



Republika ng Pilipinas  
**Pambansang Pangasiwaan ng Patubig**  
(NATIONAL IRRIGATION ADMINISTRATION)  
Lungsod ng Quezon

OFFICE ADDRESS: NATIONAL GOVERNMENT CENTER  
E. DE LOS SANTOS AVENUE  
QUEZON CITY PHILIPPINES

TELEPHONE NOS.:  
CABLE  
TELEX

97-60-71 to 78  
NIAPHIL  
42802 NIA PM

OUR REFERENCE:

MC No. 032 S. 1987

MEMORANDUM CIRCULAR

TO : ASSISTANT ADMINISTRATORS, DEPARTMENT/STAFF  
MANAGERS, REGIONAL IRRIGATION MANAGERS,  
OPERATION/PROJECT MANAGERS, PROVINCIAL  
IRRIGATION ENGINEERS, IRRIGATION  
SUPERINTENDENTS AND ALL OTHERS CONCERNED

SUBJECT : PROCEDURES IN THE PROCESSING AND APPROVAL OF  
NIA-IA O & M CONTRACTS/MEMORANDUM OF AGREEMENTS

In order to expedite the processing and approval of O & M contracts on the delegation of O & M responsibilities to duly registered Irrigators Associations (IAs) under the different stages (Stage I, II and III) in the case of the national irrigation system/projects, and Memorandum of Agreements in the case of communal projects/systems, the following procedures are hereby promulgated for the guidance of all concerned.

A. O & M Contracts (Stages I, II & III) for the  
National Irrigation Systems/Projects

- A.1 All original contracts for O & M of National irrigation systems/projects under the three stages shall be approved by the Administrator. The RID/OM/PM shall be the NIA contracting official and the AA for SOEM as the recommending official. The major provisions of the O & M contracts (ISF collection sharing arrangements, ISF collection incentives, IA remuneration, etc.) to be negotiated with duly organized IAs shall be within the standard criteria established for this purpose as provided for under MC 014 S. 1987. Any deviation(s) therefrom shall be cleared with the Office of the AA for SOEM prior to coming up with final agreements with the concerned IA.

A.2 For the renewal of O & M contracts under Stages I and II without any change(s) in the key provisions (IA remuneration, ISF collection sharing arrangements, etc.) from the original contract, the approving official shall be the RID/OM/PM with the Regional/Project IDD Chief as the recommending official. The Irrigation Superintendent/District Chief/O & M In-charge (in the case of on-going projects) shall be the NIA contracting official.

A.3 For the renewal of O & M contracts under Stages I and II with some changes in the key provisions from the original one, the approving official shall be the Administrator. The contracting and recommending officials shall be the same as those mentioned in Section A.1.

A.4 Loan restructuring for contracts under Stage III, shall also be approved by the Administrator with the recommending official and contracting parties same as those mentioned in Section A.1.

B. Memorandum of Agreement for the Construction/ Rehabilitation of Communal Irrigation Projects/Systems

B.1 For project/system construction or rehabilitation involving a Program of Work (POW) of less than ₱500,000 the Memorandum of Agreement (MOA) shall be approved by Regional Irrigation Director. The recommending official shall be the Regional IDD Chief and the contracting official shall be the Provincial Irrigation Engineer (PIE).

B.2 For project/system construction or rehabilitation involving a POW of more than ₱500,000 but not exceeding ₱1,000,000 the MOA shall be approved by the AA for SOEM with the RID as the recommending official. The contracting official shall be the Provincial Irrigation Engineer with the RIDD Chief as witness.

B.3 For project/system construction or rehabilitation involving a POW exceeding ₱1,000,000 the MOA shall be approved by the Administrator. The AA for SOEM shall be the recommending official with the RID as the contracting official. The PIE shall sign as witness.

B.4 In case of CIS-IA loan/amortization restructuring all proposals shall be submitted to the office of the Administrator, Attention: The AA for SOEM for evaluation and approval. No loan restructuring shall be effected/implemented unless prior approval has been obtained from the Administrator. (This provision also applies to Section A.4)

All O & M contracts and Memoranda of Agreement shall have the required documents and attachments as prescribed in Annex A. For proper presentation, each copy of the contracts, complete with the required documents/attachments, shall be placed in a folder which shall be labeled properly.

For centralized monitoring, and in compliance with NIA Board Resolution No. 5333-86 dated 06 November 1986 (Annex B) delegating the authority to the NIA Administrator to approve O & M contracts, all original O & M contracts for the national irrigation systems/projects and Memoranda of Agreement for the communals which are subject to approval either by the Administrator or the AA for SOEM shall be forwarded to the AA for SOEM, Attention: The Institutional Development Department. Furthermore, a copy of the O & M contracts renewed or Memoranda of Agreement approved by the RID/OM/PM shall likewise be forwarded to Central IDD for proper recording and filing for future reference. For speedy processing, please see the transmittal formats and other requirements herewith attached as Annexes N and C for reference.

It is further directed that the Regional/Project IDD's shall serve as the Monitoring Units for processing, recording and filing of all O & M contracts/Memoranda of Agreement entered into by NIA with Irrigators Associations. Moreover, a copy of approved/renewed O & M contracts/MOAs with IAs in on-going foreign loan assisted projects shall be furnished the regional offices for reference purposes.

All previous issuances, circulars and memoranda pertinent thereto are correspondingly superseded and modified accordingly.

Please be guided accordingly.

Date signed:  
26 June 1987

  
FEDERICO N. ALDAY, JR.  
Administrator

ANNEX A. DOCUMENTS TO BE ATTACHED TO O & M CONTRACTS AND  
MEMORANDA OF AGREEMENT

A. National Systems/Projects

1. Original Contract

a) Stage I

- 1) IA SEC Registration Certificate, xerox copy.
- 2) IA Board Resolution approving the contract and authorizing its President to enter into and sign the agreement.

b) Stage II

- 1) IA SEC Registration Certificate, xerox copy.
- 2) IA Board Resolution approving the contract and authorizing its President to enter into and sign the agreement.
- 3) Illustration of ISF collection sharing arrangement.

c) Stage III

- 1) IA SEC Registration Certificate, xerox copy.
- 2) IA Board Resolution approving the contract and authorizing its President to enter into and sign the agreement.
- 3) Summary of chargeable costs.
- 4) Schedule of amortization and financial turn-over agreement.
- 5) Approved POW if there are remaining works to be undertaken.

2. Contract Renewal Without Change(s)

a) Stage I

No documents required. However, a copy of the approved contract shall be submitted to IDD, Central Office.

b) Stage II

No documents required. However, a copy of the approved contract shall be submitted to IDD, Central Office.

3. Contract Renewal with Change(s)

a) Stage I

1. IA SEC Registration Certificate, xerox copy.
2. IA Board Resolution approving the contract and authorizing its President to enter into and sign the agreement.

b) Stage II

- 1) IA SEC Registration Certificate, xerox copy.
- 2) IA Board Resolution approving the contract and authorizing its President to enter into and sign the agreement.
- 3) Illustration of new ISF collection sharing arrangements.

4. Loan Restructuring

a) Stage III

1. Reasons for amortization/loan restructuring.
2. Computations of restructured amortization.

B. Communal Projects/Systems

a) Memorandum of Agreement

1. IA SEC Registration Certificate, xerox copy.
2. IA Board Resolution authorizing the President to enter into and sign the agreement.
3. Certificate of Project Construction to include:
  - a) Equity generation program; and
  - b) NIA & IA Policies and Systems for construction.
4. Water Permit

b) Restructuring of Amortization

1. Reasons for restructuring of amortization
2. Computation of restructured amortization

ANNEX B. NIA BOARD RESOLUTION NO. 5333-86  
Adopted 06 November 1986

"Resolved, as it is hereby resolved that pursuant to the provision of Section PD 552 which stipulate the Powers and Objectives of the NIA, and which include among others, "to delegate the partial or full management of national irrigation systems to duly organized cooperatives or associations," approval of all NIA-IA O & M contracts is hereby delegated to the NIA Administrator. and that a monthly summary of the approved contracts shall be prepared and submitted for the Board's notation."

Annex C-1. Transmittal  
format for Memorandum  
of Agreements for  
Communal Projects/  
Systems

Heading

(Date) \_\_\_\_\_

MEMORANDUM

FOR : \_\_\_\_\_

ATTENTION : \_\_\_\_\_

FROM : \_\_\_\_\_

SUBJECT : Memorandum of Agreement

Respectfully forwarded herewith for your perusal and approval the Memorandum of Agreement by and between the NIA and the (Name of IA) for the construction/rehabilitation of the (Name of CIP/CIS) located at (Barangay, Town) in the province of \_\_\_\_\_. The approved Program of Work amounts to ₱ \_\_\_\_\_ and funded by (Fund Source: CIDP, Regular Proj., etc.). It is informed that the IA has been duly organized and registered with (Registering Agency) with Registration Certificate No. \_\_\_\_\_.

Likewise enclosed are the required documents for ready reference and the basic information (Annex C-1.1) pertinent to this particular communal project/IA in compliance with MC \_\_\_ S. 1987.

Note: Addressess and senders will depend on the authorized official who will approve the MOA (based on the amount of POW)

Annex C-1.1 To be prepared  
by PIE and checked by  
Regional Engineering  
Division Chief. To be  
attached to the  
transmittal.

BASIC INFORMATION  
Communal Memo of Agreement

Region \_\_\_\_\_  
Province \_\_\_\_\_

1. Name of CIP/CIS: \_\_\_\_\_
2. Location of CIP/CIS: \_\_\_\_\_ (Bgy., Municipality/City)
3. Project/System Status: \_\_\_\_\_ (New/Existing)
4. If existing, provide the following information:

- 4.1 Year originally constructed: \_\_\_\_\_
- 4.2 Agency(s) which provided previous loan(s)

Agency*	Total Amt. of Loan. (P)	Amount Paid to Date (P)
_____	_____	_____
_____	_____	_____
_____	_____	_____

\* In case of NIA, specify the fund source(s).

- 4.3 If NIA assisted, was the project implemented through the NIA participatory approach? Yes \_\_\_\_\_ No \_\_\_\_\_
5. Amount of Approved POW: P \_\_\_\_\_ Fund Source: \_\_\_\_\_
6. Construction Period: Start Date: \_\_\_\_\_ Completion Date \_\_\_\_\_
7. Brief description of major construction activities:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
8. Potential Area: \_\_\_\_\_ ha. Presently Irrigated Area: WS \_\_\_\_\_ DS \_\_\_\_\_
9. IA Membership: Potential No. \_\_\_\_\_ Actual No. To Date: \_\_\_\_\_
10. No. of ICOs/IOWs: \_\_\_\_\_ Date of Deployment: \_\_\_\_\_
11. Project classification: Base \_\_\_\_\_ Radiation \_\_\_\_\_

Prepared by: \_\_\_\_\_

NOTED: \_\_\_\_\_

PIE

RID



Annex C-2. Transmittal  
Format for forwarding  
to Central Office MOAs  
Approved by RIDs

Heading

(Date)

MEMORANDUM

FOR : The Assistant Administrator for  
Systems Operation and Equipment Management

ATTENTION : The Manager  
Institutional Development Department

FROM : R I D

SUBJECT : Approved Memorandum of Agreement

Attached is/are copy(s) of the Memorandum of Agreement  
duly approved by this office in compliance with MC \_\_\_\_  
S. 1987 as of this \_\_\_\_ quarter, 19\_\_.

<u>Province</u>	<u>CIP/CIS</u>	<u>Date Approved</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

For your reference and file.

RID

Annex N-1. Transmittal  
Format for O & M  
Contracts (National  
Systems) ORIGINAL and  
CONTRACT RENEWALS  
WITH CHANGES

Heading

(Date)

MEMPRAMDUM

FOR : The Assistant Administrator for  
Systems Operation and Equipment Management

ATTENTION: The Manager  
Institutional Development Department

FROM : RID/OM/PM

SUBJECT : NIA-IA O & M CONTRACT

Respectfully endorsed for your perusal and approval by  
the Administrator is the AD&M Contract under Stage \_\_\_\_\_  
entered into by this region with \_\_\_\_\_ (Name of IA) of  
\_\_\_\_\_ (Name of Irrigation System). This particular contract  
has been negotiated based on the established standard  
criterial and is to take effect this \_\_\_\_\_ (1987 Wet Season)  
starting on. \_\_\_\_\_ (July 1, 1987).

Salient information (Annex N-1.1), pertinent to this  
O & M contract are herewith attached for ready reference.  
The amount needed to cover compensation of personnel who may  
be phased out as a result of this contract shall be requested  
in a separate memo.

Please give this contract your priority attention.

RID/OM/PM

Annex N-1.1 To be accomplished by IS/DC and checked by O & M Division Chief

NIA-IA O & M CONTRACT  
General Information & Key Provisions  
Region \_\_\_\_

I. General Information

1. Name of Irrigation System: \_\_\_\_\_
2. Name of IA: \_\_\_\_\_
3. IA Office Address: \_\_\_\_\_
4. Name of IA President: \_\_\_\_\_
5. SEC Registration No.: \_\_\_\_\_ 6. Date Reg. \_\_\_\_\_
7. IA Membership (No.): Potential \_\_\_\_\_ To Date \_\_\_\_\_
8. IA Service Area (Ha.): \_\_\_\_\_ This Contract \_\_\_\_\_
9. WM Division(s) covering the IA area: (Div. A, Div. C, etc.)
10. No. of DT's Sections Affected: \_\_\_\_\_
11. Supply Canals covered by the Contract

Name of Canal	Station No.		Length (Km)	Service Area (ha)
	From	To		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

12. Assessment of Area Performance (Past two years)

Particulars	Systemwide		IA Area	
	19__	19__	19__	19__
a. Irrigated Area: WS (ha.) : DS	_____	_____	_____	_____
b. Annual Cropping Intensity (%)	_____	_____	_____	_____
c. ISF Collection (current Efficiency (%) account)	_____	_____	_____	_____
d. Viability Index	_____	_____	_____	_____
e. Annual O & M Cost (P/ha)	_____	_____	_____	_____
f. Average Yield (tons/ha)	_____	_____	_____	_____

II. Key Provisions: Stage \_\_\_\_

(Instructions: Fill in only the information as called for in the pertinent contract stage.)

For Stage I Contract (or Stage A in some cases in UPRIIS).

1. IA Remuneration: P/mo. \_\_\_\_\_ P/annum \_\_\_\_\_
2. Payment Schedule for Item 1: \_\_\_\_\_ (Monthly/Quarterly, etc.)
3. IA Collection Incentive on Current Accounts

Collection Efficiency (%)

IA Incentive (%)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. IA Collection Incentive on Back Accounts \_\_\_\_\_ (%)
5. Payment Schedule for Items 3 and 4: \_\_\_\_\_ (Specify date(s) if applicable)
6. Estimated Annual Budget for Items 1, 3 and 4: P \_\_\_\_\_

For Stage II Contract

1. Agreed Breakeven Point (BEP): P \_\_\_\_\_
2. BEP ratio to Annual System O & M Budget: \_\_\_\_\_ (%)
3. BEP ratio to Annual ISF Collectibles : \_\_\_\_\_ (%)
4. ISF Collection Sharing Arrangements

Collection Levels

NIA (%)

IA (%)

Current Account Collection below BEP

\_\_\_\_\_

Current Account Collections above BEP  
but before Deadline Date

\_\_\_\_\_

Back Account Collections: Prior to contract  
Effectivity

\_\_\_\_\_

5. Payment Schedule of IA's Share: : After contract effectivity \_\_\_\_\_

6. Estimated Annual IA Share: P \_\_\_\_\_

For Stage III Contract

1. Agreed Total Chargeable Cost: P \_\_\_\_\_
2. Amortization Rate: \_\_\_\_\_ (P or cav./ha/annum)
3. Annual Amortization Amount: P \_\_\_\_\_
4. Period of Amortization : \_\_\_\_\_ years
5. Due Date of First Payment : \_\_\_\_\_
6. Annual Payment Due Date : \_\_\_\_\_
7. ISF Rates Adopted by IA - W.S. \_\_\_\_\_ (P or cav./ha)  
- D.S. \_\_\_\_\_ (P or cav./ha)

Prepared by:

\_\_\_\_\_  
IS/DC

NOTED:

\_\_\_\_\_  
RID/OM/PM

Annex N-2. Transmittal  
Format for Submission  
of Renewed O & M  
Contract without  
Change(s) Approved by  
RID/OM/PM

Heading

(Date) \_\_\_\_\_

MEMORANDUM

FOR : The Assistant Administrator for  
System Operation and Equipment Management

ATTENTION: The Manager  
Institutional Development Department

FROM : RID/OM/PM

SUBJECT : Renewed O & M Contract(s)

In compliance with MC \_\_\_\_ S. 1987, respectfully  
forwarded herewith are copies of (No.) O & M contracts  
renewed by this office as of (month), 19\_\_\_\_. Following  
is the list of contracts renewed:

<u>Irrigation System/ District/Division</u>	<u>Name of IA</u>	<u>Date Renewed</u>	<u>Contract Effectivity Dates</u> <u>From</u> <u>To</u>
_____	_____	_____	_____
_____	_____	_____	_____

For your reference and file.

\_\_\_\_\_  
RID/OM/PM