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A. POSSESSION OF SITE

- A.1 The Procuring Agency shall grant LBRDC possession of so much of the Site as may be required to enable it to proceed with the execution of the Works. If LBRDC suffers delay or incurs cost from failure on the part of the Procuring Agency to give possession in accordance with the terms of this clause, the Procuring Agency's Representative shall give LBRDC a Contract Time Extension and certify such sum as fair to cover the cost incurred, which sum shall be paid by Procuring Agency.
- A.2 LBRDC shall allow the Procuring Agency's Representative and any person authorized by the Procuring Agency's Representative access to the Site and to any place where work in connection with this contract is being carried out or is intended to be carried out.

B. ASSIGNMENT OF PROJECTS TO TEAM LEADERS/PROJECT ENGINEERS

- B.1 The assignment of projects to the Team Leaders and Project Engineers by the President and CEO or by the Construction Management Department Head was based on the following criteria:
- Work Experience;
 - Clustering of projects in the same area to ensure proper monitoring; and
 - Balancing of their current work loads
- B.2 The assignment of projects was formally documented during the pre-construction meeting with the Branch's representatives and LBP PMED wherein the assigned Team Leader and Project Engineer are introduced to the Branch Manager and staff to ensure harmonious relationship. This is documented in the pre-construction minutes prepared by PMED and signed by all the parties concerned.
- B.3 The assignment of projects to Team Leaders and Project Engineers are also documented thru the issuance of Special Order from the President and CEO.

C. PRE-CONSTRUCTION CONFERENCE

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A pre-construction conference shall be held on site/ mother branch or at LBP Head Office prior to start of the project. This should be attended by LBRDC, Procuring Agency's PMED and the End-user.

Matters to be taken-up during the Pre-Construction Conference:

1. Attendance
2. Background Information of the Project
3. Organization and Personnel Responsible
4. Agenda
 - Project Objective
 - Communication Route
 - Work Permit/Utilities
 - Construction Work Schedule
 - Rules and Regulations
 - Materials & Equipment Storage
 - Periodic Inspection & Construction Meeting
 - Quality Control
 - Project On-site Problem/Evaluation/Solution
 - Conduct of Punch listing
 - Turn-over and Acceptance of the Project

D. SECURING OF BUILDING PERMIT


LBRDC's prime responsibility is to apply and secure building permit from the Office of the Building Official with the assistance of the Branch/End-User prior to start of the project. In cases where it is of utmost important to proceed even without building permit, this may be waived only after coordination with the proper Building Official and securing a clearance to start the construction while the building permit is being processed.

E. MATERIAL SAMPLE SUBMITTAL (ARCHITECTURAL AND ELECTRICAL)

LBRDC should submit material samples to Procuring Agency's PMED for approval prior to its procurement.

F. MATERIAL TEST RESULTS

LBRDC should submit test results on materials used on project to Procuring Agency's PMED for proper confirmation per construction notes. Material test results are usually

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required if the project is building construction or any projects that requires testing prior to implementation.

G. PROJECT SUPERVISION


LBRDC should maintain at all times during the whole duration of the project a competent Project Engineer or Architect including skilled workers and laborers if the project cost exceeds P5M. If the project whose estimated cost does not exceed P5M, the Head of the Construction Management Department may opt to send only a core group consisting of Foreman, Finishing Carpenter and an electrician or any other positions depending on expertise required by the scope of works of the project. Other skilled and non-skilled workers that are needed may be outsourced at the locality where the project is located. In some cases where there is a scarcity of skilled and unskilled workers in the locality, the Team Leader may request to the Construction Management Department Head to send additional work force from Manila upon approval of the President and CEO. The workers assigned at the project must always protect the image of the Bank at all times.

At the end of every project, the Project Engineer shall evaluate the over-all performance of the workers by using the Performance Evaluation for Workers form (see attached Annex G)

H. PERIODIC INSPECTION/COORDINATION MEETING

LBRDC should always be prepared for periodic project inspection by Procuring Agency's PMED. In cases where it is of utmost important, there should be an authorized representative ready to attend the coordination meeting to be held either on site or on mother branch. LBRDC's Head office personnel may also conduct ocular inspections at least once a month for proper monitoring of the project for the entire construction/renovation duration or whenever the purpose of the visit is necessary or of utmost important.

Upon completion of said inspections, PMED will make a Project Inspection and Update Report (PIUR) indicating the status of the project. The said PIUR will be the official basis of the work accomplishment of LBRDC as attachment to its billing request.

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LBRDC's project personnel should also make his own PIUR (see Annex H) especially in the absence of his counterpart representative from PMED. In cases where there is no representative from PMED to conduct joint inspection specifically at the end of LBRDC's contract, LBRDC's PIUR will be submitted to PMED once a month.

I. MANAGEMENT CONFERENCES

Either the Procuring Agency's Representative or LBRDC may require/request the other to attend a Management Conference. The Management Conference shall review the plans for remaining work and deal with matters raised in accordance with the early warning procedure.


The Procuring Agency's Representative shall record the business of Management Conferences and provide copies of the record to those attending the Conference. The responsibility of the parties for actions to be taken shall be mutually agreed upon by the parties involved base on the contract agreement or after the Management Conference and minutes as well as change orders must be made in writing copy furnished all who attended the meeting.

J. SHOP DRAWINGS

It is the responsibility of LBRDC to provide shop drawings to Procuring Agency's PMED for approval prior to implementation of works that have deviation on the plans. Shop drawings that are related to design/status will be provided for by PMED.

K. BILL OF QUANTITIES


- K.1 The Bill of Quantities shall contain items of work for the construction, installation, testing and commissioning of work to be done by LBRDC.
- K.2 Bill of Quantities is used to calculate the Contract Price. LBRDC is paid for the quantity of work done at the rate in the Bill of Quantities for each item.
- K.3 The final quantity of any work done differs from the quantity in the Bill of Quantities for the particular item and is not more than twenty five percent (25%) of the original quantity, provided the aggregate changes for all items do not exceed ten percent (10%) of the Contract price, the Procuring Agency's Representative shall make the necessary adjustments to allow for the changes subject to applicable laws, rules and regulations.

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- K.4 if requested by the Procuring Agency's Representative, LBRDC shall provide the Procuring Agency's Representative with a detailed cost breakdown of any item in the Bill of Quantities.

L. VARIATION ORDERS


- L.1 Variation Orders may be issued by the Procuring Agency to cover any increase/decrease in quantities, including the introduction of new work items that are not included in the original contract or reclassification of work items that are either due to plans, design or alignment to suit actual field conditions resulting in disparity between the preconstruction plans used for purposes of bidding and the as-staked plans or construction drawings prepared after a joint survey by LBRDC and the Procuring Agency after award of the contract, provided that the cumulative amount of the Variation Order does not exceed ten percent (10%) of the original project cost. If the variation order exceeds 10%, it will be covered by a supplemental contract. The addition/deletion of Works should be within the general scope of the project as bid and awarded. A Variation Order may either be in the form of Change Order or Extra Work Order.
- i. A Change Order may be issued by the implementing official to cover any increase/decrease in quantities of original Work items in the contract.
 - ii. An Extra Work Order may be issued by the implementing official to cover the introduction of new work necessary for the completion, improvement or protection of the project which were not included as items of Work in the original contract, such as where there are subsurface or latent physical conditions at the site differing materially from those indicated in the contract or where there are duly unknown physical conditions at the site of an unusual nature differing materially from those ordinarily encountered and generally recognized as inherent in the Work or character provided for in the contract.
 - iii. Any cumulative Variation Order beyond ten percent (10%) shall be subject of another contract to be bid out if the works are separable from the original contract. In exceptional cases where it is urgently necessary to complete the original scope of work, the Head of the Procuring Agency may authorize the Variation Order beyond ten percent (10%) but not

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more than twenty percent (20%) subject to the guidelines to be determined by the GPBB.

In claiming for any Variation Order, LBRDC shall within seven (7) calendar days after such work has been commenced or after the circumstances leading to such condition(s) leading to extra cost, and within twenty-eight (28) calendar days deliver a written communication giving full and detailed particulars of any extra cost in order that it may be investigated at that time. Failure to provide either of such notices in the time stipulated shall constitute a waiver by LBRDC for any claim. The preparation and submission of Variation Orders are as follows:

- a. If the Head of the Procuring Agency believes that a Change Order or Extra Work should be issued, he shall prepare the proposed Order accompanied with the notices submitted by LBRDC, the plans therefore, his computations as to the quantities of the additional works involved per item indicating the specific stations where such works are needed, the date of his inspections and investigations thereon, and the logbook thereof, and a detailed estimate of the unit cost of such items of work, together with his justifications for the need of such Change Order or Extra Work Order, and shall submit the same to the Procuring Agency's Representative.
- b. The Procuring Agency's Representative, upon receipt of the proposed Change Order or Extra Work Order shall immediately instruct the technical staff of the Procuring Agency to conduct on-the-spot investigation to verify the need for the Work to be prosecuted. A report of such verification shall be submitted directly to the Procuring agency's Representative.
- c. If, after review of the plans, quantities and estimated unit cost of items of work involved, the proper office of the procuring entity empowered to review and evaluate Change Orders or Extra Work Orders recommends approval thereof, the Procuring Agency's Representative shall endorse the same to the Building Committee for approval and to the HOBAC before endorsing to LBRDC.
- d. The time frame for the processing of Variation Orders from the preparation up to the approval by the Head of the Procuring Agency concerned shall not exceed thirty (30) calendar days.

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M. Securing of Occupancy Permit (as per Chapter III)

N. CONTRACT COMPLETION

Once the project reaches an accomplishment of ninety five percent (95%) of the total contract amount, the Procuring Agency may create an inspectorate team to make preliminary inspection or joint punch list for appropriate action by LBRDC in preparation for the final turnover of the project. Said punch lists will contain among others, the remaining Work deficiencies for necessary corrections, and the specific duration/time to fully complete the project considering the approved remaining contract time.

O. SUSPENSION OF WORK


- O.1 The PROCURING AGENCY shall have the authority to suspend the work wholly or partly by written order for such period as may be deemed necessary, due to force majeure or any fortuitous events. Failure on the part of LBRDC to correct bad conditions which are unsafe for workers or for the general public, to carry out valid orders given by the PROCURING AGENCY or to perform any provisions of the contract, or due to adjustment/revision of plans to suit field conditions as found necessary during construction may also be ground for suspension of work. If the PROCURING AGENCY had noted reason, LBRDC shall immediately comply with such order to suspend the work wholly or partly and once the problem has been corrected, request for resumption or lifting of hold order.
- O.2 LBRDC upon learning of the said suspension of work from Procuring Agency's PMED, the Project Engineer or the Team Leader concern shall immediately inform the Purchasing Unit to put "on-hold" all its prepared Procurement Request Forms (PRFs) to avoid unnecessary procurement of materials that may eventually put the said materials in peril if procured. It follows that all the scheduled bidding for the said materials will be stopped until the issuance of the requesting unit of the work resumption order.
- O.3 LBRDC or its duly authorized representative shall have the right to suspend work operation on any or all projects/activities along the critical path of activities after fifteen (15) calendar days from date of receipt of written notice from the district engineer/regional director/consultant or equivalent official, as the case may be, due to the following:

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- a) There exist right-of-way problems which prohibit LBRDC from performing work in accordance with the approved construction schedule.
- b) Requisite construction plans which must be owner-furnished are not issued to LBRDC precluding any work called for such plans
- c) Peace and order conditions make it extremely dangerous, if not possible, to work. However, this condition must be certified in writing by the Philippine National Police (PNP) station which has responsibility over the affected area and confirmed by the Department of Interior and Local Government (DILG) Regional Director.
- d) There is failure on the part of the Procuring Agency to deliver owner furnished materials and equipment as stipulated in the contract.
- e) Delay in the payment of LBRDC's claim for progress billing beyond forty five (45) calendar days from the time LBRDC's claim has been certified by the procuring agency's authorized representative that the documents are complete unless there are justifiable reasons thereof which shall be communicated in writing to LBRDC.

P. SUB-CONTRACTING

- P.1 Unless otherwise indicated in the SCC, LBRDC cannot subcontract more than fifty percent (50%) of the value of Works except for those projects that consist mainly of specialty work items, i.e., structural steel works, roofing works, glass and aluminum works, retrofitting works, waterproofing works and other works that require special skills. Sub-contracting of any portion of the Works does not relieve LBRDC of any liability or obligation under the Contract. LBRDC will be responsible for the acts, defaults, and negligence of any sub Servicing Agency, its agents, servants, or workmen as fully as if these were their own acts, defaults, negligence, or those of its agents, servants or workmen.
- P.2 All subcontracting arrangements as disclosed and identified during the eligibility check shall not be changed during the implementation of the Contract.

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- P.3 At the end of every sub-contracting works, the LBRDC's Project Engineer in charge of construction shall evaluate the over-all performance of the sub-contractor by using the Performance Evaluation and Appraisal for Sub-Contractors form (see Annex F).