

## BUILDING CONTRACT

### KNOW ALL MEN BY THESE PRESENTS:

This CONTRACT, entered into by and between:

**WESTERN MINDANAO STATE UNIVERSITY**, an educational institution, duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office address at Normal Road, Baliwasan, Zamboanga City, Philippines, herein represented by its President, **DR. MA. CARLA A. OCHOTORENA**, hereinafter referred to as the **UNIVERSITY**;

- and -

**FFJJ CONSTRUCTION**, an authorized building contractor with business address at #12, 2<sup>ND</sup> batch, Block IX, Notre Dame Village, Cotabato City, Philippines, herein represented by its Manager/Proprietor, **OSMENA PALANGGALAN**, hereinafter called the **CONTRACTOR**,

-WITNESSETH-

**WHEREAS**, the **UNIVERSITY** is desirous that certain works be done in accordance with plans and specifications consisting of **CONSTRUCTION OF THE COLLEGE OF MEDICINE BUILDING OF THE UNIVERSITY** located at WMSU Main Campus, Normal Road, Baliwasan, Zamboanga City with an Approved Budget for the Contract (ABC) of **THIRTY THREE MILLION PESOS (Php33,000,000.00)**;

**WHEREAS**, after the observance of the rules and regulations under Republic Act 9184, the **CONTRACTOR** has tendered an offer for the prosecution of the project in the amount of **TWENTY NINE MILLION FIFTY THOUSAND THREE HUNDRED EIGHTY FIVE PESOS AND SEVEN CENTAVOS (Php29,050,385.07)**, and said offer had been determined to be acceptable following the rules in negotiated procurement;

**WHEREAS**, the **UNIVERSITY** upon the recommendation of the WMSU BAC per Resolution No. 269-2022, dated September 22 2022, hereto attached as Annex "A", and was duly approved by the WMSU BOR per BOR Resolution No. 146, dated December 16, 2022, has awarded the said project to the **CONTRACTOR** per Notice of Award dated DEC 23 2022 2022;

**WHEREFORE**, the premises considered, the PARTIES hereto hereby mutually agree to enter into contract for the **CONSTRUCTION OF THE COLLEGE OF MEDICINE BUILDING OF THE UNIVERSITY** located at WMSU Main Campus, Zamboanga City;

**NOW, THEREFORE**, for and in consideration of the aforementioned premises, and of the mutual covenants and stipulations

JOSEMAR A. JAIPUDDIN  
University Accountant

ASBO. PROF. ALI GHANI D. MOHAMMAD  
Secretary, WMSU BOR

OSMENA PALANGGALAN  
Proprietor, FFJJ Construction

DR. MA. CARLA A. OCHOTORENA  
President, WMSU

herein set forth, the PARTIES, one with the other, do hereby jointly agree as follows:

1. In this contract, words and expressions shall have the same meaning as are respectively assigned to them in the conditions hereinafter referred to;
2. The following documents shall be deemed to form and be interpreted and construed as part of this contract:

- a. Conditions of contract
- b. Drawing/Plans and Specifications
- c. Bills of Quantity
- d. Invitation to Bid
- e. Technical & Financial requirements for Bidders including the following annexes:

1. Bid Security;
2. Authority of the signing Officials;
3. Duly Signed Construction Schedule & S-Curve;
4. Duly Signed Manpower Schedule;
5. Duly Signed Manpower Construction Methods in Narrative Form;
6. Duly Signed Contract Organizational Chart;
7. Duly Signed List of Contractor's Personnel (Project Manager, Project Engineer, Materials Engineer & Foreman);
8. Duly Signed List of Contractor's Equipment (Owned, leased or under purchase agreement);
9. Duly Signed Equipment Utilization Schedule;
10. Duly Signed Affidavit or Certificate of Site Inspection;
11. Commitment from the Contractor's bank to extend to him a credit line if awarded the contract to be bid, if applicable;
12. Duly signed Construction Safety and Health program;
13. Duly Notarized Certificate in compliance with existing labor laws and standards;
14. Duly signed statement attesting to have complied with responsibilities listed in GPRC;
15. Duly Signed Bid Prices in the Bill of Quantities;
16. Duly Signed Detailed Estimates; and
17. Duly Signed Cash Flow by Quarter and Payment Schedule;

- f. Notice of Award of Contract and Contractor's "Conforme";
- g. Documents supporting the Contract:
  1. Duly Approved Program of Work & Cost Estimates;
  2. Certificate of Availability of Funds;
  3. Approved Agency Estimates (AAE);
  4. Abstract of Bids;
  5. Resolution of BAC Recommending Award; and
  6. Approval of Award;



**JOENMAR A. JAIPUDDIN**  
University Accountant

**GHANI D. MOHAMMAD**  
Secretary, WMSU BOC

**OSMENA PALAM LN**  
Proprietor, FFJJ Construction

**DR. MA. CARLA A. OCHOTORENA**  
President, WMSU

**JOSEMAR A. JAIPUDDIN**  
 University Accountant

3. In consideration of the payment to be made by **UNIVERSITY** to **CONTRACTOR** as herein mentioned, **CONTRACTOR** hereby covenants with **UNIVERSITY** to complete the execution of the project in conformity in all respects with the provisions of this contract and complete all requisite works within **five hundred eighty-six (586) calendar days** from the date of commencement of work as may be authorized under the law or the rules;
4. The **UNIVERSITY** also hereby covenants to pay **CONTRACTOR**, in consideration of the completion of work herein mentioned, the contract price at the time and in the manner prescribed in this contract, as follows:

First Payment	15% upon written request of the Contractor
Second Payment	25% accomplishment
Third Payment	50% accomplishment
Fourth Payment	75% accomplishment
Final Payment	100% accomplishment

Subject to 10% retention of contract price as retention fee to the condition that such claims for payment shall be supported by the following documents:

- a. Report of accomplishment by the **CONTRACTOR** which shall be certified correct by the Technical and Inspection Committee of the **UNIVERSITY**;
- b. If applicable, passing result of Materials Testing of concrete and reinforcing steel bars equivalent to the given structural design criteria duly certified by the DPWH Bureau of Materials Testing, WMSU Universal Testing Machine, College of Engineering and or any other authorized government agency; and
- c. Technical Inspection report made by COA TPI;

5. Where **CONTRACTOR** refuses or fails to satisfactorily complete the work within the specified contract time, plus any time extension duly granted, and thereby becomes in default under the contract, **CONTRACTOR** shall pay the **UNIVERSITY** liquidated damages, and not by way of penalty, an amount equal to one tenth of one percent (0.01%) of the total contract cost, minus the value of the complete portion of the contract certified to by the **UNIVERSITY** as usable as of the expiration of the contract time, for each calendar day of delay, until the work is completed and accepted or taken by **UNIVERSITY**. To be entitled to such liquidated damages, the amount shall be deducted from any money due, or which may become due, the **CONTRACTOR** under the contract and/or collected from the performance bond of the **CONTRACTOR**. Once the cumulative amount of liquidated damages reaches ten percent (10%) of the amount of the contract, the procuring entity shall rescind the contract, without prejudice to other courses of action and remedies open to it;

**ASST. PROF. ALI QAMH D. MOHAMMAD**  
 Secretary, WMSU FOR

**OSMENA PALANGGALAN**  
 Proprietor, FFJJ Construction

**DR. MA. CARLA A. OCHOTORENA**  
 President, WMSU

  
JOHNMAR A. JAIPUDDIN  
University Accountant

  
ASSO. PROF. AL-SHAHRI D. MORAMMAD  
Secretary, WMSU SOR


  
OSMEÑA PALANGGALAN  
Proprietor, FFJJ Construction

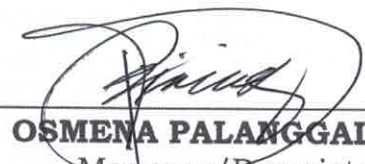
  
DR. MA. CARLA A. OCHOTORENA  
President, WMSU

6. The **CONTRACTOR** shall be responsible for securing the necessary permits, i.e., building excavation, sidewalk, occupancy, etc. with the City Engineering Office and other government agency;
7. For the procurement of infrastructure projects, the **CONTRACTOR** shall assume full responsibility for the contract work from the time project construction commenced up to final acceptance by the government and shall be held responsible for any damage or destruction of the works except those occasioned by force majeure. The **CONTRACTOR** shall be fully responsible for the safety, protection, security, and convenience of his personnel, third parties, and the public at large, as well as the works, equipment, installation and the like to be affected by his construction work and shall be required to put up a warranty security in the form of bond/cashier's check or manager's check in the amount equivalent to five (5%) percent of the contract price;  
  
The warranty security shall be stated in Philippine Pesos, shall remain effective during the applicable warranty period provided in Section 62.2.2 of the rules implementing R.A. 9184; and shall be returned only after the lapse of the said warranty period. The warranty shall be full for the first year and renewable every year thereafter, subject to depreciation after the first year, on a straight line basis;
8. The **CONTRACTOR** hereby warrants that he shall abide by **UNIVERSITY** policy regarding project execution within the University campus;
9. The **CONTRACTOR** shall be solely responsible for the restoration to its original conditions and at his expenses any structure of any kind owned by the **UNIVERSITY** which have been destroyed, impaired, or otherwise injured in the process of construction;
10. The **CONTRACTOR** shall be solely responsible for payment of reasonable fees of electricity and water consumption, as may be provided by the university;
11. Construction Materials of any kind owned by the **UNIVERSITY** after the demolition of existing structures shall be properly turned over by the contractor to the **UNIVERSITY**, thru the Property Management Office. **CONTRACTOR** shall be strictly prohibited from using demolished useful materials for any other purposes;
12. No construction materials of any kind within **UNIVERSITY** compound/campus shall be brought outside without proper clearance from the University;
13. After the completion of the construction of the project, and as precondition for final acceptance of the same, the contractor shall submit to the university "as-built plans" and shall clear the construction site of all obstruction, debris or other construction wastes, cover holes or canals on the ground or level mounds which have been made, dug or created in the course of the construction in such a manner as to leave the premises and its immediate surroundings fit for occupancy;

- 14. The defects liability period for infrastructure projects shall be one year from project completion up to final acceptance by the Government. During this period, the contractor shall undertake the repair works, at his own expense, of any damage to the infrastructure projects on account of the use of materials of inferior quality within ninety (90) days from the time the head of the procuring entity has issued an order to undertake repair. In case of failure or refusal to comply with this mandate, the Government shall undertake such repair works and shall be entitled to full reimbursement of expenses incurred therein upon demand;
- 15. After final acceptance of the project by the government, the **CONTRACTOR** shall be held responsible for structural defects and/or failure of the completed project within the warranty periods for five (5) years from final acceptance, except those occasioned by force majeure and those caused by other parties; and
- 16. The **CONTRACTOR** hereby warrants that he has not given or promised to give, any money or gift to an employee of the **UNIVERSITY** or any government instrumentality to secure this Contract.

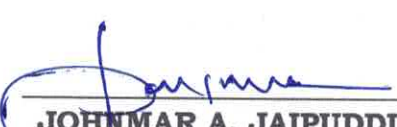
**IN WITNESS WHEREOF**, the PARTIES have hereunto set their hands on this \_\_\_\_\_ day of **JAN 16 2023**, 20\_\_ in the City of Zamboanga, Philippines.

  
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**DR. MA. CARLA A. OCHOTORENA**  
 President, WMSU  
 Date: \_\_\_\_\_

  
 \_\_\_\_\_  
**OSMENA PALANGGALAN**  
 Manager/Proprietor  
 FFJJ Constructions and Supplies  
 Date: \_\_\_\_\_

SIGNED IN THE PRESENCE OF:

  
 \_\_\_\_\_  
**ASSO. PROF. AL GHANI D. MOHAMMAD** and  
 Secretary, WMSU BOR

  
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**JOHNMAR A. JAIPUDDIN**  
 University Accountant