

**CONTRACT FOR THE INSTITUTIONAL & PHYSICAL DEVELOPMENT OF THE GYMNASIUM FOR SOCIO-CULTURAL AND SPORTS DEVELOPMENT PROGRAM, MMSU, CITY OF BATAC**

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 City of Batac, 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**, MMSU advertised for public bidding the **INSTITUTIONAL & PHYSICAL DEVELOPMENT OF THE GYMNASIUM FOR SOCIO-CULTURAL AND SPORTS DEVELOPMENT PROGRAM, MMSU, CITY OF BATAC ("PROJECT")**, and after the bid process, the **CONTRACTOR** was awarded the same, with an offer of **TWENTY-FOUR MILLION NINE HUNDRED FIFTY-EIGHT THOUSAND EIGHT HUNDRED EIGHTY-EIGHT PESOS ONLY (PhP 24,958,888.00)** (the "**CONTRACT PRICE**");

**WHEREAS**, the **CONTRACTOR**, confirmed its capability, skill and competence to comply with the terms of the award, that all the documents submitted in support thereof are true, genuine and authentic, and that it shall undertake the **PROJECT** and complete the same in accordance with the plans, drawing and specifications, the approved modifications or variations, if any, and within the period herein below set forth; and,

**WHEREAS**, the parties are now ready to commence the **PROJECT** and must now execute a written document to reflect their respective roles in the **PROJECT** as best as they could.

**NOW, THEREFORE**, for and in consideration of the foregoing premises, the parties hereto have agreed as they do hereby agree as follows:

1. The words and expressions in this Agreement 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:

CONTRACTOR: ECDI ENGINEERING AND CONSTRUCTION

PROJECT: Institutional & Physical Development of the Gymnasium for Socio-Cultural and Sports Development Program, MMSU, City of Batac


ABC: PhP 24,999,989.39

REYNALDO D. BALANON  
CONTRACTOR

SHIRLEY C. AGRUPIS  
MMSU

IMELDA C. OORPUZ  
Witness

- a) General Conditions of Contracts;
- b) Drawings/Plans;
- c) Specifications;
- d) Invitation to Bid;
- e) Instruction to Bidders;
- f) Bid Data Sheet;
- g) Bid form, including all documents/statements contained in the Bidder's bidding envelopes, as annexes;
- h) Eligibility requirements, documents and/or statements;
- i) Performance Security;
- j) Notice of Award of Contract and the Bidder's conforme thereto;
- k) Notice to Proceed
- l) Contract Agreement

  
**REYNALDO D. BALANON**  
 CONTRACTOR

2. 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** in accordance with the terms of the award, and remedy and/or resolve any and all defects, if any, to the full satisfaction of **MMSU**.

3. **MMSU** hereby covenants to pay the **CONTRACTOR** in consideration of the implementation execution and completion of the **PROJECT** and the remedying and/or resolution of defects, if any, the **CONTRACT PRICE** and such other sum/s as may become lawfully due and payable, in connection herewith.

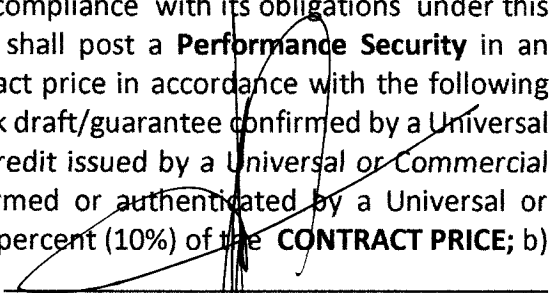
  
**SHIRLEY C. AGRUPIS**  
 MMSU

4. The **CONTRACTOR** shall fully, competently and faithfully furnish all materials, labor, tools and equipment as detailed in the Program of Work, Plans, Drawings and Specifications necessary to implement, execute and complete the **PROJECT**, including approved modifications/variatioins, if any, to the full satisfaction of **MMSU**, regardless of any miscalculation or mistake in the **CONTRACTOR'S** computations. It is understood that this **PROJECT** is one project and not by phase or by part.

5. The **CONTRACTOR** shall implement, execute and complete the **PROJECT** within a period of not more than **THREE HUNDRED SIXTY-FIVE (365) CALENDAR DAYS** from receipt of the Notice to Proceed. 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 the **MMSU**, without prejudice to other actions and remedies available under the law.

  
**IMELDA C. CORPUZ**  
 Witness

6. 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.

REYNALDO D. BALANON  
CONTRACTOR

7. 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.

8. The parties shall attempt to resolve any disagreement or dispute arising out of or relating to this AGREEMENT via dialogue, consultations and/or negotiations.

If the matter is not resolved as aforesaid within 60 days of receipt of a written 'invitation to negotiate', the PARTIES shall attempt to resolve the same through an agreed Alternative Dispute Resolution (ADR) procedure, or in default of agreement, by first resorting to Mediation.

If the matter has not been resolved by Mediation or ADR within 120 days of the initiation of that procedure, or if any PARTY will not participate in an ADR procedure, the dispute may be referred to arbitration by any PARTY. For this purpose, there shall be three (3) arbitrators, with each party selecting one and the third arbitrator, who shall be the chair, shall be appointed by the arbitrators selected individually by the PARTIES. The venue of the arbitration shall be in the City of Batac, Ilocos Norte.

If none of the above processes results in a mutually acceptable or enforceable resolution a PARTY may resort to the regular courts of law. However, nothing in this provision prohibits the parties from settling the matter between themselves at any time before final judgment or prevent any party from seeking intermediate relief from the proper court of justice; provided, venue for any court action shall likewise be the Courts of the City of Batac, Ilocos Norte.

9. This Agreement 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 30th day of MARCH 2023, at City of Batac, Ilocos Norte, Philippines.

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MARIANO MARCOS STATE UNIVERSITY

By:

**SHIRLEY C. AGRUPIS**

President

MMSU ID# IP 0334

ECDI ENGINEERING AND CONSTRUCTION

By:

**REYNALDO D. BALANON**

Manager

PRC ID No. 0051560

SIGNED IN THE PRESENCE OF:

**IMELDA C. CORPUZ**

Chief, Accounting Office

~~ENGR. ROSHEL SVBIDO~~

Representative

**ACKNOWLEDGMENT**

REPUBLIC OF THE PHILIPPINES)  
PROVINCE OF ILOCOS NORTE) S.S.  
CITY OF BATAC )

**BEFORE ME**, this 30<sup>TH</sup> day of MARCH, 2023, 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.

**NOTARY PUBLIC**

Doc. No. \_\_\_\_\_

Page No. \_\_\_\_\_

Book No. \_\_\_\_\_

Series of 2023

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