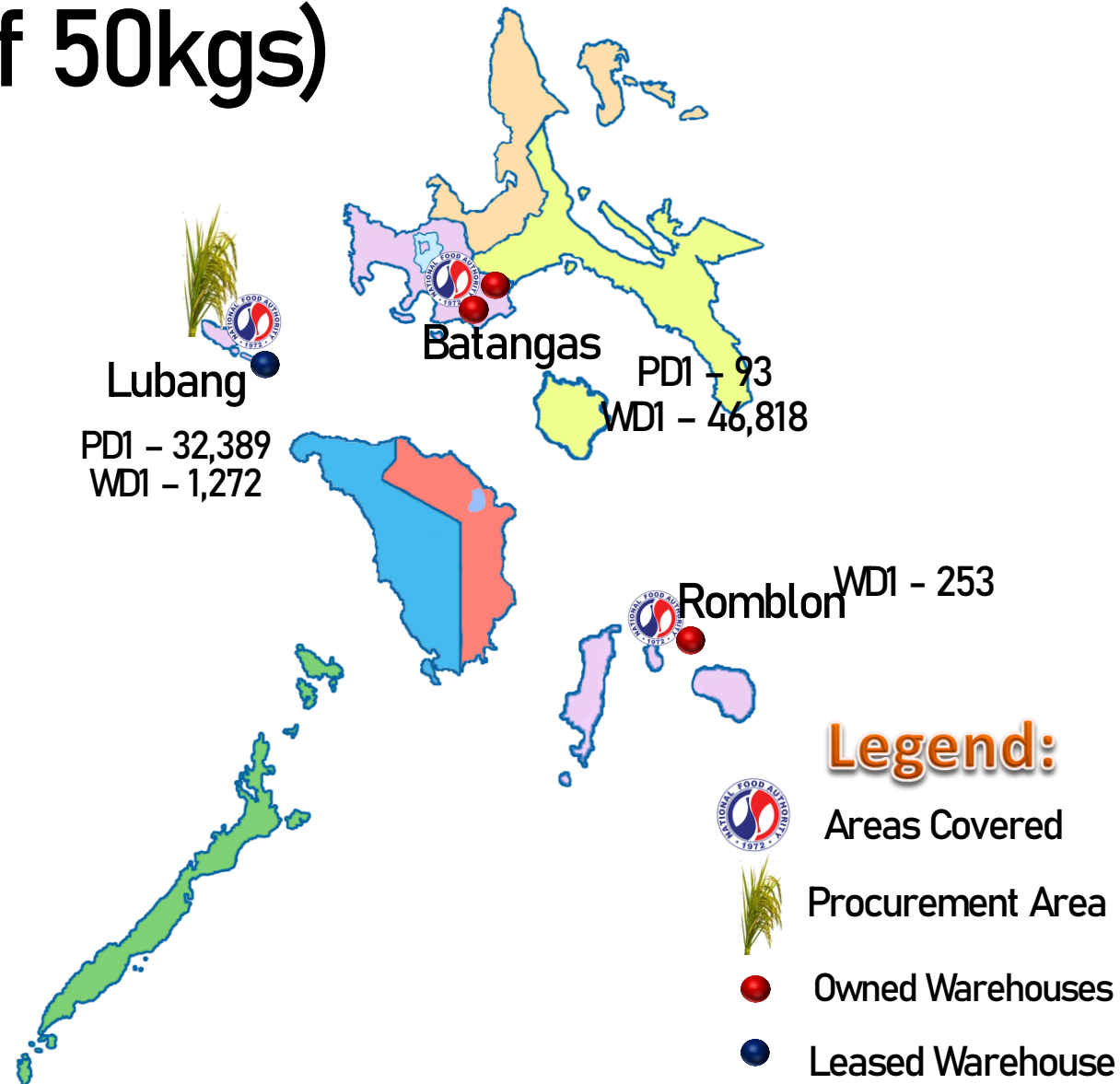


# STOCK INVENTORY AS OF MARCH 20, 2023

## (In bags of 50kgs)

Palay (Rice Equiv.)	20,464
Local Rice	<b>48,343</b>
<b>Total Rice Equiv.</b>	<b>68,807</b>
<b>Daily Rice Consumption Requirement</b>	<b>19,860</b>
<b>Days to Last (DCR)</b>	<b>3.46</b>



## MEMORANDUM OF AGREEMENT ON RICE SALES

KNOW ALL MEN BY THESE PRESENTS:

This AGREEMENT is made and entered into this \_\_\_\_ day of \_\_\_\_ 20\_\_ at \_\_\_\_\_, Philippines, by and between:

The **NATIONAL FOOD AUTHORITY (NFA)**, a government owned and controlled corporation created by virtue of Presidential Decree No. 4, as amended, with principal office and place of business at NFA Central Office, Visayas Avenue, Brgy. Vasra, Quezon City, represented by \_\_\_\_\_, and hereinafter referred to as **NFA**;

- and -

The **(NAME OF LGU)**, a local government unit with principal office at \_\_\_\_\_ represented herein by its Municipal Mayor, \_\_\_\_\_, hereinafter to as **LGU**; That the NFA and the LGU shall be collectively referred herein as “Parties” and individually as “Party”.

• **WITNESSETH:**

**WHEREAS**, the NFA pursuant to Republic Act 11203 is the government agency mandated to maintain an optimal level of locally sourced rice buffer stocks 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**, LGUs (provinces, cities, and municipalities) have been tasked to provide basic social service at all times, particularly in times of calamities;

**WHEREAS**, the LGU, in order to provide immediate assistance to their constituents, has requested the NFA to allow them to purchase rice in cash for relief distribution operation/stockpiling/prepositioning as part of their disaster preparedness and other needs of their various projects/programs;

**WHEREAS**, the 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 LGUs are required to set aside an amount equivalent to twenty percent (20%) of the estimated revenue from regular source 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.\_\_\_\_\_, series of 20\_\_\_dated\_\_\_\_\_ which remains in full force and effect;

**WHEREAS**, 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 in cash 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 <authorized signatory>).
- 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 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.

## A. 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
Provincial Government	5,000
City Government	2,000
Municipal Government	1,000

**Cash Sales** shall be based on the Existing/Approved Specifications of Authority for the NFA Branch Manager.

### III. OBLIGATIONS OF THE NFA

1. Shall sell rice in Cash as stated in Provisions II.1.A subject to the approval of the concerned Regional/Branch Manager (based on specifications of authority) and only for purposes stated under the General Provisions;
2. Shall evaluate the request and verify 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 Regional/Branch Manager;
5. 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 to LGU until the account/obligation/ is fully paid/settled; and
6. 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 concern NFA Branch Office (NFA BO) 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 Municipal Mayor to be submitted to the NFA BO prior to the withdrawal of rice;
  - b. Two (2) valid government identification cards (IDs); and
  - 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 Branch Office (BO) 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 BO. 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).
  - c. Purchase Order (PO) indicating the quantity of rice to be purchased signed by the Municipal Mayor and with Certification of Funds Availability by the Municipal Accountant indicating the source of fund, as above stated.
3. Shall withdraw rice stocks within seven (7) working days from receipt of Authority to Issue (AI) duly signed and issued by the NFA Branch Office.

### **For cash sales:**

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

## **V. OTHER CONDITIONS:**

1. 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.
2. 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.
3. 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.

**THANK YOU!**