



Republic of the Philippines
DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT
Regional Office I

NOTICE TO PROCEED

ENGR. REYNALDO D. BALANON

Proprietor
ECDI Engineering and Construction
Biday, City of Fernando, La Union

Dear Engr. Balanon:

The attached **CONTRACT OF AGREEMENT** having approved, notice is hereby given to **ECDI ENGINEERING AND CONSTRUCTION**, to proceed with the implementation of the **Construction of Department of the Interior and Local Government-Provincial Office, City of San Fernando, La Union** effective April 24, 2017.

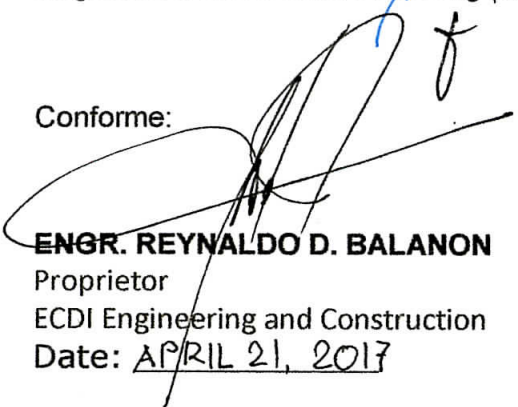
Upon receipt of this notice, you are responsible for performing the services under the terms and conditions of the Agreement and in accordance with the Implementation Schedule.

Please acknowledge receipt and acceptance of this notice by signing at the **"Conforme"** portion at the bottom of this page and furnish us with a signed copy hereof.

Very truly yours,


JAMES F. FADRILAN, CESO IV
Regional Director/Head, Procuring Entity

Conforme:


ENGR. REYNALDO D. BALANON
Proprietor
ECDI Engineering and Construction
Date: APRIL 21, 2017

**CONTRACT FOR THE CONSTRUCTION OF THE DEPARTMENT OF
THE INTERIOR AND LOCAL GOVERNMENT PROVINCIAL BUILDING
(La Union)**

This contract made, entered and executed this 21th of April, 2017, by and between:

The DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT REGIONAL OFFICE 1, with office address at Aguila Road, Sevilla, City of San Fernando, La union represented by DIR. JAMES F. FADRILAN, CESO IV, Regional Director and herein referred to as the CLIENT,

- AND -

ECDI ENGINEERING AND CONSTRUCTION, an entity organized and existing under and by virtue of the laws of the Philippines with office address at Biday, City of San Fernando, La Union, represented herein by ENGR. REYNALDO D. BALANON, Proprietor and herein referred to as the CONTRACTOR.

1. INTERPRETATION OF CONTRACT

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. PURPOSE AND DATE OF CONTRACT

This contract is entered into for the purpose of Construction of the Department of the Interior and Local Government Provincial Building (La Union).

The construction of the building is for a period of one hundred twenty days (120) and shall start on or before April 24, 2017.

3. AMOUNT OF CONTRACT

The Client is desirous that the Contractor execute the Construction of the Department of the Interior and Local Government Provincial Building (La Union) at Aguila Road, Sevilla, City of San Fernando, La Union (hereinafter called the "WORKS") and the Client has accepted the Bid for Four Million Nine Hundred Eighty Nine Thousand Nine Hundred Sixty two Pesos and Twenty Eight Centavos (Php 4,989,962.28) by the Contractor for the execution and completion of such works and the remedying of any defects therein;

4. MANNER OF PAYMENT (PROGRESS BILLING)

That the CLIENT shall pay the contractor in three (3) tranches based on the submitted Statement of Work Accomplished and Inspection Reports with

reference to the submitted PERT/CPM duly approved by the CLIENT and subject to the usual accounting rules and regulations.

In consideration of the payments to be made by the Client to the Contractor as hereinafter mentioned, the Contractor hereby covenants with the Client to execute and complete the Works and remedy any defects therein in conformity with the provisions of this Contract in all respects.

5. NECESSARY DOCUMENTS:

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;
- e. Instructions to Bidders;
- f. Bid Data Sheet;
- g. Bid Form, including all documents/statements contained in the Bidder's bidding envelopes and all other documents submitted;
- h. Eligibility requirements, documents and/or statements;
- i. Performance Security;
- j. Notice of award of Contract and the Bidder's conforme thereto;
- k. Construction Schedule and S-curve;
- l. Manpower Schedule;
- m. Construction Method;
- n. Equipment utilization schedule;
- o. Construction Safety and Health Program approve by DOLE;
- p. PERT/CPM or other acceptable tools of project scheduling for infrastructure project;
- q. Other contract documents that may be required by existing laws and/or the Client.

6. CONTRACTOR'S RESPONSIBILITIES

The Contractor will supervise and be solely responsible for all construction means, methods, techniques and procedures for the Work. Unless specifically agreed in writing, the Contractor will provide and pay for all labor, materials, equipment, tools, construction equipment and machinery transportation and other facilities and services necessary for execution and completion of Work.

The Contractor commits to adhere and undertake the following agreements with the Client:

- a. All workers should wear appropriate working uniform duly provided by the Contractor with ID;
- b. Proper use or wearing of Personal Protective Equipment (PPE) appropriate to the nature of work shall always be observed.
- c. Provide body harness for any activity six (6) feet above the ground and other safety measures necessary in the completion of the work;
- d. Strictly "No Smoking" within the area at all times;
- e. Provide a standby one (1) unit 20 pound fire extinguisher;
- f. Provide First Aid Kit;
- g. Bunkhouse or similar structure can be built within the area ;
- h. Allowed to work overtime on weekdays and on Saturdays, Sundays and Holidays with the written approval of the Client.
- i. It will keep the Site premises free from the accumulation of waste and rubbish caused by the Work and, upon completion of the Work, will remove all its waste material from the Project as well as of its tools, equipment and surplus materials.
- j. It shall submit accomplishment report based on the approved S-curve per month.

7. ACCESS TO THE CONSTRUCTION SITE

The Client or its duly authorized representative shall have access to the project site for inspection pursuant to DILG Regional Order No. 2017-103, dated March 10, 2017 as amended by DILG Regional Order No. 2017-154, dated April 11, 2017.

The Inspection team shall have no right to negotiate with the Contractor in behalf of the Client but only to inspect the implementation of this contract and the implementation of the program of works. Any representative of the Contractor shall have no business to deal with the inspection team. Any report which shall be prejudicial to the work or for both parties shall be resolved by the head of the Client and of the Contractor or their duly authorized representatives.

QUALITY OF WORK AND DECLARATION OF WARRANTIES

The Contractor will complete the Work according to the plans, specifications and other documents that comprise this contract. Upon substantial completion of the work, all works that in the Client's reasonable opinion is not yet complete or which fails to meet contract requirements will be specified in a report executed and will be promptly corrected by the Contractor, and all costs or damages to other portions of the project resulting from such defective work or correction thereof will be paid by the Contractor.

The Contractor warrants that all of the materials used in performing the Work will be new unless otherwise specified and that all Work will be of good quality and in conformance with applicable building codes and laws.

The Contractor warrants that the work will be free from defects in materials and workmanship for a period of One (1) Year from the date of the final completion and payment under this contract. The Contractor will obtain for the Client's benefits and assign to the Client, all manufacturer's warranties applicable to materials or equipment installed by the contractor or any of its subcontractors.

Any variation orders requested by the Client to the Contractor shall be of no effect unless reduced in writing.

9. AUTHORIZED DELAY CONDITIONS

The Contractor is responsible to notify in writing, the Client for the occurrence of Unforeseen Events which will cause the delay of the completion of the Work. Such cause will be authorized provided that the delay shall not exceed thirty (30) days upon receipt by the Client of the said notice.

10. DISPUTE RESOLUTION

Any dispute arising from the terms and conditions of this contract shall be amicably settled by the parties concerned. However, in the event that no settlement reached by the parties, a suit shall be filed in court of City of San Fernando, La Union for the enforcement of this Contract.

That in any event a violation of the terms of this Contract by the Contractor, be it direct or indirect, the Contractor shall pay the Client in the amount of Five Hundred Thousand Pesos (Php 500,000.00) as liquidated damages as defined the Civil Code of the Philippines for such violation. The amount shall not include any award to be adjudicated by courts in favor of the Client.

11. ANY DOCUMENTS/LICENSE REQUIRED BY LOCAL GOVERNMENT UNIT

The Contractor will comply with all laws, ordinances, rules, regulations, and lawful orders of any public authority having jurisdiction over performance of the Work.

Any license/permits or any documents necessary for the implementation of this program of work and for this contract shall be the sole responsibility of the Contractor. In the event that the contractor fails to secure or comply with the requirements of the LGU concerned, the Client shall be the one to comply at the expense of the Contractor. In such case, the Contractor shall pay the cost in favor of the Client.

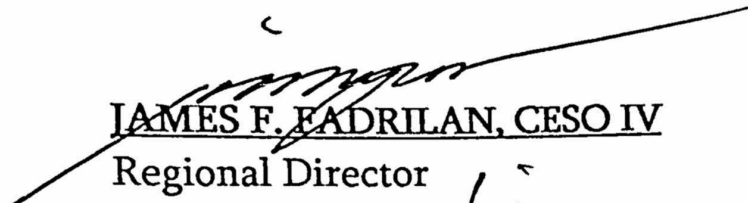
IN WITNESS WHEREOF, the parties through their respective representatives, hereunto voluntarily set their hands this 10th of APRIL, 2017 at City of San Fernando, La Union, Philippines.

DEPARTMENT OF THE INTERIOR
LOCAL GOVERNMENT RO 1

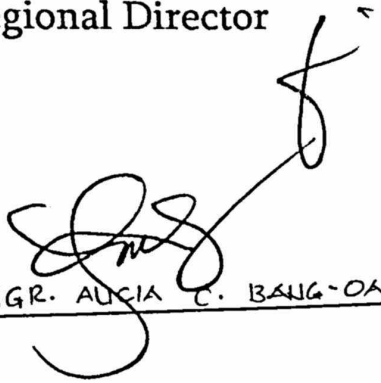
ECDI ENGINEERING AND &
CONSTRUCTION

By:


By:


JAMES F. FADRILAN, CESO IV
Regional Director



ENGR. REYNALDO D. BALANON
Proprietor


ENGR. ALICIA C. BANG-OA

WITNESSES:


TERESITA P. ESLAVA

FUNDS AVAILABLE


SETY ZORAYDA S. PEREZ
Regional Accountant