

REPUBLIKA NG PILIPINAS
TANGGAPAN NG SANGGUNIANG PANLUNGSOD
LUNGSOD NG BAKOLOD
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CITY ORDINANCE NO. 196
Series of 1997

AN ORDINANCE GRANTING CONTRACTOR INCENTIVE BONUS ON ALL LOCALLY FUNDED MAJOR AND URGENT PROJECTS WHICH ARE COMPLETED AHEAD OF SCHEDULE.

WHEREAS, to encourage contractors of all locally funded major and urgent projects to fast track the completion of such projects, it is imperative that a Contractor Incentive Bonus be given to them;

WHEREAS, PD 1594 otherwise known as the "Prescribing Policies, Guidelines, Rules and Regulations for Government Infrastructure Contracts", particularly Contract Implementation (C.I.) No. 9 clearly provides the following, to wit:

1. For major and urgent projects, except for negotiated contracts and provided that the Instructions to Bidders and other Tender and Contract Documents so prescribed, if the contractor completes the contract works ahead of schedule without any suspension order effected or extension of contract time granted, he may be given a bonus for saving the government additional expenses for engineers and inspection services and for allowing the government the early use of the completed facilities, in an amount to be determined in accordance with the following formula (equivalent to the stipulated rate for liquidated damages for each calendar day the contract works are completed ahead of schedule) but not to exceed 10% of the Contract Price

$$IB = 0.75 \times VWA$$

WHERE: IB = Total amount of Incentive Bonus
VWA = Value of Works Accomplished
ahead of schedule

2. The completion of a project ahead of schedule shall also be considered a "plus-factor" in favor of the contractor in assessing/evaluating the prequalifications for future projects.

WHEREAS, granting INCENTIVES is allowed and the Sangguniang Panlungsod is empowered to grant the same, pursuant to Article 99, Rule XVII, Rules and Regulations Implementing the Local Government Code of 1991, quoted as follows:

"2.xii. With the concurrence of at least 2/3 of all the members of the Sangguniang Panlungsod, grant tax exemptions, incentives or reliefs to entities engaged in community growth-inducing industries, subject to the provisions of Chapter 5, Title 1, Book II of the Code."


NOW, THEREFORE, be it ordained by the Sangguniang Panlungsod of Bacolod, that:

Section 1. Definition of Terms - The following terms shall mean as follows:

- a. **Major Project** is any government infrastructure project which amounts to Three Million Pesos (P3,000,000.00) and above, to be undertaken by contractors belonging to category B.
- b. **Urgent Project** is any government infrastructure project which will give immediate benefit to the greatest number of the city population; immediate relief to distressed situations, foreseen and unforeseen as justified by the City Engineer; and projects deemed urgent to prevent, or as a result of disasters or calamities.

Section 2. It is hereby established a Contractor Incentive Bonus by effecting Contract Implementation (C.I.) No. 9 of P.D. 1594, otherwise known as "Prescribing Policies, Guidelines, Rules and Regulations for Government Infrastructure Contracts", which states:

1. For major and urgent projects, except for negotiated contracts and provided that the Instructions to Bidders and other Tender and Contract Documents so prescribed, if the contractor completes the contract works ahead of schedule without any suspension order effected or extension of contract time granted, he may (shall) be given a bonus for saving the government additional expenses for engineering and inspection services and for allowing the government the early use of the completed facilities, in an amount to be determined in accordance with the following formula (equivalent to the stipulated rate for liquidated damages for each calendar day the contract works are completed ahead of schedule) but not to exceed 10% of the Contract Price



$IB = 0.75 \times VWA$

WHERE: IB = Total amount of Incentive Bonus
VWA = Value of Works accomplished
ahead of schedule

2. The completion of a project ahead of schedule shall also be considered a "plus-factor" in favor of the contractor in assessing/evaluating the prequalifications for future projects."

Section 3. The contract shall be deemed to commence from the day the contractor received a Notice to Proceed, which shall be made the basis for the computation of the Contractor Incentive Bonus.

Section 4. **Safety Mechanism** - Upon completion of every project, the contractor is required to be responsible for maintenance work within one (1) year after completion and acceptance by the owner. As an added safety precaution, the contractor is required to put up surety bond covering the total cost of the project, which means in the event of failure on the part of the contractor to repair, maintain or correct the defects noted therein within the period stipulated, the surety bond shall be answerable.

Section 5. Henceforth, the Contractor Incentive Bonus shall be included in the City Engineer's preparation of Program of Works, and as one of the conditions in every contract.

Section 6. All ordinances inconsistent with this ordinance are hereby repealed.

Section 7. This ordinance shall take effect 15 days after its publication in a newspaper of general circulation in the city.

CARRIED BY THE VOTE OF:

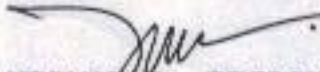
Affirmative:

- Councilors : Lorendo K. Dilag, Rolando V. Villamor, Juanito S. Amihan, Jr., Napoleon A. Cordova, Constancio G. Legaspi, Archie S. Baribar, Celia R. Flor, Joaquin L. Torre, Luzviminda S. Valdez, Juan Ramon R. Guanzon, Pepito T. Malapitan, Christine Angelie V. Matus.


Negative : Councilor Ricardo L. Tan




Main Author : Councilor Constancio G. Legaspi
 Absent : None.
 Passed : December 8, 1997 (Special Session)
 Comments : Passed.
 Councilor Renecito S. Novero was not yet
 around when this ordinance was passed.


WILMAR L. DRILON
 Vice Mayor
 Presiding Officer
CITY ORD. NO. 196 597

ATTESTED:


ATTY. NILO T. ALEJANDRINO
 Secretary to the Sanggunian

APPROVED: DECEMBER 14, 1997


EVELIO R. LEONARDIA
 City Mayor

NTA/HPL/rgl

**RECORDS DIVISION
 OFFICE OF THE MAYOR
 BACOLOR CITY**
 DATE: 12/14/97
 TIME: 11:15
 REC'D BY: 