BIDS & AWARDS COMMITTEE (BAC), 2nd Floor City Government of Malolos Building, Barangay Bulihan, City of Malolos, Bulacan, Email address: legal.secretariat@gmail.com

NOTICE TO PROCEED

SALVADOR GALANG
PROPRIETOR/ MANAGER
DON G 227 CONSTRUCTION
Sevilla St., Brgy. Atlag,
City of Malolos, Bulacan

Dear DON G 227 CONSTRUCTION,

This is to notify you that we are engaging your services for "CONSTRUCTION OF BASKETBALL COURT AND TENNIS COURT AT CITY GOVERNMENT CENTER BRGY. BULIHAN, CITY OF MALOLOS" in consideration of only Seven Million Eight Hundred Eighty Thousand Twenty One Pesos and 63/100 Centavos (Php 7,880,021.63) inclusive of appropriate taxes and fees pursuant to RESOLUTION 2024 – 03 – 007.

Relative thereto, this notice is hereby given to your company to commence immediately on the delivery of the said project. Your company is expected to perform to the terms and conditions stipulated in the contract.

Please acknowledge receipt and acceptance of this notice by signing at the portion provided below.

Thank you.

Sincerely yours,

ATTY. CHILLENT ON NATIVIDAD

City Mayor From 1

_gniorme:___

Date: 4 3 2024

INFRASTRUCTURE PROJECT

KNOW ALL MEN BY THESE PRESENTS:

This CONTRACT is made and entered into by and between:

THE CITY GOVERNMENT OF MALOLOS, a corporate body politic created and existing under and by virtue of the laws of the Republic of the Philippines with office address at New City Hall, Brgy. Bulihan, City of Malolos, Bulacan herein represented by its Mayor, HON. ATTY. CHRISTIAN D. NATIVIDAD, hereinafter referred to as the "THE ENTITY" for brevity;

- and -

DON G 227 CONSTRUCTION, with business address at Sevilla St., Brgy. Atlag, City of Malolos, Bulacan, herein represented by its Proprietor/Manager, SALVADOR GALANG, hereinafter referred to as the "CONTRACTOR" for brevity;

WITNESSETH: THAT

WHEREAS, the THE ENTITY, through its Bids and Awards Committee published an Invitation to Bid for the CONSTRUCTION OF BASKETBALL COURT AND TENNIS COURT AT CITY GOVERNMENT CENTER BRGY. BULIHAN, CITY OF MALOLOS, hereinafter referred to as the "PROJECT";

WHEREAS, after the opening and evaluation of the bids submitted by the eligible bidders during the public bidding held on the 4th day of March 2024 at the New City Hall, Brgy. Bulihan, City of Malolos, Bulacan the CONTRACTOR's bid in the amount of SEVEN MILLION EIGHT HUNDRED EIGHTY THOUSAND TWENTY ONE PESOS AND 63/100 CENTAVOS (PHP 7,880,021.63) was declared to be Lowest Calculated and Responsive Bid;

WHEREAS, the PROJECT was awarded to the CONTRACTOR, which accepted the award;

NOW, THEREFORE, for and in consideration of the foregoing premises and the covenants herein stipulated, THE

ARTICLE I SCOPE OF WORK

The **CONTRACTOR** shall undertake the construction of the **PROJECT** for **THE ENTITY** in accordance with the plans and specifications prescribed in the contract documents enumerated in Article II of this **CONTRACT**.

The said undertaking by the **CONTRACTOR** shall include providing for all the labor, materials, equipment and supplies and performance of all the operations necessary for the completion of the **PROJECT**, complying faithfully and strictly with the terms and conditions set forth in this **CONTRACT**.

ARTICLE II CONTRACT DOCUMENTS

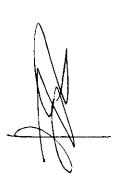
The following documents shall form integral parts of this **CONTRACT**:

- 1. Notice of Award;
- 2. Contractor's Bid;
- 3. Bid Documents;
- 4. Specifications/Drawings/Plans;
- 5. Performance Security;
- 6. General and Special Conditions of Contract; and
- 7. Other contract documents that may be required by existing laws and/or **THE ENTITY**.

The CONTRACTOR agrees that additional contract documents or information prescribed by the Government Procurement Policy Board (GPPB) that are subsequently required for submission after the execution of this Contract, such as the Notice to Proceed, Variation Orders, and Warranty Security, shall likewise form part of the Contract.

ARTICLE III CONTRACT PRICE

For and in consideration of the full and faithful performance by the **CONTRACTOR** of all its obligations under this **CONTRACT**, **THE ENTITY** shall pay the **CONTRACTOR** the total contract price **SEVEN MILLION EIGHT HUNDRED**



Contract Price or such other sums as may be ascertained, the CONTRACTOR agrees to execute the PROJECT in accordance with its Bid.

ARTICLE IV COMMENCEMENT AND COMPLETION OF WORK

The CONTRACTOR shall commence the execution of the PROJECT from receipt of the Notice to Proceed from the The Entity and shall have completed the PROJECT within a total of One Hundred Eighty (180) calendar days, from and including the commencement date, unless it is given additional time by the CITY in writing to finish the PROJECT.

ARTICLE V PERFORMANCE SECURITY

The **CONTRACTOR** shall, prior to the signing of this **CONTRACT**, post any of the following securities in favor of **THE ENTITY**, to guarantee its full and faithful performance of the **PROJECT** and to cover for the payment of its obligation/s that may arise from this **CONTRACT**, while the same remains in full force and effect, to wit:

- 1. Cash, Certified Check, Cashier's Check, Manager's Check or Irrevocable Letter of Credit in an amount equivalent to Five Percent (5%) of the total contract price;
- 2. Bank/Draft Guarantee in an amount equivalent to Ten (10%) of the total contract price:
- 3. Surety Bond in an amount equivalent to Thirty Percent (30%) of the total contract price; or
- 4. A combination of the foregoing.

The Performance Security posted by the **CONTRACTOR** shall be stated in Philippine Currency and shall be effective during the applicable warranty period. It shall be in the full amount required for the first year, renewable each year thereafter, subject to depreciation for the subsequent year/s on a straight-line basis.

ARTICLE VI TERMS OF PAYMENT

PROGRESS PAYMENT

The **CONTRACTOR** may submit, on a monthly basis, a request shell be a significant for payment corresponding to work accomplished. Such

considered as work accomplished, except as otherwise stipulated in the Instructions to Bidders.

THE ENTITY shall have the right to deduct from the CONTRACTOR's progress billing such amount as may be necessary to cover the CONTRACTOR's third-party liability/s, as well as uncorrected defects discovered in the PROJECT.

RETENTION MONEY

Progress payments shall be subject to Ten Percent (10%) "Retention Money" based on the total amount payable to the **CONTRACTOR** prior to any deduction and shall be retained from every progress payment until Fifty Percent (50%) of the value of works is completed, as determined by **THE ENTITY**. If, after Fifty Percent (50%) completion of the **PROJECT**, the work was satisfactorily done according to schedule, no further retention shall be made; otherwise, the Ten Percent (10%) retention abovedescribed shall be imposed upon subsequent progress payments.

The total accumulated retention money shall be released only upon final acceptance of the works by **THE ENTITY**. In the meantime, the **CONTRACTOR** may request to be allowed to substitute the retention money for each progress billing with irrevocable standby letters of credit from a commercial bank, bank guarantees or surety bonds callable on demand, accepted by **THE ENTITY** and in amounts equivalent to the retention money substituted; provided, that the project is on schedule and is satisfactorily undertaken. Said irrevocable standby letters of credit, bank guarantees and/or surety bonds to be posted in favor of **THE ENTITY** shall be valid for a period to be determined by **THE ENTITY**.

ARTICLE VII CONTRACTOR'S WARRANTY OF WORK

The **CONTRACTOR** shall assume full responsibility for the contract works from the time the project construction commences up to its final acceptance by **THE ENTITY**. It shall be liable for any damage or destruction of the works except those occasioned by force majeure. Likewise, it shall be its duty to ensure the safety, protection, security, and convenience of its personnel, third parties, and the public at large as well as of the works, equipment and installations made in line with the **PROJECT**. Furthermore, it shall be required to put up a warranty security in the form of each

40

FORM OF WARRANTY	MINIMUM AMOUNT IN % OF TOTAL CONTRACT PRICE
 Cash deposit, cash bond or letter of credit 	Five percent (5%)
2. Bank guarantee 3. Surety Bond	Ten percent (10%) Thirty Percent (30%)

The warranty security shall be stated in Philippine Currency and shall be effective during the applicable warranty period. It shall be in the full amount required for the first year, renewable each year thereafter, subject to depreciation for the subsequent year/s on a straight-line basis.

The defects-liability period for infrastructure projects shall be one (1) year from project completion until final acceptance thereof by **THE ENTITY**, within which period the **CONTRACTOR** shall undertake to repair any damage in the **PROJECT** on account of the use of materials with inferior quality, at his own expense. Such repair works must be commenced within ninety (90) days from the time **THE ENTITY** has issued an order for the **CONTRACTOR** to undertake repair. In case of failure or refusal by the **CONTRACTOR**, **THE ENTITY** may undertake to do the same but shall be entitled to full reimbursement of the expenses incurred therefore by the **CONTRACTOR**.

Any CONTRACTOR who fails to comply with an order to make repairs within the defects-liability period shall suffer perpetual disqualification from participating in any public bidding and his property/s shall be subject to attachment or garnishment proceedings to recover damages and costs in favor of THE ENTITY. Any and all payables in favor of the CONTRACTOR shall likewise be offset for said purpose.

After final acceptance of the project by **THE ENTITY**, the **CONTRACTOR** shall be held responsible for structural defects and/or failure of the completed project within the following warranty periods from final acceptance, except those occasioned by force majeure and those caused by other parties:

a) Permanent Structures: Fifteen (15) years

Buildings of types 4 (steel, iron, concrete, or masonry construction with walls, ceilings, and permanent partitions of

tunnels, causeways, whereat, piers, dikes, filtration and treatment plants, sewerage systems, power plants, transmission and communication towers, railway system, and other similar structures;

b) Semi - Permanent Structures: Five (5) years

Buildings of types 1 (wooden), 2 (wood with 1 hour fire resistance), and 3 (masonry and wood construction), concrete roads, asphalt roads, river control, drainage, irrigation and drainage canals, municipal ports and river landing, deep wells, rock causeway, pedestrian overpass, and other similar structures; and

c) Other Structures: Two (2) years

Bailey and wooden bridges, shallow wells, spring developments, and other similar structures.

ARTICLE VIII LIQUIDATED DAMAGES

In the event that the **CONTRACTOR** fails and/or refuses to satisfactorily complete the work within the specified contract time, including any extension of time duly granted by **THE ENTITY**, the **CONTRACTOR** shall be deemed in default under this **CONTRACT** and shall be liable for liquidated damages. Such liquidated damages may be deducted from any amount due or which may become due in favor of the **CONTRACTOR** under this **CONTRACT** or may be taken from the retention money or other securities posted by the **CONTRACTOR**, at the option of **THE ENTITY**.

The amount of liquidated damages for each calendar day of delay until the work is completed and accepted by **THE ENTITY** shall be one tenth of one percent (.001) of the total contract price minus the value of the completed and usable portions of the **PROJECT** as of the expiration of the contract time, as determined by **THE ENTITY**.

To be entitled to such liquidated damages, **THE ENTITY** does not have to prove that it has incurred actual damages. Moreover, **THE ENTITY** may also impose additional liquidated damages upon the **CONTRACTOR** provided such additional liquidated damages were prescribed in the Instructions to Bidders.

time plus any time extension dilly granted to the CONTRACTOR, THE ENTITY may rescind this CONTRACT, forfeit the CONTRACTOR'S performance security and take over the execution of the PROJECT or award the same to a qualified contractor through negotiated contract.

In no case, however, shall the total sum of liquidated damages exceed Ten Percent (10%) of the total contract price, in which event this **CONTRACT** shall automatically be taken over by **THE ENTITY** or award the same to a qualified contractor through negotiation. In such case, the erring **CONTRACTOR'S** performance security shall be forfeited. The amount of the forfeited performance security shall be distinct from the amount of the liquidated damages that the **CONTRACTOR** shall pay **THE ENTITY** under the provisions of this clause. Other appropriate sanctions may likewise be imposed upon the **CONTRACTOR**.

ARTICLE IX CONTRACTOR'S LIABILITIES

It is hereby agreed and understood that no principal-agent relationship exists between **THE ENTITY** and the **CONTRACTOR** and that, likewise, no employer-employee relationship exists between **THE ENTITY** and all laborers, workers, employees and staff of the **CONTRACTOR**.

The **CONTRACTOR** hereby binds itself to protect and promote the immunity of **THE ENTITY** from any suit or liability arising from claims of any nature, such as death, injuries or damages that may be suffered by the **CONTRACTOR'S** workforce and/or third parties arising from or in connection with the execution of this **PROJECT**. The **CONTRACTOR** shall at all times be solely responsible for compliance with all existing laws, rules, regulations and ordinances. The **CONTRACTOR** hereby agrees and binds itself to hold **THE ENTITY** free and harmless from any liabilities.

ARTICLE X SUSPENSION OF WORK

THE ENTITY shall have the authority to suspend the work, wholly or partly, through a written order, for such period as it may deem necessary due to *force majeure* or the failure of the CONTRACTOR to correct bad conditions which are unsafe for



On the other hand, the CONTRACTOR or its duly authorized representative shall have the right to suspend the work operation on any and all projects along the critical path of activities provided that a written notice to that effect is given to THE ENTITY's Project Engineer, fifteen (15) calendar days prior to the intended date of suspension of work and on the following grounds only:

- 1. There exist right-of-way problems that disable the **CONTRACTOR** from performing works in accordance with the approved construction schedule;
- 2. The requisite construction plans which should be furnished by **THE ENTITY** were not issued to the **CONTRACTOR**, precluding any work called for such plans;
- 3. Peace and order condition/s making it extremely dangerous, if not impossible, to work. However, the existence of such condition/s must be certified in writing by the Philippine National Police (PNP) Station having responsibility over the affected area and confirmed by the Department of the Interior and Local Government (DILG) Regional Director;
- 4. **THE ENTITY** failed to deliver government-furnished materials and equipment as stipulated in the contract;
- 5. Delay in the payment of the **CONTRACTOR'S** claim for progress billing beyond Forty-Five (45) calendar days from the time the **CONTRACTOR'S** claim that its documents are complete has been certified by **THE ENTITY** authorized representative unless there are justifiable reasons therefore which shall be communicated in writing to the **CONTRACTOR**.

In case of total suspension, or suspension of activities along the critical path not due to any fault of the **CONTRACTOR**, the interval between the order of suspension and the order to resume work shall be allowed to the **CONTRACTOR** by adjusting the contract time accordingly.





contract. If my such class as san increase or decrease in the work or the time required for the performance of this PROJECT, an equitable adjustment shall be made upon mutual agreement of the parties with respect to the contract price, completion date, and/or both and any other affected provisions, reflecting such adjustments by way of amendment to the contract.

Should **THE ENTITY** find it necessary to have any additional work, the same may be carried out immediately by the **CONTRACTOR** upon receipt of written instructions from **THE ENTITY**, reflecting the adjustment in terms of additional costs or additional time for completion or both in an amendment to this **CONTRACT**.

ARTICLE XII EXTENSION OF CONTRACT TIME

Should the amount of additional work of any kind or other special circumstances of any kind occur as to fairly entitle the CONTRACTOR to an extension of contract time, THE ENTITY shall determine the duration of such extension. THE ENTITY shall not be bound to grant any claim for an extension of time unless the CONTRACTOR, prior to the expiration of the contract time and within Thirty (30) calendar days after such work has been commenced or after the circumstances leading to such claim have arisen, delivered to THE ENTITY notices to allow THE ENTITY to verify the claimed existence of such circumstances. Failure to provide such notice at the time or immediately after such circumstances have arisen shall constitute a waiver by the CONTRACTOR of its claim for extension of time on the basis thereof. Upon receipt of a written notice containing the full and detailed particulars, THE ENTITY shall examine the facts and extent of the delay and either deny the claim or extend the contract time to the extent that, to THE ENTITY's opinion, is justified.

No extension of contract time shall be granted to the **CONTRACTOR** on the basis of the following:

- 1. Ordinary unfavorable weather conditions; and
- 2. Inexcusable failure or negligence of **CONTRACTOR** to provide the required equipment, suppliers and materials.

Further, no extension of contract time shall be granted when the reason given to support the request for extension was already



Extension of time may be granted only when the affected activities fall within the critical path of the PERT/CPM network.

Extension of contract time on account of rainy/unworkable days shall be granted based on the actual conditions obtained on site considered unfavorable for the execution of the works, in addition to the number of the rainy/unworkable days predetermined by the parties in relation to the original contract time during the conduct of detailed engineering and in the preparation of the contract documents and/or for equivalent period of delay due to major calamities such as exceptionally destructive typhoons, floods, earthquakes and epidemics, and for causes such as non-delivery of materials on time, working drawings or written information to be furnished by THE ENTITY, lack of permit to enter private properties within the right-of-way resulting in complete paralyze action of construction activities and other meritorious causes as determined by the City Engineer and approved by THE ENTITY.

Shortage of construction materials, general labor strikes, and peace and order problems that disrupt construction through no fault of the **CONTRACTOR** may likewise be considered grounds for extension of contract time provided they are publicly felt and certified by appropriate government agencies such as the DTI, DOLE, DILG and DND, among others.

The written consent of the bondsmen must be attached to any request of the **CONTRACTOR** for extension of contract time and submitted to **THE ENTITY**. If the request is granted, the effectivity of the performance security shall be correspondingly extended.

ARTICLE XIII ACCEPTANCE OF WORK

The **CONTRACTOR** shall, upon completion of all works required in the construction of the **PROJECT**, submit a written request for Acceptance of the Project by **THE ENTITY**. Thereafter, the latter shall conduct the required physical inspection and accept the **PROJECT** if all specifications have been satisfactorily completed in consonance with all pertinent documents forming integral parts of this **CONTRACT**.





partial are enjoined to faithfully and strictly comply with the provisions of this CONTRACT. Any violation thereof shall be a ground for the cancellation of this CONTRACT.

IN WITNESS WHEREOF, the parties have hereunto affixed their respective signatures on this _____ day of _____, 2024 in the City of Malolos.

CITY GOVERNMENT OF MALOLOS "The Entity"

By:

City

DON G 227 CONSTRUCTION

"Contractor/Supplier"

By:

SALVADOR GALANG Proprietor/Manager

Witnessed by:

ACKNOWLEDGMENT

Republic of the Philippines } City of Malolos } S.S. Cry of Malolos, Bulacan, persons y appeared ATTY. CHRISTIAN D. NATIVIDAD and SALVADOR GALANG, whom I identified to be the same persons who executed the foregoing after exhibiting to me their respective proof of identity as follows:

Atty. Christian D. Natividad Salvador Galang	NUMBER	DATE OF ISSUE	PLACE OF ISSUE

and who acknowledged to me that the same is their free and voluntary act and deed and the parties they represent.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal on the date and place above-written.

Doc. No. _____; Page No. _____; Book No. _____; Series of 2024. · M



NOTICE OF AWARD

SALVADOR GALANG PROPRIETOR/ MANAGER DON G 227 CONSTRUCTION

Sevilla St., Brgy. Atlag, City of Malolos, Bulacan

Dear DON G 227 CONSTRUCTION,

This is to notify you that we are engaging your services for "CONSTRUCTION OF BASKETBALL COURT AND TENNIS COURT AT CITY GOVERNMENT CENTER BRGY. BULIHAN, CITY OF MALOLOS" in consideration of only Seven Million Eight Hundred Eighty Thousand Twenty One Pesos and 63/100 Centavos (Php 7,880,021.63) inclusive of appropriate taxes and fees pursuant to RESOLUTION 2024 – 03 – 007.

You are also required to formally submit the performance security in the form of a Surety Bond callable upon demand and issued by a Surety or Insurance Company duly accredited by Insurance Commission to issue such security which shall be thirty percent (30%) of the total contract price and acceptable to the City Government of Malolos.

Failure to submit an Acceptable Performance Security and/or comply with the provisions of the 2016 Revised IRR of RA 9184 shall constitute a sufficient ground for cancellation of this award.

Contract and Notice to Proceed will be issued within fifteen (15) calendar days upon receipt of the Acceptable Performance Security.

Should you agree with the Award of the Contract, please acknowledge receipt and acceptance of this notice by signing at the portion provided below.

Sincerely yours,

ATTY. CARREST TO D. NATIVIDAD

City N

nforme:

AWARDS COMMITTEE

Floor CD; Generalizat of Malolos Building, Barangay Bulihan, City of Malolos, Bulacan Email address: legal secretariat (@gmail.com

7 March 2024

ATTY. CHRISTIAN D. NATIVIDADCity Mayor
City of Malolos

Dear HON. NATIVIDAD:

Based on the Post-Qualification Report conducted by the Bids and Awards Committee (BAC) Technical Working Group last 7th March 2024 and Resolution No. 2024 - 03 - 007 for CONSTRUCTION OF BASKETBALL COURT AND TENNIS COURT AT CITY GOVERNMENT CENTER BRGY. BULIHAN, CITY OF MALOLOS hereby declares

DON G 227 CONSTRUCTION with the bid amount (Php 7,880,021.63) as the winning bidder with the Lowest Calculated and Responsive Bid.

We request for the issuance of Notice of Award to DON G 227 CONSTRUCTION.

Thank you very much.

Very truly yours,

ATTY. CYRUS PAUL S. VALENZUELA Chairperson-Bids and Awards Committee



RESOLUTION NO. 2024 - 03 - 007

RESOLUTION DECLARING THE WINNING BIDDER AND RECOMMENDING THE AWARD OF THE CONTRACT FOR THE CONSTRUCTION OF BASKETBALL COURT AND TENNIS COURT AT CITY GOVERNMENT CENTER BRGY. BULIHAN, CITY OF MALOLOS

WHEREAS, the City Government of Malolos through its Bids and Awards Committee caused the publication of the advertisement for the Invitation to Bid in the Philippine Government Electronic Procurement Service (PhilGEPS) and in conspicuous places in the premises of the City Government of Malolos from February 11, 2024 to March 4, 2024;

WHEREAS, in response to the said advertisement, three (3) bidder expressed interest in participating in the procurement process, to wit:

- 1. DON G 227 CONSTRUCTION
- 2. ZACARIAS ENTERPRISES
- 3. M.S DELARA CONSTRUCTION

WHEREAS, to explain and clarify the bidding documents and to accommodate inquiries, the CGM-BAC conducted a pre-bid conference on February 19, 2024, at 10:00 o'clock in the afternoon at the New City Hall Building, Government Center, Brgy. Bulihan, McArthur Highway, City of Malolos;

WHEREAS, the submission and opening of bids relative to the above-mentioned **project** was conducted on March 4, 2024, at the New City Hall Building, Government Center, Brgy. Bulihan, McArthur Highway, City of Malolos;

WHEREAS, during the submission and opening of bids relative to the abovementioned project, DON G 227 CONSTRUCTION was declared as the Lowest Bidder as read, subject to post qualification;

WHEREAS, DON G 227 CONSTRUCTION was thereafter subjected to post qualification to verify, validate, ascertain the genuineness, validity, accuracy and determine the responsiveness of its bid based on the documents submitted;

submitted to the Bids and Awards Committee and Technical Working Group, the CGM-BAC is of the view that DON G 227 CONSTRUCTION's bid will deliver the competence and quality that the City Government of Malolos sought when it published its Invitation to Bid;

WHEREFORE, the BAC RESOLVES, as it hereby RESOLVED:

- a. To declare DON G 227 CONSTRUCTION's bid as the winning bidder with the Lowest Calculated and Responsive Bid for the CONSTRUCTION OF BASKETBALL COURT AND TENNIS COURT AT CITY GOVERNMENT CENTER BRGY. BULIHAN, CITY OF MALOLOS and;
- b. To recommend the award of the contract for the CONSTRUCTION OF BASKETBALL COURT AND TENNIS COURT AT CITY GOVERNMENT CENTER BRGY. BULIHAN, CITY OF MALOLOS in favor of DON G 227 CONSTRUCTION as the lowest calculated and responsive bidder with the bid amount of only Seven Million Eight Hundred Eighty Thousand Twenty One Pesos and 63/100 Centavos (Php 7,880,021.63).

Done in the City of Malolos, Bulacan, Philippines, this 7th day of March 2024.

RECOMMENDED BY

BIDS AND AWARDS COMMITTEE

ENGR. RICASOL P. MILLAN

Member

ENGR. REYNALDO & GARCIA

Member

1 And

ANI O. MACLANG

Member

MR. JOEL S. EUGENIC

ce-Chairperson

ATTY, CYRUS PAUL S. VALENZUELA

Chairperson