



PHILIPPINE INTERNATIONAL TRADING CORPORATION

TERMS OF REFERENCE

FOR THE IMPORTATION OF MAXIMUM 300,000 MT AT 25% BROKENS, WELL-MILLED LONG GRAIN WHITE RICE UNDER A GOVERNMENT-TO-GOVERNMENT (G-TO-G) ARRANGEMENT, CIF-DAP-TERM

I. SCOPE

Supply and Delivery of maximum 300,000 MT, 25% Broken, Well-Milled Long Grain White Rice Thru Government-to-Government (G-TO-G) arrangement, CIF-DAP Term.

1. Commodity, maximum 300,000 Metric tons (MT) of Long Grain White Rice at 25% broken, well-milled, packed in 50 kilograms net capacity woven polypropylene (WPP) sack with a minimum weight of 110 grams/pc. Design and specifications of the sack are shown in **Annex "A"** (with corresponding design and specification).
2. SELLER shall provide free empty sacks of the same design and specifications equivalent to 1.5% of the total quantity (in bags) loaded to serve as allowance for busted bags. Busted bags in excess of the 1.5% of the volume shall be provided for by the SELLER.

II. SPECIFICATIONS

1. Specifications

Parameters	25% Broken
Whole Kernels (min. %)	40.00
Broken (max. %)	25.00
Damaged Grains (max. %)	1.50
Yellow/Discolored Grains (max.%)	1.50
Chalky Kernels* (max.%)	8.00
Immature Kernels (max.%)	1.00
Red Kernels (max.%)	5.00
Foreign Matter (max.%)	0.20
Weed Seeds and other Crop Seeds (max. no. per 1,000 g)	35.00
Paddy (max. no. per 1,000 g)	25.00
Moisture Content (max. %)	14.00
Size of Broken	<0.50 of the whole kernel or <3.2 mm in length
Milling Degree (1-14% BSK)	Well-Milled
Age	Not more than four (4) months old from the date of milling



*Chalky kernel – kernels, whole or broken, one-half or more of which is white like the color of white chalk.

2. **Crop Year-** Harvested during the period **March 2020 onwards only.**

- Stocks should be freshly milled and not more than four (4) months prior to loading as certified by SELLER's appointed Surveyor.
- Mixing of freshly milled rice with aged rice (more than four (4) months) is not allowed.
- Stocks ***should not be powdery, free from sack-like odor, free from insect infestation, and no moth webbing.***

These above requirements shall apply to both head rice and broken. Reprocessed milled rice shall not be accepted.

3. Rice deliveries that do not conform with specifications of this Terms of Reference shall be rejected or subject to deductive cost by the PITC.

III. **BID EVALUATION AND AWARD**

In case of bids in US\$, it shall be converted to Philippine Peso at the prevailing exchange rate of the Banko Sentral ng Pilipinas on bid opening date.

All bids will be ranked from the lowest to highest. Evaluation of the offer and contract award shall be undertaken based on the lowest price offered which should be equal or lower than the PITC Approved Budget for the Contract (ABC) per Metric Ton. However, should the required volume for the indicated delivery date not be achieved by the lowest Bidder, PITC shall proceed with the next lowest Bidder/s until the required volumes per delivery date are achieved.

If required volume per delivery schedule are not satisfied by the lowest bidder, the next lowest bidder/s shall be requested to match the lowest price offered by the lowest bidder for the balance of the volume required and comply with the required delivery schedule. In the event that the lowest offer cannot be matched, PITC reserves the right to negotiate with the next lowest Bidder/s on the price.

In case of rejection of bids, qualified Bidders shall be given a specified time to submit their revised sealed offers. The said offers shall again be evaluated based on the lowest price which should be equal or lower than the Approved Budget for the Contract (ABC) per Metric Ton.

In case two or more bidders have the same lowest bid price and quantity, PITC will implement drawing of lots to break the tie.



The PITC shall have the discretion to reject any and all bid/s if it finds that the said bid/s is/are unacceptable for any justifiable and reasonable ground where the bid will not redound to the benefit of the Republic of the Philippines.

IV. CONTRACT PRICE

The Contract Price shall be based on the bids received on opening date.

The Contract Price shall cover the following:

PARTICULARS	AMOUNT (in US\$/MT)
FOB Price	
Marine Insurance	
Freight	
Survey/Inspection Cost	
Integrated Cargo Handling	
Other Expenses/Others	
Total Price	

Incoterms 2020 shall apply.

V. NOTICE OF AWARD (NOA) AND NOTICE TO PROCEED (NTP)

The Notice of Award will be issued within three (3) days from bid opening, unless otherwise advised in writing through an Amendatory Bulletin and thereafter shall issue the Contract to the SELLER and Notice to Proceed (NTP).

VI. PERFORMANCE SECURITY

1. THE SELLER shall submit a Performance Security equivalent to five percent (5%) of the Total Awarded Contract Price valid until the issuance of PITC Final Certificate of Acceptance within five (5) banking days after receipt of the Notice of Award in the form of (a) Irrevocable Stand-by Letter of Credit (L/C) issued by reputable local or foreign Universal or Commercial Bank or (b) foreign Bank Guarantee confirmed by a local commercial or universal bank to guarantee the faithful performance of their obligations under the contract. If issued by a foreign bank, it should be confirmed and authenticated by a local Universal or Commercial Bank in Metro Manila. Attached is the Stand-by Letter of Credit Form to be used **(Annex B)**.
2. All charges for the opening of the Irrevocable Stand-by Letter of Credit (L/C) or Bank guarantee and incidental expenses thereto, shall be for the account of the SELLER.
3. The Performance Security shall be denominated in Philippine Peso and/or US Dollar, in case of US Dollar it shall be confirmed by a local correspondent commercial or universal bank and posted in favor of Philippine International Trading Corporation which shall be confirmed forfeited in case of default in any of the obligations under this contract. In case the US Dollar is not sufficient to



cover the Performance Security, Seller shall cover the deficiency at its own expense by posting additional performance security.

VII. DELIVERY SCHEDULE AT PHILIPPINE PORT

1. Quantity Per Discharge Port

Port of Discharge	Quantity per Discharge Port (In MT)	
	Not later than July 14, 2020	Not later than August 14, 2020
Manila	87,000	87,000.00
Cebu	21,000	21,000.00
Tacloban	7,500	7,500.00
Zamboanga	12,000	12,000.00
Davao	22,500	22,500.00
TOTAL	150,000	150,000.00

2. "One Vessel – One Bill of Lading" policy shall be strictly observed. The Seller may unload in two discharge ports upon approval of PITC..
3. Early shipment shall be allowed, provided that arrivals are within the required arrival period at discharge ports. Within 7 days notice prior to loading to the Seller, the PITC may re-schedule arrival period as it deem necessary without additional cost to the PITC.
4. 5. Late Deliveries shall be penalized as provided under The Grain and Feed Trade Association (GAFTA) 122 relating to Default. The basis for calculating late delivery shall be the actual date of arrival of the vessel as indicated in the Notice of Readiness (NOR).
6. SELLER shall inform PITC, within 2 days before departure, of the vessel's name, its expected date of departure from load port and its expected time of arrival at designated Philippine Port.
7. SELLER shall deliver the goods free of obligations and expenses to PITC up to stockpile of the PITC's designated warehouses .
8. PITC's designated receiving warehouses shall be within 40-km radius from the port of discharge, otherwise the PITC shall shoulder the Cargo Handling Payment beyond the 40-km radius.
9. PITC has the option to re-assign the discharge port in case of natural or man-made calamities and in operational exigencies at no cost on the part of the PITC. PITC shall notify the discharge re-assignment to the Seller prior to loading of stock at the point of origin.



10. Shipment of any cargoes other than the goods stated in this contract is strictly prohibited.

VIII. PRE-ARRIVAL PROCEDURES / DOCUMENTATION

The PITC shall:

1. Brief the SELLER on the loading and unloading operations of the Imported Rice.
2. Provide the SELLER with designated receiving warehouses nationwide which shall be within a 40-km radius from the port of discharge.
3. Coordinate with SELLER about arrival period and ensures that schedules of arrivals are in accordance with the delivery period per contract.

IX. PRE- LOADING AT PORT OF ORIGIN

The PITC shall:

When necessary, the PITC shall appoint one (1) representative for every 12,500 MT and a fraction thereof to witness loading operations at the port of origin. Expenses shall be for the account of the PITC.

The SELLER on its account shall:

1. Ensure that all carrying vessels are seaworthy and covered with the required marine insurance coverage.
2. Ensure the timely delivery of rice imports at PITC's designated receiving warehouses.
3. Appoint the following:
 - a. **Customs Broker** assigned by the Seller's Cargo Handler will facilitate document and process the necessary customs clearance and release of the cargo with the Bureau of Customs (BOC) the at the designated discharge port.
 - b. Bona fide accredited BOC Philippine **Surveyor** that shall ensure and certify compliance of the rice imports to contract specifications. It shall represent the SELLER on all matters of quantity and quality of the deliveries.
 - c. Bona fide and Philippine Registered **Cargo Handler** with capability, experience and resources to unload at discharge port, deliver and stockpile the imported rice up to the PITC's designated receiving warehouses. It shall represent the SELLER on matters of imported rice delivery.



Cargo Handler shall submit to the PITC lists of TH-TRUCKS indicating plate number, name of driver, driver's license, and specimen signatures.

Cargo Handler shall issue SPECIAL POWER OF ATTORNEY (SPA) authorizing drivers/checkers designated by the Cargo Handler with their specimen signature to sign warehouse documents such as PITC Receiving Report (RR) and Empty Sack Receipt (ESR) and to witness unloading and weighing procedures in the designated warehouse.

- d. Obtain from a legitimate Insurance Company that shall ensure that insurance coverage of the rice cargo is in accordance with the contract and shall witness the condition of Bad Order (BO) stocks at PITC designated receiving warehouse and stockpiling up to its disposition, and to provide PITC with lists of names and specimen signatures of the Customs Broker, Surveyor and Cargo Handler.
4. Nominate vessel and notify PITC of the vessel's Laycan, Quality Specification (25% Broken), and the scheduled quantity for loading, including the complete vessel's specifications such as vessel's name, class, cargo gears, length overall (LOA), number of holds / hatches, discharging rate, summer draft, copy of charter party agreement/fixture notes, marine insurance policy coverage and other details.
5. The PITC shall evaluate quantity and vessel nomination before acceptance and discharge port assignment.
6. If accepted, the PITC shall send letter of vessel acceptance and notice to the SELLER specifying the assigned discharge port for its nominated vessel.

X. LOADING AT PORT OF ORIGIN

1. Break bulk, container shipment or both is allowed. The SELLER shall follow the policy of one (1) discharge port per vessel to facilitate and ensure the timely delivery and unloading of cargo.
2. The SELLER'S **Surveyor** shall supervise the conduct of inspections of the imported rice to ensure that the rice stocks from origin up to PITC's designated receiving warehouses are in accordance with quality specifications per contract and are free from any chemical contaminations, abnormal odors, living insects, and mites.
3. The SELLER shall properly fumigate the cargo at the port of origin on its account under the direct supervision of SELLER's appointed **Surveyor**. It shall report type of fumigant, actual dosage applied, method of applications, gas concentration readings at designated time or day, date, and time of completion.

Fumigation to be carried out shall be as follows:



The recommended fumigant shall be 3 pounds per 1,000 cubic feet of Methyl Bromide (CH₃Br) for a minimum of 48 hours exposure period. The piping carrying fumigant to the holds must be such that no liquid methyl bromide comes into direct contact with the rice cargo. The recommended fumigant shall be a minimum of nine (9) grams per cubic meter of metal-based Aluminum Phosphide (AIP) in bags or sachets (chain/blankets/strips/plates) with a minimum of seven (7) days exposure period.

4. Refumigation due to live infestations upon vessel arrival at discharge port shall be for SELLER's account and billeting of crews at the port of unloading if necessary, shall be for the account of SELLER.
5. The **Surveyor** shall issue a certification that the rice import to be delivered are within the acceptable maximum limits (ML) of the following heavy metal contaminants: Arsenic at 0.2 mg/kg, Cadmium at 0.4 mg/kg, and Lead at 0.2 mg/kg. and shall be within the acceptable limits set by the following:

CODEX Alimentarius Commission, Food and Agriculture Organization/World Health Organization of the United Nations. General Standards for Contaminants and Toxins in Food and Feed. CODEX STAN 193-1995 (Amended 2016) and the Philippine National Standard (PNS/BAFS 194:2017) General Standard for Contaminants and toxins in Food and Feed.

6. The **Surveyor** shall also supervise vessel aeration, and residue retrieval including cleanliness of the holds/hatches and sufficiency of empty sack requirements.
7. The SELLER'S **Surveyor** shall conduct the following test on the imported rice at the port of origin.
 - i. **Air-oven Method (Annex C)** to determine the moisture content of rice
 - ii. **Mixed Indicator Method (Annex D)** to determine the age of rice
8. The SELLER shall furnish the PITC with the following shipping documents for Customs Clearance purposes, upon completion of loading at load port.

SELLER	SURVEYOR
1. Bill of Lading 2. Commercial Invoice (indicating break-down based Cost, Insurance and Freight) 3. Certificate of Origin (Form D)	1. Certificate of Weight and Inspection of the Quality, Quantity, and Weight of the Cargo 2. Furnish a copy of Phytosanitary Certificate <ol style="list-style-type: none"> 2.1 Certificate of Fumigation 2.2 Heavy Metals Contaminant Analysis Maximum Limit (ML) Certification (ML) <ol style="list-style-type: none"> 2.2.1 Arsenic - 0.2 mg/kg 2.2.2 Cadmium - 0.4 mg/kg 2.2.3 Lead - 0.2 mg/kg 3. Non-Genetically modified Organism (GMO) Certificate 4. Packing List



	5. Certificate of Milling 6. Inspection Certificate as to the Condition of the Vessel 7. Loadport Survey Report
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9. The SELLER shall prepare Commercial Invoice for Philippine Bureau of Customs (BOC) tax computation as follows:

CIF (COST, INSURANCE, & FREIGHT)

FOB	US\$ XXX.XX
Maritime Insurance	US\$ XXX.XX
Freight	<u>US\$ XXX.XX</u>
Total CIF	US\$ XXX.XX

10. The SELLER shall also prepare another Commercial Invoice for the PITC for Billing and payment purposes as follows:

CIF (COST, INSURANCE, & FREIGHT)

FOB	US\$ XXX.XX
Maritime Insurance	US\$ XXX.XX
Freight	<u>US\$ XXX.XX</u>
Total CIF	US\$ XXX.XX

OTHER COSTS

Survey Inspection Cost	US\$ XXX.XX
Cargo Handling	US\$ XXX.XX
Others	<u>US\$ XXX.XX</u>
Total Other Cost	<u>US\$ XXX.XX</u>

TOTAL CONTRACT PRICE..... US\$ XXX.XX

11. The SELLER shall regularly advise the PITC of the loading status of vessel and estimated time of departure (ETD) / estimated time of arrival (ETA) and shall inform the PITC of any change in vessel status/position.
12. Immediately after completion of loading, SELLER shall advise PITC vessel's ETD at load port and ETA at discharge port. SELLER shall likewise provide PITC every 72/48/24 hour-notice of ETA at discharge port.
13. From one/two safe berth, one/two safe port out of source country to one/two safe berth, one safe Philippine port to be declared by the Buyer five (5) days prior to completion of loading.



XI. PRE-UNLOADING AT DISCHARGE PORT

1. The SELLER **Shipping Agent** shall coordinate with the Philippine Ports Authority (PPA) on the arrival of vessel at discharge port/pilot station and secure availability of berthing space.
2. The SELLER **Shipping Agent** shall secure free-pratique from the quarantine doctor of the Department of Health (DOH).
3. It shall also secure boarding formalities by the following:
 - i. PITC;
 - ii. BOC;
 - iii. Bureau of Plant Industry (BPI);
 - iv. Ship's Agent;
 - v. Bureau of Immigration (BOI);
 - vi. Philippine Coast Guard (PCG);
 - vii. Maritime Police;
 - viii. Subic Bay Metropolitan Authority SBMA Representative (for Subic disport);
 - ix. Surveyors at discharge port;
 - x. Cargo handler's Representative; and
 - xi. Representative from Insurance Company.
4. **The SELLER's Customs Broker** shall facilitate the processing and release of the necessary Customs clearance. The Customs Broker shall also assist the Seller in the computation and payment of Duties/taxes, if any of the rice imports based on the CIF cost only.

XII. UNLOADING PROCEDURES AT THE PIER

1. SELLER's **Cargo Handler** shall unload rice cargo from vessel at the discharge port to trucks and deliver and stockpile the rice up to the PITC's designated receiving warehouses.
2. SELLER's **Cargo Handler** may opt to do truck scaling at the Pier / Port. However, final weighing and receipt of stocks shall be done at PITC's designated receiving warehouses.
3. SELLER's **Surveyor** shall conduct inspection of the condition and quality of rice being unloaded from vessel to trucks and up to the delivery of rice to designated warehouse/s.
4. The PITC's representative shall observe unloading operation, prepare and submit Daily Statement of Facts (DSF) as per attached pro-forma marked as **ANNEX "K"**. The DSF shall be counter-signed by authorized representatives of the **Cargo Handler** and **Surveyor**.



5. The SELLER shall re-bag busted bags inspected at discharge port.
6. In case of infestation on board vessel and the conduct of re-fumigation is undertaken, the **Surveyor/Fumigator** shall collect the residues of fumigants before unloading the stocks. This is to avoid contamination on the stocks. Re-fumigation shall be at SELLERS expense.
7. The SELLER's **Cargo Handler** shall unload the imported rice and shall notify the PITC on its truck arrivals to expedite unloading and delivery of imported rice to designated warehouses.
8. The SELLER **Surveyor** shall identify Bad Order stocks unloaded from the vessel. Bad Order rice shall include sweepings, damaged stocks (sea water, rain damage, and other cause of damage), **stocks with objectionable or off-odor, stocks with moth webbing**.
9. All rice cargoes on board a vessel shall be unloaded, delivered and stockpiled at PITC designated warehouse including Bad Order (BO) rice from the vessel and rice cargoes that are not declared and not covered in the shipping documents. The undeclared and undocumented cargo shall not be paid but shall be declared as part of PITC's stocks. All BO stocks shall be segregated and piled outside the warehouse and disposition of which shall be the responsibility of the SELLER. In cases when the BO stocks are in big volume (e.g. 1 vessel load), the PITC shall totally reject the shipment.

XIII. UNLOADING AT THE DESIGNATED RECEIVING WAREHOUSE

1. SELLER shall be responsible for unloading of the shipment and stockpiling at PITC designated warehouses.
2. The SELLER and the PITC shall conduct Joint Inspection and Sampling of the imported rice deliveries at PITC's designated warehouses.
3. The number of bags for sampling shall be 10% of each truck load and shall be randomly taken in all accessible portions of the truck prior to unloading-where a minimum of 3 kg primary samples per truck shall be drawn.

Example:

For a Truckload with 700 bags; 10% of 700 bags is 70 bags

A total of 3kg of random rice sample shall be taken from the 70 kg randomly selected bags.

4. Drawing of samples shall be undertaken after weighing of stocks and shall be drawn through probing.



5. The SELLER and the PITC shall determine the condition of the stocks while drawing of primary samples if there is presence of live insects, objectionable or off odor, moth webbings, or combination of the three.
6. The primary samples shall be set aside until sampling has been undertaken in all truck deliveries in a particular warehouse.

Preparation of Representative Samples

Mix all the primary samples in a mixer/divider or through quartering method to obtain a composite sample.

Obtain three (3)-1.5 kg representative samples from the composite sample. These shall be classified and recorded as follows:

- i. **First representative sample** - for immediate analysis at the designated receiving warehouse.
 - ii. **Second representative sample** - for reference to be used for joint analysis at the PITC's Laboratory in case of dispute in the result of analysis at the designated receiving warehouse.
 - iii. **Third representative sample** - for reference to be submitted to an independent quality Surveyor in case of dispute in the result of analysis at the PITC's Laboratory.
7. The second and third representative samples shall be properly labeled and jointly signed at the sealed portion of the sample by the PITC and SELLER's representative to preserve the integrity of the sample. The said samples shall be kept under the custody of the PITC's Laboratory.

Analysis of Representative Samples

The **first representative sample** shall be used for the analysis of all quality parameters indicated in the contract **except for the moisture content (MC) determination** (where the analysis shall be conducted by the PITC at the designated receiving [See **Annex E 1-5** for the Laboratory Analysis Report (LAR) format]

8. The PITC shall use the following official methods of analysis:
 - i. The **Mixed Indicator Method** shall be used to determine the age of milled rice; the sample to be used in the analysis to determine the age of milled rice shall be sub-divided into three (3) working samples weighing 5 grams each. The result of analysis which yielded the highest number of months shall be taken as the age of stocks.



- ii. The **Alcohol-Alkali Staining Method** shall be used to determine the milling degree of milled rice.
 - iii. **Moisture Content shall be determined by Air-oven Method**
9. The three (3) working samples are intended for the separate analysis of broken, whole kernels, and the mixture of both.
 10. Rice deliveries that do not conform to the contract specifications shall be subjected to penalty (Refer to **Annex I** for the **Penalty for Non-conforming Imported Milled Rice Deliveries**). A formal notice shall be made by the PITC to the SELLER.
 11. The PITC's Laboratory shall turn-over the excess composite samples to the receiving Warehouse.
 12. The second and third representative samples shall be disposed only if there is no dispute arising from the result of analysis at the warehouse after completion of unloading.
 13. Moisture Content Determination

The SELLER and the PITC shall determine Moisture Content of the rice sample drawn *per truck*. *Ten* (10) trials shall be conducted on the rice sample using a calibrated moisture meter. The average of the 10 trials shall be recorded in the *RR document*



Determination of Moisture Content

1. ***On a per truck basis***, conduct 10 trials on the rice sample using the **verified or adjusted moisture meter**. Get the **average** of the 10 trials and record in the **RR document**;
2. In case where the rice stocks to be unloaded have registered more than 14% **averaged** MC reading, unload the rice stocks and pile it separately. Rice stocks of this nature shall be regularly monitored and prioritized for issuance; and
3. ***The basis for penalty computation shall be the average MC readings taken from ALL the truck deliveries of a particular designated warehouse.***

Note: In case the **FINAL averaged** MC reading is more than 14%, inform the Seller's Surveyor

Truckload of imported rice that registered more than 14% up to 15% average MC reading shall be unloaded on a separate pile and shall be subject to penalty.

The PITC shall reject all deliveries with an average MC of more than 15%.

14. Live Insects Detection

Imported Rice found to have live insects during inspection and sampling, shall be unloaded and piled separately. Receiving documents shall be noted with "**For Fumigation**".

The PITC shall prepare "Certification of Infestation" (**Annex E-3**) duly signed by PITC and SELLER's representatives. It shall likewise inform the local DA-Bureau of Plant Industry (BPI) of the infestation.

The SELLER shall fumigate the infested stocks in the presence of PITC. The SELLER's appointed fumigation service provider shall be duly accredited by the Fertilizer and Pesticide Authority (FPA).

All expenses incurred in the conduct of fumigation shall be for the SELLER's account.



15. Objectionable or Off-Odor Imported Rice

Objectionable or off-odor rice shall be categorized and characterized by the following descriptions:

Odor Category	Characteristics
Musty	Earthy, moldy, and ground-like (not to be confused with burlap bag odor).
Sour	Rancid, sharp, or acrid ex., insect waste and fermenting grain odor.
Commercially-objectionable Foreign Odor (COFO)	Any odor not normal to grain, ex., odor of fertilizer, hides, oil products, smoke, burnt grain, chemical treatment, and decaying vegetable and animal matter.

**Source: USDA-GIPSA/FGIS Rice Inspection Handbook, Chapter 5, Inspection of Milled Rice, July 1, 1994.*

16. The PITC shall undertake the following when there is imported rice with objectionable / off-odor:

- Bags of imported rice with objectionable or off-odor shall be segregated and piled together with other Bad Order stocks and shall be marked “BO” with permanent marker;
- Conduct 100% sampling during unloading; and
- Reject all imported rice with objectionable or off-odor.

All expenses incurred in the segregation of BO stocks due to objectionable or off-odor shall be for the SELLER’s account.

17. Presence of Moth Webbing

The PITC shall undertake the following when there is presence of Moth Webbing in the imported rice:

- Bags of imported rice with Moth Webbing shall be segregated and piled together with other Bad Order stocks and shall be marked “BO” with permanent marker;
- Conduct 100% sampling during unloading; and
- Reject all imported rice with Presence of Moth Webbing.

18. Truck sweepings shall be collected and weighed using platform scale prior to tare weighing of the truck. This shall be added to the Bad Order stocks.



XIV. WEIGHING OF IMPORTED RICE DELIVERIES AT RECEIVING WAREHOUSE

1. All rice cargoes delivered at PITC's designated warehouse including Bad Orders (BO) and undeclared rice cargoes if any, shall be weighed and classified in the presence of the SELLER's representatives. The PITC shall verify, check, and calibrate Weighing scales witnessed by the SELLER's representatives.

XV. DOCUMENTATION OF IMPORTED RICE DELIVERIES AT RECEIVING WAREHOUSE

1. Weight, quality, and condition of rice stocks including that of WPP packing shall be final at PITC's designated receiving warehouses.
2. SELLER shall be responsible for ensuring that the rice delivered to the PITC on board vessel at load port up to PITC'S designated warehouses is the same commodity as that described in the Certificate of Weight and Inspection of the Quality, Quantity and Weight of the Cargo including the bags.
3. The PITC shall receive all Good quality imported rice- conforming and non-conforming to quality specifications- including undeclared rice cargoes delivered at PITC's designated warehouse in the presence of the SELLER's representatives. These deliveries shall be documented with PITC Receiving Report (RR) hereto attached as **Annex "K"**.
4. The PITC shall also all receive and document unused sacks after re-bagging of busted bags. The breakdown of the 1.5% spare sacks shall be accounted as to number of pieces used in re-bagging busted bags from the vessel/truck/ unloading at receiving warehouse; and as to the number of pieces used to bag recovered vessel sweepings.

XV. DOCUMENTATION AND WITHDRAWAL OF BAD ORDER DELIVERIES AT RECEIVING WAREHOUSE

1. Bad Order Rice shall be properly accounted, recorded, reported in the Daily Statement of Facts (DSF). It shall be piled separately outside the PITC's warehouses but within its compound. It **shall** not be reconditioned nor be documented using PITC Receiving Report
2. The PITC and the SELLER shall conduct joint inspection and sampling on the BO stocks after completion of unloading from a particular vessel.
3. The PITC shall accomplish the **Certificate of Sampling and Quality Inspection Report (CSQIR)**, hereto attached as **Annex "E-1"**. The CSQIR shall be signed by all concerned parties indicated therein.



4. The jointly taken samples from the BO stocks shall be subject to **Laboratory Analysis. The result of the analysis shall be reported using attached Annex “E-2”** within two (2) working days after the submission of samples.
5. The SELLER shall withdraw Bad order imported rice within three (3) working days from the receipt of PITC advise as per Receiving Report and Summary Report of Bad Order Stocks.
6. Re-bagging to non-PITC marked sack shall be done during the prescribed withdrawal period to be witnessed by the PITC. In no case shall the withdrawal of stocks be allowed in their original sacks with PITC markings.
7. Storage fee and other expenses shall be charged to the SELLER after the lapse of the prescribed withdrawal period for non-withdrawal of Bad Order (BO) stocks.
8. PITC shall prepare a Summary Report of Bad Order Stocks to be confirmed and signed by representatives of the SELLER.
9. SELLER shall pay storage fee and all the expenses incurred in the separation and handling of the Bad Order stocks.

XVI. CERTIFICATE OF COMPLETED DELIVERY RECEIPT (CCDR)

1. The PITC representative at area of delivery shall issue a fully signed **CERTIFICATE OF COMPLETED DELIVERY RECEIPT (CCDR)** (Format of CCDR is **Annex “H”**) **upon completion of delivery of a vessel cargo to PITC’s designated receiving warehouses. The CCDR shall be in seven (7) copies, (4 original copies and 3 copies can be certified photocopy).** CCDR shall be completed and submitted within one (1) week from the date of completion of the delivery.
2. All amounts (costs, expenses, penalties etc.) shall be in US Dollars (\$) using the foreign exchange rate of the day before the date of the CCDR preparation; rounded off to two (2) decimal places. Weight of imported rice in the CCDR shall be in metric ton (MT) rounded off to three (3) decimal places.

The CCDR shall be forwarded to the PITC’s Head Office – Imports Department for evaluation and indorsement to the PITC’s Accounting for processing of payment

Certificate of Complete Delivery Receipt (CCDR) shall include:

- Good Stocks & Empty Sacks received;
- Computation of Duties for the Bad Order imported rice and short landed stocks (*Short landed stocks shall refer to stocks per Bill of Lading (B/L) less good and BO as delivered at PITC’s designated receiving warehouse*);
- Penalties for non-conforming imported rice;
- Penalties for late deliveries;



- Storage, Handling and Disposition expenses for Bad Order stocks; and
- Penalties for undelivered number of free 1.5% empty sacks per shipment.

XVII. DISPUTE ON QUALITY SPECIFICATIONS

1. Dispute between the PITC and the SELLER in findings and observations in the quality of stocks, shall be resolved by joint analysis by the parties at the PITC's designated Laboratory. The **second representative sample** shall be used in the conduct of joint analysis.
2. If the dispute is not settled, it shall be resolved by an independent quality Surveyor jointly appointed by the SELLER and PITC. The **third representative sample** shall be used by the appointed independent quality Surveyor. **The result of analysis shall be FINAL.** The cost of analysis shall be for the account of the SELLER.
3. Imported Rice Deliveries at the designated warehouse shall not be unloaded without the SELLER's **Surveyor**.

XVIII. INSURANCE

1. Carrying vessel must be seaworthy, fully geared, single, or between decker suitable for the transportation, loading and unloading of bagged grains.
2. SELLER shall undertake to cover the goods with risk insurance from the loading port up to the stockpile of the PITC'S designated warehouse/s at SELLER'S account and expense.

XIX. PAYMENT

1. Payment shall be in US\$ and shall be through Documents Against Acceptance (D/A) with a tenor of 15 calendar days from receipt by PITC of the complete set of original shipping documents, except for the Certificate of Origin and Phytosanitary Certificate which are Certified Photocopies. Payment shall be made fifteen (15) calendar days after signing the "Accepted" portion of the Bill of Exchange by the PITC. The "accepted" Bill of Exchange" shall be given outright to the recipient/PITC's bank in exchange for original set of documents on the same day. The PITC shall remit via telegraphic transfer to the SELLER'S nominated bank.
2. The documentary requirements for payment are the following:
 - a. Bill of Exchange (2 copies);
 - b. SELLER'S Commercial Invoice indicating break-down of cost items based on the price/s offers; (Cost, Marine Insurance, Freight, Surveyor's Fee, Cargo Handling and other expenses); in duplicate;



- c. Clean on-Board Ocean Vessel Bill of Lading (2 originals, one copy for the Bank and another copy for PITC file, and 2 non-negotiable copies). “One Vessel - One Bill of Lading/Discharge port” policy shall be observed.
 - d. Charter Party/Fixture Note (one Certified Photocopy for PITC file) made out to order and marked “FREIGHT PREPAID”. Notify party: PHILIPPINE INTERNATIONAL TRADING CORPORATION, NDC Building, 116 Tordesillas St., Salcedo Village, Makati City, Philippines.
 - e. Certificate of Weight and Inspection on the Quality, Quantity, and Weight of the Cargo including the bags issued by SELLER’s appointed SURVEYOR.
 - g. Certificate of Origin (CO) “Form D” issued by a competent government authority duly designated by the exporting ASEAN member state as qualification under the ASEAN Trades and Goods Agreement (ATIGA). For bidder from exporting non-ASEAN member state, a similar document to the Certificate of Origin (CO) “Form D” issued by a concerned government authority shall be submitted.
 - h. Phytosanitary Certificate, duplicate;
 - i. Certificate of Fumigation issued by the fumigating company certified as supervised by SELLER’s appointed SURVEYOR, duplicate;
 - j. Inspection Certificate as to the condition of the vessel issued by the SELLER’s appointed SURVEYOR;
 - k. Certificate of Milling issued by the SELLER’s appointed SURVEYOR stating that the stocks were milled not more than four (4) months prior to loading and harvested during the period March **2020** onwards only.
 - l. Seven (7) copies of Certificate of Complete Delivery and Receipt (CCDR) issued by the PITC with its best efforts and as earliest as possible from completion of delivery to PITC’s designated receiving warehouses (4 original copies and 3 certified photocopy).
 - Proforma copy of CCDR as shown and discussed in the Unloading Guidelines as **Annex H**.
 - 1st and 2nd copies – for PITC’s designated Representative
4. Included in the CCDR are the deductions for the advance payment of Custom Duties for bad order stocks and short landed stocks, expenses in handling of bar order stocks, penalties for non-conforming imported milled rice, penalties for non-provision of empty sacks equivalent to 1.5% of the total quantity (bags) loaded per shipment, delayed/late deliveries.



5. Bad order stocks shall include sweepings, damaged stocks (sea water, rain damage, and other cause of damage), *stocks with objectionable or off-odor, and stocks with moth webbing*s. Stocks for reconditioning shall not be accepted.
6. Shortlanded stocks shall refer to stocks per Bill of Lading (B/L) less good and bad order as delivered at PITC's designated receiving warehouses.

XX. PRESIDENTIAL DECREE NO. 1466 / FLAG WAIVER

1. The SELLER shall take cognizance of Presidential Decree No. 1466 of the Philippines and whenever available shall utilize Philippine flag vessels in the shipment of the cargo. Otherwise, SELLER shall secure the necessary waiver from the Philippine Shippers' Bureau. Cost of filing waiver shall be for SELLER's account or its authorized local agent in the Philippines. Loading of cargo shall not commence in the absence of the said approved waiver.

XXI. GAFTA 122 PROVISIONS

1. For all other terms and conditions which are not in contravention with the above terms and conditions, the provision of GAFTA 122 shall be adopted and shall form an integral part of the contract.

XXII. DEFAULT AND PENALTIES

1. Non-Conforming Stocks

The following provisions shall be observed for stocks not in conformity with the stock quality of specification:

- a) Cargo deliveries which shall not conform with the Quality Standard Specification shall be imposed with a corresponding penalty. A Penalty Table for Non- Conforming IMR Deliveries in terms of Broken, Whole Kernels, Moisture Content and Milling Degree is shown in the attached **Annex "I"**.
- b) Dispute arising from such deviations shall be resolved by undertaking a joint sampling and evaluation by an independent quality laboratory to be witnessed by the PITC, SELLER's appointed Surveyor and a representative of the SELLER.
- c) Penalties imposed on resolved non-conforming deliveries shall be deducted from PITC's payables to SELLER.

2. Delayed or Late Deliveries

- a. If the shipments were not delivered in accordance with the delivery schedule stipulated herein and/or agreed upon by both the PITC and the SELLER, the SELLER shall be liable for penalty on shipments beyond the period as per schedule of penalty on shipment extension, except if the



reasons for the delay are due to force majeure, not due to the fault of the SELLER, and/or if the reasons for delay is/are acceptable to the PITC. Any request by the SELLER for extension of delivery of stocks shall be in writing and shall be submitted to the PITC not later than five (5) working days before the due date(s) of delivery as provided in this Terms of Reference.

- b. For purposes of determining delay in delivery, the basis of the actual date of arrival is the date indicated in the Notice of Readiness (NOR). It shall also be the basis in imposing penalties for late deliveries using the provisions of GAFTA 122 on penalty schedule as follows:

No. Of Days Delayed	% Penalty of the late delivery volume x contract price
1-7 days	0.00
8-11 days	0.50
12-13 days	1.00
14 days or more	1.50

For purposes of computing the penalty for late deliveries of shipments, the schedule of arrival per discharge port and schedule of penalties shall serve as basis.

- c. The GAFTA 122 penalties imposed on resolved delayed/late deliveries shall be deducted from PITC's payable to SELLER.
3. Default of all or any provision of the Contract due to war, blockade, hostilities, insurrection, mobilization, strikes, lockouts, civil commotion, riots, plague, or other epidemics, destruction by fire, flood or other acts of nature or other causes beyond the control of the SELLER or PITC shall operate and cancel contract to the extent of such default.
4. Should there be any violation of the terms and conditions of this contract which are not covered by the preceding paragraph by the SELLER or PITC, totally or partially, the other party not in default may, after giving formal notice by letter or facsimile declare the other party in default, and shall be automatically entitled to a penalty sum equivalent to 30% of the monetary value of the Contract, as liquidated damages.

The provision of this Article may be invoked in addition to the rights and obligations stipulated in the Performance Bond.

5. PITC reserves the right to terminate the contract due to Philippine government intervention or restrictions on the importation or procurement of this commodity, which government intervention or restriction exist prior to signing of this Contract



XXIII. ARBITRATION

In the event any dispute arises between the parties in regard to their rights and obligation thereunder and which cannot be settled amicably within ten (10) working days, such dispute shall be settled in Singapore, by arbitration, through the two (2) arbitrators, one of whom shall be appointed by PITC and one by SELLER. Should the arbitrators fail to reach an agreement, then the dispute shall be referred to an Umpire, nominated and agreed by the arbitrators. The decision of the Umpire shall be final, conclusive, and binding on both parties. The arbitrators or Umpire, as the case may be, shall also stipulate the party/ies who shall bear the cost of arbitration and the proportion to be shouldered by such party/ies. The International Chamber of Commerce (ICC) Rules on Arbitration shall govern.

XXIV. MISCELLANEOUS

In the event of any dispute/s arising between / among / and/or the SELLER / CHARTERER / DISPONENT OWNER and the head owner such as non-settlement of freight charges, and other relative costs/expenses/charges and under any inevitable circumstances, these shall not in any way affect the commencement or continuous discharging operations. Any delay in the commencement of discharge and/or disruption of unloading operations which may cause undue delay in the delivery of rice to its designated warehouse, shall be for SELLER's account/expense.

XXV. VALIDITY OF THE OFFER

Validity of the offer shall be within thirty (30) working days from the date of submission of sealed offer.

XXVI. RESERVATION CLAUSE

PITC reserves the right to reject any and all bids, waives any required formality or defect therein and may accept the bid which is deemed most advantageous to the government.

The contract award shall be subject to availability of funds from the Department of Budget and Management. The request of the offer or declaration as the lowest offer shall not be construed as a commitment to purchase until the funding is available.

APPROVED:

ATTY. MARK BRIAN A. DELA CRUZ

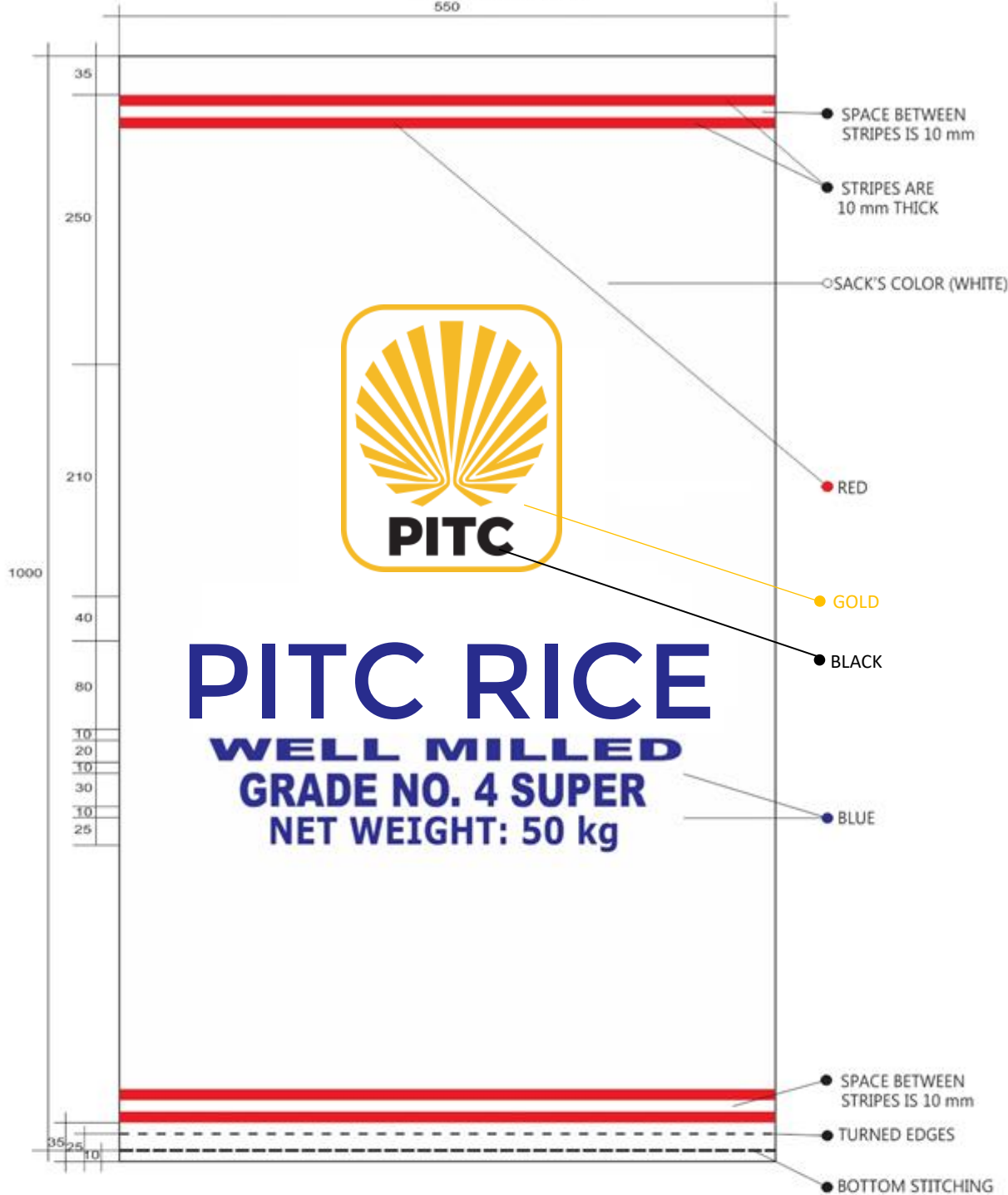
Vice President

International Trading Services Group

Date: _____



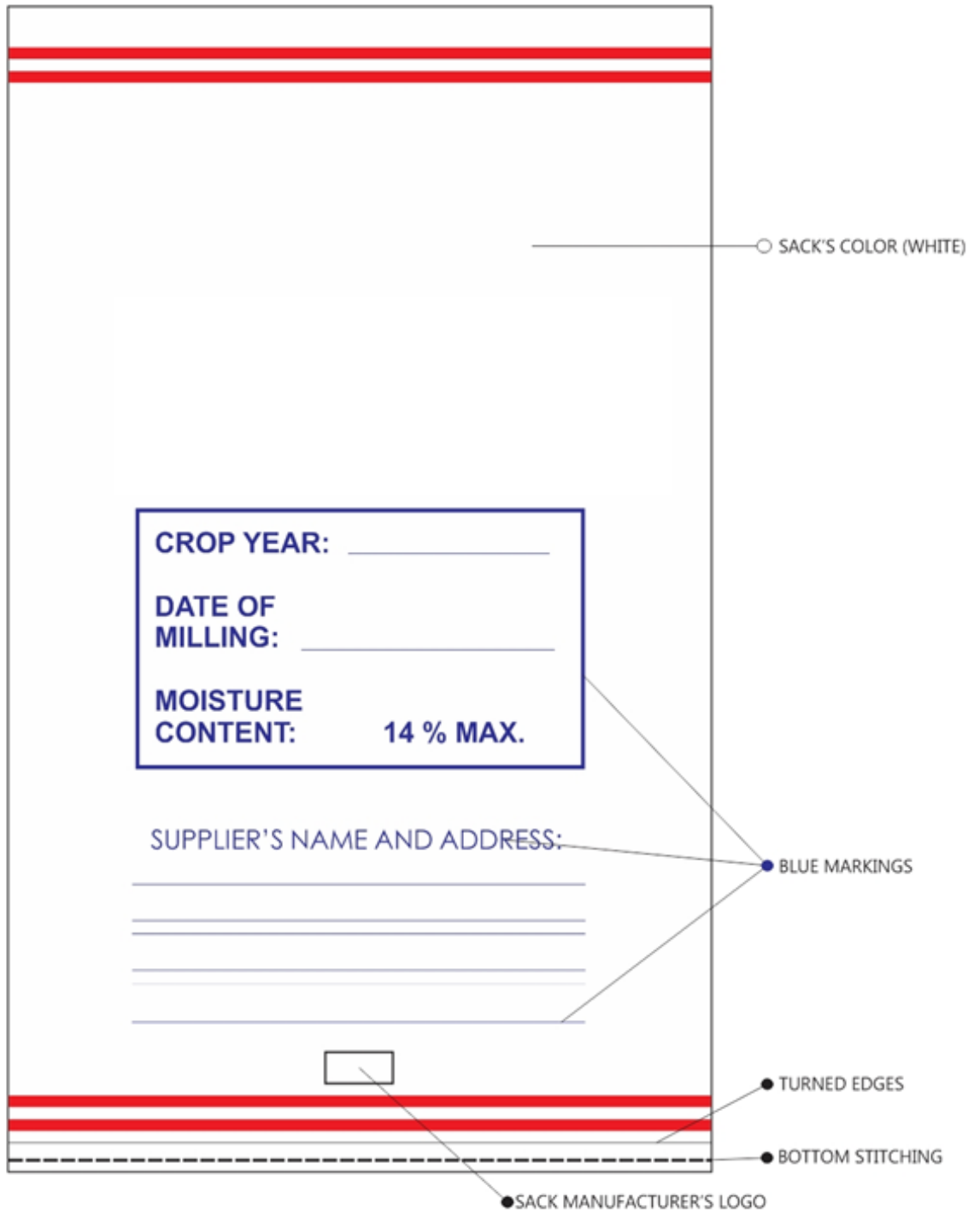
**DESIGN AND MARKINGS OF ORDINARY
WOVEN POLYPROPYLENE (WPP) PILLOW TYPE SACK**
For a 50 kg IMPORTED RICE
(WELL MILLED)
(25% BROKENS)
(FRONT MARKINGS)



Note: All dimensions in millimetre (mm)



**DESIGN AND MARKINGS OF ORDINARY
WOVEN POLYPROPYLENE (WPP) PILLOW TYPE SACK**
For a 50 kg | **IMPORTED RICE**
(WELL MILLED)
(25% BROKENS)
(BACK MARKINGS)





DESIGN AND SPECIFICATIONS OF ORDINARY WOVEN POLYPROPYLENE (WPP) PILLOW TYPE SACK FOR 50 kg IMPORTED RICE (25% BROKENS)

1. SCOPE

These specifications prescribe the type, material, performance, design, and markings of ordinary woven polypropylene (WPP) sacks for 50 kg imported rice (25% broken).

2. GENERAL REQUIREMENTS

a. **Type** – The sack shall be tubular/pillow in shape, only the bottom end is closed by double-chained stitches.

b. **Materials**

b.1 Under no condition may bags be used if they are damaged, deteriorated, soiled, unclean or contaminated.

b.2 Material used for the manufacture of grain sacks shall be food grade 100% polypropylene.

b.3 The weaving must have twisted yarns that will manifest cohesiveness to prevent slippage.

b.4 The fabric must also accept or retain food grade printing ink that will not rub or flake off to a degree where legibility is impaired.

b.5 The color of the sack is white.

b.6 The color of the stripes is red.

c. **PERFORMANCE**

1. Capacity – The container shall have optimum capacity of 50 kg at 14% MC (max.)

2. Seaming – The seams shall be machine sewn in a manner which prevent the product from leaking through the seams during handling, storage, and distribution.

The closure shall be of double chain stitches on turned edges of at least 25 mm deep. The distance of the stitching shall not fall below 10 mm from the edge.



The thread shall be polypropylene tape suitably designed for the purpose.

All stitches shall be uniform loose stitches or knots.

3. Tip Edging – The mouth of the sack shall be heat cut so that the fabric shall not fray.

d. **DESIGN/MARKINGS** (Please see attached)

1. The sacks shall be clearly marked with information required by the PITC using suitable inks (food grade).

e. **SPECIFICATIONS** (Please see attached Table 1)



Table 1

SPECIFICATIONS OF ORDINARY WOVEN POLYPROPYLENE (WPP) SACKS FOR 50 kg IMPORTED RICE (25% BROKENS)

PARAMETERS	SPECIFICATIONS
1. Size (mm) Length Width	1,000 - 1,040 550 - 570
2. Weight (g) (min.)	110
3. Bursting Strength, kPa (min.)	1,725
4. Tensile Strength, N (min.) One Way Other Way	393 344
5. Mesh Count/Fabric Count (min.) One Way Other Way	12 11
6. Seaming (min.) Turned Edges (mm) Stitching Depth from the bottom edge (mm) No. of stitches per decimeter	25 10 12
7. Color of the sack	White
8. Color of the stripes	Red
9. Cohesiveness	The weaving should have twisted yarns to prevent slippage



SELLER'S LETTERHEAD

nnex B

SAMPLE FORMAT OF PERFORMANCE BOND (LETTER OF CREDIT)

PITC'S NAME

Address

Dear Sir:

We hereby issue our Irrevocable Standby Letter of Credit No. _____ for **(Amount in words and figures)**.

This Standby Letter of Credit is available against drafts in duplicate drawn at sight on us bearing clause "DRAWN UNDER IRREVOCABLE STANDBY LETTER OF CREDIT NO. _____ dated _____ with the following documents:

1. This Original Standby Letter of Credit
2. Beneficiary's Certification certifying the occurrence of default by **(Name of Seller)** covering shipment of **(Quantity and full Description of the Commodity & Contract Price)** and hereby draw 5% of the contract value in compensation

We hereby agree with you that drawings under and in compliance with the terms of this credit shall be duly honored on due presentation to us.

All claims must be submitted in writing to **(Name of Issuing Bank/Correspondent Bank & Full Address – Manila)** by **(Expiry date)** – 60 days from last date of vessel arrival) before 12:00 noon after which date the Standby L/C becomes null and void if irrespective of whether or not the original Standby L/C is returned to the bank for cancellation.

This Standby L/C is subject to Uniform Customs and Practice 500 for Documentary Credit (1993 Revision, ICC, Paris)

NAME OF ISSUING BANK

NAME & SIGNATURE OF AUTHORIZED OFFICER/S

(If L/C is issued by a foreign bank, it shall be confirmed and authenticated by a Universal or Commercial bank in Metro Manila)



MOISTURE CONTENT DETERMINATION (Air-oven Method)

I. Equipment/Materials Needed

1. Air-oven
2. Analytical Balance
3. Aluminum Dish
4. Crucible Tong
5. Desiccator
6. Scoop
7. Grease
8. Grinder
9. Sample Bottle

II. Procedure

1. Preparation of the test portion
 - a. Mix the representative samples thoroughly. Grind the samples and place it in a sample bottle.
2. Test Portion
 - 2.1 Place the aluminum dish in the oven, heat at $130^{\circ}\text{C} \pm 3^{\circ}\text{C}$ for 1 hour.
 - 2.2 Cool in a desiccator for 30 to 45 minutes before weighing.
 - 2.3 Repeat procedures 2.1 to 2.2 until the weight of the dish is constant.
 - 2.4 Weigh rapidly $5\text{ g} \pm 10\text{ mg}$ of the test sample in the dish.
3. Drying
 - 3.1 Place the dish with samples and without cover in the oven and heat for 2 hours at $130^{\circ}\text{C} \pm 3^{\circ}\text{C}$.
 - 3.2 Rapidly take the dish with sample out of the oven after 2 hours and place it in the desiccator. Cool the dish with the test sample for 30 to 45 minutes and then rapidly weigh.
4. Number of determinations

Carry out two trials on each test sample.
5. Expression of results

Compute for the results using the equation below:

$$\% \text{ Moisture Content (MC)} = \frac{\text{Weight Loss}}{\text{Weight of Sample}} \times 100\%$$

Weight Loss = Weight dish + cover + sample before drying – Weight dish+ cover + sample after drying



AGE DETERMINATION OF MILLED RICE STOCKS (Mixed Indicator Method)

I. Materials and Equipment

A. Glassware

Test tube with stopper	Measuring pipette (10 ml)
Glass stirrer	Volumetric pipette (1 ml)
Volumetric flask (50ml), amber colored	Volumetric pipette (2 ml)
Volumetric flask (100ml), amber colored	Volumetric pipette (10 ml)
Volumetric flask (200ml), amber colored	Beaker (50 ml)
Volumetric flask (500ml), amber colored	Beaker (250 ml)
Graduated cylinder (200 ml)	

B. Chemicals/Reagents

Methyl red, analytic reagent Grade	Ethyl alcohol, Absolute
Bromothymol blue, analytic reagent	

C. Apparatus, Equipment and Other Materials

Balance with 0.01 gram accuracy	Spatula
Test tube rack	Rubber aspirator

II. Procedure

1. Preparation of Stock Solution

Weigh 0.05 gram methyl red and 0.15 gram bromothymol blue. Dissolve the indicators in 75 ml ethyl alcohol and dilute to 100 ml with distilled water. Store in cool and dark place.

2. Preparation of pH Indicator as Working Solution



Take an aliquot of stock solution and dilute with distilled water in the volume ratio 1:50

3. Staining Method Using pH Indicator (Working Solution)

- 3.1 Weigh 5.00 grams of the milled rice samples
- 3.2 Place sample in test tube
- 3.3 Add 10 ml of pH Indicator
- 3.4 Mix the solution thoroughly for 1 minute
- 3.5 Note for the resulting color of solution

4 . Compare the results with the established color change of stained milled rice samples as follows:

Color Change of the Stained Milled Rice from 0 to 6 months

Age of Milled Rice (in month)	Color Change
0	green
1	avocado green
2	avocado green
3	yellow
4	yellow orange
5	Orange
6	Orange



PITC'S WAREHOUSE REGIONAL OFFICE _____

Date Prepared: _____

CERTIFICATE OF SAMPLING AND QUALITY INSPECTION REPORT

This is to certify that the sampling and quality inspection of bad order stocks were conducted on _____ with the hereunder information:

PARTICULARS	INFORMATION / DESCRIPTION
Vessel	
Variety Code	
Quantity (in Bags)	
REMARKS (Include cause and classification of damage, e.g. water or oil, partially or totally)	

Sampled and Inspected by:

PITC'S Warehouse Quality Control

SURVEYOR'S Representative

BUYER'S Quality Inspector

Witnessed by:

CARGO HANDLER Representative

Insurance Representative

Approved:

PITC Imports Manager



PITC'S WAREHOUSE REGIONAL OFFICE _____

Date Submitted: _____

Date Prepared: _____

LABORATORY ANALYSIS REPORT FOR BAD ORDER STOCKS

Laboratory Number : _____

Source Vessel : _____

Variety : _____

Quantity (Bags/Nkg) : _____

Laboratory Findings :

Recommendations :

Note: **Analysis was based on sample/s submitted.**

Analyzed by:

Certified Correct:

Laboratory Analyst

Warehouse Supervisor

PITC Quality Inspection Officer

Noted:

PITC Imports Manager



Annex E-3

PITC'S WAREHOUSE REGIONAL OFFICE _____

Date: _____

CERTIFICATION OF INFESTATION

This is to certify that results of the quality inspection and sampling conducted, during the unloading operation at the warehouse, showed signs of insect infestation on rice stock deliveries. This rice cargo is from M/V _____ which is part of the 2020 Imported Rice Shipment under the **300,000 MT** thru **Government-to-Government Scheme**, received and documented as follows:

A. WAREHOUSE : _____

B. WHSE. SUPERVISOR II : _____

C. PARTICULARS:

WAREHOUSE	BAGS	NET KG	PILE NO.	VESSEL/ HOLD	VARIETY	CONDITION (if possible, specify number of insect/s found per 3 kg of sample and species identification)
TOTAL						

This is in compliance with Article XII Item #13, 1, 15, 16 it is understood that all expenses to be incurred in the fumigation of the infested rice stocks shall be for the Seller's account.

Certified by: _____
PITC's Warehouse Quality Assurance Officer

Noted by: _____
PITC Quality Inspector

Witnessed by: _____
Surveyor Representative
Insurance Company

Cargo Handler Representative



PITC'S WAREHOUSE REGIONAL OFFICE _____

**LABORATORY ANALYSIS REPORT FOR IMPORTED
MILLED RICE DELIVERIES**

Name of Warehouse : _____
 Quantity in Bags (Warehouse Allocation) : _____
 Name of Vessel : _____

Quality Parameters	Contract Specifications (25 % Broken)	Result of Analysis	Remarks
Whole Kernels (min. %)	40.00		
Broken (max. %)	25.00		
Damaged Grains (max. %)	1.50		
Yellow/Discolored Grains (max.%)	1.50		
Chalky Kernels (max. %)	8.00		
Immature Kernels (max. %)	1.00		
Red Kernels (max. %)	5.00		
Foreign Matter (max. %)	0.20		
Weed Seeds and other Crop Seeds (max. no. per 1,000 g)	35.00		
Paddy (max. no. per 1,000 g)	25.00		
Moisture Content (max. %)	14.00		
Milling Degree	Well-Milled (1 - 14)		
Age of Stocks	Not more than four (4) months old from the date of milling	Broken:	
		Headrice/ Whole Kernels:	
		Mixture:	

Note: Size of Broken: <0.50 of the whole kernel or <3.2 mm in length

Analyzed by: _____
 Warehouse Quality Assurance Officer Date: _____

Certified Correct: _____
 Warehouse Provincial Standards Quality Assurance Officer Date: _____

 PITC Quality Inspector Date: _____

Conformed: _____
 Surveyor's Representative Date: _____



PITC'S WAREHOUSE REGIONAL OFFICE _____

**LABORATORY ANALYSIS REPORT FOR IMPORTED MILLED RICE
DELIVERIES WITH DISPUTE
(Second Representative Sample)**

Name of Warehouse : _____
 Quantity in Bags (Warehouse Allocation): _____
 Name of Vessel : _____

QUALITY PARAMETERS	CONTRACT SPECIFICATIONS (25% BROKENS)	RESULT OF ANALYSIS		REMARKS
Whole Kernels (min. %)	40.00			
Brokens (max. %)	25.00			
Moisture Content (max. %)	14.00			
Milling Degree	Well-Milled (1 - 14)			
Age of Stocks	Not more than four (4) months old from the date of milling	Brokens:		
		Headrice/ Whole Kernels:		
		Mixture:		

Note: **Size of Brokens: <0.50 of the whole kernel or <3.2 mm in length**

Joint Analysis Conducted by:

 Laboratory Analyst

 Surveyor / Surveyor's Representative

Witnessed by:

 Warehouse Provincial Standards
 Quality Assurance Officer

 Surveyor's Representative

Certified Correct:

 PITC Quality Assurance Inspector



COMPANY NAME AND LOGO
Address

CERTIFICATE OF FUMIGATION

Certificate No.: _____

SHIPPER:
CONSIGNEE:
NOTIFY PARTY:
DESCRIPTION OF GOODS:
PACKING:
BAG MARKINGS:
QUANTITY:
NAME OF VESSEL:
B/L NO.AND DATE:
PORT OF LOADING:
PORT OF DISCHARGE:

We certify that the rice cargo has been fumigated in accordance with the requirements and procedure with the following information required by the PITC'S Terms of Reference (TOR):

PLACE OF FUMIGATION
TYPE OF FUMIGANT USED
(phosphine-based or methyl bromide):
METHOD OF APPLICATION
(bags/sachets/tablet/cylinder):
ACTUAL DOSAGE APPLIED:
DURATION OF FUMIGATION:
Date Started:
Date Completed:
DURATION OF EXPOSURE (no. of days):
GAS CONCENTRATION READINGS:

Phosphine-based (parts per million)	Methyl bromide (parts per million)
Twenty-four (24) hours (1 st day):	Twelfth (12 th) hours:
Third (3 rd) day:	Twenty-four (24) hours:
Sixth (6 th) day:	Thirty-six (36) hours:
-	Forty-eight (48) hours:

We further certify that the fumigation standard procedure was supervised by the SELLER'S appointed surveyor.

Printed Name and Signature
Authorized Fumigation Service Provider

CERTIFICATE OF SACK CONFORMANCE
(Woven Polypropylene (WPP) Sack's Testing Result)

This is to certify that the brand-new woven polypropylene (WPP) empty sacks of the

(Manufacturer's name with its logo/acronym)

used to pack the imported rice and its 1.5% spare brand-new empty sacks, passed the required PITC's Technical Specifications, as follows:

Parameters	Specifications	Testing Result
1. Size (mm) Length Width	1,000 – 1,040 550 – 570	
2. Weight (g) (min.)	110	
3. Bursting Strength kPa (min.)	1,725	
4. Tensile Strength, N (min.) One Way Other Way	393 344	
5. Mess Count/Fabric Count (min.) One Way Other Way	12 11	
6. Seaming (min.) Turned Edges (mm) Stitching Depth from the bottom edge (mm) No. of stitches per decimeter	25 10 12	
7. Color of the Sack	White	
8. Color of the Stripes	Red for 25% Broken	
9. Cohesiveness	The weaving should have twisted yarns to prevent slippage	

Surveyor/Surveyor's Authorized Representative



**Standard Format of CCDR
NATIONAL FOOD AUTHORITY**

Place of Disport/Region

CONSOLIDATED CERTIFICATE OF COMPLETE DELIVERY RECEIPT

ANNEX H

VESSEL:		DATE ISSUED:	
B/L NO.:		PORT OF DISCHARGE:	
QTY (In MT)		Actual Date of Arrival:	
1. Quantity Received at Warehouse			

WAREHOUSE	QUANTITY RECEIVED				REMARKS
	GOOD STOCKS	BUSTED & REBAGGED AS GOOD STOCKS	TOTAL GOOD STOCKS		
	NMT	BAGS	NMT	BAGS	
WHSE 1					
WHSE 2					
TOTAL GOOD QUALITY STOCKS					
BAD ORDER STOCKS	QUANTITY				
	NMT	BAGS			
Bad Order Stocks					
TOTAL					
MTS RECEIVED	PCS				
BRAND NEW					
USED IN REBAGGING VESSEL LOOSE BAGS					
UNUSED BRAND NEW MTS					
EMPTY ORIGINAL BAGS					

QUANTITY DUE FOR PAYMENT		TOTAL (In MT)
Total Good Stocks (Qty. due for payment)		
Bad Order Stocks		
TOTAL STOCKS		
QUANTITY PER BL		
Shortanded Stocks		



II. DUTIES, EXPENSES AND PENALTIES (to be deducted from payables to Seller)			
VESSEL:		DATE ISSUED:	
B/L NO.:		PORT OF DISCHARGE:	
QTY (in MT)		Actual Date of Arrival:	
		QTY (in Bags):	
	QTY (MT)	AMOUNT (US\$)	Sample Illustration (1. Duties) 1.1 Bad order Stocks on board vessel QTY x CIF Price x 35% 10 MT x US\$417.72/MT (CIF-25% Bkns) x 35% 1.2 Variance/Spillages QTY x CIF Price x 35% 12 MT x US\$417.72/MT (CIF-25% Bkns) x 35%
1. Customs Duties For Bad Order Stocks			
2. Customs Duties For Variance/Spillages			
Quantity (MT) x CIF Contract Price in US\$ (per Commercial Invoice) x 35% (Customs Duty Rate)			
SUB-TOTAL			
4. BAD ORDER STOCKS	Amount (in PHP)		Sample Illustration (2. Bad Order Stocks in Warehouse) Date of CCDR Preparation: Aug 20, 2017 Forex: US\$1.00=PhP50.00 Source of FOREX (Phil. Star newspaper- Aug. 20, 2017) Expenses: Handling (Standard Cost) = PhP _____ Storage (Standard cost x no. days)= PhP _____ Others (Standard Cost) = PhP _____ Sub-total = PhP _____ Translating to US\$ using the FOREX stated above: Sub-total = US\$ _____
Expenses:			
Handling			
Storage fee			
Others			
SUB-TOTAL			
Forex: US\$ = PhP (source)			
<i>The value derived in PhP shall be converted to US\$ using the Foreign Exchange rate of the day before the date of the CCDR preparation stating the source (newspaper, online rate i.e BSP, www.pdex.com.ph)</i>			
5. PENALTIES FOR NON-CONFORMING IMR DELIVERIES			
Quality Parameters:			
Whole Kernels			
Broken			
Moisture Content			
Milling Degree			
SUB-TOTAL			
6. Non-Provision of empty sacks equivalent to 1.5% of the total volume/shipment			Sample Illustration (6. Non-provision of empty) Lacking no. of empty sacks out of the required 1.5% of the total volume x price/empty sack plus 30% of the total For a shipment vol. Of 100,000 bags, tot. No. of 1.5% empty sacks is 1,500. Supplier only provided 900 empty sacks. Penalty is (600 empty sacks x prevailing price of empty sack) + 30% (600 empty sacks x prevailing price of empty sack) P8,700 + 2,620= P11,310.00 (US\$ 1 = P50.00) US\$ 226.20
7. GAFTA 122 PENALTY*			
TOTAL			
* GAFTA 122 Penalty - Penalties for shipments that arrive beyond the stated arrival period in the contract. It shall be computed and forwarded by GMOD to concerned disport.			
Certified true and correct:			
Prepared by:		Warehouse Supervisor	
Authorized Staff		Provincial Manager	
Certified true and correct as to the weight, quantity and quality:			
Representative, Cargo Handler		Representative, Surveyor	
Representative, Insurer			



II. DUTIES, EXPENSES AND PENALTIES (to be deducted from payables to Seller)			
VESSEL:		DATE ISSUED:	
B/L NO.:		PORT OF DISCHARGE:	
QTY (in MT)		Actual Date of Arrival:	
		QTY (in Bags):	
	QTY (MT)	AMOUNT (US\$)	Sample Illustration (1. Duties) 1.1 Bad order Stocks on board vessel QTY x CIF Price x 35% 10 MT x US\$417.72/MT (CIF-25% Bkns) x 35% 1.2 Variance/Spillages QTY x CIF Price x 35% 12 MT x US\$417.72/MT (CIF-25% Bkns) x 35%
1. Customs Duties For Bad Order Stocks			
2. Customs Duties For Variance/Spillages			
Quantity (MT) x CIF Contract Price in US\$ (per Commercial Invoice) x 35% (Customs Duty Rate)			
SUB-TOTAL			
4. BAD ORDER STOCKS	Amount (in PHP)		Sample Illustration (2. Bad Order Stocks in Warehouse) Date of CCDR Preparation: Aug 20, 2017 Forex: US\$1.00=PhP50.00 Source of FOREX (Phil. Star newspaper- Aug. 20, 2017) Expenses: Handling (Standard Cost) = PhP _____ Storage (Standard cost x no. days)= PhP _____ Others (Standard Cost) = PhP _____ Sub-total = PhP _____ Translating to US\$ using the FOREX stated above: Sub-total = US\$ _____
Expenses:			
Handling			
Storage fee			
Others			
SUB-TOTAL			
Forex: US\$ = PhP (source)			
<i>The value derived in PhP shall be converted to US\$ using the Foreign Exchange rate of the day before the date of the CCDR preparation stating the source (newspaper, online rate i.e BSP, www.pdex.com.ph)</i>			
5. PENALTIES FOR NON-CONFORMING IMR DELIVERIES			Sample Illustration (6. Non-provision of empty) Lacking no. of empty sacks out of the required 1.5% of the total volume x price/empty sack plus 30% of the total For a shipment vol. Of 100,000 bags, tot. No. of 1.5% empty sacks is 1,500. Supplier only provided 900 empty sacks. Penalty is (600 empty sacks x prevailing price of empty sack) + 30% (600 empty sacks x prevailing price of empty sack) P8,700 + 2,620= P11,310.00 (US\$ 1 = P50.00) US\$ 226.20
Quality Parameters:			
Whole Kernels			
Broken			
Moisture Content			
Milling Degree			
SUB-TOTAL			
6. Non-Provision of empty sacks equivalent to 1.5% of the total volume/shipment			
7. GAFTA 122 PENALTY*			
TOTAL			
* GAFTA 122 Penalty - Penalties for shipments that arrive beyond the stated arrival period in the contract. It shall be computed and forwarded by GMOD to concerned disport.			
Certified true and correct:			
Prepared by:		Warehouse Supervisor	Provincial Manager
Authorized Staff	Certified true and correct as to the weight, quantity and quality:		
	Representative, Cargo Handler	Representative, Surveyor	Representative, Insurer



**PENALTY TABLE FOR NON-CONFORMING IMPORTED
MILLED RICE DELIVERIES**

The Penalty Table for non-conforming rice deliveries for the 300,000 MT, 25% brokens, well-milled long grain white rice importation thru Government-to-Government procurement scheme.

PARAMETERS (Quality of IMR based on Lab. Analysis)	PENALTY (US\$ PMT)
Brokens	
0.1 - 5.0% above 25.0% (25.1 to 30.0%)	10.80
5.1 - 10.0% above 25.0% (30.1 to 35.0%)	21.60
Whole Kernels	
0.1 - 5.0% below 40.0% (35.0 to 39.9%)	0.41
5.1 - 10.0% below 40.0% (30.0 to 34.9%)	0.82
Moisture Content	
0.1 - 0.5% above 14.0% (14.1 - 14.5%)	0.00581 x Contract Price
0.6 - 1.0% above 14.0% (14.6 - 15.0%)	0.01163 x Contract Price
1.1 - 2.0% above 14.0% (15.1 - 16.0%)	0.02326 x Contract Price
2.1% and above 14.0% (16.1% - above)	0.04651 x Contract Price
Milling Degree, % Bran Streaked Kernels	
1.0 - 5.0% above 14.0% (15.0 - 19.0%)	0.02 x Contract Price
6.0 - 10.0% above 14.0% (20.0 - 24.0%)	0.04 x Contract Price
11.0 - 15.0% above 14.0% (25.0 - 29.0%)	0.06 x Contract Price
16.0 - 20.0% above 14.0% (30.0 - 34.0%)	0.08 x Contract Price
21.0 - 25.0% above 14.0% (35.0 - 39.0%)	1.00 x Contract Price
26.0% and above 14.0% (40.0% and above)	1.02 x Contract Price
Age of Stocks	
5 months	4.00 x Total Volume in MT
6 months	8.00 x Total Volume in MT

Note:

US\$____: Average **rate of change per % brokens** computed based on the price quotes of the different rice exporters

US\$____/MT: Average price of 25% Brokens used as basis in the computation of age of stocks

Source: Average price quotes of Long Grain White Rice posted by _____, _____, 2020.



PENALTY TABLE FOR VIOLATIONS ON SACK-RELATED PROVISIONS

The Penalty Table for violations on sack-related provisions for the 300,000 MT, 25% broken, well-milled long grain white rice importation thru Govt.-to-Govt. procurement scheme.

CONDITIONS	PENALTY
1. No Certifications was issued on the sacks used in packing rice stocks and the 1.5% free empty sacks as to its conformance to PITC technical specifications	(Total number of bags received at warehouse + the 1.5% free empty sacks) x the prevailing price of empty sack of PITC technical specification*
2. No Certification was issued on the sacks used in packing rice stocks as to its conformance to PITC's technical specifications.	Total number of bags received at warehouse x the prevailing price of empty sack of PITC technical specification*
3. The number of free empty sacks provided by the seller is less than the 1.5% of the total quantity (bags) loaded.	(Lacking number of empty sacks x prevailing price of empty sacks*) + 30% of the computed amount of the lacking empty sacks
4. The 1.5% free empty sacks came from a different manufacturer and no certification is issued as to its conformance to PITC technical specifications.	1.5% free empty sacks equivalent to the total quantity loaded x the prevailing price of empty sack of PITC technical specification*
5. The provided 1.5% free empty sacks are not enough to re-bag the busted bags. The seller shall provide additional empty sacks of the same technical specifications with corresponding penalty	Busted bags in excess of 1.5% free empty sacks x the prevailing price of empty sack of PITC technical specification*

*Prevailing price of empty sacks of PITC technical specification as of bidding date



Annex K



PHILIPPINE INTERNATIONAL TRADING CORPORATION

RECEIVING REPORT

RR

Supplier

Date

Delivery Receipt No.

P.O. No.

Received the following items:

Location

Product Code	Quantity	Unit	PRODUCT DESCRIPTION	For Accounting Use Only	
				Unit Code	Total

REMARKS:

- Purchased by PITC for Full Partial Delivery
- On consignment for Full Partial Delivery
- Free samples
- Others, Specify

Received by :

Inspected by :

Approved by :

CERTIFICATE OF ACCEPTANCE

DATE: _____

I HEREBY CERTIFY TO HAVE ACCEPTED EACH AND EVERY ARTICLE DELIVERED/SERVICE RENDERED BY _____ LISTED IN THE ATTACHED INVOICE NO. _____ DATED _____ WHICH HAS BEEN INSPECTED AND WAS FOUND TO BE IN ACCORDANCE WITH THE SPECIFICATIONS STIPULATED PER PURCHASE ORDER NO. _____ DATED _____

Signature over printed name
HEAD OF AGENCY OR AUTHORIZED REPRESENTATIVE

DISTRIBUTION: White Bond - Accounting, Pink - Accounting, Green - Requisitioner, Yellow - Warehousing, Blue - COA