


Republic of the Philippines  
Department of Public Works and Highways:  
(FIRST PARTY)

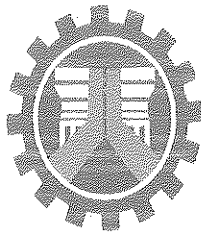
  
**LORETA M. MALALUAN, CESO IV**  
Officer-In-Charge  
Office of the Regional Director

  
**NESTOR O. MARALLAG**  
Chief, Administrative Division

  
**WILHELMINA C. ARAO**  
Chief, Finance Division  
CAT 2020502-052 2-20-2020

HUNAN ROAD AND BRIDGE CONSTRUCTION GROUP COMPANY  
LIMITED -PHIL. BRANCH/AGAFAER CONSTRUCTION AND TRADING (JV),  
(SECOND PARTY)

  
**GUO YANGXIAO**  
Authorized Managing Officer



Republic of the Philippines  
Department of Public Works and Highways  
REGIONAL OFFICE II

## CONTRACT AGREEMENT

for the

**CONTRACT ID NO.: 18B00075 – THE DESIGN AND BUILD(DB)  
CONTRACT FOR THE CONSTRUCTION OF MISSING LINK/NEW  
ROADS: MANILA NORTH ROAD (JCT. BANGAG-PARUDDUN SECT.) –  
JCT. CAGAYAN VALLEY ROAD (CAMALANIUGAN), CAGAYAN  
PROVINCE**

**KNOW ALL MEN BY THESE PRESENTS;**

This contract made and entered into this 13<sup>th</sup> day of March 2020 at City of Tuguegarao by and between:

The **DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS**, the **PROCURING ENTITY**, with office address at Regional Government Center, Carig Sur, Tuguegarao City, Cagayan, represented herein by **LORETA M. MALALUAN**, Officer-In-Charge, Office of the Regional Director, hereinafter referred to as the **FIRST PARTY**;

and

**HUNAN ROAD AND BRIDGE CONSTRUCTION GROUP COMPANY LIMITED -PHIL. BRANCH/AGAFAER CONSTRUCTION AND TRADING (JV)**, the **CONTRACTOR**, a Joint Venture duly organized and existing under and by virtue of the laws of the Republic of the Philippines with office address at Roxas Boulevard, malate, Manila, represented herein by **GUO YANGXIAO**, Authorized Representative, in her capacity as the Authorized Managing Officer, hereinafter referred to as the **SECOND PARTY**;

WITNESSETH

**WHEREAS**, the FIRST PARTY secured a Multi-Year Obligational Authority for FY 2018, FY 2019, FY 2020, FY 2021, and FY 2022 from the Department of Budget and Management (DBM) for the implementation of the **Contract 18B00075**:

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Officer-In-Charge  
Office of the Regional Director

  
**NESTOR O. MARALLAG**  
Chief, Administrative Division

  
**WILHELMINA C. ARAO**  
Chief, Finance Division  
CAF-2020-02-052 2-20-2020

HUNAN ROAD AND BRIDGE CONSTRUCTION GROUP COMPANY  
LIMITED -PHIL. BRANCH/AGAFAER CONSTRUCTION AND TRADING (JV),  
(SECOND PARTY)

  
**GUO YANGXIAO**  
Authorized Managing Officer

Contract Agreement for the Contract ID No.: 18B00075 – The  
Design and Build Contract for the Construction of Missing Link/New  
Roads: Manila North Road (Jct. Bangag-Paruddun Sect.) – Jct.  
Cagayan Valley Road (Camalaniugan), Cagayan Province

**DESIGN AND BUILD (DB) CONTRACT FOR THE CONSTRUCTION OF MISSING LINK/NEW ROADS: MANILA NORTH ROAD (JCT. BANGAG - PARUDDUN SECT.) – JCT. CAGAYAN VALLEY ROAD (CAMALANIUGAN), CAGAYAN PROVINCE** with a total amount of **TWO BILLION FOUR HUNDRED THIRTY SIX MILLION NINE HUNDRED SIXTY THOUSAND PESOS (P2,436,960,000)**, Philippine Currency, with the breakdown below;

2018 = Php	32,000,000.00
2019 = Php	350,000,000.00
2020 = Php	827,000,000.00
2021 = Php	827,000,000.00
2022 = <u>Php</u>	<u>400,960,000.00</u>
<b>TOTAL</b>	<b>= Php2,436,960,000.00</b>

**WHEREAS**, the FIRST PARTY is desirous to implement the Contract for the **DESIGN AND BUILD (DB) CONTRACT FOR THE CONSTRUCTION OF MISSING LINK/NEW ROADS: MANILA NORTH ROAD (JCT. BANGAG - PARUDDUN SECT.) – JCT. CAGAYAN VALLEY ROAD (CAMALANIUGAN), CAGAYAN PROVINCE;**

**WHEREAS**, the bidding of the above-mentioned project was conducted through Competitive Public Bidding on January 8, 2020 and January 17, 2020, and the Bid of the SECOND PARTY was declared the Lowest Calculated Responsive Bid by the BAC-DPWH Central Office and was post-qualified and recommended for award per the approved resolution;

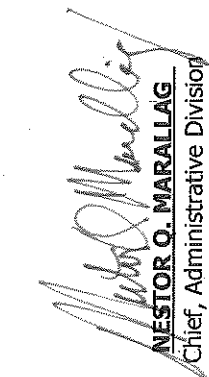
**WHEREAS**, the total amount awarded for the execution of the PROJECT is **TWO BILLION TWENTY-EIGHT MILLION FIVE HUNDRED SIXTY-THREE THOUSAND ONE HUNDRED THIRTY-EIGHT PESOS AND SIXTY-SIX CENTAVOS (P2,028,563,138.66)**, Philippine Currency;

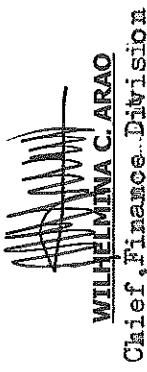
**WHEREAS**, the whole WORKS of the PROJECT as covered by this CONTRACT shall be completed within **One Thousand, Ninety Five (1095) Calendar Days** in accordance with the provision of the contract documents;

**WHEREAS**, Authority of the Regional Director to Approve Contract, Variation Order/s, Plans and Specifications, Statement of Work Accomplished (SWA) and

Republic of the Philippines  
Department of Public Works and Highways:  
(FIRST PARTY)

  
LORETA M. MALALUAN, CESO IV  
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Office of the Regional Director

  
NESTOR Q. MARALLAG  
Chief, Administrative Division

  
WILHELMINA C. ARAO  
Chief, Finance Division  
OAF 2020-02-052 2-20-2020

HUNAN ROAD AND BRIDGE CONSTRUCTION GROUP COMPANY  
LIMITED -PHIL. BRANCH/AGAFER CONSTRUCTION AND TRADING (JV),  
(SECOND PARTY)

  
GUDANGXIAO  
Authorized Managing Officer

Contract Agreement for the Contract ID No.: 18B00075 – The  
Design and Build Contract for the Construction of Missing Link/New  
Roads: Manila North Road (Jct. Bangag-Paruddun Sect.) – Jct.  
Cagayan Valley Road (Camalaniugan), Cagayan Province

Payment was approved by Secretary Mark A. Villar on April 10, 2019 and February 24, 2020, respectively;

**WHEREAS**, under the Republic Act 11465 (GAA FY 2020), the implementation of the PROJECT is covered by the Cash Budgeting System as required under Executive Order 91, dated September 19, 2019;

**NOW THIS CONTRACT WITNESSETH AS FOLLOWS;**

1. That in this Contract Agreement, words and expression shall have the same meaning as are respectively assigned to them in the Conditions of Contract hereinafter referred to.
2. That the following documents shall be deemed to form, be read and construed as part of this Contract viz:
  - a. General and Special Conditions of Contract
  - b. Drawings/Plans/Specifications
  - c. Invitation to eligible bidders
  - d. Bidding Documents
  - e. Addenda and/or Supplemental/Bid Bulletins, if any
  - f. Contractor's Bid Proposal including the following annexes:
    - 1) Authority of the Signing Official
    - 2) Bid Prices in the Bill of Quantities
    - 3) Detailed Estimates
    - 4) Omnibus Sworn Statement
  - f. Performance Security
  - g. Notice of Award with Contractor's Conforme thereto
  - h. Other Supporting Documents:
    - 1) Duly approved Program of Work and Cost Estimate
    - 2) Certificate of Available Funds

  
**GUO YANGXIAO**  
Authorized Managing Officer

  
**WILFREDO S. ARAO**  
Chief, Finance Div.

O.E. 2020-02-052 2-20-2020


  
**NESTOR O. MARALAG**  
Chief, Administrative Division


  
**LORETA M. MALUAN, CESO IV**  
Officer-In-Charge  
Office of the Regional Director

- 3) Approved Budget for the Contract (ABC)
- 4) Abstract of Bids
- 5) BAC Resolution of Awards
  - i. Contractor’s All Risk Insurance
  - j. Construction Schedule (Precedence Diagram, Bar Chart and S–Curve with Cash Flow and Payment Schedule)
  - k. Equipment and Manpower Utilization Schedule
  - l. Construction Method
  - m. Project Organizational Chart
  - n. Valid Contractor’s License
  - o. Income Tax and Business Returns duly stamped and received by BIR
3. That in consideration of the payments to be made by the PROCURING ENTITY to the CONTRACTOR as hereinafter mentioned, the CONTRACTOR hereby covenants with the PROCURING ENTITY to execute and complete the whole WORKS of the PROJECT and remedy any defects therein in conformity in all respect with the provisions of this CONTRACT.
4. That the PROCURING ENTITY hereby covenants to pay the CONTRACTOR in consideration of the execution and completion of the whole WORKS of the PROJECT based on the agreed unit prices and Bill of Quantities. It is understood that the quantities listed in the AGREEMENT do not govern final payment to the CONTRACTOR and will be made only for actual quantities of contract items performed in accordance with the plans and specifications and accepted by the PROCURING ENTITY.

The Items of work covered under this contract are shown below:

Item No.	Description	Unit	Quantity	Unit Price (₱)	Total Cost (₱)
<b>PART O. DETAILED ENGINEERING DESIGN</b>					
	Detailed Engineering Design	L.S.	1.00	47,583,058.44	47,583,058.44
<b>PART A. FACILITIES FOR THE ENGINEER</b>					

  
**GUB VANGXIAO**  
Authorized Managing Officer

  
**WILHELMINA C. ARAO**  
Chief, Finance Division  
CAE 2020-02-052

  
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Item No.	Description	Unit	Quantity	Unit Price (₱)	Total Cost (₱)
A.1.1(6)	Provision of Combined Field Office, Laboratory and Living Quarters Building for the Engineer (Rental Basis)	Mos	36.50	20,356.83	743,024.30
A.1.1(11)	Provision of Furnitures/Fixtures, Equipment & Appliances for the Field Office for the Engineer	L.S.	1.00	67,856.10	67,856.10
A.1.1(15)	Operation & Maintenance of Temporary Field, Laboratory and Living Quarters Building for the Engineer	Mos	36.50	33,928.05	1,238,373.83
A.1.2(3)	Provision of 4x2 Pick Up Type Service Vehicle for the Engineer	Each	2.00	1,916,934.54	3,833,869.08
A.1.2.(6)	Operation and Maintenance of 4x2 Pick Up Type Service Vehicle for the Engineer	Mos	36.50	13,571.22	495,349.53
A.1.4.(1)	Provision of Progress Photographs	Each	500.00	301.28	150,640.00
<b>PART B. OTHER GENERAL REQUIREMENTS</b>					
B.5	Project Billboard / Sign Board	Each	4.00	9,108.20	36,432.80
B.7(1)	Occupational Safety and Health Program	Mos	36.50	91,082.00	3,324,493.00
B.8(1)	Traffic Management	Mos	36.50	45,541.00	1,662,246.50
B.9	Mobilization / Demobilization	L.S.	1.00	910,820.00	910,820.00
B.18 (1)	Craneway	L.S.	1.00	455,410.00	455,410.00
<b>PART C. EARTHWORKS</b>					
	Earthworks	L.S.	1.00	11,974,045.70	11,974,045.70
<b>PART D. SUBBASE AND BASE COURSE</b>					
	Subbase and Base Course	L.S.	1.00	9,266,983.53	9,266,983.53
<b>PART E. SURFACE COURSE</b>					
	Surface Course	L.S.	1.00	22,515,211.94	22,515,211.94
<b>PART F. BRIDGE CONSTRUCTION</b>					
	Bridge Construction	L.S.	1.00	1,890,744,745.60	1,890,744,745.60

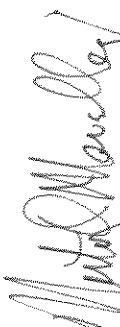
  
**GUO YANGXIAO**  
 Authorized Managing Officer

Item No.	Description	Unit	Quantity	Unit Price (₱)	Total Cost (₱)
<b>PART G. DRAINAGE AND SLOPE PROTECTION STRUCTURES</b>					
	Drainage and Slope Protection Structures	L.S.	1.00	12,661,942.50	12,661,942.50
<b>PART H. MISCELLANEOUS STRUCTURES</b>					
	Miscellaneous Structures	L.S.	1.00	20,898,635.81	20,898,635.81
<b>Total Contract Cost</b>				<b>2,028,563,138.66</b>	

2-20-2020

  
**WILHELMINA C. ARAO**  
 Chief, Finance Division

CAF 2020-02-052


  
**NESTOR O. MARALLAG**  
 Chief, Administrative Division

  
**LORETA M. MALALUAN, CESO IV**  
 Officer-In-Charge  
 Office of the Regional Director

5. That this CONTRACT shall not take effect until the CONTRACTOR has furnished and delivered to the PROCURING ENTITY a Performance Bond that is fully acceptable to the PROCURING ENTITY in the form and amount as required.
6. That in case the CONTRACTOR refuses or fails to satisfactorily complete the work within the specified contract time, plus any time extension duly granted and is hereby in default under the CONTRACT, the CONTRACTOR shall pay the GOVERNMENT for liquidated damages, the Procuring Entity may deduct liquidated damages from payments due to the contractor. The liquidated damages, as provided in the Conditions of Contract, equal to at least one tenth (1/10) of one (1) percent of the unperformed portion of the works for everyday of delay, the Maximum deduction shall be 10% of the amount of this Contract agreement.
7. That in case the CONTRACTOR lags behind schedule in his work and incurs 15% or more slippage based on his approved construction schedule, if due to CONTRACTOR's fault, the Head of the Procuring Entity, may, at his discretion, terminate or rescind the contract pursuant to existing laws, rules and regulations.
8. That the CONTRACTOR shall comply with and strictly observe, all laws regarding workmen's welfare, compensation for injuries, minimum wages, hours of labor and other labor laws as per Ministry Order No. 9 series of 1981. Likewise, the guidelines for the Implementation of DOLE D.O. No. 13 Series of 1998 regarding Occupational Safety and Health shall be strictly followed.

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Chief, Administrative Division

  
**WILLIAM A. C. ARAO**  
Chief, Finance Division

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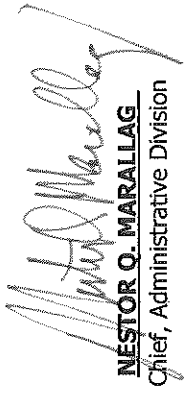
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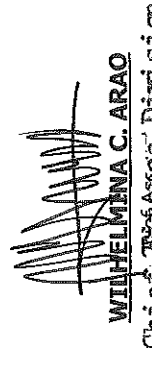
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9. That the CONTRACTOR shall pay taxes in full and on time and that failure to do so will entitle the PROCURING ENTITY to suspend payment for services delivered by the CONTRACTOR in accordance with Section 3 of Executive Order No. 398 Series of 2005.
10. That the CONTRACTOR shall likewise regularly present within the duration of the contract, tax clearance from the BIR as well as copy of income and business tax returns duly stamped and received by the BIR and duly validated with the tax payments made thereon.
11. That within a period of twelve (12) months after completion to final acceptance of the PROJECT, the CONTRACTOR shall remain liable for any damages or defects discovered on the works due to faulty construction or the use of inferior quality of materials or violation of terms of the CONTRACT.
12. That if any dispute or difference of any kind whatsoever arises between the PROCURING ENTITY and the CONTRACTOR, in connection with or arising out of the CONTRACT, or carrying out of the WORKS, it shall first be referred to and settled by the Secretary of the Procuring Entity before the dispute will be submitted to the Construction Industry Arbitration Commission (CIAC) for arbitration.


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**NESTOR Q. MARALLAG**  
Chief, Administrative Division

  
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O.F. 2020-02-052 2-20-2020

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Cagayan Valley Road (Camalaniugan), Cagayan Province


**IN WITNESS WHEREOF**, the PARTIES hereto have caused this Contract to be  
executed the day, month and the year first above-written.

**DEPARTMENT OF PUBLIC  
WORKS AND HIGHWAYS  
(FIRST PARTY)**

**HUNAN ROAD AND BRIDGE  
CONSTRUCTION GROUP COMPANY  
LIMITED-PHIL. BRANCH/AGAFAER  
CONSTRUCTION AND TRADING  
(JV)  
(SECOND PARTY)**

**By:**

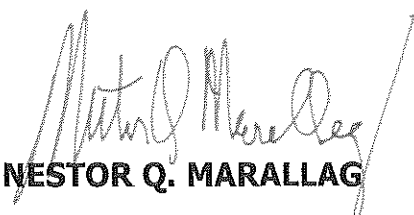
**By:**


  
**LORETA M. MALALUAN, CESO IV**  
Officer-In-Charge  
Office of the Regional Director

**GUO YANGXIAO**  
Authorized Managing Officer



Signed in the presence of:

  
**NESTOR Q. MARALLAG**  
Chief Administrative Division

  
**WILHELMINA C. ARO**  
Chief, Finance Division



HUNAN ROAD AND BRIDGE CONSTRUCTION GROUP COMPANY LIMITED -PHIL. BRANCH/AGAFER CONSTRUCTION AND TRADING (JV), (SECOND PARTY)

  
**GUO YANGXIAO**  
Authorized Managing Officer

Contract Agreement for the Contract ID No.: 18B00075 – The Design and Build Contract for the Construction of Missing Link/New Roads: Manila North Road (Jct. Bangag-Paruddun Sect.) – Jct. Cagayan Valley Road (Camalaniugan), Cagayan Province

**ACKNOWLEDGEMENT**

Republic of the Philippines ) S.S  
City of Tuguegarao \_\_\_\_\_)

  
**WILHELM C. ARAO**  
Chief, Finance Division  
OAF 2020-02-052 2-20-2020

**BEFORE ME**, as the Notary Public and within the City of Tuguegarao, personally appeared **LORETA M. MALALUAN**, Officer-In-Charge, Office of the Regional Director, representing **Department of Public Works and Highways**, with Employee No. 84E0001, and **GUO YANGXIAO**, Authorized Managing Officer representing **HUNAN ROAD AND BRIDGE CONSTRUCTION GROUP COMPANY LIMITED - PHIL. BRANCH/AGAFER CONSTRUCTION AND TRADING (JV)** with Passport No. PE152795 issued ON April 4, 2019 at Changsha, China known to be the same persons who executes the foregoing CONTRACT AGREEMENT and they acknowledge to me that the same is their true act and deed for and in behalf of the parties they represented.

  
**NESTOR O. MARALLAG**  
Chief, Administrative Division


This instrument consisting of Nine (9) pages including this page on which the Acknowledgement is written, duly signed by the contracting parties and witnesses on this instrument.

**IN WINNESS WHEREOF**, I have hereunto affixed my signature and Official Seal this \_\_\_\_\_ day of MAY 2020, 2020.

Republic of the Philippines  
Department of Public Works and Highways:  
(FIRST PARTY)

  
**LORETA M. MALALUAN, CESO IV**  
Officer-In-Charge  
Office of the Regional Director

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Book No. VII  
Series of 2020

  
ATTY. FERDINAND R. BUTAY  
NOTARY PUBLIC FOR TUGUEGARAO AND IN THE PROVINCE OF CAGAYAN UNTIL JUN DEC 2020  
# 318 LARIBAN ST. LARION BANGAL, TUGUEGARAO CITY  
PTR No. 10134220 01/02/2020  
ROLL NO. 58309  
MCLE No. 0018771 4/24/20  
MCLE COMPLETED VI