



Republic of the Philippines
Province of Davao del Norte
Municipality of Braulio E. Dujali
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BEFORE THE SANGGUNIANG BAYAN

EXCERPT FROM THE MINUTES OF THE FOURTEENTH (14TH) REGULAR SESSION OF THE SANGGUNIANG BAYAN OF BRAULIO E. DUJALI (TERM 2019-2022) AND HELD AT THE SANGGUNIANG BAYAN SESSION HALL, MUNICIPAL BUILDING ON OCTOBER 7, 2019, MONDAY.

PRESENT:

HON. DONNA MAE BALDONADO-BERNADAS, Ed.D	- Vice Mayor & Presiding Officer
HON. RESTIE E. TABIRAO	- Sangguniang Bayan Member
HON. ATTY. YASMIN V. CAMPION, REA, REB	- Sangguniang Bayan Member
HON. ANNA C. CAGULADA	- Sangguniang Bayan Member
HON. RICKY T. DELCO	- Sangguniang Bayan Member
HON. ADHEM F. FUNA	- Sangguniang Bayan Member
HON. SAMUEL F. PACRES	- Sangguniang Bayan Member
HON. NELSON C. BAER, RA	- Sangguniang Bayan Member
HON. ANGELITO P. ORILLOSA	- ABC Pres./Ex-Officio Member
HON. FRANCISCO D. BUCADON	- IPMR /Ex-Officio Member
HON. DEXTER G. MENDIO	- SKF Pres./Ex-Officio Member

ON OFFICIAL BUSINESS:

None

ABSENT:

HON. CONCORDIO B. MOMO, JR.	- Sangguniang Bayan Member
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(Sponsor: Hon. Baer)

(Co-Sponsors: Hon. Campion, Hon. Pacres, Hon. Bucadon, Hon. Mendio, Hon. Cagulada, Hon. Funas, Hon. Tabirao, Hon. Orillosa, Hon. Delco)

RESOLUTION NO. 2019-67

GRANTING AUTHORITY TO ATTY. LEAH MARIE MORAL-ROMANO, MUNICIPAL MAYOR TO ENTER INTO MEMORANDUM OF AGREEMENT BY NATIONAL FOOD AUTHORITY REPRESENTED BY MS. ENESA M. ALATAN, OFS, MAT, PROVINCIAL MANAGER IN CONNECTION WITH THE MANDATE TO ALL LOCAL GOVERNMENT UNITS TO MAINTAIN AN OPTIMAL LEVEL OF RICE INVENTORY IN TIMES OF EMERGENCY BROUGHT ABOUT BY NATURAL OR MAN-MADE CALAMITIES TO BE ABLE TO SUSTAIN THE DISASTER-RELIEF PROGRAM

WHEREAS, letter dated September 23, 2019 of Atty. Leah Marie Moral-Romano, Municipal Mayor addressed to Vice Mayor Donna Mae Baldonado-Bernadas, Ed.D., thru the Sangguniang Bayan, forwarding the letter of Ms. Enesa B. Alatan, OFS, MAT, Provincial Manager of National Food Authority, Davao del Norte was forwarded to this level and later referred to the committee, for study;

WHEREAS, the contents of the said MOA are as follows:

RICE SALES MEMORANDUM OF AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

This AGREEMENT is made and entered into this ___ day of _____ 20__ at (Name of Provincial Office), Philippines, by and between:

The **NATIONAL FOOD AUTHORITY (NFA)**, an agency of the government created pursuant to Proclamation No. 1081 by virtue of Presidential Decree No. 4, as amended by P.D. Nos. 1485 and 1770 and R.A. 11203, with principal office and place of business at Barangay Magdum, Tagum City, Davao del Norte represented by **ENESA B. ALATAN, Provincial Manager**, hereinafter referred to as **NFA**:

- and -

The **MUNICIPAL GOVERNMENT** of Braulio E. Dujali, a local government unit with principal office at the Municipal Hall located at Government Center, Dujali, Braulio E. Dujali represented herein by **ATTY. LEAH MARIE MORAL-ROMANO, Municipal Mayor**, hereinafter referred to as LOCAL GOVERNMENT UNIT (LGU).

WITNESSETH:

WHEREAS, the NFA pursuant to Republic Act 11203 is the government agency mandated to maintain an optimal level of rice inventory at any given time to be used for emergency situations and to sustain the disaster-relief programs of the government during natural or man-made calamities;

WHEREAS, under the Local Government Code (LGC), the Local Government Units (LGUs) are vested with authority to discharge the functions and responsibilities of national agencies and offices devolved to them;

WHEREAS, Local Government Units (provinces, cities and municipalities) have been tasked with providing basic social service at all times particularly in times of calamities;

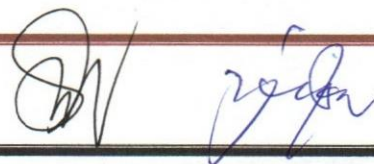
WHEREAS, the Local Government Units (LGUs) in order to provide immediate assistance to their constituents, has requested the NFA to allow them to purchase rice on cash and credit for relief distribution operation/stockpiling/prepositioning as part of their disaster preparedness and other needs of their various projects/programs;

WHEREAS, the Local Government Units (LGUs) are authorized to set aside five percent (5%) of the Internal Revenue Allotment (IRA) or any amount from estimated revenue for unforeseen expenditures arising from the occurrence of calamities, provided, that such appropriation shall be used only in the area affected by a disaster or calamity;

WHEREAS, the Local Government Units (LGUs) are required to set aside an amount equivalent to twenty percent (20%) of the estimated revenue from regular sources as annual lump sum appropriation for Local Disaster Risk Reduction and Management Fund (LDRRMF) to support disaster risk management activities;

WHEREAS, the local legislative body of the LGU has authorized its Municipal Mayor to enter into this Agreement as provided for in Resolution No. 2019-67 dated October 7, 2019 which remain in full force and effect;

WHEREAS, the NFA, cognizant of the needs of the people in times of emergency/calamity as part of the Disaster Preparedness of the government acceded to the request of the LGU to purchase rice on Cash and Credit basis subject to the agreed Terms and Conditions;



Now therefore, and in consideration of the foregoing, the parties hereto hereby agree as follows:

I. DURATION

This Agreement shall be effective and shall be valid and binding commencing on _____ and ending on _____ (end of term of office of the Municipal Mayor).

Either party, however, may terminate this Agreement without the need of judicial action and without prejudice to any right to damage in the event that there is a breach of contract committed by giving the other party a thirty (30) days prior written notice thereof, setting the reason or ground relied upon, particularly specifying the breach of contract committed. Upon such termination, the Provincial/City/Municipal Government shall settle its obligations with NFA and any overdue and unpaid account shall be subject to interest and penalty as provided herein.

II. GENERAL PROVISION:

1. The LGU shall be allowed to purchase rice from NFA based on the following terms/conditions :

A. Payment Policy

Cash Payment

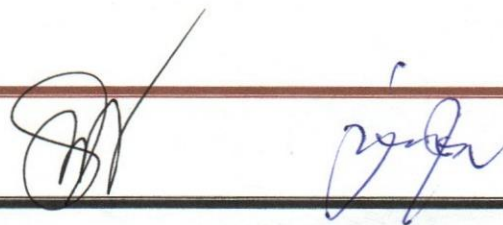
- a. For relief operations/distributions in times of calamities/disasters;
- b. For projects/programs such as to restore/rehabilitate, reconstruct the damages caused by the disaster/calamity to affected families and infrastructure;
- c. For buffer stockpiling/stock positioning intended for disaster preparedness and other related programs and projects such as feeding programs and the like.

Credit Payment

The LGU may also avail of rice loan/credit but only for relief distribution operations during actual occurrence of calamity/disaster subject to the submission of Declaration of a State of Calamity signed by the President or the Provincial Governor, City or Municipal Mayor.

B. Volume for Purchase

The maximum volume/quantity of rice that may be availed by the LGU are as follows (in bags of 50kg):



LGU	Cash	Credit
Provincial Government	5,000	500
City Government	2,000	200
Municipal Government	1,000	100

Cash Sales shall be based on the Existing/Approved Specifications of Authority for the NFA Regional Director/Provincial Manager.

For **Credit Sales**, the volume purchased / issued on credit shall be immediately paid / liquidated before an LGU can avail of succeeding purchase of rice on credit. NFA shall not be under obligation to issue rice if the LGU has an existing **unpaid account**.

In the event that another disaster/calamity occurs while the LGU has unpaid account, an additional credit **may be allowed** subject to the following conditions:

- a) That the maximum volume/quantity of rice purchase on credit is not yet exhausted;
- b) That the occurrence of the subsequent disaster/calamity is within the payment period of fifteen (15) calendar days reckoned from the date of receipt of the NFA billing;
- c) NFA reserves the right to allocate the quantity of rice to be granted to the LGU depending upon the availability of stocks;
- d) The price of rice shall be in accordance with the approved NFA Selling Price Bulletin (SPB) at the time of withdrawal;
- e) The Warehouse Stock Issue (WSI) shall be duly received and acknowledged by the LGU authorized representative/s to serve as the NFA official reconciliation documents;
- f) The weight/quantity/quality of stocks written in the official document (WSI) duly received and acknowledged by the LGU authorized representative/s shall be final and binding and shall be the basis for reconciliation, billing and collection by the NFA;
- g) Rice purchases under this Agreement shall not be used to any purpose other than as intended in the letter request/resolution; and
- h) NFA reserves the right to inspect the warehouse and/or rice distribution/relief operations to determine compliance with this Agreement.

III. OBLIGATIONS OF THE NFA

1. Shall sell rice in Cash and Credit as stated in Provisions II.1. A and B subject to the approval of the concerned Regional/Provincial Manager (based on

specifications of authority) and only for purposes stated under the General Provisions;

2. Shall evaluate the request and verify/check the documents presented. If found valid and in order, shall issue rice at designated warehouse/s;
3. Shall use the Authority to Issue (AI) and Warehouse Stock Issue (WSI) in documenting rice issuance to LGU. Shall retain the original copy of WSI for reconciliation and billing purposes;
4. Shall issue rice only to authorized representative/s of the LGU upon receipt by the Warehouse Supervisor of the Authority to Issue (AI) duly signed by the concerned Provincial Manager;
5. Shall **issue billing statement** to LGU for rice purchase on credit within **five (5)** calendar days reckoned from the date of last withdrawal as indicated in the Warehouse Stock Issue (WSI);
6. Shall ensure that **payment** is made within **fifteen (15)** calendar days reckoned from the date of receipt of Billing Statement by the LGU. In case of non-payment, shall charge the LGU interest of one percent (1%) per month and penalty of two (2%) per month based on the amount due and shall temporarily suspend the sale of rice on credit to LGU until the account/obligation/ is fully paid/settled; and
7. Shall create a Collection Committee to monitor and ensure that payment is regularly complied based on Agreement.

IV. OBLIGATION OF THE LOCAL GOVERNMENT UNIT

1. Shall submit to the concerned NFA Provincial Office (NFA PO) upon signing of the MOA, the following general requirements:
 - a. List of authorized representative/s to transact business, sign pertinent NFA documents and withdraw rice in behalf of the LGU. The list may be amended through a written notice duly signed by the Governor/City/Municipal Mayor to be submitted to the NFA Provincial Office (PO) prior to the withdrawal of rice.
 - b. Two (2) valid government identification cards (IDs)
 - c. Purchase Order (PO)
2. Shall follow/adhere to the following payment scheme for rice purchase :

For Cash Sales:

- a. Shall pay to the NFA Cashier of the concerned Provincial Office (PO) in the form of Government Check (through voucher system). A Temporary Receipt shall be issued by the NFA Cashier in exchange of the Government Check. Official Receipt (OR) shall be issued upon clearing of the Government Check or

- b. Shall opt to deposit payment to NFA Account thru the Auto Debit Arrangement (ADA) if available in the NFA Provincial Office. Once confirmed by the depository bank of the concerned NFA PO that payment has been deposited in the NFA Account, the NFA Cashier shall issue the corresponding Official Receipt (OR). The LGU shall present the OR to the Marketing Operations Section (MOS) for preparation of the Authority to Issue (AI).

For Credit Sales:

- a. Shall upon declaration of the affected area as under a State of Calamity, purchase rice on credit for relief distribution operations and submit the following documents:
- Formal written request from the Provincial Governor/City or Municipal Mayor for rice purchase specifying that rice is for relief distribution operations and the volume/quantity of rice for purchase;
 - Approved Ordinance or Resolution of the Sangguniang Panlalawigan/Panglunsod/Pangbayan authorizing the LGU through its Provincial Governor/City or Municipal Mayor to purchase rice on credit from the NFA under the Rice Sales Program and specifying the fund source either:
 - Local Disaster Risk Reduction and Management Fund
 - Special Development Fund
 - Emergency Fund or
 - Other fund appropriated for such obligation

The resolution shall contain the following information;

- That the rice is for relief distribution operations in the area under a State of Calamity as declared.
 - The payment shall be within **fifteen (15) days** from the date of LGU acknowledgement of the NFA billing statement; and
 - The volume/quantity of rice to be purchased.
- b. Purchase Order (PO) indicating the quantity of rice to be purchased signed by the Provincial Governor/City/Municipal Mayor and with Certification of Funds Availability by the Provincial/City/Municipal Accountant indicating the source of fund (Special Development Fund/ Local Disaster Risk Reduction and Management Fund/Emergency Fund or any fund appropriated for the rice sales program).
3. Shall withdraw rice stocks within seven (7) working days from receipt of Authority to Issue (AI) duly signed and issued by the NFA Provincial/District Office.

For cash sales:

Unwithdrawn rice after the prescribed withdrawal period shall be charged a storage fee, the computation shall be based on the unwithdrawn volume, number of days stockpiled, and the prevailing rate in the area.

For credit sales:

The entire quantity indicated in the Authority to Issue (AI) or a portion thereof that remains unwithdrawn at designated NFA warehouse after the prescribed seven (7) working days withdrawal period shall be deemed cancelled.

4. Shall pay for the rice stocks issued on credit within the required fifteen (15) calendar days payment period. In case of non-payment, shall pay interest computed at one percent (1%) per month and penalty of two percent (2%) per month based on the amount due and that rice loan shall be temporarily suspended until the account/obligations is fully paid/settled.

V. OTHER CONDITIONS:

1. In compliance to the Budget Reform Program, all rice purchases availed on credit shall be fully paid/liquidated within the calendar year. Rice sales on credit shall be temporarily suspended pending payment of outstanding obligations.
2. Should NFA be constrained to resort to court action to enforce or safeguard its rights and interest under this Agreement, the LGU shall pay attorney's fees the amount equivalent to twenty percent (20%) of the total claims, exclusive of interest, damages, and litigation expenses.
3. The terms and conditions of this Agreement may be amended, modified or additional stipulation may be added upon mutual agreement in writing by both parties. Any supplemental agreement shall form an integral part of this Agreement and shall describe and specifically refer to the particular provision which is being changed, modified or superseded.
4. It is clearly understood that failure to demand compliance with any of the terms and conditions of this Agreement or any act of liberality shall not be construed or considered as waiver on the part of the NFA to enforce this Agreement nor shall it relieve the LGU of its obligation provided hereunder.

VI. VENUE

The parties agree that all disputes, legal actions, suits and proceedings arising out or relating to this Agreement shall be brought EXCLUSIVELY in the courts of Quezon City.

IN WITNESS WHEREOF, the parties have hereunto affixed their signatures on the date and at the place above-written.

NATIONAL FOOD AUTHORITY (NFA)

MUNICIPAL GOVERNMENT
OF BRAULIO E. DUJALI

BY:

BY:

ENESA B. ALATAN OFS, MAT
PROVINCIAL MANAGER

ATTY. LEAH MARIE MORAL-ROMANO
MUNICIPAL MAYOR

FUNDS AVAILABILITY:

ERNAN M. FUNA, CPA
LGU ACCOUNTANT

SIGNED IN THE PRESENCE:

Witness

Witness

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
) S.S.

BEFORE ME, a Notary Public, this ____ day of _____, 20__ personally appeared:

<u>NAME</u>	<u>GOVERNMENT ISSUED ID</u>
ENESA B. ALATAN, OFS, MAT	_____
ATTY. LEAH MARIE MORAL-ROMANO	_____

known to me and to be the same persons who executed the foregoing instrument which is a Memorandum of Agreement and they acknowledged to me that the same is their own, free and voluntary act and deed as well as that of the institution they represent.

The foregoing instrument consist of nine (9) pages including this page on which this Acknowledgement is written, and each and every page of which has been signed by the aforesaid parties, their witnesses, and sealed with notarial seal.

IN WITNESS THEREOF, I HAVE HERETO SET MY HAND AND SEAL on the date and place above written.

NOTARY PUBLIC
Until December 31, 20__
PTR NO. _____
Issued at _____
Issued on _____

Doc. No. _____
Page No. _____
Book No. _____
Series of 2019

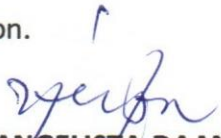
WHEREAS, Local Government Units have been tasked to provide basic social services at all times particularly in times of calamities,

WHEREFORE, on motion of Hon. Nelson C. Baer, duly seconded by all members present, it is hereby;

RESOLVED TO GRANT AS THIS BODY HEREBY GRANTS AUTHORITY TO ATTY. LEAH MARIE MORAL-ROMANO, MUNICIPAL MAYOR TO ENTER INTO MEMORANDUM OF AGREEMENT BY NATIONAL FOOD AUTHORITY REPRESENTED BY MS. ENESA M. ALATAN, OFS, MAT, PROVINCIAL MANAGER IN CONNECTION WITH THE MANDATE TO ALL LOCAL GOVERNMENT UNITS TO MAINTAIN AN OPTIMAL LEVEL OF RICE INVENTORY IN TIMES OF EMERGENCY BROUGHT ABOUT BY NATURAL OR MAN-MADE CALAMITIES TO BE ABLE TO SUSTAIN THE DISASTER-RELIEF PROGRAM

CARRIED.

I HEREBY CERTIFY to the correctness of the foregoing resolution.


JULIET EVANGELISTA-DAANTON
Secretary to the Sanggunian
(MGDH I)

Attested to be duly adopted:


DONNA MAE BALDONADO-BERNADAS, Ed.D
Municipal Vice Mayor & Presiding Officer