

## MEMORANDUM OF AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

This Agreement made and entered into by and among:

The NATIONAL DAIRY AUTHORITY, a government-owned and controlled corporation attached to the Department of Agriculture, with principal office at the BAI Compound Visayas Avenue, Diliman, Quezon City, represented in this Act by its *Administrator*, MS. GRACE J. CENAS, and hereinafter referred to as the NDA;

The CITY GOVERNMENT OF TABACO a government entity, with office address at Tabaco City, Albay represented by its *City Mayor*, Hon. CIELO KRISSEL LAGMAN LUISTRO, hereinafter referred to as the LGU,

-and-

The ALBAY DAIRY COOPERATIVE, a duly registered cooperative with the Cooperative Development Authority with office address at Camalig, Albay and represented in this Act by its *Chairman*, Mr. DOMINGO RANESES and hereinafter referred to as the COOPERATIVE

WITNESSETH: That-

WHEREAS, the government recognizes malnutrition as one of the social problems besetting our country today and it is hereby committed to work for the upliftment of the nutritional status of its people;

WHEREAS, a Milk Feeding Program is an instrument in alleviating the malnutrition problem, particularly in improving the nutritional status of the vulnerable age group: the children and the nursing or pregnant mothers;

WHEREAS, the Department of Agriculture, through the National Dairy Authority, implements its dairy programs along two-pronged objectives: pursuing a Milk Feeding Program for children to improve nutrition and at the same time providing livelihood to the dairy farmers;

NOW, THEREFORE, for and in consideration of the foregoing premises, their mutual consent hereinafter set forth, the parties hereto agree to undertake the program under the following terms and conditions:

### ARTICLE I THE PROGRAM

1. The Program shall be entitled "Community Milk Feeding Program for the Undernourished Children in Tabaco City" which aims to provide safe milk to pre-identified 1000 undernourished children on a continuing and regular basis for a period of 120 days. The program shall be implemented from April and shall end in October 2012.
2. The NDA, through the assistance of the City Agriculture Office/Nutrition Office has pre-identified the beneficiaries on the basis of the following criteria:
  - a. High incidence of malnourished children in area.
  - b. Proximity of the feeding center to the source of milk.
  - c. Availability of cooling facilities for the milk.
  - d. Accessibility of the feeding center to transportation.
  - e. Not a recipient of any feeding program.
4. Being the sole producer and supplier cooperative of fresh pasteurized milk in the area, the Bicol federation of Dairy Cooperative has been considered as the producer/ supplier cooperative of the community-based Milk Feeding Program in Albay Dairy Cooperative, Camalig, Albay.

ARTICLE II  
**THE BENEFICIARIES**

Based on the criteria in the selection of the beneficiaries to the Community Milk Feeding Program for the undernourished children in Tabaco City, the following barangays with **1000** undernourished children shall be supplied with plain and choco flavored milk coming from Albay Dairy Cooperative on a given period of time:

<b>No.</b>	<b>Barangay</b>	<b>No. of Beneficiaries</b>
1	San Lorenzo	58
2	Cobo	53
3	San Roque	53
4	Sto. Cristo	53
5	Mariroc	53
6	San Carlos	53
7	Bombon	25
8	Basud	25
9	Panal	25
10	Bangkilingan	53
11	SanRamon	53
12	Cabangan	53
13	Fatima	53
14	Salvacion	53
15	Baranzhawon	53
16	Bongabong	53
17	Guinobat	53
18	Comon	53
19	Tavhi	25
20	San Juan	25
21	Bacolod	25
22	Divino Rostro	25
23	Tagas	25
<b>TOTAL</b>		<b>1000</b>

ARTICLE III  
**ORGANIZATIONS/AGENCIES INVOLVED IN THE PROGRAM**

The program shall compose of the following agencies:

1. The National Dairy Authority (NDA)
2. The City Government through its City Agriculture Office/Nutrition Office (LGU-Tabaco City).
3. Albay Dairy Cooperative, Camalig, Albay

ARTICLE IV  
**ROLES AND RESPONSIBILITIES**

1. On the part of NDA
2.
  - 1 The **NDA** shall shoulder the 75% program cost amounting to **ONE MILLION TWO HUNDRED THOUSAND PESOS (P1, 200,000.00)** for the purchase of **120,000** packs of safe milk from the **COOP** for the beneficiaries which will cover **120** days of feeding. The safe milk shall be in 200ml. packed in food grade plastic sachet and provided with plastic straw for convenient drinking at a delivered price of **Php 13.00** per pack within a specified schedule and milk quality standards as described in Annex "A" and which shall form as integral part of the Agreement.
  - 2 The **NDA** shall conduct orientation seminar and give basic information on the mechanics of the program before the start of feeding. LGU facilitators who shall attend said seminar shall include CSWO, CNAO, CHO, BNSs, or BHWs.

- 3 The **NDA** in coordination with LGU-Tabaco City shall designate duly authorized representatives in the different areas who shall take charge in receiving the milk during delivery and distribute the same to the target beneficiaries.
  - 4 The **NDA** commits to strictly monitor the implementation of milk quality standards and do necessary measures to ensure the quality of the milk to be supplied by the **COOP** to the program. It commits to conduct periodic random sampling of the milk served to the beneficiaries based on the quality standards shown in Annex A. To ensure the successful implementation of the program, the **NDA** commits to provide direct technical assistance to the **LGU and COOP** in the entire implementation of the program.
  - 5 The **NDA** shall conduct periodic monitoring on the nutritional progress of the children.
3. On the part of the **LGU**:
- 1 The **LGU** shall shoulder the 25% program cost amounting to **THREE HUNDRED SIXTY THOUSAND PESOS (P360, 000.00)** for the purchase of **120,000** packs of safe milk from the **COOP** for the beneficiaries which will cover **120** days of feeding. The safe milk shall be in 200ml. packed in food grade plastic sachet and provided with plastic straw for convenient drinking at a delivered price of **Php13.00** per pack within a specified schedule and milk quality standards as described in Annex "A" and which shall form as integral part of the Agreement.
  - 2 The **LGU** shall assist NDA during the orientation seminar.
  - 3 The **LGU** through its City Health Office shall provide the dewormers for the beneficiaries and supervise its administration.
  - 4 The **LGU** shall provide the weighing scales for the periodic weight taking of beneficiaries that is prior, on the 50<sup>th</sup> and 120<sup>th</sup> day of the feeding program. The data shall be recorded in the prescribed MFP monitoring forms.
  - 5 The **LGU** shall submit the list of beneficiaries with their corresponding nutritional status in the duly prescribed monitoring forms.
  - 6 The **LGU** shall designate the City Agriculture Office/Nutrition Office (CSWO/CNO) as the implementing agency to act as the direct receiver and distributor of the milk and shall assign a duly authorized representatives in the different feeding centers or barangays who shall take charge in receiving the milk during delivery and distribute the same to the target beneficiaries;
  - 7 The **LGU** through its duly authorized agency representative shall require the Barangay Nutrition Scholar (BNSs) of the respective barangay to sign distribution/attendance report upon receipt of daily milk ration which shall be included as supporting document for every milk payment.
  - 8 The **LGU** shall submit a terminal report on the nutritional progress of the beneficiaries to the NDA 15 days after the 120 feeding-day period ..
4. On the part of **COOP**:
- 1 The **COOP** shall deliver the requested volume of fresh milk for the Community Milk Feeding Program, and shall strictly implement quality milk standards stipulated in Annex A and do necessary measures so as to ensure the quality of the product (s) that would be used in the program;
  - 2 The **COOP** shall deliver the choco flavored milk twice a week (every Monday which is good for two days feeding and Wednesday for 3 days feeding) in 200 ml. plastic sachets packed on crushed ice on or before nine o' clock in the morning, for a period of six (6) months;
  - 3 The **COOP** shall prepare the Statements of Account and other supporting papers as specified in Annex A and made an integral part of this Agreement and submit the same to the NDA every month for its milk deliveries to the Community Milk Feeding Program.

**ARTICLE V .  
TERMS OF PAYMENT**

1. The LGU shall pay to the COOP through the issuance of check amounting to **THREE HUNDRED SIXTY FIVE THOUSAND PESOS (p360,000.00)** representing 23% of the total milk cost, which shall be paid directly to Albay Dairy Cooperative, Cabangan, Camalig, Albay. The COOP .in turn, shall issue an Official Receipt to LGU upon payment

2. Schedule of payments shall be as follows:

1 <sup>st</sup> payment	15 May 2011
2 <sup>nd</sup> payment	15 June 2011
3 <sup>rd</sup> payment	15 July 2011
4 <sup>th</sup> payment	15 August 2011
5 <sup>th</sup> payment	15 September 2011
6 <sup>th</sup> payment	15 October 2011

3. The NDA shall pay to the COOP its 77% counterpart to the Milk Feeding Program for a total cost of ONE MILLION TWO HUNDRED THOUSAND PESOS (P1,200,000.00) based on the agreed schedule of payments. •
4. The COOP hereby authorized the NDA to deduct the following from its total milk payments due:

Payment for the provision of direct technical assistance by the NDA to the COOP, more particularly described in Article IV Section 2.4 of this agreement and the amount of which is equivalent to one (1) percent of the total amount of Plain and choco- flavored milk supplied and delivered to the identified barangays.

#### ARTICLE VI OTHER TERMS

1. The COOP agrees to replace the actual number of leakage / spoilage per delivery.
2. The LGU shall inform the COOP at least two days in advance in case of temporary suspension of deliveries due to holidays and other activities, etc.
3. The COOP agrees to give a two-days notice to NDA and LGU should the former be unable to deliver the milk to any particular feeding area(s) due to or for some unavoidable reasons / circumstance, except in cases such as barricades, landslides, or "force majeure" that may result to damage / spoilage of the product. In this case, however, the COOP shall have to explain in writing within forty eight (48) hours whereby the veracity of such circumstance shall then be validated by the NDA and the LGU. Otherwise, the cost of product(s) involved shall not be borne by the NDA and LGU ..
4. The children whose names are listed in the pre-identified list by the implementing agencies / organizations are qualified to receive and drink the fresh milk.

#### EFFECTIVITY

This Agreement shall take effect on April 1, 2012 and shall be terminated in October 2012.

#### ARTICLE VIII VENUE OF ACTION

That in the case of court action involving this Agreement, the same shall be brought before competent jurisdiction in \_\_\_\_\_, Quezon City.

IN WITNESS, WHERETO, the parties have hereto this Memorandum of Agreement on this day of \_\_\_\_\_, 2012, at Quezon City

BY:

<b>KRISEL LAGMAN LUISTRO</b>	<b>GRACE J. CENAS</b>	<b>DOMINGO RANESES</b>
City Mayor	Administrator	Chairman
Tabaco City	National Dairy Authority	Albay Dairy Cooperative

SIGNED IN THE PRESENCE OF:

**ASTHER A. CALISIN**  
City Nutrition Action Officer

**JAIME M. LOPEZ**  
Regional Manager, NDA-SLO

Certified adequate obligated counterpart fund  
In the amount of Php1,200,000.00

Certified adequate obligated counterpart fund  
In the amount of Php360,000.00

**JUANA D. GERZON**  
OIC-Division Chief - Finance, NDA

**LUIS B. MELGAR**  
LGU - OIC, Budget Officer

**JOSEFINA B. SADANG**  
LGU - OIC, Accountant

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES }  
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BEFORE ME, a notary public, this \_\_\_\_\_ day of \_\_\_\_\_ 2012 at Quezon City, personally appeared the following:

NAME	COMM. TAX CERT. NO.	DATE/PLACE OF ISSUE
GRACE J. CENAS		

Known to me to be the same persons who executed the foregoing instrument and they acknowledged to me that the same is their own free, voluntary act and deed as well as of the respective entities they represent.

That said instrument refers to a Memorandum of Agreement consisting of six (6) pages including this page and signed by the parties and their instrument witnesses on each and every page hereof.

WITNESS MY HAND AND SEAL. On the date and place first above written.

NOTARY PUBLIC

Doc. No. \_\_\_\_\_  
Page No. \_\_\_\_\_  
Book No. \_\_\_\_\_  
Series of \_\_\_\_\_

## ANNEXA

### A. DELIVERY TIME

COOP will deliver the fresh milk supply to barangays/schools, daily from Monday to Friday.

### B. PAYMENT REQUIREMENT:

#### A) For initial payment

1. Statement of Account
2. Delivery Receipt
3. Cash/Sales Invoice
4. Merchandise Acceptance Certificate
5. Purchase Order
6. Duly accomplished MF Monitoring forms per barangay/school signed by duly authorized representative.
7. List of beneficiaries with their corresponding nutritional status.

#### B) For succeeding payment

1. Statement of Account
2. Certified copy of PR (reflected the no. of liters delivered and paid with the balance of undelivered goods)
3. Certified copy of P.O (also reflected the deliveries made and the running balance)
4. Delivery Receipts
5. Merchandise Acceptance Receipt
6. Duly accomplished MF monitoring forms

#### C) Milk Quality

Butterfat - min 3.0% (Fresh Milk), min. 2.0 % (Flavored Milk)  
Milk Solids not Fat - min. 8.25 % (Fresh Milk), min. 9.25% (Flavored Milk)  
Microbial count, TBC - max. 30,000 cfu/ml.  
Coliform count - max. 10 cfu/ml  
Acidity test - 0.14 - 0.18 % (Fresh Milk)