

DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS

Contract ID: 25RG0025
Contract Name: Convergence and Special Support Program: Basic Infrastructure Program (BIP) - Multi-Purpose Buildings/ Facilities to support Social Services - Construction (Completion) of Multi-Purpose Building, Barangay Manogtong
Contract Location: Ayungon, Negros Oriental

CONTRACT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

THIS CONTRACT AGREEMENT, made this 30th day of June, 2025, by and between:

The **GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES** through the **DEPARTMENT OF PUBLIC WORKS & HIGHWAYS, NEGROS ORIENTAL 1ST DISTRICT ENGINEERING OFFICE**, Tinaogan, Bindoy, Negros Oriental represented herein by **JOEL MELCHOR R. BOCO**, District Engineer, duly authorized for this purpose, with main office address at Tinaogan, Bindoy, Negros Oriental, hereinafter referred to as the **"PROCURING ENTITY"**;

and

SAGITTARIUS CONSTRUCTION, a Sole Proprietorship existing under and by virtue of the laws of the Republic of the Philippines, with main office address at Cervantes 2 Poblacion, Zamboanguita, Negros Oriental represented herein by **ALVAN BONN CAFINO**, Proprietor, duly authorized for this purpose, hereinafter referred to as the **"CONTRACTOR"**;

WITNESSETH:

WHEREAS, the PROCURING ENTITY is desirous that the CONTRACTOR execute the Works under Contract ID No. 25RG0025 - Convergence and Special Support Program: Basic Infrastructure Program (BIP) - Multi-Purpose Buildings/ Facilities to support Social Services - Construction (Completion) of Multi-Purpose Building, Barangay Manogtong, Ayungon, Negros Oriental, hereinafter called "the Works," and the PROCURING ENTITY has accepted the Calculated Bid of the CONTRACTOR for the execution and completion of the Works at the calculated unit bid prices shown in the attached Bill of Quantities, or a total Contract price of One Million Nine Hundred Seventy Three Thousand Nine Hundred Ninety Seven Pesos and Twenty Seven Centavos (PHP1,973,997.27).

NOW, THEREFORE, for and consideration of the foregoing premises, the parties hereto agree as follows:

1. In this **CONTRACT AGREEMENT**, words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract following order of priority:
2. The following documents shall be attached, deemed to form, and be read and construed as part of this CONTRACT AGREEMENT, and shall be interpreted in the following order of priority:
 - a. This Contract Agreement
 - b. Documents forming part of the Contract Agreement:
 - (1) Notice of Award (NOA) with the Contractor's signed "conforme"
 - (2) Contractor's Bid in the Form of Bid, including its Technical and Financial Proposals, as calculated by the Procuring Entity and conformed by the Contractor through the NOA.
 - (3) Bidding Documents with Bulletins

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- (4) Specifications
- (5) Drawings
- (6) Special Conditions of Contract (SCC)
- (7) General Conditions of Contract (GCC)
- (8) Performance Security
- (9) Integrity Pledge under Department Order No. 86, series of 2013
- (10) Other Documents

- (a) Construction Methods
- (b) Construction Schedule in the form of PERT/CPM Diagram or Precedence Diagram and Bar Chart with S-Curve, or other approved tools of project scheduling, and Cash Flow.
- (c) Manpower Schedule
- (d) Equipment Utilization Schedule
- (e) Construction Safety and Health Program initially approved by the Head of the Procuring Entity
- (f) Contractor's All Risk Insurance (CARI)

3. 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 Works and remedy any defects therein in conformity with the provisions of this **CONTRACT AGREEMENT** in all respects.
4. In consideration of the execution and completion of the Works by the CONTRACTOR, the **PROCURING ENTITY** hereby covenants to pay the CONTRACTOR the unit prices in the CONTRACTOR's Calculated Bid, as applied to the actual quantities accomplished as certified by the **PROCURING ENTITY** under the provisions of this **CONTRACT AGREEMENT**, at the times and in the manner prescribed by this **CONTRACT AGREEMENT**.

SCOPE OF WORK

Item No.	Description	Unit	Quantity	Unit Cost (P)	Total Cost (P)
B.3(1)	Permits and Clearances	l.s.	1.00	2,362.50	2,362.50
B.5(1)	Project Billboard / Signboard	each	2.00	6,377.75	12,755.50
B.7(1)	Occupational Safety and Health	l.s.	1.00	11,340.00	11,340.00
B.9(1)	Mobilization/Demobilization	l.s.	1.00	6,924.70	6,924.70
404(1)a	Reinforcing Steel, Grade 40	kg	703.58	89.87	63,230.73
405(1)a1	Structural Concrete, 20.68 MPa, Class A, 7 days	m ³	5.00	13,091.27	65,456.35
803(1)a	Structure Excavation (Common Soil)	m ³	31.54	24.40	769.58
804(1)a	Embankment from Roadway/Structure Excavation (Common Soil)	m ³	19.75	36.51	721.07
804(7)	Gravel Fill	m ³	7.00	1,818.29	12,728.03
900(1)c	Structural Concrete (3000 psi, Class A, 28 days)	m ³	14.50	8,166.51	118,414.40
902(1)a1	Reinforcing Steel (Deformed), Grade 40	kg	910.28	95.00	86,476.60
903(1)	Formworks and Falseworks	l.s.	1.00	23,782.61	23,782.61
1013(2)a	Fabricated Metal Roofing Accessory, Gauge 26 (0.551 mm), Ridge/Hip Rolls	l.m.	6.00	380.99	2,285.94

SAGITTARIUS CONSTRUCTION

By:

ALVAN B. CAFINO

Proprietor

FELICIANO R. ESPINA

Chief Construction Section (Witness)

JOEL MELCHOR R. BOCO

District Engineer

Republic of the Philippines
 (DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS)

By:

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1013(2)b	Fabricated Metal Roofing Accessory, Gauge 26 (0.551 mm), Flashing	l.m.	38.40	570.88	21,921.79
1013(2)c	Fabricated Metal Roofing Accessory, Gauge 24 (0.701 mm), Gutters	l.m.	98.00	753.21	73,814.58
1014(1)b2	Pre-painted Metal Sheets (above 0.427 mm thk, Rib Type, Long Span)	m ²	291.76	787.24	229,685.14
1032(1)a	Painting Works (Masonry/Concrete)	m ²	34.32	328.09	11,260.05
1032(1)c	Painting Works (Steel)	m ²	190.42	436.12	83,045.97
1047(3)	Metal Structure Accessories	l.s.	1.00	390,506.16	390,506.16
1047(8)a	Structural Steel, Trusses	kg	4,860.87	107.25	521,328.31
1047(8)b	Structural Steel, Purlins	kg	2,028.31	104.61	212,181.51
1100(10)	Conduits, Boxes & Fittings (Conduit Works/ Conduit Rough- in)	l.s.	1.00	7,775.96	7,775.96
1101(33)	Wires and Wiring Devices	l.s.	1.00	5,999.24	5,999.24
1103(1)	Lighting Fixtures	l.s.	1.00	9,230.55	9,230.55
TOTAL (P)					1,973,997.27

- For Contract Duration of 56 Calendar days.
- Pursuant to the provisions of Republic Act No. 6685, the CONTRACTOR is required to hire at least fifty percent (50%) of the unskilled and thirty percent (30%) of the skilled labor requirements from the unemployed bona fide and actual residents in the province, city and municipality who are ready, willing and able as determined by the governor, city mayor or municipal mayor concerned where the projects are to be undertaken. The Contractor shall submit to the "ENTITY" as among the requirements for every progress billing, a certificate of compliance with the above requirement duly sworn to, including a list of names of residents hired from the locality where the project was undertaken.
- The provisions on liquidated damages under Section 68 and Paragraph 8 of Annex "E", both of the R-IRR of R.A. No. 9184, are hereby incorporated and deemed to form part of this CONTRACT AGREEMENT. The amount of liquidated damages shall be equal to one tenth (1/10) of one percent (1%) of the cost of the unperformed portion of the works for every day of delay.
- The PROCURING ENTITY shall terminate a contract for default when due to the CONTRACTOR's fault and after the contract time has expired, it has incurred a negative slippage of ten percent (10%) or more in the completion of the work;
- The Implementing Rules and Regulations of the R.A. 9184, P.D. 1759, other existing laws, decrees, executive and administrative orders, department orders/circulars issued by proper authorities affecting government construction projects as well as the guidelines for the completion and payment of Price Escalation on infrastructure contracts adopted and approved by the Government, shall be made and formed as integral part of this Contract;
- The CONTRACTOR shall pay taxes in full and on time and that failure to do so will entitle the Government to suspend payment for the contract;
- The CONTRACTOR shall likewise regularly present within the duration of the contract,


 RENA ROSE A. CAROLLO
 OIC-CHIEF, FINANCE SECTION
 (Witness)


 ALVAN BONNY CAFINO
 Proprietor


 FELICIANO R. ESPINA
 Chief, Construction Section
 (Witness)


 JOEL MELCHOR R. BOCO
 District Engineer

By:

By:

DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS

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a tax clearance from the BIR as well as a copy of its income and business tax returns duly stamped received by the BIR and duly validated with the tax payments made thereon; Within thirty (30) days from receipt of the Notice to Proceed, the CONTRACTOR shall immediately comply with and/or do the following: (1) Submit As-staked plan which has already been approved by the ENTITY; (2) Provide the facilities for the ENTITY's engineers, if any, is required under the "Scope of Work" portion hereof; (3) Provide the ENTITY's with a Service Vehicle, if any, is required under the "Scope of Work" portion above; (4) Deploy all the manpower and equipment units pledged; (5) Submit approved Revised PERT/CPM together with the As-Staked Plan; and (6) Conduct testing on materials to be used in accordance with the DPWH Blue Book. The CONTRACTOR understands and accepts that, without all of the above having been submitted, provided, and/or complied with, the ENTITY shall, except if allowed by the same due to justifiable reasons, not process or permit any advance payment and/or progress billing. In addition, the ENTITY may impose other sanctions provided under R.A. No. 9184 and its R-IRR.

12. Once the project reaches an accomplishment of ninety-five (95%) of the total contract amount, the CONTRACTOR shall, in writing, inform the ENTITY of such percentage of accomplishment as well as request therein that the project be preliminarily inspected by the latter. Immediately after receipt of such written notice and request, the ENTITY's Inspectorate Team shall conduct a preliminary inspection and submit to the CONTRACTOR, in preparation for the final turnover of the project, a punch-list which, as stated in Section 7 of Annex "E" of the R-IRR of R.A. No. 9184, shall, among others, indicate the remaining works, work deficiencies for necessary corrections, and the specific duration/time to fully complete the project considering the approved remaining contract time. This, however, shall not preclude the ENTITY's claim for liquidated damages.

13. If upon the CONTRACTOR's assessment, the project has already reached an accomplishment of 100% of the total contract amount, it shall immediately inform the ENTITY in writing of such completion and request therein that a final inspection be conducted by the latter for the issuance of a Certificate of Completion pursuant to DPWH D.O. No. 166, Series of 2024. Upon the recommendation of the ENTITY's Project Engineer and the receipt of the said written request from the CONTRACTOR, the ENTITY, through its Inspectorate Team, shall conduct a final inspection of the project to determine whether said project has been satisfactorily completed in accordance with the Plans and Specifications of the Contract. Immediately thereafter, the ENTITY's Inspectorate Team shall submit to the District Engineer a report on the inspection conducted. If in the report it is found that the project has been completed in accordance with the Plans and Specifications of the Contract and the District Engineer is satisfied with such finding, the latter shall then immediately issue, in favour of the CONTRACTOR, a Certificate of Completion in accordance with DPWH D.O. No. 166, Series of 2024. However, if in the report it is found that the project has remaining works to be accomplished and/or defects to be rectified, the ENTITY shall immediately inform the CONTRACTOR thereof which shall then carry out the necessary works and corrections.

The project shall be deemed to be actually completed on the day of, and only after, the issuance by the ENTITY of said Certificate of Completion. Accordingly, if there are delays in the implementation of the project or remaining works left after the contract period has expired, the computation of liquidated damages shall be up to the day of issuance of said Certificate of Completion. In the same vein, the date of issuance of the Certificate of Completion shall be the reckoning point in the running of the Defects Liability Period.

SAGITTARIUS CONSTRUCTION

By:

ALVAN BORDY CAFINO

Proprietor

FELICIANO R. ESPINA

Chief, Construction Section

(Witness)

JOEL MELCIBOR R. BOCO

District Engineer

Republic of the Philippines
(DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS)

By:

DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS

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14. The ENTITY's Inspectorate Team, upon written request of the CONTRACTOR made at least thirty (30) days prior to the expiration of the Defects Liability Period, or *motu proprio*, shall conduct an inspection of the project, pursuant to D.O. No. 166, Series of 2024, to determine whether the project is free from failures and defects which are traceable to poor workmanship, use of poor quality materials and non-compliance with Plans and Specifications of the Contract. In the event that no such defects will be found, the ENTITY's Inspectorate Team shall issue an Acceptance Report pursuant to DPWH D.O. No. 166, Series of 2024. Upon receipt of said Acceptance Report, the CONTRACTOR shall then, unless it has already previously submitted the same, submit to the ENTITY, a warranty security in accordance with Section 62.2.3. of the R-IRR of R.A. No. 9184. The District Engineer, after finding to be satisfactory the Acceptance Report issued as well as the Warranty Security submitted, shall then issue a Certificate of Acceptance in accordance with DPWH D.O. No. 166, Series of 2024. However, if there may be found such failures and defects, the CONTRACTOR, after notification of the existence of such failures and defects, shall immediately rectify the same. Only if such failures and defects have been properly rectified or corrected to the satisfaction of the ENTITY shall an Acceptance Report be issued. The CONTRACTOR understands and accepts that the running of the warranty period for the subject project shall be reckoned from the day of issuance by the ENTITY of the Certificate of Acceptance for the same.

15. It is understood that among the obligations which the CONTRACTOR has to fulfill in order that this CONTRACT AGREEMENT be deemed as consummated is its submission of all warranty securities required under DPWH D.O. No. 166, Series of 2024 (which states that "the warranty bond shall be renewed every year until the end of the warranty period") and Section 62.2.3. of the R-IRR of R.A. No. 9184. In addition, the CONTRACTOR understands and accepts that: (1) as per DPWH D.O. No. 166, Series of 2024, the "(n)on-renewal of the warranty shall be a ground for suspension and/or blacklisting of the contractor"; and (2) its failure to update and submit the required complete warranty security shall be deemed as an act under Section (III) (A) (2) (C) (iii) of GPPB Resolution 03-2011 dated January 28, 2011 ("flagrantly neglects to carry out its obligations under the contract"), in which case, the CONTRACT AGREEMENT may be terminated by the ENTITY.

16. Anent the matter of IROW Acquisition if any, the Contractor acknowledges and accept that: (a) the project's IROW Acquisition Component and the Civil Works Component are contained in the same GAA and are likewise released simultaneously; (b) IROW Acquisition Process requires a considerable period to accomplish and thus, requires sufficient lead time; (c) however, the project's funding expires 1 year from the passage of the GAA and also, there is a mandate that INFRASTRUCTURE funding should be obligated within the first quarter of the calendar year; (d) there, is thus, a need to implement simultaneously the two aforementioned project components.

Additionally, the Contractor acknowledges that (a) projects with IROW Acquisition Components include, among its pay items, the demolition of structures and obstructions; and (b) unlike regular and usual writs of possession, writs of possession under R.A. No. 8974 do not need a sheriff in order that possession of affected structures be placed under the possession of the Implementing Agency and that thus, demolition be already commenced with as the aforesaid law clearly states that "the court shall immediately issue to the Implementing Agency an order to take possession of the property and start the implementation of the project."

Accordingly, the Contractor is obligated to immediately demolish the structure concerned and start the implementation of the project as regards that area upon (expropriation) or entry permit (negotiated sale), whichever is applicable. Likewise, the Contractor acknowledges and accepts that suspensions of work due to existing right of way problems under Item 9.2 (a), Annex "E" of the IRR of R.A. No. 9184 is still subject to the consent and approval of the Implementing Agency.

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IN WITNESS **WHEREOF**, the parties hereto have caused this **CONTRACT AGREEMENT** to be executed the day and year first before written.

Signed, sealed, delivered by **JOEL MELCHOR R. BOCO** the **District Engineer** (for the ENTITY).

Signed, sealed, delivered by **ALVAN BONN CAFINO** the Proprietor (for the CONTRACTOR).

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS

SAGITTARIUS CONSTRUCTION

(THE PROCURING ENTITY)


(THE CONTRACTOR)


JOEL MELCHOR R. BOCO
District Engineer


ALVAN BONN CAFINO
Proprietor

WITNESSES:


FELICIANO R. ESPINA
Chief, Construction Section


NENA ROSE A. CAROLLO
OIC-CHIEF, FINANCE SECTION

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REPUBLIC OF THE PHILIPPINES)

Dumaguete City) S.S
)

ACKNOWLEDGEMENT

BEFORE ME, as the Notary Public for and within the province of Negros Oriental, personally appeared **JOEL MELCHOR R. BOCO**, District Engineer, representing the **REPUBLIC OF THE PHILIPPINES (Department of Public Works and Highways)**, with CTC No. 15249926 issued on January 21, 2025 at Bindoy, Negros Oriental and **ALVAN BONN CAFINO** Proprietor representing **SAGITTARIUS CONSTRUCTION** with Community Tax Certificate No. 0528161 issued on 2-11-25 at Zamboangita, Neg. Or., Philippines known to me to be the same persons who executed the foregoing **CONTRACT** and **AGREEMENT** and they acknowledged to me that the same is their true act and deep for and in behalf of the parties they represented.

This instrument consists of **seven (7) pages**, including this page, on which this acknowledgement is written duly signed by the contracting parties and their witnesses on the left margin of the other pages.

IN WITNESS WHEREOF, I have hereto affixed my signature and official seal this 30th day of June, 2025.

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ATTY. LOUIE A. RASTICA
NOTARY PUBLIC
UNTIL DECEMBER 31, 2026
Serial No. 2025-035
PTR No. 4319736A - 1/5/2025
IBP No. 523150 - 1/30/2025
Roll No. 53084