



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.: 97-60-71 to 78  
CABLE NIAPHIL  
TELEX 42802 NIA PM

OUR REFERENCE:

MC No. 11, s. 1995

MEMORANDUM CIRCULAR

T O : THE DEPUTY ADMINISTRATOR, ASSISTANT ADMINISTRATORS, DEPARTMENT/STAFF HEADS, REGIONAL IRRIGATION DIRECTORS, OPERATION/PROJECT MANAGERS, PROVINCIAL IRRIGATION OFFICERS, PROJECT ENGINEERS, IRRIGATION SUPERINTENDENTS AND ALL OTHERS CONCERNED

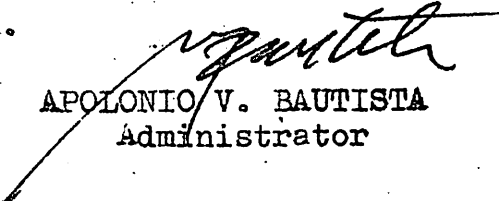
SUBJECT : Form Contract for Memorandum of Agreement on Communal Irrigation System

Pursuant to the provisions of Administrative Order No. 130 dated 19 May 1994 of the Office of the President and Memorandum Circular No. 2, Series of 1994 of the Office of the Government Corporate Counsel and circularized under NIA M. C. No. 30, s. 1994 requiring contract review of proposed contracts/agreements of government corporations, the attached pro-forma contract for Memorandum of Agreement on Communal Irrigation System shall henceforth be utilized in the execution of such contract which was given due course by the Office of the Government Corporate Counsel under Contract Review No. 346, Series of 1994 dated November 2, 1994.

Any alteration/modification of the pro-forma contract shall be subject to prior clearance from this Office, Attn.: The Manager, Legal Department.

All contract for Memorandum of Agreement on Communal Irrigation System executed at your end should likewise be furnished the Office of the Government Corporate Counsel on a monthly basis utilizing the attached form letter.

Compliance hereon is enjoined.

  
APOLONIO V. BAUTISTA  
Administrator

March 8, 1995

ACS:

MEMORANDUM OF AGREEMENT  
BY AND BETWEEN  
THE NATIONAL IRRIGATION ADMINISTRATION  
AND

IRRIGATORS' ASSOCIATION, INC.

KNOW ALL MEN BY THESE PRESENTS:

This agreement executed and entered into this \_\_\_\_\_  
day of \_\_\_\_\_ in \_\_\_\_\_;

THE NATIONAL IRRIGATION ADMINISTRATION, a  
government-owned and controlled corporation  
created under Republic Act No. 3601, as amended  
by Presidential Decree No. 552 with principal  
office at Epifanio de los Santos Avenue, Quezon  
City, Philippines, represented in this agreement  
by \_\_\_\_\_ hereinafter  
referred to as the NIA

- and -

\_\_\_\_\_ IRRIGATORS'  
ASSOCIATION, INC., and association organized and  
registered in accordance with the laws of the  
Philippines with principal office at \_\_\_\_\_,  
herein by the President, \_\_\_\_\_,  
hereinafter referred to as the ASSOCIATION.

WITNESSETH, THAT:

WHEREAS, the Association has petitioned the NIA to  
construct/rehabilitate the \_\_\_\_\_  
IRRIGATION PROJECT/SYSTEM which shall irrigate land  
situated at Barrio \_\_\_\_\_, Municipality of  
\_\_\_\_\_ in the Province of \_\_\_\_\_;

WHEREAS, the construction of the Project in the area  
is in accordance with the irrigation development of the  
NIA;

NOW, THEREFORE, for and in consideration of the fore-  
going premises and by authority of the provisions of  
Republic Act No. 3601, as amended by Presidential Decree  
No. 552 and 1702, the Guiding Principles and the Rules and  
Regulations of the NIA which are incorporated as an integral  
part of this Agreement; the Parties have agreed and by these  
presents do hereby agree as follows, to wit:

ON THE PART OF THE  
NATIONAL IRRIGATION ADMINISTRATION

1. The NIA shall bear the cost of investigation and survey, plan preparation and other pre-construction engineering activities for the project, including the costs of community organizers;
2. The NIA shall have the right to enter private property of the ASSOCIATION in connection with the construction of the proposed project and the NIA or its employees shall not be liable ~~for damages~~ which the Association may sustain on account of said activities, unless there is gross negligence or willful acts done by the NIA or its employees to cause such damages;
3. The NIA shall likewise ~~bear~~ the cost of construction of diversion works and appurtenant structures, the canals and other irrigation structures including the turnouts of the irrigation projects;
4. The NIA shall render assistance to the said association in the organization and/or strengthening the irrigation association/cooperative and shall train the beneficiaries or those persons duly selected and are qualified to undertake the operation, maintenance and management of the irrigation system upon its completion and turn-over; and
5. The NIA and the Association shall conduct monthly cost reconciliation to determine the actual chargeable cost to Irrigators' Association and in order to facilitate turn-over of the System.

ON THE PART OF THE ASSOCIATION

1. The Association shall be responsible for securing and complying with all the legal requirements related to the construction of the irrigation system, such as water permit, legal fees or charges and other similar requirement;
2. The Association shall acquire by ~~purchase~~ private properties affected by the construction of the project and its appurtenances;
3. The ASSOCIATION shall contribute, as its counterpart to the construction of the project cash, labor and materials, the total value of which shall not be less than ten percent (10%) of the total chargeable cost of the project;
4. The ASSOCIATION shall formulate its Equity Program based on the approved Program of Work (POW) of the project using the Equity Generation Program Format which shall form part of this Agreement;
5. The ASSOCIATION shall amortize for the following chargeable cost incurred by the NIA on the project such as expenditures for:
  - a. materials
  - b. equipment rental
  - c. fuel and oil
  - d. right-of-way paid by NIA, if any, and

- e. labor up to the level of construction foreman and/or Project-in-Charge, including TEVs and allowances in connection with the project.

The ASSOCIATION shall not, however, amortize for the following:

- a. construction of the access or service road
- b. flood control or protection dikes that are not part of the diversion works
- c. power generating facilities
- d. reforestation and other non-irrigation related facilities.

6. The ASSOCIATION shall pay the sum due to the NIA in an annual installment without interest, the amount of the installment to be the money value at prevailing government price of 12 cavans of paddy (50 kg/cav) multiplied by the wet season actually benefitted area in the hectares provided that the resulting period of repayment does not exceed 50 years the maximum of 50 years. If the repayment period exceed 50 years, the installment shall be increased so that repayment shall be within a period not longer than 50 years from the turn-over of the project;
7. Amortization shall be paid annually, the first payment to commence within one year after project turn-over;
8. The ASSOCIATION shall make available to the NIA for training all persons who shall be ultimately responsible for the operation, maintenance and management of the irrigation system;
9. Upon the turn-over of the Irrigation-System, the ASSOCIATION shall maintain and administer the system in accordance with the By-Laws of the ASSOCIATION shall promulgate with the concurrence of the NIA;
10. The beneficiaries shall spend for the cost of repair, rehabilitation and improvement of the irrigation system. Provided that major repair or rehabilitation of diversion facilities and major structures may, upon request of the ASSOCIATION and under such terms and conditions which shall be embodied in the supplemental agreement between the parties herein, be undertaken by the NIA;
11. Counterpart participation reduced the amount the Irrigators' Association will pay NIA. Thus the Irrigators' Association shall keep a record of the contribution/participation of each member.

#### SPECIAL CONDITIONS

1. In order to further ensure recovery of the NIA's investment in the project, the Association's choice of its Manager shall be subject to NIA's approval.
2. The NIA reserves the right to supervise the activities and operation of the ASSOCIATION for as long as the consideration of this Agreement has not been fully paid by the ASSOCIATION;

3. The ASSOCIATION shall submit itself to NIA supervision as a safeguard that the provisions of this Agreement shall be faithfully observed and that the interest of the members are protected;
4. In the exercise of this supervisory functions the NIA may audit the Book of Accounts and records of the ASSOCIATION and may issue necessary guidelines and such guidelines shall form part of this Agreement;
5. The By-Laws of the Association shall contain a provision that all fees received by the ASSOCIATION from its member beneficiaries shall be directly deposited in a bank of choice and that the same account cannot be withdrawn without signatures of both the President and the Treasurer;
6. The NIA thru the Engineer-in-Charge of the project shall keep a record of the counterpart participation of the ASSOCIATION;
7. In the absence of a calamity fund, additional costs for repair/rehabilitation of projects not yet turned over and damaged due to force majeure shall be shouldered by NIA with the ASSOCIATION providing the equity in the form of labor and/or materials. The amount of equity contribution shall depend upon the extent of damages but should not be less than ten percent (10%) of the total cost. The cost of repair/rehabilitation of damages not due to technical deficiency shall be charged to the ASSOCIATION's loan;
8. Amortization payment shall not include the cost of access roads or service roads, flood control or protection dikes that are not part of the diversion works, power operatin facilities, reforestation and it should be only for the recovery of cost of irrigation and farm drainage facilities;
9. For rehabilitation project, where there is an existing loan restructuring of amortization schedule be done to accommodate the old loan and new loan, provided that the resulting period of amortization will not exceed fifty years.

IN WITNESS WHEREOF, the PARTIES to this Agreement have hereunto signed this instrument this \_\_\_\_\_ day of \_\_\_\_\_ 199\_\_.

NATIONAL IRRIGATION  
ADMINISTRATION  
(NIA)

IRRIGATION ASSOCIATION, INC.  
(ASSOCIATION)

BY: \_\_\_\_\_

BY: \_\_\_\_\_

SIGNED IN THE PRESENCE OF:

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

RECOMMENDING APPROVAL:

Regional Irrigation Manager

APPROVED:

Asst. Administrator for Systems  
Operation and Equipment Management (AASOEM)

A C K N O W L E D G M E N T

REPUBLIC OF THE PHILIPPINES)  
PROVINCE OF \_\_\_\_\_) S.S.  
MUNICIPALITY OF \_\_\_\_\_)

BEFORE ME, a Notary Public for and in \_\_\_\_\_,  
Philippines, on this \_\_\_\_\_ day of \_\_\_\_\_ personally  
appeared \_\_\_\_\_ with Residence Certificate  
No. \_\_\_\_\_ issued at \_\_\_\_\_ on \_\_\_\_\_  
and \_\_\_\_\_ with Residence Certificate  
No. \_\_\_\_\_ issued at \_\_\_\_\_ on \_\_\_\_\_  
both known to me to be the same persons who executed the fore-  
going instrument and who acknowledged to me that the same is  
their free and voluntary act and deed and of the corporation/  
entity which each of them represent.

I certify that this contract consist of \_\_\_\_\_ ( ) pages  
including this page, each page duly signed by the parties on  
the left hand margin except page (1) which is signed in the  
execution of this contract.

IN WITNESS WHEREOF, I have hereunto affixed my signature  
and official seal on the date and place abovewritten.

NOTARY PUBLIC

Doc. No. \_\_\_\_\_;  
Book No. \_\_\_\_\_;  
Page No. \_\_\_\_\_;  
Series of 199\_\_\_\_.

D a t e

The Government Corporate Counsel  
5th & 6th Floors, Philsugin Building  
North Avenue, Diliman, Quezon City

S i r :

Enclosed herewith are copies of \_\_\_\_\_  
(no.)

Memorandum of Agreement on Communal Irrigation System  
executed by this Office for the month of \_\_\_\_\_,  
19\_\_\_\_.

This submission is in accordance with Contract  
Review No. 346, s. 1994 dated November 2, 1994 of that  
Office concerning Memorandum of Agreements on Communal  
Irrigation System executed by the National Irrigation  
Administration.

Very truly yours,

\_\_\_\_\_  
(RIM/PM)

Encls.: As stated.