

**CONSTRUCTION OF 2 STOREY DILG PROVINCIAL OPERATION OFFICE  
BUILDING WITH ROOFDECK  
Camarines Sur**

**CONTRACT AGREEMENT**

THIS AGREEMENT, made this 18 day of AUG 2023 between **DILG REGIONAL OFFICE V, Legazpi City** (hereinafter called the "Entity") and **MRBAY CONSTRUCTION** (hereinafter called the "Contractor").

WHEREAS, the Entity is desirous that the Contractor execute **CONSTRUCTION OF 2 STOREY DILG PROVINCIAL OPERATION OFFICE BUILDING WITH ROOFDECK – CAMARINES SUR** (hereinafter called "the Works") and the Entity has accepted the Bid for **Six Million Five Hundred Thirty Thousand Two Hundred Nine Pesos and Thirty Eight Centavos (Php 6,530,209.38)** by the Contractor for the execution and completion of such Works and the remedying of any defects therein.

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 as required by the 2016 revised Implementing Rules and Regulations of Republic Act No. 9184 shall be deemed to form and be read and construed as part of this Agreement, viz.:
  - a. Philippine Bidding Documents (PBDs);
    - i. Drawings/Plans;
    - ii. Specifications;
    - iii. Bill of Quantities;
    - iv. General and Special Conditions of Contract;
    - v. Supplemental or Bid Bulletins, if any;
  - b. Winning bidder's bid, including the Eligibility requirements, Technical and Financial Proposals, and all other documents or statements submitted;

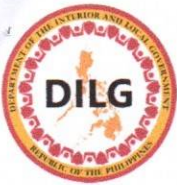
Bid form, including all the documents/statements contained in the Bidder's bidding envelopes, as annexes, and all other documents submitted (e.g., Bidder's response to request for clarifications on the bid), including corrections to the bid, if any, resulting from the Procuring Entity's bid evaluation;

- c. Performance Security;
- d. Notice of Award of Contract and the Bidder's conforme thereto; and
- e. Other contract documents that may be required by existing laws and/or the Procuring Entity concerned in the PBDs. Winning bidder agrees that additional contract documents or information prescribed by the GPPB that are subsequently required for submission after the contract execution, such as the Notice to Proceed, Variation Orders, and Warranty Security, shall likewise form part of the Contract.



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3. In consideration for the sum of **Six Million Five Hundred Thirty Thousand Two Hundred Nine Pesos and Thirty Eight Centavos (Php 6,530,209.38)** for such other sums as may be ascertained, **MRBAY CONSTRUCTION** agrees to the **CONSTRUCTION OF 2 STOREY DILG PROVINCIAL OPERATION OFFICE BUILDING WITH ROOFDECK – CAMARINES SUR** in accordance with his/her/its Bid.
4. The start of work of the **CONSTRUCTION OF 2 STOREY DILG PROVINCIAL OPERATION OFFICE BUILDING WITH ROOFDECK – CAMARINES SUR** is upon receipt and acceptance by the **CONTRACTOR** of the **"NOTICE TO PROCEED"** issued by the **DILG REGIONAL OFFICE V/PROCURING ENTITY**.
5. Completion of work is **120 Calendar Days** from the **Receipt of the Notice to Proceed**.
6. Payment on account of this **Contract** shall be made by **PROCURING ENTITY** through **Progress Billing**. It is understood that the billing shall be based on work actually performed as verified by the **PROJECT ENGINEER** of the Procuring Entity. All payment made by the **PROCURING ENTITY** to the **CONTRACTOR** shall be at all times, subject to the usual government accounting and auditing procedures and requirements.
  - 6.01 Final and full payment of the consideration herein above mentioned shall be made by the **PROCURING ENTITY** to the **CONTRACTOR** upon fulfilling the conditions set forth in the **General Conditions of the Contract**.
  - 6.02 The **CONTRACTOR**, upon his request shall receive from the **PROCURING ENTITY** an advance payment (**Mobilization Fee**) amounting to **Nine Hundred Seventy Nine Thousand Five Hundred Thirty One / .41 Pesos Only (Php 979,531.41)** equivalent to the fifteen percent (15%) of the total Contract Price to be made in lump sum or, at the most two installments according to a schedule in the Instructions to the Bidders and other relevant Tender documents;
  - 6.03 The advance payment shall be repaid by the **CONTRACTOR** after deducting **fifteen percent (15%)** from his progress payments until the amount of advance payment is fully liquidated;
  - 6.04 The **PROCURING ENTITY** shall pay the **CONTRACTOR** progress payment based on billing for actual works accomplished as certified by the **Project Engineer** of the **PROCURING ENTITY**. In no case shall progress billings be made more than once every thirty (30) calendar days. Materials or equipment delivered on the site but not completely put in place or used in **Project** shall not be included for payment;
  - 6.05 All progress payments shall be subject to a retention fee of ten percent (10%). Such retention shall be based on the amount due the **CONTRACTOR** prior to deductions and shall be retained from every progress payment until fifty percent (50%) of the value of the works, as determined by the **PROCURING ENTITY**, are completed. If, after 50% completion, the work is satisfactorily done and on schedule, no additional retention shall be made; otherwise, the 10% retention shall be imposed. The **CONTRACTOR** may, however, request for its release/substitution prior to Final Acceptance subject



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to the guidelines set forth in R.A. 9184 and its implementing Rules and Regulations;

- 6.06 The **PROCURING ENTITY** 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;
- 6.07 The **CONTRACTOR** shall, therefore, receive his progress payment less the retention money, 7.0% expanded Withholding Tax and creditable VAT and other deductions provided for the **CONTRACTOR**, if any;
- 6.08 The **PROCURING ENTITY** shall issue a Certificate of Final Acceptance to the **CONTRACTOR** upon satisfactory completion of the Project. Before such certificate is issued, the **CONTRACTOR** shall submit sworn statement certifying that all taxes due from it, and all obligations for materials used and labor employed in connection with the project have been duly paid. Final payment shall be made within a reasonable period upon Final Acceptance by the **PROCURING ENTITY**; and
- 6.09 Contract Price adjustment shall be made in accordance with the guidelines set forth by R.A 9184 as amended and all other relevant issuance on the Contract Price adjustments.
7. Where the **CONTRACTOR** refuses or fails to satisfactorily complete the work within the specified contract time, plus any time extension duly granted and is thereby in default under the contract, the **CONTRACTOR**, shall pay the **PROCURING ENTITY**, Liquidated Damages and not by way of penalty, computed as one-tenth (1/10) of the one percent (1%) of the Contract Price minus the value of the completed portion of the Contract certified as usable as of the expiration of the contract time in pesos.
  - 7.01 To be entitled to such liquidated damages, the **PROCURING ENTITY** does not have to prove that it has incurred actual damages. Such amount shall be deducted from any money due or which may become due to the **CONTRACTOR** under the contract.
8. All damages and losses of whatever nature that may be suffered by third persons as a result, directly or indirectly, of the fault or negligence of the **CONTRACTOR** in the execution of its work of performance of its undertaking under this contract shall be the sole responsibility of the **CONTRACTOR**. The **CONTRACTOR** thereof shall save and hold the **PROCURING ENTITY** free and exempt from all claims for damages, losses, penalties and liabilities of whatever kind of nature including all causes of action, suits, and judgements arising from death or injury to persons or damage to property resulting from the **CONTRACTOR'S** fault or failure to observe diligence required in the execution of its works and in the performance of its undertakings.
9. The **CONTRACTOR** warrants that all materials used in the project and covered under this Contract are brand new, free from defects and strictly in accordance with the Technical Specifications of the Project;



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- 9.01 The **CONTRACTOR**, at its expense, shall undertake all repair and or replacement of materials that are found to be defective and which are brought to the attention of the **CONTRACTOR** within **One (1) year** after the final acceptance of the work by the **PROCURING ENTITY**;
- 9.02 The **CONTRACTOR**, likewise, warrant that all civil works and Installation of materials called for in this contract shall be carried properly and in conformity with sound engineering practices. Any defects resulting from the **CONTRACTOR'S** non-compliance with his obligations hereunder shall be made good by the **CONTRACTOR** without any expense on the part of the **PROCURING ENTITY**.
10. Where Structural Defects/Failures arise due to faults attributable to improper construction, use of inferior quality/substandard materials, and any violation of the contract plans and specifications, the **CONTRACTOR** shall be held liable. The warranty against Structural Defects and Failures is within **Fifteen (15) years** from final acceptance, except those occasioned by force majeure;

IN WITNESS whereof the parties thereto have caused this Agreement to be executed the day and year first before written.

  
**ATTY. ARNALDO E. ESCOBAR JR. CESO V**  
Regional Director

for:

DILG Regional Office V

  
**MARICEL R. BAYLON**  
Proprietor,

for:

MRBAY CONSTRUCTION


**ACKNOWLEDGMENT**

Republic of the Philippines )  
Province of Albay )  
City of Legazpi )

Before me this 18 day of AUG, 2023, personally appeared **ATTY. ARNALDO E. ESCOBAR JR., CESO V**, Regional Director of the DILG Region V and **MARICEL R. BAYLON**, Proprietor and to me known to be the same persons who executed this **CONTRACT OF AGREEMENT** consisting of two (2) pages, affiants exhibiting to me their Identification Description (I.D.) respectively.

**IN WITNESS THEREOF**, I have set my hand and seal this 18 day of AUG 2023 2023 in Legazpi City, Philippines.

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Book No. X  
Series of 2023

  
**ATTY. LILIA REYTA-TONDO**  
NOTARY PUBLIC  
ROLL No. 48617 FEB. 24, 2003  
PTR No. 7638906 JAN. 4, 2023  
LIFETIME MEMBER IBP  
COMMISSION EXPIRES ON DEC. 31, 2023



Republic of the Philippines  
DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT  
Regional Office V  
Legazpi City

**BAC RESOLUTION DECLARING MRBAY CONSTRUCTION AS THE BIDDER WITH THE SINGLE LOWEST CALCULATED AND RESPONSIVE BID (SLCRB) FOR THE CONTRACT: PROCUREMENT FOR THE CONSTRUCTION OF 2 STOREY DILG PROVINCIAL OPERATION OFFICE BUILDING WITH ROOFDECK – CAMARINES SUR  
SLCRB-PB-INFRA-2023-001**

**WHEREAS**, the Department of the Interior and Local Government Regional Office No. 5 requested quotation/s for the project: **PROCUREMENT FOR THE CONSTRUCTION OF 2 STOREY DILG PROVINCIAL OPERATION OFFICE BUILDING WITH ROOFDECK – CAMARINES SUR**, with an Approved Budget for the Contract (ABC): **Six Million Five Hundred Thirty Four Thousand Eight Hundred Fifty Three and Forty Two Centavos (P 6,534,853.42)**

**WHEREAS**, the BAC resorted to Public Bidding as the mode of procurement and posted the project in the PhilGeps for the period July 6 - July 26, 2023;

**WHEREAS**, in response to the said posting, one (1) bidder were able to submit their bids before the cut off time with details as follows:

BIDDER	DATE & TIME OF SUBMISSION
MRBAY CONSTRUCTION	July 26, 2023 @ 10:28 AM

**WHEREAS**, during the bid opening, only one bidder qualified in the preliminary evaluation with the following details:

BIDDER	BID AMOUNT	REMARKS
MRBAY CONSTRUCTION	Php 6,530,209.38	S/LCRB

**WHEREAS**, upon post qualification and careful examination, validation and verification of all the eligibility, technical and financial requirements submitted by the **MRBAY CONSTRUCTION**, its bid was found to be responsive;

**WHEREAS**, the BAC declared and recommended **MRBAY CONSTRUCTION** as the Single Lowest Calculated and Responsive Bidder.

**NOW, THEREFORE**, We, the members of the Bids and Awards Committee, hereby **RESOLVE**, as it is hereby **RESOLVED**

To recommend for the approval and awarding of **MRBAY CONSTRUCTION** as the bidder with the Single Lowest calculated and responsive bid for the contract: **PROCUREMENT FOR THE CONSTRUCTION OF 2 STOREY DILG PROVINCIAL OPERATION OFFICE BUILDING WITH ROOFDECK – CAMARINES SUR**, with the amount equivalent to **Six Million Five Hundred Thirty Thousand Two Hundred Nine Pesos and Thirty Eight Centavos (Php 6,530,209.38)**.

**RESOLVED**, at the DILG Regional Office Conference Room, this 8th day of August, 2023.

  
**RICO E. GAURINO**  
Regular Member

  
**AMALINE R. COLINA**  
Regular Member

  
**ATTY. MAGDALENA A. BORBE-MALLARI**  
Regular Member

  
**MAE G. CLEMENTE**  
Regular Member

  
**MA. GRACE JOY U. TANGO**  
Provisional Member

  
**NARCISA M. CLAVERON**  
Provisional Member

  
**LUNINGNING Z. BRAZIL**  
Provisional Member

  
**DARLYN D. AYENDE**  
BAC Chairperson

  
**MA. RUTHEL P. GIGANTOCA**  
BAC Vice-Chairperson

Approved  
  
**ATTY. ARNALDO E. ESCOBAR JR., CESO V**  
Regional Director



Republic of the Philippines  
Department of the Interior and Local Government  
Regional Office V

**REGIONAL OFFICE BIDS AND AWARDS COMMITTEE**

**NOTICE OF AWARD**

09 AUG 2023

**MARICEL R. BAYLON**  
MRBAY CONSTRUCTION  
Naga City, Camarines Sur

**Dear Ms. Baylon,**

We hereby accept your bid and therefore award the Contract to you as the bidder with the Lowest Calculated responsive Bid for the **PROCUREMENT FOR THE CONSTRUCTION OF 2 STOREY DILG PROVINCIAL OPERATION OFFICE BUILDING WITH ROOFDECK – CAMARINES SUR** with the contract price equivalent to **Six Million Five Hundred Thirty Thousand Two Hundred Nine Pesos and Thirty Eight Centavos Only (Php 6,530,209.38).**

In view of the foregoing, you are required within ten (10) days from your receipt of this Notice of Award, to submit the following documents as conditions for the signing of the contract:

- Notice of Award (NOA) with the bidder's signed "conforme"
- Construction schedule, Bar Chart and S-curve
- Manpower schedule
- Equipment utilization schedule
- Construction safety and health program approved by the DOLE

You are also required, within ten (10) calendar days, to formally sign the Contract of Agreement

Please acknowledge receipt and acceptance of this Notice by signing all copies. Retain one copy and return the other to the BAC Secretariat Office, DILG Regional Office V, Rizal Street Legazpi City.

Very truly yours,

  
**ATTY. ARNALDO E. ESCOBAR JR., CESO V**  
Regional Director

CONFORME:

By:   
(Signature over Printed Name)

Date: AUGUST 10, 2023

**"Matino, Mahusay at Maaasahan"**

 Rizal St., Legazpi City  
 (052) 4801484; 4801486  (052) 4804023  
 <http://region5.dilg.gov.ph>  
 region5dilg@gmail.com



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**REGIONAL OFFICE BIDS AND AWARDS COMMITTEE**

**NOTICE TO PROCEED**

**22 AUG 2023**


**MARICEL R. BAYLON**  
MRBAY CONSTRUCTION  
Naga City, Camarines Sur

Dear Ms. Baylon,

Since the attached Contract Agreement with you for the project **PROCUREMENT FOR THE CONSTRUCTION OF 2 STOREY DILG PROVINCIAL OPERATION OFFICE BUILDING WITH ROOFDECK – CAMARINES SUR** has been approved, notice is hereby given to you to proceed effective upon the date of your receipt of this Notice, with the implementation of the Provisions of the Contract, in accordance with the terms of Contract Agreement, including Conditions of Contract, Specifications and Drawings.

Please acknowledge receipt and acceptance of this Notice by signing both copies on the space provided below. Retain one copy and return the other to the BAC Secretariat Office, DILG Regional Office V, Rizal Street Legazpi City.

Very truly yours,

  
**ATTY. ARNALDO E. ESCOBAR JR., CESO V**  
Regional Director

CONFORME:

By: MARICEL BAYLON  
(Signature over Printed Name)

Date: AUGUST 22, 2023

**“Matino, Mahusay at Maaasahan”**

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