

REPUBLIC OF THE PHILIPPINES
GOVERNMENT-OWNED & CONTROLLED CORPORATION
(GOCC)

_____ Building, _____ Street
Metropolitan Manila Area (MMA), Philippines (PH)

**CONTRACT FOR CONSULTANCY SERVICES
FOR THE ARCHITECTURAL AND DETAILED ENGINEERING (A&DE)
DESIGN, ALLIED DESIGN (AD) AND PERIODIC CONSTRUCTION SUPERVISION
(PCS) OF THE PROPOSED GOCC HEAD OFFICE BUILDING**

KNOW ALL MEN BY THESE PRESENTS:

This Contract, made and entered into this _____ day of _____,
in Manila, Philippines, by and between:

GOVERNMENT-OWNED & CONTROLLED CORPORATION,
a government corporation duly organized and existing under and by virtue of
Republic Act No. _____ and Presidential Decree No. _____, as amended, with
principal office at _____ Building, _____ Street, Metropolitan
Manila Area, represented herein by its duly authorized General Manager,
_____ and hereinafter referred to as "GOCC";

- and -

DACY ARCHITECTS/PLANNERS CO., a partnership, duly
organized and existing in accordance with Philippines laws, with business and
postal address at Unit 5 2/F No. 32 Esteban Abada St., Loyola Heights 1108,
Quezon City, represented herein by its duly authorized General Manager,
_____, as evidenced by the Secretary's Certificate dated
__ October _____, a copy of which is attached hereto as Appendix "A"
and made an integral part hereof;

and

_____ **CORPORATION**, a private corporation
duly organized and existing in accordance with Philippine laws, with business
and postal address at _____ Building, Makati City, represented herein by its
duly authorized President, _____, as evidenced by the
Secretary's Certificate dated __ July _____, a copy of which is attached
hereto as Appendix "B" and made an integral part hereof.

The last two (2) aforementioned firms are hereinafter referred to
collectively as "**DESIGN ASSOCIATION**".

W I T N E S S E T H :

WHEREAS, in accordance with the GOCC Invitation to Provide Consultancy
Services which was advertised and published in newspapers of general circulation, the
DESIGN ASSOCIATION and other consultancy firms previously pre-qualified, submitted
their Technical and Financial Proposals to undertake the Architectural and Detailed
Engineering Design of the GOCC Head Office Building.

WHEREAS, the Technical Proposals submitted by the different consultancy firms were evaluated and rated by the members of the Bid and Award Committee (BAC) in accordance with the criteria under Republic Act No. 9184 (Government Procurement Reform Act or GPRA of 2003), which showed that the Technical Proposal of the DESIGN ASSOCIATION for the abovementioned project garnered the highest rating.

WHEREAS, the BAC upon opening of the DESIGN ASSOCIATION's Financial Proposal on __ February _____ the presence of the DESIGN ASSOCIATION noted that the P 00.0 Million consultancy services fee was expressed as a percentage of the estimated construction cost of P 00.0 Million based on the Architect's National Code (ANC), hence, the DESIGN ASSOCIATION was requested to submit its Itemized Financial Proposal therefor.

WHEREAS, in compliance therewith, the DESIGN ASSOCIATION submitted the requested itemized Financial Proposals on __ February ____, and in a meeting of __ February _____ between the BAC and the DESIGN ASSOCIATION, the BAC requested the DESIGN ASSOCIATION to submit manning and compensation schedules containing uniform rates and multipliers in accordance with the GPRA, as amended, for the different classes of personnel. The BAC requested further that the staffing and man-months in the Revised Financial Proposal (dated __ February _____) be made consistent with those found in the originally submitted Technical Proposal dated __ November _____ and to present an option on the equipment to be rented and to be purchased and to include in the reimbursable items the survey cost/soil investigations.

WHEREAS, the DESIGN ASSOCIATION submitted the Financial Proposal on __ February _____ taking into consideration the comments and key matters discussed/ agreed upon with BAC on __ February _____ and in a meeting on __ March _____, the BAC after due deliberation on the Revised Financial Proposal of the DESIGN ASSOCIATION, dated __ February _____, agreed to recommend award of the contract to the DESIGN ASSOCIATION through BAC Resolution No. 00, Series of _____, which was duly approved by the GOCC General Manager.

WHEREAS, in a meeting of the Board's Executive Committee held on __ April _____, the GOCC Management presented for the Board approval BAC Resolution No. 00, Series of _____, recommending award of the contract for consultancy services to the DESIGN ASSOCIATION.

WHEREAS, in the same meeting, BoardCom Resolution No. __-__ and Board Resolution No. _____ were adopted, confirming the concept and guidelines on the proposed GOCC Head Office Building Project.

WHEREAS, based on BoardCom Resolution No. __-__ and Board Resolution No. _____, both dated __ April _____, the DESIGN ASSOCIATION was requested to submit a Revised Financial Proposal based on the GOCC requirements only with the following changes:

1. The number of storeys is to be reduced from 12 to 5, the 7 other storeys intended for lease having been deleted.
2. Furniture and equipment layouting for the 5 retained storeys is to remain part of the DESIGN ASSOCIATION's tasks.
3. Parking spaces, originally planned for two basement levels, are to be deleted and to be provided around the proposed building at ground level.

WHEREAS, the DESIGN ASSOCIATION submitted their Revised Financial Proposal on __ May _____.

WHEREAS, the DESIGN ASSOCIATION was invited to make a presentation of their proposal for the GOCC Head Office Building project to the BoardCom Meeting on ___ September ____, and after presentation to the BoardCom, the DESIGN ASSOCIATION was requested to submit the Construction Cost Comparison of New Office Buildings and the comparison between fee multipliers in current use for government and private sector projects.

WHEREAS, in the same meeting, BoardCom Resolution No. __-____ and Board Resolution No. ____, both dated __ September ____, was adopted, confirming the award of the Architectural and Detailed Engineering (A & DE) Design Services, Allied Design (AD) and Periodic Construction Supervision (PCS) Services for the GOCC Head Office Building Project to the DESIGN ASSOCIATION, subject to negotiations and final agreement on the total costs for the corresponding consultancy services.

WHEREAS, the Revised Terms of Reference were prepared for a medium-rise building project covering a complete package of design and construction assistance services, i.e., including Allied Design (AD) Services and Periodic Construction Supervision (PCS) Services consistent with BoardCom Resolution No. __-____, Board Resolution No. ____, Board Com Resolution No. __-____ and Board Resolution No. ____.

WHEREAS, after several negotiations, the DESIGN ASSOCIATION submitted their Final Revised Financial Proposal based on the Revised Terms of Reference (TOR) on __ September ____ amounting to **P0,000,000.00**, covering the Architectural and Detailed Engineering (A & DE) Design, Allied Design (AD) and Periodic Construction Supervision (PCS) professional fee and reimbursable costs only, excluding the amount of **P000,000.00** as provision for contingencies for the proposed GOCC Head Office Building Project, and in a meeting on __ October ____, the BAC after due deliberation found said proposal to be acceptable.

WHEREAS, the BAC recommended the award of the Contract therefor to the DESIGN ASSOCIATION through BAC Resolution No. 00, Series of ____, dated __ November ____, which was approved and confirmed by the GOCC General Manager and the GOCC Board of Directors.

NOW, THEREFORE, for and in consideration of the foregoing premises and the mutual covenants herein contained, the parties have agreed as follows:

ARTICLE I

DEFINITIONS

1. **Contract** – this document for consultancy services between GOCC and DESIGN ASSOCIATION, together with all the Appendices and attachments.

2. **Project** – refers to description in Item II of the Terms of Reference (TOR) attached hereto as Appendix “C” and made an integral part hereof.

3. **Principals** – refers to the following officers of the DESIGN ASSOCIATION:

_____ **for DACY Architects/ Planners Co.**

_____ **for _____ Corporation**

4. **Staff** – all technical members of DESIGN ASSOCIATION's Project Team other than the Principals, as listed in Appendix “D” attached hereto and made an integral part hereof.

5. **“Local Currency”** – means the currency of the Philippines.

6. **Billing Rates** – the Remuneration Rates to be paid by GOCC to the DESIGN ASSOCIATION for each man-month rendered by the DESIGN ASSOCIATION's staff to the Project as indicated in Appendix “E” attached hereto and made an integral part hereof. It shall cover monthly salaries or basic rates, social charges, overhead charges and management fee.

7. **Monthly Salaries (or Basic Rates)** – the remuneration paid to the Staff directly engaged in the Project work for the time actually devoted to the Services.

8. **Social Charges and Overhead Allowances** – a percentage of direct Salaries to cover salary-related costs, costs with respect to insurance, sickness, holiday and vacation pay, social security system, pension fund and similar payments, and overhead charges as indicated in Appendix “F” attached hereto and made an integral part hereof.

9. **Management Fee** – a percentage of Salaries plus Social Charges and overhead Allowances as indicated in Appendix “G” attached hereto and made an integral part hereof.

10. **Reimbursable Expenses** – all costs other than Billing Rates which are associated with the execution of the services and categorized as costs based on agreed fixed rates and actual costs which are supported by the official receipts.

11. **Services** – the works and services to be performed by the DESIGN ASSOCIATION as set forth in Article II, Section 2.01 of this Contract or any part of such services as the context may require.

ARTICLE II

SERVICES

2.01 **Scope of Services** – This Contract covers the performance of Architectural and Detailed Engineering (A&DE) Design, Allied Design (AD) and Periodic Construction Supervision (PCS) services for the GOCC Head Office Building Project. For this purpose, the DESIGN ASSOCIATION shall perform and render the services/tasks outlined below, viz:

2.01.1 **Survey and Site Investigation Phase (Weeks 1-3 excluding the period for GOCC review and approval of the Inception Report and excluding any GOCC-approved extension/s of the Survey and Site Investigation Phase)**

- a) The DESIGN ASSOCIATION shall undertake geo-technical and topographic surveys and investigations to gather data and information of the Project sites and to determine preliminary building layout and orientation, suitable foundation method/s, construction methodology, the need and scope of additional survey/s and investigation to obtain adequate information to achieve the project objectives mentioned in Section III of the Terms of Reference.
- b) The DESIGN ASSOCIATION, after undertaking the necessary preliminary investigations, shall submit within three (3) calendar weeks from the start of the consultancy services, an **Inception Report** describing among others, results of investigation, comments on available information and any identified problem areas, the need and scope of additional survey and investigation at the recommended Project site, change in proposal, detailed personnel and time requirements, if other than earlier proposal, for the amendments of the TOR.
- c) The DESIGN ASSOCIATION shall prepare the necessary documents for Sub-contract works on geo-technical and topographic surveys and submit the same in draft form with the Inception Report to GOCC for approval.
- d) The DESIGN ASSOCIATION shall prepare the necessary architectural programming and space planning recommendations/ documents, e.g., the initial architectural program based on the hierarchy of spaces and *plantilla* positions, the initial results of space planning research work to establish existing/ projected GOCC head office physical operational requirements, the initial identification of applicable planning and design standards for use in the Project, etc., and submit the same in the Inception Report to GOCC for approval.

- e) The GOCC shall review the **Inception Report** and officially communicate its approval and/or comments/ suggestions to the DESIGN ASSOCIATION within a period of one (1) calendar week.

2.01.2 **Preliminary Planning and Design Phase** (Weeks 4-6 excluding the period for GOCC review and approval of the PPDR and excluding any GOCC-approved extension/s of the Preliminary Planning and Design Phase)

- a) The DESIGN ASSOCIATION shall prepare the preliminary architectural and engineering layout and design proposal on the basis of the Description of the Project presented in Item II of the Terms of Reference, result of the site survey and investigation and performance specifications for the required equipment. The DESIGN ASSOCIATION, for this purpose shall, within six (6) calendar weeks from the start of the consultancy services, prepare a **Preliminary Planning and Design Report (PPDR)** for GOCC's approval which shall contain, among others, the following:
 - i) the evolved Project Site Development Schemes showing, among others, the general arrangement of the GOCC Head Office Building, the entry/ exit points, parking areas, landscape areas and other necessary amenities.
 - ii) the evolved Architectural, Layout and Design Schemes of the GOCC Head Office Building showing, among others, the floor plans and elevations of the office spaces, escalators/ elevator systems and other important building features.
 - iii) the evolved Structural Design Schemes for the construction of the GOCC Head Office Building.
- b) To be also included in the PPDR are the results of the actual field survey and investigations conducted, the planning and design criteria adopted for the GOCC Head Office Building, the preliminary cost estimates, a matrix showing the evaluation of the different schemes considered, and the DESIGN ASSOCIATION's recommendations.
- c) The GOCC shall review the **PPDR** and officially communicate its approval and/or comments/suggestions to the DESIGN ASSOCIATION within a period of two (2) calendar weeks.

2.01.3 **Design Development Phase** (Weeks 7-11 excluding the period for GOCC review and approval of the Design Report and excluding any GOCC-approved extension/s of the Design Development Phase)

- a) The DESIGN ASSOCIATION, upon receipt of the authorization to proceed, in accordance with GOCC's decision on the submitted PPDR, shall undertake the architectural and detailed engineering (A&DE) Services including, but not limited to, the preparation of the plans and working drawings, technical specifications, and cost estimates for all required construction works and equipment. A CPM (critical path method) diagram for the construction and procurement of all Project components shall be submitted.
- b) The DESIGN ASSOCIATION shall prepare and submit a **Design Report** containing all information related to the architectural and detailed engineering (A&DE) works of the Project components within eleven (11) calendar weeks, reckoned from the official GOCC approval

of the preliminary design. The detailed cost estimates to be presented in the Design Report shall be based on the qualities of the Scope of Work stated on a draft Bill of Quantities which shall form part of the tender documents.

- c) The unit cost estimates shall be prepared in accordance with the following format:

Cost Estimates

1. Materials (inclusive of VAT)
2. Labor
3. Equipment
4. VAT (on #s 2 and 3)
5. Sub-total (#s 1 to 4)
6. Overhead/Miscellaneous/ Contingencies
7. Profit
8. Total (#s 1 to 7)

- d) The GOCC shall review the **Design Report** and officially communicate its approval and/or comments/suggestions to the DESIGN ASSOCIATION within a period of two (2) calendar weeks.

2.01.4 Tender Documents Preparation Phase (Weeks 12-15 excluding the period for GOCC review and approval of the Draft and Final Tender Documents and excluding any GOCC-approved extension/s of the Tender Documents Preparation Phase)

- 2.01.5 a) The DESIGN ASSOCIATION, on the basis of the recommendations made in the Design Report and related comments of GOCC, shall undertake the preparation of the necessary tender drawings, including detailed drawings to illustrate all construction details for the Project facilities/structures, technical specifications, bid forms/proposals, bill of quantities and detailed cost estimates, instructions to bidders, contract form, conditions of contract and other tender documents. The **Draft Tender Documents (DTD)** shall be submitted within thirteen (13) calendar weeks from the start of the consultancy services, excluding the period for the review and approval of the GOCC. The **Final Tender Documents (FTD)** incorporating GOCC's official comments shall be submitted within fifteen (15) calendar weeks from the start of the consultancy services, excluding the period for the review and approval of GOCC, excluding the period for GOCC review and approval of the Draft and Final Tender Documents and excluding any GOCC-approved extension/s of the Tender Documents Preparation Phase)

- b) After the submission of the Final Tender Documents, the DESIGN ASSOCIATION shall prepare and submit the **Final Detailed Cost Estimate (FDCE)** for the Project within two (2) calendar weeks from of the submission of the FTD.

2.01.6 Architectural Programming and Space Planning Sub-Phase (Concurrent with Weeks 1-10)

- a) Undertake the necessary architectural programming work necessary to quantify and establish the quality and ambiance of the spaces to be provided;
- b) Conduct space planning research work to establish existing and projected GOCC head office physical operational requirements;
- c) Establish applicable planning and design standards for use in the Project;

- d) Prepare the necessary space plans and furniture layouts for review and approval by GOCC before translation into detailed architectural plans; and
- e) Develop the architectural planning and design character of the Project.

2.01.7 Construction Phase (21.5 Calendar Months excluding any GOCC-approved extensions or forced extension of the pre-construction, construction, finishing/ equipping and post-construction sub-phases)

- a) **Pre-Construction Sub-Phase (3.5 calendar months)** wherein the DESIGN ASSOCIATION shall perform the following services:
 - i) issuance of the tender documents inclusive of bid bulletins (if any/ only as necessary) through the **BAC**;
 - ii) generally assist the GOCC and its duly designated Project and Construction Managers in obtaining construction service proposals from pre-qualified General Contractors, in the review of the submitted construction proposals, in the selection of the General Contractor and in award of the construction contract;
 - iii) assist the GOCC in filing the required documents to secure approval of government authorities having jurisdiction over the planning and design of the Project including the issuance of the construction documents such as signed and sealed building permit applications and supporting documents;
- b) **General Construction Sub-Phase (13.5 calendar months) and the Finishing and Equipment Installation Sub-Phase (3.0 calendar months)** wherein the DESIGN ASSOCIATION shall perform the following services:
 - i) make decisions, subject to prior GOCC approval on all matters relating to the execution and progress of the general construction and finishing/equipment installation works;
 - ii) as the sole professional author of the Tender/ Contract/ Construction Documents, to make the final interpretation as to the true meaning and intent of the Final Tender/ Contract/ Construction Documents;
 - iii) check and officially approve samples, schedules, shop drawings and other submissions by the General Contractor and the Construction Manager for conformance with the issued Final Tender/ Contract/ Construction Documents;
 - iv) review Change/ Variation Orders (CVOs) and Emergency/Extra Work Orders (EEWOs) to be prepared by the Construction Manager for conformance with the Final Tender/ Contract/ Construction Documents and immediately thereafter issue the corresponding approvals or rejections as necessary;
 - v) review written guarantees required of the General Contractor and Sub-Contractors as assembled/compiled by the Construction Manager for submission to the GOCC;
 - vi) visit the Project site **once (1x) a week** during the **maximum eighteen (18.0) calendar month period assigned for construction, finishing and equipping works as well as for post-construction activities** to primarily familiarize itself with the progress and quality of the construction works, to generally determine if said works are proceeding in accordance with the Final Tender/ Contract/ Construction Documents and to attend construction meetings on-site; during such visits and on the basis of its observations while at the Project site, the DESIGN ASSOCIATION shall keep the GOCC informed of the progress of the work by submitting the necessary **Periodic Construction Supervision Reports (PCSR)**; the DESIGN ASSOCIATION may at its option, make **additional** PCS visits on-site, including spot inspections and night-time inspections to look into the General Contractor's fidelity to the Final Tender/ Contract/

Construction Documents, particularly the General Conditions of Contract; the DESIGN ASSOCIATION's PCS visits to the Project site shall not be construed by the GOCC as a detailed and comprehensive inspection; the responsibility for inspecting the construction/finishing/equipping works shall be with the commissioned construction management team headed by a CIAP-certified **Construction Manager**, who shall be stationed on-site on a full-time basis;

- vii) based on its observations and on the General Contractor's Applications for Payment, the DESIGN ASSOCIATION shall assist the Project and Construction Managers in determining the amount due the General Contractor and thereafter affix the necessary approval or concurrence in the corresponding Certificates of Payment; the Certificates of Payment shall constitute official representation to the GOCC that based on the DESIGN ASSOCIATION's on-site observations and on the date of the Application for Payment, the construction/finishing/equipment works have progressed to the accomplishment claimed; by issuing the Certificate of Payment, the DESIGN ASSOCIATION will also represent to the GOCC that to the best of its knowledge, information and belief and based on its on-site observations, the quality of the works are in accordance with the issued Final Tender/ Contract/ Construction Documents; and
 - viii) generally endeavor to protect the GOCC against any defects and deficiencies in the construction/finishing/equipment works performed by the General Contractor and condemn any work not conforming to the issued Final Tender/ Contract/ Construction Documents;
- c) **Post-Construction Sub-Phase (1.5 calendar months)** wherein the DESIGN ASSOCIATION shall perform the following services:
- i) conduct Punch-listing and Final Inspections and file the covering Reports with the GOCC;
 - ii) based on its observations and on the General Contractor's Final Application for Payment, the DESIGN ASSOCIATION shall assist the Project and Construction Managers in determining the final amount due the General Contractor and thereafter affix the necessary approval or concurrence in the corresponding Final Certificate of Payment, after carefully considering and pricing items found not to be in conformity with the issued Final Tender/ Contract/ Construction Documents for eventual deduction from the final payment; and
 - iii) assist the GOCC in filing the required documents to secure approval of government authorities having jurisdiction over the eventual occupancy and operation of the Project upon substantial completion.

2.02 **Maximum Service Period and Maximum Engagement Period** - The DESIGN ASSOCIATION shall perform the contracted services during the following periods:

- a) **Maximum Service Period of Twenty five (25.0) calendar months**, to wit:
 - i) **Three and one-half (3.5) calendar months** (hereinafter referred to as the "**DESIGN PERIOD**") to prepare/ submit the outputs/deliverables and to complete the tasks and activities outlined in Sub-sections 2.01.1 through 2.01.5; and
 - ii) **Twenty one and one-half (21.5) calendar months** (hereinafter referred to as the "**CONSTRUCTION PERIOD**") to prepare/ submit the outputs/deliverables and to complete the tasks and activities outlined in Sub-section 2.01.6, consisting of :

- 1) the **three and one-half (3.5) calendar month** period for **pre-construction activities**, i.e., tender documents issuance, bidding, evaluation and award of the General Construction contract (hereinafter referred to as the "**TENDER PERIOD**"); and
 - 2) the estimated maximum **eighteen (18.0) calendar month period** (hereinafter referred to as the "**PCS PERIOD**") assigned for **actual construction activities**, i.e., rough construction, finishing and equipping works, as well as for **post-construction activities**.
- b) **Maximum Engagement Period of twenty eight (28.0) calendar months**, which is equivalent to the Maximum Service Period of 25 calendar months **plus a three (3) calendar month time allowance for various related activities**, to wit:
- i) **One and one-half (1.5) calendar months** necessary for the GOCC to review and comment on the outputs/deliverables to be submitted by the DESIGN ASSOCIATION during the DESIGN PERIOD as defined in item a) i) of Section 2.02; this means that the 3.5 calendar month DESIGN PERIOD will be increased to 5.0 calendar months to accommodate the 1.5 calendar month GOCC review period; and
 - ii) **One and one-half (1.5) calendar months** as allowance to cover time contingency provisions during the PCS PERIOD as defined in item a) ii) of Section 2.02; this means that the 21.5 calendar month CONSTRUCTION PERIOD will be increased to 23.0 calendar months to accommodate possible unforeseen events such as GOCC-approved construction time extensions, disruptions due to *force majeure*, and the like;

2.03 **Deliverables of the DESIGN ASSOCIATION** - The DESIGN ASSOCIATION shall submit the following reports/ outputs to the GOCC:

ITEM	No. of Copies
Inception Report	ten (10)
Preliminary Planning and Design Report	ten (10)
Design Report	ten (10)
Tender Documents	
a. Draft	ten (10)
b. Final	ten (10)
(for payment by Bidders)	Say twenty (20)
Contract Documents	
(for payment by the General Contractor)	Say four (4)
Construction Documents	
(for various permit applications, i.e., building, electrical, mechanical, sanitary, ECC, COA, etc.)	Say ten (10)

In addition, the DESIGN ASSOCIATION shall turn over to GOCC all reports, working papers, complete set of construction drawings and tender documents in reproducible materials and other documents including computer files/diskettes, used in the Project.

2.04 **Ascendancy of Documents to be Issued by the DESIGN ASSOCIATION**
The documents to be issued by the DESIGN ASSOCIATION shall be ranked from highest to lowest importance, as follows:

- 1) Construction Documents;
- 2) Instructions/ Comments or Results of the Official Review of the Contract Documents by the Office of the Building Official of the City of Manila;
- 3) Contract Documents;
- 4) Bid Bulletins; and
- 5) Final Tender Documents.

Being the last document to be issued, the **Construction** Documents shall **supersede** all other previously issued documents as these documents shall bear the official approval of the Office of the Building Official of the City of _____, Metropolitan Manila Area; the Construction Documents shall include any and all planning and design amendments required by said office;

Being the second to the last document to be issued, the **Contract** Documents which shall serve as annexes to the General Construction contract shall supersede all other previously issued documents as these shall already reflect the contents of the **Bid Bulletins** that may be issued during the bidding period for the general construction/finishing/equipping works; and

Being the earliest document to be issued, the **Final Tender** Documents as reviewed by the Construction Manager and as approved for official issuance to bidding General Contractors by the BAC shall serve as the official bid documents to be issued during the bidding period for the general construction/ finishing/equipping works; these may be superseded by any **Bid Bulletin** that may be issued during the bidding period for the general construction/finishing/equipping works.

2.05 Changes on the Construction Documents - The GOCC and its representatives in the persons of the Project Manager (PM) and the Construction Manager (CM) shall officially notify the DESIGN ASSOCIATION of any changes that are contemplated by the PM/ CM on the Construction Documents.

2.06 Composition of the Project Team – The Project Team shall be defined as follows:

- a) The GOCC as the Owner and End-User of the Project once completed;
- b) the GOCC Representatives consisting of the Project Manager (PM), the DESIGN ASSOCIATION and the Construction Manager (CM) who shall all look after the interests of the GOCC; and
- c) the General Contractor.

During the design period, the DESIGN ASSOCIATION shall only follow directives and recognize instructions emanating from GOCC, from the PM and from the CM whereby such directives and instructions shall pertain to all activities and transactions undertaken in accordance with the preparation of the design.

2.07 Standard of Services – The DESIGN ASSOCIATION shall fulfill its obligations under this Contract in accordance with the best accepted professional standards for architectural and detailed engineering (A&DE) design services, allied design (AD) services and periodic construction supervision (PCS) services for office building construction. The DESIGN ASSOCIATION shall exercise all reasonable care and diligence in the performance of its obligations under this Contract and shall always work in the best interest of GOCC. For this purpose, the DESIGN ASSOCIATION shall provide personnel with adequate qualifications subject to the approval of the GOCC. The curriculum vitae (CVs) of the key personnel/staff was submitted as part of the Technical Proposal, attached hereto as Appendix “H” and made an integral part hereof.

2.08 Estimated Man-Months – Notwithstanding any Contract provisions herein, the parties hereto agree that DESIGN ASSOCIATION shall perform the Services in accordance with the Work Plan/Schedule attached hereto as Appendix “I” and made an integral part hereof, and, for the performance of its obligation under this Contract, it shall make available a total of ____ hundred (**000.0**) man-months of service by different classes of Key Staff and Technical Support Personnel and a total of _____ hundred (**000.0**) man-months for Administrative Support Staff as specified in Appendix “D”. The DESIGN ASSOCIATION shall not be obliged to render the Services in excess of the said man-months of service unless there is delay in the performance of the Service due to the DESIGN ASSOCIATION’s fault or negligence or unless otherwise agreed upon in writing by the Parties. It is, however, agreed that GOCC may, from time to time, assign other work under this Contract for due performance by DESIGN ASSOCIATION. In connection with this Contract, a man-month of service is defined as services within a period of time equivalent to one (1) calendar month based on the person rendering or performing such services for 176 working hours per month on the average.

ARTICLE III

PERSONNEL

3.01 **Staff** – The services shall be carried out by the Personnel specified in Appendix “D” and for the respective period of time indicated therein. The DESIGN ASSOCIATION may, with the prior approval of GOCC make adjustments in such periods as may be appropriate to ensure the efficient performance of the Services, provided that such adjustment will not cause payments made under the Contract to exceed the cost referred to in Section 4.01 hereof.

3.02 **Replacement of Personnel** – Except as the GOCC may otherwise agree, the Staff shall consist of those indicated in Appendix “D” and no change shall be made in the Staff. In the event any employee resigns, is discharged or is withdrawn due to circumstances beyond the control of the DESIGN ASSOCIATION without the permission of GOCC prior to completing his contract period of service, DESIGN ASSOCIATION shall, without cost to GOCC, undertake to provide a suitable personnel of equivalent or better qualifications acceptable to GOCC whose remuneration shall not exceed that which is being received by the one has replaced. In like manner, it shall replace any of its Staff who is found by GOCC to be unqualified, incompetent or otherwise undesirable.

3.03 **Team Leader** – the DESIGN ASSOCIATION shall ensure that during the Service period, a Team Leader acceptable to GOCC shall take charge of the operation of the DESIGN ASSOCIATION's staff in the field and in the home office and likewise, be responsible for liaison between the DESIGN ASSOCIATION and the GOCC.

ARTICLE IV

PAYMENT TO DESIGN ASSOCIATION

4.01 **Cost of the Service** – the cost of the Services is set forth in Appendix “J” attached hereto and made an integral part of this Contract.

4.02. **Ceiling Amount of Professional Fee and Reimbursables** – Except as may otherwise be agreed upon by the parties and subject to Section 4.05 and notwithstanding any other provisions of this Contract, payments for the Professional Fee and Reimbursable Costs under this Contract shall not exceed the amount of **PHILIPPINE PESOS** _____ **MILLION** _____ **HUNDRED THOUSAND** _____ **PESOS (P0,000,000.00) ONLY**, broken down as follows:

- a) the Professional Fee hereinafter be referred to as the "FEE", as set forth in Appendix “J-1” attached hereto and made an integral part of this Contract, broken down as follows:

Component Service	Component Fee
1. Architectural and Detailed Engineering (A&DE) Design	P 0,000,000.00
2. Allied Design or AD Services (Interior Design, etc.)	0,000,000.00
3. Periodic Construction Supervision (PCS) Service	0,000,000.00
Subtotal Professional Fee (the "FEE")	P 0,000,000.00

The combined subtotal of the Component Fees for A&DE and AD services, amounting to **P0,000,000.00** shall hereinafter be referred to as the "**DESIGN FEE**" while the remaining **P0,000,000.00** shall hereinafter be referred to as the "**PCS FEE**".

- b) the Reimbursable Costs hereinafter be referred to as the "**REIMBURSABLES**", as set forth in Appendix "J-2" attached hereto and made an integral part of this Contract, broken down as follows:

Component Service	Component Reimbursables
1. Architectural and Detailed Engineering (A&DE) Design	P 0,000,000.00
2. Allied Design or AD Services (Interior Design, etc.)	000,000.00
3. Periodic Construction Supervision (PCS) Service	000,000.00
Total Reimbursable Costs (the "REIMBURSABLES")	P 0,000,000.00

4.03. **Contingency Amount** – GOCC shall set aside a budgetary sum that shall not exceed the amount of **PHILIPPINE PESOS** _____ **MILLION** _____ **HUNDRED THOUSAND** _____ **PESOS (P0,000,000.00) ONLY** to answer for contingencies as set forth in Appendices "J-1" and "J-2" hereof.

4.04 **Use of Contingency Amount** – Payment in respect of costs which would exceed the estimates set forth in Appendices "J-1" and "J-2" hereof, may be chargeable to the contingency amount only if such costs are approved by GOCC prior to its being incurred and provided, further that they shall be used only in line with the unit rates and costs specified in this Contract and in strict compliance with the needs and/or requirements of the Services .

4.05 **Support Staff and Materials** – The amounts provided for in Section 4.02 have been fixed on the understanding that GOCC will make available free of charge to the DESIGN ASSOCIATION the services/materials provided in Section 5.01 hereof.

If any such services/materials are not supplied, the parties shall mutually determine the additional amount, if any, that should be reimbursed to the DESIGN ASSOCIATION if it were to furnish the same from its own funds.

4.06 **Payment to the DESIGN ASSOCIATION** – The GOCC shall pay or reimburse to the DESIGN ASSOCIATION for the expenditures incurred in respect of the Services but subject to the ceiling amount specified in Section 4.02 as follows:

4.06.1 Payment for Services of Personnel of the DESIGN ASSOCIATION as specified in Appendix "J-1" on the basis of time actually spent in the performance of the services after the commencement date hereof. The breakdown of billing rates for each class of personnel is indicated in Appendix "E".

Remuneration for services for a period of less than (1) one month shall be calculated on an hourly basis on the basis of ___ hours per month as indicated in Appendix "K", attached hereto and made an integral part of this Contract.

GOCC shall not be responsible for payment of the annual leave or sick leave.

4.06.2 Reimbursable Costs as specified in Appendix "J-2", shall include the following:

- a. Cost of information technology equipment/resources to be purchased by the DESIGN ASSOCIATION' and to be turned over to GOCC, duly supported by official receipts;

- b. Cost of transportation duly supported by official receipts of DESIGN ASSOCIATION's staff who are required, in connection with their work under this Contract, to travel away from the station of duty, where such transportation is not provided by the GOCC.
- c. Cost of communications duly supported by official receipts, incurred in the home office for purposes of the Services such as postage, telephone, courier services, etc. at actual cost.
- d. Cost of printing, preparing, reproducing and delivery of documents, duly supported by official receipts, relevant to the Services and incurred in home office; and
- e. Cost of items, duly supported by official receipts not covered by the preceding paragraphs but which may be required by the DESIGN ASSOCIATION for the successful and timely completion of the Services, subject to prior authorization in writing by the GOCC.

4.07 **Method of Payment** – Billing and payment in respect of the Services shall made as follows:

4.07.1 The **DESIGN FEE** component shall be payable in accordance with the Schedule of Design Fee Payment as follows:

A. DESIGN FEE Component and Payment Due Date	B. Payable Amount and FEE Percentage (%)
1. DESIGN FEE Component payable by the GOCC as Advance Payment for mobilization expenses i.e. reckoned at _____ (30) calendar days after GOCC issuance of the Notice to Proceed (NTP); in turn, the DESIGN ASSOCIATION shall post an irrevocable standby letter of credit or surety bond of an amount equal to the advance payment to be made by GOCC	Twenty percent (20%) of the DESIGN FEE
2. DESIGN FEE Component payable upon official GOCC acceptance of the DESIGN ASSOCIATION's Inception Report (IR) i.e. signifying completion of the Survey and Site Investigation Phase of the Service	Ten percent (10%) of the DESIGN FEE Less Prorated Portion of Billed Fee Component (to offset the Advance Payment)
3. DESIGN FEE Component payable upon official GOCC acceptance of the DESIGN ASSOCIATION's Preliminary Planning and Design Report (PPDR) , signifying completion of the Preliminary Planning and Design Phase of the Service	Ten percent (10%) of the DESIGN FEE Less Prorated Portion of Billed Fee Component (to offset the Advance Payment)
4. DESIGN FEE Component payable upon official GOCC acceptance of the DESIGN ASSOCIATION's Design Report (DR) which shall contain the detailed plans, designs, performance specifications, and unit cost estimates i.e. signifying completion of the Design Development Phase of the Service	Fifteen percent (15%) of the DESIGN FEE Less Prorated Portion of Billed Fee Component (to offset the Advance

	Payment)
5. DESIGN FEE Component payable upon official GOCC acceptance of the DESIGN ASSOCIATION's Draft Tender Documents (DTD) which shall contain the basic contract documents (A&DE plans, designs, drawings, technical specifications, etc.), the drafts of the bid documents (bid forms/proposals, bill of quantities, instructions to bidders, contract form, condition of contract (general and special), etc.	Fifteen percent (15%) of the DESIGN FEE Less Prorated Portion of Billed Fee Component (to offset the Advance Payment)
6. DESIGN FEE Component payable upon official GOCC acceptance of the DESIGN ASSOCIATION's Final Tender Documents (FTD) to be issued for bidding by the BAC i.e. signifying completion of the Tender Documents Preparation Phase of the Service	Fifteen percent (15%) of the DESIGN FEE Less Prorated Portion of Billed Fee Component (to offset the Advance Payment)
7. DESIGN FEE Component payable upon submission and official GOCC acceptance of the DESIGN ASSOCIATION's Certificate of Completion (COC) issued by GOCC after construction and completion of the Project i.e. signifying completion of the Construction Phase of the Service.	Fifteen percent (15%) of the DESIGN FEE
Total DESIGN FEE	P0,000,000.00 Only or One Hundred Percent (100.0%) of the DESIGN FEE

4.07.2 The **PCS FEE** Component shall be payable over the estimated maximum _____ **(0.0) calendar month PCS PERIOD** assigned for **construction activities** i.e. rough construction, finishing and equipping works, as well as for **post-construction activities** as defined in Section 2.01, and in accordance with the Schedule of PCS Fee Payment as follows:

A. PCS FEE Component and Payment Due Date	B. Payable Amount and FEE Percentage (%)
1. PCS FEE Component payable by the GOCC _____ (00) calendar days after GOCC issuance of the Notice to Proceed (NTP) to the General Contractor i.e. the _____ (d) calendar month of the actual construction period	Five percent (5.0 %) of the PCS FEE
2. PCS FEE Component payable by the GOCC _____ (00) calendar days after GOCC issuance of NTP to the General Contractor i.e. the _____ (d) calendar month of the actual construction period	Five percent (5.0 %) of the PCS FEE
3. PCS FEE Component payable by the GOCC _____ (00) calendar days after GOCC issuance of NTP to the General Contractor i.e. the _____ (d) calendar month of the actual construction period	Five percent (5.0 %) of the PCS FEE
4. PCS FEE Component payable by the GOCC _____ calendar days after issuance of NTP to the General	Five percent (5.0 %)

Contractor i.e. the ___ ^d calendar month of the actual construction period	of the PCS FEE
5. PCS FEE Component payable by the GOCC ___ calendar days after issuance of NTP to the General Contractor i.e. the ___ ^d month of the actual construction period	Five percent (5.0 %) of the PCS FEE
6. PCS FEE Component payable by the GOCC ___ calendar days after issuance of NTP to the General Contractor i.e. the ___ ^d month of the actual construction period	Five percent (5.0 %) of the PCS FEE
7. PCS FEE Component payable by the GOCC ___ calendar days after issuance of NTP to the General Contractor i.e. the ___ ^d month of the actual construction period	Five percent (5.0 %) of the PCS FEE
8. PCS FEE Component payable by the GOCC ___ calendar days after issuance of NTP to the General Contractor i.e. the ___ ^d calendar month of the actual construction period	Five percent (5.0 %) of the PCS FEE
9. PCS FEE Component payable by the GOCC ___ calendar days after issuance of NTP to the General Contractor i.e. the ___ ^d calendar month of the actual construction period	Five percent (5.0 %) of the PCS FEE
10. PCS FEE Component payable by the GOCC ___ calendar days after issuance of NTP to the General Contractor i.e. the ___ ^d calendar month of the actual construction period	Five percent (5.0 %) of the PCS FEE
11. PCS FEE Component payable by the GOCC ___ calendar days after issuance of NTP to the General Contractor i.e. the ___ ^d calendar month of the actual construction period	Five percent (5.0 %) of the PCS FEE
12. PCS FEE Component payable by the GOCC ___ calendar days after issuance of NTP to the General Contractor i.e. the ___ ^d calendar month of the actual construction period	Five percent (5.0 %) of the PCS FEE
13. PCS FEE Component payable by the GOCC ___ calendar days after issuance of NTP to the General Contractor i.e. the ___ ^d calendar month of the actual construction period	Five percent (5.0 %) of the PCS FEE
14. PCS FEE Component payable by the GOCC ___ calendar days after issuance of NTP to the General Contractor i.e. the ___ ^d calendar month of the actual construction period	Five percent (5.0 %) of the PCS FEE
15. PCS FEE Component payable by the GOCC ___ calendar days after issuance of NTP to the General Contractor i.e. the ___ ^d calendar month of the actual construction period	Five percent (5.0 %) of the PCS FEE
16. PCS FEE Component payable by the GOCC ___ calendar days after issuance of NTP to the General Contractor i.e. the ___ ^d calendar month of the actual construction period	Five percent (5.0 %) of the PCS FEE
17. PCS FEE Component payable by the GOCC ___ calendar days after issuance of NTP to the General Contractor i.e. the ___ ^d month of the actual construction period and the first half (0.5) month of the post construction period i.e. ___ ^d calendar month overall	Five percent (5.0 %) of the PCS FEE

18. PCS FEE Component payable by the GOCC ____ calendar days after issuance of NTP to the General Contractor i.e. the _ ^d month of the post construction period i.e. _ ^d calendar month overall	Five percent (5.0 %) of the PCS FEE
19.FEE Component payable upon submission and official GOCC acceptance of the DESIGN ASSOCIATION's Certificate of Completion (COC) issued by GOCC after construction and completion of the Project i.e. signifying completion of the Construction Phase of the Service.	Ten percent (10.0%) of the PCS FEE
Total PCS FEE	P0,000,000.00 Only or One Hundred Percent (100.0%) of the PCS FEE

4.07.3 Within ____ (00) days after giving Notice to Proceed (NTP), the GOCC shall pay the DESIGN ASSOCIATION the amount of **PHILIPPINE PESOS: _____ MILLION _____ HUNDRED _____ PESOS (P0,000,000.00) ONLY** as Advance Payment for mobilization expenses, subject to the posting by the DESIGN ASSOCIATION of an irrevocable standby letter of credit or surety bond, callable on demand, issued by THE Government Service Insurance system (GSIS) and of an amount equal to the Advance Payment. Said amount shall be offset by GOCC by deducting ____ percent (**00%**) or the established prorated amount of the value of the invoice from every subsequent invoice starting from Invoice No. 1 until the said Advance Payment has been fully offset. Provided, that in no case shall the recoupement thereof go beyond the design period specified in this Contract.

4.07.3 4.07.4 DESIGN ASSOCIATION will submit separate invoices for the A&DE, AD and PCS services and reimbursable costs to the GOCC with such supporting documents as may be reasonably requested by GOCC. Said invoices shall be duly certified by the DESIGN ASSOCIATION and shall also contain a certification to be executed by an authorized officer of the GOCC certifying that the amount being billed are due and payable under the terms of this Contract. Provided that, in no case shall there be more than ____ (__) billing/s for the said services and reimbursable costs presented to GOCC in a given month or within a _____ (00) day period.

The reimbursable costs shall be payable over the estimated maximum _____ (**00.0**) **calendar month** period assigned for construction, finishing and equipping works as well as for post-construction activities and in accordance with the Schedule of PCS Fee Payment as follows:

A. Reimbursable Costs and Reimbursement Due Date	B. Payable Amount
1. Reimbursable costs attendant to the performance of the A&DE Design and AD services, payable by the GOCC during the ____ month DESIGN PERIOD and during the ____ month pre-construction activity period of the CONSTRUCTION PERIOD, as defined in Section 2.02 of this Contract; the billed amounts shall be payable within _____ (__) calendar days after GOCC receipt of the DESIGN ASSOCIATION's	Direct reimbursement in the total amount stated in the DESIGN ASSOCIATION's reimbursement request as supported by original official receipts and/or

reimbursement request to be accompanied by original official receipts and/or cash/sales invoices as applicable; the DESIGN ASSOCIATION's reimbursement requests shall be filed during the _____ (___ ^d) week of each calendar month.	cash/sales invoices as applicable
2. Reimbursable costs attendant to the performance of the PCS services, payable by the GOCC during the 0.0 month construction and post-construction activity periods of the CONSTRUCTION PERIOD, as defined in Section 2.02 of this Contract; the billed amounts shall be payable within _____ (___) calendar days after GOCC receipt of the DESIGN ASSOCIATION's reimbursement request to be accompanied by original official receipts and/or cash/sales invoices as applicable; the DESIGN ASSOCIATION's reimbursement requests shall be filed during the _____ (___ ^d) week of each calendar month.	Direct reimbursement in the total amount stated in the DESIGN ASSOCIATION's reimbursement request as supported by original official receipts and/or cash/sales invoices as applicable

4.07.5 If any invoice includes any item which appears questionable, GOCC shall issue a written objection, shall deduct the item from the invoice, and approve the undisputed balance of the invoice as stipulated in Section 4.07.4 above. The DESIGN ASSOCIATION may resubmit the disputed items with additional supporting documents in subsequent invoices.

4.08 **Delay in the Contracted Design and PCS Services** - Should DESIGN ASSOCIATION's progress fall more than _____ percent (___%) behind the approved work schedule due to circumstances which, in the opinion of the GOCC, were within the control or could have reasonably been foreseen by the DESIGN ASSOCIATION, then the GOCC may withhold all or part of the DESIGN ASSOCIATION's itemized statements or any payment due until progress is brought back within at least _____ (___%) percent of that schedule. Any revisions in the scheduling of activities in the event of major delay in the work due to DESIGN ASSOCIATION's failure shall in no case involve cost overruns resulting from any additional man-months making up for the delay.

4.09 **Delay in the Progress and/ or Completion of the Construction Work** - In case of unusual delay in the progress and/or completion of the construction work due to circumstances outside of the DESIGN ASSOCIATION's control, the GOCC and the DESIGN ASSOCIATION, together with the other members of the Project Team will devise a mechanism to clearly establish the party at fault for the delay.

4.10 **Extended PCS Services of the DESIGN ASSOCIATION** - Should there be a delay in the progress and/ or completion of construction work and such delay is not attributable to the fault or negligence of the DESIGN ASSOCIATION, the GOCC, upon request of the DESIGN ASSOCIATION, shall extend the service and/ or engagement period of the latter. The party established to be at fault for the delay thereof shall be responsible for the payment of the DESIGN ASSOCIATION's extended services. Should the General Contractor be established to be at fault for the delay, the payment for the DESIGN ASSOCIATION's extended services shall be made by GOCC for subsequent deduction from the outstanding amount payable by GOCC to the General Contractor.

- 4.11 **Responsibility During the Construction Period** - Since the DESIGN ASSOCIATION only performs PCS services, it shall not be responsible for the General Contractor's failure, deliberate or otherwise, to carry out the construction work in accordance with the Construction/ Contract/ Final Tender Documents, government laws and regulations, etc. nor for the failure of the Project Manager (PM) and the Construction Manager (CM) to undertake their functions properly.
- 4.08 **Final Payment** – Upon completion of the Construction Phase of the Service, DESIGN ASSOCIATION shall promptly render final accounting of costs under Section 4.06. Final payment shall be made only after a Certificate of Completion to be issued by the GOCC shall have been submitted by the DESIGN ASSOCIATION. In the event of conditional acceptance of the Project by the GOCC, the DESIGN ASSOCIATION shall qualify and quantify the actual extent of Project completion by the General Contractor and officially advise the GOCC to offset the identified amount representing the cost of undelivered construction works from any amounts due the General Contractor.

ARTICLE V

OBLIGATION OF THE GOCC

- 5.01 **Support Staff and Materials**
- 5.01.1 The GOCC shall provide:
- a) Counter staff to be headed by a **Project Manager** for Design and PCS Services; and
 - b) Available plans, information, data and reports relevant to the Project.
- 5.02 **Access to Land and Property** – GOCC warrants that the DESIGN ASSOCIATION shall have free and unimpeded access to all lands and properties required for the effective execution of the Services. The DESIGN ASSOCIATION shall be responsible for any damage to such land or any property thereon caused by the negligence or fault of its employees, staff or representatives.
- 5.03 **Review of Documents Submitted by the DESIGN ASSOCIATION and Appointment of the Construction Manager** – The GOCC shall designate a representative fully authorized to act in its behalf who, together with the Project Manager (PM) will officially examine, review and comment all Construction/ Contract/ Tender Documents submitted by the DESIGN CONSULTANT and render decisions thereto promptly to avoid unreasonable delay in the progress of the DESIGN ASSOCIATION's performance of the Service; this representative shall be the **Construction Manager**;
- 5.04 **Changes Ordered by GOCC** – If the DESIGN ASSOCIATION is required by GOCC to render additional professional services, extra drafting or incur additional office expenses due to changes on the plans and designs ordered by GOCC after its official approval of the DESIGN ASSOCIATION's submitted outputs/ deliverables, the GOCC shall pay for such expenses and services; the amount of compensation and the extension of the service and/or engagement period shall be based on the NEDA Guidelines or upon mutual agreement of both parties;
- 5.05 **Services of Special Project Consultants** – If the GOCC desires to engage Special Project Consultants e.g. information technology, telecommunications, acoustics, security systems, etc., who shall work on the detailed aspects of the plan or the design as prepared by the DESIGN

ASSOCIATION, such shall be with the consent of DESIGN ASSOCIATION; the costs of such consultants' services shall be paid for separately by the GOCC and are not to be deducted from the DESIGN ASSOCIATION's FEE under this Contract;

- 5.06 Advise the DESIGN ASSOCIATION of any information, circumstance or factor that must be considered and that may impair the successful planning, design and implementation of the Project if not addressed in time.

ARTICLE VI

OBLIGATIONS OF THE DESIGN ASSOCIATION

6.01.1 Responsibilities of DESIGN ASSOCIATION –

6.01.1 Generally, but without limiting DESIGN ASSOCIATION's responsibilities elsewhere stated under this Contract, it shall:

- a) Carry out Services with sound architectural and engineering theories and practices to ensure that the final works will provide the most economical and feasible development for the Project.
- b) Accept full responsibility for the A&DE design, AD and PCS services to be performed under this Contract for which the DESIGN ASSOCIATION is liable to the GOCC.
- c) Perform the Services in an efficient and diligent manner and shall use its best effort to keep reimbursable cost down to the possible minimum without impairing the quality of the Services rendered.
- d) Comply with, and strictly observe all laws regarding workmen's health and safety, workmen's welfare, compensation for injuries, minimum wage, hours of labor and other laws.

6.01.2 Should the recommendation of the DESIGN ASSOCIATION be changed by GOCC in such a way that the safety and/or economy of the Project is jeopardized, DESIGN ASSOCIATION may request a written release from responsibility for that part of the Project in question.

6.01.3 The DESIGN ASSOCIATION shall be held responsible for the failure of the facility/structure due to faulty design. The review made by the GOCC, through its PM and CM, shall not release the DESIGN ASSOCIATION from responsibility, except when substantial changes in the design have been made without the conformity of the DESIGN ASSOCIATION.

6.01.4 If it is clearly established that the DESIGN ASSOCIATION is also liable for faulty construction, the DESIGN ASSOCIATION shall assume the proportionate liability.

6.02 **Records** - The DESIGN ASSOCIATION shall:

6.02.1 Keep accurate and systematic records and accounts in respect of the Services in such form and detail as is customary and sufficient to establish accurately that the cost and expenditures under this Contract have been dully incurred.

6.02.2 Permit the duly authorized representative of the GOCC from time to time to inspect its records and accounts as well as audit the same.

- 6.03 **Information and Progress Reports** - The DESIGN ASSOCIATION shall furnish the GOCC monthly progress report and any such information relative to the Services and the Project as the GOCC may from time to time reasonably request.
- 6.04 **Assignment and/or Sub-Contract**
- 6.04.1 Except with prior written approval of the GOCC, the DESIGN ASSOCIATION shall not assign nor sub-contract any part of the professional A&DE design, AD and PCS services under this Contract to any other person or firm.
- 6.04.2 The approval by the GOCC to the assignment of any part of said Services or to the engagement by the DESIGN ASSOCIATION of Sub-Contractors to perform any part of the same shall not relieve the DESIGN ASSOCIATION of any of its obligations under this Contract.
- 6.05 **Prohibition on Association** - The DESIGN ASSOCIATION agrees that during or after the conclusion or termination of this Contract, it shall limit its role under the project to the Provision of the Services and hereby disqualifies itself and any other contractor, consultancy engineer or manufacturer with which it is associated or affiliated, from the provision of services other than the Service herein, except as the GOCC may otherwise agree.
- 6.06 **Prohibition on Conflicting Activities** - No full time Staff during his assignment under this Contract shall engage, directly or indirectly, either in his name or through the DESIGN ASSOCIATION, in any other business or professional activities in the Philippines other than the performance of his/her duties or assignment under this Contract. On the other hand, the GOCC shall not extend any appointment to the DESIGN ASSOCIATION's Staff during the period of their assignment except upon prior written approval of the DESIGN ASSOCIATION .
- 6.07 **Confidentiality** - Except with the prior consent of the GOCC, the DESIGN ASSOCIATION and the Staff shall not, at any time, communicate to any person or entity any information disclosed to them for the purpose of the Services, nor shall the DESIGN ASSOCIATION or the Staff make public any information as to the recommendations formulated in the course of or as a result of the Services.
- 6.08 **Independent Contractor** - Nothing contained herein shall be construed as establishing or creating between the GOCC and the DESIGN ASSOCIATION, the relationship of the employer and employee or principal and agent, it being understood that the position of the DESIGN ASSOCIATION and anyone else performing the Services is that of an independent Contractor.
- 6.09 **Indemnifications** - The DESIGN ASSOCIATION holds the GOCC free and harmless from any and all liabilities, suits, action, demands, or damages arising from death or injuries to person or properties, or any loss resulting from or caused by its Staff and personnel incident to or in connection with the Services under this Contract.

The DESIGN ASSOCIATION agrees to indemnify, protect and defend at its own expense the GOCC and its agents from and against all actions, claims and liabilities arising out of acts done by the DESIGN ASSOCIATION or its Staff in the performance of the Services including but not limited to the use

or violation of any copyrighted materials, patented invention, article or appliance.

ARTICLE VII

GENERAL CONDITIONS

7.01 **Laws of the Republic of the Philippines** - The proper law of this Contract shall be the laws of the Government of the Republic of the Philippines. The DESIGN ASSOCIATION and the Staff will conform to all applicable laws of the same and will take prompt corrective action with regard to any violation called to their attention.

7.02.1. **Proprietary Rights of the GOCC**

7.02.1 **On Records and Other Documents** - Reports and all relevant data such as maps, diagrams, plans, designs, statistics, specifications and other supporting records or materials compiled or prepared in the course of performance of the Services shall be properties of the GOCC in accordance with existing laws and shall not be used by the DESIGN ASSOCIATION for the purpose unrelated to this Contract, whether during the effectivity of this Contract or after its termination without the prior written approval of the GOCC. Corollarily, the GOCC shall inform the DESIGN ASSOCIATION of any re-use of subject documents other than those for which they were intended or prepared for under this Contract. The electronic files and hardcopies of such documents as required in the Terms of Reference (TOR) shall be turned over to the GOCC upon completion of the Project except that the DESIGN ASSOCIATION shall have the right to retain the master electronic file and ____ (____) hardcopies of the same.

Ownership of the plans and designs shall be shared by the GOCC and the DESIGN ASSOCIATION in full accordance with the pertinent provisions of Republic Act (R.A.) No. 9283 and with R.A. No. 9266. The Architect-of-record of the DESIGN ASSOCIATION shall retain sole copyright over the architectural plans and designs in full accordance with said laws.

7.02.2 **On Equipment** - The following equipment shall remain properties of the GOCC :

- a) Those supplied by the GOCC for the Project which shall be returned by the DESIGN ASSOCIATION after checking the inventory in accordance with the procedures as determined by the GOCC.
- b) Those purchased by the GOCC or by the DESIGN ASSOCIATION for GOCC in connection with this Contract.

7.03 **Control and Approval of the GOCC** - The GOCC General Manager will designate in writing an official who shall supervise the Project and shall be the authorized representative of the GOCC with regard to communications and/or approval in all matters relating to the Services under this Contract. DESIGN ASSOCIATION shall, in advance, consult and secure approval of the GOCC General Manager or his designated officials before acting upon important decisions and procedures.

7.04 **Insurance**

7.04.1 The GOCC shall take out and maintain adequate insurance against loss or damage to equipment for the Project which are purchased in whole and in part with funds provided by the GOCC.

7.04.2 The GOCC undertakes no responsibility in respect of any life, health, accident, travel and other insurance for the DESIGN ASSOCIATION nor its staff.

7.05 **Changes** - The GOCC may at any time, by written notice to DESIGN ASSOCIATION issue additional instructions, require extra work or services, changes or alterations in the work, or direct the omissions of works of Services covered by this Contract. DESIGN ASSOCIATION shall make no additional changes, alterations and omissions except upon the prior written approval of the GOCC.

The GOCC may cause the DESIGN ASSOCIATION to terminate the services of some or all of the Staff if the services of said staff are considered no longer necessary. The Notice of Termination, however shall not be less than thirty (30) days prior to the effective date of termination.

7.06 For the purpose of this Contract, a term of no more than _____ (___) **calendar months** will be required, commencing _____ (___) calendar days after GOCC issuance of the Notice to Proceed (NTP), until completion of Services covered by this Contract, to wit:

a) _____ (___) **calendar months DESIGN PERIOD**, as defined in Section 2.01; and

b) _____ (___) **calendar months** (the "**CONSTRUCTION PERIOD**"), consisting of the estimated _____ (___) **calendar month TENDER PERIOD** and the maximum _____ (___) **calendar month PCS PERIOD**, as also defined in Section 2.01.

7.07 **Notice of Delay** - In the event that the DESIGN ASSOCIATION encounters delay in obtaining the required services or facilities under this Contract, it shall promptly notify GOCC of such delay and may request an appropriate extension for completion of the Services. An extension of time may be granted only if it is established that the cause of the delay in the performance in the work is due to the failure of GOCC to provide the required services or facilities.

7.08 **Audits** - The DESIGN ASSOCIATION shall keep clear and orderly records of all accounts, expenses, salaries and costs. The monthly invoices to be submitted by DESIGN ASSOCIATION under the provision of section 4.06, Article IV of this Contract shall be subject to review or verification by GOCC and the commission on Audit (COA) for purposes of payment. The expenses in connection with such review or verification shall be for the account of GOCC.

7.09 **Certificate of Completion** - When the Services under this Contract are completed to the satisfaction of GOCC, GOCC shall issue a Certificate of Completion to DESIGN ASSOCIATION.

7.10 **Integration of all Prior Contracts and Negotiations** - It is agreed that this Contract expresses all the understanding, promises or covenants of the parties and that it integrates, combines and supersedes prior negotiations, understandings and agreements whether written or oral.

- 7.11 **Notarization of Documents** - The documentation, notarial fees and documentary stamps in connection with this Contract shall be for the account of the DESIGN ASSOCIATION.
- 7.12 **Validity Clause** - If any terms or condition of this Contract is held invalid or contrary to law, the validity of other terms and conditions hereof shall not be affected thereby.
- 7.13 **Warranty** - The DESIGN ASSOCIATION hereby warrants that it has not given, or promised to give any money or gift to any official or employee of the GOCC or the Government to secure this Contract. Any violation of this warranty shall be sufficient ground for revocation or cancellation of this Contract.

ARTICLE VIII

DISPUTES, ARBITRATION AND TERMINATION

- 8.01 **Disputes** - Any dispute concerning any question arising under this Contract shall be decided by the GOCC General Manager who shall furnish DESIGN ASSOCIATION a written copy of his decision.
- 8.02 **Construction Arbitration** - The decision of the GOCC General Manager shall be final and conclusive unless within _____ days (___) days date of receipt thereof, DESIGN ASSOCIATION shall deliver to GOCC a written notice addressed to the GOCC General Manager stating its desire to submit the controversy to construction arbitration. In such event, the dispute shall be decided in accordance with Philippine Laws (Executive Order No. 1008 and/or Republic Act No. 9285).
- 8.03 **Enforcement** - Any decision reached by arbitration may be enforced by either party in any court of competent jurisdiction in the City of _____, Metropolitan Manila Area. Should the GOCC be constrained to resort to court action to enforce or safeguard its rights and interests under this Contract, the DESIGN ASSOCIATION shall be liable for Attorney's fees in the amount equivalent to _____ percent (___0.0%) of the total sum claimed in the complaint, exclusive of other damages and expenses in litigation, but in no case not less than P000,000.00.
- 8.04 **DESIGN ASSOCIATION Duty to Perform** - Despite any dispute between GOCC and DESIGN ASSOCIATION, the DESIGN ASSOCIATION shall proceed diligently with the performance of its services as directed by the GOCC.
- 8.05 **Suspension** - Without prejudice to its right to terminate the Contract under Section 8.06 hereof, GOCC may, by written notice to the DESIGN ASSOCIATION, suspend in whole and in part, payment to DESIGN ASSOCIATION under this Contract if there is a default, failure or refusal on the part of the DESIGN ASSOCIATION to perform its obligations under or comply with any provision of this Contract, and such default, failure or refusal shall be continuing for thirty (30) days even after the DESIGN ASSOCIATION shall have received a written notice from GOCC to rectify such default or failure.

8.06 Termination of Contract

8.06.1 By the GOCC

- a) If any of the conditions referred to in Section 8.05 hereof shall continue for a period of _____ (__) days after receipt of written notice of suspension of payments to the DESIGN ASSOCIATION, the GOCC may, by written notice to the DESIGN ASSOCIATION, terminate this Contract.
- b) In any other justifiable event, GOCC may terminate this Contract without need of judicial intervention by giving the DESIGN ASSOCIATION, _____ (__) days prior notice to such effect.

8.06.2 By the DESIGN ASSOCIATION

The DESIGN ASSOCIATION shall promptly notify the GOCC in writing of any situation or occurrence beyond its reasonable control which makes it impossible to carry out the obligations under this Contract. Upon confirmation in writing by the GOCC of the existence of any such event or upon its failure to respond to written notice within _____ (__) days from receipt thereof unless more time is needed and/or requested by GOCC to determine the existence of such event, the DESIGN ASSOCIATION shall be relieved from all liabilities for failure to carry out such obligation, and it may thereupon terminate this Contract by giving not less than _____ (__) days written notice to the GOCC.

8.07 Termination Procedure

8.07.1 Upon receipt of notice of termination of this Contract under Section 8.06 hereof, the DESIGN ASSOCIATION shall take immediate steps to bring the Services to a close, in a prompt and orderly manner, and to reduce expenditures to a minimum.

8.07.2 Upon termination of this Contract, unless the same shall have been occasioned by DESIGN ASSOCIATION's default, DESIGN ASSOCIATION shall be entitled to receive reimbursement for reasonable costs as confirmed by the GOCC, incident to the orderly liquidation of its services.

8.08 Force Majeure -

8.08.1 If any party is temporarily unable by reason of *force majeure* to meet any of its obligations under this Contract, and if such party gives to the other party written notice of the event within _____ (__) days after its occurrence, such obligations of the party shall be suspended for as long as the inability continues.

8.08.2 Neither party shall be liable to the other party for loss or damages sustained by reason of *force majeure* or delays arising from such event.

8.08.3 The term "*force majeure*" as employed herein shall mean strikes, lockouts or other industrial disturbances, acts of public enemy, wars, blockades, insurrections, riots, epidemics, landslides, earthquakes, storms, lightning, floods, washouts, civil disturbances, explosions, and any other similar events, not within the control of either party which with the exercise of due diligence neither party is able to overcome.

ARTICLE IX

EXECUTION

- 9.01 **Effectivity** - This Contract shall become valid and binding after the same has been signed by the parties hereof and approved by the GOCC Board of Directors. The GOCC shall then issue a Notice to Proceed (NTP) to DESIGN ASSOCIATION and the DESIGN ASSOCIATION shall be paid for Services rendered effective from the date of its actual service.
- 9.02 The DESIGN ASSOCIATION shall be jointly and severally responsible in the performance of the Services to be provided under this Contract.
- 9.02 **Commencement Date** - The DESIGN ASSOCIATION will commence the Service _____ () calendar days after the issuance of a Notice to Proceed (NTP) by the GOCC.
- 9.03 **Notices and Addresses** - All notices called for by the terms of this Contract shall be effective only by the time of receipt thereof and only when received by the parties to whom they re addressed.

Notices to GOCC:

Mr. _____
General Manager
GOVERNMENT-OWNED & CONTROLLED CORPORATION
_____ Building, _____ Street
Metropolitan Manila Area

Notices to the DESIGN ASSOCIATION:

Archt. _____
Principal, Senior Partner
and General Manager
DACY Architects/Planners Co.
Unit 5 2/F No. 32 Esteban Abada Street, Loyola Heights
1108 Quezon City

Mr. _____
President
_____ **Corporation**
_/F _____ Building
_____ Street, _____ City

All such notices must be in the form of registered letters, telegrams, or cables in the English language. The address or notices, as provided above, may be changed by either party by giving notice to the other party as provided herein.

- 9.04 **Amendments** - No amendments, modifications, alternations to this Contract shall be valid or binding on either party unless expressed in writing and executed with the same formality as this Contract.
- 9.05 **Counterparts** - This Contract is executed and delivered in ____ () copies, _____ () for the GOCC, ____ () for the DESIGN ASSOCIATION and ____ () for the Notary Public, each of which shall be deemed an original.

IN WITNESS WHEREOF, the parties have hereunto set their hands on the date and place first herein above written.

**GOVERNMENT-OWNED &
CONTROLLED CORPORATION**

DACY ARCHITECTS/PLANNERS CO.

By:

By:

General Manager

Archt. _____
**Principal, Senior Partner
and General Manager**

_____ **CORPORATION**

By:

Mr. _____
President

W I T N E S S E S :

Mr. _____
Assistant General Manager for
Engineering, GOVERNMENT-OWNED & CONTROLLED CORPORATION

Archt. _____
Partner and Business Manager
DACY Architects/Planners Co.

Mr. _____
Associate
_____ Corporation

A C K N O W L E D G M E N T

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

BEFORE ME, a Notary Public for and in the City of _____, Metropolitan Manila Area, Philippines, personally appeared the following persons with their respective Community Tax Certificates (CTC), to wit:

NAME	CTC NO.	DATE / PLACE ISSUED
------	---------	---------------------

who are known to me to be the same persons who executed and signed the foregoing instrument and who acknowledged to me that the same is their true and voluntarily acts and deed, and that of the entity which they respectively represent.

This instrument is a Contract for Consultancy Services for the Architectural and Detailed Engineering (A&DE) Design of the GOCC Head Office Building Project, consisting of **twenty seven (27) legal size pages**, including this page where the Acknowledgement is written. Pages 1 to 24 and 27 are signed on the left margin thereof and page 25 and 26 are signed at the corresponding spaces provided for by the parties and their instrumental witnesses and sealed with my notarial seal.

WITNESS MY HAND AND SEAL this _____ day of _____ at _____, Metropolitan Manila Area, Philippines.

NOTARY PUBLIC
PTR. NO.
Issued at
Issued on

Doc No. _____

Page No. _____

Book No. _____

Series of _____.

Republic of the Philippines
GOVERNMENT-OWNED & CONTROLLED CORPORATION
_____ Building, South _____ Street
Metropolitan Manila Area, Philippines

**CONTRACT FOR CONSULTANCY SERVICES
FOR THE ARCHITECTURAL AND DETAILED ENGINEERING
(A&DE) DESIGN, ALLIED DESIGN (AD) AND PERIODIC CONSTRUCTION
SUPERVISION (PCS) OF THE GOVERNMENT-OWNED & CONTROLLED
CORPORATION (GOCC)
HEAD OFFICE BUILDING PROJECT**

**Prepared by the DESIGN ASSOCIATION of
DACY Architects/Planners Co. and _____ Corporation
(the "DESIGN ASSOCIATION")**

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B. APPENDICES

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 - Appendices "L" : Miscellaneous Information on the Cost of the Service
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 - Appendix "L.2" : Comparison of Consultancy Services Required by the GOCC Issued TOR (as of Nov _____) with those Offered by the DESIGN ASSOCIATION (as of Sep _____)
 - Appendix "L.3" : Proposed A&DE Design/ PCS Fee Comparison in Relation to Existing Service Fee Parameters (GPPB and UAP)
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 - Appendix "L.5" : Construction Cost Comparison of New Office Building Project
 - Appendix "L.6" : Estimated Project Cost of GOCC Head Office Building Project
- Nothing follows.

REPUBLIC OF THE PHILIPPINES

**GOVERNMENT-OWNED & CONTROLLED
CORPORATION
(GOCC)**

_____ Building, _____ Street
Metropolitan Manila Area, Philippines

**Office of the Chairman
Bid and Awards Committee (BAC)**

**CONTRACT
FOR CONSULTANCY SERVICES**

**FOR THE
ARCHITECTURAL AND DETAILED ENGINEERING (A&DE) DESIGN,
ALLIED DESIGN (AD) AND
PERIODIC CONSTRUCTION SUPERVISION (PCS)**

**OF THE PROPOSED
GOVERNMENT-OWNED & CONTROLLED
CORPORATION (GOCC)
HEAD OFFICE BUILDING PROJECT**

_____ Street
Metropolitan Manila Area, Philippines

Submitted by

The DESIGN ASSOCIATION of

DACY Architects/Planners Co. and _____ Corporation

_____ November _____