



Republic of the Philippines  
Province of Guimaras  
**8<sup>TH</sup> SANGGUNIANG PANLALAWIGAN**

EXCERPTS FROM THE MINUTES OF THE REGULAR SESSION OF THE HONORABLE  
8<sup>TH</sup> SANGGUNIANG PANLALAWIGAN, PROVINCE OF GUIMARAS HELD AT THE SP  
SESSION HALL, PROVINCIAL CAPITOL ON JULY 19, 2016.

PRESENT:

Atty. John Edward G. Gando -	Vice Governor/Presiding Officer
Hon. Cyril C. Beltran -	SP Member/Majority Floor Leader
Hon David G. Gano -	SP Member/Deputy Majority Floor Leader
Hon. Cresente P. Chavez, Jr. -	SP Member
Hon. Diosdado G. Gonzaga -	SP Member
Hon. Josefina G. de la Cruz -	SP Member
Hon. Rex G. Fernandez -	SP Member
Hon. Aurelio G. Tionado -	SP Member
Hon. Dan Elby C. Habaña -	SP Member
Hon. Felicito M. Gareza -	Ex-Officio Member (PCL Fed. President)

**RESOLUTION NO. 120**

**RESOLUTION AUTHORIZING GOVERNOR SAMUEL T. GUMARIN, MD, MPH TO  
SIGN FOR AND IN BEHALF OF THE PROVINCIAL GOVERNMENT OF GUIMARAS  
THE RICE LOAN MEMORANDUM OF AGREEMENT WITH THE NATIONAL FOOD  
AUTHORITY (NFA)**

WHEREAS, the Honorable Governor, in his letter dated 15 July 2016 requested for an authority to sign for and in behalf of the Provincial Government of Guimaras the renewal of the Rice Loan Memorandum of Agreement with the National Food Authority (NFA) for the purchase of rice on credit for the relief operation whenever a state of calamity is declared either by the Local Legislative Body or by the Office of the President;

WHEREAS, this Honorable Body interposes no objection on the request, as it will greatly benefit the province during crisis situations;

NOW, THEREFORE, on motion of Hon. Diosdado G. Gonzaga, unanimously seconded;

THE 8<sup>TH</sup> SANGGUNIANG PANLALAWIGAN IN SESSION DULY ASSEMBLED:

RESOLVED, to authorize Governor Samuel T. Gumarin, MD, MPH to sign for and in behalf of the province, the following:

**RICE LOAN MEMORANDUM OF AGREEMENT**

This agreement made and entered into this \_\_\_\_\_ day of  
\_\_\_\_\_ 2016 at Iloilo City, Philippines, by and  
between:

The NATIONAL FOOD AUTHORITY (NFA), an agency of the  
Government Created Pursuant to PD No. 4 as amended by PD No.  
1485 and PD No. 1770, with principal place of business at Philippine  
Sugar Center Bldg. North Avenue, Diliman, Quezon City represented  
herein by its NFA-PO Provincial Manager,  
\_\_\_\_\_, hereinafter referred to as "NFA".

-and-

The PROVINCIAL/CAPITOL/CITY/MUNICIPAL GOVERNMENT OF \_\_\_\_\_ a Local Government Unit with principal place of business at the Provincial/Capitol/City/Municipal Hall located at \_\_\_\_\_ represented herein by its Governor/City/Municipal Mayor \_\_\_\_\_ hereafter referred to as the "LGU".

WITNESSETH

WHEREAS, NFA is the government agency charged with among others ensuring the nation's adequate supply and distribution of grains;

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

WHEREAS, provinces/cities/municipalities in particular have been tasked with providing basic social services including relief assistance in times of calamities;

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

WHEREAS, LGUs are required to set aside an amount equivalent to twenty percent (20%) of their regular income/general fund for contractual debt servicing pursuant to par (b) of sec. 324 of LGC;

WHEREAS, in order to provide immediate assistance to their constituents, the LGU has requested NFA to allow them to purchase rice on credit for the relief operation whenever a state of calamity is declared either by the local legislative bodies or the office of the President;

WHEREAS, the local legislative body of the LGU has authorized its Chief Executive to enter into this agreement as provided for in Resolution No. \_\_\_\_ dated \_\_\_\_\_ which remains in full force and effect;

WHEREAS, the NFA cognizant of the need of the people in times of emergency calamity has agreed to the request of the LGU;

NOW THEREFORE, for 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 on \_\_\_\_\_ and ending on \_\_\_\_\_ (end of the term of office). No extension or renewal of this agreement shall be valid and binding without the written consent of both parties.

Either party, however, may terminate this agreement without need of judicial action and without prejudice to any right to damages in the event that there is a breach of contract committed by the other by giving the other party a fifteen (15) days prior written notice thereof, setting the reason or ground relied upon, particularly specifying the breach complained of. Upon such termination, the LGU shall settle its accountabilities with the NFA and any overdue and unpaid account shall be subject to penalty as provided herein.

II. GENERAL PROVISIONS:

- a. Rice purchased on credit under this Agreement shall not be used for any purpose other than as intended NFA reserves the right to inspect the warehouse and/or rice distribution centers of concerned LGU to determine compliance with this agreement.
- b. LGU shall be allowed to purchased rice stockpiling purposes solely on CASH basis.
- c. The NFA shall not be under obligation to issue rice if the LGU have an unpaid account.
- d. In the event that another disaster/calamity occurs while the LGU has an unpaid balance, additional credit may be allowed provided the additional purchases shall not exceed 500 bags for Provincial Government, 200 bags for cities and 100 bags for Municipal Governments provided further that the subsequent disaster/calamity occurs within the fifteen-day (15) period within which the LGU is obliged to pay based on the billing date or the date of previous disaster/calamity whichever comes first.
- e. The weight/quantity/quality of stocks as received and acknowledged by the LGUs authorized representative shall be final and binding and be the basis for billing and collection of NFA.
- f. NFA shall allow subsequent Authority to Issue (AI) unless all stocks covered by preceding/AI have been fully served/withdrawn.

### III. OBLIGATION OF NFA:

- a. NFA through its provincial office, shall sell rice on credit to the LGU for distribution during relief operations upon approval of the Provincial Manager and subject to submission of the following documents:
  - a. Formal written request from the Local Chief Executive indicating therein the quantity and quality of rice to be purchased.
  - b. Approved resolution of the local legislative body authorizing the LGU through its Local Chief Executive to purchase rice on credit from the NFA.
  - c. RIV duly signed by the Local Chief Executive.
  - d. Purchase Order (PO) duly signed by the Local Chief Executive.
  - e. Certification as to availability of funds duly issued by the Local Treasurer.
  - f. Certification from the LGU on the number and location of families needing assistance.
  - g. Deed of Undertaking duly signed by the Local Chief Executive (incurring solidary liability with the LGU for payment of the rice and submission of required documents).
- b. The quantity and quality of rice to be sold under this Agreement shall be based on the formal request as well as the Purchase Order duly issued by the Local Chief Executive. NFA, however, reserves the right to allocate quantity of rice needed in the calamity area depending upon NFAs stock inventory.
- c. The price of rice shall be in accordance with the NFA Consumers Price at the Time the Authority to issue (AI) is approved by the Provincial Manager.
- d. The NFA Provincial Office shall issue rice at its designated warehouse/s.
- e. The NFA shall use the Authority to issue (AI) and the Warehouse Stock Issue (WSI) in documenting rice issuance to the LGU and shall retain the original copy of WSI for billing purposes.
- f. The NFA Provincial Office shall bill the LGU for the actual stock issuance made in the latter within five (5) working days counted from the date of last withdrawal as indicated in the Warehouse Stock Issue (WSI).

#### IV. OBLIGATIONS OF THE LGU:

- a. Whenever the LGU desires to purchase rice on credit from NFA for relief operations, the LGU shall submit to the NFA Provincial Office the documents enumerated under Par. A. Section III hereof as well as the Deed of Undertaking mentioned under Par. E. Section III if applicable.
- b. Upon signing of this agreement the LGU shall submit a list of its representative/s authorized personnel to withdraw stocks from NFA together with their pictures and specimen signatures: No other person shall be allowed to withdraw and to sign the documents on behalf of the LGU except those authorized. Said list, however, may be amended through formal written notices from the LGU prior to any withdrawal.
- c. The LGU undertakes to withdraw all stocks within fifteen (15) working days from receipt of Authority to Withdraw from NFA provincial office. The entire quantity indicated in the AI or a portion thereof that remains unwithdrawn after the prescribed 15-day withdrawal period shall be deemed cancelled.
- d. In case NFA is requested by the LGU to deliver the stocks to its designated points NFA may accede to the request provided the destination are accessible through land routes and the LGU shall pay the delivery fee in accordance with NFA's approved delivery rates at the time of delivery.
- e. The LGU shall pay NFA Provincial Office for the rice issued and the delivery fee if any, within thirty (30) working days from date of receipts of billing. Any bill unpaid after the aforementioned period shall be subjected to a penalty at the rate 2% per month based on the amount due.

#### V. OTHER CONDITIONS:

- a. Should NFA be constrained to resort to court action to enforce or safeguard its right and interest under this Agreement, the LGU shall be liable to NFA for attorney's fees in an amount equivalent to twenty percent (20%) of total claims, exclusive of interest, damages and expenses of litigations.
- b. It is clearly understood that failure of NFA 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 a waiver on the part of the NFA on the enforcement of this agreement nor shall it relieve the LGU of its obligations provided hereunder.

## VI. VENUE:

The parties agree that in case of litigation the venue of action for any cause or causes of action that may arise from this Agreement shall be exclusively laid in proper courts of Quezon City only.

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

National Food Authority

Provincial/City/Municipal  
Government

By:

By:

**ERNA Y. ABELLO**  
Provincial Manager

\_\_\_\_\_  
Governor/City or Municipal Mayor


Signed in the presence of:

**JOSE D. PACIFICADOR TERESITA D. SIASON**  
LDRRMO IV, PDRRMC


RESOLVED FURTHER, to send a copy of this resolution to the Honorable Governor, National Food Authority (NFA), Provincial Disaster Risk Reduction and Management Council (PDRRMC) and all others concerned, for information.

ADOPTED. July 19, 2016.

I hereby certify that the foregoing is a true and accurate copy of the resolution which was duly adopted by the 8<sup>th</sup> Sangguniang Panlalawigan of the Province of Guimaras during its regular session held on July 19, 2016.

  
**LORENA MINIERVA-ITUCAS**  
Secretary to the Sangguniang Panlalawigan

Attested:

  
**ATTY. JOHN EDWARD G. GANDO**  
Vice Governor  
Presiding Officer

Approved:

  
**SAMUEL T. GUMARIN, MD, MPH**  
Governor