

**CONTRACT FOR THE ESTABLISHMENT AND/OR SUPPORT TO THE COLLEGE OF MEDICINE
(CO COMPONENT: COM LABORATORY BUILDING), MMSU, CITY OF BATAC, I.N.**

KNOW ALL ME BY THESE PRESENTS:

This **AGREEMENT**, made and executed by and between -

The **MARIANO MARCOS STATE UNIVERSITY**, an education institution created under and by virtue of PD 1279, with main campus at Batac City, Ilocos Norte, represented in this ACT by **DR. SHIRLEY C. AGRUPIS**, duly authorized in her capacity as **PRESIDENT**, hereinafter referred to as "**MMSU**;"

- AND -

ECDI ENGINEERING AND CONSTRUCTION, a sole proprietorship, with address at 3/F RSRK Building, Brgy. Biday, City of San Fernando, La Union represented by **ENGR. REYNALDO D. BALANON**, Manager, hereinafter referred to as the "**CONTRACTOR**".

WITNESSETH: That-

WHEREAS, in August 2021, after a competitive bidding, the project, Funding for the Increase in Carrying Capacity of the College of Medicine (COM) CO Component: Construction of the COM Academic, Research and Support Facilities Building, MMSU, City of Batac, Ilocos Norte (Design and Build Scheme) (**ON-GOING PROJECT**) was awarded to the **CONTRACTOR**, having offered the Single Calculated and Responsive Bid, with a contract price of PhP74,988,000.00, the completion of which is scheduled on December 2022.

WHEREAS, the construction of the **ESTABLISHMENT AND/OR SUPPORT TO THE COLLEGE OF MEDICINE (CO COMPONENT: COM LABORATORY BUILDING), MMSU, CITY OF BATAC, I.N. (THE PROJECT)** with an ABC of PhP39,000,000.00, is ready for implementation and execution, the site of which is within the vicinity of the **ON-GOING PROJECT**, the site of the former is adjacent/contiguous to the latter.

WHEREAS, Section 53.4 of R.A. 9184 and Its Implementing Rules and Regulations provides among others, that, Negotiated Procurement can be availed of in infrastructure projects whereby the procuring entity directly negotiates a contract with a technically, legally and financially capable contractor, " where the subject contract is adjacent or contiguous to an on-going Infrastructure Project xxx, Provided, however, That (a) the original contract is the result of a Competitive Bidding; (b) the subject contract to be negotiated has similar or related scopes of work; (c) it is within the contracting capacity of the contractor/consultant; (d) the contractor/consultant uses the same prices or lower unit prices as in the original contract less mobilization cost; (e) the amount of the contiguous or adjacent work involved does not exceed the amount of the ongoing project; and (f) the contractor/consultant has no negative

CONTRACTOR: ECDI Eng'g. & Const.
PROJECT: Est. and/or Support to the COM (CO Component: COM Lab. Bldg.) MMSU, City of Batac
ABC: PhP39,000,000.00
Page 1 of 4

REYNALDO D. BALANON
Contractor

SHIRLEY C. AGRUPIS
MMSU

IMEIDA CA. CORPUZ
Witness

slippage/delay: Provided, further, That negotiations for the procurement of the contiguous or adjacent work are commenced before the expiry of the original contract;

WHEREAS, the on-going project was the result of competitive bidding, **THE ON-GOING PROJECT** and **THE PROJECT** are contiguous and adjacent to each other, the amount involved in the former does not exceed the amount involved in the latter, and that negotiations for the construction of **THE PROJECT** have been on-going between the parties;

WHEREAS, the **CONTRACTOR** warranted and promised that: (a) as of date, construction of **THE ON-GOING PROJECT** is still on-going; (b) as of date, it has no negative slippage or delay and warrants that it shall complete **THE PROJECT** within the schedule; (c) both projects have similar and related scope of works; (d) in its valuation and costing of **THE PROJECT**, **CONTRACTOR** shall use the same prices or unit prices used in **ON-GOING PROJECT**, less mobilization cost; and, (e) **THE PROJECT** is within its contracting capacity.

WHEREAS, based on the implementation, execution and construction of the **ON-GOING PROJECT**, which is now at least **57.53 %** complete, the **CONTRACTOR**, exhibited its capability, skill and competence, and is therefore technically, legally and financially capable to undertake both of the above-described projects.

NOW, THEREFORE, for and in consideration of the foregoing premises, particularly the provision of R.A. 9184 on adjacent and contiguous contracts, the parties hereto have agreed as they do hereby agree as follows:

1. The construction and completion of **THE PROJECT** is hereby awarded to the **CONTRACTOR** for a total contract price of **THIRTY-EIGHT MILLION NINE HUNDRED NINETY THOUSAND PESOS (P38,990,000.00)**, (the "**CONTRACT PRICE**"). This award is conditioned upon compliance with the provision of R.A. 9184 and its Implementing Rules & Regulations, particularly Section 53 thereof.
2. The words and expressions in this **CONTRACT** shall have the same meaning as those assigned to them in the Conditions of Contract, which is hereto incorporated as part hereof. The following documents shall be deemed to form and be interpreted and construed as part of this Agreement, to wit:
 - a) Drawings/Plans, Specifications
 - b) Project Information Document
 - c) Performance Security
 - d) Notice of Award of Contract
 - e) Other contract documents that may be required by existing laws and/or the Entity
 - f) Pertinent resolution/s of the MMSU Bids and Awards Committee.
3. For and in consideration of the payment/s to be made by **MMSU** to the **CONTRACTOR**, the latter hereby covenants, promises and warrants in favor of the former to construct, implement, execute and/or otherwise complete **THE PROJECT** and remedy

CONTRACTOR: ECDI Eng'g. & Const
PROJECT: Est. and/or Support to the COM (CO Component: COM Lab. Bldg.) MMSU, City of Batas
ABC: PhP39,000,000.00
Page 2 of 4

and/or resolve any and all defects therein, if any, in conformity with the provisions hereof, to the full satisfaction of **MMSU**.

4. **MMSU** hereby covenants to pay the **CONTRACTOR** in consideration of the construction, implementation, and/or otherwise the completion of **THE PROJECT** and the remedying and/or resolution of defects, if any, the **CONTRACT PRICE** and such other sum as may become lawfully due and payable, in connection herewith.
5. The **CONTRACTOR** shall fully, competently and faithfully furnish all materials, labor, tools and equipment necessary to construct and complete **THE PROJECT**, in accordance with the plans and specifications, and to the full satisfaction of **MMSU**, regardless of any miscalculations or mistakes in the **CONTRACTOR'S** computations or estimates. It is understood that **THE PROJECT** is one project and not by phase or by part.
6. The **CONTRACTOR** shall construct and complete **THE PROJECT** in accordance with the plans, specifications and project information document and/or any approved modifications/variations, issued for the same, unless otherwise provided in writing, within a period of not more than **THREE HUNDRED FIFTY (350)** calendar days from receipt of the Notice to Proceed.
7. Should the **CONTRACTOR** incur in delay, it shall be liable for liquidated damages in such amount as is allowed by law for each day of delay until such time that it shall have complied with this **CONTRACT** to the satisfaction of **MMSU**, without prejudice to other actions or remedies available under the law.
8. Prior to the signing of his Contract, the **CONTRACTOR**, as a gesture of good faith and as guarantee for the faithful performance of and compliance with its obligations under this contract and the terms and conditions thereof, shall post a Performance Security in an amount equal to a percentage of the total contract price in accordance with the following schedule: a) Cash, cashier's/manager's check, bank draft/guarantee confirmed by a Universal or Commercial Bank or an Irrevocable letter of credit issued by a Universal or Commercial Bank: Provided, however, that it shall be confirmed or authenticated by a Universal or Commercial Bank, if issued by a foreign bank, ten percent (10%) of the **CONTRACT PRICE**; b) Surety Bond callable upon demand issued by a Surety or Insurance Company accredited/certified by the Insurance Commission as authorized to issue such security, thirty percent (30%) of the **CONTRACT PRICE**; c) Any combination of the foregoing, computed in proportionately.
9. The **CONTRACTOR** shall correct structural defects and/or failures, if any. For this purpose, the **CONTRACTOR** shall likewise post a Guaranty Bond equal to percentage of the total contract price in the form of Cash or letter of credit (5%), Bank guarantee

(10%), or, Surety Bond (30%) issued by GSIS or any duly authorized surety or insurance company, callable upon demand.

The total "Guaranty Bond" shall be due for release no earlier than after one (1) year from the date of actual completion of the project as warranty to the materials, workmanship, labor and property stipulated in the General Conditions.

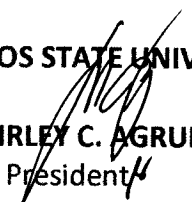
Said guaranty to be in favor of the **MMSU** the purpose of which is to cover uncorrected discovered defects, defective materials and/or workmanship within the one-year (1) guaranty period.

10. This **CONTRACT** shall be primarily covered by the provisions of Republic Act No. 9184 and Its Implementing Rules and Regulations.

IN WITNESS WHEREOF, the parties hereunto set their hands this 24TH day of OCTOBER 2022, at Batac City, Philippines.

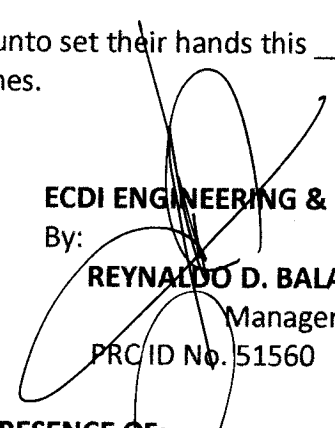
MARIANO MARCOS STATE UNIVERSITY

By:


SHIRLEY C. AGRUPIS
President
MMSU ID# IP 0334

ECDI ENGINEERING & CONSTRUCTION

By:


REYNALDO D. BALANON
Manager
PRCID No. 51560

SIGNED IN THE PRESENCE OF:


IMELDA C. CORPUZ
Chief, Accounting Office

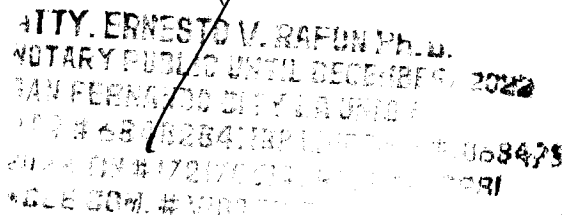

ROSHEL SUBIDO
Representative

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
PROVINCE OF ILOCOS NORTE) S.S.
CITY OF **SANEDO. CITY L.U)**

BEFORE ME, this 24 day of OCT 2022, 2022, personally came and appeared **SHIRLEY C. AGRUPIS** and **REYNALDO D. BALANON**, whose documents of identification are indicated above, who known to me and to me known to be the same persons who executed the foregoing CONTRACT, consisting of FOUR (4) PAGES including this page whereon this acknowledgment is written, signed by them and their witnesses on each and every page thereof and acknowledge to me that the same is their free and voluntary act and deed and the institutions they represent.

Doc. No. 445
Page No. 89
Book No. 109
Series of 2022


ATTY. ERNESTO V. RAFON Ph.D.
NOTARY PUBLIC UNTIL DECEMBER 31, 2022
SAN FERNANDO CITY ILOCOS NORTE
PRCID # 687628413R1
PRCID # 172175024
PRCID # 4891

NOTARY PUBLIC


PROJECT: Est. and/or Support to the COM (CO Component: COM Lab. Bldg.) MMSU, City of Batac

CONTRACTOR: ECDI Eng'g. & Const.

ABC: PhP 30,000,000.00

Page 4 of 4