



NATIONAL FOOD AUTHORITY

Caraga Regional Office



J. Rosales Avenue, Brgy. Imadejas, Butuan City 8600

Tel. No. (085) 817-9233

caraga@nfa.gov.ph

REQUEST FOR QUOTATION

RFQ No.: 2025-RFQ-002

The **National Food Authority (NFA) Caraga Regional Office** through its **Bids and Awards Committee (BAC)**, intends to procure "**PRIVATE MILLING SERVICES OF NFA CARAGA REGION FOR 30,000 BAGS OF PALAY**" in accordance with **Section 53.1** (Negotiated Procurement under Two Failed Biddings) of the 2016 Revised Implementing Rules and Regulations of Republic Act No. 9184. The sum of **Two Million Seven Hundred Eighty-Nine Thousand Six Hundred Forty Pesos (2,789,640.00)**, inclusive of VAT, being the Approved Budget for the Contract (ABC) through payment-in-kind (PIK) scheme to payments under the contract for the hereunder items.

Lot #	Estimated Volume of Palay to be Milled (bag of 50 kg) a	Rice Recovery @ 63% GMR (bag of 50 kg) b=ax63%	*Delivery Rate for Rice Recoveries per bag of 50kg c	Delivery Fee for Rice Recoveries (cash) d=bx c	Milling Cost @ Php 115.00** per bag (PIK) e=bx115.00	Approved Budget for the Contract (cash and PIK) f=d+e
Branch/ Warehouse: Agusan del Sur Branch / GID Bayugan						
1	4,000	2,520.00	37.50	94,500.00	289,800.00	384,300.00
2	4,000	2,520.00	37.50	94,500.00	289,800.00	384,300.00
Branch/ Warehouse: Agusan del Sur Branch / GID Trento						
3	3,000	1,890.00	25.00	47,250.00	217,350.00	264,600.00
4	3,000	1,890.00	25.00	47,250.00	217,350.00	264,600.00
Total	14,000	8,820		283,500.00	1,014,300.00	1,297,880.00
Branch/ Warehouse: Surigao del Sur Branch / GID Duplex						
5	5,000	3,150.00	33.00	103,950.00	362,250.00	466,200.00
6	5,000	3,150.00	33.00	103,950.00	362,250.00	466,200.00
7	6,000	3,780.00	33.00	124,740.00	434,700.00	559,440.00
Total	16,000	10,080.00		332,640.00	1,159,200.00	1,491,840.00
TOTAL ABC						2,789,640.00

* Rates may vary based on the distance in kilometers from the milling contractor to the designated NFA warehouse, but will not exceed the above assigned rates (1-10km = 25.00, 11-20km = 27.00, 20-30km = 33, >31km = 37.50).

** Estimated value of the by-products and excess rice from the 63% guaranteed milling recovery.

Please quote your best offer for the item/s described herein, subject to the attached **Annexes A and B (Terms of Reference)**, provided as part of this Request for Quotation (RFQ). Submit your sealed quotation

duly signed by your authorized representative at the **NFA Caraga Regional Office, J. Rosales Ave., Butuan City**, together with the Certified Photocopies of the following documents:

1. A copy of your 2024 Business/Mayor's Permit¹
2. Omnibus Sworn Statement² (GPPB-prescribed forms),
3. Income/ Business Tax Return³.

For any clarification, you may contact us at Cellphone no. 09506375894 or email address at bac.caraga@nfa.gov.ph.

(sgd)
JESS M. CASIMIRO
BAC Chairperson

¹In case of recently expired Mayor's/Business permit, it shall be accepted together with its official receipt as proof that the bidder has applied for renewal within the period prescribed by the concerned local government unit, provided that the renewed permit shall be submitted after award of contract but before payment in accordance with item 6.2 of Government Procurement Policy Board (GPPB) Resolution No. 09-2020.

³Manually filed tax returns or filed through the EFPS

*Failure to submit the required documents on time, or a finding against the veracity thereof, shall disqualify the supplier/service provider for award. In case the notice for the submission of post-qualification documents is sent via the bidder's email, it shall be considered as received by the bidder on the date and time the email was sent, whether or not the bidder acknowledged the said email. It shall be the bidder's responsibility to check its/his/her email for the purpose.

Date: _____
 Name of Rice mill: _____
 Address: _____
 TIN: _____
 PhilGEPS Registration Number (If any): _____

INSTRUCTIONS:

- (1) Accomplish this RFQ correctly and accurately.
- (2) Do not alter the contents of this form in any way.
- (3) All technical specifications are mandatory. Failure to comply with any of the mandatory requirements will disqualify your quotation.
- (4) Failure to follow these instructions will disqualify your entire quotation.

Sir/Madam:

After having carefully read and accepted the Terms and Conditions in the Request for Quotation, hereunder is our quotation for the item/s as follows:

TECHNICAL SPECIFICATION

1. Please quote your best offer for the item/s below. Please do not leave any blank items. Indicate "O" if the item being offered is for free.
2. Bidders must state "Comply" or any equivalent term in the column "Bidder's Statement of Compliance" against each of the individual parameters of each Specification.

Particulars	Requirements
a) Palay Input (Variety Code)	PD/ HPD/ RPD
b) Rice Output (Variety Code)	WD1/ HW1/ RU1
c) Milling Degree	Well Milled Rice
d) Required Minimum Rice Recovery	63.00%

Technical Specifications of Milled Rice	Requirements	BIDDER'S STATEMENT OF COMPLIANCE
1. Broken (maximum) total including brewers (1% max)	40.00%	
2. Head Rice (minimum)	60.00%	
3. Foreign Matter (maximum)	0.20%/0.25%	
4. Paddy (maximum), number per 1,000 grams	25	
5. Moisture Content (maximum)	14.00%	
6. Bran Streaks	1.00%-19.00%	
7. Discolored and Damaged Kernels	0%-7%	
8. The milled rice shall be free from objectionable odor and insect infestation	0%	

BID OFFER					
Distance in kilometers from the contractor's mill-site to the designated NFA warehouse: <u>1.4 km.</u>					
Lot #	Estimated Volume of Palay to be Milled (bag of 50 kg) a	% Milling Recovery (minimum offer of 63.00%) b	Rice Recoveries (bag of 50 kg) c=axb	Delivery Rate per bag d	Amount e=(cxd)+(cx115.00)
Total Offer in figures					
Total Offer in words		Five Hundred Twenty-Nine Thousand Two Hundred Pesos			
Rates for delivery: 1-10km = 25.00, 11-20km = 27.00, 20-30km = 33, >31km = 37.50					

Signature over Printed Name

Position/Designation

Name of Ricemill / Company

TERMS OF REFERENCE (TOR)

I. SCOPE OF BID

Lot #	Estimated Volume of Palay to be Milled (bag of 50 kg) a	Rice Recovery @ 63% GMR (bag of 50 kg) b=ax63%	*Delivery Rate for Rice Recoveries per bag of 50kg c	Delivery Fee for Rice Recoveries (cash) d=bx c	Milling Cost @ Php 115.00** per bag (PIK) e=bx115.00	Approved Budget for the Contract (cash and PIK) f=d+e
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7	6,000	3,780.00	33.00	124,740.00	434,700.00	559,440.00
Total	16,000	10,080.00		332,640.00	1,159,200.00	1,491,840.00
TOTAL ABC						2,789,640.00

The awarding of a lot depends on the value of the highest offered Guaranteed Milling Recovery (GMR) rate and the lowest offered milling fee.

A prospective miller-contractor shall not be awarded more than its capacity to mill, taking into consideration both the scheduled GMR and period of delivery.

The next highest bidder shall take the volume in excess of the capacity of the first highest bidder provided that the scheduled GMR and period of delivery are met.

A. TECHNICAL SPECIFICATIONS OF MILLED RICE OUTPUT (REGULAR AND WELL MILLED RICE)

PARTICULARS	REQUIREMENTS
A. Palay Input (Variety Code) Rice Output (Variety Code)	PD/ HPD/ RPD WD1/ HW1/ RU1
B. Milling Degree	Well Milled Rice
C. Required Minimum Rice Recovery	63.00%

D. Technical Specifications of Milled Rice	
Broken (maximum) total including brewers (1% max)	40.00%
Head Rice (minimum)	60.00%
Foreign Matter (maximum)	0.20%/0.25%
Paddy (maximum), number per 1,000 grams	25
Moisture Content (maximum)	14.00%
Bran Streaks	1.00%-19.00%
Discolored and Damaged Kernels	0%-7%
Milled Rice shall be free from objectionable odor and insect infestation.	0%

Legend:

- PD** Palay dry with purity of 90%-100%; Chalky and Immature Kernel of 12% maximum; Discolored and Damaged Kernels of 0 to 7%; Red Kernel of 5% maximum; Moisture Content of 14% and below
- WD1** Milled rice output of PD with milling degree of well-milled
- HPD** Palay dry with purity of 90%-100%; Chalky and Immature Kernel of 12% maximum; Discolored and Damaged Kernels of 0 to 7%; Red Kernel of 5% maximum; Moisture Content of 14% and below
- HW1** Milled rice output of HPD with milling degree of well-milled
- RPD** Palay dry with purity of 90%-100%; Discolored and Damaged Kernels of 0 to 7%; Moisture Content of 14% and below
- RU1** Milled rice output of RPD with milling degree of well-milled

B. REQUIRED MILLING RECOVERY

1. The required milling recovery of **SIXTY THREE (63%) Percent** for Well Milled Rice (**WMR**) shall be the minimum acceptable bid offer for rice recovery. The Contractor guarantees a Milling Recovery Rate of not less than **SIXTY THREE Percent (63%)** for Well Milled Rice;
2. Offer/Quotation shall be on a per volume per lot basis within the area of responsibility per province. A specific volume per lot shall be awarded to the winning bidder;
3. **There will be no payment of milling services in CASH. Payment for milling services will be the rice by-products recovered and the rice recoveries in excess of the agreed Guaranteed Milling Recovery:**

Example: When a Bidder's bid offer is 63.50% Milling Recovery:

*For every 1,000 bags at 50 net kg/bag of palay input, the bidder shall deliver 635 bags at 50 net kg/bag of rice to NFA and the excess rice recoveries and by products shall accrue to the miller-contractor as **Payment In Kind (PIK)** for its milling services.*

C. The Bid Offer/Proposal

1. Bid offer shall be prepared and presented using the prescribed formats;
2. Bid offer for the Guaranteed Percentage Milling Recovery for Rice shall be valid for 120 days from the opening of the bids;
3. Bidders shall have the option to submit bid offer/proposal on any or all of the lots. Evaluation and contract award will be undertaken on a per lot basis;
4. The minimum acceptable bid offer for rice recovery shall be based on the equivalent value of the required milling recovery rate of 63% for WMR; and
5. All provisions in the Terms and Conditions as discussed and agreed in the Pre-Bidding conference and Bid Bulletins issued shall form part of the Milling Contract.

II. QUALIFICATION OF MILLER CONTRACTORS

- A. Interested Miller-contractors compliant with the minimum specification of multi-pass rice mill are allowed to participate in the bidding.

In extreme cases and places where there is no existing multi-pass rice mill in the area, the use of single pass rice mills shall be allowed.

Minimum specification of **Multi-Pass Rice Mill**

Ricemill Parameters		
1. Classification	:	Multi pass rice mill
2. Capacity	:	1.5 TPH based on paddy input (minimum)
3. Recovery	:	Minimum 63.0% for Well Milled Rice (WMR) (Rice kernel from which the hull, the germ, the outer bran layers have been removed but part of the lengthwise streaks of the bran layers shall be within the range of 1-19% for WMR)
Ricemill Equipment		
1. De-huller	:	Should be rubber-roll type 75.0% Hulling Efficiency (minimum)
2. Polisher	:	a combination of Abrasive and/or Friction-type polishers
3. De-stoner	:	Required

Minimum Specification of **Single-Pass Rice Mill**

Ricemill Parameters		
1. Classification	:	Single Pass
2. Capacity	:	1.0 TPH based on paddy input (minimum)
3. Recovery	:	Minimum 63.0% for Well Milled Rice (WMR) (Rice kernel from which the hull, the germ, the outer bran layers have been removed but part of the lengthwise streaks of the bran layers shall be within the range of 1-19% for WMR)
Ricemill Equipment		
1. De-huller	:	Rubber Roll 75.0% Hulling Efficiency (minimum)
2. Milling Degree	:	can accommodate WMR

III. SCHEDULE OF REQUIREMENTS

1. The milling of all palay stocks into rice shall be completed on or before _____.
2. The palay stocks to be milled and brand new empty rice sacks (MTS) to be used as containers of the contracted milled rice output shall be issued from the designated warehouses of the concerned NFA Branch Offices.
3. The NFA palay stocks shall be milled at miller-contractor's rice mill immediately upon its receipt and shall be completed based on its milling capacity on a 12-hour operation input. CONTRACTOR shall prioritize the milling of the NFA stocks and milling shall be exclusive and continuous. In case CONTRACTOR fails to continuously and exclusively mill the NFA stocks, CONTRACTOR acknowledges NFA's right to terminate the contract with or without notice;
4. The contracted milled rice output, used palay MTS, and any unused empty rice sacks shall be returned to the designated NFA warehouses.

The NFA does not warrant the full milling of the awarded volume during the effectivity of the milling contract which shall depend on its operational needs.

5. Delivery of the contracted milled rice output shall not be later than the third (3rd) day from the date of the last Warehouse Stock Issue (WSI) issued for a particular Authority to Issue (AI) or batch, and shall be completed not later than the fifth (5th) day from date of said last WSI.
6. In case the CONTRACTOR fails to complete his delivery on the 5th day, for a valid reason, the NFA shall grant a grace period of six (6) days to deliver the rice recoveries and the unused MTS without penalty. In case a grace period is granted, the imposition of penalty shall begin after the lapse of the grace period. Should the grace period lapse and the delivery is not yet completed, the Contractor shall be considered in default.

IV. PERFORMANCE SECURITY/ BOND

To guarantee the faithful performance of all the terms and conditions of the contract, the CONTRACTOR is required to post a performance security in any of the forms prescribed in Section 39 of the 2016 revised IRR of RA No. 9184.

The performance security shall be in an amount not less than the required percentage of the total contract price in accordance with the following schedule:

Form of Performance Security / Bond	Amount of Performance Security (Not less than the required percentage of the Total Contract Price)
(a) Cash or cashier's / manager's check issued by a Universal or Commercial Bank.	Five percent (5%)

(b) Bank draft / guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank: Provided, however, that it shall be confirmed or authenticated by a Universal or Commercial Bank, if issued by a foreign bank.	
(c) Surety bond callable upon demand issued by a surety or insurance company duly certified by the Insurance Commission as authorized to issue such security;	Thirty percent (30%)

V. Fire Insurance

The **Fire Insurance policy** shall stipulate that loss if any shall be payable to NFA. It shall be effective on the day the first issuance of stocks is given to the Contractor.

Sample Computation of Fire Insurance:

Given Assumptions:

Ricemill's five-day palay input capacity on a 12-hour Operation	2,000 bags
Book Value of palay per bag of 50-kg (₱29.30/kg)	₱1,465.00
Book Value of Palay Container	₱12.00/piece
Book Value of Rice Container	₱9.70/piece
Bid offer of Percentage of Milled Rice Recovery	63%

Using the aforementioned assumptions, the amount of **Fire Insurance** shall be computed as follows:

Book Value of Palay = 2,000 bags X ₱1,465.00	₱ 2,930,000.00
Book Value of Palay Containers = 2,000 bags X ₱12.00	24,000.00
Book Value of Rice Containers = 2,000 bags X 63% X ₱9.70	12,222.00
TOTAL	₱ 2,966,222.00
Fire Insurance	₱ 2,966,222.00

VI. DUTIES AND RESPONSIBILITIES OF NFA

The NFA shall:

1. Allow interested millers to undertake validation of laboratory test milling result. Drawing of palay samples for validation purposes shall be made with the supervision of NFA technical personnel using NFA Sampling Method;
2. Initially issue two (2) batches of palay. Each batch shall be equivalent to one (1) day to three (3) days of milling capacity of the mill on a 12-hour operation at five (5) days a week. A succeeding batch shall be issued only after one preceding batch is fully liquidated through the submission of a Milling Report together with relevant documents;
3. Not issue stocks for milling in the absence of Performance Security in the form and amount acceptable to NFA;
4. Provide Timeline and Schedule of Delivery to the prospective bidder;
5. Assign a Milling Supervisor to the contractor's mill site with the following functions:

- 5.1. Supervise milling operations and monitor the percentage of bran streaks of the rice in process using the staining method of determining the milling degree;
 - 5.2. Submit at the end of the day a daily milling report showing the detailed daily issuances of palay and balances of milled rice recoveries of a particular batch, as well as the running totals for issues. The report shall also include issues, receipts and balances of empty sacks.
6. Issue Warehouse Stock Issue (WSI) to document the palay withdrawn by the CONTRACTOR from designated issuing warehouses and Warehouse Stock Receipt (WSR) to document the corresponding milled rice recoveries from the CONTRACTOR's mill delivered to the NFA designated receiving warehouses;
7. Entrust to the CONTRACTOR the rice empty sacks to serve as containers for the milled rice due to the NFA;
8. Issue Empty Sack Issue (ESI) to document all issuance(s) of empty sacks to miller-contractor and Empty Sack Receipt (ESR) to document all empty sacks returned to NFA from the CONTRACTOR's trust and mill site;
9. Pay the CONTRACTOR the delivery expenses that the latter will incur in the delivery to NFA of the Contracted Milling Recovery Output from the CONTRACTOR's mill-site to the NFA designated warehouse at the NFA approved rates;
10. Accept all deliveries of milled rice that conform to NFA specifications;
11. In case it receives written report from the CONTRACTOR regarding suspension or stoppage of milling operations, verify the same immediately and the NFA Provincial Manager shall act expeditiously. The NFA Provincial Manager may, at his / her discretion:
 - 11.1. In case of mechanical breakdown of rice mill, wait for the mill to be repaired or for the mill to resume operation provided it will not compromise the schedule of delivery. In this event, the counting of the delivery period shall be automatically suspended and shall reckon upon resumption of milling operation. No suspension of the delivery period shall be allowed if the CONTRACTOR has no written notice to NFA;
 - 11.2. Obtain the services of another miller-contractor under the same terms at the contractor's expense until the latter can comply with his / her obligations;
 - 11.3. Demand in writing the specific performance plus damages; or
 - 11.4. Rescind the contract with damages. In this event, a new bidding of milling services shall be conducted; and
 - 11.5. In cases of emergency/force majeure/fortuitous event, the implementation of the contract be suspended until such time that the situation returns to normal.
12. Review and evaluate the Statement of Milling Liquidation prepared by the miller-contractor per batch.

VII. DUTIES AND RESPONSIBILITIES OF MILLER-CONTRACTORS

The Contractor shall:

1. Withdraw the palay and empty sacks from the designated NFA warehouse and shall transport to his mill site at his / her own expense;
2. Witness, personally or through his representative duly authorized in writing, the weighing of palay issuance and acknowledge all palay and empty sacks issued by NFA in the WSI and ESI. The contents of these documents shall be conclusive in so far as the issuances of stocks / MTS are concerned. Likewise, the Authority to Issue (AI), Warehouse Stock Issue (WSI), Sack Issuance Authority (SIA), Empty Sack Issue (ESI), Warehouse Stock Receipt (WSR), and Empty Sack Receipt (ESR) shall be the bases for the examination of the CONTRACTOR's accountability for palay, empty sacks, and recoveries;
3. Shoulder all handling expenses incurred from the carrier (truck) up to the miller's pile during the receipt of palay / empty sack and from miller's pile up to the carrier (truck) upon deliveries of milled rice, as well as unused empty sacks;
4. Undertake to mill the NFA stocks at its Ricemill immediately upon receipt of palay stocks at a minimum volume of one (1) to three (3) days of milling capacity on a 12-hr operation input at least five (5) days a week. CONTRACTOR shall prioritize the milling of the NFA stocks and milling shall be exclusive and continuous. In case CONTRACTOR fails to continuously and exclusively mill the NFA stocks, CONTRACTOR acknowledges NFA's right to terminate the contract with or without notice;
5. Place the milled rice in the containers of fifty (50) kilograms net weight provided by NFA. Moreover, NFA stocks and empty sacks and recoveries shall be segregated and/or be made identifiable from other stocks or piles. In addition, bin cards shall be placed in every pile;
6. Ensure that palay sacks are not damaged during milling operations for NFA's recycling purposes. He / She is liable for the palay and empty sacks issued by NFA while the stocks are in his custody;
7. Not use hooks in handling the NFA's palay and milled rice stocks;
8. Not charge storage fee while the stocks / empty sacks are in his custody;
9. Deliver the milled stocks, palay MTS, and unused empty rice sacks, if any, not later than the third (3rd) day from the date of the last WSI issued for a particular AI (batch) and shall be completed not later than the fifth (5th) day from date of said last WSI.

In case the CONTRACTOR fails to complete his delivery on the 5th day, for a valid reason, the NFA shall grant a grace period of six (6) days to deliver the rice recoveries and the unused MTS without penalty. In case a grace period is granted, the imposition of penalty shall begin after the lapse of the grace period. Should the grace period lapse and the delivery is not yet completed, the Contractor shall be considered in default;

10. Suspend the milling operation in case the milled rice does not conform with the required milling quality / specification and notify NFA in writing of the incident within 24 hours. Failure of the CONTRACTOR to notify NFA in writing of the incident shall make the CONTRACTOR liable for the consequences;

11. Secure Fire Insurance from an insurer duly registered with the Insurance Commission and acceptable to the NFA to cover fire, floods and typhoons in an amount equivalent to One Hundred Percent (100%) of the book value of issued stocks from one (day) to a maximum of six (6) day palay input capacity of the CONTRACTOR's mill on a 12-hour per day operation. Such insurance shall be effective on the day of the first issuance of stocks to the CONTRACTOR;
12. Responsible for the filing and payment of necessary taxes related to his / her palay milling transactions with the NFA, if applicable;
13. In consonance with Republic Act No. 10611 or the Food Safety Act of 2013, ensure that trucks to be used in the delivery of rice recoveries are suited for grains cargo transport, do not have holes/ruptures on the flooring to avoid pilferage / spillage, free from objectionable odor, toxic, and hazardous substances and foreign matters / dirt that may cause damage and / or adulteration / contamination of rice stocks.

VIII. COMPENSATION

Payment for the milling services rendered shall be in kind. The CONTRACTOR agrees to accept as full payment, any and all by-products as well as the rice recoveries in excess of the Contracted Milling Recovery (CMR) of the actual volume milled. Hence, there shall be NO CASH OUTLAY from NFA for payment of milling services except for payment for the delivery of rice recoveries from mill to designated receiving warehouses.

IX. PROVISIONS COVERING SUBSTANDARD DELIVERIES

1. All rice recoveries shall pass the bran streaks requirement using the NFA's staining method prior to acceptance.
2. The NFA shall not accept any milled rice deliveries if bran streaks are more than Nineteen percent (19%) for WMR. Likewise, those beyond the +2% acceptable deviation of percentage broken shall not be accepted. The transport, reprocessing, and other expenses including penalties for any delay in the delivery of rice recoveries shall be for the account of the Contractor. However, if rice recoveries delivered based on the physical assessment of NFA is sub-standard and very evident that it is mixed / blended with sub-standard rice or substituted with inferior quality rice, the Contractor shall automatically be considered in default.

X. DELAYED DELIVERIES

The CONTRACTOR shall be considered in delay if, without written justification he/she fails to deliver the milled rice recovery within the allowable grace period reckoned from the date of issuance of the WSI of a particular AI/batch under item VII sub-item 9 hereof. The CONTRACTOR shall pay a penalty for delay computed at 1/10th of 1% of the book value of the undelivered stocks/sacks per day of delay.

XI. DEFAULT

1. The CONTRACTOR shall be considered in default upon the occurrence of any of the following incidents:
 - a. If the CONTRACTOR failed to deliver the stocks within the period allowed him / her;

- b. Delivery by the CONTRACTOR of sub-standard rice and it is clearly apparent to NFA that the palay form was substituted with new harvested palay or palay with inferior quality, and / or mixed / blended with sub-standard rice or substituted with inferior quality rice; and
 - c. If on any day after the issuance of stocks, no NFA stocks are found in the rice mill and the CONTRACTOR has not made any delivery in whole or in part.
- 2. Upon the occurrence of any the foregoing events of default, the NFA shall require the CONTRACTOR within fifteen (15) days from Notice of Default to either:
 - a. For Item 1.a., to pay a penalty computed at 1/10th of 1% of the book value of the undelivered stocks / sacks per day of delay;
 - b. For Items 1b and 1c, restitute the undelivered stocks / sacks by delivering rice or palay or MTS plus pay a penalty computed at 1/10th of 1% of the book value of the undelivered stocks / sacks per day of delay starting from the day of default:
 - b.1 If restitution shall be in rice form, the rice should be in accordance with the specification required of the stocks issued him and in such quantity that should be equivalent to the recoveries of the palay issued him plus the corresponding penalty.
 - b.2 If restitution shall be in palay form such palay should be of the same quality as that issued to him and in such quantity that should be equivalent to the quantity issued him plus the corresponding penalty.

XII. SPECIAL PROVISIONS

1. The NFA does not warrant the full milling of the awarded volume during the effectivity of the milling contract which shall depend on its operational needs.
2. The CONTRACTOR shall be considered as trustee of the palay and / or rice and by-products and empty sacks and shall hold the same in trust from the time the CONTRACTOR acknowledges the receipt of palay and / or rice and by-products and empty sacks until such time that all milled rice and empty sacks have been fully delivered to and accepted by the NFA.
3. It is understood that time is of the essence of the contract and in case of failure of the CONTRACTOR to comply with the terms and conditions set forth, the CONTRACTOR shall be held liable in accordance with existing laws and decrees if the fault is attributable to him / her. Every participating CONTRACTOR shall be designated a corresponding milling period based on milling capacity and NFA's provincial distribution plan. The milling period for _____ (name of Rice Mill) shall be from _____ to _____ 2025 in accordance with the approved Marketing Plan.
4. In case the CONTRACTOR has any outstanding obligations with the NFA, the latter shall have the right to retain 100% of the money value of whatever receivables the CONTRACTOR may have from NFA and apply the same by way of compensation for the obligations.
5. In case of litigation arising from this contract, the CONTRACTOR agrees to pay liquidated damages in the amount of not less than Fifty Thousand Pesos (Php50,000.00) plus cost of suit;

6. The basis for the examination of accountabilities of CONTRACTOR shall be the palay and empty sacks issued vis-à-vis the rice delivered and empty sacks returned;
7. The minimum volume to be issued for milling at any one time shall be based on the milling capacity of the Ricemill equivalent to two (2) batches of its 12-hrs milling capacity per day.

XIII VENUE

Any action that may arise under this Contract shall be filed in the competent court of Quezon City, exclusive of other courts at the option of the NFA.

XIV RESERVATION CLAUSE

The NATIONAL FOOD AUTHORITY (NFA) reserves the right to accept or reject any bid, to annul the bidding process and to reject all bids at any time prior to contract award, without thereby incurring any liability to the affected bidder or bidders.

XV DURATION CLAUSE

The Contract becomes effective upon the date of signing by the parties and shall retain in full force until the end of the year or until the total awarded volume shall have been milled, whichever comes first.

Signature over Printed Name

Position/Designation

Name of Ricemill / Company