
 <p>LBP RESOURCES AND DEVELOPMENT CORPORATION 24TH Floor LBP Plaza 1598 M.H Del Pilar cor. Dr. J. Quintos St. Malate Manila</p>	<p>CONSTRUCTION MANAGEMENT DEPARTMENT MANUAL</p>	<p>Class Code: D</p>
	<p>CHAPTER 7: MANNER OF PAYMENT</p>	<p>Reference Code: OM-CMD Revision Number: 00 Effective Date: Nov. 20, 2018 Page 70 of 93</p>

A. ADVANCE PAYMENT (MOBILIZATION FEE)

- A.1 The procuring Agency shall, upon the written request of LBRDC which shall be submitted as a contract document, make an advance payment to LBRDC in an amount not to exceed fifteen percent (15%) of the total contract price to be made in lump sum.
- A.2 The advance payment shall be made only upon the submission of the following documents:
- a. Letter Request from LBRDC
 - b. Purchase Order
 - c. Approved Budgetary Cost (RIV)
 - d. Notice of Award
 - e. Bar Chart/PERT-CPM
 - f. Copy of CARI
 - g. Notice to Proceed
 - h. Project Agreement
- A.3 The advance payment shall be repaid by LBRDC by deducting a percentage equal to that used for the advanced payment from periodic progress payments to be made to them.
- A.4 Policy of Obtaining Contractor's All Risk Insurance
- a) Upon receipt of Notice of Award or Notice to Proceed from LBP ProcD, the assigned Team Leader or Project Engineer of the project will inform the billing clerk to secure CARI in an amount equivalent to the total Contract Price and shall cover the total construction period issued thru LIBI in favor of the Procuring Agency.
 - b) In such cases where the project exceeded one (1) year from the date of securing the CARI and it is still not yet physically completed, Project

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Engineer or the Team Leader concerned will inform the billing clerk to renew the said CARI.


- c) Additional CARI shall be also obtained whenever there is an additional cost or approved change order/s as indicated in the CBWAO.
- d) LBRDC will only secure additional CARI if the approved change order is more than five percent (5%) of the contract amount or one hundred thousand pesos (P100,000.00) whichever is higher.
- e) Additional CARI coverage shall no longer be required for the Change Orders (CBWAO) provided that the original amount of CARI coverage is still sufficient to cover the remaining scope of works.

B. PROGRESS PAYMENTS

B.1 LBRDC may submit a request for payment for Work Accomplished at 20% of completion as the percentage accomplishment as embodied in the contract. Such request for payment shall be verified and certified by the Procuring Agency's Representative except as otherwise stipulated in the SCC.

For the first progress billing and succeeding billings, the following documents are necessary:

- a. Letter Request from LBRDC
- b. Purchase Order
- c. Approved Budgetary Cost (RIV)
- d. Copy of approved Building Permit (attach to 1st PB only)
- e. Endorsement memo from Procuring Agency's PMED to ProcD re: Building Committee Resolution on CBWAO and/or Contract Time Extension (CTE), Hold/Work Resumption Order
- f. BC resolution on CBWAO and/or CTE, Hold/Work Resumption Order
- g. Memo re: Approval of HOBAC on CBWAO and/or CTE, Hold/Work Resumption Order
- h. Amended P.O. due to CBWAO and/or CTE, Hold/Work Resumption Order
- i. For the final billing, the following documents must be submitted by LBRDC:
 - a. Letter Request from LBRDC
 - b. Purchase Order
 - c. Approved Budgetary Cost

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- d. Endorsement memo of Procuring Agency's PMED to ProcD re: BC Resolution on CBWAO and/or CTE, Hold/Work Resumption Order
 - e. BC resolution on CBWAO and/or CTE, Hold/Work Resumption Order
 - f. Memo re: Approval of HOBAC on CBWAO and/or CTE, Hold/Work Resumption Order
 - g. Memo re: Approval of HOBAC on CBWAO and/or CTE, Hold/Work Resumption Order
 - h. Amended P.O. due to CBWAO and/or CTE, Hold/Work Resumption Order
 - i. Notarized affidavit of non-obligation
 - j. Deed of Undertaking
 - k. Certificate of Completion
 - l. Turn-over and Acceptance
- B.2 The Procuring Agency shall have the right to deduct from LBRDC progress billing such amount as may be necessary to cover third party liabilities, as well as uncorrected discovered defects in the project subject to evaluation and conformity of LBRDC.
- B.3 Payments shall be adjusted by deducting them from the amounts for advance payments and retention. The Procuring Agency shall pay LBRDC the amounts certified by the Procuring Agency's Representative within twenty-eight (28) days from the date each certificate was issued.
- B.4 The payment for the first progress billing shall be released to LBRDC when the value of the work completed shall have reached or exceeded twenty percent (20%) of the Contract Price and upon receipt of the approved Building Permit.
- B.5 LBRDC shall request Procuring Agency's PMED to conduct a joint punch list as soon as the project reaches 95% of the total contract amount. Said punch list will contain among others, the remaining works, works deficiencies for necessary corrections, and the specific duration/time to fully complete the project considering the confirmed/approved remaining agreed time as of date of suspension. This, however, shall not preclude Procuring Agency's claim for liquidated damages.
- B.6 The final payment shall be released to LBRDC upon completion of punch listed items and approval of the Turn-over and Acceptance.