

CONTRACT FOR REPAIR AND RENOVATION

This Contract for Repair and Renovation (hereinafter referred to as "*Contract*") is entered into by and between:

GRAM Construction and Supply (herein after referred to as "*Contractor*") established under the laws of the Philippines with registered business address at Blk 2, Lot 3 Lovely Homes Subdivision, Mohon, Talisay City, Cebu, Philippines and herein represented by its proprietor, **ANGELO MARCOS GONZALODO**;

-- And --

SMALL BUSINESS CORPORATION (herein after referred to as "*SB Corp.*"), a corporation duly organized and existing under and by virtue of Republic Act 6977, as amended by RA 8289, and further amended by R.A. 9501, otherwise known as the "Magna Carta for Small and Medium Enterprises", with principal office address at the 17th and 18th floors, 139 Corporate Center, 139 Valero Street, Salcedo Village, Makati City, represented by its *President and CEO*, **MA. LUNA E. CACANANDO**;

The parties herein shall thereafter be collectively called "*Parties*".

WHEREAS, Small Business Corporation – Visayas Group will be transferring to its new office at 6F Unit A, 2QUAD Building, Cardinal Rosales Avenue, Cebu Business Park, Cebu City and has posted for bidding the necessary repair, renovation, and garbage disposal work for the transfer, the Terms of Reference attached herein as *Annex "A"* and is made an integral part of this Contract in compliance with R.A. 9184 as well as its Implementing Rules and Regulations.

WHEREAS, in connection with this Contract, *SB Corp.* has particularly described the contracted work in detail as attached in a document entitled "*Detailed Scope of Work*" attached herein as *Annex "A-1"* and is made an integral part of this Contract.

WHEREAS, the *Contractor* is engaged in the construction business duly accredited and licensed by the Philippine Contractors Accreditation Board (PCAB) and has offered its services by participating in the Public Bidding conducted by *SB Corp.* on August 10, 2021 and was awarded the Contract through issuance of Notice of Award dated August 11, 2021 attached herein as *Annex "B"*.

WHEREAS, both parties have agreed to contract and undertake this project under the terms and conditions set forth in the Term of Reference.

NOW, THEREFORE, in consideration of the mutual covenants and promises made by the Parties herein, *SB Corp.* and the *Contractor*, agree as follows:

CONTRACT PRICE.

The Parties hereto agree that this Contract for the above-mentioned project is **PHILIPPINE CURRENCY: ONE MILLION TWO HUNDRED FORTY-EIGHT THOUSAND NINE HUNDRED EIGHTY-SIX and 33/100 (Php 1,248,986.33)** which shall include labor and/or services, materials for the renovation, corresponding taxes, necessary permits, and other charges.

DURATION OF PROJECT.

The *Contractor* is given **FORTY FIVE (45) CALENDAR DAYS** to complete the project commencing on date of receipt of Notice to Proceed duly issued by *SB Corp.*

for.

Thus, the **Contractor binds itself that every SINGLE DAY of delay shall be subject to penalty charge equivalent to 1/10 of 1% of total value of incomplete portion of the project.**

SCHEDULE OF PAYMENT. The following terms shall be the schedule of payment.

1. **Down Payment/Mobilization – 15%**
 - Down payment will be released within five (5) working days after issuance of performance security by the winning contractor.
2. **Progress Billing – 85%**
 - a. First Billing (40%) – The first progress payment will be processed and released to the contractor upon submission of accomplishment report and actual inspection report by Small Business Corporation – Visayas Group’s CI / appraiser. Accomplishment must be at 55% of the project.
 - b. Final Billing (45%) – The final payment will be paid to the contractor upon completion of the project and issuance of the Final Certificate of Acceptance by Small Business Corporation – Visayas Group. An amount equivalent to five percent (5%) of the contract price representing warranty security will be deducted from the remaining balance and shall be released only after expiration of one (1) year subject to the conditions provided under the Warranty Security. However, the contractor may issue either a Letter of Credit, Bank Guarantee or Surety Bond in lieu of cash and the same should be submitted to SB Corp. within five (5) working days after the issuance of Final Certificate of Acceptance.

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PERFORMANCE SECURITY.

For **SB Corp** to ensure and guarantee the faithful performance by the **Contractor** of its obligations under the contract as well as to the Terms of Reference of the project, **Contractor** shall post a performance security prior to the issuance of Notice to Proceed based on the following schedule:

Form of Performance Security	Amount of Performance Security
a) Cash or cashier’s/manager’s check issued by a Universal or Commercial Bank	Ten percent (10%)
b) Bank draft/guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank	
c) Surety bond callable upon demand issued by a surety or insurance company duly certified by the Insurance Commission as authorized to issue such security	Thirty percent (30%)

WARRANTY SECURITY.

In order for **SB Corp** to ensure that the **Contractor** shall perform his obligations or responsibilities in undertaking the repair works, at his own expense, or any damage to the infrastructure on account of the use of materials of inferior quality, violation of contract plans and specifications, and other similar cases, occurred within one (1) year after the turnover of the this project, a warranty security must be posted within five (5) working days after issuance of **Final Certificate of Acceptance** and to be returned only after the lapse of the one (1) year period in accordance with the following schedule:

Form of Warranty Security	Amount of Warranty Security
a) Cash or Letter of Credit issued by a Universal or Commercial Bank	Five percent (5%)
b) Bank guarantee confirmed by a Universal	Ten percent (10%)

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Handwritten signature or mark.

or Commercial Bank	
c) Surety bond callable upon demand issued by GSIS or a surety or insurance company duly certified by the Insurance Commission as authorized to issue such security	Thirty percent (30%)

ASSIGNMENT.

The *Contractor* may not assign, transfer and/or novate its rights and obligations under this Contract pursuant to any merger, amalgamation and/or reorganization involving such *Contractor*, without the written consent of *SB Corp.*

NO PARTNERSHIP NOR PRINCIPAL-AGENT RELATIONSHIP .

Nothing herein shall be deemed or construed by the Parties hereto nor by any third party as creating a relationship of principal and agent, or partnership or joint venture between the Parties hereto or any of their respective agents hereto. Contractor is not authorized hereunder to hold itself out as an agent of *SB Corp.* or to inform or represent to any person that it has authority to bind or obligate *SB Corp.* or to otherwise act on behalf of *SB Corp.*

Thus *Contractor* shall solely be responsible for and shall hold *SB Corp.* free and harmless against any and all losses, damages, obligations, accidents, torts, deaths and, injuries sustained by its laborers or workers, staffs and/or agents in connection of the works undertaken in this project.

SEVERABILITY.

If any of the provisions of this Contract is found by any competent authority to be void or unenforceable, the Parties shall amend that provision in such reasonable manner to achieve the intention of the Parties without illegality or it may mutually agree to sever such provisions from this Contract and the remaining provisions of this Contract shall remain in full force and effect.

WAIVER.

The failure of either Party to exercise its rights in case of breach of contract shall not be considered as a waiver of its rights under the Terms or under the applicable law.

SCHEDULE.

The Schedules hereto shall form an integral part of this Agreement and shall be taken, read and construed as essential part thereof.

TIME.

Time of the performance of any obligation herein by the Parties is of the essence. For the *Contractor*, non-compliance with the terms and schedules of service and completion as certified by the issuance of the **Final Certificate of Acceptance** by *SB Corp.* Any non-observance as to the agreed schedules or delay shall have the commensurate penalties as described herein above.

FORCE MAJEURE.

Neither the *Contractor* nor *SB Corp.* shall be liable for any failure to fulfill any obligation under this Contract if the fulfillment has been delayed, hindered, or prevented by reason of Government intervention, Acts of God, war, rebellion, strikes, lockout, labor disputes, sabotage, riots, floods, fire, explosion or other catastrophes or other similar occurrence beyond the control and without the negligence of the party affected ("Force Majeure Event"). The Party claiming Force Majeure Event shall diligently use all reasonable endeavors to mitigate or remove the effect of Force Majeure Event and do all that may be reasonable necessary to resume full performance of its obligations and achieving the objectives under this Agreement.

Jr.

GOVERNING LAWS AND ARBITRATION.

This Agreement shall be governed by the laws of the Philippines.

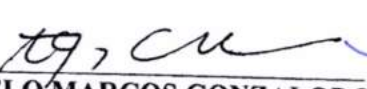
If any dispute arises in connection with this Contract, the responsible representatives of the Parties shall attempt, in fair dealing and in good faith, to settle such dispute. Each Party can request from the other Party that on both sides a senior representative becomes involved in the negotiations. Each Party is at any time entitled to terminate the settlement negotiations and to have recourse to an **Alternative Dispute Resolution (ADR)** proceeding set forth in the following section through written notification to the other Party.

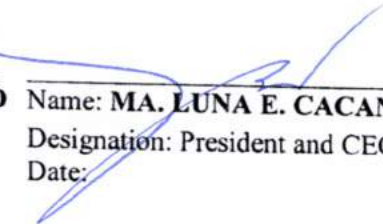
If the Parties are not able to reach an amicable settlement pursuant to the preceding section they shall try to agree on an appropriate **ADR proceeding (for example mediation, conciliation, expert determination, dispute board, adjudication)**. If they do not reach agreement on the appropriate ADR proceeding within 14 days after failure of the settlement negotiations or if the dispute is not settled through an ADR proceeding within a period of two months after initiation of the ADR proceeding, each Party may initiate an arbitration proceeding pursuant to the following paragraph.

All disputes arising out of or in connection with the present contract, including any question regarding its existence, validity or termination, shall be finally settled in accordance with the rules of the Philippine Dispute Resolution Center, Inc. ("PDRCI") for the time being in force, which rules are deemed incorporated by reference into this clause. The arbitral tribunal shall consist of three arbitrators to be chosen in accordance with the rules of the PDRCI. The seat of arbitration shall be the Philippines. The procedural law of this seat applicable to commercial arbitration proceedings shall apply where the Rules are silent. The language to be used in the arbitration proceedings shall be English.

IN WITNESS WHEREOF the Parties hereto have caused this Agreement to be executed by its duly authorised representatives.

For and on behalf of **GRAM Construction and Supply** For and on behalf of **SB Corp.**


Name: **ANGELO MARCOS GONZALODO**
Designation: Proprietor
Date:


Name: **MA. LUNA E. CACANANDO**
Designation: President and CEO
Date:

Witnessed by:

Witnessed by:

Name & Position

FRANCISCO R. BUENAVIDES
Head, SB Corp - VG

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
_____ CITY)S. S.

BEFORE ME, a Notary Public in and for the City of _____, this ___ day of _____, personally appeared:

Name	Government ID No.	Date/Place of Issue
MA. LUNA E. CACANANDO		

who made known to me that she is the same persons who executed and voluntarily signed the foregoing Contract for Repair and Renovation which she acknowledged before me as her free and voluntary act and deed and of the entities represented herein.

The foregoing Contract consisting of FIVE (5) pages including the page on which this acknowledgment is written, has been signed on each and every page by the party(ies) and the witness(es).

WITNESS MY HAND AND SEAL, this ___ day of _____ in the City of _____.

Doc. No. _____;
Page No. _____;
Book No. _____;
Series of 2021.

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
CEBU CITY)S. S.

BEFORE ME, a Notary Public in and for the City of **CEBU CITY**, this **AUG 24 2021** day of _____, personally appeared:

Name	Government ID No.	Date/Place of Issue
ANGELO MARCOS GONZALODO		

who made known to me that he is the same person who executed and voluntarily signed the foregoing Contract for Repair and Renovation which he acknowledged before me as his free and voluntary act and deed and of the entities represented herein.

The foregoing Contract consisting of FIVE (5) pages including the page on which this acknowledgment is written, has been signed on each and every page by the party(ies) and the witness(es).

CEBU CITY WITNESS MY HAND AND SEAL, this **AUG 24 2021** day of _____ in the City of _____.

Doc. No. 311;
Page No. 07;
Book No. 101;
Series of 2021.

ATTY. BONIFACIO T. DEGAMO JR.
Notary Public

Until December 2021
IBP NO. 107868/G1-10-2021/Cebu Crr.
PTR NO. 2311267/11-22-2020/Cebu Crr.
Roll of Attorneys No. 31311
Notarial Commission No. 68-19 5
MCLE Compliance No. VI-001072
9-D Jakosalem St., Cebu City