CONSTRUCTION CONTRACT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

This **CONTRACT** entered into on 4th of **February, 2025** at Tipas, Taguig City, Philippines, by and between:

MS. JOSEPHINE J. MARCELO, of legal age, single/married, and with address at #47 F. Manalo St., Brgy. Palingon Tipas, Taguig City, hereinafter referred to as the **"OWNER"**.

and

BEDROCK ENGINEERING SERVICES, a sole proprietorship with office address at Bldg. 14 Unit 3, Cedar St., Brgy. Fairview, Quezon City, duly represented herein by **MR. MARLON A. CANALE**, hereinafter referred to as the **"CONTRACTOR"**.

WITNESSETH:

WHEREAS, the OWNER desires to construct a **"THREE STOREY RESIDENTIAL APARTMENT WITH ROOF DECK"** located at #396 Bonifacio St., Brgy. Hagdang Bato Libis, Mandaluyong City.

WHEREAS, the OWNER has agreed to engage the services of the CONTRACTOR and the CONTRACTOR has agreed to provide its services to the OWNER, subject to the terms and conditions of this CONTRACT.

Now, therefore, for and in consideration of the above premises and of the mutual stipulations stated below, the **OWNER** and the **CONTRACTOR** have agreed as follows:

ARTICLE 1
SCOPE OF WORK

1.1 The CONTRACTOR shall supply all the necessary labor, tools, materials, equipment and supervision to construct and complete the construction of **"THREE STOREY RESIDENTIAL APARTMENT WITH ROOF DECK"**. The CONTRACTOR shall perform all the WORK and fulfill the conditions required in this CONTRACT and the CONTRACT DOCUMENTS. (See attachment of **"Detailed Scope of Works"**)

1.2 The Contractor shall be primarily responsible for all safety measures in prosecuting the Work and shall comply with all laws regarding safety in construction. The Contractor shall erect and properly maintain at all times such barriers, shoring, supports, braces, lights, danger signs, and necessary safeguards in prosecuting the Work to prevent injury to persons on, about, or adjacent to the premises where the

1.3 Work is being performed and protect from damage the Work, the Owner's property and/or the adjoining properties.

1.4 The Contractor shall provide and maintain temporary structures and facilities such as office, barracks, fabrication area, for the use of its personnel and laborers with necessary basic facilities such as water, light, and sanitary toilet.

1.5 The Contractor shall use such methods and deploy such manpower to ensure the completion of the Work of the required quality within the Completion Time.

1.6 The Contractor shall perform any work and shall furnish and install all materials and equipment necessary during an emergency endangering life or property, and shall act at its discretion, and even without special instruction or authorization from the Owner, to prevent or minimize such threatened loss or injury. Such work performed by the Contractor shall be treated as a Change Order unless such was caused or brought about by its fault or negligence.

1.7 The Contractor shall at all times keep the premises free from waste materials or rubbish and shall be responsible for the cleaning up of the site and the Work at the completion of the Work, and shall turn over the work for occupancy. The Contractor shall remove all temporary work, all its tools, scaffoldings, and surplus materials, including all dirt, stains, and the like on all finishing of floors, walls and ceiling, decorative work, finishing hardware and fixtures. If the Contractor failed to do so, the Owner may clean up the site and charge the cost thereof to the Contractor as the Owner shall determine to be just.

1.8 The Contractor shall test-run the Facility (all the equipment, fixtures and utilities) successfully before the Work can be accepted as substantially completed. Should the Contractor be unable to do so through no fault of his, the Contractor shall automatically be entitled to an extension of Completion Time equal to the period of delay.

1.9 The Contractor shall secure and submit all of the following, as applicable, as a condition for the release of the final payment:

a. Certificate of Final Building Occupancy unless such cannot be obtained through no fault of the Contractor;
b. Certificate of Final Inspection of electrical and water unless such cannot be obtained through no fault of the Contractor;
c. One (1) hardcopy and One (1) softcopy of As-Built Drawings of Structural, Architectural, Electrical, Sanitary works, if such works are within the scope of the Contract, showing the system and actual locations of outlets, fixtures, services and equipment that were installed;
d. One (1) hardcopy and One (1) softcopy of Instructions and manual for operating and maintaining of fixtures and equipment; and
e. Keys

ARTICLE 2
CONTRACT DOCUMENTS

2.1 The CONTRACT DOCUMENTS, which are incorporated and made an integral part of this CONTRACT, shall consist of the following:

(a) Construction Contract;
(b) Approved Proposal;
(c) Approved Plans and Drawings;
(d) Detailed Scope of Works
(e) Bill of Quantities;
(f) Construction Schedule;
(g) Extra Work/Change Orders;
(h) Subsequent agreements and documents mutually agreed upon and signed by the Owner and the Contractor; and
(i) Other Contract Documents.

2.2 Prior to commencing the WORK, the Contractor shall notify the Owner in writing of any discrepancy, defective description, errors, omissions or ambiguity in any of the Contract Documents. The Owner shall make a determination of such conflict, discrepancy, defective description, error or omission, which shall be communicated to the Contractor in writing and shall form part of this CONTRACT.

ARTICLE 3
CONTRACT PRICE

3.1 The Owner shall pay the Contractor Philippine Pesos with the amount of **FIFTEEN MILLION FOUR HUNDRED FORTY-THREE THOUSAND SIX HUNDRED FIFTY-SIX AND 16/100 PESOS ONLY (PHP 15,443,656.16)**, in consideration of the CONTRACTOR's satisfactory performance and accomplishment of all the obligations specified under this Contract, which shall be payable in the manner stated in Article 4.

3.2. The Contract Price may be adjusted by the parties, at the request of the CONTRACTOR, for any of the following reasons:

a. if there is work involving discrepancy, defective description, errors, omissions or ambiguity in any of the Contract Documents. The cost of such corrective work shall be agreed by the parties prior to implementation. Any work done by the Contractor involving such discrepancy, defective description, error, omission or ambiguity, not reported to and without the knowledge of the Owner, shall be at the Contractor's risk and expense.

b. if there is extra work and/or change in the scope of work. The value of such extra work or change order shall be determined and agreed upon in accordance with Article 6.

c. if the Work is suspended on the grounds stipulated in Article 8.

ARTICLE 4
MANNER OF PAYMENT

4.1 An advance payment equivalent to **30 percent (30%)** of the Contract Price with the amount of **FOUR MILLION SIX HUNDRED THIRTY-THREE THOUSAND NINETY-SIX and 85/100 PESOS ONLY (P 4,633,096.85)**.

4.2 Such advance payment shall be recouped from every Request for Payment by deducting a portion equivalent to the actual percentage of work accomplished until the advance payment is fully liquidated.

4.3 The Contractor shall submit to the Owner a **Request for Payment** referred as **Progress Billing** of actual work accomplished every Four (4) weeks. Each Request for Payment shall be computed based on actual percentage of accomplishment. Actual accomplishment must be equal or more than the target accomplishment.

4.4 The Owner shall, within fifteen (15) days from receipt of the Request for Payment, evaluate and pay the amount certified to be due to the Contractor for work accomplished.

4.5 The Owner shall retain ten percent (10%) of the Contract Price (the "**retention money**") from every Request for Payment. The retention money shall be released not later than 60 calendar days upon the acceptance of WORK and issuance of CERTIFICATE OF COMPLETION.

4.6 When the Contractor notifies the Owner in writing that the WORK under the Contract has been completely performed, the Owner shall promptly proceed to verify the WORK, certify to the completion of the WORK, and accept the same.

ARTICLE 5
CONTRACT COMPLETION TIME

5.1 The Work shall commence upon signing of this Contract and the release of advance payment, whichever comes later. The Work shall be completed within **two hundred forty (240) calendar days** counted from commencement date subject to extension of time as hereinafter provided.

5.2 The Contractor shall be entitled to an equitable adjustment of Completion Time where the Contractor is obstructed or delayed in the execution or completion of the Work by reason of any of the following:

(a) an act of God or force majeure such as fire, earthquake, flooding, epidemic, riots, terrorism, local or national emergency, and the like;

(b) unsuitable weather conditions which render the work impracticable or impossible or which slow down the prosecution of the Work;
(c) third-party strikes or lockouts or strikes by employees other than the Contractor's employees or a lockout by an employer other than the Contractor;
(d) the act, neglect, delay or fault of the Owner, or any other contractor employed by the Owner on the Work;
(e) peace and order conditions;
(f) changes ordered or authorized by the Owner or authorized under the Contract; or
(g) delay authorized by the Owner pending the negotiation, mediation, or arbitration of a dispute between the Owner and the Contractor.

5.3 For delay caused by the above mentioned reasons, the Contractor shall, within seven (7) days from the occurrence or termination of the event, notify the Owner, and the Owner shall, not later than seven (7) days from receipt of such notice, give the Contractor an equitable adjustment of the Completion Time. If the Owner fails to reply or to give an equitable adjustment within the said period, such shall be deemed an approval of the adjustment requested by the Contractor.

ARTICLE 6
CHANGES IN THE WORK

6.1 The Owner may at any time order extra work or make changes in the scope of work consisting of additions or deletions or modifications, and shall issue the corresponding Extra Work/Change Order. The contract price and the contract period may be changed on account of such Extra Work/Change Order.

6.2 The value of any extra work or changes shall be determined and agreed upon by the Parties, provided it does not exceed of the original Contract Price of the particular pay item. In instances where the materials cost is lower than the original contract price, any excess amount will be refunded to the Owner; however, such changes will not be covered under the Contractor's warranty due to potential quality concerns regarding the materials. If the Owner and the Contractor failed to arrive at an agreement as to the adjustment of Contract Price and/or Completion Time for the extra work, the Owner may award such extra work to another contractor.

6.3 If the changes caused an increase in contract price, the Contractor shall furnish additional proposal. Should the extra work or changes (additive work) exceed the original Contract Price, such shall be covered by a supplemental contract.

ARTICLE 7
CORRECTIONS OF WORKS AND WARRANTY

7.1 The Owner shall issue to the Contractor, within sixty (60) days from date of substantial completion, one or more lists of defects found or discovered on the completed work **(punch list/s)**. The Owner may add to the punch list items, but only as to corrective work in the original punch list, not later than thirty (30) days from

substantial completion.

7.2 The Contractor shall correct, remove and replace poor or inferior work within thirty (30) days from receipt of the last item in the punch list. If the Contractor fails to do any such corrective work, the Owner shall, upon written notice to the Contractor, be entitled to carry out such work by its own workers or by another contractor, and charge the cost thereof to the Contractor. The amount of damages for corrective works not completed within the said period shall be based on the value of such uncompleted corrective work in the Bill of Quantities.

7.3 The Owner shall notify the Contractor of any hidden defect discovered within **one (1) year** from the date of completion. Should any defect develop in the Work within the warranty period due to fault in material and/or workmanship, the Contractor shall make all repairs and do all necessary work to correct the defective work to the Owner's satisfaction. Such repairs and corrective works shall commence within seven (7) days after receipt of written notice by the Owner and shall be done by the Contractor at its sole expense.

7.4 Contractor do hereby warrant that labor and materials furnished and work performed in accord with the Contract, scope of works and authorized modifications thereto, and will be free from defects due to defective materials and workmanship for a period of **ONE (1) YEAR** from the date of acceptance.

7.5 Warranty period for waterproofing works is **THREE (3) YEARS** from the date of acceptance covering labor and materials for leaks caused by faulty materials or improper application. The following conditions and forms of damage are not covered by this warranty;

(a) **Structural damage:** Leaks caused by structural cracks or movement in the building.
(b) **Natural disasters:** Damage from earthquakes, floods, hurricanes, or other extreme weather events.
(c) **Improper or poor maintenance:** Leaks resulting from neglecting regular maintenance practices like cleaning debris from drainage systems and/or floor drains.
(d) **Modifications to the building:** Damage caused by alterations or additions made to the building.
(e) **Cosmetic damage:** Blemishes or discoloration not related to water penetration.

7.6 The structural warranty is valid for a period of **FIFTEEN (15) YEARS** from the date of acceptance. It specifically covers any defects related to the structural components of the building that may compromise its structural integrity due to poor workmanship or execution of works. The scope of this warranty includes, but is not limited to, the following issues:

(a) Welding defects in the structural frames of the building, such as columns and beams;
(b) Loose or inadequate connections between structural steel members/frames;

(c) Sagging of slab on grade due to foundation settlement caused by poor workmanship or execution of work;
(d) Major cracks in suspended slab and stairs.

It is imperative to note that any defects identified within the warranty period must be rectified by the Contractor at their sole expense. However, please be aware that any structural defects resulting from inadequate structural design or occurring outside the boundaries or limits set forth in the structural design will not be covered by this warranty.

7.7 All warranty will become void due to the following reason:

(a) an act of God or force majeure such as fire, earthquake, flooding, riots and terrorism;
(b) third party damage such as construction, repair, alteration, renovation of the neighboring property or alike;
(c) any change, addition, deletion, modification, repair, replacement was made to the Deliverables by other contractors and/or entities;
(d) outside of the supplier or manufacturer's warranty for the materials such as plumbing fixtures and other equipment and devices, it is essential that a warranty certificate from the manufacturer or supplier is provided by the Contractor to the Owner;
(e) improper repairs or alterations, misuse, neglect or accident by Owner and/or other entities;
(f) operation, maintenance or use of the Project, Work or any component thereof in a manner not in compliance with a material requirement of operation and maintenance manuals delivered by Contractor to Owner;
(g) normal wear and tear;
(h) normal corrosion; and
(i) failure by Owner to report a deficiency within the specified warranty period.

ARTICLE 8
SUSPENSION OF WORK AND TERMINATION OF CONTRACT

8.1 CONTRACTOR'S RIGHT TO SUSPEND WORK OR TERMINATE CONTRACT

8.1.1 The Contractor may suspend work or terminate the Contract upon fifteen (15) days written notice to the Owner for any of the following reasons:

a. If an order of any court or other public authority caused the Work to be stopped or suspended for an aggregate period of sixty (60) days or more through no act or fault of the Contractor or its workers;

b. If the Owner fails to pay the Request for Payment or any amount due the Contractor within the prescribed period and as herein provided;

c. If the Owner suspends the Work without just cause for more than an aggregate period of fifteen (15) days without the Contractor's consent and;

d. If the Owner fails to issue its approval of Variation Orders for additional works along the critical path, beyond fifteen (15) days after its submission.

8.1.2 If the suspension is necessary for the proper execution of the Work or by reason of weather or other conditions affecting the safety of the Works and/or the Contractor's workers, the Contractor may request the Owner to suspend work in accordance with the applicable provisions herein provided.

8.1.3 The Contractor shall be entitled to an equitable adjustment of Completion Time and/or Contract Price for suspension of work due to the above circumstances.

8.2 OWNER'S RIGHT TO SUSPEND WORK OR TERMINATE CONTRACT

8.2.1 SUSPENSION. The Owner, by a written order, may direct the Contractor to stop the Work or any portion thereof for causes that affect the Work, which may include any of the following:

a. unsuitable weather or other conditions considered unfavorable for the prosecution of the Work;

b. failure of the Contractor to correct conditions that constitute a danger to its workers or the general public or to correct defective work;

c. the necessity for adjusting the Drawings to suit site conditions found during construction, or in case of a change in Drawings and Specifications;

d. failure of the Contractor to supply sufficient skilled workers or suitable materials or equipment;

e. failure of the Owner to supply Owner-supplied materials on time, where such failure is due to causes beyond the reasonable control of the Owner;

f. force majeure or fortuitous event;

g. peace and order problems; or

h. any condition similar to the above that are beyond the control of the Owner.

The Contractor shall be entitled to an equitable adjustment of Completion Time and Contract Price for suspension of work.

8.2.2 TERMINATION. The Owner may terminate the Contract upon the occurrence of any of the following:

a. if the Contractor violates in any substantial way any provision of the Contract; or
b. if there is a negative slippage of thirty percent (30%) in the prosecution of the Work.

ARTICLE 9
COMPLETION OF WORK AND FINAL ACCEPTANCE

9.1 The Contractor shall complete the Work in accordance with the Contract, within the Completion Time and as adjusted due to changes both directed and constructive.

9.2 The Owner may issue to the Contractor a written acknowledgment of substantial completion which may be in the form of a Certificate of Substantial Completion or equivalent document in writing within seven (7) days from receipt.

9.3 The Owner may take possession of and use any completed portion of the Work. In such case, the Owner shall issue a Certificate of Completion for such portion taken over and release the retention as required by the Contract.

ARTICLE 10
DISPUTE RESOLUTION

10.1 Any dispute or differences arising out of or in connection with this Contract shall be settled by negotiation within a non-extendible period of 15 days from written demand by either party.

ARTICLE 11
LIQUIDATED DAMAGES

If the Contractor fails or refuses to satisfactorily complete the Work within the specified Completion Time or within the agreed period of extension, after written notice from the Owner, the Contractor shall pay the Owner liquidated damages in the amount of 1/10 of 1% of the Contract Price per day of delay, without obligation on the part of the Owner to prove that it has incurred actual damages due to Contractor's delay in the performance of the Work. The total liquidated damages shall not exceed ten percent (10%) of the total Contract Price. Such amount shall be deducted by the Owner from any money due or which may become due the Contractor, or may be collected from the retention money.

THREE STOREY RESIDENTIAL APARTMENT WITH ROOF DECK
396 Bonifacio St., Brgy. Hagdang Bato Libis Mandaluyong City

Form of Contract

Agreed by:

JOSEPHINE J. MARCELO
Owner / Client

MARLON A. CANALE
Bedrock Engineering Services
Contractor

Witnessed by:

JOVERLYN J. MARCELO
Client

JOVIE ROSS M. RAQUINIO
Client

WITNESS MY HAND this FEB 05 2025 day of _____, 2025 in MANDALUYONG CITY, Philippines.

ATTY. ALWHILAN A. BALJON
Notary Public for and in Mandaluyong City.
Lina-Antonelo, 90 General Kalentong Street
Barangay Pag-asa, Mandaluyong City
Commission No. 0551-25 (2025-2026)
Attorney's Roll No. 66389
PTR No. 5711425/01-02-25/Mandaluyong City
Lifetime IBP No. 15065/Rizal
MCLE No. VII-0028873, Valid Until 04-14-2025

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BEDROCK ENGINEERING SERVICES

DESIGNER – MANAGEMENT - BUILDER

Rm. 107 ECRDC Condominium, 496 Barangka Drive, Brgy. Malamig, Mandaluyong, Metro Manila, Philippines, 1550

Cellphone no.: 09915031945 / 09610499290 ; E-mail: bedrockengineering0819@gmail.com

6 January 2025

Attention: **MRS. JOSEPHINE MARCELO**
Client/Owner

Thru: **MS. VHING MARCELO**
Client

Project: **THREE STOREY RESIDENTIAL APARTMENT WITH ROOF DECK**

Subject: **FORMAL REQUEST FOR PROJECT TIMELINE EXTENSION**

Dear Ma'am/s,

I am writing to formally request an extension of our construction schedule. While our team has remained dedicated to the project, the structural phase—which involves complex steel and concrete works—has been significantly impacted by environmental and administrative factors beyond our control.

To maintain the structural integrity and safety standards of your building, we are establishing a new completion date of **May 31, 2026.** This request is based on the following justifications:

1. **Technical & Weather Impacts on Structural Trades (93 Days)**

The 2025 rainy season created a cumulative **93-day impact** on our structural operations. Unlike indoor finishing work, the following trades are highly sensitive to moisture and rain:

- **Steel Fabrication & Manual Erection:** To ensure the safety of our rigging crew during manual I-Beam hoisting, work was suspended during rain to prevent slips on the **Adobe rock** and slippery surface. Furthermore, welding in wet conditions causes "porosity" (trapped air bubbles), which weakens the joints and creates major electrocution risks to our workers. We suspended welding during rain to guarantee the strength of the building's frame and worker's safety.
- **Rebar & Reinforcement:** Exposure to rain causes "flash rust" on reinforcement bars. Every rain event required additional man-hours to wire-brush and clean the rebars to ensure a 100% bond with the concrete.
- **Formworks & Shoring:** Because the Adobe soil does not absorb water, it creates a "basin effect." We lost significant time de-watering the site to prevent the wooden formworks from absorbing moisture, which causes them to swell, warp, and lose their alignment.
- **Concreting Works:** Pouring concrete during rain is technically prohibited as it ruins the required compressive strength and water-to-cement ratio, leading to a weak, crumbly structure. We postponed scheduled pours to ensure your foundations, slabs, and stairs reach their full design strength.
- **Masonry Works:** Heavy rain washes out fresh mortar from CHB (hollow block) and Lock Blocks joints, mortars and ruins newly applied plaster. Pausing these works was necessary to prevent future wall cracks and structural defects.

2. Mandatory Work Suspension & Re-mobilization (77 Days)

- **Restricted Operations (5 Days):** During the months of February and March 2025, we were forced to operate at a limited capacity. Because the building permit was still pending, we could only perform manual preparatory works and were legally barred from deploying a full structural team or starting major steel fabrication.

BEDROCK ENGINEERING SERVICES

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- **Administrative Stoppage:** As documented, operations were legally halted for **67 days** (March 20 – May 25, 2025) while awaiting permit releases from the Building Official.
- **Ramp-up Period:** Following the permit release, an additional **5 days** were required to re-mobilize our specialized crew and re-establish material supply chains.

3. Un-scoped Demolition Works (45 Days)

From Day 1 (February 2, 2025), we performed extensive demolition work that was not included in our original contract:

- **Manual Demolition & Safety Execution:** We demolished 35m³ of reinforced concrete slabs and 200sqm of masonry walls. This task required "pure safety execution" due to the extreme proximity of adjacent structures. Several neighbors utilize the existing perimeter walls; therefore, to avoid structural defects, vibrations, or collapse of the neighbors' properties, we strictly utilized meticulous manual methods and hand-tools instead of heavy machinery.
- **Sequential Methodology & Timeline Impact:** This labor-intensive process required 45 working days because the demolition had to be performed in a controlled technical sequence. We could not demolish the structures as a whole without risking the stability of the shared walls and adjacent neighbor's wall. Each section was carefully dismantled piece-by-piece to ensure the total protection of the surrounding properties. We provided this specialized service at no extra cost to prepare the site for the new structure while maintaining harmony with the local community.

Summary of Schedule Adjustment

Cause of Delay	Impact on Quality & Safety	Duration
Technical Weather Constraints	Prevents weak welds, rusted rebars, & soft concrete	93 Days
Legal Suspension	Mandatory Permit Wait & Re-mobilization	77 Days
Un-scoped Demolition	Manual chipping of old slab and wall	45 Days
TOTAL EXTENSION		**215 Days**

Target Completion Schedule

- **Structural Steel & Concrete Completion:** March 30, 2026
- **Masonry, Plumbing, Electrical, Architectural Finishes, Testing & Commissioning:** February 1, 2026 – May 30, 2026
- **Final Handover & Inspection:** May 31, 2026

Conclusion:

As your contractor, my priority is to ensure that your building is safe and structurally sound. Rushing these critical trades during the rainy season would have resulted in a compromised investment. For your review, please see the attached supporting documents, including the detailed Weather Calendar/Log and documentation of the un-scoped demolition works.

Thank you for your patience as we build this the right way.

Sincerely,

MARLON A. CANALE
BEDROCK ENGINEERING SERVICES
Proprietor

Conforme:

JOSEPHINE U. MERCED
Name:
Date: JAN. 17, 2024

BEDROCK ENGINEERING SERVICES

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ANNEX A. DETAILED WEATHER IMPACT & TECHNICAL RECOVERY LOG (2025)

Total Impact: 93 Calendar Days

Month (2025)	*Notable Weather Events (PAGASA)*	*Actual Rain Days*	*Recovery Days*	*Total Impact*	*Technical Reason for Delay*
FEB – MAR	*Typhoon Auring and Bising, Northeast Monsoon*	*7*	*2*	*9 Days*	***Adobe Basin Effect:*** *Footing excavations flooded. Because Adobe rock is non-porous, it holds water like a tank. Concreting was suspended as we required manual pumping and silt removal; pouring into flooded pits would have diluted the concrete and weakened the foundation.* ***Rust Remediation:*** *Frequent rain caused "flash rust" on rebars. Spent days wire-brushing and cleaning reinforcement bars to ensure a 100% bond between the steel and the poured concrete.* ***Hoisting Hazard:*** *Saturated Adobe ground made manual I-Beam hoisting unsafe. Required drying the site for rigging safety and to ensure a stable base for the manual lifting of heavy structural members.* ***Weld Prep & Porosity Control:*** *High humidity and rain prevented welding due to porosity risks (weak joints). Required grinding steel joints back to "white metal" to ensure the structural steel frame is 100% solid.* ***Masonry & Mortar Protection:*** *Moisture prevented Lock Block and CHB mortar from curing. We had to clean washed-out joints and wait for dry conditions to prevent future wall cracks and structural defects.* ***Formwork Stability & Slump Control:*** *Intermittent rain required re-tightening of warped wooden formworks and shoring audits. Concreting works were postponed during downpours to prevent "washout" of the cement paste, which ensures the slab reaches its full design strength.*
JUNE	*Typhoon Dante, Enhanced Southwest Monsoon, Low Pressure Area*	*10*	*2*	*12 Days*	
JULY	*Typhoon Danteand Emong Enhanced Southwest Monsoon, Low Pressure Area*	*14*	*3*	*17 Days*	
AUGUST	*Typhoon Kiko, Enhanced Southwest Monsoon, Low Pressure Area*	*15*	*3*	*18 Days*	
SEPTEMBER	*Typhoon Opong, Enhanced Southwest Monsoon, Low Pressure Area*	*12*	*2*	*14 Days*	
OCTOBER	*Enhanced Southwest Monsoon, Low Pressure Area*	*10*	*2*	*12 Days*	
NOV - DEC	*Typhoon Tino and Uwan, Northeast Monsoon, Abnormal Rainfall*	*10*	*1*	*11 Days*	
TOTAL		***78 Days***	***15 Days***	***93 Days***	

BEDROCK ENGINEERING SERVICES

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Cellphone no.: 09915031945 / 09610499290 ; E-mail: bedrockengineering0819@gmail.com

ANNEX B. UN-SCOPED DEMOLITION WORKS

WALL AND FLOOR SLAB TO BE DEMOLISHED

ONGOING DEMOLITION and HAULING OF FLOOR SLAB AND WALL

MEGAPLUS CONSTRUCTION CORPORATION
SINCE 2012 • PCAB No. 40993 • Category "A" • GENERAL ENGINEERING • BORED PILE CONSTRUCTION
Address: #26 K-6th Street, Barangay West Kamias, Quezon City • Telephone Number: 8921.3698
Company Email: megaplusconstruction@gmail.com • Connect: facebook.com/megapluscorp/

NOTICE TO PROCEED

Date : December 12, 2025

Project Name : Retrofitting and Renovation Works of Marmico Building

Project Location : 223 Katipunan Ave. Project 4, Quezon City, Metro Manila

Sub-Contractor : **BEDROCK ENGINEERING SERVICES**
Engr. Marlon Canale – *Managing Proprietor*

Address : Unit 107 ECRDC Condominium, 496 Barangka Drive, Brgy Malamig, Mandaluyong City, Metro Manila

Scope of Works/ Contract Name : "Structural Works – Form, Rebar, and Concreting Works of Utility Tanks (Cistern and Fire Reserve Tank), Generator Set Room, and Pump Room"

Contract Amount : **Php 450,000.00 – Labor and Equipment Only** including ~~Excluding~~ waterproofing

Dear Sir:

Since the attached Construction Contract Agreement with you for above-stated Scope of Works/Contract Name has been approved by this Office, you are hereby instructed to immediately proceed, effective upon the date of your receipt of this Notice, with the implementation of the provisions of the awarded scope of works, in accordance with the terms of the approved Proposal and/or Contract Agreement, including the conditions of contract, specifications, and drawings.

ENGR. VIRGILIO ABUNDO
Site Engineer

ENGR. BERNARD FAJARDO
Site Engineer

ENGR. JM MARANDA
Operations Manager

ENGR. DARWIN LARGOZA
Operations Manager

ENGR. FRANCIS ALEJO
Technical Assistant

ENGR. EMMANUEL ALEJO
Managing Director

I acknowledge receipt of the Notice on _____

ENGR. MARLON CANALE
BEDROCK ENGINEERING SERVICES – *Managing Proprietor*

CONSTRUCTION CONTRACT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

This **CONSTRUCTION CONTRACT AGREEMENT**, made _____ day of, _____, _____ by and between:

MEGAPLUS CONSTRUCTION CORPORATION, a corporation duly organized and existing under and by virtue of the laws of the Philippines with principal office and place of business at #26 K-6th Street, Kamias, Quezon City, represented herein by its Managing Director, Engr. Emmanuel A. Alejo, and

BEDROCK ENGINEERING SERVICES, with a business **address Unit 107 ECRDC Condominium, 496 Barangka Drive, Brgy Malamig, Mandaluyong City, Metro Manila** hereinafter referred to as subcontractor for "Retrofitting and Renovation of Marmico Building", represented herein by its *Managing Proprietor*, **ENGR. MARLON CANALE.**

WITNESSETH

Whereas, **MEGAPLUS CONSTRUCTION CORPORATION** intends to perform the construction of "Retrofitting and Renovation of Marmico Building";

Whereas, the **MEGAPLUS CONSTRUCTION CORPORATION** desires to hire the services of **BEDROCK ENGINEERING SERVICES**, to undertake the construction of "Structural Works – Form, Rebar, and Concreting Works of Utility Tanks (Cistern and Fire Reserve Tank), Generator Set Room, and Pump Room" located at 223 Katipunan Avenue Project 4, Quezon City, Metro Manila;

Now, therefore, for and in consideration of the above premises, **MEGAPLUS CONSTRUCTION CORPORATION** and **BEDROCK ENGINEERING SERVICES** hereunto entered in this construction contract agreement, which consists of the Basic Terms and Conditions, duly agreed upon by both parties.

BASIC TERMS AND CONDITIONS

1. Project Data

Project Name : Retrofitting and Renovation of Marmico Building
Location : 223 Katipunan Avenue Project 4, Quezon City, Metro Manila

2. Scope of Work

BEDROCK ENGINEERING SERVICES undertakes and must complete the construction of Retrofitting and Renovation of Marmico Building, which includes, but is not limited to, mobilization, demobilization, Hauling Works, Layout of Wall, Form Works, Fabrication and Installation of Rebar Works, Concreting Works for all foundation, wall, beams, and slab; and all other works reasonably required to complete the aforementioned "Structural Works – Form, Rebar, and Concreting Works of Utility Tanks (Cistern and Fire Reserve Tank), Generator Set Room, and Pump Room" as detailed in Annex A-Detailed Scope of Works.

3. Completion Dates

BEDROCK ENGINEERING SERVICES shall complete the works within the agreed timeline signed-off from both parties (See Annex B – Construction Schedule) from official Day 1 with the following conditions:

a. Min. (Direct) manpower – 8 pax. during full blast of the Construction (if the weekly "target" accomplishment is more than 3%)

4. Price of Works

MEGAPLUS CONSTRUCTION CORPORATION shall pay **BEDROCK ENGINEERING SERVICES** in consideration for the faithful satisfactory performance and accomplishment of all the obligations specified herein. (See Annex C – BEDROCK ENGINEERING SERVICES – Bill of Quantities)

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a. Down payment will be ~~20~~% upon mobilization
b. One (1) Week progress billing and subject to 5% retention
   b.1. Processing of Billing – 7 working days upon receipt of the billing statement
   b.2. If there is a disagreement in billing evaluation, **MEGAPLUS CONSTRUCTION CORPORATION** will process the billing as evaluated and the variance (submitted vs evaluated) will be subject for further reconciliation and will

be processed separately.

b.3. The maximum allowable progress billing is up to 90% only. The balance should be billed after completion of all balance of works and completion of punch list.

c. 5% retention can be claimed once **MEGAPLUS CONSTRUCTION CORPORATION** Site Team accepted the area through *Handover Acceptance Form* and issuance of *Certificate of Completion (COC) duly signed by the Authorized Representative of the Client/Owner.* MEGAPLUS CONSTRUCTION CORPORATION to present Certificate of Completion (COC) to the Authorized Representative of the Client/Owner, after the construction of the Retrofitting and Renovation of Marmico Building is completed. This is subject for their review, evaluation, and approval.

d. Relative to item 4, letter c, Completion and Acceptance of Work, Certificate of Completion, and Handover/Turnover Letters, will only be recognized and deemed final if and when an Authorized Representative of the Client/Owner signs the aforementioned documents.

e. All unit rates for deductive variation works shall be based on the corresponding unit rates submitted in the Bill of Quantity.

f. The scope of work under this Contract Agreement, as defined by the Contract Documents and the Bill of Quantity, is considered fixed and complete. No additional works or additive variations that result in an increase in the contract price/amount or an extension to the Contract Schedule shall be permitted or performed unless explicitly requested by the **MEGAPLUS CONSTRUCTION CORPORATION** and formalized by a mutually agreed, written Change Order signed by both parties.

g. Any such mutually agreed Change Order/Variation Order for additive and deductive works shall clearly specify the revised scope, the agreed unit rates, and any corresponding adjustments to the contract price/amount and the completion schedule.

h. It is understood and agreed that **MEGAPLUS CONSTRUCTION CORPORATION** shall not be held responsible for performing, nor entitled to compensation for, any additional works not authorized through the formal, written process outlined in item 4.e., 4.f., and 4.g.

i. **BEDROCK ENGINEERING SERVICES** to submit a signed contractor's affidavit of payment for suppliers and subcontractors to **MEGAPLUS CONSTRUCTION CORPORATION**. By submitting this affidavit, you **BEDROCK ENGINEERING SERVICES** is agreeing to indemnify, defend, and hold **MEGAPLUS CONSTRUCTION CORPORATION** harmless from any and all claims, demands, losses, or costs (including legal fees) arising from any failure on **BEDROCK ENGINEERING SERVICES** part to pay **BEDROCK ENGINEERING SERVICES** material suppliers, trade partners, or laborers. In the event any of **BEDROCK ENGINEERING SERVICES** suppliers and/or trade partners contact **MEGAPLUS CONSTRUCTION CORPORATION** with a verified claim of non-payment related to materials or services for your scope of work, **MEGAPLUS CONSTRUCTION**

CORPORATION will have no other recourse to automatically deduct the full amount of the outstanding balance from your next billings.

5. Special Terms

a. BEDROCK ENGINEERING SERVICES shall execute the works strictly in accordance with the time frame.
   a.1. Five percent (5%) negative slippage – First warning thru Memorandum
   a.2. Ten percent (10%) negative slippage – Final warning thru Memorandum
   a.3. Fifteen percent (15%) negative slippage – Subject to termination and rescindment of Construction Contract Agreement.

b. **BEDROCK ENGINEERING SERVICES** should respond to these letter/s within 5 days upon receipt and should include justification and action plan to catch up the negative slippage.

c. **BEDROCK ENGINEERING SERVICES** should allocate sufficient workforce and provide at least the minimum equipment required (See Annex D – Equipment Utilization).

d. **BEDROCK ENGINEERING SERVICES** should carry out the work at night, Sunday or Holidays, if necessary, approved by the site team/management in order to complete the project within the agreed time frame.

   d.1. Overtime Request forms must be submitted to **MEGAPLUS CONSTRUCTION CORPORATION** site team subject for approval. During any approved overtime work, and immediately upon cessation of work each day/night, the **BEDROCK ENGINEERING SERVICES** shall ensure that all lights within their designated work area and all water supply connections utilized by them are completely switched off and secured prior to their egress from the site.

e. Should Megaplus Construction Corporation, or its authorized representatives, discover that lights and/or water supply (within the BEDROCK ENGINEERING SERVICES designated work area or common areas utilized by BEDROCK ENGINEERING SERVICES) have been left open or unswitched after the BEDROCK ENGINEERING SERVICES work hours, MEGAPLUS CONSTRUCTION CORPORATION reserves the right to impose a penalty, which shall be deducted from any amounts due to the BEDROCK ENGINEERING SERVICES. Applicable penalties are as follows:
   e.1. First offense: A penalty of Two Thousand Pesos (PHP 2,000.00) or the estimated cost of the electrical consumption and/or water wastage during the period the utilities were left open, whichever amount is higher.

e.2. Second offense: A penalty of Three Thousand Pesos (PHP 3,000.00) or the estimated cost of the electrical consumption and/or water wastage during the period the utilities were left open, whichever amount is higher.

e.3. Third offense: A penalty of Four Thousand Pesos (PHP 4,000.00) or the estimated cost of the electrical consumption and/or water wastage during the period the utilities were left open, whichever amount is higher.

e.4. Fourth and all succeeding offenses: A penalty of Five Thousand Pesos (PHP 5,000.00) or the estimated cost of the electrical consumption and/or water wastage during the period the utilities were left open, whichever amount is higher.

f. **BEDROCK ENGINEERING SERVICES** can request for a claim for time extension subject for evaluation and approval by Megaplus Construction Corporation. **BEDROCK ENGINEERING SERVICES** to provide a written letter of request with complete justification to **MEGAPLUS CONSTRUCTION CORPORATION** site team and management.

g. **BEDROCK ENGINEERING SERVICES** shall submit the following reports:

g.1. Daily Construction Report – includes but not limited to daily activities on site, number of manpower per trade, target date to finish the specific activity, equipment report, daily weather report and key plan of target accomplishment for the day. (Daily Basis)

g.2. Weekly Progress Report – includes but not limited to quantified accomplishment in percent (as per BOQ), accomplished key plans and progress photos, project concerns and weekly concreting schedule. (Weekly Basis)

g.3. Approved Concrete Pouring Request – Duly signed and approved by FAJ representatives with complete details. Strictly no concrete pouring submitted, inspected, and approved at least two (2) days before actual concrete pouring, no commencement of concrete pouring.

g.4. BEDROCK ENGINEERING SERVICES shall submit an **approved Pre-Inspection and Post-Inspection document** for any and all permanent construction work activities. This document must be signed by designated **MEGAPLUS CONSTRUCTION CORPORATION** Site team and include complete details of the work. Failure to comply will result in holding of progress billing and/or non-payment for the work in question.

h. Stay-in accommodation (staff/worker's barracks) inside the project premises is strictly prohibited as per instruction of the client.

i. Family members and non-essential personnel entering or residing within the designated worker barracks are strictly prohibited. No billings will be processed until the worker is removed on site.

j. The consumption of any alcoholic beverages is strictly prohibited within the boundaries of the designated site. Any individual found in violation of this prohibition shall be grounds for immediate dismissal and replacement from the project. Moreover, any individual seeking entry into the barracks while having consumed

alcohol off-site shall be denied access by the appointed security personnel. No billings will be processed until the worker removed from site.

k. **BEDROCK ENGINEERING SERVICES** representatives shall attend and present their weekly accomplishment report every week during the technical/coordination meeting to **MEGAPLUS CONSTRUCTION CORPORATION** representatives. The schedule of the weekly coordination meetings will be provided by **MEGAPLUS CONSTRUCTION CORPORATION**. The proposed meeting area shall be at the respective project site, at the head office at #26 K6th Barangay West Kamias, and/or satellite office at MJK Farm Kilometer 85, P. Torres, Street, Brgy. Pinagkawitan of **MEGAPLUS CONSTRUCTION CORPORATION**.

l. All material (on all trades) shall be in accordance with the material specifications provided in the "For Construction Drawings" and Project Specifications.

m. All minutes of the meeting furnished during the progress of the construction shall be considered form part of this contract agreement.

n. **BEDROCK ENGINEERING SERVICES** to furnish **MEGAPLUS CONSTRUCTION CORPORATION** site team signed off testing reports regularly. This is to ensure and confirm that all material testing, Quality Assurance testing, and Quality Control Testing, have been executed and complied with. Failure to comply to provide a signed off testing report describing the testing parameters done and the corresponding passed test result, **MEGAPLUS CONSTRUCTION CORPORATION** reserves the right to not accept the scope of work and area of work until further notice.

o. **BEDROCK ENGINEERING SERVICES** warrants that the Work shall be free from defects in materials and workmanship for a period of one year from the date of final completion and acceptance.

p. **BEDROCK ENGINEERING SERVICES** must keep the project site free from accumulation of waste materials and rubbish.

q. **BEDROCK ENGINEERING SERVICES** agrees that they will not disclose, divulge, reveal, report, or use, for any purpose, any Confidential Information which the **BEDROCK ENGINEERING SERVICES** has obtained, except as authorized by **MEGAPLUS CONSTRUCTION CORPORATION** or as required by law. The obligations of confidentiality will apply during the Term of this Construction Contract Agreement and will survive indefinitely upon termination of this Agreement. Confidential Information refers to any data or other information relating to the Client, whether business or personal, which would reasonably be considered to be private or proprietary to the Client and that is not generally known and where the release of that Confidential Information could reasonably be expected to cause harm to the client.

r. **BEDROCK ENGINEERING SERVICES** shall perform the Work in a good and workmanlike manner, in accordance with the plans and specifications. **BEDROCK ENGINEERING SERVICES** shall use only first-class materials and equipment.

s. All formal communications by **BEDROCK ENGINEERING SERVICES** to **MEGAPLUS CONSTRUCTION CORPORATION** related to this Contract which, including but not limited to, notices, proposals, change orders, invoices, and any other correspondence, shall be considered valid only if:

1. Delivered in person or sent via certified mail or courier service to **MEGAPLUS CONSTRUCTION CORPORATION'S** designated head office address as stipulated in this Contract.
2. Clearly addressed to the following authorized representatives on the Contractor's behalf:
   - Emmanuel Alejo, Managing Director
   - Francis Manuel Alejo, Technical Assistant
3. Any communication not adhering to the aforementioned requirements shall be deemed null and void. **MEGAPLUS CONSTRUCTION CORPORATION** shall not be bound by any actions, obligations, or interpretations arising from such unauthorized communications.
4. **MEGAPLUS CONSTRUCTION CORPORATION** Project Site Personnel (Engineers, Architects, Staff, and Workers), and its client and client representatives limited to receive notices, proposals, change orders, invoices, and any other correspondence but have no authority to accept and/or approve notices, proposals, change orders, invoices, and any other correspondence.

t. This contract shall be governed by and construed in accordance with the laws of the Philippines.

u. This terms of conditions constitutes the entire construction contract agreement between both parties and supersedes all prior agreements, representations, and understandings between the parties, whether written or oral.

v. If any provision of this contract is held to be invalid or unenforceable as decided and instructed **BY MEGAPLUS CONSTRUCTION CORPORATION**, such provision shall be struck from this contract, and the remaining provisions shall remain in full force and effect.

w. BEDROCK ENGINEERING SERVICES shall indemnify and hold harmless the Owner/Client, **MEGAPLUS CONSTRUCTION CORPORATION** and its officers, directors, employees, agents, permitted successors, and representatives from and against any and all claims, losses, damages, liabilities, costs, and expenses, legal fees, including attorneys' fees and costs of any kind or amount whatsoever, arising out of or relating to the performance of this Contract by **BEDROCK ENGINEERING SERVICES** , its subcontractors, or its agents. This indemnification will survive the termination of this Construction Contract Agreement.

x. In consideration of the payments to be made by **MEGAPLUS CONSTRUCTION CORPORATION** to **BEDROCK ENGINEERING SERVICES** as hereinafter mentioned, **BEDROCK ENGINEERING SERVICES** hereby covenants with the MEGAPLUS CONSTRUCTION CORPORATION to execute and complete the work and

remedy any defects therein in conformity with the provisions of this CONTRACT AGREEMENT in all respects.

y. Unable to follow this terms and conditions within the time period, may lead to **TERMINATION OF CONSTRUCTION CONTRACT AGREEMENT** and **LIQUIDATED DAMAGES** to BEDROCK ENGINEERING SERVICES amounting to one tenth (1/10) of one percent (1%) of the stipulated contract price as penalty for each **CALENDAR DAYS** of delay, including Sundays and Holidays.

z. Forfeiture of retention: Without valid cause, and should **BEDROCK ENGINEERING SERVICES** does Abandonment of Work, all amounts currently withheld by **MEGAPLUS CONSTRUCTION CORPORATION** as Retention Money in accordance with the terms of this construction contract agreement shall be immediately and fully FORFEITED in favor the **MEGAPLUS CONSTRUCTION CORPORATION** to answer for any and all costs, losses, or damages, including but not limited to the cost to complete the work, incurred by **MEGAPLUS CONSTRUCTION CORPORATION**.

   a. **MEGAPLUS CONSTRUCTION CORPORATION** shall be entitled to utilize any and all unpaid sums, including the remaining balance of the original Contract Price, remaining progress billing payments not yet released, and the value of any unbilled but accomplished work, to finance the completion of the remaining Scope of Work by utilizing its own forces or engaging other contractors.

aa. Any dispute in connection with or arising out of Contract, shall to the extent possible be settled amicably by parties. The parties will negotiate in good faith to settle any dispute. In the event the Parties are not able to resolve the dispute, **MEGAPLUS CONSTRUCTION CORPORATION** will give a dispute notice to **BEDROCK ENGINEERING SERVICES.** Upon receipt of Dispute Notice, Senior Representatives from each party shall meet within ten (10) calendar days. The place of arbitration shall be in any lawful jurisdiction within Quezon City and at the sole discretion and approval of Megaplus Construction Corporation.

bb. Warranty by **BEDROCK ENGINEERING SERVICES** against substandard work and/or hidden defects in the scope of works shall be in effect for one (1) year from the completion of the scope of works and MEGAPLUS CONSTRUCTION CORPORATION at its option may either cause the reperformance by BEDROCK ENGINEERING SERVICES of the substandard work and/or hidden defect or another entity at the sole expense of BEDROCK ENGINEERING SERVICES in additional damages, costs, penalties, that MEGAPLUS CONSTRUCTION CORPORATION may suffer as a result of the breach of warranty.

RETROFITTING AND RENOVATION OF MARMICO BUILDING
223 Katipunan Ave., Project 4 Quezon City, Metro Manila

Form of Contract

Agreed by

ENGR. MARLON CANALE
BEDROCK ENGINEERING SERVICES – Managing Proprietor

Prepared by:

ENGR. VIRGILIO ABUNDO JR
Site Engineer

ENGR. BERNARD FAJARDO
Site Engineer

ENGR. JM MARANDA
Operations Manager

Endorsed by,

ENGR. DARWIN LARGOZA
Operations Manager

Approved by,

ENGR FRANCIS ALEJO
Technical Assistant

ENGR. EMMANUEL ALEJO
Managing Director