



OFFICE OF THE SANGGUNIANG BAYAN

EXCERPTS FROM THE MINUTES OF THE 68TH REGULAR SESSION OF THE 12TH SANGGUNIANG BAYAN OF DUMALINAO, ZAMBOANGA DEL SUR, HELD AT SB SESSION HALL ON APRIL 8, 2024.

Present:

- | | |
|-------------------------------------|----------------------------------|
| HON. WILFREDO L. MALONG, SR. | - Vice Mayor – Presiding Officer |
| HON. RONALDO D. ENCABO | - SB Member |
| HON. FREDERICK R. BALANDRA | - SB Member |
| HON. HERMES B. CABALES | - SB Member |
| HON. RHOLLY A. LABANG | - SB Member |
| HON. MA. GEMMA C. ALBISO | - SB Member |
| HON. ROMEO G. LIGAN | - SB Member |
| HON. JELITO R. PEÑONAL | - SB Member |
| HON. JUSTONY G. SULATORIO | - SKF President |
| HON. ROMEO D. PARILA | - IPMR |

Absent:

- | | |
|------------------------------|-----------------------|
| HON. ARNOLD L. FLORES | - SB Member – O.L |
| HON. JOEL L. FAMOR | - ABC President – O.B |

RESOLUTION NO. 0308-2024

AUTHORIZING THE LOCAL CHIEF EXECUTIVE, HONORABLE MAYOR JUNAFLOR S. CERILLES, RMT, MAGD, TO ENTER AND SIGN A MEMORANDUM OF AGREEMENT ON BEHALF OF THE LOCAL GOVERNMENT UNIT OF DUMALINAO BY AND BETWEEN THE DEPARTMENT OF TRADE AND INDUSTRY (DTI), REGION IX, REPRESENTED BY ITS REGIONAL DIRECTOR, ENGR. AL-ZAMIR I. LIPAE, CESO V, FOR THE IMPLEMENTATION OF THE SHARED SERVICE FACILITIES (SSF) PROJECT IN THE MUNICIPALITY OF DUMALINAO, ZAMBOANGA DEL SUR.

WHEREAS, presented for consideration and appropriate action is the request of the Local Chief Executive to authorize her to enter and sign a MOA by and between the Department of Trade and Industry (DTI), Region IX, for the implementation of the Shared Service Facilities (SSF) Project in the locality;

WHEREAS, Section 22 (c) of R.A 7160, otherwise known as the Local Government Code of 1991, provides, that every local government unit, as a corporation, shall, unless otherwise provided in this Code, no contract may be entered into by the local chief executive in behalf of the local government unit without prior authorization by the sanggunian concerned;

WHEREAS, the municipal mayor is empowered by the same Code to enter into contracts on behalf of the municipality, based on Section 444 (b) (1) (vi) thereof,



which provides that upon authorization by the sangguniang bayan, represent the municipality in all its business transactions and sign on its behalf all bonds, contracts, obligations, and such other documents made pursuant to law or ordinance;

WHEREAS, the Shared Service Facilities (SSF) Project initiated by the Department of Trade and Industry (DTI), Region IX, aims to enhance the productivity and competitiveness of micro, small, and medium enterprises (MSMEs) in the locality;

WHEREAS, the implementation of the SSF Project requires collaboration between the Local Government Unit of Dumalinao and the Department of Trade and Industry (DTI), Region IX, to ensure its effective execution and sustainability;

WHEREAS, the Memorandum of Agreement (MOA) serves as a legal instrument to formalize the partnership between the LGU-Dumalinao and the DTI, Region IX, outlining their respective roles, responsibilities, and commitments for the successful implementation of the SSF Project;


WHEREAS, after careful review and exhaustive deliberation, and after finding the same to be proper and order;

NOW, THEREFORE, premises above-considered, on motion by **HON. ROMOE D. PARILA**, the body resolved, as it hereby resolves to authorize the Local Chief Executive, Honorable Mayor Junaflor S. Cerilles, RMT, MAGD, to enter and sign a Memorandum of Agreement on behalf of the Local Government Unit of Dumalinao by and between the Department of Trade and Industry (DTI), Region IX, represented by its Regional Director, Engr. Al-zamir I. Lipae, CESO V, for the implementation of the Shared Service Facilities Project in the Municipality of Dumalinao, Zamboanga del Sur.


LET the copy of this resolution be furnished to concern offices and/or officials for reference, guidance and appropriate action.

DONE this 8th day of **APRIL 2024**, at Dumalinao, Zamboanga del Sur.

I HEREBY CERTIFY to the correctness of the foregoing resolution.


DARRYLLE ANGELOU A. DALID, MPA, JD
Acting Secretary to the Sanggunian

Attested and approved by:


WILFREDO L. MALONG, SR.
Municipal Vice Mayor- Presiding Officer





Republic of the Philippines
REGION IX
PROVINCE OF ZAMBOANGA DEL SUR
Municipality of Dumalinao



OFFICE OF THE MUNICIPAL MAYOR

18 January 2024

THE HONORABLE MEMBERS OF THE SANGGUNIANG
Local Government of Dumalinao
Province Of Zamboanga Del Sur

THRU Vice Mayor Wilfredo L. Malong Sr
Presiding Officer

Sirs and Madamme

Good day!

Respectfully endorsing to your good office, the herewith attached unsigned Usufruct Agreement document between DTI and this LGU to wit

- Cacao and Coffee product development machines
- Decorticating System for Coco Husk for the Coco Coir Processing Project

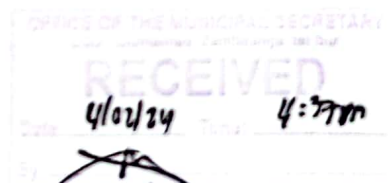
Anent this, I would like to ask for the release of a Resolution Authorizing the undersigned to sign in behalf of the LGU the aforesaid documents.

This is very much needed for the smooth implementation of our Projects related to Coco, Cacao and Coffee Product Development

Thank you and more power!

Sincerely,


JUNAFIOR S. CERILLES, RMT MAGD
Local Chief Executive



SSF FORM 06
MEMORANDUM OF AGREEMENT
ON THE
SHARED SERVICE FACILITIES (SSF) PROJECT

KNOW ALL MEN BY THESE PRESENTS:

This agreement is made and entered into by and between:

The **DEPARTMENT OF TRADE AND INDUSTRY – REGION IX**, a government agency duly organized and existing under the laws of the Republic of the Philippines, with principal office address at 4/F V.H. WEE Bldg., Veterans Ave., Zamboanga City, represented herein by its Regional Director, ENGR. AL-ZAMIR I. LIPAE, CESO V, and hereinafter referred to as “**DTI-IX**”,

-and-

LOCAL GOVERNMENT UNIT OF MUNICIPALITY OF DUMALINAO, a local government unit duly organized and existing under the laws of the Republic of the Philippines with principal office at the Municipal Hall, Dumalinao, Zamboanga del Sur, represented by its Municipal Mayor **JUNAFLO R. CERILLES** and hereinafter referred to as the “**COOPERATOR**”,

-WITNESSETH-

WHEREAS, to address the gaps and bottlenecks in the value chain of priority industry clusters, provide an integrated package of services including enhanced marketing approaches relevant to the maturity of the micro, small and medium enterprises (MSMEs) and the target markets, and develop priority and market-driven industries, the “SSF Project” was established for the purpose, with DTI serving as Implementing Agency;

WHEREAS, in the implementation of the said Project, the parties concerned shall be guided by applicable provisions of the 2021 General Appropriations Act, DBM-DTI Joint Circular No. 2014-1 dated October 9, 2014 and DTI Memorandum Order No. 21-1059, Series of 2021;

WHEREAS, SSF shall refer to a set of machinery, equipment, tools, systems, accessories, and other auxiliary items that may be required for a duly prescribed purpose, to be managed by a COOPERATOR for the common use of qualified beneficiaries;

WHEREAS, “**BENEFICIARY**” shall refer to the actual and potential user of the SSF which shall include cooperatives, associations or groups of MSMEs, individual MSMEs, individual entrepreneurs, students, trainees, teachers and researchers;

WHEREAS, “**COOPERATOR**” shall serve as an SSF partner, which maybe a juridical entity, such as but not limited to national government agencies (NGAs), non-government organizations (NGOs), people’s organizations, cooperatives, industry/trade/business associations, local government units (LGUs), state universities/colleges, technical vocational schools, and other similar government academic and training institutions;

¹ Per Section 5.8.4.2. of DTI M.O. No. 21-1095, Series of 2021

WHEREAS, the SSF Project encourages the graduation of COOPERATORS, especially MSMEs to the next level where they could tap a better and wider market and be integrated into the global supply chain;

WHEREAS, pursuant to the applicable provisions of the existing relevant SSF Circulars/Guidelines, "DTI-IX" has pre-evaluated and identified the "COOPERATOR" herein as qualified to manage a SSF to be established at Dumalinao, Zamboanga del Sur for Coffee and Cacao Industry/Sector;

WHEREAS, the "COOPERATOR" herein has expressed its willingness to undertake the management of the aforementioned SSF;

NOW, THEREFORE, for and in consideration of the foregoing premises and of the mutual covenants and stipulations hereafter set forth, "DTI-IX" and the "COOPERATOR" hereby agree to enter into this Memorandum of Agreement (MOA), subject to the following terms and conditions:

I. THAT the SSF Project is briefly described as:

1. Project Title: COCO COIR PROCESSING
2. Specific Site/Location: Dumalinao, Zamboanga del Sur
3. Beneficiaries: LGU-Dumalinao
(the hereto attached list of beneficiaries shall form an integral part of this MOA)
4. Cost Estimate:

PARTY	ITEM	COST	TOTAL COST
DTI	1 unit Coco Husk Decortating System	1,661,232.00	1,661,232.00
COOPERATOR	Working Capital Building	200,000.00	200,000.00

5. Brief Description of the SSF Project: The project entails the establishment of Coco Coir Processing Center complete with equipment/ machines devoted to the fish products of the municipality and further ensure food sufficiency in the locality and the neighboring places within Zamboanga Peninsula Region.
6. Benefits:
 - Generate employment at production, processing and marketing levels.
 - Promote price stability and ensure steady demand for local coconut produce
 - Position the municipality of Dumalinao as a leading producer of coco coir by increasing competitiveness through the provision of machinery, equipment, tools, systems, skills and knowledge under a shared system
 - Pave a way for the development of the Coconut Industry of the municipality of Dumalinao, ZDS

II. THAT "DTI-IX" shall have the following rights, duties and responsibilities:

1. Initiate procurement of SSF necessary for the setting up of the Project in accordance with the provisions of the Republic Act 9184, otherwise known as the "Government Procurement Reform Act", its Implementing Rules and Regulations, and other applicable guidelines and issuances;

2. Inspect the SSF upon delivery by the supplier to ensure that they meet all the specifications as defined in the DTI Purchase Request Form. This shall be done in the presence of the representative of the "COOPERATOR";
 3. Turn over the duly inspected SSF to the project site designated by the "COOPERATOR" and have the same received and acknowledged in writing by the "COOPERATOR";
 4. Ensure that the machinery/ equipment will not be released to the Cooperator unless this MOA and the Usufruct Agreement are signed and executed by all the parties thereto.
 5. Grant the "COOPERATOR" the use of the SSF free of charge subject to the terms and conditions of applicable laws, SSF guidelines, this MOA, and Usufruct Agreement;
 6. Secure an insurance for a period of two (2) years from date of delivery of the SSF, to cover loss or damage caused by fire, theft, earthquake, lightning, floods, and other Acts of God;
 7. Conduct quarterly on-site inspection and monitoring of the condition of the SSF in order to promptly identify any problem and accordingly come up with the appropriate or needed remedial measures. This shall be reflected in the Manual of Operations to be prepared by "DTI-IX" and the "COOPERATOR";
 8. Monitor and evaluate the operations of the SSF project, particularly in terms of production and financial condition thereof. The reports thereon shall be submitted by "DTI-ZDS" ("Provincial Office") to DTI-IX" for consolidation purposes;
 9. Provide, when necessary, additional technical support capacitating the "COOPERATOR" to sustainably manage and operate the SSF in accordance with the objectives of the Project;
 10. Institute the appropriate actions against the COOPERATOR, including suspension, termination or institution of legal action, the legal cost therefor shall be borne by the "COOPERATOR", in case of: (a) misuse/abuse of the SSF; and/or (b) non-compliance or default by the "COOPERATOR" of any of the provisions of applicable SSF guidelines, this MOA, Usufruct Agreement, Manual of Operations, Business Plan, and/or any other agreements in accordance thereto; hereof or misuse or abuse of the SSF; and
 11. Before the termination of the SSF project, assess whether the "COOPERATOR" has operated the SSF successfully subject to applicable SSF and COA guidelines;
- III. THAT the rights, duties and responsibilities of the "COOPERATOR" shall be as follows:
1. Provide the necessary funds and facilities to house the SSF and other support facilities such as power, as well as working capital and personnel;
 2. Pre-qualify and submit the names of the beneficiaries to "DTI-IX";
 3. Assign or designate a representative to witness the inspection by "DTI-IX" of the SSF delivered by the supplier;

4. Acknowledge in writing the receipt of the SSF from the "DTI-IX" to its designated project site, through an Acknowledgement Receipt, as prescribed by the existing SSF guidelines;
5. Assume full responsibility and accountability once the deliveries of equipment have started and duly accepted from the "DTI-IX";
6. Operate and manage the SSF in accordance with existing laws, SSF Circulars/Guidelines, Manual of SSF, this MOA, Usufruct, Business Plan, and/or any other agreements in accordance thereto
7. Recognize DTI's ownership of the SSF;
8. Conduct and shoulder expenses for periodic preventive maintenance work and repair to keep the SSF in good working condition;
9. Take care of the SSF as good father of the family and ensure its protection from loss or damage under any circumstance, including during and after the occurrence of a fortuitous event;
10. Shall not lease, mortgage, sell, transfer, or dispose of the SSF subject hereof;
11. May opt to take out an insurance within the period of the Usufruct Agreement to cover loss or damage with prior coordination to DTI;
12. Submit promptly to "DTI-IX" the required monthly SSF reports in accordance with the existing SSF guidelines and schedule set forth in the Manual of SSF Operations;
13. In the event of non-compliance, return the subject SSF to "DTI-IX", without need of demand, in good working condition save for the wear and tear arising from its normal use. In case of deterioration thereof due to abuse, misuse, fraud or negligence on its part, it shall indemnify DTI for any and all expenses that may be incurred to restore the SSF to its working condition.

IV. THAT "DTI-IX" and the "COOPERATOR" shall jointly prepare and approve a Manual of Operations, which shall include, among others, the following:

1. Project Description to include Project Title, Cooperator, Project Location, Project Rationale, Description of Services/ Products Offered, Contact Information);
2. Organizational/functional structure of the SSF Project;
3. Schedule of Operations; Procedure of accessing for the services or benefits of the SSF;
4. Schedule of fees which balances the need for sustainability and affordability;
5. Promotion/Marketing Plan to promote the use of facility, especially to other industry stakeholders;
6. Financial Plan;
7. Production Plan;
8. Sustainability Plan;
9. Reportorial procedures; and
10. Measures to recover expenses incurred for the misuse or abuse of the SSF by the BENEFICIARY;

- V. THAT this Memorandum of Agreement shall be effective upon the date of its execution and shall remain in force and effect until the usufruct of all SSF equipment have been terminated.
- VI. THAT the DTI may either: (i) transfer ownership of the SSF to the "COOPERATOR" upon demonstrating successful management of the facilities; (ii) extend the usufruct for another two (2) years if the "COOPERATOR" needs additional period to establish the successful operation of the SSF; or (iii) transfer the management of the SSF to another Cooperator for failure to secure, operate, properly maintain, or repair the SSF equipment upon its acceptance.
- VII. THAT the operation of the SSF may be considered as successful based on any of the following criteria:
- i. At least 10% increase in the number of beneficiaries assisted; or
 - ii. At least 10% increase in sales and/or income generated.
- VIII. THAT the grounds for the termination/pre-termination of this MOA shall be as follows:
1. Upon mutual written consent of the PARTIES upon 30 calendar days prior written notice;
 2. Default or Non-performance by the "COOPERATOR" of its prescribed obligations, duties and responsibilities;
 3. Non-compliance or default by the "COOPERATOR" with any of the provisions of the applicable SSF Guidelines, this MOA, Usufruct Agreement, Manual of Operations, Business Plan, or any other agreements in accordance thereto;
 4. Abuse/misuse of the SSF by the Cooperator;
 5. Fortuitous events as defined under Memorandum Order No. 21-1059, Series of 2021, provided, the same is so grave that the performance of the duties and responsibilities of the party affected or the continuation of the SSF is clearly impossible under the circumstances. Provided, further, that the party affected shall notify the other party in writing within a period of five (5) days from the occurrence of such event; and
 6. Expiration of the duration of the MOA and/or Usufruct Agreement;
- The aforementioned grounds for termination/pre-termination shall be without prejudice to the filing of civil, criminal, and/or administrative case/s against the Cooperator.

- IX. THAT the following MISCELLANEOUS PROVISIONS shall likewise be observed:
1. After the termination of this MOA, the machinery/equipment/tools shall be appraised to determine its depreciated value or residual value for purposes of transfer, sale or disposal by DTI. A depreciation schedule for all machinery/equipment/tools shall be provided for and form an integral part of this MOA as Annex "A";
 2. The machinery/equipment/tools shall be used by the "COOPERATOR" under a Usufruct Agreement which shall form an integral part of this MOA as Annex "B".

3. In the performance of their obligations under this agreement, the "PARTIES" shall ensure the privacy and security of any and all confidential, privileged, personal and/or sensitive personal information that the parties, their officers, employees, or agents may have access to; and shall store, use, dispose, and otherwise process the said confidential, privileged, personal and/or sensitive personal information in accordance with Republic Act 10173 otherwise known as the "Data Privacy Act of 2012;" its Implementing Rules and Regulations (IRR); and applicable issuances issued by the National Privacy Commission (NPC). This clause shall survive the termination or expiration of this agreement. Any violation of this clause and any of the provisions of the DPA and its IRR by the parties, their officers, employees, or agents shall be subject to the corresponding sanctions, penalties, or fines under the said law without prejudice to any other civil and/or criminal liability, as may be applicable.

X. THAT any amendments to this MOA shall be in a written form of this nature and signed by both "DTI-IX" and the "COOPERATOR".

IN WITNESS WHEREOF, the parties have hereunto set their hands this ____ day of _____ 20__ in _____, Philippines.

DTI REGIONAL OFFICE IX

COOPERATOR

By:

By:

ENGR. AL-ZAMIR I. LIPAE, CESO V
Regional Director, DTI-IX

HON. JUNAFLOR S. CERILLES
Municipal Mayor

SIGNED IN THE PRESENCE OF:

Witness

Witness

ACKNOWLEDGEMENT

Republic of the Philippines)
.S.S.

BEFORE ME, a Notary Public for and in _____, this __ day of _____
20__, personally came and appeared the following:

Name	Valid ID	Place/Date Issued
<u>ENGR. AL-ZAMIR I. LIPAE</u>	_____	_____
<u>HON. JUNAFLORES S. CERILLES</u>	_____	_____

Known to me and to me known to be the same persons who executed the foregoing instrument and acknowledged to me that the same is their free and voluntary act and deed.

This Instrument consists of only _____ (____) page/s, including this page in which this Acknowledgement is written, duly signed by the parties and their instrumental witnesses on each and every page hereof.

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

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