



Republic of the Philippines  
**Department of Education**  
REGION XI  
SCHOOLS DIVISION OF DIGOS CITY

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**CONTRACT**  
DEC 1 1 2020

This AGREEMENT, made this \_\_\_\_ day of \_\_\_\_\_, 2020 at Digos City, Province of Davao del Sur by and between:

**DEPARTMENT OF EDUCATION – SCHOOLS DIVISION OF DIGOS CITY** represented by **Cristy C. Epe**, Schools Division Superintendent, with office address at Roxas corner Lopez Jaena Streets, Barangay Zone II, Digos City, Davao del Sur, hereinafter called “**the Entity**” of the one part,

and

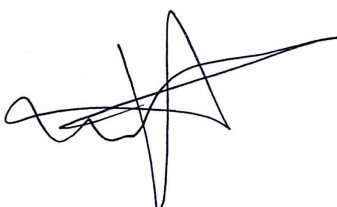
**A. N. ESCALANTE CONSTRUCTION**, represented by **Arthur N. Escalante**, with business address located at Aneci Bldg., Goyengco Rd., Nacilla Village, Brgy. Bugac, Maa, Davao City City, Philippines hereinafter called “**the Supplier**” of the other part;

**WHEREAS**, the Entity invited Bids for certain goods and ancillary services, particularly “Project No. 20-08-036: Upgrading of Electrical System at Matti National High School (Second Competitive Bidding) and has accepted a Bid by the Supplier for the supply of those goods and services in the sum of **One Million Two Hundred Ninety-Two Thousand Three Hundred Ninety-Five Pesos and Seventy-One Centavos (Php 1,292,395.71)**, hereinafter called “the Contract Price”.

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. In this Agreement, words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract hereinafter referred to;
2. The following documents shall be attached, deemed to form, and be read and construed as integral part of this Agreement, to wit:
  - a) General and Special Conditions of Contract;
  - b) Drawings/Plans;
  - c) Specifications;
  - d) Invitation to Bid/ Request for Expression of Interest;
  - e) Instructions to Bidders;
  - f) Bid Data Sheet;
  - g) Addenda and/or Supplemental/Bid Bulletins, if any;
  - h) Winning bidder’s bid, including the Eligibility requirements, Technical and Financial Proposals, and all other documents/statements submitted;
  - i) Performance Security;
  - j) Credit line issued by a commercial or universal bank, if applicable;

- k) Notice of Award of Contract;
  - l) Construction schedule and S-curve, manpower utilization schedule, construction methods, equipment utilization schedule, construction safety and health program approved by the Department of Labor and Employment, PERT/CPM for the herein infrastructure works; and
  - m) Other contract documents that may be required by existing laws and/or the Entity.
3. The contract duration or completion period shall be **60 calendar days** reckoned on the "Start Date" of the contract duration or completion period; The "Start Date" is within seven (7) calendar days from receipt of the Notice to Proceed by the Contractor.
  4. Provision in RA 9184 and its IRR relevant and applicable to herein contract shall be deemed incorporated and construed as integral of herein agreement.
  5. In consideration of the Contract Price mentioned herein to be paid by the Entity to the Contractor, the Contractor hereby covenants with the Entity to execute and complete the Works and to remedy all defects therein in conformity with the provisions of this Contract in all respects;
  6. The Entity hereby covenants to pay the Contractor, in consideration to the execution and completion of the Works and the remedying of defects therein, the Contract Price or such other sum may become payable under the provisions of this Contract at the times and in the manner prescribed by this Contract.
  7. The Contract Price shall be paid to the Contractor through the Government disbursement procedures subject to the payment, retention money, and warranty provisions in the General Conditions of Contract, the Special Conditions of Contract, and the IRR of RA 9184;
  8. In case of failure to make the full completion of the Works and of remedying any defects therein within the period of time specified in this Contract, the Contractor shall pay the Entity for liquidated damages (LD), an amount equal to one-tenth (1/10) of one percent (1%) of the cost of the unperformed portion of the works for every day of delay. The Entity shall deduct the liquidated damages from payments or any money due or which may become due the Contractor under this Contract and/or collect such liquidated damages from the retention money or other securities posted by the Contractor whichever is convenient to the Entity. Payment of liquidated damages shall not affect the Contractor's liabilities.
  9. The Procuring Entity shall terminate a contract for default when any of the following conditions attend its implementation:
    - 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 the 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 a valid instruction of the Procuring Entity or fails to proceed expeditiously and without delay despite a written notice by the Procuring Entity;
      - ii. 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 Procuring Entity.

10. The Contractor shall post a Warranty Security valid for one (1) year from the date of Certificate of Final Acceptance issued by the Entity, in any of the following amounts and forms:

Amount of Warranty Security not less than the Percentage (%) of Total Contract Price	Form of Warranty
5% of the Contract Price	Cash; or Letter of Credit issued by a Universal or Commercial Bank, if issued by a foreign bank, the LC shall be confirmed or authenticated by a Universal or Commercial Bank.
10% of the Contract Price	Bank Guarantee confirmed by a Universal or Commercial Bank
30% of the Contract Price	Surety Bond callable upon demand issued by the GSIS or any Surety or Insurance Company duly certified by the Insurance Commission.

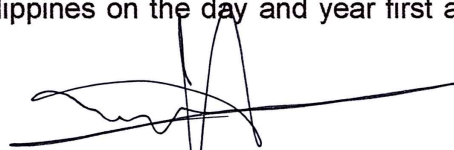
IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed in accordance with the laws of the Republic of the Philippines on the day and year first above written.



**CRISTY C. EPE**  
Schools Division Superintendent

for:

Department of Education – Schools Division  
of Digos City



**ARTHUR N. ESCALANTE**  
Representative

TIN: 124-002-410  
for:

A. N. Escalante Construction

Witness:

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Witness:

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Allotment Available:



**NEPTUNE L. TAMBILAWAN**  
Budget Officer III



**NORELIZA A. MISAL, CPA**  
Accountant III

