxas, Makati City, represented by its President, ATTY. ARNOLFO RICARDO B. CABLING, hereinafter referred as the "SHFC";

# - AND -

JR VILLAPA TRADING & CONSTRUCTION, a private construction company, operating under the laws of the Philippines, with address at Bunk Road, Sta. Monica, Puerto Princesa, Palawan City, represented herein by its, Owner, JOEL Q. VILLAPA, hereinafter referred to as the "CONTRACTOR";

#### WITNESSETH: That

WHEREAS, SHFC has decided to undertake the project for the "Project No.: 2021-11-750 the <u>FABRICATION AND INSTALLATION OF OFFICE PARTITION, MODULAR</u> <u>CABINET (1UNIT) AND SUPPLY AND INSTALLATION OF DOORS</u>", hereinafter referred to as the "PROJECT";

WHEREAS, the Approved Budget for the Contract (ABC), is **Php727,695.00** and the project was processed through Negotiated Procurement for Small Value Procurement as per the 2016 revised IRR of the Government Procurement Act or RA 9184, section 53.

**WHEREAS**, SHFC published its Request for Quotation (RFQ) through the PhilGEPS website inviting the contractors to undertake the above named project on July 5, 2022.

WHEREAS, the following contractors submitted its quotations, to wit:

- 1. JR VILLAPA TRADING & CONSTRUCTION
- 2. GLT CONSTRUCTION SUPPLY
- 3. DRB BUILDERS

WHEREAS, after comparing the quotations submitted by the contractors, JR VILLAPA TRADING & CONSTRUCTION emerged as the Lowest Calculated and Responsive Bid with the bid amount of Php727,695.00.

WHEREAS, the Bids and Awards Committee for Goods in its BAC Recommendation No. 156, S.2022 recommended the award of the contract to JR VILLAPA TRADING & CONSTRUCTION for the contract amount of Php727,695.00 to fulfill the PROJECT.

**NOW THEREFORE**, for and in consideration of the foregoing premises, the parties hereto agree as follows:

# ARTICLE I SCOPE OF WORK

1.1 The CONTRACTOR shall:

a. In consideration of the payment to be made by SHFC, agrees to supply and provide all labor, materials, tools, and equipment, facilities, related services, and the satisfactory and faithful performance of all the works necessary to commence and complete the "PROJECT", in accordance with the floor layout, schedule of requirements, technical specifications and bill of quantity necessary to complete the project as stated in the scope of works;

b. At its own expense, be responsible for the unloading, unpacking, and inspection of all materials, and equipment delivered to the project site, and shall also be responsible for the storage, control, transportation, safekeeping, and any other necessary arrangement for such materials, and equipment within the project site;

c. Ensure adequate protection at all times of all materials, machinery and equipment in the construction site against damage, robbery, and pilferage, and shall be responsible for any damage or loss;

d. Ensure that the workers assigned to the project site wears protective gears at all times. They shall also be required to wear uniforms and IDs while at the project site;

e. Conduct clean up and hauling of materials and equipment upon completion of the project;

f. Provide warranty of services free of charge for one (1) year for defective parts or products installed; and

g. Secure and pay for all statutory permits such as but limited to local government permits, building permits, electrical permit, occupancy permit, barangay permit, insurances and warranty required in connection with the work covered by this Contract.

# ARTICLE II CONTRACT DOCUMENTS

2.1 The following Contract Documents are incorporated hereto and made integral part of this Agreement:

a. Description of Task and Activity from SHFC (Annex "A");

b. Specifications and office layout (Annex "B");

c. Submitted Proposal by contractor (Annex "C");

d. Omnibus Sworn Statement (Annex "D"); and

SHFC Bill of Quantity and Cost Estimate (Annex "E"). e.

2.2 The terms, conditions, stipulations, and warranties under the foregoing Contract Documents are deemed part of this Agreement. In case of doubt or conflict between and among items or provisions of the Contract Documents, and/or between and among any of the Contract Documents and this Agreement, the CONTRACTOR shall refer the same in writing to SHFC for clarification and guidance. The clarification or determination made by SHFC shall be binding and conclusive upon the parties.

2.3 The CONTRACTOR shall, under no circumstances, make any change or alteration in the plans, conditions, and specifications of the PROJECT without prior written approval of SHFC.

2.4 The parties may, in writing, agree to any revision, alteration or addition to the terms and conditions of this Agreement or the Contract Documents.

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# ARTICLE III CONTRACT PRICE

3.1 In consideration of the performance and accomplishment of the PROJECT, SHFC shall pay the CONTRACTOR the total amount of **SEVEN HUNDRED TWENTY SEVEN THOUSAND SIX HUNDRED NINETY FIVE PESOS (Php727,695.00),** inclusive of all duties and taxes which may accrue by virtue of the PROJECT.

3.2 No changes shall be made on the Contract Price by reason of escalation in currency, the price of materials, tools, equipment, or labor supervening during the course of the PROJECT, except in accordance with guidelines provided by law.

3.3 Should there be a variation order (either change order or extra work order); the provisions of the "Contract Implementation Guidelines for the procurement of Infrastructure Projects" shall be applied.

3.4 The payment for the project shall be released upon completion.

# ARTICLE IV TIME OF COMPLETION, DAMAGES AND RETENTION FEE

4.1 The CONTRACTOR shall perform and complete the PROJECT to the satisfaction of SHFC within 40 calendar days including Saturday and excluding Sunday upon signing of the Notice to Proceed. In relation thereto, the CONTRACTOR shall commence the work at eight in the morning (8:00 AM) until five o'clock (5:00 PM) in the afternoon. The workers shall at all times clean the project site after finishing their work.

4.2 In case of failure to perform and complete the project within the time specified above, a penalty specified in Article X, Section 10.2 shall be imposed.

4.3 Time being of the essence of the PROJECT, delay in the completion of the PROJECT may be excusable only if the same is due to force majeure, additional work approved by SHFC, or for any other special circumstance as may be determined by SHFC.

4.4 Upon the occurrence of any circumstance of Force Majeure, the CONTRACTOR shall endeavor to continue in the performance of its obligations so far as reasonably practicable. In such cases, the CONTRACTOR shall give the SHFC written notice of the steps it proposes to take, including any reasonable alternative means for the performance of its obligations. The CONTRACTOR shall not take any such steps unless authorized in writing by SHFC.

4.5 In no case shall extension of time for completion be granted in any of the following circumstances:

- a. Ordinary unfavorable weather conditions;
- b. Labor problems or disputes involving the Contractors' employees, workers, personnel or suppliers;
- c. When the reason given for the request for extension has already been considered in the determination of the original completion time.

4.6 The retention money equivalent to ten percent (10%) of the project cost shall be retained by SHFC from the payment due the contractor. The retention money shall be due for release upon final acceptance of the works and issuance of Certificate of Completion and Final Acceptance (COCFA).

4.7 The lawful occupation by SHFC of any portion of the PROJECT shall not be deemed a waiver of any of its rights nor shall it diminish any liability of the CONTRACTOR for liquidated damages for delays in other portions of the PROJECT.

# ARTICLE V PERFORMANCE SECURITY

5.1 To guarantee the faithful performance by the winning CONTRACTOR of its obligations under the contract, it shall post a performance security within a maximum period of ten (10) calendar days from the receipt of the Notice of Award from the SHFC and in no case later than the signing of the contract.

5.2 The performance security posted in favor of the SHFC shall be forfeited in the event it is established that the Contractor is in default in any of its obligations under the Contract.

5.3 The performance security shall remain valid until issuance by the SHFC of the Certificate of Final Acceptance.

5.4 The performance security may be released by the SHFC and returned to the Contractor after the issuance of the Certificate of Final Acceptance subject to the following conditions:

5.4.1 There are no pending claims against the Contractor or the sure the company filed by the SHFC;

5.4.2 The Contractor has no pending claims for labor and materials filed against it; and

5.4.3 Other terms as may specified by SHFC.

5.5 The CONTRACTOR shall post an additional performance security 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.

5.6 The Performance Security shall be denominated in Philippine Pesos and posted in favor of the SHFC in an amount not less than the percentage of the total contract price in accordance with the following schedule:

		Amount of Performance Security
	Form of Performance Security	(Not less than the Percentage of
		the Total Contract Price)
11	(a) Cash or cashier's / manager's	Amount of Warranty
X	check issued by a Universal or	
Ľ	Commercial Bank.	
$\wedge$		Ten percent (10%)
$\left( \right)$	For biddings conducted by the	
	LGUs, the Cashier's / Manager's	
	Check may be issued by other	
	banks certified by the BSP as	
-	authorized to issue such financial	
	instrument	
	(b) Bank draft/guarantee or	
	irrevocable letter of credit issued	
$\vee$	by a Universal or Commercial	
1	Bank: Provided, however, that it	
AL,	shall be confirmed or	
1	authenticated by a Universal or	The respect $(100/)$
	Commercial Bank, if issued by a	Ten percent (10%)
	foreign bank.	

For biddings conducted by the	
<u> </u>	
LGUs, Bank Draft/Guarantee, or	
Irrevocable Letter of Credit may	
be issued by other banks certified	
by the BSP as authorized to issue	
such financial instrument.	
a. Surety bond callable upon	
demand issued by a surety or	
insurance company duly	Thirty percent (30%)
certified by the Insurance	
Commission as authorized to	
issue such security.	

5.7 Failure of the CONTRACTOR to comply with the above-mentioned requirement shall constitute sufficient ground for the annulment of the award and forfeiture of the bid security, in which event the SHFC shall have a fresh period to initiate and complete the post qualification of the second Lowest Calculated Bid.

# ARTICLE VI WARRANTIES AND RESPONSIBILITIES OF THE CONTRACTOR

6.1 The CONTRACTOR shall take all precautionary measures to ensure the safety and convenience of the workers and the general public, and to take all appropriate steps to prevent damage or injury to persons or property in or about or adjacent to the premises where the work is being performed.

6.2 The CONTRACTOR warrants and guarantees that all materials to be used for the PROJECT is new, free from hidden defects, and fully complies in every respect with the specifications, and other requirements of the Contract Documents.

6.3 The CONTRACTOR warrants that the materials, supplied under this agreement are new, unused, and further warrants that the materials, tools, equipment and other facilities supplied under this agreement shall have no defect, arising from design, materials, or workmanship or from any act or omission of the CONTRACTOR that may develop under normal use of the supplied Goods in the conditions prevailing in the country.

6.4 The CONTRACTOR shall assume full responsibility for the contract work from the time of the commencement up to the final acceptance on the following:

a. any damage or destruction of the works except those occasioned by force majeure; and

b. safety, protection, security, and convenience of their personnel, third parties and the public at large, as well as the works, equipment, installation and the like to be affected by its construction work.

6.5 The CONTRACT shall undertake the repairs and shoulder the cost thereof due to defective workmanship or use of sub-standard materials within ninety (90) days from the time SHFC has issued an order to undertake the repairs. In case the CONTRACTOR fails or refuses to undertake the repairs, SHFC may do such repair works and shall be entitled to full reimbursement of expenses incurred therein upon demand. This notwithstanding, SHFC may opt to exercise other remedies stated in section 6.8 of this Agreement.

6.6 The CONTRACTOR shall likewise put up a warranty security in any of the forms and schedule stated hereunder to answer for structural defects/failures arising from faults attributable to improper construction, use of inferior quality/ substandard materials, and any violation of the contract plans and specifications.

Sec. 62.2.3.3 of IRR of RA 9184

Form of Warranty		Amount of Warranty
a.	Cash or Letter of Credit issued by	
	a Universal or Commercial Bank	
Provided, however that the Letter		Five percent (5%)
	of Credit shall be confirmed or	
	authenticated by a Universal or	
	Commercial Bank, if issued by a	
	foreign bank.	
b.	Bank guarantee confirmed by a	Ten percent (10%)
	Universal or Commercial Bank.	
c.	Surety bond callable upon demand	
	issued by GSIS or a surety or	
	insurance company duly certified	Thirty percent (30%)
	by the Insurance Commission as	
	authorized to issue such security.	

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

6.8 In case of Structural Defects/Failure occurring during the applicable warranty period, the CONTRACTOR shall undertake the necessary restoration and reconstruction works of the defects. In the event that the CONTRACTOR fails to do so in the soonest possible time, SHFC shall undertake the necessary restoration or reconstruction works and shall be entitled to full reimbursement from the warranty security or upon demand from the CONTRACTOR in case the restoration costs exceeds the warranty security put-up by the CONTRACTOR.

# ARTICLE VII ASSIGNMENT AND SUBCONTRACTING

7.1 The CONTRACTOR shall not assign, transfer, pledge, sub-contract, or otherwise dispose of this Agreement or any part or interest herein. Any violation of this provision shall entitle SHFC to automatically terminate the Agreement, forfeit the performance guaranty and blacklist the CONTRACTOR from all government infrastructure projects.

# ARTICLE VIII NO EMPLOYER-EMPLOYEE RELATIONSHIP

8.1 The relationship of SHFC to the CONTRACTOR is that of an independent contractor. Nothing in this Agreement shall be construed as creating an employer-employee relationship between SHFC and the CONTRACTOR, its employees or workers. The Contractor is responsible for informing all his employees or workers deployed to do the works, of SHFC's rules and regulation which they are expected to observe at all times.

# ARTICLE IX INDEMNIFICATION AND DAMAGES:

9.1 The CONTRACTOR shall indemnify, hold free and harmless, and defend at its own expense SHFC and its officials, agents, employees, (regular, direct and contractual), from and against all suits, claims, demands and liabilities of any nature or kind, including costs and expenses associated therewith, arising out of acts or omissions of the CONTRACTOR, its

employees, workers in the performance of any activity in connection with the PROJECT, including those that may be initiated by its employees, workers or by any other entity or person against SHFC, by reason of or in connection to the PROJECT.

9.2 SHFC shall in no manner be answerable or accountable for any incident, injury or death which may occur to any worker, employee or personnel of the CONTRACTOR during the time and consequent upon the performance of the work and services under this Contract, nor for any injury, death, loss or damage arising from fault, negligence or carelessness of the CONTRACTOR or anyone of its personnel to any person or persons or to his or their property; and the CONTRACT covenants and agrees to assume, as it does hereby assume, all liabilities for any such injury, loss or damage and to make SHFC free and blameless therefrom. In case the SHFC should be sued by any employee, person or any government office or agency as an alleged employer of said employee(s), this paragraph notwithstanding, the CONTRACTOR shall assist SHFC in defending itself and hereby holds SHFC free and harmless against any judgment which may be rendered against SHFC.

9.3 The CONTRACTOR shall ensure that its employees, assigned to perform the services under this Contract, shall conduct themselves in an orderly and respectful manner and shall not cause any injury or harm to any person within the SHFC's premises or cause damage or loss to property of the SHFC or of persons within the SHFC's premises. The SHFC shall have the right to demand replacement of offensive workers and the CONTRACTOR shall immediately remove and replace such offending employee of employees.

9.4 Liquidated Damages. The Contractor shall pay liquidated damages to the SHFC for each day that the Completion Date is later than the Intended Completion Date. The applicable liquidated damages is at least one-tenth (1/10) of a percent of the cost of the unperformed portion for every day of delay. The total amount of liquidated damages shall not exceed ten percent (10%) of the amount of the contract. The SHFC may deduct liquidated damages from payments due to the Contractor. Payment of liquidated damages shall not affect the Contractor's liabilities. Once the cumulative amount of liquidated damages reaches ten percent (10%) of the amount of this Contract, the SHFC may rescind or terminate this Contract, without prejudice to other courses of action and remedies available under the circumstances.

9.5 If the Intended Completion Date is extended after liquidated damages have been paid, the Engineer of the SHFC shall correct any overpayment of liquidated damages by the Contractor by adjusting the next payment certificate.

# ARTICLE X TERMINATION OF CONTRACTS

10.1 The SHFC may pre-terminate this contract upon notice of any violation of the terms of the contract. In case of pre-termination, the CONTRACTOR shall be informed by SHFC thirty (30) calendar days prior to such termination.

10.2 In case of pre-termination, the CONTRACTOR shall be liable to an additional liquidated damages equivalent to five percent (5%) of the contract price as provided by the Government Accounting and Auditing Manual (GAAM) and forfeiture of the Performance Security.

10.3 The SHFC may terminate this Contract by serving the CONTRACTOR a written notice indicating its intention to terminate the Contract for any of the following causes (as provided under Annex "I" Section III.2 of the RA9184 2016 Revised IRR:

a. Due to the Contractor's fault and while the project is on-going, it has incurred negative slippage of fifteen percent (15%) or more in accordance with Presidential decree 1870;

b. Due to Contractor's fault and after the contract time has expired, it has incurred a negative slippage of ten percent (10%) or more in the completion of the work; or

- c. The Contractor:
  - i. Abandons the contract works, refuses or fails to comply with valid instruction of the SHFC or fails to proceed expeditiously and without delay despite a written notice by the SHFC;
  - Does not actually have on the project site the minimum essential equipment listed on the Bid necessary to prosecute the Works in accordance with the approved work plan and equipment deployment schedule as required for the project;
  - iii. Does not execute the Works in accordance with the contract or persistently or flagrantly neglects to carry out its obligations under the contract;
  - iv. Neglects or refuses to remove materials or to perform a new work that has been rejected as defective or unsuitable; or
  - v. Sub-lets any part of the contract works without approval by the SHFC.

d. Violation of the CONTRACTOR of any of the terms and conditions of this Contract;

e. Non-completion of the Project within the time stipulated period herein or upon expiration of the extensions agreed upon in accordance with this Contract;

f. Other causes provided by law applicable to the Contract of this nature.

# ARTICLE XI INSPECTION BEFORE COMPLETION

11.1 Once the project reaches an accomplishment of ninety-five percent (95%) of the total contract amount, the SHFC 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 claim of the SHFC for liquidated damages.

# ARTICLE XII SUSPENSION OF WORK

12.1 The SHFC 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 events 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 SHFC 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.

# ARTICLE XIII ACCEPTANCE

SHFC shall issue to the CONTRACTOR a Certificate of Completion and Final 13.1 Acceptance (COCFA) upon satisfactory completion of the PROJECT.

Minor defects discovered in the final inspection must be corrected by the 13.2 CONTRACTOR within seven (7) calendar days from the date of COCFA.

The issuance of a COCFA by SHFC shall not relieve the CONTRACTOR of any liability 13.3 for any defects in the work.

13.4 The SHFC shall take over the Site and the Works within seven (7) days from the date the SHFC's Representative issues a COCFA.

# ARTICLE XIV **OTHER PROVISIONS**

14.1 The parties represent that they have the requisite power, authority and capacity to enter into this Agreement and perform their duties, obligations and undertakings according to the terms and conditions set forth.

The parties shall comply with the pertinent laws, rules and regulations promulgated by 14.2 the Republic of the Philippines.

14.3 This Agreement shall be binding upon the parties hereto and their respective assigns and successors-in-interest.

Any provision of this Agreement subsequently declared illegal, invalid or 14.4 unconstitutional by the court of law shall not affect the rest of the other provisions which shall remain valid, subsisting and binding.

14.5 Amendments, revisions, or modifications to this Agreement may be proposed by either PARTY at any time during the term of the Agreement and shall be effective by mutual written consent of both PARTIES.

IN WITNESS WHEREOF, the parties have hereunto affixed their signatures on the date and place above indicated.

JR VILLAPA TRADING & CONSTRUCTION

CONTRACTOR

O. VILLAPA

Owner

By:

JOE

SOCIAL HOUSING FINANCE CORPORATION SHFC

By: ATTY. ARNOLFO RICARDO B. CABLING President M



Signed in the presence of:

# EMMANUEL C. PEÑARUBIA

# ACKNOWLEDGEMENT

# Republic of the Philippines )

# City of PUERTO PRINCESA CITY

# 1 2 2022

**PUERTO PRINCESA CITY** BEFORE ME, a Notary Public for and in the City of \_\_\_\_\_, 1 day of \_\_\_\_\_\_ personally appeared:

NAME	Government I.D.	Date / Place Issued	
Atty. Arnolfo Ricardo B. Cabling	TIN I.D. # 260-694-258		
JDEL Q. VILLAPA	PASSIORT NO. PG024512A	14 Feb 2018	/DFA P. Princesq

Known to me and to me to be the same persons who executed the foregoing Agreement, and they acknowledged to me that the same is their free and voluntary act and deed and of entities they represent.

I hereby certify this Agreement of ten (10) pages including this page on which the acknowledgement is written and signed by the parties and their witnesses with my notarial seal.

FSS MYYHAND AND SEAL, this \_\_\_\_\_ day of , 20 in ATTY: ONOS A GOTARA Doc. No. 200 Notary Public NPL No. 2022-095 Until Dec 31, 2025 Page No. PTR No. 089467/01.03.2022 Book No. IBP No. 002047/12.81.2021 Series of 20 Attorney's Roll No. 27750 MCLE Compliance No.VII-0007106 Valid Until April 14, 2025







