



**Republic of the Philippines
NATIONAL FOOD AUTHORITY
Region V, Legazpi City**

**INVITATION TO PARTICIPATE IN THE
NEGOTIATED PROCUREMENT (EMERGENCY CASES)
OF PALAY MILLING SERVICES FOR CY 2017**

The National Food Authority, Region V, Legazpi City, invites all PRIVATE RICEMILLERS to participate in the NEGOTIATED PROCUREMENT (EMERGENCY CASES) for the contract of Palay Milling Services for CY 2017.

Bid documents may be purchased by interested Bidders from NFA Regional Office, Pier Site, Legazpi City upon payment to the NFA Cashier of a non-refundable fee in the form of cash per lot (see Table 1 per lot) and upon submission of the following documents:

I. ELIGIBILITY OF PARTICIPANTS

- a. The bidder must be an owner or operator of a rice mill, with minimum input capacity of twenty (20) bags per hour and willing to mill 12 hours per day and six (6) days per week;
- b. The bidder's rice mill should be a multi-pass type with the following specifications:
 - with rubber roll type de-hulling having a minimum efficiency of 80%;
 - Single Pass Rice Mill can only be allowed in areas where no Multi-Pass Rice Mills exist;
- c. The bidder should meet the desired guaranteed recovery of 65.0% based on regular milled milling degree;
- d. Bidder's bid to mill shall consider the proximity of the mill to the designated source and receiving warehouses up to a maximum distance of 125.0 kilometers;
- e. Defaulting milling contractors with NFA are not qualified to participate in the bidding. Hence, for those with previous contracts with NFA, he/she shall secure Certificate of Good Standing (Clearance from previous Palay Milling Contract) from the concerned NFA Provincial Office.

For new miller-contractors, the Certificate of Good Standing will not be required.

II. ELIGIBILITY REQUIREMENTS

INSTRUCTIONS: The following required documents shall be accomplished, satisfied and submitted in chronological order to the NFA RO-5 BAC on April 7, 2017 at 10:00 AM at the NFA Regional Office Conference Room located at the Pier Site, Legazpi City. Prospective bidders are required to submit in four (4) copies (1-original and 3- photo copies), each of the required documents.

ENVELOPE A – Technical Component

1. Current NFA ricemilling license or proof of application for renewal of NFA license such as NFA OR evidencing payment of license fees;
2. 2017 Mayor's permit as ricemiller issued by the city or municipality where the principal place of business of the prospective bidder is located, or the equivalent document for Exclusive Economic Zones or Areas.

- In cases of recently expired Mayor/Business Permits, it shall be accepted together with the official receipt as proof that the bidder has applied for renewal within the period prescribed by the concerned LGU, provided that the renewed permit shall be submitted as a post qualification requirement
3. Certificate of Good Standing(Clearance), if with previous contract with NFA. For new miller contractor, Certificate of Good Standing is not required.
 4. Special Power of Attorney (SPA) for authorized representative if individual/Board Resolution if corporation/ cooperative
 5. DTI Certificate of Registration of Business Name if applicant is a single Proprietorship, SEC Registration Certificate if applicant is a Partnership or Corporation and CDA Registration if applicant is a Cooperative.
 6. BIR Certificate of Registration
 7. End User's Certificate of Completion of previous Palay Milling Contract
 8. Omnibus Sworn Statement(refer to Annex A)

ENVELOPE B

1. Accomplished Request for Quotation (RFQ)

III. CONDUCT OF NEGOTIATED PROCUREMENT (EMERGENCY CASES) FOR THE SUPPLY OF 2017-C PALAY MILLING SERVICES

1. The rice miller, upon notification, shall coordinate immediately with NFA RBAC Secretariat regarding the conduct of the Negotiated Procurement (Emergency Cases) for the Supply of 2017 Palay Milling Services;
2. The quantity to be milled shall govern and apply to the procurement of Palay Milling Services in NFA, Region V for 2017 for the processing of **6,635** bags of palay or less (at 50 kg per bag). Volume of palay which are stored in various warehouses of Masbate shall be issued on a per lot basis, to wit:

Table I

LOT NO.	NAME OF WAREHOUSE/ LOCATION	VARIETY	PALAY INPUT (NO. OF BAGS)	REQUIRED MIN. MILLING RECOVERY (NO. OF BAGS)	APPROVED BUDGET FOR THE CONTRACT	BIDDING FEE/₱
1	GID, Masbate City	PD1	2,600	1,690.00	194,350.00	500.00
2	GID, Masbate City	PD1	1,950	1,267.50	145,762.50	500.00
3	GID, Masbate City	PD1	2,085	1,355.25	155,853.75	500.00
TOTAL			6,635	4,312.75	495,966.25	1,500.00

3. The miller shall haul palay and empty sacks from the NFA warehouse to the millsite at his own account while NFA shall pay the CONTRACTOR the delivery expenses that the latter will incur in the delivery to NFA warehouse of the guaranteed rice output and empty sacks from the CONTRACTOR'S mill-site to the NFA designated warehouses at the NFA approved rates per actual distance basis.

IV. TECHNICAL SPECIFICATIONS
MILLING SPECIFICATIONS

Quality Parameters	Rice Recovery- WD1
1. Head Rice	65.00%
2. Broken, max (including breakers)	35.00%
3. Breakers, max.	1.00%
4. Discolored & Damaged Kernels (max.)	7.00%
5. Foreign Matters, max.	0.20%
6. Paddy, max. (No. Per 1,000 g)	25
7. Chalky & Immature kernels, (max.)	12.00%
8. Red Streaked Kernels, max.	5.00%
9. No. of Bran Streaks	20%-40%
10. Milling Degree	Regular Milled
	Must be free from objectionable odor and infestation
Moisture Content (max.)	14%

V. MODE OF PAYMENT

Payment for the milling services rendered shall be through Straight Milling Fee-Payment-in-Kind (SMF-PIK) Scheme, wherein payment shall be in kind in the form of recovered by-products valued based on the latest approved Selling Price Bulletin (SPB) with the difference payable in rice form based on NFA's SPB on Consumer's price.

Basis of payment shall be the latest approved milling fee for MASBATE of Php 95.00 per 50 kg/bag rice output. Hauling of palay withdrawn shall be on account of the miller-contractor while delivery of milled rice recoveries shall be on account of the NFA based on the approved NFA hauling rate per actual distance basis.

VI. SCHEDULE OF ACTIVITIES

ACTIVITY	SCHEDULE (Date & Time)
1. Posting and Publication	March 31, 2017
2. Issuance of Bid Documents	March 31, 2017 to April 7, 2017 from 8:00 am- 5:00 pm (weekdays only)
	April 7, 2017 (up to 9:30 am only)
3. Receipt & opening of Bids	April 7, 2017 at 10:00 am
4. Evaluation of Bids	April 7-10, 2017
5. Issuance of Notice of Award	April 11, 2017
6. Contract Prep. And Signing	April 12, 2017
7. Issuance of Notice To Proceed	April 17, 2017

EDNA R. DE GUZMAN
Assistant Reg'l. Director & RBAC Chairperson



Republic of the Philippines
NATIONAL FOOD AUTHORITY
Regional Office No. V
Pier Site, Legazpi City
REGIONAL BIDS AND AWARDS COMMITTEE

Ref.: Negotiated Procurement (Emergency Cases)

REQUEST FOR QUOTATION

March 31, 2017

Sir/Madam:

Please submit in a sealed envelope your proposal for the 2017-C Palay Milling Services under the NEGOTIATED PROCUREMENT (EMERGENCY CASES) for the province of MASBATE.

The description of the lots per warehouse and the corresponding Approved Budget for the Contract (ABC) are included in the Invitation to Submit Quotation for your reference in preparing your proposal.

Submit your quotation, in four (4) copies to the NFA Region 5 BAC Secretariat, duly signed by you or your authorized representative not later than April 7, 2017 at 10:00 AM.

EDNAR. DE GUZMAN
Assistant Regional Director
RBAC Chairperson

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Madam:

After having carefully read and accepted the Terms of Reference (TOR) for the NEGOTIATED PROCUREMENT (Emergency Cases) of Palay Milling Services for the province of Masbate, the undersigned hereby submits quotation/price offer inclusive of VAT, for the said project, along with other required eligibility documents:

Source Warehouse	Lot No.	Variety	Palay Input (bags)	BID OFFER			
				Milling Fee/ Bag of 50 kg rice output	Milling Degree	% GMR	Rice Output (Min.)/bags
TOTAL							

If our quotation is accepted, we undertake to provide a performance security in the form, amount and within the time specified in the TOR.

Printed name and Signature of Supplier/Bidder

Telephone No/ Cellphone No/ E-mail Address

Date

ANNEX A

Omnibus Sworn Statement

REPUBLIC OF THE PHILIPPINES)
CITY/MUNICIPALITY OF _____) S.S.

AFFIDAVIT

I, [Name of Affiant], of legal age, [Civil Status], [Nationality], and residing at [Address of Affiant], after having been duly sworn in accordance with law, do hereby depose and state that:

1. Select one, delete the other:

If a sole proprietorship: I am the sole proprietor of [Name of Bidder] with office address at [address of Bidder];

If a partnership, corporation, cooperative, or joint venture: I am the duly authorized and designated representative of [Name of Bidder] with office address at [address of Bidder];

2. Select one, delete the other:

If a sole proprietorship: As the owner and sole proprietor of [Name of Bidder], I have full power and authority to do, execute and perform any and all acts necessary to represent it in the bidding for [Name of the Project] of the [Name of the Procuring Entity];

If a partnership, corporation, cooperative, or joint venture: I am granted full power and authority to do, execute and perform any and all acts necessary and/or to represent the [Name of Bidder] in the bidding as shown in the attached [state title of attached document showing proof of authorization (e.g., duly notarized Secretary's Certificate issued by the corporation or the members of the joint venture)];

3. *[Name of Bidder] is not "blacklisted" or barred from bidding by the Government of the Philippines or any of its agencies, offices, corporations, or Local Government Units, foreign government/foreign or international financing institution whose blacklisting rules have been recognized by the Government Procurement Policy Board;*

4. *Each of the documents submitted in satisfaction of the bidding requirements is an authentic copy of the original, complete, and all statements and information provided therein are true and correct;*

5. *[Name of Bidder] is authorizing the Head of the Procuring Entity or its duly authorized representative(s) to verify all the documents submitted;*

6. Select one, delete the rest:

If a sole proprietorship: I am not related to the Head of the Procuring Entity, members of the Bids and Awards Committee (BAC), the Technical Working Group, and the BAC Secretariat, the head of the Project Management Office or the end-user unit, and the project consultants by consanguinity or affinity up to the third civil degree;

If a partnership or cooperative: None of the officers and members of [Name of Bidder] is related to the Head of the Procuring Entity, members of the Bids and Awards Committee (BAC), the Technical Working Group, and the BAC Secretariat, the head of the Project Management Office or the end-user unit, and the project consultants by consanguinity or affinity up to the third civil degree;

If a corporation or joint venture: None of the officers, directors, and controlling stockholders of [Name of Bidder] is related to the Head of the Procuring Entity, members of the Bids and Awards Committee (BAC), the Technical Working Group, and the BAC Secretariat, the head of the Project Management Office or the end-user unit, and the project consultants by consanguinity or affinity up to the third civil degree;

- 7. *[Name of Bidder] complies with existing labor laws and standards; and*
- 8. *[Name of Bidder] is aware of and has undertaken the following responsibilities as a Bidder:*
 - a) *Carefully examine all of the Bidding Documents;*
 - b) *Acknowledge all conditions, local or otherwise, affecting the implementation of the Contract;*
 - c) *Made an estimate of the facilities available and needed for the contract to be bid, if any; and*
 - d) *Inquire or secure Supplemental/Bid Bulletin(s) issued for the [Name of the Project].*
- 9. *[Name of Bidder] did not give or pay, directly or indirectly, any commission, amount, fee, or any form of consideration, pecuniary or otherwise, to any person or official, personnel or representative of the government in relation to any procurement project or activity.*

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of ____, 20__ at _____, Philippines.

Bidder's Representative/Authorized Signatory

SUBSCRIBED AND SWORN to before me this _____ day of _____.

NOTARY PUBLIC

Doc. No. _____
Page No. _____
Book No. _____
Series of 20 _____.

Republic of the Philippines
NATIONAL FOOD AUTHORITY
 Regional Office No. V
 Legazpi City

TERMS OF REFERENCE (TOR)
NEGOTIATED PROCUREMENT (EMERGENCY CASES)
OF 2017 1st. SEMESTER PALAY MILLING SERVICES

I. RATIONALE

As of March 24, 2017 Region V has potential rice stock of 175,775 bags which is expected to last until 2nd week of March 2017, based on its calibrated sales target which is 20% lower than the low distribution plan for the period March 1 to June 30, 2017. There is an expected rice inflow of 75,000 bags from Region 6 to sustain our additional rice requirement pending arrival of 2017 rice imports.

Due to the region's critical rice inventory, there is a marching order from the NFA Administrator to mill all palay, including newly procured stocks. All regions including Region 5 are committed to finish palay milling operations within April 2017, hence the need for negotiated procurement for palay milling services-emergency case.

As of March 24, 2017, Masbate has still 16,700 bags of palay, 2,600 bags of which will be issued for test milling while some 6,000 bags are balances of awarded volume from the Feb. 17, 2017 negotiated procurement of palay milling services. A total of 6,635 bags of palay will still be offered for milling services of interested private millers.

II. ELIGIBILITY OF PARTICIPANTS

1. The bidder must be an owner or operator of a ricemill, with minimum input capacity of twenty (20) bags per hour and willing to mill 12 hours per day and six (6) days per week;
2. The bidder's mill should be a multi-pass type with the following specifications:
 - a. with rubber roll type dehulling having a minimum efficiency of 80%;

Single Pass Ricemill can only be allowed in areas where no Multi-Pass Ricemills exist;

3. The bidder should meet the desired guaranteed recovery of 65.0% based on regular milled milling degree;
4. Bidder's bid to mill shall consider the proximity of the mill to the designated source and receiving warehouses up to a maximum distance of 125.0 kilometers; and
5. Defaulting milling contractors with NFA are not qualified to participate in the bidding. Hence, for those with previous contracts with NFA, he/she shall secure Certificate of Good Standing(Clearance from previous Palay Milling Contract) from the concerned NFA Provincial Office.

For new miller-contractors, the Certificate of Good Standing will not be required.

III. MILLING SPECIFICATIONS

Quality Parameters	Rice Recovery- WD1
1. Head Rice	65.00%
2. Broken, max (including brewers)	35.00%
3. Broken, max.	1.00%
4. Discolored & Damaged Kernels (max.)	7.00%
5. Foreign Matters, max.	0.20%
6. Paddy, max. (No. Per 1,000 g)	25
7. Chalky & Immature kernels, (max.)	12.00%
8. Red Streaked Kernels, max.	5.00%
9. No. of Bran Streaks	20%-40%
10. Milling Degree	Regular Milled
	Must be free from objectionable odor and infestation
Moisture Content (max.)	14%

IV. SCHEDULE OF ACTIVITIES

The following are the schedule of activities for the checking of eligibility requirements and the opening of bid proposals:

<u>ACTIVITY</u>	<u>SCHEDULE (Date & Time)</u>
1. Posting and Publication	March 31, 2017
2. Issuance of Bid Documents	March 31, 2017 to April 6, 2017
	from 8:00 am- 5:00 pm (weekdays)
	April 7, 2017 (up to 9:30 am only)
3. Receipt & opening of Bids	April 7, 2017 at 10:00 am
4. Evaluation of Bids	April 9-10, 2017
5. Issuance of Notice of Award	April 11, 2017
6. Contract Prep. And Signing	April 12, 2017
7. Issuance of Notice To Proceed	April 17, 2017

V. ELIGIBILITY REQUIREMENTS

INSTRUCTIONS: The following required documents shall be accomplished, satisfied and submitted in chronological order to the NFA RO-5 BAC on April 7, 2017 at 9:30 AM at the NFA Regional Office Conference Room located at the Pier Site, Legazpi City. Prospective bidders are required to submit in four (4) copies (1-original and 3- photo copies), each of the required documents.

ENVELOPE A – Technical Component

9. Current NFA ricemilling license or proof of application for renewal of NFA license such as NFA OR evidencing payment of license fees;
10. 2017 Mayor's permit as ricemiller issued by the city or municipality where the principal place of business of the prospective bidder is located, or the equivalent document for Exclusive Economic Zones or Areas.

In cases of recently expired Mayor/Business Permits, it shall be accepted together with the official receipt as proof that the bidder has applied for renewal within the period prescribed by the concerned LGU, provided that the renewed permit shall be submitted as a post qualification requirement.

11. Certificate of Good Standing (Clearance), if with previous contract with NFA.

For new miller contractor, Certificate of Good Standing is not required.

12. Special Power of Attorney (SPA) for authorized representative if individual/
Board Resolution if corporation/ cooperative
13. DTI Certificate of Registration of Business Name if applicant is a single
Proprietorship, SEC Registration Certificate if applicant is a Partnership or
Corporation and CDA Registration if applicant is a Cooperative
14. BIR Certificate of Registration
15. End User's Certificate of Completion for Previous Milling Contract
16. Omnibus Sworn Statement (refer to Annex A)

ENVELOPE B

2. Accomplished Request for Quotation (RFQ)

VI. POST QUALIFICATION DOCUMENTS

Within five (5) calendar days from receipt by the bidder of the Notice from the RBAC, the qualified bidder/s shall submit the following documentary requirements to the RBAC:

1. One passport size photo with accompanying three (3) specimen signatures of the owner and /or authorized representative;
2. 2015 Income Tax Returns stamped "received" by BIR or any of its authorized institutions;
3. 2016 3rd. Qtr. and 4th. Qtr. Business Tax Returns
4. Ricemill Profile (NFA to provide the pro-forma);

VII. SUBJECT MATTER OF THE BIDDING

- A. The herein terms and conditions shall govern and apply to the procurement of Palay Milling Services in NFA, Region V for 2017 for the processing of **6,635** bags of palay or less (at 50 kg per bag). Volume of palay shall be issued in batches which are stored in various warehouses of the province of Masbate which are as follows:

- B.

LOT NO.	NAME OF WAREHOUSE/ LOCATION	VARIETY	PALAY INPUT (NO. OF BAGS)	REQUIRED MIN. MILLING RECOVERY (NO. OF BAGS)	APPROVED BUDGET FOR THE CONTRACT	BIDDING FEE/₱
1	GID, Masbate City	PD1	2,600	1,690.00	194,350.00	500.00
2	GID, Masbate City	PD1	1,950	1,267.50	145,762.50	500.00
3	GID, Masbate City	PD1	2,085	1,355.25	155,853.75	500.00
TOTAL			6,635	4,312.75	495,966.25	1,500.00

Table A. Lot Number, Volume (Palay Input), Designated Whse., Approved Budget for the Contract (ABC) and Milling Period

Bidding shall be on a per lot basis with designated name of warehouse and area/location.

Palay issuances to the miller-contractor shall be maximum of the awarded volume per lot. In no case shall the quantity to be awarded exceed the milling capacity of the miller-contractor for the milling period **April 17, 2017 to May 31, 2017.**

Bids received lower than the desired GMR of 65% RMR shall be automatically rejected at bid opening.

C. Technical Specifications

1. Palay Input and Expected Rice Output

INPUT	MILLED RICE OUTPUT
PD1	RD1

2. Guaranteed Milling Recovery (GMR) - GMR should not be lower than the minimum percentage required which is 65% RMR:

OUTPUT	Regular Milled (max. of 20%-40% Bran Streaks)
RD1	65.00%

3. Percentage Head Rice and Broken

OUTPUT	HEADRICE (RDI)	BROKEN (RD1)
RD1	65.00% minimum	35.00% (inclusive of 1% binlid-maximum)

4. Quality Parameters

OUTPUT	Yellow & Damaged Kernels	Chalky & Immature Kernels	Red Kernels
RD1	7% max.	12% max.	5% max.

5. Impurities

Particulars
Foreign matters-organic or inorganic component other than whole or broken rice kernels (e.g. foreign seed, husks, sands, stones & other crop seeds) shall not be more than 0.20%.

6. Moisture Content

Particulars

The Moisture Content (MC) of milled rice shall not exceed 14.00% on “as received” basis

7. Odor and Infestation

Particulars
Milled rice shall be practically free from infestation and foreign odor.

VIII. COMPENSATION

Payment for the milling services rendered shall be through Straight Milling Fee-Payment-in-Kind (SMF-PIK) Scheme, wherein payment shall be in kind in the form of recovered by-products valued based on the latest approved Selling Price Bulletin (SPB) with the difference payable in rice form based on NFA’s SPB on Consumer’s price.

Basis of payment shall be the lowest canvassed milling fee for MASBATE of ₱ 95.00 per 50 kg/bag rice output.

IX. DUTIES AND RESPONSIBILITIES OF NFA

1. BATCHING SYSTEM

- a. NFA shall initially issue two (2) batches of palay, each batch shall be equivalent from one (1) day to three (3) days milling capacity of the mill on a 12-hour operation.
- b. A succeeding batch shall be issued only after one preceding batch is fully milled and liquidated thru the submission of Milling Liquidation Report to be prepared by the Miller-Contractor certified correct by the Milling Supervisor and noted by the Provincial Manager, together with the pertinent documents such as WSI/WSR/and ESR.
- c. For the purpose of issuance of stocks to the CONTRACTOR, one (1) Authority to issue (AI) shall cover only one batch.

2. STOCK ISSUANCE

- a. Succeeding palay issuances shall be made under the replenishment scheme thru batching system; that is, a new batch will only be issued after the previous batch have been fully milled, delivered and liquidated.
- b. No stocks shall be issued for milling in the absence of a performance security bond in the amount and form acceptable to NFA.
- c. The initial quantity of palay stocks to be issued to the contracted miller shall be equivalent to two (2) batches covered by two (2) Authority to Issue (AI). Stocks for milling shall only be issued to the contractor/attorney-in-fact or his authorized representative. They shall sign on the “received by” portion.
- d. NFA shall issue Warehouse Stock Issue (WSI) to document the palay withdrawn

by the Contractor and Warehouse Stock Receipt (WSR) to document the corresponding milled rice recoveries from the Contractor's mill delivered to NFA designated receiving warehouses.

- e. NFA shall entrust to the Contractor empty sacks to serve as containers for the milled rice due to NFA. The quantity of empty sacks to be issued shall in no case exceed the approximate number of bags of milled rice to be recovered from a particular issuance.
- f. NFA shall 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.
- g. The miller-contractor shall replenish the previous AI through the submission of the following documents to the Provincial Operations Section/APM
 - Statement of Liquidation per AI/batch
 - Original WSI for palay withdrawal
 - Original WSR for rice recoveries
 - Original ESR/ESI
- h. The Provincial Manager shall see to it that the succeeding issuances of AI to the miller-contractor shall be made only after the previous AI has been fully liquidated.

The Provincial Operations Section/APM shall ensure that all WSIs are properly signed on the "received by" portion by the miller-contractor or his authorized representative.

- i. NFA shall shoulder all handling expenses incurred from the NFA pile up to the carrier (truck) during withdrawal of palay and empty sacks and from the carrier (truck) up to the NFA pile upon receipt of rice recoveries and empty sacks based on the approved existing NFA handling rates.
- j. It shall be the obligation of NFA to accept all deliveries of milled rice provided the deliveries conform with the NFA specifications.
- k. In case NFA receives written report from the Contractor regarding suspension or stoppage of milling operations, the NFA shall verify the same immediately and the NFA Provincial Manager shall act expeditiously at his discretion upon verification the following:
 - i. In case of mechanical breakdown of milling facilities, wait for the mill to be repaired or for the mill to resume operation or the termination of the contract due to emergency/force majeure/fortuitous event, as the case maybe. In this event, the counting of the delivery period shall be suspended. No suspension of the delivery shall be allowed if the CONTRACTOR has no written notice to NFA
 - ii. Get the services of another miller-contractor under the same terms at the Contractor's expense until the latter can comply with his obligations.
 - iii. Compel the Contractor for the specific performance plus damages; or

- iv. Rescission of the contract with damages. In this event, a new bidding of milling services should be conducted.

3. SIX-DAY MILLING CAPACITY OF THE MILL

Under no circumstances shall NFA have stocks with the CONTRACTOR in excess of the six (6) milling day capacity of the mill on a 12-hour operation at any one time. Neither shall NFA issue palay of a different variety code and/or require different output unless the two batches of stocks previously issued have been fully liquidated by NFA Management.

4. NFA DOCUMENTATION

The following documents shall be used by NFA in the milling documentation:

- Authority to Issue (AI)
 - Warehouse Stock Issue (WSI) for palay withdrawal
 - Warehouse Stock Receipt (WSR) for receipt of rice recoveries
 - Empty Sack Receipt (ESR) - for receipt of emptied palay container, indicating condition
 - Empty Sack Issue (ESI) for issuance of empty sacks to be used as containers of rice recoveries
- a. For the purpose of issuance of stocks to the miller-contractor, one (1) Authority to Issue (AI) shall cover only one batch.
 - b. Stocks for milling shall only be issued to the contractor/attorney-in-fact or his authorized representatives. They shall sign on the received portion of the Warehouse Stock Issue (WSI).
 - c. NFA shall issue WSI to document the palay withdrawn by the miller-contractor and Warehouse Stock Receipt (WSR) to document receipt of the corresponding milled rice recoveries from the miller-contractor's mill delivered to the NFA designated receiving warehouses.
 - d. NFA shall issue Empty Sack Issue (ESI) to document all issuances of empty sacks to miller-contractor and Empty Sack Receipt (ESR) to document all empty sacks returned to NFA from miller-contractor's trust.
 - e. NFA shall entrust to the CONTRACTOR empty sacks to serve as containers for the milled rice due to the NFA. The quantity of empty sacks to be issued shall in no case exceed the approximate number of bags of milled rice to be recovered from a particular issuance.

5. PAYMENT OF HANDLING AND HAULING EXPENSES

- a. NFA shall shoulder all handling expenses incurred from NFA pile up to the carrier truck during withdrawal of palay stocks and from the carrier truck up to the NFA pile upon receipt of rice recoveries and palay empty sacks based on the approved existing NFA handling rates.
- b. The CONTRACTOR shall shoulder hauling expenses from NFA warehouse to the millsite. The NFA shall pay the CONTRACTOR the delivery expenses that the latter will incur in the delivery to NFA of the guaranteed rice output and empty sacks from the CONTRACTOR’S mill-site to the NFA designated warehouse at the NFA approved rates per actual distance basis.
- c. It shall be the obligation of NFA to accept all deliveries of milled rice provided the deliveries conform with NFA specifications.

6. MILLING SUPERVISOR

NFA shall assign milling supervisors to the contractor’s mill-site with the following functions:

- a. Supervise the milling operations and monitor the percentage of bran streaks of the rice in process using the Staining Method of Determining the Milling Degree.
- b. The Milling Supervisor shall submit at the end of the day a daily milling report. This report shows the detailed daily issuances of palay and balances and 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.

7. MONITORING AND REPORTING

- a. Logbook of AI issued - to be maintained by the POO/APM;
- b. Milling Transactions logbook - the contractor is required to maintain a Milling Logbook to record the milling transactions. Likewise, the milling supervisor shall also maintain another set of logbook to record the milling transactions. The milling transactions which shall in turn be the basis for the Milling Report;
- c. Milling Reports

<u>Report Title/ Description</u>	<u>Prepared/Submitted by</u>	<u>Copy Distribution</u>
Milling Report	Milling Supervisor	<ul style="list-style-type: none">• Operations Section• Milling Supervisor• File
Statement of Milling Liquidation	Miller- Contractor	<ul style="list-style-type: none">• COA• R.O.• Accounting• Operations

Section

- Contractor

8. LIQUIDATION OF MILLER'S ACCOUNTABILITY

Palay withdrawals, receipts of rice recoveries and issues/receipts of empty sacks shall be liquidated monthly based on the milling plan. It shall be the responsibility of the APM/POO to review the Statement of Milling Liquidation. This shall serve as basis for the formal liquidation of Accounting/COA.

9. WEIGHING AND CLASSIFICATION OF RICE RECOVERIES

Receipt, weighing and final classification of rice recoveries as to quantity and quality shall be done at designated receiving warehouses. The receiving Warehouse Supervisor shall issue to the contractor a WSR evidencing receipt of rice recoveries. This shall not, however diminish the duties and responsibilities of the milling supervisor.

X. DUTIES AND RESPONSIBILITIES OF THE CONTRACTOR

CONTRACTOR shall immediately provide the necessary milling services, hauling/delivery trucks (owned or leased) and other facilities required by NFA. The facilities to be provided are for grains stocks. Hence it must be free from odor, toxic and/or hazardous substance or foreign matters that may cause adulteration/contamination of NFA stocks.

A. PALAY WITHDRAWAL AND DELIVERY OF RICE RECOVERIES

1. Miller-Contractor shall withdraw the palay and empty sacks from the NFA warehouse and shall transport to his mill site at his own expense.
2. Contractor shall personally or through his representative duly authorized in writing, witness 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 basis for the examination of the Contractor's accountability for palay, empty sacks and recoveries.
3. Contractor shall shoulder all handling expenses incurred from the carrier (truck) up to the miller's pile during the receipt of palay/empty sacks and from the miller's pile up to the carrier (truck) upon deliveries of milled rice, as well as all unused empty sacks.
4. Contractor shall ensure that palay sacks are not damaged during milling operations for NFA's recycling purposes.
5. Contractor undertakes to mill NFA stocks at its ricemill immediately upon receipt of palay stocks. 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.
6. Contractor at his own account shall place the milled rice in containers so provided by NFA to contain fifty (50) kilograms net weight. Moreover, NFA stocks and empty sacks shall be segregated and/or be made identifiable from other stocks or piles.
7. Contractor shall not use hooks in handling NFA's palay and milled rice stocks.

8. Milled rice delivered by CONTRACTOR shall be properly identified with the CONTRACTOR'S mark to distinguish the particular deliveries from milled rice delivered by other CONTRACTORS.
9. CONTRACTOR shall not charge storage fee while the stocks/empty sacks are in his custody.
10. The CONTRACTOR shall deliver the milled rice and all palay empty sacks and unused rice empty sacks to NFA designated warehouse under the account of NFA.
11. Delivery of the milled stocks and unused empty sacks shall start not later than the third (3rd) day from the date of the last WSI of particular AI (batch) and shall be completed on the 5th day from date of said last WSI. In case the CONTRACTOR fails to complete his delivery on the 5th day, for valid reason, the NFA shall grant a grace period of six (6) days to deliver the rice recoveries and the unused sacks without penalty. Likewise, in case a grace period is granted, the imposition of penalty shall begin after the lapse of the grace period.
12. CONTRACTOR shall secure Fire Insurance from an insurer duly registered with the Office of the Insurance Commission and acceptable to NFA to cover fire, floods and typhoons and other Acts of God in an amount equivalent to One Hundred Percent (100%) of the book value of the palay stocks and sacks issued to the Contractor at a maximum of six (6) day milling capacity of the 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.

In case the CONTRACTOR opted to file "Cash Bond", the bond may also apply to cover/answer incidence on fire, floods, typhoons and other Acts of God to reduce the number of securities required in the contract

13. CONTRACTOR shall be responsible for the filing and payment of necessary taxes related to his/her transaction with NFA.
14. CONTRACTOR shall clear all spaces from his own stocks such as dumping pit, by-product room, and rice recovery area to avoid switching of his own stocks with NFA stocks. Moreover, NFA stocks, empty sacks and recoveries shall be segregated and be made identifiable by a partition from the miller's own stocks or piles.
15. CONTRACTOR shall deliver the milled rice recoveries and the empty sacks to the NFA-designated warehouse. All palay empty sacks shall be bundled/baled at 200 pieces per bundle when returned or delivered to NFA designated warehouse and segregated as serviceable or unserviceable.
16. The Miller-Contractor is liable for the palay and empty sacks issued by the NFA while the stocks are in his/her custody.
17. Miller-Contractor shall personally or through his representative duly authorized in writing, acknowledge all palay and empty sacks issued by NFA in the WSI and ESI. The contents of these documents shall be conclusive as far as issuances of stocks and empty sacks are concerned. Likewise, the AI, WSI, ESI, WSR and ESR shall be the basis for the examination of the Contractor's accountability for palay, empty sacks and recoveries.
18. Contractor shall not charge storage fee while the stocks/empty sacks are in his Custody.
19. Contractor shall be considered as trustee of the palay and empty sacks and shall hold the same in trust from the time the Contractor acknowledges the receipt of the palay and empty sacks until such time that all the milled rice recoveries and empty sacks shall have been fully accepted by NFA.

20. Miller-Contractor may voluntarily relinquish his milling activity through a written notice to the NFA if he finds that his ricemill cannot cope with the guaranteed milling recovery (GMR) required by NFA subject to proper liquidation with liquidated damages equivalent to $1/10^{\text{th}}$ of 1% of the book value of the unmilled balance of the awarded palay stocks.
21. CONTRACTOR found committing acts of omission such as switching of stocks, misdeclaration of actual rice recoveries after an investigation shall be grounds for contract termination without prejudice to filing of criminal charges.

XI. PROVISIONS COVERING SUBSTANDARD DELIVERIES

In case the milled rice does not conform with the required milling quality/ specifications, the CONTRACTOR shall suspend the milling operation and shall within 24 hours, notify the NFA in writing of the same. Failure of the CONTRACTOR to notify NFA in writing of the incident shall make the Contractor liable for the consequences.

The findings must be reported to the Provincial Manager and the following steps must be undertaken:

1. Assigned Milling Supervisor will draw two (2) rice and palay samples from the batch in question.
 2. Submit samples to the Provincial Standards and Quality Assurance Officer (PSQAO) and subject samples to laboratory analysis.
 3. The PSQAO submits laboratory analysis results to the Provincial Manager
 4. Provincial Manager forwards the other set of rice and palay samples and the result of analysis of the PSQAO to the Regional Office
 5. Provincial Manager dispatches Milling Committee to witness the resumption of milling until completion of the batch in question. Provincial Manager must also invite COA Representative to inspect the stocks and witness the resumption and completion of milling the stocks in question.
 6. PSQAO shall also draw two (2) palay samples from the source pile and warehouse and submit the same for laboratory analysis.
 7. Regional Office laboratory will issue analysis report to the Provincial Manager duly signed by the Regional Director
 8. Provincial Manager shall issue AI for reclassification (upgrading or downgrading of the stocks depending on the Laboratory Analysis Report (LAR). The LAR shall be the official basis to reclassify the stocks in question and to serve as document proof to free the Miller Contractor from payment of penalty.
- A. NFA shall reject milled rice delivered by Contractor if bran streaks are beyond 19% WMR and the stocks shall be reprocessed by the Contractor. However, if from the substandard rice so delivered, it is clearly apparent to NFA that the palay form was substituted with newly harvested palay or palay with inferior quality, the Contractor shall automatically be deemed in default.
 - B. The Contractor shall not be subject to payment of the foregoing penalty if it is proven that the palay issued to the Contractor is of such inferior quality that the agreed specification/milling degree could not be attained and if written advice to this effect is given to NFA upon commencement of milling and duly received by NFA. Should the

contractor fail to submit the aforementioned advice, this exemption shall not apply.

XII. DELAY/SUSPENSION OR STOPPAGE OF MILLING OPERATIONS AND LOSSES / SHORTAGES / DAMAGES

In case the NFA receives written report from the Milling Supervisor/Contractor regarding the delay/ suspension or stoppage of milling operations due to mechanical breakdown and other factors beyond the control of the contractor, the NFA shall verify the same immediately and the NFA Provincial Manager shall act expeditiously as follows:

- a. If the delay will last for more than three (3) days, the NFA Provincial Manager shall effect the immediate withdrawal of the remaining stocks and have the same returned to the issuing warehouse utilizing NFA-owned trucks. The Milling Supervisor shall prepare immediately the milling liquidation report for submission to the Provincial Manager copy furnished COA.
- b. If the repair can be undertaken within three (3) days and the ricemill can resume operations, the counting of the delivery period shall be adjusted to account for the number of days of delay. No suspension of the delivery period shall be allowed if the Contractor has no written notice to NFA.
- c. The Milling Supervisor shall, for the duration of the suspension of milling, inspect daily the presence of stocks at the Contractor’s mill site.
- d. Contractor shall be held liable for the losses and shortages on the number of bags and on the weight of any of the rice stocks or empty sacks of NFA which are considered to be in his custody upon loading the same on the trucks from miller’s warehouse up to the time that these items are unloaded and duly acknowledged as received by the accountable officer/duly authorized NFA representative at the designated receiving warehouses.
- e. Losses of NFA arising from incidence of hijacking or “turn turtle” of trucks in case of road accidents resulting to looting of stocks shall be for the account of the CONTRACTOR. This is without prejudice to the filing of whatever claims due to NFA borne out of any adverse result of any investigation conducted by proper authorities.
- f. Contractor shall be held liable for shortages incurred.

XIII. PERFORMANCE BOND

- A. To guarantee the faithful performance of all the terms and conditions of the contract, the CONTRACTOR shall be required to post a performance security bond which shall be in the form acceptable to NFA:

FORM OF SECURITY	AMOUNT
1. Cash or Cashier's/ Manager's Check issued by a Universal or Commercial Bank	<i>Shall be equivalent to one hundred percent (100%) of the book value of issued stocks from one (1) day to maximum of 6-days palay input capacity of the CONTRACTOR'S mill on a 12-hour per day operation including its containers (sacks containing the palay) and the commensurate number of empty sacks issued for rice recoveries plus 10% allowance.</i>
2. Bank Draft/guarantee or Irrevocable letter of credit issued by a Universal or	<i>Shall be equivalent to one hundred percent (100%) of the book value of issued stocks from one (1) day to maximum of 6-days palay input capacity of the CONTRACTOR'S mill on a 12-hour</i>

Commercial Bank: Provided, However, that it shall be confirmed or authenticated by a Universal or Commercial Bank, If issued by a foreign bank.	<i>per day operation including its containers (sacks containing the palay) and the commensurate number of empty sacks issued for rice recoveries plus 10% allowance.</i>
3.Surety bond callable upon demand issued by a surety or insurance company duly certified by the Insurance Commissionn as authorized to issue such.	<i>Shall be equivalent to one hundred percent (100%) of the book value of issued stocks from one (1) day to maximum of 6-days palay input capacity of the CONTRACTOR'S mill on a 12-hour per day operation including its containers (sacks containing the palay) and the commensurate number of empty sacks issued for rice recoveries plus 10% allowance.</i>

- B. To guarantee the faithful performance by the winning bidder of its obligation under the contract, it shall post the performance security within ten (10) calendar days upon receipt of the Notice of Award.
- C. The bond shall be received by the NFA and properly documented. If cash bond is posted, it shall be deposited under NFA account and shall not be used for any other purpose.
1. The bond shall answer for the shortages/losses, expenses and/or incidental differential cost that NFA may incur in the application of the provisions of the contract, including damages, penalties, attorney's fees and cost of suit.
 2. The bond shall not be released by NFA until such time that the CONTRACTOR has been cleared by the NFA management of its obligations.

XIV. PENALTIES

A. PROVISIONS COVERING SUBSTANDARD DELIVERIES

1. The NFA shall not accept any milled rice deliveries if bran streaks are beyond the Forty percent (40%) maximum limit. Likewise, those beyond the +2% acceptable deviation of percentage brokens shall not be accepted. The transport, reprocessing and other expenses to be incurred shall be for the account of the Contractor which include penalties for any delay in the delivery of rice recoveries. However, if from the substandard rice so delivered it is clearly apparent to NFA that the palay form was substituted with newly harvested palay or palay with inferior quality, and/or mixed/blended with substandard rice or substituted with inferior quality rice, the Contractor shall automatically be deemed in default.
2. The CONTRACTOR shall not be subject to imposition of the foregoing penalty if it is proven that the palay issued to the CONTRACTOR is of such inferior quality that the agreed specification/milling degree could not be attained and if written advice to this effect is given to NFA upon commencement of milling and duly received by NFA. Should the CONTRACTOR fail to submit the aforementioned written advice, this

exemption shall not apply.

B. DELAYED DELIVERIES

1. The Contractor shall be considered in delay if, without written justification, he fails to deliver the milled rice recovery within five (5) days reckoned from the date of issuance of the WSI of a particular AI/batch as stipulated under Par V sub-par 10 hereof. The CONTRACTOR shall pay a penalty for delay computed at $1/10^{\text{th}}$ Of 1% of the book value of the undelivered stocks/sacks per day of delay.
2. Fails to withdraw the assigned volume of palay within thirty (30) days reckoned from date of first AI per monthly milling plan.
3. Fails to deliver all or a part of the milled rice and empty sacks for palay within thirty (30) days reckoned from date of first AI per monthly milling plan.

However, if the contractor fails to deliver the contracted volume amounting to at least 10% of the contract price, NFA may terminate the contract.

XV. DEFAULT

A. The Contractor shall be considered in default upon the occurrence of any of the following:

1. If the Contractor failed to deliver the stocks within the period allowed him.
2. If on any day after the issuance of stocks, no NFA stocks are present in the ricemill and the Contractor has not made any delivery in whole or in part.
3. If Contractor mills the palay for his personal gain or sells the rice recoveries to third parties.
4. If the rice delivered are sub-standard and it is clearly apparent to NFA that its palay form was changed or substituted with newly harvested or palay with inferior quality.
5. If there is a change in the condition or type of sacks returned.
6. In case of deliveries below the minimum Guaranteed Milling Recovery.

B. Upon the occurrence of any of the foregoing events of default, the NFA shall, require the Contractor within fifteen (15) days from Notice of Default to either:

1. Pay the cost of the remaining undelivered recoveries and the sacks based on the replacement cost; or
2. Restitute the undelivered stocks/sacks by delivering rice or palay or MTS plus pay a penalty computed at $1/10$ of 1% of the book value of the undelivered stocks/sacks per day of delay starting from the day of default:
 - i. 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.
 - ii. 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.

XVI. SPECIAL PROVISIONS

1. Contractor shall be considered as trustee of the palay and/or rice, 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, 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..
2. It is understood that time is of the essence of this Contract and in case of failure of the Contractor to comply with the terms and conditions set forth, Contractor shall be held liable in accordance with existing laws and decrees if the fault is attributable to him. Every participating CONTRACTOR shall be designated a corresponding milling period based on its milling capacity and NFA's provincial distribution plan. The milling period shall be **April 17, 2017 to May 31, 2017**.
3. 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 Contractor may have from NFA and apply the same by way of compensation for the obligations.
4. The NFA does not warrant the milling of the awarded volume during the effectivity of the milling contract which shall depend on its operational needs.
5. The basis for the examination of accountability of the Contractor shall be the palay and empty sacks issued vis-a-vis rice deliveries and empty sacks returned.
6. In case of litigation arising from this Contract, the Contractor agrees to pay liquidated damages in the amount of P50,000.00 plus cost of suit.

XVII. BID OFFER

1. The prospective miller-contractor shall bid using the tender form prescribed as illustrated below:

Province	Designated Whse.	Lot No.	Palay Input (bags)	Bid Offer			
				Milling Fee/ Bag of 50 kg rice output	Milling Degree	% GMR	Rice Output (Min.)/bags

2. The winning bidder shall be the miller who offered the Highest Guaranteed Milling Recovery (GMR) for RMR and the Lowest Milling Fee.

XVIII. CONDITIONS IN THE DETERMINATION OF HIGHEST GUARANTEED MILLING RECOVERY AND HIGHEST RATED RESPONSIVE BID

- All bids shall be ranked in ascending order of their total calculated bid prices, as evaluated and corrected for computational errors, and other bid modifications to identify the Highest Rated Bid. Total calculated bid prices, as evaluated and corrected for computational errors and other bid modifications, which exceed the ABC shall be disqualified. Bid offer should not be lower than 65% GMR for RMR milling degree.
1. The bidder with the highest offer of Guaranteed Milling Recovery (GMR) shall be evaluated based on the ricemill input/output capacity for a 12 hour/day operations per lot.
 2. The second (2nd) rank bidder will also be considered, if the rank no. 1 bidder was post disqualified.
 3. In the event that there will be two or more offerors with the same Highest Rated Bid

(HRB), this shall be resolved by the RBAC through the drawing of lots.

XIX. CONDUCT OF PROPER MILLING OPERATIONS

1. The Notice to Proceed shall be issued and served to the CONTRACTOR on a per volume/lot basis indicating the warehouse/province.

2. Based on the Notice to Proceed, the Provincial Manager of the concerned NFA Provincial Office will serve the following notices to the CONTRACTOR to fast track the milling operation:

- a. **Notice to Start** – specifying the date of start, number of lots as bidden, volume (Palay Input, bags), designated warehouse and destination province. The conduct of milling shall be continued until completion of the delivery volume as per Notice to Proceed.
- b. **Notice to Suspend Milling** - in cases beyond the control of the Contractor (like bad weather, machine breakdown, electrical power supply interruption etc.)
- c. **Notice to Resume** - shall be issued after causes of disruption is corrected as stated in 2.b
- d. **Notice of Failure to Comply** - shall be served to the Contractor if he/she fails to comply with the provisions of Par. V, sub-par b.3. In case of non-compliance of the Contractor to the aforementioned notices of the Provincial Manager, he will be obliged to pay the imposed penalties.
- e. To facilitate issuance of Notices, CONTRACTOR shall provide the Provincial Manager of his officially designated contact person, company mailing address and fax/tel. number and cell phone number (if any).

XX. EMPLOYER-EMPLOYEE RELATIONSHIP

It is mutually agreed upon that there shall be no employer-employee relationship between NFA and the Contractor's employees. Hence, NFA shall not be liable for claims that may arise under ECC, SSS, Philhealth, Minimum Wage Law and other related laws and Social Legislations, Rules and Regulations. Likewise, NFA shall not be held responsible for any claims of third person arising from vehicular accidents, Contractor's employees' fault and/or negligence.

XXI. DRIVER'S PROTEST

In the event that the driver(s) / representative (s) are prevented by any NFA employee from witnessing the weighing of stocks either at the point of loading or destinations preventing the driver(s) representative (s) to verify the correctness of the entries made by the NFA employee, the driver(s)/ representative(s) shall sign the documents under protest and shall immediately within forty-eight hours upon arrival at the point of destination, notify NFA office concerned. Failure to-do so shall render the "under-protest" signature of driver(s) / representative(s) of no force and effect and thereafter the entries made shall be conclusive.

XXII. BREACH OF CONTRACT

The aforementioned provisions shall be without prejudice to other damages/expenses for which the Contractor may be held liable for losses or damages the NFA may have suffered/incurred as a result of the breach of obligations by the Contractor under the terms and conditions of this Contract as well as other sanctions provided for by existing laws, presidential decrees, Executive Orders, Letter of Instructions and applicable rules and regulations.

XXIII. PRE-TERMINATION CONTRACT

The Contract for palay milling services may be terminated in accordance with the terms

and conditions stipulated therein; provided however that a prior written notice shall be given to the other party, without prejudice to whatever cause(s) of action that had already accrued pursuant to Section 2 of the Conditions of the Contract.

XXIV. RESERVATION CLAUSE

Pursuant to Section 41 of RA 9184 and its IRR-A, the National Food Authority Region V reserves the right to accept or reject any Bid, annul the bidding process and to reject all bids at anytime prior to contract award, without thereby incurring any liability to the affected Bidder or Bidders, for any justifiable reasonable ground where the contract will not redound to the benefit of the government.

XXV. CONTRACT IMPLEMENTATION

The contract implementation guidelines on amendments for the procurement of services shall be governed by Section 42.1 of RA 9184 and its revised IRR.

XXVI. DURATION CLAUSE:

The contract becomes effective on the date of signing by the parties and shall remain in full force and effect until the end of the milling period or until a maximum of the total awarded volume shall have been milled and accounted for, whichever comes first.

XXVII. VENUE OF ACTIONS

Any action that may arise under this Contract shall be filed exclusively in the competent courts of Legazpi City or elsewhere at the option of NFA.
