

CONTRACT OF SERVICES

This Contract of Services is covered by Agency-to-Agency Arrangement, which is governed by Section 53(e) of the Revised Implementing Rules and Regulations (RIRR) of RA 9184 and the Government Procurement Policy Board (GPPB) Resolution No. 18-2007 on the "Implementing Guidelines on Agency-to-Agency Arrangements Under Section 53(e) of the IRR-A of RA 9184".

This Contract of Services made and entered into by and between:

The **DEPARTMENT OF BUDGET AND MANAGEMENT, PHILIPPINE GOVERNMENT**, having its office at General Solano St., San Miguel, Manila, Philippines, represented by its Secretary, **FLORENCIO B. ABAD**, hereinafter referred to as the "**DBM**";

and

The **UNIVERSITY OF THE PHILIPPINES**, the national university, created by virtue of Act No. 1870, as amended and strengthened by Republic Act No. 9500, with principal office at Quezon Hall, UP Diliman, Quezon City represented by its President, **ALFREDO E. PASCUAL**, hereinafter referred to as the "**UNIVERSITY**";

WITNESSETH: that

WHEREAS, the DBM intends to implement (1) renovation of its Arcache Building (Building IV), and (2) construction of the new Arcache Extension Building located along General Solano St., San Miguel, Manila;

WHEREAS, based on the relevant provisions of Republic Act (RA) No. 9184 and its Revised Implementing Rules and Regulations (IRR) on the procurement of infrastructure, and in order to meet the specific needs of the DBM, the preparation of Architectural, Interior Architectural Design, Structural Engineering, Sanitary Engineering/Plumbing, and Electrical Engineering Plans and Designs, as well as other deliverables, are necessary for the foregoing renovation and new construction projects;

WHEREAS, the UNIVERSITY through its OFFICE OF DESIGN AND PLANNING INITIATIVES (ODPI), a unit under the UNIVERSITY's OFFICE OF THE VICE PRESIDENT FOR DEVELOPMENT (OVPD), has the expertise and capability to provide Architectural and Engineering Consultancy, Planning and Design Services in accordance with University policy and applicable government regulations;

WHEREAS, pursuant to the provisions of Section 3(d) of Republic Act No. 9500 or the University of the Philippines (UP) Charter, the UNIVERSITY, as the national university, shall "lead as a public service university by providing various forms of community, public, and volunteer service, as well as scholarly and technical assistance to the government, private sector and civil society while maintaining its standards of excellence";

WHEREAS, the UNIVERSITY, as the servicing agency has certified, certification attached as *Annex "A"* that it has the mandate to deliver the services required by DBM; that it has a track record of having completed a project similar to and with a budget of at least 50% of the proposed project for the DBM (the Project), and that it has access to the necessary tools and equipment for the Project;

WHEREAS, upon the request of DBM, the UNIVERSITY through the ODPI, submitted a Proposal to undertake the preparation of Architectural, Interior Architectural Design, Structural Engineering, Sanitary Engineering/Plumbing, and Electrical Engineering Design, including other deliverables, and to provide all other necessary consultancy and allied services including the construction management and supervision at the site of work, under the terms and conditions set forth hereinafter to the satisfaction of the DBM, at a reasonable contract cost of **FIVE MILLION EIGHT HUNDRED SEVENTY-NINE THOUSAND SEVEN HUNDRED FIFTY PESOS (PHP 5,879,750.00)**. Copy of the proposal is attached herewith as *Annex "B"*;

WHEREAS, the DBM has conducted a Cost-Benefit Analysis, attached as *Annex "C"*, and found that it is more efficient and economical to engage the services of the UNIVERSITY, through Negotiation under an Agency-to-Agency Agreement;

WHEREAS, the total amount of consulting services to be undertaken through an Agency-to-Agency Agreement does not exceed twenty-five percent (25%) of the DBM's budget for consulting services for CY 2014;

WHEREAS, on November 24, 2015, the DBM Bids and Awards Committee (BAC) via Resolution No. 2015-70, hereto attached as *Annex "D"*, recommended to the DBM Secretary the use of an Agency-to-Agency Agreement for the procurement of the Project and for this purpose, award the same to the UNIVERSITY, which award was duly approved by the DBM Secretary on the same date;

WHEREAS, the DBM BAC deemed it proper to no longer require the posting of performance security, which was duly approved by the DBM Secretary;

WHEREAS, on December 23, 2015, the DBM issued a Notice of Award, attached hereto as *Annex "E"*, to the UNIVERSITY and the latter accepted the same on even date;

NOW THEREFORE, for and in consideration of the above premises and the agreements hereinafter stipulated, the Parties hereby agree as follows:

1. SCOPE AND EXTENT OF WORKS

The Scope and Extent of Works shall be in accordance with the Terms of Reference (TOR), hereto attached as *Annex "F"*. The UNIVERSITY shall prepare and submit Structural Integrity Investigation Services, Comprehensive Architectural, Interior Architectural Design, Structural Engineering, Sanitary Engineering/Plumbing, and Electrical Engineering Design, contract documentation including other deliverables, and provide all other necessary consultancy and allied services including construction management and supervision at the site of work.



1.1 Investigation and Analysis of Structural Integrity for Arcache Building - Study of Structural Integrity of Arcache Building:

- 1.1.1 Ocular Inspection – Conduct of initial structural investigation of the existing building conditions in terms of visual characteristics.
- 1.1.2 Data gathering and collation of DBM-supplied Architectural and Engineering Plans and Soil Investigation Report.
- 1.1.3 Material Testing as follows:
 - a. Concrete Coring Tests for beams and girders
 - b. Tensile Strength Tests for steel reinforcements
 - c. Rebound Hammer Testing
 - d. Rebar Scanning
- 1.1.4 Analysis and recommendations, preparation, signing and sealing of structural plans, design analysis and specifications for building permit and construction purposes.
- 1.1.5 Deliverables – Submission of the report on the investigation and analysis of structural integrity for Arcache Building

1.2 Design Services

- 1.2.1 Redesign of building façade and interiors of Arcache Building to accommodate two DBM Regional Offices (NCR and RO IV-A); GPPB, and Central Records storage room.
- 1.2.2 Design of the new Arcache Building extension to accommodate sleeping quarters and dormitories.
- 1.2.3 Deliverables – Conceptual Design of Façade and Interior of DBM Arcache Building, and Arcache Extension Building.

1.3 Contract Document Phase

- 1.3.1 On the basis of the approved Conceptual Design Documents and any adjustments authorized by the DBM in the scope and quality of the design, prepare, for approval by the DBM, Construction Documents consisting of Working Drawings and Specifications setting forth in detail the requirements for the construction of the Architectural Project.



1.3.2 Deliverables:

- a. Contract Drawings, Technical Specifications and General Conditions for the purposes of bidding, Bill of Quantity, Detailed Cost Estimate and Probable Construction Cost of the Project based on the computed construction documents.
- b. Three (3) sets of final design development drawings (Arcache Building façade and interior design, and Arcache extension building design).
- c. Arcache Building façade and interior design – Eight (8) sets of all detailed design drawings/plans and specifications (1 set in tracing paper and 7 sets in blueprints).
- d. Arcache extension building – Eight (8) sets of all detailed design drawings/plans and specifications (1 set in tracing paper and 7 sets in blueprints).

1.4 Construction Management and Supervision Phase

- 1.4.1 Assist the BAC in the preparation of the bid documents and in the various stages of the procurement process (pre-procurement, pre-bid conference, preliminary opening of bids, detailed bid evaluation, and post-qualification for the procurement of the rehabilitation/renovation and landscaping services for the projects covered under Item No. 1 above).
- 1.4.2 Structural consultation services during construction and retrofitting.
- 1.4.3 Decide on all matters relating to the interpretation of the designs it prepared and advise the DBM or the DBM's authorized representative during construction regarding the same.
- 1.4.4 Visit the site at intervals appropriate to the stage of construction or as otherwise agreed by the DBM and the UNIVERSITY in writing, to become generally familiar with the progress and quality of work completed and to determine in general if the work is being performed in a manner indicating that the work when completed is in accordance with the Construction Documents. However, the UNIVERSITY shall not be required to make exhaustive or continuous on-site inspections to check quality or quantity of the work.

- 1.4.5 On the basis of on-site observations, the UNIVERSITY shall keep the DBM or its authorized representative informed in writing of the progress and quality of the work, and shall endeavor to ensure the execution of the works against defects and deficiencies.
- 1.4.6 Review and approve samples, schedules, shop drawings, and other submissions of the Contractor, subject to the final approval of the DBM or its duly authorized representative.
- 1.4.7 Prepare Variation Orders, if needed, for approval by the DBM.
- 1.4.8 Certify to the DBM that the work has progressed to the point indicated without defects and deficiencies, for every application of payment by the contractor.
- 1.4.9 Preparation of As-Built Plan.
- 1.4.10 Deliverables:
- a. Completion and submission of Façade and Interior Design works.
 - b. Completion and submission of Arcache Extension Building works.
 - c. Issuance of Certificate of Completion to the Contractor.

2. PROFESSIONAL FEES

<i>Activity</i>	<i>Cost of Services</i>
2.1 Investigation and Analysis of Structural Integrity for Arcache Building	Eight Hundred Fifty Thousand Pesos (PHP 850,000.00)
2.2 Redesign of Arcache Building Façade and Interiors	One Million Eight Hundred Eighty-Six Thousand Two Hundred Fifty Pesos (PHP 1,886,250.00)
2.3 Design of Arcache Extension Building	One Million Four Hundred Sixty-One Thousand Two Hundred Fifty Pesos (PHP 1,461,250.00)
2.4 Other Technical Services, including monitoring of design and construction implementation	One Million Six Hundred Eighty-Two Thousand Two Hundred Fifty Pesos

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(PHP 1,682,250.00)

TOTAL

Five Million Eight Hundred Seventy-Nine Thousand Seven Hundred Fifty Pesos Only (PHP 5,879,750.00)

3. PAYMENT

The consideration for this Project is Five Million Eight Hundred Seventy-Nine Thousand Seven Hundred Fifty Pesos (PHP 5,879,750.00), inclusive of taxes.

3.1 Payment shall be made in tranches upon completion of each phase, to wit:

3.1.1 Mobilization fee upon signing of the MOA and Posting of the required Irrevocable Standby Letter of Credit Fifteen Percent (15%)
PHP 881,462.50

3.1.2 Upon submission and acceptance of the Report on the Investigation and Analysis of Structural Integrity for Arcache Building, including the Conceptual Design of Arcache Façade and Interior, and Arcache Extension Building Twenty Percent (20%)
PHP1,173,950.00

3.1.3 Upon submission and acceptance of the revised design of the Arcache Building Façade and Interiors; and Arcache Extension Building Thirty Percent (30%)
PHP1,760,925.00

- Three (3) sets of final Design Development Drawings

3.1.4 Contract Drawings, Technical Specifications and General Conditions for the purposes of bidding, Bill of Quantity, Detailed Cost Estimate and Probable Construction Cost of the Project based on the computed construction documents Twenty Percent (20%)
PHP1,173,950.00

	Eight (8) sets of all detailed design drawings/plans and specifications (1 set in tracing paper and 7 sets in blueprints)	
3.1.5	After completion of the Arcache Façade and Interior Works, and Arcache Extension Building Works	Ten Percent (10%) PHP586,975.00
3.1.6	After Issuance of Certificate of Completion to the Contractor	Five Percent (5%) PHP293,487.50
TOTAL		One Hundred Percent (100%)

3.2 The advance payment shall be set off by the DBM in equal installments against the statements for five (5) months until the advance payment has been fully set off.

4 CONTRACT DURATION

This Contract shall be in force for a period of twenty (20) months from its effectivity or until such time as the Project is deemed completed subject to the provisions on suspension and termination of this MOA.

5 RESPONSIBILITIES OF THE DBM

The following shall be the responsibilities of the DBM:

- 5.1 Provide detailed requirements of the Project in writing to the UNIVERSITY before preparation of sketch design.
- 5.2 Authorize the UNIVERSITY to commission Reports on concrete coring tests, steel tensile strength, rebound hammer testing, rebar scanning, and other laboratory testing and services related to the structural testing.
- 5.3 Authorize the UNIVERSITY to commission the UNIVERSITY-nominated consultants or the UNIVERSITY-approved substitutes.
- 5.4 Provide plans and other documents pertaining to the buildings and sites.
- 5.5 Designate, when necessary, an authorized representative to act on its behalf.
- 5.6 Notify the UNIVERSITY, in writing, of any changes within ten (10) days from receipt of the plans and other deliverables.
- 5.7 Pay the fees of the UNIVERSITY within thirty (30) days from submission of Billing Statement and acceptance of deliverables as stated under Item 1 of the Contract.

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- 5.8 The DBM shall have the liberty to postpone (within the overall time-period of three [3] months) or not to execute any work and the UNIVERSITY shall not be entitled to any compensation or damages for such postponement or non-execution of the work except the fees which are payable to the UNIVERSITY up to the stage of services completed.

6 RESPONSIBILITIES OF THE UNIVERSITY

- 6.2 All the stages of work shall be completed by the UNIVERSITY and the necessary approval given by the DBM according to the time schedule mutually agreed upon. The works throughout the stipulated period of Contract will be carried out with diligence, time being of essence of the Contract.
- 6.3 In the event of the UNIVERSITY being unable to perform its obligations under this Contract, the DBM shall have the power to employ any other agency to complete the work after payment has been made to the UNIVERSITY up to the stage of service completed.
- 6.4 In the event of failure on the part of the UNIVERSITY to complete their work, or in the event of either of the Parties committing a breach of any one or more of the terms and conditions of this Contract, the aggrieved party shall be entitled to rescind the Contract without prejudice to its rights to claim damages or remedies under the law. The period of notice to be given to rescind the contract will be thirty (30) days.
- 6.5 The UNIVERSITY shall advise the DBM on the time and progress chart prepared by the UNIVERSITY for the completion of the work.
- 6.6 The UNIVERSITY shall assume full responsibility for the designs and specifications for items described in the Scope of Work. The DBM will have full access to the details of the calculations and the structural designs for purpose of scrutiny for satisfying themselves as to their correctness. The structural engineers of the UNIVERSITY will render all possible help for the above scrutiny.
- 6.7 The UNIVERSITY shall provide to the DBM, free of cost, three (3) sets of final design development drawings at payment stage 3.1.3 of the Contract, and eight (8) sets of all detailed design drawings/plans and specifications (1 set in tracing paper and 7 sets in blueprints) and other particulars, at payment stage 3.1.4. Any additional sets required by the DBM shall be paid for by the DBM on actual basis.
- 6.8 The UNIVERSITY shall make necessary revisions as may be required by the DBM in the drawings and other documents submitted by them at the draft stage. Any revisions in designs due to changes in building requirements, required to be made by the DBM after the drawings and documents have been approved, shall be compensated as additional services rendered by the UNIVERSITY.

- 6.9 Under the Contract Documentation Phase, the UNIVERSITY shall assist the Client in the preparation of bid documents, pre-procurement, pre-bid conferences, and opening of bid, detailed bid evaluation, and post qualification.
- 6.9 To ensure that the designs are properly executed as planned, under the Construction Phase, the UNIVERSITY shall monitor the progress of contract implementation and shall certify that the work has progressed to the point indicated without defects/ deficiencies and in accordance with the approved design specifications.
- 6.10 The UNIVERSITY shall provide a Probable Construction Cost (PCC) or any semi-detailed or detailed Cost Estimates but does not guarantee its one hundred percent accuracy since he has no control over the cost of labor and materials. However, the PCC shall be computed based on current and relevant item costs to give the DBM best estimate possible.
- 6.11 The UNIVERSITY shall regularly visit the site during the execution of the assignment or if requested by the DBM.
- 6.12 On completion of the works, the UNIVERSITY will prepare and submit completion drawings of the building and services and submit to the DBM maximum three (3) sets of color coded prints.
- 6.13 No change shall be made in the approved drawings and specifications at site without the mutual consent of the UNIVERSITY and the DBM.

7. MONITORING FOR THE IMPLEMENTATION OF THE PROJECT

Monitoring progress in the implementation of the assignments of the consultants shall be the responsibility of the Building and Management Committee (BMC). Day to day management of the consultant shall be under the immediate supervision of the BMC, who shall keep the Secretary of the DBM informed of the progress in the implementation of the Project. The BMC shall identify any delays in the Project and implement solutions. It shall also facilitate the implementation of the key activities/actions required in an efficient and expedient manner.

8. INTELLECTUAL PROPERTY

All designs, drawings, specifications, copies and other documents prepared and furnished by the UNIVERSITY in connection with the Project and pursuant to this Contract, are instruments of professional service. As instruments of professional service, they are the property of the UNIVERSITY whether the work for which they are made may be executed or not. However, distribution and reproduction of said designs, drawings, specifications and other documents related thereto for use of third parties shall only be made upon approval by the DBM.

9. SUCCESSORS AND ASSIGNS

The DBM and the UNIVERSITY each binds himself, his partner, successors, legal representatives and assigns to the other party to this Contract. Except as indicated in this Contract, neither the DBM nor the UNIVERSITY shall assign, sublet or transfer his interest in this Contract without the written consent of the other.

10. GOVERNING LAW, JURISDICTION, ARBITRATION, AND DISPUTE RESOLUTION

This Contract of Services shall be governed by and conducted in accordance with the laws of the Republic of the Philippines.

Should there be any conflict with respect to the interpretation or operation of any of the provisions of this Contract of Services, the parties shall exert their best efforts to amicably settle such dispute. All differences and disputes arising between the Parties on any matter connected with this Contract or in regard to the interpretation of the contents thereof shall be referred to the United Architects of the Philippines (UAP), National Office, Quezon City, Philippines for arbitration and final decision. Arbitration if any shall be undertaken/negotiated in Metro Manila only.

In the event such dispute is not resolved amicably within a period of thirty (30) days from the date of its occurrence, the parties shall settle the same pursuant to the provisions of Presidential Decree No. 242, as amended, and related laws, rules and regulations, including the rules on Alternative Dispute Resolution (ADR) issued by the Office of the Solicitor General (OSG) which became effective on March 28, 2010.

The exclusive venue of all court actions or request for interim measures should these become necessary, shall be the proper courts of Quezon City.

11. TERMINATION

This Contract of Services will be terminated upon completion of the services and deliverables specified under Section 1 hereof (Scope and Extent of Works).

12. EFFECTIVITY

This Contract of Services shall take effect upon signing of the Contract by the Parties.

JAN 04 2016

IN WITNESS WHEREOF, the parties have hereunto affixed their signatures this _____ day of _____ at ~~MANILA~~ City, Philippines.


DEPARTMENT OF BUDGET AND MANAGEMENT (DBM)

UNIVERSITY OF THE PHILIPPINES (UP/UNIVERSITY)

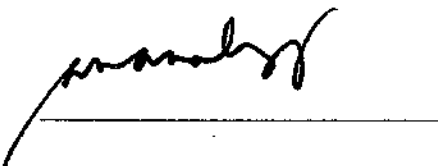
By:


By:


FLORENCIO B. ABAD
Secretary


ALFREDO E. PASCUAL
President

SIGNED IN THE PRESENCE OF:




ELVIRA A. ZAMORA
Vice President for Development

ACKNOWLEDGMENT

Republic of the Philippines }
~~MANILA~~ City } s.s.


BEFORE ME. a Notary Public for and in ~~MANILA~~ City, on the date and the place first above written, personally appeared the following presenting to me competent proof of their identities which bear their photos and signatures:

Name	Passport/GIID No.	Place Issued	Date Issued
FLORENCIO B. ABAD	EC4120403	MANILA	MAY 8, 2015
ALFREDO E. PASCUAL	ECC6422566	MANILA	JAN 7, 2016

Known to me and to me known to be the same persons who executed the foregoing Contract of Services consisting of ten (10) pages, including this page on which the acknowledgment is written and they acknowledged to me the same is their free and voluntary act and deed, as well as free and voluntary act and deed of the organizations herein represented.

IN WITNESS WHEREOF, I have hereunto set my hand seal on the date above written.

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Series of 2016


ATTY. AGUSTIN B. CABREDO
Notary Public for Manila
Notarial Commission No. 2015-030
Until December 31, 2016
Rm. 409, First United Bldg., Co., Escoto, Manila
Roll No. 26047
PTR No. 4886571/ 1-4-16 / Manila
IBP Life Member 05097
MCLE No. V-0003138 / 7-26-14



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
GENERAL SOLANO ST., SAN MIGUEL, MANILA

BIDS AND AWARDS COMMITTEE

NOTICE OF AWARD

December 23, 2015

MR. ALFREDO E. PASCUAL

President

University of the Philippines


Quezon Hall, UP Diliman

Quezon City

Dear **Mr. Pascual**:

We are pleased to inform you that the contract for the Project, "Architectural and Engineering Consulting Services for the Arcache Building," is hereby awarded to your company in the amount of P5,879,750.00.

Very truly yours,


FLORENCIO B. ABAD
Secretary



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